CORPORATE RESPONSIBILITY REPORT

2017
2018

“IT IS HEALTH THAT IS REAL WEALTH AND NOT PIECES OF GOLD OR SILVER.”

Mahatma Gandhi

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ABOUT THE REPORT (102-50/102-51/102-52/102-53/102-54)

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This report covers information regarding the corporate responsibility strategy of Bilim Pharmaceuticals and its performance in this framework for the period between 1 January 2017 and 31 December 2018. The report details the activities of the Head Office, the Gebze Production Plant and the Çerkezköy Production Plant.

CONTINUITY

The report is the 7th Corporate Responsibility Report published by Bilim Pharmaceuticals since 2009. Bilim Pharmaceuticals had published its Corporate Responsibility Reports on an annual basis until 2012. The reporting period was changed as biennially by year of 2013.

COMPLIANCE & PRINCIPLES

This report was prepared in accordance with the GRI Standards: Core option. It was also prepared in accordance with the Communication on Progress (CoP) criteria set out in the United Nations Global Compact. The principles of stakeholder inclusiveness, sustainability context, materiality and completeness, which are included in the GRI Standards, were taken as a basis in the preparation of the content of the report.

ACCESS

All Corporate Responsibility Reports, including the previous report published by Bilim Pharmaceuticals on 14 November 2018, are available on the website in a manner easily accessible by all stakeholders.

(http://www.bilimilac.com/en/kurumsal-sorumluluk/kurumsal-sorumluluk-raporlari.html)

QUESTIONS & SUGGESTIONS

You can send your questions, comments and suggestions regarding all Bilim Pharmaceuticals Corporate Responsibility Reports and its work within the framework of sustainability to our e-mail, at sustainability@bilimilac.com.

MESSAGE FROM THE CHAIRMAN (102-14)

Esteemed Bilim Family and Stakeholders,

Ever since we we set out on our path in 1953 at the Bilim Laboratory, we have been producing with the aim of creating value. We are constantly working to promote human health and in doing so, we put forth all our means to contribute to sustainable development.

Under our Ethical Management approach, 'Human First' for Bilim Pharmaceuticals. As an institution which works for the service of human health and as a leading company in the field of sustainability, we have been publishing a Corporate Responsibility Report regularly since 2009. It's pleasure for me to share the seventh of our Corporate Responsibility Reports, in which we share our sustainability efforts with all transparency, with you, our esteemed stakeholders.

As a Participant of the UN Global Compact, we meticulously monitor our economic, environmental and social impacts in order to contribute to sustainable development, and work systematically to reduce our negative impacts. Transparency and collaborations are of tremendous importance for us in this context.

Our sound growth strategy, guided by science, is our highest priority both for our stakeholders and for our company. This demonstrates to us that growth not only affects an institution itself, but also directly affects its collaborations. For this reason, it has become more important than ever to grow together and contribute to sustainable development while growing.

As Bilim Pharmaceuticals, we feel this responsibility not only towards our country, but also towards the more than 80 countries which our products reach. We strive to fulfil our responsibility towards our country and the world by ensuring the improvements to our operational processes are continuous without compromising on quality. I am proud of the entire Bilim Family who work with their know-how, experience and wholehearted enthusiasm for development in line with these goals.

As we move towards a bright future together, our institutional efforts to achieve the Sustainable Development Goals will gain meaning with the support of our stakeholders.

Respectfully,

Mr. Bülent Karaağaç
The Chairman of the Board of Directors

MESSAGE FROM THE CEO (102-14)

Dear Stakeholders,
Every step we take at Bilim Pharmaceuticals is guided by the principle of “Human First”, and we derive our determination to work and produce from this principle. Health is a fundamental right for all humanity. With this awareness, we would like to thank all healthcare professionals for their extraordinary devotion during the Covid-19 pandemic, which the whole world is experiencing.

During the pandemic, despite extremely difficult conditions, our institution continued to serve human health by keeping our production running on all cylinders, as well as protecting the health of our employees with timely and comprehensive measures. I would like to express my heartfelt thanks to all of my colleagues who have ensured that our business processes have continued without interruption in these difficult conditions.

Bilim Pharmaceuticals looks to the future with confidence with its R&D investments, a highly qualified workforce, 68 years of know-how and a belief in success. Sustainability is not merely a framework for Bilim Pharmaceuticals; it is a way of doing business. It gives me great pleasure to share with you our work covering 2017 and 2018, and address the seven material topics which we have identified together with our stakeholders through this report.

The importance of keeping economic, social and environmental impacts under control, neutralising negative effects to the greatest extent possible and, where it is not possible to eliminate these effects entirely, to at least minimise them is now much better understood. In this context, Bilim Pharmaceuticals supports the Sustainable Development Goals with our way of doing business. We contribute to economic development and social welfare, while working for healthy societies all over the world with our products that reach more than 80 countries, not just in our country.

It is no coincidence that we are progressing with firm steps towards our 2023 vision of being the leading company in the Turkish pharmaceutical market by maintaining our healthy growth, continuing to be the largest domestic exporter of pharmaceuticals and being a net exporter. It is clear that our sustainable business approach, our communication with our stakeholders through a wide range of channels, the projects undertaken by our Bilim Pharmaceuticals Community Volunteers, the collaborations which we have established in the name of sustainable development and the use of our strength and resources for the benefit of society by going beyond the laws and regulations pertaining to our industry with our ‘Human First’ approach have all played a major roles in the status we have reached today and the bright future which we are aiming for.

Sustainable development is not a choice, it is a necessity for us all. That’s why Bilim Pharmaceuticals considers sustainability efforts of all industries, especially our own, to be a responsibility and not a choice. I would like to thank all our stakeholders who contributed to our work for sustainable development and never left our side.

Respectfully,

Dr. Okan ÖNCEL
The CEO

OVERVIEW OF 2 YEARS

BİLİM PHARMACEUTICALS IN FIGURES (102-7)		
VOLUME OF PRODUCTS PRODUCED IN PRODUCTION PLANTS (BOXES)		2017: 123,931,934 2018: 124,484,395
TOTAL NUMBER OF EMPLOYEES		2017: 1661 2018: 1744
TRAINING HOURS PER PERSON		2017: 88.31 2018: 50.25
WOMEN EMPLOYEE RATIO		2017: 21% 2018: 22%
WOMEN MANAGER RATIO		2017: 19% 2018: 19%
MARKET SHARE BY BOXES		2017: 3RD RANK (6%) 2018: 2ND RANK (5.7%)
NET SALES		2017: TL 886M 2018: TL 1,116M
EQUITY		2017: TL 192,394,226.83 2018: TL 174,868,574.23
TOTAL LIABILITY		2017: TL 835,783,917.94 2018: TL 1,046,900,017.31
NUMBER OF PRODUCTS PROVIDED/ TOTAL NUMBER OF OPERATIONS		2017: 170,011,313 2018: 170,080,060

DISTRIBUTION OF SALES BY EXPORT REGION

AFRICA		2017	35,025,150.38₺
		2018	40,792,094.51 ₺
ASIA		2017	80,318,055.74 ₺
		2018	115,971,440.10 ₺
EUROPE		2017	31,233,595.73₺
		2018	38,880,472.86 ₺
SOUTH AMERICA		2017	1,165,755.50₺
		2018	3,455,367.53 ₺

TOTAL NUMBER OF EMPLOYEES BY COUNTRY OR REGION

	2017			2018		
	Number of Employees	No of Women	No of Women	Number of Employees	No of Women	No of Women
Moldova	18	13	5	18	12	6
Albania	14	8	6	11	8	3
Bosnia	6	5	1	7	6	1
Total	38	26	12	36	26	10

TOTAL NUMBER OF SUPPLIERS

2017: 537
2018: 523

BİLİM COMMUNITY VOLUNTEERS

2017: 160 VOLUNTEERS → 8 PROJECTS → NUMBER OF PEOPLE REACHED: **2,885**
2018: 136 VOLUNTEERS → 6 PROJECTS → NUMBER OF PEOPLE REACHED: **1,636**

ABOUT BİLİM PHARMACEUTICALS (102-1)

Since its establishment with 100% Turkish capital in 1953, Bilim Pharmaceuticals (Bilim İlaç Sanayi ve Ticaret A.Ş.) has been working with all its strength to build a healthier Turkey with generic versions of original drugs production and healthier societies in more than 70 countries, to which it exports its products.

Our Vision

In 2023, to be the leading company in the Turkish pharmaceutical market by maintaining healthy growth, to continue to be the largest domestic exporter of pharmaceuticals and to be a net exporter.

Our Mission

•We develop drugs that maintain human health and provide treatment. We produce these drugs in accordance with international standards at our modern facilities which use the latest state-of-the-art technology.

•By actualizing the publicity and marketing of its drugs in domestic and foreign markets with focus on the client, Bilim Pharmaceuticals enables availability of medicines along with customer satisfaction at the highest level.

• Bilim Pharmaceuticals achieves fertile, profitable and sustainable growth through the experience it gained as a rooted corporation which has adopted the idea of quality of life as a life philosophy, and the value it places on people and human life, as well as its collaborations maintained through development and its dedication to change.

• The highest possible level is attained in employee commitment and satisfaction through innovative human resources systems and an organizational structure open to learning with the awareness that competent employees will be a driving force in competition.

• Bilim Pharmaceuticals protects natural resources and the environment with its awareness of social responsibility, places importance on ethical values, and contributes to the social and economic development of society.

PRODUCTS & THE MARKETS SERVED

We work and produce for 'human first, health first' from our Headquarters in İstanbul and our production facilities in Gebze and Çerkezköy...

OUR PRODUCTION FACILITITIES (102-2-a)

VOLUME OF PRODUCTION (BOXES)	2017	2018
Gebze Production Plant	**93,202,059**	**90,677,178**
Domestic Market	69,106,629	68,186,198
Exports	9,820,526	9,554,926
Contract Manufacturing	14,274,904	12,936,054
Çerkezköy Production Plant	**30,729,875**	**33,807,217**
Domestic Market	14,583,997	17,454,754
Exports	11,225,340	12,183,559
Contract Manufacturing	4,920,538	4,168,904

Both of our EU approved production facilities hold the ISO 9001 Quality Management System, ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System certificates. The production facilities have demonstrated their compliance with integrated management system standards as well as cGMP (current Good Manufacturing Practices) regulations. In addition, both of our production facilities hold the ISO 27001 Information Security Management System Certificate and the Authorized Economic Operator (AEO) Certificate.

VOLUME OF PRODUCTION (BOXES)		Bilim Çerkezköy Production Plant
Gebze Organized Industrial Zone	**Location**	Çerkezköy Organized Industrial Zone
The 60,000 m^2 plot includes a non-beta lactam plant with an enclosed area of 51,500 m^2 and a sterile nebule production plant with an enclosed area of 3,000 m^2	**Plant Characteristics**	The plant has an enclosed area of 9,250 m^2 on the 28,000 m^2 plot.
2008 *The sterile nebule production plant entered service in 2018.*	**Year of Operation**	1998
250 million boxes (Non beta lactam products) *360 million vials (sterile nebule products)*	**Annual Box Production Capacity**	*45 million boxes*
Sterile inhaler products, Gastrointestinal products, analgesic-anti-inflammatory products, dermatological products, antibiotics (non-Beta Lactam), vitamins and minerals, respiratory system products, antiparasitic products, sweeteners, central nervous system products, cardiovascular products, iron preparations, muscle relaxants and anti-flu products.	**Product range**	*Penicillin oral solid products*

The Bilim Gebze Production Plant is Turkey's largest, newest and most environmentally friendly pharmaceutical manufacturing plant. It contains the largest R&D center in the Turkish pharmaceutical industry with a laboratory area of 4,500 m2. The Bilim Gebze Production Plant, which is the largest pharmaceutical production plant in Turkey on the basis of production, was designed in accordance with the standards of the US FDA (Food and Drug Administration), which is one of the most important health authorities in the world. It was planned in a way to adapt to the need for increased capacity.

