Limak

Limak
Group of Companies

Sustainability
Report 2013

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Sustainability Report of
Limak Group 2013

Statement of the Chairperson

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About the Report

In this our first sustainability report, we want to share with our stakeholders a summary of the economic, environmental and social performance and impacts of Limak's operations in 2013 in Turkey and globally.

Limak is one of the leading conglomerates of Turkey with operations in multiple and diverse industries. Currently, our main business lines are in infrastructure, energy, cement, construction and tourism. While most of our operations are in Turkey, we also operate Pristina International Airport and distribute electricity in Kosovo. We also have construction projects in Albania, Cyprus, Egypt, Iraq, Pakistan, Macedonia and Saudi Arabia.

Our first Sustainability Report provides comprehensive coverage of the sustainability performance in 2013 of all our major business units.

The report is based on the feedback from stakeholder groups and a kick-off workshop held with all group companies to discuss the report content and prioritisation of topics.

We were advised by EY

in collecting the data and preparing the report.

We determined the report content by applying the GRI principles of materiality and stakeholder engagement to our business units. We sought feedback from our business units and from the stakeholders, we determined the material GRI G3.1 indicators that our businesses should report. This process involved experts and senior management from all our business units and, from EY, our independent advisor on this project.

The indicators we considered most material, and for which we had data available for the reporting period, are listed on pages 96 in the GRI Checklist. Since Limak operates in many different sectors, the most material and relevant indicators are not the same for all business units but where an indicator was deemed important to a particular business unit, but not to the Group overall, the business unit has reported on that indicator as explained in the notes to the GRI Checklist.

The data in this report was derived from the internal systems in use across Limak. Although the data stemmed from reliable sources and was subjected to rigurous internal challenge, it has not been externally audited in this our first year of reporting.

Global Reporting Initiative

We prepared this “Sustainability Report” in compliance with the internationally accepted Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G3.1) to GRI B level as confirmed by GRI.

The GRI guideline provides a framework for reporting on the economic, environmental and social impacts of companies in terms of their sustainability, their targets, the activities that they undertake in relation to these impacts and the results of these activities.

This report covers our sustainability performance and impacts for the calendar year 2013. Where available and relevant, we have also included 2012 data for comparative purposes. We plan to prepare a sustainability report on an annual basis going forward.

Collecting stakeholder feedback is vital for helping us to improve both our practices and reporting processes. We closely examine every issue that comes to our attention, and we use necessary feedback from our stakeholders. We invite our stakeholders to forward any opinions, suggestions or complaints to the following contact.

Point of contact

for queries/feedback

Mrs. Sebnem Erverdi | Corporate Communications and Sustainability Director

| sustainabilityreport@limak.com.tr

About Limak

Limak, started its operations with Limak Construction in 1976. Limak Construction has successfully completed many projects in the following years including airports, ports, dams, irrigation systems, highways, hydroelectric power plants, industrial plants, oil and gas pipelines, building complexes, hotels and resorts.

Limak, took a step into the tourism sector in 1995, the energy sector in 1997 and the cement sector in 2000. In 2008 the company started airport investments. The company added the fields of distribution, sales and trading to its energy investments in 2010. And followingly started port investments with the İskenderun Port, which it took over in 2011.

Limak aims to be a front runner in all the sectors it worked, while following a sustainable and balanced growth strategy.

Limak Group of Companies started its operations with

Limak Construction in 1976.

We are closer to our targets by one more step

We would like to note with pleasure that the year, 2013, was another successful year for our Group and we got closer to the target of being in top positions in all the sectors that we operate.

As our country maintains its emerging position with investments achieved rapidly in recent years, Limak had a very productive and successful year with numerous projects undertaken both locally and internationally.

We observe that the recovery process continued in the global economy last year. Based on an analysis of the Turkish economy, the growth rate realized at 4.1 percent in 2013. Although high employment rate were achieved between 2007 and 2012 under the influence of measures for employment and economic recovery in the process of getting out of crisis on a national level, the economic recovery was below expectations and the global atmosphere of uncertainty in the first half of 2013 affected the labor market.

Based on an analysis of our Group from this perspective, we observe with great happiness that the number of our employees including our partnerships, subcontractors and our new acquisitions in 2013, rose to a level of 30,802 by the end of 2013, from 17,842 at the end of 2012.

We believe firmly in collaborating through partnership in our ventures and highly appreciate development of this culture. In particular, we endeavor to develop collaborations which are long term and provide added value from many standpoints. We use partnerships to drive growth in our corporate culture. Additionally establishing partnership inherently calls for risk sharing and auto control, it also ensures knowledge and experience exchange at the same time. In addition, the economic growth created, it offers considerable advantages to realize larger projects on both national and global scales.

From a corporate perspective, we believe that forging global partnerships increases the corporate discipline in multinational companies, taking them one step further to the global scale in the sense of global responsibility and citizenship.

We follow the centennial targets

Our country is targeting to become one of the world's top 10 economies by the 100th anniversary of our Republic in 2023 and aiming at increasing per capita national income, which is presently 10,744 Dollars, to 25,000 Dollars and GDP to 2 trillion 64 billion Dollars. Achievement of these targets requires numerous large investments in the areas such as energy, infrastructure, tourism and transport. As our country gets closer to these targets step by step, our Group will certainly continue growing with investments in all of these sectors.

We strengthen our global position in the construction sector

So far, we have completed a vast number of construction projects having total value of 6 billion Dollars in a comprehensive range of areas. As Turkey grows, we have always progressed on the way to being a pioneer in our geography thanks to the projects set by us into motion both locally and internationally.

In 2013, we won the tender of Istanbul New Airport Project jointly with our partners, which is one of the biggest infrastructure sector investments in Turkey's history.

Istanbul New Airport, which will become one of the biggest airports in the world, will be built as an airport city in international norms based on a modern and environmentally friendly understanding. Another project undertaken by us last year jointly with our partners is construction of Yusufeli Dam, the third highest concrete arc dam with dual curves in the world. Overseas, awards have been secured for a number of projects involving construction of a tunnel with a length of 3 thousand 590 meters linking Duhok to Zakho in Northern Iraq, power plant renewal and infrastructure improvement in Baghdad, Iraq's Capital, and Banja and Moglice hydroelectric power plants with an output of approximately 250 MW in Albania. A mixed use superstructure project comprising a shopping center, hotel and residences having a total land area of 330 thousand square meters has been initiated in the city center of Skopje, Capital of Macedonia. In addition, various projects carried out in Saudi Arabia, Pakistan, Egypt and Northern Cyprus continued in 2013.

We are rapidly growing in every field of energy

Our Group also took initial steps towards many new projects in 2013 when new power plants with a total output of approximately 4 thousand MW were commissioned. We completed Tatar HEPP and Kirazlık HEPP projects and we have acquired Hamitabat Combined Cycle Gas Turbine (CCGT) Power Plant, has an installed capacity of 1,156 MW. Our installed energy production capacity is 1,783 MW and planned capacity after completion of ongoing investments is 2,000 MW.

In 2013, we met our 2013 targets with our trade volume reaching 2.5 folds in the energy sector where we are in an assertive position. We may comment that the foreign brokerage companies starting to operate in the area of wholesale trading in particular were influential in helping us attain this volume. Accordingly, as a more liquid market has developed, a reference price practice has been started by the market participants. These local developments have also affected overseas activities and line capacity procurements conducted for cross border energy trade attracted much interest in 2013. We are aiming to increase our energy trade activities in Europe in the forthcoming period.

As a company firmly believing in the importance of trained human resources for the future of the energy sector, we extend our support to training of future energy professionals with the project, “Future of Electricity, Professionals of the Future”, initiated by us two years ago, which has helped us reach more than 200 students.

Our project won the prestigious award, “Golden Voltage”, at the Fourth Turkish Energy Summit organized in 2013.

We distribute electricity in Kosovo

We have expanded our electricity distribution portfolio that consists of Uludağ and Çamlıbel electricity distribution companies, by acquiring Akdeniz and Boğaziçi electricity distribution companies locally and Kosovo Electricity Distribution Company internationally. We now annually achieve distribution of electricity of more than 50 billion kWh in a total of 5 electricity distribution zones jointly with our partners.

We received 19 million passengers at Istanbul Sabiha Gökçen International Airport

Airport construction and operation is another sector enjoying our priority to the extent of our focus on energy. The number of passengers, which was 15 million by the end of 2012, reached 19 million passengers at Istanbul Sabiha Gökçen International Airport, by the end of 2013.

The operation of the Pristina International Adem Jashari Airport, Kosovo, for 20 years and construction of a new terminal building and additional facilities there, jointly undertaken by us under partnership with Aeroport de Lyon was completed last year which was our second experience in the sector. We inaugurated the new terminal building and additional facilities with an investment of 140 million Euros as an environmentally friendly and smart building based on a modern architectural understanding. The airport, which presently hosts about 2 million passengers a year, reached the capacity to serve 5 million passengers.

LimakPort Iskenderun – The game changer in Eastern Mediterranean

We took over Iskenderun Port at the end of 2011, followed by a partnership with the international infrastructure investment fund; InfraMed. We have completed a comprehensive investment program where the port was completely demolished and reconstructed as a purpose to build container terminal. The total cost of investment is 215 million USD. The container operations are run by the state of the art technology ship to shore gantry cranes on the berth side and by rubber tyred gantry cranes on the storage yard.

The current installed container handling capacity is 1 M TEU/year. Plans are on the way to increase it to 1.3 M TEU/year with the procurement of additional equipment. The master plan and port layout allows capacity expansion up to 3 M TEU which will be reached eventually. Our investment turned LimakPort Iskenderun into an intermodal, deep sea container terminal. In that respect, it is unique in Turkey. In addition to containers, LimakPort Iskenderun is also handling project cargo, roro, general cargo and dry bulk in significant

amounts. Considerable investment was also made for non-container operations.

With its strategic location and impressive hinterland, LimakPort Iskenderun has become the game changer in Eastern Mediterranean for the shipping industry.

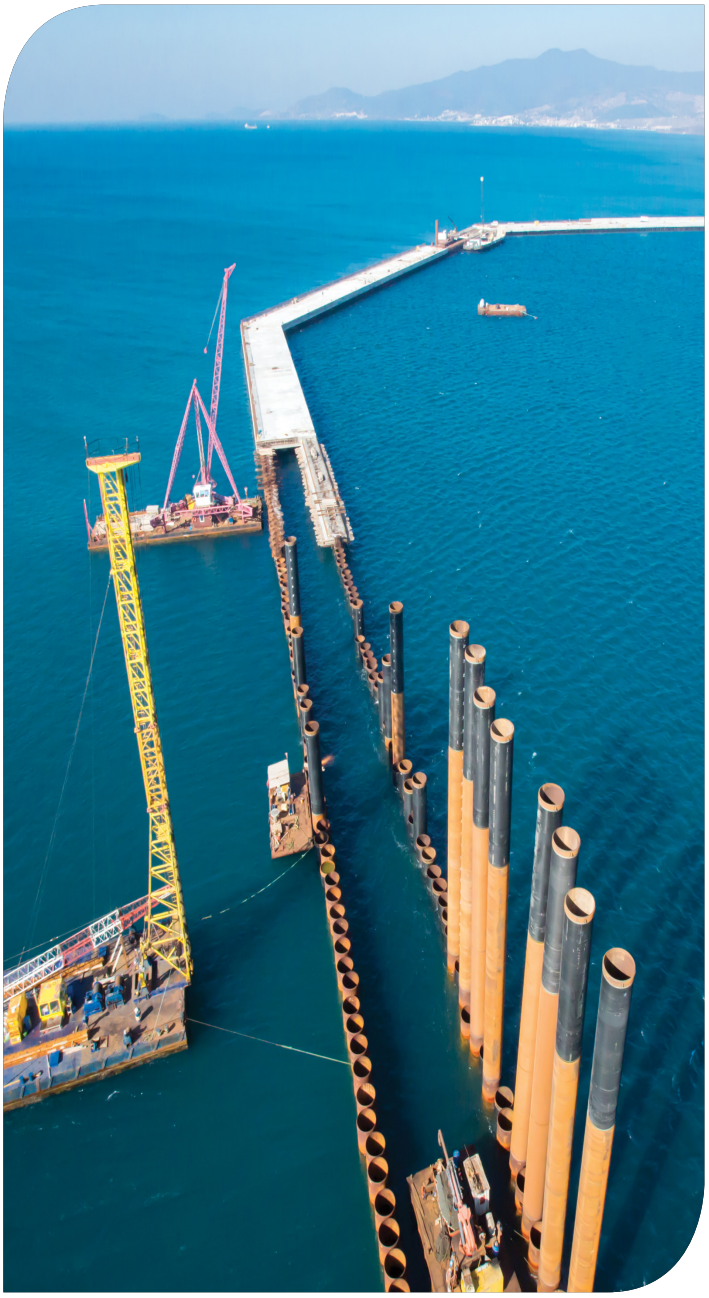
Our investment in LimakPort Iskenderun complies with International Finance Corporation's Equator Principles. These principles have been applied in all stages i.e., planning, construction and operation.

We create new capacity in cement

Limak Cement has the third biggest cement production capacity in Turkey while our story has just started in 2000 within this sector.

We currently go ahead with efforts aiming at improvement, capacity increase, modernization, clean technology and energy efficiency at our cement plants. In the course of 2014, we will be completing capacity enhancement and new clinker line investments at our Trakya and Balıkesir Cement Plants. Thus, we aim at promoting Limak to the 2nd position in Turkey's clinker and cement production capacity.

As the Cement Group, while we are consolidating our position in the local market, we increasingly maintain our initiatives to explore opportunities in international markets in 2013. Accordingly we decided to invest in Africa and explore projects in Eastern Europe.



2013 was a year of successes and balanced growth. We hope that 2014 is another year in which we will be able to meet our target to bring Limak into a brighter future.

Turkey's fifth biggest hotel chain

We consider the tourism sector highly important, which is one of the most rapidly developing sectors in the world. In this context, our Limak Tourism Group, which is presently one of Turkey's top 5 chains of hotels, always pursues any new investment opportunities in the industry.

Strategic partner for Limkon

In 2008 we established Limkon, in Adana with an investment of 30 million Euros, for the purpose of producing fruit juice concentrate, fruit puree and paste and processing any kinds of fruit based products. So far, we have made considerable progress in the industry. In 2013, we signed a cooperation deal with Wild Flavors GmbH, a natural content supplier having a significant position in the world food sector. In partnership with Wild, we will be making line investment at Adana Plant at the initial stage. Apart from having the excellent opportunity of offering the products sought by the market to our customers in a short period, we will also be in a position as a supplier for 22 plants owned by Wild all over the world.

Our efforts to reduce carbon emmission

As a result of our awareness of environmental responsibility, we received the carbon emission reduction certificates for Alkumru and Uzunçayır Hydroelectric Power Plants Projects and started to work for the certifications of Tatar, Pembelik and Kirazlık hydroelectric power plants as well.

We duly meet our social responsibility with powerful corporate structure

As we have maintained our growth, we have also continued with our efforts for corporate governance. We are therefore targetting ensuring further development and continuity of this structure in next generations we have developed through many years' efforts jointly.

Besides our corporate activities, we always work for our social responsibilities at the same time.

In order to meet these responsibilites , we have set into motion many projects through our companies in different sectors. Last year, we further continued our corporate social responsibility efforts in the areas of education, environment, culture and arts as well as micro loan supports on a local basis.

Board Members

Batuhan Özdemir | Ebru Özdemir | Serhan Bacaksız | Serdar Bacaksız

Pristina International Airport Adem Yashari

Group Structure

Construction

Tourism

Cement

Infrastructure & Energy Investments

- Airports
- Ports
- Energy Generation
- Energy Distribution
- Energy Sales and Trading

Food and Beverages

Key Milestones

1976 Limak Construction incorporated.

1981 Limsan Construction incorporated.

1995 Penetration of the tourism sector: Limak Arcadia Hotel opens for service.

1997 Penetration of the energy sector: Limak Energy incorporated.

2000 Limak Holding incorporated.
Penetration of the cement sector: Siirt Kurtalan Cement acquired.

1998 Limak Limra Holiday Resort opens for service.

2002 Limak Atlantis Hotel opens for service.

2001 Çal HEPP starts generation.

2003 The consortium of Limak, Nurol, Özaltın and Tütsab acquires the alcoholic beverages division of Tekel.
Pamuk HEPP starts generation.

2004 Mey Beverages incorporated.

2005 Seyrantepe Dam and HEPP investment gets under way.

2006 Limak Ambassadore Hotel opens for service.
Mey Beverages Inc. shares entirely sold to TPG.
Gaziantep Cement Plant acquired.
Ergani Cement Plant acquired.
Penetration of the aviation sector: Limak Aviation Incorporated.
Limak Lara Hotel opens for service.

2007

Şanlıurfa Cement Plant acquired.
Limak - GMR - Malaysia Airports Consortium won the İstanbul Sabiha Gökçen International Airport tender.

2008

İstanbul Sabiha Gökçen International Airport Investment Construction and Operation Inc. incorporated.
Seyrantepe Dam and HEPP starts generation.
Bitlis Cement Plant put into service.
Limak – GMR – Malaysia Airports Consortium takes over İstanbul Sabiha Gökçen International Airport.
Limkon Fruit Juice Concentrate Facilities put into service.

2009

İstanbul Sabiha Gökçen International Airport new international lines terminal put into operation.
Mardin Cement Plant starts production.
Uzunçayır Dam and HEPP starts generation.

2010

Penetration of the electricity distribution sector with the acquisition of UEDAŞ and ÇEDAŞ.
Limak Yalova Thermal Boutique Hotel opens for service.

2011

Penetration of the energy trading sector: Limak Energy Trading Company starts its operations.
Alkumru Dam and HEPP starts generation.
Set Cement acquired by Limak Cement.
Limak, acquires Pristina Airport.
İskenderun Port transferred to Limak.
Limak Eurasia Hotel opens for service.

2012

Limak - Çalık Consortium win the tender of the privatization of Kosovo Electricity Distribution Company.
Limak - Cengiz – Kolin Consortium win the tender of the privatization of Akdeniz and Boğaziçi electricity distribution companies.

2013

Ege Cement joins Limak Cement Group.
Akdeniz and Boğaziçi electricity distribution companies acquired by Limak - Cengiz - Kolin Consortium.
Kosovo Energy Distribution Company acquired by Limak - Çalık Consortium.
Limak-Cengiz-Kolin-Kalyon-Mapa Consortium won the tender of and the İstanbul New Airport implementation contract signed.
Hamitabat CCGT Power Plant acquired by Limak following the tender.
Pristina International Airport new terminal building put into operation.
Kirazlık Regulator and HEPP put into operation.
Tatar Dam and HEPP put into operation.
Ankara High Speed Train Station Project gets under way.

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Memberships

- Ankara Chamber of Industry
- Ankara Chamber of Commerce
- Asphalt Contractors Association
- Belek Tourism Investors Association
- British Safety Council
- Electricity Distribution Services Association
- Endeavor Turkey
- Energy Trade Association
- Foreign Economic Relations Board
- Hydro-electric Power Plants Industry Businessmen Association
- International Hydropower Association
- International Commission On Large Dams
- International Pipe Line & Offshore Contractors Association
- Lara Tourism Investors Union
- Maritime Commerce Chamber
- Turkish Fruit Juice Industry Association
- Railway Transport Association
- Sure-Global-Fair
- Sustainable Development Association
- The Association of Turkish Electricity Industry
- The Union of Chambers and Commodity Exchanges of Turkey
- Union of Tourist Guides Chambers
- United Nations Global Compact
- Turkish Construction Industrialists' Employers Union
- Turkish Contractors Union
- Turkish Industry & Business Association
- Tourism Investors Association
- Port Operators Association of Turkey
- Young Businessmen Association of Turkey
- World Economic Forum
- World Water Council

Limak Lara De Luxe Hotel & Resort

Limak at a Glance

Limak's main business lines are in infrastructure, energy, cement, construction and tourism. It employs more than 30,000 people and has operations in 8 countries. In addition to its operations in Turkey, it also operates Pristina International Airport Adem Jashari in Kosovo and distributes electricity in Kosovo as well as having construction projects overseas in Albania, Cyprus, Egypt, Pakistan, Iraq, Macedonia and Saudi Arabia. In 2013 Limak achieved total revenue of 3,029 million USD and a growth of 43% from 2012.

Workforce	Countries we operate in	Revenue	Revenue growth from 2012	Number of sectors
30,802	8	3,029 million USD	43%	8

Revenue	2013	2012	EBITDA	2013	2012	Assets	2013	2012	Equity	2013	2012
Construction	654	643	Construction	79	81	Construction	901	811	Group	790	1,016
Cement	533	496	Cement	136	121	Cement	1,094	1,158	Non-controling interests	107	108
Energy Investments	1,519	642	Energy Investments	248	142	Energy Investments	2,539	1,290			
Infrastructure Investments	194	208	Infrastructure Investments	68	56	Infrastructure Investments	1,564	1,349			
Tourism	105	101	Tourism	30	26	Tourism	223	259			
Other	24	24	Other	1	3	Other	39	49			
	3,029	2,114		562	429		6,360	4,916		897	1,124

**Reporting unit is 'million USD'.*

Number of hotels

8

Number of cement factories

10

Number of energy generation plants

8

Number of energy distribution companies

5

Message from the Board

To our stakeholders,

It gives us great pleasure to present you the first sustainability report of Limak, which describes how we apply the principles of sustainability in our business for clients, within our operations, and in communities worldwide. The document also outlines our plans to manage our business sustainability into the future – by promoting sustainable development that contributes to positive economic, environmental, and social outcomes.

We view this report as a significant step towards our development as a Company and a tool that brings our sustainability initiatives together, allowing our stakeholders to monitor and measure our progress. Limak, follows a balanced and environment-friendly growth strategy in all their operations, and acts in line with the principle of "meeting today's needs without jeopardizing the needs of future."

All Limak companies have adopted sustainable growth principles that emphasize diminishing the effect that are harmful to environment and creating value for society and stakeholders..

The world's population has more than tripled in the last century. We now need to strive to create a good standard of living for 7 billion people today, 9 billion by 2050, without depleting the world's finite and already scarce resources. Millions of people in the world and in Turkey live in sub-standard housing and without access to basic amenities such as heating and lighting. Enterprises like Limak clearly have an essential responsibility in helping more people to have access to basic needs and we also have a responsibility in ensuring these can be provided in a sustainable and humane way.

Unarguably, our sectors' impact on the environment, economy, and society is immense. One of our biggest challenges in operating such a large portfolio lies in maximizing its positive impact on the planet.

In our report, you will find how Limak's impact in many areas of sustainability has improved, and also why it's important for us to manage our sustainable growth and continue to add value to our stakeholders.

How can we run a sustainable business? Limak's mission is to "Create value for its stakeholders in the light of sustainable growth, operational efficiency and continuous improvement." It is our belief that we must take all possible steps towards making Limak Group a leader in business practices, which have the maximum possible positive impact on the safety and well being of our people, our community, and our environment.

Our employees are the strongest links in our path to a sustainable future. Developing and nurturing a culture of responsible behavior among our employees is the strongest foundation on which we can build a Company that creates maximum value for its stakeholders. This culture of behavioral responsibility must encompass not only the relationship between the employees and the Company, but also their relationships with each and every stakeholder that is impacted by our activities. It will be our constant endeavor to work with the communities around our operational sites and encourage our employees to volunteer their time towards these initiatives.

I would like to foreshadow a few examples of our sustainability achievements that you will find in our report, regarding our sustainable performance.

This year, Limak completed the VCS validation and verification works of Alkumru Hydroelectric Power Plant project in Siirt, and received its carbon emission reduction certificate. The average annual GHG emission reduction of Alkumru Hydroelectric Power Plant is 475,143 tonnes of CO2. The plant also received the social carbon validation certificate through the assessment of social contributions within the project area. We also completed VCS validation and verification and social carbon validation works of Tatar and Pembelik hydroelectric power plants.

