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About The Report

• G4-17, G4-18, G4-20, G4-21, G4-22, G4-23, G4-28, G4-29, G4-30, G4-32

Tüpraş, the heart of Turkey, continues to lend its support for the country's economy by creating sustainable added value besides introducing leading practices. Corporate responsibility reporting studies that comply with the GRI standards are among these leading practices undertaken, which have gone on without any interruption since 2008 as far as Tüpraş is concerned. Issued for the fifth time this year, the corporate responsibility report seeks to inform all our stakeholders including our employees, investors, customers, suppliers, business partners, trade unions, media and NGOs on the company's management approaches pursued regarding environmental, social and economic areas; organizational properties, operations, performance outcome besides the expectations about the period ahead.

As far as corporate responsibility reporting studies undertaken by Tüpraş in line with its transparency and accountability principles are concerned, the most important change introduced in 2013 has been the upgrading of the level of implementation to the GRI G4 reporting guidelines, the latest version released by the Global Reporting Initiative (GRI). Unless stated otherwise, all the data covered by the report comply with the "core" level requirements of the GRI G4 Reporting Guidelines and are disclosed accordingly. While the performance specifications reported are fundamentally based on the GRI G4 indicators, the requirements set by the United Nations Global Compact Progress Report are also taken into consideration and, in addition to that, certain performance assessment criteria acknowledged by the sector in general are also implemented in an effort to provide a more comprehensive and holistic analysis regarding a number of performance areas.

In line with the annual reporting cycle launched last year, the data covered by the Tüpraş 2013 Corporate Responsibility Report are based on the operating cycle of a calendar year beginning on 1 January 2013 and ending on 31 December 2013. However, in order to enable readers to compare performances, the data from previous reporting periods are also mentioned.

The scope of the report is limited to the Tüpraş refining operations. Hence operation and performance results of the Tüpraş refinery businesses are covered by the report while the data regarding various stakeholder groups such as suppliers and business partners are covered whenever necessary. The performance data from Opet Petroleum Corporation and Ditaş, both subsidiaries of Tüpraş, are not covered by the report and just general introductory information is presented about those two companies with a view to illustrate a holistic framework. Due to the financial reporting guidelines observed, only the financial data from the subsidiaries are included in the Tüpraş performance figures.

In the periods ahead, Tüpraş seeks to continue its reporting studies on an annual basis in line with the GRI G4 standards core implementation level. Former Tüpraş corporate responsibility reports and information as to Tüpraş corporate responsibilities studies are available on www.tupras.com.tr.

Message From The Chairman

● G4-1, G4-2

Dear Stakeholders,

Global economic growth is estimated to have turned out to be 3%, lower than the previous year, for 2013 while the growth rates of the developing countries, which are highlighted as the driving force of growth in the aftermath of the 2008 crisis, also slowed down. Although the fact that Turkish economy grew by around 3.5% to 4% during that period is regarded as a positive development, various domestic developments in Turkey also led to a rise in the concerns held for the Turkish economy.

In spite of the decline in consumption, regional competition rose due to the increase of the products entering the Mediterranean region, which in turn led to a decline in refining profitability. Meanwhile the pipelines that were introduced, sanctions imposed on Iran and on-going instability in Iraq reduced the cost advantages involved in processing crude oil. As for Turkey, the general trends in the domestic fuel market in recent years continued in 2013 while the most significant change observed was the fact that the decline in gasoline consumption came to a halt. According to the data released by the Energy Market Regulatory Authority (EMRA), diesel consumption rose by 7.2% during the year and turned out to be 16.8 million tons in total while gasoline consumption rose by 1.3% despite the high tax difference and reached 1.9 million tons in total. Meanwhile the declining trend in fuel oil consumption continued, and the rise in the popularity of the airline transport led to a 6.5% rise in jet fuel consumption.

Tüpraş sold 7.76 million tons of diesel with a market share of 46%, and 1.8 million tons of gasoline with a market share of 97% in 2013 while its total product sales amounted to 24.1 million tons. The company came to enjoy 41.1 billion TL in turnover- 4.1 billion USD of which stemmed from exports-, and also made 1.2 billion TL in profit. Although Tüpraş failed to realize certain short-term financial goals during the year, the performance of the company remained higher than the sector average and a number of crucial steps were taken with a view to strengthening the competitive position of Tüpraş even further and guaranteeing its future. For instance, within the scope of the 2.7 billion USD worth Residuum Upgrading Project to be finished in 2014, 99.6% of the engineering studies were completed as of the end of 2013 while the material manufacturing progress reached 99.9%, site operations progress reached 75.7% and the overall project progress reached 91.3%.

Having entered the Corporate Governance Index formed in 2007 with a rating of 7.91, Tüpraş eventually managed to upgrade its rating to 9.34 in 2013 thanks to its governance model developed through modern principles. Moreover, in the 7th International Corporate Governance Summit orga-

nized by the Corporate Governance Association of Turkey, the aforementioned rating enjoyed led Tüpraş to receive the award given to the company with the third highest rating on the Borsa İstanbul (BIST) Corporate Governance Index while Tüpraş also won the first prize in the Board of Management section, which is one of the four main categories comprising the aforementioned corporate governance index rating, thanks to 9.78 rating enjoyed in this specific category.

Having focused its studies to combat climate change on energy efficiency, Tüpraş continued its studies going on for many years about energy efficiency during the reporting report. Within the scope of these studies, energy consumption amount in the last 5 years was reduced by over 25,000 TJ, which also led to over 1.7 million tons of CO₂e reduction. As a result, the energy consumption level per crude oil processed in 2013 went down by 16% when compared with 2012 and reached 3.21 GJ/Ton. What is more, the technical infrastructure and know-how we have come to boast through our large-scale R&D investments realized in recent years have resulted in reducing the environmental impact from fuel products, especially emission. The reporting period will also be remembered as a year when we achieved significant developments in R&D, one of the main aspects driving our sustainable growth. Having been ranked 14th in 2011 in terms of R&D on the list composed over the official statements of companies in Turkey, Tüpraş managed to come 9th in 2012 on the same list with 32.5 million TL worth of R&D spending made in total for all the aforementioned studies.

Occupational health and safety are among the essential aspects we could never make compromises about. As part of the HSEQ Administration System, the Hazard and Effects Management Process identifies and managed the hazards posed by all the operations for producing services and products within Tüpraş, including the operations of contractors. Thanks to those efforts, the accident frequency rate was reduced to 1.1 in 2013. The Process Safety Management System study to be completed in 2016 will introduce a Process Safety Management System composed of 22 main chapters and will improve our refining process safety levels even further.

Just like it has always done in the past, Tüpraş is determined to continue producing sustainable value for Turkey in the future too through its day by day increasing competitive power, operational as well as financial success. For the trust they hold in as well as their commitment to Tüpraş, we would like to thank all our stakeholders, especially our suppliers and business partners, who have contributed to the success Tüpraş has come to enjoy.

Ömer M. Koç
Chairman



Message From The General Manager

● G4-1, G4-2

Dear Stakeholders,

Due to the global developments and on-going economic crisis, the year we left behind turned out to be a volatile one. The weak demand for oil in Asian and European countries caused the Mediterranean product prices to decline besides imposing a negative impact on the profitability of the refining sector in our region. In 2013, a year also marked by a significant decline in heavy oil price advantage as a result of the sanctions imposed on Iran and the new pipelines established over Asia, Tüpraş managed to increase its capacity utilization rate to 79.1% thanks to the production and sales optimization studies undertaken and also produced 21.2 million tons of saleable products.

During the reporting period we continued to strengthen our financial and operational performance too in addition to our corporate governance performance. Having entered the BIST Corporate Governance Index with a rating of 7.91, we maintained our leading position in 2013 and upgraded our rating to 9.34 points. Our rising trend in that aspect did not go unnoticed and won us two awards from the Corporate Governance Association of Turkey.

Tüpraş seeks to meet Turkey's need for petroleum products fully through a sustainable business model spread over social, environmental and economic areas. Aware of our responsibility, we undertake studies to improve our business processes and performance continuously. We keep contributing to Turkey's sustainable development by means of the products we develop besides our supply chain practices and projects for supporting social development. As a result, in 2013 we reinforced our success through the studies undertaken in the light of our sustainability priorities too.

During the period, our studies for and investments in combatting the climate change, one of the main focus areas for the refining sector, went on. Within the scope of the Climate Change Strategy and 2020 Greenhouse Gas Strategic Plan not only did we continue our studies for calculating and reducing greenhouse gas emission but also participated in a number studies organized by official authorities and NGOs as part of the EU harmonization efforts. Thanks to the efficiency studies we held during the year, we reduced energy consumption by 2,841 TJ and the amount of emission generated by 189 thousand tons of CO₂e therefore limiting the energy consumption per crude oil processed to 3.21 GJ/Ton. Meanwhile lending our support for the development of forested land, we planted 6,635 trees.

Through our R&D studies we aim to strengthen sustainable profitability, competitive position of our company besides product efficiency and properties. Our studies focused on developing alternative fuel technologies and products with lower environmental impact go on. In 2013 our efforts to that effect continued through projects mainly composed of product development and process optimization including 12 TEYDEB approved projects, two EUREKA projects as well as an ARDEB 1003 project and an EU FP7 approved project. Moreover we ranked 26th on the Turkish Patent Institute List of Companies with the Highest Number of Local Patent Applications through our 19 patent applications, 12 of which were made in 2013, in total. The R&D Centre we completed during the period will enable Tüpraş to turn into a know-how production centre providing accredited services for the countries in the Middle East and Central Asia.

During the reporting period we also continued to improve our occupational health and safety processes. The improvement studies covering our related internal company as well as international standards and systems in addition to the contractor operations, we succeeded in reducing the accident frequency rate from 1.5 in 2012 to 1.1 in 2013.

Apart from developing our operational performance, we also maintain our support for meeting the expectations and needs of the community we operate in. Backed by voluntary participation of our employees, in 2013 we undertook many social development projects mainly in the fields of education, health, sports, culture, fine arts and environment while providing 25.56 million TL in donations and sponsorship for projects undertaken by various organizations.

In a year like 2013 marked by tough challenges in the sector due to the volatility in the global economy, Tüpraş proved to be successful in continuing to produce lasting values for our stakeholders. We now would like to thank our employees, who add precious values to the studies we did in line with our main goal of contributing to the sustainable development of Turkey; our suppliers and business partners, who lend their support for our corporate responsibility journey through their committed efforts; our customers, investors and shareholders for making us powerful through the confidence they have in us.

Respectfully,

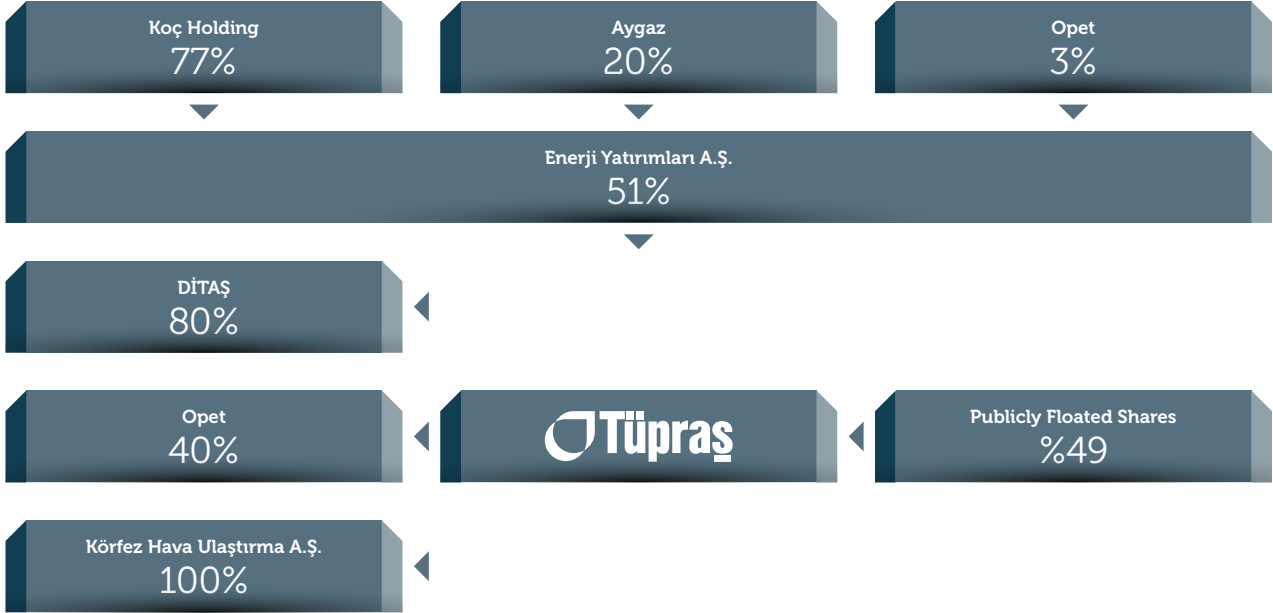
Yavuz Erkut
General Manager



Tüpraş By Highlights

📍 G4-6, G4-7

Tüpraş Partnership Structure

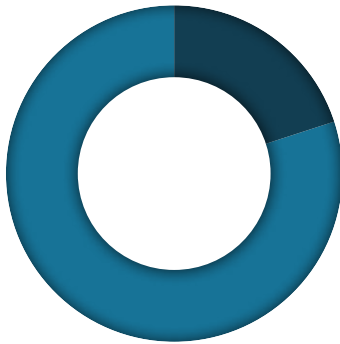


G4-8

Capital Structure

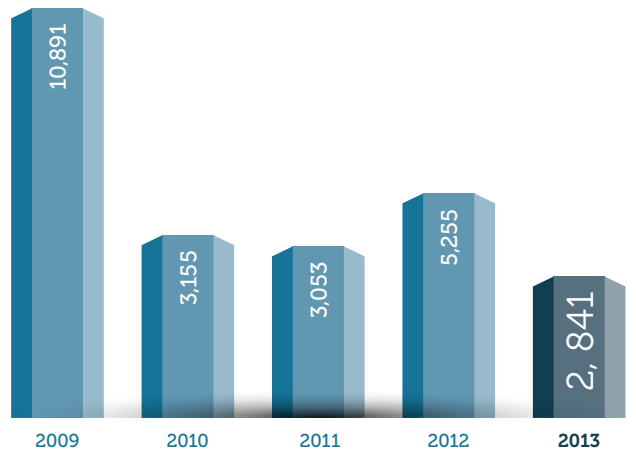
Group	Shareholder	Value (TL)	Type	Number of Shares
A	Enerji Yatırımları A.Ş.	127,713,792.22	Registered	12,771,379,222
A	Other Partners (Publicly Floated Shares)	122,705,407.77	Registered	12,270,540,777
C	Privatization Administration	0.01	Registered	1
Total		250,419,200.00		25,041,920,000

Total Sales (million tons - %)

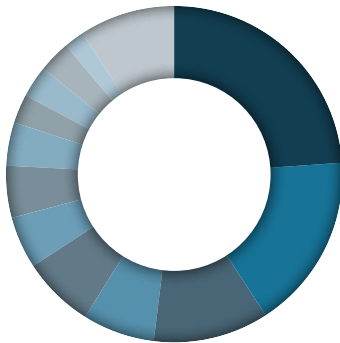


■ Product Exports **4.8, 20%** ■ Domestic Sales **19.6, 80%**

Energy Saved through Energy Efficiency Projects (TJ)

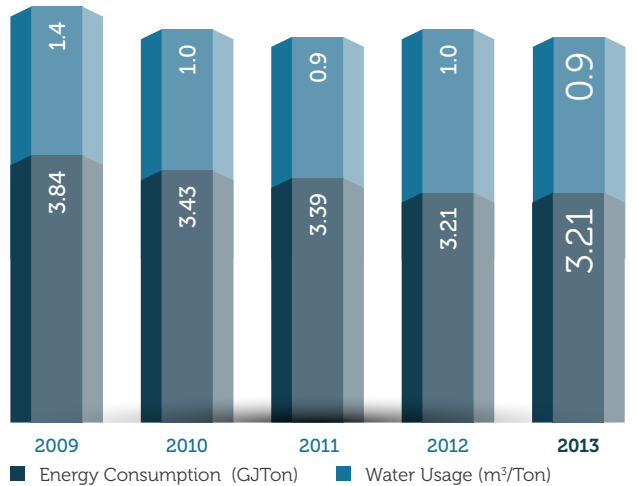


Exports By Country (%)



■ Egypt %24 ■ Jordan %4
 ■ Malta %17 ■ Singapore %3
 ■ UAE %11 ■ Algeria %3
 ■ Spain %7 ■ Italy %3
 ■ TRNC %7 ■ Republic of South Africa %2
 ■ Netherlands %5 ■ Others %9
 ■ Gibraltar %5

Resource Usage Trend per Product



■ Energy Consumption (GJ/Ton) ■ Water Usage (m³/Ton)

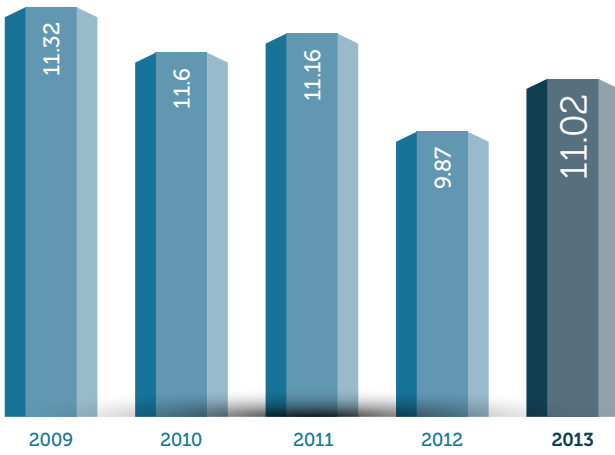
Tüpraş By Highlights

Afforestation Studies

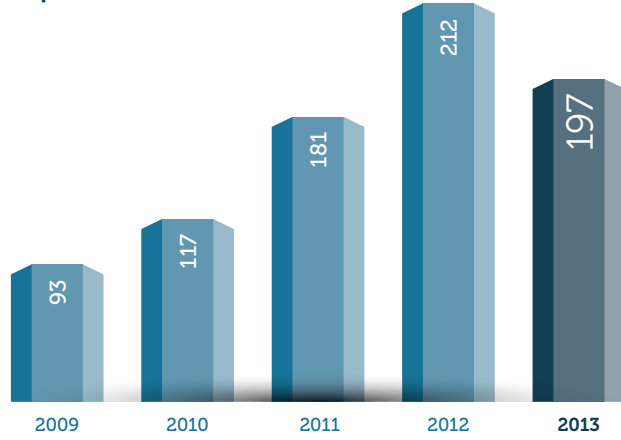
	2009	2010	2011	2012	2013
Number of Saplings Planted	10,272	3,383	14,158	8,836	6,635
Reduction in CO ₂ Emission (tons) ⁽¹⁾	3,390	1,116	4,672	2,916	2,191

