

*Internalization of
Sustainability*



CORPORATE RESPONSIBILITY REPORT

2015-2016

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MESSAGE FROM THE CHAIRMAN

Dear the Bilim Family and the Distinguished Stakeholders, to the country.

Founded with 100% Turkish capital and with over half a century of experience, Bilim Pharmaceuticals operates with a sense of responsibility not only to its stakeholders but also to its country, and gives direction to its work with this awareness.

I am pleased to present the results of these efforts to your esteemed stakeholders through our 2015-2016 Corporate Responsibility Report.

While we are rightfully proud of our achievements as a company that has achieved many firsts within the framework of sustainability, we never forget to ask ourselves “How can we do more?” Our systematic practices provided by institutionalism allow us to adopt a realistic and professional approach to the management of our economic, environmental and social impacts.

We must not forget that in the current era, being open to change and development is not a matter of choice but one of necessity. With this consciousness, we are constantly undertaking activities aimed at improving our economic, environmental and social impacts, as well as ensuring continuity of development as a basis in all of the operational processes that we carry out. We are aware that this is the only way we can only provide the necessary contribution to our sector and

During the reporting period in 53, and today we represent the Turkish pharmaceutical industry in 79 countries. This is the result of our reputation as a ‘Responsible Company’, as well as the quality of our products, an area in which we have never compromised. We are proud of the positive consequences of the actions we take in order to fulfil our responsibilities, beyond being aware of our responsibilities to our employees, our customers and to society. However, we do not find it enough. Not only the pharmaceutical industry should take action together, but also entire business community must act together. We must move with firm steps towards the Sustainable Development Goals in cooperation with all of our stakeholders.

Respectfully,
Bülent Karaağaç
Chairman of the Board of Directors



MESSAGE FROM THE CEO

Dear Stakeholders,

As Bilim Pharmaceuticals, we are shaping our work in order to achieve our vision of being the leading company in Turkey's pharmaceutical market while maintaining our position of being the biggest exporter among domestic drug manufacturers in terms of net exports by maintaining healthy growth with our values and understanding of business ethics in 2023. We have ambitious goals – and to achieve them, we take determined, steady and realistic steps.

By integrating sustainability into our business processes as we take strong steps forward, it is clear that the holistic approach has a significant role in what we do. Beyond identifying and recognizing positive and negative impacts created by our operations, we are aiming to enhance our positive impacts and reduce the negative impacts of our activities to zero wherever possible, and we ensure the continuity of improvement works to reach the target. Communication with our stakeholders represents the most significant contribution to our improvement efforts. The feedback we receive as a result of the communication established with our internal and external stakeholders through different methods guides us in our improvement efforts and plays an important role in the efficiency of our work.

The pharmaceutical industry is, of course, monitored very strictly by the relevant institutions. Many economic, environmental and social impacts that may arise from the activities of the pharmaceutical industry have been brought under state control with the passage laws and regulations. As Bilim Pharmaceuticals, we do not only comply with the laws and regulations, but we also devote our power and resources to the benefit of society with our understanding of “people first”.

We are proud to note more than 800 of the Bilim Pharmaceuticals Community Volunteers have taken part in almost 100 projects in 2015 and 2016 and have contributed to social welfare by reaching out to thousands of people, and this gives us great hope at the same time. I think our employees' serious and professional approach to volunteering is highly important in this regard. The positive effects of the projects carried out under this perspective on the welfare of society can be made permanent.

As we set about raising the welfare of society, we go further than the contributions of our Community Volunteers – valuable as they are. We also support Sustainable Development Goals. We are aware of the necessity of establishing the necessary cooperation in the identified core areas as the private sector and taking action quickly. In this context, we attach importance to creating institutional and individual awareness regarding Sustainable Development Goals in our internal processes. Therefore, we deploy our communication channels to create awareness. We believe that when the importance of the contributions which can be provided individually - over and above what is required in the laws, regulations and corporate rules – is better understood as awareness and consciousness increases, and the great impact that they create is seen in the big picture, which will enable us to reach the Goals more rapidly.

Sustainability is a long journey. We have encountered difficulties during this journey, and will continued to encounter difficulties on the way to achieving success. However, there is no difficulty that cannot be overcome with the right cooperation and perseverance. As Bilim Pharmaceuticals, we would like to thank all of our stakeholders who have never left our side in our sustainability journey.

Respectfully,
Okan Öncel
CEO

BİLİM PHARMACEUTICALS AT A GLANCE TO BE HEALTHY...

WE PROTECT



CARBON FOOTPRINT

Reduction rate of greenhouse gas emissions compared to 2012;
2015: 20,4%
2016: 19%



ENERGY SAVING

By using environment-friendly technology, total energy savings of 300,000 kWh were achieved.



TOTAL AMOUNT OF RECYCLED WASTE

2015: 642,038 kg
2016: 470,675 kg

WE WORK TOGETHER



TOTAL NUMBER OF EMPLOYEES

2015: 1568
2016: 1612



TRAINING HOURS PER PERSON

2015: 44,6
2016: 76,6



KEY FEMALE EMPLOYEE RATE

2015: 15%
2016: 21%

WE ARE GROWING



NET SALES

2015: TL 656M
2016: TL 728M



MARKET SHARE BY BOXES

2015: Ranked 2nd with 6,4% market share
2016: Ranked 2nd with 6,4% market share



PRODUCTION CAPACITY

294 million boxes/year

WE ARE VOLUNTEERS



NUMBER OF VOLUNTEERS

2015: 815
2016: 850



NUMBER OF PROJECTS

2015: 9
2016: 10



NUMBER OF PEOPLE REACHED

2015: 887
2016: 7134

surdurulebilirlik@bilimilac.com

ABOUT THE REPORT

CONTENT

The report includes information pertaining to the period of 1 January 2015 and 31 December 2016 about Bilim Pharmaceuticals' corporate responsibility strategy and its performance in this context. The report covers the activities of the Head Office, the Gebze Production Facility and the Çerkezköy Production Facility.

COMPLIANCE

This report has been prepared in accordance with the GRI Standards: Core option, and in accordance with the United Nations Global Compact Communication on Progress principles.

CONTINUITY

This is the 6th Corporate Responsibility Report to be published by Bilim Pharmaceuticals since 2009. Bilim Pharmaceuticals had published its Corporate Responsibility Reports annually until 2012. The reporting period was changed as biennially by year of 2013.

ACCESS

All Corporate Responsibility Reports, including the previous report published by Bilim Pharmaceuticals on 17 August, 2016, are on the website in a manner that is easily accessible for all stakeholders. (<http://www.bilimilac.com.tr/en/kurumsal-sorumluluk/kurumsal-sorumluluk-raporlari.html>)

QUESTIONS & SUGGESTIONS

All questions, comments and suggestions concerning the Bilim Pharmaceuticals' Corporate Responsibility Reports and its activities within the framework of sustainability can be forwarded to surdurulebilirlik@bilimilac.com.



Goal 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

CORPORATE PROFILE

ABOUT BİLİM PHARMACEUTICALS

Bilim İlaç Sanayi ve Ticaret A.Ş. (Bilim Pharmaceuticals) was founded in 1953 with 100% Turkish capital. We clearly set out our MISSION which is

- Bilim Pharmaceuticals develops drugs that maintain human health and provide treatment. The company produces these drugs at its modern and high-tech facilities at international standards.
- By actualizing the publicity and marketing of its drugs in domestic and foreign markets with focus on the client, the company enables availability of medicines along with customer satisfaction at the highest level.
- It achieves fertile, profitable and sustainable growth through the experience it gained as a rooted corporation which has adopted the idea of quality of life as a life philosophy, and the value it places on people and human life, as well as its collaborations maintained through development and its dedication to change.
- The highest possible level is attained in employee commitment and satisfaction through innovative human resources systems and an organizational structure open to learning with the awareness that competent employees will be a driving force in competition.
- It protects natural resources and the environment with its awareness of social responsibility, places importance on ethical values, and contributes to the social and economic development of society.

in order to take firm steps forward to our VISION 2023: To be the leading company in Turkey's pharmaceutical market by sustaining growth in a healthy manner, and have maintained our position as the biggest exporter of pharmaceuticals in Turkey, as we progress with clear steps to being a net exporter by 2023.

Our determined vision and clear mission are accompanied by our strong VALUES. These basic five values are,

HAPPINESS of HUMAN: We know that the quality of life goes by the happiness of humans. We think that efficiency of our staff reflects on the happiness of our customers. We believe that concept of respect for human is the most important ring of this chain.

RESPECT FOR THE FUTURE GENERATIONS: We know that we have the responsibility against the world. We think that all earthy resources mainly water and energy must be used in a rational way. We believe in the essentiality of contributing to society economically, ecologically and sociologically.

MANAGEMENT THROUGH ETHICAL PRINCIPLES: We all know the importance of the triangle of justice, accountability and transparency. We think that acting ethically constitutes the backbone of our decision making processes, and national and global laws and rules have to be abided by. We believe in the value of laying our head on the pillow with a clear conscience.

CHANGE: We know that the only thing that does not change is change itself. We think that change does not just mean to be open for innovations; however, differentiation and progress come along change. We believe that we have to improve and develop our business constantly through the principle of excellence.

PASSION FOR SUCCESS: We all know that passion is the first step of a success journey. We think that being solution-oriented and having a positive character will take us to the greatest successes. We believe that each sun-rise is the messenger of a new success.

WE PRODUCE WITH OUR VALUES

With our Head Office and our two production plants in Turkey, we are at the service of the health sector in the domestic market and the foreign markets with the generic drugs we produce.

Quantity of Box Production	2015	2016
Gebze Production Plant	93.825.655	89.467.899
Çerkezköy Production Plant	36.003.198	36.479.836
Contract Manufacturing	44.023.562	42.463.962
Total	173.852.415	168.411.697

Çerkezköy Production Plant

Approved by the EU, the Çerkezköy Production Plant – which is one of Turkey's most important penicillin production plants – was built with a total indoor area of 9,250 m² on an area of 22,000 m² in the Çerkezköy Organized Industrial

Zone. The plant entered operation in 1998. Penicillin Oral Solid (tablet, film covered tablets, capsules and dry powder suspension forms) and Penicillin Powder Injectable drugs are manufactured at the Bilim Çerkezköy Plant, which has a production capacity of 49,8 million boxes per year.

With the ISO 9001 Quality Management System, ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System certificates, the plant has proven its compliance with the cGMP regulations as well as with the integrated management system standards (ISO 9001, ISO 14001 and OHSAS 18001).

Pharmaceutical Form Annual Capacity *	
Tablet	13 million boxes (182 million tablet)
Capsule	4.8 million boxes (48 million capsule)
Dry Powder Suspension	12 million boxes
Injectable	20 million boxes
(*) The quantity of products that can be manufactured in 1 shift at the plant.	

The Products and Quantities Manufactured in the Çerkezköy Production Plant

Gebze Production Plant

Approved by the EU, the Bilim Gebze Production Plant is the main drug manufacturing plant that is the largest, most modern and most environmentally friendly in Turkey. Turkey's largest R&D centre in the pharmaceutical industry, which has 4,500 m2 of laboratory space takes place in the Gebze Production Plant.

The Bilim Gebze Production Plant, which is the largest drug manufacturing plant in Turkey according to the production forms, started its production activities in 2008 and was designed and constructed in accordance with the standards set out by the American FDA (Food and Drug Administration), which is one of the world's most prestigious health care authorities. Established on a 60,000 m2 plot in the Gebze Organize Industrial Zone, the plant has an indoor area of 51,500 m2. The Bilim Gebze facility, which has a production capacity of 250 million boxes per year, was planned to cover any needs for capacity increase. Pharmaceuticals in the forms of solids (tablet, capsule, dry powder suspension), sachets, syrups, creams or pomades are manufactured in the plant. The Bilim Gebze Production Plant holds the ISO 9001 Quality Management System, ISO 14001 Environmental Management System and OHSAS

18001 Occupational Health and Safety Management System certificates.

The plant has proven its compliance with the cGMP regulations as well as with the integrated management system standards (ISO 9001, ISO 14001 and OHSAS 18001).

Products and Quantities Manufactured at the Gebze Production Plant

Gastrointestinal products, analgesic-anti-inflammatory products, dermatological products, antibiotics (non-beta-lactam), vitamins and minerals, respiratory system products, anti-parasitic products, sweeteners, central nervous system products, cardiovascular products, iron preparations, muscle relaxants and anti-flu products are all manufactured at the plant.

Pharmaceutical Form	Annual Capacity *
Tablet	72 million boxes (1.5 billion tablets)
Capsule	18 million boxes (0.5 billion capsules)
Syrup	18 million bottles
Sachet	5 million boxes
Dry Powder Suspension	7 million boxes
Cream / Pomade	5 million boxes
(*) The quantity of products that can be manufactured in 1 shift at the plant.	

The Products and Quantities Manufactured in the Gebze Production Plant

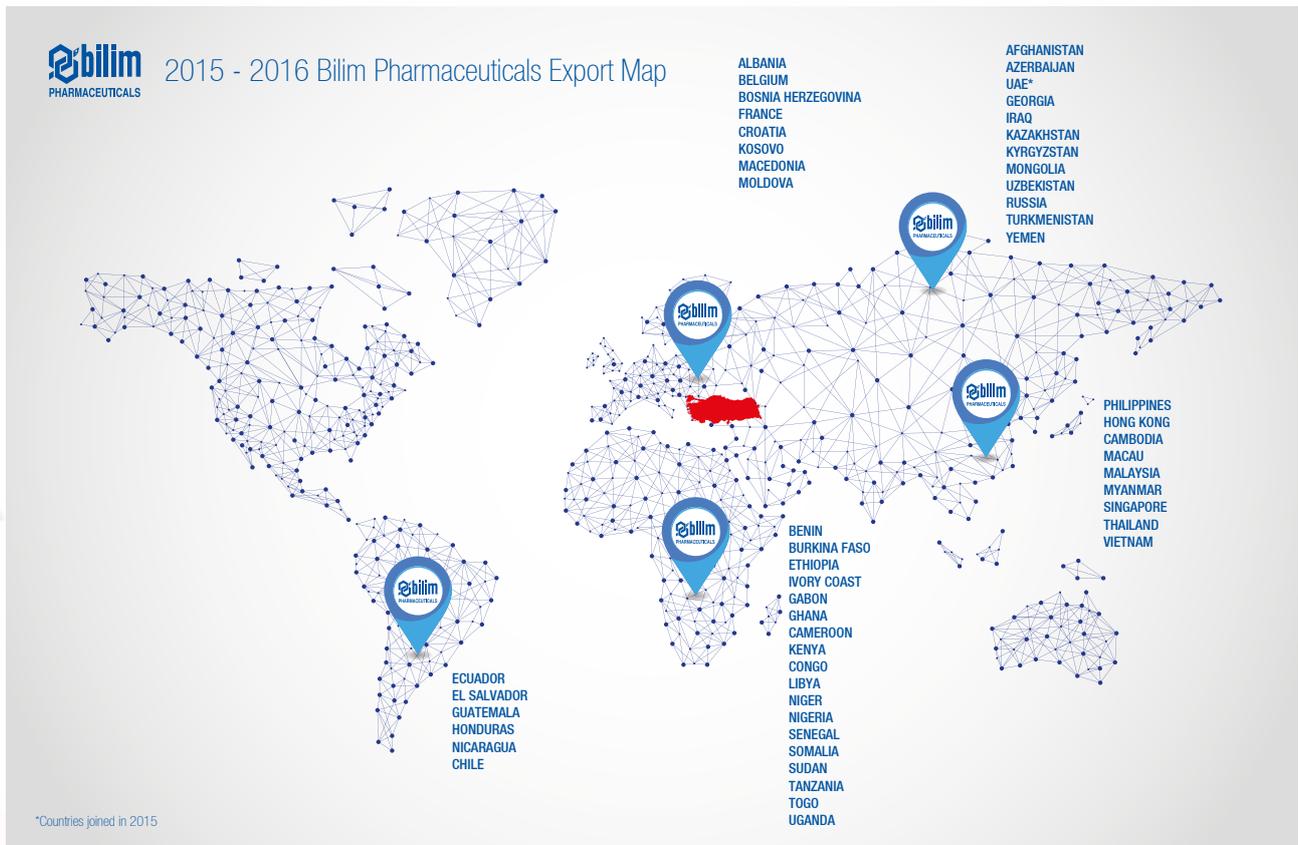
Our Products are Serving Human Health in 53 Countries

We have been pursuing the international sales and marketing activities of our products, which are manufactured in Turkey, since the establishment of Bilim Pharmaceutical Foreign Markets in 1998. Target countries are determined in parallel with the strategic plan and country selection criteria, and local representatives are chosen when entering new markets. In line with the target of establishing representative offices in countries deemed to offer potential, Bilim Pharmaceuticals Representative Offices were established in Moldova in 2007, Albania in 2009 and in Bosnia Herzegovina in 2010, raising the recognition of Bilim Pharmaceuticals on the international platform. With exports to 53 countries in 2015 and 2016, the sales network of Bilim Pharmaceutical Foreign Markets continues to expand each year.

Bilim Pharmaceuticals has set its vision as 'being net exporter in 2020' and has carried out its business activities in foreign markets according to its sustainable growth objective. Our company, which has necessary know how and experience for international sales and marketing activities, has 473 employees who are highly qualified in abroad and head office. That is the reason why Bilim's international market recognition is getting higher each day.

Foreign Markets targets to reach our company's vision 2020 with both Bilim branded products and contracting manufacturing products. In this context, in addition to representative offices in Moldova, Albania and Bosnia, from European Union countries to Africa, from South America to Asia, in more than 50 countries' market Bilim has been positioning its brand. Our export activities, started in 1998, has reached a certain point that certified with second prize in 2016 by Istanbul Chemicals and Chemical Products Exporters Association in the category of Pharmaceuticals Products Export.

In order to realize our vision we constantly follow our opportunities and threats, and manage them with evaluation and revision meetings. In foreign markets, the risks to be managed in this process include the perception of production in Turkey, the price regulations of authorities in target markets, license regulations, delays in obtaining licenses and reimbursement lists, while the positive effect of increase in exchange rate, the decreasing trend in raw material prices, our 18 years of foreign market experience, and Turquality program, which is state-funded and the first and only branding program, such as represent opportunities in the same process. In 2015, Bilim Pharmaceuticals moved to Turquality program from Turquality/Brand support program. Thus, Bilim Pharmaceuticals has become one of 163 companies that the Ministry of Economy has been included in the scope of incentive.



STRONG AND REALISTIC STEPS WITH HIGHLY EXPERIENCED MANAGEMENT

The Chairman of the Bilim Pharmaceuticals Co. does not hold executive duties in the organization. Shareholders may advise the highest governing body, but do not have the authority to issue orders. The methods and mechanisms for obtaining the expectations of the shareholders and other stakeholders are described in detail in the «Strategic Plan (SP) and the Annual Plan and Budget (APB) Approach».

Members of the Board of Directors are elected by the General Assembly and convene at least once a month, and more frequently when deemed necessary, in accordance with the legislation of Joint Stock Companies. Board Members are predominantly individuals with high level of expertise and experience in the fields of marketing, finance and the pharmaceutical industry.

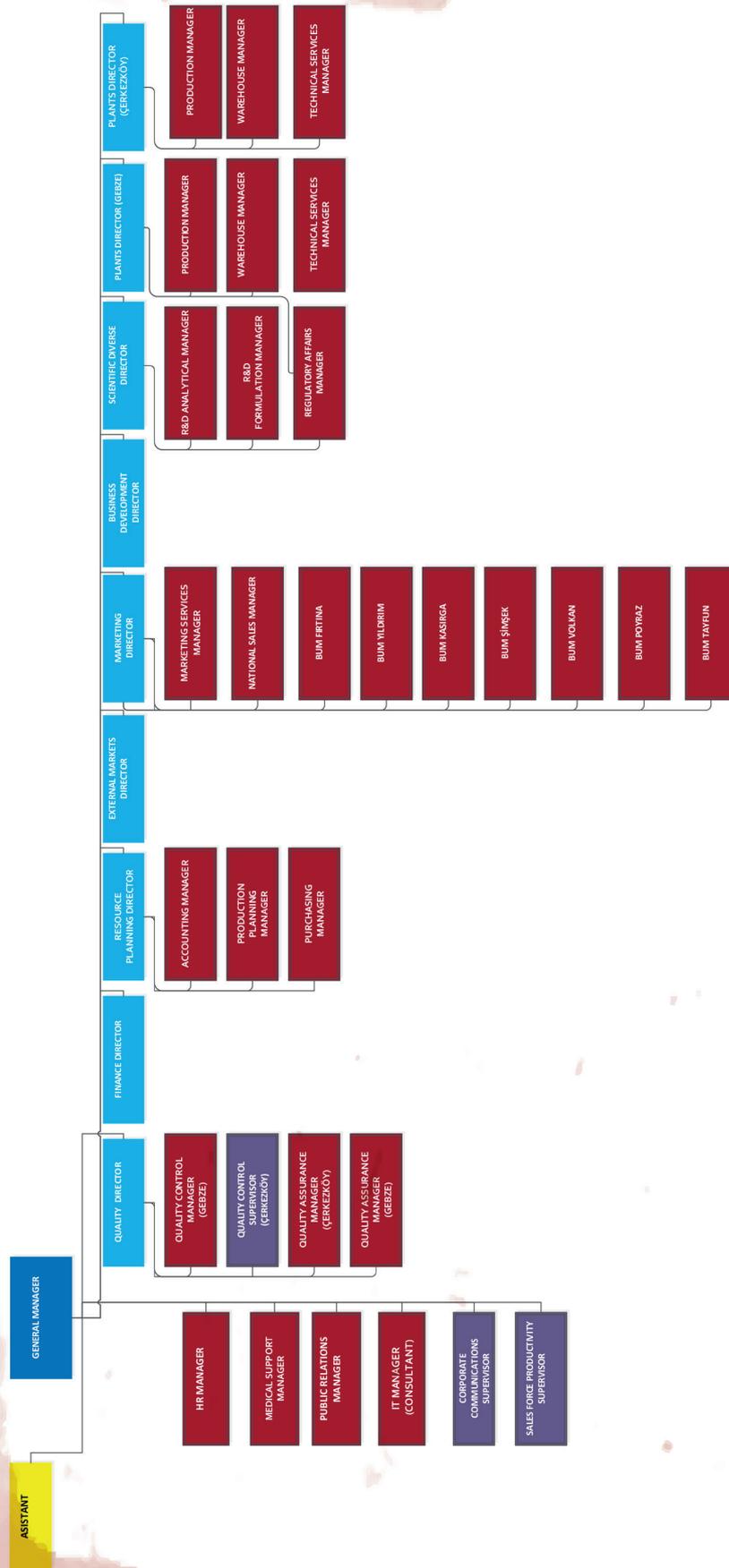
The Board of Directors	
Chairman	Bülent Karaağaç
Member	Mina Karaağaç
Member	Serdar Tamer Kaygan

Chaired by the CEO, the Directors Committee is comprised of the heads of all departments who directly report to the CEO. The committee convenes once a week. The ratio of women in the Committee rose to 38% in 2016 from 36% in 2015.