Sustainability Report

On the other hand Istanbul Sabiha Gökçen International Airport was granted the title of “Green Airport” by the General Directorate of Civil Aviation in 2012 since it utilized a modern and environment-friendly terminal operation model by investing in high technology, physical infrastructure and well-trained human source with minimal damage to the environment.

The first L-NOx environmentally-friendly rotary kiln investment in Turkey will be achieved at Limak Trakya and Balıkesir.

After this investment, power consumption will decrease by 29%, NOx emission by 50%, dust emissions by 91% and fossil fuel consumption by 9%, respectively.

Also some of our cement plants have set targets for a reduction in clinker content and using alternative fuels as explained in the section of the report on Limak Cement. Safety is a priority in all our operational sites. As we operate in a complex business environment involving thousands of employees and vast amounts of resources, ensuring the safety and integrity of our operations is of paramount importance to us. We will strive to bring all our operational sites up to similar standards of safety performance and reporting to reduce injuries as far as possible and pursuing a zero accident target.

With various projects in different stages of construction and commissioning, our asset base is set to grow further. It remains our priority to ensure that we follow the most stringent health, safety and environment norms at all our construction sites.

Our priorities towards building a more sustainable business remain consistent and involve interactions with all of the stakeholders that are affected by our activities. These include:

- Improving the lives of communities around our operational sites through a strong focus on education, infrastructure and healthcare
- Continued expansion of the scope and scale of our efforts and initiatives towards community development
- Making health and safety the top priority for all employees, led by the senior management
- Developing our internal talent and focusing on employee learning and growth

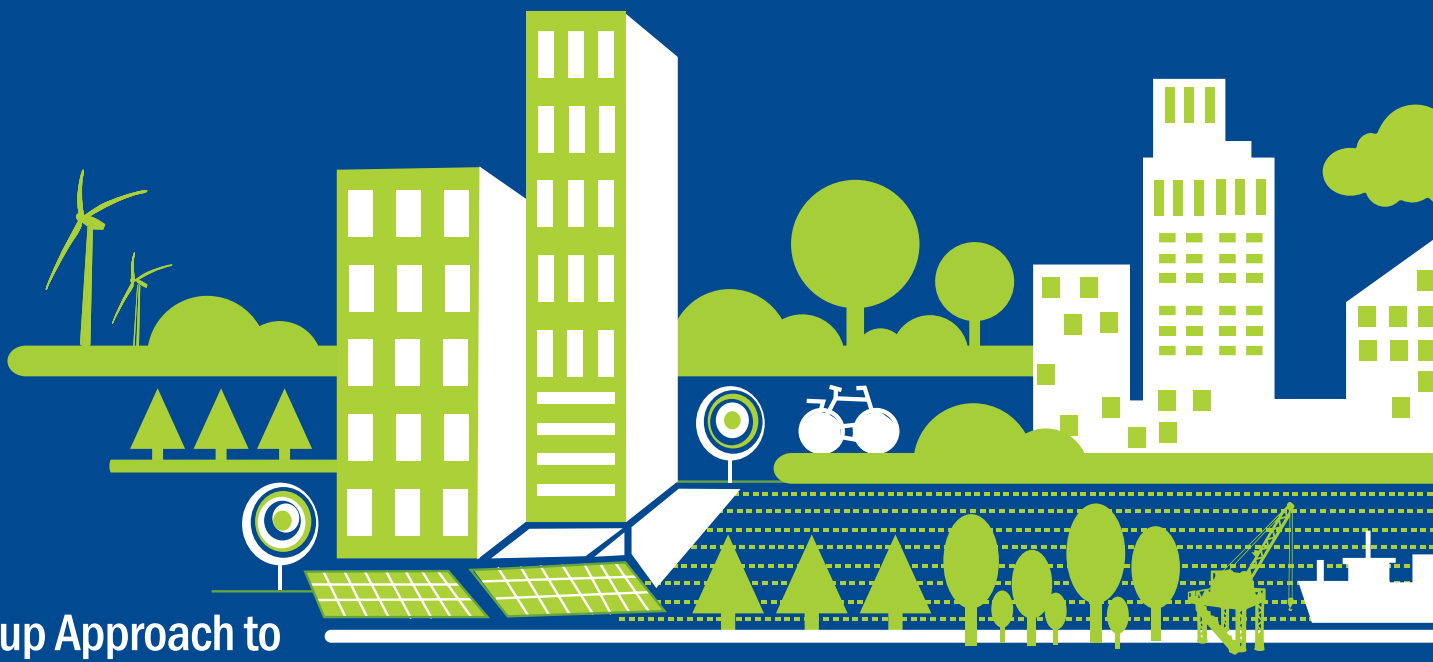
We are also closely focused on risk management, ensuring we take account of the significance of environmental, social and governance matters affecting our business, particularly where these might impact short-term and long-term value. As the Chairperson of the Board, our senior management team and myself take up this challenge to ensure that our employees view our sustainability objectives as critical to the development and success of our Group.

With our first report, we have taken a strong first step towards communicating our economic, social, environmental and governance performance with our stakeholders, and look forward to demonstrating our improvements and achievements in our future sustainability reports.

Sincerely,

Ebru Özdemir

Chairperson of the Board



Group Approach to

Sustainability

Quality is not a choice, but an obligation for us.

Vision

“To be in the top three most successful companies in all the sectors where we do business”

Mission

“Create value for its stakeholders in the light of sustainable growth, operational efficiency and continuous improvement principles.”

Values | We are:

- Trained, skilled, hardworking
- Honest and committed to the company
- Continuously improving
- Respectful to each other
- Carrying the spirit of team working
- Standing firm on quality
- Protecting the prestige of the company all the time
- Open to learning and innovation
- Committed to the decisions and the objectives of the company
- Respectful to the environment
- Fast decision makers within the flexible and horizontal organizational structure
- Confident that we shall be successful within every sector we are in.

takeholder Engagement

71%

customer satisfaction

In Sabiha Gökçen International Airport

Limak engages with its stakeholders through a variety of means including one-to-one and group meetings, project-based partnerships and satisfaction surveys. The stakeholders of the Limak Group of Companies vary between the different business units but as a summary Limak's principal stakeholders include employees, suppliers, customers and public institutions. All stakeholders can communicate with Limak through the email addresses on the corporate websites.

The key to success is

"customer satisfaction"

Table 1 lists the principal means by which Limak liaises with its primary stakeholder and in the section that follows; we list a few examples of how Limak has liaised with some of its principal stakeholder groups across the Limak companies in 2013. Limak interacts with its stakeholders on both an on-going basis throughout the year as well as through satisfaction surveys of key stakeholder groups each reporting period.

We encourage our stakeholders to convey their concerns and priorities through the established engagement plants (as depicted in Table 1). While the precise nature of these concerns is confidential, we have systems in place to ensure speedy and fair resolutions of any concerns through appropriate management interventions.

Table 1 | List of Stakeholder Categories Important to Limak

Stakeholder Group	Communication approach
Employees	One-to-one and group meetings, training and workshops, Limak corporate portal, performance appraisal and career development meetings, Annual Report, Surveys
Customers	Customer Satisfaction Surveys in several of the business units including Limak Hotels
Suppliers	Meetings (upon request), Annual Reports, Supplier Business Ethics Principles, Surveys
Local communities	Social projects, Information Requests (when required), Annual Reports, Complaint System, Surveys
Public Institutions	Meetings and Discussions, Information Requests, Annual Report, Working Groups, Surveys
Sector Bodies	Meetings and Discussions, Working Groups
Universities and Academics	Participation in Conferences, Scholarships, R&D programmes, Surveys
Media	Interviews, Meetings on Request, Annual Report, Press Releases, Surveys

Customers

Customers of Limak companies are able to share their views, suggestions and complaints regarding the products and services to the related departments through the call centres of the companies as well as via telephone, e-mail and websites. In Limak Tourism, we have our own in-house guest questionnaire, which yields between 200 and 1,000 questionnaires per month per hotel, collected every two-week period. We had an average satisfaction rate of 95.6% with 42 criteria per questionnaire in 2013. In Istanbul Sabiha Gökçen International Airport, 360 customer satisfaction surveys were completed during 2013 and the customer satisfaction rate was 71%. Each question is on a scale from 0 to 5 points with 4 and 5 points representing strong customer satisfaction. Consequently, a weighted average of 71% from this scale represents an average rating of approaching 4 points across all questions.

Employees - Events and meetings are organized to meet and listen to our employees' concerns and feedback throughout the year. In order to improve communication and to share more information we aim to bring into service an internal portal by the end of this year.

Suppliers and sub-contractors-Limak strives to create successful long-term partnerships with its suppliers and sub-contractors and where possible, source suppliers locally so as to provide an important catalyst to local communities by helping to create jobs and helping workers to learn new skills. At the same time the communities become more attractive to other companies looking for skilled workers. Limak undertakes and compels its suppliers and sub-contractors to comply with all relevant laws such as labour and social security regulations.

Stakeholder Engagement

Our Material Issues

Due to the size and diversity of Limak's operations, the key issues and opportunities posed by sustainability to our businesses can vary between our business units. As discussed on page 96, we undertook a detailed analysis of our most material issues across our businesses for this project, linked these issues to the corresponding GRI G3.1 indicators that we have reported on in this report and that we list on the checklist on page 96. We have also linked our most material issues to our priority areas for sustainability, as explained in the next section on Sustainable Value Creation.

In December 2013, we organized a Group-wide workshop to identify and prioritize the sustainability issues material to the individual companies, and to the Group as a whole. We also took into account external stakeholder feedback received as part of our regular engagement with stakeholders during the reporting period. Our materiality determination process was guided by the GRI Principles for Defining Report Content.

Sustainable Value Creation

Limak is committed to the three fundamental principles of sustainable growth, environmental protection and well-being of the society. By incorporating these principles in all our business decisions and activities, we are able to create sustained value for our Group as well as all our stakeholders.

Environmental Value Creation

Climate Change and Protection: We recognize the threat of climate change and the role we can play in managing and protecting it. Limak avoids CO2 emissions through its hydroelectric power plants that it operates and with more plants soon to be operational this will be an even more important way that Limak is contributing to CO2 emission reduction activities. For example, our Uzunçayır Hydroelectric Power Plant has the right of issuing 151,000 tonnes of VCS carbon credits annually, reflecting tonnes of avoided CO2 emissions. Further, we started to measure our carbon footprint from our direct emissions in 2013. This will help us accurately assess our current impact and form the baseline for future reduction targets.

Energy Efficiency and Conservation: The scale and diversity of our business operations mean that we consume a significant amount of energy. However, as an environmentally responsible corporation, we continually seek opportunities to identify and implement energy efficiency and conservation measures across our businesses.

In the cement sector we have signed a significant credit agreement with the Development Bank of Turkey for energy efficiency investments in the previous year.

Use of Waste as Resources: Limak is committed to reducing its environmental impact through efficient use of natural resources. One important way in which we strive to achieve this is by use of environmentally friendly alternatives and reuse of waste wherever feasible.

Social Value Creation:

Employee Health and Safety: The health and safety of all workers and sub-contractors working for Limak is of fundamental importance. Limak's target is zero accident and zero fatalities.

We work hard to reduce accidents and if an accident occurs despite all our preventative measures, we carry out investigations to understand the root cause of the accident and ensure there is not a re-occurrence.

Employment, Talent Development and Support to Entrepreneurship: We generate a significant volume of high quality employment opportunities and provide a platform for excellent professional development to all our employees. Moreover, our businesses create large-scale indirect economic growth in the regions we operate in, and we encourage entrepreneurship within the community through various programs such as micro credit.

Corporate Social Responsibility: Limak Group has a long and proud history of being a socially responsible corporate citizen. We support numerous initiatives in the areas of education, culture and art, micro-credit and women empowerment.

Corporate Governance, Internal Control System and Compliance

Limak Holding Inc. is the principal holding company, and the Group comprises of several companies, subsidiaries and joint ventures that cater to its diverse business interests.

A list of Group companies can be accessed from the following location on the internet: **www.limak.com.tr**

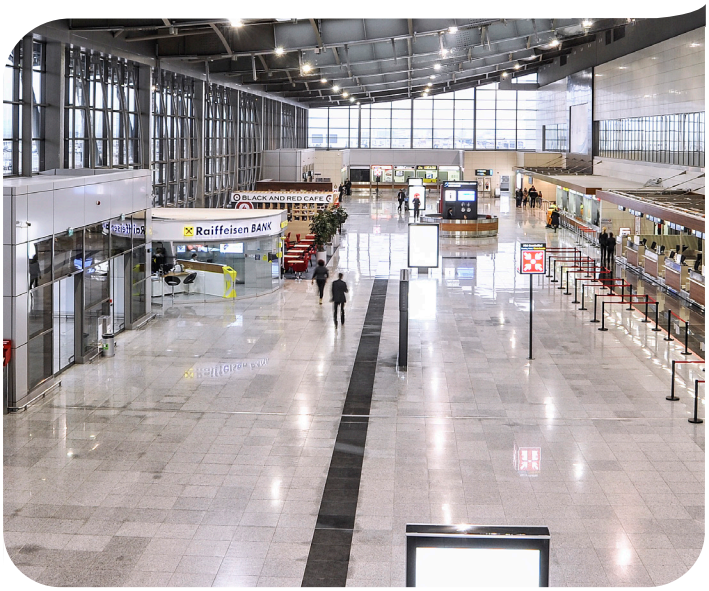
Corporate Governance: We are committed to creating a sustainable structure through adopting good corporate governance practices. As part of this commitment, we take the company's overall performance into account in the performance appraisal and compensation of our senior management. Going forward, we will consider how the social and environmental performance of the company can be given more emphasis in this regard.

Good corporate governance is a culture and a climate of consistency, responsibility, accountability, fairness, transparency and effectiveness that is deployed throughout the organization. As a leading conglomerate with more than 3 million USD revenue and 30,000 employees, Limak has been working on its corporate governance and compliance projects since 2012. The goal of the Corporate Governance Project is to reinforce the board level corporate governance of Limak Group of Companies and make their governances to be aligned with the IFC Corporate Governance Principles.

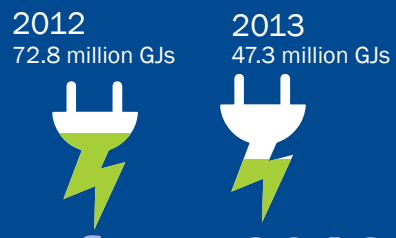
During the project, the governance structures of the companies were evaluated through the surveys and the one-to-one interviews conducted with the board members. And based on the outcomes, the board charters were prepared for the subject companies. The charters which provide the framework for the governance of Limak Companies include the internal structuring of the boards such as the assessment of board members' performances, the roles of the independent board members as well as the internal processes of the boards i.e. the roles and responsibilities of the board committees and the relation between the boards and the committees.

Furthermore, a compliance and anti-corruption policy to be applicable for all Limak Group Companies was prepared in accordance with the US Foreign Corrupt Practices Act, the UK Bribery Act and the relevant Turkish laws. While drafting the Compliance and Anti-Corruption Policy, Group's corporate structure and endeavors on procuring and conducting business in and outside Turkey and existing mechanisms regulating anti-corruption and improper corporate behaviors within the Group have been evaluated. Besides, precedents, business needs and customary practices have been considered. This Policy clearly and strongly states Limak's commitment to conducting its business ethically, consistent with local and international anti-corruption laws.

Internal audit teams in the group are continuously reviewing internal control, risk management and governance processes and systems in order to add value by finding potential threats to the organization's profitability and sustainability and recommending appropriate measures to mitigate risks associated with those threats.



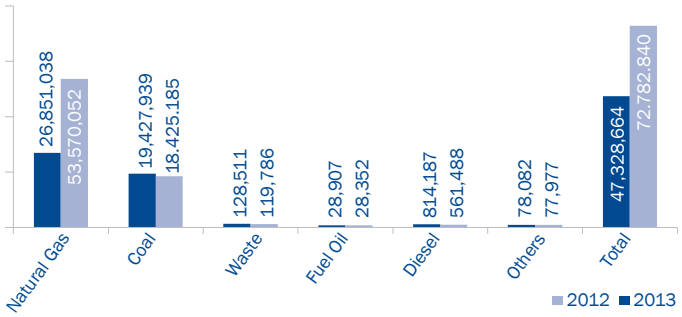
Group Performance



35% reduction from 2012

In this section of the report, the main sustainability impacts have been summarized at the Limak Group level. In the sections that follow, there is then a short summary of the sustainability highlights and key impacts for each of the business units. This is our first sustainability report and due to when the data was collected, it was possible to collect more accurate and more complete data for the current reporting period of 2013 than for the prior year that has been included for comparative purposes.

Table 2 | Direct Energy Consumption (GJ)



Total energy consumption within the Limak Group of Companies was 47.3 million GJs in 2013, which represented a 35% reduction from 2012 (72.8m GJs) due to a reduction in natural gas consumption of 53.6 to 26.9 GJs in 2013. This large reduction in natural gas consumption arose from Limak's Energy Generation business at Hamitabat. Direct energy consumption from the other fuel sources listed in Table 2 increased slightly since Limak's operations continued to expand but this growth was partially offset by energy-saving initiatives in operation during the year. Within the Limak Group of Companies, many different fuels are used and the 'Others' category shown in Table 2 refers to numerous fuels used in small quantities across the business including LPG and LNG.

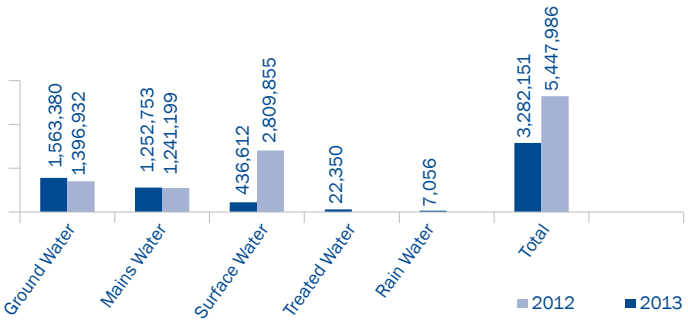
Table 3 | Indirect Energy Consumption from Purchased Electricity by Business Unit (kWh)

	2013	2012
Cement	752,797,187	726,699,883
Tourism	27,233,130	22,515,142
Construction	8,905,825	6,477,072
Infrastructure and Energy Investments		
Istanbul Sabiha Gökçen Airport	20,529,143	14,978,255
Pristina International Airport Adem Jashari	4,168,727	3,036,766
LimakPort Iskenderun	5,058,343	1,990,357
Generation (Hamitabat)	4,432,904	1,786,048
Distribution	11,325,421	5,247,966
Sales and Trading	7,494	7,494
Food and Beverages	5,082,463	5,065,650
	839,540,637	**787,804,633**

Total indirect energy consumption from purchased electricity increased from 787,805 mWh to 839,541 mWh since Limak's businesses continued to expand. However, Limak Companies also managed to achieve significant energy-efficiency savings explained in this report. Although the larger and more energy-intensive business units within Limak such as Limak Cement consumed substantial amounts of energy from purchased electricity, the Energy Generation Business Units at Hamitabat and the HEPPs generated significant amounts of electricity themselves and as a consequence needed to purchase much less from external sources.

Water Consumption

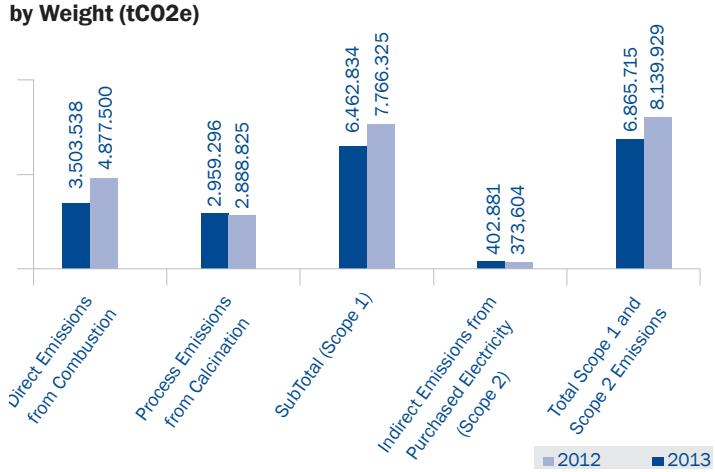
Table 4 | Water Consumption (m3)



Limak's total water consumption was 3,282,151 m3 in 2013, which was a 40% reduction from 2012 (5,447,986 m3) due to a reduction in surface water consumption from the Tatar Dam construction, since activity on-site was much more extensive in 2012. In 2013, most water was obtained either from ground water sources (48%) or from mains water obtained from local municipalities (38%). Within the Limak Group of companies, some business units tend to consume water from mains water municipality sources such as Limak Hotels whilst other units such as Limak Cement mainly extract ground water due to their geographical location and how best their water demands can be met. Where Limak Group of Companies used water from ground-water sources, they complied fully with the requirements of their permits during the reporting period. At most of Limak's business units, water is discharged directly to local municipalities' sewerage plants for treatment though at some of the construction sites where this is not possible, water is first treated on-site by a waste-water treatment plant so that it can be discharged into a local river. In these few exceptions, Limak complied with all the requirements of its permits for wastewater discharge during the reporting period.

Green-house Gas Emissions

Table 5 | Total Direct and Indirect Green-House Gas Emissions by Weight (tCO2e)



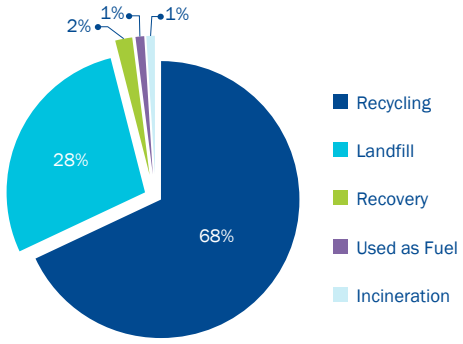
Limak's total Green-house (GHG) Emissions from its direct ('Scope 1') and indirect ('Scope 2') emission sources totalled 6.9m tCO2e in 2013, which was down 14% from 8m tCO2e in 2012 due to reduced natural gas consumption in the Hamitabat plant within Energy Generation, which was in turn caused by a reduction in demand from the energy markets in 2013. Limak Group's emissions comprised 3.5m tCO2e of direct emissions from combustion in 2013 (2012: 4.8m tCO2e) and arose primarily from the energy-intensive business units of Limak Cement and Hamitabat plant within Energy Generation. In addition, Limak Cement also generated a total of 3.0m tCO2e of process emissions from the calcination of carbonates from its kilns during the production of clinker (2012: 2.9m tCO2e). Finally, total indirect emissions from purchased electricity amounted to 0.4m tCO2 in both years of which over 85% stemmed from Limak's cement business.

Waste Generation and Disposal

Table 6 | Waste Generation

	2013	2012
Non-Hazardous Waste	**25,487**	**34,015**
Household waste*	20,026	29,172
Packaging waste	2,454	2,644
Paper	1,614	1,230
Metal	656	544
Plastic	301	373
Aluminium	289	4
Others	147	48
*Household waste represents domestic and organic waste		
Hazardous Waste	**653**	**511**
Sludge	397	268
Waste Oil	146	87
Contaminated waste	52	76
Tires	42	8
Others	16	72
	26,140	**34,526**

Chart | Methods of Waste Disposal Across



Total waste generated by Limak Group was estimated as 26,140 tonnes in 2013 and comprised of 25,487 tonnes of non-hazardous and 653 tonnes of hazardous waste, which represented a 24% reduction overall from the prior year estimation of 34,526 tonnes. Within Limak, most waste was generated by Limak's fruit juice business 'Limkon', which generates a significant amount of food waste in producing its fruit juice products and generated an estimated 16,516 tonnes in 2013 (2012: 26,554 tonnes). Substantial waste was also generated by Limak's largest business units including Limak Cement (2013: 2,930 tonnes, 2012: 2,766 tonnes) and Istanbul Sabiha Gökçen Airport (2013: 4,809 tonnes, 2012: 3,716 tonnes).