(1) The calculations are based on the TEMA Foundation Karbonmetre Software accepting that 0.33 tons of emission is offset by every tree planted www.tema.org.tr

Total Amount of Water Recovered (million m³)



Environmental Investment and Operational Expenditure (million TL)

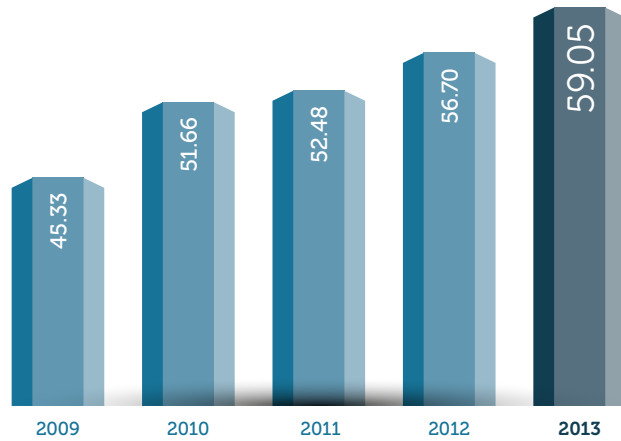


Total Trainings (man*hours)



- Environmental Trainings 46.418, %28
- OHS Trainings 82.533, %49
- Other Trainings 39.010, %23

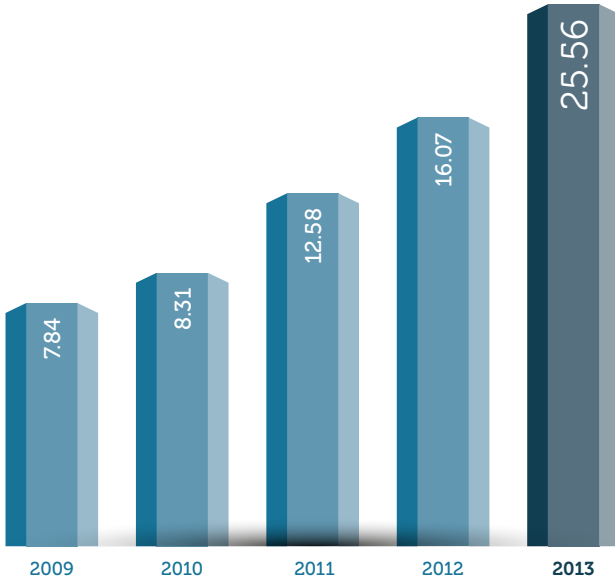
Local Procurement Ratio (%)





Tüpraş By Highlights

Donations and Sponsorships (million TL)



OPET

Opet, 40% of which belongs to Tüpraş, is involved in retail, commercial and industrial sales besides storage and international product trading while also operating in mineral oils and jet fuel areas through its subsidiaries. Boasting the largest storage capacity in the Turkish fuel sector with its 1.1 million m³ storage capacity, Opet provides a significant logistics advantage for Tüpraş, which benefits from those facilities in its product sales.

Having increased the number of its stations to 1.356 in 2013, Opet continues to expand its distribution network. With its 19.1% market share in white products and 13.34% market share in black products, Opet maintains its second largest fuel distribution company position in Turkey regarding the both product groups. Opet, which accepts ensuring customer satisfaction as a fundamental principle, was placed at the very top of the Customer Satisfaction Index for its sector in 2013 for the 8th time.

Focusing on social responsibility is part of its corporate culture, Opet has undertaken many successful projects including "Respect for History", "Green Roads", "Exemplary Village" and "Clean Toilets". In 2013 Opet also launched "Traffic Detectives" project in an effort to develop traffic awareness among children. Detailed information on the corporate social responsibility of Opet Petroleum is available through the corporate social responsibility reports published on the website www.opet.com.tr.

DİTAŞ

Founded in 1974 to procure, order building of or rent tanker ships in different tonnages and qualities for domestic and international marine transportation of crude oil and petroleum products, Deniz İşletmeciliği ve Tankerciliği A.Ş. (Ditaş), 79.98% of which belongs to Tüpraş, has expanded its operation areas in years. Providing shipping line operation, brokering/ship renting, tugboat, supervision and agency services, Ditaş conducts crude oil operations in line with the needs of Tüpraş while it uses its own tankers in addition to the tankers it rents on time and voyage basis according to the needs of Tüpraş and other suppliers as far as petroleum product transportation is concerned.

Ensuring great operational and cost advantages for Tüpraş, Ditaş transported 6.4 million tons of crude oil and 3.1 million tons of petroleum products in 2013. The entire crude oil transportation operations and 32.4% of the petroleum products transportation were completed in line with the needs of Tüpraş. In 2013 Ditaş transported 64.9% of its total product transportation on behalf of THY Opet and 2.7% of its total product transportation on behalf of other distribution companies.

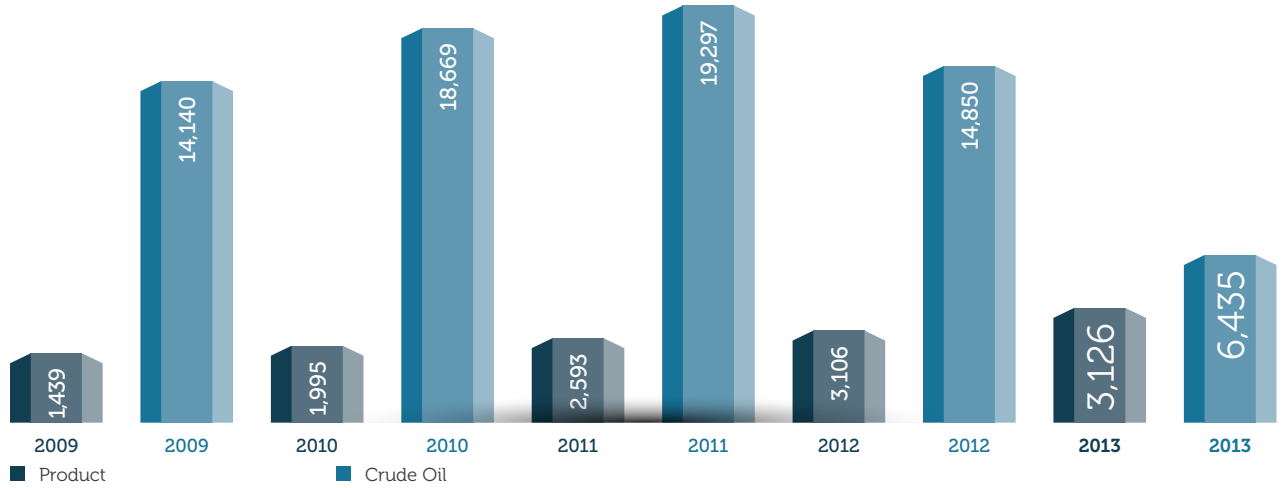
Ditaş boasts ISO 9001:2008 Quality Management System and ISO 14001:2004 Environmental Management System for its HQ and vessels; in addition to ISM (International Safety Management) and ISPS (International Ship and Port Facility Security Code) certificates for its vessels. What is more, Ditaş also has the TMSA 2 (Tanker Management Self Assessment) system, which is considered an important reference in terms of tanker management, and is required to be implemented by petroleum companies. Ditaş vessels are inspected by member organizations of the OCIMF Sire System and their compliance levels are measured. İzmit and İzmir terminals are accredited according to the ISO 9001-2008 Quality Management System certificates. Moreover Ditaş managed to be the 11th company to obtain the International Standard for Maritime Pilot Organizations (ISPO) certificate following the accreditation of the İzmir terminal for this certificate. Ditaş is also a member of KALDER and TURMEPA associations.

Apart from the freight operation captain provision service provided for enhanced safety during the operations of the ships arriving at Ditaş marine terminals, Ditaş performs conformity checks on those arriving vessels to ensure that they comply with the international norms and Tüpraş standards. The results of those checks are then reported to Tüpraş. In that respect, 108 vessels received inspection and 139 vessels received load transportation captain services in 2013 at İzmit and İzmir terminals.

Ditaş Tankers

	M/T Cumhuriyet	M/T T. Sevgi	M/T T. Gönül	M/T T. Suna	M/T T. Leyla
Tanker Type	Crude Oil	Petrol/Chemical	Petrol/Chemical	Petrol/Chemical	Petrol/Chemical
Year Built	2001	2008	2009	2012	2011
Slop Tank Capacity	4,443 m ³	406.4 m ³	413.4 m ³	1,019.36 m ³	141.4 m ³
Cargo Tank Capacity	173,759 m ³	12,247 m ³	12,224 m ³	52,925 m ³	7,209 m ³
DWT	164,859 ton	10,983 ton	10,873 ton	51,532 ton	6,297 ton
GRT	84,476 ton	7,318 ton	7,318 ton	29,754 ton	4,225 ton
Net Tonnage	53,710 ton	3,651 ton	3,651 ton	14,116 ton	2,047 ton
Length	274,18 m	131.85 m	131.85 m	183.31 m	121.62 m

Amount Of Crude Oil And Products Shipped (thousand tons)



Tüpraş By Highlights



İzmit Refinery

- ↳ Established in : **1961**
- ↳ Refining Capacity : **11 million tons**
- ↳ Storage Capacity : **2.20 million m³**
- ↳ Capacity Utilization Rate : **85.2%**
- ↳ Nelson Complexity : **7.78**
- ↳ Number of Employees : **1,763**

(million tons)

	2009	2010	2011	2012	2013
Production	7.7	8.5	8.9	9.4	8.9
Sales	9.9	9.9	10.9	11.6	10.7

With its capacity of processing 11 million tons of crude oil annually in Euro V standards, İzmit Refinery is located at the very heart of the consumption centre consuming approximately 33% of the total petroleum products in Turkey. Boasting a Nelson Complexity Index of 7.78, the refinery is among the most developed refineries in the Mediterranean Region. Once the Residuum Upgrading Project has been completed, the Nelson Complexity Index of the refinery will rise to 14.5.



İzmir Refinery

- ↳ Established in : **1972**
- ↳ Refining Capacity : **11 million tons**
- ↳ Storage Capacity : **1.92 million m³**
- ↳ Capacity Utilization Rate : **77.1%**
- ↳ Nelson Complexity : **7.66**
- ↳ Number of Employees : **1,267**

(million tons)

	2009	2010	2011	2012	2013
Production	6.9	68.5	8.2	8.6	8.1
Sales	7.9	8.7	8.9	9.4	8.8

Boasting an annual refining capacity of 11 million tons of crude oil, İzmir Refinery is capable providing products in line with the EU norms. The refinery enjoys competitive advantage thanks to its high complexity rate, connection to open seas and market location in a tourism region.



Kırıkkale Refinery

- ↖ Established in : **1986**
- ↖ Refining Capacity : **5 million tons**
- ↖ Storage Capacity : **1.23 million m³**
- ↖ Capacity Utilization Rate : **67.4%**
- ↖ Nelson Complexity : **6.32**
- ↖ Number of Employees : **872**

(million tons)

	2009	2010	2011	2012	2013
Production	2.8	2.7	2.9	2.98	3.19
Sales	2.8	2.9	3.1	3.4	3.8

Boasting an annual refining capacity of 5 million tons of crude oil, Kırıkkale Refinery has become one of the mid-level complexity refineries in Mediterranean standards thanks to the unit investments made. With a Nelson Complexity of 6.32, Kırıkkale Refinery has the largest fuel truck filling capacity in Turkey too. Connected to oil sources and other Tüpraş refineries, the refinery enjoys significant logistic advantage thanks to its close location to terrestrial markets, for which it can provide products in compliance with the EU standards.



Batman Refinery

- ↖ Established in : **1955**
- ↖ Refining Capacity : **1.1 million tons**
- ↖ Storage Capacity : **228,000 m³**
- ↖ Capacity Utilization Rate : **92.1%**
- ↖ Nelson Complexity : **1.83**
- ↖ Number of Employees : **463**

(thousand tons)

	2009	2010	2011	2012	2013
Production	614	873	910	942	982
Sales	871	957	992	1.110	808

Boasting an annual refining capacity of 1.1 million tons of crude oil, Batman Refinery is the very first refinery established in Turkey. Enjoying the advantage of being closely located to local crude oil resources, the refinery is also connected to foreign crude oil resources through a pipeline. The refinery ensures competitive advantage by providing the East and Southeast Anatolian markets with products from İzmit and Kırıkkale Refineries complying with the EU standards besides its own production.

Economic Overview



Provision of refining products plays an important role for maintaining a healthy economy. As the leading refining company in Turkey, Tüpraş carries the great responsibility of meeting fuel need of Turkey in accordance with customers' demands. Aware of this strategic responsibility, Tüpraş acts accordingly and works to meet the needs for the petroleum products of the country fully so that the country's economy could develop. As a leading company respecting values in environment and life, Tüpraş not only contributes to industrial development but also improvement of the quality of life.

International developments, situation of the local oil and energy markets have a direct impact on the operations of Tüpraş, the production operations of which are based on refining crude oil that is directly linked to global economic and geopolitical developments. Observing the related developments closely with a risk and opportunity based approach, Tüpraş seeks to ensure meeting the needs of Turkey for petroleum products from local resources as much as possible while at the same time maintaining its operational and financial success and increasing the value-added it generates for the country's economy. In a period when many refining companies are suspending their production and are closing down in Japan and Europe besides the Mediterranean Region partly due to the impact from the global economic crisis, Tüpraş keeps making investments for a wealthier Turkey.

Developments in The Petroleum Market

The refining sector profitability in the region has been closely affected by factors such as the demand for petroleum products in the Asian countries, which are regarded as the engine of global demand, turned out to be rather on a horizontal level for the medium distillate layers as well as the weak performance shown by the Mediterranean product prices when compared with the oil prices due to the weak demand for products in Europe. In this volatile environment Tüpraş maintained its performance over the sector average and took significant steps that will not only guarantee the future of the company but will also strengthen its competitive position.

Global Outlook

Discovery of new reserves along with new investments ensure that oil keeps its significance as a strategic product. When the shares of primary energy resources in global energy consumption are analysed, oil stands out with the largest share, 33.4%, among the primary energy resources. Although other energy resources for industrial and domestic heating have replaced oil, it still remains as the basic energy resource for the transportation sector. According to a study held by OPEC, transportation sector accounted for 57% of the total oil consumption in 2010 and the share of the transportation sector in the demand for oil is estimated to reach 60% in 2034. The data therefore show that oil will remain important in the near future for the transportation sector. Global demand for oil rose by 1.4% in 2013 when compared with 2012 and reached 91.3 million barrels in total.

	2010-2011	2011-2012	2012-2013
Change in Global Crude Oil Demand	0.7%	1.2%	1.4%
Change in Global Crude Oil Supply	1.5%	2.5%	0.7%



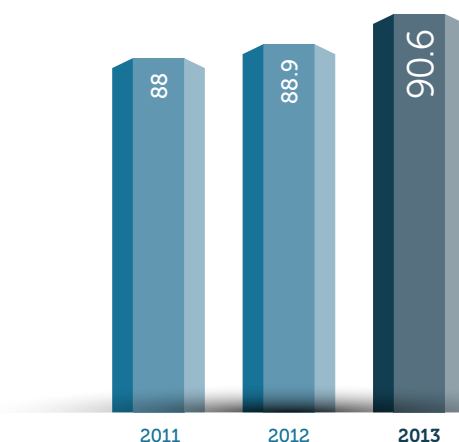
In 2013 OPEC members accounted for 40.3% of the oil supply and the OPEC oil supply went down by 2 million barrels/day when compared with 2012. As far as non-OPEC members are concerned, the oil supply of the OECD member countries rose by 5.4 million barrels/day due to the oil supply in North America and that amount corresponded to the 22.9% of the total oil supply. As far as the oil supplied by the non-OPEC and non-OECD member countries are concerned, the oil supplied rose by 0.3 million barrels/day when compared with 2012. As a result of all that increase in supply, global crude oil supply rose by 0.7% in 2013 and reached 91.5 million barrels/day.

Crude oil Brent price started around 110 USD/barrel in 2013 and closed the Q1 period at around 107 USD but fell to 102 USD/barrel at the end of the Q2 period because of the rise in the USD exchange rate caused by the statement that the monetary expansion could slow down in the US as well as the fact that developed countries too began to suffer from economic weakness. In Q3 period oil prices rose to as high as 117 USD depending on the increasing geopolitical tension in the Middle East but turned out to be 110 USD at the end of the year when the chemical weapons problem in Syria was resolved through diplomacy, hesitation in the US whether to slow down the monetary expansion and the budget problem as well as the fruitful outcome of the nuclear talks between Iran and the P5+1 countries during the Q4 period.

Consolidation and closing down of the refineries in Europe and the US balanced the introduction of new refinery capacity increases introduced in Asia and the Middle East and the global refining capacity rose by 1.72 million barrels/day. This

production surplus capacity turned into 0.62 million barrels/day production deficit at the end of 2013. However, in an environment marked by a decline in demand in the Mediterranean Region, the fact that the US refineries produced at a higher capacity in 2013 increased the flow of diesel to our region while slowing down gasoline exports. During the year, the fact that the price of heavy oil relatively rose with the closing down of the difference between heavy and light crude oil prices, that global refinery outages for maintenance were fewer when compared with 2012 and therefore causing global additional production in addition to the insufficient economic recovery in Europe caused the refinery margins to go down. In 2013 the Mediterranean refinery margin went down by 2.54 USD in 2013 from 4.21 USD/barrel in 2012 and turned out to be 1.67 USD.