Pharmaceutical Form Annual Production Capacity
***Volume of products that can be produced in a single shift at the plant**

	Bilim Gebze Production Plant	Bilim Çerkezköy Production Plant
Tablets	72 million boxes (1.5 billion tablets)	13 million boxes (182 million tablets)
Capsules	18 million boxes (0.5 billion capsules)	4.8 million boxes (48 million capsules)
Syrup	18 million bottles	
Sachet	5 million boxes	
Dry Powder Suspension	7 million boxes	12 million boxes
Cream / Pomade	5 million boxes	
Sterile Inhaler Products	360 million vials	

Bilim Pharmaceuticals does not manufacture any products which are prohibited in certain markets. (102-2-b)

OUR PRODUCTS SERVE HUMAN HEALTH IN MORE THAN 70 COUNTRIES (102-4/102-6)

Since its establishment in 1998, the Bilim Pharmaceuticals Foreign Markets Department has been increasing its sales and marketing activities abroad for our products manufactured in Turkey. Target countries are determined in parallel with the strategic plan and country selection criteria, with priority given to local representatives at the entry stage. The Bilim Pharmaceuticals Representative Offices, which were established in Moldova in 2007, Albania in 2009 and Bosnia and Herzegovina in 2010 in line with the goal of establishing a representative office depending on the potential of each country, increases Bilim Pharmaceuticals' recognition on the international stage.

Bilim Pharmaceuticals determined a vision of "being a net exporter by 2023". It carries out its commercial activities in foreign markets within the framework of its sustainable growth target. Our company commands the necessary know-how and experience for international sales and promotion activities. With each passing day, it increases its international recognition with its workforce of over 500 employees who are personally and professionally highly qualified and are based at the headquarters and abroad.

THE COUNTRIES THAT OUR PRODUCTS REACHED UNTIL 2018

Asia

Afghanistan
Azerbaijan
UAE
Chinese
Indonesia
Philippines
Georgia
Hong Kong
Iraq
Cambodia
Train
Kazakhstan
Kyrgyzstan
Laos
Malaysia
Mongolia
Myanmar
Uzbekistan
Russia
Singapore
Sri Lanka
Tajikistan
Thailand
Turkmenistan
Jordan
Vietnamese
Yemen

Europe

Germany
Albania
Belgium
Bosnia and Herzegovina
Denmark
France
Croatia
Netherlands
Spain
Sweden
Ireland
Montenegro
Kosovo
Luxembourg
Hungary
Malta
Macedonia
Moldova
Poland
Portugal
Romania

Africa

Angola
Benin
Burkina Faso
Burundi
Chad
Ethiopia
Ivory Coast
Gabon
Guinea
Cameroon
Kenya
Congo
Liberia
Libya
Financial
Mauritania
Mozambique
Niger
Rwanda
Senegal
Somalia
Sudan
Tanzania
Togo
Uganda
Zambia

Central America

El Salvador
Guatemala
Honduras
Nicaragua

South America

Ecuador
Chile
Venezuela

The Foreign Markets department aims to achieve our company's 2023 vision with both Bilim branded products and contract manufacturing products. In this context, in addition to the Moldova and Albania representative offices, the Bilim Pharmaceuticals brand is positioned in the markets of more than 40 countries, stretching from the EU to Africa, South America and Asia. The level that the company reached with its export operations in the space of just 21 years since 1998 has won recognition with a number of export awards (the İKMİB - Istanbul Chemicals and Chemical Products Exporters' Association - Pharmaceutical Products Export).

In order to realize our vision, we constantly monitor our opportunities and threats and manage them through evaluation and review meetings. In foreign markets, the risks to be managed in the process include the perceptions towards production in Turkey, pricing regulations applied by the authorities in the target markets, licensing regulations and delays in obtaining licenses and reimbursement lists constitute. On the other hand, the positive impact brought about by the weakness of the Turkish Lira on export sales, the declining trend in raw material prices, our 21 years of experience in foreign markets and our participation in the Turquality program, which is the first and only state-supported branding program, present opportunities. Bilim Pharmaceuticals switched from the Turquality/Brand support program to the Turquality program in 2015, as one of the 199 companies to be included in the scope of incentives by the Ministry of Economy.

AFRICA

Beta lactam antibiotics
Cephalophorin antibiotics
Antibiotics other than beta lactam and cephalosporin
Antiparasitic products
Urology and reproductive hormone products
Antiviral products
Analgesic-anti-inflammatory products
Dermatological products
Gastrointestinal products
Vitamins
Eye medications
Muscle relaxants
Oral antidiabetic drugs
Respiratory system products
Central nervous system products
Cardiovascular products
Iron preparations

ASIA

Beta lactam antibiotics
Cephalophorin antibiotics
Antibiotics other than beta lactam and cephalosporin
Antiparasitic products
Urology and reproductive hormone products
Antiviral products
Analgesic-anti-inflammatory products
Dermatological products
Gastrointestinal products
Eye medications
Muscle relaxants
Oral antidiabetic drugs
Sweeteners
Respiratory system products
Central nervous system products
Cardiovascular products
Iron preparations

EUROPE

Beta lactam antibiotics
Cephalophorin antibiotics
Antibiotics other than beta lactam and cephalosporin
Antiparasitic products
Urology and reproductive hormone products
Antiflu products
Analgesic-anti-inflammatory products
Dermatological products
Gastrointestinal products
Vitamins
Eye medications
Muscle relaxants
Oral antidiabetic drugs
Respiratory system products
Central nervous system products
Cardiovascular products
Iron preparations

SOUTH AMERICA

Beta lactam antibiotics

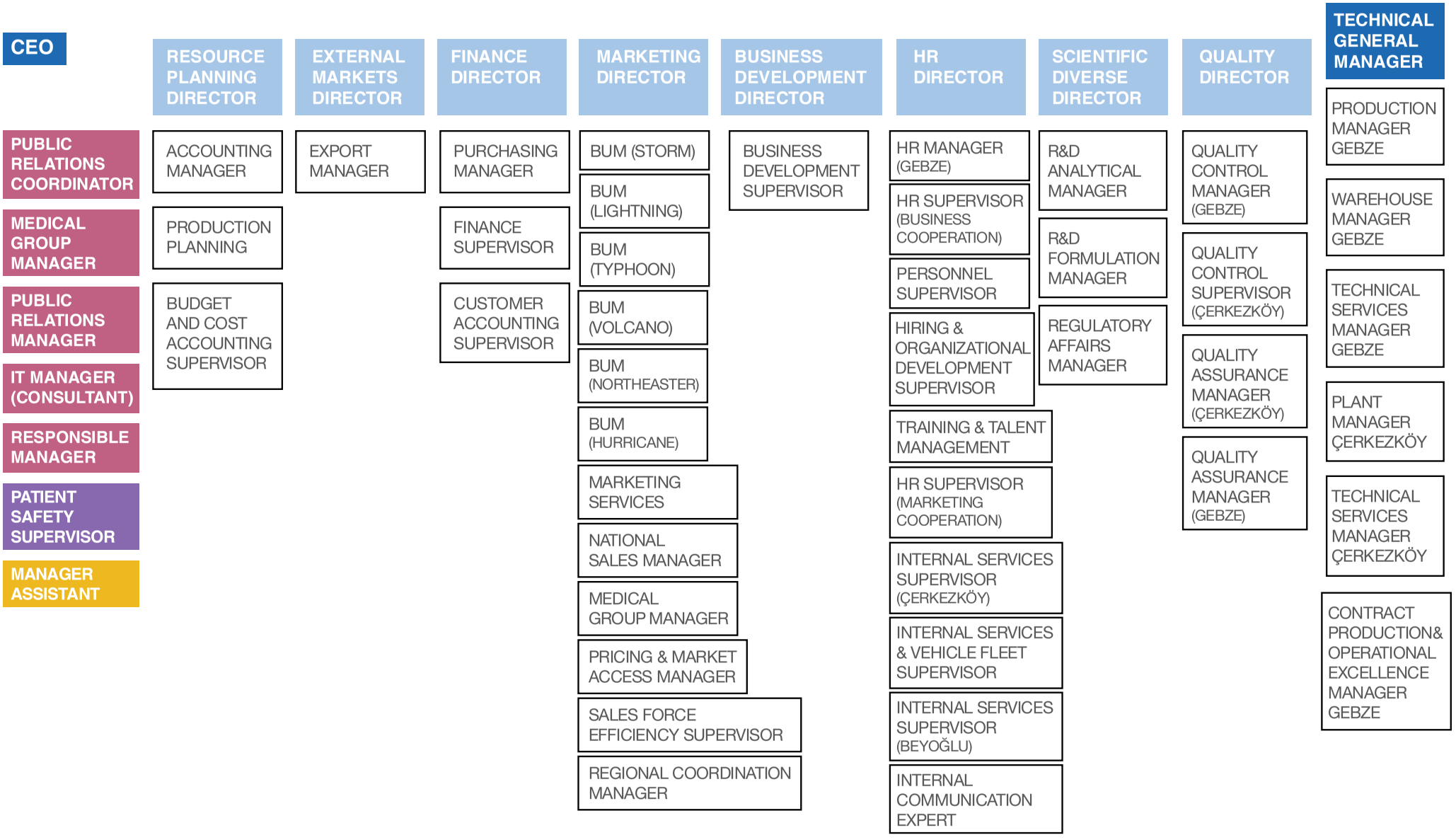
CORPORATE GOVERNANCE & WORK FORCE (102-5/102-18)

The Chairman of the Board of Bilim Pharmaceuticals Industry and Trade Inc. (Bilim İlaç Sanayi ve Ticaret A.Ş.) holds no executive duties within the company. Shareholders may submit recommendations to the highest governance body, but are not authorized to issue instructions. Methods and mechanisms for obtaining shareholder and other stakeholder expectations are described in detail in the "Strategic Plan (SP) and Annual Plan and Budget (YPB) Approach".

Members of the Board of Directors are elected by the General Assembly and meet at least once a month, and more than once a month when deemed necessary, in accordance with the legislation regarding Joint Stock Companies. Members of the Board of Directors are predominantly individuals with a high level of experience as well as the marketing, finance and industry knowledge.

BOARD OF DIRECTORS	
CHAIRMAN	Bülent Karaağaç
MEMBER	Mina Karaağaç
MEMBER	Serdar Tamer Kaygan

THE BİLİM PHARMACEUTICALS ORGANIZATION CHART



OUR BOARDS

Chaired by the CEO, the Boards (see below) include Directors, Board Members and heads of the functions which report directly to the CEO. They gather in periods appropriate for their working system. The ratio of women in the Board of Directors, which was 12.5% in 2017, increased to 20% in 2018.