In 2013, an estimated 97% of the total waste generated was non-hazardous and comprised of domestic food waste, packaging waste, paper and metal. Overall, an estimated 68% of total waste was recycled in 2013 and 28% was sent to landfill.

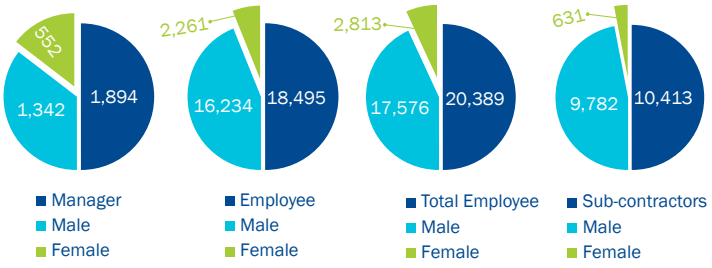
Limak Cement has also started using some waste materials as fuels to reduce its fossil fuel consumption and managed to use waste equivalent to 1% of the total waste generated by the Limak Group of Companies in 2013.

Our Workforce

While Limak has been growing for the last 20 years across many sectors such as tourism, cement, energy generation and distribution, airports and port operations, it has differentiated and strengthened its labour structure. Limak has achieved sustainable growth locally and also globally in both production and services with its qualified employees.

The driving force behind this growth has come to the forefront through "creating equality of opportunity", "providing development and training opportunities", and "getting employee satisfaction" under the management of human resources.

Limak Group Companies



*Excluding managers

Total Workforce **30,802**

Equality of Opportunities

In our companies, the candidates recruited are not evaluated according to their religion, language, race, sect, gender or lifestyle choices but the compliance of their qualifications with our Human Resources Principles.

As a group recognizing that service and product quality depend on the quality of employees, we aim to work with the candidates who adopt the values below and we manage our employment procedures accordingly:

Honesty, Reliability, Responsibility

Adhering to the laws and ethical rules in all activities and relations; behaving in an honest and open way and keeping promises; leading virtues of reliability, consistency and setting examples.

Leadership

To be a leader in all the sectors of operation by possessing strong corporate governance, business development and project management.

Innovation, creativity and being open to changes

To follow up with the changes and the developments in the markets we work in. In light of innovation and continuous learning and development, to support skills for creativity and to make the company progress.

Efficiency and effectiveness

In all activities, to convert opportunities into success acting proactively; to be a profitable and productive company which utilizes its resources effectively.

Quality and Result Oriented

To extend the products and services to clients on time, in universal standards, quality and costs as scheduled. To achieve the business targets through measurable, traceable parameters by associating them with business results.

Transparency

Adopting democratic management model, to involve employees in management and decision making processes. As a result of this approach to offer clarity in decisions and transparency in execution.

Employee and Customer Satisfaction

To perceive customers as the reason for its existence, to ensure customer satisfaction by offering them high quality service with added value. Being an institution whose employees feel proud of it and look to the future with confidence.

Teamwork

Working in the direction of designated common goals and values in unity and harmony, aware of the responsibilities for sharing, mediating and always considering the interests of the country and the company.

In 2013, Limak had a total workforce of over 30,000 workers of which over 20,000 were Limak employees and over 10,000 were sub-contractors. Although we mainly have manufacturing and construction activities, 14% of Limak's employees are women while the ratio of women amongst Limak's management was twice as high at 29%.

We care about both the health and the career of our women employees that take parental leave. As there are some women employees using unpaid leave in the postnatal period, the rate of return to work and their permanency after parental leave are also high.

Parental Leave

	2013	2012
Number of Employees that Took Parental Leave	88	60
Number of Employees Who Returned to Work after End of Parental Leave	72	53
Number of Employees Who Returned to Work and Were Still There 12 Months Later	*	51

Rate of Return to Work[1]	82%	88%
Rate of Retention[2]		96%

(*): Returns in 2013 is not included in tables because the duration of leave is less than 12 months

(1): Rate of return to work is calculated as the number of employees who returned to work after the end of parental leave divided by the number of employees who took parental leave.

(2): Rate of retention is calculated as the number of employees who returned to work and were still there 12 months later divided by the number of employees who returned to work in the first place.

All our female employees are eligible for parental leave. The data in the table above therefore pertains only to our female employees.

Since our operations are in a variety of regions, our priority is to hire local labour in both Limak companies and from sub-contractors. In addition, we have been granted the "Respect to Human" Award every year since 2008 as we pay strict attention to the recruitment process.

Limak Employment Abroad

December 2013	Limak Employee	Sub-contractor Employee	TOTAL
KEDS-Kosovo	2,598	0	2,598
Cairo	230	1,233	1,463
Pakistan	1	1,138	1,139
PIA-Kosovo	666	0	666
Saudi Arabia	528	53	581
North Iraq	239	10	249
Limak Construction Pristina	110	50	160
Limak Kosovo	14	0	14
Total	4,386	2,484	6,870

Unionized

December 2012	Number of Employee	Unionized Ratio %
White Collars	4,071	
Number Unionized	67	2%
Blue Collars	16,318	
Number Unionized	3,64	22%
Total	20,389	

At Limak, salary is based completely on performance and level of seniority rather than gender. Men and women doing the same job receive the same pay and have the same opportunities. We follow the internationally accepted methodologies and peer companies'

Training and Development

Training and development in Limak are aimed at improving both the company's and individual's performance continuously. Taking our employees' self-improvement and corporate development needs into account, we provide trainings to different levels and of different types. The trainings provided relate mainly to orientations, personal and occupational skill development, technical and operational information, information systems, occupational security and labour management.

Average Hours of Training per Employee in 2013

Years	Number of Employees	Number of Participants		Total Hours	Ratio of Number of Employees and Number of Total Participants	Average training hours per employee
2013	20,389*	Management	1,358	180,275	1.06	9
		Staff	17,855			
		Total	19,213			

In 2013, Limak provided over 180,000 hours of training to its employees, representing an average of around 9 hours per employee.

*Excluding the employees of the sub-contractors.

Limak's companies regularly collaborate with numerous universities. Having mutual agreements with universities not only gives Limak the opportunity to receive training from universities, but also provides internship opportunities to university students, in this way Limak has a chance to select potential candidates among them. Limak is also developing joint projects about this topic with NGOs (e.g YASED(International Investors Association)). In addition, Limak also gives internship opportunities to vocational high school students. By providing these opportunities, Limak supports the vocational employment effort of Turkey, and hires qualified employees in its manufacturing and tourism companies by evaluating their performance during internship. One more example of such collaboration with universities is KEDS Academy in Kosovo. KEDS Academy has supported the development of young Kosovar engineers. As Limak develops, it also ensures the sustainable development of its local communities.

Ensuring sustainability necessitates the monitoring and measuring the performance of employees. Therefore, there is a variety of Performance Evaluation systems in Limak companies that evaluates the performance of our white and blue-collar workers fairly and accurately. To us, our Performance Evaluation System is an irreplaceable process for sustainable employee development and employee engagement.

Employee Satisfaction

We appreciate that our workers contribute their energy, knowledge, and time to us. Thus, we aim to gain their trust and respect through fair practices in human resources. This aim helps us to keep employee satisfaction as one of our highest priorities.

Our employees evaluate their work environment yearly by completing employee satisfaction surveys. The survey results create opportunities for us to improve our business processes and show our managers' performance on the subject of employee engagement.

According to the results of the 2013 employee satisfaction survey completed by the tourism companies, the median value of the statement "I'm happy with working for Limak" is 0.84.

We believe that taking part actively in social responsibility projects is one of the factors that increase employee satisfaction. Afforestation is a tradition now for a variety of Limak companies. Tree planting events on the 23rd April that Limak workers join with their children increase both our employees' and their children's green consciousness. In addition, our tourism companies invite also their clients to this event. Furthermore, we cover the areas around our cement factories with grass turf.

We support our employees' participation in social and artistic activities alongside their professional development. For example, we encourage our employees that have an interest in photography to take a photography course and then we arrange a photography contest with all our workers' participation to increase their interest in art so that we support their social development and help them to increase their motivation in these types of activities.

methodologies to measure the competitive strength of our remuneration policy.

Social Responsibility Projects

FIRST® LEGO® League (FLL)

FIRST® LEGO® League (FLL) tournaments attended by over 20.000 teams aged between 9 and 16 from 70 countries are held under the title, “Science Heroes Meet”, in Turkey. In the event, the tenth of which is to be held this year, Science Heroes will be producing innovative solutions to preparedness against disasters under the theme, “Force of Nature”.

The team which will be the champion in the national tournament will be entitled to represent Turkey in FLL World Festival to be held in the USA. As Limak, we continued our works for the tournaments with our team comprising our employees’ children set up in 2013 throughout the year. With our team aiming at success, we competed in the local tournament held on February 23, 2014 and won the Raising Star cup.

Social Enterprise Idea Competition

Ideas fiercely competed ‘For A Better Future’ in “Social Business Idea Competition” in which all Limak employees competed.

50 projects competed in the competition, the jury of which included former Minister of State Tayyibe Gülek, Nutroco General Manager and “Younger People Create Wonders” Program Coordinator Metin Akman, former Yapı Kredi Bankası Deputy General Manager Mert Güvenen and Limak Holding Board of Directors Chairperson Ebru Özdemir. The winner projects are listed below.

- Going Green - Mehmet Büyükkoyuncu (Limak Energy)
- Mill Operated by Water Energy and Agriculture Based Healthy Life - Yusuf Yıldırım (Limak Cement)
- Construction Wastes Recycling Project - Cengiz Yerleş (Limak Cement)
- Limak Civil Works School Project - Kerim Tütüncü, Hasan Ustaoğlu (Limak Construction)
- LİYAS Leader Life Limak Farm - Özlem Erbacak (Limak Tourism)
- 2023 Agricultural - Educational Transformation Project - Adnan Durcan (Limak Construction)
- Project for Villages Developing With Renewable Energy - Zeynep Uslu, Birol Ergüven, Fazlı Nalcı (Limak Energy)

KEDS Academy

Kosovo Electricity Distribution and Supply Company (KEDS), the operation of which was acquired by our Company as its 50% shareholder in 2013, has set into motion an important social responsibility project in the area of education in Kosovo. The Company, which has established ‘KEDS Academy’ in the framework of the Project which aims at providing the energy and electricity sector with a qualified workforce and developing a model to combat younger population unemployment in Kosovo, will prepare electrical engineering students and students with education in the relevant departments of the high schools for their future careers in the energy sector. KEDS Academy received 4 awards by the Stevie Awards. The program is the first in Kosovo that has ever received an international award.

“Future of Electricity, Professionals of the Future”

Trainings and seminars have been organized in the universities for the purpose of extending support to training of future electricity market professionals under Limak Energy’s social responsibility project, “Future of Electricity Professionals of the Future”. Certificates have been issued to the students successfully completing their training at the end of a 4-week training. Over 200 students have so far attended the trainings and seminars held in various universities.

Siirt Education Center

Construction got under way of Turkey’s biggest training center comprising a 80 class high school, a 630 bed girl’s hostel, a 1,000 seat conference hall and an indoor sports hall on a total land area of 14,000 m^2 in the city center of the Province of Siirt. The center is planned to be put into service in 2014 – 2015 academic year.

Siirt - Kurtalan Micro Loan Branch Office

Limak supports micro loans by making a donation to the first micro loan branch office opened at Siirt – Kurtalan on November 21, 2008. Siirt – Kurtalan Micro Loan Branch Office has extended micro loans totaling TL 1,450,371.50 to 321 females as at the end of 2013.

Limak Commemorative Forest

Limak Tourism Group has decided to develop a “Commemorative Forest” for the purpose of restoring the forest stretches burnt

down by wild fires in Antalya region, planting 10,000 saplings on a land area of 100 decares allocated by the Ministry of Forestry and Hydraulic Works in Antalya. Limak Tourism Group will provide Antalya with a permanent asset on behalf of its guests by planting 100,000 saplings in the Commemorative Forest in a period of 10 years.

LimakPort Theatre Sponsorship

A comedy theatre play, "Kanaviçe", was successfully staged by İskenderun Municipality City Theatre actors with the support of LimakPort. With LimakPort's support, local people may watch the play free of charge.

LimakPort's Wheelchair Basketball Team Sponsorship

With the support of LimakPort, Iskenderun wheelchair Basketball Team, joined the first league. The team completed the play-off games without defeat and became the champion.

Limak Cement Forestation Activities

Limak Kurtalan Cement established on a total land area of 2,200,000 m² has planted approximately 190,000 saplings on site.

Eye Wonder: Female Photographers' Exhibition in Bank of America Collection

CerModern offered art lovers an exhibition titled "Eye Wonder" in Ankara through contributions by Limak between November 20, 2013 and January 20, 2014, where a selection of female photographers' works from the collection of Bank of America, which has one of the richest corporate artistic collections in the world, were displayed.

Presidential Symphony Orchestra Sponsorship

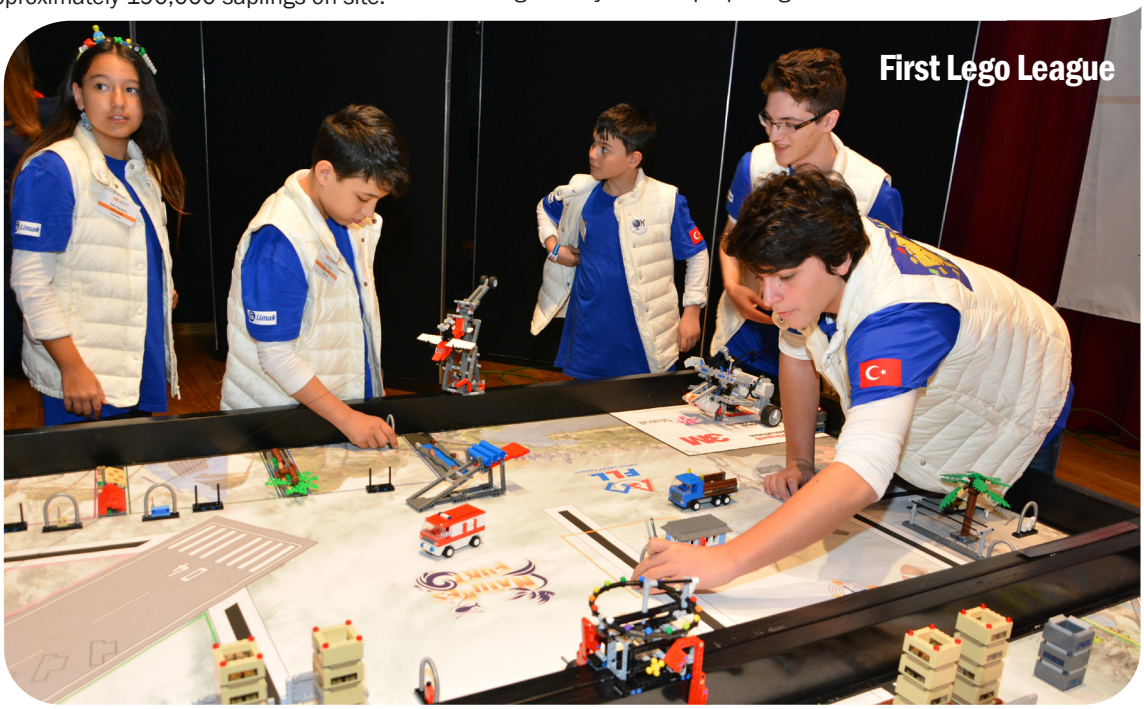
Being the sponsor of the Presidential Symphony Orchestra from 2008 to the present times, Limak Group of Companies supported concerts by Alexander Markov, Alexander Rudin and Katia Skanavi as well as Swingle Singers New Year Concerts.

Turkish Jazz Week Pristina, Kosovo

Limak supports the Turkish Jazz Week organized by the Turkish Embassy in Pristina to make contributions to development of cultural activities between Kosovo and Turkey and help this activity to turn into a regular artistic event being held annually.

"Promoting Our Culture" Book Project

Limak Tourism Group has reprints of the books on distinguished Turkish cultural figures such as Yunus Emre, Mevlana, Dede Korkut, Hacivat – Karagöz and Nasrettin Hoca as well as English, German and Russian translations of 'Nutuk', the famous national address by Mustafa Kemal Atatürk, the founder of modern Turkey, for complimentary distribution to its guests staying at its hotels. Each book has an introduction on the history of Turkish culture and a letter outlining the objective of preparing it.


First Lego League

Our Social Responsibility Projects

Micro Credit

- Siirt Kurtalan Micro Loan Branch Office

Education & Training

- KEDS Academy, 2013
- Future of Electricity, Professionals of the Future, 2013
- Limkon Youth Zone, 2013
- 100 Basic Works Hatay Book Campaign, 2012
- "Younger People Create Wonders", 2012

Culture and Arts

- Eye Wonder Female Photographers' Exhibition in the Collection of Bank of America Cer Modern, November 20, 2013 – January 20, 2014
- LimakPort Theater Sponsorship, 2013
- Turkish Jazz Week, Pristina, 2013
- Mardin Biennial 2012
- Gordion Excavation Project, 2012
- Turkish Jazz Week, Pristina, 2012

Presidential Symphonic Orchestra Sponsorship

- Swingle Singers New Year Concerts December 29, 2013
- Alexander Markov Concerts, October 10 – 11, 2013
- Alexander Markov Concerts, March 21 – 22, 2013
- Alexander Rudin Concerts, February 21 – 22, 2013
- Katia Skanavi Concerts, January 24 – 25, 2013
- Mikhael Simonyan Concerts, 2012
- Antonio Meneses Concerts, 2012
- Philippe Aiche Concerts, 2012

Environment

- "Going Green with Your Memories" Flower Seed Campaign
- "A Sapling Changes the World" Limak Children's Forest
- Limak Commemorative Forest
- Limak Cement Forestation Activities

Sports

- LimakPort's Wheelchair Basketball Team Sponsorship, 2013

Disclosures on Management Approach

Economic Performance

Our growth has run parallel to the growth of Turkey, where we have a leading economic presence domestically. Turkey has continued to grow during the global slow down, and is widely predicted to grow much further in the years to come. The country is witnessing manifold increase in imports and exports, rising energy consumption, strong population growth, the need for more public infrastructure and a significant expansion of the tourism sector. It is through our strong presence and capability across all these sectors that we aim to be an active partner in the country's overall economic progress. Our economic presence touches millions of people everyday through direct and indirect employment as well as through use of the infrastructure, services and products we create.

In order to maintain and consolidate our position in the highly competitive international landscape, we are closely following international as well as national developments and striving to ensure that our businesses are agile and adopt global best practices in all aspects of our operations and decision making. We have been successful in transferring the knowledge and experience from our domestic projects to the international ones. The Pristina International Airport Adem Jashari in Kosovo and Cairo International Airport Terminal II Project are just two among the many global success stories, and we continue to expand our operations in other geographies.

A key aspect of our business philosophy is to build and develop sustainable business partnerships. Through our multiple collaborations within Turkey and beyond, we have formulated a sustainable model that gives us distinct advantages in knowledge and risk sharing across a broader geography. We firmly believe that this partnership model creates not only a business advantage for us, but also catalyses great socio-economic progress through the realization of bigger projects.

Environmental Performance

Responsibility towards the natural environmental forms a key aspect of how we do business. Given our presence in diverse industry sectors, we fully recognize and appreciate the various ways in which our operations can potentially cause impact on the environment. This fundamental awareness and commitment forms the basis of our approach towards ensuring environmental sustainability.

Guided by this central understanding, the various business of Limak has established various policies, management systems, governance structures, monitoring and follow up action plans as well as training programs all aimed at prevention, management and mitigation of our environmental impacts. Given the diverse sectors that we operate in, the environmental plans and procedures of individual businesses are specific towards their distinct environmental issues, risks and opportunities. This is reflected in the diverse environmental material issues of each business as presented in this report.

All operations and decision making within our Group is in compliance with the applicable local and national level environmental regulations. Within our operations, we continue to identify and implement measures for energy efficiency, resource conservation as well as minimization of waste, effluent and emissions. Moreover, we have proactively taken a lot of environmental initiatives and campaigns within the larger community, including afforestation activities. Our Group regularly imparts trainings on environmental awareness to all employees in order to bring in individual and collective change.

At Limak, supporting the environment is not just something that we do on the side, but is something that is integrated within our business. Investing in clean energy sources through hydroelectric power plants and large-scale energy efficiency achievements obtained in our cement facilities. Are some key examples of how our business activities themselves can have an environmentally beneficial aspect.

We believe our balanced and environment friendly growth strategy in all our projects will provide the necessary economic growth and development without compromising the environmental quality for current and future generations.

Disclosures on Management Approach

In addition, in preparing this sustainability report, Limak Group undertook in-depth data collection and reporting across our organisation to further understand our environmental impacts in terms of our consumption of resources and our green-house gas emissions. Now that we have established comprehensive data for the current reporting period, it is our intention to establish targets across our businesses for the next reporting periods to drive further improvement, in particular with regard to achieving reductions in energy consumption and green-house gas emissions.

Social Performance (Labour Practices and Decent Work, Human Rights, Society and Product Responsibility)

As a Group, we recognize that service and product quality depends on the quality of our employees and that they are our greatest asset responsible for our success. It is our endeavour to build a positive and enriching partnership with all our employees in their journey of personal and professional growth.

The relationship we share with our employees is defined by our core values of honesty, reliability, responsibility, leadership, innovation and creativity, quality, transparency and satisfaction.

Our Human Resources Policy is to enhance our corporate entrepreneurship under the leadership of powerful and dynamic executive staff together with employees who adhere to corporate ethics and embrace our culture. The common ground of our group of companies is our corporate ethics, corporate business discipline, and our identity of institutional entrepreneurs each of which is the leader of its own business.

Our identity and business experience strengthen our brand value and this enables us to become a growing centre of attraction for more proficient executives and employees. In return for our efforts, we were awarded by the European Business Award 2011.

All our group companies strictly adhere to all applicable regulations pertaining to labour practices and human rights. The health, safety, skills development and career progression of our employees are some of the key aspects our group companies address through a variety of policies, programs and management systems.

Limak is a party to various investment agreements regarding large scale construction projects (both local and international) in which the right to life and right to security of the related personnel are protected through the undertakings (i) to maintain necessary accommodation and welfare facilities,(ii) to take all precautions for occupational health and safety of the personnel including but not limited to availing medical staff, first aid facilities ambulance services at all times and fulfilment of hygiene requirements for the prevention of epidemics, and (iii) to ensure works not to be conducted on public holidays and outside normal working hours (except for certain conditions). Further, in each and every agreement, Limak undertakes and forces the sub-contractors to undertake strict compliance with the laws in effect including but not limited to labor and social security regulations.

Social responsibility is an important and integral part of our business philosophy. We respect the communities that our businesses operate in, and are committed to being an enabling partner in their overall development and prosperity.

Limak Group is known for its corporate social responsibility and has earned various national and global recognitions in this respect.

Our group businesses sponsors and implements a wide variety of social responsibility projects across the key focus areas of education, arts and culture, forestation, youth entrepreneurship, women empowerment and micro-credit as explained elsewhere in this report.

As a business group serving a broad spectrum of industry customers as well as the general public through diverse products and services, we are committed to delivering the highest quality and experience to all. Our core values of honesty, responsibility, efficiency, quality and transparency form the basis of our commitment to all customers.

We adhere to all applicable regulations pertaining to customer health, safety, well-being and privacy as well as product labelling in the geographies we operate in.

As a business group, we do not tolerate corruption and anti-competitive behaviour. Furthermore, we are continually enhancing our corporate culture and actively participating in industry forums.

Business Units

Construction

Limak Construction has also completed many

projects in several sectors.

