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About The Report

In its corporate responsibility reports, the first of which was published in 2008, Tüpraş illustrates the development succeeded in terms of managerial approach, organisation and activities; and its future projections in accordance with transparency and accountability principles. With these reports, we aim to inform our stakeholders; employees, investors, customers, suppliers and business partners, trade unions, the media and civil society organizations in particular; about our principles, activities and future forecasts. Therefore, we present the third Tüpraş Corporate Responsibility Report where we provide our stakeholders with a clear and balanced portrait of the social, environmental and economic impacts created by Tüpraş operations.

The content of Tüpraş 2010-2011 Corporate Responsibility Report shares information about our view of corporate responsibility and sustainability management and the studies conducted in this area in a broad perspective, ranging from strategic decision-making and implementation processes to performance achievements and future goals. Differently from the previous report published in 2011; in this reporting period, we followed the GRI G3.1 Reporting Framework issued by the Global Reporting Initiative. Besides, we also considered the United Nations Global Compact Communication on Progress Reporting Principles. Therefore, unless otherwise stated, all the data disclosed in the report is prepared in accordance with the indicator protocols specified in the GRI G3.1 Reporting Framework. Moreover, in some fields the level of disclosure has been extended, by employing sector-wide recognized performance indicators.

In addition to the use of the GRI G3.1 Guidelines for Reporting, improvement was also recorded at the level of reporting. In this context, while our previous reports were prepared according to the C application level requirements; in Tüpraş 2010-2011 Corporate Responsibility Report, B application level reporting requirements have been met.

Information disclosed in Tüpraş 2010-2011 Corporate Responsibility Report is based on the operation period covering two calendar years between 01.01.2010- 31.12.2011. However, in order to provide the audience of this report with the opportunity to compare the performance we have recorded with previous results, we have also included back-dated data. The scope of the report has been identified by following the guiding principles indicated in the GRI G3.1 Reporting Guidelines. According to this, the content of this report covers the operation and performance results of all refineries which operate under the corporate identity of Tüpraş. In order to reflect the corporate integrity of Tüpraş, introductory information about Tüpraş's subsidiaries Opet Petroleum Corporation and Ditaş have been included in the content of our report, while their corporate responsibility and sustainability performances are not covered within this report. The only area where the performances of the subsidiaries are included is the financial performance results which were obtained during the period. The financial data of the subsidiaries, in accordance with the followed principles of financial reporting, are included in Tüpraş performance depending on the ratio of the shareholding of these companies.

Tüpraş aims continuous improvement in its reporting process. In this context, significant progress has been made in every reporting process since our very first report. We aim to improve our reporting methodology and extent through feedbacks received. For the upcoming periods, we aim to establish an annual reporting cycle while maintaining the application level and scope regarding the use of GRI Framework for our corporate responsibility reporting practices.

Message From The Chairman

Dear Stakeholders,

During 2010-2011 periods, thanks to the measures taken and increasing government incentives, we have witnessed a more favourable economic environment compared to the previous term where the most severe impacts of the economic crisis have been surmounted. However, limited economic recovery in OECD countries, rapid decline of capital flow in 2011 towards developing countries which have relatively higher growth rates are the factors which led us to think that we have not yet overcome the impacts of economic crisis.

During the reporting period, as a result of not only the global economic environment, but also emergence of geopolitical risks in the crude oil producing regions crude oil prices increased. This increase put a pressure on refinery margins despite the economic recovery oriented increase in product demand. In 2011 Mediterranean Region did not recover as expected, however local crude oil processing refineries in USA increased their capacity utilization rates through high margins. Local refineries in the USA satisfied the gasoline demand by production and took the opportunity of diesel fuel export to the Europe and Far East, hence pressure on Mediterranean Region refineries increased.

Future projections regarding petroleum products demonstrate that demand on transportation fuels and petrochemical products will increase while power generation, industry and heating oriented consumption will fall. We observe a similar trend of petroleum products consumption in Turkey. However, during the period, demand on petroleum products did not improved as expected despite the fact that Turkish economy has grew 8% on annual average and automotive sector has improved. Due to high taxation, demand on gasoline has continued the downtrend while for the fuel-oil demand the main reason was the promotion of natural gas as heating and industry fuel. On the other hand, consumption of off-system products such as No.10 mineral oils keeps pressuring the increase in diesel consumption. Considering general trends in Turkish petroleum products market, Tüpraş' on-going investments on fuel-oil conversion become more crucial. It is aimed that via Residium Upgrading Project initiated in 2006 and currently in physical investment phase, capacity utilization rate of Tüpraş refineries will be improved and white product productivity will increased by 14%. Through the project to be completed in 2015 with a total investment of 5.1 billion US dollars, Tüpraş İzmit Refinery will increase its Nelson Complexity from 7.8 to 14.5 and become one of the global refineries possessing the highest conversion rate.

Despite the global economic conditions, through the strategic actions taken during the reporting period, we have increased our performance even more than expected and proved that we will maintain Tüpraş' sustainable growth both financially and operationally; and keep generating high level value for stakeholders in the upcoming terms. Confirmation of Tüpraş' credit rating as BBB-, the country ceiling and investible level, in an environment where major rating note reductions witnessed in Europe, makes the best case for this commitment. We continued our efforts on ISE Corporate Governance Index in which we have first involved in 2007 with a rating note of 7.91. Reaching 8.62 in 2011 is a good sign showing that we have been improving our management skills along with financial performance.

Tüpraş' business strategy focuses on complete satisfaction of Turkey's petroleum product demand through socially, environmentally and economically sustainable business model, thus generating value for all stakeholders primarily for the community we operate in. With this regard, 2010-2011 were the years of achievements. We fully believe that in the upcoming periods we will harvest positive outcomes of our efforts focused on sustainability priorities.

Despite the progress made, we observe that global actions against the climate change, one of the major environmental issues of our time, are still shortcoming. In that vein, all related parties have to demonstrate

a global understanding for a more efficient struggle. It would not be wrong to predict that priorities emerged from global economic issues will set investments and behaviour changes required for the combat against the climate change back unless all parties, from companies to governments, international organizations to NGOs, agree on a global action plan. In fact, transition to a low carbon economy delivers various new opportunities especially for companies.

Tüpraş's action against climate change include the efforts increasing energy efficiency, spect and R&D investments decreasing the emission levels of products, afforestation studies empowering natural capacity and education activities raising awareness. In these efforts we have achieved a significant improvement during the reporting period. We have further improved environmental performance through the projects regarding water consumption, waste management and recycling.

During the reporting period we have maintained the improvement trend on OHS, one of the major focuses of Tüpraş. However may be the most significant achievement made in the social field was increasing the female labour as a company operating in energy sector where the female employee rate is structurally low. We maintained our community investments throughout the years 2010-2011. During the period we have allocated 20.90 million TL to the projects and institutions operating in education, environment, health-care, sports, arts and culture. During the upcoming terms, we will continue our investments for contributing sustainable development of the community we operate in.

As we did in the past, we will continue in the future to ensure Tüpraş' sustainable growth in all dimensions and to generate value for stakeholders, for the community and generally for the world. We thank all stakeholders who contributed to our achievements, primarily our employees, suppliers and business partners; and submit our gratitudes to our clients, investors and shareholders for their trust and commitment to Tüpraş.

Sincerely,

Ömer M. Koç
Chairman

Message From The General Manager

Dear Stakeholders,
Tüpraş, the largest industrial corporation in Turkey, also plays a leading role in Turkish business in terms of corporate responsibility. Through the third corporate responsibility report that we have published, we intend to convey our activities conducted during 2010-2011 period and their outcomes to the views of stakeholders as a matter of transparency principle.

Despite the environment emerged from global economic crisis, thanks to the accuracy marked in its strategic approach, Tüpraş achieved a financial success beyond all expectations. In the upcoming periods, we will show very same precision in our activities and keep generating value for stakeholders.

The basic mission of Tüpraş is complete and on-time satisfaction of Turkey's demand on petroleum products. In pursuit of this objective, as yet, uninterruptedly delivered, our main focus is to create value in our area of influence and mitigate all social, environmental and economic negativities which may occur as a result of our operations. In that vein, we experience the pride of continuous increase in our success through working principles and practices that we deliver.

As an energy company, Tüpraş emphasize the climate change which became a global environmental and social issue, as a major risk element. Against the climate change phenomenon, Tüpraş adopts a risk and opportunity driven approach covering production, product portfolio, biodiversity improvement and education processes.

Efficiency improvement studies constitute a significant share in activities focusing on mitigation of environmental impacts occurring during the production processes. With this regard, Tüpraş conducted hundreds of projects during the reporting period and marked a significant achievement. Through these projects, 6,208 TJ of energy and 628 thousand tons CO₂e of GHG emissions saved. Similar success has been marked in terms of water consumption. Despite the significant increase in the amount of processed crude oil compared to 2009, we have annually consumed 3 million m³ less fresh water on average. Moreover, averagely 38% of the total water demand in production has been supplied through recycled water. Following the 7.8% increase in 2010, total solid waste amount has been reduced by 41.9% in 2011. Through afforestation practices traditionally conducted as a part of the studies regarding biodiversity improvement, more than 17.000 saplings have been planted.



During the reporting we also achieved success in social aspects of our activities. Increasing female labour rate to 7.9% in 2011 while it was 6.9% in 2009 was the leading accomplishment. Underlying cause for female employees to prefer working in Tüpraş is that we have created a work environment offering equal opportunities and development possibilities for all, preventing discrimination, treating employees fairly. Through the OHS practices, accident frequency rate decreased to 1.70 in 2010. Despite contractors' safety scores included in performance evaluations in 2011, accident frequency rate remained in the 2.20, thus 12% less than 2009.

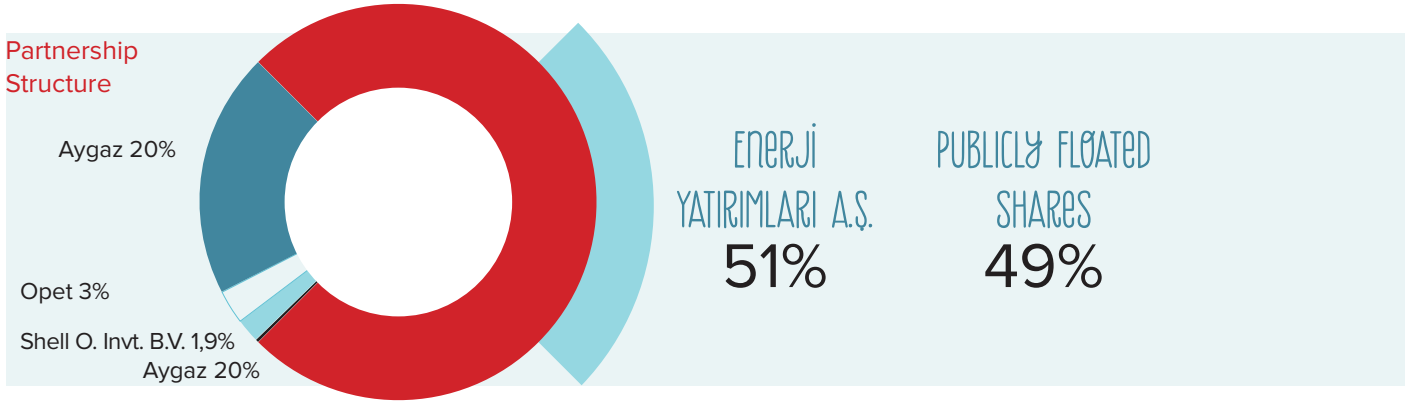
Tüpraş puts an emphasis on practices regarding economic and socio-cultural development of the community that it operates in. During the two-year period, Tüpraş paid more than 43 billion TL of taxes, generating approximately 9.5% of total annual tax income of Turkey. On the other hand, Tüpraş also made significant contribution to invigorate the local economy by conducting nearly 90% its procurement operations through local suppliers and producers. During the reporting period we have also contributed socio-cultural development of the community by allocating more than 20 million TL to 135 different projects and institutions via donations and sponsorships. Thanks to the traditional projects such as the Umbrella Movement and the MEGEP, Tüpraş continued its support for education and social capacity of thousands of students. It makes a good evidence for social responsibility culture created around Tüpraş and its area of influence that nearly 1,500 stakeholders, primarily employees, volunteered in the projects that we have conducted.

After a period of success where we maintained sustainable development of Tüpraş by achieving in all financial, economic, social and environmental dimensions despite the challenges occurred from the current economic environment, we believe that we will deliver very same success in the upcoming periods. We thank all our stakeholders, primarily employees, shareholders, suppliers and business partners who made this success possible thanks to their work, support and trust.

Respectfully,

Yavuz Erkut
General Manager

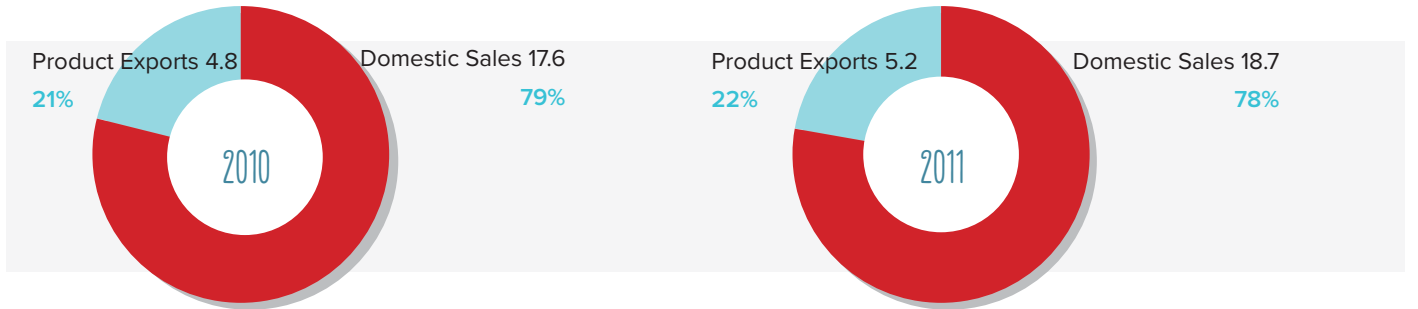
Tüpraş By Highlights



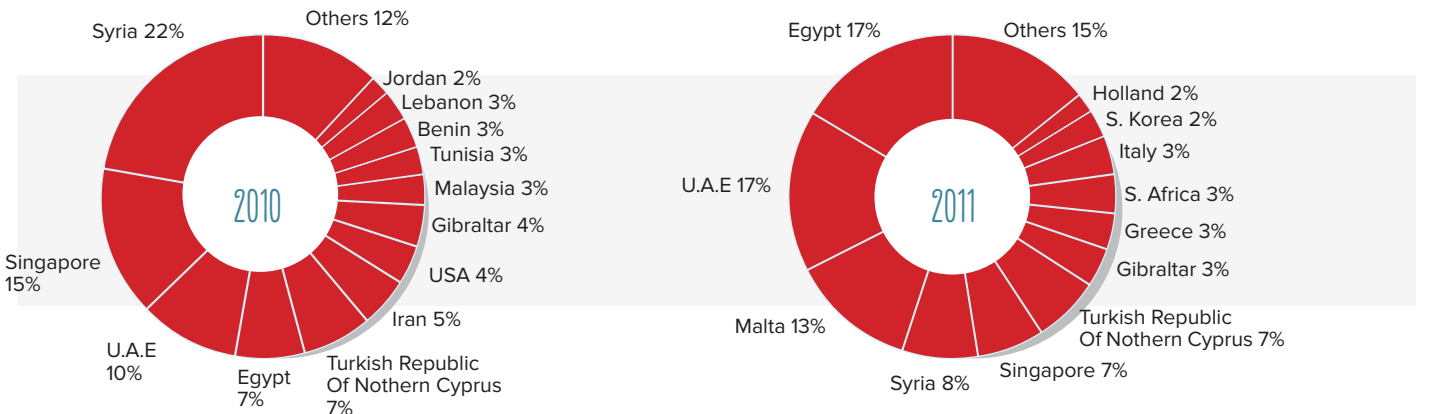
Capital Structure

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

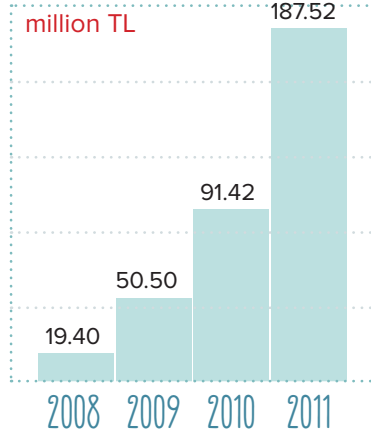
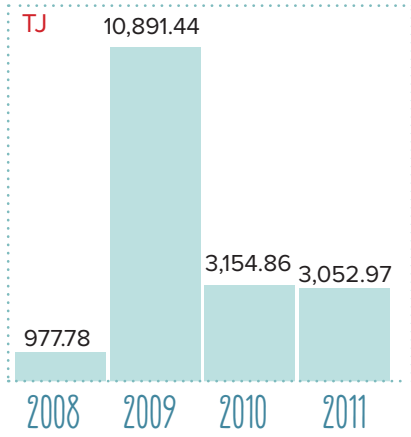
Total Sales (million tons)



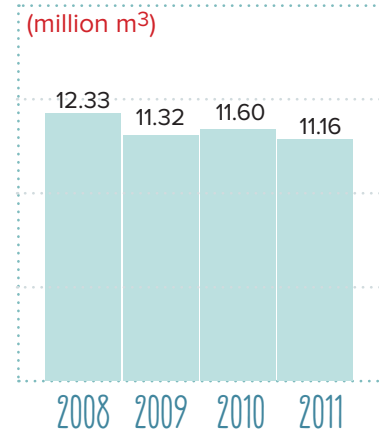
Exports By Country (%)