OUR WORK FORCE (102-8)

The knowledge and corporate culture of our employees with extensive sectorial experience allows our new energetic employees to adapt at rapidly and forms the basis of our success.

Number of Employees				
		Women	**Men**	**Total**
2017	Head Quarters	87	75	**162**
	Çerkezköy	37	134	**171**
	Gebze	117	327	**444**
	Field	112	772	**884**
	Total	**353**	**1308**	**1661**
2018	Head Quarters	93	76	**169**
	Çerkezköy	40	144	**184**
	Gebze	128	345	**473**
	Saha	121	797	**918**
	Total	**382**	**1362**	**1744**

Employment Data by Contract Type				
		Women	**Men**	**Total**
2017	Indefinite	353	1308	1661
	Fixed Term	0	0	0
	Total	**353**	**1308**	**1661**
2018	Indefinite	382	1362	1744
	Fixed Term	0	0	0
	Total	**382**	**1362**	**1744**

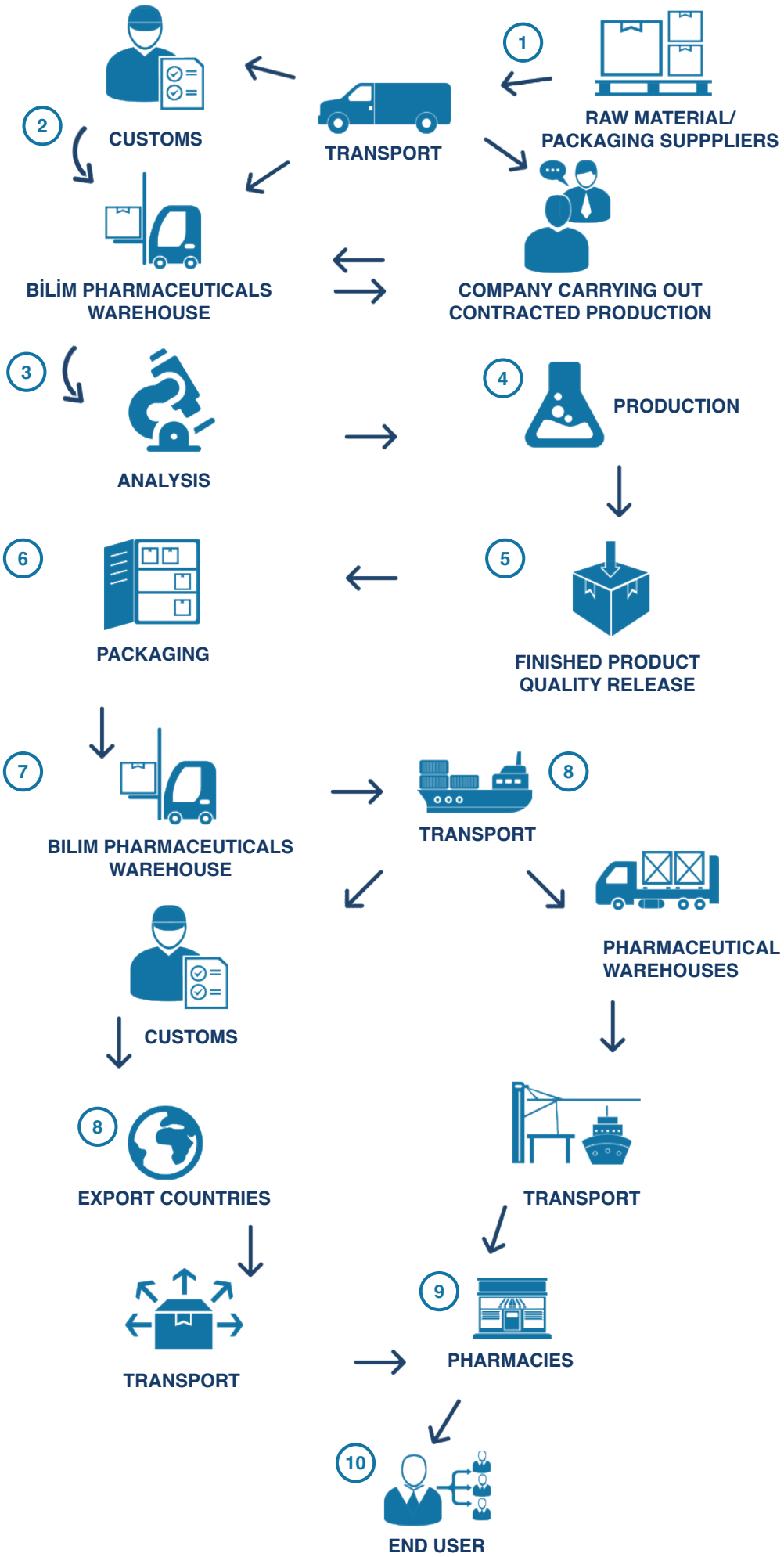
SUPPLY CHAIN (102-9)

As in every industry, ensuring the highest product quality in the pharmaceuticals industry requires that quality is maintained in all processes of the supply chain. With a heightened awareness that we have a greater responsibility to the end user when it comes to health, our supply chain management is carried out under the control of six different Directorates, with five higher processes and the main processes defined within the scope of these upper processes.

Related Directorates
Marketing
Finance
Foreign Markets
Resource Planning
Operations
Quality

Upper Processes
Customer Management Upper Process
Supply Chain and its Collaborations Management Upper Process
Operations Management Upper Process
Physical Assets and Technology Management Upper Process
Sustainability Management Upper Process

SUPPLY CHAIN MANAGEMENT



Our suppliers are labour-intensive due to the characteristics of the industry. Our external collaborations and suppliers are defined and classified in order to plan them in a way to support our strategies and policies and to manage them so they provide sustainable benefit:

Supplier: A business relationship of less than 3 years, in which we purchase materials, products or services necessary to do our core business.

Cooperation: A working relationship extending to over 3 years between the organization and its collaborators, which creates or adds value for both parties where six or more orders are placed per year.

Project Cooperation: A project-based working relationship which creates or adds value for both parties between the organization and its collaborators.

Strategic-Critical Procurement and Collaborations: This group of arrangements includes all suppliers and collaborations from which critical materials and services are purchased within the scope of Current Good Manufacturing Practice (cGMP), and the suppliers and collaborations which are of high importance in implementing strategies and, at the same time, can make a leap forward benefit in the Main Business Objectives (MBO).

Cooperation and Supply Chain Policy

In order to create increased value for our customers and other stakeholders, we establish and develop continuous trusting relationships with various organizations by securing mutual success.

• We act with the awareness that collaborations depend on working together for a long term and increasing sustainable value. We determine strategic and operational collaborations on the basis of corporate and strategic requirements, complementary strengths and capabilities.

• We create and develop a structure with the organizations which is mutually supportive in terms of expertise, resources and know-how we cooperate in order to gain mutual benefit and achieve common goals.

• We establish a sustainable relationship based on mutual trust, respect and openness with the organizations which we cooperate with.

• We conduct our relations within the framework of our ethical principles and manage them in compliance with laws and rules, with accuracy and consistency. We expect the organizations with which we are in cooperation with, to act in accordance with the articles regarding Human Rights and Working Conditions specified in the UN Global Compact, while executing their activities.

• We create approaches for the organizations with which we are in cooperation, to take part in idea generation and innovation activities.

• We develop processes to measure and evaluate the performance of the collaboration relationship. At the same time, we understand the short and long-term expectations of the organizations which we are in cooperation with and manage their perceptions.

Supplier Selection and Audit

Competency criteria are performed with the help of the Supplier Collaboration Selection Preliminary Assessment Form (SCSPA). Companies which fulfil at least 60% of the competency criteria designated in the SCSPA Form are eligible for selection. Work then gets underway following the approval of the relevant director. Information is transferred to the Supply Chain and Cooperation Board. This procedure does not apply to monopolies, official / semi- official organizations.

The general criteria sought for all suppliers are set out below. Specifically, the competencies sought on the basis of subject are as follows:

- Compliance with laws and regulations
- ISO 9001, ISO 14001, OHSAS 18001 and ISO 27001 certification
- An approach which is in line with the articles with regard to the Human Rights and Working Conditions stated in the UN Global Compact Principles
- Competitive pricing
- Reference company list
- The company's experience in its own field
- Technical capacity
- Trust and reliability

Bilim Pharmaceuticals expects its suppliers to conduct their activities in accordance with the law, as well as to provide training on ethical values to its own company employees by acting in accordance with ethical values. It cleary expresses this expectation in its Declaration of Ethical Principles for Suppliers.

We conduct audits of our suppliers periodically in two different ways: (1) through questionnaires covering environmental and social impacts and (2) through on-site audits.

Information regarding the number and percentage of our suppliers which were audited in the 2017 and 2018 periods are given in the table below.

Suppliers that are in Audit Period and that were Audited	2018	2017
Realized	18	9
Success Rate	19%	11.4%

New Supplier Selection

New suppliers are evaluated within the scope of the Supplier / Alternative Supplier Approval and Qualification Procedure under reference PR.0.KG.000007. In this context, suppliers receive questionnaires while audits are also carried out in order to examine the compliance of the facilities and quality systems of the suppliers with the GMP within the scope of the Supplier and Contract Manufacturer Company Audit Procedure under reference PR.0.KG.000029.

In the audits, as well as the questionnaires sent to the companies, the focus is on environmental criteria, social impacts, human rights and their effects on society in the questions set out below, in addition to questions related to the GMP, and the companies' responses are evaluated.

In accordance with the Supplier Quality Assessment Procedure, reference TT.0.KG.000007, assessments of existing suppliers are carried out annually, thus ensuring the continuity of suppliers' compliance.

1. Company's Quality Management System and Quality Certificates (cGMP, ISO 9001, ISO 14001, ISO 180001, HACCP, etc.)
2. Environment and Impact Aspect Analysis Report and actions taken: According to the Environmental Impact Assessment Regulation, an assessment is carried out to determine whether or not the supplier is within the scope of Environmental Impact Assessment (EIA). Suppliers which do come under this scope are then asked to submit the EIA report and related legal permit documents and the reports are then examined.
3. Risk assessment reports prepared in regard to OHS-E and actions taken
4. Risk assessments conducted to identify critical operations and actions taken
5. Occupational accident rate (weight ratio: 1 accident per 300 days), safety measures taken to reduce the number of work accidents
6. Assessment into whether or not raw materials purchased are of animal origin in connection with human health and TSE / BSE risks
7. Material safety data sheets
8. Documentation on whether or not protects contain allergens (GMO free, Gluten free, Melamine-free, Aflatoxin free etc.)

In addition, in accordance with the Regulation on Management of Suppliers and Cooperations under the reference of YY.0.KDP.000002, general criteria such as Compliance with Laws and Regulations, Quality Certificates, an approach which is in line with the articles regarding the Human Rights and Working Conditions stated in the UN Global Compact Principles, and the subject specific competencies are evaluated in the process of selecting organisations with which to collaborate with and in determining their competencies.