OUR BOARDS

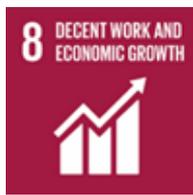
Board of Directors	Quality Execution Board	Sustainability Board	Information and Information Systems Board	Bilim Pharmaceuticals Community Volunteers Board	Environment Management Board (Gebze & Çerkezköy)	Disciplinary Board
Energy Management Board (Gebze & Çerkezköy)	Ethics Board	Human Resources Board	Business Appraisal Board	OHS Board (Gebze, Çerkezköy, Kasımpaşa)	Quality Improvement Board (Gebze & Çerkezköy)	Quality Management Systems Board (Gebze & Çerkezköy)
Career and Leadership Development Board	Resource Planning and Assessment Board	Corporate Communications Board	Product Launch Board	Awards Board	Field Advisory Board	Social and Sports Activity Board
Supply Chain and Cooperations Board	Technology Management Board	New Product Board	Training Board	Cooperation Board	Year-End Period Meeting	

BILIM PHARMACEUTICAL GENERAL MANAGER ORGANIZATIONAL CHART



OUR WORK FORCE

As Bilim Pharmaceuticals, we derive our strength from our young and experienced workforce. The knowledge of our employees with high-level sector experience and the corporate culture they have acquired enables quick adaptation and lends confidence to our new highly energetic employees. The blend of a well-established corporate culture, experience and energy forms the basis of our success, and is directly reflected to all business processes at Bilim Pharmaceuticals.



Goal 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Number of Employees by Gender				
		Women	Men	Total
2015	Head Office	81	74	155
	Çerkezköy	33	125	158
	Gebze	127	307	434
	Field	97	724	821
	Total	338	1230	1568
2016	Head Office	87	77	164
	Çerkezköy	36	133	169
	Gebze	124	296	420
	Field	96	763	859
	Total	343	1269	1612

Number of Employees by Age				
		Women	Men	Total
2015	Under 30	175	458	633
	Between 30-40	130	612	742
	Between 40-50	33	146	179
	Over 50		14	14
	Total	338	1230	1568
2016	Under 30	185	480	665
	Between 30-40	127	594	721
	Between 40-50	29	175	204
	Over 50	3	19	22
	Total	344	1268	1612

Number of Disabled Employees by Gender			
	Women	Men	Total
2015	6	21	27
2016	6	22	28

Employment by Contract Type				
		Women	Men	Total
2015	Indefinite	332	1230	1562
	Fixed Term	6	0	6
	Total	338	1230	1568
2016	Indefinite	338	1268	1606
	Fixed Term	6	0	6
	Total	344	1268	1612

Employment by Seniority				
	Seniority Group	Women	Men	Total
2015	0-2 Years	151	467	618
	3-5 Years	77	241	318
	6-10 Years	66	282	348
	11-15 Years	24	127	151
	Over 16 Years	20	113	133
	Total	338	1230	1568
2016	0-2 Years	163	492	655
	3-5 Years	73	235	308
	6-10 Years	64	280	344
	11-15 Years	21	134	155
	Over 16 Years	23	127	150
	Total	344	1268	1612

In 2015, a total of 482 employees including 365 men and 126 women who were recruited in 0-2 year seniority group, were under the age of 30. In 2016, a total of 516 employees, including 380 men and 136 women, who were recruited in 0-2 year seniority group, were under the age of 30. According to data provided by the Turkish Statistical Institute (TSI), the youth unemployment rate in our country stood at 19.2% in December 2015 and 24% in December 2016. In an economic environment marked by growing youth unemployment, the employment rate of young people, who are taking a new step into business life, stood at 31% at the Bilim Pharmaceuticals in 2015, and 32% in 2016.

(GRI 102-41)

Unionization and collective bargaining is a constitutional right and Bilim Pharmaceuticals respects and does not restrict those rights of our employees within the framework of Employee Rights. Our company is not a member of any union and we do not engage in any union-related activities. No Bilim Pharmaceuticals employee has entered a collective bargaining agreement.

SUPPLY CHAIN

As in any sector, the pharmaceutical sector also requires that product quality is not compromised in any of the processes in the supply chain. Recognizing that we carry a greater responsibility to the end user given that we are working in the health sector, our supply chain management is conducted with five main processes, which are defined within the scope of five upper processes under the control of five different Directorates.

Relevant Directorates
Marketing
Foreign Markets
Resource Planning
Operations
Quality
Upper Processes
Customer Management Upper Process
Supply Chain and Collaborations Management Upper Process
Operation Management Upper Process
Management of Physical Assets and Technology Upper Process
Sustainability Management Higher Processes

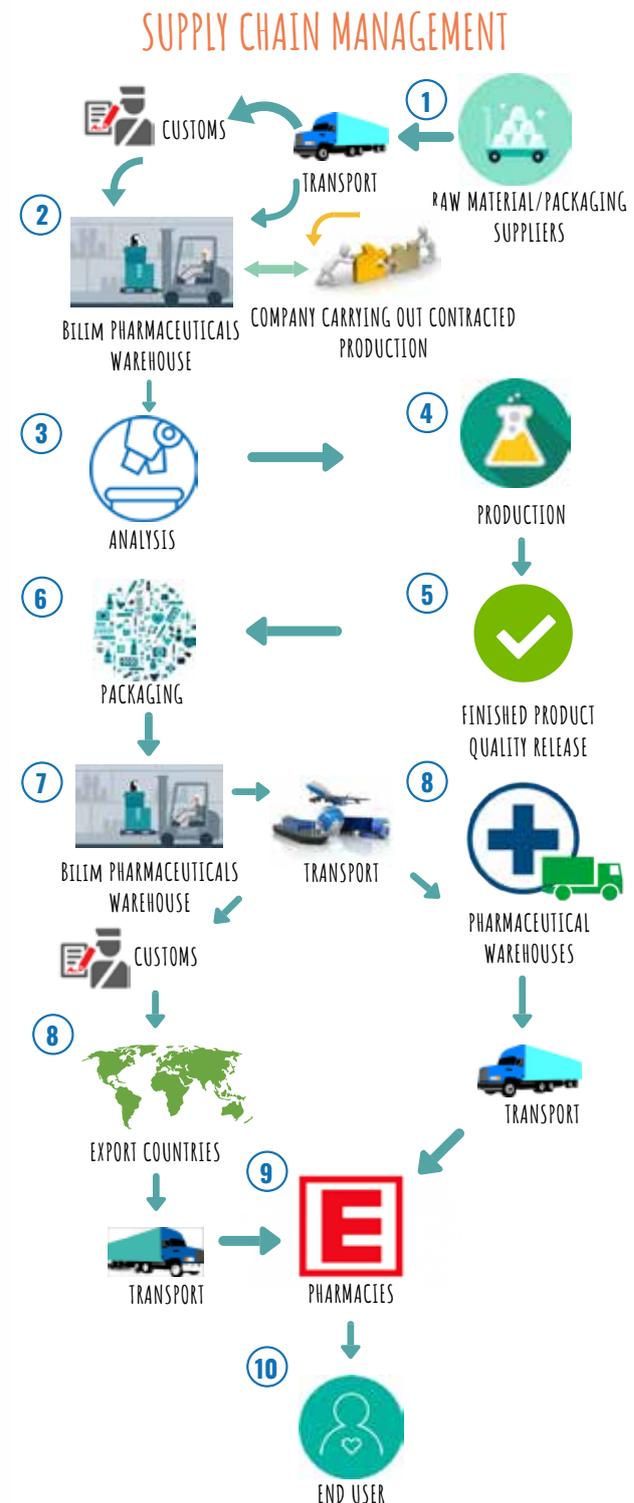
Our suppliers' sector-specific characteristic is labour intensive. Our non-corporate cooperation and suppliers have been identified and categorized in order to plan them in a way to support our strategies and policies, and to manage them to provide sustainable benefits:

Supplier: Suppliers are where there is a business relationship of less than 3 years in which we purchase the materials, products or services required to perform our main business.

Cooperation: Working relationships of more than 3 years in which 6 or more orders are given in a year and which generates or adds value for both sides between the organization and the areas in which it is in the cooperation.

Project Cooperation: Project-based work relationships which generate or add value for both sides between the organization and the areas in which it is in cooperation.

Strategic-Critical Supply and Cooperations: Such cooperations encompass all suppliers and cooperations, from which critical materials and services are procured within the scope of the Current Good Manufacturing Practice (cGMP) and also those suppliers and cooperations which provide leapfrog contribution to the Core Business Targets and which are considered crucial in implementing strategies.



Cooperation and Supply Chain Policy

Our cooperation and Supply Chain Policy includes 6 main elements, both in strengthening the business processes of the Bilim Pharmaceuticals and in consideration of the development of our suppliers;

- We act with the consciousness that cooperation is dependent on working together for a long period of time and a sustainable increase in value. While we determine our strategic and operational cooperations, we take the corporate and strategic needs, the strengths and the skills - which complement each other - as a basis.
- We create and develop a structure that supports each other in terms of expertise, resources and knowledge in order to achieve mutual benefits and achieve common goals with the organizations that we cooperate.
- We establish sustainable relationships based on mutual trust, respect and openness with the organizations that we cooperate with.
- We create approaches for the organizations with which we cooperate, to ensure they participate in idea generation and innovation activities.
- We develop processes to measure and evaluate the performance of the cooperation relationship, and at the same time, we seek to understand the short and long-term expectations of the organizations we work with and to manage their perceptions.
- We provide the necessary information flow and create synergies in order to create added value in the customer-supplier chain. To this end, we monitor our inventories and outputs in the distribution channels online on a product basis and draw up production and supply plans in line with the six-month demand planning that is in implementation. In this framework, we also support our suppliers' supply plans.

Supplier Selection and Monitoring

Competency criteria are fulfilled with the help of the Supplier Collaboration Selection Preliminary Assessment Form (SCSPS). Companies need to fulfil at least 60% of the competency criteria designated in the SCSPS Form to be selected. Work is started with the approval of the relevant director, and information is transferred to the Supply Chain and Cooperation Board. This procedure does not apply to monopolies or formal / semi- formal organizations.

The general criteria sought for all suppliers are given below, and the competencies sought on a subject-specific basis are as follows;

- Compliance with laws and regulations
- ISO 9001, ISO 14001, OHSAS 18001 certifications
- An approach which is in line with the articles with regard to the Human Rights and Working Conditions stated in the UN Global Compact Principles
- Competitive pricing
- Reference company list
- The company's satisfactory background
- New product / innovation ability

Our suppliers are audited periodically in two different ways; (1) questionnaire forms including environmental and social impacts related questions and (2) site-audit.

In 2015 and 2016, our suppliers that are within the audit period are shown in the table below in terms of their number and percentage.

Suppliers that are in Audit Period and that are Audited	2015	2016
Number of Supplier	23	17
Supplier Percentage	5,75%	4,09%

New Supplier Selection

Within the scope of the Supplier / Alternative Supplier Approval and Qualification Procedure numbered as PR.O.KG.000007, new supplier companies are evaluated. In this context, suppliers are sent questionnaires, or audits are carried out in order to examine the compliance of the facilities and quality systems of the suppliers with the GMP within the scope of the Supplier and Subcontractor Company Audit Procedure numbered as PR.O.KG.000029.

In audits and questionnaires submitted to the companies, in addition to the questions related to the GMP, the following questions regarding environmental criteria, social impacts, human rights and their effects on society are usually directed to the companies, and their responses are evaluated.

In accordance with the Supplier Quality Assessment Procedure numbered TT.O.KG.000007, assessments of existing suppliers are carried out annually, thus ensuring the continuity of suppliers' compliance.

1. The company's Quality Management System and the relevant certificates (cGMP, ISO 9001, ISO14001, ISO 180001, HACCP, etc.)

2. Environmental Impacts Significance Analysis Report and actions taken: According to the Environmental Impact Assessment Regulation, work is undertaken to determine whether or not the supplier is covered by the Environmental Impact Assessment (EIA) regulation. The EIA report and relevant legal permits are requested from suppliers and examined within this scope.

3. Risk assessment reports are prepared in terms of HSE and actions taken

4. Risk assessments are performed with the aim of identifying critical operations and the actions to be taken

5. The work accident rate (weight ratio: 1 accident 300 days), and the safety measures taken to reduce the number of work related accidents

6. Whether the raw materials purchased are of animal origin with respect to human health and the existence of any TSE / BSE risks

7. Material safety data forms

8. Documents determining the presence of any materials containing allergens (GMO free, Gluten free, Melamine-free, Aflatoxin free etc.)

In addition, in accordance to the Regulation on Management of Suppliers and Cooperations numbered YY.0.KDP.000002, in selecting collaborators and determining their competence, an evaluation of general criteria such as Compliance with Laws and Regulations, Quality Certificates, approaches in accordance with articles regarding human rights and working conditions specified in the UN Global Compact and the subject-based competencies is carried out.

Percentage of New Suppliers		
	2015	2016
Number of New Suppliers	9	34
Total Suppliers	282	360
Percentage of New Suppliers	3,19%	9,44%

ORGANIZATIONAL MEMBERSHIPS

In our ongoing and newly developed projects, we assess and develop issues within the framework of cooperation with our internal stakeholders, non-governmental organizations and international sustainability platforms in all dimensions.

ORGANIZATION WITH MEMBERSHIP	COMPULSORY MEMBERSHIP	VOLUNTARY MEMBERSHIP
	•	
The Istanbul Mineral and Metals Exporters' Associations (İMMEA)		•
The Gebze Organized Industrial Zone (GOIZ) Industrialists' Association		•
The Çerkezköy Organized Industrial Zone (ÇOIZ)	•	
The Kocaeli Chamber of Commerce	•	
The Gebze Chamber of Commerce	•	
The Çerkezköy Chamber of Commerce and Industry		•
The United Nations Global Compact (UNGC)		•
The Turkey People Management Association (PERYÖN)		•
The Turkey Ethics and Reputation Society		•
The Turkey Corporate Social Responsibility Association (TCSRA)		•
The Quality Association of Turkey (KALDER)		•
The Corporate Volunteers Association (PSVA)		•
The Pharmaceutical Manufacturers Association of Turkey (IEIS)		

SUSTAINABILITY: A MANAGEMENT STYLE

For Bilim Pharmaceuticals, sustainability is about adding value to various assets by setting the necessary improvement goals through an awareness of external environmental conditions, providing systematic management in line with the mission and vision in all processes of the business model, and directing resources and strategies in this direction by being aware of risks and opportunities and regularly measuring and evaluating the company's performance. In other words, sustainability is a style of management for the Bilim Pharmaceutical. Therefore, our sustainability performance is directly managed by the Sustainability Board, which is directly affiliated to the Chief Executive Officer.



In business processes, we began implementing the EFQM (European Foundation for Quality Management) Excellence Model as a quality model in 1998 and we created a more corporate structure in this process. We measure our economic, environmental and social impacts in our working processes and we are continuously preparing improvement plans as we strive to reach better standards.

Our most important goal is to establish a sustainability approach in the corporate culture and to ensure the engagement and development of all of our stakeholders, especially our employees, customers and suppliers.

At Bilim Pharmaceuticals, which adopts business strategies based on sustainable development, “sustainable development” plays an important role in the strategic plan. The development of the corporate values of our company, done together with our employees, and the integration of our values in all of our employees and our processes within the scope of the BI’L Leadership Model which we implement is behind all of this work.

Our Strategic Sustainability Goals

Integrating the sustainability approach in corporate culture
Rising awareness of sustainability by increasing stakeholder dialogue
Conducting improvement actions with the integrated thought system
Setting an example for all sectors in sustainability

SUSTAINABLE DEVELOPMENT GOALS

We are aware that the Sustainable Development Goals (or Global Goals), which are planned to be achieved by 2030, represent the targets deemed possible through the collaboration between the public sector (first sector), the private sector (second sector) and the third sector. Aware of our responsibility as a part of the private sector, we are therefore striving to contribute to the global goals in our sustainability approaches which we integrate into our business processes.

According to the Sustainable Development Goals Index and Dashboards (the SDG Index and Dashboards) 2017 Report¹, Turkey ranked 67th among 149 countries in terms of its performance in 17 Sustainable Development Goals, based on the arithmetic mean. This demonstrates that we need to work harder to achieve sustainable development.

When we look at the goals that Bilim Pharmaceuticals can contribute to, the following goals stand out;

	Global Goals We Contribute To	Relevant Page
	Goal 3: Good Health and Well-Being	27, 45
	Goal 4: Quality Education	62, 65
	Goal 5: Gender Equality	55, 66
	Goal 6: Clean Water and Sanitation	38, 43
	Goal 8: Decent Work and Economic Growth	11, 57, 69
	Goal 12: Responsible Consumption and Production	5, 41, 46, 49
	Goal 16: Peace and Justice Strong Institutions	18, 19

RISK MANAGEMENT

We know that reaching our targets in time and without loss depends on identifying risks that may arise in each area and taking measures to counter these risks.

The required risk management practices include four steps in accordance with the relevant regulations.

The active involvement of the Sustainability Board in the risk management process enables minimising risks which are considered to be critical where there is deemed to be a possibility of occurrence and which could have a high impact, in the phase of prioritising the risks.

In an environment where current processes are undergoing continuous review and improvement, it is essential that we undertake activities and preventive measures so that risks do not arise. In this phase, where preventive and protective actions are taken, the risk management is more effective by ensuring the stakeholder engagement.

plans. This sheds light on where priority should be placed in risk management tactics and the strategies to be created.

The assessment of risks includes the elimination of risks arising from internal or external causes, the minimization of their impacts and the work to be carried out in order to prevent their reoccurrence. The risks which are assessed through risk assessment environments are evaluated in 10 different environments within the framework of specific plans for each strategic risk within the framework of the risk management plan and the impacts are minimised with the necessary measures.

MATERIAL TOPIC: INFORMATION SECURITY

Information security, in other words protection of corporate data, is a crucial topic both for our company and our stakeholders. Information Security and Business Continuity is a material topic for Bilim Pharmaceuticals, both because of the security of our data and our responsibility towards our stakeholders.

We transform our corporate data into knowledge through computerized or traditional systems, and we share this with those employees who are authorized on the basis of information security. We take confidentiality, integrity and accessibility as a basis when processing, transmitting and storing information.

We store and back up all of the information generated within the company to ensure business continuity, the security and updating of knowledge assets, and manage the documents we archive.

Any kind of data generated within the company is registered as a Company Asset Inventory and classified and listed. Our Asset Inventory is listed in the breakdown of Hardware, Software, Electronic data, Physical assets, Buildings, Employees, Processes, etc. and in the details of Department and the environment they are in, as well as in the confidential or company-specific distinction.

The Information Security Management System which we established requires different checks to be applied through selection by means of the risk management method in a wide range of areas ranging from physical and environmental security, human resources security and communication security to information technologies security, and oversees their continuous measurement. Therefore, no assets or processes are left out of the Information Security System at our company.

Risk Management



As a result of the evaluations carried out by all directorates with stakeholder feedback, the risk measurements in which impacts and probabilities are calculated form the basis of the risk management

We identify and evaluate risks, and take measures to eliminate them by analyzing the possible risks facing information assets. Each element which could pose a risk is assessed in terms of confidentiality, integrity or accessibility, and is ranked as low, medium or high. The detailed studies we conduct regarding risk analysis measure the probability of threats and their effect on our business, and determine the actions and responsibilities to be taken for each threat. An Information Security Commitment has been set up with our stakeholders in order to minimize risks.

With an awareness that minimizing the risks to information security is achieved primarily by raising the awareness of employees, we have prepared Information Security Awareness training and we ensured that all the employees took part in the compulsory training programs. The training programs are aimed at preventing the incidence of probable violations and instilling a sense of responsibility in the employer and the employees within the scope of the ISMS (Information Security Management System).

As a company that exports to a number of countries throughout the world, our goal is to obtain the ISO / IEC 27001 Information Security Management System Certificate in 2017 to accelerate the audit processes conducted by the Ministries of Health in the countries we export to, or by international companies, and increase our reliability in the process.

MATERIAL TOPIC: BUSINESS ETHICS COMES FIRST FOR BİLİM

At the Bilim Pharmaceuticals, the fundamental resource that demonstrates our understanding of conducting business is our values. Ethical Management is the most important pillar of our values. Our Ethical Management approach is based on our corporate values and working principles, which are based on the activities we have successfully carried out for many years.



Goal 16.6: Develop effective, accountable and transparent institutions at all levels.

Our Code of Business Ethics serves as a guideline that guides us beyond the laws, regulations, and procedures, which steers our decisions and activities, as well as protecting our organization and our employees. Our Code of Business Ethics consists of two pillars, including Business Ethics Principles and Policies, which play an important role in protecting and strengthening the relationship of trust among all our internal and external stakeholders.

Our Ethical Management approach includes all directors and employees, including the Board of Directors and its Members of our organization. All managers are responsible for ensuring compliance with the Business Ethics Principles and Policies. The Chairman of the Board of Directors is responsible for establishing the Board of Ethics in order to ensure the functioning of the Business Ethics Procedure.

The Board of Ethics

Our Ethics Board functions to instill our values in our employees and to create a positive corporate atmosphere where feelings such as respect, honesty, and responsibility are strongly felt in line with our ethical principles.

Problems faced by employees in their everyday business life in connection to Ethical Principles, and ethical issues and complaints delivered by the employees, suppliers, and customers are discussed at the Board of Ethics. The Board of Ethics reports directly to the Chairman of the Board of Directors on the decisions that it has taken based on the Business Ethics Principles and Policies, which will form the basis for their work, laws, social values and corporate values. The decisions are put into practice with the approval of the Chairman of the Board of Directors.

Our board, which is made up of a total five members, including four dependent (full-time) members and one independent (consultant) member, aims to provide an objective and fair approach in all decision processes at the highest level with the participation of an independent member, who is competent in the field of law.

BOARD OF ETHICS	
Chairman	Human Resources Director
Fully Affiliated Member	Quality Director
Fully Affiliated Member	Medical Support Director
Fully Affiliated Member	Çerkezköy Quality Assurance Director
Independent Member	Labour Law Attorney
THE ETHICS BOARD CONTACT INFORMATION	
Tel: 0212 365 17 61 e-mail: etik@bilimilac.com	

Anti-Corruption

All of Bilim Pharmaceuticals' activities are compliant with laws, regulations and internationally valid legal rules. We carry out our relations with the institutions and organizations that regulate, implement and supervise the rule of law in a manner consistent with our principles of honesty, transparency and accuracy.

Our Ethical Principles Management Commitment prohibits any gift or any payment being given to any person with the intention of providing an unlawful advantage to the company by providing advantages in the purchase and sale of goods and services or with the help of official authorities.