Introduction

Incorporated in 1976, Limak Construction is specialized in many infrastructure and superstructure projects including construction of airports, ports, motorways, dams, hydroelectric power plants, treatment plants, factories, industrial facilities, food facilities, pipelines, mixed use complex structures and hotels; by means of this specialization, it ranks among the world's top 250 construction companies as rated by Engineering News Record (ENR). By combining its technical capabilities and many years' experience with quality, speed, high technology, creativeness and corporate responsibility,

Limak Construction has successfully completed many highly strategic projects, some of which are based on the EPC model, having a total value of 6 billion Dollars in advance of their projected completion dates.

The Company has completed two international airport projects, İstanbul Sabiha Gökçen International Airport and Pristina International Airport Adem Jashari, in the aviation sector. It has started developing İstanbul New Airport Project, one of the biggest infrastructure investments in Turkey, following an award and signing of a contract jointly with its partners in 2013. Ankara High Speed Train Station for which the Implementation Contract has already been signed and construction of Yusufeli HEPP are the major projects clinched by us last year. Limak Construction has also completed many HEPP projects in the energy sector.

LimakPort İskenderun Modernization and Capacity Enhancement Project and Çandarlı Port Breakwater Construction Project, which are both ongoing schemes in Turkey, were completed to a large extent in 2013.

Abroad, a superstructure project was commenced in Skopje, Capital of Macedonia, entailing construction of a mix use complex comprising a shopping center, hotel and residential blocks. In addition, several projects were undertaken last year involving construction of a tunnel linking Duhok and Zakho in Northern Iraq, Power Plant Renewal and Infrastructure Rehabilitation for the US Embassy in Baghdad, Iraqi Capital, and construction of Banja and Moglice Hydroelectric Power Plants for Statkraft in Albania.

The Company will surely endeavour for a sustainable future in 2014 as it did so far. With its excellent performance of safety, quality and environmental standards at the optimum level, it will continue developing large scale energy, infrastructure and superstructure construction projects in the developed and developing countries, particularly Africa, Middle East, Europe and the Balkans.

A total of 10 construction sites, including 3 international projects, have been included within the reporting boundary for the key performance indicators described in this report section. These projects were in varying stages (mobilization, construction and completion) within the reporting period. Given the dynamic nature of these construction projects and differing levels of construction activities over time, a fair comparison on key performance indicators over the previous year is not possible. These construction projects are briefly described below:

- **Arkun Dam and HEPP Project** (was active throughout 2013): Arkun Dam and HEPP is being constructed on Çoruh River within the provincial borders of Artvin and Erzincan provinces. The dam is 140 m high from the foundation and is a sand-gravel filling dam with a concrete-covered front zone. The body filling volume is 6,774,345 cubic meters. The total installed power capacity is 238 MW; 225 MW of this comes from the main power plant building and 13 MW from the impoundment plant.

- **Devoll Hydroelectric Power Project** (started in the last quarter of 2013): This project is located approximately 50 to 70 km southeast of Tirana, Albania and is comprised of two hydropower plants namely HEPP Moglice (the upper plant) and HEPP Banja (the lower plant).

- **Burgaz Dam** (was active throughout 2013): Burgaz Dam is an irrigation dam being constructed on Falaka Stream of Küçükmenderes River. It is intended that 35,680 hectares of agricultural land will be irrigated with this dam. The body of the dam is in clay-cored sand-gravel filling type and 115m high from the foundation and the filling volume of the body is over 4 million m3.

Gali Zakho Tunnel Construction in Iraq (started in the last quarter of 2013). Gali-Zakho Tunnel Project involves design and construction of a dual carriageway road with two lanes on each carriageway on the route linking Duhok to Zakho in the provincial territories of Duhok. The tunnel shall consist of two individual tubes with a total length of 3,590 m. Under the Project, electro mechanical, ventilation, lighting, fire extinguishing and various control systems manufacturing works will be carried out. Gali-Zakho Tunnel is 20 km to Turkey's Habur Border Gate. The highway which will ensure safer and more comfortable transport on the trade route between Turkey, Kurdistan Regional Administration and Iraq will make considerable contributions to regional commercial and economic development.

LimakPort İskenderun Modernization and Capacity Enhancement Project (was active throughout 2013): After Limak acquired the right to operate the Directorate of Turkish Republic State Railways (TCDD) İskenderun Port for 36 years on December 30, 2011, Limak Construction commenced the project for modernization and capacity enhancement of İskenderun Port.

On completion of this project, İskenderun port will be converted into a modern container terminal with a capacity of 1.3 million TEU. For this purpose, port structures, areas, gates and warehouses are being rebuilt, and all the infrastructure and superstructure facilities are being restructured suitable for container handling.

When the project is completed, LimakPort İskenderun will be one of the biggest and the most important container ports of the Eastern Mediterranean.

Rehabilitation and Expansion of Cairo International Airport Terminal Building No.2 (TB2), Egypt (was active throughout 2013): The annual passenger capacity of Terminal Building No.2 will be increased from 3.5 million at present to 7.5 million passengers and the overall capacity of Cairo International Airport will be increased to around 25 million passengers. The terminal will also be restructured so that it can provide service to large-sized aircrafts.

In addition to being a technological and prestigious project about the cooperation of Turkey-Egypt, this project bears importance in that it is the first project to be carried out internationally in the post-revolution period in Egypt and to be financed by the World Bank. This project, the third biggest step of Limak in this area, will constitute the most important global gateway to the African continent after it is completed.

Kirazlık Regulator and HEPP (was active throughout 2013): Kirazlık Regulator and Hydroelectric Power Plant is located in Siirt province on Botan Creek, in the downstream of Alkumru Dam. The construction work commenced in 2010. The plant will have an installed capacity of 47 MW with an average annual generation capacity of 150 million kWh. The construction work is continuing and the supply and installation of electro-mechanical equipment are being performed with a turnkey model. Electricity generation was planned to start at the plant at the end of 2013.

Siirt Education Center Construction (started in the last quarter of 2013). Construction got under way of Turkey's biggest training center comprising a 80 class high school, a 630 bed girl's hostel, a 1,000 seat conference hall and an indoor sports hall on a total land area of 14,000 m^2 in the city center of the Province of Siirt. The center is planned to be put into service in 2014 – 2015 academic year.

Tatar Dam and HEPP (was completed in mid-2013): Tatar Dam and Hydroelectric Power Plant project area is on Peri Water, which is located within the borders of Elazığ province and partially in Tunceli province in the Eastern Anatolia Region. The body of the dam is sand-gravel fill type with clay core. The total installed capacity of the power plant is 131 MW and the average annual generation capacity will be 421 million kWh.

The construction work for Tatar Dam and Hydroelectric Power Plant began in 2008 and electro-mechanical equipment installation in 2012 as a turnkey type project.

Yusufeli Dam and HEPP (started in the last quarter of 2013): The project of Yusufeli Dam and Hydroelectric Power Plant, which is to be constructed by Limak-Cengiz-Kolin, is located on Çoruh River in 70 kilometers southwest of Artvin. Yusufeli Dam and Hydroelectric Power Plant, which will be the biggest dam to be constructed in Çoruh Basin, will also be the third highest dam in the world among double curvature concrete arch dams.

The dam has a height of 270 meters from the foundation and the total capacity of the reservoir is about 2.2 billion cubic meters. Approximately 2.9 million concrete will be used for the body of the dam. About 1.8 billion kWh of electricity will be generated annually in the plant, which has an installed capacity of 540 MW.

Memberships and Associations

With its significant experience in the construction and infrastructure sectors, Limak Construction has been listed among the top 250 international contractors by the Engineering News Record (ENR). Limak Construction is a member of many prestigious international and national associations and unions such as Turkish Contractors Association (TMB), International Contractors Association (UMB), Asphalt Contractors Association (ASMUD), Union of Turkish Construction Industrial Employers (INTES), Foreign Economic Relations Board (DEIK), Turkish Road Association (YTMK) and Ankara Chamber of Industry, IPLOCA (International Pipe Line and Offshore Contractors Association) and the British Safety Council.

Targets

Limak Construction has a robust internal reporting and governance system in place for monitoring all Health, Safety and Environment (HSE) aspects. As part of this system, performance data pertaining to key HSE indicators is compiled from all the sites and reported to the Senior Management on an annual basis. During the Management Review Meetings, performance against these indicators is reviewed, necessary follow-up actions are identified and deadlines as well as roles and responsibilities are specified.

We continually endeavour to improve our people and environmental performance, and in this regard have adopted several internal targets around our HSE performance. While the targets are specific to the individual construction sites and the corporate head-office, some indicative targets are listed below:

- Monitoring of natural resource consumption
- Reduction in Accident Severity Rate and Accident Frequency Rate
- “Zero” accidents
- “Zero” environmental incidents
- “Zero” environmental complaints

We recognize that our construction business is a cause of green-house gas (GHG) emissions and are committed to reduce our emissions in the long term. As part of this commitment, Limak Construction began a project to comprehensively assess its GHG emissions footprint in 2013. On completion of this assessment, all related data compiled from the sites will be gathered in the Limak Construction Annual HSE Performance Report and will be reported to Management. By monitoring these emissions as well as the energy consumption and initiatives set out to reduce energy consumption, the aim is to set out GHG reduction targets for the following years with an aim to reducing our GHG footprint.

Performance Summary

The following section summarises key aspects of the sustainability performance and impacts of Limak Construction during the reporting period. As noted elsewhere, it was possible to collect more accurate and more complete data for the current reporting period of 2013 than for the prior year that has been included for comparative purposes.

In addition to some limitations in data collection, the inherent nature of construction means that significant impacts, such as the consumption of resources, can vary greatly between reporting periods depending on the level of activity on a project in any given period.

In order to make the performance analysis more robust, Limak Construction has also reported an intensity indicator as well as a total consumption indicator in the following sections where relevant. Intensity indicators have been used for energy and water consumption and green-house gas emissions on a per capita basis from the total workforce at Limak Construction during the year.

Material Consumption

The consumption of key materials in the Construction Group is presented in the table below. As noted previously, the amount of material construction depends on when the project was initiated, since significant excavation may be required at the start of a construction project.

Table 7 | Material Consumption in kg

	2013	2012
Excavated materials (soil)	4,606,863,210	19,673,424,288
Readymix concrete	1,254,195,334	1,141,454,932
Sand	659,871,995	2,506,614,622
Cement	210,953,680	118,870,700
Concrete additive (agent)	231,970	367,025
Oils	139,930	120,054
Total Material Consumption (kg)	**6,732,256,119**	**23,440,851,621**

Energy Consumption

Table 8 | Direct Energy Consumption (GJ)

	2013	2012
Diesel	447,765	310,896
LNG	12,801	
Fuel Oil	3,163	5,215
Others	2,442	1,097
Total	466,171	317,208
Direct Energy Consumption (GJ) per Worker	**123**	**133**

Total direct energy consumption in Construction increased by 47% to 466,171 GJ in 2013 (2012: 317,208 GJ), representing an increase in construction activity from the construction projects in progress. However, direct energy consumption per worker, helped by the energy initiatives implemented by the business unit, decreased 7% to 123 GJ per worker in 2013.

(2012: 133 GJ per worker). Examples of these initiatives are described in the following sections.

'Direct energy consumption per worker reduced 7% in 2013.

Although nearly all fuel used on site is diesel (95% or 447,765 GJ), Limak Construction started using Liquefied Natural Gas (LNG) in 2013, which is now the second largest energy source followed by minor amounts of other fuels including natural gas, petroleum and Liquefied Petroleum Gas (LPG). Energy consumption data has been calculated using the conversion factors shown on page 95, not only for the 8 construction sites in Turkey but also for the 3 construction sites overseas in Albania, Egypt and Iraq.

Table 9 | Indirect Energy Consumption from Purchased Electricity (kWh)

	2013	2012
Purchased Electricity Consumption (kWh)	8,905,825	6,477,072
Purchased Electricity Consumption per worker	2,349	2,710

Total indirect energy consumption from purchased electricity increased by 37% to 8,905,825 kWh in 2013 (2012: 6,477,072 kWh) and thus the trend in indirect energy consumption from purchased electricity is comparable with the trend in direct energy consumption. Electricity consumption per worker decreased by 13% to 2,349 kWh in 2013 (2012: 2,710 kWh).

'Indirect energy consumption per worker reduced 13% in 2013'

Water Consumption

Table 10 | Water Consumption (m3)

	2013	2012
Surface Water	434,756	2,808,000
Mains Water	223,851	14,855
Ground Water	62,558	87,672
Water from Tanker	1,750	
Total Water	**722,915**	**2,910,527**
Water Consumption per Worker (m3)	**191**	**1,218**

Total water consumption decreased 75% in 2013 to 722,915 m3 (2012: 2,910,527 m3). This decrease came from a reduction in surface water consumption, down 85% to 434,756 m3 in 2013 (2012: 2,808,000 m3 in 2013) due to more construction activity occurring at Tatar HEPP site in 2012 and only minor works continuing in 2013. Water consumption per worker decreased 84% to 191 m3 per worker in 2013 (2012: 1,218 m3 per worker).

The total water consumption of Limak Construction in the reporting period is comprised of surface water, municipal water, ground water and tanker supplied water. Surface water was used mainly in washing/ cleaning. Most other water extraction (223,851 m3 amounting to 8% of total consumption) is municipality water with only minor amounts overall being taken from groundwater.

The source of water differs according to the location of the sites. If the site is close to a settlement, mains water (water from municipality) is preferred. Conversely, if the site is not close to a settlement, it depends on the availability of other sources such as surface water or groundwater.

Green-house Gas Emissions

Table 11 | Total Direct and Indirect Green-house Gas Emissions by Weight (tCO2e)

	2013	2012
Direct Emissions	34,257	23,441
Indirect Emissions	4,192	3,049
	38,449	**26,490**
Direct (Scope 1) Emissions per Worker in tCO2e	**9.0**	**9.8**
Indirect (Scope 2) Emissions per Worker in tCO2e	**1.1**	**1.3**

Total direct and indirect emissions increased in 2013 due to greater operational activity and reflect the changes in the underlying energy data since the same default factors, shown on page 95, were used in both years. Limak Construction's total measured Scope 1 emissions were 34,257 tCO2e (2012: 23,441 tCO2e) and Scope 2 emissions were 4,193 tCO2e (2012: 3,049 tCO2e).

However, on a per capita basis both total Scope 1 and Scope 2 emissions decreased, which was in line with the trend in the underlying energy consumption data as already explained. Scope 1 emissions on a per capita basis were 9.0 tCO2e per worker in 2013 (2012: 9.8 tCO2e) whilst Scope 2 per capita emissions were 1.1 tCO2e in 2013 (2012: 1.3 tCO2e).

Key Sustainability Initiatives

Energy efficiency and savings

As part of its Integrated Management System (IMS), all Limak Construction sites are certified with ISO 9001, ISO 14001 and OHSAS 18001. As per the IMS procedures, all purchasing decisions are made taking into account environmental considerations such as fuel consumption and energy efficiency. Energy conservation, measured in terms of reduction in annual electricity consumption per employee, has been adopted as one of the main objectives and all energy usage is being followed on a yearly basis at all sites as well as the corporate office of Limak Construction. For example, in 2013, the corporate office achieved a 13% reduction in electricity usage per employee over the previous year. Motion sensor lighting and energy saving bulbs have been installed across all construction sites.

In addition, environmental trainings to raise awareness, covering the efficient use of energy and how to reduce energy usage, are given regularly to all Limak Construction employees at all construction sites.

Reduction in indirect energy consumption

At our construction sites, accommodation for the workforce is being established to reduce the employee commute. Shuttle services are provided for the workforce accommodated outside the camp areas. Business related travel requires management approval and we promote the use of conference calls as an alternative to physical travel in order to reduce our environmental impacts.

Biodiversity protection

For all of Limak Construction's projects, before starting the construction phase, a Project Introduction File, Environmental Impact Assessment (EIA) Report and/or Environmental and Social Impact Assessment Reports (ESIA) are prepared depending on the size,

capacity and location of the project. All these reports identify if the project is located adjacent to any protected areas and/or areas of high biodiversity value areas and assesses the environmental and social impacts of the project as well as the necessary mitigation measures to avoid or minimize these impacts. These reports are then subject to the approval of the Ministry of Environment and Urbanization in Turkey or relevant organizations abroad.

According to these reports prepared for Limak Construction projects, there is currently no construction site within and/or adjacent to areas of high biodiversity.

At all our construction sites, an assessment of the local biodiversity is carried out through physical surveys and literature reviews by independent experts.

Before commencement of the construction activities, environmental trainings to raise awareness covering visual materials are given to our workforce, emphasizing the local species found, their protection status and the mitigation measures that are to be adopted during the construction period as stated in the EIA/ESIA reports.

During construction of Tatar HEPP project by Limak Construction, although there are no identified biodiversity habitats, a stork nest was observed in the dam lake area during water retention in the dam reservoir area. In order to protect the nest and baby storks experts from universities was called immediately. Under the guidance of the expert, the nest and baby storks were moved from the water retention area to a safer place.

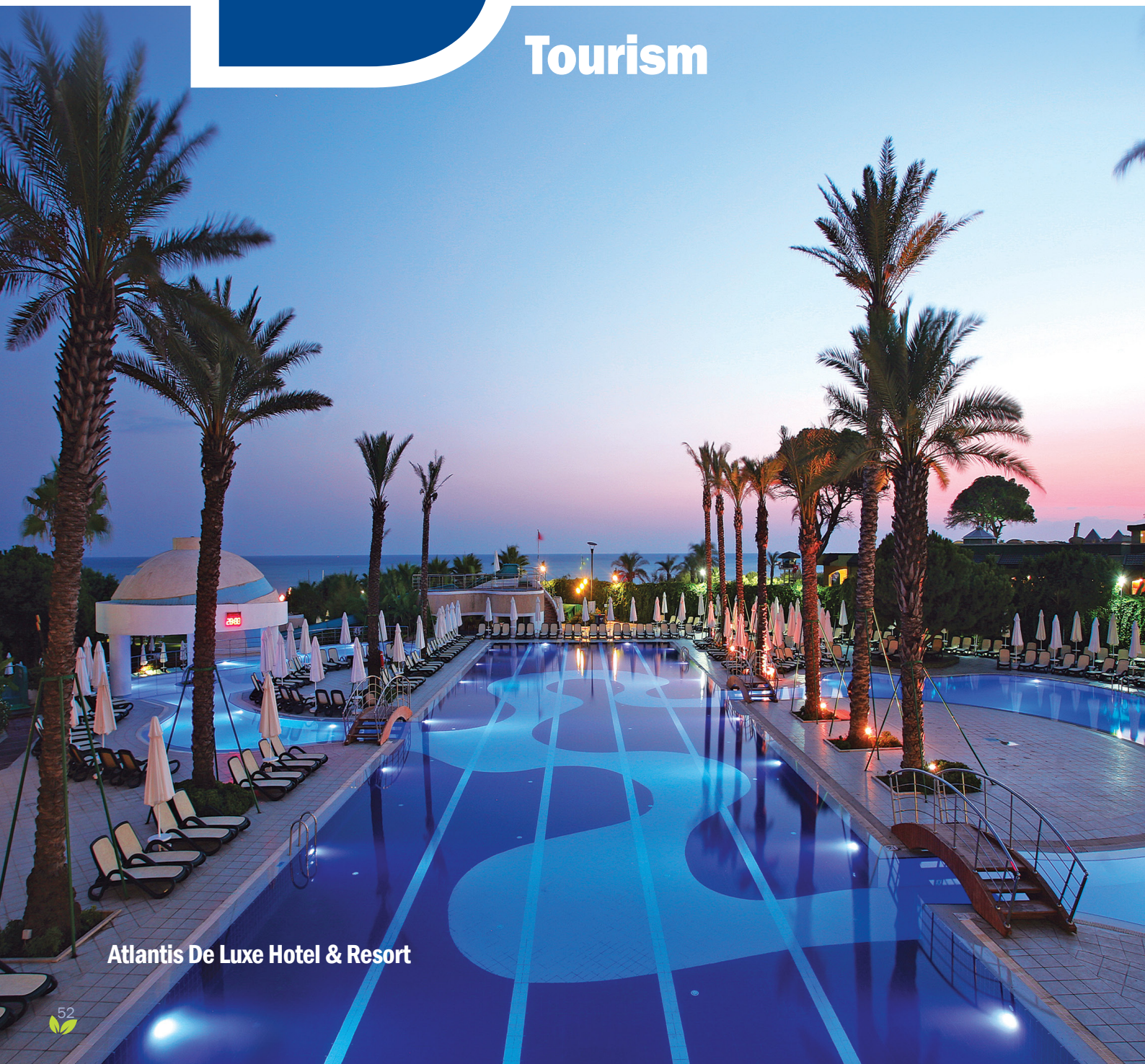
Protection of water ecosystems

In order to protect water bodies located near our construction projects, the domestic sewage arising from camp sites is connected to the municipality network if the camp is located near an urban site; otherwise biological package wastewater treatment plants are installed at the construction sites. For the effluent arising from concrete batch plants, a sedimentation pool is constructed to remove suspended solid, and the effluent after the sedimentation pool is used either in a batch plant by recirculation or in dust suppression.

- Saving stork nest in Tatar HEPP construction site,
- HSE trainings,
- Biological package WWTP installation in Yusufeli HEPP construction site. The features of WWTP in the photos is: Population equivalent =750 person, capacity (flow rate)=150 m3/day. Beside this WWTP, another WWTP with a capacity of 100 m3/day have been installed in Yusufeli.

Business Units

Tourism



Atlantis De Luxe Hotel & Resort

We are one of the fastest growing
hotel chains

Introduction

We entered the tourism sector in 1995 with Limak Arcadia. In line with our mission to be among the first in all the sectors that we operate in, we continued our investments and opened Limak Limra in Kemer Antalya in 1998 and Limak Atlantis in Belek Antalya in 2002.

We created the trademark of Limak International Hotels and Resorts in 2000 and registered the motto "Warm Hospitality and Excellent Service" as the brand promise.

We started city hotel management in 2006 with Limak Ambassadore. We presented Limak Lara in Antalya to the Turkish tourism sector in the same year. We took Limak Yalova Thermal, the first thermal boutique hotel of Turkey, and ISG Airport Hotel at İstanbul Sabiha Gökçen Airport, into service in 2010. We put Limak Eurasia Luxury Hotel, the newest ring of our group, into service in Kavacık, İstanbul in 2011.

We currently have a bed capacity of more than 5,000. We offer service all year long in our facilities and we consistently maintain occupancy rates of over 80%. We accommodate guests from about 40 countries each year.

We are one of the fastest growing hotel chains. We are continuing our investments with Limak Babylon in Bafra region, Cyprus (under construction) and Tarsus De Luxe Hotel and Tarsus Golf Hotel in Mersin (in project phase).

The key to success is "customer satisfaction"

"Customer satisfaction" is the number one constitution item in our hotel management, which is the most important clue of our success so far. Both those guests who prefer our hotels recurrently and the awards we receive each year are the most important signs of customer satisfaction for us.

Performance Summary

Energy Consumption

Table 12 | Direct Energy Consumption (GJ)

	2013	2012
Resort Hotels	89,642	69,314
City Hotels	8,882	7,606
	98,524	**76,920**

Total recorded direct energy consumption for Limak's Hotels was 98,524 GJ in 2013 (2012: 76,920 GJ), with around 91% of this consumption stemming from Limak's Antalya hotels - these resort hotels are on a much larger scale than Limak's other city hotels as reflected by the energy data. Most direct energy consumption used at the Hotels comes from natural gas, used for heating, followed by smaller amounts of LPG and LNG.