Saving via Energy Efficiency Projects



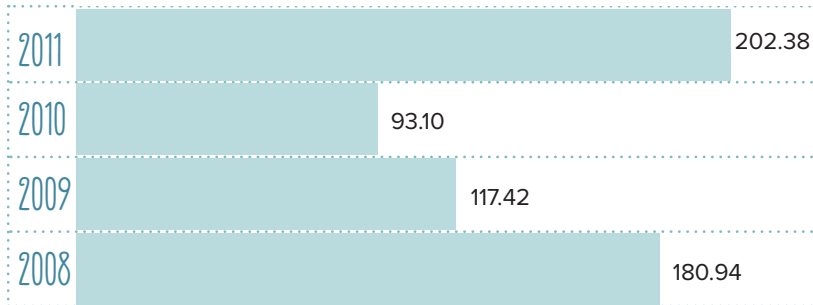
Total Recycled Water



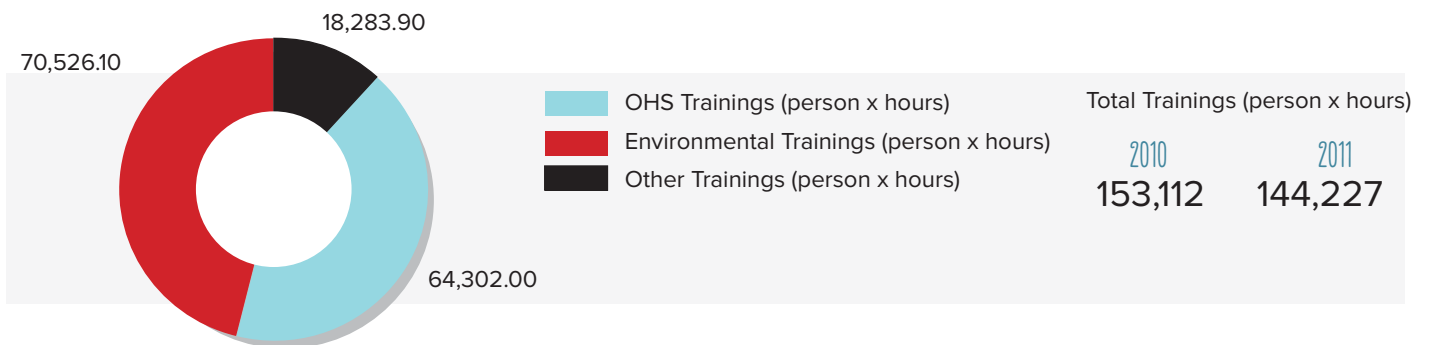
Afforestation Studies

	2009	2010	2011
Number of Saplings Planted	10,272	3,383	14,158
Reduction in CO ₂ Emissions ¹ (tons)	3,390	1,116	4,672

Environmental Investments And Management Expenditure (million TL)

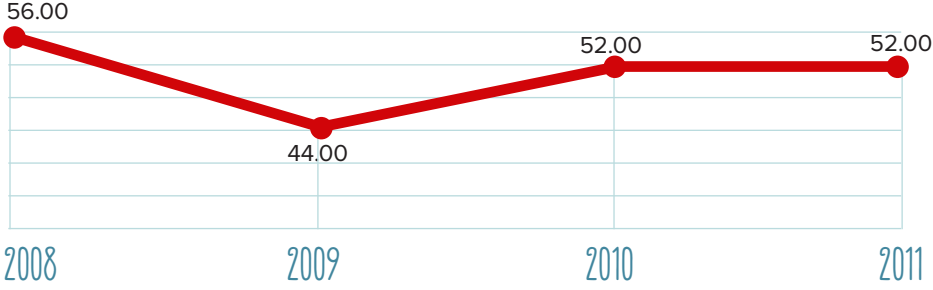


Total Training Hours Per Category (person x hours)

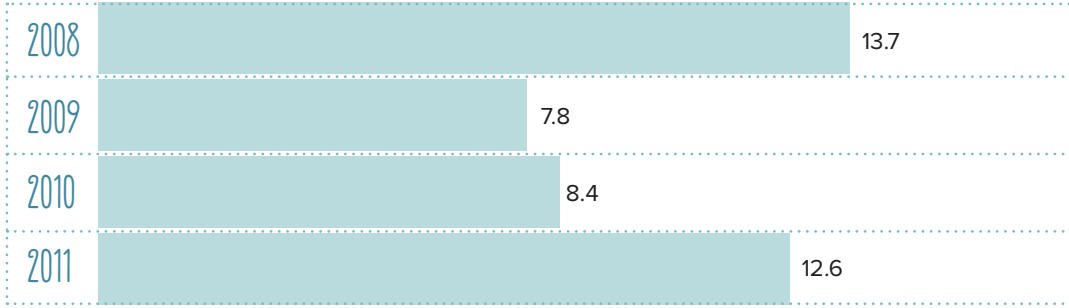


¹ The calculations are based on the Karbonmetre software of TEMA Foundation, where it is estimated that 0,33 tons of emission is offset by every tree planted. www.tema.org.

Local Procurement Ratio (%)



Donations And Sponsorships (million TL)



Opet

Opet Petroleum, 40% share of which is owned by Tüpraş, was founded in 1992. Opet is conducting the production of mineral oils and the international trading of petroleum products, as well as retailing and wholesaling in the fuel distribution sector.

Conducting its sales operations through 1,271 stations, 878 of which are under Opet brand whereas 393 were branded as Sunpet, by the end of 2011, Opet has become the third largest fuel distribution company with a market share of 17.9% in white products and 13.7% in black products.

Opet Petroleum possesses 1.1 million m³ of storage capacity, which is the highest in the Turkish fuel distribution sector. By employing these facilities in Tüpraş sales operations, Opet generates a crucial logistics advantage for Tüpraş. Tüpraş and Opet's total product and crude oil storage capacity makes up approximately 65% of Turkey's total storage capacity. At the end of 2011, the Company handed over its Mineral Oil Business Unit to Opet Fuchs Madeni Yağ Sanayi ve Ticaret A.Ş., which holds 50% partnership with the Germany based company Fuchs Petrolub AG, one of the world's largest producers of mineral oil.

Differentiating itself in the sector with innovative and eco-friendly service approach; Opet Petroleum has been rewarded several times for its "Green Road Project" and "Clean Toilet Campaign", both of which have been repeated by various other institutions, as they highlight corporate and societal benefit with an understanding of responsible management. Besides, Opet continues to support local economic and social development with its "Respect for History" and "Exemplary Village" projects. With all this effort, Opet Petroleum attained the first place for the sixth time in a row since 2006, in the Turkish Consumer Satisfaction Index, coordinated by the Turkish Quality Association.

You can access detailed information on Opet Petroleum's corporate social responsibility performance, through the corporate social responsibility reports published on website www.opet.com.tr/en.

Ditaş

Deniz İşletmeciliği ve Tankerciliği A.Ş. (Ditaş) was founded in 1974 to buy, to make built, or rent tanker ships with different tonnages and qualities, which are used in the domestic and international marine transportation of crude oil and petroleum products. With Tüpraş holding a %79,98 of its shares, Ditaş has successfully improved its activities over the years. According to the needs of Tüpraş, Ditaş has been conducting crude oil transportation operations that constitute 95% of all its marine transport activities. Alongside Tüpraş, Ditaş offers product transportation services to Petkim, Opet and other fuel distribution companies; provides pilotage and tugboat services in the marine terminals of İzmit and İzmir refineries.

In order to increase safety during the operations of the ships that arrived at Tüpraş marine terminals, "freight operation captain" service has been launched by Ditaş in 2009. In addition to that, in 2010, Ditaş started conducting conformity checks for arriving ships according to international regulations and Tüpraş standards, before reporting the results back to Tüpraş.

Ditaş activities provide Tüpraş with great advantage in operation and costs. This way, Tüpraş acquires the flexibility needed for a transmission that would take place in case of a possible change in refining operations, with a lower cost; and hence, it can cope with the changes in the supply program, required as a result of the fluctuations in the crude oil and product prices.

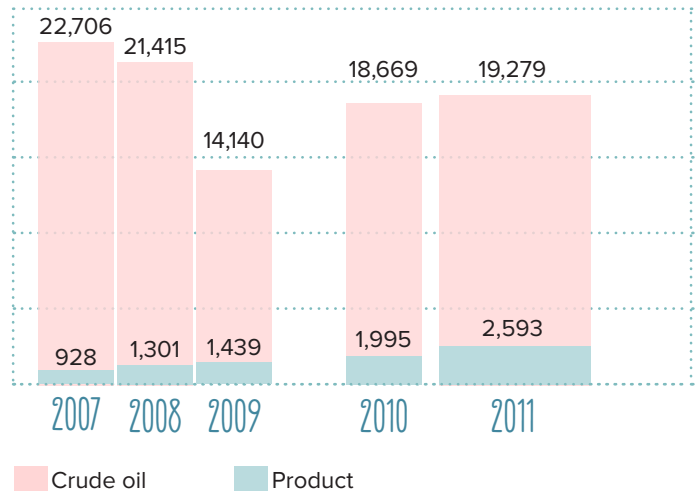
Ditaş has a great number of accreditations such as the ISO 9001:2008 Quality Management System and ISO 14001:2004 Environmental Management System for head office and vessels; in addition to ISM (International Safety Management) and ISPS (International Ship and Port Facility Security Code) certificates for the vessels. Ditaş also owns the TMSA 2 (Tanker Management Self Assessment) system, which is considered an important reference for tanker management, and is requested to be applied by petroleum companies. Ditaş also launched projects on the accreditation of International Standard for Maritime Pilot Organizations (ISPO) certificate for İzmir Terminal; and ISO 9001:2008 Quality Management System certificates for both İzmir and İzmit terminals.

Having become a member of INTERTANKO (International Association of Independent Tanker Owners) in May 2011, all Ditaş vessels operate in compliance with OCIMF Sire System. Ditaş also holds memberships in associations such as KALDER and TURMEPA.

General Overview of DİTAŞ Tankers

	M/T Cumhuriyet	M/T Sevgi	M/T Gönül
Tanker Type	Crude oil	Petrol/Chemical	Petrol/Chemical
Year Built	2001	2008	2008
Cargo Tank Capacity	177,380 m ³	12,247m ³	12,224m ³
DWT	164,859 tons	10,983 tons	10,873 tons
CRT	84,476 tons	7,318 tons	7,318 tons
Net Tonnage	53,710 tons	3,651 tons	3,651 tons
Length	274,18 m	131,85 m	131,85 m

Crude Oil And Product Shipment (thousand tons)



Izmit Refinery



Established in: 1961
 Refining Capacity: 11 million tons
 Storage Capacity: 2.20 million m³
 Nelson Complexity: 7.78
 Number of Employees: 1,394

(million tons)

	2008	2009	2010	2011
Production	9.8	7.7	8.5	8.6
Sales	11.8	9.9	9.9	10.9

Izmit Refinery, which possesses 11 million tons of annual refining capacity, produces Euro V standard products in compliance with EU norms. Izmit Refinery, which has become one of the Mediterranean's high complexity refineries thanks to configuration investments, provides logistic advantage through its easy access to open sea and terrestrial markets and its proximity to major consumption locations.

Izmir Refinery



Established in: 1972
 Refining Capacity: 11 million tons
 Storage Capacity: 1.91 million m³
 Nelson Complexity: 7.66
 Number of Employees: 1,258

(million tons)

	2008	2009	2010	2011
Production	9.6	6.9	8.5	7.8
Sales	10.3	7.9	8.7	8.9

Izmir Refinery which possesses 11 million tons of annual refining capacity, produces Euro V standard products in compliance with EU norms. Izmir Refinery has a competitive advantage for its high complexity, connection to open seas and its market location in tourism region.

Kırıkkale Refinery



Established in: 1986
 Refining Capacity: 5 million tons
 Storage Capacity: 1,13 million m³
 Nelson Complexity: 6.32
 Number of Employees: 856

(million tons)

	2008	2009	2010	2011
Production	2.7	2.8	2.7	2.9
Sales	3.0	2.8	2.9	3.1

Kırıkkale Refinery, which possesses 5 million tons of annual refining capacity, has become one of the Mediterranean's mid-level complexity refineries thanks to configuration investments. Kırıkkale Refinery, which is connected to crude oil sources by pipelines and to other Tüpraş refineries by railroad, possesses a logistic advantage through its close location to terrestrial markets to which it can supply products in compliance with EU standards.

Kırıkkale Refinery possesses the largest fuel truck filling facility in Turkey and approximately 100.000 m³ of asphalt storage capacity.

Batman Refinery



Established in: 1955
 Refining Capacity: 1,1 million tons
 Storage Capacity: 212.000 m³
 Nelson Complexity: 1.83
 Number of Employees: 434

(thousand tons)

	2008	2009	2010	2011
Production	753	614	873	910
Sales	859	871	957	992

Batman Refinery which possesses 1.1 million tons of annual refining capacity, is the first refinery in Turkey. Batman Refinery, which is connected to domestic and international crude oil sources with pipelines, ensures its competitive advantage by serving the domestic market with EU standard products which are supplied from İzmit and Kırıkkale Refineries, besides its own production.

Economic Overview

In line with the developments in Turkey's economy, demand for petroleum products has increased. This situation reinforces the role of Tüpraş for the national economy. Tüpraş is maintaining the role of contributing to the development of the industry not only by meeting the energy needs for fuel oil, mineral oil, bitumen in particular and many other refinery products; but also by the realization of infrastructure investments and production activities. While contributing to the industry, Tüpraş is directly and indirectly affecting the lives of individuals. As well as ensuring local supply for petroleum products, Tüpraş is continuously increasing the value added generated thanks to its production technology, product types and quality improvements. This way, Tüpraş creates a great deal of direct and indirect impact on the local economy.



Developments in the Petroleum Market

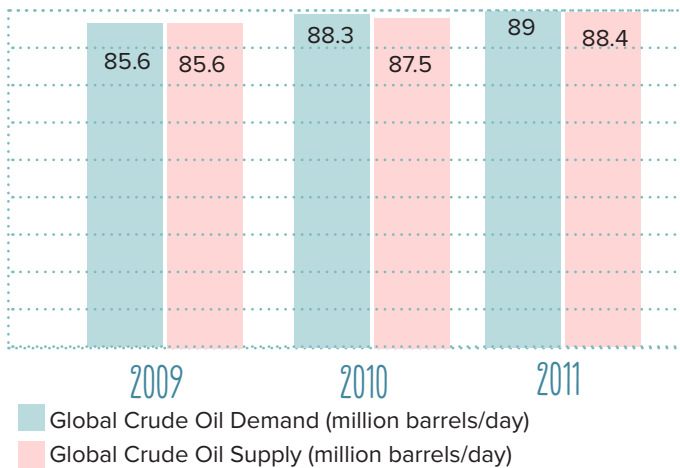
After a turbulent period during the economic crisis, during 2010 and 2011 a more positive economic environment has developed where prices remained more stable and increase in production and demand has been witnessed. During the period, prioritizing to fully meet Turkey's demand for petroleum products Tüpraş, maintained its pioneer role in the market by focusing on high-grade product types, improving product quality and its customer satisfaction-oriented work.

Global Outlook

As the impacts of the economic crisis reduced, the demand for crude oil in 2010 has reached an average of 88.3 million barrels per day, with an increase of 3.15% compared to 2009. Along with the ongoing rising trend, crude oil demand increased by 0.8% in 2011 which resulted in an average of 89 million barrels per day.

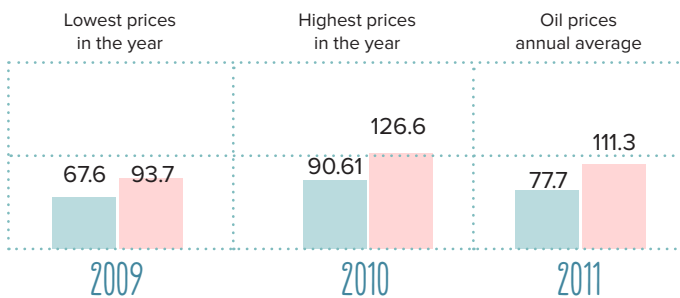
In parallel with the increase in demand during the period, an increase in the production of crude oil was observed. The global crude oil supply reached approximately 88.3 million barrels per day in 2010, and 88.4 million barrels per day in 2011; with an increase of 2.2% and 1% respectively.

	2009-10	2010-11
Change in Global Crude Oil Demand	%3.15	%0.8
Change in Global Oil Supply	%2.2	%1



After experiencing rapid price fluctuations in the 2008-2009 period, global crude oil prices recorded more stable albeit higher levels in 2010. The interruption to crude oil production in OPEC countries as a result of the economic crisis extended to 2010. Moreover, world crude oil inventories decreased whereas the energy needs of developing countries increased; all of which led to an increase in refinery capacity utilization and crude oil prices. As a result of these dynamics, in 2010, crude oil prices were recorded between \$70-\$80/barrel.

Global Oil Prices (USD/barrel)



Due to political problems in Africa and the Middle East, as a result of the possibility of unexpected interruptions to crude oil supply, in 2011 crude oil prices continued to rise until Brent crude oil made a peak in April at \$126.6/barrel. Afterwards, the process of decline in the price of Brent oil started due to the deepening debt crisis in Europe and the economic measures taken by China and United States. The annual average of 2011 occurred as \$111.3 per barrel.