Goal 16.5: Substantially reduce corruption and bribery in all their forms

During our events, we pay special attention to the issues of bribery and corruption. By virtue of the sector that we operate in, we benefit from the knowledge and services of health professionals and scientists. Many of these individuals work in public institutions, and we offer our services mindful of the fact that they are public authorities. It is imperative that no payments or gifts are given to public officials with the intention of influencing their decisions, or which can be perceived as such. The Bilim Pharmaceuticals prohibits all of its employees, consultants, intermediaries and other representatives from any direct or indirect involvement with commercial bribery.

We carry out the communication of our anti-corruption policy and procedures through trainings and code of ethics with all our employees and management bodies. We plan to communicate our anti-corruption policy in written form with our suppliers and business partners starting from 2017.

Bilim Pharmaceuticals offers all of its employees training on corruption and the prevention of anti-competitive behavior, and all employees are required to sign a commitment to comply with the Code of Ethics to make certain of this process. In addition, all workers are required to declare their acceptance of the protection of privacy rights by signing the Confidentiality and Non-Competition Protocol. In the event that these principles are violated, measures are taken in the legal framework.

Our trainings prepared within the scope of our anti-corruption policy are assigned to both our employees and middle and high level managers. The breakdown of the trainings assigned in the scope of business ethics in 2015 and 2016 by management level is stated in the tables below.

	2015	2016
Regional Coordination Manager	12	11
Regional Manager	81	89
Marketing Manager	6	7
Director	8	7
General Manager	1	2
Senior Manager	8	8
Coordinator	1	1
Manager	22	18
Advertising Manager	8	7
Technical General Manager	-	1
Administrator	52	50
Chairman	1	1
Total	200	202

Communication and Training on Anti-Corruption Policy and Procedures – Number of Person and Training Hours				
2015	Number of Participants	Total Training Hours	Total Number of Employees	Number of Employee Assigned Training
Human Rights, Ethics, Marketing Principles Trainings	282	140,5	1975 (including leavings)	298
Percentage of Employees Who Completed Human Rights, Ethics, Marketing Principles Trainings	14% (Ratio to total number of employees)			94% (Ratio to employee assigned training)
2016	Number of Participants	Total Training Hours	Total Number of Employees	Number of Employee Assigned Training
Human Rights, Ethics, Marketing Principles Trainings	898	448,5	1904 (including leavings)	1278
Percentage of Employees Who Completed Human Rights, Ethics, Marketing Principles Trainings	47% (Ratio to total number of employees)			70% (Ratio to employee assigned training)

In its efforts to tackle corruption, Bilim Pharmaceuticals provides access to the Ethics Board for all stakeholders, not only our employees, through our actively used complaints mechanisms in addition to the training provided. Any members of the Bilim Pharmaceuticals who inform of any irregularities are under employment protection. Their employment cannot be terminated by any person or manager because of their complaints. Likewise, members who have been the subject of false complaints are also protected by employment protection. Accordingly, we allow our employees to communicate their complaints to the Board of Ethics without hesitation from their managers, the senior management or their co-workers.

During the reporting period, no legal action was taken in relation to trustification or monopolization. No cases corruption were raised during this time frame, and no termination of employment or disciplinary measures were taken in connection with corruption. There were also no cases of termination resulting from any violations regarding corruption with our business partners.

Anti-Counterfeiting

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

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

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

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

OUR STAKEHOLDERS: OUR COMPANIONS ON OUR SUSTAINABILITY JOURNEY (GRI 102-40, GRI 102-42, GRI 102-43)

Communicating with our stakeholders and identifying the steps we take by taking into account their expectations enables us to work more effectively in our sustainability journey. Communication methods and frequency vary between stakeholder group, but continuity is the most important element in stakeholder engagement being meaningful.

Stakeholders	Communication Channels	Goal
Employees	Announcement Boards (Continuous)	To achieve a unity of the language and goals among our employees through active and various communication channels/ tools, to provide the opportunity to follow the corporate agenda and guidance, to increase their competency, to contribute to their development, to ensure their participation in work processes and to promote their motivation and loyalty.
	The Bilim Portal (Continuous)	
	Electronic Communication (Continuous)	
	Quality Day (When necessary, on Directorships basis)	
	CEO Information Meetings (Twice a Year)	
	Marketing End of Period Meetings (Once a Year)	

(GRI 102-40, GRI 102-42, GRI 102-43)

Stakeholders	Communication Channels	Goal
Employees	Open Door Meetings (Monthly)	To achieve a unity of the language and goals among our employees through active and various communication channels/ tools, to provide the opportunity to follow the corporate agenda and guidance, to increase their competency, to contribute to their development, to ensure their participation in work processes and to promote their motivation and loyalty.
	Introduction Cocktail (When necessary)	
	"Welcome on Board" Meals (When necessary)	
	Meetings with a special agenda (When necessary)	
	Social-Sport Activities (within the communication plan)	
	The Activities of the Bilim Family (within the communication plan)	
	Field Period Meetings (quarterly)	
	HR Regional Visits (When necessary)	
	Employee Satisfaction Survey (Bi-annually)	
	Subject specific Surveys (Once a Year)	
	Focus Group Interviews (Once a Year)	
	Performance Interviews (Once a Year)	
	Individual Suggestion System (Continuous)	
	Boards (quarterly)	
	Guest of the Month (within the communication plan)	
	Department Meetings (When necessary)	
	Bilim Portal-News from the Bilim (When necessary)	
	Motivation Practices (When necessary)	
	Marketing-HR Coordination Meetings (When necessary)	
	Quality Circle and Quality Improvement Projects	
The Bilim Pharmaceutical Community Volunteers Platform (Continuous)		
Reputation Ambassadors Platform (Continuous)		
Orientation Program (Monthly)		
Exit Interview (When necessary)		
Customers	Medical Promotion Representative Visits (Continuous)	To understand customer's expectations and requirements accurately by establishing two-way, sustainable, qualified communication channels with our customers, and to apply our processes in this direction.
	Factory Visits (Continuous)	
	Customer Visits (Continuous)	
	Scientific Meetings Congresses / Panels / Conferences (When necessary)	
	Customer Satisfaction Survey (Bi-annually)	
	Customer Focus Group Research (When necessary)	
	Pharmacy Consultancy Board (When necessary)	
	Physician Consultancy Board (When necessary)	
	Foreign Market Partner Meetings (Continuous)	
	Phone Calls (Continuous)	
	Complaints (Continuous)	

(GRI 102-40, GRI 102-42, GRI 102-43)

Stakeholders	Communication Channels	Goal
Suppliers and Collaborations	Supplier Visits (Continuous)	To conduct ethical trade with our suppliers and collaborators and to create an awareness of sustainability.
	Factory Visits (Continuous)	
	Supplier Satisfaction Survey (Bi-annually)	
	Supplier Evaluation Survey (In selecting new suppliers and when necessary)	
	Business Partnership Summit (Bi-annually)	
	Supplier Audits (Continuous)	
	Phone Calls and Visits (Continuous)	
Shareholders	The Board of Directors Meetings (Monthly)	To enhance satisfaction levels and investment motivations.
	Annual Reports (Monthly)	
	Annual Plan Budget Meetings (3-4 times per year according to the schedule)	
	Strategic Plan Meetings (2-3 times per year according to the schedule)	
Public Institutions and Organizations, Sectoral Associations	Project Partnerships (Continuous)	To provide information about the sector, to ensure full compliance with the laws and regulations, to offer suggestions with respect to new draft laws and regulations in order to contribute to the development of the sector.
	Membership, Participations in Meetings (Continuous)	
	Benchmarking Studies (When necessary/ within the benchmarking plan)	
Non-Governmental Organizations	Project Partnerships	STK'ların gelişimine katkı sağlamak, uzmanlıklarından faydalanmak ve karşılıklı öğrenme ortamı yaratmak.
	Memberships	
	Representation	
Media	Press Meetings (When necessary)	Kurumsal itibarımızı artırmak, şeffaflık ve toplumu bilgilendirmek.
	Press Releases (When necessary)	
	Interviews (When necessary)	
	Factory Visits (When necessary)	
	Organizational Reputation and Perception Research (Bi-annually)	
Society	Awareness Raising Activities (Continuous)	To be sensitive and respectful to the needs of the society. To be proactive in solving social problems and to contribute to social and cultural development.
	Factory Visits (Students-on demand)	
	Organizational Reputation and Perception Research (Bi-annually)	
	Bilim Pharmaceutical Community Volunteers Platform (Continuous)	

(GRI 102-46)

While preparing our 2015-2016 Corporate Responsibility report, we sought to identify the material topics for our stakeholders. Accordingly, within the framework of sustainability, we asked the 6 main stakeholder groups to provide feedback of their expectations from Bilim Pharmaceuticals and the main issues which they want to obtain information by means of this report. We incorporated the feedback received from the stakeholder groups with our corporate strategy and unveiled our priorities within the framework of sustainability.

We used principles, which are stakeholder inclusiveness, sustainability context, materiality and completeness, in the GRI Standards Guidelines as base of this report.

DEFINED MATERIAL TOPICS and BOUNDARIES (GRI 102-44, GRI 102-45, GRI 102-46, GRI 102-47)

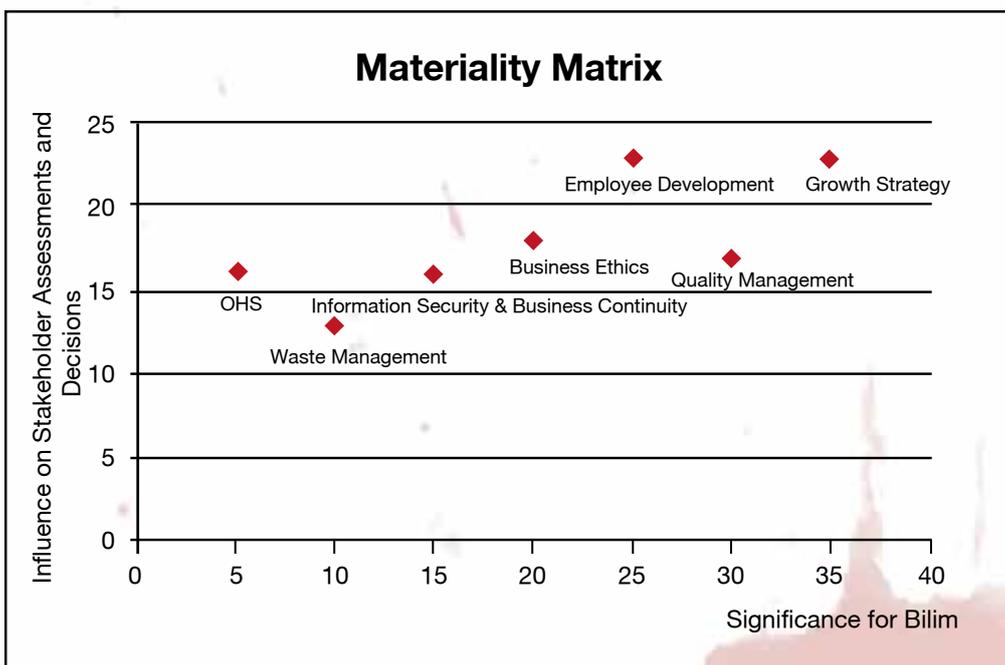
Our 2015-2016 Corporate Responsibility Report covers the economic, social and environmental impacts of the BİLİM İLAÇ SANAYİ VE TİCARET A.Ş. (Bilim Pharmaceutical), which is the only institution to be included in the consolidated financial report. Accordingly, the scope and content of this report was determined based on the activities of the Head Office, the Gebze Production Facilities and the Çerkezköy Production Facilities of BİLİM İLAÇ SANAYİ VE TİCARET A.Ş.

While determining the material topics within the sustainability framework, we have identified the most prominent areas where the impact of our activities is highest, the points where significant impacts occur (within or outside the organization) and which impacts have

strategic importance for Bilim Pharmaceuticals as a result of joint work carried out with the senior management and the Sustainability Board.

Our stakeholders' expectations from Bilim Pharmaceuticals within the sustainability framework and the topics and the most significant impacts of our business processes, from their perspective, were identified through the survey study. In this survey study, we asked our stakeholders about the topics that they consider to be material within the sustainability framework, which will affect their decisions as part of their business relations with Bilim Pharmaceuticals as a stakeholder. Looking at the weighted average of the elements that our stakeholders consider to be material, it was found that the 10 elements included in the following table were deemed to be material topics by our stakeholders.

1. Employee development
2. New target markets
3. Growth strategy
4. Environmental friendly technology
5. Impact of employee wages on local market
6. Domestic market activities
7. Foreign market activities
8. Diversity and equal opportunity
9. Activities for raising awareness of the society
10. Business ethics



(GRI 102-47)

We have brought together the same topics that our stakeholders have determined as material according to the weighted average and the sustainability elements that have strategic importance for Bilim Pharmaceuticals. When we looked at the impact of the seven priority sustainability elements - which are strategically important for Bilim Pharmaceuticals – influence on stakeholder assessments and decisions- we observed that there is significant overlap between the topics. This is an important indicator of how we progress together with our stakeholders on the same track.

Growth Strategy: The topic ranked first for Bilim Pharmaceuticals is ranked second according to the weighted average of the material topics specified by our stakeholder groups. Information regarding our growth performance for 2015 and 2016 is provided for our stakeholders on page 26 under the heading of ‘Healthy Growth’.

Quality Management: Based on feedback from our stakeholders, quality management is ranked as the 12th priority, but is ranked as the second priority for Bilim Pharmaceuticals. It is an topic with a number important impacts, such as being directly related to the growth strategy, playing an important role in increasing market share and ensuring that products do not cause any problems for end users. Information regarding the performance of Quality Management in 2015 and 2016 is presented for our stakeholders on page 69 under the heading of ‘Quality Management’.

Employee Development: Employee development, which was found to be the most important topic for the stakeholders participating in our survey, is ranked third for Bilim Pharmaceuticals. 75% of our employees, 100% of the NGOs, 70% of pharmacists and 75% of Pharmaceutical warehouses are of the view that employee development is a material topic. Information regarding our performance in this area in 2015 and 2016 is provided for our stakeholders on page 61 under the heading of ‘Employee Development’.

Business Ethics: Business ethics is one of our material topic due to the fact that our industry is oriented towards human health, and as required by our corporate values. Our responsible behaviour in terms of business ethics goes far beyond compliance with legal regulations; the business ethics topic, which is directly related to many other influences such as protecting the rights of our internal and external stakeholders, protecting the interests of our customers and the safe usage of our products by end users, was determined as the 10th most important topic by our stakeholders. Information regarding business ethics is presented for our stakeholders on page 18 under the heading of ‘Business Ethics Comes First for Bilim’.

Information Security & Business Continuity: Information security, which is ranked 15th among 32 topics from our stakeholders’ perspective, is ranked 5th for Bilim Pharmaceuticals. The protection of data and ensuring business continuity are undoubtedly important for all institutions. However, when it comes to health, the importance of information security is even more important. We present information about Information Security, which is our material topic, to our stakeholders on page 17 under the same heading.

Waste Management: We are highly sensitive to our environmental impact. We go further than following the measures as stipulated by laws and regulations regarding adverse environmental impacts that may arise from the activities of our sector. We take all the measures that we can take, in addition to our legal obligations, and consider all kinds of contributions that we can offer. One of our priorities is managing our waste, especially hazardous waste. Information regarding our waste management performance, which is ranked as the 22nd priority for our stakeholders, for 2015 and 2016 is presented for our stakeholders on page 41 under the heading of ‘Waste Management’.

Occupational Health and Safety: Our employees’ health and safety are our priorities in parallel with our understanding of ‘people first’. We present information regarding our OHS performance, which is ranked as the 17th priority for our stakeholders, for 2015 and 2016 for our stakeholders on page 57 under the heading of ‘Occupational Health and Safety’.

(GRI 102-44)

Although not identified as a material topic, we sought to include information required by stakeholders with reference to their feedback. Information that stakeholders requested from us and the relevant pages are included in the following table.

Subject Heading	Relevant Page
Social Investments /Volunteering Based Activities	74-79
Employee Satisfaction	79
CDP (Carbon Disclosure Project) Reporting	79
Stock Planning	80
Supporting Physician Improvement	80
Logistics	80

With our two manufacturing facilities located in Turkey, a workforce of more than 1,500 employees, exports to 53 countries and more than 400 suppliers, we are aware that our activities have a significant economic impact on our stakeholders, and on both national and international economic systems. By keeping these impacts under control, by increasing our positive impacts and by minimizing any negative impacts where they have been identified, we ensure balanced, healthy and continuous development in the economic leg of our sustainability strategy.

MATERIAL TOPIC: HEALTHY GROWTH

Providing growth is at the forefront of our sustainability strategy at Bilim Pharmaceuticals. In this regard, we carry on our works and collaborations by embracing a strategy of healthy growth with awareness of corporate citizenship, rather than pursuing an aggressive growth strategy.

Our data on economic value, both generated and distributed, is an important indicator that we are on the right track in our balanced and healthy growth strategy.

	2015	2016
Direct economic value generated		
Incomes	TL 660.814.314	TL 734.279.184
Economic value distributed		
Operating Costs	TL 5,187,947	TL 5,810,443
Employee Wages and Benefits	TL 98,650,391	TL 120,363,455
Payments to providers of capital	TL 0	TL 3,100,035
Payments to government		
Taxes	TL 24,016,675	TL 44,726,970
Penalties	TL 131,290	TL 73,764

Tax relief and incentives obtained from the government play an important role in ensuring balanced and healthy growth. In particular, it is imperative to systematically advance research and development (R&D) works to achieve success - as it is well known, these works come with a high cost. Continuity of R&D works is one of the key requirements for Bilim Pharmaceuticals to achieve its growth target and improvement of knowledge in the pharmaceutical sector. Therefore, we both contribute to the development of the pharmaceutical sector while we also take strong steps towards meeting Bilim Pharmaceuticals' growth target by benefiting from the incentives and relief provided by the government.

	2015	2016
Total Tax Relief	14.733.576,99	6.784.488,06
R&D Relief	14.733.576,99	6.784.488,06
Institutions Tax Declaration R&D Relief	14.294.937,60	6.319.056,90
Tax Declaration Income Tax Relief	335.935,38	344.703,89
Tax Declaration Stamp Duty Relief	17.103,36	2.959,76
Social Security Institution (SSI) Incentive	85.600,65	117.767,51

The R&D Centre - Financial assistance received from the government (TL)

In addition to the financial assistance and tax relief received from the government for our R&D centre, the SSI incentives and other financial assistance received from the government are detailed in the table below.

	5% Discount Amount	6% Discount Amount	R&D Incentive	Disabled Incentive	Turkish Employment Agency (TEA) Cooperation Incentive	TEA SSI Incentive	Law No. 6111 Incentive	Minimum Wage Incentive	Total
2015	4.056.046,46	138.185,27	85.600,80	59.225,47	567.674,78	0,00	0,00	0,00	4.906.733
2016	5.037.922,24	189.879,35	466.413,97	78.210,93	787.936,89	97.331,87	48.626,58	337.565,34	7.043.887

Other financial assistances received from the government (TL)

OUR MARKET SHARE

Our aim is to increase our share in the box market by increasing demand for our products. Market share data is another indicator of Bilim Pharmaceuticals' robust growth steps.

	2015		2016	
	Rank	%	Rank	%
Prescription Preferences	2	8,1	2	8,1
Box Market	2	6,4	2	6,4
Turkish Drug Market	6	3,4	6	3,5

	2015	2016
Number of Prescriptions	59.281.846	59.195.436
Number of Boxes	122.736.553	128.511.792
TL	560.132.738	676.903.452

According to figures provided by the Turkish Exporters Assembly, we ranked 427th among the Turkey's top 1,000 Exporters in 2015 with USD 39,379,321.03 and ranked in 399th place in 2016 with USD 41,222,006.69 of exports. We are progressing towards our target of growth in exports.

OUR R&D STUDIES

More than 50 scientists in our R&D center are working to offer the equivalents of the reference drugs, when reference drugs' patents are expired, to the market. Established with an investment of 15 million dollars, Bilim Pharmaceuticals R&D Center is the largest R&D center of the Turkish pharmaceutical industry with a laboratory area of 3388 m2 and equipped with 212 high-tech machinery, devices and equipment.

With the new products that we develop, not just for the pharmaceutical industry, we also provide an important contribution to Turkey's economy. Our state-of-the-art R&D center continues its work with high-tech, sensitive laboratory equipment, laboratory information automation and an R&D pilot production facility which meets FDA standards.

Thanks to our constantly developing R&D work, Bilim Pharmaceuticals is proud to be a leader in the Turkish pharmaceutical market with its products developed at its own R&D laboratories, and with products for which the company has obtain licenses. In this respect, our company is the largest domestic manufacturer of generic drugs with respect to original drug sales in the national pharmaceutical market. We maintain our investments in this area in order to protect this position by placing importance on R&D activities.

Our R&D work is currently the focus of our exports to 53 countries, and our exports are growing with each passing year as we obtain licenses for new products. At Bilim Pharmaceuticals, the fundamental starting point in increasing our sales target is to concentrate on technology-based R&D efforts and continuously increase the allocated budget.



Goal 3.b: Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all.

Our R&D Investments

The investments we have undertaken are not limited to buildings and equipment. We also undertake large investments in competent human resources. Project teams working in our R & D department are competent scientific researchers (such as Pharmaceutical Chemistry Specialists, Pharmaceutical Technology Specialists, Patent Lawyers, Pharmacologists and Analytical Chemists). The R & D department employs more than 50 scientists. Within the scope of the Career Management System, which we have been implementing the “Graduate Study Program” has been defined for employees who wish to apply to enroll on a Master’s degree course or PhD, employees in the R&D center are supported.

90% of the products for which we have a license in the international market were developed through our R & D activities. In order to respond to the needs of customers and the market, we also provide licensing files in accordance with international regulations, and also offer the drug portfolio to foreign markets through the high standards R&D centre and manufacturing quality. An example of one of our products sold in Europe is a anti-diabetic drug approved by the German Ministry of Health. In addition, as of the end of 2015, our products were being sold in 53 different countries from the Far East to Latin America and Africa to the Middle East, demonstrating the extent of Bilim Pharmaceuticals’ presence in global market and the quality of its products. In order to meet the requirements of the conditions of different countries, studies were performed in 25 projects among our existing projects, thus contributing to exports.

We have 14 licensed drugs in Western Europe. Our strategy plan for the coming years includes the export of drugs to Europe and the USA from our two manufacturing facilities approved by the UK and Germany.

Even during periods of economic recession, Bilim Pharmaceuticals maintains its R&D investments and aims to further step up its investments in the coming periods. The company aims to allocate 8% of net sales to R&D studies every year, in addition to the fixed investments to be carried out in the coming years.

