



CONTENTS



- 1** About the Report
- 2** Message from the Chairman
- 4** Message from the General Manager
- 6** Tüpraş by Highlights
- 14** The Future of Energy
- 24** Business Continuity
- 26** Business Culture
- 34** Occupational Health and Safety
- 36** Energy and Climate
- 40** Environmental Management
- 44** Economic Area of Influence
- 46** Social Development
- 56** Sustainability Management
- 60** Performance Data
- 64** GRI G4 Content Index
- 68** Contact

ABOUT THE REPORT

Tüpraş has been presenting its stakeholders with its managerial approaches, organizational characteristics, operations, performance results achieved, and future projections in accordance with the principles of transparency and accountability, through the corporate responsibility reporting works it conducts since 2008. In this corporate responsibility report published for the sixth time this year, Tüpraş shares the social, environmental and economic results of its operations once again with all its stakeholders, primarily its employees, investors, customers, suppliers and business partners, unions, media and nongovernmental organizations.

As with the previous report published in 2013, Tüpraş 2014 Corporate Responsibility Report was also prepared in accordance with GRI G4 reporting standards, the latest application option published by the Global Reporting Initiative (GRI), and all the information included in the report was disclosed in line with option "core" requirements.

United Nations Global Compact Progress Report requirements were also complied with in performance specifications and performance assessment methods accepted throughout the industry were made use of to allow for an extensive analysis. While data from previous reporting periods is also shared in order to offer readers with an opportunity of performance comparison, the information included in Tüpraş 2014 Corporate Responsibility Report involve the performance realized between January 1st - December 31st 2014.

The scope of the report is limited to the refining operations of Tüpraş and the report reflects the operation and performance results of Tüpraş refinery operations. Data concerning suppliers and business partners were also included within the scope of the report when deemed necessary. While the performance data of Opet Petrolcülük A.Ş. and Ditaş, subsidiary companies of Tüpraş, are not within the reporting scope, the reader was offered general introductory information about these companies in order to represent corporate integrity. On the other hand, financial data concerning subsidiaries

were included in Tüpraş performance, in parallel with the shareholding rate in these companies, as required by the financial reporting principles followed.

Tüpraş aims to conduct its future reporting works on an annual basis following the same guideline methodology. The corporate responsibility reports of Tüpraş for previous periods and its corporate responsibility works can be accessed at www.tupras.com.tr.

MESSAGE FROM THE CHAIRMAN

Dear Stakeholders,

In 2014 when recovery efforts in the global economy slowly progressed, dissociations were observed in the growth dynamics of leading countries. In spite of the recovery in the US economy the growth rates of developing countries decelerated, the weak outlook and fragilities continued in the Euro Zone and Japan. While the growth rates of developing countries regressed to 4.4% from 4.7%, the Turkish economy grew by 3%.

The global tension increasingly continued in 2014, with the addition of the Ukraine crisis to the geopolitical risks that became chronic in our region. The world oil consumption, which was 91.82 million barrels/day in 2013, was realized at the level of 92.46 million barrels/day in 2014, with a limited increase of 0.7%. Despite the increase in oil consumption; risks created by the increasing funding need in developing countries and the rise in rates, as well as factors such as increase of the competition in the industry and in our region due to the WTI and cheap natural gas advantage of USA refineries, caused crude oil prices to drop and negatively affected the profitability of the refining industry and of Tüpraş.

Considering the Turkish fuel industry in specific, we see that diesel oil consumption reached 17.4 million tons in 2014 with an approximate increase of 4.2% and gasoline consumption was realized around 1.9 million tons with an increase of 60 thousand tons. The increase in the airline transport, where the plane traffic rose by 9.8% and the total passenger number reached 166 million, enhanced jet fuel consumption by around 11%. While the total market share of Tüpraş in products other than industrial products was 56.4%, it was realized as 88% in jet fuel, 37% in diesel oil while Tüpraş met almost all the demand in gasoline. In 2014, when total product sales reached 22.2 million tons, a turnover of 39.7 billion TL, as well as 3.7 billion US dollars in export income were achieved.

A very important step was taken in 2014 with the engagement of the Residuum Upgrading Facility, in order to achieve our most important target in medium-term that will carry Tüpraş into the future and further strengthen its competitive position. With the positive contribution of the deferred tax income arising from the investment promotion of Residuum Upgrading Facility Project that raises our bar of producing value for the country

further to higher levels, Tüpraş achieved 1 billion 459 million TL of net profit in 2014.

Tüpraş continued its energy efficiency works, on which it has been concentrating for long years as part of the combat against climate change, with 22 projects it conducted in 2014. As part of these works, 1,722 TJ of energy and 126,442 tons of CO2 emission savings were achieved. The progress and achievements of Tüpraş in energy savings was registered by the awards won at "SENER" Industrial Energy Efficiency Project Competition organized by the Ministry of Energy and Natural Resources, where Tüpraş became the industrial facility deemed worthy of the most awards, with a total of 16 awards.

Tüpraş works for decreasing the environmental impacts of fuel oil products with the R&D investments it realizes. The year 2014, when Tüpraş R&D Center was engaged, was recorded as a year of significant developments in terms of R&D. Tüpraş, which spent around 138 million TL in R&D expenditures following the establishment of the R&D Center, was ranked 14th in the country R&D ranking disclosed in 2014 with 32.5 million TL of expenditure made in 2013. In 2014, 32 million TL of expenditure was realized.

Occupational health and safety are among of the fundamental issues that we never make compromises about when conducting our operations. Our occupational health and safety processes, which we manage within the framework of HSE-Q Management System, are tracked through numerous intercorporate and international standards, risk assessment systematics and working procedures. By means of the Process Management System that will be completed in 2016 our process security will be further reinforced.



A very important step was taken in 2014 with the engagement of the Residuum Upgrading Facility.

Tüpraş will continue generating sustainable value for our stakeholders and our country in the future as it has in the past. We present our thanks to all our stakeholders, primarily our employees, suppliers and business partners who contribute to the gains we achieve, for their loyalty and commitment to Tüpraş.

M. Ömer Koç
Chairman



MESSAGE FROM THE GENERAL MANAGER

We left behind a year when global economic activities continued on a weak and fragile ground and important developments took place in domestic and foreign markets. While weak demand consisted in the European and Mediterranean Regions, oil demand remained parallel with the impact of the slowdown in the growth momentum in China, India and Middle East, increasing the competition in the sector and in our region. High stock losses caused by the rapidly falling crude oil price affected the profitability of the refinery sector negatively. In parallel with all these developments, we continued our production and sales optimization works in 2014, when we struggled with many difficulties, realizing our capacity usage rate as 74.9% and producing 20.1 million tons of vendible products.

2014 was a year when we continued to enhance our corporate management performance. We raised our score to the level of 9.31⁽¹⁾ as a result of the improvements we realized in the Corporate Management Principles with the new criteria of the Capital Markets Board in 2014, remaining in the first ranks of the index and we were deemed worthy of 2 awards by the Turkish Corporate Governance Association. Besides, we

succeeded in ranking among the first 15 companies in the Corporate Sustainability Index founded by Istanbul Stock Exchange (BIST).

We believe it's possible to attain our main objective of meeting the oil product demand of Turkey in full with a sustainable business model. In order to ensure sustainable development with its entire social, environmental and economic dimensions we continuously improve our business processes and performance, we render our business processes more productive. We continue to generate added value for Turkey through new products we develop, our supply chain practices and works for supporting social development. In the reporting period, we continued to consolidate our success with works conducted in line with our sustainability priorities and to contribute to the sustainable development of the society in our operational geography.

We continue to design and swiftly actualize our tasks regarding the combat against climate change, which is of vital importance to the refinery sector. During the reporting period, we participated in meetings and seminars specific to the issue organized by authorized bodies and nongovernmental organizations

as part of EU harmonization works; we also maintained our greenhouse gas calculation and reduction works in line with the Climate Change Strategy and 2020 Greenhouse Gas Strategic Plan. We reduced energy consumption by 1,722 TJ through improvement works we conducted in 2014, realizing our energy consumption amount per crude oil at the level of 3.35 GJ/Ton. We reduced the amount of emission by 126 thousand ton CO₂e, whereby the total amount of reduction we realized since 2010 reached the level of 1.3 million ton CO₂e. Besides, we have returned 1,460 trees to the nature as part of our traditionalized reforestation works.

As part of our R&D studies, we work to enhance product efficiency and characteristics, to create a difference in the product, to develop products with less environmental impact and alternative fuel technologies, thereby increasing our sustainable profitability and consolidating our competitive position. During the reporting period, we have conducted 16 TEYDEB approved projects, 2 EUREKA projects, 1 ARDEB 1003 project and 1 EU FP7 approved project. Tüpraş R&D Center, which we actualized in 2014, was deemed worthy of the first prize as the "Best R&D Center" at the Private Sector R&D Centers Summit; while Tüpraş came fourth in the category of "Enabled Factors and R&D Management" from amongst 460 companies at the Turkish Innovation League.

We also continued to enhance our occupational health and safety practices, which is among our priority areas, in 2014. Besides realizing effective analysis and learning procedures, we continued offering occupational health and safety trainings aiming at enhancing the information and awareness level of Tüpraş employees and subcontractor employees. During the period, we have provided a total of 110,964 man*hour of training

(1) Tüpraş's Corporate Governance Score was upgraded to 9.31 in October 2014 from 9.28 on April 30, 2014. In this assessment, Tüpraş's commitment to Corporate Governance Principles, its eagerness to manage the process in a continuous and dynamic manner, and the improvements it has achieved were taken into consideration.

to 4,394 Tüpraş employees and 5,011 subcontractor employees.

In accordance with our tradition of answering the expectations and needs of the geography in which we operate, we continued conducting social development projects in the reporting period. We undertook many projects, also with the voluntary participation of our employees, notably in the areas of education, culture & arts, sports and environment. We transferred funds worth 8.9 million TL to works

actualized by several institutions through donation and sponsorship practices.

In 2014, we continued achieving successful results and generating permanent value for our stakeholders despite the fluctuations experienced in the refinery sector due to global developments and challenging conditions. With the awareness of the responsibilities brought about by being the only refining company of Turkey, we worked to contribute to the sustainable development of the country.

We express our gratitude to our employees who play an essential role in achieving our objectives and add value to the works we conduct, our suppliers and business partners who appropriate Tüpraş and work devotedly, our customers for trusting us, as well as our investors and shareholders.

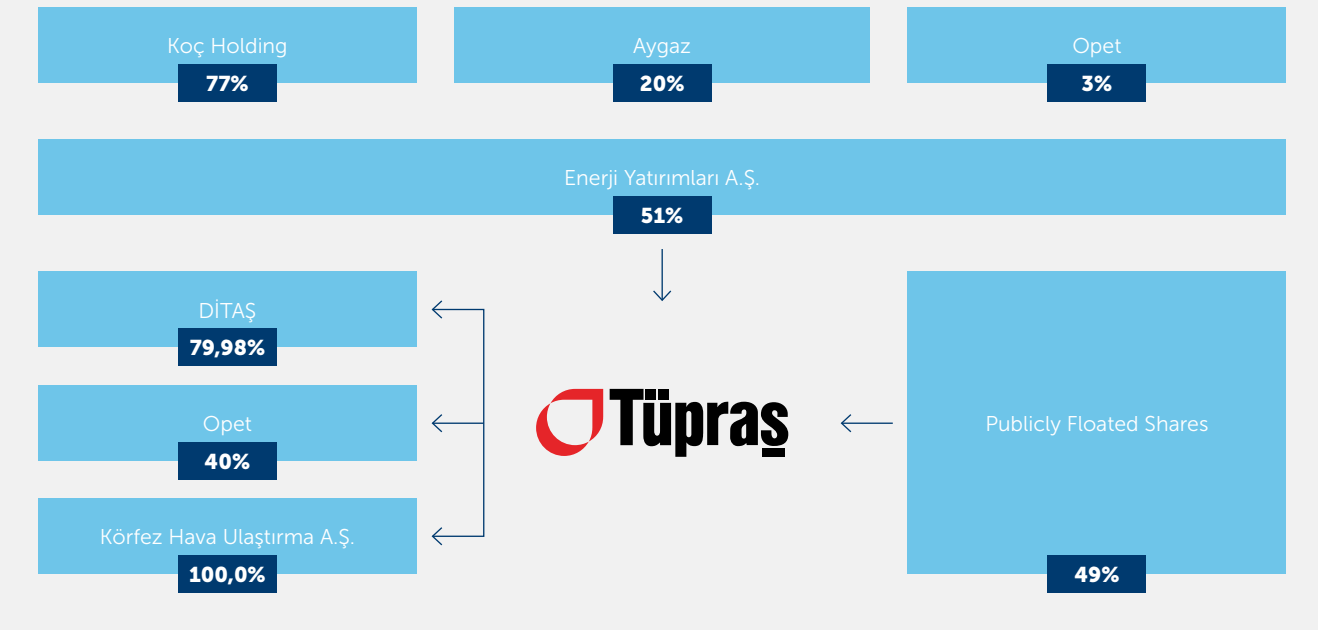
Respectfully,

Yavuz Erkut
General Manager

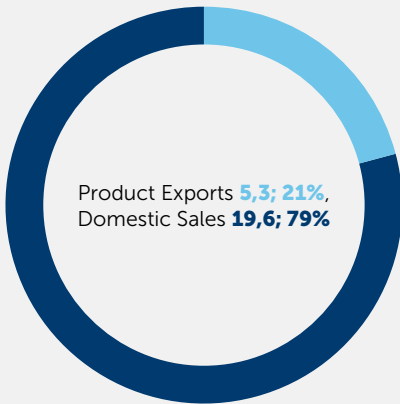


TÜPRAŞ BY HIGHLIGHTS

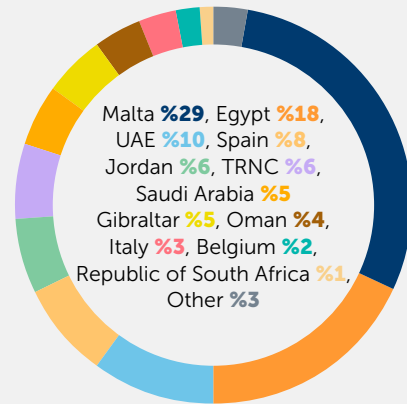
Tüpraş Partnership Structure



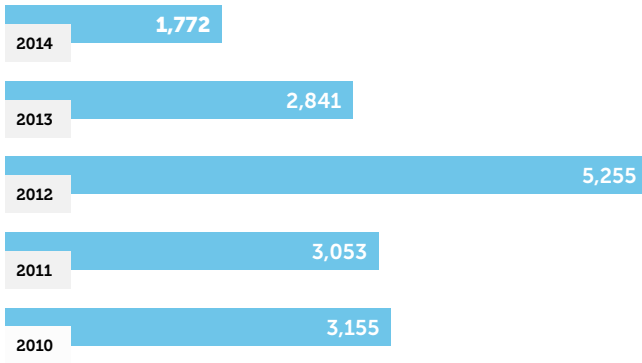
Total Sales (million tons-%)



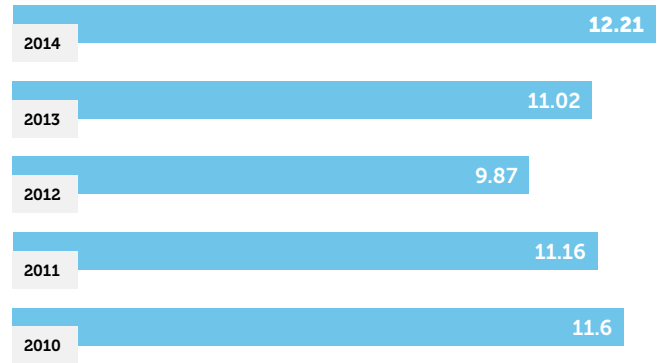
Exports by Country (%)



Energy Saved through Energy Efficiency Projects (TJ)



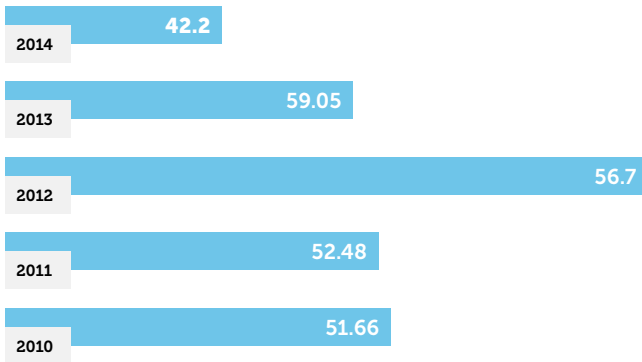
Total Amount of Water Recovery (million m³)



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

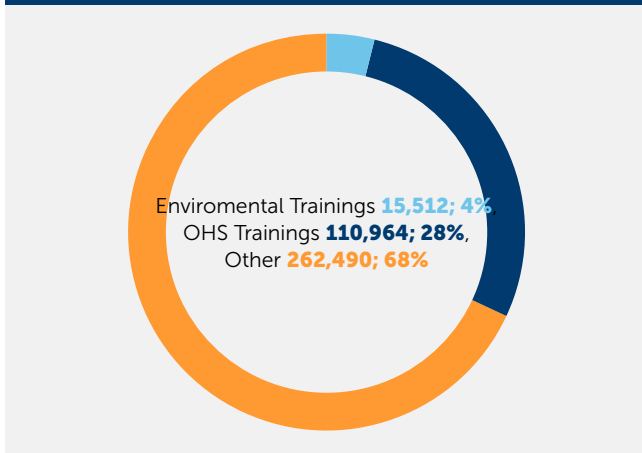
Local Procurement Rate (%)



Local Procurement Rate (million TL)

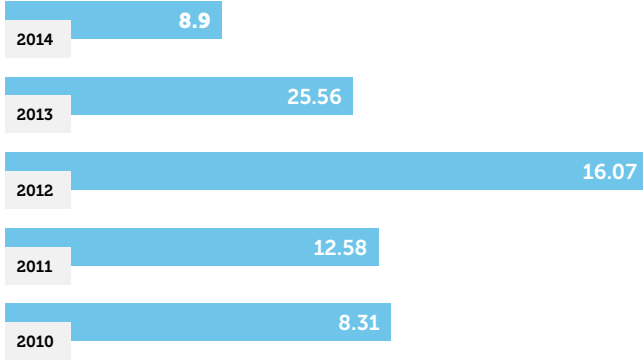


Total Trainings (man*hour-%)



OPET, 40% OF WHICH BELONGS TO TÜPRAŞ, IS INVOLVED IN THE FUEL OIL DISTRIBUTION SECTOR, IN THE AREAS OF RETAIL, COMMERCIAL AND INDUSTRIAL SALES, STORAGE AND INTERNATIONAL PRODUCT TRADING.