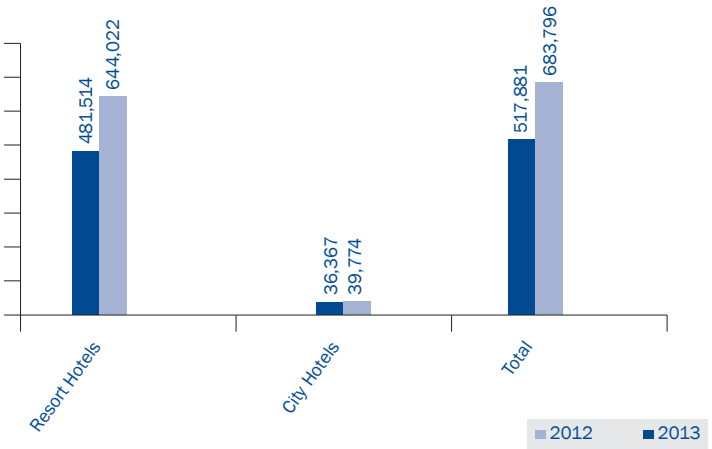
Table 13 | Indirect Energy Consumption From Purchased Electricity (kWh)

	2013	2012
Resort Hotels	23,172,959	18,434,107
City Hotels	4,060,171	4,081,035
	27,233,130	**22,515,142**

Total indirect energy consumption from purchased electricity increased 21% from the prior year to 27,233,130 kWh and was again mainly from the Antalya resort hotels (85%).

Water Consumption

Table 14 | Water Consumption (m3)



Total water consumption decreased 24% in 2013 to 517,881 m3 from 683,796 m3 in 2012, although the prior year data is considered less accurate due to some limitations in data collection. As with the energy consumption data, most water consumption (93%) was from the larger resort hotels in Antalya.

Business Units

We have won numerous awards over the last few years including for “Excellent Service”, “Sustainable Tourism’’ and “Family Friendly Hotel”.

Green-house Gas Emissions

Table 15 | Total Direct Green-house Gas Emissions by Weight (tCO2e)

	2013	2012
Resort Hotels	5,178	3,935
City Hotels	500	228
	5,678	**4,163**

Table 16 | Total Indirect Green-house Gas Emissions by Weight (tCO2)

	2013	2012
Resort Hotels	10,938	8,724
City Hotels	1,916	1,926
	12,854	**10,650**

Total reported direct emissions increased 36% to 5,678 tCO2e in 2013 from 4,163 tCO2e the prior year. In both years, over 90% of reported total emissions stemmed from the much larger resort hotels (2013: 5,178 tCO2e, 2012: 3,935 tCO2e). The hotels’ emissions trend is consistent with the direct and indirect energy trend as in all cases it has been calculated from default factors that have not changed between the 2 years. For the default factors used by Limak, please see page 95.

Key Sustainability Initiatives

Awards

We have won numerous awards over the last few years including for “Excellent Service”, “Sustainable Tourism’’ and “Family Friendly Hotel”. We include a detailed list of our recent awards received by our resort hotels and the city hotels shown below.

Guest satisfaction and feedback is of fundamental importance and we continously monitor satisfaction through satisfaction surveys at all our hotels. We have our own in-house guest questionnaire, which yields between 200 and 1000 questionnaires per month per hotel, collected every two week period. In 2013, we had an average satisfaction rate of 95.6% from the questionnaires completed.

Limak Resort Hotels - Antalya

Arcadia
Tripadvisor Certificate of Excellence 2011/2012/2013
Tripadvisor Travellers Choice 2014 Winner - Family
Tripadvisor - Rated number 1 family hotel in Turkey and number 5 in the world Jan 2014
Zoover Award - One of the Best 25 Hotels in Turkey 2012
Zoover 2011/2012/2013 Highly Recommended Hotel
Otelpuan Success Award - 2011/2012
Otelpuan 2012 Gold Award
Tophotels.ru Certificate of Excellence - One of the 2012 Top 100 Best Hotels of the World
Tophotels.ru Certificate of Excellence - Turkey's Leading Family-Friendly Hotel 2013
Thomas Cook Marque of Excellence - 2004/2012
Holidaycheck Quality Selection 2012/2013
Corendon Hotel of the Year Award 2013 - Winner in the Category Price/Quality

Lara
Tripadvisor Certificate of Excellence 2013
Holidaycheck Top Hotel 2013/2014
Holidaycheck Quality Selection 2013
Zoover 2013 Highly Recommended Hotel
Tophotels.ru Certificate of Excellence - Turkey's Leading Honeymoon Hotel
Coral Travel World's Top 100 Hotels 2012

Yalova Thermal Boutique Hotel
Tripadvisor 2013 Excellence Certificate
Skalite Award for Contribution to Maintenance of Cultural Values

Limra
Otelpuan 2013 Gold Award
Zoover 2013 Highly Recommended Hotel
Tripadvisor Certificate of Excellence 2013
Holidaycheck Quality Selection 2013
Coral Travel World's Top 100 Hotels 2012
Corendon Hotel of the Year Award 2013 - Winner in the Category Food Quality
Tophotels.ru Certificate of Excellence - Congress & Conference Hotel

ISG Airport Hotel
Tripadvisor Excellence Certificate 2012/2013
Holidaycheck Quality Selection 2012/2013
Booking.com Award 2012

Atlantis
Otelpuan 2012 Gold Award
Zoover 2013 Highly Recommended Hotel
Tripadvisor Certificate of Excellence 2013
Holidaycheck Quality Selection 2013
Tophotels.ru Certificate of Excellence - Hospitality
Holidaycheck Top Hotel 2014
Tripadvisor - One of the Best 25 Family Hotels in Turkey 2014
Tripadvisor - One of the Best 25 Hotels in Turkey 2014

Limak City Hotels

Limak Ambassadore (Ankara)	Trip Advisor ''Recommended on TripAdvisor'' 2011/2012/2013
Limak Eurasia (Istanbul)	Tripadvisor Certificate of Excellence 2012/2013

Refresh Your Memories

In order to develop environmental consciousness, we launched a campaign named 'Refresh Your Memories' in 2011. We started to give away a set of seeds consisting of fennel, eastern hollyhock, cosmos, redbud, echinacea, coriander, sage, aniseed, thyme, melissa, eucalyptus, basil, sunflower and larch. 100,000 sets of seed have been distributed so far in the campaign and our campaign is still going on.

Ten thousand new saplings to Limak Memorial Forest

As Limak Tourism Group, we also make a difference with our efforts in the area of sustainable development and environmental consciousness. We have planted 10,000 saplings so far on behalf of our guests in 100 hectares of field allocated by the Ministry of Forestry in Antalya. We wish to demonstrate our interest in Antalya from multiple angles supporting the endeavors that develop the environmental consciousness. Our aim is to make this memorial forest established on behalf of our guests even richer every passing year. Antalya is the heart of Turkish tourism and this heart has to remain green for all times. Thus, we attach great importance to the Project of Memorial Forest that we started to establish in 2011 and aim to reach 100,000 trees in 10 years with a desire to leave our mark in Antalya on behalf of our customers.

We will utilize the following year as a period in which we will maintain our momentum for growth, take necessary steps to achieve our goal of "becoming an international hotel chain" and improve our pioneering role in sustainable tourism.

Here are some other examples of ways in which

Limak Hotels

are embracing sustainability:

- In Limra and Atlantis Hotels in Antalya, we use solar energy to help provide hot water throughout the hotels.

- The taps in all public areas of our hotels are fitted with automatic sensors so that they cannot be left on helping us to avoid wasting water. In addition, all taps in public areas are fitted with aerators to control the flow of water. This reduces the water consumption in these taps by approximately 20%.

- Public toilets are fitted with sensor lights on a timer system to ensure that the lights cannot be left on, helping us to avoid wasting energy. In addition, energy saving card systems are in place in all our hotels, meaning that the electricity is cut when the guest is not in their room. Furthermore, when the guest opens their window or door for natural ventilation, the air condition system does not operate.

- Our fan-coil (air conditioning) system integrates warm outside air to help produce hot water for the rooms, reducing our energy consumption in the summer months.

In most areas of our hotels we have changed our bulbs to low-energy bulbs and we are also rolling out LED lamps instead of normal lights wherever possible.

- As a protected forest area, all trees inside the hotel area and in the adjacent forest are numbered and cannot be cut down.

- Due to turtles nesting on Antalya's sandy beaches, there must be at least 20m between the water's edge and anything (eg paths, furniture) that may obstruct a turtle from laying its nest on the beach. Fireworks are not allowed and we ensure that, according to government regulations, there is no noise on or near the beach area after midnight.

- Every year since 2010, Limak Hotels staff and guests have planted several hundred trees to start a remembrance forest to regenerate areas which were destroyed by summer forest fires.

Limra Hotel & Resort

Business Units

Cement

Limak Cement was the first company in Turkey to sign an

Energy Efficiency Project in 2012.

Introduction

Total cement production from Limak Cement's 10 factories was 7.7 million tonnes in 2013. Limak Cement was the first company in Turkey to sign an Energy Efficiency Project in 2012. The loan, granted to Limak Cement Group by the Development Bank of Turkey was the first loan ever to be allocated for energy efficiency investments in the cement sector. The loan, funded by the World Bank and the European Investment Bank, will be used in energy efficiency investments at Limak Cement's Ankara and Trakya plants.

Limak Cement's performance data included in this report includes all 7 cement factories and 3 grinding stations in operation at the end of 2013. Limak Cement plans to report the performance data for its ready-mixed cement plants from 2014.

Limak Cement's Market and Products

Cement is a construction material that is produced by grinding mixed clinker, baking limestone and clay mix at high temperatures and gypsum and other substances. Limak Cement's products include the following:

- 32.5, 42.5 and 52.5 grade blended and additive-free cement
- CemPlus + mineral-reinforced cement is produced at Ankara, Balıkesir and Ege factories.
- Ready-mix concrete from C 8 to C 50 to TSE EN 206-1 standards.

Key Facts

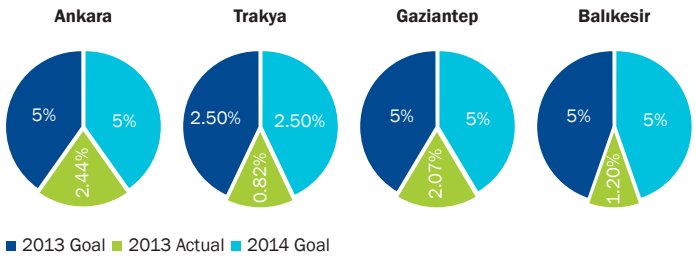
Limak Cement Group in numbers:

- Clinker Capacity 5,744,250 tonnes/year
- Cement Capacity 12,758,940 tonnes/year
- Cement Sales 7,700,000 tonnes/year
- Ready-mix Concrete Sales 2,300,000 m3/year
- 7 cement factories, 3 grinding and packaging facilities, 12 ready-mix concrete facilities
- Nearly 1,400 Limak Cement Group employees (permanent) and 900 workers (3rd party)

Goals

Limak Cement has alternative fuel goals for its factories shown in table 17 through which it is substituting using conventional fossil fuels in its cement kilns with alternative fuels such as waste incineration. Table 17 shows the goals for 2013 and 2014 and actual results achieved in 2014. By avoiding using conventional fossil fuels, Limak Cement is helping to reduce its CO2 emissions as explained in the following section on key sustainability initiatives.

Table 17 | Alternative Fuel Goals at Limak Cement (%)



Limak is also striving to reduce the amount of clinker used in order to help reduce its energy usage and CO2 footprint. Table 18 below summarises its goals in 2013 and the results achieved in 2013. Clinker production is energy intensive and there are international standards about the minimum clinker percentage that can still be used. Limak Cement has implemented numerous initiatives to drive clinker reductions towards this level.

Table 18 | Amount of Clinker Content In Cement Production (%)

	2013 Goal	2013 Actual	2014 Goal
Ankara	89	88,6	87,5
Trakya	85	84	85,3
Urfa	75,4	76,5	76,7
Gaziantep	75,8	78,2	77,8
Kurtalan	75,1	75	75,4
Ergani	75,2	75,9	75,1
Balıkesir	82	81,4	80
Total	79,9	80,2	80

Performance Summary

Energy Consumption

Table 19 | Direct Energy Consumption by Cement Plant (GJ)

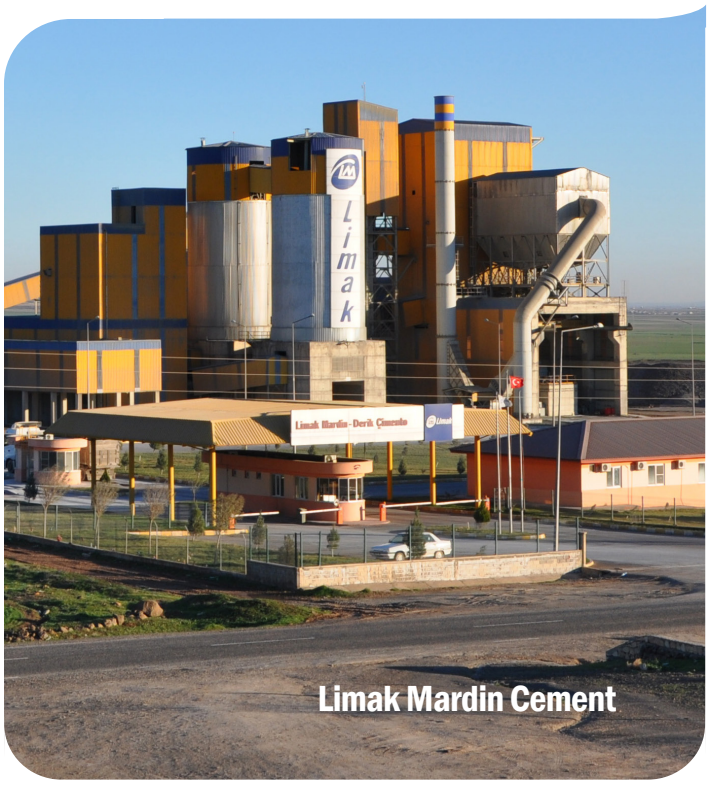
	2013	2012
Urfa	4,906,131	4,995,864
Kurtalan	2,497,502	2,479,154
Ankara	3,663,462	3.196.801
Trakya	2,327,064	2,196,140
Balıkesir	1,508,428	1,408,239
Ergani	2,744,785	2,594,492
Gaziantep	1,952,406	1,725,417
Factories Total	**19,599,778**	**18,596,107**
Grinding Stations Total	**12,316**	**12,851**
	19,612,094	**18,608,958**

Limak Cement's total reported direct energy consumption increased from 18,608,958 GJ to 19,612,094 GJ in 2013 (+5%). Nearly all direct energy consumption in both the current and prior year originated from coal, lignite and coke type fuels used principally to burn the cement in the kilns. Limak Cement has a policy of replacing conventional fuels with alternative waste fuels (AFWs) where possible and this resulted in more than a 200% increase from 2012 in waste fuels that made up 1.8% of total direct energy consumption in 2013 (2012: 0.6%).

Table 20 | Indirect Energy Consumption from Purchased Electricity by Cement Plant (kWh)

	2013	2012
Ankara	151,769,373	136,050,302
Urfa	149,183,298	148,613,632
Trakya	93,234,053	89,637,408
Kurtalan	92,090,296	94,639,644
Ergani	90,330,384	95,043,360
Gaziantep	75,773,718	69,308,718
Balıkesir	60,105,487	56,857,374
Factories Total	712,486,609	690,150,438
Grinding Stations Total	40,310,578	36,549,445
	752,797,187	**726,699,883**

Total reported indirect (electricity) consumption for both years is comparable, with an increase of 4% from 2012 to 752,797,187 kWh from the 7 cement plants and the 3 grinding stations. This reflects the fact that there were no major operational changes during the reporting period. Limak discontinued 1 of its plants in 2013 (Ambarlı) but data is not available on this factory's performance data and as a result, it has not been included.



Limak Mardin Cement

Water Consumption

Table 21 | Water Consumption (m3)

	2013	2012
Urfa	240,082	245,000
Ankara	203,690	159,467
Balıkesir	136,428	109,670
Gaziantep	132,920	136,875
Ergani	100,900	97,883
Trakya	266,141	-
Kurtalan	139.868	153.696
Factories Total	**1,220,029**	**902,591**
Mardin	21,991	22,200
Bitlis	3,691	3,400
Ege	-	-
Grindings Stations Total	**25,682**	**25,600**
	1,245,711	**928,191**

Table 22 | Water Consumption by Source (m3)

	2013	2012
Total Ground Water	13,911	5,278
Total Municipality Water	1,224,744	922,913
Total Rain Water	7,056	-
	1,245,711	**928,191**

Limak Cement's total measured water consumption for 2013 is 1,245,711 m3 up from 928,191 m3 in 2012 (+43%). Nearly all water is taken from groundwater sources and all factories have been compliant with the terms of their water permits during and subsequent to the reporting period.


Limak Gaziantep Cement

Green-house Gas Emissions

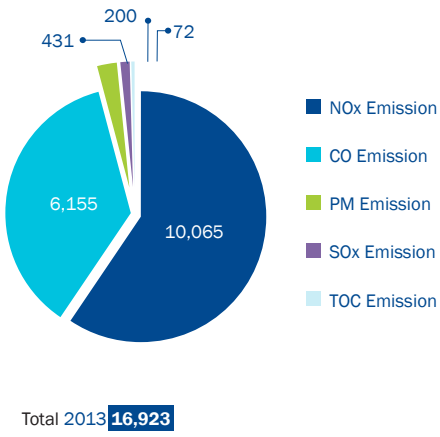
Table 23 | Total Direct and Indirect Green-house Gas Emissions by Weight (tCO2e)

	Direct Emissions from Combustion		Process Emissions from Calcination		Indirect Emissions from Purchased Electricity		Total Emissions	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Ankara	358,147	309,988	535,028	487,864	71,635	64,216	964,809	862,068
Balıkesir	147,914	136,241	224,333	214,935	28,370	26,837	400,616	378,012
Ergani	267,529	252,851	413,288	404,618	42,636	44,860	723,453	702,329
Kurtalan	243,304	241,601	391,748	389,979	43,467	44,670	678,519	676,250
Trakya	233,443	218,904	311,929	322,403	44,006	42,309	589,378	583,616
Urfa	489,247	498,368	802,228	808,681	70,415	70,146	1,361,890	1,377,195
Gaziantep	193.583	170.596	280.744	260.345	35.765	32.714	510.092	463.655
Factories Total	**1,933,168**	**1,828,549**	**2,959,296**	**2,888,825**	**336,294**	**325,751**	**5,228,758**	**5,043,125**
Bitlis	497	575			9,040	8,351	9,537	8,926
Ege	22				828	-	850	-
Mardin	172	240			9,178	8,900	9,350	9,140
Grinding Stations Total	691	815	-	-	**19,046**	**17,251**	**19,737**	**18,066**
Total	**1,933,859**	**1,829,364**	**2,959,296**	**2,888,825**	**355,340**	**343,002**	**5,248,495**	**5,061,191**

Total emissions from Limak Cement in 2013 have been estimated as increasing 4% in 2013 to 5,248,495 tCO2e from 5.061.191 tCO2e in 2012. Total 2013 emissions comprise 1,933,859 tCO2e from direct emissions (2012: 1,829,364 tCO2e), 355,340 tCO2e from indirect emissions from purchased electricity (2012: 343,002 tCO2e) and 2,959,296 tCO2e from process emissions (2012: 2,888,825 tCO2e). In measuring its emissions, Limak Cement has calculated its process emissions from calcination following the clinker-based approach explained in the WBCSD Cement Sustainability Initiative's CementCO2 Protocol 2005. Since GHG emissions from Limak Cement have been calculated using default factors that have not changed from the prior year, the overall movement in emissions reflects the trend in the underlying energy consumption data.

Air Emissions

Table 24 | Air Emissions (ton)



Total 2013 **16,923**

Limak Cement factories' measured air pollution levels in 2013 were 16,923 tonnes in 2013, which were mainly represented by NOx and CO emissions of 10,065 and 6,155 tonnes respectively.

Waste Generation

Table 25 | Waste (ton)

	2013	2012
Non-Hazardous Waste	**2,850**	**2,692**
Packaging Waste	2,454	2,644
Domestic Waste	368	41
Others	28	7
Hazardous Waste	**80**	**74**
Oil	55	25
Others	25	49
	2,930	**2,766**

Limak Cement started to measure its waste generation for the first time in 2013 and recorded a total of 2,929,507 kg in 2013. The older 2012 data reported for the first time as part of this report preparation is considered inevitably less accurate and thus the trend in data between the 2 years includes an element of artificial increase.
Data accuracy will continue to improve in future years as Limak Cement has started to comprehensively measure and report its waste data.

Key Sustainability Initiatives

Table 26 shows the amount of cement packages produced and the amount collected. Under Turkey's Regulation on the Control of Packaging Waste, Limak cement is obliged to recycle an increasing amount of its packaging waste each year and the amount required in 2013 was 42%. All of Limak's cement factories complied with this requirement for domestic sales, although packages for import sales are not required to be collected under the regulation.

Table 26 | Collection of End User Waste

	Produced (kg)	Collected (kg)	
Kurtalan	568,381	238,720	42%
Balıkesir	168,012	70,565	42%
Gaziantep	854,197	360,000	42%
Trakya	144,307	60,608	42%
Ankara	252,840	106,192	42%
Ergani	639,537	268,606	42%
Urfa	1,087,200	456,624	42%

Limak Cement's Factories

The table below summarises the production capacity of Limak Cement's factories and some of the international accreditations the factories have achieved in terms of environmental management (ISO 14001), Health and Safety (OHS 18001) and Quality (ISO 9001).

Factory	Clinker production capacity (tonnes/year)	Cement production capacity (tonnes/year)	ISO 14001 Environment	OHS 18001 Health and Safety	ISO 9001 Quality
Sanliurfa	1,485,000	1,940,000	Yes	Yes	Yes
Ankara	1,000,000	1,300,000	Yes	Yes	Yes
Kurtalan	726,000	1,168,000	Yes	Yes	Yes
Ergani	760,000	1,400,000	Yes	Yes	Yes
Gaziantep	495,000	1,400,000	Yes	Yes	Yes
Balıkesir	412,000	1,150,000	Yes	Yes	Yes
Trakya	728,000	1,050,000	Yes	Yes	Yes

All Limak Cement's factories have afforestation programmes in place with Limak Kurtalan, for example, having planted around 190,000 trees in total by the end of 2013.

In the ensuing section, Limak Cement lists a few of the initiatives whereby its factories and grinding stations have contributed to sustainability during the reporting period.

Limak Kurtalan

A key strategy at the plant is to use raw materials with a lower% of CaO so as to reduce CO2 emissions. As Table 27 shows, Limak Kurtalan managed to avoid an estimated 14,763 tCO2e from these initiatives in 2013.

Limak Kurtalan has also achieved an estimated 338 GJ energy savings by making design changes to its engine and blower for transporting coal and 537 GJ of energy savings from adding a speed converter to the engine. The combined result of these initiatives was an energy saving of 875 GJ of energy in 2013.

Limak Ergani

By introducing a rotary kiln bag filter unit in 2011, Limak Ergani managed to reduce dust emissions 90% from 190 to 19 gr/tonne equivalent cement compared to the previous year. Moreover, afforestation work continued with 17,842 trees planted in 2013.

Limak Gaziantep

By introducing a high-efficiency clinker cooling unit in 2011, Limak Gaziantep has achieved an estimated reduction of 8,500 tonnes/year of CO2 and 1 million kWh/year in energy consumption. In addition, in 2013, the factory made changes to the cement ball mills, which resulted in an estimated energy saving of 1,183 GJ and avoided estimated CO2 emissions of 155kg in 2013. It is also the only plant with a Waste Incineration License of Gaziantep province and has planted 8,500 saplings on the factory area to date.

Limak Şanlıurfa

In 2011, Plant capacity was increased from 770.000 ton clinker to 1.485.000 ton clinker. In same project, raw materials of clinker was started to stocked in closed area (in the preblending). ESP filter was converted to bag filter. Specific heat consumption decreased from 810 kcal/kg clinker to 752 kcal/kg clinker.

In 2013, plant saved 11.761 GJ energy, due to much more Limestone as an additive using in Cement production, as a result less specific power consumption, 1.542 ton CO2 reduced as carbon emissions.