Bilim Pharmaceuticals is aware of the importance of intellectual capital, and to this end it has established a Patent Department within its organization. Within the framework of the relevant rules, we act in a manner which respects industrial property rights that are protected by the law, while remaining committed to our values. External support is also obtained for other intellectual and industrial rights. We also oversee the intellectual and industrial property rights of the organizations we work with as business partners.

HEALTHY GROWTH

Our operations, which are part of our contribution to sustainable development, provide a contribution to economic welfare and make our presence in the market meaningful, allowing us to have the social license that has a high level of importance for us.

As Bilim Pharmaceuticals pursues its healthy growth, we also contribute to the healthy growth of our stakeholders. One of the most important elements of this is the importance we place on the economic welfare of our employees. As shown in the table below, the rate of our employees’ wages to the minimum wage is above 100%.

Titles	2015		2016	
	Men %	Women %	Men %	Women %
Analyst	251,82	187,20	203,39	155,73
Regional Manager	597,15	648,14	489,77	544,16
Employee	145,11	143,36	135,76	141,60
Operator	213,31	230,51	164,61	197,18
Technician with a 2-years Associate Degree	169,41	157,68	143,09	138,47
Technician	212,83	183,45	163,48	152,37
Medical Promotion Officer	249,96	205,67	201,60	165,93

The Ratio of Average Wages to the Minimum Wage, with Breakdown by Male and Female

All employees working in the representative offices in the countries mentioned in the table below are employed from the local community. The country managers in our representative offices in the countries with the highest export potential are also members of the local community and are in the senior management category. As a result, we both increase our knowledge of local requirements and the market while also contributing to the economic welfare of our employees and the country through local employment.

	2015			2016		
	Number of Employees	Number of Women	Number of Men	Number of Employees	Number of Women	Number of Men
Moldova	29	19	10	23	17	6
Albania	12	7	5	15	9	6
Bosnia	9	5	4	7	6	1
Total	50	31	19	45	32	13

Number of Local People Working in Representative Offices

In many of the countries where we export to, product prices are determined within the framework of relevant laws and regulations. In markets with free pricing mechanism, we set our pricing strategy with the aim of contributing to broadening access to products for community members who have low incomes. By applying discounts in product prices, we contribute to the formation of a healthier population, who are able to more actively participate in the economy. In countries from which we import from, we avoid pricing that exceeds the financial capacity of those on low incomes, as part of our corporate citizenship policy.



The foreign trade deficit, which is of critical importance for the Turkish economy, has remained significant in our industry. The export coverage ratio in the industry was just 19% in 2016, but this ratio stood at 56% for Bilim Pharmaceuticals in 2016.

Turkey General	2015	2016
Turkey's Import of Pharmaceutical Products	4.605	4.521
Turkey's Export of Pharmaceutical Products	921	863
Rate of exports meeting imports	20%	19%

Turkish Pharmaceutical Industry Foreign Trade Deficit (million USD)

Turkey General	2015	2016
Bilim Pharmaceuticals' Imports of Pharmaceutical Products	85,6	77
Bilim Pharmaceuticals' Exports of Pharmaceutical Products	43,4	42,9
Rate of exports meeting imports	51%	56%

Bilim Pharmaceuticals Foreign Trade Deficit (million USD)

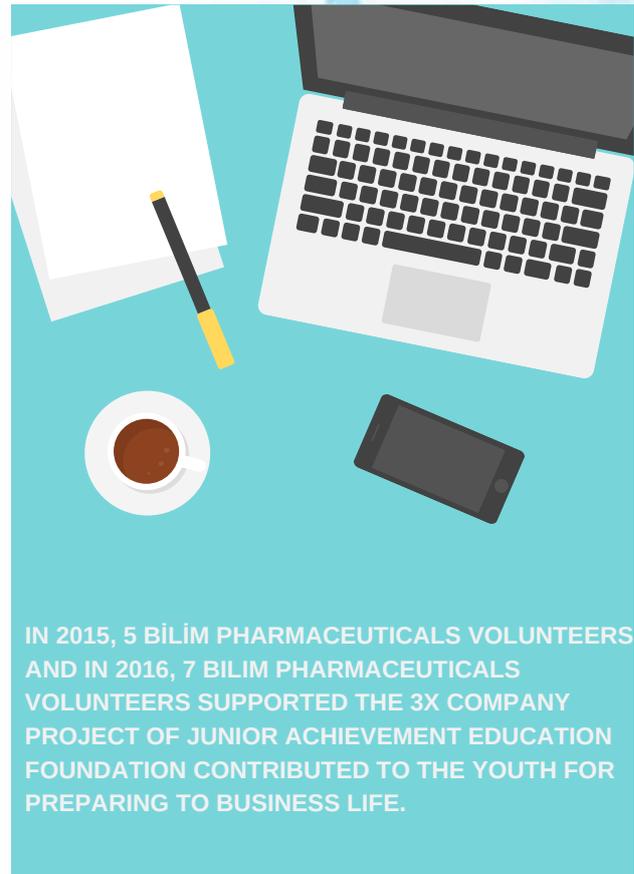
Our economic impact is beyond our employment level, employee wages and taxes we pay. The economic development of our suppliers feeds into the development of the local economy. Therefore, wherever possible, we procure all necessary materials from local suppliers.

Material Group	2015		2016	
	Number of Suppliers	Share in Purchasing (volume)	Number of Suppliers	Share in Purchasing (volume)
Raw material (imported)	91	76,95%	97	75,60%
Raw material (domestically procured)	35	4,44%	42	5,40%
Packaging (imported)	16	4,19%	14	5%
Packaging (domestically procured)	38	13,25%	43	12%
Consumables and Technical Materials-(imported)	89	0,22%	79	0,86%
Consumables and Technical Materials-(domestically procured)	140	0,95%	137	1,14%
Total	409	100%	412	100%

Distribution of Suppliers by Their Share in Purchasing

	2015	2016
TURKEY	216	225
GERMANY	37	39
AMERICA	4	5
AUSTRIA	4	2
BELGIUM	7	8
BULGARIA	0	1
CZECH REPUBLIC	0	1
CHINA	10	9
FRANCE	9	6
CROATIA	1	0
INDIA	51	46
NETHERLANDS	13	8
UK	7	10
IRELAND	0	1
SPAIN	10	7
SWEDEN	1	0
SWITZERLAND	19	17
ITALY	11	17
JAPAN	2	1
CANADA	1	0
KOREA	1	1
LITHUANIA	1	1
HUNGARY	1	1
MALAYSIA	0	1
POLAND	2	1
PORTUGAL	0	1
SERBIA	1	0
THAILAND	0	1
TAIWAN	0	1
GREECE	0	1

Distribution of Number of Suppliers by Countries



Another indirect economic impact occurs as the result of the voluntary service offered by our employees. Our employees voluntarily offered mentorship support to the Junior Achievement Education Foundation's 3X Company Project, which prepares high school students for business life. Students learn managing, gaining customer confidence, learn the supply-demand balance and learn how to overcome many other challenges in business life. We believe the project, in which the volunteers undergo two days of training, will contribute positively to the country's economy in the long-run by ensuring that young people develop a greater consciousness as they join in business life, as well as identifying which professions they want to choose, while working more efficiently in their chosen professions.

WE CONTINUE
TO GROW
TOGETHER WITH
HEALTH



OUR ENVIRONMENTAL IMPACT

OUR ENVIRONMENTAL IMPACT PERFORMANCE

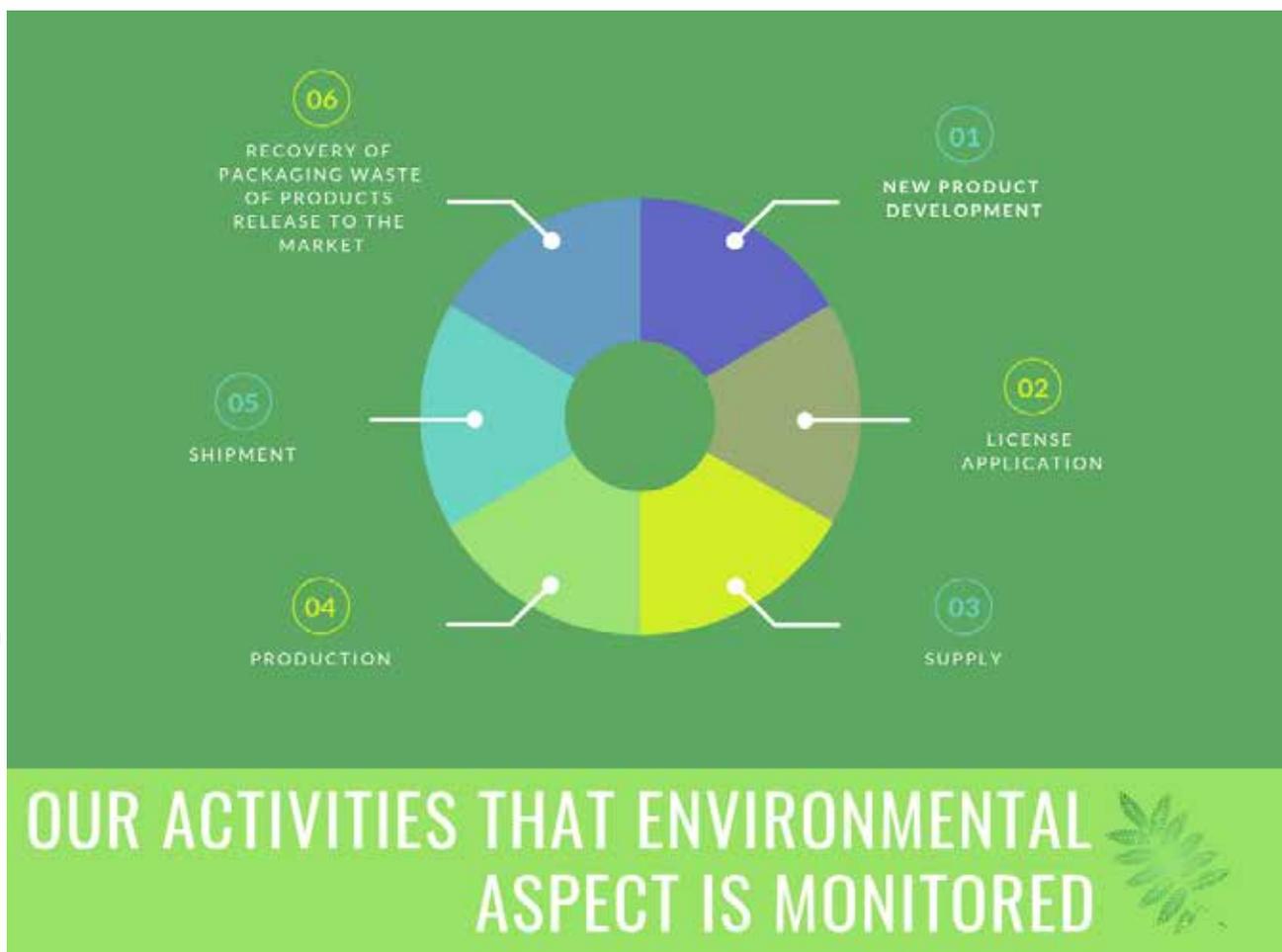
PERFORMANCE



ENVIRONMENTAL IMPACT MANAGEMENT

Our Environmental Impact Management includes impacts regarding our inputs, such as energy and water, and our outcomes, such as emissions, wastewater and wastes. In order to protect the environment, our activities are carried out by considering the environmental dimension and environmental impacts of our business processes starting from new product development and license application throughout the processes of supply, production, shipment and recovery of packaging waste of products release to the market.

Bilim Pharmaceuticals shows maximum effort to use our resources economically. In this context the precautionary approach lies at the forefront of our business processes. In accordance with the requirement of the precautionary approach as described in Principle 15 of The Rio Declaration on Environment and Development, 'in order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.'



The Environmental Management Board, the Energy Management Board and the ISO 14001 Environmental Working Teams are actively involved in the planning and implementation of activities necessary to minimize the identified environmental impacts and in the process of reducing consumption of natural resources, in line with our strategy of «protecting the environment and reducing the consumption of natural resources», within the scope of our sustainability management upper process. The Environmental Management process is carried out with the participation of all of our employees in cooperation with other relevant processes.

The Environmental Management Board and the Energy Management Board have been established under the Sustainability Board umbrella for the management, planning, evaluation and review of the implementation. Environmental Work Teams have been established to perform activities for implementation and mainstream.

The Environment Management System was built on the basis of the Bilim Pharmaceuticals Environmental Policy and Environment - Dimension - Impact Assessment and in line with the Integrated Management System that incorporates ISO 14001 standards. We assess the environmental dimension and environmental impacts of our activities numerically with ISO 14001 working teams by taking into account the legal and local requirements, the inputs and outputs of each process, routine and non-routine operating conditions and emergency situations, the findings of internal and external audits and feedback from stakeholders.

In line with the assessments, our annual environmental targets are determined, reviewed and the Annual Environmental Management Program is established and implemented so that the environmental impacts can be minimized or controlled.

We take all procedures and instructions which we have published for the activities of reducing or controlling significant environmental impacts revealed by the Environment - Dimension - Impact Assessment as a reference. All procedures and instructions in use have been defined in the Environmental Handbook with reference to the requirements of the ISO 14001 standard.

We carry out the assessment of conformity with environmental legislation, including the obtaining of legal permits, approvals and license documents in line with the «Procedure for Monitoring Compliance with Occupational Health & Safety, Environmental Legislation and Other Requirements» and on the basis of the «Compliance Assessment Table».



INPUT MATERIALS

It is obvious that in any sector reducing the density of materials used in production and packaging in every sector and increasing the efficiency of the economy will contribute to the protection of global resources. It is not possible to achieve a significant reduction in the quantities of input materials as the quantities of raw materials that should be used in the content of each product and the standards of packaging in the pharmaceutical industry are determined by laws and regulations. Compared to the production volumes for 2013-2014, there was an increase in the amount of input materials used in parallel with the increase in production in the 2015-2016 periods.

Due to the nature of our sector, we are unable to use recycled products in our raw materials or primary and secondary packaging materials. All the material used in the production processes are for single use only. As such, the percentage of recycled materials used as inputs in production is zero.

	2013	2014	2015	2016
Glass	3.411.425 kg	3.535.745 kg	3.786.783 kg	3.668.275 kg
Labels	83.507.686 items	80.368.829 items	86.075.016 items	83.381.295 items
Raw materials	5.019.190 kg & 82.709 lt	4.903.874 kg & 85.723 lt	5.252.049 kg & 90.809 lt	4.916.809 kg & 87.965 lt
Parcel	582.248 kg	554.699 kg	592.083 kg	573.554 kg
Box	3.065.111 kg	2.907.771 kg	3.114.223 kg	3.016.763 kg
Plastic	49.996 kg	47.631 kg	51.013 kg	49.417 kg
Prospectus	176.001.927 items	167.674.219 items	176.579.065 items	171.053.016 items
PVC-foil	421.027 kg	413.497 kg	442.855 kg	428.996 kg

The 2013-2016 Input Materials

ENERGY USAGE

Our energy consumption directly affects our cost of operations. Both environmental and financial impacts encourage us to take measures in the field of energy use. For this reason, our experienced team is constantly exploring new ways of carrying out our operations in the most efficient way possible with regard to energy consumption, and we are improving on our existing methods. Heating or cooling ventilation systems account for 60% of our energy consumption, details of which are shown below, with the level of consumption affected by the weather.

	2013		2014		2015		2016	
	KWh	Mj	kWh	Mj	kWh	Mj	kWh	Mj
Gebze	17.435.732	62.768.635	17.017.218	62.768.635	17.607.834	63.388.202	18.730.851	67.431.064
Çerkezköy	4.455.333	16.039.199	4.537.894	16.039.199	4.749.063	17.096.626	5.065.362	18.235.303
Head Office	586.262	2.110.543	614.588	2.110.543	627.500	2.258.994	641.725	2.310.204

2013-2016 Total Electricity Consumption

	2013		2014		2015		2016		2017
	T	A	T	A	T	A	T	A	T
Electricity Consumption per Box (kW/box)	0,13177	0,13713	0,12129	0,13713	0,12903	0,132206	0,12938	0,145108	0.1096
Gebze	0,1682	0,17161	0,15751	0,178	0,18203	0,18767	0,18253	0,20936	0,18880
Çerkezköy	0,12204	0,13256	0,1273	0,13216	0,12772	0,13191	0,12764	0,13885	0,1456
Head Office and Regions	0,02822	0,02043	0,01479	0,01949	0,01521	0,014254	0,014476	0,015112	0,01365

2013-2016 Electricity Consumption

Target and actual amounts of electricity and natural gas consumption per box increase over the years. Almost every year new production equipment and new areas are included in the existing system of our production facilities. Consequently, our consumption of electricity and natural gas tend to increase. Moreover, as a result of the global warming, the number of days of Free-Cooling during the winter months, which are significant energy savings in the cooling system, is decreasing each year, which leads to an increase in the amount of electricity consumed in cooling groups. In addition, as of the year 2015, due to the necessity of producing some of our new products in low humidity controlled production rooms, the need for dehumidification steam consumption of air conditioning plants increased and caused an increase in natural gas consumption.

	2013		2014		2015		2016		2017
	T	A	T	A	T	A	T	A	T
Natural Gas Consumption per Box (kWh* /box)	0,1176	0,1159	0,1011	0,111	0,1083	0,1104	0,0973	0,1152	0,0889
Gebze	0,16285	0,15256	0,14330	0,15393	0,15774	0,16436	0,15858	0,17364	0,16021
Çerkezköy	0,0754	0,078	0,0799	0,0882	0,0876	0,09935	0,09640	0,10170	0,10173
Head Office and Regions	0,0432	0,0303	0,0014	0,0058	0,0048	0,00463	0,00531	0,00404	0,004014

2013-2016 Natural Gas Consumption

	2015		2016	
	kWh	Mj	kWh	Mj
Gebze	15.421.344	55.516.834	15.534.983	55.925.938
Çerkezköy	3.576.917	12.876.901	3.710.175	13.356.630
Head Office and the Regions	204.052	734.587	171.859	618.692

2013-2016 Total Natural Gas Consumption

Reduction of Energy Consumption

Within the framework of our efforts for reducing energy consumption, cooling system is ensured to operate efficiently over the COP 12 by keeping the cooling tower supply and return temperature between 20-25 ° C. 300,000 kW of energy was saved by cooling with external air in the free cooling mode with the Free Cooling operating scenario.

With the automation of the Automated Logic Tower condenser, it is possible to operate according to the operating scenarios, keeping energy consumption to a minimum. All pumps were selected on the basis that they could be operated at an adjustable speed in accordance with the lowest energy-consuming operation scenario, and steps were taken to ensure that they could operate in this way.

WATER USAGE

Water is the most important element of a healthy life. As an organization working for health, we undertake awareness raising efforts and provide information on water consumption. In this area, our employees are encouraged to display sensitivity regarding water usage, both at work and at home.



Goal 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

In order to cool 6,000 litres of liquid in the manufacturing tanks, a closed system cooling application was installed and 7,000 m³ of water savings were achieved with the closed system cooling system, when compared to cooling by direct water.

Water Usage in Our Production Facilities

The water required by our Gebze plant is supplied from the Yuvacik Dam, which is a surface water reservoir, through the municipal water network. This water source is not only used by the GOIZ (Gebze Organized Industrial Zone) but is also distributed to residential areas in the region. Within the scope of Plan B, water was extracted from the Denizli Pond for one week in 2011. The Denizli pond is also a surface water source and is kept as a reserve by the GOIZ. This pond also supplies homes and agricultural fields in the area, as well as the GOIZ.

The Gebze Organized Industrial Zone is currently carrying out a preliminary project to provide garden irrigation water to industrial establishments by installing an advance treatment system at the exit point of its current central water treatment facility. When this project is implemented in 2019, we will have the chance to obtain our garden irrigation water from the outflow of the Gebze Organized Industrial Zone's central water treatment facility.

At our Çerkezköy plant, water is provided from 17 deep water wells within the boundaries of the Organized Industrial Zone Directorate. In addition, use of the Yoncali Dam is allocated to the ÇOIZ and the construction contract tender is scheduled to be realized in due course.

We do not withdraw groundwater for the water supply that we use in our production. Therefore, extraction of water does not lead to a change of capacity of the ecosystem to perform its functions in terms of the resources so it does not lead to economic or social consequences on the quality of life in the region.

Water used for the irrigation of the garden, which can exceed 100 tonnes per day in the summer season, is supplied from well water. This was supplemented by water from the municipal water mains when the well water supply was not sufficient, leading to an increase in water consumption in 2016.

	2013		2014		2015		2016	
	T	A	T	A	T	A	T	A
Water Consumption per Box (m3/box)	0,00076	0,00082	0,00072	0,00074	0,00075	0,00086899	0,00076	0,000932
Gebze	0,000107	0,00107	0,000975	0,00102	0,00121	0,00100	0,00101	0,00109
Çerkezköy	0,00065	0,00062	0,00057	0,00055	0,00053	0,00046	0,00047	0,00050
Head Quarters and the Regions	0,00017	0,0002	0,0001	0,0001	0,00008	0,000009	0,0001	0,000054

2013-2016 Water Consumption

EMISSIONS

Greenhouse Gas Emissions

Greenhouse gas emissions caused by our company's activities in 2009 and 2010 were reviewed under the consultancy of an independent institution. We calculated our greenhouse gas emissions in 2015 and 2016 based on the metrics set forth herein. The scope covers direct and indirect energy consumption across the organization, company vehicles, flight distances, personnel transport services and transport between our warehouses and distribution warehouses carried out by the 3rd party companies. Within the Scope 3, the greenhouse gas emissions released during the procurement process of input materials, which are used in our production and distribution services in the supply chain are excluded.

WHAT IS CARBON FOOTPRINT?

CARBON FOOTPRINT REFERS TO THE LOAD THAT A PRODUCT /SERVICE LEAVES ON THE EARTH AS GREENHOUSE GAS. IN OTHER WORDS IT STATES THE FOOTPRINT

DIRECT GREENHOUSE GAS EMISSIONS
SCOPE 1
GHG emissions from sources that are owned or controlled by Bilim Pharmaceuticals

ENERGY INDIRECT GREENHOUSE GAS EMISSIONS
SCOPE 2
GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by Bilim Pharmaceuticals

OTHER INDIRECT GREENHOUSE GAS EMISSIONS
SCOPE 3
Indirect GHG emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of Bilim Pharmaceuticals, including both upstream and downstream emissions

	2011 tCO ₂ e	2012 tCO ₂ e	2013 tCO ₂ e	2014 tCO ₂ e	2015 tCO ₂ e	2016 tCO ₂ e
Scope 1	13.333,18	14.839	12.391	8.916	9.030	9.168
Scope 2	11.555,07	11.896	11.884	11.725	12.152	12.921
Scope 3	3.297,32	2.240,29	4.068	1.444	1.896	1.476
Total	28.185,57	28.975	28.342	22.085	23.078	23.565

Greenhouse Gas Emissions by Year

	2013 CO ₂ e (tonnes)	2014 CO ₂ e (tonnes)	2015 CO ₂ e (tonnes)	2016 CO ₂ e (tonnes)
Flights for Business Purposes	3.243,45	595,16	1.033,83	622,77
Personnel Transport Vehicles (diesel)	403,54	390,17	363,99	380,19
Transfer of Products from the Factory to Pharmaceutical Warehouses (diesel)	420,62	458,48	497,73	472,88

2013-2016 Scope 3 Greenhouse Gas Emissions

Emissions of Ozone Depleting Substances (ODS)

The emissions of ozone depleting substances in 2015 and 2016 are given in the table below.