Global Refining Capacity (million barrels/day)



Economic Overview

Local Outlook

In 2012 total crude oil supply declined by 3.1% when compared with 2011 and turned out to be 21.20 million tons in 2013. 11% of the total supply came from local production while the remaining 89% was provided through imports.

(million tons)

	2010	2011	2012	2013	Değişim (%) 2012-2013
Crude Oil Supply	18.80	20.89	21.86	21.20	3.1
Petroleum Products Produced	19.55	20.90	22.12	21.57	2.5
Petroleum Product Imports	4.0	4.2	4.4	3.8	13.6
Petroleum Product Exports	4.8	5.2	5.9	4.8	18.6

Refineries in the Mediterranean Region were negatively affected by the WTI (West Texas Intermediate) crude oil price advantage throughout 2013. The price advantage distinguished the refineries in the US positively aside from the rest of the sector and the high capacity utilization rate led the US to be a net product exporter, especially as far as diesel was concerned. The fact that close to 50% of these products was delivered to Europe and Mediterranean Region made competition harder for the refineries in the Mediterranean Region. As a result of such volatility, Turkish petroleum products production fell by 2.5% in 2013 to 21.57 million tons. The decline in the amount of production was reflected as 13.6% decline on petroleum product imports when compared with 2012 and the imports turned out to be 3.8 million tons while petroleum products exports went down by 18.6% to 4.8 million tons.

Due to the volatility of the global oil prices, the pump prices of fuel in 2013 kept its place and significance on the agenda of the public. Brent oil price rose by 2.5% when compared with 2012 and maintained its rising trend. This volatility in crude oil prices also affected the Mediterranean markets and therefore the product prices in Turkey. Gasoline pump price before taxes rose by 11.4% on TL basis and diesel pump price before taxes rose by 9.6%. In spite of the increase in product prices, the on-going dieselisation trend caused the diesel gas consumption to continue. In 2013 the total diesel types (diesel and diesel other) consumption went up by 6.8% reaching 20.1 million m³ while gasoline consumption remained on the same level as the previous year for the first time in recent years. Total gasoline consumption in 2013 rose by 0.2% when compared with 2012 and reached 2.5 million m³. LPG Autogas consumption, which was 4.8 million m³ in 2012, rose by 2% in 2013 and turned out to be 4.9 million m³.

Total automotive fuels consumption rose by 5.1% when compared with the same period in the previous year and turned out to be 27.4 million m³. The share of diesel in automoti-

ve fuels went up while the share of gasoline types and LPG Autogas went down. Although the share of LPG Autogas in automotive fuels declined, its consumption approximately reached two times higher than the consumption of gasoline and accounted for the 17.8% of the total automotive fuels market. As far as black products are concerned, fuel oil and heating oil consumption maintained its declining trend due to the spreading of the use of natural gas in the natural gas market. Heating oil consumption went down by 28.6% and reached 114 thousand tons while fuel oil consumption fell by 21.2% and turned out to be around 420 thousand tons.

Total fuel consumption rose by 5% in 2013 and turned out to be 19.1 million tons. Total fuel consumption of Turkey rose in 2007 and 2008 significantly but fell in 2009 and 2010. This decline is caused by various reasons including the reduction in the consumption of black product following the introduction of natural gas, negative impact from the global crisis in 2009 besides the negative effect imposed by the impure fuel use on diesel consumption under the name No.10 mineral oil.

In 2013 smuggled fuel operations went on. Although the measures taken and regulations introduced the amount of smuggled fuel significantly, ending the problem for good requires elimination of the reasons for smuggling. Suggestions such as lowering the taxes on fuel to reasonable levels and replacing the special consumption tax (ÖTV) with tax refunds are proposed as solutions. Moreover, National Marker and automation practices have yielded positive results in preventing smuggled fuel sales. However, legal regulations identify smuggled fuel only according to the National Marker amount in per product unit. As for the automation practices regulations, they do not clearly distinguish the responsibilities between the producer and distributor, which are two different legal entities completely. Therefore the shortcomings in these practices are regarded important problems for producers and distributors. Sector organizations continue making

recommendations and their studies for introducing additional criteria to the legal regulations with a view to preventing illegal operations undertaken under names such as No.10 mineral oil.

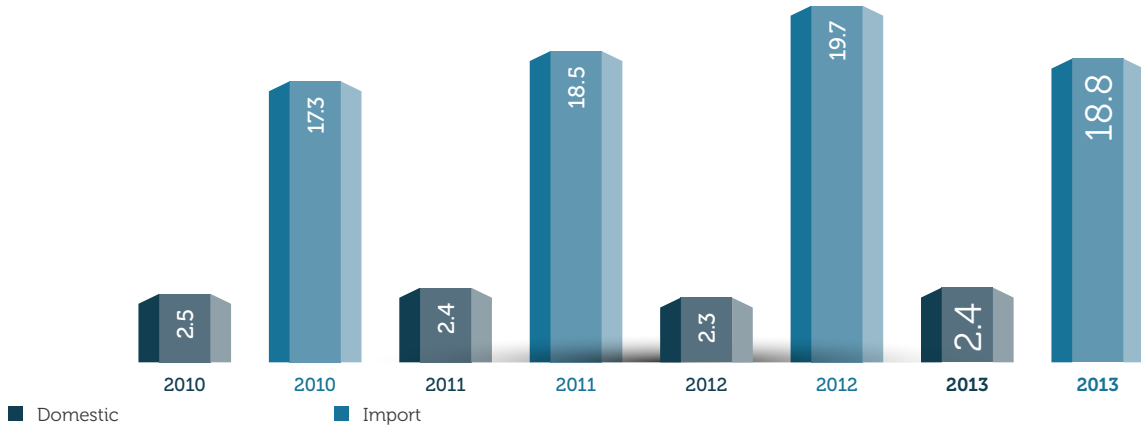
In line with the communiqué issued by Energy Market Regulatory Authority (EMRA) in September 2011, at least 2% bioethanol derived from the locally grown agricultural products began to be added to the gasoline as of 1 January 2013 and the bioethanol addition will increase to 3% in early 2014. Having said that, this responsibility will probably not be fulfilled completely due to the fact that the content of the oxygen in the gasoline provided by the refineries is close to the maximum levels stated by the standards, problems encountered in measurements upon the addition of the National Marker and supply restrictions faced by the companies with distributor licenses that do not have their own storage facilities.

In Turkey the total amount of the indirect taxes received from the fuel sector maintained its rising trend. During the year the indirect taxes derived from fuel products went up by 17.6% and reached 60.1 billion TL when compared with the previous year.

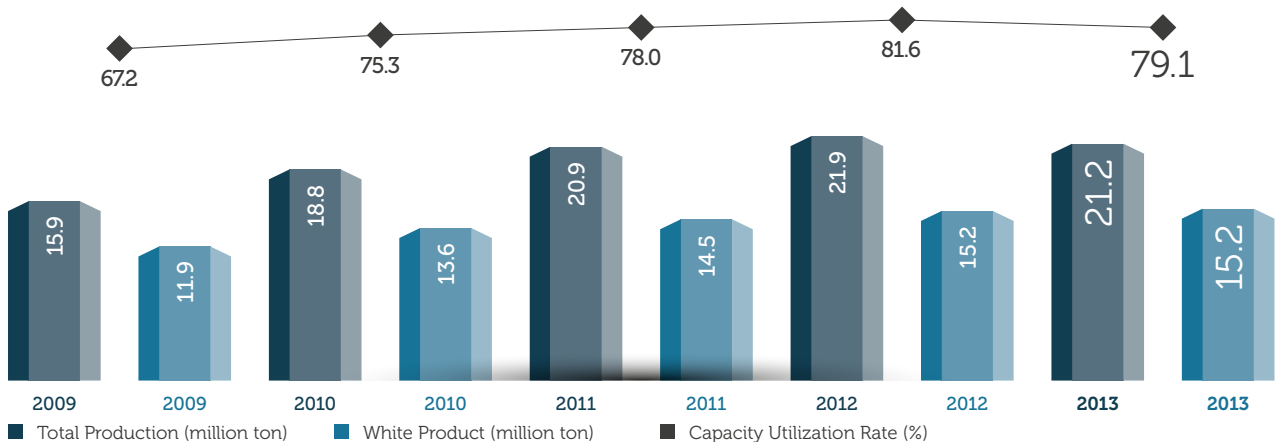
Providing the quality products it produces over the country's demand for the international markets, Tüpraş expanded its exports and customer portfolio in parallel with the changes in the conjecture in 2013. When the domestic market contracts due to economic and market conditions, exporting products of demand surplus helps production and stock costs go down besides providing a natural protection mechanism against foreign exchange risks. In 2013 crude oil provision from abroad declined by 4.5% to 18.8 Mtons while domestic crude oil provision rose by 4.3% to 2.4 Mtons.

The Position of Tüpraş in the Market

Crude Oil Supply (million ton)



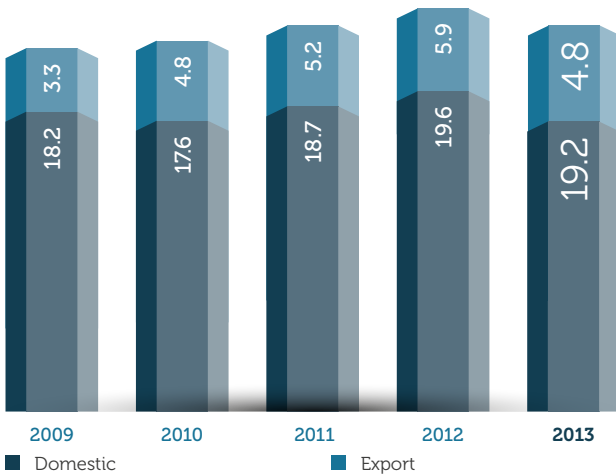
Production



Economic Overview

In 2013 21.6 million tons of crude oil and 671 thousand tons of semi-finished products amounting to 22.3 million tons of charge in total was fed into the units and the capacity utilization rate turned out to be 79.1%. Due to low exports profitability, production went down by 3.2% in 2013 and turned out to be 21.2 million tons. Thanks to the efficient use of the transformation units, white product efficiency reached 72.4%.

Net Sales (million ton)



With 19.2 million tons of domestic sales and 4.8 million tons of product exports, the total sales amount of Tüpraş reached 24.1 million tons. Maintaining its customer-oriented strategy, Tüpraş reached a market share of 46% in diesel sales and 97% in gasoline sales.

Customer Satisfaction

Tüpraş continues its operations in line with a customer-oriented approach and undertakes customer experience improving practices. In that respect the essential commitments of Tüpraş include the highest quality product and services for customers, constant improvement of products and services, treatment of all customers equally and fairly. Held at periodic intervals, "Customer Satisfaction Survey" is planned to be implemented for the entire product groups in 2014 by the Tüpraş General Directorate Sales Directorate.

In line with the feedback received from customers during the reporting period, "Stakeholder Reporting System" was revised. In addition to that, "LPG Customer Information Guide" was prepared in 2013 as a sequel to the "Customer Information Guide" project introduced for fuel customers in 2012. Featuring summary information about Tüpraş refine-

● G4-15, G4-27

ries, products and processes, the document is prepared in a way to show the way for customers in various aspects from Tüpraş business culture to all the sales processes including how to place a demand and be a customer as well as billing processes. So far "Customer Information Guide" has been completed for fuel and LPG customers. In the periods ahead, it is expected to be released for other product groups too. Moreover, first the Customer Portal and then the CRM Portal are planned to be revised with a view to improving the infrastructure for the internet-based applications and practices.

Contributing to Local Economy

Tüpraş plays a vital role for Turkey's economic development through its product supplies, value chain it creates, technologies it developed and many other operational aspects in direct and indirect ways. It also plays a significant role in local economic development as the largest industrial enterprise in Turkey.

Business Continuity

Business continuity of Tüpraş means on time and full provision of petroleum products required by the Turkish economy. For that purpose, Tüpraş ensures its business continuity by means of sophisticated risk assessment and performance management systems as well as constant improvement studies conducted.

A number of variables ranging from market conditions, product demand and product portfolio efficiency projections to refinery configuration and raw material supply are assessed through diverse decision support systems and then those decisions are implemented accordingly during the planning process. Short, medium and long-term production goals are set in the light of different scenarios analysed while necessary investment and operational plans are materialized with a view to reaching the goals identified. Practices and investments seeking to ensure mechanical integrity and configuration development of the refineries are also realized for the safe and efficient implementation of those plans.

Besides the internally developed practices, Tüpraş complies with international quality and management system practices as well as business excellence models with a view to achieving standardisation in business processes, management systems and products. Tüpraş, draws up and executes improvement plans within the scope of ISO 9001, ISO 14001, OHSAS 18001, ISO 50001 within the scope of Integrated Management System. Products are produced according to the standards set by the related regulatory institutions and quality controls are performed by Tüpraş Laboratories having accreditation certificates. In 2013 the studies launched to comply with the ISO

50001 Management Standard, which is very important to energy companies, and ISO 27001 Information Security Management System Standards, which ensure the management of the confidentiality, integrity and accessibility of the information in a systematic approach, accreditations were completed.

As far as the continuity of Tüpraş operations are concerned, uninterrupted operational ability of its IT systems play a vital role. For this purpose; attention is given to creation of safe, flexible and supplementary IT infrastructures. Also, we employ competent workers that have the highest professional know-how and experience and we work with leading expert consultants if required.

Tüpraş continued its projects for improving its business processes integration and information flow in 2013 too. During the period two important projects about Cash Flow and External Procurement were completed and the systems began to be implemented. Apart from that, Tüpraş launched the "Management Information System" to ensure that the production data could be included in the management decisions more efficiently. The project analyses the information derived from refinery production processes constantly through complicated models established while verified information that is available for interpreting can be included in the management decisions with very short delay time. In addition, as a result of ongoing process improvement activities, the information infrastructure and projects can fully meet the corporate needs while information technologies performance will become available for being measured and reported in a detailed fashion.

Economic Area of Influence

Tüpraş contributes in direct and indirect ways to Turkish economy in many areas through its economic area of influence. Tax revenue accounts for the most conspicuous contribution among all these contributions. Direct and indirect tax revenues from Tüpraş operations constitute a significant portion of the total tax revenue collected by the Turkish state. In 2013 over 28 million TL was contributed to the Turkish economy through taxes and similar liability payments.

As of 2013, the total number of employees directly employed by Tüpraş reached 4,714, the majority of whom accounted for the local labour force. The number of employees recruited by

Supply Operations According to Source

	2013	
	Number of Files	Total Sum (million TL)
Domestic	8,923	214.5
Imported	813	158.2
Local Production	190	13.6
Total	9,926	386.3

companies acting as business partners of Tüpraş reached 613, who also took part in Tüpraş operations. When the supplier and distributor companies are taken into consideration, Tüpraş creates employment opportunities for tens of thousands of people through the value chain created as a result of Tüpraş operations. Besides employment of workers, Tüpraş also supports vocational training of the employees of its business partners as well as high school and university students through projects such as MLMM and MEGEP. In 2013, 373 high school and 919 university students enjoyed internship opportunities in Tüpraş within the scope of these aforementioned projects.

During the reporting period Tüpraş paid its 1,595 active suppliers 386.3 million TL in total for its procurement from them. Local procurement went up by 4% when compared with the previous year with 91.8% on file basis and 59.05% in total amount basis rates. Local producers making special production for Tüpraş accounted for 2% of the supply operations on file basis and 3.8% on total amount basis.

Regarding its suppliers as an indispensable part of the value chain it creates, Tüpraş attaches importance to establishing a close and fair form of communication with them. For that purpose, Tüpraş organizes acquaintance meetings for the suppliers in addition to the meetings organized at the refineries for them to be informed about the products at the related refinery units or informed about the latest developments in their areas of operation. What is more, Tüpraş seeks to fully meet mutual expectations in its business relations with the suppliers, organizes occupational trainings to assist suppliers in developing their occupational skills, conducts on-site inspections to examine working conditions and therefore supports its suppliers in their efforts to reach the identical norms implemented by Tüpraş. In 2013, 300 suppliers were inspected. Within the scope of the Supplier Satisfaction Survey held

	2010	2011	2012	2013
Tax and Similar Liability Payments (million TL)	19,941	24,147	26,643	28,607
Share of Payments in Turkish Central Administration Total (%)	7.85	8.16	8.01	7.35
Share of Payments in Total Tax Revenue of Turkey (%)	9.44	9.47	9.52	8.74

(1) The figures stated do not include crude oil, product and semi-finished product supply operations.

Economic Overview

once annually, 97.3% of the suppliers expressed their satisfaction about the relations established.

In 2013 Tüpraş transferred the central procurement processes to the electronic environment; so that tender processes are now more easily accessible, transparent and concluded faster.

R&D Studies

The basic principle of the Tüpraş R&D strategy lies in making a difference in products and ensuring self-sufficiency in the process. In that respect, Tüpraş seeks to develop and implement the Best Available Technology (BAT) practices in refining processes besides improving product specifications further in line with the long-term needs, sector expectations and the regulations to be introduced as well as developing new commercial products. Studies focused on reducing the environmental impact of refinery processes and developing alternative fuel technologies are regarded as areas of innovation specifically emphasized and provide Tüpraş with competitive advantage. In 2013, Tüpraş carried out 16 R&D projects approved by national and international organizations.

Tüpraş manages the output enjoyed from the R&D projects within the scope of the intellectual property rights. In 2013 the simulation program developed upon the R&D project titled "Pollution Monitoring, Modelling, Simulation and Optimal Maintenance Planning of Exchanges and Reduction of Refinery Energy Losses" began to be implemented at the refineries. The product that came out after the project, HExMon, is on the path to becoming the first commercial product developed by Tüpraş. An international trademark registration application has been made for HExMon.

During the reporting period, we expanded the R&D working site in parallel with the growth in project and budget volume. Tüpraş R&D Centre, which will be completed in 2014, is planned to be expanded by three times and to be continued operating on a campus site of 12,950 m². With its affiliated laboratories and expert staff, we aim to turn the R&D Campus into a research centre that is engaged in international research.