New Supplier %		
	2017	**2018**
Number of new suppliers	66	17
Total number of suppliers	1290	1307
New supplier %	5.1%	1.3%

Bilim Pharmaceuticals expects its suppliers to respect the environment and nature, as well as to observe animal rights. It clearly expresses this expectation in its Declaration of Ethical Principles for Suppliers.

ORGANIZATIONAL MEMBERSHIPS (102-12 / 102-13)

Organization with Membership	Compulsory Memership	Voluntary Memership
İstanbul Mineral and Metals Exporters' Associations (İMMEA)	●	
Gebze Organized Industrial Zone (GOIZ) Industrialists' Association		●
Çerkezköy Organized Industrial Zone (ÇOIZ)		●
Kocaeli Chamber of Commerce	●	
Gebze Chamber of Commerce	●	
Çerkezköy Chamber of Commerce and Industry	●	
United Nations Global Compact (UNGC)		●
UNGC WEPs		●
UNGC B4P		●
TEGEP Learning and Development Platform Association		●
The Turkey People Management Association (PERYÖN)		●
The Turkey Ethics and Reputation Society (TEİD)		●
The Turkey Corporate Social Responsibility Association (TKSSD)		●
The Quality Association of Turkey (KALDER)		●
Private Sector Volunteers Association (ÖSGD)		●
The Pharmaceutical Manufacturers Association of Turkey (İEİS)		●

RISK MANAGEMENT

We are aware that the way to reach our objectives on time and without loss is to identify the risks that may arise in every field and to take precautions against the possibility of these risks.

The necessary risk management practices are carried out in four steps in line with the relevant regulations.

The active involvement of the Sustainability Board in the risk management process allows for more effective work on risks which are considered critical in terms of a high promilitary of occurrence or a high impact during the prioritization of risks.

In an environment where existing processes are constantly reviewed and improved, it is essential to work and take preventive measures to prevent risks from occurring. At this stage, where preventive and protective activities are carried out, we render the risk management process more effective by ensuring the participation of our stakeholders.

Following evaluations carried out by all directorates, taken together with stakeholder feedback, risk measurements, in which impacts and probabilities are calculated, form the basis of risk management plans. They guide the work in terms of which risk management strategies to address first, along with the tactics which will be formed.

Evaluation of risks, on the other hand, includes the work to be carried out to eliminate the risks arising from internal or external factors, to minimize their effects and also to prevent their recurrence. Risks evaluated in every environment through risk assessment environments are evaluated with specific plans for each strategic risk within the framework of risk management plan. Measures are then determined in order to minimise their effects.

In our processes, risk analysis activities related to Occupational Health and Safety, the Environment and Quality are carried out meticulously in accordance with Risk Analysis Procedures.
Employees notify the Occupational Health and Safety Department of any risks they detect regarding their work and environment through the OHS-E Notification Form attached to the OHS-E Notifications and Management Procedure, promotes employee awareness and ensures active participation.

In planning the Quality Management System, our organization provides assurance that it can achieve the intended outputs, develops the desired effects, mitigates the undesired effects and determines the risks and opportunities while organizing improvement activities. In determining the risks and opportunities, the issues of how to integrate the activities within the system processes, how to implement them and how to evaluate the effectiveness of these activities are taken into consideration.

An effective Quality Risk Management Model covers the stages of defining the risk, evaluating the risk, controlling the risk and monitoring the effectiveness of the control. The purpose of risk management is to identify the sources of risk, evaluate the risks, determine the measures and ensure that the measures are implemented.

In the first quarter of each year, the risk assessment and activity form is revised in order to review the existing risks and add any new issues which require evaluation, where actions and activities are defined in order to prevent the recurrence or occurrence of risk and prevent them from turning into a hazard. The relevant process is included in the annual work plan and followed up in accordance with corrective and preventive action procedures. The activities/actions determined in the risk analysis and their results are followed up and evaluated.

Bilim Pharmaceuticals (Bilim İlaç San. ve Tic. A.Ş.) fulfils its duties of analysis of environmental aspects, and fulfilment of compliance obligations, determining environmental targets, establishing a management program to achieve environmental targets, evaluating risks and opportunities for the continuity of the Environmental Management System.

For each activity carried out in our company (routine, non-routine, including sub-contractors and visitors), work teams were established to identify the hazards related to Occupational Health and Safety and to evaluate related risks with the method specified in the Occupational Health and Safety Risk Analysis Procedure, the work team identifies hazards for each area, process, evaluates the risk, creates corrective actions for unacceptable risks, plans controls and assigns deadlines.

EQUALITY IN BİLİM

There is no place for discrimination in the Bilim Pharmaceuticals Family. Fighting inequality between men and women, one of the forms of discrimination we encounter in all areas of life, not only in our country but all over the world, is not an option but a necessity. Our corporation does not allow any form of discrimination at any stage of our business processes. Our position as a signatory to the Women's Empowerment Principles (WEPs) serves an important indicator of our sensitivity in the field of gender equality. The WEPs, which consist of seven basic principles , serve as an important guide, especially when it comes to strengthening the place of women in work life.

Through our Corporate Responsibility Report, we are happy to transparently share our material topics and information in line with these principles with all our stakeholders.

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

Communicating with our stakeholders and identifying the steps we take by taking into account their expectations allow us to work more effectively on our sustainability journey. The methods and frequency of communication vary between stakeholder groups, but regularity is the most crucial element in ensuring that stakeholder participation is meaningful and effective.

Stakeholders	Communication Channels	Objective
	Notice Boards (Continuous)	Through effective and various communication channels/tools, • To promote communication and objective unity among our employees • To offer employees the opportunity to follow up and direct the agenda of the organization and to increase their competence, • To contribute to their development, • To ensure their participation in work processes, • To maintain a high level of motivation and loyalty among employees.
	Bilim Social (Continuous)	
	Electronic Communication (Continuous)	
	General Manager Information Meetings (Bi-annually)	
	Marketing End of Term Meetings (Once a year)	
	Open Door Meetings (Monthly)	
	Introduction Cocktail (When necessary)	
	"Welcome on Board" Meals (When necessary)	
	Meetings with a Special Agenda (When necessary)	
	Social-Sports Activities (Within the communication plan)	
	Bilim Family Activities (Within the communication plan))	

Stakeholders	Communication Channels	Objective
Employees	Field Period Meetings (Quarterly)	Through effective and various communication channels/tools, • To promote communication and objective unity among our employees • To offer employees the opportunity to follow up and direct the agenda of the organization and to increase their competence, • To contribute to their development, • To ensure their participation in work processes, • To maintain a high level of motivation and loyalty among employees.
	HR Regional Visits (When necessary)	
	Employee Satisfaction Survey (Bi-annually)	
	Subject Specific Surveys (Once a Year)	
	Focus Group Interviews (Bi-annually)	
	Performance Interviews (Once a Year)	
	Individual Suggestion System (Continuous)	
	Boards (Quarterly)	
	Department Meetings (When necessary)	
	Motivation Practices (When necessary)	
	Marketing-HR Coordination Meetings (When necessary)	
	Bilim Pharmaceuticals Community Volunteers Platform (Continuous)	
	Orientation Program (Monthly)	
	Exit Interview (When necessary)	
Customers	Medical Promotion Representative Visits (Continuous)	• To establish two-way, sustainable, qualified communication channels with our customers • To understand our customer's expectations and requirements correctly and to implement our processes in this direction.
	Factory Visits (Continuous)	
	Customer Visits (Continuous)	
	Scientific Meetings/Congresses / Panels / Conferences	
	(When necessary)	
	Customer Satisfaction Surveys (Bi-annually)	
	Customer Focus Group Surveys (When necessary)	
	Foreign Market Partner Meetings (Continuous)	
	Phone Calls (Continuous)	
	Complaints (Continuous)	
Suppliers and Collaborations	Supplier Visits (Continuous)	• To conduct ethical trade with our suppliers and collaborators and • To create an awareness of sustainability.
	Factory Visits (Continuous)	
	Supplier Satisfaction Survey (Bi-annually)	
	Supplier Evaluation Survey (In selecting new suppliers and as needed)	

	Business Partnership Summit (Bi-annually)	
	Supplier Audits (Continuous)	
	Phone Calls and Visits (Continuous)	
Shareholders	Board Meetings (Monthly)	To enhance shareholders' satisfaction levels and their investment motivations.
	Annual Reports (Monthly)	
	Annual Plan Budget Meetings (3-4 times per year	
	depending on determined schedule)	
	Strategic Plan Meetings (2-3 times per year depending on determined schedule)	
Public Institutions and Organizations, Sectoral Associations	Project Partnerships (Continuous)	• To inform them for contribution to sectorial development, • To fully comply with laws and regulations, • To offer views on new draft laws and regulations.
	Membership, Participations in Meetings (Continuous)	
	Benchmarking Studies (When necessary/ within the benchmarking plan)	
Non-Governmental Organizations	Project Partnerships	• To contribute to the development of NGOs, • To benefit from their expertise, • To create an environment conducive to mutual learning.
	Memberships	
	Representation	
Media	Press Meetings (When necessary)	• To increase our corporate reputation, • Transparency and to inform the public.
	Press Releases (When necessary)	
	Interviews (When necessary)	
	Factory Visits (When necessary)	
Society	Awareness Raising Activities (Continuous)	• To show sensitivity and respect to the needs of society. • To be proactive in solving social problems • To contribute to social and cultural development.
	Factory Visits (With students - on demand)	
	Bilim Pharmaceuticals Community Volunteers Platform (Continuous)	

(102-43 / GRI 102-46)

We conducted a survey with our six main stakeholder groups through a questionnaire in order to determine the material topics within the framework of sustainability which will be included in our 2017-2018 Corporate Responsibility Report. In this context, we sought the views of the six main stakeholder groups in regard to their expectations from as part of their business relationship with Bilim Pharmaceuticals, the main subjects that will affect their decisions and what they wanted to be informed of through this report. Bilim Pharmaceuticals considered the responses received from the stakeholder groups together with our corporate strategy and set out its priorities within the framework of sustainability.

While creating the content of our report, we used the principles of stakeholder involvement, sustainability context, materiality and completeness as a basis, which are included in the GRI Standards.

OUR MANAGEMENT COMPASS: SUSTAINABILITY

Sustainability for Bilim Pharmaceuticals is about adding value to its various types of capital by being aware of the external environmental conditions, providing systematic management in line with its mission and vision in all processes of the business model, directing its resources and strategies in this vein with an awareness of the risks and opportunities, regularly measuring and evaluating its performance and setting the necessary improvement targets. In other words, sustainability is a way of management at Bilim Pharmaceuticals.

Therefore, our sustainability performance is managed by the Sustainability Board, which reports directly to the CEO.

SUSTAINABILITY BOARD

We started to implement the EFQM (European Foundation for Quality Management) Excellence Model as a quality model in work processes in 1998, and through this process we have created a more institutional structure. We measure our economic, environmental and social impacts and prepare continuous improvement plans to reach better standards.

Our most important goal is to embed the sustainability approach into our corporate culture and to ensure the participation and development of all of our stakeholders, especially our employees, customers and suppliers on this path.

"Sustainable development" has an important place in the strategic plan at Bilim Pharmaceuticals, which adopts sustainable development-based business strategies. Behind all of these efforts is the fact that we have built the corporate values of our company together with our employees and that our values are adopted by all of our employees and processes within the scope of the Bİ'L Leadership Model, which we are implementing.