Donations and Sponsorships (million TL)



Opet

Opet, 40% of which belongs to Tüpraş, is involved in the fuel oil distribution sector, in the areas of retail, commercial and industrial sales, storage and international product trading. Opet, which has raised the number of its stations to 1,393 in 2014, provides Tüpraş with a significant logistical advantage with its 1.1-million m³ storage capacity.

In 2014, Opet has established Kuantag Nanotechnology Development and Production Incorporated Company together with Koç Holding's Inventram company and in cooperation with Koç University, in order to develop, produce and engage in commercial activities regarding electronic sensors and nanoparticle label and sensor systems that will enable the real-time sensing of liquids and recording.

Opet, which aims to become the first choice of the consumer in its sector through its "impeccable service understanding", has achieved sector leadership in the Customer Satisfaction Index for the ninth time in 2014.

Opet, which has made social responsibility orientation into a part of its corporate culture, supports local economic growth and social development with the projects it conducts. Opet has already realized many successful projects such as "Respect for History", "Green Road", "Exemplary Village", "Clean Toilets" and "Traffic Detectives".

You can access detailed information regarding the corporate responsibility performance of Opet Petrolcülük A.Ş. through the corporate responsibility reports published online at www.opet.com.tr.





Ditaş conducts oil product transport according to the needs of Tüpraş and other suppliers.

Ditaş

Deniz İşletmeciliği ve Tankerciliği A.Ş. (DİTAŞ) was founded in 1974 to procure, build or rent tanker ships of different tonnages and qualities for domestic and international maritime transportation of crude oil and petroleum products, and it has expanded its areas of operation throughout the years. Ditaş, which provides shipping line operation, brokering/ship renting, guiding, tugboat, supervision and agency services nowadays, conducts crude oil transport in line with the needs of Tüpraş and oil product transport according to the needs of Tüpraş and other suppliers.



DITAŞ, WHICH CONDUCTS ITS ACTIVITIES WITH THE AWARENESS OF CORPORATE CITIZENSHIP, IS ALSO A MEMBER OF TURKISH MARINE ENVIRONMENT PROTECTION ASSOCIATION (TURMEPA).

Ditaş, which provides operational and cost advantages to Tüpraş, has transported a total of 8.3 million tons, of which 4.8 million tons crude oil and 3.5 million tons oil product. 88.2% of crude oil transports and 32.2% of oil product transports were realized in line with the needs of Tüpraş refineries.

Ditaş has ISO 9001-2008 Quality Management System, ISO 14001-2004 Environmental Management System certifications for its headquarters and ships, as well as ISM (International Safety Management) and ISPS (International Ship & Port Facility Security Code) certificates for ships. Izmit and Izmir terminals hold ISO 9001-2008 Quality Management System Certificate. In addition, Ditaş acquired the International Standard for Maritime Pilot Organizations (ISPO) certificate for its Izmir Terminal, becoming the first in Turkey, and 11th in the world, to receive this certificate. Ditaş, which conducts its activities with the awareness of corporate citizenship, is also a member of Turkish Marine Environment Protection Association (Turmepa).



Ditaş provides load operation captainship service in order to enhance safety during the operations of crude oil, chemical and product ships arriving at marine terminals, controls the compliance of arriving ships with national and international rules, as well as Tüpraş standards and reports the results to Tüpraş. In this regard, a total of 105 ships were provided with supervision and 138 ships with load operation captainship service at Izmit and Izmir terminals in 2014.



Ditaş provided a total of 105 ships with supervision and 138 ships with load operation captainship service at Izmit and Izmir terminals in 2014.



Şirket'in Sahip Olduğu Deniz Araçları

Ditaş Tankers	M/T Cumhuriyet	M/T T. Sevgi	M/T T. Gönül	M/T T. Suna	M/T T. Leyla	M/T T. Esra
Tanker type	Crude Oil	Petrol/Chemical	Petrol/Chemical	Petrol/Chemical	Petrol/Chemical	Asphalt/Chemical
Year Built	2001	2008	2009	2012	2011	2014
Slop Tank Capacity	4,443 m ³	406.4 m ³	413.4 m ³	1019.36 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	17,643 m ³
DWT	164,859 ton	10,983 ton	10,873 ton	51,532 ton	6,297 ton	19,968 ton
GRT	84,476 ton	7,318 ton	7,318 ton	29,754 ton	4,225 ton	15,674 ton
Net Tonnage	53,710 ton	3,651 ton	3,651 ton	14,116 ton	2,047 ton	4,702 ton
Length	274.18 m	131.85 m	131.85 m	183.31 m	121.62 m	156.50 m

Amount of Crude Oil and Products Shipped (thousand tons)

	2010	2011	2012	2013	2014
Crude Oil	18,669	19,297	14,850	6,435	4,825
Product	1,995	2,593	3,106	3,126	3,526



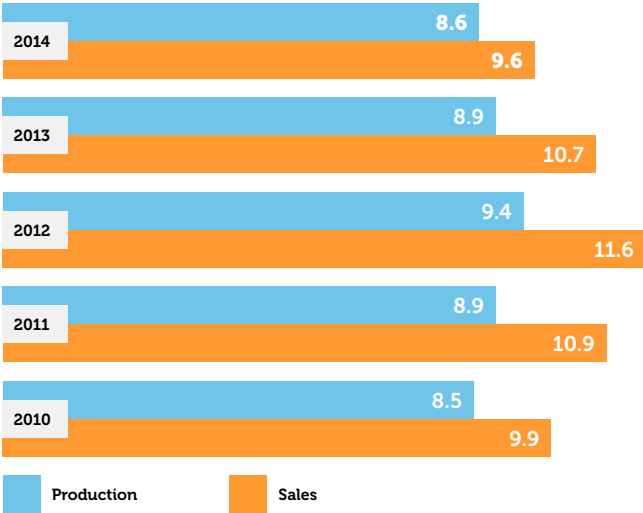
Izmit Refinery

Year of Establishment : **1961**
 Refining Capacity : **11 million tons**
 Storage Capacity : **2.91 million m³**
 Capacity Usage Rate : **82.3%**
 Nelson Complexity : **7.78**
 Number of Employees : **1,763**

İzmir Refinery

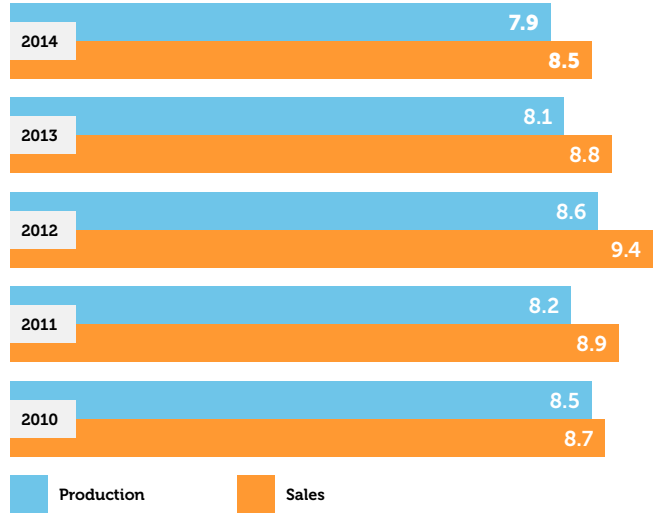
Year of Establishment : **1972**
 Refining Capacity : **11 million tons**
 Storage Capacity : **2.42 million m³**
 Capacity Usage Rate : **75.1%**
 Nelson Complexity : **7.66**
 Number of Employees : **1,278**

(million tons)



Izmit Refinery, which has the capacity to process 11 million tons of crude oil annually at Euro V standards, is at the very heart of the center of consumption where around 33% of Turkish oil product consumption is realized. With the full capacity engagement of the Residuum Upgrading Project that was completed by 2014 yearend, Izmit Refinery will raise its Nelson Complexity Index from 7.78 to the level of 14.5 becoming one of the refineries with the highest conversion rate in the world.

(million tons)

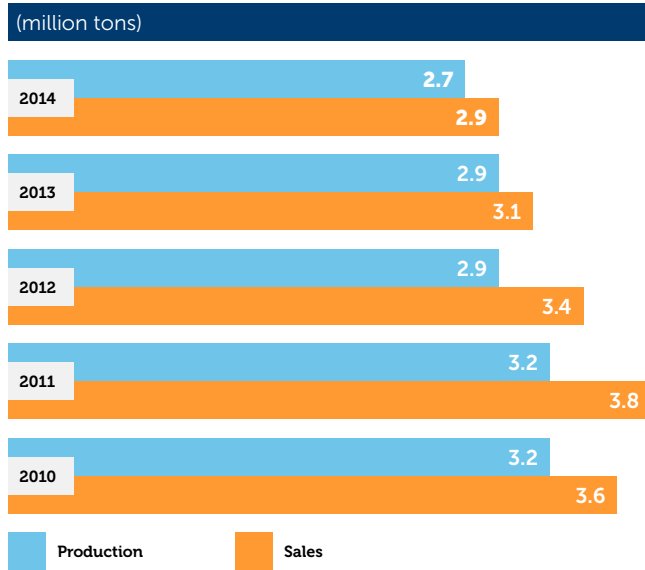


Boasting an annual crude oil processing capacity of 11 million tons, İzmir Refinery is capable of providing products in line with EU norms. The refinery enjoys competitive advantage thanks to its high complexity rate, connection to open seas and market location in a tourism region. İzmir Refinery is the only refinery in Turkey that have machine oil production complex with 400 thousand tons/year.



Kırıkkale Refinery

Year of Establishment	: 1986
Refining Capacity	: 5 million tons
Storage Capacity	: 1.38 million m³
Capacity Usage Rate	: 66.5%
Nelson Complexity	: 6.32
Number of Employees	: 853

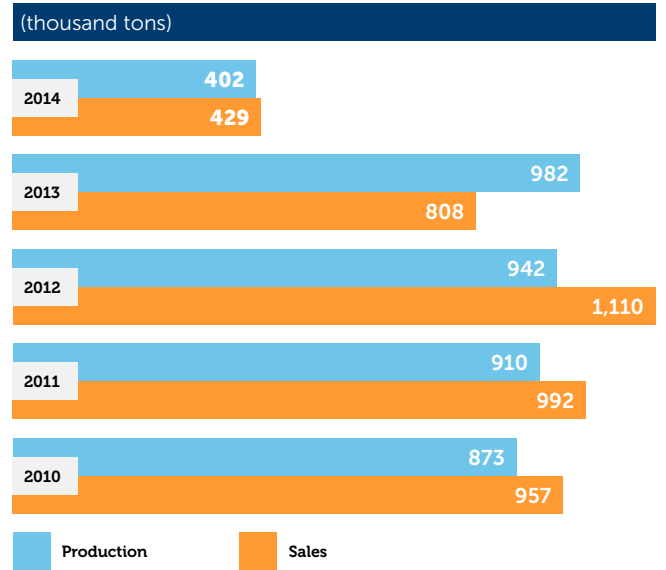


Boasting an annual refining capacity of 5 millions tons of crude oil, Kırıkkale Refinery has the largest fuel truck filling capacity in Turkey with a Nelson Complexity of 6.32. Connected to oil sources through pipelines and to other Tüpraş refineries by railway, the refinery enjoys significant logistic advantage since it can offer products at EU standards to inland markets.



Batman Refinery

Year of Establishment	: 1955
Refining Capacity	: 1.1 million tons
Storage Capacity	: 253 m³
Capacity Usage Rate	: 37.2%
Nelson Complexity	: 1.83
Number of Employees	: 460



With an annual refining capacity of 1.1 million tons of crude oil, Batman Refinery is characterized as the first refinery established in Turkey. Enjoying the advantage of proximity to local crude oil sources, the refinery is also connected to foreign crude oil resources through pipelines. The refinery, which sells products at EU standards transported from Kırıkkale and Izmir refineries, has competitive advantage in the East and Southeast Anatolian markets.



Meeting the energy need safely has a significant role in constructing the infrastructure for sustainable growth.

THE FUTURE OF ENERGY

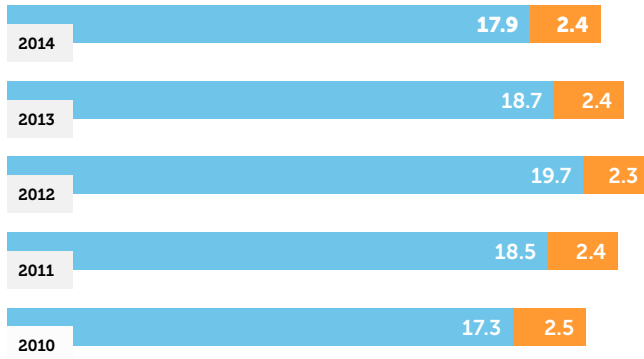
Along with the rapid increase of the world population and the rise in the level of welfare of developing countries, energy demand is also increasing with each passing day. The energy need of developing Turkey is also increasing in parallel. Meeting this energy need safely has a significant role in constructing the infrastructure for sustainable growth. Tüpraş works to meet the country's need for petroleum products completely, to direct the industry through innovative practices, and to achieve the highest level of customer satisfaction by offering clean and reliable products with fair pricing.

Petroleum Market

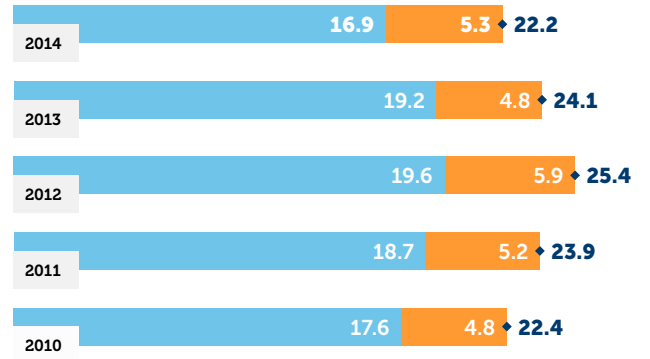
In 2014, when the weak demand in the European and Mediterranean Regions persisted, especially medium distillate demands progressed in parallel with the impact of the slowdown in the growth momentum in China, India and Middle East, the driving powers of global demand, where significant refinery capacity investments are engaged. In addition, the persistence of the WTI (West Texas Intermediate) and cheap natural gas advantage of US refineries has intensified the competition in the sector and in our region. The price of crude oil, which started the year 2014 at



Crude Oil Supply (million tons)



Total Sales (million tons)



THE TOTAL MARKET SHARE OF PETROLEUM PRODUCTS, EXCLUDING INDUSTRIAL PRODUCTS PRODUCED BY TÜPRAŞ, WAS 56.4% IN 2014; IT WAS REALIZED AT THE LEVEL OF 37% FOR DIESEL OIL, WHILE ALMOST ALL THE DEMAND WAS MET IN GASOLINE.

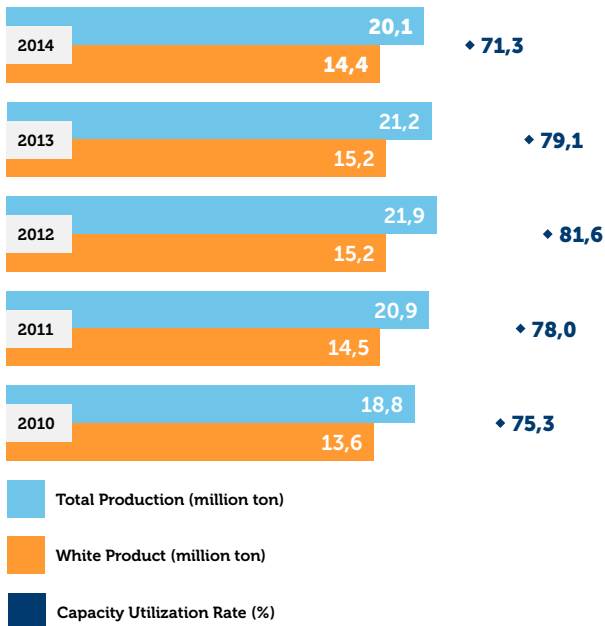
the level of 108 dollars/barrel and rose to the level of 115 dollars/barrel in the month of June, closed the year at the level of 55 US dollars during the second half of the year, due to economic and geopolitical reasons; this rapid decline caused high stock losses in the sector. The global oil consumption, which was 91.82 million barrels/day in 2013, was realized at the level of 92.46 million barrels/day in 2014, with a limited increase of 0.7%.