Within the scope of its R&D strategy, Tüpraş attaches great importance to undertaking joint studies with universities, research centres and industrial organizations. Established in 2012 by Tüpraş in collaboration with Koç University, Energy Systems Development Centre – KÜTEM seeks to bring representatives of industry and faculty members together so that scientific studies could be undertaken on an international level and innovation projects could be produced regarding alternative energy fuels. Continuing its studies, the centre has enabled the scientific studies undertaken by Tüpraş about energy enriched by a scientific perspective.

Developing Alternative Fuels

Within the scope of the project going on under the supervision of Koç University, ethers with high content are obtained through glycerine etherification. When compared with other fuels, ethers are expected to reduce the emission of agents and particles harmful to the environment. The project seeks to identify the level the glycerol ethers produced as part of the project could be used as diesel additive. The most important difference distinguishing the project from the other studies in the literature is the use of the fractions obtained from Tüpraş units. Since it is a refinery-based study, the project will introduce a different aspect to the current studies.

Just like it did in the last year, in 2013 Tüpraş took on missions including the EU EUREKA Cluster for Low-Carbon Energy Technologies (EURAGIA+) Executive Board and Technical Committee membership, European Automotive Research Partners Association (EARPA) Work Group membership. In addition to the memberships, Tüpraş participated in Advanced Motor Fuels Platform (IEA) and European Asphalt Pavement Association (EAPA) studies. Moreover, the following projects undertaken by Tüpraş during the reporting period received the EUREKA level: "Development of Self-Repairing, Highly Durable Modified Asphalt with Low Maintenance Cost" and "Development of Refinery Optimization Model at High Efficiency".

Thanks to its 32.5 million TL worth R&D spending it did in 2012, Tüpraş ranked 9th on the Turkish R&D ranking in 2013. As for reporting period, it did 36.8 million TL worth R&G spending. Tüpraş R&D Centre received 36.8 million TL in incentives for the innovation projects focused on increasing efficiency in production processes to reduce environmental impact, eliminate harmful emissions and obtain new commercial products. During the reporting period Tüpraş published 27 national and international scientific articles while applying for 12 patents. As of late 2013, the total number of patent applications made by Tüpraş amounts to 19.

Development of Boron-Doped Hydroprocessing Catalysts

Within the scope of the project approved in 2013, we achieved analysing the material and efficiency features of catalysts by adding the boron material, one of our country's natural resources, to the catalysts used in the hydroprocessing reactions.



Environmental Overview

Environmental approach of Tüpraş is shaped by ensuring resource efficiency; minimizing emission, waste and any other environmental impact potential caused by production processes; reducing the environmental impact of products and maintaining compliance with legal regulations. As the leading refining company in Turkey, Tüpraş works to meet the needs of Turkey for petroleum products and help future generations lead a quality life.

Environmental Directorate under the General Directorate of Tüpraş is responsible for the environmental management policy of Tüpraş. Energy Management Directorate is responsible for the issues about energy management, which is of critical significance in terms of the sector Tüpraş operates in. Environmental Management Units and Energy Managers bear that responsibility at the refineries. Environmental management of Tüpraş rests on systems based on risk analysis and shaped by internal as well as international standards implemented without compromise. Results of our practices and performance are always monitored and covered by internal supervision process. Moreover, environmental practices and performance of Tüpraş are subject to inspections carried out by the Ministry of Environment and Urbanization, related authorized institutions and independent organizations as well as the Koç Group Environmental Supervision process. The systems monitored that way and the results obtained are crosschecked and evaluated by many institutions within the company and outside the company.

All Tüpraş operation facilities comply with the ISO14001 Environmental Management System Standard and ISO 50001 Energy Management System Standard certificate while regularly continuing accreditation studies. Efficient calculation criteria formed for efficient monitoring of the energy consumption and greenhouse gas emissions, which account for the essential environmental impact area of the company, are actively implemented at all Tüpraş production facilities.

Environment Awards Received by Tüpraş Refineries
In a competition organized by the metropolitan municipality members of the Health Cities of Turkey Association, İzmir Refinery won the Environmentally-Friendly Facility Award. At the awards ceremony organized by the Aegean Region Chamber of Industry, the refinery received the first prize in the Best Environment Practices category thanks to its Base Oils Complex Modernization project providing significant reduction in the emission values released to the atmosphere as a result of the switching from Fuel Oil to natural gas. At

the same ceremony, İzmir Refinery also won the second prize in the Environmental Corporate Social Responsibility Award category for its Happy Waste - Packaging Waste Decomposition Project at Aliğa started to separate packaging waste and help recycling them.

As for Batman Refinery, it won the Cleanest Industry Award in the competition organized by the Ministry of Environment and Urbanization.

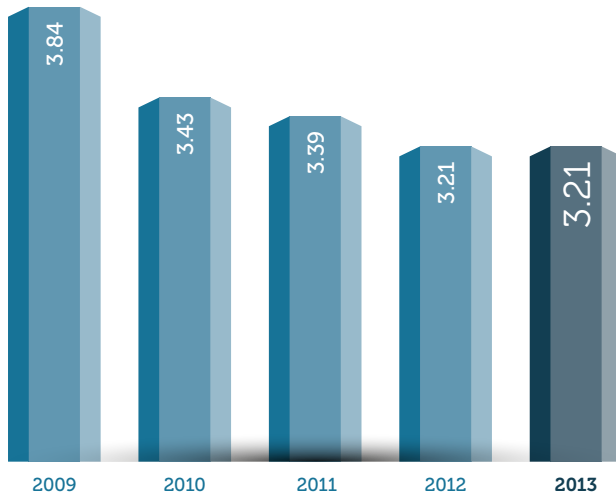
Energy and Climate Change

Despite the promising developments regarding renewable energy and alternative energy resources, the projections made imply that the dependency on conventional fuels will continue in the future in parallel with increase in the world population. Meanwhile climate change, as one of the most important problems faced by the companies operating in environment sector, poses many risks to the refining sector. Depending on the increase in emission amounts, the impact of the climate change rises and in turn this creates a number of challenges throughout the value chain. It is a fundamental responsibility for the refinery companies to prefer climate friendly technologies in their production processes and product portfolio for in the future they will have to manage even more challenging environmental, legal, financial and social risks. Aware of its responsibilities, Tüpraş conducts energy efficiency studies to reduce greenhouse gas emissions from production processes; implements environmentally friendly technologies and practices to reduce greenhouse gas emissions from operational processes; and invests in product specifications along with R&D studies to reduce greenhouse gas emissions from product consumption processes.

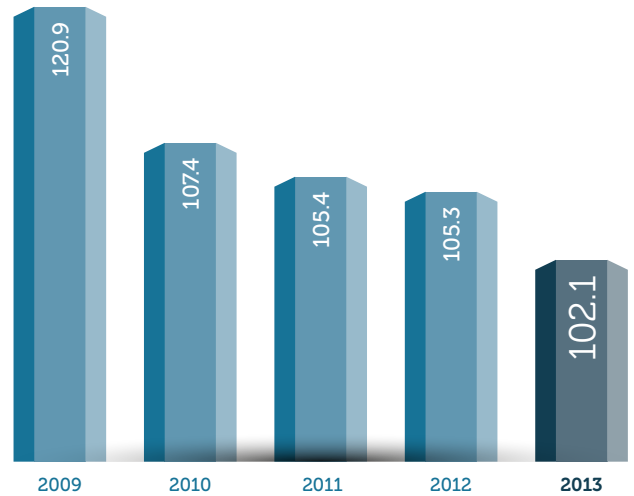
Energy Management

Energy consumption in refining operations, which is a whole energy-intensive production process, as well as the emission values depending on that energy consumption, are directly influenced by the changes in the amount of the crude oil processed. So Tüpraş energy management seeks to refine more crude oil through less energy and emission thanks to efficiency improving studies undertaken. As a result of such studies for efficiency, the environmental impact stemming from production is reduced while a positive influence over profitability is also created.

Energy Consumption Per Crude Oil Refined (GJ/Ton)



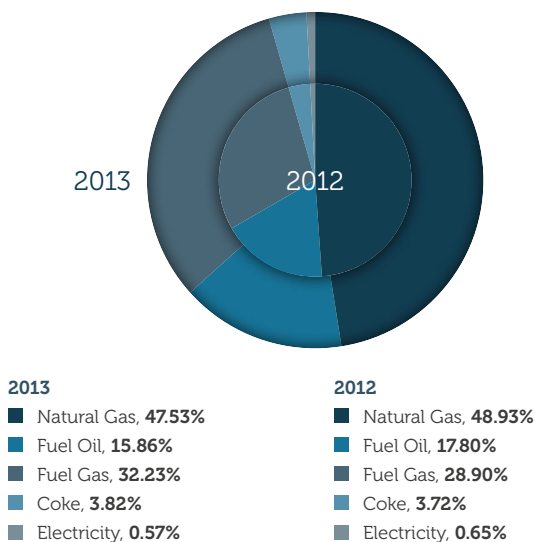
Tüpraş EII Performance



As a result of the efficiency studies undertaken, and also in parallel with the 2.5% decline in the amount of crude oil refined, Tüpraş enjoyed 2.7% improvement in total energy consumption in 2013 when compared with 2012. In the reporting period operations, the total energy consumption amounted to 69,147 TJ, 68,752 TJ of which was composed of direct and 395 TJ of which was composed of indirect consumption. While the energy consumption per crude oil refined turned out to be 3.21 GJ/Ton, Tüpraş Solomon Energy Intensity Index (EII) value fell from 105.3 to 102.1.

Land road transportation accounts for the largest stake in the logistics operations of Tüpraş fuel products between the refineries and the sales terminals. Tüpraş prefers railway transportation too since they provide safer transportation without creating land road traffic while helping reduce energy consumption and emission generation. In that respect in 2013 328,665 tons of products, which correspond to 11% of the total logistics operations, were transported through railways.

Energy Use By Source (%)



Environmental Overview

Energy Efficiency Projects

	Number of Projects	Energy Saved (GJ)	Emission Saved (ton CO ₂ e)
2009	52	10,891	542,253
2010	65	3,155	308,600
2011	92	3,053	316,955
2012	97	5,255	348,173
2013	40	2,841	189,019

Energy Efficiency Projects

Energy efficiency projects are the most fundamental method used by Tüpraş to enhance operational performance as well as reducing the greenhouse gas remissions. In 2013 Tüpraş materialized 40 energy efficiency projects in total focused on opting for energy efficient equipment in business processes, undertaking process improvements and preventing energy loss. As a result of those projects, energy consumption was reduced by 2,841 TJ and greenhouse gas emissions declined by 189,019 tons of CO₂e.

Saving Energy through Membrane Systems

The conventional systems with high steam consumption at the İzmit Refinery were replaced by membrane systems established by the Tüpraş engineers. As a result, during the reporting period energy consumption went down by over 293 thousand GJ and greenhouse gas emission by 12,446 tons of CO₂ therefore saving 5.8 million TL on costs on an annual basis.

New Gas Turbine Project

A new gas turbine and waste heat boiler facility with additional ignition besides efficient cogeneration systems for generating electricity at İzmir Refinery. The project saves annually over 553 thousand GJ on energy consumption and 23,469 tons CO₂ on greenhouse gas emissions.

Thermal Integration Project

In 2013 thermal integration project was introduced to Kırıkkale Refinery. Thanks to the project, annually over 410 thousand GJ energy and 11,145 tons of CO₂ are saved while annual cost savings amount to 6.7 million TL.

Green IT

Tüpraş reduces environmental impact stemming from information technology systems through its Green IT practices. During the reporting period, studies were undertaken to increase efficiency in the server room and implement virtual server practices. Moreover, use of paper was reduced by producing, using and keeping of documents in an electronic environment.

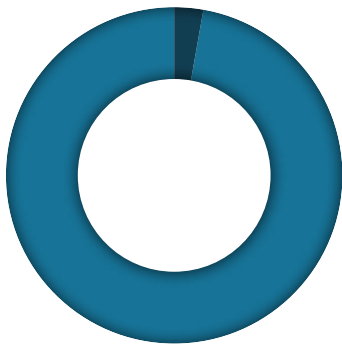
Water Management

Water is a resource used much in refining operations. Tüpraş adopts a responsible approach in the use of water, which is essential to its operations. Within the scope of its approach to water management and its practices for efficiency and water recovery, Tüpraş seeks to reduce the use of fresh water use as well as the amount of wastewater generated, improve the quality of the water discharged to a level even higher than the norms quoted by the regulations and undertakes studies to that effect. As a result of these studies, Tüpraş not only increases its operational efficiency but also avoids any negative impact on the biodiversity value of the water resources and natural receiving environment.

During the reporting period water consumption improved by 9.5% in the basis of all refineries and the total amount of water consumption amounted to 19 million m³. Per product water consumption level fell by 10% and turned out to be 0.95 m³/ton. While surface water resources accounted for 97% of the raw water drawn, the remaining 3% need was met through the municipal water. During the reporting period underground water resources were not used at all.

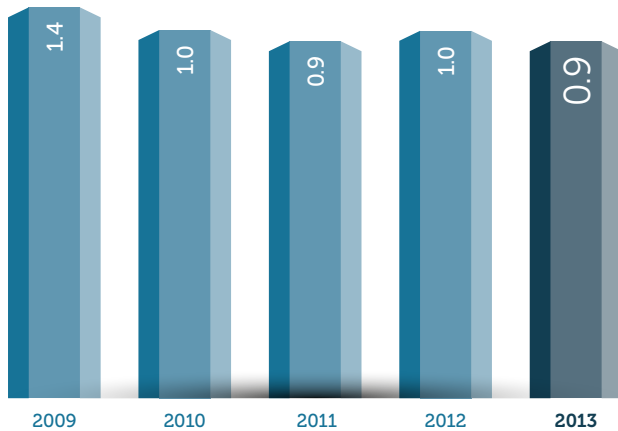
Water recovery practices also went on during the reporting period. As a result of these studies, the total amount of water recovered and used in the Tüpraş operations amounted the 36.3%. The total amount of water recycled turned out to be 11 million m³.

Water Use Ratio by Source

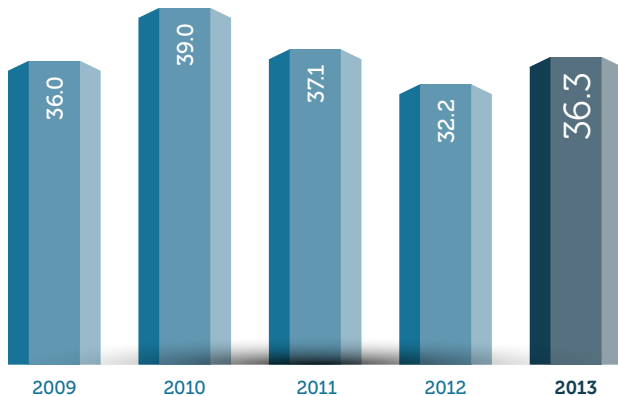


■ Municipal, 3% ■ Surface, 97%

Water Consumption per Product (m³/ton)



Ratio of Recycled Water in Total Water Consumption (%)



Batman Refinery Wastewater Balance Tanks Project

Wastewater balance tanks project was developed to reduce the UOB emissions generated by the wastewater treatment units and the construction of the project began. Thanks to the project, the water delivered to the wastewater system will first be received by the balance tank; hence reducing the UOB emissions besides ensuring waste oil recovery.

Water recovery is the most essential practice for limiting raw water consumption values. Introduction of new practices and investments in wastewater treatment facilities play a significant role in enhancing water recovery performance. Thanks to such studies, the amount of water recovered, which could later on be used in production, increases while the wastewater discharged boasts a level of pollution load much lower than the limit values defined by the regulations before it is discharged to the receiving environment. During the reporting period Tüpraş refineries discharged 11.6 million m³ of wastewater to the receiving environments in line with the limit values set by the legal licenses issued.

Environmental Protection and Biodiversity

Tüpraş conducts studies for risk assessment with a view to preventing its operations from causing any negative impact on natural habitats and living things. Caution systems against the potential risks identified are established while environmental impact is constantly measured and kept under control. In line with risk-based methods, response plans are drawn up and regular drills are organized to ensure emergency preparedness.

Tüpraş production plants are established on locations designated as appropriate for industrial production. Moreover, the physical impact area of those plants does not include natural protected areas, special environmental areas determined by laws, wetlands or areas covered by RAMSAR (Convention on Wetlands of International Importance). While taking physical investment decisions, special attention is paid to keep away from areas with special status. Thanks to the responsible environmental approach adopted and the efficient environmental practices implemented, Tüpraş operations did not cause any significant negative impact on neither the natural environment nor the living populations during the reporting period. Through practices that seek to highlight waste recovery during disposal of waste, raise awareness of environmental issues among its employees, business partners, and community; Tüpraş provides environmental trainings as well as organizing increasing biodiversity during foresting so that

Environmental Overview

any potential environmental impact over biodiversity could be reduced and a related form of awareness is raised. In addition to these, Tüpraş also strives to reduce environmental impact of its products through studies on product specifications and R&D.

Solid Waste Management

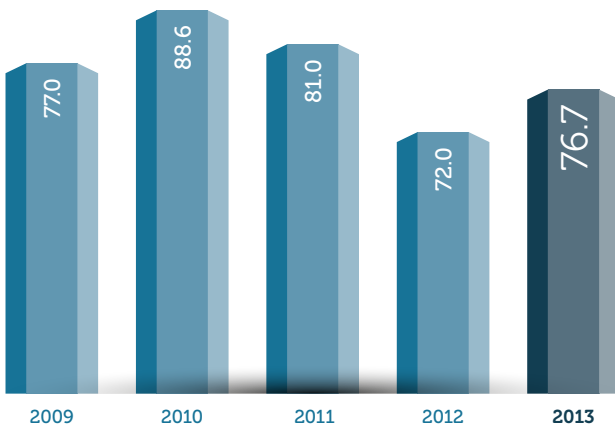
As far as solid waste management is concerned, the principle of Tüpraş is to reduce the amount of waste generated, then recycle the waste after separating at the source while disposing of the waste that cannot be recovered is through licenced companies in line with proper methods. As a result of its operations in 2013, the total amount of waste generated improved by 27.8% when compared with 2012 and turned out to be 27,450 tons. The waste generated was then recovered for up to 76.7% and the waste that could not be recovered was disposed of through licensed companies in line with the norms and methods quoted by the legal regulations. Due to the decline in the total amount of waste generated, the amount of hazardous waste improved by 15.4% when compared with 2012 too.