Location	Cooling Gas	Amount of gas added in 2015 (kg)	t CO ₂ e tonnes 2015	Amount of gas added in 2016 (kg)	t CO ₂ e tonnes 2016
Head Quarters					
Air Cooled Cooling Group, 1x1,45 MWatt	Freon R 22	12,00	21,72	5,00	9,05
The Gebze Production Plant					
Water Cooled Cooling Group, 3x3 MWatt	134 A	-	-		-
	R404 A	22,00	86,28	6,00	23,53
The Çerkezköy Production Plant					
Air Cooled Cooling Group, 1x1.45 MW	Freon R 22	-	-	12,00	21,72

The Emissions of Ozone-Depleting Substances by Weight

Air Emissions

According to the regulations set out by the Environmental Ministry, measurements of air pollutants and atmospheric emissions containing volatile organic components are performed every 2 years. In this context, measurements were carried out in April 2015. Tables are provided below showing the NO_x and SO_x emissions from the use of natural gas, diesel and LPG used in the plants in 2015 are given separately on the basis of the Gebze Production Plant, the Çerkezköy Production Plant and the head office.

Gebze Production Plant

Parameter (kg/hour)	Hot Water Boiler 1	Hot Water Boiler 2	Steam Boiler 1	Steam Boiler 2
SO_x	Not Detected	Not Detected	Not Detected	Not Detected
NO_x (NO+NO₂)	0.324	0.38	0.377	0.374

Çerkezköy Production Plant

Parameter (kg/hour)	Steam Boiler 1	Steam Boiler 2
SOx	Not Detected	Not Detected
NOx (NO+NO₂)	0,43	0,45

Head Office

Parameter (kg/hour)	Boiler
SOx	Not Detected
NOx (NO+NO₂)	0,01

Carbon Monoxide (mg/Nm ³)									
Gebze	max.10	0	max.10	0	max.10	0	max.10	0	
Çerkezköy	max.10	0	max.10	0	max.10	max.10	max.10	max.10	
Sulfur Dioxide (mg/Nm ³)									
Gebze	max.10	0	max.10	0	max.10	0	max.10	0	
Çerkezköy	max.10	0	max.10	0	max.10	max.10	max.10	0	
Dust (mg/m ³ 3% Ref.02)									
Gebze	<5	3,67	<5	3,36	<5	3,12	<5	5,37	
Çerkezköy	max.1	7,2	<5	1,82	<5	max.10	<5	max.10	

Flue Gas Emissions

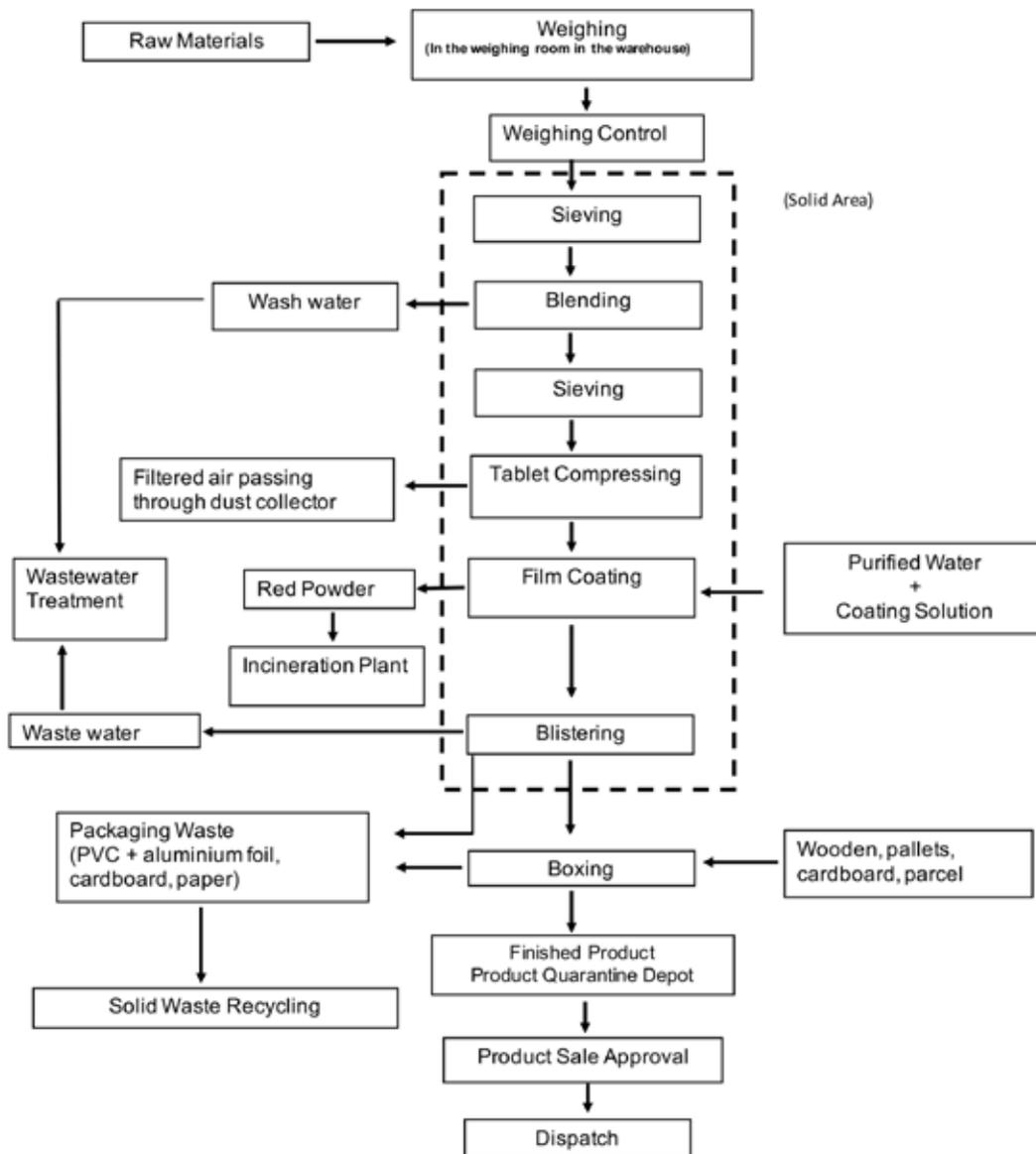
MATERIAL TOPIC: WASTE MANAGEMENT

Waste management is a highly sensitive topic for us because of the sector we operate in. We classify and constantly monitor our waste to ensure effective waste management. We carry out our waste management processes by adhering to the relevant environmental regulations. There were no recorded incidents of non-conformity resulting from the operation of our production facilities during 2015 or 2016, and consequently, no penal action was taken. No environmental accidents / chemical spills or leaks were recorded.



Goal 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

As shown in the sample process flow chart below, we collect all of our waste on a process basis. We separate the wastes according to waste categories such as hazardous waste, industrial waste, recycling and recovery at their source. We ensure the disposal of wastes in cooperation with the companies licensed by the Ministry of Environment and Urbanization by placing priority on recycling / recovery and in a manner which avoids harm to the environment. The quantity of waste generated is recorded at source and is monitored, and monthly trends are also monitored.



Tablet Production Dry Granulation Process Flow Chart

Waste Water Management

At our Gebze Production Plant, our industrial and domestic wastewater treatment plants were shut down in April 2011 after the GOIZ central wastewater treatment plant became active. Domestic and industrial wastewater generated from our activities is collected in the storage reservoirs of our old wastewater treatment plant and transferred to the GOIZ central wastewater treatment plant.



Goal 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

The GOIZ central wastewater treatment plant consists of chemical and biological treatment units. Our waste waters are monitored by the GOIZ twice each month through analysis made in our wastewaters to make sure the values' compliance with the GOIZ central wastewater treatment plant acceptance criteria. The analysis results of our wastewaters carried out by the accredited environmental laboratories that GOIZ works with in the years of 2015 and 2016 are given below.

DATE	COD* (mg/lit)	SULPHUR (mg/lit)	SS** (mg/lit)	PH (mg/lit)
02.01.2015	1606,4	< 0,1	64	7,57
19.01.2015	508	< 0,1	59	8,01
03.02.2015	1461,6	< 0,1	207	8,09
13.02.2015	433,2	0,15	74	7,5
06.03.2015	384,8	< 0,1	345	7,74
16.03.2015	665,2	< 0,1	86	7,02
06.04.2015	1791,2	<0,1	130	6,75
22.04.2015	1710	0,35	753	6,99
04.05.2015	535,2	<0,1	804	6,81
23.05.2015	1557,6	0,65	197	6,28
10.06.2015	4760	< 0,1	277	7,09
24.06.2015	1024	< 0,1	146	6,97
06.07.2015	866,4	< 0,1	31	6,81
23.07.2015	462,4	1,01	122	6,15
08.08.2015	1319,2	0,28	981	6,39
22.08.2015	1544,8	0,98	236	6,63
04.09.2015	1343,2	< 0,1	334	6,86
14.09.2015	1152	0,42	228	7,2
06.10.2015	3628	0,73	356	6,87
14.10.2015	1116	1,84	39	6,83
11.11.2015	1024	< 0,1	81	7,52
23.11.2015	886,4	< 0,1	96	6,46
07.12.2015	462,4	< 0,1	313	7,02
18.12.2015	938	< ,01	64	7,09

The 2015 Waste Water Analysis Results

*COD-Chemical Oxygen Demand

**SS-Suspended Solids

DATE	COD* (mg/lit)	SULPHUR (mg/lit)	SS** (mg/lit)	PH (mg/lit)
5.01.2016	876,8	0,21	201,00	6,75
7.01.2016	1960,0	3,28	62,20	7,58
27.01.2016	1544	1,32	65,27	6,99
7.02.2016	987,71	1,6	51,95	7,14
28.02.2016	538	< 1	38	6,81
14.03.2016	1766,64	< 1	60,2	7,86
27.03.2016	750,99	< 1	36,85	6,76
10.04.2016	444,72	< 1	33,2	6,99
10.05.2016	1103,1	1,36	51,05	6,87
23.05.2016	463,29	2	500	6,74
26.05.2016	1908,33	< 1	48,85	6,48
8.06.2016	2614,5	< 1	58,2	6,75
28.06.2016	924,29	2,49	205,1	6,87
18.07.2016	566,26	< 1	38	6,75
27.07.2016	2911,6	< 3,02	56,80	6,70
7.08.2016	364	1,93	34	6,35
30.08.2016	881,46	1,63	73,48	6,50
8.09.2016	1386	1,63	43,35	6,65
28.09.2016	1537,54	1,83	48,92	6,1
6.10.2016	1292,1	1,47	89,43	6,45
26.10.2016	1463,04	1,55	340,7	7,1
3.11.2016	1532,96	1,56	81,85	6,36
27.11.2016	319,36	< 1	46,9	6,85
13.12.2016	1420,44	< 1	72,67	6,56

The 2016 Waste Water Analysis Results

The GOIZ Central Treatment Plant effluent is discharged first to the Yumrukaya Stream, then the Dil Stream and finally to the Kocaeli Gulf, in accordance with the discharge criteria of the receiving environment.

Industrial and domestic wastewater from our Çerkezköy Production Plant is sent to the central chemical and biological treatment plant of ÇOIZ after the chemical pre-treatment process. Compliance of our waste water with the acceptance criteria of ÇOIZ central waste water treatment plant is monitored by the analysis made by ÇOIZ.

The discharge water of the ÇOIZ central treatment plant is emptied into the Çorlu Stream in accordance with the discharge criteria of the receiving environment. The Çorlu Stream is discharging in the Ergene River, the Meriç River, respectively and then the Saroz Gulf.

The amount of wastewater discharged by our Gebze and Çerkezköy Production Facilities and our Head Office to the receiving environment is given in the following table:

	2013	2014	2015	2016
Gebze	20576	30218	32696	27512
Çerkezköy	9301	9778	16893	19314
Head Office	4607	3265	2387	401

2013-2016 Waste Water Discharge Amount (m³)

Management of Hazardous Wastes

All hazardous wastes generated as a result of our operations are monitored under “the amount of hazardous waste per box” performance indicator.



Goal 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

If the disposal decision is taken for the materials and products rejected by the Quality Control and Quality Assurance departments, a disposal form is issued. On the basis of the disposal form, the products and / or materials are transferred to the project stocks in the SAP system provided that they remain in the rejection warehouse. This information is communicated to the Cost Accounting department. At this stage, informative notifications are sent to the Ministry of Finance and the Ministry of Health. Related persons from the Tax Office and Ministry of Health check the quantities and reasons for disposal. After the letter of conformity, products and materials are destroyed by the authorized institution izaydaş in the presence of the Notary and the Ministry of Health.

	2015	2016
Total Amount of Shelf Sample and Hazardous Waste to be Disposed of (g/box)	0.3672 gr/box	0.8087 gr/box
Amount of Shelf Sample Hazardous Waste (g/box)	0.1682 gr/box	0.0875 gr/box
Amount of Hazardous Waste to be Disposed of (g/box)	0.1990 gr/box	0.7212 gr/box

2015 and 2016 Amounts of Shelf Sample and Hazardous Waste to be Disposed of

The amount of shelf sample hazardous waste and hazardous waste to be disposed per box change according to years, since the drugs taken from the shelf sample and decided to be disposed differ according to years.

In contrast with this process, if a material can be recycled, it is sent to recycling companies. Notification of such products and materials is not made to the Ministry of Health. There is no environmental pollution as a result of our activities. The amounts of hazardous wastes per box and the 2017 targets are provided in the table below.

Performance Indicators	2013		2014		2015		2016		2017
	T	A	T	A	T	A	T	A	T
Process-driven Hazardous Waste (g/box)	1,019	0,900	0,120	0,180	0,902	1,021	1,050	0,755	1,050
Gebze	1,560	1,190	0,118	0,223	1,500	1,776	1,500	1,344	1,500
Çerkezköy	0,330	0,980	0,109	0,063	0,335	0,273	0,340	0,265	0,310
Head office and Regions	0,000	0,000	0,000	0,000	0,010	0,008	0,010	0,000	0,010

2013-2016 Amounts of Hazardous Waste per Box

Waste Types and Disposal Methods

We perform disposal of the products, materials and semi-finished products for which the decision has been taken to dispose of due to the reasons such as the expiration date or not fulfilling the quality specifications, within the scope of the “Rejection and Disposal Procedure”. The following table provides information on classification of wastes and disposal methods.



Goal 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

No	Waste Type / Content	The Name of Waste	Disposal Method
1	Blister that contain residues of hazardous substances or are smeared with hazardous materials, paper / cardboard, plastic packaging wastes, laboratory wastes (HPLC and GC column wastes, TLC plate, capillary tubes, etc.), ink roller and boxes, injector needles (used in laboratories), contaminated wooden, glass or plastic paint cans	Contaminated waste Contaminated glass waste	In accordance with the Waste Management Regulation, such waste is transported by vehicles licensed by the Ministry of Environment and undergoes a recycling process at companies licensed by the Ministry or is sent to the incineration plant.
	Tin plate, plastic raw material barrels and IBC (intermediate bulk container) tanks containing residues of hazardous substances or those which have been contaminated with hazardous substances	Contaminated tin plate package Contaminated plastic package	
2	Filter materials contaminated with hazardous substances, oil filters	Filter waste	In accordance with the Waste Management Regulation, such waste is transported by vehicles licensed by the Ministry of Environment, and are subjected to the incineration process in companies licensed by the Ministry of Environment.
3	Vacuum- Raw material powder wastes, Tablet-Capsule wastes	Powder wastes, tablet capsule wastes	In accordance with the Waste Management Regulation, such waste is transported by vehicles licensed by the Ministry of Environment, and are subjected to the incineration process in companies licensed by the Ministry of Environment.
	Semi-finished product/ Product (Finished product)	Shelf sample stability products semi-finished product/ product (Finished product)	
	Raw materials to be disposed of (raw material liquid-powder wastes released during production and separated for disposal)	Raw materials to be disposed of (Liquid-Powder-Pomade etc.)	
	Finished products to be disposed of (finished products that expired, recalled from the market and became disposable due to quality defects)	Product to be disposed of (Finished product)	
	Oil cleaning solvents	Oil cleaning solvent waste	
	Coating solutions	Coating solution	

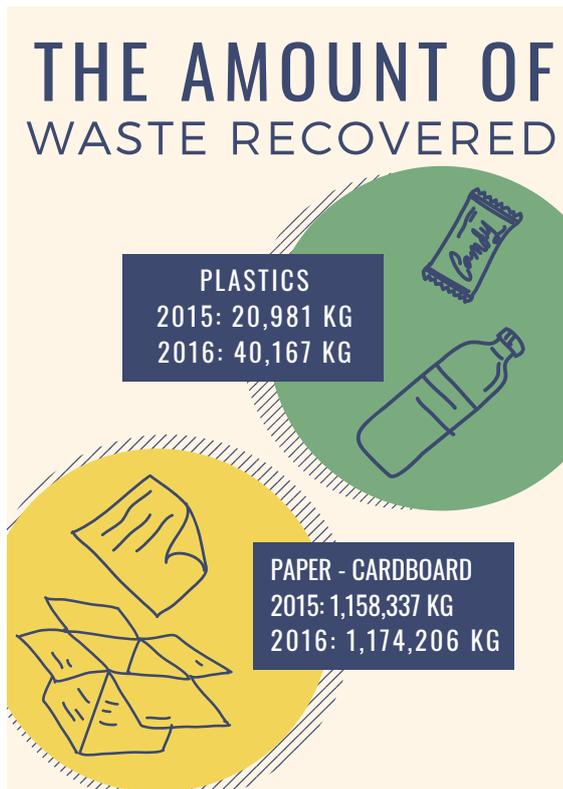
4	Laboratory chemical wastes (acid, alcali)	Waste acid Waste alcali Other chemical wastes	In accordance with the Waste Management Regulation, such waste is transported by vehicles licensed by the Ministry of Environment, and are subjected to the incineration process in companies licensed by the Ministry of Environment.
5	Softening resin	Waste resin	In accordance with the Waste Management Regulation, such waste is transported by vehicles licensed by the Ministry of Environment, and are subjected to the incineration process in companies licensed by the Ministry of Environment.
6	Waste print toners and printer cartridges containing hazardous materials, wastes with ink (Pens, ink boxes, highlighter-glass pens, board markers, etc.)	Waste toner Waste cartridges	In accordance with the Waste Management Regulation, such waste is transported by vehicles licensed by the Ministry of Environment, and are subjected to the incineration process in companies licensed by the Ministry of Environment.
7	Batteries and accumulators	Waste batteries	In accordance with the Regulation on Control of Waste Batteries and Accumulators, such waste is transported by vehicles licensed by the Ministry of Environment and is recycled by companies licensed by the Ministry of Environment.
	Wireless and phone batteries	Waste accumulators	
8	Waste Oil	Waste Oil	In accordance with the Regulation on Control of Waste Oil, such waste is transported by vehicles licensed by the Ministry of Environment, where it is recovered at companies licensed by the Ministry of Environment.
9	Tires of vehicles and forklift	Waste Tire	Such waste is recycled at companies licensed by the Ministry of Environment in accordance with the Regulation on the Control of Expired Tires.
10	Electric-electronic waste (IT and telecommunication wastes, monitoring and control equipment and devices, vending machines, lighting equipment and tools, large white goods, small electrical home appliances, consumer appliances, etc.)	Electric-electronic wastes	In accordance with the Waste Management Regulation, such waste is transported by vehicles licensed by the Ministry of Environment and is recycled by companies licensed by the Ministry of Environment.
11	Fluorescent lamps and other waste containing mercury	Fluorescent waste, waste containing mercury	In accordance with the Waste Management Regulation, such waste is transported by vehicles licensed by the Ministry of Environment and is recycled by companies licensed by the Ministry of Environment.
12	Injectors, blood, body fluids and wastes contaminated with drugs generated by the workplace doctor office	Medical waste	In accordance with the Regulation on the Control of Medical Waste, such waste is transported by medical waste transportation vehicles and disposed of at the incineration plant licensed by the Ministry of Environment.
13	Waste from the garden and cafeteria, and waste from washbasins and toilets	Domestic waste	In accordance with the Waste Management Regulation, such waste is stored at sanitary landfill licensed by the Ministry of Environment.
14	Glass - paper - cardboard - metal - wood wastes clean PVC, aluminium foil	Recycling waste	In accordance with the Regulation on the Control of Packaging Wastes, such waste is recycled in the companies licensed by the Ministry of Environment.
15	Clean blister, the backside of adhesive label, clean bonnet, overshoes	Industrial waste	In accordance with the Waste Management Regulation, such waste is disposed of at incineration plants licensed by the Ministry of Environment.

Recycled and Collected Wastes

In the scope of the Regulation on the Control of Packaging Wastes, we have been collaborating with ÇEVKO, an authorized institution in recycling activities, since 2005 for the collection of our packaging wastes at a specified quota.



Goal 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse



2015 Recycling Obligation: Polythene (PE) 13,927 kg, Polypropylene (PP) 7,054 kg, Paper Cardboard 1,158,337 kg

2016 Recycling Obligation: Polythene (PE)/ Polyamide (PA) 33,051 kg, Polypropylene (PP) 7,116, Paper Cardboard 1,174,206 kg

The packaging materials recycled according to the type of packaging material of the drugs produced change according to the years.

	2013	2014	2015	2016
Recycled Packaging Waste / Plastic	119.471 kg	86.568 kg	70.860 kg	60.640 kg
Recycled Packaging Waste / Paper – Cardboard	378.678 kg	359.980 kg	372.953 kg	210.610 kg
Recycled Packaging Waste / Glass	26.950 kg	12.260 kg	15.570 kg	9680 kg
Recycled Packaging Waste / Scrap pallet	218.727 kg	139.100 kg	182.655 kg	189.745 kg

The Amount of Recycled Wastes

Recycling wastes and packaging wastes that are generated from our production facilities are separated more effectively than each other year by year. Therefore, the amount of recycled packaging wastes is reflected in the data as decreased compared to the previous years.

COMPLIANCE AND GRIEVANCE MECHANISMS

No significant monetary fines or non-monetary sanctions were imposed against Bilim Pharmaceuticals because of non-compliance with environmental laws and regulations. Though, number of grievances about environmental impacts is 0.