In 2009 and 2010, refineries increased both in terms of quantity and capacity globally, however this situation did not continue in 2011. The refining capacity increased in developing countries like

China and India where demand for petroleum products remained high in 2011, while there was a decrease in developed countries due to low demand and the reduction of investments in refineries. As a result, in 2011, there was certain amount of decline in the number of refineries. The main reason for global refining capacity remained the same level as in the year of 2010 is the refinery improvement and capacity expansion investments conducted in order to meet the increasing product demand in developing countries.

Local Outlook

In 2010, Turkey's total crude oil supply showed an increase of 17.96% compared to 2009, and reached the level of 19.38 million tons, nearly 87% of which occurred through imports. Procurement of crude oil continued to climb to the level of 20.53 million tons in 2011 with an increase of approximately 6%; 88% of which was met through imports.

Recently, there has been a decrease in the share of petroleum products in the primary energy consumption in Turkey. The main reason for this decline is that natural gas and renewable resources are preferred over petroleum products in electricity production. Despite the downward trend during the period of 2010-2011, petroleum products have been at the top of the list with a 33% share in primary energy usage in Turkey. Transportation sector, which has a large share in consumption of petroleum products, is expected to be the main source of the increase in the consumption in the future.

	2009	2010	2011	Change (%) 2009-10	Change (%) 2010-11
Turkey's Total Supply of Crude Oil (million tons)	16.43	19.38	20.53	17.95	5.93
Turkey's Total Crude Oil Import (million tons)	10.44	10.88	9.15	-4	-16
Turkey's Total Crude Oil Export (million tons)	3.22	4.77	4.9	48	3

Tüpraş produced 18.8 million tons of marketable petroleum products in 2010 and 20.2 million tons in 2011 with an increase of 7.4%. In 2011, there has been a rapid decline in imports of petroleum products due to the impact of the demand met by production. In 2010, exports of petroleum products have gone up to 4.77 million tons, with a high increase of 48% compared to 2009. While the increase of product export in 2010 occurred mainly in diesel fuel, jet fuel and fuel oil types; jet fuel and fuel oil types have played a more important role in the 3% increase in exports in 2011. In 2011, the fact that domestic demand for petroleum products has increased in spite of the difficulties throughout the world, has enabled a 9.17% increase in capacity utilization compared to 2010.

In the period of 2010-2011, Brent oil price increased by 56.5% in Turkish Liras. In line with this rise, the prices of main products such as gasoline and diesel fuel have also begun to rise. Despite the increase in product prices, the demand for diesel fuel in Turkey continued to rise rapidly; although there was an ongoing down-

ward trend in gasoline consumption. Turkey, which continues to develop despite the slowdown in the world economy in 2011, has had a growth rate above 8%. Although the use of non-standard products effected consumption of petroleum products in a negative way; diesel consumption, with its direct relationship with the GDP, continued to increase in recent years and reached 14.7 million tons with a 5.6% increase, according to the Energy Market Regulatory Authority.

As of 1st January 2010, sulphur content of diesel fuel supplied through refinery production and imports restricted with 10 ppm by adopting the similar regulation implemented in the European Union as of 1st January 2010. Distributors' and dealers' rural diesel fuel stocks continued to be gradually offered in the market until April.

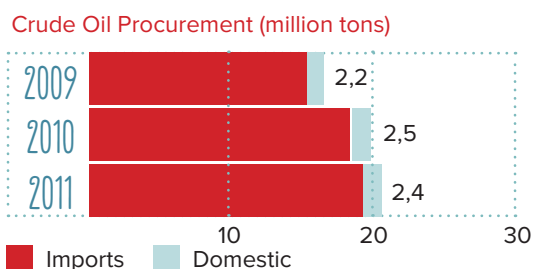
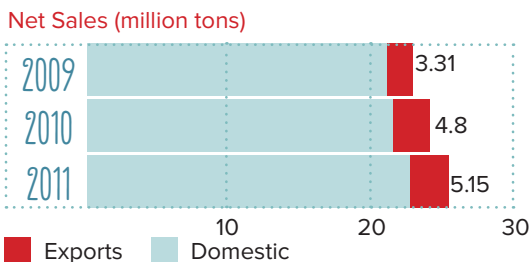
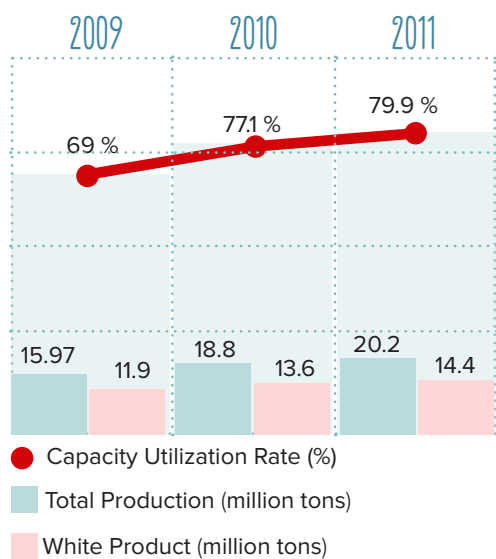
Gasoline consumption continued its downward trend during the reporting period, due to the dieselization and increase in LPG consumption which has an advantageous position thanks to lower special consumption tax practice. Therefore, gasoline consumption stood at 1.98 million tons with 4.8% reduction in 2011. During the period, demand towards black products continued to fall due to increasing preference of natural gas in heating and industry.

During 2010 total fuel consumption in Turkey reduced 4% to 17 million tons compared to the previous year mainly as a result of decrease in the demand for fuel oil and gasoline, and fuel smuggling activities. Despite the reduction in fuel consumption, the indirect tax revenue generated during the year increased by 20% and exceeded over 35 billion TL. With the inclusion of the LPG sector, total indirect taxes reached 42 billion TL. The total fuel consumption in 2011 stood at 17.6 million tons, with an increase of 4%. Continuous increase in demand for diesel fuel appears to be effective in this increase. The increase in indirect tax revenues generated by petroleum products sector continued in 2011, resulting in an increase of 10.2% together with the revenues generated by LPG consumption, reaching up to 45.9 billion TL.

Tüpraş' Market Position

Tüpraş effectively responded to Turkey's increasing demand for petroleum products occurred in 2010 as a result of more stable atmosphere and economic growth trend. Compared to the previous year, Tüpraş raised the level of crude oil supply by 20.7% to 19.8 mtons in 2010. Upward trend in the crude oil supply also continued in 2011, reaching 20.9 mtons with 5.6% increase compared to the year 2010.

Production



During the reporting period Tüpraş managed to increase its capacity utilization rate by 15.8% to 79.9%, while it used to be 69% in 2009. As a result, the production was raised to the level of 18.8 mtons in 2010 and 20.2 mtons in 2011. In the last two years, white product effectiveness has been maintained by 28 mtons share in total production of 39 mtons.

During the period, Tüpraş also increased its performance in net sales. Sales volume which used to be 21.52 mtons in 2009, reached 23.9 mtons by 2011, with an increase of 11.1%. Tüpraş' customer oriented service approach has a great contribution to the increase of its sales volume in Turkish market where importation of petroleum products is free.

Customer Satisfaction

Tüpraş, adopted customer orientation as an operating principle, is conducting extensive satisfaction surveys every year, across all customer groups. In the surveys carried out in 2010 and 2011, 98.5% Tüpraş customers mentioned that they were "satisfied" or "very satisfied" with the products and services; no Tüpraş customer has given a negative feedback. Improvements conducted in Tüpraş Customer Services systems and customer feedbacks oriented product and service development studies have positively contributed in this successful survey results.

Tüpraş improved its customer communication practices during the reporting period. As a result, the number of users on the Customer Portal, one of the main applications used for this purpose, reached 800 in the end of 2011, while it used to be 264 in 2009. CRM System, which is another domain through which customer services are managed, has also been improved in terms of content and user scope towards the feedbacks received. In addition, Tüpraş has produced bitumen with 100/150 penetration, in line with customer expectations, which allows saving in workload, cost and energy for road asphaltting operations.

Contribution to Local Economy

Tüpraş has contributed directly or indirectly to the development of Turkish economy with the products and services offered, the value added created, huge economic impact domain it creates, product and production technology development studies and various other activities.

Business Continuity

Petroleum products are difficult to substitute in terms of continuity of industrial production and maintenance of life quality in a country. Refineries are among a country's most strategic enterprises, as any disruption in the supply of petroleum products would create such inconvenience for social life. This being the case, Tüpraş prioritizes business continuity in order to ensure on-time and complete supply of petroleum products that Turkey's economy needs. For this purpose, risk and performance management systems developed for relevant business processes, are

cooperatively followed by various business units; and hence, business continuity is reinforced via the studies and projects carried out.

Planning is the first stage of production continuity. During the planning process, many parameters such as market conditions, product demand, product portfolio efficiency projections, refinery configuration and raw material supply are evaluated via state of the art decision support and planning systems. In the light of various scenarios, Tüpraş's short, medium and long-term production targets, and the investment and action plans, created with necessary production factors in order to achieve these goals, are brought to life.

The second important element in ensuring the production continuity is to keep refineries available so that the plans are implemented in a safe and effective way. For this purpose, Tüpraş conducts practices and investment projects in order to ensure the mechanical integrity of refineries and to improve configuration. In addition to various corporate standards created to ensure quality in work process and management systems, Tüpraş also adopts internationally recognized quality and management system standards, and business excellence models. In this context, all Tüpraş operation sites have been certified according to ISO 14001, OH-SAS 18001 and ISO 9001 System Standards within the Integrated Management System framework, and all the laboratories located in refineries have been certified with the ISO 17025 Standard. Tüpraş has been implementing the EFQM Excellence Model to its operations since 2006. EFQM applications are improved in line with external evaluation results. All products of Tüpraş have been manufactured in accordance with various standards set by the relevant organizations, as Tüpraş considers the total quality approach as an integral part of the way of doing business. Activities to support business processes with management system standards will continue in future periods. In this context, Tüpraş has initiated studies towards ISO 50001 Energy Management System, ISO 10002 Customer Satisfaction and Complaint Management System, ISO 31000 Enterprise Risk Management System and ISO 27001 Information Security Management System standards. According to the product conformity studies and external audits conducted under the European Union Directives and local regulations, Tüpraş products are registered to be produced under required standards.

A significant part of the practices that ensure business continuity is comprised of the emergency preparedness studies. Particularly in Turkey where seismic movements are quite intense, preparedness for disasters, such as earthquakes, gains utmost importance. For this purpose, Tüpraş ensures prompt recovery of operations even in unusual circumstances by creating physical and virtual systems; and continuously improves the measures taken in line with technological developments. Against such circumstances or other socio-economic conditions which would cause a disruption of production, Tüpraş always keeps an emergency reserve of petroleum products the amount of which is defined by legal regulations, available.

Economic Impact Area

Besides the products and services delivered, Tüpraş also contributes to Turkish economy through various direct and indirect fields. The most significant direct contribution is the share in tax revenues. Petroleum products are generally subject to high tax rates in Turkey. Therefore, the direct and indirect tax revenues incurred due to the activities of Tüpraş constitutes an important share in Turkey's national income. Over the 2010-2011 period Tüpraş contributed to Turkish economy with a payment of 43 billion TL for taxes and similar liabilities.

	2010	2010-11
Tax and Similar Liability Payments (million TL)	19,941	23,147
Rate of the Payments to the Turkish Public Administrations' Total Income (%)	7.85	8.16
Rate of the Payments to Turkey's Tax Income (%)	9.44	9.47

As one of Turkey's largest employers, Tüpraş employed 4,206 employees by the end of 2011. It is possible to suggest that tens of thousands jobs are generated through Tüpraş activities when the suppliers, business partners and distributor companies are included. Tüpraş prefers to recruit local labour to be employed in refineries. Therefore, it is ensured that the local communities primarily benefit from job opportunities, by use of local communication mediums during the hiring process. Hence, during the reporting period, vast majority of Tüpraş workforce consisted of local labour. Besides the employment provided, local purchase power is also increasing thanks to the benefits offered to employees. Tüpraş has been awarded with certificate of appreciation by the Social Security Provincial Directorates of operation regions, due the consistency and highest amount of social security premium payments made in the reporting period.

Tüpraş conducts professional knowledge and skill development studies for local labour. Beside its own employees, Tüpraş also contributes to vocational training of business partner employees as well as high school and university students through projects such as MLMM, MEGEP and internship programs. In 2010, 652 high school students and 913 university students; in 2011, 593 high school students and 851 university students had the opportunity to complete their internships at various business units of Tüpraş.

In the 2010-2011 period Tüpraş carried out procurements worth more than 463 million TL via annual average of 1,800² active suppliers. Procurements made from local suppliers account for 75.6% of total supply operations in terms of transactions and 44.7% in terms of expenditure. In addition to this, 13.3% of purchases in terms of transactions and 7.4% in terms of expenditures were made from local manufacturers who are engaged in customized production for Tüpraş.

Procurement Operations by Source ²	2010		2011	
	Number of Transactions	Total Expenditure (million TL)	Number of Transactions	Total Expenditure (million TL)
Domestic	6,713	94.61	6,849	112.61
Abroad	943	99.92	1,056	122.17
Local Production	886	12.9	1,497	22.29
Total	8,542	206.72	9,402	257.07

Tüpraş keeps in fair and close communication with its suppliers, as they play an important role in the value-added generated, thus tries to meet fully the mutual expectations in business relationships. Supplier employees are supported with training activities for their professional development. Through on-site inspections regarding working conditions, suppliers are supported in order them to adopt similar working

2 The figures do not include crude oil, product and semi-finished product procurement.

norms with Tüpraş. Each year Tüpraş evaluates supplier satisfaction level in their business relationships. The surveys conducted show that in 2010 and 2011, 97.66% and 97.73% of Tüpraş suppliers, respectively, affirmed their satisfaction for their business relationships.

R&D Activities

Tüpraş aims to find solutions to Turkey's growing energy needs and changing domestic demand conditions through long-term investments. With its R&D activities, which constitute an important pillar of these investments, Tüpraş aims to be a refining company that produces technology through its own expert staff and cooperation projects.

In the R&D activities carried out, Tüpraş focuses on creating innovative solutions to technical problems that occur in production processes, developing new technologies to increase efficiency, and reducing the environmental impact of the production processes and products. Studies regarding process improvement and alternative fuel technology development to facilitate the transition to a low carbon economy are of particular importance in these activities.

Tüpraş R&D unit, the organizational structure of which was established in the previous period, was continuously developed in terms of human resources and physical conditions during this reporting period. With the investments channelled into R&D management, in the next few years, Tüpraş aims to establish one of the most advanced refining technology development centres in its region.

During the reporting period, Tüpraş developed various R&D partnerships and joined in national and EU based R&D platforms. In this context, cooperation agreements were signed with universities and Tüpraş participated in management bodies of R&D platforms created by The Scientific and Technological Research Council of Turkey (TÜBİTAK). During the same period, Tüpraş took role as a member of EU EUREKA Programme Low Carbon Energy Technologies Group (EUROGIA +) Board of Directors and Technical Committee, the European Automotive Research Partners Association (EARPA) Work Group, European Biofuels Technology Platform Technical Committee; and also participated in Zero Emission Fossil Fuel Power Plants Technology Platform as an observer.

In 2011, Tüpraş allocated a total of 16.2 million TL to various R&D projects. 7.2 million TL of this amount has been reimbursed to Tüpraş, by local institutions such as TUBİTAK, Republic of Turkey Ministry of Science and Technology; and international R&D incentive programs such as the EU 7th Framework Programme and EUREKA.

Biofuel from Microalgae

Through the product development project, Tüpraş studies to produce third-generation biofuels from microalgae without the need for the agricultural products. These biofuels, which result reduction in CO₂ emissions occurring by product use, will be similar to the existing diesel fuels, thus will require no modification in vehicle fuel systems.

Functional Coatings Reducing Water Freezing Point and Implementation to Asphalt Surfaces Project

The goals of this on-going R&D project are improvement of the mechanical properties of asphalt and development of polymer composite for asphalt to obtain a freeze-retardant feature. As a result of the project, it is targeted to develop polymers which are compatible with bitumen and resistant to asphalt application conditions; and a variety of new final products together with additives lowering the freezing point.

ENVIRONMENTAL OVERVIEW

Tüpraş' environmental management approach is shaped not only by optimization of resource use, emissions and waste reduction in the production process, minimization of the negative effects on the environment, development of products with reduced environmental impact; but also maintaining compliance with law and regulations. Thus, Tüpraş aims to conduct its activities without compromising the future generations' quality of life, while ensuring to meet Turkey's petroleum product needs through domestic production.

In environmental management, Tüpraş adopts corporate and international system standards which are based on risk analysis methods. The implementation and performance outcomes are continuously monitored, and subjected to internal control processes; as well as the audit processes carried out by the Ministry of Environment and Urbanisation, the authorized institutions, and independent organizations. In all Tüpraş refineries, certification activities are conducted at regular intervals by complying with the requirements of the ISO 14001 Environmental Management System Standard. In 2011, a corporate management standard was established in order to perform GHG gas calculations with a common method in refineries. In the same year, these calculations were applied on a monthly plan in all refineries. Furthermore İzmir Refinery was successfully certified with ISO 14064-1.

In 2011, Environmental Management Units comprised of environmental experts founded in all refineries in accordance with permission requirements due to the Environmental Law and Licensing Regulations. More effective management of environmental issues ensured by Environment Department established as a result of reorganization process.



Achievements

- + Tüpraş GHG Gas Emission Calculation and Reporting Standard was established. Tier-3 approach adopted in calculations.
- + Tüpraş Solomon Energy Density Value has been reduced to 104.
- + Through the efficiency projects conducted in 2010-2011, energy consumption has been reduced 6,208 TJ, and GHG emission 625 thousand tons CO₂e.
- + Flare gas recovery system established in İzmit Refinery.
- + A6.3 million m³ of water saved.
- + Refineries completed their soil and underground water research.
- + Tüpraş Soil Pollution Standard was established.
- + Over 17,000 saplings were planted through afforestation activities.