Since its production consists in processing crude oil, which is directly related to global economic and geopolitical impacts, international developments, the state of local oil and energy markets directly impact the activities of Tüpraş. Tüpraş follows all developments with a risk and opportunity oriented approach in order to adapt to the increasing competition. In accordance, it provides the petroleum products need of the country from local resources at the maximum level, while also working to guarantee its financial sustainability.

Tüpraş has supplied 17.9 million tons of crude oil from abroad in 2014, with a decrease of 4.2%. Domestic crude oil supply was realized at the level of 2.4 million tons, as in 2013. As a result of maintenance stops in relation to infrastructural connections at Izmit Refinery for the Residuum Upgrading Project, refinery maintenance works prior to RUP in other refineries, and a weak conjuncture, Tüpraş supplied a total of 21.0 million tons of charge, of which 20.0 million tons of crude oil and 1.0 million tons of semi-product, to its units and realized its capacity usage at the rate of 74.9% in total, in 2014. The production in 2014 was realized as 20.1 million tons. The maximum white product efficiency of the last years was achieved through the effective use of conversion units, with a white product efficiency rate of 72.2%.

In relation to the decrease in diesel oil sales from imports and in the demand for asphalt, Tüpraş realized 16.9 million tons in domestic sales in 2014. Its total sales amount to 22.2 million tons together

Production



with 5.3 million tons of exported products. The total market share of petroleum products, excluding industrial products produced by Tüpraş, was 56.4% in 2014; it was realized at the level of 37% for diesel oil, while almost all the demand was met in gasoline.

Tüpraş, which offers the quality products it produces above the country demand to international markets, has exported the emerging demand surplus products in periods when the domestic market shrank in relation to market conditions, in parallel with the alterations in the conjuncture in 2014. In this way



Tüpraş follows all developments with a risk and opportunity oriented approach in order to adapt to the increasing competition.





production and storage costs are minimized, while also constituting a natural defense mechanism against the currency risk. In 2014, Tüpraş exported 5.3 million tons of products with an increase of 10.4% as against 2013. Contrary to the increase in export, Tüpraş imported 2.9 million tons of petroleum products, recording a decrease of 23.7%.

R&D and Investments

Tüpraş conducts its R&D works in accordance with the objective of achieving the technological competence

Customer Satisfaction

Tüpraş commits to offer products and services of the highest possible quality to its customers, to continuously improve its products and services, and to treat all its customers equally and fairly. In accordance, it maintains its activities with the understanding of customer orientation, improves its practices to enhance customer experience, and periodically assesses customer satisfaction. In 2014, surveys prepared for each customer group separately was shared with customers online. In consequence of satisfaction survey, 83.8% of Tüpraş customers indicated their satisfaction with working with Tüpraş and there were no negative feedbacks from any Tüpraş customer as in the past years.

As part of the improvement and enhancement works conducted in line with customer feedbacks, "Internet Based Applications" were revised in accordance with customer requests and demands and the security substructure was improved during the reporting period. With this project, customers can access the system on "Internet Based Applications" through SMS codes received by mobile phones.

(million tons)

	2010	2011	2012	2013	2014	Alteration (%) 2013-2014
Petroleum Product Imports	4.0	4.2	4.4	3.8	2.9	(-) 23.7
Petroleum Product Exports	4.8	5.2	5.9	4.8	5.3	(+) 10.4

THE MOST IMPORTANT OBJECTIVE OF THE R&D STRATEGY OF TÜPRAŞ IS TO CREATE DIFFERENCE IN THE PRODUCT AND ACHIEVE SELF-SUFFICIENCY IN THE PROCESS.

and knowledge accumulation necessary for sustainable competition. In 2014, it has accelerated its R&D works, while also continuously maintaining its investments in order to ensure larger contributions to the Turkish economy as the most competitive refinery company of the Mediterranean Region.

R&D Studies

The most important objective of the R&D strategy of Tüpraş is to create difference in the product and achieve self-sufficiency in the process. In determining its strategic targets, Tüpraş focuses on developing Best Available Technology (BAT) practices in refining processes and achieving the ability to practice on the field, as well as improving the characteristics of products in line with long term needs, sector-wide expectations and future arrangements to obtain new commercial products. Works for reducing the environmental impacts of refining processes and improving alternative fuel technologies are areas of innovation that provide competitive advantage, to which Tüpraş pays particular regard. Tüpraş, which understands R&D and innovation to be the key drivers in the transition to low carbon economy, works to achieve the targets engaged by its energy efficiency policies through innovative



and improving energy efficiency projects created at its R&D Center.

Tüpraş R&D Center, which was built to expand the R&D field in parallel with the growth in the volume of R&D projects and budget, was completed and inaugurated in 2014. The R&D Center maintains its activities on campus grounds that were tripled since its establishment, covering an area of 12,250 m². Works for improving the quality of the existing products of Tüpraş in line with long term needs, sector-specific expectations, future regulations and achieving innovative products compatible with regulations, market expectations, process technologies, following current trends and based on concrete measurement results are conducted at the center, which consists of three separate buildings, R&D Center

Fourth Place in Turkey at InovaLİG

Tüpraş was ranked fourth in Turkey in the category of "Enabled Factors" at InovaLİG, the first program where Turkey's Innovation leaders are identified.



Design Building, Laboratory Building and Pilot Facility Building. Considering that Tüpraş has started works to implement innovation processes on its business model in the new period, the campus is projected to become a research center conducting international researches.

Within the framework of the R&D strategy of Tüpraş, the accumulation of knowledge that arises as a result of joint studies conducted together with universities, research centers and the industry is of capital importance for the sustainable success and future of Tüpraş. In accordance, projects are actualized in cooperation with universities, Council of Higher Education (YÖK) approved Post Graduate Programs are conducted together with three different universities. Works are continued within the context of Energy Systems Development

Center-KÜTEM, which was actualized in cooperation with Koç University in 2012 aiming at producing scientific studies and innovation projects at the international level in the field of alternative energy resources, by bringing together the industry and faculty members. In this way, the works conducted by Tüpraş in the field of energy are enriched with a scientific perspective.

Tüpraş has successfully conducted a total of 16 TEYDEB approved projects, 2 EUREKA labeled projects, an ARDEB 1003 project and an EU FP7 approved project as part of its R&D activities. As it perceives participating in R&D projects financed by the European Union and partaking in various R&D platforms to be the best way to increase the level of competitiveness by keeping in contact with overseas institutions in the refining

Development of Modified Bitumen

As part of the project conducted under the supervision of Istanbul University, it is aimed to recycle various plastics industry waste polymers through physical and chemical processes in order to produce superior polymer modified bitumen. At the end of the project, Tüpraş, the only bitumen producer of Turkey, will develop high grade bitumen mixes and achieve environmentally sensitive and practicable gains regarding the solution of Turkey's waste polymer problem, that serve to reduce the import of commercial bitumen/ asphalt additives.

TÜPRAŞ, WHOSE TOTAL R&D EXPENDITURE SINCE ITS ESTABLISHMENT HAS REACHED 138 MILLION TL AS OF 2014 YEAREND, CONTINUES TO RESOLUTELY MAINTAIN ITS POLICY OF GROWTH IN THIS FIELD .

sector, Tüpraş resolutely maintains its project works in this direction with 7 applications made in 2014. The world's leading energy institutions are collaborated with as part of project preparations. Tüpraş conducts 18 R&D projects with its own funds, besides those projects approved by TÜBİTAK and EU R&D funds.

Tüpraş, whose total R&D expenditure since its establishment has reached 138 million TL as of 2014 yearend, continues to resolutely maintain its policy of growth in this field. Tüpraş was ranked 14th in 2014 with its 32.5 million TL worth of R&D spending in 2013. Tüpraş, who spent 31.8 million TL in R&D expenditures in 2014, received 3.18 million TL worth of incentive for the innovation projects it actualized. Tüpraş, who published 43 national and international scientific articles in the reporting period, made 16 patent applications and had one patent application registered.

Tüpraş manages the outputs of its R&D projects within the framework of intellectual property rights. Following the commercial product named "HexMon" that emerged as a result of the R&D project themed "Reducing Refinery Energy Losses through Pollution Tracking, Modeling, Simulation and Optimal Maintenance Planning in Exchangers", a second commercial product brand, "ThinkSemART" was developed in 2014 as an output of the R&D project "Refinery Information Technologies Asset Ontology". The national brand registry application for "ThinkSemART" was realized.

Refinery Steam and Power Systems Optimization Model Development

In consultation with the Middle East Technical University, a decision-making support program has been developed for Power Plants found in Tüpraş İzmit Refinery to meet the needs of calculations of equipment efficiency in electricity and steam processes, planning and optimization of production-consumption processes, planning of electricity trading. Through the improvement obtained in the amount of fuel, a decline in refinery energy costs and CO2 emissions is achieved. With the implementation of the project in four refineries, this reduction is estimated to be equivalent to planting of 30,000 trees.





The launch of the Residuum Upgrading Facility is characterized as the largest industrial investment realized at once in the history of the country.



Investments

Besides its ongoing large-scale investment projects such the Residuum Upgrading Facility, Tüpraş started 67 new medium and small scale investment projects that will contribute to its efficiency and profitability. The investment expenditure made in Tüpraş refineries in the reporting period amounts to 959 million US dollars.

Residuum Upgrading Facility Project

With the main investments aiming at improving product quality started following the transfer of Tüpraş to Koç Group in 2006, technological development and change was initiated in the issues of operational excellence, product efficiency, environmental planning and occupational safety, major investment decisions were made that will bring about transformation. Accordingly, in 2014 Tüpraş launched the Residuum Upgrading Facility, the most strategic step it has taken in the medium term. The project is characterized as the largest industrial investment realized at once in the history of the country. Tüpraş aims to consolidate its competitive power and leading position through the project, which projects to transform the surplus fuel oil and other base products in Turkey and the region into white products needed in the country, primarily diesel oil.

With the Residuum Upgrading Facility Project, approximately 4.2 million tons of low added value black products produced at Tüpraş refineries will be processed to produce 3.5 million tons of environment-friendly white products (LPG, oil, etc.) at Euro V standards, of which 2.9 million tons of diesel oil and 700 thousand tons of petroleum coke. With the engagement of the project, Turkey's diesel oil imports are expected to decrease by 5.5 million tons annually as a result of higher capacity usage rates and increasing production.

A NEW WATER TREATMENT PLANT WAS BUILT IN ORDER TO TREAT THE WASTEWATER DISCHARGE WATERS OF THE REFINERY WASTEWATER AND KOCAELI METROPOLITAN MUNICIPALITY ISU DIRECTORY GENERAL KÖRFEZ HOUSEHOLD WASTEWATER TREATMENT FACILITY, AIMING AT MINIMIZING THE PROCESS WATER TAKEN FROM LAKE SAPANCA.

Thanks to the facility, Tüpraş will ensure optimization among refineries and increase the capacity usage of other refineries by supplying raw material to Izmit, allowing all refineries to achieve product flexibility and maximization.

As part of the project, around 8 thousand people, including solution partners and subcontractors, were employed during the three-year period of the construction-montage of a total of 17 units, in particular the six main units, as well as additional complementary facilities such as pier, railway; while 500 people were permanently employed with the engagement of the project.

All environmental impacts were taken into consideration in the design stage of the project; technologies and processes complying with EU standards were opted for. In this way, the reduction of emissions, maximization of natural gas use, and stack gas emissions below environmental norms will be ensured in parallel to the increase achieved in energy efficiency. On the other part, discharges below limit values are ensured through the implementation of necessary investments for biological and chemical treatment in wastewater treatment.

New Water Preparation Unit Facility at Izmit Refinery

A new water treatment plant was built in order to treat the wastewater discharge waters of the Refinery Wastewater and

Kocaeli Metropolitan Municipality ISU Directory General Körfez Household Wastewater Treatment Facility, aiming at minimizing the process water taken from Lake Sapanca. The first part of the two phased unit was built at the end of 2014. The project is planned to be completed in 2015. Within the scope of the same



project, an additional process was installed to Waste Water Recovery System in order to improve product quality. The process was put into use in 2014.

New Water Treatment Unit Facility at Izmir Refinery

The construction of a New Water

Treatment Unit Facility at Izmir Refinery Project was launched. The new unit is planned to be put into use in 20016.

New Black Product and Grease Sales Terminal Construction at Izmir Refinery

As part of the project actualized at Izmir Refinery, a new black product terminal

will be established aiming at fillings that are made at four different points in the refinery to be collected in a single area, realizing safe and swift filling, and eliminating tanker traffic. The project, whose infrastructure works continue in the terminal area during the reporting period, is planned for completion in 2016.



BUSINESS CONTINUITY

The business continuity of Tüpraş is of vital importance to the timely and complete supply of the petroleum products needed by the Turkish economy. Tüpraş implements risk assessment, performance management systems and continuous improvement works in order to ensure business continuity. Production planning is realized through the assessment of variables such as market conditions, product demand, product portfolio efficiency projections, refinery configuration and raw material procurement by means of various decision support mechanisms.

Short, medium and long-term production targets are determined in light of

different scenarios and investment and operation plans necessary for achieving these targets are actualized. Practices and investments assuring the mechanical integrity and configuration development of the refineries are implemented for these plans to be safely and effectively conducted.

Systems and Standards

The uninterrupted operability of information systems is of great importance for ensuring the continuity of the activities of Tüpraş. For this reason, secure, flexible and backed up information infrastructures are constituted. These infrastructures are managed by information system managers with superior competences in terms of professional knowledge and experience, holding various certifications. Tüpraş continued to conduct several projects aimed at improving the integration of business processes and information flow in the reporting period. In this regard, a project was started in the reporting period to update the Document Management System (EYS) Policy. At first, one-day workshops to be attended by quality groups will be organized, subsequently one-day workshops to be attended by other units will be organized and the new policy

prepared by using the collected data will be presented to the administration.

Tüpraş makes use of international quality and management system standards and business excellence models alongside practices developed within the company in order to ensure standardization in business processes, management systems and products. Tüpraş maintains its operation within the framework of Integrated Management System composed of ISO 9001 Quality Management System, ISO 14001 Environmental Management System, OHSAS 18001 Organizational Health and Safety Management System and ISO 50001 Energy Management System. Tüpraş also certified its refinery laboratories with ISO 17025 standard. Besides, ISO 27001 Information Security Management System, which continuously analyzes threats against information assets, decides which controls will be implemented against what risk, and tracks the correct management of these controls, is used. In the reporting period, Information Security Management System operated since 2013, has been upgraded to ISO 27001: 2013 version. Tüpraş identifies and actualizes its improvement plans within the scope of the EFQM Excellence Model. While production is realized in line with standards determined by regulatory institutions, quality controls are conducted by Tüpraş laboratories affiliated with the refineries, all of which have accreditation certificates.

The control of management systems at Tüpraş is ensured through internal and external audits realized in Head Office and Refineries. In case of a nonconformity, Corrective and Preventive Actions are taken. Also, Integrated Management System Internal Audits are realized each year at Head Office and Refineries for which Tüpraş

Green IT Practices at Tüpraş

Data area has been reduced through restructuring of existing data center. As a result of these changes, cooling cost has been cut significantly and the physical conditions of the room has been improved. Besides, a more flexible and durable infrastructure operating at lower cost has been provided by moving application infrastructure to VBLOCK system

employees from different units are appointed as auditor. Process mid product and end product analyses are conducted at refinery laboratories to ensure the production of products with the proper specifications.

Disaster and Emergency Preparedness

At Tüpraş, disaster and emergency preparedness is managed within the framework of Emergency Management Center Standard, Tüpraş Safety Policy, Safety Management Standard, Technical Safety, Environmental and Security Measures Standard Concerning National Marker, Search & Rescue Standard, Electronic Security Systems Procedure and in line with contemporary safety management practices and national and international security norms.

Tüpraş makes practices and plans available against all extraordinary conditions and disasters, primarily seismic movements that are intensely observed in Turkey, and continuously improves them. In accordance, it conducts tests of disaster rescue scenarios. A certain amount of petroleum products, determined within the

framework of legal regulations, is always kept ready as emergency reserve against all other socioeconomic situations that might disrupt production. In addition, stock and storage plannings are projected to be made aiming at ensuring the availability of stocks, which can endanger the technical safety integration of refineries and cause major production losses in units incurring in significant financial losses, and at procuring noncritical stocks within a tolerable period.

The firefighting systems and equipment at refineries are continuously revised and new investments are made. A total of four firefighting vehicles, two of them for the Residuum Upgrading Facility engaged in 2014 and two for Izmit Refinery, were procured in 2014. Fire and Oil Spill Response drills are regularly conducted; the experiences gained from these drills are shared to continuously improve the system.

Asset Integrity

One of the significant practices that aims at ensuring the operational reliability and continuity of Tüpraş is asset management. Thanks to the systems

Cyber Event Response Project

As part of the project, it is planned for security events on industrial and corporate computer networks to be swiftly identified and properly intervened by expert teams. The project involves the processes of collecting records of security events in various mediums, real-time tracking of the records 24 hours and responding to the identified events.

and processes developed, all tactical decisions are actualized uninterruptedly, with no quality or incompatibility issues, and without risking human health and environmental safety. Realizing production timely and safely ensures mechanical and operational integrity.