Our Strategic Sustainability Goals
Integrating the sustainability approach in the corporate culture
Instilling sustainability awareness by increasing stakeholder dialogue
Conducting improvement activities with the integrated thought system
Setting an example for all industries in sustainability

SUSTAINABLE DEVELOPMENT GOALS

We are aware that the Sustainable Development Goals (or Global Goals) planned to be realized by 2030 are the goals that can only be achieved with the cooperation of the public sector (first sector), the private sector (second sector) and the third sector. We therefore strive to contribute to the global goals by being aware of our responsibility as a part of the private sector in our sustainability approaches which we integrate into our work processes.

According to the Sustainable Development Goals Index and Indicators (the SDG Index and Dashboards) 2019 Report, Turkey is ranked 79th among 162 countries in terms of its performance with respect to the 17 Sustainable Development Goals. This demonstrates that we need to work harder to achieve sustainable development.

When we look at the goals which we can contribute to on behalf of Bilim Pharmaceuticals, the following goals stand out;

Our Strategic Sustainability Goals		
Goal 3: Good Health and Well-Being		R&D at Bilim Waste Management
Goal 4: Quality Education		Employee Development
Goal 5: Gender Equality		Employee Rights Diversity and Equal Opportunity at Bilim
Goal 6: Clean Water and Sanitation		Waste Management
Goal 8: Decent Work and Economic Growth		Occupational Health and Safety Diversity and Equal Opportunity at Bilim
Goal 12: Responsible Consumption and Production		About the Report Waste Management
Goal 16: Peace, Justice and Strong Institutions		Work Ethics First for Bilim

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

Our 2017-2018 Corporate Responsibility Report includes the economic, social and environmental impacts of Bilim Pharmaceuticals (Bilim İlaç San. ve Tic. A.Ş.). Accordingly, the scope of our report and the framework of the subjects were determined based on the activities of the Bilim Pharmaceuticals' Headquarters, the Gebze Production Facilities and the Çerkezköy Production Facilities.

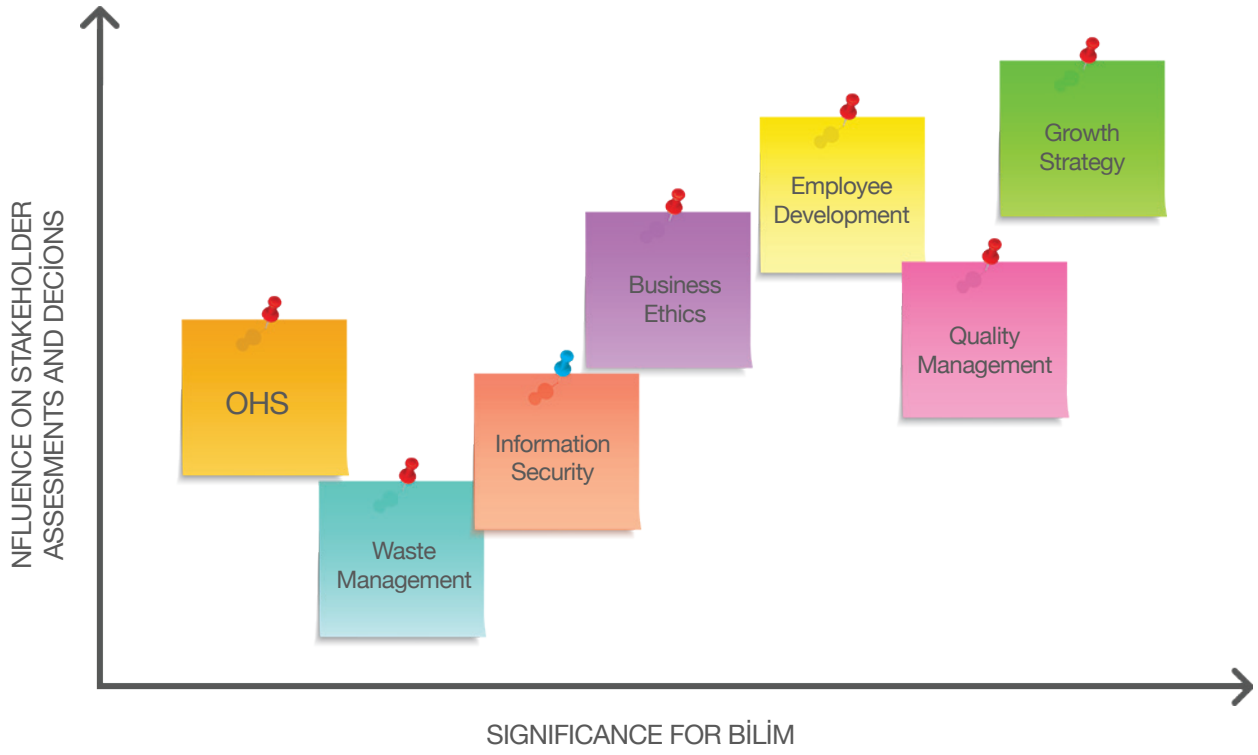
While determining the material topics within the framework of sustainability, the topics in which we have the most extensive and significant impacts, the points at which the significant impacts occur (inside and/or outside the organization), and the impacts which are of strategic importance for Bilim Pharmaceuticals were determined as a result of joint work carried out with the senior management and the Sustainability Board.

Our stakeholders' expectations from Bilim Pharmaceuticals within the framework of sustainability, and the topics that we have the highest impact on as a result of our work processes in their eyes were determined with a questionnaire where we asked our stakeholders about the topics which they considered to be a material topic within the framework of sustainability, the topics which would affect their decisions as a stakeholder of Bilim Pharmaceuticals, and the topics which they deemed to be a part of their business relations with Bilim Pharmaceuticals. When the weighted average of the topics which our stakeholders considered to be material, it was determined that the 10 topics included in the table below were considered to be material topics by our stakeholders.

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

We brought together the material sustainability topics which were of strategic importance for Bilim Pharmaceuticals and the same topics that our stakeholders identified as a material topic based on the weighted average. When we look at the impact of the seven material sustainability topics which are strategically important to Bilim Pharmaceuticals on the evaluations and decisions taken by stakeholders, we observed that the topics overlap to a significant extent. This is an important indicator that we are progressing on the same path as our stakeholders.

MATERIALITY MATRIX



Employee Development: Employee development, which was determined as the most important topic for our stakeholders participating in our survey, ranks as the third most important topic for Bilim Pharmaceuticals. 75% of our employees, 100% of the NGOs, 70% of Pharmacists and 75% of Pharmaceutical Warehouses view employee development as a material topic. We present our performance on this topic for the 2017-2018 period under the heading of 'Employee Development' on page 55 for the purpose of informing our stakeholders.

Business Ethics: Business ethics are among our material topics, both due to the fact that our industry is oriented towards human health and as a requirement of our corporate values. For us, our responsible behaviour does not stop with full compliance with laws and regulations in terms of business ethics. The topic of business ethics, which is directly related to many other effects which go beyond laws, such as protecting the rights of our internal and external stakeholders, protecting the interests of our customers and the safe use of our products by end-users, was also stated as the 10th material topic by our stakeholders. We present information on work ethics under the heading of "Business Ethics First for Bilim " on page 45 for the purpose of informing our stakeholders.

Information Security & Business Continuity: Information security, which was ranked as the 15th most important topic among 32 topics by our stakeholders, is ranked as the 5th most important for Bilim Pharmaceuticals. Protecting data and ensuring business continuity is undoubtedly important for all institutions. However, when it comes to health, information security takes on even greater importance. We present information security, which is a material topic, under the heading of "Information Security" on page 49 for the purpose of informing our stakeholders.

Waste Management: We demonstrate the greatest sensitivity to environmental impacts. Not content with merely taking the necessary arrangements required by laws and regulations against all kinds of negative environmental impacts that may arise from the activities of our industry, we consider all the measures we can take and any contribution we can offer beyond legal obligations. Managing all of our waste, especially our hazardous waste, is a key priority for us. We present the information on waste management, which is ranked as the 22nd most important topic by our stakeholders, under the heading of 'Waste Management' on page 67 for the purpose of informing our stakeholders.

Occupational Health and Safety: The health and safety of our employees is among our priorities in line with our 'People First' approach. We present our performance regarding the OHS in the years of 2017-2018, which ranks as the 17th most important topic for our stakeholders, for the purpose of informing of our stakeholders on page 62 under the heading of 'Occupational Health and Safety'.

GROWTH **STRATEGY**

CORPORATE
RESPONSIBILITY
REPORT

2017-2018

bilim İLAÇ

GROWTH STRATEGY

With our two production facilities in Turkey, more than 1700 employees, our exports to over 70 countries and more than 500 suppliers, the primary impacts arising from our operations are economic impacts.

Bilim Pharmaceuticals' growth strategy has been identified as a material topic not only by our organization, but also by all stakeholder groups, as demonstrated by our stakeholder participation results.

Our growth strategy is based on balanced and healthy growth. Sustainable growth is only possible with controlled growth. Acting with caution in the face of changes in the economic conditions which may occur in our country and in the world and adapting quickly are the most critical elements of our growth strategy.

We Listen to Grow

(102-44) Our customers have the final word on the quality of our products and services. Customer satisfaction is a measure of our sensitivity to the needs and preferences of Bilim Pharmaceuticals' customers. From a corporate point of view, it is the most important element of long-term success and healthy growth. For this reason, we regularly seek their views through the Customer Satisfaction Survey (CSS) every two years in the domestic market and every year in foreign markets. With this survey, we aim to identify our strengths and aspects which require improvement, and to form a basis for improvement activities as well as identifying the degree of satisfaction.

There survey forms have three separate sections. The first part looks at expectations, the second part looks at perceptions and the third section evaluates other suggestions and requirements which customers may have with the help of open-ended questions, besides the survey questions.

The Domestic Market CSS General Satisfaction Rate by Years (%)					
	2009	**2011**	**2013**	**2015**	**2018**
Target	96.00%	96.50%	97.50%	98.00%	98.37%
Realized	96.31%	98.38%	98.44%	98.96%	98.53%

Our Customer Satisfaction Survey (CSS), consisting of 9 sub-headings and 35 questions, was applied to 35 distributors which we had actively worked with in foreign markets in 2017, and 37 distributors which we had actively worked with in 2018. In line with the results, improvement plans were set out for the improvement areas for each customer.

Foreign Markets CSS Results (%)									
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Target	75%	79%	80%	80%	80%	81%	81%	82%	83%
Realized	79%	80%	80%	79%	81%	83%	80%	82%	80%

Incentives and Discounts We Benefit From (201-4)

Tax discounts and incentives received from the State play an important role in ensuring balanced and healthy growth. In particular, it is imperative that R&D studies proceed systematically if they are to succeed; the high cost of these studies is well known. Uninterrupted R&D studies are one of the key driving forces of the increase in knowledge in the pharmaceuticals industry and achieving the Company's growth targets. Therefore, the incentives and discounts offered by the state allow us to both contribute to the development of the pharmaceuticals industry and take firm steps towards Bilim Pharmaceuticals' growth targets.