New Targets

- Reduction of Tüpraş' Solomon Energy Density Value to 80 by 2015.
- Reduction of energy consumption and GHG emissions through the efficiency projects.
- Organization of education sessions on environment and energy-saving at schools.
- Reduction of solid wastes by amount.
- Conducting activities for reduction and recovery of Volatile Organic Compound emissions.
- Reduction of emissions through flare gas recovery and identification of processes regarding energy recovery.
- Increasing the performance of waste water treatment systems; Studying energy-saving and recovery opportunities.
- Within the Environmental Permit context, obtaining Temporal Operating Licenses for refineries.
- Identification and reporting of regulations, mentioned in 27th Environmental Chapter of the National Program for EU Harmonization Process, which may affect the refineries.
- Launching chemical database software.

Energy and Climate Change

It is foreseen that the dependence on conventional energy resources to meet the increasing energy demand in line with the population growth is to continue for many years. Climate change, the most significant issue regarding energy sector, poses various risks throughout the entire value chain of the refining industry. Emissions that emerge from consumption of the products and during refining process play a major role on climate change. Therefore, producers will have to manage more challenging legal, financial and social risks in the future. Switching to climate-friendly technologies in production processes and product portfolio is the most important responsibility of the refining sector. Besides mitigation of the climate change risks, this choice also makes it possible to extract new opportunities from the economic value generated by the development of a low-carbon economy.

Tüpraş approaches the phenomenon of climate change with a great sense of responsibility and proactive attitude. That is the reason Tüpraş has been reducing GHG emerging in production and operational processes via energy efficiency projects and implementation of environmentally-friendly technologies; moreover in consumption processes through product spect investments and R&D activities, respectively.

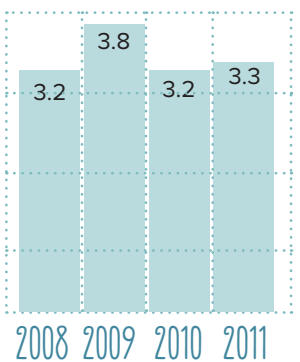
Energy and Emission Management

Refining operations consist of energy-intensive processes. An increase in the amount of crude oil processed, directly affects the energy consumption and emission values. Therefore, the energy management of Tüpraş targets to process more crude oil with less energy and emissions. While efficiency studies reduce the environmental impact caused by the production, it also has a positive impact on profitability.

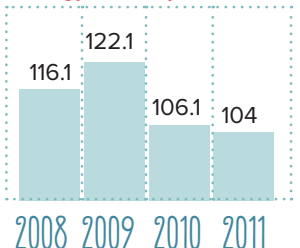
In 2010, Tüpraş processed 15.3% more crude oil compared to the previous year, while decreasing the total energy consumption by 4.3%. Thus, the energy consumption per crude oil processed is decreased by 15.8% reducing it to 3.2 GJ/tons. The amount of processed crude oil in 2011 increased by 23.5% compared to 2009, whereas increase in the energy consumption was limited to the level of 7.4%. Despite the increase in total consumption; through improved efficiency, the energy use per crude oil processed was recorded at 3.3 GJ/tons, which is 13.2% below 2009 value.

Tüpraş monitors energy consumption performance according to the Solomon Energy Intensity Index (EII) methodology, which is often followed in the refining sector. In 2010 and 2011, Tüpraş improved its Solomon Energy Intensity Index performance significantly, compared to previous periods. Thanks to the studies carried out, Tüpraş has reduced its EII value to 104 in 2011, while it used to be 116.1 in 2008. Tüpraş is focusing on the energy efficiency projects in order to reduce energy intensity level to 80 as of 2015.

Specific Energy Consumption (GJ/ton)



Tüpraş Solomon Energy Density Values



Other Emissions

Beside GHG, Tüpraş also measures and monitors other emissions such as SO_x, NO_x and VOC which occur in the production process, and takes precautionary measures in order to reduce them. In this context, emissions are measured in real-time by the continuous measurement devices which are installed at the refinery stacks; reported to related institutions online in Batman and İzmir Refineries and on a monthly basis in İzmir and Kırıkkale Refineries. In İzmir and Kırıkkale Refineries, infrastructure studies are being conducted for online monitoring. Additionally, emissions are reduced in refinery processes through fuel optimization. As a result of this optimization, in 2010 and 2011, 6,724 tons and respectively 4,600 tons of SO₂ emissions were prevented.

Greener Distribution via Railway Logistics

Logistics of petroleum products between refineries and sales terminals is provided largely through highways. Tüpraş increased the share of railway transport in its logistics operations during the reporting period, in line with practices initiated in previous years. The number of wagons which used to be 68 in 2009 has been increased to 151, as a result of which Tüpraş has carried out the distribution of 833 thousand tons of fuel in 2010 and 983 thousand tons in 2011. Hence, indirect energy consumption and CO₂ emissions emerging due to the distribution operations have been reduced. Thanks to railway transport, not only did Tüpraş reduce the environmental impact, but also provided a more secure transportation of fuel products without creating road traffic.

Tüpraş plans to increasingly carry on investing in railway transportation in the future terms. With this respect, Tüpraş aims to transport 650 thousand tons of fuel products by railway in 2012. Moreover, investment planning studies are being carried out in order to transport 1.9 million tons of fuel oil which will occur annually as a result of RUP Project that will be launched in 2015.

Energy Efficiency Projects

Energy efficiency projects that Tüpraş refers as the major method for reducing GHG emissions, also have a significant impact on the development of operational and financial performance through the savings provided. Conducting a total of 164 energy efficiency projects in 2010 and 2011, Tüpraş reduced its energy consumption by 6,208 TJ, and GHG emissions by 625 thousand tons CO₂e; thus, saving a total of 278.9 million TL. The majority of projects carried out consist of energy-efficient equipment preferences and process improvement practices to eliminate energy losses.

The success achieved through energy efficiency projects conducted by Tüpraş is recognized and rewarded by various organizations. In 2010, in the Energy Efficiency in Industry Competition, İzmir and Batman Refineries were rewarded with first prize in SEVAP-2 and SEVAP-3 categories, respectively. Thanks to the new projects implemented, Batman and İzmir Refineries were both honoured with first prize in the same categories also in 2011. The characteristics of the projects carried out are also appreciated by energy efficiency improvement incentive programs. Two projects of İzmir and İzmit Refineries were evaluated in this context

in 2010 and were provided incentives. Thus, approximately 163.3 thousand of the 872 thousand TL budget which was foreseen for these two projects, is funded by energy efficiency improvement project incentives.

Energy Efficiency Projects

	Number of Projects	Energy Savings (GJ)	Emission Savings (CO ₂ e)	Cost Savings (million TL)
2010	65	3,154,863	308,600	91.4
2011	99	3,052,969	316,955	187.5

Flare Gas Recovery Project

İzmit Refinery Flare Gas Recovery System was established in order to feed fuel systems with gas stream recovered from flare system. This way, Tüpraş saves significant amount of natural gas feeding refinery fuel system, hence reducing the consumption of natural resources. In addition, the requirements of the Regulation on Industrial Air Pollution Control were met long before the date specified in the legislation. The system which is expected to be established in 2014 according to the legislation has been installed in the second half of 2010 at Tüpraş İzmit Refinery. As a result of flare gas recovery, Tüpraş prevented a total of 10,290 tons CO₂e of GHG emissions in İzmit Refinery, through 4,116 tons of natural gas saved in 2010 and 2011.

Green IT

With its green IT practices, Tüpraş aims not only to reduce the environmental impacts of operations, but also to reduce energy consumption arising from the use of information systems. The most significant practice carried out for this purpose is the virtualisation of server systems. Preferring virtual servers instead of physical servers makes it possible to use smaller server rooms resulting in less energy requirement for operating and cooling. Energy efficiency is further improved through network optimization and data centre consolidation efforts. In this vein Tüpraş has virtualized 300 physical servers during the reporting period.

Besides the main systems, energy efficiency practices applied also in end-user systems. During the reporting period energy consumption has been significantly reduced by the help of user virtualization applications and of changing all CRT monitors to LCDs. IP phone infrastructure installed, provided the opportunity for employees to make video calls and meetings; as a result of which travel and meeting room usage are reduced.

Water Management

Tüpraş' approach towards protection of water resources consists of reducing the use of fresh water sources via efficiency and recovery practices, waste water arising from production processes, and environmental impacts by increasing the discharge quality even more than the norms indicated by law. In this way, Tüpraş is able to conduct its operations without creating a negative impact on water resources or biodiversity in the natural receiving environments; while increasing its operational efficiency.

Tüpraş has made a significant improvement in consumption of fresh water through the studies carried out during the reporting period. Although more crude oil was processed in comparison to 2009, which was 15% and 23% more in 2010 and 2011 respectively, Tüpraş consumed 2.75 million m³ less water in 2010 and 1.18 million m³ in 2011. According to this, Tüpraş performed 1.28 m³/tons of fresh water consumption per crude oil processed in 2009, while this ratio is reduced to 0.92 m³/tons in 2010 and 0.91 m³/tons in 2011.

With the help of water recovery efforts, the on-going increase in the recovery rate continued during the reporting period. While Tüpraş met 36% of its water demand in 2009 via recycled water; this ratio stood at 39.17% and 37.05% in 2010 and 2011 respectively.

Besides process improvements; the practices and investments performed in waste water treatment units also have an important role on performance increase in water recycling. Through these studies, on one hand the amount of water recovery increased; on the other hand, waste water is discharged into the natural receiving environment after reaching pollution loads below the limit values specified in regulations. In this context, Tüpraş refineries discharged 10.03 million m³ of waste water in 2010 and 10.27 million m³ in 2011, according to the limit values specified in the legal permits and in accordance with the natural receiving environment.

Caustic Neutralization Units at İzmit and İzmir Refineries

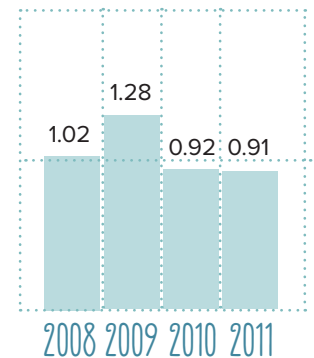
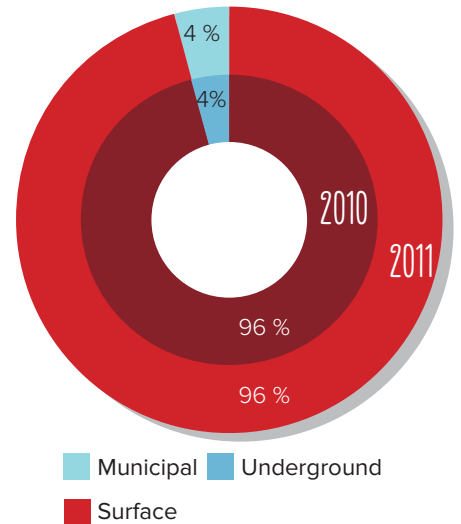
With the Caustic Neutralization Units commissioned in 2011 in İzmir and İzmit Refineries, the contaminated caustic could be transferred into waste water treatment plants after being neutralized. Thanks to the unit, the pollution load of the contaminated caustic is reduced by decreasing COD values; formation of smell and hydrocarbon loss is prevented due to the disaggregation of H₂S, mercaptans, phenols and naphthenic acid content.

Environmental Protection and Biodiversity

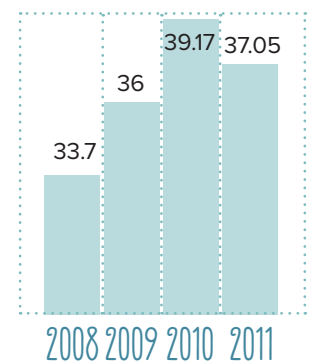
Tüpraş has been conducting studies to ensure that its refinery operations have no negative impact on natural environments and the species living there. For this purpose, the potential risks are initially identified and precautions are taken, then environmental impacts are continuously measured and kept under control. Tüpraş maintains its state of emergency preparedness with the help of the intervention plans prepared via risk-based methods.

Within physical impact area of Tüpraş production facilities, there are no first-degree natural sites, environmental protection areas, RAMSAR or similar wetlands. When physical investment decisions are made, it is necessary to pay particular attention to be distant from such special status sites. Thanks to the environmental management approach and the measures taken, no significant negative impact on the natural environment and species occurred due to Tüpraş operations during the reporting period. Besides production facilities and business processes, Tüpraş conducts various other activities in order to reduce any possible environmental impact on biodiversity. Tüpraş targets to enhance the recovery of wastes occurring in production processes, to raise awareness and information on environmental management amongst employees, business partners and the society through environmental investments and training. It also aims to increase the biodiversity value through afforestation activities and to reduce the environmental impact of products through the product spect and R&D studies.

Water Consumption by Source



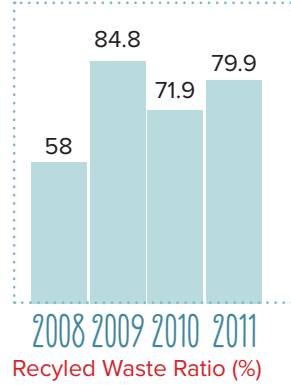
Specific Water Consumption (m³/ton)



Ratio of Recycled Water in Total Water Consumption (%)

Solid Waste Management

The principles Tüpraş follows for waste management consists of reducing the amount of waste, its parsing at source, primarily its recovery and disposing of the non-recoverable wastes by licensed companies using appropriate methods. In 2010, 58.5 thousand tons of waste resulting from Tüpraş operations was recovered by 71.9%. In 2011, the amount of waste decreased to 28.9 thousand tons, 79.9% of which was recovered. Non-recoverable wastes were disposed by licensed institutions through methods specified in legal regulations. Thus, the environmental impact is kept to a minimum during the disposal of wastes occurred in production processes.

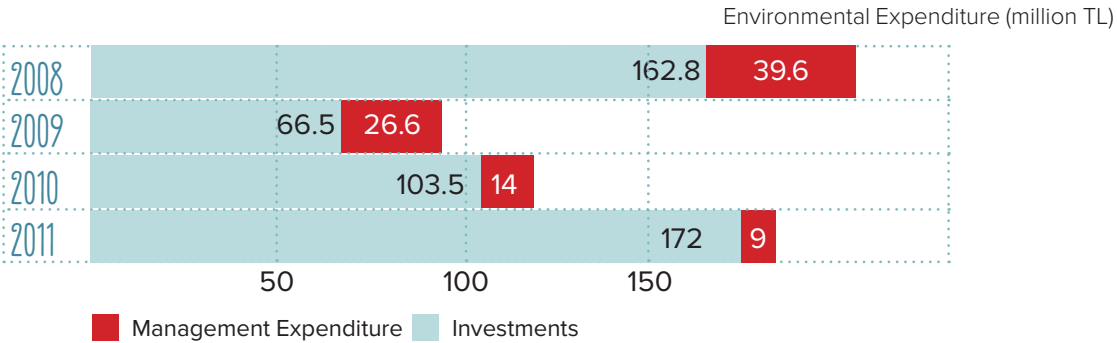


Environmental Training and Investments

Environmental training is seen as the most effective way of implementing management approach, and as an efficient way for improving environmental awareness amongst stakeholders. For this purpose, Tüpraş conducts environmental training activities for the participation of employees in particular as well as business partners and the society in general. In this context, Tüpraş provided environmental trainings to 13,385 participants for 70,526 person x hours in 2010, and to 14,523 participants for 56,813 person x hours in 2011.

	Employees		Business Partners		Community	
	Nr of Participants	Person x Hours	Nr of Participants	Person x Hours	Nr of Participants	Person x Hours
2010	3,638	34,925	7,503	23,259	2,244	12,342
2011	3,400	26,668	9,184	27,622	1,939	2,523

For efficient implementation of environmental management and realization of investments to reduce environmental impact, Tüpraş allocates significant financial resources each year. In this context, Tüpraş made environmental expenditure of 117.5 million TL in 2010, and 181 million TL in 2011.



Afforestation Activities

Tüpraş carries out afforestation efforts each year, for the protection and improvement of nature. In these studies, priority is given to regions with refinery sites and a significant amount of forest land was recovered.

	2009	2010	2011
Saplings Planted	10,272	3,383	14,158
CO ₂ Emission Offset ³ (tons)	3,390	1,116	4,672

³ The calculations are based on the Karbonmetre software of TEMA Foundation, where it is estimated that 0.33 tons of emission is offset with every tree planted. www.tema.org.tr

Tüpraş Kırıkkale Refinery Flora and Botanical Park was established in 2010 in the framework of activities implemented in order to measure and reduce the environmental impact of Kırıkkale Refinery. The project, to be completed in 2012, is being conducted in cooperation with Kırıkkale University Environmental Issues Research and Application Centre and TEMA Kırıkkale Provincial Unit with the participation of 50 volunteers. As a part of project, “Tüpraş Rock Garden” established in 2011, 98 pieces of ornamental plants and saplings donated by project volunteers have been planted.

As part of the “Producing the Oxygen We Consume” Project, saplings are planted for every guest staying at Kırıkkale Refinery Social Facilities, since 2008. As part of the project, there has been sapling production on voluntary basis and the produced saplings are planted for guests in the TEMA-Tüpraş Forest situated in Kırıkkale University campus. 28,822 saplings were planted as part of the project so far.

2,000 Saplings on World Environment Day

As part of World Environment Day activities in 2011, 2,000 black pine saplings were donated to TEMA Foundation. In order to offset the CO₂ emissions from the corporate vehicles used in the Headquarters, 1,945 saplings were planted in the Şanlıurfa Memorial Forest.