As of 2014, Tüpraş has started works for the Process Safety Management System that will be completed in 2016. It is aimed for corporate assets to be used more safely, thereby enhancing refinery process safety levels, by achieving excellence in 15 basic issues involving numerous disciplines that are in interaction with this work.



WORKPLACE CULTURE

Tüpraş offers its employees with a fair, egalitarian, participatory, safe and health working environment where human rights are protected and promoted. Besides, it supports the personal and professional development of its employees and cares to preserve the balance between business life and private life. Tüpraş works to transform its workforce into a permanent superiority in the global competitive environment.

It is ensured for employees to assume an active role in decision, planning, field practice and performance assessment processes through mechanisms such as Occupational Health and Safety Committees, Employee and Trade Union Representations.

Tüpraş shapes its Human Resources processes following international norms

such as UNGC and OHSAS 18001 in accordance with legal regulations. In this regard, it prioritizes human dignity, physical and social integrity, and manages the process with fair, objective, systematic methods, adopting an approach where risks and opportunities are evaluated. Practices and achieved performance results are carefully monitored and subject to intercorporate and independent audit processes.

Human Rights

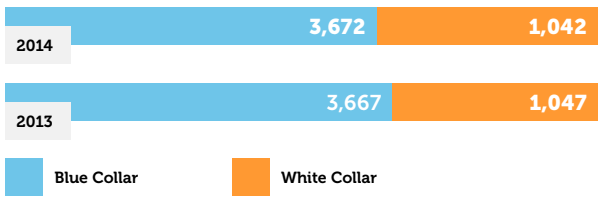
Tüpraş adopts UNGC principles in all its operations. In this regard, it acts in accordance with universal human rights, does not become a party to human right violations under any conditions, provides support for the development of human rights within its area of influence. Tüpraş, which expects its suppliers and business



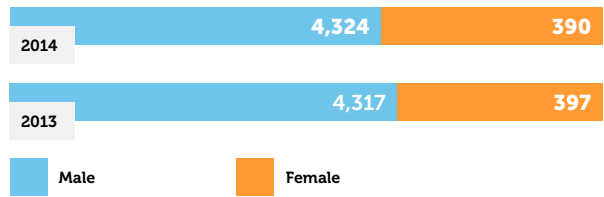
Tüpraş shapes its Human Resources processes following international norms such as UNGC and OHSAS 18001 in accordance with legal regulations.



Employee Breakdown by Category



Employee Breakdown by Gender



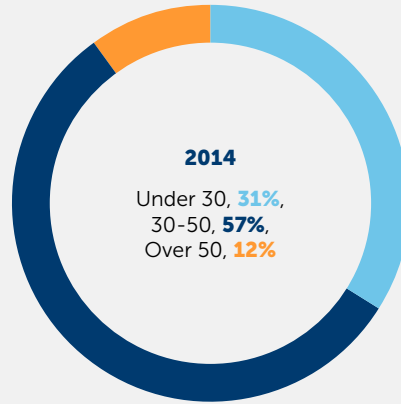
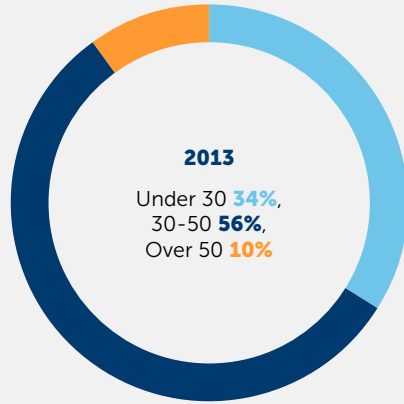
TÜPRAŞ ACTS IN ACCORDANCE WITH UNIVERSAL HUMAN RIGHTS, DOES NOT BECOME A PARTY TO HUMAN RIGHT VIOLATIONS UNDER ANY CONDITIONS, PROVIDES SUPPORT FOR THE DEVELOPMENT OF HUMAN RIGHTS WITHIN ITS AREA OF INFLUENCE.

partners to adopt the same principles, studiously adheres to this understanding in establishing and maintaining business relations.

The unionization and organization rights of employees are guaranteed at Tüpraş, which is one of the companies with the highest unionization rate in Turkey. Employees are free to become founders or members of unions, civil society organizations and various initiatives without obtaining permission from their managers, given that these are organized within the legislative framework. Civil society approach and organized action awareness play a significant part in the organizational development of Tüpraş, the participation of employees in civil society organizations is supported. As of 2014, the rate of unionization is 77% at Tüpraş and all blue collar employees are included within the scope of the collective agreement. During the period, 35 Tüpraş employees took office in union administration. All white collar employees maintain their jobs within the scope of permanent employment contracts, while 12 employees held office



Employee Breakdown by Age Group



Civil society approach and organized action awareness play a significant part in the organizational development of Tüpraş.



Security and Human Rights

The security of Tüpraş refineries and of the social living spaces of employees is conducted by private security personnel who have been professionally trained within the framework of relevant laws and company security procedures. All security personnel are provided with professional training involving company security procedures and human right issues before starting to work. The professional knowledge, skill and behaviors of security personnel are improved through periodically recurring trainings. In 2014, 304 security guards were provided with a total of 3,247 man*hour training.

with fixed term employment contracts in the reporting period. Due to industry-specific characteristics, there are no part-time or seasonal employees.

Practices such as forced/compulsory labor and child labor, or situations that might be associated with these practices are not allowed to happen within the scope of Tüpraş activities. Business partners and suppliers are also required to adopt these principles, which are clearly regulated in service and product purchase contracts and inspected through supplier visits.

Tüpraş employees are guaranteed fair and equal treatment in practices and procedures concerning them. All processes, starting with recruitment until the completion of the employment contract, are determined based on objective criteria. All employees are offered equal opportunities without discriminating due to gender, age,

religion, ethnic origin or any other personal characteristic.

Equal pay for equal work is among the fundamental principles of Tüpraş remuneration policy. Even though disparities occur together with overtime, performance bonus and similar payments due to the remuneration policy of Tüpraş that is based on work assessment and stratification, all employees are paid the same wage so long as they perform the same work. Wage market researches and performance evaluation results are taken into consideration in wage increases.

Tüpraş acts in accordance with the Declaration on Equality at Work, signed by the Holding with the purpose of increasing women employment and the number of women senior executives. Besides, it offers professional training and internship opportunities and implements legal rights such as maternity leave periods by extending them to the

advantage of women to promote women employment in the refining industry. Care, education, social, sports and cultural activity opportunities are offered for employees' children at Tüpraş Social Facilities. As of 2014, 390 women, which amounts to 8.3% of the workforce of Tüpraş, are employed.

Employee Benefits

Tüpraş employees are competitively compensated across the sector. Under the Remuneration Policy, employees are remunerated above the average level based on sector figures acquired through market researches. As of the reporting period, the minimum base wage for blue collars is 2.6 times the minimum wage and for white collars 4.2 times. In addition to their base wages, Tüpraş employees also earn extra income through the practice of performance-based premiums.

All Tüpraş employees are included within the context of the state social security system. In addition, they also benefit from optional retirement and private health insurance opportunities through the agency of a fund managed by Koç Holding Pension and Assistance Foundation. The families of employees can also benefit from the applied health insurance program. As foundation members, non-compromised employees under the age of 35 benefit from the optional pension insurance program mandatorily, whereas all compromised employees and out of coverage employees over the age of 35 benefit optionally. Tüpraş pays half of the employee contribution margins, which are identified by the foundation every

year in proportion to employee wages, to the fund as employee contribution. In 2014, Tüpraş paid 54.94 million TL worth of employee contribution. The fund provides risk assurance against various situations during membership and makes lump sum payment or allocates monthly payments in cases of resignation from membership or retirement.

All Tüpraş employees can benefit from lodging opportunities in accordance with their needs. Technical personnel are prioritized in housing assignments for them to be closer to the facilities, while employee seniority is not a priority element. Besides lodging opportunities, there are also facilities, social activity, education and sports opportunities



aimed at improving the social quality of life of employees and their families. As part of Koç Ailem Program, Tüpraş employees can benefit from products and services offered by Koç Group companies profitably during their retirement. Tüpraş is conducting studies for opportunities offered to employees to be rendered more flexible and need-specific.

Employee Development

Tüpraş makes its most important investment in the human, believing that permanent competitive superiority will be achieved through an advanced and qualified workforce. In this regard, it actualizes performance assessment,



career planning and training practices in order to support the professional and personal development of employees. Besides, participation processes are constituted enabling employees to have a voice in company management with their expectations and suggestions, the working environment is improved and social life standards are enhanced in line with the expectations and suggestions received from employees, in order to increase the engagement and satisfaction of employees with Tüpraş.

Performance and Career Management

The performance of Tüpraş employees is annually assessed. Multidimensional target systematics is made use of in the performance evaluation of white collar employees. In this regard, targets are determined, realization controls are followed through meetings organized during the year, and employees are provided with feedbacks about their periodic performance results with meeting organized at yearend. Besides, blue collar employees are also provided with feedback regarding period results and future term target expectations by the company senior management.

Career Planning processes conducted in relation to the Performance Evaluation System aim at equipping employees, who will play a part in Tüpraş administration in future periods, with the necessary competences. In the reporting period, information guidelines were prepared concerning the Talent Management process and they were shared with department managers. The critical roles in the company, which were identified in 2013, were revised by department managers and substitute employees were identified for these roles. In this way, a database was constituted in order

The Most Successful Koç Members

Tüpraş employees were awarded at the Most Successful Koç Members competition, which has been organized for eleven years, in 2014 as well. "Energy Recovery Through Membrane Deaerator Project" in the Creative and Innovative (White Collar) category and "Planned Stopping Process Management Project" in the Cooperation Developers (Blue Collar) category from amongst the projects representing Tüpraş won the first place.

to conduct Human Resources planning and train suitable substitutes. This work was instructive for making more efficient and correct use of human resources, identifying needs for development, and using objective criteria in promotions and assignments.

Professional and Personal Development

Tüpraş conducts various training works in order to improve the professional and personal competences of its employees, which has a place in enhancing its competitive power in the sector. As part of these works, in addition to orientation trainings, which are provided at the time of recruitment and periodically repeated, all employees are offered specialized training opportunities in line with business processes and career planning works results. Training programs are managed within the context of the principle of providing equal opportunity for all employees.

Technical competences that employees need to have in the areas of production, maintenance, technical control and safety, environment, and quality are

identified and these competences are associated with evaluation processes and trainings. In the reporting period, a total of 388,696 man*hour of training activity was realized, while the average training hour per employee was 82. During the period, each blue collar employee received 81 hours, and each white collar employee received 89 hours of training on average. On the other part, while male employees received an average of 83 hours of training during the year, female employees were provided with 80 hours of training opportunity on average. Graduate programs, which provide expertise in the technical, operational and financial fields of the refining sector, were formed in line with agreements that Tüpraş has made with universities. While Tüpraş employees receive a master's degree as part of their career programs, students pursuing their academic studies

can also benefit from these programs. In 2014, employees deemed to have a high potential for senior management positions have attended Koç University Executive MBA program.

Employee Engagement

In line with the participatory management understanding of Tüpraş, employees are perceived as responsible individuals closely interested in company activities and focusing on corporate development. In this context, employees can present their views and suggestions to the company's senior management by means of Occupational Health and Safety Rules and Quality Management Working Groups, as well as various communication tools and practices. The most important ones among these tools are Tüpraş Recognition, Appreciation and Rewarding System (TTÖS) and

Training		2014
Number of Participants in Trainings		16,833
By Category		
Blue Collar		11,052
White Collar		5,781
By Gender		
Women		2,026
Men		14,807
Total Training Hours (man*hour)		388,696
By Category		
Blue Collar		296,125
White Collar		92,571
By Gender		
Women		31,172
Men		357,524
Average Training Hours per Employee		82
By Category		
Blue Collar		81
White Collar		89
By Gender		
Women		80
Men		83



Refined Suggestions System (RÖS), which provide the broadest participation. TTÖS serves to increase employee motivation and engagement by rewarding those behaviors and efforts of employees that contribute to corporate success, whereas RÖS encourages the creativity and participation of employees by promoting the development of improvement proposals concerning business processes and company practices. Thanks to RÖS, 489 Tüpraş employees brought forward proposals for new practices in 2014 and 30 of these were put into practice during the year.

Tüpraş conducts employee satisfaction and engagement surveys aiming at obtaining the opinions of employees about the business climate and identifying areas of improvement. In the survey conducted in 2014, employee satisfaction across Tüpraş was measured

as 57.32%, while employee engagement index score was measured as 56. Sharing and communication mediums for white collar and blue collar employees are planned to be increased in order to enhance employee satisfaction and engagement.

Tüpraş encourages its employees to take active role in social life and become responsible individuals sensitive to social development. Tüpraş employees contribute to society by getting organized in many areas including environment, education, culture & arts, sports, and social support. Tüpraş provides support for its employees' initiatives by converting them into Tüpraş Social Activity Clubs. In 2014, 269 Tüpraş employees participated in voluntary activities and the number of volunteers added up to 680 with the support provided by the local community, business partners and suppliers.

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OCCUPATIONAL HEALTH AND SAFETY

The health and safety of all stakeholders on the operation field, primarily Tüpraş employees, are ensured through top-end safety provisions. Occupational health and safety are managed within the framework of Tüpraş Integrated Management System and HSE Policy and all operations are realized in compliance with OHSAS 18001 Standard. OHSAS 18001 certification is renewed through

regularly conducted independent audits. 35 members, including 21 employee representatives, take part in the 5 OHS committees at Tüpraş. While this figure demonstrates the legal voting power, close to 150 people participate in the committees. The participants include subcontractor representatives, all unit managers and representatives from units, besides full members.

Tüpraş continued its training activities in the reporting period, aiming at enhancing the knowledge and awareness of its employees and subcontractor employees regarding their safety. In 2014, a total of 107,778 man*hour of occupational health and safety training was provided to 9,407 Tüpraş and subcontractor employees.

Occupational Safety

Tüpraş minimizes occupational safety risks and consolidates its preparedness against probable risks by managing occupational health and safety processes with the understanding of continuous learning. Safety risks are eliminated by following intercorporate and international standards, risk assessment systematics and operational procedures such as Risk Assessment Table (RDT), Hazard and Effects Management Process (TEYS), Incident Classification, Research and Reporting (OSAR), Tüpraş Tracking System (TTS), and Subcontractor HSE Management System.



At Tüpraş, effective analysis and learning procedures are implemented in order to ensure occupational safety. Accidents and near misses are shared and possible improvements are discussed at "Could We Not Have Prevented These Accidents?" meetings regularly organized every month with the participation of Tüpraş employees and subcontractor employees. In addition, all refinery units and subcontractor employees are informed through the "Safety Speech" prepared weekly. Accidents and near misses happening at Tüpraş and around the world are shared and general information about health and safety issues is provided in safety speeches. "Weekly Accident Shares" are shared with all employees under the leadership of Refinery Managers throughout Tüpraş, thereby providing information about incidents at other refineries and weekly safety issues. Behavior-focused safety tours are realized with the participation of Tüpraş managers as part of the



Tüpraş minimizes occupational safety risks by managing occupational health and safety processes with the understanding of continuous learning.

"Visible Leadership" practice, aiming at promoting positive safety behaviors at refineries, enhancing general safety awareness, correcting unsafe behaviors and reducing accident potential.

Occupational Health

Tüpraş aims to ensure business continuity by protecting its employees against occupational and general diseases. For this purpose, employees undergo periodical checkups and preventive measures are taken such as health services and vaccination. In consequence of the measures taken, there was no incident of occupational disease among Tüpraş and subcontractor employees in the reporting period.

Health Risk Assessment (HRA) works are conducted in all refineries, aiming at identifying health hazards that might be caused by the working environment and assessing risks related to these hazards. Chemical, physical, biological,

ergonomic and psychological elements specific to the field are investigated in detail during HRA works.

It is ensured that Tüpraş employees are informed in the issues of healthy living and preventive measures through the training activities conducted. Besides employees, their families and subcontractor employees can also benefit from these trainings. In the reporting period, 948 subcontractor employees and 71 intern students were provided two-hour training seminars about occupational diseases at Batman Refinery Management, while 366 employees were offered one-hour training seminars by an outside specialist physician about general health and issues concerning refinery employees, such as spinal column and neck health, heart, eye, ergonomics at the office, stress management, kidney health at Izmir Refinery.

	2010	2011	2012	2013	2014
Accident Frequency Rate	1.7	2.2	1.5	1.1	1.6
Accident Severity Rate	57	83	289	26	308
Fatalities	0	0	1	0	2

Occupational Health and Safety Trainings	2014
Number of Participants - Tüpraş Employee	4,320
Number of Participants - Business Partner Employee	5,087
Training Hours - Tüpraş Employee (man*hour)	67,088
Training Hours - Business Partner Employee (man*hour)	40,690



Tüpraş adopts an environmental management that aims for refining more crude oil with less energy and emission.

ENERGY AND CLIMATE

Despite positive developments regarding renewable and alternative based energy resources, it is predicted for the need for conventional energy resources in meeting the energy demand to persist for a long time in the future. In the meantime, climate change is currently one of the greatest challenges that humanity faces. Due to its negative impacts on human health and ecosystems, it has begun to take place on the international agenda. Tüpraş continues its operations with the awareness its responsibility for energy and climate.