ENVIRONMENTAL IMPACTS OF OUR SUPPLIERS

For performance evaluation of raw material suppliers, packaging materials suppliers, contract manufacturing companies and the companies from which other services are purchased, their competencies in the fields of ISO 14001 are checked according to the supplier company's operation field. Questions with regard to environmental impacts are set out in the supplier audit questionnaire and in the quality surveys, which are within the scope of the audit. No significant negative environmental impacts were found during the supplier audits.

EFFORTS TO REDUCE ENVIRONMENTAL IMPACTS

Energy

- The purchase/change of the EFF1 type energy efficient engines
- Using hybrid bearings with lower energy consumption
- Reduction of energy losses by lowering pressures in high-pressure air lines by using local compressed air compressors
- Using energy saving air guns
- Achieving electricity savings by transitioning to using filters which hold energy efficiency certification
- Conducting flash steam recovery
- Transition into using more efficient LED lighting
- Revision of cooling system towers to consume less energy
- Achieving energy saving by reducing the temperature and pressure values in all steam and heating boilers

Water

- Recycling of RO (Reverse Osmosis) waste water
- Recycling of condensation water from the air conditioning plants
- Recycling of blow-down water by modifying tower chemicals
- Switching from the use of municipal water to well water and recycled water for garden irrigation

Emissions

- Increasing boiler efficiency by increasing the period of modulation settings in the natural gas boilers.

Waste

- Reducing the amount of waste by tackling the problem of cracking in tablets
- Reducing the amount of waste by reducing the transfer loss ratio of highly viscous materials
- Reducing the amount of waste filter through studies conducted with the aim of prolonging the useful life of the filters
- Reducing the amount of packaging and ink used through packaging optimization

Training

- Allocation of online environmental training for employees



DO NOT FORGET ””
THIS PLANET IS
OUR ONLY HOME

NOWHERE
ELSE TO GO! ””

OUR SOCIAL IMPACT

OUR SOCIAL IMPACT PERFORMANCE

PERFORMANCE



A QUALIFIED WORK FORCE FOR HEALTH

The diversity of the qualifications held by our employees is an important element that is directly reflected on the quality of our business processes. Both the age and gender distribution in our recruitment indicates that diversification in qualification has been achieved. The age and gender distribution in job applications shows that Bilim Pharmaceuticals attracts employee candidates with different qualifications.

The 2015 Total Applications Rate Women / Men

Gender	Number of Applications	Application Rate
Men	23.679	56,2%
Women	18.483	43,8%
Total	42.162	100%

Field Staff Application Rate Women / Men

Gender	Number of Applications	Application Rate
Men	6.662	74,6%
Women	2.266	25,4%
Total	8928	100%

The 2016 Total Application Rate Women / Men

Gender	Number of Applications	Application Rate
Men	35.804	59,6%
Women	24.224	40,4%
Total	60.028	100%

Field Staff Application Rate Women / Men

Gender	Number of Applications	Application Rate
Men	14.424	74,4%
Women	4.975	25,6%
Total	19.399	100%

Age and Gender Distribution of Recruited Employees

	Age Range	Women	Men	Total
2015	Under 30	44	159	203
	Between 30-50	23	153	176
	Total	67	312	379
2016	Under 30	62	158	220
	Between 30-50	16	99	115
	Total	78	257	335

We constantly monitor the balance in the employee circulation in order to ensure that the protection and productivity of the Bilim Pharmaceuticals' human and intellectual capital is not affected negatively. We assess the reasons for employees leaving the workplace and strive to ensure that employee turnover does not cause any discordance or potential injustice in the workplace.

Age and Gender Distribution of Employee Turnover

	Age Range	Women	Men	Total
2015	Under 30	52	171	223
	Between 30-40	25	130	155
	Between 40-50	6	18	24
	Total	83	319	402
2016	Under 30	35	116	151
	Between 30-50	27	89	116
	Between 40-50	10	16	26
	Total	72	221	293

EMPLOYEE RIGHTS

Protecting the rights of our employees and ensuring that they are aware of their rights are under the responsibility of Bilim Pharmaceuticals. For this reason, we secure the rights of our employees with the Employees Rights Policy.



Goal 5.1: End all forms of discrimination against all women and girls everywhere

As a company that supports and respects the The Universal Declaration of Human Rights, our Employees Rights Policy includes elements focused on human rights as well as labour practices. We agree with the statement of “Human rights are not optional” and we do not allow any human rights violations. Our Ethical Management Manual, which serves as our guide for Human Rights, equality and fair management practices, was transformed into an online training reference in 2014 and was defined as a mandatory training area for all of our employees in 2015-2016. Employees who have completed this training sign the Ethical Management Commitment and therefore commit to carry out their work in accordance with these principles.

The Ethical Management training course was completed by 984 employees in 2015 and 312 employees in 2016. A total of 492 hours of Employee Ethical Management training was provided in 2015 and 156 hours was provided in 2016.

30% of our twenty security personnel participated in the Ethical Management training in 2015 and 21% of our 19 security personnel participated in the Ethical Management training in 2016. During the 2015-2016 reporting period, no complaints were reported to the Ethics Board regarding human rights violations or employee rights through official grievance mechanisms.

As a signatory to the United Nations Global Compact, we are sensitive to forced and compulsory labour and child labour topics. We go beyond ensuring that these practices do not take place within the Bilim Pharmaceuticals in any way; we also audit our suppliers both in regard to their labour practices and also in areas which include human rights elements.

EMPLOYEES' RIGHTS POLICY

- NO FORCED LABOUR** (Icon: Wrench)
- NO CHILD LABOUR** (Icon: Children)
- NO DISCRIMINATION** (Icon: Diverse group of people)
- ENSURING OCCUPATIONAL HEALTH AND SAFETY** (Icon: Workers in hard hats)
- ENSURING WORK CONDITIONS IN ACCORDANCE WITH THE LAWS** (Icon: Scales of justice)
- ENSURING SUITABLE WORKING HOURS AND WAGES** (Icon: Clock and briefcase)

Any employee who believes there is an inconsistency between our policies & principles and the laws & practices they face in the workplace may report their questions and complaints to senior management, their managers, the Human Resources Department and the Ethics Board without feeling any inhibition or pressure.

Employee Benefits

Since the year of our foundation, we have provided benefits to our employees as well as legal rights, as part of our corporate responsibility approach. Details of these benefits are given in the table below.

Provided Benefits and Support Practices					
Support Practices	Start Year	Legal Status	Beneficiaries BC: Blue Collar WC: White Collar		
Overtime Pay for All Employees	Since the Foundation	Legal Right	BC-WC		
Quarterly Bonuses for All Employees		Fringe Benefits		BC-WC-FIELD	
Fuel, Birth, Marriage, Religious Festivities and Annual Leave Allowance Payment for All Employees				BC-WC-FIELD	
Providing Transportation for Employees Working Overtime				BC-WC	
Meals for Employees Working Overtime				BC-WC	
Lunch				BC-WC	
Vehicle Allocation to the Company Executives and Field Staff				WC-FIELD	
Shuttle Vehicle for Employees who Serve in Head Quarters, Çerkezköy and Gebze Plants				BC-WC	
Clothing Cheque				FIELD	
Premium System Application				FIELD	
Travel Allowance Payment for Employees on Business Trips				WC-FIELD	
Personal Accident Insurance for All Employees			2001		BC-WC-FIELD
Health Insurance			2004/2006		WC-FIELD
Mobile Phone Line and Laptop	2001/2005/2010		WC-FIELD		
Advance Cash Support on Demand	2003		BC-WC-FIELD		
Emergency Patient Dispatch System	2004		BC-WC		
Credit Card for Field Staff	2005		WC HQs MARKETING- FIELD		
Breakfast for Employees Working at the Head Office, and in the Çerkezköy and Gebze Plants	2005		BC-WC		
Nursing Room for the Employees Working at the Head Office, and in the Çerkezköy and Gebze plants	2010		BC-WC		
Psychological Counselling Unit	2005		BC-WC		

We are aware that the work-life balance is important for every employee and it affects motivation positively. In cases where an employee is required to work overtime, we ensure our employees are fully compensated for their labour. Our employees plan out their overtime and it is carried out with the approval of our managers. Employees who work overtime are paid for the additional hours they work in accordance with the rates determined by the laws, and are reflected to their payroll in the relevant month.

Maternity leave is one of the rights given to our employees. It is provided to fathers as well as mothers. The fact that more than 50% of employees returned to work after their maternity or paternity leave in 2015 and 2016 stands out as a for which we attach importance to in terms of protecting and improving the place of our women employees, in particular, in the economic system.

	Employees Taking Maternity Leave	Returning	Rate of Return
2015	34	34	100%
2016	28	28	100%

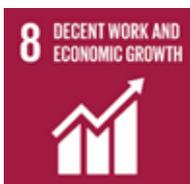
Return to Work Ratio After Maternity Leave

	Employees Taking Maternity Leave	Returning	Rate of Return
2015	34	34	100%
2016	28	28	100%

Remaining at Work Ratio After Maternity Leave

MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY

The Occupational Health and Safety Management System is structured on the basis of the Bilim Pharmaceuticals OHS Policy and risk analysis. Risk analysis practices are repeated every 3 years in accordance with the Risk Assessment Regulation across the corporation. In risk analysis, risks are determined by evaluating the dangers arising from our activities, the probability of their realization and their severity. By taking into account the severity of the risks, an action plan is established regarding the risks that are not acceptable. Targets for reducing these risks to acceptable levels are integrated into the annual OHS targets. Activity plans are included in the OSH management program and the management program is reviewed in the determined periods.



Goal 8.8: ÇProtect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

The Occupational Health and Safety Board is composed of managers and specialist departmental representatives as specified in the OHS Board Format, in addition to the structure specified in the occupational safety legislation. The Board meets at least once a month and evaluates and reviews with the following schedule.

- Risk analysis results, the OHS targets and the OHS management program
- The findings of internal and external audits, corrective and preventive actions and improvement plans
- Findings and suggestions brought by employee representatives and other board members
- Notifications of work accidents, accident risks, near miss incidents and occupational illnesses
- OHS training activities
- Preparing for natural disasters and emergencies
- Evaluation and review of the progress of improvement activities resulting from the Current Situation Analysis
- Evaluation and review of changes in official authority legislation (when necessary)
- Evaluation of Performance Indicators related to the OHS (every month)
- Evaluation and review of innovative and creative ideas and benchmarking and learning (when necessary)
- Evaluation and review of Occupational Health and Safety Policy (in the last quarter of the year)

All employees are regularly checked and tested under the “Workplace Health Surveillance Procedure”. At Bilim Pharmaceuticals, there are no employees who are encountered with high of risk of contracting a disease due to work activities.

OHS Guides

The committee of health and safety with joint representation contributes to a positive health and safety culture. By utilizing the committees, we strive to ensure that the employees play a role in promoting the improvement of occupational health and safety in the workplace.

Our guides are composed of managers and specialists determined by departmental directorates. They gather once a month or more frequently when necessary with the agenda of carrying out risk analyses within the scope of IMS (Integrated Management System), reviewing the OHS Standard Operating Procedure (SOP) and its instructions in the direction of experiences obtained through application, ensuring compliance with safe working rules in the departments of which they are representative, evaluating OHS declarations, participating in internal audit activities and planning and conducting activities for areas open for improvement. The total workforce represented in the official, joint management-employee health and safety committees that help monitor the Employee Health and Occupational Safety Programs and advise on these is as shown in the table below.

		Total Number of Employees	Employees in Charge	Ratio to Total Number of Employees
2015	Head Office Occupational Safety Board	155	10	7%
	Gebze Plant Occupational Safety Board	434	22	5%
	Çerkezköy Plant Occupational Safety Board	158	13	8%
	Head Office OHS-E Guides	155	7	5%
	Gebze plant OHS-E Guides	434	17	4%
	Çerkezköy Plant OHS Work Team	158	10	6%
2016	Head Office Occupational Safety Board	164	10	6%
	Gebze Plant Occupational Safety Board	420	22	5%
	Çerkezköy Plant Occupational Safety Board	169	13	8%
	Head Office OHS-E Guides	164	7	4%
	Gebze Plant OHS-E Guides	420	18	4%
	Çerkezköy Plant OHS Work Team	196	10	5%

The Number of OHS Boards and Guides

Occupational Health and Safety in Our Production Facilities

Our two production facilities are subjected to the OHSAS 18001 Occupational Health and Safety Management System and its applications. There are workplace physicians, a rest room, psychological counseling services and nursing room facilities available for any health problems that our employees may experience.

As an organization serving the health sector, we also have a sports hall and outdoor walking areas at our two production facilities in order to encourage our employees to adopt a healthy lifestyle.

Work Accidents

At Bilim Pharmaceuticals, practices related to occupational health and safety are evaluated with the basic performance indicator of the Accident Weight Ratio (AWR). The work accident weight ratio includes accidents which result in lost work days, showing how many hours have been lost per 100 work hours worked in a calendar year.

When any occupational accident occurs, the notification, reporting and statistics of occupational accidents are maintained in accordance with the "Occupational Health & Safety and Environmental Notifications Procedure".

In the calendar year, the Accident Weight Ratio is calculated by dividing the total lost hours occurring due to work accidents by the total work hours of the workers in the reference group in the same year, and by multiplying it by 100.

Accident Weight Ratio = (the total lost hours occurring due to work accidents / the total work hours) x 100

There were no accidents at Bilim Pharmaceuticals that resulted in death or permanent incapacity to work. The Year-Based Accident Weight Ratio and the Year-Based Number of Accidents Occurred with Gender Breakdown data are given in detail in the following tables.

	2015	2016
Accident Weight Ratio (%)	0,023	0,067
Gebze	0,024	0,12
Çerkezköy	0,064	0,067
The HQs and Regions	0	0

Year-Based Accident Weight Ratio

	Year	Women	Day Loss	Men	Day Loss
Head Office	2015	0	0	0	0
	2016	0	0	0	0
Field	2015	0	0	0	0
	2016	0	0	0	0
Gebze	2015	3	10	8	41
	2016	4	24	10	96
Çerkezköy	2015	0	0	2	28
	2016	1	7	3	80

The Year-Based Number of Accidents Occurred with Gender Breakdown

	2013	2014	2015	2016
Illness (%)	0,62	0,84	0,80	0,90
Men (%)	0,52	0,59	0,72	0,71
Women (%)	1,00	1,82	1,10	1,62

Year-Based Illness Ratios

	2013	2014	2015	2016
Absenteeism	0,43%	0,60%	0,52%	0,66%
Men	0,33%	0,43%	0,46%	0,5%
Women	0,86%	1,29%	0,74%	1,16%

Year-Based Absenteeism Ratios

		Annual Total Working Hours	Absenteeism Hours	Illness Hours	Total Absenteeism Hours
2015	Men	3.185.879	14.743	22.964	37.707
	Women	863.025	6.419	9.492	15.911
			4.048.903	21.162	32.456
2016	Men	3.327.284	17.570	23.736	41.306
	Women	871.852	10.108	14.085	24.193
			4.199.136	27.678	37.821

Lost Workforce

Improvement Practices

In addition to the precautions taken, the causes of the occupational accidents were investigated and the following additional measures were put into practice.

- Increasing staff training
- Effective use of Personal Protective Equipment
- Increasing the safety of machinery equipment
- Improvements in the work environment
- Increasing number of warning label, signs and instructions
- Supply of safe hand tools
- Increasing the number of lifting conveyors
- Providing improvement in packaging consumable materials

OHS Trainings

OHS training programs are one of our OHS performance indicators. In order to increase the effectiveness of our practices, at least 12 hours of OSH training is organized per employee each year on the basis of the regulations on occupational safety training of employees as published by the Ministry of Labour and Social Security.

These training programs include important training for the safety and health of our employees, such as safe driving techniques, ergonomics, behaviour-based safety management, personal protective equipment, emergency responses, protection from explosions, risk assessment and manual carrying and lifting.

OHS Practices in the Supply Chain

In addition to taking the utmost care to ensure the health and safety of our employees, we also expect our suppliers to demonstrate the same sensitivity and for their employees to work under the same conditions. Approaches in accordance with the OHSAS 18001 certification and the principles for Human Rights and Labour Standards specified in the UN Global Compact are among the criteria required for supplier selection.

MATERIAL TOPIC: EMPLOYEE DEVELOPMENT

Developing and preserving our human capital, especially employees, through training that extends knowledge is one of the key elements of corporate development. With this awareness, we support employee development by providing equal opportunity in accessing educational opportunities in the workplace. The development of our employees is an element of strategic importance for Bilim Pharmaceuticals.



Goal 4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

When defining our training and development goals, we aim to create an employee profile that will provide the organizational structure associated with our organization's requirements – that is to say, its values, mission, vision, strategic plan, and core business goals.

We see the creation of a learning organization engaged in realizing the vision of our organization as a foundational element of strategic HR management. To this end, we offer new learning methods and different learning tools to all of our employees through our BilimK@mpus platform.

At BilimK@mpus, where we have created an individual development platform tailored for each of our employees, our employees have access to the standard development programs and individual development tools they need for their career development and business goals.

Each year, with the training needs analysis conducted by the department managers and training guides, we determine the professional, leadership, personal development and technical development needs of our employees in the Training Focus Group Meetings and create training plans accordingly. The training plans are categorized as in-class and e-learning in line with the needs of our employees and are implemented throughout the year. The Human Resources Training Department, the department managers, the business partners and internal trainers provide necessary follow-up on the implementation of the planned training programs and the development process is monitored each year.

At Bilim Pharmaceuticals, data from training programs is measured under four basic categories; training of Total Quality Systems, which regulate the standards in Quality, the Environment and Occupational Health and Safety under single framework, Personal Development Trainings, where the employee decides their own training needs and takes responsibility for their development, Vocational Trainings, which support technical knowledge oriented towards professional development, and Leadership Trainings. In addition, employee safety and health training data can be monitored separately under the OHS and Environment categories. Online training programs are assigned to the newly recruited employees by the HR via BilimK@mpus system. The OHSAS 18001 Occupational Health and Safety Management Training, the ISO 14001 Environmental Management System, Occupational Health Safety Basic Training and the Bilim Pharmaceuticals Ethical Management Training are e-learning trainings that are compulsory.

Training Hours Per Employee By Year

2010	2011	2012	2013	2014	2015	2016
55	59	63	56	58	44,6	76,6

Annual Average Training Hours per Employee in 2015 by Gender and Employee Category

Employee Groups	Number of Persons	Total Hours	Average Time per Employee
			(Man Hours)
All Employees	1975	88.123,78	44,62
Female Employees	422	18.082,29	42,85
Male Employees	1553	70.041,48	45,10
Blue Collar Employees	501	15.586,03	31,11
White Collar Employees	1474	72.537,75	49,21

Annual Average Training Hours per Employee in 2016 by Gender and Employee Category

Employee Groups	Number of Persons	Total Hour	Average Time per Employee
			(Man Hours)
All Employees	1904	146.008,31	76,69
Female Employees	417	28.329,40	67,94
Male Employees	1487	117.678,91	79,14
Blue Collar Employees	434	14.217,68	32,76
White Collar Employees	1470	131.790,63	89,65

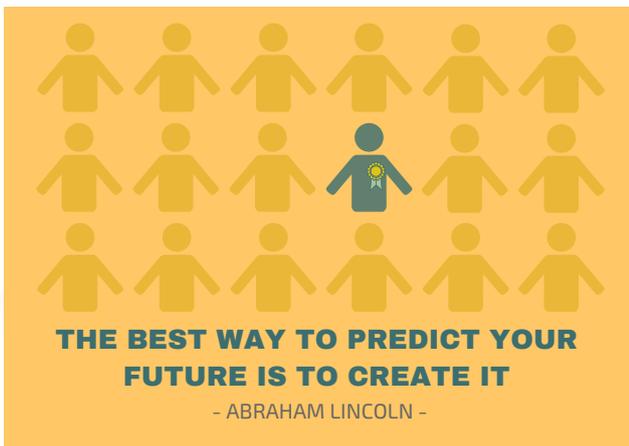
Our Leaders

One of Bilim Pharmaceuticals' most important goals is to generate opportunities that can create and sustain a competitive advantage in our fields. The basis for creating these opportunities lies in the teams we have established and the talent we have supported. All corporations need to identify high-potential employees who can generate added value in their organizations, or those who believe they will create value in the future. We have started the process of "key employee" appraisal, the first of which we implemented in 2014, in order to identify the employees who create added value in our company as well as those who we believe have the potential to create value. In 2015, 15% of women candidates and 85% of men candidates who met all the criteria were considered as potential key employees. In 2016, 21% of women candidates and 79% of men candidates were who met all the criteria were considered as potential key employees.

Ratio of the Employees Considered as Key Employee to the Total Employees

2015	2016
41%	37%

Employees who fulfil the criteria within the scope of Career Management are included in 5 basic groups formed under the name of the Stars Team. Our five basic groups are Blue (First Level Executive Development Program), Green (Middle Level Executive Development Program), Red (Senior Level Executive Development Program), Yellow (New Vocational Acquisition Program) and Maroon (Vocational Specialization Program). The development programs, which are specific to the needs of these 5 basic groups, whose development we invest in, are designed and their processes are monitored. In order to monitor the development, we carry out work for reaction assessment, information exchange, behavioural change and organizational impact and calculating the return on our training investment. Thus, the development of leader candidates and leaders, who graduate from the Leadership Development Program, is guaranteed.



The Leadership Training programs include training designed for the employees in the Blue and Green Stars Team, who are defined as possessing talent in the career management process, and other employees whose management skills are intended to be improved. Under this training program, we aim to train future managers with high qualifications, as set out in the table below.

Planning and Organization

Conceptual Thinking

Versatility

Leadership and Management Skills

Developing Creative Thinking

Defining How Emotional Intelligence is Reflected to Leadership Style

Understanding and Managing Personality

Gaining Awareness about Values

Delegation

Team Work

Leadership Training Hours Per Employee by Year

2013	2014	2015	2016
12,16	9,28	3,77	1,39

Talent Management

Talent management programs enable organizations to plan how new employees will acquire capabilities that will help the organizations achieve strategic goals in a changing work environment. A more talented workforce with greater awareness develops the organization's human capital and contributes to employee satisfaction, which is strongly correlated with improved performance.

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

In the Talent Management System every year, at the end of the performance evaluation process, specialists and managers are evaluated as the target group, by taking into consideration their career paths, for a higher position within the scope of transparent appointment criteria.

We believe that the best way to find and retain high-performing employees is to know them well and offer them ‘the career of their dreams’ in today’s competitive business environment in terms of attracting qualified and competent employees.



Goal 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

In 2000, we implemented a Career Management System, which we regard as the basis of our Talent Management System, where our employees can develop their talents, realize and develop their potential and receive consultancy for their career goals. Today, our systems work like a guide or a consultant in every step that our employees may wish to take in order to improve their potential and careers.

Our Talent Management System is based on the following;
Attracting talent to the organization,
Finding the right talent,
Discovering the talent,
Ensuring that talented individuals are committed to the organization,
Developing the talent.