Walnut Sapling Afforestation Project

During the reporting period, Tüpraş started planting walnut tree saplings for development and reforestation of the villages of Karamürsel. 100 walnut tree saplings were planted in the village of Senaiye, under the campaign which is carried out with the participation Tüpraş employees. A total of 3,650 walnut trees are planned to be planted as part of this project. Revenue from the sales of the product from walnut trees will be used to meet the education expenses of students who are not going to school due to financial difficulties. Project management processes and the use of product revenues in the planned areas are supervised by the commission established with the participation of the local community.

Summer Bears Fruits, We Collect the Seeds Campaign

We are losing 743 million tons of our land to erosion each year. Tüpraş İzmit Nature Club, being aware of vital danger posed by this loss of life, launched the “Summer Bears Fruits and We Collect the Seeds” campaign in 2011. Thanks to this campaign, one million fruit seeds were collected to be used as seeds; while İzmit Refinery employees also supported the project by donating two millions of tree seeds.



PEOPLE OVERVIEW

The key to permanent success in the refining sector, in which a multitude of variables play a role, is the qualified human resources. Establishing a safe and secure work environment, where human rights are highly promoted while personal and professional development is supported; and by investing in people, creating a qualified workforce which leads the organization towards corporate goals are amongst the principles defining Tüpraş's people overview. With this perspective, Tüpraş aims to turn its workforce into a permanent advantage in global competition.



Tüpraş manages its human resources processes by promoting human dignity, physical and social integrity; through fair, equal, objective and systematic methods and with a view based on assessment of risks and opportunities. Management processes are organized in accordance with the internationally recognized norms and legal regulations, the UN Global Compact and OHSAS 18001 Occupational Safety and Security Standards being in particular. Practices and performance outcomes are continuously monitored and subject to internal and external audit processes. Human Resources Departments, Occupational Safety and Quality Units which are organized in all refineries, Occupational Health and Safety Committees, working groups, employees and trade union representations, where employees can participate in management, play an active role in decision making, planning, implementation and performance evaluation processes.

Achievements

- + The number of woman employees increased by 18%.
- + Approximately 300,000 person x hours of employee training conducted.
- + Improvement plans prepared in accordance with Employee Engagement Survey.
- + Change Management practice initiated.
- + Work Permit System Improvement Project initiated.
- + Subcontractor Tracking System has been activated in İzmit, İzmir and Kırıkkale Refineries.
- + Health Risk Assessment study performed.

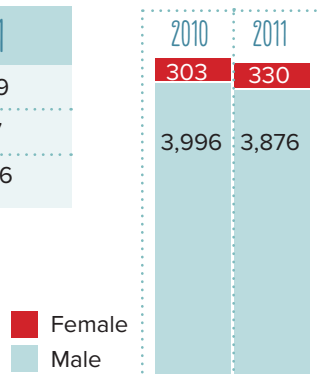
New Targets

- Inclusion of competency dimension to the score cards.
- Launching the implementation of the interim performance evaluation meetings.
- Launching Corporate Culture Development Project.
- Development of employee training practices.
- Improvement of the orientation process.

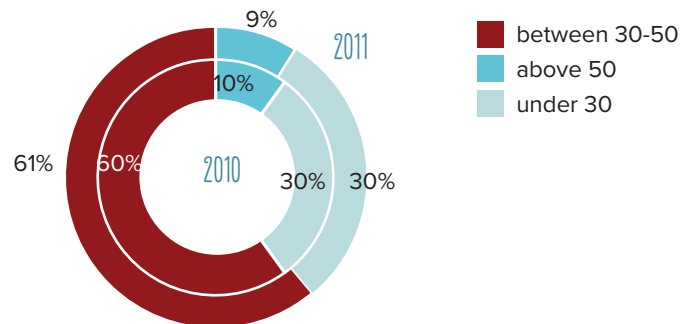
Number of Employees

	2010	2011
Blue Collars	3,468	3,319
White Collars	831	887
Total	4,299	4,206

Employees by Gender



Employees by Age



Human Rights

Tüpraş believes that a work environment where human rights are protected and promoted is the precondition for constituting sustainable human resources. Therefore, Tüpraş acts in accordance with universal human rights in all its activities, and never becomes party to the human rights abuses. Hence, Tüpraş supports the development of human rights in its area of influence. As an extension of this, all Tüpraş activities comply with the relevant provisions of the UN Global Compact and it is expected that an identical working conditions are also adopted by suppliers and business partners. Therefore, Tüpraş pays particular attention to this point while establishing business relationships.

As one of the companies with the highest rate of unionisation, Tüpraş supports collective bargaining, unionization and organization rights. Tüpraş employees could freely become members or founders of trade unions, civil society organizations and initiatives without prior consent of their managers, provided that it is established in the legal framework. Tüpraş also supports engagement of employees with NGOs. Employees' awareness of engagement and taking organized action creates positive impact not only on their corporate duties, but also on the development of social clubs, employee voluntarism and social responsibility projects. In this context, all Tüpraş blue collar employees are covered by collective bargaining agreements, hence company-wide unionization rate is 79%. During the reporting period, 38 Tüpraş employees took part in the management of the union. All white-collar employees perform their duties within the scope of permanent contracts. There are no part-time or seasonal employees due to the sectoral characteristics.

Practices such as forced or compulsory labour, child labour, or anything to be reminiscent of these kinds of practices are not possible within Tüpraş. It is also required that Tüpraş business partners and suppliers adopt this principle. These cases are clearly mentioned in product and service procurement contracts. Suppliers are audited through visits against these issues.

Tüpraş is committed to fair and equal treatments in practices and procedures for employees. Starting from the hiring process, Tüpraş acts in line with objective criteria during all processes regarding employees. All employees are offered equal opportunities regardless of gender, age, religion, ethnicity or any other personal characteristics; discriminative practices or any reminiscent of it are prevented.

In the majority of Turkish business, female labour has not reached the level it should have been. Considering the characteristics and working conditions of the refining sector, there are various difficulties in increasing female labour share in the total workforce. In addition to providing equal opportunities for female employees in recruitment and employment processes, Tüpraş has been encouraging women to choose to work in the refining sector by organising vocational training activities, providing internship opportunities, and applying legal rights such as maternity leaves by enlarging in favour of female employees. As a result of career opportunities and benefits provided during the reporting period, Tüpraş managed to increase female employment by number and proportion compared to previous years. According to this, in 2009, 279 female employees were employed which made up 6.8% of Tüpraş workforce; while in 2011, female labour rate increased to 7.9%, reaching to a total of 330 female employees.

Tüpraş remuneration policy adopts job evaluation and grading basis as well as equal pay for equal work principle. Besides differences may occur due to overtime, performance bonuses or similar benefits, all Tüpraş employees are paid equal wages as long as they perform the same job. The increases in wages are based on the results of various market researches and performance evaluations.

Security and Human Rights

The security of operational sites and social areas of Tüpraş are carried out by licensed security personnel who had been through vocational trainings required by related laws. Before starting to work, all Tüpraş security personnel are subjected to a training program covering company safety procedures and human rights as well as general professional requirements. Security personnel are also subjected to refresher trainings in order to develop professional knowledge, skills and behavioural attributes. During the reporting period, a total of 348 security personnel was given 6,816 person x hours of professional development training, 1,742 hours of which was carried out on human rights, and effective communication.

Health and Safety

Tüpraş gives utmost importance to ensure health and safety of all stakeholders in operation sites, primarily of its employees. For this purpose, cutting-edge safety conditions are provided in the entire business processes in terms of technical competence and management system. Tüpraş HSE-Q Policy is the fundamental basis of occupational health and safety management of Tüpraş. As a requirement of HSE-Q Policy, health and safety procedures in all

refineries are conducted in accordance with OHSAS 18001 Standard, the certification is renewed periodically.

Occupational Safety

In terms of health and safety risks, refineries are sensitive facilities due to their complex business processes and characteristics of the materials processed. Occupational health and safety management develops the state of preparedness through continuous learning and risk assessment studies towards new situations which frequently occur due to Tüpraş' dynamic business processes. Safety risks are mitigated by adopting various internationally recognised risk assessment systems and following 41 different corporate operational procedures and standards such as Risk Assessment Table (RDT), Hazard and Effects Management Process (TEYS), Incident Classification, Investigation and Reporting (OSAR), Contractor-HSE Management System. With regards to the incidents that occur in spite of these measures, learning through effective reporting and analysis is ensured to prevent similar incidents reoccurring in the future.

	2008	2009	2010	2011
Accident Frequency Rate	3.6	2.5	1.7	2.2
Accident Severity Rate	104	73	57	83
Accidents with Fatalities	0	0	0	0

During the reporting period, significant progress has been made towards the development of safety systems. Initially implemented in Izmir Refinery before it was spread to all other refineries, Change Management practice enables risk assessment and ensures the smooth harmonisation of changes that might occur in organisation of refinery units, business processes, personnel, equipment, procedures and legal regulations. On the other hand, HSE Competency Management Process was introduced in 2011 in order to raise awareness and knowledge of technical safety among Tüpraş employees performing key functions. Through another project, initiated in 2011 and will be fully completed in 2013, Tüpraş aims that its Business Permission System will be developed to be amongst one of the world's best practices.

Tüpraş develops OHS systems that ensure performance development and control not only regarding its own employees but also those who work at Tüpraş facilities such as contractors and their sub-contractors. Keeping this in mind, together with Contractor Management System, in 2011 Subcontractor Monitoring System was launched in İzmit, İzmir and Kırıkkale Refineries.

Trainings are crucial for the development of preparedness, knowledge and awareness of occupational safety within Tüpraş. The effectiveness of training activities is improved through adoption of high quality contents and understanding of participatory practices. In 2011, Tüpraş' OHS training film was rewarded at the World Occupational Health and Safety Congress.

OHS Trainings

	2010	2011
Number of Participants - Tüpraş Employees	3,484	3,279
Number of Participants -Employees of Business	8,037	8,934
Hours of Training -Tüpraş Employee (person x hours)	33,241	23,888
Hours of Training - Employees of Business Partners (person x hours)	31,061	25,969

In this context, Tüpraş employees received 57,129 person x hours training during this reporting period, making up for an average of 13 OHS training hours per employee. As a conclusion, 16,971 contractors and business partners participated in total of 57,030 person x hours of training organised during this reporting period.

Employee Health

Tüpraş aims protection of its employees' health especially against occupational diseases, hence to ensure business continuity and productivity. Along with the preventive measures such as periodic check-ups, trainings, healthcare services and vaccination, in 2011 Tüpraş issued Health Risk Assessment Guide and Izmit Refinery Generic Hazard List and also initiated detailed risk assessment practices by units and employees.

Training is the key instrument for the protection of employee health. Tüpraş employees, contractors and employee relatives receive training on first aid, early diagnosis on cancer, ergonomics as well as vision and auditory health. During the reporting period, 1,640 people participated in total of 11,723 person x hours of training activities. Thanks to the measures taken there had been no occupational disease incident within Tüpraş employees or contractors during the reporting period.

Employee Development

With a strong view that workforce is key to enhanced competitiveness, Tüpraş primarily invests in people. In this context, Tüpraş conducts performance assessments and provides career planning and training services to its employees to continuously improve their career and personal development. With the aim of increasing loyalty and satisfaction of its qualified workforce, Tüpraş develops engagement practices so that employees can contribute in company management processes with their expectations and suggestions and also the work environment and social living standards are improved in line with the employee expectations.

Performance and Career Management

Performance evaluation of Tüpraş employees are conducted annually with an objectives system springing out from the corporate scale to the employees at all levels. Multi-dimensional scorecards are used in performance evaluation of white collar employees. Through objective discussion meetings held at the beginning of the year with the participation of employees and managers, periodic performance expectations are identified. During the year, realization level is controlled through regular objective follow-up meetings and term results are evaluated at the end of the year. White collar employees receive feedback on their periodic performance at objective closure meetings. In addition to this, through objective dissemination meetings held in refineries with the participation of senior managers, blue collar employees are provided with feedbacks regarding performance outcomes and expectations for the upcoming period.

With the new practices planned to be launched in the next term, the performance evaluation system will be enhanced. In line with these revisions, competency dimension is intended to be included in the multi-dimensional scorecards.

Career Planning processes conducted in conjunction with Performance Evaluation System aims to equip young managers with required competencies, for them to take responsibilities in the management of Tüpraş. With this regard 94 Tüpraş employees attended to the Evaluation Centre practice in 2011.

Professional and Personal Development

Training Participants (number)

	BLUE COLLAR	WHITE COLLAR	FEMALE	MALE	TOTAL
2010	6,452	1,921	578	7,795	8,373
2011	6,517	4,057	1,409	9,165	10,574

Total Training Hours (person x hours)

	BLUE COLLAR	WHITE COLLAR	FEMALE	MALE	TOTAL
2010	115,939	37,173	9,986	143,126	153,112
2011	81,319	62,908	20,831	123,396	144,227

Average training hours per employee

	BLUE COLLAR	WHITE COLLAR	FEMALE	MALE	TOTAL
2010	33	45	33	36	36
2011	25	71	63	32	34

Various training activities are carried out in order to develop Tüpraş employees' professional knowledge and skills along with their personal competencies. As well as the basic training and orientation given after recruitment and regular refresher trainings, Tüpraş employees can equally benefit from all training opportunities which are assigned due to the business processes and skill requirements defined as a result of career planning activities.

During the reporting period, total of 291,339 person x hours training activities took place. Over the last 2 years, blue collar employees received an average of 58 hours of training whereas white collar employees received 116 hours. In the same period, female employees received 96 hours of training while male employees received 68 hours. 334 employees participated in the Leadership Development Program organized under the scope of Career Management, and received 11,072 person x hours of trainings. For the upcoming period, its aimed that employees identified as a result of Evaluation Centre practice will attend Koç University Executive MBA Program.

Employee Engagement

It is crucial for Tüpraş to learn employees' opinions and suggestions for the development of practices. For this purpose, as a variety of bodies established such as Occupational Health and Safety Committees and Quality Management Working Groups are used as well as engagement tools such as Tüpraş Recognition, Appreciation and Reward System (TTÖS) and Refined Suggestions System (ROS). TTÖS aims to improve employee engagement by emphasizing and motivating their achievements, behaviours and efforts towards contributing to reach the corporate goals. Refined Suggestions System aims to encourage Tüpraş employees' creativity and participation by supporting their improvement suggestions on business processes and practices. Thanks to Refined Suggestions System, Tüpraş employees conveyed 458 new application ideas in 2010 and 511 in 2011.

Once Again, Tüpraş Members are the Most Successful Koç Members

In the “Most Successful Koç Members Competition” where Koç Group employees’ activities throughout the year are evaluated in various categories, Tüpraş employees have been awarded in 2010 as well. Thanks to the practice that they developed on Diesel Desulphurization Unit, the project team consisting of Tüpraş employees enabled the conversion of intermediate products used in fuel oil production into more valuable light products. The creators of the practice, which was applied for the first time in the world, were awarded with the Most Successful Koc Member Award under the White Collar Creative Innovators Category.

Through the practices carried out with the co-ordination of Tüpraş İzmit Refinery Energy Head Engineer and all operational groups, Energy Intensity Index value reduced. As a result of their success in improving co-operation from various different unit staff, Tüpraş employees were awarded with the Most Successful Koç Member Award under the White Collar Cooperation Developers Category.

Tüpraş Theatre Club launched by 13 Tüpraş employees, began putting on plays at the refineries. Theatre Club led to the establishment of Tüpraş Children’s Theatre in order to improve the social life of students, who are the main target audience of community development projects. After their contribution to Tüpraş projects such as MLMM and Umbrella Movement, Tüpraş Children’s Theatre then worked in cooperation with NGOs such as ÇYDD and TEV which are known with their efforts in education field. With the funds raised by the theatre plays, scholarship opportunities were offered to students. As a result of their responsible efforts, Tüpraş Theatre Group was awarded with the Special Prize of the Most Successful Koç Members in 2010.

In order to receive employee views about Tüpraş work environment for identification of improvement areas, Work Life Evaluation Surveys had been carried out since 2006. In 2011, in line with recent developments in assessment methods, this practice has been switched to Employee Engagement Survey method. As a result of the first study implemented in 2011, Tüpraş employee engagement index score was measured as 59.

It is a part of the corporate culture that Tüpraş employees are active and responsible citizens in their social life, besides their professional activities. Therefore, they voluntarily take part in various projects to accelerate community development in their regions. In this vein, Tüpraş employees organize under various subjects such as environment, education, culture, arts, sports, social welfare, thus play a major role social development. Tüpraş supports these employee initiatives by providing them with the opportunity to transform into Tüpraş Social Clubs. Moreover, employees take planning and implementing roles in Tüpraş’s social development projects. With this regard, 279 Tüpraş employees engaged in voluntary activities in 2011 while it was 252 in 2010. Besides employees, these activities also focus on attracting support from all stakeholder groups. Thanks to this approach, voluntary participation in the last 2 years has reached a total of 1,467.

Employee Benefits

Due to Tüpraş Remuneration Policy, employees receive competitive wages which seem above industry averages according to the market researches. Apart from base salary, through performance based remuneration practice Tüpraş employees also receive additional income.

Tüpraş employees are covered by national social security plans. Tüpraş was awarded by the Social Security Administration for performing the highest amount of payment in operation regions during the reporting period as it was in previous terms. Besides the social security plans, Tüpraş also provides its employees with the health insurance and pension plans. Family members of employees could also benefit from the health insurance. Pension plans of Tüpraş employees are part of the pension fund managed by Koç Holding Retirement Pension Foundation. While all Tüpraş employees under the age of 35 years old directly benefit from this plan, it is optional for new employees recruited after the age of 35. Employee contributions are determined each year by the Foundation with regard to employee wages. As employer contribution, for each member employee, Tüpraş pays to the fund an amount equal to employee premium. In this context, Tüpraş paid over 77 million TL as employer contribution during 2010 and 2011. Fund members are also provided with financial support for their housing purchases and various other occasions. Fund management is carried out by completely professional bodies and plans include a coverage against various risks. Retirement pension or a lump sum payment is also allocated in case of termination of membership or retirement.