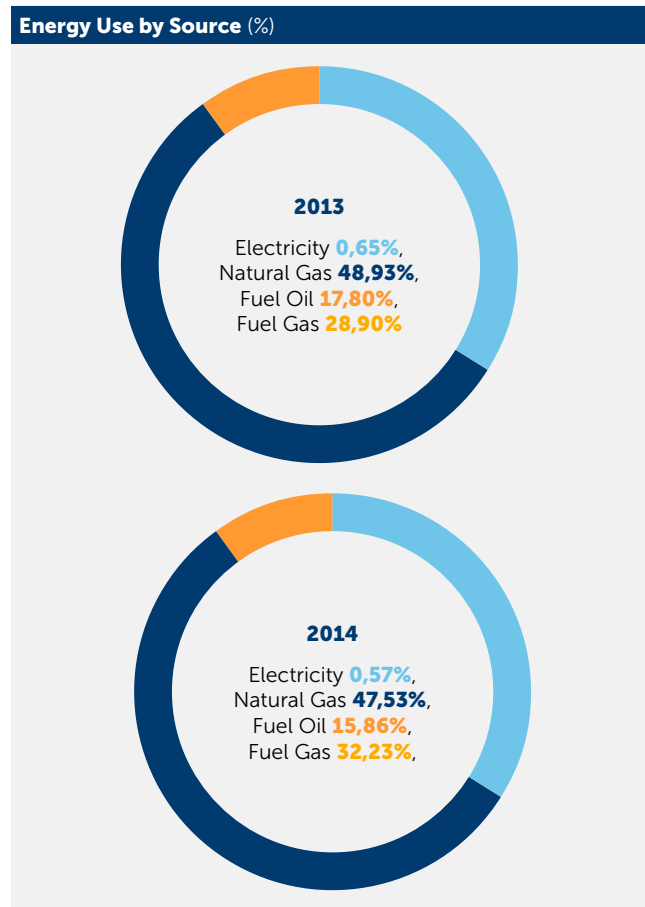
Energy Management

In the refinery sector, production is realized through energy intensive processes. For this reason, high energy consumption and correspondingly high emission values arise. Energy and emission amounts are directly affected by variations in the amount of refined crude oil. Tüpraş adopts an environmental management that aims for refining more crude oil with less energy and emission. It reduces environmental impacts arising from production through the energy efficiency works it conducts, which also positively affect profitability.

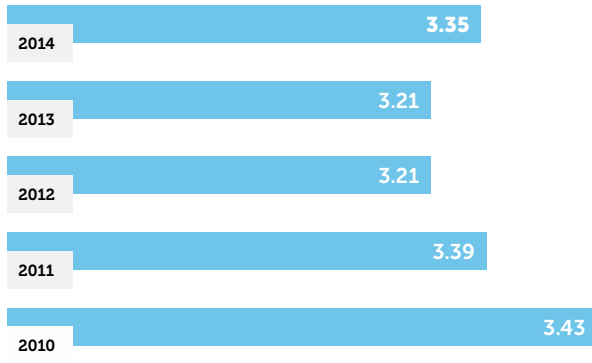
As a result of energy efficiency works and in parallel with the 7% decrease in the amount of refined crude oil, Tüpraş

registered an improvement of 3% in total energy consumption in 2014, as against the year 2013. Accordingly, in its 2014 operations the total energy consumption of Tüpraş amounted to 67,034 TJ, of which 66,529 TJ was direct and 505 TJ was indirect consumption. While the energy consumption per refined crude

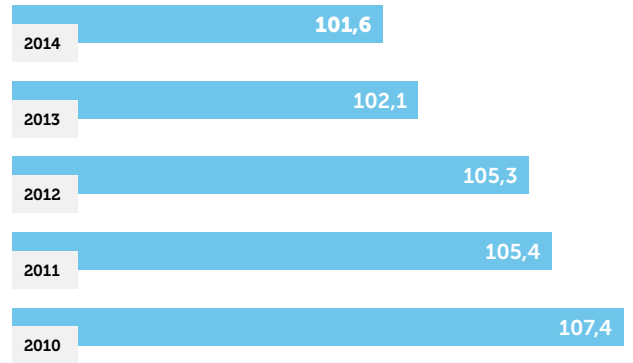
oil was realized at the level of 3.35 GJ/ton, the Solomon Energy Intensity Value (EII) was reduced from 102.1 to 101.6. Land transportation constitutes the largest segment in the logistics operations of oil products between refineries and sales terminals. Besides, Tüpraş also prefers railway transportation to ensure that



Energy Consumption per Refined Crude Oil (GJ/ton)



Tüpraş EII Performance



products are transported more safely without causing highway traffic, as well as to reduce environmental impacts. Tüpraş wagon park reached 443 pieces, together with the wagons purchased as part of the RUP project. However, in the years 2013-2014, some of the lines being used were disabled due to modernization works in

	Number of Projects	Energy Savings (TJ)	Emission Savings (ton CO ₂ e)
2010	65	3,155	308,600
2011	92	3,053	316,955
2012	97	5,255	348,173
2013	40	2,841	189,019
2014	22	1,772	126,442



Steam Power Optimization Savings Project

Steam Power Optimization Savings Project was conducted at Kırıkkale and İzmit refineries, during the reporting period. As part of energy optimization works, the amount of imported electricity was increased at Kırıkkale Refinery and the amount of condensed drawn from the turbine was correspondingly reduced, thereby reducing the average electricity cost of the refinery. As for İzmit Refinery, operation costs were reduced by revising the alterations in turbine-powered and electrical equipment and boiler or alternator loads. A total of 68.3 thousand Gcal of energy savings was ensured through the project at the two refineries, during the reporting period.

TÜPRAŞ AIMS TO ENTER THE CATEGORY OF LOW EMISSION REFINERIES IN EUROPE BY 2017.

railways and railway logistics operations were necessarily reduced. In 2014, 212,383 tons of products, which amount to 8% of the total logistics operation, were transported through railways.

Energy Efficiency Projects

Tüpraş aims to minimize the amount of energy being consumed without compromising on quality and performance by preventing existing energy losses through energy efficiency projects and to enter the category of low emission refineries in Europe by 2017. In accordance with this objective, all advanced technologies and programs implemented in relation to energy savings around the world are followed. In the reporting period, Tüpraş achieved 1,722 TJ of savings in energy consumption and 126,442 ton CO₂e of savings in greenhouse gas emissions, by means of the 22 energy efficiency projects it has carried out aimed at opting for energy efficient equipment in business processes, process improvements and preventing energy losses.

Climate Change

Climate change, a global problem, brings about significant risks for the refinery

Project for Online Chemical Cleaning of Furnaces

As part of the project realized at Izmir Refinery, chemical washing is performed to increase heat transfer by way of eliminating the dirt that accumulates in the furnaces over time. 55.2 thousand Gcal of energy savings was achieved thanks to the online chemical cleaning project, where carbon and other deposits that form on the tubes are removed while the furnace is on.





Energy Gain Through Thermal Integration Project

As part of the project conducted at İzmit Refinery, 79.5 thousand Gcal of energy savings was achieved by reducing furnace loads through new heat exchanger additions in crude oil and diesel kerosene sulfur removal units.

sector. In relation to the increasing emission amount, the impacts of climate change also scale up causing many complications ranging from raw material procurement to production. This situation necessitates refinery companies to concentrate on climate-friendly technologies in production processes and product portfolio in order to be able to manage environmental, financial and social risks caused by the climate change. Starting works in this field early on will further facilitate benefiting from opportunities created by the low carbon economy.

Tüpraş works to reduce the amount of greenhouse gas emissions generated by its production processes through energy efficiency works, its operational processes through environment-friendly technology and practices, and its consumption processes through product specification studies and R&D works.

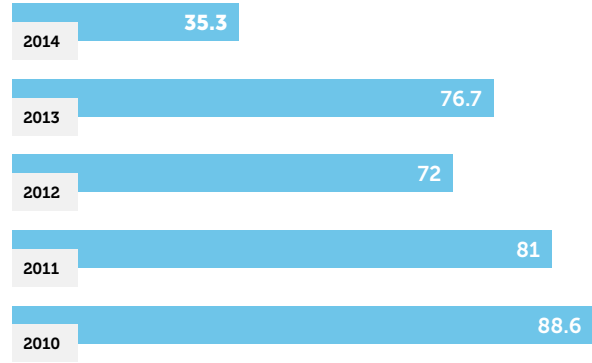
Besides, Tüpraş follows closely national and international developments regarding climate change. In this context, it takes part in project works and meetings arranged by competent authorities, notably Ministry of Environment and Urban Planning.

LP Steam Savings Through Amine Units Project

LP steam is consumed at the amine regeneration units of İzmit and İzmir refineries. Energy savings was achieved by reducing LP steam consumption through operational improvements actualized as part of the project conducted in 2014. 38.7 thousand Gcal of energy savings was achieved thanks to the amine regeneration steam savings project.

ENVIRONMENTAL MANAGEMENT

Waste Recovery Rate (%)



Tüpraş adopts an understanding of environmental management that fundamentally involves the elements of ensuring resource efficiency, reducing emission, waste and other environmental impacts generated by production processes, and maintaining compliance with legal regulations. On one hand, it provides the oil products needed by Turkey, while on the other hand it works to preserve the life quality of future generations by minimizing environmental impacts.

The Environmental Directorate is responsible for environmental management at Tüpraş, whereas energy management related issues of critical significance in terms of sector are the responsibility of the Energy Directorate. Environmental management at the refineries is conducted by Environmental Management Units and Energy Managers.

Tüpraş became the Turkey finalist at 2013-2014 EU Environmental Awards Turkey program with its "Energy Recovery Through Membrane Deaerator Cold Boiler Feed Water" project, thereby gaining the right to represent our country at EU environmental awards.

The environmental management of Tüpraş is based on risk analysis-based systems shaped by intercorporate and international standards. Practice and performance results, which are continuously monitored, are included within the scope of the internal audit process and subject to Ministry of Environment and Urbanization inspection, audits conducted by authorized institutions and independent institutions, as well as Koç Group Environmental Audit process. In this way, the monitored systems and results are crosschecked by many institutions within and outside the company.

All Tüpraş operation facilities have been certified with ISO 14001 Environmental Management System Standard and ISO 50001 Energy Management System Standard. Calculation criteria, which were constituted in order to ensure the efficient monitoring of energy consumption and greenhouse gas emissions that account for the essential environmental impact areas of Tüpraş, are actively implemented in all facilities.

Water Management

Tüpraş works towards reducing its environmental impact by improving its fresh water source usage, reducing the amount of wastewater originating from production processes and raising the

quality of the water discharged above the norms determined by regulations, through efficiency and recovery practices conducted within the compass of the responsible approach it adopts towards the protection of water resources. In this way, both operational efficiency is improved and operations can be conducted without generating a negative impact on water resources and the biodiversity value of the natural receiving environment.

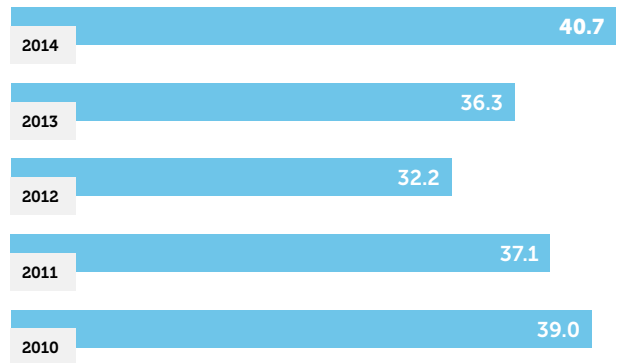
The practice of recovering wastewater following treatment was actualized in our two major refineries, namely Izmit and Izmir. At izmir Refinery, the wastewaters of the municipality are subjected to advanced treatment to acquire water that is suitable to be used in refinery processes. Works to further generalize recovery projects continue.

Tüpraş achieved an 8.2% improvement as against 2013 through the works it conducted in the reporting period, realizing its water consumption as 17.8 million m³. Water usage rate per refined crude oil has preserved its 2013 value of 0.9 m³. While 97% of raw draught was met through surface resources, the remaining 3% consisted of municipal water. In the reporting period, underground water resources were not used.

Water Consumption per Refined Crude Oil (m³/ton)



Recovered Water Consumption Rate (%)



Water recovery works were continued in 2014, as in previous terms. By means of these works, 40.7% of the total amount of water used in Tüpraş operations was met through recovered water, while a total of 12.2 million m³ of water was recycled.

The method of water recovery is followed to limit raw water consumption values, while practices and investments realized at wastewater treatment facilities have a significant share in improving water recovery performance. Through these studies, the amount of water recovered and reused in production is increased, while the discharged wastewaters achieve pollution loads

much lower than the limit values identified by the relevant legal regulation before being discharged to the natural receiving environment. In this regard, Tüpraş refineries have discharged 10.2 million m³ of wastewater in conformity with the limit values specified in legal regulations and the natural receiving environment.

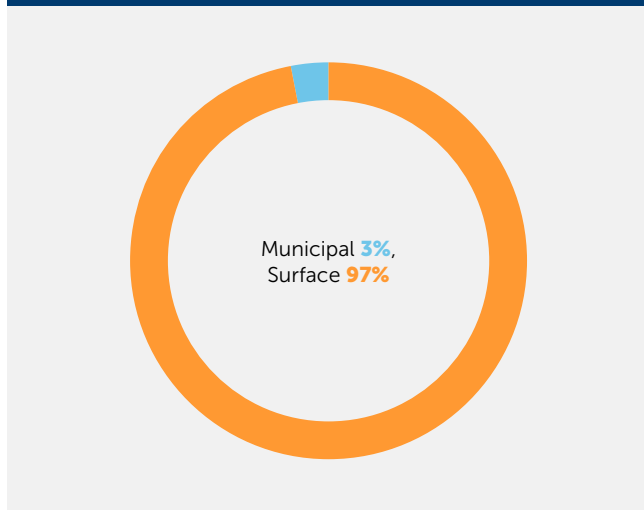
Waste Management

At Tüpraş, waste management is conducted in accordance with legal requirements specified by national regulations and followed through Tüpraş portal, while international best practices are also followed. The tracking of all

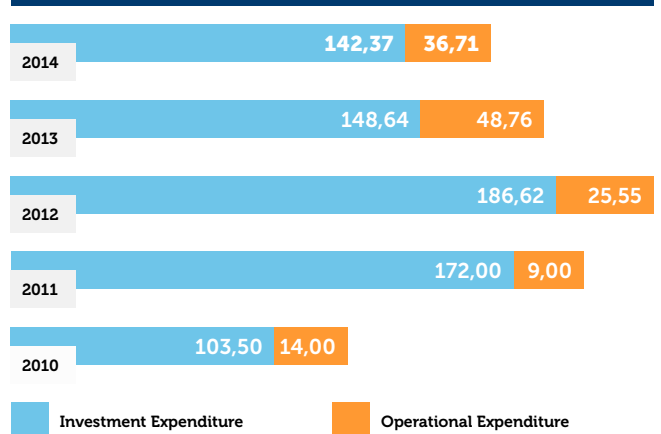
processes from the generation of waste to its storage, to its transportation to its elimination, as well as the inspection and reporting of their compliance with relevant laws and regulations are realized through the Waste Management Program. Hazardous wastes are stored at temporary hazardous waste storage fields, and nonhazardous wastes at the scrap waste field.

Within the context of waste management, Tüpraş primarily aims for reducing the amount of waste and recovering the generated waste by separating it at the source. Wastes that cannot be recovered are disposed of by licensed firms using methods befitting their type. In 2014,

Water Use Ratio by Source



Environmental Expenditure (million TL)



TÜPRAŞ PROVIDED A TOTAL OF 16,702 PARTICIPANTS WITH 15,512 MAN*HOUR OF ENVIRONMENTAL TRAINING IN 2014.

35.3% of 112,664 tons of waste generated by Tüpraş operations was recovered, while licensed institutions eliminated those wastes that could not be recovered in accordance with the norms and methods specified in legal regulations. Black Product Transformation Project conducted in İzmir Refinery came to the phase of completion in 2014 and has led to high amount of excavation waste. Because of this excavation waste, recovery rate decreased.

Biodiversity and Environmental Protection

Tüpraş identifies potential risks and takes measures against these for its operations not to generate a negative impact on natural habitats and living beings inhabiting these areas. Environmental impacts are continuously measured and kept under control.

The constant state of vigilance is preserved through response plans against emergencies designed with risk-based methods and regular drills. Tüpraş production facilities are located in industrial areas and there are no



	2010	2011	2012	2013	2014
Number of Saplings Planted	3,383	14,158	8,836	6,635	1,460
Reduction in CO ₂ e Emission (tons) ⁽¹⁾	1,116	4,672	2,916	2,191	482

Environmental Trainings					
Employees		Business Partners		Community	
Number of Participants	Man*Hour	Number of Participants	Man*Hour	Number of Participants	Man*Hour
2.676	3.302	10.648	8.835	3.378	3.825

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

1st degree natural protected areas, environmental protection areas, areas covered by RAMSAR or similar wetland areas within their physical area of impact. When taking physical investment

decisions, special attention is paid to stay away from special areas. Thanks to effective environmental management, there was no significant negative impact caused by Tüpraş operations on the natural environment and living species during the reporting period. Tüpraş conducts various studies aimed at reducing environmental impacts that might affect biodiversity. It is aimed for recovery practices to be prioritized in the elimination of wastes generated during production processes, to increase the knowledge and awareness of employees, business partners and the society through environmental investments and training practices, to enhance biodiversity value by way of afforestation practices, and to reduce the environmental impact of products through product specification and R&D works.