In 2013, various waste reduction and waste cost reduction projects are undertaken in Tüpraş refineries. In that respect, a tender was held by the HQ while a single company for colle-

cting and separating the domestic and hazardous waste won the tender. Therefore waste management practice began at all Tüpraş refineries under the supervision of Environmental Engineers. The decanter system at İzmit and İzmir refineries neared completion while a tender for dewatering the sludge was held, which will ensure that less waste will be sent for waste disposal in the future. At İzmit Refinery, collecting the residuum on land through bioturca-oil gator instead of sand decreased the amount of contaminated waste and disposal costs while packaging waste began to be sold in line with the amendment to the related regulation in 2013, which began to provide an income. At the same time, packaging waste amount also fell when compared with 2012. What is more, thanks to the collaboration established with the Körfez Municipality, two glass bottle collection points were set up to avoid juice bottles and soda bottles to be mixed up with domestic waste. As for Batman Refinery, within the scope of the waste vegetable oil collection campaign, waste oils are prevented from being spilled onto sinks, which will prevent the infrastructure problems experienced especially around the lodgings area and reduce the waste.

Again at Batman Refinery, Safety-Environment Bulletins were published and HSE talks were held. Out of the 8 Safety-Environment Bulletins shared with employees through e-mail, 4 of them dwelled in detail on issues such as the waste vegetable oils at home, hazardous waste at home and water pollution. 7 HSE talks prepared for all the employees stressed waste hierarchy, recycling, separate collection of the waste, tyres that reached the end of their product life, florescent lamps and their recovery, electronic waste, use of spill kits and intervention in spill.

Waste Recovery Rate (%)



Environmental Trainings and Investments

Tüpraş spares significant amount of financial resources annually for investments and studies focused on improving environmental performance. In that respect the total environmental spending of Tüpraş amounted to 197.4 million TL while 48.76 million TL of that amount was due to investment costs and the remaining 148.64 million TL was due to operating costs.

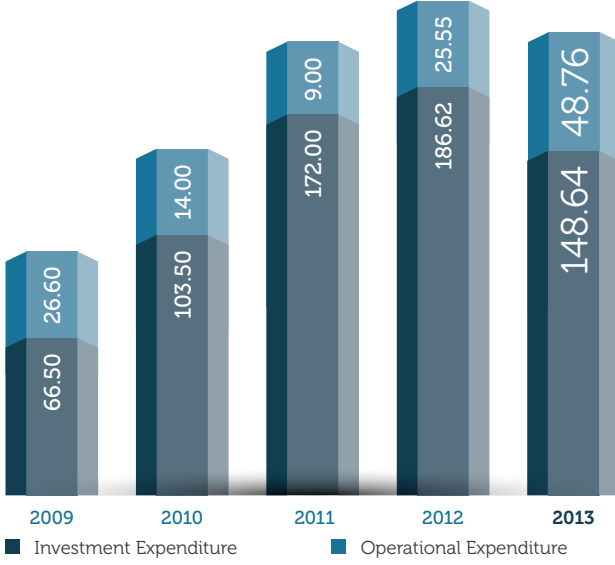
Environmental Trainings

	Employees		Business Partners		Community	
	Number of Participants	Man*Hours	Number of Participants	Man*Hours	Number of Participants	Man*Hours
2013	2,896	23,751	10,627	19,727	1,514	2,940



Environmental Overview

Environmental Expenditure (million TL)



Forestation Studies

During the reporting period Tüpraş continued its studies undertaken for forestation with a view to developing natural life. Annually an important amount of forestland is created in the nature as a result of those studies.

Within the scope of the "Putting Back the Oxygen We Consume" Project that has continued since 2008, a sapling is planted for every guest who stays at Kırıkkale Refinery Social Facilities. Implemented on basis of volunteering, the project also features growing saplings and the saplings grown are planted in the "TEMA-Tüpraş Forest" located on Kırıkkale University campus. Apart from that, some of the saplings grown are donated to other institutions keen on starting forestation studies. In 2013, 1,055 saplings were planted on behalf of Tüpraş guests while the total number of saplings planted throughout the year amounted to 6,635, hence increasing the total number of saplings planted since the very start of the project to 41,293.

As part of the "Smiling Nature Happy Schools" project developed by the HQ and İzmit Refinery SEK Nature Club volunteers, the seeds gathered from the nature are grown into

saplings at the refinery greenhouse and planted on two schools selected in 2013. Due to these forestation studies held at Karamürsel Commercial Vocational High School and Private TEV İnanç Türkeş High School, 70 and 282 saplings were planted respectively.

Within the scope of the "İzmit Refinery Gas Turbine Protocol", 5,000 saplings were planted on Tüpraş Memorial Forest on a site of 3 hectares; saplings were also donated through TEMA for the newborn babies of the employees at Tüpraş İzmir Refinery. In addition to these, Batman Refinery planted 153 saplings in Diyarbakır in cooperation with SEK Nature Club and EÇK.



	2009	2010	2011	2012	2013
Number of Saplings Planted	10,272	3,383	14,158	8,836	6,635
Reduction in CO ₂ Emission (tons) ⁽¹⁾	3,390	1,116	4,672	2,916	2,191

(1) The calculations are based on the TEMA Foundation Karbonmetre Software accepting that 0.33 tons of emission is offset by every tree planted www.tema.org.tr

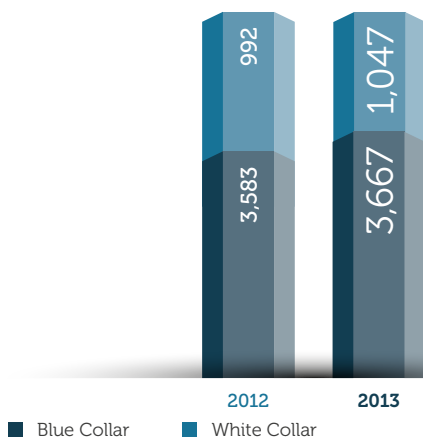
People Overview

One of the fundamental requirements for constant success in a sector such as oil refining, which is of great importance to a country's economy as well as community life, is qualified human resource. Tüpraş seeks to turn its labour force into a lasting superiority in a global competitive environment.

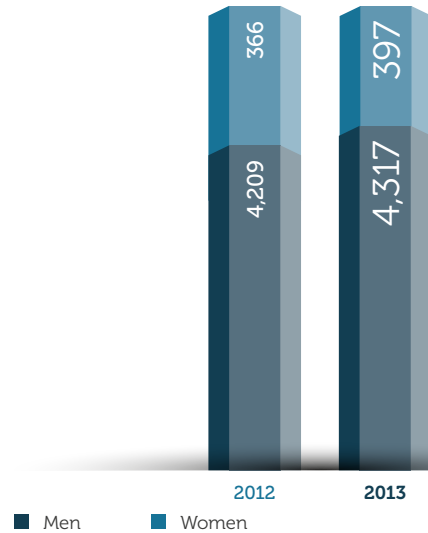
Human Resources Departments, Occupational Safety and Quality Units, which are organized at the HQ and refineries, are responsible for the human resources processes of Tüpraş. Apart from that, various mechanisms are available to ensure the participation of employees in management. Various committees and working groups including especially Occupational Health and Safety Committees along with Employee and Trade Union Representations play an active role in decision making, planning, implementation and performance evaluation processes. Shaped by legal regulations and international norms such as the UN Global Compact (UNGC) and OHSAS 18001, Tüpraş human resources and processes are managed according to a perspective based on promotion of human dignity, physical and social integrity in line with fair, equal, objective, systematic methods as well as assessment of risks and opportunities. The practices implemented and the performance outcomes are constantly monitored and are subjected to internal as well as external auditing.

During the reporting period, "Values and Business Culture Principles"- an output of the cultural change project launched under the title "Mosaic"- was published as a booklet and shared with all employees. In addition to that, an e-training program and a formal class education on values and working principles are being designed to increase the speed of change.

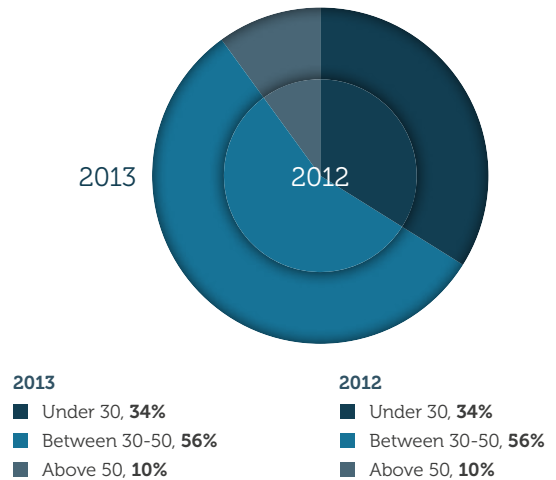
Employees by Category



Employees by Gender



Employees by Age Groups



People Overview

● G4-11, G4-14, G4-15

Human Rights

Complying with the UNGC provisions during its operations, Tüpraş therefore operates in line with the universal human rights, does not take part in human rights violations in any way and promotes the development of human rights within its area of influence. Expecting from its suppliers and business partners adopt the same principles, Tüpraş closely observes this approach in the establishment and continuation of business relations.

All the employees at Tüpraş are free, without prior consent of the managers at work, to be a member or a founder of trade unions, non-governmental organizations (NGOs) and various other initiatives provided that they are established and organized within the framework of the law. Set in the corporate culture of Tüpraş is the understanding of civil society and awareness of acting in an organized way, which has played a significant role in the organizational development of the company. As one of the companies in Turkey with the highest rate of workers holding union memberships, all blue-collar workers at Tüpraş were covered by the collective bargaining agreement in 2013 and the general unionization rate throughout the company was 78%. While all of the white-collar employees at Tüpraş perform their duties with open-ended employment contracts, 15 employees worked with fixed-term employment contracts during the reporting year. 38 Tüpraş employees took part in trade union memberships during the period. Due to characteristics of the sector, Tüpraş recruits neither part-time nor seasonal employees.

Tüpraş does not allow any forced or compulsory labour, child labour practices nor cases reminiscent of these practices. Business partners and suppliers of Tüpraş are required to adopt those principles. Those principles are clearly stated in the contracts for procuring their services and products while the suppliers are audited through visits to see if they comply with the relevant principles. Apart from that, all Tüpraş employees are treated fairly and equally in practices and procedures regarding themselves. From recruitment to completion of the employment contract, all the processes for employees are determined to be based on objective criteria. Regardless of gender, age, religion, ethnicity or any other personal trait, all employees are offered equal opportunities and any discriminative practices or treatments reminiscent of discrimination nature are prevented.

Although differences may occur because of elements such as overtime, performance bonuses and similar benefits determined in line with the company remuneration policy depending

on job evaluation and grading, all Tüpraş employees receive equal wages as long as they perform the same jobs. Wage increases are based on the outcome of the market research on wages and performance evaluations.

Tüpraş participates in the "Equality at Work" project implemented by Koç Holding to increase the number of women employees and women managers. In addition to that, Tüpraş provides vocational training, internship opportunities for women as well as granting the legal rights such as maternity leave in a favourably extended fashion for women employees so that women are further encouraged to participate in the sector. At Tüpraş Social Facilities, it is provided care, education, sports, social and cultural activity opportunities for the children of the employees. During the reporting period the rising trend of Tüpraş in the number of women employed went on. While the number of women employed in 2012 was 366, Tüpraş increased that number to 397, therefore increasing the rate of women employees in the Tüpraş workforce from 8% to 8.4%.

Security and Human Rights

*Within the framework of the related regulations and company security procedures, private security staff who have received the required vocational training are responsible for the security of the Tüpraş refineries and the social life areas of employees. All the security staff are required to take part in a vocational training programme, which also covers the company security procedures and human rights issues before they start to work. For the further development of their professional skills, knowledge and behaviour, the security staff also go through refresher trainings at regular intervals. During the reporting period 94 security staff received 310 man*hour of training on human rights and effective communication. When the trainings as to various security procedures are included, the total number of participants rose to 324, who received 6,892 man*hour of training. What is more, with the participation of all Tüpraş refineries, 704 man*hour of Refinery Search and Rescue (RAK) Training of Trainer was given. In the periods ahead, those trainings are to continue while first and second level training programs are planned to be established for the new staff joining the RAK.*

Occupational Health and Safety

Health and safety of all Tüpraş stakeholders on the operation sites are ensured through the high-level safety measures during the operation processes. Tüpraş HSE-Q Policy identifies the main principles of the occupational health and safety management while the health and safety processes on all Tüpraş operation sites are managed in line with the OHSAS 18001 Standard. The OHSAS 18001 certification is renewed periodically through independent inspections.

Out of the total 35 members taking part in the 5 Health and Safety Committees at Tüpraş, 21 of them represent workers. While this number shows the legal power to cast votes, close to 160 people participate in the committees. Apart from the full members, the participants also include officials from contractor companies, all unit managers and representatives from the units.

Occupational Safety

In order to reduce occupational safety risks and increase the level of measures taken against potential risks, Tüpraş manages the occupational health and safety processes with an understanding of effective risk assessment and continuous learning. The safety risks are eliminated by adopting many corporate and internationally recognized standards, risk assessment systems and work procedures such as Risk Assessment Table (RDT), Hazard and Effects Management Process (TEYS), Incident Classification, Research and Reporting (OSAR) as well as Contractor-HSE Management System. In the case of incidents occurred despite the measures already taken, the procedures for analysing and learning are implemented to prevent any similar incidents from happening in the future.

	2009	2010	2011	2012	2013
Kaza Sıklık Oranı	2.5	1.7	2.2	1.5	1.1
Kaza Şiddet Oranı	73	57	83	289	26
Ölümlü Kaza Sayısı	0	0	0	1	0

During the reporting period, thanks to the studies held for occupational health and safety, accident frequency and accident severity rates were reduced significantly when compared with the previous reporting period.

Occupational Health and Safety Trainings

	2013
Number of Participants-Tüpraş Employees	5,597
Number of Participants-Business Partner Employees	9,440
Hours of Training-Tüpraş Employees (man*hours)	44,775
Hours of Training-Business Partner Employees (man*hours)	37,758

Tüpraş continues its trainings for company employees and contractor company employees to increase their knowledge, preparedness and awareness of occupational safety. During the reporting period 15,037 people from Tüpraş and contractor company employees received 82,533 man*hours training on occupational safety.

Employee Health

One of the most important factors for ensuring business productivity and continuity is the protection of employees from occupational and general diseases. Aware of this fact, Tüpraş are not only provides periodic check-ups for its employees but also takes preventive measures featuring constant health services besides vaccination studies. Thanks to the measures taken, no occupational disease incidents were reported neither among Tüpraş nor contractor company employees during the reporting year. Meanwhile training activities undertaken to protect Tüpraş employees' health increase the employees' awareness as to the ways to protect their health in life as well as preventive measures. Employees' families as well as contractor company employees benefit from these trainings too.

During the reporting period, thanks to the equipment improvement investments made in end-user systems, Tüpraş employees began to work under more ergonomic conditions.

Employee Development

With the confidence it holds in the idea that qualified workforce will ensure lasting competitive advantage, Tüpraş makes its most important investment in human resources. Thorough performance evaluation, career planning and training practices it contributes to the professional and personal development of its employees. In order to increase engagement and satisfaction of its qualified workforce, Tüpraş develops engagement practices enabling its employees to contribute to company management processes through their expectations and suggestions. Apart from that, the work environment and social living standards of the employees are improved in line with those expectations and suggestions.

Performance and Career Management

Performance evaluations of Tüpraş employees are held annually while multi-dimensional scorecard system is used in the performance evaluation of the white-collar employees. During the meetings organized during the year, objectives are set and monitored whether they are realized while objective closing meeting is organized at the end of the year. The employees receive feedback on the outcome of their performance in the period during the meeting held at the end of the year. As for blue-collar employees, objective dissemination meetings are held for them at the refineries where senior managers provide feedback for them on the results of the period and the expectations of objectives for the next period ahead.

People Overview

Tüpraş Evaluation Centre

With a view to identifying the strong aspects of employees open for development, observing their talent for leading, Tüpraş Evaluation Centre practice is implemented. Designed for senior positions, the practice is planned to be enriched so that the medium level management competences could too be measured.

Regarded as an extension of the Performance Evaluation System, Career Planning processes seek to ensure the development of the competence of young managers that will take part in the management of Tüpraş in the periods ahead. In line with the goal to establish a transparent human resources planning and talent management process in 2013, two new studies were undertaken. First interim meetings were held besides the meetings held on an annual basis and the performances and expectations of the employees were discussed. Within the scope of the second study, development plans were prepared for the alternate candidates and employees with high potential for the critical roles identified within the company. Therefore the studies to use the human resources in a more efficient and right way were diversified. Launched during the reporting period, these studies will come to include a career evaluation aspect too in the future.

Internal Coach Training Program

Within the Internal Coach Training Program, launched in 2012 by Koç Holding to make coaching practices and coaching culture more widespread throughout the Group, 4 employees were trained as internal coaches. In 2013, 18 Tüpraş employees received coaching support and our trained internal coaches offered coaching support for employees from different Group companies. As for 2014, the program is planned to be continued by enlarging the coverage of coaching process.

Professional and Personal Development

Tüpraş organizes training activities to help its employees develop their professional knowledge and talents as well as strengthening their personal competencies. Apart from the orientation training given during the recruitment period and repeated at various intervals, all employees benefit from personalized training opportunities in line with the business processes and career planning studies devised according to the equal opportunity principle.

During the reporting period all the technical competencies of the employees working in the production, maintenance,

Training	2013
Number of Participants in Trainings	10,369
Category Basis	
Blue-Collar	3,692
White-Collar	6,677
Gender Basis	
Women	1,195
Men	9,174
Total Training Hours (man*hour)	167,961
Category Basis	
Blue-Collar	99,721
White-Collar	68,240
Gender Basis	
Women	19,562
Men	148,399
Average Training Hours per Employee	36
Category Basis	
Women	27
Men	65
Gender Basis	
Women	49
Men	34

technical checks and safety, environment and quality areas were identified while those competencies were ensured to be associated with evaluation processes and trainings. During the period 167,961 man*hours of training was given while per capita average training hours amounted to 36. In the same period every blue-collar employee received 27 hours, and every white-collar employee received 65 hours of training. Women received 49 hours of training on average during the year while the average training hours given to men were 34.