Other Financial Aids Received from the State (TL)									
	5% Discount Amount	6% Discount Amount	R&D Incentive	Disabled Incentive	İşkur (Turkish Employment Agency) Cooperation Incentive	İşkur SSI Incentive	Law No: 6111 Incentive	Minimum Wage Incentive	Total
2017	5,050,509.10	186,783.35	106,574.84	83,604.20	677,854.00	74,480.23	813,673.89	547,165.16	7,540,644.77
2018	6,166,509.20	221,256.10	155,357.60	81,758.41	-	67,842.80	1,323,302.70	503,050.15	8,519,076.96

R&D Centre - Financial Aid Received from the State (TL)		
	2017	**2018**
Total Tax Relief	8,577,894.89	12,171,189.30
R&D Relief	8,577,894.89	12,171,189.30
Institutions Tax Declaration R&D Relief	8,178,258.16	11,568,366.42
Tax Declaration Income Tax Relief	293,061.88	447,465.28
Tax Declaration Stamp Duty Relief	- -	
SSI Incentive	106,574.84	155,357.60

The provision of incentives increased when compared to the previous reporting period. The most important factor behind this was the increase in the amount of investment undertaken by Bilim Pharmaceuticals in line with its growth strategy, which was mainly associated with the investments carried out in new production facilities which will enable production in different product segments. The ability to produce in different product segments is extremely important for Bilim Pharmaceuticals in terms of cost and profitability.

R&D at Bilim

Our R&D centre employs more than 70 scientists who are working to bring equivalents of reference drugs into the market whose patents have expired. Founded with an investment of USD 15 million, the Bilim Pharmaceuticals R&D Centre is the largest R&D centre in the Turkish Pharmaceuticals industry with a laboratory area of 3,388m2 and is equipped with 199 machines, devices and equipment using state-of-the-art technology.

With the new products we develop, we contribute significantly not only to the pharmaceuticals industry but also to the Turkish economy. Using the latest technology, our centre continues to carry out its activities with technological and sensitive laboratory equipment, laboratory information automation and an R&D pilot production facility meeting FDA standards.

It is with a great sense of pride and responsibility that Bilim Pharmaceuticals serves as the leader in the Turkish Pharmaceuticals market with our products that we have developed in our own R&D laboratories and whose licenses we can access thanks to our constantly developing R&D activities. From this point of view, our company is the largest domestic manufacturer of equivalent drugs in original drug sales in the national pharmaceuticals market. In order to maintain this position, we maintain our investments in this field by attaching the greatest importance to R&D.

Our R&D activities are also at the heart of our exports to more than 70 countries with our exports growing every year with new products which we have licensed. For Bilim Pharmaceuticals, the main starting point for the increase in our sales target is to focus on technology-based R&D activities and to continuously increase the allocated budget in monetary terms.

Our R&D Investments

Our investments are not limited to buildings and equipment. As a company, we also invest heavily in competent human resources. The project teams working in our R&D department include scientifically competent researchers with Pharmaceutical Chemistry Specialists, Pharmaceutical Technologists, Patent Attorneys, Pharmacologists and Analytical Chemists. More than 60 scientists work in the R&D department. Within the scope of the Career Management Systematic which we are implementing, a "Master's Systematic" has been defined for the employees who wish to apply for or continue to work on a Master's degree or doctoral program, with support extended to R&D Centre employees.

As many as 90% of the products for which we hold licenses in the international market emerged as a result of our R&D activities. In order to respond to customer and market demands, we offer the drug portfolio to foreign markets with license files which are in accordance with international regulations, a high-standard R&D facility and high production quality. As an example of our products offered for sale in Europe, we offer an antidiabetic product approved by the German Ministry of Health. In addition, as of the end of 2015, the sale of our products in more than 70 different countries from the Far East, South America and Africa to the Middle East serves as a strong indicator of the presence and quality of Bilim Pharmaceuticals in the global market.

During the reporting period, new licenses were obtained in 24 different countries, ten of which were in Africa, with our total number of new product licenses reaching 63.

Bilim Pharmaceuticals, which presses ahead with its R&D investments unabated even during periods of economic recession, aims to increase its investments further in the coming periods, and besides its fixed investments to be undertaken in the coming years, it aims to allocate 8% of its net sales to R&D activities every year.

Number of Products, for which an application has been submitted and which have been registered		
	2017	2018
Number of national patents for which an application has been made	12	4
Number of national patents registered	55	80

Bilim Pharmaceuticals is aware of the importance of intellectual capital, and with this awareness it created a Patent Department within its own structure. Within the framework of the relevant rules, Bilim Pharmaceuticals acts in a manner which respects the industrial property rights protected by law by adhering to our values. External support is also received for other intellectual and industrial rights. In addition, we also observe the intellectual and industrial property rights of the organizations which we work with as business partners.

The Economic Welfare of Our Employees

(202-1/405-2) The first step where the economic impact of Bilim Pharmaceuticals occurs is the economic well-being of our employees. As in the previous reporting period, the ratio of average wages to the minimum wage, which is over 100%, ensures that our employees are able to protect their economic welfare against inflation.

Ratio of Average Wages to Minimum Wages

	2017		2018	
	Men %	Women %	Men %	Women %
Analyst	261.19	215.31	239.32	189.80
Regional Manager	496.25	562.66	484.64	431.12
Employee	136.19	146.57	135.01	151.06
Operator	168.59	163.88	157.04	151.60
Technician with a 2-year Associate Degree	142.21	140.83	145.29	140.61
Technician	162.81	149.45	156.42	150.22
Medical Promotion Officer	199.82	165.96	193.76	161.55

(202-2) All of our employees are recruited from local people in the countries indicated in the table below where our representative offices are located. The country managers working in our representative offices in the countries with the highest export potential are members of the local community and come under the senior management category. Thus, we both increase our knowledge of local needs and the market, and contribute to the economic welfare of the employees and the country with local employment.

Number of Local People Working in Representative Offices

	2017			2018		
	Number of Employees	Number of Women	Number of Men	Number of Employees	Number of Women	Number of Men
Moldova	4	4		4	4	
Albania	3	1	2	1		1
Bosnia	1	1		1	1	
Total	8	6	2	6	5	1

(204-1) Growing soundly is only possible with our stakeholders, who grow with good health. For this reason, we not only look after the economic well-being of our employees, but also try to create economic value for our suppliers.

Distribution of Suppliers by Share in Purchasing				
	2017		2018	
	Number of Suppliers	Share in Purchasing (volume)	Number of Women	Number of Men
Raw material imported	100	70.44%	104	65.31%
Raw material domestic	40	7.21%	36	6.42%
Packaging imported	17	4.70%	20	4.32%
Packaging domestic	42	13.80%	41	14.06%
Consumables and Technical Materials-imported	89	1.91%	90	8.06%
Consumables and Technical Materials-domestic	146	1.94%	135	1.83%
Total	434	100%	426	100%

Number of Suppliers by Country					
Country	**2017**	**2018**	**Country**	**2017**	**2018**
Turkey	202	190	Canada	2	1
India	43	45	Hong Kong	1	1
Germany	35	35	Sweden	1	1
Switzerland	18	21	Japan	1	1
Italy	19	20	Lithuania	1	1
UK	8	10	Luxembourg	1	1
Spain	9	9	Hungary	1	1
Chinese	7	7	Poland	1	1
America	5	7	Greece	1	1
France	6	6	Slovenia	0	1
Holland	6	6	Bulgaria	0	1
Belgium	6	4	Denmark	0	1
Austria	3	3	South Africa	1	0
South Korea	2	2	Portugal	1	0

As can be seen in the table, the majority of our suppliers are located in Turkey. The economic development of our suppliers also supports the development of the local economy. We therefore procure all necessary materials from local suppliers where possible.

WE DEVELOP TOGETHER

(203-1 / 203-2) We view the professional development of our stakeholders in the countries we export to as one of our current business objectives. We aim to achieve a more systematic flow of information in the markets in which we are integrated with the support of the Veribase CRM system.

Technological developments lead to practices which shape the course of the health sector, as in all branches of industry. In this sense, our goal in implementing the Veribase CRM system is to increase the organizational systematics and efficiency, as well as increasing the quality of the information obtained. The application is software which adds value to Bilim Pharmaceuticals as mentioned below.

1. Better knowledge and analysis of the field dynamics where promotion and sales activities are carried out
2. Formation and implementation of strategies suitable for the region of operation
3. Control and supervision of daily and monthly activities of field staff (Promotion representatives and managers)
4. Supervision of relevant promotional expenditures
5. Realizing the classification of customers according to their potential
6. Organizing medical or management trainings
7. Establishment of testing to measure training efficiency
8. Reporting all activities mentioned above

We also contribute to the development of our stakeholders with the Veribase system, which we started to implement in our Albania and Moldova representative offices as of 2018.

Planned Activities for 2019:

We shape our work by setting targets to develop and expand our work in order to grow together.

The Veribase System

Since 2019, we have been using the Veribase system in Iraq. We also aim to integrate this system into operation in many other countries where we carry out marketing activities in the coming years.

The Bilim Academy

Seminars were held in a number of countries under the Bilim Academy program, with some of Turkey's most influential opinion leaders invited to these seminars and stakeholders from abroad invited to meetings and congresses held in Turkey. In addition, the Bilim Academy organized various training programs to support the development of its employees, both within its own structure and by obtaining support from professional companies. The "Bilim Bulletin", prepared on a quarterly basis, aims to convey the activities carried out to all stakeholders.

Mid-Year Meeting

The mid-year meeting is planned to be an event which attracts the involvement of all team members in the country with strategies and targets presented by the FMD Headquarters and where sales realizations and best practices in the field are evaluated. Training to increase employee competence is also included in the program. Various activities which will demonstrate the importance of employee belonging, loyalty and satisfaction for Bilim Pharmaceuticals and ensure the integration of team members are planned to be offered during the meeting.

Health is Everyone's Basic Right (203-2)

In many countries which we export to, product prices are determined within the framework of relevant laws and regulations. In markets where pricing is free, we determine our pricing strategy with the aim of contributing to access to the product individuals on low incomes. We provide discounts on product prices to contribute to the formation of a healthier population who can contribute more to the economy. As a requirement of being a corporate citizen, we avoid pricing that exceeds the economic power of those on low incomes in the countries we export to.

Discounts Provided to Facilitate Access to Our Products	
Iraq	20%
Ethiopia	50%
Yemen	20%
Kosovo	20%
Somalia	15%
Afghanistan	40%
Sudan	15%
Libya	30%
Georgia	20%

Many of the countries in the table above are countries which have been ravaged by conflict. As a signatory to the UN Business for Peace (B4P) initiative, we aim to facilitate the access of local communities to health products after conflict in these regions and to contribute to the formation of healthier individuals and stronger societies.

Our Activities for Branding

We carry out many different activities within the framework of our efforts to increase our market share and to spread the name of Bilim Pharmaceuticals in the countries in which we operate. The following branding activities were carried out within the scope of Bilim Pharmaceuticals' growth strategy in the 2017-2018 period.