Environmental Trainings and Investments

Training practices are among the most important components of the environmental management system of Tüpraş. Training practices are organized aiming at effectively actualizing the managerial approach and raising awareness among employees, business partners and the society. In this regard, a total of 16,702 participants were provided with 15,512 man*hour of environmental training in 2014.

Tüpraş allocates significant financial resources for investments and works aimed at executing environmental management efficiently, every year. In 2014, a total of 179 million TL, of which 142.37 million TL was spent towards investment costs and 36.71 million TL towards operational costs, was spent in environmental expenditures.

Forestation Works

Tüpraş conducts forestation works aiming at protecting and improving natural life. Through these works, a significant amount of forestland is reintroduced to the nature every year. In the reporting period 1,460 saplings were planted, eliminating 482 tons of CO₂e emission.

As part of the "Putting Back the Oxygen We Consume" project conducted at Kırıkkale Refinery since 2008, a sapling is planted for every guest who stays at Kırıkkale Refinery Social Facilities. While part of the saplings grown as part of the project is planted in TEMA-Tüpraş Forest, the rest is donated to other institutions pursuing afforestation works. Through the project, which is based on the idea that the most effective way to reclaim the consumed oxygen is to grow trees, 160 saplings were planted in 2014, increasing the total number of saplings planted since 2008 to 5,077.



ECONOMIC AREA OF INFLUENCE

Tüpraş has a significant place in Turkish economy through its direct and indirect contributions. It provides significant contributions through the vocational training projects it conducts aimed at business partners and students, the tax revenues it provides for the national economy, and its predominantly local supply chain practices.

Supply Chain Practices

Tüpraş continues to create a positive impact on Turkish economy with its value chain involving thousands of suppliers. In the reporting period, it has realized a total of 769 million TL in purchases from its 2,012 active suppliers⁽¹⁾. Supply operations were realized from local suppliers at a rate of 90.22% on the basis of files and 42.26% on the basis of total cost, while 14.58% on the basis of files and 2.6% on the basis of total cost was procured from local

producers making special production for Tüpraş. Tüpraş, which regards its suppliers as an essential part of the value chain it has created, establishes a close and fair communication with them. In accordance, besides the supplier acquaintance meetings organized by Tüpraş, suppliers also have the opportunity to come to the refineries and relay information about their products and activities. In line with its responsible value chain management approach, Tüpraş organizes trainings aimed at reinforcing the professional competence of its suppliers and controls their compliance with the business norms of Tüpraş by conducting audits regarding the working conditions of suppliers. In accordance with the audits, suppliers are supported to achieve identical norms with Tüpraş. In 2013, 194 suppliers were subjected to the auditing process. In addition, suppliers were offered a total of 21,623 hours of environmental training.

Tüpraş adopts the complete satisfaction of reciprocal expectations as a principle in its business relations with suppliers. In this regard, ensuring supplier satisfaction is emphasized and a Supplier Satisfaction Survey is conducted once a year in order to further intensify relations with suppliers. According to the results of the survey, which was conducted electronically in 2014, 93.4% of suppliers expressed their satisfaction regarding the relations with Tüpraş.

Tüpraş conducts several works to continuously improve its supply chain practices. In this context, it plans to actualize Tüpraş Supplier Portal, which was designed as an application, news, reporting and information source, in order to ensure an easier, faster and more effective medium of communication with suppliers. In addition, it aims to publish the Tüpraş Supplier Management Policy, which aims to provide employees with a set of guiding principles about supplier management issues, as well as the Tüpraş Supplier Behavior Principles that defines the minimum rules which suppliers and sub-suppliers are expected to comply with in their trade relations with Tüpraş.

Vocational Training

Tüpraş supports the vocational training of business partner employees, high school and university students. In the reporting period, 4,705 people benefited from vocational training programs with the support of Tüpraş. Besides, 360 high school students and 633 university students were provided with internship opportunities.

Project for Improving Vocational Education and Training System (MEGEP)

Tüpraş carries out a cooperation devoted to the training of technical personnel in the refinery and process branches of the field of chemical technology, as part of the MEGEP Protocol signed with the Ministry of National Education in 2007

Supply Operations by Source		2014
	Number of Files	Total Amount (Million TL)
Domestic	8,938	305
Imported	1,156	444
Local Production	1,723	20
Total	11,817	769

Number of students reached through vocational training projects	
Number of Students Attended Vocational Training	4.705
Total Number of Interns (High School)	360

within the framework of Tüpraş Technical Education Program. The training program aims at raising the competent technical manpower that will be employed at oil refineries. Tüpraş provides the required educational environment, material and trainer staff. In addition, it offers internship and employment opportunities to students. Tüpraş continued conducting works at the refineries within the scope of MEGEP in the reporting period. At Izmit Refinery, 18 senior class students at Körfez Industrial Vocational High School Engine Maintenance and Repair Branch continued their internship at Izmit Refinery; while 19 junior class students occasionally came to the refinery for field practice in relation to the modules they are taught at school and they received information about refinery process issues. Eight junior class students at Izmit Technical and Industrial Vocational High School Refinery and Petrochemistry Branch also came to the refinery to receive training in relevant issues.

While 9 senior class students at Aliğa METEM High School continued their internships in 5 different departments at Izmir Refinery, 8 junior class students received training two days a week at Kırıkkale Refinery. In addition, students who were supported in their classes by refinery employees in compliance with the curriculum had the opportunity to make on field observations by visiting the refinery two days a week.

Tax Policy

The most visible among the direct contributions of Tüpraş to the national economy is tax revenues. The direct and indirect tax revenues generated by the

activities of Tüpraş, the largest taxpayer company of Turkey, constitute a significant portion of the total tax revenue of Turkey.

In 2014, Tüpraş contributed to the national economy by paying over 23 million TL in tax and similar liability payments.



	2010	2011	2012	2013	2014
Tax and Similar Liability Payments (million TL)	19.729	24.147	26.643	28.607	23.433
Share of Payments in Turkish Central Administration Revenues (%)	7.85	8.16	8.01	7.35	5.5
Share of Payments in Total Tax Revenue of Turkey (%)	9.44	9.47	9.52	8.74	6.62

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

SOCIAL DEVELOPMENT

Tüpraş conducts social development projects in order to contribute to the enhancement of the quality of life and to the sustainable development of the level of welfare in the societies where it operates. Findings achieved in consequence of periodically implemented Corporate Reputation and Perception Surveys are used in the planning of social investments. In accordance with these results, projects are implemented in the areas of education, sports, culture & arts and environment, which constitute the basis for the social level of welfare, and financial, real or operational support is lent to initiatives and projects formed by various institutions.

Tüpraş supports institutions operating in target areas through donations and sponsorships in order to extend the area of influence of its social development works. In this regard, 8.9 million TL worth of funds were transferred to 61 donation and sponsorship activities in the reporting period, while the area of education was the most concentrated on with 25 different works implemented.

Support For Education

7th Batman April 23rd Children's Festival

At Batman Refinery, the traditionalized Tüpraş Batman April 23rd Children's Festival was organized for the seventh time. The festival, organized in

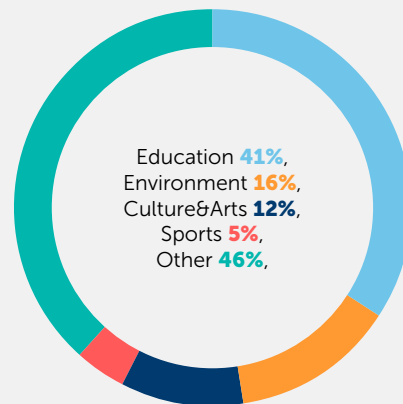
cooperation with Batman Governor's Office and the Provincial Directorate for National Education in order to have children rejoice, was attended by 1,500 children from schools in central Batman and Turkish Education Volunteers Foundation 50th Year Education Unit.

The activities during the festival were managed by structuring two different sections within the scope of "No Barriers for My Country" project. 100 special students from kindergarten to high school level, of which 15 hearing impaired students and 85 students with physical and mental disabilities, were hosted in the first section; while students from 6 schools/institutions and

Golden Owl Award

In the reporting period, Tüpraş was deemed worthy of the Golden Owl Award in the Master Owl category, the most important award at the Owl Awards, where successful marketing and social researches conducted in the research sector are evaluated by Turkish Researchers Association, with its 2013 Corporate Reputation and Perception Measurement. The criteria that determined the worthiness of Tüpraş for the award included the Stakeholder Relations Management System established to improve stakeholder relations, the perception of the local community around refinery locations as a stakeholder, the adoption of research results by the senior management and their reflection on business steps.

Donations and Sponsorships by Area (%)





Tüpraş conducts social development projects in order to contribute to the enhancement of the quality of life in the geographies where it operates.



employees' children were hosted in the second section.

50 Tüpraş employees and 100 volunteers, who played the most important role in the organization of Tüpraş April 23rd Children's Festival, guided the children in groups. As part of the project that brought together Batman Governor's Office, Provincial Directorate for National Education, Neighboring School Administrators and Teachers, Civil Society Organizations, our employees and their families, a total of 16,500 children were hosted since 2008.

Koç University Scholarship Programs

Tüpraş continued its support for Koç University Social Sciences Outstanding Achievement Scholarship Program in the reporting period. 8 students continue their PhD education in the departments of Archeology and Art History, International Relations, Psychology and Design Society Technology with grants provided by Tüpraş as part of the scholarship program that takes in 2 new students every year.

In 2014, Tüpraş continued to lend support to the Anatolian Scholars program



conducted by Koç University in order for financially disadvantaged youth across the country to receive education. 6 youth from Sivas, Batman, Bursa, İzmir, Osmaniye and Malatya pursue their education at Koç University with Tüpraş scholarship.

No Barriers for My Country

In accordance with the "No Barriers for My Country" theme, ongoing since 2012, of the For My Country project conducted by Koç Holding, projects are implemented to contribute to the



constitution of social awareness and sensitivity for establishing the right approach towards the problem of disability by focusing on the place of our disabled citizens in social life. Tüpraş provided 3,339 employees and 1,387 stakeholders in total with trainings for the right approach towards the disability, besides conducting many corporate responsibility works to support the project, between the years 2012-2014.

Visually Impaired Students on Stage with SEK İzmir Theater Club

Tüpraş İzmir Refinery SEK Theater Club got 8 visually impaired students on theater stage as part of the project developed in cooperation with İzmir Bornova Aşık Veysel School for the Visually Impaired. The students, who took part in a theater play for the first time in their lives, staged the Flying Man play written by experienced writer Dersu Yavuz Altun under the direction of Demet Saka and with the voluntary support of club members. The students, who memorized their lines from documents designed in the Braille alphabet, learned their places on the stage through step numbers and instructions. The excitement of the children before the

play gave place to happiness in the wake of the impeccable performance they demonstrated. The students, who were strongly applauded for minutes, were a source of pride both for their families and for Tüpraş.

Support for the "Got Special Education Class" Project of National Down Syndrome Association

"Got Special Education Class" project of the National Down Syndrome Association was supported with the collaboration of İzmir Provincial Directorate for National Education, National Down Syndrome Association and Tüpraş. As part of the project that aims for disabled primary school students to pursue their education free of problems and for reintegrating them into social life, one classroom at 80th Year Çamlık Primary Education School was made suitable for disabled design by Tüpraş.

"We Collect Plastic Lids" to Remove Barriers

A total of 980 kg of plastic lid collected in 2014 as part of the "Plastic Lid Collection Campaign", started by the Ministry of Environment and Urbanization and conducted by volunteers at Batman

Refinery during the past year, were shared with Spinal Cord Paralytics Association of Turkey. 6 battery-powered wheelchairs acquired by means of the collected lids were made available to those in need.

"We Collect Waste Vegetable Oil" to Remove Barriers

As part of the campaign started by volunteering employees at Batman Refinery, the revenue achieved from the recycling of waste vegetable oils will be used to procure hearing instruments, wheelchairs and various equipment. While barrels were provided for collecting waste vegetable oils, as well as banners and brochures for visibility, an Environmental Bulletin was also published as part of the project. 150 liters of waste oil collected from homes and schools were delivered to a licensed recycling firm in order to meet the needs of disabled individuals.

We Collect Books for Children

Approximately 5,000 books were collected from the Head Office and all other refineries to be given to primary education schools in need of books in Batman and volunteers from Batman Refinery distributed them in order for children to acquire a reading habit. Children were encouraged to read books and to make this into a habit with the reading days organized by Tüpraş volunteers. 1,000 books were delivered



Tüpraş Batman April 23rd Children's Festival, organized for the seventh time hosted a total of 16,500 children since 2008.



to 3 primary education schools in 2014 with the project that was started in 2013, while the total number of books collected to this day reached 6,000.

TEGV Movies with Songs Concert

Turkey's favorite artists took stage at the "Movies with Songs" Concerts organized at Zorlu Performance Arts Center in December, hosted by Turkish Education Volunteers Foundation (TEGV) and sponsored by Tüpraş; while the income obtained from the concert was used to support the education of 20 thousand primary school children.

Theater Performance for the Benefit of Turkish Education Volunteers Foundation

SEK Head Office and Izmit Theater Club performers staged their fifth play "Azizname" for the benefit of Turkish Education Volunteers Foundation (TEGV). The play, written by Aziz Nesin and directed by Ahsen Gül Ever, was watched by 659 people at Sabancı Cultural Center. SEK Batman Theater Club performers staged their third play "Kördövüşü" for a crowd of 300 people, also for the benefit of TEGV. The play, written by Tuncer Cücenoglu and directed by Ahmet Seven, was staged at Batman Art Theater. The

income achieved from the plays thanks to the effort and endeavor of our Theater Club performers and the contributions of our solution partners was donated to TEGV in accordance with the philosophy of "Let one child change, let Turkey change".

"Small Hands Holding Pens" Campaign

The donation collected in order to support the efforts for enhancing the education quality of our children, the future of our country, within the scope of the "Small Hands Holding Pens" campaign, which was started in 2014 under the leadership of 8 Tüpraş

WITH THE “YOUNG TALENTS ON WORLD STAGES” PROJECT, GIFTED YOUNG MUSICIANS HAVE EDUCATION AT THE MOST PRESTIGIOUS SCHOOLS IN THE WORLD UNDER THE GUIDANCE OF GÜHER & SÜHER PEKINEL SISTERS.

employees as part of Koç Academy Leader Development Programs Leader and Human Social Responsibility Project, was donated to TEGV.

Soma “Hope Fund” Campaign

Soma “Hope Fund” Campaign was started in order to support the education of the 434 children who were left orphans because of the mining disaster that took place in Soma in 2014 and to help them prepare for the future. In this regard, donations collected with the contribution of employees and corporate support were transferred to the TEGV scholarship fund and 253 students were provided with scholarships under the care of TEGV.

Anatolian Fire Sparkle Dance Troupe Sponsorship

Tüpraş is among the supporters of the April 23rd International Children’s Festival organized by the Metropolitan Municipality of Kocaeli since 2012. Following the Chinese Tale Acrobatics Show and Moscow Children’s Circus sponsorships, “Anatolian Fire Sparkle Dance Troupe” show was supported in 2014. 227,166 people visited the fair that was organized between April 23rd and 26th with the participation of 1,000 children from 41 countries.

Race for Youth at Istanbul Marathon to the Benefit of TOG

Tüpraş participated in the Istanbul Marathon with its 26 athletes by cooperating with the Step by Step initiative, which embodies

nongovernmental organizations such as TEGV, TOFD, AKUT, and Social Volunteers Foundation (TOG). The amount collected in a simultaneous corporate campaign was donated to TOG in order to provide support for student scholarships.

Firefly Operational Sponsorship

The aim of TEGV Firefly Education Program is create an environment inducing for the development of emotions and skills such as self-confidence, worthiness, self-expression, creativity and empathy in children and to help children feel their valuableness



as individuals. Tüpraş assumes the sponsorship of 5 Firefly Mobile Learning Units since 2008. In 2014, 13,365 children from Samsun, Bursa, Mersin, Diyarbakır and Şanlıurfa met Firefly Mobile Learning Units, while the number of children involved in the project since 2008 until today became 93,300.

Support for Culture & Arts

Young Talents on World Stages

Tüpraş continues to support the “Young Talents on World Stages” project carried out by Güher & Süher Pekinel sisters.



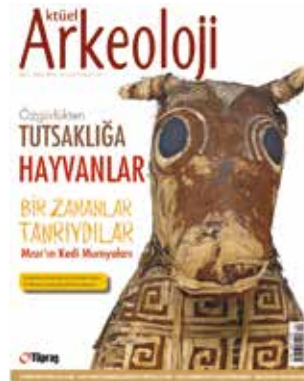
As part of the program that provides scholarship to gifted youth, students chosen from conservatories around Anatolia continue their development and education at the most prestigious schools in the world, accompanied by expert instructors. The students win awards at international competitions thanks to the success they achieve in a short time and prestigious orchestras invite them.

Aktüel Archeology Magazine Publication Sponsorship

Aktüel Archeology magazine, whose publication sponsorship we have assumed since 2010, tells about the rich geography of Anatolia to the people of this region, while also including current archeology, history and culture & arts news, exhibitions, symposiums and important developments from around the world.