Tüpraş encourages its employees to go on to do a master's degree too as an extension of their career management programs. Thanks to the agreements made with various universities, a number of master's programs are made available providing technical, operational and financial areas of expertise in the sector and not only Tüpraş employees but also those students who wish to continue their academic learning are also welcome to benefit from those programs. In 2013, Tüpraş employees that were deemed to have high potential for the senior management positions of the company were ensured to enrol at the Koç University Executive MBA Program.

Employee Engagement

As an important component of its management culture, Tüpraş has a participatory understanding of management. Tüpraş employees are responsible individuals focused on the development of their companies and are highly interested in the company operations. Tüpraş employees enjoy to opportunity to present their views and expectations to the company management not only through various internal communication instruments and practices but also through organs such as the Occupational Health and Safety Committees and Quality Management Groups. Tüpraş Recognition, Appreciation and Rewarding System (TTÖS) and Refined Suggestions System (RÖS) are the two leading practices providing the widest level of participation. TTÖS increases employee motivation and commitment by highlighting the successes, behaviours and efforts of employees contributing to the company's goals while RÖS enables the employees to deliver their views and suggestions about the business processes and practices, therefore supporting their creativity. In 2013 the number of suggestions Tüpraş employees delivered was 295 and 32 of these suggestions were implemented during the reporting period.

The Most Successful Koç Members: Tüpraş Members that "Make a Difference"

In the Most Successful Koç Members Competition evaluating and awarding the successful activities of Koç Group employees in various categories, Tüpraş employees were awarded in 2013 too. İzmit Refinery Production Directorate employees won the top prize in the "Making a Difference Blue Collar Category" for their Project "Turning off the 26F-1 Oven".

Tüpraş implements Employee Engagement Survey in order to learn about the ideas of the employees regarding their work environments and undertake continuous improvements. During the reporting period, the employee engagement index point turned out to be 60. A workgroup is planned to be established to enhance employee engagement and increase sharing and communication environments for the white-collar and blue-collar employees.

An important factor of Tüpraş corporate culture is the fact that Tüpraş employees are individuals that have a responsible, active social life with sensitivity for the development of their community. In that respect Tüpraş employees take the initiative to get organized and hold many activities in divers fields from environment, sports, education to culture-arts and charity in an effort to support community development. Tüpraş lends its support for such initiatives taken by its employees by assisting them in turning their initiatives into Social Clubs. In that respect 204 Tüpraş employees participated in commu-

nity development activities voluntarily in 2013. Thanks to the support lent by the local community, business partners and suppliers for these studies, the number of volunteers rose to 829.

Employee Benefits

In line with the Tüpraş Remuneration Policy, Tüpraş employees receive competitive wages when compared with the sector averages. While wages are determined, the sector figures obtained through market research are taken as basis and the wages paid for Tüpraş employees are higher than the general level in the sector. In 2013 the minimum base wage for the blue-collar employees was 2.6 times higher than the minimum wage while this rate was 4.4 times higher for the white-collar employees. Apart from their base salaries, Tüpraş employees receive additional income through performance based premium practices.

Apart from being covered by the official social security system plans, Tüpraş employees are able to benefit from the private health insurance and the optional pension plan implemented through a fund managed by the Koç Pension and Support Fund Foundation. In addition, the families of employees can benefit from the health insurance program. As members of the Foundation, all non-compromised employees under the age of 35 necessarily benefit from the optional retirement insurance while all compromised employees and non-compromised employees over the age of 35 can benefit on demand. The foundation determines the required employee contributions annually in proportion with the employee wages. Half of the employee contributions determined each year is paid to the fund by Tüpraş in employer's contribution. In that respect Tüpraş paid 48.22 million TL in employer's contribution to the fund. For members leaving the fund or retiring, the fund either makes a lump sum payment or allocates monthly payments while also providing coverage against various risks during their membership.

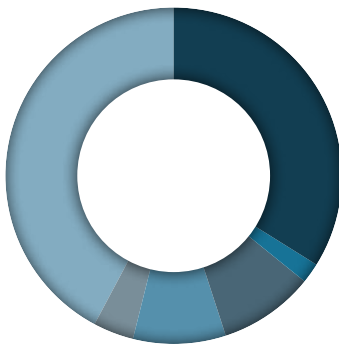
In line with their needs, all Tüpraş employees are able to benefit from lodging facilities. While priority in the allocation of housing is given to technical employees so that they could live close to the facilities, the employee's seniority is not an element of priority. Tüpraş provides many additional services such as facilities, social activities, education and sports opportunities with a view to increasing the quality of social life of the employees and their families. Within the scope of the "Koç My Family" Program, Tüpraş employees are able to benefit from the products and services provided by Koç Group companies with special price advantages during their work life and retirement time. Studies are underway to make the side benefits provided for employees to be more flexible and directed for the needs of the employees.

Community Overview

Tüpraş undertakes studies focused on enhancing the quality of social life and increasing the sustainable development of the social wealth on its operation regions. The results from the Corporate Communication and Prestige Surveys are taken into consideration to meet the expectations of the stakeholders while planning social development investments. The aforementioned survey, which was prepared according to a multi-stakeholder model, was held again in 2013. Within the scope of the survey measuring general perception, corporate perception based on various criteria, information sources, success of relations and prestige index, 1,363 stakeholders were interviewed. In the light of the results obtained from the survey, projects are held regarding various areas that comprise the foundations for the wellbeing of the society such as education, health, sports, culture & arts and environment while also initiatives taken or other projects developed by a number of organizations active in the same areas are either financially or operationally supported.

Apart from project studies, Tüpraş also lends its support for the organizations in the target areas through donations and sponsorships, therefore increasing the area of influence for its social development investments. In that respect Tüpraş spared 25.56 million TL for 53 donations made and a series of sponsorships in 2013. With 18 separate studies supported, education turned out to be area with the highest emphasis placed in 2013.

Donations and Sponsorships by Domain (%)



■ Education, %34
■ Health, %2
■ Environment, %9

■ Culture - Arts, %9
■ Sports, %4
■ Other, %42

Support For Education

April 23rd 6th Batman Children's Festival

Held for the first time in 2008 as an activity under the Umbrella Movement Project by the volunteers among Batman Refinery employees, April 23rd Batman Children's Festival became an independent project as of 2009. Using April 23rd Children's Festival as a reason to organize such an event, the project seeks to create an environment for the children to feel themselves cared for, important and meet their needs for playing games in a city characterized by a lack of playgrounds and an ordinary profile of parents that do not show sufficient interest in their children as they have so many children already. Moreover, the project gets children to meet other children from different districts and schools so that they could all communicate together, develop their social skills while learning from each other therefore presenting them a colourful life experience in an environment suitable for their development. Bringing together Batman Governor's Office, Provincial Directorate of National Education, school managers and teachers from the area as well as NGOs, Tüpraş employees and their families; the project has proved itself to be a significant example of the power of collaboration.

The project not only contributes to the lives of children but also supports the idea that Tüpraş employees and their families should make corporate responsibility a part of their lives and work. Held for the 6th time in 2013, the project reached 1,500 children thanks to the support of 175 volunteers. Since the very start of the project, April 23rd Batman Children's Festival has therefore reached 14,500 children and involved 670 volunteers in total until today.

Koç University Scholarship Programs

Within the scope of the protocol signed with Koç University to support PhD students in the field of Humanities and Social sciences, Tüpraş has provided the Scholarship for Outstanding Achievement in Social Sciences Scholarship Program since 2011. Annually 2 new students are accepted to the program and as of 2013, 6 students in total studying Archaeology and Art History, Political Science and International Relations besides Psychology are receiving support from Tüpraş.

As for the Anatolian Scholarship Program, the goal is to support highly successful students from different provinces of Anatolia studying at Koç University throughout their education. The project, which has completed its 2nd year, currently provides scholarships for 4 students in Medical School, Electric-Electronic Engineering and Mechanical Engineering Departments.



Community Overview

Vocational Education: A Crucial Matter for the Nation (MLMM) Project

Tüpraş lent its support for the Vocational Training: a Crucial Matter for the Nation (MLMM) Project initiated by Koç Group in 2006 within the scope of the Ministry of National Education Programme for Accelerating Vocational and Technical Education and completed in 2013. As part of the project at the İzmit Refinery out of the 155 scholarship holders, 149 of them have graduated while out of the 70 scholarship holders 58 of them have graduated from Batman Refinery since 2007. As for İzmir Refinery and Kırıkkale Refinery, all of the 188 and 169 scholarship holders have completed their education.

Strengthening the Vocational Education and Training System Project (MEGEP)

Signed within the scope of the Tüpraş Technical Education Programme between Tüpraş and the Ministry of National Education in 2007, the MEGEP protocol involves cooperation to train technical staff in Refinery and Process branches in the field of chemistry technology. Tüpraş took on the responsibility of creating an educational environment, necessary materials and group of instructors required for training the qualified technical workforce that will be able to work at oil refineries. In addition to that, Tüpraş provides internship and employment opportunities for the students.

As part of the project in 2013, 9 MEGEP students from the Körfez Technical Industry Vocational High School Machinery Maintenance and Repair Branch continued their internships at the İzmit Refinery while 10 12th grade students paid site visits to İzmir Refinery at various intervals to receive their technical trainings. Tüpraş employees provided trainings in 11 different subjects identified by the school. At Kırıkkale Refinery 9 11th grade students paid site observation visits following their technical training while at Batman Refinery, 3 students receiving basic refinery trainings from process engineers continued their internships.

Number of Students Covered by the MEGEP and MLMM

	2013
Number of Students Attending Technical Training	2,951
Total Number of Interns (High School)	373
Total Number of Interns (University)	919

Firefly Project Sponsorship

Since 2008, Tüpraş has continued its support and taken over the sponsorship of the Mobile Learning Units of the Firefly Project, which was launched by the Educational Volunteers of Turkey (TEGV) with a view to providing a suitable environment for the development of various skills and emotions in children such as self-confidence, self-expression, creativity and empathy while also helping them feel valuable as individuals. The project is supported by 130 educational volunteers and in 2013 13,450 children received 12 hours of education in diverse areas while since 2008 the number of children covered by the project has reached 78,442 in total.

Moscow Children's Circus Sponsorship

Tüpraş sponsored the "Moscow Children's Circus" show organized within the scope of the April 23rd National Sovereignty and the Children's Festival by the Kocaeli Metropolitan Municipality with the participation of 1.000 children from 41 countries at Kocaeli Children's Education and Entertainment Fair. Featuring tightrope walkers, clowns and magic shows; the circus made the day for children.

Computer support from Tüpraş for education

During the reporting period Tüpraş donated computers to various institutions, especially primary schools and high schools. In that respect 33 desktop computers, 62 notebooks and 4 computer cases were donated.



No Barriers for My Country

Defined as the 2012-2013 theme of the For My Country roof project, No Barriers for My Country focuses on the position of the disabled people and Koç Holding employees in their social lives and lends its support for creating social awareness and sensitivity about establishing the right approach towards the problem of disability. The project therefore seeks to develop studies that will ensure the full and effective participation of the disabled people in all areas of life.

As of 2013, Tüpraş provided trainings for over 3,200 employees and close to 1,200 stakeholders on the right way to approach disabled people while at the same time implementing corporate social responsibility projects that support the aforementioned main project.

Sign Language Training

Thanks to the cooperation established between Tüpraş, Office of the Kocaeli Governor, Kocaeli Metropolitan Municipality and Kocaeli City Council, 300 civil servants received sign language trainings. Launched to reduce the communication problem experienced by the hearing-impaired citizens in social life, train civil servants that are familiar with and competent about using the sign language; the project intended to increase the quality of life for hearing-impaired people. At the end of the trainings that went on for 3 months, 200 civil servants and 12 Tüpraş employees won the right to receive a certificate.

TÜRGÖK Reading and Editing Room

Implemented by the İzmir Refinery project volunteers, "TÜRGÖK Sight-Disabled People of Turkey Library for the Sight-Disabled Reading and Editing Room Construction" project was completed with the contribution of Tüpraş and TÜRGÖK came to enjoy a "Reading and Editing Room". TÜRGÖK, founded in 20014 in Izmir, aims to increase the Turkish literacy rate of sight-disabled people, to contribute their education and culture, to raise the quality of their life.

Special Children's Festival

In 2013 Tüpraş Batman Refinery voluntary trainers organized "Special Children's Festival" at the social facilities. The festival was held with the participation of 100 students of the Batman Practice School, the only school in the city for the children in need of special education, 30 teachers of the school, 30 families of the students and 15 Tüpraş employees.



Support for Special Education Practice Centre

With a view to contributing to the physical development of the students and helping teachers observe hyperactivity, Tüpraş established a CCTV system for the İzmit Office of the District Governorship Special Education Practice Centre and also provided physical development equipment for the students.

Support For Environment

Happy Wastes Project – Aliğa Packaging Waste Decomposition Movement at Aliğa

Initiated at the İzmir Refinery in order to parse and recycle packaging wastes, the project was combined with the Refinery Dairies Project and a series of events and training programs were held in 2013. 492 students from 4 primary schools saw a show staged by a character called "Rafi" about the refining business and the process of converting crude oil into fuel products while they also received 984 hours of training to create an environmental awareness. Since the start of the project, 22 tons of packaging wastes have been collected, therefore saving 380 trees, 700,000 liters of water, 38,500 liters of fuel and 90,000 kWh energy. The project also received the second prize in the "Corporate Social Responsibility" category of the Aegean Region Chamber of Industry (EBSO) Successful Industrial Organizations Awards Ceremony.

Trainings for Raising Environmental Awareness

In 2013 Tüpraş continued its projects focused on increasing environmental awareness throughout the society. At İzmit and Batman refineries, volunteers gave trainings for 300 students. Within the scope of the project the students began to enjoy environmental awareness while also getting informed about refinery, refining and fuel production processes. Batman Refinery SEK Nature Club also continued its Awareness Raising Trainings about Nature, which were launched originally in 2012, and in that respect close to 10,000 students from 70 schools were trained.

Community Overview

As for the "Children as Gardeners Project" that seeks to raise environmental awareness among the children of Tüpraş employees, Kırıkkale Refinery provided a "Rock Garden" for children to plant various vegetables and observe how they grow, thus supporting environmental awareness formation among the children.

Plastic Lid Collection Campaign

Launched within the scope of the "No Barriers for My Country Project", Plastic Lid Collection Campaign is organized by Batman Refinery volunteers. The campaign distinguishes itself from similar campaigns by aiming to collect any plastic lids rather than the plastic lids for the bottled water only. The revenue to be enjoyed from the collection of the lids will be used to provide wheelchairs for the disabled people in cooperation with the Spinal Cord Paralytics Association of Turkey.

Support For Culture and Arts

TEVİTÖL "We are the Music" Classical Music Concert
Turkish Education Foundation İnanç Türkeş Private School (TEVİTÖL) Güher-Süher Pekinel Music Department students played at the Tüpraş İzmit Social Facilities. The event, which was held in April, was donated to the TEVİTÖL Güher-Süher Pekinel Music Department. The department seeks to enable young people to discover their potential for creativity and turn into individuals that are not only in harmony with themselves and their social environments but also capable of maintaining warm relations with people in a world that is globalizing fast.

Young Talents on World Stages

Launched by Güher and Süher Pekinel sisters in 2010, "Young Talents on World Stages" project seeks to enable talented young musicians to be trained by famous pedagogues and musicians. Tüpraş supports those young talents for three years with a life scholarship and currently the scholarship holders continue their education in various European cities.

Publication Sponsorship for Aktüel Archaeology Magazine

In 2013 Tüpraş continued its publication sponsorship of Aktüel Archaeology Magazine, which seeks to convey the rich heritage of Anatolia- the most generous region in the world in terms of cultural heritage and history of civilization- to the people of this land. The magazine, Turkey's the only national archaeology magazine seeking to convey the traces of cultures that had once developed on the fertile lands of Anatolia, to the young generations properly and will enjoy the sponsorship of Tüpraş in the future too while opening the gates of these lands waiting to be discovered for its readers.

Publication Sponsorship for "Hittites as an Anatolian Empire"

"Hittites as an Anatolian Empire", the third book of the series with the Anatolian Civilizations theme, started in cooperation between Tüpraş and Yapı Kredi Culture and Arts Publishing House. Just like its responsibility of its vital role in meeting the energy needs of Turkey, Tüpraş seeks to fulfil its responsibility in the social areas by leaving lasting products for the common cultural heritage through this project.

Support For Sports

Defying Their Disabilities

Established in 2006, Batman Sports Club Association for the Disabled has competed in the Turkish Wheelchair Basketball 2nd League since 2007-2008 season. The club features 60 sportspeople in total including 32 licensed sportspeople and has provided close to 100 disabled people so far with the opportunity to be involved in sports since it was established while continues its studies with the goal of moving on to the 1st league thanks to the support of Tüpraş.

Batman Tüpraş Spor Football Club Engages Youth in Sports

Founded by voluntary Tüpraş Batman Refinery employees in 1995, Tüpraş Spor Football Club provides a platform for the young people in Batman to be consciously involved in sports in a healthy environment and encourages self-development for them in that area.

As of 2013, the club has 80 sportspeople aged 8-19 and enjoys significant success in regional and national competitions held for 8-13 and 19 age groups. Many footballers that started at Batman Tüpraş Spor Club have shown the success to go on to make it to the professional sports clubs.



Corporate Responsibility Management

🔗 G4-2, G4-18, G4-19, G4-20, G4-21

Sustainable development of Turkey is of great importance to Tüpraş, the only refining company in Turkey. Apart from developing profitability, operational continuity and social reliability through a sustainable business model, Tüpraş also regards lending its support for the sustainable development of the community it operates in as a fundamental responsibility. Having adopted a transparent, accountable and participatory understanding of management, Tüpraş devises policies and strategies focused on the risks and liability areas identified, develops its organizational structure further and undertakes various practices within the framework of its corporate responsibility management.