Besides the social security system, Tüpraş employees can also benefit from the lodging facilities. While priority in the allocation of housing is given to technical employees, the employee’s seniority is not an element of a priority. In addition to the housing opportunities, various additional services provided in order to improve social life quality of employee relatives. Besides social activities and sports facilities that employee relatives could also benefit, Tüpraş provides services supporting children’s education and organise summer school programs. Tüpraş employees can also benefit from the product and services under offered by Koç Holding subsidiaries through KoçMyFamily which provides price advantage. Tüpraş employees continue to benefit social facilities and services that KocMyFamily provides, even after retirement.

COMMUNITY OVERVIEW

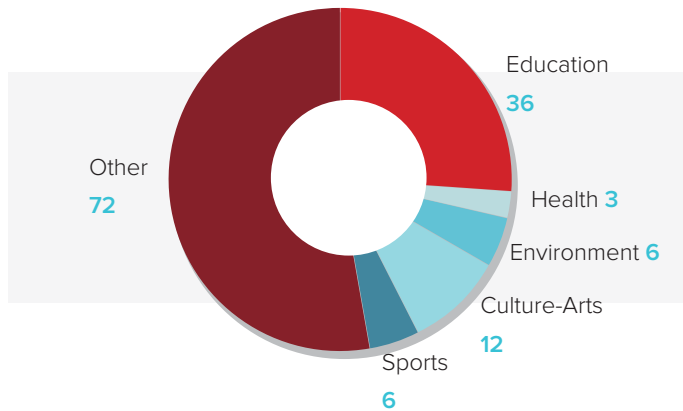
Tüpraş, through the energy it generates, conducts practices contributing sustainable development of welfare and quality of life for the communities in operation regions. While planning social investments, Tüpraş makes sure to respond to stakeholder expectations most effectively by considering regional development priorities as well as the results of the Corporate Reputation and Perception Surveys, which are conducted on a regular basis. With the research conducted in 2011, 1,394 stakeholders were interviewed and corporate, social and environmental criteria were evaluated in comparison to previous term results and performance of sector peers.



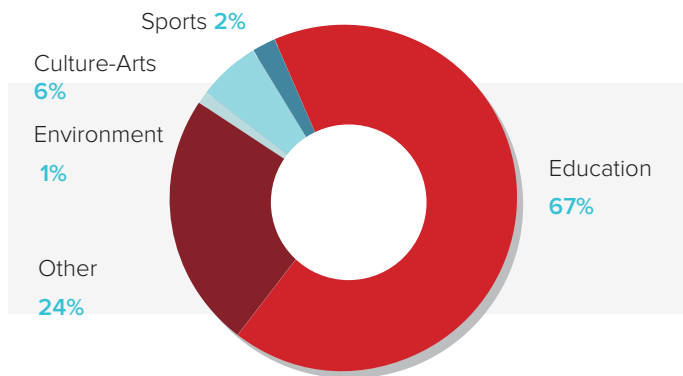
Guided by research, Tüpraş focuses its social development goals on the areas of education, health, sports, arts and culture, which serve the welfare of the society at large. Tüpraş manages projects in these key areas and provides financial, pro-bono or operational support to the initiatives of other organisations within Turkey, primarily in the regions where it operates.

Along with its own projects, Tüpraş partners with other organisations, which run activities in these key areas, in order to maximize the impact of their community development investments by providing them with donations and sponsorships. In line with this, Tüpraş supports activities of various civil society organisations, predominantly the Vehbi Koç Foundation, which is the corporate foundation of Tüpraş's parent company, Koç Group. Tüpraş channelled 8.34 million TL and 12.56 million TL of funds to community investments in 2010 and 2011, respectively.

Number of Donations and Sponsorships by Domain



Distribution of Donations and Sponsorships Budget by Domain (%)



Thanks to its extensive background in project implementation and investments, Tüpraş possesses a highly qualified and experienced human capital. Hence, Tüpraş is able to contribute community development studies not only through financial resources but also through its knowledge, expertise and other organisational resources. A professional approach is taken towards community projects just as in all other operation areas. In relation to the regional, national and global issues, Tüpraş strives to develop result-oriented solutions through projects which show a strategic integrity and evaluated in the cost-benefit aspect and facilitate employee voluntarism and stakeholder engagement.

Support for Education

Umbrella Movement: 100 Smiling Faces in Batman

In 2008, the employees of Batman Refinery launched the Umbrella Movement – 100 Smiling Faces in Batman. The target audience of this movement are the people of Batman, which is a city that receives high volumes of migration from its surrounding region. Groups targeted specifically by the project are defined as students facing social integration challenges due to financial problems, illiteracy and insufficient parental care; families who are unable to provide for their children; and teachers who have limited access to resources to raise awareness in areas such as personal and professional development and adolescent psychology. Umbrella Movement aims to help its target audience fully adjust to urban life. The project, which was initially launched in Batman in collaboration with the Governorship of Batman, the Provincial Directorate for National Education, the Provincial Directorate for

Health, school principals, teachers, and local community leaders, has been expanded to the other refineries in 2009. During the reporting period İzmit Refinery organised various activities with the contribution of 100 Smiling Faces beneficiary students. Tüpraş employees volunteered for total of 264 person x hours for the organisation of these events.

In 2011, İzmir Refinery 100 Smiling Faces Movement Volunteers cooperated with Turkish Education Volunteers Foundation (TEGV) for 16 weeks. This partnership was designed to support the social development of 40 students from 7 different schools through free workshops provided by TEGV such as Reading Rooms, Dream Workshop, Chess with Children, Knowledge Is My Business, Sports for Fun, Basketball Volunteers and Drama.

April 23rd Batman Children’s Festival

The Umbrella Movement organized an alternative series of events in Batman to celebrate the April 23rd Children’s Festival. This initiative has become an independent project in 2009 with the collaboration of the Governorship of Batman, the Provincial Directorate for National Education, neighbouring school administrators and teachers, NGOs, Tüpraş employees and their families. In 2010, a team of 150 volunteers, comprising of 55 Tüpraş employees, NGO volunteers and teachers from 5 participant schools, worked for the Tüpraş April 23rd Batman Children’s Festival which was attended by 1,800 kids from neighbouring schools and 250 children of Tüpraş employees. In 2011, the festival was run with the help of 40 volunteers and 80 teachers in which 2,000 kids between the ages of 10 and 12 participated.



Book at the Heart of Life

Book at the Heart of Life Project, facilitated by an agreement signed between Governorship of Körfez District, Municipality of Körfez District and Tüpraş, aims to encourage reading in this region which is statistically lagging behind developed countries in terms of reading habits. The project also intends to enable the villagers to adopt scientific methods in agricultural activities through the publications made by Republic of Turkey Ministry of Food, Agriculture and Livestock. The project involved the establishment of libraries and reading rooms in 16 villages from the Körfez District of Kocaeli Province and 4 neighbouring hamlets. By donating 251 books for each library, 5,020 books in total were made available to the community.

100 Classics for Primary Schools in Ağrı

Run in partnership with the Governorship of Ağrı and the Provincial Directorate for National Education, this project aspired to ensure that primary school students in Ağrı have access to the world classics. Within the scope of this project, total of 900 books, consisting of 44 titles approved by the Ministry of National Education, were distributed in primary schools in Ağrı.

Firefly Operating Sponsorship

During the reporting period, Tüpraş continued to sponsor Turkish Education Volunteers Foundation's Mobile Learning Units. Since 2008, 5 Firefly Mobile Learning Units reached a total of 43,593 students within the scope of this project. 170 people volunteered for the Fireflies Project in which each student received 12 hours of training in various fields.

Model Refinery and Application Lab Project

Model Refinery and Application Lab Project, conducted for 3 years in a university-industry collaboration fashion by Batman Refinery, has been completed on May 27th, 2011. In the final year of the project, a total of 264 students received 1,056 person x hours of training.



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

As part of the protocol signed between the Ministry of Education and Koç Holding within the scope of the Program for Accelerating Vocational and Technical Education, "Vocational Training: a Crucial Matter for the Nation Project" has been running successfully since 2006. The project is providing scholarships combined with internship supported scholarship opportunities, employment priority and coaching for 8,000 vocational high school students from 250 schools in 81 cities, hence contributing to both education and employment.

Within the capacity of this project, Tüpraş Kırıkkale Refinery worked together with 4 Vocational High Schools and provided scholarships and internships for more than 150 students. In 2011, an Electric-Electronics Fair Tour was organised by the İzmit Refinery together with 88 scholars, 10 teachers and 3 vocational school coaches. 32 scholars received their certificates during the graduation ceremony attended by 131 scholars, 5 vocational school coaches and other project partners such as government agencies, NGOs and school administrators. In 2011, MLMM volunteers from İzmit Refinery provided CV generation training to 20 MLMM students from Aliğa METEM and Çınarlı Vocational High School. Tüpraş supported a book donation campaign initiated by a MLMM scholar from Mardin for Mardin Derik Isis Village Primary School.

As part of the MLMM activities in 2011, Kırıkkale Refinery Manager hosted an event and gathered local governors who provided support for this project, Vehbi Koç Foundation representatives, teachers and administrators of the participating schools and 93 MLMM scholars.

MLMM students attended the 2011 Spring Festival organised by the Batman Refinery. Activities of this term also included trainings in Responsible Citizenship, Goal Setting, Self-Confidence, Teamwork, Project Management, CV Generation, and Time Management. 83 students and 10 teachers attended these training sessions.

Empowering the Vocational Training and Education System Project

The Protocol on the Empowering Vocational Training and Education System (MEGEP), signed between Ministry of Education and European Union in 2000, aims to increase the quality of vocationally educated workforce in Turkey. In 2007, Ministry of National Education General Directorate for Technical Training for Boys signed an agreement with Tüpraş in order to contribute to the efforts in developing and training the technical workforce required in refinery and petrochemicals fields.

Students reached via MEGEP and MLMM

In 2011, İzmit District National Education Directorate Branch Managers, teachers responsible for the project, Tüpraş volunteers and 20 high school seniors who received training at the İzmit Refinery twice a week, got together at a group lunch. During the same period, 23 students continued to get training at Kırıkkale Refinery twice a week. As part of these training programmes, 18 Tüpraş volunteers gave seminars in their subjects of expertise. In 2011, Batman Refinery's Spring Festival guests also included MEGEP students.

	2010	2011
Number of students attended to vocational trainings	132	499
Total number of interns (high school)	690	901
Total number of interns (university)	922	843

Koç University Scholarship Programs

In line with the protocol signed with the Koç University in 2011, all the humanities and social sciences PhD students with Scholarship for Outstanding Achievement in Social Sciences will be supported for their initial 4 years of studies. The project targets to include 2 more students each year for 5 years.

Another educational support project that commenced in 2011 is Anatolian Scholarship Programme. This programme intends to support financially challenged Koç University students throughout the duration of their courses.

Support for the Environment

The Happy Wastes Project - Aliğa Packaging Waste Parsing Movement

Initiated in order to parse and recycle packaging wastes in İzmit Refinery, the project aims first of all to reach out to pre-school children, then primary and junior high school students, their te-



achers, parents and finally the people of Aliğa in general. During the reporting period, in partnership with various government agencies and NGOs, a total of 15 events were organised as part of this project.

With this project;

22 tons of packaging waste recovering 2,400 m² of forest land was collected,

- In 2010, 1,220 students received information on packaging waste parsing,
- In 2011, 5,740 students were reached through various activities,
- 1,000 children gained environmental awareness through coastal cleaning activities, kite flying festivals and workshops on waste paper and kite,
- 477 housewives have been contacted in order to raise awareness,
- 9 packaging waste containers were installed in the Aliğa Kazım Dirik Neighborhood.

Support for Culture and Arts Supporting Batman Children and Youth Theatre Festival

Batman Children and Youth Theatre Festival is a five-year project which was launched to provide Batman's young population with an opportunity to self-expression, gaining different perspectives and developing their intellectual skills. High school drama clubs join the festival's competition and receive awards in various categories. The project comprises of teachers and students from a total of ten high schools.

March 8th, International Women's Day: Neriman Oyman Painting Exhibition

In order to draw attention to infringements on women's rights, the sole exhibition of painter Neriman Oyman was launched in the Kocaeli Governorship's Fine Arts Exhibition Hall between 8th and 16th of March 2010. The exhibition, supported by the Kocaeli Bar's Women's Rights Commission along with Kocaeli Governorship Special Provincial Administration and Tüpraş, attracted 200 visitors per day.

Kocaeli University Film Festival

The festival organized by the students of Kocaeli University Faculty of Communication, Department of Radio, Cinema and Television Studies and took place between 11th and 13th of May 2010 featured a number of conferences, debates, film screenings, critique-sessions, and a scenario competition. Tüpraş supported the Kocaeli University Film Festival by providing the technical requirements.

Publication Sponsorship for Aktüel Arkeoloji Magazine

During the reporting period, Tüpraş took up sponsorship of the Aktüel Arkeoloji (Contemporary Archaeology) Magazine in order to support the preservation and continuity of cultural heritage to future generations. Aktüel Arkeoloji Magazine has the distinction of being the only local archaeology magazine published in Turkey, a geographical region with such rich historical heritage.

Urartu: Transformation in the East

The book entitled Urartu: Transformation in the East is part of the Anatolian Civilizations Book Series launched jointly by Tüpraş and Yapı Kredi Arts and Culture Publications. A press conference for the book was held on May 3, 2011 at Koç University's Research Centre for Anatolian Civilizations. It was followed by a second press conference on June 15, 2011 on the outskirts of the Van Castle, the ancient capital of the Urartu civilization. This book series, started with Urartu: Transformation in the East, a reference book on antique civilizations who made their marks on our lands, will be followed by books on Phrygia, Aphrodisias, Hittites, Kültepe, Lydia, Ancient Greeks, Rome, Byzantine, and Seljuks.

Support for Sports Batman Disabled Sports Club is Running

Founded in 2006 and possessing 26 licensed athletes, Batman Disabled Sports Club Association is competing in the Turkish Wheelchair Basketball 2nd League since 2007-2008 season. During the reporting period, the Club's success continued to be in the limelight. Athletes, carrying Tüpraş logos on their uniforms, demonstrated their ability to overcome any obstacles on the way to success with their superior performances.

Batman Tüpraşspor Football Club Engages Youth in Sports

Tüpraşspor Football Club, founded in 1995 as an independent initiative of Tüpraş Batman Refinery employees, provides local youth with a platform where they can play football in a healthy environment and improve their talents.

With its 80 participant athletes between the ages of 8 and 19 in 2011, the club achieved significant titles in regional and national competitions. Many young athletes from Batman Tüpraşspor Club's managed to join professional sports clubs.

Aliğa Youth and Sports Club Association and the Körfez Municipality Sport Club Association were also supported by Tüpraş during the reporting period.

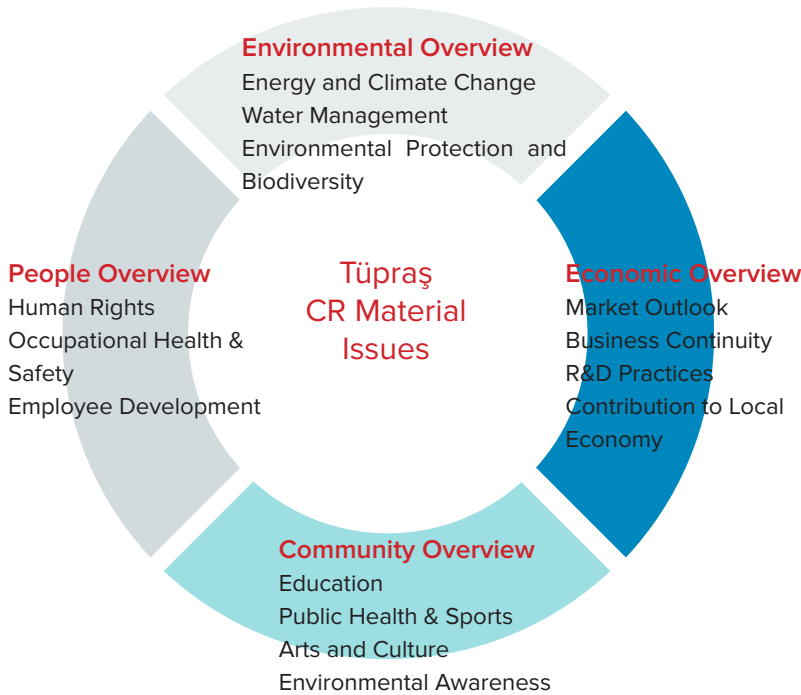
CORPORATE RESPONSIBILITY MANAGEMENT

As a company that considers corporate sustainability as its primary responsibility, Tüpraş has been a pioneer within the Turkish business community in systematically applying corporate responsibility practices, particularly in terms of reporting activities. Therefore, the main objective of the corporate responsibility management at Tüpraş is to ensure sustainability. Tüpraş describes corporate sustainability as improvement of profitable growth, operational reliability, and social license to operate along with taking responsibility for the sustainable development of the community in which it operates. Hence, the scope of corporate responsibility management at Tüpraş includes a set of policies, strategies, organisations and practices in the identified risk and responsibility areas. Guiding principle of Tüpraş' management approach includes a transparent, accountable and participatory understanding in all its activities.