Publication Sponsorship for "Pergamon, A Hellenistic Capital in Anatolia"

As part of the project to publish 10 books about Anatolian Civilizations, which we have started in cooperation with Yapı Kredi Culture & Arts Publishing, following our books about Urartian, Phrygian and Hittite civilizations the fourth book of the series, "Pergamon, A Hellenistic Capital in Anatolia", met with readers. Tüpraş has added one more work to our country's rich cultural mosaic with the book treating the Kingdom of Pergamon, which was



added to UNESCO World Cultural Heritage List in 2014.

19th Istanbul Theater Festival

Tüpraş was among the sponsors of the 19th Istanbul Theater Festival, organized by Istanbul Foundation for Culture and Arts (IKSV). The festival hosted over 17,000 theater lovers with almost 100 runs of 39 local and foreign plays, four workshops, two movie screenings and seven panels. Also, four shows were organized at the festival within the framework of the



Aktüel Archeology, one of the most important archeology magazines of our country, is published with the support of Tüpraş.



culture program concerning the 600th anniversary of the establishment of diplomatic relations between Poland and Turkey celebrated in 2014.

Support for Environment

Happy Wastes – Packaging Waste Sortation Movement at Aliğa

The project, which was shaped by the idea of ensuring the recycling of packaging wastes by sortation at Izmir Refinery in 2010, continued in the reporting period with a series of activities and training program. 3,000 kites were distributed as part of the traditionalized "Happy Wastes Kite Festival". At the festival, several activities were also organized aiming at raising environmental awareness among the people and children of Aliğa.

Water for Youth, Responsibility for Adults!

Children painted the walls at Izmir Refinery Wastewater Treatment Unit at the

activity organized with the motto "Water for Youth, Responsibility for Adults", as part of April 23rd National Sovereignty and Children's Festival. The activity, which started with opening speeches about the importance of saving water and environmental protection, continued with the painting of pictures prepared by the graffiti team. Once the pictures to be painted were finished all the children collected their handprints in a drop of water immortalizing their memory at the refinery.

Environmental Awareness Raising Trainings

As part of the project targeting primary school and high school students, 2,295 students in 73 schools in the villages of Siirt, Bitlis, Batman and in Tatvan were provided with 4,590 man*hour of training by volunteering Batman Refinery employees in order to draw attention to the damage caused to the environment by wastes.

Support For Sports

Defying Their Disabilities

Batman Sports Club Association for the Disabled, which was established in 2006, has been competing in the Turkish Wheelchair Basketball 2nd League for the Physically Handicapped since the 2007-2008 season. The club, which has been providing hundred of disabled citizens with the opportunity to play sports since its establishment, has 51 athletes, of which 33 are licensed. It continues its works towards its objective of advancing to the Wheelchair Basketball 1st League with the support of Tüpraş.

Batman Tüpraşspor Football Club Engages Youth in Sports

Tüpraşspor Football Club, which was established in 1995 with the independent initiative of Batman Refinery employees aiming at keeping the youth away from harmful habits in the awareness that sports support physical and mental development, offers talented youth residing around Batman Refinery a platform to do sports consciously while creating the opportunity for them to advance in this area. The club is being successfully managed by volunteering employees in cooperation with Provincial Directorate of Youth Services and Sports, Batman Amateur Sports Clubs Federation, Turkish Football Federation and other clubs.

The club, which includes 70 athletes between the ages 10-17 as of 2014, is achieving significant successes in various regional and national competitions. While one footballer trained in Tüpraşspor Youth Development, which is used by around 100 students, was elected to the National Team, many footballers have successfully transferred to professional sports clubs.

SUSTAINABILITY MANAGEMENT

Tüpraş assumes a significant responsibility in the sustainable development of the country as the only refining company of Turkey and it acts with the awareness of the responsibility it bears. In accordance, it both ensures the improvement of profitability, operational continuity, and social reliability and supports the sustainable development of the society where it operates through a sustainable business model. Tüpraş develops policies, strategies and practices in relation to the risk and responsibility areas identified as part of sustainability management; it adopts a transparent, accountable and participatory management approach.

Sustainability Priorities

Material performance areas that are identified with a risk, liability and opportunity oriented approach constitute the general scope of Tüpraş corporate responsibility activities. Tüpraş corporate responsibility priorities are determined through systematic methods designed on the basis of these principles and with the participation of business units representing the whole organization. Tüpraş Corporate Responsibility Working Group, which is constituted periodically, determines the social, environmental and economic issues that will be effective in improving corporate sustainability with a risk, responsibility and opportunity oriented approach, benefiting from the opinions of outside experts, also taking into consideration stakeholder expectations in this process. The works

to be implemented are managed in accordance with the achieved results; while the practices and performance results realized in prioritized areas constitute the main content of corporate responsibility reports.

Tüpraş material issues system was constituted in consequence of a comprehensive research considering the sectoral and operational geography, existing engagements, stakeholder expectations and cyclical elements. This issues system was evaluated with a risk and opportunity oriented approach in terms of its impact potential on our activities, stakeholder expectation level, and its position in value chain phases, in parallel with the principles identified by GRI G4 standard as well, within the scope of the work conducted with the participation of company unit managers representing all company functions. The achieved results were shaped through expert opinions and the feedbacks of company senior management, taking their final form. The material issues identified in the previous reporting period were evaluated in accordance with expert opinion in 2014, reaching the conclusion that conditions that would require a significant change in the corporate responsibility materiality index were not present.

Tüpraş adopts the principle of treating all its stakeholders equally. However, since not all issues can have the same level of significance for all stakeholder

groups, relevant stakeholder groups are also treated when conducting materiality studies. In this way, the content of corporate responsibility reports is determined in consequence of a process that also considers stakeholder expectations.

Risk Management and Internal Audit

Tüpraş conducts risk management with a proactive approach. In accordance it predicts the risks it might be exposed to and prepares the necessary plans to transform them into opportunities. Internal audit works play an essential role in the risk management process of Tüpraş.

Tüpraş Risk Management Model, which is supported by early warning and tracking systems, involves five main headings that pay regard to corporate responsibility priorities as well. Detailed information regarding Tüpraş risk management methodology can be found in Tüpraş 2014 Annual Report.

The plans, which are designed in accordance with standards concerning the scope and frequency of Tüpraş auditing activities, are conducted under the main headings of financial, operational, risk, process, legal compliance, business ethics and misconduct, in monthly, quarterly, semiannual and annual periods. Basic financial and process inspections are conducted in all operational centers of Tüpraş once a year, while thematic inspections determined for the working



Material performance areas that are identified with a risk, liability and opportunity oriented approach constitute the general scope of Tüpraş corporate responsibility activities.

	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
Environmental Priorities	Energy and Climate Change		x	x		
	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			
			x			

period are conducted at least once. Besides these planned inspections, ad-hoc auditing practices shaped according to developing needs are also conducted. Following the performance of inspections, findings are reported to the relevant senior management and implemented improvements are monitored. In the reporting period, refineries were visited by the Risk Management and Audit Directorate 13 times for a total of 52 man*days and audits were conducted.

The issues of bribery and corruption are considered as a probability in all auditing activities. In case there is any finding, the issue is carried to the Company Ethical Board. Sanctions can be imposed based on board decision and if there is a control

found to be deficient corrective and preventive controls are put into practice. In addition, necessary communication channels have been provided for reporting suspicious cases to the Risk Management and Audit Directorate.

Tüpraş aims for total harmony with laws in its operations, it also manages its commitments to initiatives of which is a direct or indirect party within the scope of harmonization works and regards them as part of its internal audit works. In addition, the level of compliance with OHSAS 18001 and ISO 14001 system standards is also monitored with the same rigor and certified in accordance with audits conducted by independent audit institutions.

All Tüpraş employees are informed regarding Ethical Conduct Rules and Implementation Principles. In case of a contradiction arises, the conveyed notice is examined by the Risk Management and Audit Directorate in accordance with the principle of confidentiality and the results are shared with the senior management.

As part of the supplier audit practice, 194 suppliers underwent auditing during the reporting period. In the reporting period, there was no supplier firm, whose contract was terminated because they could not fulfill the minimum conditions expected from the supplier audit process that evaluates elements such as production quality, environmental management, working environment and human rights.

Stakeholder Engagement

Tüpraş manages its stakeholder relations with a transparent, accountable and participatory approach. Tools ensuring that stakeholder views and expectations play a part in decision taking and evaluation processes are developed. In this way, it is ensured that relevant stakeholder groups are informed regarding corporate activities and results and feedbacks are received from stakeholders.

Tüpraş carries out joint projects and collaborations with several stakeholder groups. Elements, such as the existence of a joint purpose, ensuring mutual transparent and open communication, adoption of ethical principles and business norms identical with Tüpraş, the knowledge and experience of parties regarding the implementation of the project subject to cooperation or collaboration, are especially emphasized in the selection of a stakeholder group to work with.

Tüpraş does not submit to any political or ideological belief, tendency or organization; it does not provide direct or indirect support to the activities or campaigns of political parties, politicians or candidates. Corporate operation fields or corporate resources cannot be used for such activities. On the other hand, lobbying activities are not conducted for the private benefit of the company and persons conducting such activities are not supported. However, Tüpraş engages in reciprocal knowledge sharing as part of the transparent relations it establishes with public institutions and responds to information requests concerning the sector. The problems of the sector in general are expressed through the works of industry-specific nongovernmental organizations. In cases where public institutions are the customer or when there is a tender to be held, Tüpraş acts in accordance with the open competition norms and fully complies with relevant legal procedures.

Stakeholder Communication Tools

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 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 Industry-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)

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, Kırıkkale Chamber of Commerce and Industry, Kırıkkale Chamber of Commerce and Industry, Mediterranean Exporters' Unions, International Chamber of Commerce (ICC) National Committee, Prime Ministry National Energy R&D and Innovation Strategy Supreme Board, Engineering Training Programs Accreditation Board
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, Aliğa Chamber of Commerce, Istanbul Chamber of Shipping, Istanbul Mining Metal Exporters' Unions, Central Anatolia Exporters' Unions, Energy Efficiency Association, Turkish Foreign Trade Association, Turkish Investor Relations Association, Corporate Governance Association of Turkey, Informatics Association of Turkey, Informatics Executives Association of Turkey, Technology Information Management and Audit Institute Association, Cogeneration Association of Turkey, EUROGIA Association, Koç Holding Pension and Support Fund Foundation, Koç Yönder Association, Turkish Marine Environment Protection Association (Turmepa), Izmit Sailing Club Sports Association, Railway Transport Association, Bosphorus Energy Club Membership, All Accumulator Investors and Manufacturers Association, TÜBİTAK Automotive Technology Platform, MARTEK, TÜBİTAK, Istanbul and Marmara, Aegean, Mediterranean and Black Sea Regions Chamber of Commerce

Successes and Awards Achieved during the Reporting Period

Organization	Organizing Institution	Achieved Success	Date
1 SENVER Awards	Ministry of Energy and Natural Resources	First Prize in the category of Energy Efficiency Industrial Facility (Batman Refinery)	January 2014
2 VII. Corporate Management Awards	Corporate Management Association of Turkey	According to BIST Corporate Governance Index: - 3rd highest ranking company award with 93.43 points - Institution with the highest ranking in the category of the Board of Directors	January 2014
3 TİM Export Award	Turkish Exporters' Assembly (TİM)	2013 Export Championship	June 2014
4 Successful Industrial Institutions Awards	Aegean Region Chamber of Industry (EBSO)	Largest Industrial Institution of Izmir	June 2014
5 ISO 500 Study	Istanbul Chamber of Industry	Largest Industrial Institution of Turkey	June 2014
6 Fortune 500 Study	Fortune Magazine	Largest Private Company of Turkey	June 2014
7 Capital 500 Largest Private Companies Study	Capital Magazine	Largest Private Company of Turkey	August 2014
8 Master Owl Awards	Turkish Researchers' Association	Golden Owl Award	September 2014
9 Direklerarası Audience Special Awards		Jury's Special Award	November 2014
10 Stars of Export Award Ceremony	Mediterranean Exporters Union (AKİB)	Turkey Champion Chemical Industry Champion	December 2014
11 3rd Private Sector R&D Centers Summit	Ministry of Science, Industry and Technology	Best R&D Center First Prize	December 2014

Operational Performance	2010	2011	2012	2013	2014
Processed Crude Oil (thousand tons)	19,552	20,896	22,118	21,568	20,043
Production - Refining (thousand tons)	18,797	20,898	21,867	21,175	20,101
Sales (thousand tons)	22,401	23,897	25,441	24,083	22,194
Product Exports (thousand tons)	4,795	5,152	5,860	4,844	5,333
Product Imports (thousand tons)	3,980	4,214	4,387	3,805	2,920
White Product Ratio in Total Production (%)	67.90	69.70	70.30	72.40	71.30
Capacity Utilization (%)	75.30	78.00	81.60	79.10	74.90

Financial and Administrative Performance

Net Sales (million US dollars)	17,424	24,302	23,677	21,595	181,165
Operational Profit (million US dollars)	683	1,181	631	22	199
Profit Before Taxes (million US dollars)	617	918	753	7	84
Profit After Taxes (million US dollars)	490	740	817	629	667
EBITDA (million US dollars)	830	1,329	715	560	338
Net Debt (cash) (million US dollars)	-1.96	578	551	1,340	1,663
Return on Equity (%)	19.4	30.1	31.8	24.1	25.9
Net Working Capital (million US dollars)	286	359	595	-296	-667
Investment Expenditure (million US dollars)	177	628	974	1,201	959
Profit per Share (TL)	2.94	4.96	5.85	4.78	5.83
Gross Dividend per Share (TL)	2.98	3.93	3.85	1.58	-
Net Dividend per Share (TL)	2.53	3.34	3.27	1.34	-
Paid Taxes (million TL)	19,729	24,147	26,643	28,607	23,433
Corporate Governance Rating	8.56	8.62	9.10	9.34	9.31
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)	206.72	257.07	348.04	386.30	769.00
Domestic	94.61	112.61	177.21	214.46	305
Special Production	12.19	22.29	20.10	13.65	19
Overseas	99.92	122.17	150.73	158.19	444
Domestic Procurement Rate (%)	51.66	52.48	56.70	59.05	42,26
Incentives Received (million TL)	20.09	19.27	22.20	77.24	70,49

Environmental Performance

Direct Energy Consumption (TJ)	66,708	70,356	70,622	68,752	66,529
Natural Gas	32,892	35,731	34,784	32,863	32,906
Fuel Oil	17,905	13,211	12,650	10,966	8,811
Fuel Gas	13,226	18,601	20,543	22,285	22,770
Coke	2,684	2,812	2,645	2,638	2,042
Indirect Energy Consumption – Electricity (TJ)	303	437	464	395	505
Total Energy Consumption (TJ)	67,010	70,792	71,086	69,147	67,034
Change in Energy Consumption (%)	-2.67	-5.64	-0.41	2.73	3.06
Energy Consumption per Refined Crude Oil (GJ/Tons)	3.43	3.39	3.21	3.21	3.35
Solomon Energy Intensity Value	107.4	105.4	105.3	102.1	101.6
Number of Energy Efficiency Projects	65	92	97	40	22
Saving in Energy Consumption (TJ)	3,155	3,053	5,255	2,841	1,772
Reduction of Costs Through Energy Efficiency (million TL)	91	188	159	61	51
Reduction in GHG Emissions Through Energy Efficiency Projects (Ton CO ₂ e)	308,599	316,955	348,173	189,019	126,442
Total Water Consumption (million m ³)	18	19	21	19	17.8
Underground	1	0	0	0	0
Surface	17	18	20	18.8	17.2
Municipal	0	1	0.7	0.6	0.5
Other (Treated waste water from Körfez Municipality)	-	-	-	-	0,04

Performance Data

Environmental Performance	2010	2011	2012	2013	2014
Changes in Water Consumption (%)	-18.2	5.5	10.5	-9.5	-6.3
Water Consumption per Refined Crude Oil (m3/Tons)	1.0	0.9	1.0	0.9	0.9
Volume of Water Recycled (million m3)	12	11	10	11	12
Percentage of Water Recycled in Total Water Consumption (%)	39.0	37.1	32.2	36.3	40.7
Total Wastewater Discharge (million m3)	10	10.3	13.1	11.6	10.2
Total Amount of Solid Wastes	49,923	28,992	38,028	27,450	112,664
Hazardous Waste by Weight (tons)	40,229	17,999	22,944	19,411	94,974
Non-Hazardous Waste by Weight (tons)	9,694	10,993	15,084	8,039	17,690
Wastes by Disposal Method					
Recycling (tons)	44,238	23,367	27,471	21,045	39,724
Disposal (ton)	5,685	5,625	10,577	6,405	72,940
Solid Waste Recycling Rate (%)	88.6	81.0	72.0	76.7	35.3
Number of Saplings Planted during Afforestation Activities (units)	3,383	14,158	8,836	6,635	1,460
Estimated Reduction in CO ₂ Emissions due to Afforestation Activities (ton CO ₂ e)	1,116	4,672	2,916	2,191	482
Environmental Investment and Operational Expenditures (million TL)	117.42	180.94	212.17	197.41	179.09
Environmental Training (person x hours)	70,526	56,813	35,719	46,418	15,512
Tüpraş Employees	34,925	26,668	15,138	23,751	3,302
Contractors	23,259	27,622	14,644	19,727	8,385
Community	12,342	2,523	5,937	2,940	3,825

Social Performance					
Total Training (person x hours)	153,112	144,227	289,095	167,961	388,696
Female	9,986	20,831	32,125	19,562	31,172
Male	143,126	123,396	256,970	148,399	357,524
White Collars	37,173	62,908	129,599	68,240	92,571
Blue Collars	115,939	81,319	159,496	99,721	296,125
Total Training (per employee)	36.0	34.0	63.0	35.6	82
Female	33.0	63.0	88.0	49.3	80
Male	36.0	32.0	61.0	34.4	83
White Collars	45.0	71.0	131.0	65.2	89
Blue Collars	33.0	25.0	45.0	27.2	81
Total HSE Training Hours (person x hours)	64,302	49,857	75,190	82,533	107,778
Tüpraş Employees	33,241	23,888	28,550	44,775	67,088
Business Partner Employees	31,061	25,969	46,640	37,758	40,690
Accident Frequency Rate (number of incidents x 1,000,000/person x hour)	1.7	2.2	1.5	1.1	
Accident Severity Rate (lost days x 1,000,000/person x hour)	57	83	289	26	308
Number of Fatalities	0	0	1	0	2
Total Number of Suppliers	1,772	1,874	1,383	1,595	2,012
Number of the Suppliers and Contractors gone through Human Rights Screening	15	122	157	26	-
Employee Satisfaction (%)	-	59	57	60	57.3
Customer Satisfaction (%) ⁽¹⁾	85.0	85.0	85.0	-	83.8
Supplier Satisfaction (%)	97.7	97.7	98.9	97.3	93.4
Koç Holding Pension Fund Liabilities (million TL)	39.34	37.81	42.72	48.22	54.9
Donations and Sponsorships (million TL)	8.31	12.58	16.07	25.56	
Total Number of Interns	1,612	1,744	1,704	1,292	993
Rate of Minimum Wage to Minimum Starting Salary					
Blue Collars	2.6	2.7	2.5	2.6	2.6
White Collars	4.7	4.6	4.4	4.4	4.2

(1) Customer satisfaction performance data is revised retroactively due to the changes made in the survey methodology.