Materiality Studies

The material performance areas comprising the coverage of the Tüpraş corporate responsibility management are shaped according to systematic methods based on the principles of being risk, responsibility oriented as well as the participation of the business units representing the organization. Established in the process to define the material areas, Tüpraş Corporate Working Group evaluates the social, environmental and economic issues while taking the stakeholder expectations as well as the views of experts outside the company into consideration. The results reached guide the studies to be undertaken while the main contents of the corporate responsibility reports are composed of the practices and performance results in those material areas.

As a general practice, before every reporting period, experts examine the material issue portfolio at hand and the needs

for revisions are evaluated and those revision studies are undertaken when deemed necessary. During this reporting period, it was decided that the materiality issue study should be done again, partly also due to the reporting standard changes introduced. In that respect, we first identified the possible universe of issues that is likely to be dealt within the scope of our corporate responsibility management through a comprehensive study that takes into consideration our sector, operation geography, current engagements, stakeholder expectations in addition to the conjectural elements. We then assessed that universe of issues with a study featuring also the company unit managers in a way to represent the general functions of the company. In that study we assessed the related issues in parallel with the guidelines set in the GRI G4 standards, the impact potential of them on our operations, stakeholder expectation level and their position within the value chain phases through a risk and opportunity based understanding. Shaping the results we obtained according to the expert views and feedback from the senior management of the company, we eventually finalized our portfolio of issues.

Tüpraş adopts the principle of treating all its stakeholders equally. Since the issues identified during the materiality studies cannot bear the same level of importance to all the stakeholders, the related stakeholder groups are also taken into consideration during the studies undertaken. Hence stakeholder expectations are also taken into consideration during the content planning for the corporate responsibility reports.

	Material Issues	Supply Processes	Production Processes	Distribution Processes	Marketing and Sales Processes	After Sales Processes
Governance Priorities	Sustainability and Risk Management	x	x	x	x	x
	Public Policies and Lobbying	x	x	x	x	x
	Energy and Climate Change		x	x		
Environmental Priorities	Environmental Impact of Production		x			
	Water Management		x			
Economic Priorities	Product and Service Quality		x		x	x
	Tax and Similar Liabilities		x		x	x
	Customer Satisfaction		x		x	x
	R&D Studies		x			
Social Priorities	Asset Integrity		x			
	Occupational Health and Safety		x			
	Talent Management		x			
	Disaster and Emergency Preparedness		x			

Risk Management And Internal Audit

Tüpraş adopts a risk management approach that seeks to predict the potential risks and draw up the necessary plans to turn them into opportunities. Internal audit studies play an important role in the risk management process managed by Tüpraş in line with a proactive fashion.

Tüpraş Risk Management Model takes corporate responsibility priorities into consideration as well and is composed of five main sections and nineteen subsections. Detailed information regarding the model also supported by early warning and monitoring systems besides the risk management methodology is available in the 2013 Annual Report.

During the reporting period, a Risk Management and Audit Directorate was established to replace the Audit Directorate and manage the corporate risks and audit processes under a single roof. The audit operations at Tüpraş are conducted by an expert team from the Tüpraş Risk Management and Audit Directorate through a methodology formed according to the International Audit Standards and Tüpraş Code of Conduct Principles. Main audit operations titles cover financial, operational, risks, processes, legal compliance, business ethics and misconduct and are held at monthly, every three months, every six months and every year with a coverage and frequency devised depending on the related standards. Apart from the planned audits held, there are also ad-hoc audits shaped according to the changing needs. The findings are shared with the senior management after the audits and the improvements made are revised. In that respect during the reporting period, besides the monthly routine audits; process audits, financial audits, legal compliance audits and corruption audits were held.

Seeking to ensure full compliance with the laws and the initiatives it is directly and indirectly a part of, Tüpraş accepts harmonization studies as part of its internal audits. In that respect Tüpraş takes all the working norms stated by the United Nations Global Compact, to which Koç Group is a signatory, as binding and examines its level of compliance through auditing studies. In the same way, compliance with the system standards such as OHSAS 18001, ISO 14001 about different business processes are observed closely and compliance with those standards are audited and certified by independent auditing companies. In the next period a Compliance Management Unit, which will develop an effective compliance program, is planned to be established within the Risk Management and Audit Directorate.

The number of suppliers audited in 2013 rose by 91% when compared with the previous reporting period and turned out to be 300 while 26 suppliers were audited for compliance with the human rights. Within the scope of the UN Global Compact, the commitments expected from the suppliers are planned to turn into a routine practice through a new format developed in 2015.

Tüpraş employees are informed on the Ethical Conduct and Implementation Principles while the related people are reported to the Tüpraş senior management besides Risk Management and Audit Directorate. The reports delivered are examined by the Risk Management and Audit Directorate in line with the principle of confidentiality and the results obtained are shared with the senior management.

Tüpraş Risk Summary Map



Stakeholder Engagement

Approach of Tüpraş regarding stakeholder relations is shaped in line with a transparent, accountable and participatory understanding of management. Stakeholder views are taken into consideration during the decision making and implementation processes therefore creating an effective stakeholder engagement process. Instruments and processes that enable Tüpraş to learn about the views and expectations of the stakeholders ensure mutual exchange of information about company operations and their results.

Tüpraş cooperates and develops joint projects with different stakeholder groups. While deciding on the stakeholders to work with, the company takes various considerations into account including having a common goal, establishing transparent and open communication, adoption of ethical principles and working norms that are identical to those of Tüpraş apart from ensuring that the parties boast the know-how, experience, organizational structure and resources required for

the cooperation or the partnership for the implementation of the project at hand.

Tüpraş does not submit or take part in any political or ideological thought, tendency or organization. None of the operations or campaigns of any political parties, politicians or nominees can be directly or indirectly supported. Such actions on company operation sites are not allowed and company resources cannot be allocated for such studies. Tüpraş does not lobby in favour of company's private benefits and does not lend its support for those who organize such operations. However, Tüpraş exchanges ideas with public organizations and meet their demand for information regarding the sector within the transparent relations established with them. The problems of the sector in general are expressed through the studies of sectorial NGO's. When public organizations are customers or when there is a tender to be held, Tüpraş acts in line with the open competition norms as well as showing full compliance with the related legal procedures.

Stakeholder Communication Instruments

Employees	Sustainability Report (annual), Annual Report (annual), Employee Engagement Survey (annual), Internal Communication Meetings (annual), Performance Evaluation Meetings (annual), Rafine Magazine (every 4 months), Occupational Health and Safety Boards (monthly), Technical Safety Bulletins (weekly/monthly), Internal Information Announcements (instant), Social Projects (continuously), Social Activity Clubs (continuously), Refined Suggestions System (continuously), Acknowledgement, Appreciation and Rewarding System (continuously), Tüpraş Code of Conduct (continuously), Collective Bargaining Agreement (continuously), Employee Trainings (continuously), Website (continuously), Refinery Information Bank (continuously) and Corporate Portal (continuously)
Shareholders and Investors	Sustainability Report (annual), Annual Report (annual), General Assembly of the Shareholders (annual), Interim Reports (quarterly), Information and Material Disclosure (instant), Roadshow and Investor Presentations (upon request), Meetings and Interviews (upon request), Analyst Presentations and Teleconferences (upon request), Tüpraş Code of Conduct (continuously), Website (continuously)
Customers	Sustainability Report (annual), Customer Satisfaction Survey (annual), Rafine Magazine (every 4 months), Meetings and Interviews (upon request), Internet-based Applications (Customer Portal, Tüpraş Order Portal) (continuously), Customer Relations Management System (continuously), Tüpraş Code of Conduct (continuously), Website (continuously), Customer Information Documents (continuously), Customer Representation (continuously), Customer Refinery Visits (upon request)
Business Partners and Suppliers	Sustainability Report (annual), Supplier Satisfaction Survey (annual), Rafine Magazine (every 4 months), Technical Safety Bulletins (weekly/monthly), Meetings and Interviews (upon request), Tüpraş Code of Conduct (continuously), Business Partner HSE-Q System (continuously), Website (continuously)
Indirect Employees	Rafine Magazine (every 4 months), Technical Safety Bulletins (weekly/monthly), Meetings and Interviews (upon request), Tüpraş Code of Conduct (continuously), Business Partner HSE-Q System (continuously), Employee Trainings (continuously), Website (continuously)
Trade Unions	Sustainability Report (annual), Annual Report (annual), Rafine Magazine (every 4 months), Occupational Health and Safety Boards (monthly), Meetings and Interviews (continuously), Collective Bargaining Agreement (continuously), Website (continuously)
State Institutions and Organizations	Sustainability Report (annual), Annual Report (annual), Audits (periodic/instant), Meetings and Interviews (upon request), Joint Projects (upon request), Incentives (upon request), Website (continuously)
NGOs	Sustainability Report (annual), Annual Report (annual), Meetings and Interviews (upon request), Joint Projects (upon request), Donations and Sponsorships (upon request), Memberships (continuously), Website (continuously)
Educational Institutions	R&D Partnerships (project based), Donations and Sponsorships (upon request), Infrastructure and Trainee Support (upon request), Master's Degree and Sector-specific Expertise Programs (continuously), Website (continuously)
Media	Sustainability Report (annual), Annual Report (annual), Rafine Magazine (every 4 months), Meetings and Interviews (upon request), Press Meetings and Bulletins (instant), Website (continuously)
Local Community	Perception and Prestige Surveys (biennial), Meetings and Interviews (upon request), Announcements (instant), Social Projects and Infrastructure Support (continuously), Website (continuously)
Society	Perception and Prestige Surveys (biennial), Announcements (instant), Social Projects and Infrastructure Support (continuously), Website (continuously)

Corporate Responsibility Management

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Organizations Tüpraş Participated Actively during the Reporting Period

Organizations Tüpraş is Involved in the Management of or Professional Committees	Turkish Union of Chambers and Commodity Exchanges, Turkish Quality Association, Aegean Region Chamber of Industry, Kocaeli Chamber of Industry, Körfez Chamber of Commerce, Kırkkale Chamber of Commerce and Industry, Mediterranean Exporters' Unions
Organizations Tüpraş is a Member of	Turkish Businessmen and Industrialists Association, Ethics&Reputation Society, World Energy Council Turkish National Committee, Batman Chamber of Commerce and Industry, Körfez Chamber of Commerce, Aliağa Chamber of Commerce, İstanbul Chamber of Shipping, İstanbul Mining Metal Exporters' Unions, Central Exporters' Unions, Energy Efficiency Association, Turkish Foreign Trade Association, Turkish Investor Relations Association, Corporate Governance Association of Turkey, Informatics Association of Turkey Cogeneration Association of Turkey, EUROGIA Association, Koç Holding Pension and Support Fund Foundation, Koç Yönder Association, Deniz Temiz Turmepa Association, İzmit Sailing Club Sports Association, International Chamber of Commerce National Committee, Railway Transport Association, Bosphorus Energy Club Membership

Success and Awards Enjoyed during the Reporting Period

Organization	Organized by	Success Enjoyed	Date
1 SENVER Awards	Ministry of Energy and Natural Resources General Directorate of Electric Power Resources Survey and Development Administration	SEVAP 2 First Prize (Batman Refinery)	January 2013
2 Tax Week Top Corporate Taxpayer	Kocaeli Directorate of Tax Administration	First Prize	February 2013
3 TİM Export Award	Turkish Exporters' Assembly (TİM)	2011 Champion for Exports	June 2013
4 Clean Turkey Contest	Ministry of Environment and Urbanization	The Cleanest Industry Award (Batman Refinery)	June 2013
5 Export Record Breakers	Mediterranean Exporters' Union	First Prize	June 2013
6 İSO 500 Study	İstanbul Chamber of Industry (İSO)	Turkey's Largest Industrial Organization	June 2013
7 Fortune 500 Study	Fortune Magazine	Turkey's Largest Private Company	September 2013
8 Capital 500 Private Large Company Study	Capital Magazine	Turkey's Largest Private Company	October 2013
9 Entrepreneurship Awards	METU Young Entrepreneurs Association	Entrepreneur of the Year Award in the Energy-Oil Sector	December 2013
10 Successful Industrial Organizations Award	Aegean Region Chamber of Industry (EBSO)	First Place in the Category for the Highest Amount of Exports	December 2013
		First Place in the Category for the Companies Creating the Highest Amount of Employment in the Refined Petroleum Products Industrial Profession Group	
		First Place in the Category for the Best Environmental Practices	
		Second Place in the Category for Corporate Social Responsibility for Environment	
11 Industrial Organizations Top Sector Performance Evaluation Organization	Yalova Chamber of Commerce and Industry	Third Place in the Category for the Companies Creating the Highest Amount of Investments	December 2013
		Continuity Award	



Performance Data

21 G4-9, G4-11

	2009	2010	2011	2012	2013
Operational Performance					
Processed Crude Oil (thousand tons)	16,975	19,552	20,896	22,118	21,568
Production - Refining (thousand tons)	15,968	18,797	20,898	21,867	21,175
Sales (thousand tons)	21,521	22,401	23,897	25,441	24,083
Product Exports (thousand tons)	3,308	4,795	5,152	5,860	4,844
Product Imports (thousand tons)	5,828	3,980	4,214	4,387	3,805
White Product Ratio in Total Production (%)	73.60	67.90	69.70	70.30	72.40
Capacity Utilization (%)	67.20	75.30	78.00	81.60	79.10
Financial and Administrative Performance					
Net Sales (million US dollars)	13,118	17,424	24,302	23,677	21,595
Operational Profit (million US dollars)	654	683	1,181	631	22
Profit Before Taxes (million US dollars)	653	617	918	753	7
Profit After Taxes (million US dollars)	522	490	740	817	629
EBITDA (million US dollars)	779	830	1,329	715	560
Net Debt (cash) (million US dollars)	-653	-1,96	578	551	1,340
Return on Equity (%)	22.0	19.4	30.1	31.8	24.1
Net Working Capital (million US dollars)	283	286	359	595	-296
Investment Expenditure (million US dollars)	189	177	628	974	1,201
Profit per Share (TL)	3.24	2.94	4.96	5.85	4.78
Gross Dividend per Share (TL)	2.50	2.98	3.93	3.85	1.58
Net Dividend per Share (TL)	2.14	2.53	3.34	3.27	1.34
Paid Taxes (million TL)	18,292	19,729	24,147	26,643	28,607
Corporate Governance Rating	8.34	8.56	8.62	9.10	9.34
Fitch Ratings Foreign Currency Long Term Rating	BBB-	BBB-	BBB-	BBB-	BBB-
Fitch Ratings Local Currency Long Term Rating	BBB-	BBB-	BBB-	BBB-	BBB-
Procurement Operations (million TL)	214.00	206.72	257.07	348.04	386.30
Domestic	78.00	94.61	112.61	177.21	214.46
Special Production	19.00	12.19	22.29	20.10	13.65
Overseas	117.00	99.92	122.17	150.73	158.19
Domestic Procurement Rate (%)	45.33	51.66	52.48	56.70	59.05
Incentives Received (million TL)	-	20.09	19.27	22.20	77.24

	2009	2010	2011	2012	2013
Environmental Performance					
Direct Energy Consumption (TJ)	64,961	66,708	70,356	70,622	68,752
Natural Gas	17,732	32,892	35,731	34,784	32,863
Fuel Oil	29,177	17,905	13,211	12,650	10,966
Fuel Gas	15,255	13,226	18,601	20,543	22,285
Coke	2,797	2,684	2,812	2,645	2,638
Indirect Energy Consumption – Electricity (TJ)	304	303	437	464	395
Total Energy Consumption (TJ)	65,265	67,010	70,792	71,086	69,147
Change in Energy Consumption (%)	14.86	-2.67	-5.64	-0.41	2.73
Energy Consumption per Production (GJ/Tons)	3.84	3.43	3.39	3.21	3.21
Solomon Energy Intensity Value	120.9	107.4	105.4	105.3	102.1
Number of Energy Efficiency Projects	52	65	92	97	40
Saving in Energy Consumption (TJ)	10,891	3,155	3,053	5,255	2,841
Reduction of Costs Through Energy Efficiency (million TL)	51	91	188	159	61
Reduction in GHG Emissions Through Energy Efficiency Projects (Ton CO ₂ e)	542,253	308,599	316,955	348,173	189,019
Total Water Consumption (million m ³)	22	18	19	21	19
Underground	1	1	0	0	0
Surface	21	17	18	20	18.8
Municipal	0	0	1	0.7	0.6
Changes in Water Consumption (%)	-12.14	-16.22	4.58	9.44	-6.7
Water Consumption per Production (m ³ /Tons)	1.4	1.0	0.9	1.0	0.9
Volume of Water Recycled (million m ³)	11	12	11	10	11
Percentage of Water Recycled in Total Water Consumption (%)	36.0	39.0	37.1	32.2	36.3
Total Wastewater Discharge (million m ³)	10.3	10	10.3	13.1	11.6
Total Amount of Solid Wastes	46,306	49,923	28,992	38,028	27,450
Hazardous Waste by Weight (tons)	36,638	40,229	17,999	22,944	19,411
Non-Hazardous Waste by Weight (tons)	9,668	9,694	10,993	15,084	8,039
Wastes by Disposal Method					
Recycling (tons)	35,734	44,238	23,367	27,471	21,045
Disposal (ton)	10,572	5,685	5,625	10,577	6,405
Solid Waste Recycling Rate (%)	77.0	88.6	81.0	72.0	76.7
Number of Saplings Planted during Afforestation Activities (units)	10,272	3,383	14,158	8,836	6,635
Estimated Reduction in CO ₂ Emissions due to Afforestation Activities (ton CO ₂ e)	3,390	1,116	4,672	2,916	2,191
Environmental Investment and Operational Expenditures (million TL)	93.10	117.42	180.94	212.17	197.41
Environmental Training (person x hours)	-	70,526	56,813	35,719	46,418
Tüpraş Employees	-	34,925	26,668	15,138	23,751
Contractors	-	23,259	27,622	14,644	19,727
Community	-	12,342	2,523	5,937	2,940