ACTIVITY TYPE	ACTIVITY CONTENT	PURPOSE OF ACTIVITY
Promotional Activities for Medical Connections	Presentations to specialist physicians and pharmacists	* Corporate promotion * Specific product introduction * To Increase customer loyalty
	Production site visits	*Corporate promotion * Developing ideas for collaboration
	Conferences	* Specific product introduction
	Medical Congress and Scientific Meeting sponsorships	* Product introduction * An opportunity to reach physicians participating from different regions in a single organization * Addressing the ethical values of the industry * Obtaining feedback on products and employees * Contributing to the perception of the Turkish Pharmaceuticals industry being of high quality

ACTIVITY TYPE	ACTIVITY CONTENT	PURPOSE OF ACTIVITY
	Medical organizations	* Conveying sectoral innovations * Updating/improving medical information * Increasing customer loyalty * Developing professional practices
	Dialogue reinforcement	* Being with the stakeholders institutionally in the organizations organized by the countries related to their cultures and traditions * Strengthening stakeholder relations with social activities * Increasing market knowledge * Keeping product information up to date * Providing a pleasant break to the stakeholders in the busy work schedule
	Feedback meetings	* Receiving feedback on Bilim Pharmaceuticals' activities from the physicians and pharmacists in the relevant country * Exchanging ideas for the development of existing activities
	Special day celebrations	* Product introduction * Strengthening relations with current and future stakeholders * Creating a social bond as well as a business relationship between stakeholders and the Bilim Pharmaceuticals team in the relevant country *Celebrating achievements with stakeholders and striving to make sure they feel that they have contributed to these achievements
Activities to Increase the Competencies of the Sales Team	Year-end meetings	* Evaluation of sales realizations and good practices in the field * Training to increase employee competence * Conveying the goals and strategies of the next year * Increasing loyalty * Strengthening communication between team members * Increasing employee motivation

ACTIVITY TYPE	ACTIVITY CONTENT	PURPOSE OF ACTIVITY
Social Activities	Activities for children	*Reducing children's fear of hospital/doctor * To provide educational and instructive content to children * Supporting disadvantaged children * Giving morale to children, who receive treatment
	Activities for adults	* Raising awareness and consciousness about diseases *Providing product access *Benefiting the society together with the stakeholders *Demonstrating the importance attached to moral values as an institution

The majority of the activities set out in the table above were carried out in zones of conflict and for disadvantaged groups. As a signatory to the UN Business for Peace (B4P) initiative, we attach particular importance to the activities aimed at both social and medical environments, as expressed by our stakeholders, in order to contribute to the development of the post-conflict health industry in these regions because "health is a right for all of us".

BUSINESS **ETHICS**

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BUSINESS ETHICS COMES FIRST AT BİLİM (102-16)

At Bilim Pharmaceuticals, our basic resource which showcases the way we do business is our values. Ethical Management is the most important element of our values. Our Ethical Management approach is based on our corporate values and working principles, which are the result of our successful activities over the years.

In addition to protecting our organization and our employees, our Code of Business Ethics serves as a guide which directs us beyond the laws, regulations and procedures which play a decisive role in all our decisions and activities. Our Code of Business Ethics, which plays an important role in maintaining and strengthening the relationship of trust established between all our internal and external stakeholders which our organization is in contact with, consists of two sections; Business Ethics Principles and Policies.

Our Ethical Management approach includes all managers and employees in our organization, including the Board of Directors and its Members. All managers are responsible for ensuring compliance with the Business Ethics Principles and Policies. Establishing an Ethics Board to ensure the functioning of the Business Ethics Procedure comes under the responsibility of the Chairman of the Board of Directors.

Ethics Board

Our Ethics Board continues to work with the aim of ensuring that our employees adopt our values and creating a positive corporate atmosphere in which respect, honesty and responsibility are strongly felt in line with our ethical principles.

Any problems faced by the employees in their daily business lives in connection with the Ethical Principles, notifications and complaints regarding ethics which are submitted by the employees, suppliers and customers are discussed at the Ethics Board. The Ethics Board reports its decisions directly to the Chairman of the Board of Directors, considering the Business Ethics Principles and Policies, laws, social values and organizational values which will form the basis of its work. Decisions are implemented with the approval of the Chairman of the Board of Directors.

Our board consists of a total of four members, including three dependent members (full-time), one independent member (consultant). Our board has adopted the highest level of understanding of taking an objective and fair approach in all decision processes with the participation of an independent member who is competent in law.

ETHICS BOARD	
Chairman:	Human Resources Director
Dependent Member:	Marketing Director
Dependent Member:	Medical Group Manager
Independent Member:	Labour Law Attorney
ETHICS BOARD CONTACT INFORMATION	
Tel: 0212 365 17 61 e-mail: etik@bilimilac.com	

Anti-Corruption (205-1 / 205-2)

At Bilim Pharmaceuticals, all of our activities comply with laws, regulations and internationally valid rules of law. We conduct our relations with the institutions and organizations that regulate, implement and audit the regulations in a manner that is consistent with our principles of honesty, transparency and ethics.

Our Ethical Management Commitment prohibits the award of any gift or payment to any person with the intention of gaining advantage in the sale and purchase of goods and services or to gain improper advantage for the company with the help of the official authorities.

We pay particular attention to bribery and corruption issues during the course of our activities. Due to the industry we operate in, we also benefit from the knowledge and services of health professionals and scientists. We are aware that many of these individuals work in public institutions and are public officials. It is therefore imperative that that no payments or gifts are provided the intention of influencing the decisions of public officials, or which may be perceived as such. Bilim Pharmaceuticals prohibits all of its employees, consultants, brokers and other representatives from engaging directly or indirectly in commercial bribery.

We communicate our anti-corruption policy and procedures with all employees and management bodies through training and our commitments to comply with codes of ethics.

Bilim Pharmaceuticals trains all its employees on the prevention of corruption and unfair competition. It upholds this process by requiring employees to sign a commitment to comply with codes of ethics. In addition, all employees are asked to declare that they accept the protection of the confidentiality rights by signing the Confidentiality and Not-to-Compete Protocol. In the event that these principles are violated, measures are taken within the legal framework.

By sharing the “Statement of Ethical Principles for My Suppliers”, which we aimed to implement in 2017, with all of our suppliers, we have put our anti-corruption policy and Ethical Management principles in writing and into practice.

This Statement clearly expresses our expectations from our suppliers, with comprehensive content from compliance with the law to arranging training on ethical values, occupational health and safety and animal rights.

Our training programs, which are prepared within the scope of our anti-corruption policy, are assigned to both our employees and our middle-level and senior managers. As indicated in the table below, all management levels were included in the training assigned within the scope of work ethics in 2017 and 2018.

	2017	2018
Regional Coordination Manager	**100%**	
Regional Manager		
Marketing Manager		
Director		
General Manager		
Senior Manager		
Coordinator		

Manager	100%
Advertising Manager	
Technical General Manager	
Administrator	
Chairman	
Total	

Communication and Training on the Anti-Corruption Policies and Procedures - Number of Persons and Training Hours				
2017	Number of Employee who Completed Training	Total Training Hours	Total Number of Employees	Number of Employee who are Assigned Training
Human Rights, Ethics, Marketing Principles Trainings	1486	743	1662	1826
2018	Number of Employee who Completed Training	Total Training Hours	Total Number of Employees	Number of Employee who are Assigned Training
Human Rights, Ethics, Marketing Principles Trainings	1406	703	1745	1682

Within the scope of efforts to tackle corruption, Bilim Pharmaceuticals ensures that all of our stakeholders, as well as our employees, have access to the Ethics Board with our complaints mechanisms which are in active use, in addition to training. Any member of Bilim Pharmaceuticals who reports an issue related to ethics are ensured job security. No person or manager may be dismissed due to their complaints. Likewise, any member who is subject to an unfounded complaint shall also be ensured job security. Accordingly, we ensure that our employees are able to convey their complaints to our Ethics Board without hesitation or duress from their managers, senior management and colleagues.

(205-3/206-1) No legal action on issues of trust or monopoly were filed during the reporting period. During this period, there were no cases of corruption, dismissal or disciplinary actions taken due to corruption. There were no cases of termination with our business partners due to corruption-related violations.

Anti- Counterfeiting

The Drug Tracking System aims to eliminate counterfeiting in drugs by providing traceability at every point of the entire supply chain from the production of the drug to their delivery to the patient.

Bilim Pharmaceuticals is a pharmaceuticals company in Turkey, which uses state-of-the-art technology which provides full automation between systems in all processes from production lines to product storage, from customer orders to the production and sales notifications made to the Ministry of Health. The company operates the SAP (ERP) system, which is fully integrated with the Pharmaceuticals Track and Trace System.

As of September 2010, the Ministry of Health requires the mandatory use of the “Pharmaceuticals Track and Trace System”, which will provide communication between the Ministry’s systems and pharmaceuticals manufacturers, pharmaceuticals distribution warehouses and pharmacies in order to prevent counterfeiting in pharmaceuticals. By the “Pharmaceuticals Track and Trace System”, the traceability of the drug is ensured at every point of the supply chain, from the production of the drug to the point it reaches the patient.

INFORMATION SECURITY & **BUSINESS CONTINUITY**

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INFORMATION SECURITY & BUSINESS CONTINUITY

Information security, which is the protection of corporate data, is as important for our company as it is for our stakeholders. Information Security & Business Continuity is one of the material topics for Bilim Pharmaceuticals due to both the security of our data and our responsibility to our stakeholders.

We transform our corporate data into knowledge through computerized or traditional systems, and share them with the employees authorized on the basis of information security. We work on the basis of confidentiality, integrity and accessibility when processing, transmitting and storing information.

In order to ensure the business continuity and security of our information assets and to keep them up-to-date, we store every item of information produced within the company, ensure that it is backed up and manage the documents we archive.

All kinds of data created within the company are recorded as the Company Asset Inventory, classified and listed. Our Asset Inventory includes categories of Hardware, Software, Electronic Data, Physical Assets, Buildings, Employees and Processes which are listed by department and their environment or location, in terms of their Confidentiality or Privacy to the Company.

Since the Information Security Management System, which we established, requires that different controls on a range of topics including physical and environmental security, human resources security, correspondence and communication security and IT security are selected with the risk management method are implemented and are continuously measured, no assets and processes which are outside the Information Security System in our company.

As we had targeted, we obtained the ISO-IEC 27001 Information Security certificate in 2017. To ensure that our certificate is valid for 3 years, the external audit company conducts follow-up / review audits every year. This enables us to regularly review all our processes regarding information security and to update all relevant procedures.

Prior to these annual audits, all of our employees receive mandatory awareness training under the heading of Information Security. All of our employees receive online training on the Bilim Portal within the specified period, regardless of their white-collar/blue-collar distinction in our company.

Number of Employees Receiving Training and Ratio in total Employees

	Number	Percentage (%)
2017	1,085	89
2018	1,534	93

The Information Security awareness training which we provide to our employees has contributed significantly towards reducing potential risks such as damage to our systems from possible virus attacks through hardware including portable disks, flash drives due to USB ports being open - which we have determined as one of our significant risks. Another risk issue is for our corporate data being transferred into the hands of unauthorized persons due to uncontrolled copying of our corporate data to portable disks.

The training provided and the technical measures we have taken has succeeded in raising our employees' awareness of information security. USB ports have been turned off on our employees' computers, with flash drives no longer used.

From 2020, the Information Security Management System awareness training is planned to be provided as part of the orientation training given to all new recruits in the company.