Limak Ankara

Energy efficiency and environmental projects at Limak Ankara cement factory have been qualified for the Environmental Fund financed by the European Investment Bank for the first time in the national cement sector. The plant, which has a Waste Incineration License, places emphasis on its sustainability activities and in 2012 approximately 5,000 tonnes of waste were eliminated.

Automation and optimisation of the rotary kiln (2) machine at Ankara have resulted in substantial savings in energy consumption and GHG emissions. The clinker ratio[1] reduced 26.80 kWh/t to 25.45kWh/t in 2013 resulting in an estimated energy consumption saving of 582,077 kWh from 432,100t of clinker production. In addition, the release of an estimated 46.75 tonnes of CO2 equivalent was prevented.

Sodium vapour luminaires were replaced by LED luminares in the reporting period, resulting in energy savings of 6-7% from lighting. The lighting system was replaced with a new type of LED fixtures that reduced energy consumption by more than 5%. These initiatives resulted in an estimated 44,405 kWh of energy saving and 49.24 tonnes of avoided tonnes of CO2 equivalent gas emissions.

The plant also estimates that installing a VFC (variable frequency converter) to its compressor motor power circuit, resulted in 20,820 kWh of energy saving and 23.08 tonnes of avoided CO2 equivalent gas emissions. The factory also estimates that 2,818 tonnes of CO2 equivalent emissions were avoided through recycling 78.3 tonnes of paper packaging waste.

Limak Balıkesir

With the new vertical coal mill put into service in February 2012, the factory has managed to achieve 1,400 MW/year in energy savings and 735 tonnes/year of CO2 emission reductions. In addition, the first L-NOx environmentally friendly rotary kiln investment in our country along with Limak Trakya Cement was realized.

As a result of this investment in vertical raw mill technology, power consumption is to decrease by 29%, NOx emission by 50%, dust emission by 91% and fossil fuel consumption by 9%.

The amounts of fuel oil and coal consumed at the factory have been reduced by starting to use alternative fuel wastes such as waste fuel and waste oil. In 2013 these alternative fuel wastes comprised 3% of total fuel consumed by the factory.

During 2013, Limak Balikesir started production of blended cement (CEM II A-M (V-LL), which requires 10% less clinker consumption per unit of cement production, resulting in lower energy consumption and emissions per unit of product.

Moreover, Limak Balikesir has an Energy Efficiency and Environmental Improvement Project in development. As part of this project, new towers at the plant are being designed that will maximize alternative fuel utilization at 40%, resulting in significant reductions in CO2 emission after commissioning in 2014. Furthermore, the specific power consumption of the plant will be reduced by 29% to 80 kWh/tonne of cement from 113 kWh/tonne of cement, which will also result in significant reductions in CO2 emissions.

Limak Trakya

During 2013, Limak Trakya replaced its wet system kiln line for more environmentally friendly technology by investing in vertical cement, vertical coal and vertical raw mills. While energy consumption in the former mill was 45,69 kWh/t, energy consumed has reduced by 8% to 41,90 per unit kWh/t energy in the new vertical mill.

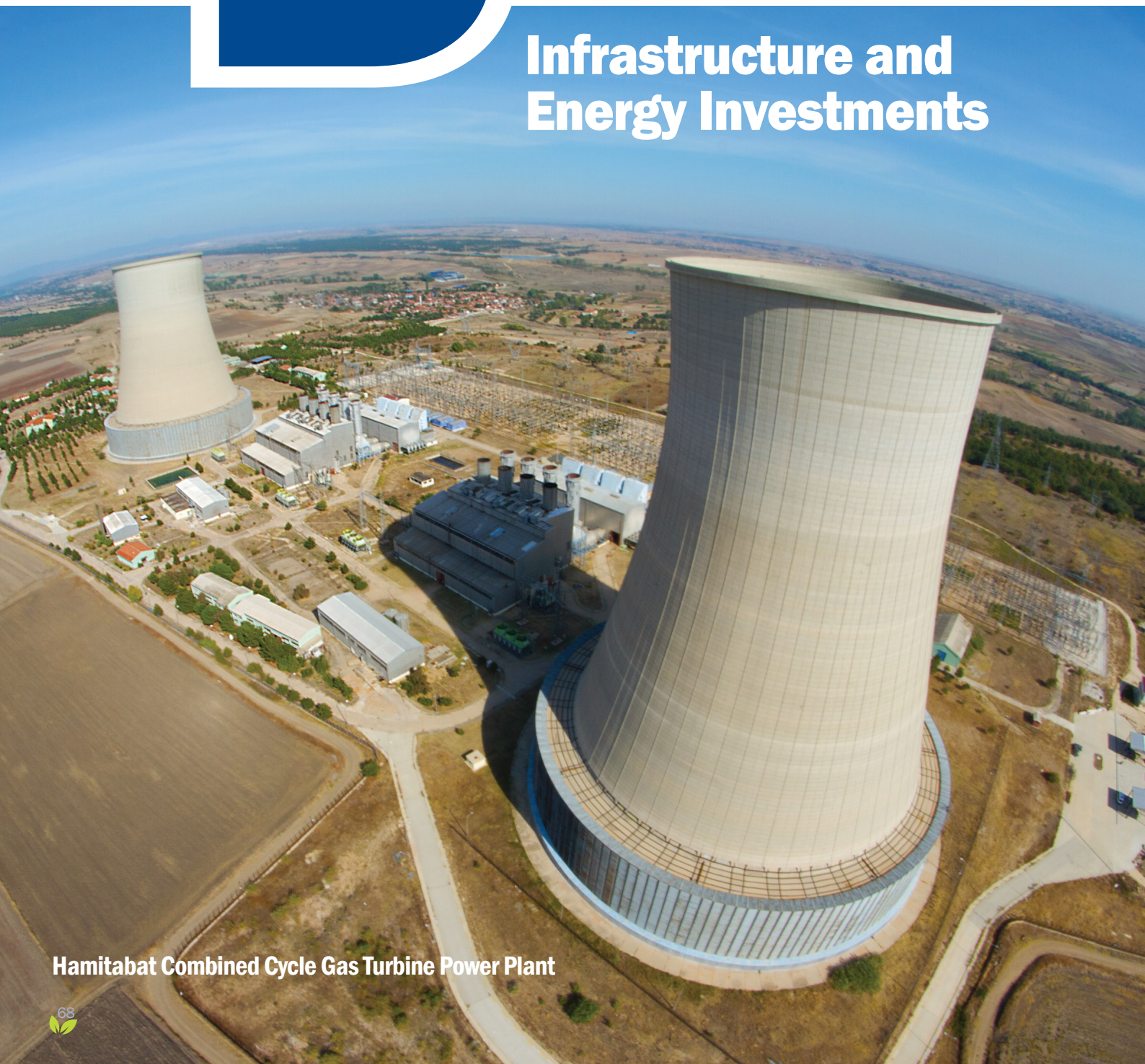
The plant was also granted the first credit support that the World Bank provided to the cement sector in Turkey for investment projects in energy efficiency and clean environmental technologies. Furthermore, the necessary agreements were made in order to complete a new L-NOx environmentally friendly rotary kiln investment along with Limak Balıkesir Cement. In 2013, the factory achieved reductions in green-house gas emissions by reducing the clinker consumption per unit of cement production by 3.5%.

1 Clinker ratio is defined as energy consumption (kWh)/tonnes of clinker produced.


Limak Ankara Çimento
Limak

Business Units

Infrastructure and Energy Investments



Hamitabat Combined Cycle Gas Turbine Power Plant

Limak Investments increased the installed capacity of HEPP's in operation by 40 percent to the 610 MW enhanced in 2013 as regards energy generation which is part of its operating areas.

Limak operates in infrastructure and energy investments business lines in Turkey and abroad. The Group continued its sustainable growth in 2013.

Limak Investments increased the installed capacity of HEPPs' by 40 percent to 610 MW in 2013. In order to reach the targeted generation capacity of 4,000 MW and ensuring source diversification in energy generation Limak acquired Hamitabat CCGT Power Plant with capacity of 1,156 MW. The Company aims to put this power plant into operation in 2015 following total investment of 520 million Euros.

Limak and its partners lead the electricity distribution in Akdeniz, Boğaziçi, Çamlıbel, and Uludağ regions in Turkey and also in Kosovo. Electricity distribution of about 50 billion kWh is made to a total of approximately 10 million subscribers in four electricity distribution zones in Turkey and throughout Kosovo. With these figures, Limak and its partners rank among the biggest electricity distribution companies in the world, let alone being Turkey's biggest privately owned electricity distribution and retailing company. In the electricity distribution sector where the operations of electricity distribution and retailing were segregated early in 2013, it is one of the Company's priorities to minimize theft and loss rates and provide quality service to its subscribers at lower costs in its distribution regiones through investments made.

In energy trading, which is another area of operation, Limak Investments increased its energy trade volume to 1.9 billion kWh in 2013 from 850 million kWh in 2012 and aiming to increase further to 3.5 billion kWh in 2014.

In the transportation sector, Sabiha Gökçen International Airport, Turkey's 3rd biggest airport and Pristina International Airport Adem Jashari in Kosovo increased the number of passengers, which was in total 16.4 million at the end of 2012, by approximately 27 percent to over 20 million in 2013.

In addition, the new terminal building and facilities of Pristina International Airport Adem Jashari were also put into service in 2013. The new airport, which has been built on the basis of a modern and environment friendly design has a total capacity of 5 million passengers.

Limak, together with its partners, won the tender in 2013 for İstanbul New Airport, one of the largest airport in the world.

The "Implementation Contract on Construction of İstanbul New Airport Subject to the build-operate-transfer (BOT) Model" was signed on November 19, 2013. Upon completion of all the phases, the airport will be capable of serving a total of over 150 million passengers a year, thus ranking among the leading airports in the world.

In 2014, the Company will continue to pursue new project opportunities. Limak Investments' priority is to create value for both its shareholders and employees and all of its stakeholders it has interaction with in addition to attainment of the financial targets in 2014.

Istanbul Sabiha Gökçen International Airport

Introduction

İstanbul Sabiha Gökçen International Airport Investment Development and Operation Inc. founded by the Limak, GMR and Malaysia Airports consortium won the privatization tender made within the public-private partnerships mechanism and under the build-operate-transfer model. On May 1, 2008, it took over the right to operate the existing terminals, car park, ground handling, cargo, aircraft refueling operations, airport hotel and CIP facilities. Through additional investments, the operating period was extended until 2030. İstanbul Sabiha Gökçen International Airport (ISG), which accommodated 13.7 million passengers in 2011, 14.9 million passengers in 2012 and 18.9 million passengers in 2013, is the third biggest airport of Turkey.

Istanbul Sabiha Gökçen International Airport was granted the title of "Green Airport" by the General Directorate of Civil Aviation in 2012.

It has adopted a modern, convenient and environment-friendly terminal operations model by investing in high technology, physical infrastructure and well-trained human source with aim to minimize damage to the environment. ISG has established a comprehensive Environment Management system in conformity with ISO 14001 standard. This management system defines procedures for various environmental aspects, including those for addressing hazardous and non-hazardous wastes covering all airport users.

The airport makes important socio-economic contributions to the local community through boosting the construction sector, increasing investments in infrastructure, promoting educational and job opportunities, facilitating transportation and tourism among others.

Performance Summary

Energy Consumption

Table 27 | Direct Energy Consumption (GJ)

	2013	2012
Direct Energy	214.980,51	259,884
Total	**214.980,51**	**259,884**

Table 28 | Indirect Energy Consumption from Purchased Electricity (kWh)

	2013	2012
Indirect Energy	20,529,143	14,978,255
Total	**20529143**	**14,978,255**

Total direct energy consumption reduced 15% in 2013 to 221,161 GJ (2012: 259,884 GJ), whilst indirect energy from purchased electricity increased 37% to 20,529,143 kWh (2012: 14,978,255 kWh).

Green-House Gas Emissions

Table 29 | Total Direct and Indirect Green-house Gas Emissions by Weight (tCO2e)

	2013	2012
Direct Emissions	13,597	14,230
Indirect Emissions	9,390	6,884
Total	**22.987**	**21,114**

Total direct and indirect green-house gas (GHG) emissions have changed in line with changes to the underlying energy consumption since they have been based on default emission factors that were the same in both years. In 2013, total direct and indirect emissions were measured as 12,528 tCO2e and 9,682 tCO2e respectively (2012: 14,230 tCO2e and 6,884 tCO2e respectively). The GHG emissions (covering Scope 1 and 2) report of ISG for 2012 was externally verified by an external agency on the basis of the ISO 14064 standard.

ISG also operates a tri-generation electricity plant to generate on-site electricity. In 2013, ISG generated a total of 1,992,896 kWh (2012: 2,398,462 kWh) of electricity and sold a total of 2,051,273 kWh (2012: 1,496,628 kWh) to tenants and the LGM company; selling slightly more than it produced due to the sale of some purchased electricity.

Corporate Social Responsibility

Considering the corporate social responsibility as an integral part of the company's vision, ISG is aiming at supporting society with the projects carried out in the fields of education, culture, sports, health and environment.

As the foremost gateway to Turkey, the Sabiha Gökçen International Airport harbors two exhibition halls. Many exhibitions have been hosted since the commissioning of the new terminal building in October 2009, for example, 'Our Pioneering Women' with Ülkü Cılızoğlu as the curator, 'Share the Miracle, Nurse your Baby' photo exhibition of the Anadolu Health Center designed to emphasize the importance of nursing, and the 'The Lives Changed by Sports' photo exhibition displaying the photographs of specially-abled athletes. It is through these exhibitions that ISG has contributed to advancing social causes in the country.

Further, given our special emphasis on historical, cultural and spiritual values, a series of activities and events were organized for the passengers in connection with the World Women's Day and the National Sovereignty and Children's Day.

Continuing with the support provided for culture and arts, ISG maintains the cooperation with Istanbul Modern, the first private modern and contemporary arts museum of Turkey, which was initiated in 2010.

The stars of UNICEF, which opened the doors to schools for thousands of children, who could not complete their elementary education, were exhibited in Sabiha Gökçen Airport to support education within the scope of the 'Stars of Istanbul' social responsibility project.

Istanbul Sabiha Gökçen is Turkey's first Barrier-Free Airport

One of the 5 Safest Airports in the World;

Favored by the seismic isolation structures used in its construction, ISG was designated by the US magazine, Risk Management, as one of the 5 safest airports in the world.

The Fastest Growing Airport;

Istanbul Sabiha Gökçen Airport was honoured by Airport Traffic Growth Award from Airline News & Network Analysis web site anna.aero.Aviation news and analysis website HYPERLINK "http://anna.aero/" anna.aero selected Sabiha Gökçen as the top airport for increasing its number of passengers the most in Europe in 2013 over-10 million passenger category with traffic up almost 29% to 18.9 million.

One of the TOP 10 PPPs in 2013;

Istanbul Sabiha Gökçen International Airport operator Limak, GMR Group and Malaysian Airports Holdings Berhad (MAHB) partnership, have been recognized as one of the 'Best 10 PPP (public private partnership) projects in the Europe, Central Asia, Middle East and North Africa region and one of the Best 40 PPP projects at the worldwide emerging markets by IFC (International Finance Corporation) of World Bank Group and Infrastructure Journal.

Customer Satisfaction Surveys

Customer engagement and satisfaction is a key priority for us at the Sabiha Gökçen International Airport. We have a robust process in place to invite customer feedback both verbally and in writing, which is collected and the Quality Assurance Department, classified as per importance and urgency, and then directed to the relevant department as per the service scope for further action. According to the feedback received from the relevant department manager, an informative message about handling the complaint and implementing corrective/preventive actions is sent to the customer. It is our endeavor to answer all complaints within a pre-determined time period.

According to an assessment of the questionnaires filled by individual customers at the airport, the overall customer satisfaction rate in 2013 was measured to be at 71%, increasing 5 percentage points over the previous year. Each question is on a scale from 0 to 5 points with 4 and 5 points representing strong customer satisfaction. Consequently, a weighted average of 71% from this scale represents an average rating of approaching 4 points across all questions.

The assessment of the passenger was done on the following aspects:

- Cleaning services
- Consulting, guidance and flight information services
- Luggage delivery services
- Safety checks
- Car park and valet services
- Service competency of the Duty-free shops
- Restaurant and café services,
- Quality of the shopping business areas

These are used as guiding parameters for further developing those services.

Human Resources – Career Development Opportunities

During the 2012 - 2013 academic year, in accordance with Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc.'s Human Resources Policies and Practices, we gave 114 students an opportunity to gain experience in business life within short/long term internship programmes. Eight of our interns have been offered a career opportunity in ISG on account of their successful internship performance and they are successfully employed at ISG.

Pristina International Airport Adem Jashari

Introduction

Pristina International Airport Adem Jashari (PIA), which serves a region having a population of around 2.5 million people and neighboring Balkan countries in its position as the sole international airport in the rapidly developing Republic of Kosovo, contributes significant value to both Kosovo and the aviation sector of the entire Balkan region as well as to any entities providing services to this sector.

Pursuant to a concession contract signed with the Government of Kosovo on August 12, 2010, Pristina International Airport was transferred to Pristina International Airport Adem Jashari Inc., in which Limak has a 90 percent stake, on the basis of the build-operate-transfer (BOT) model for a period of 20 years on April 4, 2011. The airport's new terminal building and its additional facilities was completed with an investment of approximately 140 million Euros under the Project in a period as short as two years.

Under the investment achieved, 110,000 m² of aprons, new air traffic control tower construction, rehabilitation of the airport access roads, 1,750 vehicle capacity parking complex, fuel tanks and link roads construction were successfully completed in addition to the new terminal building having indoor space of 42,000 m² which was created an environmentally friendly and smart building to international standards under a modern architectural approach. At Pristina International Airport, Limak Kosovo is also responsible for operation, maintenance and repair of ground services, airplane supply, cargo and PAT (runway, apron, taxiways) operations in addition to operation of the terminal and car parking complex.

As shown in the Chart below, in terms of quality, environment management and customer satisfaction studies conducted at the airport, Limak Pristina International Airport Adem Jashari has the following accreditations: ISO 9001 Quality Management System, ISO 14001 Environment Management System and ISO 10002 Customer Satisfaction Management System certificates, which many developed European airports do not have yet.

Chart | ISO Certifications

Performance Summary

Energy Consumption

Table 30 | Direct Energy Consumption (GJ)

	2013	2012
Diesel	15,379	19,165

Pristina International Airport Adem Jashari's measured direct energy consumption in 2013 and 2012 was diesel, since natural gas is not currently available in Kosovo. Diesel consumption decreased 20% to 15,379 GJ in 2013 (2012: 19,165 GJ).

Table 31 | Indirect Energy Consumption from Purchased Electricity (kWh)

	2013	2012
Electricity Purchased	4,168,727	3,036,766

Total indirect energy from purchased electricity increased 37% to 4,168,727 kWh (2012: 3,036,766 kWh) due to an increase in the building capacity and works during the construction of the new terminal.

Green-house Gas Emissions

Table 32 | Total Direct and Indirect Green-house Gas Emissions by Weight (tCO2e)

	2013	2012
Direct emissions	1,140	1,420
Indirect emissions	4,623	3,368
	5,763	**4,788**

Total direct and indirect GHG emissions have changed in line with changes to the underlying energy consumption since they have been based on the default emission factors shown on page 95 that were the same in both years. In 2013, total measured direct and indirect emissions were 1,140 tCO2e and 4,623 tCO2e respectively (2012: 1,420 tCO2e and 3,368 tCO2e respectively).

Key Sustainability Initiatives

In the section that follows, Pristina International Airport Adem Jashari lists a few of the initiatives through which it has contributed to sustainability during the reporting period.

Energy reduction and savings

In order to rationalize electricity consumption, PIA installed a sophisticated automation control system. During daylight hours, 50% of installed indoor lighting is turned off by automation. Motion sensors are also used in corridors and toilets. Lighting of all technical areas (electric, IT, mechanic technical rooms) is turned off and opened only during operation. PIA estimates that as a result of these initiatives the average energy savings are 150 kW per hour or 108,000 kWh per month.

Reduction in indirect energy consumption

At PIA a lot of the equipment, such as radiators and convector lines, is programmed to reduce automatically when a certain temperature is reached to avoid unnecessary energy consumption. In addition, all water discharge passes through Pristina International Airport Adem Jashari's on-site water treatment plant, which removes all chemicals which are hazardous for the environment.

Initiatives to reduce environmental impacts

For the last 2 years, PIA' s main initiative to mitigate environmental impacts has focused on waste reduction. Waste classification, proper storage and waste valorisation have produced good results from the airport's waste reduction initiative. In addition, we have managed to minimise hazardous waste through the purchase of environmentally friendly products.

PIA has undertaken extensive work in 2013 to collect and analyse its energy, water and fuel data and is now working on suitable targets around energy efficiency, emissions and water for the next reporting period.

In order to reduce the consumption of office paper PIA has started to use a system of electronic document management and storage. Centralized printing, using black and white and double-sided printing, is further initiatives that have resulted in reduction of paper consumption and e-waste.

PIA is focused on raising employee awareness with regard to environmental issues and provides environmental orientation training for all employees.

LimakPort Iskenderun

Introduction

After Limak acquired the right to operate the Directorate of Turkish Republic State Railways (TCDD) İskenderun Port for 36 years on December 30, 2011, Limak Construction commenced the project for modernization and capacity enhancement LimakPort İskenderun of the Port. Through this project, LimakPort İskenderun will be converted into a modern container terminal with a capacity of 1.3 million TEU. For this purpose, port structures, areas, gates and warehouses are being rebuilt, and all the infrastructure and superstructure facilities are being restructured suitable for container handling. Following the takeover, 215 million USD investment transformed LimakPort İskenderun into a modern container terminal.

Performance Summary

Table 33 | Key Sustainability Metrics from LimakPort Iskenderun

	2013	2012
Direct Energy Consumption (GJ)	14,749	4,015
Indirect Energy Consumption (kWh) from Purchased Electricity	5,058,343	1,990,347
Green-house Gas Emissions (tCO2e)	3,517	1,202

Total direct energy consumption in LimakPort Iskenderun was 14,749GJ in 2013 (2012: 4,015 GJ) with diesel consumption representing over 85% of total direct energy consumption in both years. Total indirect energy consumption from purchased electricity was 5,058,343 kWh in 2013 (1,990,347 kWh in 2012) and the combined Scope 1 and 2 green-house gas emissions from Ports have been estimated at 3,517 tCO2e in 2013 (2012: 1,202 tCO2e). The increases in energy consumption and green-house gas emissions reflect the fact that operational activity increased a lot more at the site during 2013. On the other hand our RTG cranes, which works with electricity reduce the air pollution.

Key Sustainability Initiatives

LimakPort Iskenderun uses timed lighting techniques, which significantly decrease the electricity consumption amounts. Lighting programs make use of the geographical placement of the Port to accurately guess sunrise and sunset times in real time. Furthermore, lighting is programmed to be used only when there is activity in the Port.

Equipment used in the Port during the construction was diligently chosen as to minimise the impact on the environment. Quantative review projects are underway regarding the effects of these materials on the environment. Further precautions taken to prevent damage to the environment during operations include:

- Screening and shielding to prevent dust spillover,
- Separation of recyclable material that includes fuel-based waste to be reused in cement factories,
- Water and electricity sensors to increase efficiency in buildings
- Periodic waste water quality test and noise tests.

Limak's share of overall generation by the power plants in the portfolio, which was 15,5 million kWh in 2007, has now reached 1,3 billion kWh in 2013.

Energy Generation

Introduction

Limak makes energy generation investments based on source diversification to meet Turkey's increasing demand for energy and medium to long term energy supply reliability, advancing towards its target of an installed output of 4.000 MW as set subject to its long term business plans.

Accordingly, it has comprehensive HEPP investments in the field of renewable energy which has a significant part in meeting supply security.