Performance Data

	2010	2011	2012	2013	
Social Performance					
Total Training (person x hours)	135,177	153,112	144,227	289,095	167,961
Female	-	9,986	20,831	32,125	19,562
Male	-	143,126	123,396	256,970	148,399
White Collars	49,653	37,173	62,908	129,599	68,240
Blue Collars	85,524	115,939	81,319	159,496	99,721
Total Training (per employee)	32.7	36.0	34.0	63.0	35.6
Female	-	33.0	63.0	88.0	49.3
Male	-	36.0	32.0	61.0	34.4
White Collars	65.0	45.0	71.0	131.0	65.2
Blue Collars	25.0	33.0	25.0	45.0	27.2
Total HSE Training Hours (person x hours)	33,389	64,302	49,857	75,190	82,533
Tüpraş Employees	-	33,241	23,888	28,550	44,775
Business Partner Employees	-	31,061	25,969	46,640	37,758
Accident Frequency Rate (number of incidents x 1,000,000/person x hour)	2.5	1.7	2.2	1.5	1.1
Accident Severity Rate (lost days x 1,000,000/person x hour)	73	57	83	289	26
Number of Fatalities	0	0	0	1	0
Total Number of Suppliers	12,993	1,772	1,874	1,383	1,595
Number of the Suppliers and Contractors gone through Human Rights Screening	-	15	122	157	26
Employee Satisfaction (%)	57	-	59	57	60
Customer Satisfaction (%)	86.7	98.5	98.5	98.0	-
Supplier Satisfaction (%)	98.9	97.7	97.7	98.9	97.3
Koç Holding Pension Fund Liabilities (million TL)	41.43	39.34	37.81	42.72	48.22
Donations and Sponsorships (million TL)	7.84	8.31	12.58	16.07	25.56
Total Number of Interns	1,109	1,612	1,744	1,704	1,292
Rate of Minimum Wage to Minimum Starting Salary					
Blue Collars	2.5	2.6	2.7	2.5	2.6
White Collars	4	4.7	4.6	4.4	4.4

Çalışan Demografisi

	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013
	İzmit Rafinerisi	İzmir Rafinerisi	Kırıkkale Rafinerisi	Batman Rafinerisi	Genel Müdürlük	Toplam				
Total Number of Employees	1,763	1,267	872	463	349	4,714				
Female	90	93	47	33	134	397	5%	7%	5%	7%
Male	1,673	1,174	825	430	215	4,317	95%	93%	95%	92%
Contractor Employees	232	105	78	91	107	613				
Employees by Contract Type										
Employees on Permanent Contract	1,748	1,267	872	463	349	4,699	99%	100%	100%	99.7%
Female (number-%)	90	93	47	33	134	397	5%	7%	5%	7%
Male (number-%)	1,658	1,174	825	430	215	4,302	95%	93%	95%	92%
Employees on Fixed-term Contract-number	15	0	0	0	0	15	1%	0%	0%	0.3%
Employees by Category										
Blue Collars	1,457	1,046	734	376	54	3,667	83%	83%	84%	78%
Female (number-%)	39	40	26	16	16	137	3%	4%	4%	4%
Male (number-%)	1,418	1,006	708	360	38	3,530	97%	96%	96%	96%
White Collars	306	221	138	87	295	1,047	17%	17%	16%	22%
Female (number-%)	51	53	21	17	118	260	17%	24%	15%	25%
Male (number-%)	255	168	117	70	177	787	83%	76%	85%	75%
Employees by Employment Type										
Full-time	1,763	1,267	872	463	349	4,714	100%	100%	100%	100%
Female (number-%)	90	93	47	33	134	397	5%	7%	5%	8%
Male (number-%)	1,673	1,174	825	430	215	4,317	95%	93%	95%	92%
Part-time	0	0	0	0	0	0	0%	0%	0%	0%
Employees by Education (number-%)										
Primary and Secondary School	50	49	31	9	7	146	3%	4%	4%	3%
High School and Equivalent	781	596	481	249	41	2,148	44%	47%	55%	46%
Associate Degree	564	372	211	121	13	1,281	32%	29%	24%	27%
University and Further	368	250	149	84	288	1,139	21%	20%	17%	24%

Performance Data

	İzmit Rafinerisi		İzmir Rafinerisi		Kırıkkale Rafinerisi		Batman Rafinerisi		Genel Müdürlük		Toplam	
	2013	%	2013	%	2013	%	2013	%	2013	%	2013	%
Employees by Age Groups (number-%)												
Under 30	663	38%	332	26%	340	39%	154	33%	113	32%	1,602	34%
Between 30-50	961	55%	846	67%	389	45%	252	54%	187	54%	2,635	56%
Above 50	139	8%	89	7%	143	16%	57	12%	49	14%	477	10%
Senior Executives (number-%)	5		4		3		1		23		36	
by Gender												
Female	0	0%	0	0%	0	0%	0	0%	1	4%	1	3%
Male	5	100%	4	100%	3	100%	1	100%	22	96%	35	97%
by Age Groups												
Under 30	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Between 30 - 50	2	40%	3	75%	0	0%	1	100%	12	52%	18	50%
Above 50	3	60%	1	25%	3	100%	0	0%	11	48%	18	50%
by Nationality												
Local	5	100%	4	100%	3	100%	1	100%	23	100%	36	100%
Expat	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Mid-Level Executives (number-%)	45		23		15		10		35		128	
by Gender												
Female	3	7%	3	13%	1	7%	0	0%	11	31%	18	14%
Male	42	93%	20	87%	14	93%	10	100%	24	69%	110	86%
by Age Groups												
Under 30	1	2%	1	4.4%	0	0%	0	0%	0	0%	2	2%
Between 30 - 50	29	65%	15	65.2%	6	40%	6	60%	20	57%	76	59%
Above 50	15	33%	7	30.4%	9	60%	4	40%	15	43%	50	39%
Recruitment (number - %)	215	12%	37	2.9%	70	8%	4	0.9%	51	15%	377	8%
by Gender												
Female	7	3%	10	27%	4	6%	0	0%	28	55%	49	13.0%
Male	208	97%	27	73%	66	94%	4	100%	23	45%	328	87.0%

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② G4-32

Indicator	Description	Identified Omissions	External Assurance
Profile Disclosures			
G4-1	Message From the Chairman (p.2); Message From the General Manager (p.3)	-	-
G4-2	Message From the Chairman (p.2); Message From the General Manager (p.3); Corporate Responsibility Management (p.39-40)	-	-
G4-3	Contact (p.56)	-	-
G4-4	Corporate Website: www:Products>Products Information	-	-
G4-5	Contact (p.56)	-	-
G4-6	Tüpraş operates in only Turkey except for supply and exportation processes. Tüpraş by Highlights (p.6)	-	-
G4-7	Tüpraş by Highlights (p.6-7)	-	-
G4-8	Tüpraş by Highlights (p.7)	-	-
G4-9	Tüpraş Annual Report 2013 (p.100); Performance Indicators (p.44, 46)	-	-
G4-10	Performance Indicators (p.46)	-	-
G4-11	Human Rights (p.30); Performance Indicators (p.49)	-	-
G4-12	Economic Area of Influence (p.19-20)	-	-
G4-13	Corporate Website: www:www:Investor Relations>Material Disclosures	-	-
G4-14	Risk Management and Internal Audit (p.40); Business Continuity (p.18-19); Human Rights (p.30); Tüpraş Annual Report 2013 (p.129)	-	-
G4-15	Business Continuity (p.18-19); Human Rights (p.30)	-	-
G4-16	Corporate Responsibility Management (p.42)	-	-
G4-17	About the Report (p.1)	-	-
G4-18	About the Report (p.1); Corporate Responsibility Management (p.39)	-	-
G4-19	Corporate Responsibility Management (p.39)	-	-
G4-20	About the Report (p.1); Corporate Responsibility Management (p.39)	-	-
G4-21	About the Report (p.1); Corporate Responsibility Management (p.39)	-	-
G4-22	About the Report (p.1)	-	-
G4-23	About the Report (p.1)	-	-
G4-24	Stakeholder Engagement (p.41)	-	-
G4-25	Stakeholder Engagement (p.41)	-	-
G4-26	Stakeholder Engagement (p.41)	-	-
G4-27	Customer Satisfaction (p.18)	-	-
G4-28	About the Report (p.1)	-	-
G4-29	About the Report (p.1)	-	-
G4-30	About the Report (p.1)	-	-
G4-31	Contact (p.56)	-	-
G4-32	About the Report (p.1); GRI Index (p.50); Legal Disclaimer (p.56)	-	-
G4-33	Legal Disclaimer (p.56)	-	-
G4-34	Tüpraş Annual Report 2013 (s.97, 126-128)	-	-

Indicator	Description	Identified Omissions	External Assurance
G4-56	Risk Management and Internal Audit (p.40); Corporate Website: www.Investor Relations>Code of Ethics	-	-
Standard Disclosures			
Material Aspect: Economic Performance			
G4-DMA	Employee Benefits (p.33); Community Overview (p.34); Performance Indicators (p.44); Tüpraş Annual Report 2013 (p.171)	-	-
G4-EC1	Community Overview (p.34); Performance Indicators (p.44)	-	-
G4-EC3	Employee Benefits (p.33); Tüpraş Annual Report 2013 (p.171)	-	-
G4-EC4	Tüpraş Annual Report 2013 (p.171)	-	-
Material Aspect: Market Presence			
G4-DMA	Not material	-	-
G4-EC5	Tüpraş pays equal salary for equal job, hence no salary difference can be measured by gender. Therefore ratios of entry wage to minimum wage calculated by employee category. Employee Benefits (p.33)	-	-
G4-EC6	Performance Indicators (p.48)	-	-
Material Aspect: Indirect Economic Impacts			
G4-DMA	Position of Tüpraş in the Market (p.17-18); R&D Studies (p.20); Professional and Personal Development (p.32); Community Overview (p.34-38)	-	-
G4-EC7	R&D Studies (p.20); Community Overview (p.34-38)	-	-
G4-EC8	Position of Tüpraş in the Market (p.17-18); R&D Studies (p.20); Professional and Personal Development (p.32); Community Overview (p.34-38)	-	-
Material Aspect: Procurement Practices			
G4-DMA	Not material	-	-
G4-EC9	Economic Area of Influence (p.19); Performance Indicators (p.44)	-	-
Material Aspect: Energy			
G4-DMA	Environmental Overview (p.22-28); Energy and Climate Change (p.22-24); Energy Management (p.22-23); Energy Efficiency Projects (p.24); Performance Indicators (p.45); Tüpraş Annual Report 2013 (p.71)	-	-
G4-EN3	Energy Management (p.23); Performance Indicators (p.45)	-	-
G4-EN5	Energy Management (p.23)	-	-
G4-EN6	Energy Efficiency Projects (p.24)	-	-
Material Aspect: Water			
G4-DMA	Environmental Overview (p.22-28); Water Management (p.24-25); Environmental Protection and Biodiversity (p.25-26); Performance Indicators (p.45)	-	-
G4-EN8	Water Management (p.25); Performance Indicators (p.45)	-	-
G4-EN9	Environmental Protection and Biodiversity (p.25-26)	-	-
G4-EN10	Water Management (p.25); Performance Indicators (p.45)	-	-
Material Aspect: Biodiversity			
G4-DMA	Environmental Overview (p.22-18); Environmental Protection and Biodiversity (p.25-26)	-	-

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Indicator	Description	Identified Omissions	External Assurance
G4-EN11	Environmental Protection and Biodiversity (p.25-26)	-	-
G4-EN13	Environmental Protection and Biodiversity (p.25-26)	-	-
Material Aspect: Emissions			
G4-DMA	Environmental Overview (p.22-28); Energy Efficiency Projects (p.24)	-	-
G4-EN19	Energy Efficiency Projects (p.24)	-	-
Material Aspect: Effluents and Waste			
G4-DMA	Environmental Overview (p.22-28); Water Management (p.24-25); Environmental Protection and Biodiversity (p.25-26); Performance Indicators (p.45)	-	-
G4-EN22	Water Management (p.24-25); Performance Indicators (p.45)	-	-
G4-EN23	Environmental Protection and Biodiversity (p.25-26); Performance Indicators (p.45)	-	-
G4-EN26	Environmental Protection and Biodiversity (p.25-26)	-	-
Material Aspect: Products and Services			
G4-DMA	Not material	-	-
G4-EN27	R&D Studies (p.20)	-	-
Material Aspect: Transport			
G4-DMA	Not material	-	-
G4-EN30	Energy Management (p.XX)	-	-
Material Aspect: Overall			
G4-DMA	Not material	-	-
G4-EN31	Environmental Overview (p.28); Performance Indicators (p.29-33)	-	-
Material Aspect: Employment			
G4-DMA	Economic Area of Influence (p.19-20); People Overview (p.29-33); Performance Indicators (p.48-49)	-	-
G4-LA1	Performance Indicators (p.48-49)	-	-
G4-LA2	All Tüpraş employees are offered identical rights. Our employees benefit from these rights in accordance with their type of contract. Tüpraş does not hire part-time employees.	-	-
G4-LA3	Performance Indicators (p.49)	-	-
Material Aspect: Labour/Management Relations			
G4-DMA	Not material	-	-
G4-LA4	Possible changes in company operations or working conditions and workplaces of employees are announced before the execution of the changes, according to minimum notice periods indicated in applicable legal regulations. These periods can vary according to the employee seniority. Collective bargaining agreements regulate minimum notice periods for covered employees.	-	-
Material Aspect: Occupational Health and Safety			
G4-DMA	Occupational Health and Safety (p.31); Performance Indicators (p.46)	-	-
G4-LA5	Occupational Health and Safety Committees, established in all refineries, are composed of health and safety professionals, management and employee representatives. Through the presence of elected union and employee representatives, health and safety measures and performance are monitored, as well as employee suggestions and expectations are addressed by the Committee.	-	-
G4-LA5	Occupational Health and Safety (p.31)	-	-

Indicator	Description	Identified Omissions	External Assurance
G4-LA6	Occupational Health and Safety (p.31); Performance Indicators (p.46)	-	-
Material Aspect: Training and Education			
G4-DMA	Employee Development (p.31-33); Performance Indicators (p.46)	-	-
G4-LA9	Employee Development (p.32); Performance Indicators (p.46)	-	-
G4-LA10	Employee Development (p.31-33)	-	-
G4-LA11	Employee Development (p.31-32)	-	-
Material Aspect: Diversity and Equal Opportunity			
G4-DMA	People Overview (p.23-29); Human Rights (p.30); Performance Indicators (p.48)	-	-
G4-LA12	Performance Indicators (p.48)	-	-
Material Aspect: Equal Remuneration for Women and Men			
G4-DMA	People Overview (p.29-33); Human Rights (p.30)	-	-
G4-LA13	Tüpraş adopts equal salary for equal work approach, therefore gender base remuneration practices are prevented. Both female and male employees receive same basic salary unless they perform same duty. Salaries can only vary as a result of performance bonuses, overtime payments and similar fringe benefits.	-	-
Material Aspect: Non-discrimination			
G4-DMA	Human Rights (p.30)	-	-
G4-HR3	No such case occurred during the reporting period.	-	-
Material Aspect: Freedom of Association and Collective Bargaining			
G4-DMA	Human Rights (p.30)	-	-
G4-HR4	In all Tüpraş operations, exercise of the freedom of association and collective bargaining is ensured. Business partners are also expected to adopt same principle. During the reporting period no breach or significant risk is identified regarding exercise of these rights.	-	-
Material Aspect: Child Labor			
G4-DMA	Human Rights (p.30)	-	-
G4-HR5	Tüpraş does not employ child labour. Likewise, business partners are also expected to adopt same principle. During the reporting period no breach or significant risk is identified regarding this principle.	-	-
Material Aspect: Forced or Compulsory Labor			
G4-DMA	Human Rights (p.30)	-	-
G4-HR6	Tüpraş does not employ forced or compulsory labour. Likewise, business partners are also expected to adopt same principle. During the reporting period no breach or significant risk is identified regarding this principle.	-	-
Material Aspect: Security Practices			
G4-DMA	Not material	-	-
G4-HR7	Security and Human Rights (p.30)	-	-
Material Aspect: Anti-corruption			
G4-DMA	Risk Management and Internal Audit (p.40)	-	-
G4-SO5	No such case occurred during the reporting period.	-	-

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Indicator	Description	Identified Omissions	External Assurance
Material Aspect: Public Policy			
G4-DMA	Stakeholder Engagement (p.41)	-	-
	Tüpraş maintains close communications with public authorities within the limits of information exchange regarding its field of activities; can participate cooperation activities as a corporation or as a member of a sectoral organization upon invitation. However, Tüpraş does not involve in lobbying activities for company's interest; does not support individuals or groups carrying out the same.		
G4-SO6	Stakeholder Engagement (p.41)	-	-
Material Aspect: Customer Health and Safety			
G4-DMA	Not material	-	-
	In accordance with REACH and local regulations all products and chemical substances used as raw material are subject to analyzes including their health and safety impacts and labeled accordingly. All product labels, namely MSDS forms, include possible H&S impacts of products and measures to be taken regarding these impacts.		
G4-PR1		-	-
Material Aspect: Product and Service Labeling			
G4-DMA	Customer Satisfaction (p.18)	-	-
G4-PR3	All Tüpraş products are labeled in line with legal regulations.	-	-
G4-PR4	No such case occurred during the reporting period.	-	-
	Tüpraş evaluates customer satisfaction level periodically regarding its products and services and undertakes improving studies. Although no such study carried out in 2013, as a result of latest customer satisfaction survey covering the entire customer groups in 2012, 98% of Tüpraş customers expressed that they were either "satisfied" or "very satisfied" by working with Tüpraş while none of the Tüpraş customers provided negative feedback.		
G4-PR5	Customer Satisfaction (p.18)		
Material Aspect: Marketing Communication			
G4-DMA	Not material	-	-
G4-PR7	No such case occurred during the reporting period.	-	-
Material Aspect: Product and Service Quality			
G4-DMA	Business Continuity (p.18-19); Customer Satisfaction (p.18)	-	-
Material Aspect: R&D Studies			
G4-DMA	R&D Studies (p.20)	-	-
Material Aspect: Asset Integrity			
G4-DMA	Business Continuity (p.18-19); Occupational Health and Safety (p.31)	-	-
Material Aspect: Disaster and Emergency Preparedness			
G4-DMA	Business Continuity (p.XX); Environmental Protection and Biodiversity (p.25-26); Occupational Health and Safety (p.XX) Risk Management and Internal Audit (p.40)	-	-

Contact

② G4-3, G4-5, G4-31, G4-32, G4-33

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