	Head Office		Izmit Refinery		Izmir Refinery		Kırıkkale Refinery		Batman Refinery		Total	
	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014
Total Number of Employees	360	39.4%	1,763	4.6%	1,278	7%	853	5.3%	460	6.9%	4,714	8.3%
Female	142	39.4%	81	4.6%	90	7%	45	5.3%	32	6.9%	390	8.3%
Male	218	60.5%	1,682	95.4%	1,188	92.9%	808	94.7%	428	93.0%	4,324	91.7%
Contractor Employees	106		236		104		82		90		618	
Employees by Contract Type												
Employees on Permanent Contract	360	100%	1,751	99.3%	1,278	100%	853	100%	460	100%	4,702	99.7%
Female (number-%)	142	39.4%	80	4.6%	90	7.8%	45	5.3%	32	7.0%	389	8.3%
Male (number-%)	218	60.6%	1,671	95.4%	1,188	93%	808	94.7%	428	93.0%	4,313	91.7%
Employees on Fixed-term Contract-number	0	0%	12	%0.7	0	0%	0	0%	0	0%	12	0.2%
Employees by Category												
Blue Collars	60	16.7%	1,465	83.1%	1,063	83.2%	712	83.5%	372	80.9%	3,672	77.9%
Female (number-%)	18	30%	34	2.3%	40	3.8%	24	3.4%	16	4.3%	132	3.6%
Male (number-%)	42	70%	1,431	97.7%	1,023	96.2%	688	96.6%	356	95.7%	3,54	96.4%
White Collars	300	83.3%	298	16.9%	215	16.8%	141	16.5%	88	19.1%	1,042	22.1%
Female (number-%)	124	41.3%	47	15.8%	50	23.3%	21	14.9%	16	18.2%	258	24.8%
Male (number-%)	176	58.7%	251	84.2%	165	76.7%	120	85.1%	72	81.8%	784	75.2%
Employees by Employment Type												
Full-time	360	100%	1,763	100%	1,278	100%	853	100%	460	100%	4,714	100%
Female (number-%)	142	39.4%	81	4.6%	90	7.8%	45	5.3%	32	7%	390	8.3%
Male (number-%)	218	60.6%	1,682	95.4%	1,188	93%	808	94.7%	428	93%	4,324	91.7%
Part-time	0	0%	0	0%	0	0%	0	0%	0	0%	0	0
Employees by Education (number-%)												
Primary and Secondary School	7	1.9%	44	2.5%	46	3.6%	27	3.2%	9	2%	133	2.8%
High School and Equivalent	42	11.7%	765	43.4%	593	46.4%	461	54%	241	52.4%	2,102	44.6%
Associate Degree	16	4.4%	592	33.6%	388	30.4%	211	24.7%	119	25.9%	1,326	28.1%
University and Further	295	81.9%	362	20.5%	251	19.6%	154	18.1%	91	19.9%	1,153	24.5%
Employees by Age Groups (number-%)												
Under 30	106	29%	617	35%	302	23.6%	284	33.3%	130	28.3%	1,439	30.5%
Between 30-50	192	53%	995	56.4%	868	67.9%	384	45%	260	56.5%	2,699	57.3%
Above 50	62	17%	151	8.6%	108	8.5%	185	21.7%	70	15.2%	576	12.2%
Senior Executives (number-%)	21		4		4		3		1		33	
by Gender												
Female	1	4.8%	0	0%	0	0%	0	0%	0	0%	1	3%

Male	20	95.2%	4	100%	4	100%	3	100%	1	100.0%	32	97%
by Age Groups												
Under 30	0	0%	0	0%	0	0%	0	0%	0	0%	0	0
Between 30 - 50	9	42.8%	1	25%	2	50%	0	0%	1	100%	13	39.4%
Above 50	12	57.1%	3	75%	2	50%	3	100%	0	0%	20	60.6%
by Nationality												
Local	21	100%	4	100%	4	100%	3	100%	1	100%	33	100%
Expat	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Mid-Level Executives (number-%)	39		42		23		14		11		129	
by Gender												
Female	12	30.8%	3	7.1%	2	8.7%	1	7.1%	0	0.0%	18	14%
Male	27	69.2%	39	92.8%	21	91.3%	13	92.8%	11	100%	111	86%
by Age Groups												
Under 30	23	59%	30	71.4%	16	69.6%	5	35.7%	7	63.6%	81	62.8%
Between 30 - 50	16	41%	12	28.6%	7	30.4%	9	64.9%	4	36.4%	48	37.2%
Above 50												
Recruitment (number - %)	13		77		70		8		4		172	
by Gender												
Female	3	23.1%	5	6.5%	4	5.7%	0	0%	0	0%	12	7%
Male	10	76.9%	72	93.5%	66	94.3%	8	100%	4	100%	160	93%
by Age Groups												
Under 30	11	84.6%	74	96.1%	67	95.7%	7	88%	4	100.0%	163	94.8%
Between 30 - 50	2	15.4%	2	2.6%	3	4%	1	13%	0	0.0%	8	4.7%
Above 50	0	0%	1	1.3%	0	0%	0	0%	0	0.0%	1	0.6%
Employee Leaves (number - %)	21		61		52		30		8		172	
by Gender												
Female	5	23.8%	5	8.2%	5	9.6%	3	10%	1	12.5%	19	11%
Male	16	76.2%	56	91.8%	47	90.4%	27	90%	7	87.5%	153	89%
by Age Groups												
Under 30	8	38.1%	14	23%	4	7.7%	5	16.7%	1	12.5%	32	18.6%
Between 30 - 50	10	47.6%	26	43%	31	59.6%	12	40%	3	37.5%	82	47.7%
Above 50	3	14.3%	21	34.4%	17	32.7%	13	43.3%	4	50%	58	33.7%
Number of Employees Covered by Collective Bargaining Agreements (number-%)	60	16.7%	1,465	83%	1,063	83.2%	712	83.5%	372	80.9%	3,672	77.9%
Number of Employees on Parental Leave	0		0		0		0		0		0	



Indicator	Description	Identified Omissions	External Assurance
Profile Disclosures			
G4-1	Message from the Chairman (p.2); Message from the General Manager (p.4-5)	-	-
G4-2	Message from the Chairman (p.2); Message from the General Manager (p.4-5); Sustainability Management (p.56-58)	-	-
G4-3	Contact (p.68)	-	-
G4-4	Corporate Website: http://www.tupras.com.tr/detailpage.en.php?redirect=products.en.php&lRedirectPageID=1145	-	-
G4-5	Contact (p.68)	-	-
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)	-	-
G4-8	Tüpraş by Highlights (p.6)	-	-
G4-9	Tüpraş Annual Report 2014 (p.80); Performance Indicators (p.60-61)	-	-
G4-10	Performance Indicators (p.61)	-	-
G4-11	Human Rights (p.28); Performance Indicators (p.63)	-	-
G4-12	Economic Area of Influence (p.44-45)	-	-
G4-13	Corporate Website: http://www.tupras.com.tr/detailpage.en.php?lPageID=5200	-	-
G4-14	Risk Management and Internal Audit (p.56-57); Business Continuity (p.24-25); Human Rights (p.28); Tüpraş Annual Report 2014 (p.107)	-	-
G4-15	Business Continuity (p.24-25); Human Rights (p.26)	-	-
G4-16	Corporate Responsibility Management (p.59)	-	-
G4-17	About the Report (p.1)	-	-
G4-18	About the Report (p.1); Sustainability Management (p.56)	-	-
G4-19	Sustainability Management (p.57)	-	-
G4-20	About the Report (p.1); Sustainability Management (p.57)	-	-
G4-21	About the Report (p.1); Sustainability Management (p.57)	-	-
G4-22	About the Report (p.1)	-	-
G4-23	About the Report (p.1)	-	-
G4-24	Stakeholder Engagement (p.58)	-	-
G4-25	Stakeholder Engagement (p.58)	-	-
G4-26	Stakeholder Engagement (p.58)	-	-
G4-27	Customer Satisfaction (p.17)	-	-
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.68)	-	-
G4-32	About the Report (p.1); GRI Index (p.64); Legal Disclaimer (p.68)	-	-
G4-33	Legal Disclaimer (p.68)	-	-
G4-34	Tüpraş Annual Report 2014 (p.77, 104-105)	-	-
G4-56	"Risk Management and Internal Audit (p.56-57); Corporate Website: http://www.tupras.com.tr/file.debug.php?lFileID=2976 "	-	-
Standard Disclosures			
Material Aspect: Economic Performance			
G4-DMA	Employee Benefits (p.30); Community Development (p.46); Tüpraş Annual Report 2014 (p.153-154, 177)	-	-
G4-EC1	Community Development (p.46) ; Performance Indicators (p.60)	-	-
G4-EC3	Employee Benefits (p.30); Tüpraş Annual Report 2014 (p.154)	-	-
G4-EC4	Tüpraş Annual Report 2014 (p.153, 177)	-	-

Indicator	Description	Identified Omissions	External Assurance
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 is calculated by employee category.	-	-
G4-EC6	Performance Indicators (p.63)	-	-
G4-DMA	Petroleum Market (p.15-17); R&D and Investments (p.17-23); Professional and Personal Development (p.31-32); Community Development (p.46)	-	-
G4-EC7	R&D and Investments (p.17-23); Community Development (p.46)	-	-
G4-EC8	Petroleum Market (p.15-17); R&D and Investments (p.17-23); Professional and Personal Development (p.31-32); Community Development (p.46)	-	-
Material Aspect: Procurement Practices			
G4-DMA	Not material	-	-
G4-EC9	Supply Chain Practices (p.44); Performance Indicators (p.60)	-	-
Material Aspect: Energy			
G4-DMA	Energy and Climate (p.36-39); Energy Management (p.36); Energy Efficiency Projects (p.38); Climate Change (p.38-39); Tüpraş Annual Report 2014 (p.72)	-	-
G4-EN3	Energy Management (p.36); Performance Indicators (p.60)	-	-
G4-EN5	Energy Management (p.36); Performance Indicators (p.60)	-	-
G4-EN6	Energy Efficiency Projects (p.38); Performance Indicators (p.60)	-	-
Material Aspect: Water			
G4-DMA	Environmental Management (p.40-43); Water Management (p.40-41); Waste Management (p.41-42)	-	-
G4-EN8	Water Management (p.40-41); Performance Indicators (p.60)	-	-
G4-EN9	Biodiversity and Environmental Protection (p.42-43)	-	-
G4-EN10	Water Management (p.41); Performance Indicators (p.61)	-	-
Material Aspect: Biodiversity			
G4-DMA	Biodiversity and Environmental Protection (p.42-43)	-	-
G4-EN11	Biodiversity and Environmental Protection (p.42-43)	-	-
G4-EN12	Biodiversity and Environmental Protection (p.42-43)	-	-
Material Aspect: Emissions			
G4-DMA	Energy and Climate (p.36-39); Energy Efficiency Projects (p.38); Climate Change (p.38-39)	-	-
G4-EN19	Energy Efficiency Projects (p.38)	-	-
Material Aspect: Effluents and Waste			
G4-DMA	Energy Management (p.36-37); Water Management (p.38); Waste Management (p.41-42)	-	-
G4-EN22	Water Management (p.41); Performance Indicators (p.61)	-	-
G4-EN23	Waste Management (p.41); Performance Indicators (p.61)	-	-
G4-EN26	Biodiversity and Environmental Protection (p.42-43)	-	-
Material Aspect: Products and Services			
G4-DMA	Not material	-	-
G4-EN27	R&D Studies (p.18-20)	-	-
Material Aspect: Transport			
G4-DMA	Not material	-	-
G4-EN30	Energy Management (p.36-37)	-	-
Material Aspect: Overall			
G4-DMA	Not material	-	-
G4-EN31	Performance Indicators (p.61)	-	-
Material Aspect: Employment			
G4-DMA	Vocational Training (p.44-45); Workplace Culture (p.26-33)	-	-
G4-LA1	Performance Indicators (p.63)	-	-
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.63)	-	-

Indicator	Description	Identified Omissions	External Assurance
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.	-	-
Material Aspect: Occupational Health and Safety			
G4-DMA	Occupational Health and Safety (p.34-35), Occupational Safety (p.34)	-	-
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-LA6	Occupational Safety (p.35)	-	-
Material Aspect: Training and Education			
G4-DMA	Employee Development (p.31-32)	-	-
G4-LA9	Employee Development (p.31-32); Performance Indicators (p.61)	-	-
G4-LA10	Employee Development (p.31-32)	-	-
G4-LA11	Employee Development (p.31-32)	-	-
Material Aspect: Diversity and Equal Opportunity			
G4-DMA	Human Rights (p.26-29)	-	-
G4-LA12	Performance Indicators (p.62)	-	-
Material Aspect: Equal Remuneration for Women and Men			
G4-DMA	Human Rights (p.29)	-	-
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.29)	-	-
G4-HR3	No such case occurred during the reporting period.	-	-
Material Aspect: Freedom of Association and Collective Bargaining			
G4-DMA	Human Rights (p.28)	-	-
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 Labour			
G4-DMA	Human Rights (p.29)	-	-
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 and Compulsory Labour			
G4-DMA	Human Rights (p.29)	-	-
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.29)	-	-
Material Aspect: Anti-Corruption			
G4-DMA	Risk Management and Internal Audit (p.56-57)	-	-
G4-SO5	No such case occurred during the reporting period.	-	-

Indicator	Description	Identified Omissions	External Assurance
Material Aspect: Public Policy			
G4-DMA	Stakeholder Engagement (p.58)	-	-
G4-SO6	"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. Stakeholder Engagement (p.58)"	-	-
G4-DMA	Not material	-	-
G4-PR1	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.	-	-
Material Aspect: Product and Service Labeling			
G4-DMA	Customer Satisfaction (p.17)	-	-
G4-PR3	All Tüpraş products are labeled in line with legal regulations.	-	-
G4-PR4	No such case occurred during the reporting period.	-	-
G4-PR5	Customer Satisfaction (p.17); Performance Indicators (p.61)	-	-
Material Aspect: Marketing Communication			
G4-DMA	Not material	-	-
G4-PR7	No such case occurred during the reporting period.	-	-
Material Aspect: Product and Service Quality			
DMA	Systems and Standards (p.23-24)	-	-
Material Aspect: R&D Studies			
DMA	R&D Studies (p.18-20)	-	-
Material Aspect: Asset Integrity			
DMA	Asset Integrity (p.25)	-	-
Material Aspect: Disaster and Emergency Preparedness			
DMA	Disaster and Emergency Preparedness (p.25); Occupational Health and Safety (p.34-35); Biodiversity and Environmental Protection (p.42-43); Risk Management and Internal Audit (p.56-57)	-	-

CONTACT

For more detailed information, views and feedbacks on Türkiye Petrol Rafinerileri A.Ş. Corporate Responsibility Report please contact to:

Seval KIZILCAN

Corporate Communications Manager
kurumsal.iletisim@tupras.com.tr

Contact:

Türkiye Petrol Rafinerileri A.Ş.
Headquarters
41790 Körfez Kocaeli
T: +90 262 316 30 00
F: +90 262 316 30 10-11
www.tupras.com.tr

Reporting Consultant:

www.kiymetiharbiye.com

Design:

Kutay Güven
www.kutayguven.com

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