Materiality Studies

Corporate responsibility management at Tüpraş consists of material issues identified through a risk, responsibility and opportunity oriented approach. Tüpraş' corporate responsibility priorities are determined through systematic practices based on these principles. Tüpraş Corporate Responsibility Working Group, which consists of representatives from different business units, meets to identify these material issues. Working Group identifies and prioritises material issues among various social, environmental and economic aspects which have significant impact on corporate sustainability. External expert opinions are also provided during these studies. All the activities and practices are designed in line with the results of this process. Through Tüpraş CR reports practices and performance outcomes on these material issues are disclosed.



For each reporting period material issues are re-assessed by experts. During this assessment, it is decided whether to carry out a re-mapping process to adjust the material issues, depending on the developments that took place throughout the reporting period which might have caused an impact on the key priorities. As a result of the assessment conducted during the reporting period, no incidences were detected that would have an impact on the Tüpraş CR's priority issues. Hence, in the light of the observations from the previous reporting period, the aim is to retain the general content while attaining more effective management and reporting through more optimized subject portfolio.

While accepting the principle of equal treatment among its stakeholders, Tüpraş aims to accommodate diversity due to differing priorities of stakeholders by exploring each corporate responsibility priority in the context of relevant stakeholder group. The stakeholder groups which will be considered as the intended audience during the content planning of corporate responsibility reports are determined through methods similar to materiality process.

Risk Management and Internal Audit

Variables that form the business environment have a significant impact on company assets, operational continuity and social license to operate. These variables have the potential to generate risks and opportunities for organisations. Tüpraş adopts a proactive risk management approach that aims to anticipate all the potential risks and turn them into opportunities through effective management. Internal audit is a crucial part of this process.

Safety Risk	Financial Risks	Commercial Risk	Operational Risks	Strategic Risk
Fire	Exchange Rate	Raw Material Prices	Environment	Customer Preferences Consumotion Trends
Work Accident	Liquidity	Product Prices	Supply / Transport	Law
Earthquake	Interest Rate	Customer Loans	Product Specifictions	Politics
Floods				
Terror and Sabotage				

Tüpraş Risk Management Model, supported by early warning and monitoring systems, is categorised under five main titles and seventeen sub-sections. Risk factors regarding corporate responsibility issues are also managed through same advanced risk mitigation procedures. You may find more detailed information on Tüpraş risk management methodology from 2011 Annual Report.

An effective internal audit is significant for maintaining a fair, transparent and accountable management approach, which we assume as a key responsibility to stakeholders. With this regard, Tüpraş adopts a proactive internal audit methodology based on International Internal Audit Standards, Tüpraş Code of Conduct and other company policy and procedures. In line with adopted procedures Tüpraş engages in internal audit processes regarding finance, operations, risks, processes, legal compliance, business ethics and misconduct. Internal audit activities are carried out monthly, quarterly, semi-annually or annually through the plans the scope and frequency of which are designed according to related standards. Along with the planned internal audit activities, Tüpraş also conducts ad-hoc audit exercises regarding emerging requirements.

Tüpraş, aiming full legal compliance, considers all its direct and indirect commitments to voluntary initiatives within the context of compliance practices. Hence, level of compliance is subject to internal audit practices. To this effect, commitment to United Nations Global Compact makes up a good example. As a subsidiary of Koç Group, a signatory of UN Global Compact principles of which is binding for Tüpraş and to which level of compliance is controlled during internal audit practices. Other system standards concerning different business processes, such as OHSAS 18001 and ISO 14001, are also assumed in the same fashion. Compliance with system standards is audited by independent assurance organisations and certified accordingly.

During the reporting period, there has been an increase in the number of supplier audits. In this respect, while 15 suppliers went through an audit process in 2010, this numbers rose to 122 in 2011. Supplier audit procedures cover subjects such as product quality, environmental management, work environment and human rights. There were no suppliers, contracts of which were terminated as a result of audits due to the failure to fulfil required conditions or breach of code of conduct.

Stakeholder Engagement

Tüpraş adopts a participatory management approach, hence stakeholder opinions are always taken into account as part of decision making and operation processes enabling Tüpraş to be responsive to stakeholders. In order to design an effective stakeholder engagement process, Tüpraş ensures utilization of required learning tools and continuation of the learning process. In line with transparency and accountability principles, stakeholders are informed on operation outcomes and their feedbacks are received.

Towards common goals, Tüpraş collaborates with various stakeholders and conducts joint projects. While determining the stakeholder groups for collaborations and joint projects, Tüpraş primarily seeks existence of a mutual understanding, as well as clear and transparent communication; and adoption of similar ethical working norms. Then it is important that related parties have required knowledge, experience, organisational infrastructure and resources for cooperation or realization of the project.

Stakeholder Communication Tools

Employees

Corporate Responsibility Report (bi-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 Committees (monthly), Technical Safety Bulletins (weekly / monthly), Internal Information Announcements (instant), Social Projects (continuous), Social Clubs (continuous), Refined Recommendations System (continuous), Recognition, Appreciation and Reward System (continuous), Tüpraş Code of Conduct(continuous), Collective Bargaining Agreement (continuous), Employee Training (continuous), Website (continuous) and Corporate Portal (continuous)

Shareholders and Investors

Corporate Responsibility Report (bi-annual), Annual Report (annual), the General Assembly Meetings (annual), Interim Reports (quarterly), Information and Public Disclosures (instant), Investor Presentations and Roadshow (upon request), Meeting and Interviews (upon request), Analyst Presentations and Teleconferences (upon request), Tüpraş Code of Conduct (continuous), Website (continuous)

Customers

Corporate Responsibility Report (bi-annual), Customer Satisfaction Survey (annual), Rafine Magazine (every 4 months), Meetings and Interviews (upon request), Customer Portal (continuous), CRM System (continuous), Tüpraş Code of Conduct (continuous), Website (continuous)

Business Partners and Suppliers

Corporate Responsibility Report (bi-annual), Supplier Satisfaction Survey (annual), Rafine Magazine (every 4 months), Technical Safety Bulletins (weekly/monthly), Meetings and Interviews (upon request), Tüpraş Code of Conduct (continuous), HSE for Business Partners System (continuous), Website (continuous)

Indirect employees

Rafine Magazine (4 months), Technical Safety Bulletins (weekly/monthly), Meetings and Interviews (upon request), Tüpraş Code of Conduct (continuous), HSE for Business Partners System (continuous), Employee Training (continuous), Website (continuous)

Trade Unions

Corporate Responsibility Report (bi-annual), Annual Report (annual), Rafine Magazine (every 4 months), Occupational Health and Safety Committees (monthly), Meetings and Interviews (continuous), Collective Bargaining Agreement (continuous), Website (continuous)

Public Authorities and Institutions

Corporate Responsibility Report (bi-annual), Annual Report (annual), Inspections (periodic / instant), Meetings and Interviews (upon request), Common Projects (upon request), Incentives (upon request), Website (continuous)

Non-Governmental Organizations

Corporate Responsibility Report (bi-annual), Annual Report (annual), Meetings and Interviews (upon request), Common Projects (upon request), Donations and Sponsorships (upon request), Memberships (continuous), Website (continuous)

Educational Institutions

R & D Partnerships (project-based), Donations and Sponsorships (upon request), Infrastructure and Instructor Support (upon request), Postgraduate and Sector-based Specialty Programmes (continuous), Website (continuous)

Media

Corporate Responsibility Report (bi-annual), Annual Report (annual), Rafine Magazine (4 months), Meetings and Interviews (upon request), Press Conferences and Releases (instant), Website (continuous)

Local Community

Reputation and Perception Studies (bi-annual), media (press releases), Information releases (upon request), Meeting and Interviews (on request), Announcements (instant), Community Projects and Infrastructure Support (continuous), Website (continuous)

Community

Perception and Reputation Studies (bi-annual), Announcements (instant), Press Releases (instant), Community Projects and Infrastructure Support (continuous), Website (continuous)

Institutions Actively Engaged During the Reporting Period

Institutions Engaged Through Representation in Management Bodies

The Union of Chambers and Commodity Exchanges of Turkey, Quality Association of Turkey, Aegean Region Chamber of Industry, Kocaeli Chamber of Industry, Kırkkale Chamber of Commerce and Industry, Mediterranean Exporters' Associations

Institutions Engaged Through Membership

Turkish Industry and Business Association, World Energy Council Turkish National Committee, Batman Chamber of Commerce and Industry, Körfez Chamber of Commerce, Aliağa Chamber of Commerce, Chamber of Shipping, İstanbul Minerals and Metals Exporters' Associations, Central Anatolian Exporters Union, Energy Efficiency Association, Turkish Foreign Trade Association, Turkish Investor Relations Association, Corporate Governance Association of Turkey, Informatics Association of Turkey, Cogeneration Association of Turkey, EUROGIA Association, Koç-Yönder, Turkish Marine Environment Protection Association, İzmit Sailing Club Sports Association

Achievements and Awards Obtained During the Reporting Period

January 2010,	Event: Organisation: Award:	Industrial Energy Efficiency Project Competition Ministry of Energy of Natural Resources General Directorate of Electrical Power Resources, Survey and Development Administration First prize (Batman Refinery) Third prize (İzmir Refinery)
April 2010,	Event: Organisation: Award:	İMMİB Stars of Exportation Istanbul Minerals and Metals Exporters' Association First prize in its sector
May 2010,	Event: Organisation: Award:	SGK Awards Ministry of Labour and Social Security, General Directorate of Social Security Office Largest and regular premium paying company (all refineries)
May 2010,	Event: Organisation: Award:	KCC Şahabettin Bilgisi Environment Awards Kocaeli Chamber of Commerce Environmental Project Encouragement Award in large scale corporation category (İzmit Refinery)
July 2010,	Event: Organisation:	Fortune Top 500 Companies Survey Fortune Magazine Turkey's Largest Company
July 2010,	Event: Organisation: Award:	Istanbul Chamber of Industry Top 500 Industrial Corporations Survey Istanbul Chamber of Industry The Largest Industrial Corporation in Turkey
August 2010,	Event: Organisation: Award:	Capital Top 500 Private Companies Survey Capital Magazine Turkey's Largest Private Company
November 2010,	Event: Organisation: Award:	Platts Insight Magazine Top 250 Global Energy Companies Survey Platts Insight Magazine Ranked 96 th out of 250 global energy companies, 37 th within the EMEA region and 6 th in global "Refining & Marketing" listing
March 2011,	Event: Organisation: Award:	Safe Maintenance Best Practice Awards Ministry of Labor and Social Security, the Directorate of Occupational Health and Safety and the European Agency for Safety and Health at Work Best Practice in Safe Maintenance

April 2011,	Event: Organisation: Award:	IMMIB Stars of Exportation Istanbul Minerals and Metals Exporters' Association First prize in its sector
May 2011,	Event: Organisation: Award:	Export Records Awards Mediterranean Exporters' Associations First prize
June 2011,	Event: Organisation: Award:	Top 100 Companies Survey Aegean Region Chamber of Industry Top industrial corporation in the Aegean Region (İzmir Refinery) Second largest exporter in the region
July 2011,	Event: Organisation: Award:	Fortune Top 500 Companies Survey Fortune Magazine Largest private company and the second largest company in the exportation category
July 2011, Awards	Event: Organisation: Award:	KCC Şahabettin Bilgisu Environment Kocaeli Chamber of Industry Certificate of Appreciation (for efforts of İzmit Refinery in social responsibility awareness, developing collaborations with local authorities and environmental protection)
July 2011,	Event: Organisation: Award:	ISO Top 500 Industrial Corporations Survey Istanbul Chamber of Industry The largest industrial corporation in Turkey The second largest exporter industrial corporation in Turkey The third most profitable exporter industrial corporation in Turkey
August 2011,	Event: Organisation: Award:	Capital Magazine Top 500 Private Companies Survey Capital magazine Turkey's largest private company Turkey's third largest exporter private company
September 2011,	Event: Organisation: Award:	Best Occupational Safety and Safety Movie Awards 19th International Occupational Safety Congress and 8th Multimedia and Film Festival Second prize

Performance Indicators	2008	2009	2010	2011
Operational Performance Indicators				
Processed Crude Oil (thousand tons)	24,208.00	16,975.00	19,552.00	20,896.00
Production - Refining (thousand tons)	22,780.00	15,968.00	18,797.00	20,209.00
Sales (thousand tons)	25,957.00	21,521.00	22,401.00	23,897.00
Product Exports (thousand tons)	6,112.00	3,308.00	4,795.00	5,152.00
Product Imports (thousand tons)	2,931.00	5,828.00	3,980.00	4,214.00
White Product Percentage in Total Production (%)	68.60	73.60	72.35	71.16
Capacity Utilization (%)	86.00	69.00	77.10	79.90
Financial and Administrative Indicators				
Net Sales (million US dollars)	23,353.00	13,118.00	17,424.00	24,682.00
Operational Profit (million US dollars)	984.00	654.00	683.00	1,181.00
Profit Before Taxes (million US dollars)	421.00	653.00	617.00	918.00
Profit After Taxes (million US dollars)	331.00	522.00	490.00	740.00
EBITDA (million US dollars)	1,099.00	779.00	830.00	1,329.00
Net Debt (cash) (million US dollars)	215.00	(653.00)	(1,955.00)	585.00
Return on Equity (%)	11.00	22.00	19.00	30.00
Net Working Capital (million US dollars)	202.00	283.00	286.00	359.00
Investment Expenditure (million US dollars)	395.00	189.00	177.00	628.00
Profit per Share (TL)	1.73	3.24	2.94	4.96
Profit per Share (TL)	2.31	2.50	2.98	3.93
Net Dividend per Share (TL)	1.97	2.14	2.53	3.34
Paid Taxes (million TL)	19,975.00	18,336.00	19,941.00	23,147.00
Corporate Governance Rating	8.20	8.34	8.56	8.62
Fitch Ratings Foreign Currency Long Term Rating	BB	BBB-	BBB-	BBB-
Fitch Ratings Local Currency Long Term Rating	BBB-	BBB-	BBB-	BBB-
Supplier Operations (million TL)	164	214	206.72	257.07
Domestic	64	78	94.61	112.61
Domestic production	27	19	12.19	22.29
Overseas	73	117	99.92	122.17
Domestic Purchase Rate (%)	55.49	45.33	51.66	52.48
Environmental Indicators				
Direct Energy Consumption (TJ)	76,432.10	64,418.64	61,666.38	69,126.87
Natural Gas	18,052.51	14,623.62	20,365.38	29,475.62
Fuel Oil	34,137.86	29,176.97	17,905.18	12,598.45
Fuel Gas	21,231.46	17,821.43	20,711.89	24,240.37
Coke	3,010.25	2,796.62	2,683.92	2,812.42
Indirect Energy Consumption – Electricity (TJ)	220.88	419.46	311.62	445.87
Total Energy Consumption (TJ)	76,652.98	64,838.10	61,978.00	69,572.74
Reductions in Energy Consumption (%)	-	-15.72	-4.27	12.10
Energy Consumption per Processed Crude Oil (GJ/tons)	3.20	3.80	3.20	3.30

Solomon Energy Intensity Value	116.10	122.10	106.10	104.00
Number of Energy Efficiency Projects	36.00	52.00	65.00	92.00
Saving in Energy Consumption (GJ)	977.78	10,891.44	3,154.86	3,052.97
Reduction of Costs Through Energy Efficiency (million TL)	19.40	50.50	91.42	187.52
Reduction in GHG Emissions Through Energy Efficiency Projects (ton CO ₂ e)	106,870.00	542,253.00	308,599.00	316,955.00
Total Water Consumption (million m ³)	24.63	21.64	18.02	18.96
Underground	0.80	0.6	0.65	0.00
Surface	23.83	21.04	17.37	18.29
Municipal	0.00	0	0.00	0.67
Changes in Water Consumption (%)	9.41	-12.14	-16.73	5.22
Water Consumption per Processed Crude Oil (m ³ /ton)	1.02	1.28	0.92	0.91
Volume of Water Recycled (million m ³)	12.33	11.32	11.60	11.16
Percentage of Water Recycled in Total Water Consumption (%)	33.70	36.00	39.17	37.05
Total Wastewater Discharge (million m ³)	9.89	10.32	10.03	10.27
Total Amount of Solid Wastes	35,588.00	46,306.00	49,923.11	28,991.52
Hazardous Waste by Weight (tons)	29,168.00	36,638.00	40,228.88	17,998.52
Non-Hazardous Waste by Weight (tons)	6,420.00	9,668.00	9,694.23	10,993.00
Wastes by Disposal Method				
Landfill (tons)	11,562.00	10,008.00	5,205.71	4,242.00
Incineration (tons)	3,355.00	564.00	479.04	879.00
Recycling (tons)	20,671.00	35,734.00	44,238.36	23,367.00
Other (tons)	0.00	0.00	0.00	503.52
Solid Waste Recycling Rate (%)	58.00	84.80	71.90	79.90
Number of Saplings Planted during Reforestation Activities (units)	114,092	10,272	3,383	14,158
Estimated Reduction in CO ₂ Emissions due to Reforestation Activities (ton CO ₂ e)	44,343.80	3,390.00	1,116.00	4,672.00
Environmental Investment and Operational Expenditures (million TL)	202.38	93.10	117.42	180.94
Environmental Training (person x hours)	-	-	70,526.10	56,813.00
Tüpraş Employees	-	-	34,924.80	26,668.00
Contractors	-	-	23,259.30	27,622.00
Community	-	-	12,342.00	2,523.00
Social Indicators				
Total Training (person x hours)	251,121.00	135,177.00	153,112.00	144,227.00
Women	-	-	9,986.00	20,831.00
Men	-	-	143,126.00	123,396.00
White Collars	77,090.00	49,653.00	37,173.00	62,908.00
Blue Collars	174,031.00	85,524.00	115,939.00	81,319.00
Total Training (per employee)	57.50	32.70	36.00	34.00
Women	-	-	33.00	63.00
Men	-	-	36.00	32.00
White Collars	96.00	65.00	45.00	71.00
Blue Collars	49.00	25.00	33.00	25.00
Total HSE Training Hours (person x hours)	46,708.00	33,389.00	64,302.00	49,857.00

Business Partner Employees	-	-	31,061.00	25,969.00
Accident Frequency Rate (number of incidents x 1.000.000/person x hours)	3.60	2.50	1.70	2.203 ⁴
Accident Severity Rate (lost days x 1.000.000/person x hours)	104.00	73.00	57.00	83.00 ⁴
Number of Fatalities	0.00	0.00	0.00	0.00
Total Number of Suppliers	8,758.00	12,993.00	1,772.00	1,874.00
Total Supply Budget (million TL)	164.00	214.00	206.72	257.06
Local Procurement Rate (%)	56.00	44.00	52.00	52.00
Local Production Rate (%)	17.00	9.00	5.90	8.67
Local Procurement Budget (million TL)	77.00	140.00	106.80	134.90
Number of Audited Local Suppliers	19.00	63.00	15.00	14.00
Number of the Suppliers and Contractors gone through Human Rights Screening	-	-	15.00	122.00
Employee Satisfaction (%)	57.00	57.00	-	59.00
Customer Satisfaction (%)	86.20	86.70	98.50	98.50
Supplier Satisfaction (%)	97.10	98.90	97.66	97.73
Koç Holding Pension Fund Liabilities (million TL)	4.90	5.40	39.34	37.80
Donations and Sponsorships (million TL)	13.67	7.84	8.35	12.56
Total Number of Interns	1,485	1,109	1,612.00	1,744.00
Minimum Starting Salary to Minimum Wage				
Blue Collars	2.6	2.5	2.6	2.7
White Collars	3.8	4	4.7	4.6

⁴ Increase in 2011 occurred as a result of increase of maintenance and capacity utilization as well as inclusion of contractor scores to the calculation.