With a number of hydroelectric power plants including Tatar and Kirazlık put into operation in 2013, Alkumru, Uzunçayır, Seyrantepe, Pamuk and Çal currently in operation, the Group's total HEPP installed output at the stages of design and construction is approximately 850 MW as its total annual electricity generation capacity is approximately 3 billion kWh. Pembelik HEP which is under construction, Kargı HEP in the planning stage and Buharkent Geo - Thermal Power Plant are the developing projects on the basis of renewable energy resources will be put into operation by the end of 2016. In addition, the Group also focuses on energy projects abroad.

Limak's share of overall generation by the plants in the portfolio, which was 15,5 million kWh in 2007, has now reached 1,3 billion kWh in 2013.

In 2013, the Group added Hamitabat CCGT Power Plant to its portfolio in order to strength its availability in generation. Hamitabat, which is Turkey's first natural gas fired combined combustion power plant, has an installed capacity of 1,156 MW. Investment studies were rapidliy embarked to increase the efficiency of the plant to the highest level.

Field measurements and surveys presently continue for wind and solar energy licensing studies of the Group, which also attaches importance to wind and solar energy investments for the purpose of increasing diversification of sources.

Lignite and import coal fired power plants also constitute yet another important part of the target of source diversification. Limak Energy currently considers acquisitions and privatizations in order to ensure energy generation based on coal with total capacity of 2,000 MW which will meet the base load requirements of its portfolio, also assessing new license development or acquisition opportunities at the same time.


Pamuk HEPP

Hydro-electric Power Plants

The table below summarises the hydroelectric power plants in operation and under construction within Limak Energy.

Alkumru Dam and Hydroelectric Power Plant	Alkumru Dam and Hydroelectric Power Plant (HEPP) which is installed on the Creek of Botan connected to the River of Tigris in the Province of Siirt was put into operation in 2011. The annual average production capacity of the power plant having a total capacity of 280 MW is 1 billion kWh.
Uzunçayır Dam and Hydroelectric Power Plant	Uzunçayır Dam and Hydroelectric Power Plant (HEPP) which is installed on the Creek of Munzur connected to the River of Euphrates in the Province of Tunceli was put into operation in 2009. The annual average production capacity of the power plant having a total capacity of 84 MW is 322 million kWh.
Seyrantepe Dam and Hydroelectric Power Plant	Seyrantepe Dam and Hydroelectric Power Plant (HEPP) which is installed on the Stream of Peri on the River of Euphrates in the Province of Elazığ was put into operation in 2008. The annual average production capacity of the power plant having a total capacity of 59 MW is 164 million kWh.
Pamuk Hydroelectric Power Plant	Pamuk Hydroelectric Power Plant (HEPP) which is installed on the Creek of Pamuk in the Province of Mersin was put into operation in 2003. The annual average production capacity of the power plant having a total capacity of 24 MW is 93 million kWh.
Tatar Dam and Hydroelectric Power Plant	Tatar Dam and Hydroelectric Power Plant (HEPP) which is installed on the Stream of Peri on the River of Euphrates in the provinces of Elazığ and Tunceli was put into operation in 2013. The annual average production capacity of the power plant having a total capacity of 131 MW is 421 million kWh.
Kirazlık Regulator and Hydroelectric Power Plant	Kirazlık Regulator and Hydroelectric Power Plant (HEPP) is located in Siirt Province on Botan Creek, in the downstream of Alkumru Dam. Its total installed output and annual average generation capacity are 47 MW and 150,61 million kWh, respectively. Supply and installation of electromechanical equipment for the facility where construction works started in 2010 were carried out on a turnkey delivery model. Kirazlık Regulator and Hydroelectric Power Plant started generation on December 6, 2013.
Plants Under Construction Stage	**Pembelik Dam and Hydroelectric Power Plant (HEPP)** River of Euphrates, Peri Stream – Elazığ Installed Output : 130 MW Annual Average Production Capacity: 405 million kWh Pembelik Dam and HEPP which is installed on the Stream of Peri on the River of Euphrates in the Province of Elazığ is targeted to be put into operation in 2015. The annual average production capacity of the power plant having a total capacity of 130 MW is 405 million kWh.
Plants in the Planning Stage	**Kargı Dam and Hydroelectric Power Plant (River of Sakarya - Ankara)** Planned Installed Output: 100 MW Generation Capacity: 254 million kWh **Buharkent Geo-Thermal (Buharkent - Aydın)** Planned Installed Output: 15 MW Generation Capacity: 110 million kWh

**'Cal HEPP with 2,2 MW capacity in Denizli, which is within the Group portfolio but not within Limak Investments, is not included in the table.'*

'Alkumru and Uzunçayır HEPP projects acquired the Carbon Emission Reduction Certificate in line with the International Carbon Standards (VCS) in voluntary markets, meaning that it gained the right to issue 150,000 tonnes of VCS carbon credits until 2019'

Avoiding Green-house Gas Emissions

Limak received the carbon emission reduction certificates for Uzuncayir and Alkumru Hydroelectric Power Plant projects of which their average annual GHG emission reductions are 151,211 tonnes and 475,143 tonnes of CO2 respectively. The power plants also received the social carbon validation certificates through the assessment of social contributions within the project areas.

Performance Summary

Energy Generation

Table 34 | Hydropower Generated (kWh)

Hydropower Generated (kWh)	2013	2012
Alkumru	875.362.000	687.675.000
Uzunçayır	279.579.000	247.406.000
Seyrantepe	174.545.100	156.670.200
Pamuk	72.532.000	94.950.200
Tatar	43.246.700	-
Kirazlık	3.189.900	-
Total	1.448.454.700	1.186.701.400

Total electricity generated by the 5 operational hydropower plants in 2012 was 1.2 billion kWh, up to 22% to about 1.5 billion kWh in 2013 due to increased generating capacity at the Alkumru and the Tatar hydroelectric facility becoming operational towards the end of 2013.

To provide customers with a reliable supply of electricity, at some of the plants, most notably Pamuk (2013: 46,579,300 kWh, 2012: 20,370,326 kWh), the company purchases electricity generated by other local energy sources under long-term supply contracts. Total purchased electricity by the 5 HEPPs in 2013 was 47,684,784 kWh (2012: 21,540,444 kWh).

Key Sustainability Initiatives

During 2013, Pamuk hydroelectric power plant introduced numerous improvements to improve energy efficiency and maximize production. For example, the plant is now using sunshine sensitive lighting to reduce electricity consumption, solar panels have replaced electricity for heating water and the plant is recycling its waste with licenced waste contractors.

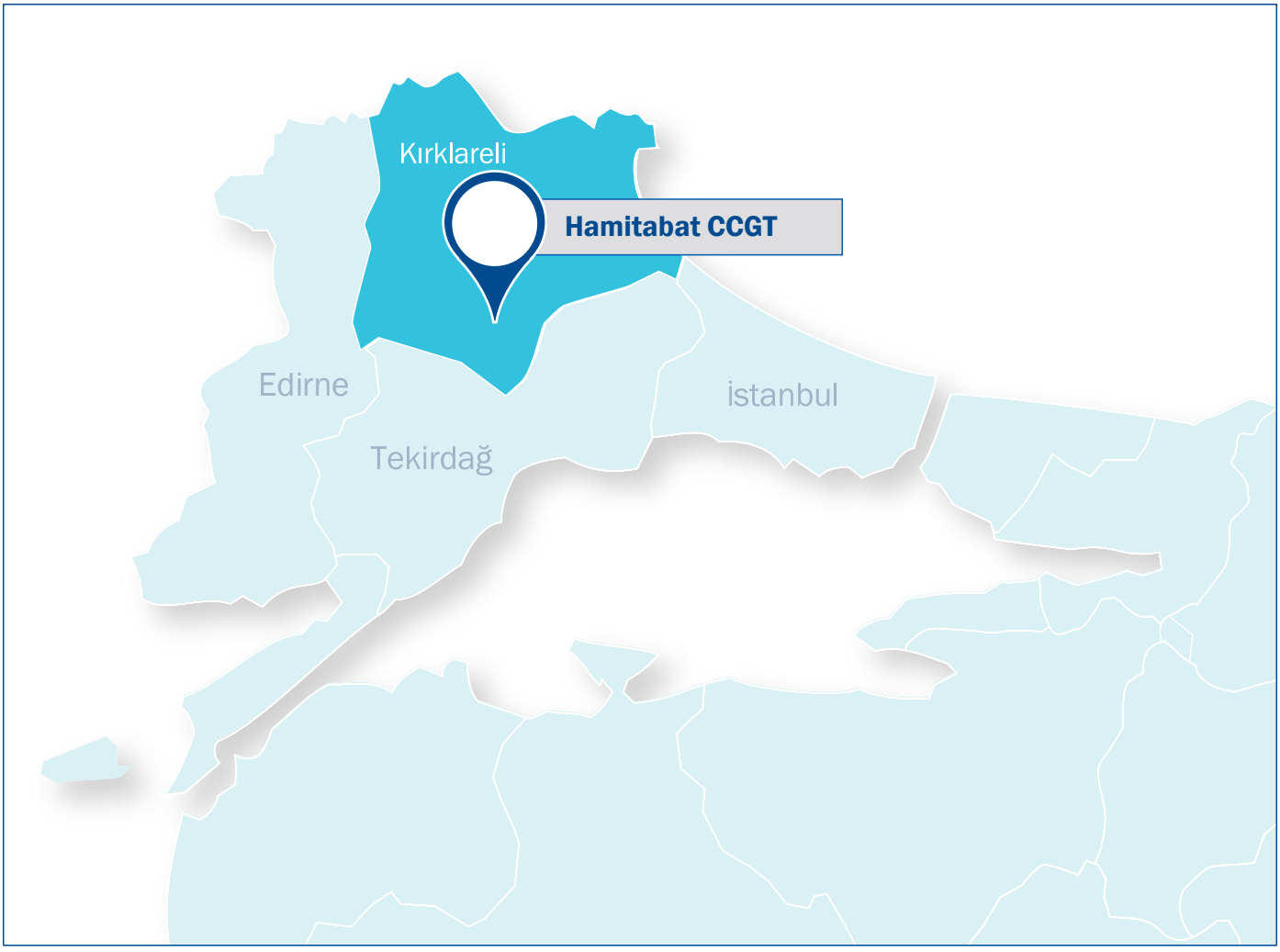
For its contributions to Turkish economy Pamuk Hydroelectric Power Plant was awarded the gold medal in 2007, 2011 and 2012 and the silver medal in 2009 by İzmir Chamber of Commerce and İzmir Tax Office.

Hamitabat Combined Cycle Gas Turbine (CCGT) Power Plant

Hamitabat power plant is located approximately 180 km to the north west of Istanbul in Lüleburgaz district, Kirklareli province. The Hamitabat plant was built by a consortium of ABB and Enka and was commissioned between 1985 and 1989. The plant has 4 combined cycle blocks each comprising 2 gas turbines and one steam turbine. Hamitabat was the first natural gas fired combined cycle plant with an installed capacity of 1,156 MW in Turkey and with direct access to the Turusgaz pipeline, which runs from Russia, through Bulgaria, to Turkey. Electricity is then exported to the grid via the existing substation.

Figure 1 - Location of Hamitabat CCGT Power Plant

Hamitabat CCGT Power Plant is located approximately 180 km to the north west of Istanbul in Lüleburgaz district, Kirklareli province.



Hamitabat had an excellent health and safety record during 2013 with only 11 accidents and 0 fatalities from nearly 100,000 hours worked during the year.

There is no special environmental or natural protection area at the site as confirmed by the General Directorate of Natural Assets Protection and the Provincial Directorate of Environment and Urban Planning in Turkey.

- Limak intends to carry out renovation works at Hamitabat CCGT Power Plant through its affiliating company, Hamitabat Electricity Generation and Trade Inc. (HEAS). The objective of the renovation works at the plant, is to continue generating sufficient and reliable electricity with less environmental influence and to provide sustainable operation by improving the energy generation efficiency and reducing the emissions of air pollutants. The established capacity of the existing plant will increase to 1,500 MWe and approximately 7.8 billion kWh of annual electricity will be generated.
- Steam and water chemistry was improved to meet Original Equipment Manufacture (OEM)'s recommendations by changing chemicals, adding chemical injection points and developing new chemical analysis methods. Hydrazine usage has been terminated due to carcinogenic effect.
- During the reporting period, an HSE committee was established and periodical meetings organized.
- An industrial waste and emission tracing system was put into practice.
- HEAS was granted an award for being the highest taxpayer in Kırklareli province in 2012.
- We have recruited two female and two male new graduate engineers, following fair recruitment policies.

Health and Safety

Hamitabat takes the health and safety of all its workers extremely seriously and sets targets for zero accidents at the plant. Any accidents are investigated in order to learn any relevant lessons and mitigate risk of re-occurrence. The plant had an excellent health and safety records during 2013 with only 11 accidents and 0 fatalities from nearly 100,000 hours worked during the year.

Performance Summary

Energy Consumption

Table 35 | Direct energy consumption (GJ)

	2013	2012
Direct Energy	26,584,515	53,256,192

Table 36 | Indirect energy consumption from purchased electricity (kWh)

	2013	2012
Indirect Energy	4,432,904	1,786,048

Total direct energy consumption in 2013 was 26,584,515 GJ, representing a 50% reduction from the prior year due to reduced demand from the energy markets. Conversely, indirect energy consumption from purchased electricity increased sharply from 1,786,048 kWh to 4,432,904 kWh in 2013 due to having to purchase more electricity in light of a reduction in energy generated at the plant.

Key Sustainability Initiatives

Energy efficiency

The plant has also implemented numerous initiatives to improve energy efficiency, which have included optimising the gas turbine firing temperature for power augmentation (1.4% improvement in plant efficiency) and frequent washing of the Gas Turbine's compressor to prevent degradation and optimize performance to increase efficiency (1.9% improvement in operational efficiency). In addition, the start-up time for cold start was decreased by 84.3%.

Air emissions

Monthly NO2 ground level concentrations from the power plant are below the short-term limit values stated in the regulation. Considering the impact of stack gas emissions, the most significant pollutant is NOx. During the reporting period, NOx emissions from the power plant were lower than the limits stated in the "Regulation on Air Quality Assessment and Management".

Uzunçayır Dam and HEPP

Details of National Conservation List species at the Hamitabat CCGT Power Plant site

Group	Status
Flora	*Crocus biflorusfrom the Iridaceae* familyis evaluated in "Endangered (EN)" category according to "Turkey's Endangered and Endemic Plant Species". The population density of Crocus biflorus outside the project site is high. Except for this species, no flora species is listed as a "Strictly Protected Flora Species" by the Conservation of European Wildlife and Natural Habitats (BERN Convention).
Fish	*Cyprinus carpio* - is classified as VU (vulnerable) category in the wild according to the IUCN criteria. The other fish species at the site are either classified as LC (Least Concern) or NE (not evaluated) under the IUCN classification.
Amphibians	Evaluations based on European Red List (ERL) prepared by IUCN, have detected 3 species included in NT (Near Threatened), 9 species included in LC (Least Concern) and 6 species included in NE (Not Evaluated) category. The 3 species classified as NT are Testudo hermanni (Hermann's Tortoise), Emys orbicularis (European Pond Turtle) and Elaphe quatuorlineata (East-Four-lined Ratsnake).
Reptiles	Evaluations based on the European Red List (ERL) prepared by the IUCN found 3 species included in NT (Near Threatened), 9 species included in LC (Least Concern) and 6 species included in NE (Not Evaluated) category.
Birds	According to the European Red List (ERL) prepared by IUCN, all bird species detected at the project site and its close vicinity are in LC (Least Concern) category.
Mammalians	According to evaluations based on IUCN European Red list, among the species detected at the project site and its impact area, there are 29 species included in LC (Least Concern) category, 2 species are in VU A2 (=population size has decreased by 30% over the past 10 years), 1 species is in NT (Near Threatened) and 2 species listed as DD (Data Deficient) category. The vulnerable species are *Vormela peregusna* (marbled polecat) and *Spermophilus citellus* (European ground squirrel).

Waste Treatment and Disposal

There are two treatment systems at the site; namely sewage treatment facility for domestic waste water and effluent treatment facility for the process waste water. The wastewater is discharged to a local stream (Tatarköy Creek) in accordance with official regulations such as the Water Pollution Control Regulation. The wastewater discharge is tested on a regular basis and on a monthly basis samples are analysed by an accredited laboratory. In the reporting period, none of the wastewater sampled was in breach of any waste-water parameter.

Reduction in Environmental Impacts

The plant has also taken numerous precautions to decrease the effects of its activities on the environment, which included reducing sulphuric acid consumption to prevent waste sludge formation; putting a portable oil purification/filtration system into operation to rejuvenate circulating oil so as to reduce the amount of waste oil and new procurement and having its domestic and industrial waste water treatment facilities renovated in 2013.

Alkumru Dam and HEPP

Energy Distribution

Introduction

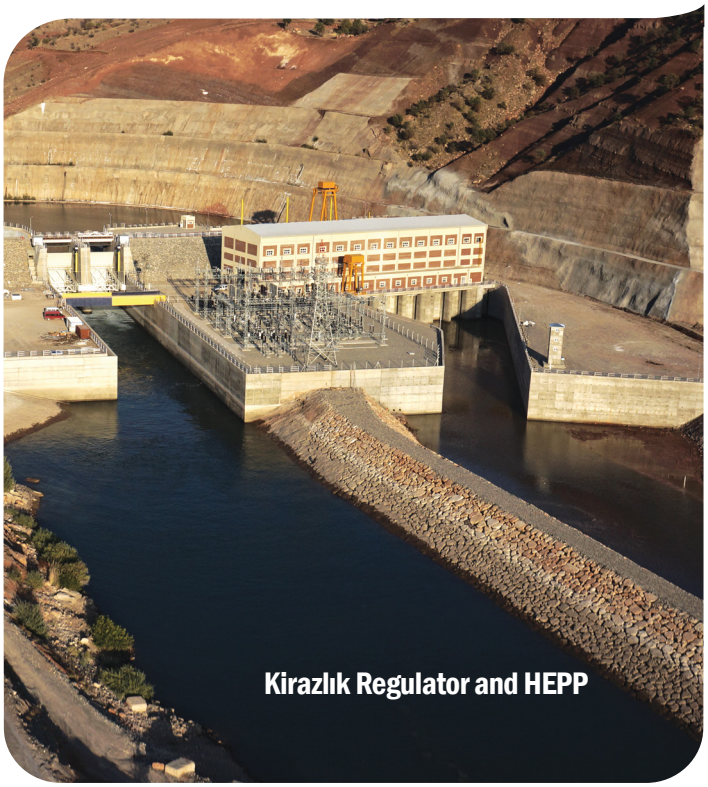
In the field of energy distribution, around 50 billion kWh of electricity is distributed to a total of 10 million subscribers via the electricity distribution companies, Boğaziçi, Akdeniz, Çamlıbel and Uludağ in Turkey and via Kosovo Electricity Distribution Company in Kosovo. With these figures, Limak and its partners rank among the biggest electricity distribution companies in the world, let alone being Turkey's biggest privately owned electricity distribution and retailing group.

The distribution companies pursue the target of providing services in a non-stop, rapid and reliable manner along the axis of sustainability, efficiency and customer satisfaction. For this purpose, as they provide services round the clock for seven days a week (7/24) through call centers in addition to the routine operations, they are also capable of conducting such operations through mobile and online channels. Master plan and network / grid modeling studies are carried out so that the investments are made in compliance with the distribution infrastructure and customers' requirements by making use of modern technology. Advancing rapidly and confidently, the Group is going to ensure management of any operations and processes pertaining to its distribution companies via a single center through information technologies. Substantial investments are made in information technologies for the purpose of ensuring continuity in the service quality and effectively managing resources on the basis of an understanding of transparent and local management of the distribution companies.

The companies will be transformed into a technology intensive structure from a labor intensive structure through information technology investments to be achieved in the forthcoming years. Under favor of this transformation, it will be possible to provide higher quality services to customers at lower costs. The electricity distribution companies, Akdeniz, Boğaziçi, Çamlıbel and Uludağ, which currently lead the pack in their industry in terms of services and customer satisfaction as well as capacity and economic indicators thereof, have incorporated their respective electricity retailing companies as individual legal entities.

Given that the expectation is all consumers will be eligible customers after 2015, companies are investing in technology and human resources on a larger scale to ensure they are ready for this transformation.

It is the Limak's future priority to further consolidate its pioneering position in the area of distribution and retailing in the energy sector as it has done so far.



Kirazlık Regulator and HEPP

Figure 2 – Map of Location of Electricity Distribution Companies in Turkey

Figure 3 – Map of Kosovo Electricity Distribution and Supply (KEDS) Company in Europe

Table 37 | Overview of Limak's Electricity Distribution Companies

Plant	Description
UEDAŞ	Uludağ Electricity Distribution Inc. (UEDAŞ) which covers the provinces of Bursa, Balıkesir, Çanakkale and Yalova, achieves an annual electricity distribution of 10 billion kWh to 2.7 million subscribers. The volume of investments in the last three years exceeded TL 340 million.
ÇEDAŞ	Çamlıbel Electricity Distribution Inc. (ÇEDAŞ) which covers the provinces of Sivas, Yozgat and Tokat, achieves an annual electricity distribution of 2.5 billion kWh of electricity to approximately 860,000 subscribers. Investments made for the grid rehabilitation and construction of new facilities exceeded TL 100 million in the last three years.
BEDAŞ	Boğaziçi Electricity Distribution Inc. (BEDAŞ) is Turkey's biggest electricity distribution company with4.3 million subscribers and an annual electricity distribution of 25 billion kWh. The investment target of the Company for the grid rehabilitation and installation of new facilities in 2013 is approximately TL 150 million.
AEDAŞ	Akdeniz Electricity Distribution Inc. (AEDAŞ) which serves approximately 1.7 million subscribers in Antalya, one of the major tourist centers in the world, and provinces of Isparta and Burdur, in a non-stop and uninterrupted manner, carries out electricity distribution of about 8.5 million kWh a year. Its investment target for rehabilitation of thedistribution grid and development of new facilities is over TL 100 million in 2013.
KEDS	Kosovo Electricity Distribution and Supply Company (KEDS) which has a turnover of 280 million Euros, has been transferred to the Joint Venture of Limak and Çalık upon completion of a privatization process in May 2013. Targeting to capture a success story in Kosovo similar to that in Turkey in the area of distribution, the Group will distribute 5 billion kWh of energy. 450,000 subscribers in Kosovo. Investments will continue in 2014 parallel to the requirements for a growth in the energy infrastructure of Kosovo at the same speed of growth, which will be a driving force for the planned and anticipated rapid growth of this country, one of the youngest countries in the Balkans with a population of 2 million people and a land area of 11,000 km².

Table 38| Energy Distribution by Company

	Number of Subscribers	Energy Distributed (kWh) (million)
BEDAŞ	4,300,000	24,000
UEDAŞ	2,700,000	10,000
AEDAŞ	1,700,000	8,000
ÇEDAŞ	860,000	2,500
KEDS	450,000	5,000

Performance Summary

Energy distribution started a detailed programme to monitor and report its energy consumption and emissions data in line with international best practice in 2013 and presents the summary results from this study in the following section. Having now established a base-line for energy and emissions data for each plant, the business unit's next aim is to finalise targets for achieving reductions in the next reporting period.

Energy Consumption

Table 39 | Direct Energy Consumption (GJ)

	2013	2012
UEDAŞ	69,877	62,611
ÇEDAŞ	68,800	18,181
KEDS	34,893	43,522
BEDAŞ	26,324	6,423
AEDAŞ	26,298	3,433
	226,192	**134,170**

Total direct energy consumption was measured as 226,192 GJ, which was comprised principally of diesel (195,631 GJ) but also of some natural gas (30,651 GJ). Diesel consumption was highest at UEDAŞ (69,340 GJ) whilst most natural gas was consumed by ÇEDAŞ, which consumed 71% (21,607 GJ) of the business unit's total natural gas consumption for the year.