In “Performance and Potential Assessment” processes, our employees receive feedback on their strengths and improvement suggestions to achieve their career goals, and develop their potential by using our learning platform in the areas they want to improve.

In 2015 percentage of employees participating in our evaluation process was realized as 86.2%. Ratio of employees not included in the performance process, due to the date of entry is 13.1% while the ratio of employees who are not included in the performance process, due to long-term medical report or maternity leave is 0.7%.

In 2016 percentage of employees participating in our evaluation process was realized as 88.5%. Ratio of employees not included in the performance process, due to the date of entry is 11.2% while the ratio of employees who are not included in the performance process, due to long-term medical report or maternity leave is 0.3%.

The performance indicator of the employees who receive support for a post graduate degree been started to be followed up, defined as the number of employees who benefited from career development through a post graduate degrees or doctorate, job enrichment or horizontal career movement since 2014.



Goal 4.b: By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries

In order to support the personal and professional development of employees, the Human Resources department offers employees online training programs, which are designed with a gaming logic and include animation items, with up to three choices of training programs. The selected training programs are assigned to employees under the heading of catalogue training during the year.

Number of Employees who Benefited from Career Development in 2015 and 2016		
	2015	2016
Business Development	9	1
Horizontal Career Movement	38	30
Number of Employees Supported for Post Graduate and Doctorate	8	3
Rotation	0	0
Number of Employees Supported in the Stars Team	41	47
Total	96	81

Within the scope of the Employment Support Program, our employees have been given training on CV Writing and Interview Techniques. The resume pool was shared with the companies in the pharmaceuticals and other related sectors and oral counseling was provided in line with the needs.

EQUAL OPPORTUNITY FOR SCIENCE

The complementary element for employee development to have a strategic importance for the Bilim Pharmaceuticals is equality of opportunity. The diversity of our employees is the most important reason behind our success, and ensuring this diversity at the management level also allows us to make our success permanent.

5 GENDER EQUALITY



Goal 5.1: End all forms of discrimination against all women and girls everywhere



CAREER DEVELOPMENT = BİLİM'S DEVELOPMENT



As soon as they start to work with us, we discuss career paths with our employees and provide them with information on the expected criteria they need to achieve on their individual career paths.



The assignment criteria for each position are prepared in advance. Our employees are aware of which criteria they need to fulfil for which position.

In 2000, we implemented a Career Management System, which we regard as the basis of our Talent Management System, where our employees can develop their talents, realize and develop their potential and receive consultancy for their career goals.



In "Performance and Potential Assessment" processes, our employees receive feedback on their strengths and improvement suggestions to achieve their career goals, and develop their potential by using our learning platform in the areas they want to improve.

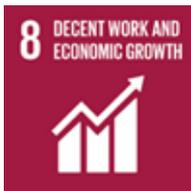
The age and gender distribution at the management level is shown below, indicating that our employees in all age groups have the opportunity to gain managerial positions. Likewise, there is also a gender balance in management positions. However, physical difficulties arising from being actively involved in the field result in a higher proportion of male staff among those working in the field.

Gender Distribution at the Management Level							
Years	Location	Gender	General Manager	Director	Manager	Supervisor	Grand Total
2015	Head Office	Men	1	6	19	13	39
		Women			14	14	28
		Total	1	6	34	26	67
	Çerkezköy	Men			2	3	5
		Women			1	2	3
		Total			3	5	8
	Gebze	Men		2	3	9	14
		Women		1	2	9	12
		Total		3	5	18	26
	Field	Men			11	73	84
		Women				2	2
					11	75	86
	General Total			1	9	52	125
2016	Head Office	Men	1	6	21	15	43
		Women			10	14	24
		Total	1	6	31	29	67
	Çerkezköy	Men			2	3	5
		Women			1	2	3
		Total	0		3	5	8
	Gebze	Men		2	2	9	13
		Women		1	3	9	13
		Total	0	3	5	18	26
	Field	Men			11	83	94
		Women				2	2
			0		11	85	96
	General Total			1	9	50	137

Age Distribution at the Management Level

Years	Location	Age Group	General Manager	Director	Manager	Supervisor	Grand Total
2015	Head Office	Under 30			0	4	4
		Between 30-50		4	29	22	55
		Over 50	1	2	4	1	8
		Total	1	6	34	26	67
	Çerkezköy	Under 30					0
		Between 30-50			3	4	7
		Over 50				1	1
		Total	0	0	3	5	8
	Gebze	Under 30					1
		Between 30-50			2	5	17
		Over 50			1		1
		Total	0	3	5	18	26
	In the Field	Under 30					0
		Between 30-50				10	75
		Over 50				1	1
		Total	0	0	11	75	86
	Grand Total	Under 30	0	0	1	4	5
		Between 30-50	0	6	47	118	171
		Over 50	1	3	5	2	11
		Total	1	9	52	125	187
2016	Head Office	Under 30				3	3
		Between 30-50	1	4	27	24	56
		Over 50		2	4	2	8
		Total	1		31	29	61
	Çerkezköy	Under 30					0
		Between 30-50			1	4	5
		Over 50			2	1	3
		Total	0		3	5	8
	Gebze	Under 30					1
		Between 30-50			1	5	17
		Over 50			2		2
		Total	0	3	5	18	26
	In the Field	Under 30					0
		Between 30-50				9	84
		Over 50				2	1
		Total	0	0	11	85	96
	Grand Total	Under 30	0	0	0	4	4
		Between 30-50	1	5	42	129	177
		Over 50	0	4	8	4	16
		Total	1	9	50	137	197

Another complementary element of our employees' development strategy is equal pay. As is known, wage equality is a factor for keeping qualified employees in the workforce. We take care of ensuring fairness also in terms of remuneration as in all subjects in order to ensure that our employees, whose development we have provided for, remain within the Bilim Pharmaceuticals.



Goal 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Ratio of Average Wage to the Minimum Wage (Women-Men Breakdown)				
Titles	2015		2016	
	Men %	Women %	Men %	Women %
Analyst	251,82	187,20	203,39	155,73
Regional Manager	597,15	648,14	489,77	544,16
Employee	145,11	143,36	135,76	141,60
Operator	213,31	230,51	164,61	197,18
Technician with a 2-years Associate Degree	169,41	157,68	143,09	138,47
Technician	212,83	183,45	163,48	152,37
Medical Promotion Officer	249,96	205,67	201,60	165,93

GRIEVANCE MECHANISMS FOR LABOUR PRACTICES

All complaints and suggestions for labour practices can be reported to the Ethics Board. All reports are meticulously examined and processed. In 2015, four complaints were reported and all were answered and resolved. In 2016, three notices were conveyed to the Ethics Board, all of the

notifications were answered, two were considered to be worth investigating, and the solution was delivered. There are no complaints brought before the reporting period regarding labour practices and there are no complaints resolved during the reporting period.

MATERIAL TOPIC: QUALITY MANAGEMENT

Customer health and safety factor is directly related to quality management in terms of the nature of our industry. All of our products, starting from product development until product usage stage, are under the Quality Management System.

As the first national company to receive the «Competence in EFQM Excellence Approval» awarded by the European Quality Association in 2004, the Bilim Pharmaceuticals is making every effort to ensure that all of our products are at the defined international quality, provide safe use and expected efficacy.

The quality system that is applied at our organization is at international standards. It is based on current regulations and guidelines (the cGMP-Good Manufacturing Practices, the GLP-Good Laboratory Practices, the GCP-Good Clinical Practices etc.), as well as modern integrated Quality Management System (ISO 9001) principles. The basic elements of our Quality Management System are explained with the «Quality Policy» published by our company. You can visit our website (<http://www.bilimilac.com.tr/en/bilimilac/politikalarimiz.html>) to access more detailed information about our Quality Policy.

Patient Safety Management

We constantly check, evaluate and report to the relevant authorities the safety and efficacy of all our products, for which we have a license, so that our healthcare professionals can prescribe our products and be used by patients safely. When necessary and after obtaining official approvals, we send letters of information to Healthcare Professionals, organize meetings and keep them posted through our headquarters and field staff within our Marketing Directorate.

The safety of the patients who use our human medical products is monitored constantly by the Patient Safety Department Officers consist of pharmacists within the scope of Head Quarters. All kinds of information concerning the efficacy of our products and the safety of the patients who use our products are constantly investigated from the resources in the country and abroad.

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

Upon receipt of the notification, the patient safety officers make the necessary initial evaluations, obtain additional information if necessary by contacting the person(s) making the notification and report the situation to the authorities within latest 15 days according to the urgency and importance of the issue. If there are additional measures that need to be taken within the company, we will notify the relevant divisions / departments and follow up. We evaluate whether there is a risk related to patient safety through the risk analysis we carry out periodically and we share these evaluations with the relevant authority.

We complete the trainings regarding patient safety, which we always hold at the forefront in the way we do business, in the orientation period of those newly recruited at our company; we repeat the trainings at regular intervals. We take into account of these trainings as a benchmark in measuring the performance of our marketing staff, which is constantly in contact with healthcare professionals.

Recalled Drugs

All recall activities shall be carried out in accordance with the principles set out in the Recall Regulation published in the Official Gazette. The class of recall is determined by assessing the risk of harm to consumer health from the suspected product, and the nature of the problem. The recall level specifies the level of distribution chain that a recall will be imposed down to.

The recall of drugs from the market is divided into three classes and three levels. First-class recall is where serious and life-threatening health problems arise and there are acceptable reasons for it to emerge. Second-class recall is where temporary, treatable health problems arise and the cases where this is likely to occur. Third class recall is when the use of the product is deemed not to be harmful to health.

Level A goes down to the consumer level, and first class recalls are made at this level. Level B goes down to the level of retailer (i.e. the pharmacy, hospital pharmacies, institutions), and second class recalls are made at this level. Level C goes down to the warehouse level, and third class recalls are made at this level.

At Bilim Pharmaceuticals, we completed the recall process of our product – the 1 series Largopen 1000mg tablet - from the market due to its non-conformity of the tablet appearance upon the request of the Ministry of Health in 2015. The Largopen 1000mg tablet, recalled in 2015, is a 'second-class B level recall'.

In 2016, the Ministry of Health announced that the package size needed to be changed in order to avoid risks that may arise from exceeding the recommended doses of thiocolchicoside-containing medicines. In this context the Muscoflex 8mg 20 capsule and the Leodex Plus 25 / 8mg 20 tablet were recalled from market upon the request of the Ministry of Health. A total of 173 series of Muscoflex 8mg 20 capsules and 13 series of Leodex Plus 25/8mg 20 tablets were successfully recalled from the market. Our products which were recalled from the market were later brought back onto the market with the approval of the Ministry of Health following a change in the packaging size, as the products had not yet reached their expiry date. The Muscoflex 8mg 20 capsules and the Leodex Plus 25 / 8mg 20 tablets were 'First Class B Level recalls'.

In 2016, upon the request made by the Ministry of Health, 3 series of Gentagut Eye and Ear Drops was recalled from the market due to the discharge of content from the bottle as a result of the neck portion of the drippers being separated from the body of the bottle. 1 series of Enfexia 750mg IM Injectable Bottle product was recalled from the market due to the appearance of a yellow opaque

suspension when prepared with the solvent contained in the package, thus not meeting the company's appearance specifications. The recall of Gentagut Eye and Ear Drops was a 'second class, B level recall', and the recall of the Enfexia 750mg IM Injectable Flakon was a 'third class, B level recall'.

During the recall phases, action was quickly taken to ensure patients did not experience any trouble getting access to the product and in order to determine the reasons of the recall. The causes of the non-compliance were identified and eliminated.

The details of the products that were recalled in 2015 and 2016 are included in the Annex Tables section (page 82).

Fines Paid As a Result of Recalled Drugs	
2015	2016
TL 1.233,64	TL 240.144,61

OUR GREATEST MOTIVATION: CUSTOMER SATISFACTION (GRI 102-43, GRI 102-44)

Our customers have the final say about our products quality and services quality. Customer satisfaction is a measure of our sensitivity to the needs and preferences of Bilim Pharmaceuticals' customers and it is the most important factor in ensuring our achievements extend into the long term from an organizational point of view. Therefore, we take their opinions regularly every two years through the Customer Satisfaction Survey. In addition to determining the level of satisfaction, with this survey we aim to determine our strengths and the areas need improvement, and to create a basis for our improvement activities.

There are three separate sections in the questionnaire forms. The first part questions expectations, the second part questions perceptions and the third part takes account of other suggestions and the requirements of the customers with the help of open-ended questions apart from the survey questions.

A total of 1,923 doctors, 489 pharmacists and 181 pharmaceutical warehouses answered the questionnaire conducted in 2015. The rate of customer satisfaction, which was targeted as 98% in 2015, exceeded expectations and stood at 98.96% as the overall average between groups.

Domestic Market Customer Satisfaction Rate (%)				
	Doctor	Pharmacist	Pharmaceutical Warehouse	Overall Satisfaction
Target	98,00%	98,00%	98,00%	98,00%
Actual	99,80%	98,90%	98,20%	98,96%

Domestic Market Customer Satisfaction Survey Overall Satisfaction Rate by Year (%)				
	2009	2011	2013	2015
Target	96,00%	96,50%	97,50%	98,00%
Actual	96,31%	98,38%	98,44%	98,96%

(GRI 102-43, GRI 102-44)

In foreign markets, consisting of 10 sub-headings and 39 questions, the Customer Satisfaction Survey was conducted to 33 distributors which we actively worked with in 2015, and 34 distributors, which we actively worked with in 2016. In line with the results, improvement plans were prepared for improvement areas for every customer.

Results of Foreign Markets Customer Satisfaction Survey (%)							
	2010	2011	2012	2013	2014	2015	2016
Target	75%	79%	80%	80%	80%	81%	81%
Actual	79%	80%	80%	79%	81%	83%	80%

IMPROVEMENT PLAN



Subjects that are open to improvement are identified in accordance with the results from feedback

This is discussed at meetings held with all relevant Directors, including the Senior Management

Make the necessary improvement plan

The improvement plan is put into practice

CUSTOMER PRIVACY

Some of our activities may require that patients' medical records or personal medical information be reviewed and assessed. Patient information obtained during our activities or delivered to us is kept confidential. This information cannot be used and cannot be shared with others unless required by law and regulations, or without patient approval.

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

OUR STAKEHOLDERS ASKED,
OUR STAKEHOLDERS ASKED, WE RESPONDED
WE RESPONDED

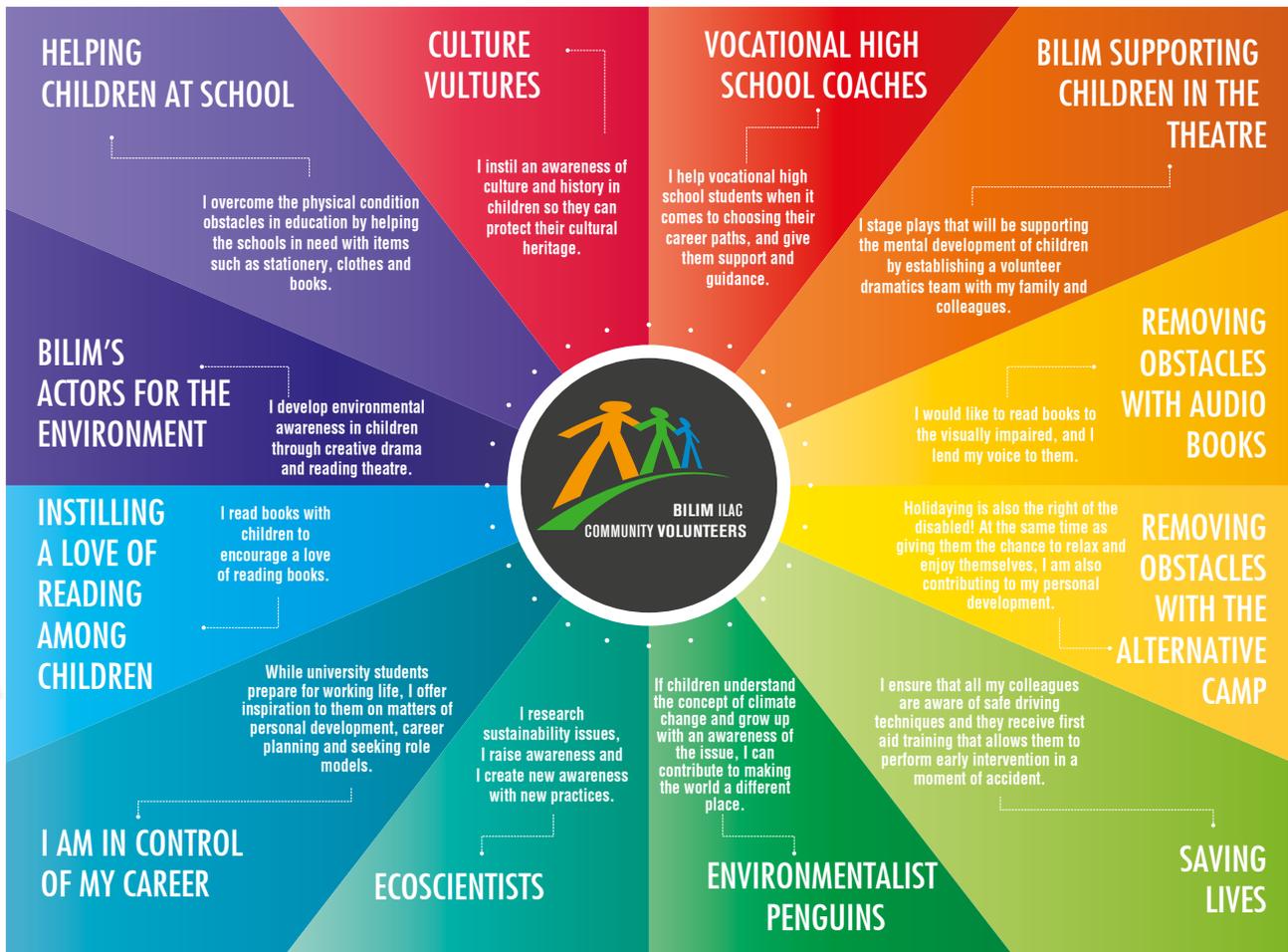


SOCIAL INVESTMENTS

Volunteerism is Essential at Bilim

In addition to supporting national and international initiatives, which contribute to social welfare, and our work for sustainable development and becoming a member of associations, Bilim Pharmaceuticals also extends support to various foundations and associations such as the Junior Achievement Turkey, AÇEV (Mother Child Education Foundation) and the Darüşşafaka Society on a project basis.

We provide all our contributions that are carried out on the basis of volunteerism with the seriousness and understanding of professionalism. We are well aware that raising social welfare requires continuity, knowledge and most importantly sincerity. With this awareness, we continue to implement our contributions within the scope of the Bilim Pharmaceuticals Volunteering Platform.



Volunteering Platforms – 2015

- ✓ 815 active volunteers
- ✓ 20 teams in 11 provinces throughout Turkey
- ✓ 9 project (realized in 2015)
- ✓ 63 activities
- ✓ 891 people reached

The Curious Books Creative Reading Project

The number of people reached: 276

Goal: In our “Curious Books, Creative Reading” project, which we implement in order to support the imagination, creativity and personal development of children in primary schools, we encourage children to read books and help them to develop reading habits. In doing so, we animate the stories in their minds through games and contribute to the development of their expression and presentation skills.

The project has been realized by going to the designated school for two hours, one day a week, by obtaining the necessary permits from the Provincial Directorate of National Education. In the project, the books are provided by the Bilim Pharmaceuticals and the books selected are given to the children as a gift.

In 2015, we reached 276 pupils in the schools our volunteers went to during in Silivri, Erzurum and Çerkezköy, and imparted them with the habit of reading books.

Audio Books

Number of people reached: It is not possible to determine the number of people reached within the framework of the Audio Book Project, because visually handicapped citizens select the books they want from the library, and then listen to them before returning them to the library.

Goal: The process was initiated by contacting the GETEM (Technology and Education Laboratory for the Visually Handicapped) in order to enable the visually handicapped to share in the enjoyment of books by voicing the books. The recorder, headset and computer needed for the vocalization of the books were provided and the volunteers

participated in the proper vocalization training. After the training was completed, demo recordings were shared with the GETEM for approval. After obtaining the approval, books were selected and vocalizations were carried out for one week. The completed vocalizations were shared with the GETEM and published on the system after necessary checks.

Vocational High School Coaches

The number of people reached: 72

Goal: This is a program for volunteers working in private companies, in which they transfer their experiences to pupils starting from the 10th grade of vocational high schools until they graduate under a certain number of designated topics in order to increase the personal development of the pupils. Within the scope of the project, our volunteers carried out 6 interviews with the vocational high school pupils and provided consultancy about their personal development and goals.

The 3X Company Program

The number of people reached: 65

Goal: With the 3X Company Program, we work to prepare high school students - who are our future - for business life, to help them to gain vision and share experiences through company meetings held during the academic year to ensure that students learn by experiencing.

We are Running for a Good Cause – The Runatolia Marathon and Istanbul Marathon

The number of people reached: 204

Goal: Among Turkey's largest marathons, held in Antalya and Istanbul, Bilim Pharmaceuticals' volunteers took part in the marathons, which attract a great deal of international attention, to support AÇEV (Mother Child Education Foundation). In the Runatolia Marathon project, Bilim Pharmaceuticals Community Volunteers collected donations to support literacy training courses for women within the scope of the «Run After This Dream» project. The volunteers also collected donations to provide support for the courses given to improve communication between

fathers and their children within the scope of «Father Support Project». The Bilim Pharmaceuticals Community Volunteers was ranked among the “Kindest Hearted Companies” of the Step-by-Step (Adım Adım) Platform.

The Global Money Week

The number of people reached: 214

Goal: In the Global Money Week, which is held with the support of volunteers every year around the world, volunteers provided training to 5th and 6th grade pupils on the topics of “definition of money in education, how it should be used, the difference between basic needs and desires and how to save money” after obtaining the training of the trainer. The project, which reached universities for the first time with the difference made by the Bilim Pharmaceuticals Community Volunteers, was realized in the Çapa and Cerrahpaşa Faculties of Medicine.

The Bilim Pharmaceuticals Community Volunteers Independent Projects – 23rd April School Aid

The number of people reached: 32

Goal: Our volunteers who want to bring happiness to children on the April 23 National Sovereignty and Children’s Day applied to install the flooring of the Ağrı Bayındır Primary School, which is a school in need, on the website of www.kardesokullar.com. The project, which was initiated by our volunteers who provided floor covering with the support of the sponsor company, has been taken over by the District Directorate of National Education that completed the restoration of the school during the summer.