Employee Demographics	Izmit Refinery		Izmir Refinery		Kırıkkale Refinery		Batman Refinery		Head Office		Total	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Total Workforce												
Employees	1468	1394	1297	1258	909	856	403	434	222	264	4299	4206
Women	84	83	78	78	42	46	23	31	76	92	303	330
Men	1384	1311	1219	1180	867	810	380	403	146	172	3996	3876
Employees by Contract Type												
Employees on Permanent Contract												
Women (number - %)	84	83	78	78	42	46	23	31	76	92	303	330
	(% 6)	(% 6)	(% 6)	(% 6)	(% 5)	(% 5)	(% 6)	(% 7)	(% 34)	(% 35)	(% 7)	(% 8)
Men (number - %)	1384	1311	1219	1180	867	810	380	403	146	172	3996	3876
	(% 94)	(% 94)	(% 94)	(% 94)	(% 95)	(% 95)	(% 94)	(% 93)	(% 66)	(% 65)	(% 93)	(% 92)
Employees on Fixed-term Contract	0	0	0	0	0	0	0	0	0	0	0	0
Employees by Category												
Blue Collars	1214	1144	1101	1053	775	717	329	356	49	49	3468	3319
Women (number - %)	36	38	36	36	24	24	11	17	18	16	125	131
	(% 3)	(% 3)	(% 3)	(% 3)	(% 3)	(% 3)	(% 3)	(% 5)	(% 37)	(% 33)	(% 4)	(% 4)
Men (number - %)	1178	1106	1065	1017	751	693	318	339	31	33	3343	3188
	(% 97)	(% 97)	(% 97)	(% 97)	(% 97)	(% 97)	(% 97)	(% 95)	(% 63)	(% 67)	(% 96)	(% 96)
White Collars	254	250	196	205	134	139	74	78	173	215	831	887
Women (number - %)	48	45	42	42	18	22	12	14	58	76	178	199
	(% 19)	(% 18)	(% 21)	(% 20)	(% 13)	(% 16)	(% 16)	(% 18)	(% 34)	(% 35)	(% 21)	(% 22)
Men (number - %)	206	205	154	163	116	117	62	64	115	139	653	688
	(% 81)	(% 82)	(% 79)	(% 80)	(% 87)	(% 84)	(% 84)	(% 82)	(% 66)	(% 65)	(% 79)	(% 78)
Employees by Education (Number - %)												
Primary School	82	66	81	69	51	42	26	21	10	9	250	207
	(% 6)	(% 5)	(% 6)	(% 6)	(% 5)	(% 5)	(% 6)	(% 5)	(% 5)	(% 4)	(% 6)	(% 5)
High School	207	188	172	160	189	169	135	130	33	32	736	679
	(% 14)	(% 13)	(% 13)	(% 13)	(% 21)	(% 20)	(% 34)	(% 30)	(% 14)	(% 12)	(% 17)	(% 16)
Vocational High School	552	511	473	458	342	324	120	124	8	8	1495	1425
	(% 38)	(% 37)	(% 37)	(% 36)	(% 38)	(% 38)	(% 30)	(% 29)	(% 4)	(% 3)	(% 35)	(% 34)

	Izmit Refinery		Izmir Refinery		Kırıkkale Refinery		Batman Refinery		Head Office		Total	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
College	333 (% 23)	339 (% 24)	344 (% 26)	345 (% 27)	183 (% 20)	179 (% 21)	46 (% 11)	85 (% 20)	9 (% 4)	9 (% 3)	915 (% 21)	957 (% 23)
University	228 (% 15)	226 (% 16)	189 (% 15)	192 (% 15)	121 (% 13)	115 (% 13)	67 (% 17)	66 (% 15)	126 (% 57)	145 (% 55)	731 (% 17)	744 (% 18)
Post graduate	66 (% 4)	65 (% 5)	38 (% 3)	34 (% 3)	23 (% 3)	28 (% 3)	9 (% 2)	6 (% 1)	36 (% 16)	61 (% 23)	172 (% 4)	194 (% 4)
Employees by Age Group (number - %)												
Under 30	403 (% 28)	365 (% 26)	426 (% 33)	381 (% 30)	344 (% 38)	312 (% 36)	76 (% 19)	141 (% 33)	94 (% 23)	63 (% 24)	1309 (% 30)	1262 (% 30)
Between 30-50	901 (% 61)	893 (% 64)	784 (% 60)	801 (% 64)	498 (% 55)	462 (% 54)	272 (% 67)	243 (% 56)	247 (% 61)	160 (% 61)	2572 (% 60)	2559 (% 61)
Above 50	164 (% 11)	137 (% 10)	87 (% 7)	76 (% 6)	67 (% 7)	83 (% 10)	55 (% 14)	48 (% 11)	62 (% 16)	41 (% 15)	418 (% 10)	385 (% 9)
Senior Management Employees (number)												
By Gender	7	4	5	5	4	4	1	1	22	24	39	39
Women	1	0	0	0	0	0	0	0	0	1	1	1
Men	6	4	5	5	4	4	1	1	22	24	38	38
By Age Group												
Under 30	0	0	0	0	0	0	0	0	0	0	0	0
Between 30-50	3	1	3	0	0	0	0	0	9	13	16	18
Above 50	4	3	2	1	3	4	0	0	0	12	23	21
Mid-level Management (number)												
By Gender	29	28	26	19	13	12	9	9	17	0	0	0
Women	4	4	3	2	1	1	0	0	4	7	12	14
Men	25	24	23	17	12	11	9	9	13	16	82	77
By Age Group												
Under 30	0	0	0	0	0	0	0	0	0	0	0	0
Between 30-50	17	15	14	10	5	4	7	7	10	17	53	53
Above 50	12	13	12	9	8	8	2	2	7	6	41	38
Recruitment (number - %)												
By Gender	154	35	155	33	72	15	13	84	24	19	418	186
Women	11 (% 7)	10 (% 29)	11 (% 7)	7 (% 21)	4 (% 6)	6 (% 40)	3 (% 23)	13 (% 16)	13 (% 54)	6 (% 32)	42 (% 10)	42 (% 23)
Men	143 (% 93)	25 (% 71)	144 (% 93)	26 (% 79)	68 (% 94)	9 (% 60)	10 (% 77)	71 (% 84)	11 (% 46)	13 (% 68)	376 (% 90)	144 (% 77)

GRI Indicators	References	Page	Description	Response Level
Profile Disclosures				
1.1	Message From the Chairman	2-3		Full
	Message From the General Manager	4-5		Full
1.2	Message From the Chairman	2-3		Full
	Message From the General	4-5		
	Corporate Responsibility Management	34-37		
2.1	Contacts	46		Full
2.2	Corporate Website		www:products>products information	Full
2.3	Tüpraş by Highlights	6-11		Full
2.4	Contacts	46		Full
2.5	Tüpraş by Highlights	6-11	Tüpraş operates in Turkey except for supply and exportation processes.	Full
2.6	Tüpraş by Highlights	6-11		Full
2.7	Tüpraş by Highlights	6-11		Full
	Tüpraş Annual Report 2011	2		Full
2.8	Tüpraş by Highlights	6-11		Full
	Performance Indicators	40-42		Full
2.9	Corporate Website		www:Investor Relations>Material Disclosures	Full
2.10	Achievements and Awards	38-39		Full
3.1	About the Report	1		Full
3.2	About the Report	1		Full
3.3	About the Report	1		Full
3.4	Contacts	46		Full
3.5	Corporate Responsibility Management	34-37		Full
3.6	About the Report	1		Full
3.7	About the Report	1		Full
3.8	About the Report	1		Full
3.9	About the Report	1		Full
3.10	About the Report	1		Full
3.11	About the Report	1		Full
3.12	GRI Index	46-52		Full
3.13	Legal Disclaimer	46		Full
4.1	Tüpraş Annual Report 2011	99-102		Full
4.2	Tüpraş Annual Report 2011	99		Full
4.3	Tüpraş Annual Report 2011	26-29; 35; 99		Full
4.4	Stakeholder Engagement	36-37		Full
	Tüpraş Annual Report 2011	97		
4.5	Employee Benefits	29		Full
	Tüpraş Annual Report 2011	101		
4.6	Tüpraş Annual Report 2011	96-97		Full
4.7	Tüpraş Annual Report 2011	99-100		Full
4.8	Business Continuity	15		Full
	Tüpraş Annual Report 2011	97-98		Full
4.9	Business Continuity	15		Full
	Risk Management and Internal Audit	35		
	Tüpraş Annual Report 2011	97-98; 103-105		

GRI Indicators	References	Page	Description	Response Level
Profile Disclosures				
4.10	Tüpraş Annual Report 2011	99-102		Full
4.11	Business Continuity	15		Full
	Risk Management and Internal Audit	35		
	Tüpraş Annual Report 2011	97-98; 103-105		
4.12	Tüpraş Annual Report 2011	97-98; 103-105		Full
4.13	Corporate Responsibility Management	34-37		Full
4.14	Corporate Responsibility Management	34-37		Full
4.15	Corporate Responsibility Management	34-37		Full
4.16	Corporate Responsibility Management	34-37		Full
4.17	Corporate Responsibility Management		www: Investor Relations>Corporate Governance>General Meeting Minutes	Full

Disclosures on
Management Approach

DMA EC	Tüpraş by Highlights	6-11		Full
	Economic Overview	12-17		
	Community Overview	30-34		
	Performance Indicators	40-42		
DMA EN	R&D Activities	17		Full
	Environmental Overview	18-23		
	Performance Indicators	40-42		
DMA LA	People Overview	24-29		Full
	Performance Indicators	40-42		
DMA HR	Human Rights	25-26		Full
	People Overview	24-29		
	Community Overview	30-34		
	Risk Management and Internal Audit	35		
	Performance Indicators	40-42		
DMA SO	Community Overview	30-34		Full
	Risk Management and Internal Audit	35		
DMA PR	Customer Satisfaction	15		Full
	Risk Management and Internal Audit	35		
	Corporate Website		Products>Products MSDS	

GRI Indicators Performance Disclosures	References	Page	Description	Response Level
EC1	Community Overview	30-34		Partial
	Performance Indicators	40-42		
EC2	Energy and Climate Change	19-20		Partial
EC3	Employee Benefits	29		Full
	Tüpraş Annual Report 2011	124		
EC4	Energy Efficiency Projects	20		Full
	Tüpraş Annual Report 2011	156		
EC5	Performance Indicators	40-42	Tüpraş pays equal salary for equal job, hence no salary difference can be measured by gender. Therefore ratios of entry wage to minimum wage calculated by employee category.	Full
EC6	Economic Impact Area	16		Full
	Performance Indicators	40-42		
EC7	Economic Impact Area	16		Partial
EC8	Community Overview	30-34		Full
EC9	R&D Activities	17		Full
	Performance Indicators	40-42		
EN1	Performance Indicators	40-42		Full
EN2	Tüpraş by Highlights	6-11		Full
	Water Management	21		
EN3	Environmental Overview	18-23		Full
	Performance Indicators	40-42		
EN4	Environmental Overview	18-23		Full
	Performance Indicators	40-42		
EN5	Environmental Overview	18-23		Full
	Performance Indicators	40-42		
EN6	R&D Activities	17		Partial
EN7	Environmental Overview	18-23		Full
	Performance Indicators	40-42		
EN8	Environmental Overview	18-23		Full
	Performance Indicators	40-42		
EN9	Environmental Protection and Biodiversity	21		Full
EN10	Environmental Overview	18-23		Full
	Performance Indicators	40-42		

GRI Indicators	References	Page	Description	Response Level
Performance Disclosures				
EN11	Environmental Protection and Biodiversity	21		Full
EN12	Environmental Protection and Biodiversity	21		Full
EB13	Environmental Protection and Biodiversity	21		Full
	Afforestation Activities	22-23		
EN14	Environmental Protection and Biodiversity	21		Full
EN18	Environmental Overview	18-23		Full
	Performance Indicators	40-42		
EN20	Environmental Overview	18-23		Partial
EN21	Environmental Overview	18-23		Full
	Performance Indicators	40-42		
EN22	Environmental Overview	18-23		Full
	Performance Indicators	40-42		
EN25	Environmental Protection and Biodiversity	21		Full
EN26	R&D Activities	17		Partial
EN27			Tüpraş has no packaged product.	Full
EB29	Greener Distribution via Railway Logistics	20		Full
EB30	Environmental Overview	18-23		Full
	Performance Indicators	40-42		
LA1	People Overview	24-29	Tüpraş yarı zamanlı ya da mevsimsel çalışan istihdam etmemektedir.	Full
	Performance Indicators	40-42		
LA2	Performance Indicators	40-42		Full
LA3			Tüpraş geçici ya da yarı zamanlı çalışan istihdam etmemektedir.	Full
LA4	Human Rights	25-26		Full
	Performance Indicators	40-42		
LA5			Possible changes in company operations or working conditions and workplaces of employees are announced before the execution of the changes, according to minimum notice periods indicated in applicable legal regulations. These periods can vary according to the employee seniority. Collective bargaining agreements regulate minimum notice periods for covered employees.	Full

GRI Indicators	References	Page	Description	Response Level
Performance Disclosures				
LA6			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.	Full
LA7	Health and Safety	26-27		Full
	Performance Indicators	40-42		
LA8	Employee Health	27		Full
	Employee Benefits	29		
LA10	Performance and Career Management	27-28		Full
	Performance Indicators	40-42		
LA11	Performance and Career Management	27-28		Full
LA12	Performance and Career Management	27-28		Full
LA13	Performance Indicators	40-42		Full
LA14			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.	Full
LA15	Performance Indicators	40-42		Full
HR2	Human Rights	25-26		Full
	Risk Management and Internal Audit	35		
	Performance Indicators	40-42		Full
HR4			During the reporting period, 3 discrimination related griveances received through formal mechanisms. All cases investigated and examined throughly in line with corporate procedures. As a result of these investigations, in all cases, complaints were found groundless for futher action. All related parties and press were informed regarding investigation process and results. Griviences were concluded amicably.	Full

GRI Indicators Performance Disclosures	References	Page	Description	Response Level
HR5			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.	Full
HR6			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.	Full
HR7			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.	Full
HR8	Security and Human Rights	28		Full
HR11			During the reporting period, 3 discrimination related grievances received through formal mechanisms. All cases investigated and examined thoroughly in line with corporate procedures. As a result of these investigations, in all cases, complaints were found groundless for further action. All related parties and press were informed regarding investigation process and results. Grievances were concluded amicably.	Full
SO1	Community Overview	30-34		Full
SO2			All business units in relation to procurement and tendering processes are analyzed twice a year for corruption risks.	Full
SO4			No such case occurred during the reporting period.	Full
SO5			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.	Full

GRI Indicators	References	Page	Description	Response Level
SO6			Tüpraş does not directly or indirectly support any political party, movement or initiative, subscribes to no political ideology or agenda; accordingly does not declare any political opinion or position.	Full
SO7			No such case occurred during the reporting period.	Full
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.	Full
PR2			No such case occurred during the reporting period.	Full
PR3			All Tüpraş products are labeled in line with legal regulations.	Full
PR4			No such case occurred during the reporting period.	Full
PR5	Customer Satisfaction	15		Full
PR7			No such case occurred during the reporting period.	Full
PR8			No such case occurred during the reporting period.	Full

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

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Karbon, www.karbonltd.com



Global Reporting Initiative™

Statement GRI Application Level Check

GRI hereby states that TÜPRAŞ - TÜRKİYE PETROL RAFİNERİLERİ A.Ş. has presented its report "Tüpraş Corporate Responsibility Report 2010-2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 2 May 2013



Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio-visual material, this statement only concerns material submitted to GRI at the time of the Check on 26 April 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

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