Table 40 | Indirect Energy Consumption (kWh)

	2013	2012
KEDS	6,445,042	
ÇEDAŞ	2,270,053	1,814,845
AEDAŞ	1,811,165	1,666,272
BEDAŞ	555,246	1,614,375
UEDAŞ	243,914	152,474
	11,325,421	**5,247,966**

Total indirect energy consumption from purchased electricity was 11,325,421 kWh in 2013 and represents electricity subsequently sold to customers.

Green-house Gas Emissions

Table 41 | Total Direct Green-house Gas Emissions by Weight (tCO2e)

	2013	2012
UEDAŞ	5,168	4,182
ÇEDAŞ	4,709	1,020
KEDS	2,586	3,225
AEDAŞ	1,897	193
BEDAŞ	1,851	360
	16,211	**8,980**

Table 42 | Total Indirect Green-house Gas Emissions by Weight (tCO2e)

	2013	2012
KEDS	7,148	-
ÇEDAŞ	1,071	857
AEDAŞ	855	786
BEDAŞ	122	762

	2013	2012
UEDAŞ	115	72
	9,311	**2,477**

*2012 data has been included for comparative purposes, but due to limitations in data collection, it is considered less accurate and less complete than the data from the reporting period of 2013.

Scope 1 and 2 GHG Emissions were calculated as 16,211 tCO2e and 9,311 tCO2e respectively in 2013 using the emission factors listed on page 95 and the underlying energy consumption data and hence have a similar trend.

The KEDS in Kosovo, although the smallest of the distribution companies, contributed the most to the indirect energy consumption and emissions data for the Business Unit since in Kosovo, electricity is also used for heating due to the absence of natural gas unlike at the distribution regions in Turkey. The KEDS, comprised 57% or 6,445,042 kWh of the Business Unit's electricity consumption with the remaining 43% or 4,880,379 kWh being derived from the 4 distribution companies located in Turkey.

Energy Sales and Trading

The Turkish energy sector is developing and growing rapidly; accordingly, new opportunities arise in both Turkey and countries in its immediate surroundings. Limak, ambitiously targets to make a difference through its works carried out in the developing markets, contribute to the development of the sector and rank among the sector's leader. Accordingly, operations involving energy generation, distribution, sales and trading both locally and internationally are successfully carried out.

Limak increased its energy trade volume to 1.9 billion kWh in 2013 from 850 million kWh in 2012.

While it steadily increases its trade volume, it also continues acquiring rights for management of generations of such power plants outside its portfolio as well as of imbalances thereof subject to bilateral agreements. Limak Energy, which has added to its portfolio 30 MW output Çatalbük Wind Farm located in the District of Söke, Province of Aydın accordingly, has thus secured base load energy which will balance its consumption portfolio by concluding long term and large volume energy deals.

Having increased the size of its retailing portfolio by 2.5 times to 200 MW parallel to the increase in the trade volume in 2013, the Group presently carries out sales activities throughout Turkey and enhances its effectiveness by doubling its sales team force and appointing dealers in various regions. A sustainable increase is targeted to be achieved in the sales and trade volume upon future maintenance of the momentum captured in growth.

Limak Energy, which has set up an "energy balancing group" in order to cut back its energy imbalance costs, aims at reducing material losses incurred by generators and consumption portfolio holders by minimizing the differences between the generation or consumption forecasts and realizations. The size of the portfolio managed by the Group increased by 3 times to 2,000 MW in 2013.

Performance Summary

Table 43 | Electricity Consumption (kWh)

	2013	2012
Electricity consumption	7,494	7,494

Limak Energy Sales and Trading operates from an office in Istanbul. Its consumption of resources and sustainability impact is much smaller than the other much larger business units within the Limak Group. Electricity consumption from the office building was recorded as 7,494 kWh in both 2012 and 2013.

Business Units

Food and Beverages

Limkon also enjoyed one of the top rankings in citrus products processing in Turkey.

Limkon Fruit Juice Concentrate Facilities

Limkon Fruit Juice Concentrate Facilities were built on a total land area of 40,000 m², of which 13,000 squares are indoors, at Adana Hacı Sabancı Organized Industrial Zone and its official opening was done on May 14, 2008.

The facilities produce tomato paste in addition to fruit concentrate. Limkon production portfolio includes conventional, organic and halal fruit juice concentrates and non-concentrate fresh squeezed products.

Limkon also enjoyed one of the top rankings in citrus products processing in Turkey. In addition, it continued processing many fruits particularly pomegranates, apples sour cherries peach and apricot. It exports concentrate products to 32 countries, enjoying a 65% share in total sales; new local and foreign companies have been recently added to its portfolio of customers. It participated in Dubai and Germany (Anuga) food fairs, which are among the biggest fairs in the world, held in 2013.

In 2012, the Company started selling the products involving fruit juice drinks earlier produced under contract under the brand, "Pomona"; by appointing two main distributors in İstanbul it sold 160,000 liters of fruit juice drink products in 2013. Dealership efforts are under way nationwide in this area.

On September 4, 2013, Limkon concluded a partnership agreement with the company, Wild Food, the world leader in fruit juice, aromas and compound products. Limkon internally produces aroma, emulsion and compound products it has so far imported; thus, it has created a new market for concentrate products. Thus, it targets to increase its annual fruit processing capacity from 85,000 tons to 100,000 tons in the initial year and then further to 120,000 tons afterwards.

5 million Euros worth of line investment to be made in cooperation with Wild at Adana Plant at the initial stage will be complemented to 20 million Euros later.

Limkon plans to put special mixes of fruit juice drinks on the Turkish market by blending Wild Company's experience and success in compound products with the brand, Pomona, it has developed.

Performance Summary

Energy Consumption

Table 44 | Direct Energy Consumption (GJ)

	2013	2012
Direct Energy	89,578	106,151

Limkon's direct energy consumption decreased 16% to 89,578 GJ due to reduced production from the previous year. The only fuel used at the plant in both years was natural gas.

Table 45 | Indirect Energy Consumption from Purchased Electricity (kWh)

	2013	2012
Indirect Energy	5,082,463	5,065,650

Total indirect energy consumption from purchased electricity was constant between the 2 years at around 5.1m kWh. Electricity is also used to charge all the forklifts used in the factory.

Gas Emissions

Table 46 | Total Green-house Gas Emissions by Weight (tCO2e)

	2013	2012
Direct Emissions	5,025	5,955
Indirect Emissions	2,399	2,391
	7,424	**8,346**

Scope 1 and 2 GHG Emissions were calculated as a total of 7,424 tCO2e in 2013, representing a decrease of 11% overall from the prior year due to a reduction in production and were calculated from the energy consumption data using the factors listed on page 95.

Waste Generation

Table 47 | Waste (ton)

	2013	2012
Non-Hazardous Waste		
Household waste*	16,388	26,432
Paper	21	22
Metal	91	85
Other	16	15
	16,516	**26,554**

**Household waste includes organic and kitchen waste*

Total waste generated at Limkon was 16,516 tonnes in 2013, down 38% from 2012 although the prior year data is considered less accurate due to limitations in data collection for the older data. Substantially all waste generated by Limkon is organic waste generated in creating the fruit juice concentrate and tomato paste produced at the plant. Most organic waste is currently sent to landfill.

Limkon Supports Local Communities

Limkon works with locally contracted farmers in tomato paste production. During this project, Limkon works with 6 farmers and employs 60 personnel over the course of a month for planting, 60 personnel for upkeep and weeding over a month, 1200 personnel for harvesting over two months, 6 techinal personnel over 4 months and 30 personnel over the course of 4 months. All personnel are specifically sourced from neighbouring cities and regions.

Limkon chose to install micro-irrigation systems over traditional irrigation systems, since these systems are scientifically proven to be more effective. The micro-irrigation system also produces less waste, uses a minimal amount of ground water and does not damage the neighbouring farming locations.

Limkon is also heavily involved in organic recycling applications. Organic waste of processed fruits such as orange, tangerine, grapefruit and tomato is used as animal feed and fertilizer where appropriate.

No hazardous waste is released from Limkon's factory, which is an environment-friendly facility, and all of the waste-like peeling is recycled in animal farms as animal feed.

Glossary

Alternative Fuels (AFs)

Alternative fuels used for fossil fuel substitution in clinker production. AF are derived from waste.

Calcination

The release of CO2 from carbonates during pyroprocessing of the raw meal.

CO_2 equivalent (CO_2-e)

The universal unit of measurement to indicate the global warming potential (GWP) of each of the 7 green-house gases, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different green-house gases against a common basis.

ÇEVKO

Environmental Protection and Packaging Waste Recovery and Recycling Trust.

Equivalent carbon dioxide (CO_2e)

Using the functionally equivalent amount or concentration of carbon dioxide (CO2) as the reference, a measure that describes how much global warming a given type and amount of green-house gas may cause.

Green-house Gas (GHG)

Green-house gas; a gas that contributes to the natural green-house effect. The Kyoto Protocol covers a basket of 7 GHGs produced by human activities: carbon dioxide, methane, nitrous oxide, hydro fluorocarbons, perfluorocarbons and sulphur-hexafluoride and nitrogen trifluoride (NF3).

Global Reporting Initiative (GRI)

Founded in 1997 and partner of the United Nations Environment Program since 1999, the world's most widely used online, open-source platform for multinational companies, SMEs, public corporations, municipalities, NGOs and universities to report their social, environmental and economic performances in accordance with GRI guidelines. **(http://www.globalreporting.org).**

Global Warming Potential (GWP)

A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given GHG relative to one unit of CO2.

The Global Warming Potentials (GWPs) used by Limak to calculate emissions of different GHGs in terms of CO2-equivalents is the IPCC Second Assessment Report.

International Labor Organization (ILO)

Headquartered in Geneva, ILO is a global organization founded to develop labor laws, relevant implementations, and standards in member countries.

ISO: International Standardization Organization.

ISO 9001: Quality Management System Standard released by ISO.

ISO 14001: Environment Management Standard released by ISO.

ISO 22000: Standard developed by ISO dealing with food safety.

Kyoto Protocol

A protocol to the United Nations Framework Convention on Climate Change (UNFCCC) that required countries listed in its Annex B (developed nations) to meet reduction targets of GHG emissions relative to their 1990 levels during the period of 2008–12. Turkey did not have a reduction target under the Kyoto Protocol.

LPG: Liquefied petroleum gas. also called or simply propane or butane, is a flammable mixture of hydrocarbon gases used as a fuel in heating appliances and vehicles.

NOx refers to NO (nitrogen monoxide) and NO2 (nitrogen dioxide) which are produced during combustion, especially at high temperature and are prominent air pollutants.

OHSAS 18001: Occupational Health and Safety Management System Standard.

PM: Particulate matter - tiny pieces of solid or liquid matter associated with the Earth's atmosphere. Sources of particulate matter can be man-made or natural. They can adversely affect human health and also have impacts on climate and precipitation. Human activities, such as the burning of fossil fuels in vehicles, power plants and various industrial processes also generate significant amounts of particulates.

Process emissions: Emissions generated from manufacturing processes, such as the CO2 that is arises from the breakdown of calcium carbonate (CaCO3) during cement manufacture.

Rotary kiln: A pyroprocessing device used to raise materials to a high temperature (calcination) in a continuous process. To produce materials such as cement.

Scope

Defines the operational boundaries in relation to indirect and direct GHG emissions.

Scope 1: Direct GHG emissions

Direct GHG emissions occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment

GHG emissions not covered by the Kyoto Protocol, e.g. CFCs, NOx, etc. are not included in Scope 1 emissions but where relevant to its operations, Limak has reported these separately in this report.

Scope 1: Direct GHG emissions

Scope 1 emissions have been calculated by Limak using published conversion factors. Conversion factors enable an estimate of the amount of GHGs released into the atmosphere per unit of energy consumed. Different types of energy sources have different conversion factors reflecting their carbon dioxide intensity. In future periods, conversion factors may be updated to reflect changes to and/or improvements in published data. The following conversion factors are used.

Scope 2: Electricity indirect GHG emissions

Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated.

Limak has estimated its Scope 2 emissions from purchased electricity by using the combined electricity and heat conversion factors obtained from The International Energy Agency (IEA, 2013). The latest values from this source, which are for 2011, have been used for Limak's operations from Turkey, Kosovo, Egypt and Iraq.

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Standard Disclosures Part I: Profile Disclosures

1. Strategy and Analysis			
Profile Disclosure	**Disclosure**	**Level of Reporting**	**Location of disclosure**
1.1	Statement from the most senior decision-maker of the organization.	Fully	Statement of the Board (20-21)
1.2	Description of key impacts, risks, and opportunities.	Fully	Statement of the Board (20-21), About Limak (6-11)
2. Organizational Profile			
2.1	Name of the organization.	Fully	Front Cover
2.2	Primary brands, products, and/or services.	Fully	About Limak (6-11)
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	About Limak (6-11)
2.4	Location of organization's headquarters.	Fully	Back Cover
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Please see Limak at a Glance (18) for information on countries of operation, and page 4 for scope of reporting.
2.6	Nature of ownership and legal form.	Fully	About Limak (6-11)
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	About Limak (6-11)
2.8	Scale of the reporting organization.	Fully	Limak at a Glance (18-19), Our Workforce (31). For information on group company further information can be found on Limak sectors, eg. page 59 on cement company.
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	About Limak (6-11)
2.10	Awards received in the reporting period.	Fully	About Limak (6-11), Group Performance (33), Disclosure on Management Approach (42), Business Units - Tourism (54-55), Business Units - Infrastructure and Energy Investments - Energy Investments (78)

GRI Content Index

Limak Group of Companies

3. Report Parameters			
Profile Disclosure	**Disclosure**	**Level of Reporting**	**Location of disclosure**
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	About the Report (4-5)
3.2	Date of most recent previous report (if any).	Fully	About the Report (4-5)
3.3	Reporting cycle (annual, biennial, etc.)	Fully	About the Report (4-5)
3.4	Contact point for questions regarding the report or its contents.	Fully	About the Report (4-5)
3.5	Process for defining report content.	Fully	List of stakeholders (25)
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	About the Report (4-5)
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	About the Report (4-5)
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	About the Report (4-5)
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	We have followed the reporting requirements of the GRI G3.1 Guidelines as well as guidance in numerous other internationally-recognised protocols such as the WRI Green-house Gas Protocol 'A Corporate Accounting and Reporting Standard (Revised Edition)'. Use of such sources as well as any assumptions has been stated in the report at the appropriate locations.

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Standard Disclosures Part I: Profile Disclosures

3. Report Parameters			
Profile Disclosure	**Disclosure**	**Level of Reporting**	**Location of disclosure**
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g.,mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	There have been no restatements as this is Limak's first sustainability report.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	There have been no significant changes as this is Limak's first sustainability report.
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI G3.1 Content Index (96 onwards)
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	The data reported in this report has been subject to significant internal scrutiny and some of the economic indicator data has been subject to financial audit. It is Limak's intention to move towards external assurance in future years over its material sustainability information.
4. Governance, Commitments, and Engagement			
Profile Disclosure	**Disclosure**	**Level of Reporting**	**Location of disclosure**
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Corporate Governance, Internal Control System and Compliance (26-27). Details of the Limak Group companies can be accessed from the following location on the internet: **www.limak.com.tr.** The report pertains to Limak Group of Companies. Limak Group of Companies Board of Directors comprises of 4 Directors (Ebru Özdemir Kışlalı, Mehmet Serhan Bacaksız, Turhan Serdar Bacaksız, Batuhan Özdemir ; one of the four directors is woman / page 11) . The Board does not have Independent Directors or Board Committees, however these have been defined under Limak's Investment company.
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Corporate Governance, Internal Control System and Compliance (26-27). Details of the Limak Group companies can be accessed from the following location on the internet: **www.limak.com.tr.**

4. Governance, Commitments, and Engagement			
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	Corporate Governance, Internal Control System and Compliance (26-27). Details of the Limak Group companies can be accessed from the following location on the internet: **www.limak.com.tr.**
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Stakeholder Engagement (25)
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Corporate Governance, Internal Control System and Compliance (26-27). Details of the Limak Group companies can be accessed from the following location on the internet: **www.limak.com.tr.**
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Corporate Governance, Internal Control System and Compliance (26-27). Details of the Limak Group companies can be accessed from the following location on the internet: **www.limak.com.tr.**
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	Corporate Governance, Internal Control System and Compliance (26-27). Details of the Limak Group companies can be accessed from the following location on the internet: **www.limak.com.tr.**
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Vision, Mission, Values (23), Sustainable Value Creation (23), Environmental Value Creation (23), Social Value Creation (23)
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Corporate Governance, Internal Control System and Compliance (26-27). Details of the Limak Group companies can be accessed from the following location on the internet: **www.limak.com.tr.**

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Standard Disclosures Part I: Profile Disclosures

4. Governance, Commitments, and Engagement			
Profile Disclosure	**Disclosure**	**Level of Reporting**	**Location of disclosure**
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Corporate Governance, Internal Control System and Compliance (26-27). Details of the Limak Group companies can be accessed from the following location on the internet: **www.limak.com.tr.**
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Corporate Governance, Internal Control System and Compliance (26-27). Details of the Limak Group companies can be accessed from the following location on the internet: **www.limak.com.tr.**
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Global Reporting Initiative (GRI) Sustainability Reporting Principles, International Labor Organization (ILO), International Organization for Standardization (ISO).
4.13	Memberships in associations (such as industry associations) and/or national/ international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	Memberships (16), Construction - Memberships and Associations (47)
4.14	List of stakeholder groups engaged by the organization.	Fully	Stakeholder Engagement (24-25)
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Stakeholder Engagement (24-25)
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Stakeholder Engagement (24-25)
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	Stakeholder Engagement (24-25)

Standard Disclosures Part II: Disclosures On Management Approach (DMAs)

1. Strategy and Analysis			
G3.1 DMAs	**Disclosure**	**Level of Reporting**	**Location of disclosure**
DMA EC	Disclosure on Management Approach EC	Fully	DMA - Economic Performance (41)
DMA EN	Disclosure on Management Approach EN	Fully	DMA - Environmental Performance (41-42)
DMA LA	Disclosure on Management Approach LA	Fully	DMA - Social Performance (42)
DMA HR	Disclosure on Management Approach HR	Fully	DMA - Social Performance (42)
DMA SO	Disclosure on Management Approach SO	Fully	DMA - Social Performance (42)
DMA PR	Disclosure on Management Approach PR	Fully	DMA - Social Performance (42)

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Standard Disclosures Part III: Performance Indicators

Economic			
Indicator	**Disclosure**	**Level of Reporting**	**Location of disclosure**
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Partially	Limak at a Glance (18-19), Specific data not reported: operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	Statement of the Board (20-21), About Limak (6-11)
Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Social Responsibility Projects (36-38)

Environmental			
Indicator	**Disclosure**	**Level of Reporting**	**Location of disclosure**
Materials			
EN1	Materials used by weight or volume.	Fully	Construction (48)
EN2	Percentage of materials used that are recycled input materials.	Fully	Group Performance (29), Construction (48)
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	Group Performance - Direct Energy Consumption (29), Construction (48), Tourism (53), Cement (60), (70), IInfrastructure and Energy Investments - Airports (74), Infrastructure and Energy Investments - Ports (75), Infrastructure and Energy Investments - Energy Generation (80), Infrastructure and Energy Investments - Energy Distribution (88-89), Food and Beverages (91)
EN4	Indirect energy consumption by primary source.	Fully	Group Performance - Indirect Energy Consumption (29), Construction (48), Tourism (53), Cement (60), Infrastructure and Energy Investments - Transport (70), Infrastructure and Energy Investments - Airports (74), Infrastructure and Energy Investments - Ports (75), Infrastructure and Energy Investments - Energy Generation (80), Infrastructure and Energy Investments - Energy Distribution (88-89), Food and Beverages (91)
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Cement (64-65), Infrastructure and Energy Investments: Airports - Key Sustainability Initiatives (74)
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	Construction (50), Tourism (57), PIA (74), Infrastructure and Energy Investments: Energy Generation - Key Sustainability Initiatives (81)
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Construction - Key Sustainability Initiatives (50), Infrastructure and Energy Investments - Airport Management (74),Infrastructure and Energy Investments: Energy Generation (81)
Water			
EN8	Total water withdrawal by source.	Fully	Group Performance - Water Consumption (29), Construction (49), Tourism (53), Cement (60-61)
Biodiversity			

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Standard Disclosures Part III: Performance Indicators

EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Partially	Construction - Key Sustainability Initiatives (50-51)
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Partially	Construction (51), Infrastructure and Energy Investments - Energy Generation (82)
Emissions, effluents and waste			
EN16	Total direct and indirect green-house gas emissions by weight.	Fully	Group Performance (30), Construction (50), Tourism (54), Cement (62), Infrastructure and Energy Investments (70-71, 74), Ports (75), Infrastructure and Energy Investments - Energy Generation (81), Energy Distribution (88-89), Food and Beverages (91)
EN18	Initiatives to reduce green-house gas emissions and reductions achieved.	Fully	Group Performance (30), Cement (65), Infrastructure and Energy Investments - Energy Generation (78 - 81)
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	Cement (63), Infrastructure and Energy Investments - Energy Generation (81)
EN21	Total water discharge by quality and destination.	Partially	Group Performance (30)
EN22	Total weight of waste by type and disposal method.	Fully	Group Performance (30-31), Cement (63), Infrastructure and Energy Investments - Energy Generation (82), Food and Beverages (92)
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Partially	Construction (51)
Product and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Construction (50), Infrastructure and Energy Investments - Airport Management (74),
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	Cement - Key Sustainability Initiatives (63)

Social:Labor Practices and Decent Work			
Indicator	**Disclosure**	**Level of Reporting**	**Location of disclosure**
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partially	Group Performance (31, 33)
LA15	Return to work and retention rates after parental leave, by gender.	Fully	Group Performance (33)
Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	Group Performance (34)
Equal renumeration for women and men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	Group Performance (33)
Social:Human Rights			
Indicator	**Disclosure**	**Level of Reporting**	**Location of disclosure**
Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Partially	DMA — Social Performance (42) All our significant investment agreements and contracts have undergone screening for compliance to applicable human rights clauses. Specific data not reported: total number of significant investment agreements
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.	Fully	'No such incidents occurred during the reporting period'

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Standard Disclosures Part III: Performance Indicators

Social: Society			
Indicator	**Disclosure**	**Level of Reporting**	**Location of disclosure**
Local communities			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	Social Responsibility Projects (36-38)
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Corporate Governance, Internal Control System and Compliance (27)
Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	Partially	As a responsible corporate citizen, we have undertaken engagement with local communities at all our significant locations of operations. Furthermore, we also conduct impact assessments and support development programs as per our CSR strategy and the local needs. Details of some of our key CSR initiatives are given under Social Responsibility Projects (36-38).
Anti-competitive behavior			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	During the reporting period, no violation of conduct was determined against Limak companies with regards to uncompetitive behavior, monopolistic or similar practices. No penal sanctions were applied in this regard.
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	No significant fines charged during reporting period for non-compliance with laws and regulations.

Social:Product Responsibility			
Indicator	**Disclosure**	**Level of Reporting**	**Location of disclosure**
Product and service labelling			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Stakeholder Engagement (25), Infrastructure and Energy Investments: Airports - Customer Satisfaction Surveys (72-73)
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	We comply with laws and regulations pertaining to the disclosure of information about the products and services that it provides. Limak also diligently strives to be in full compliance with the requirements of applicable laws and regulations in Turkey and in its other countries of operation in the conduct of all of its marketing and communication activities.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	There were no such significant incidents of non-compliance during the reporting period.
Customer Privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	No such incidents occurred during the reporting period.
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	There were no such significant fines during the reporting period.

Statement
GRI Application Level Check

GRI hereby states that **LIMAK HOLDING A.S.** has presented its report "Limak Group of Companies Sustainability Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

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

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

Amsterdam, 16 October 2014

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative

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

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 30 September 2014. GRI explicitly excludes the statement being applied to any later changes to such material.*

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