The Bilim Pharmaceuticals Community Volunteers Independent Projects – Women Empowerment

The number of people reached: 28

Goal: The Bilim Pharmaceuticals Community Volunteers met students from the Ağrı Türk Telekom Social Sciences High School within activities under the heading of “Women Empowerment”, a “UN Women” initiative. Within the scope of the project, which we carried out in Trabzon, our volunteers taught students about “the concept of social gender, female / male roles in society, the place of women

in business life, the importance of hard working as a key factor of success, the concept of a positive approach and confidence, psychological resilience, opportunities for university, living on campus and scholarship”, to encourage the leaders of tomorrow and to bring enlightenment to young people, who are our future.

The project, in which 20 girls, 8 boys and 6 teachers from Ağrı took part in, continued with further lessons after the Hagia Sophia Museum tour. On this day, that was full of sharing, our volunteers became role models by giving the students a visionary perspective.

Volunteering Platform -2016

- ✓ 850 volunteer employees,
- ✓ A total of 177 volunteers actively participated in the projects in 2016
- ✓ There was a staff of eight teams in Turkey’s 11 provinces
- ✓ 10 projects (realized in 2016)
- ✓ 56 activities
- ✓ A total of 7,134 people were reached

I am in Control of My Career

The number of people reached: 6674

Goal: In order to help undergraduates in Anatolia to start their careers one step ahead, the “I am in Control of My Career” Personal Development Congress, which was organized by the Bilim Pharmaceuticals Community Volunteers and designed on the basis of volunteering, was held in Erzincan University in 2016.

Having been maintained by the Bilim Pharmaceuticals Community Volunteers Platform for seven years, being Turkey’s largest personal development congress with 79 trainings and 142 sessions, the “I am in Control of My Career” project was brought to young people at the Erzincan University between 19th and 22nd April.

The “GFK Independent Research Company” volunteered to conduct the effectiveness analysis for the “I am in Control of My Career” project, which is comprised of all

volunteer professional trainers and aims for the students to acquire basic skills that they will need for successful performance in their working life through full-day training. The congress was found to contribute significantly to the increased preference of young people in those regions to work in the private sector, with a difference of 45% that was increased to 69%, in terms of their perspective of in the private sector and the aspects of preferences for work.

Other striking results revealed in the survey are as follows;

- ✓ The performance of congress was given an average mark of 9 out of 10.
- ✓ 97% of the students think that the congress contributed to their careers.
- ✓ 55% of the students who participated in the pre-test stated that they would like to work in the public sector, while 45% said that they would like to work in the private sector. After attending the congress, 69% stated that they would like to work in the private sector and only 13% in the public sector.
- ✓ 98% of the students stated that they recommended the congress to their friends.

A special internship opportunity, which has so far been taken up by 60 students, will continue to be offered to students at Erzincan University in 2017. The project, which aims to support university students - especially those in Anatolia - in their career plannings and create role models, indirectly contributes to solving the problem of youth unemployment.

The Curious Books Creative Reading Project

The number of people reached: 88

Goal: In our "Curious Books, Creative Reading" project, which we implement in order to support the imagination, creativity and personal development of children in primary schools, we encourage children to read books and help them having reading habits. In doing so, we animate the stories in their minds through games and contribute to the development of their expression and presentation skills.

The project has been realized by going to the designated school for 2 hours on one day a week by obtaining the necessary permits from the Provincial Directorate of National Education in cooperation with the Corporate Volunteers Association. In the project, the books are provided by the Bilim Pharmaceuticals and the selected books are given to the children as a gift.

In 2016, we reached 88 pupils at the Tuzla Atatürk Primary School, where our volunteers working at the Gebze plant went, and we imparted on them the habit of reading books.

Environmentalist Penguins

The number of people reached: 88

Goal: The Environmentalist Penguins Project was designed for 3rd and 4th grade primary school pupils in order to enhance awareness about global warming and the importance of protecting the environment among children.

The project has been realized by going to the designated school 1 day a week and 2 hours by obtaining the necessary permits from the Provincial Directorate of National Education in cooperation with the Corporate Volunteers Association. In the project, our volunteers have organized activities with the pupils and have contributed to the increase in the awareness of the pupils through experiential learning.

Engineers who are into Thinking

The number of people reached: 88

Goal: Engineers who are into the Thinking Project, which was designed for the 3rd and 4th grade pupils, aims to ensure that pupils make a conscious choice of their professions by learning their own personalities through the activities carried out by setting out from engineering skills and curiosity, and by emphasising the importance of discovering their personal skills, talents and areas of interest and by obtaining information about various professions through investigation.

The project has been realized by going to the designated school for 2 hours, on one day every week by obtaining

the necessary permits from the Provincial Directorate of National Education in cooperation with the Corporate Volunteers Association. In the project, our volunteers conduct organized activities with the pupils and have contributed to increasing the awareness of the pupils through experiential learning.

We Practice English

The number of people reached: 88

Goal: We practice English” is a project designed to contribute to children’s language learning. We aim to help pupils use the English language that they have just started learning correctly and effectively, and aim to improve their speaking. Various educational activities were carried out within the framework of the program designed for 4th, 5th, 6th and 7th grade primary school pupils.

The project has been realized by going to the designated school for 2 hours, one day a week by obtaining the necessary permits from the Provincial Directorate of National Education in cooperation with the Corporate Volunteers Association. In the project, our volunteers organized activities with the pupils and contributed to the pupils’ correct and effective use of the English language through experiential learning.

Vocational High School Coaches

The number of people reached: 48

Goal: This is a program for volunteers working in private companies, in which they transfer their experience to pupils starting from the 10th grade of vocational high schools until they graduate under a certain number of designated topics in order to increase the personal development of the pupils. Within the scope of the project, our volunteers carried out 6 interviews with the vocational high school pupils and provided consultancy about their personal development and goals. Within the scope of the program, pupils visit the Head Office at Bilim Pharmaceuticals every year and are given a technical tour of the Gebze plant.

The 3X Company Program

The number of people reached: 8

Goal: With the 3X Company Program, we work to prepare high school students - who are our future - for business life, in order to help them to gain vision and share experience through organizing company meetings during the academic year to ensure that students learn by experiencing.

In 2016, our volunteers were able to reach eight students by supporting a school and a company because of their workload.

We Are Running For a Good Cause –The Runatolia Marathon and Istanbul Marathon

The number of people reached: 10

Goal: Among Turkey’s largest marathons, held in Antalya and Istanbul, Bilim Pharmaceuticals’ volunteers took part in the marathons, which attract a great deal international attention, to support AÇEV (Mother Child Education Foundation). Within the scope of the “Tell me Another Tale, Daddy” project, donations were collected for the education of fathers in the context of increasing the children’s happiness in a happy family environment, especially with respect to improving communication with their children and their families, and correctly managing the communication. By running for the Darüşşafaka Society in the Istanbul Marathon, a donation was collected with the aim of ensuring that children who had lost their mother or father could be student at the Darüşşafaka Society school and that more children would be given scholarship income.

With the donations collected by 20 volunteer runners from Bilim Pharmaceuticals who ran in the Runatolia Marathon held in Antalya and 54 volunteer runners from Bilim Pharmaceuticals who ran in the Istanbul Marathon, the annual costs of providing such courses for 10 fathers were paid. For those running for the sponsoring the scholarship of students at Darüşşafaka Society school, all donations collected were calculated as the total amount which also includes donations from other companies, and it was therefore not possible to determine how many students were reached directly through the donations from our volunteer runners.

The Global Money Week

The number of people reached: 30

Goal: In the Global Money Week, which is held with the support of volunteers every year around the world, volunteers provided training to 5th and 6th grade pupils on the topics of “definition of money in education, how it should be used, the difference between basic needs and desires and how to save money” after obtaining instruction from the trainer.

The Employee Volunteer Week

The number of people reached: 12

Goal: The Employee Volunteer Week takes place in the first week of May every year, when all companies carry out various collaborations with non-governmental organizations and celebrate the concept of volunteering together. In the Employee Volunteer Week, project partnerships are realized between NGOs and private companies through the Corporate Volunteers Association.

In this context, the Bilim Pharmaceuticals Community Volunteers visited the Sait Faik Museum in Burgazada (Burgaz Island) together with pupils from the Darüşşafaka Society primary school. They read the Sait Faik novels and let pupils enjoy the beautiful spring weather by touring the island.

EMPLOYEE SATISFACTION

We measure the satisfaction of our employees by applying the Employee Satisfaction Survey every 2 years. In line with the results obtained, we strive to provide the best working environment for our employees.

Our practices for employee satisfaction are divided into two lines in general terms; (1) Motivation Practices and (2) Rewards.

(1) Within the scope of Motivation practices, we strive to ensure that our employees are able to enjoy rest, have fun and enjoy quality time and most importantly, feel the value that Bilim Pharmaceuticals gives its employees by taking our employees from the intensive work environment through social activities

such as birthday celebrations, motivational dinners, in-house competitions, tournaments, picnics and gift distributions on special occasions.

(2) Rewards are based on a system managed by the Award Board and are divided into three categories,

> Acknowledgments: This includes suggestions, practices and projects, in parallel with the goals and strategies of the organization, but do not directly contribute.

> Success: This includes successful work performed within the job description and the added value provided.

> Excellence: It includes measurable financial contribution provided to the organization or positive impacts provided to the image of the organization.

In addition to rewarding under a specific system, we acknowledge and congratulate our employees with our seniority awards for our employees who have completed 5, 10, 15, 20, 25 or 30 years of service, awards for achievements obtained on a team basis in competitions held among the marketing teams, and for our employees who ranked highly in events held in the company such as in tournaments or competitions.

CDP (Carbon Disclosure Project) REPORTING

We take the challenge against climate change seriously and we are working to continuously improve business processes as part of the efforts to tackle climate change. We aim to present the CDP Reporting, which is also an agenda item for our sustainability board, to our stakeholders after removing the constraints on our time and human resources in the medium term in the coming period.

STOCK PLANNING

Bilim Pharmaceuticals carries out stock planning in four types of materials; finished products, semi-finished products, raw materials and packaging materials.

Finished Product Stocks Planning: The six-month product-based production plans are prepared in a manner which meets the 6-month domestic market

sales forecasts delivered by the Marketing and Sales Departments, the export orders delivered by the Export Department and production demands submitted by the contracted companies at the end of every month. We determine monthly production quantities for the domestic market, export and contracted products by taking reports of finished products and semi-finished products stocks from the SAP system by evaluating capacity sufficiency in line with the stock policies.

For domestic market products, we always seek to maintain a certain inventory of products so that our customers can receive their orders as quickly as possible. In order to quickly meet customer orders when demand exceeds our forecasts due to potential fluctuations in the market, we keep the finished-products safety stocks, which are ready for sale, on a product basis. For export and contracted products, inventories are not planned beyond their order quantity, as the production is planned on an order basis

Semi-Finished Product Stocks Planning: These are stocks that are built up due to the duration of the production and quality control processes.

Raw Material and Packaging Material Stocks Planning: Material requirement planning is executed on SAP software based on the prepared 6-month production plans. New demands are decided by using the SAP reports containing stock, demand (usage), purchase order and purchase demand information of the raw materials and packaging materials, and purchase order revisions according to the stock policies. We maintain safety stocks in varying quantities depending on the properties of the materials so that we have the flexibility to perform the changes needed in the production plans when necessary, and to quickly overcome potential risks.

SUPPORTING PHYSICIANS IMPROVEMENT

Within the framework of the regulations set by the Ministry of Health, in addition to providing support to national congresses and scientific conventions, we also provide support for doctors to attend scientific conferences. In line with the demand coming from doctors, the requests are assessed in accordance with the promotion regulations and the necessary support is provided in accordance with the regulations.

LOGISTICS

We have an extensive supply chain network as required by our field of activity. We have separate selection criteria for logistics services at all stages and tendering processes. We purchase services from different suppliers for almost all processes, especially in our import processes. For our export processes, we purchase services from different suppliers, except for storage. We cooperate with our suppliers for sales and for domestic market products in Turkey.

We carry out the processes of storage, feeding of manufacturing and export shipments within our organization. We have a pellet capacity of about 20,000 in our warehouses at the Gebze and Çerkezköy Production Plants and the warehouse services that we obtain from our solution partners. Virtually 100% of our capacity is used, and it is rotated at a monthly turnover rate of about 80%.

The warehouse is fully automated and unmanned. This removes the risk of damage to the inventory as well as the risk of dispatching the wrong product or raw material.

We have procedures and instructions for supplier selection and user needs, contracts and technical specifications in the field of logistics, and all processes are carried out in accordance with these procedures and instructions. This minimizes the risks to the lowest level.

ANNEX: ANNEX: TABLES TABLES



Recalled Products in 2015				
Product Name	Product Lot No	The Reason for Recall	Quantity of Recalled Products	Response Letter No/Date
LARGOPEN 1 G 16 TABLET	4177009A	Appearance defect	88	ÇKG.15/022/11.06.2015
CRAVIT 500 MG FILM-COATED TABLET	4350010A	Detection of foreign matter in blister	Product is under the responsibility of licence owner	AKG.15/345

Recalled Products in 2016				
Product Name	Product Lot No	The Reason for Recall	Quantity of Recalled Products	Response Letter No/Date
MUSCOFLEX 8MG 20 CAPSUL	3312018A	To change the packaging size in order to avoid the risk of exceeding the recommended dose of drugs containing thicolchicoside.	5	MM.909 / 17.03.2016
	3312019A		1	
	3312020A		0	
	3312021A		0	
	3312022A		3	
	3312023A		0	
	3312026A		0	
	3312027A		5	
	3312028A		0	
	3312029A		3	
	3312032A		0	
	3312033A		13	
	3312034A		2	
	3312035A		0	
	3312036A		0	
	3312037A		0	
	3312038A		0	
	3312039A		6	
	3312040A		3	
	3312042A		2	
	3312043A		1	
	3312044A		0	
	3312045A		95	
	3312046A		0	
	3312047A		44	
	3312048A		140	
3312049A	55			
3312050A	0			
3312051A	41			
3312052A	30			
3312054A	1			
3312055A	15			

3312056A	473
3312057A	0
3312058A	0
3312059A	0
3312060A	0
3312061B	18
3312062A	1
3312063A	0
3312064A	1
3312065A	3
3312066A	3
3312067A	8
3312068A	4
3312069A	0
3312072A	0
3312073A	7
3312074A	40
3312075A	38
3312076A	0
3312077A	85
3312078A	4
3312079B	0
3312083A	8
3312084A	0
3312085A	50
3312086A	90
3312087A	10
3312088A	3
3312089A	1
3312090A	3
3312091A	41
3312092A	34
3312093A	182
3312094A	1
3312095A	4
3312098A	19
3312099A	0
3312100A	25
3312101A	15
3312102A	0
3312106A	26
3312107A	29
3312108A	41

3312109A	25
3312110A	2
3312111A	15
3312112A	38
3312114A	4
3312115A	16
3312116A	11
3312117A	0
3312118A	17
3312119A	155
3312120A	28
3312121A	36
3312122A	169
3312124A	78
3312125A	8
3312126A	56
3312127A	143
3312128A	13
3312129A	184
3312130A	6
3312131A	0
3312132A	49
3312133A	5
3312136A	0
3312137A	99
3312138A	149
3312139A	79
3312140A	88
3312141A	8
3312142A	0
3312144A	59
3312145A	18
3312146A	561
3312147A	8
3312148A	4
3312149A	23
3312150A	104
3312151A	203
3312152A	16
3312153A	9
3312154A	9
3312155A	69
3312157A	52

3312158A	6
3312159A	4
3312160A	6
3312161A	16
4312001A	72
4312002A	39
4312004A	11
4312005A	121
4312006A	7
4312007A	59
4312008A	9
4312009A	6
4312011A	252
4312012A	358
4312013A	404
4312014A	375
4312015A	1336
4312016A	980
4312017A	168
4312018A	1
4312019B	82
4312020A	35
4312021B	785
4312022A	1708
4312023A	1624
4312024A	1648
4312025A	1785
4312026C	1377
4312027A	2008
4312028A	2711
4312029A	2057
4312030A	3131
4312031A	3756
4312032A	6337
4312033A	3647
5312001A	11435
5312002A	1280
5312003A	3236
5312004A	1440
5312005A	6986
5312006A	7965
5312007A	2256

	5312009A		7227	
	5312010A		5677	
	5312011A		10160	
	5312012A		2890	
	5312014A		8197	
	5312015A		8026	
	5312016A		13153	
	5312017A		20275	
	5312018A		21091	
	5312019A		7775	
	5312020A		14063	
	5312021C		11372	
	5312022A		22205	
LEODEX PLUS 25/8MG 20 TB	4605002A	To change the packaging size in order to avoid the risk of exceeding the recommended dose of drugs containing thiocolchicoside.	92	
	5605001A		110	
	5605002A		179	
	5605003A		241	
	5605004A		466	
	5605005A		705	
	5605006A		569	
	5605007A		871	
	5605008A		1331	
	5605009A		1451	
	5605010A		1820	
	5605011A		1214	
	5605012A		2559	
GENTAGUT EYE AND EAR DROP	4263002A	Discharge of bottle contents from the neck portion of the dropper separating from the bottle body	331	MM.958 / 17.08.2016
	4263008A		143	
	4263010A		316	
ENFEXIA 750MG IM ENJ	4584033	Due to the appearance of a yellow opaque suspension when prepared with the solvent present in the package, it does not comply with the company specifications in terms of its appearance	1117	MM.908 / 09.03.2016

GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option

GRI Standard	Disclosure	Page Number /Explanation	Omission
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	102-1 Name of the organization	Page 6	
	102-2 Activities, brands, products, and services	Pages 6-7	
	102-3 Location of headquarters	Page 87 Bilim Plaza, Piyalepaşa Bulvarı Kaptanpaşa Mah. Zincirlikuyu Cad. No:184, Beyoğlu/İstanbul	
	102-4 Location of operations	Pages 6-8	
	102-5 Ownership and legal form	Page 9	
	102-6 Markets served	Pages 7-8	
	102-7 Scale of the organization	Pages 4, 87 Equity 2015: TL 193,923,985.992 2016: TL 159,308,977.41 Debt 2015: TL 656,244,081.94 2016: TL 728,669,843.08 Quantity of products provided/Total Number of Operations 2015: 173,852,415 2016: 168,411,697	
	102-8 Information on employees and other workers	Page 11	
	102-9 Supply chain	Pages 12-14, 30-31	
	102-10 Significant changes to the organization and its supply chain	There was no significant change in size, structure, ownership and supply chain of the organization during the reporting period	
	102-11 Precautionary Principle or approach	Page 34	
	102-12 External initiatives	Page 14	
	102-13 Membership of associations	Page 14	
	102-14 Statement from senior decision-maker	Pages 1, 3	
	102-16 Values, principles, standards, and norms of behavior	Page 18	

GRI 102: General Disclosures 2016	102-17 Mechanisms for advice and concerns about ethics	Page 18	
	102-18 Governance structure	Pages 9-10, 15	
	102-40 List of stakeholder groups	Pages 20-22	
	102-41 Collective bargaining agreements	Page 12	
	102-42 Identifying and selecting stakeholders	Pages 20-22	
	102-43 Approach to stakeholder engagement	Pages 20-22, 71-72	
	102-44 Key topics and concerns raised	Pages 23-24, 71-72	
	102-45 Entities included in the consolidated financial statements	Page 23	
	102-46 Defining report content and topic Boundaries	Page 23	
	102-47 List of material topics	Pages 23-24	
	102-48 Restatements of information	Page 88 There is no restatements of information given in previous reports in the Corporate Responsibility Report for the 2015-2016 period.	
	102-49 Changes in reporting	Page 88 There is no significant change in the list of material topics and topic Boundaries in the content of the 2015-2016 Corporate Responsibility Report compared to the previous report.	
	102-50 Reporting period	Page 5	
	102-51 Date of most recent report	Page 5	
	102-52 Reporting cycle	Page 5	
	102-53 Contact point for questions regarding the report	Page 5	
	102-54 Claims of reporting in accordance with the GRI Standards	Page 87	
102-55 GRI content index	Page 87		

	102-56 External assurance	Page 89 The Bilim Pharmaceuticals 2015-2016 Corporate Responsibility Report contains data audited by independent organizations. Bilim Pharmaceuticals is regularly audited in the fields of Environmental Management, Quality Systems and Occupational Health and Safety. The financial data included in the report was also audited and approved by independent auditing organizations. There is no personal relationship between any of the independent auditing organizations mentioned and the decision makers, including the senior management of the Bilim Pharmaceuticals.	
Material Topics			
Growth Strategy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 26, 28	
	103-2 The management approach and its components	Pages 26-31	
	103-3 Evaluation of the management approach		
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	Pages 26-27	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Page 28	
	202-2 Proportion of senior management hired from the local community	Page 29	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Pages 29, 31	
	203-2 Significant indirect economic impacts	Pages 28-31	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Pages 30-31	
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Page 28	

Quality Management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 69	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 416: Customer Health And Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Pages 69-70	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Pages 70-71, 82-86	
Employee Development			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 61-62	
	103-2 The management approach and its components	Pages 62-66	
	103-3 Evaluation of the management approach	Pages 63-66	
GRI 404: Training And Education 2016	404-1 Average hours of training per year per employee	Page 63	
	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 64-66	
	404-3 Percentage of employees receiving regular performance and career development reviews	Pages 64-66	
GRI 405: Diversity And Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 66-68	
Business Ethics			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Page 18	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Pages 18-19	
	205-3 Confirmed incidents of corruption and actions taken	Page 20	

GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 20	
Information Security & Business Continuity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 17-18	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
Waste Management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 34-35, 41-48, 50	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Pages 38-39	
	303-2 Management of water discharge-related impacts	Pages 42-45	
	303-3 Water withdrawal	Pages 38-39	
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	Pages 42-45	
	306-2 Waste by type and disposal method	Pages 46-48	
	306-3 Significant spills	Page 41	
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 57-61	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 57-59	
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 58-59	
	403-3 Occupational health services	Pages 58-59, 61	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 58-59	

	403-5 Worker training on occupational health and safety	Page 59	
	403-6 Promotion of worker health	Page 59	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 59	
	403-10 Work-related ill health	Page 59	

OTHER PERFORMANCE INDICATORS (NON-MATERIAL TOPICS)

GRI Standard	Disclosure	Page Number /Explanation	Omission
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 36	
	301-2 Recycled input materials used		
	301-3 Reclaimed products and their packaging materials	Pages 49-50	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Pages 36-37	
	302-4 Reduction of energy consumption	Page 38	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Pages 38-39	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pages 39-40	
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions		
	305-6 Emissions of ozone-depleting substances (ODS)	Page 40	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Pages 40-41	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Page 50	

GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Pages 13-14, 50	
	308-2 Negative environmental impacts in the supply chain and actions taken		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 54	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 56-57	
	401-3 Parental leave	Page 57	
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Pages 55, 91 In the reporting period, no notification of violation of the principle of non-discrimination was received.	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Page 55	
GRI 409: Forced Or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 55	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Page 55	
GRI 412: Human Rights Assessment 2016	412-2 Employee training on human rights policies or procedures	Page 55	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Pages 13-14, 55	
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