Information Security Risk Management

Every year we update our Risk Analysis table, which includes all risks identified throughout the company. In total, there are about 150 issues which are deemed to present a risk. A risk assessment of each item is carried out in terms of its confidentiality, integrity and accessibility and classified as low, medium or high. Our detailed studies on risk analysis measure the probabilities of each threat and their potential impact on our business, and allow us to determine the actions to be taken for each risk issue as well those who will be responsible for taking actions.

Every year, we review the actions taken or to be taken against each risk regardless of the whether the risks have been classified as being of low, medium or high probability in our Risk Analysis table. We step up our security measures by examining the latest security technologies and powerful software developed in the world.
Bilim Pharmaceuticals is audited by the Health Ministries of countries all over the world or by international companies. With regard to audits, since the 27001 ISMS Certificate has become an internationally valid certificate, our audit processes have gained pace and the certificate increased our reliability, enabling us to obtain positive results.

Continuity of Information Security

In regard to the management of all processes in our company, an organizational and systemically operable structure has been established with EFQM applications which started in 2007. The sustainable structure has been maintained by constantly updating the structure through the boards since then.

Obtaining the ISO 27001 certificate contributed to the establishment of a more procedural infrastructure for our Information Security Management System, which was established in line with company policies. Thus, all work and forward-looking plans regarding information security are systematized and their continuity is ensured.

QUALITY **MANAGEMENT**

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QUALITY MANAGEMENT

The element of customer health and safety is directly related to quality management, given the nature of our sector. All of our products and processes, extending from the development of the product to its use, come within the Quality Management System.

As the first national company to receive the "EFQM Competency Approval in Excellence" awarded by the European Quality Association in 2004, Bilim Pharmaceuticals goes to the greatest lengths to ensure that all of our products meet defined international quality standards, are safe for use and are of their expected effectiveness.

The quality system implemented in our organization meets international standards. The quality system is based on current regulations and guidelines such as cGMP-Good Manufacturing Practices, GLP-Good Laboratory Practices, GCP-Good Clinical Practices, along with current rules as well as integrated Quality Management System (ISO 9001) principles. The basic elements of our Quality Management System are explained with the "Quality Policy" published by our company. More detailed information concerning our Quality Policy is provided on our website. **(http://www.bilimilac.com.tr/en/bilimilac/politikalarimiz.html).**

Patient Safety Management (416-1)

In order for healthcare professionals to safely prescribe our products to consumers, we constantly check, evaluate and report the effectiveness of all our licensed products and the safety of patients using our products. When necessary and after obtaining official approvals, we send information letters to Healthcare Professionals, organize meetings and report developments through our headquarters and field staff under our Marketing Directorate.

The safety of patients using our medical products for human use is continuously monitored by our "Patient Safety Department- Safety Officers", which consist of pharmacists within the scope of the Patient Safety Department which we established under our General Directorate. All kinds of information regarding the efficacy of our products and the safety of patients using our products are constantly researched from both domestic and foreign sources.

With in-service training, we convey how the issues relating to consumers or healthcare professionals and issues concerning the safety of patients using our products will be handled, directed and followed up in accordance with legal regulations to the personnel at all levels, especially our marketing, headquarters and field staff.

Our patient safety officers conduct the necessary initial evaluations after receiving notifications. When necessary, they reach the individuals who have issued the notification and receive additional information. They report this information to the official authorities within a maximum of 15 days, depending on the severity and status of the issue. Where additional measures are required to be taken within the company, we notify the relevant department(s) and follow up accordingly. We evaluate whether there is a risk related to patient safety with the risk analyses which we conduct on a periodic basis and share these evaluations with the relevant authorities.

We complete our training on patient safety, which we prioritise in our business, within the orientation period for new recruits to our company and repeat the training at regular intervals to ensure that their training is up to date. For our marketing staff, who are in constant contact with healthcare professionals, we also evaluate these training programs as a criterion in performance measurement.

Recalled Drugs (416-2)

All recall procedures are carried out in accordance with the principles specified in the Recalling Regulation published in the Official Gazette. The class of recall is determined by evaluating the risk that the health of consumers may be harmed and the nature of the defect of the product suspected of being faulty.

The recall level indicates the level of the distribution chain to which the recall will reach. The recall of drugs from the market is divided into three classes and three levels. A first class (Class I) recall is when serious and life-threatening health problems have arisen and there are acceptable reasons why they may occur. A second class (Class II) recall is where temporary, treatable health problems have occurred or are likely to occur. A third class (Class III) recall concerns products which are not harmful to health.

Level A goes all the way down to the consumer level, where Class I recalls are carried out. Level B goes down to the retail level, such as pharmacies, hospital pharmacies and institutions, in which Class II recalls are carried out. Level C, on the other hand, goes down to the warehouse level, with Class III recalls carried out at this level.

After the company reported that three series of our Monurol sachet product, which we imported from the Zambon S.p.A company in 2017, contained contaminated raw materials, Bilim Pharmaceuticals submitted a requested to the Ministry of Health of the Republic of Turkey for a voluntary recall of these products. Additionally, one series of Antepsin Suspension, one series of Exofed medicine and one series of Aferin Pediatric medicine were reported to the Ministry of Health for voluntary recall due to the suspicion of possible contamination caused by erroneous actions in operator. Our request for voluntary recall of these products was reported to the Ministry of Health of the Republic of Turkey. Monurol sachet, Antepsin Suspension, Eksofed Medicine and Aferin Pediatric Medicine were voluntary recalls with the approval of the Ministry of Health, with the recalls being Class III at the B level.

In 2018, upon the request of the Ministry of Health, one series of Zespira 4mg Pediatric Sachets were recalled from the market after light yellow particles were detected in two of the 119 sachets, which were opened as a result of the analysis and examination of the product supplied from the market. Licenses of medical products for human use in 69 series of Enfexia 750mg IM Injectable Vials and Ciprofloxacin + Ornidazole combination, which had been licensed, were suspended after the product took on a yellow opaque suspension appearance when prepared with the solvent in their package, which is not in compliance with the company's appearance specifications. Accordingly, one series of Siprazon 500 mg/ 500 mg Film Coated Tablets was recalled from the market. Zespira 4mg Pediatric Sachets are at Class II, B level, while Enfexia 750mg IM Injectable Vial are at the Class III, B level and Siprazon 500 mg/ 500 mg Film-Coated Tablets were Class II, C level' recalls.

In order to ensure patients are able to reach the product during the recall phases, rapid action was taken to identify and correct the incidences of non-conformity which caused the recall and the causes of non-conformity were identified and corrected.

Details of recalled products in 2017 and 2018 are provided in the Additional Tables section on page 73.

Fines Paid as a Result of Recalled Drugs	
2017	**2018**
TL 7,393.35	TL 127,534.62

EMPLOYEE **DEVELOPMENT**

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EMPLOYEE DEVELOPMENT

(404-1) The development of our employees, who make up the majority of our human capital, is our material topic, which is directly related to our growth strategy. The training programs we provide to support employee development, an area also determined as a material topic for our stakeholders, are listed in the tables below.

Training Hours Per Person by Year								
2010	2011	2012	2013	2014	2015	2016	2017	2018
55	59	63	56	58	44.6	76.6	87.14	70

The increase in the amount of training per person over the years is one of the steps taken by Bilim Pharmaceuticals to adapt to a rapidly changing world.

Average amount of Training Per Employee by Employee Category (hours per year)			
2017			
Employee Group	**Number of Employees**	**Total Hours**	**Average Hours Per Person (Man/Hour)**
Blue Collar Employees	366	13,885	37.937
White Collar Employees	1296	66,156	51.046
2018			
Blue Collar Employees	371	9,853	26.557
White Collar Employees	1374	28,836	20.986

Average Annual Training Hours Allocated Per Employee by Training Category in 2017			
Training Categories	**Number of Employees**	**Total Hours**	**Average Hours Per Employee (Man/Hour)**
Total Quality Systems	1662	27,307.44	16.43
Professional Development		101,854.96	61.28
Personal Development		14,584.54	8.78
Leadership		3,025.82	1.82
TOTAL		146,772.76	88.31
Average Annual Training Hours Allocated Per Employee by Training Category in 2018			
Training Categories	**Number of Employees**	**Total Hours**	**Average Hours Per Employee (Man/Hour)**
Total Quality Systems	1746	22,608.22	12.94
Professional Development		53,064.69	30.32
Personal Development		9,601.29	5.57
Leadership		2,479.40	1.42
TOTAL		87,753.6	50.25

The training programs organized are purely for professional development and are determined in accordance with the requirements or demands of our employees' duties.

Employee Rights

It is the responsibility of Bilim Pharmaceuticals to protect the rights of our employees and to ensure that they are aware of their rights. For this reason, we protect the rights of our employees with the Employee Rights Policy.

In addition to labour practices, our Employee Rights Policy includes aspects of human rights as an organization that supports and respects the UN Universal Declaration of Human Rights. We agree with the statement of "Human rights are not a choice" and we do not allow any violations of human rights. We show high sensitivity regarding human rights, equality and fair management practices.

As a signatory of the United Nations Global Compact, we demonstrate our sensitivity on the subject of forced and compulsory labour and child labour. At Bilim Pharmaceuticals, it is not sufficient to merely reflect that these practices are not allowed in any way; we also audit our suppliers on matters involving both labour practices and human rights.

Talent Management (404-2 / 404-3)

Talent management programs allow organizations to plan for the acquisition of skills to support new employees in meeting strategic goals in a changing work environment. A more skilled and aware workforce enhances the organization's human capital and contributes to employee satisfaction, which is strongly correlated with improved performance.

We inform our employees of their career paths on their first day of employment, and the criteria they need to achieve and the expected criteria for their individual career paths. The assignment criteria for each position are prepared in advance. Our employees are aware of which criteria they need to fulfil for which position.

In the Talent Management System, specialists and managers are evaluated every year at the end of the performance evaluation process for higher positions, considering their career paths within the scope of transparent assignment criteria.

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

Our Talent Management System is based on the following;
• **Attracting talent to the organization,**
• **Finding the right talent,**
• **Discovering talent,**
• **Committing talent to the organization,**
• **Developing talent**

In the "Performance and Potential Evaluation" processes, our employees receive feedback on their strengths and areas which are open to improvement in order to reach their career goals, and develop their potential by using our learning platform in the areas where they wish to improve.

The rate of employees participating in our performance processes stood at 81% in 2017, while 16% of the employees were not included in the performance processes due to their date of entry into the company, with 3% of employees not included in the performance processes for reasons such as maternity leave or having a health report for long-term absence.

The rate of employees participating in our performance processes stood at 85% in 2018. The rate of employees, who were not included in the performance processes due to their entry of date stood at 8.6%. Those, who were not included in the performance processes due to maternity leave, having a health report for long-term absence etc. stood at 6%.

We have been measuring the number of employees to receive support for postgraduate studies since 2014 as a performance indicator of the number of employees whose careers have been developed through a master's degree, doctorate, job enrichment or horizontal career movement.

In order to enhance the personal and professional development of employees, online training which is designed under gamification logic and contains animation elements is offered to employees by the Human Resources department with a minimum of one selection and a maximum of three selections. Selected trainings are assigned to employees throughout the year under the name of catalogue training.

Number of Employees who Benefited from Career Development in 2017-2018		
	2017	**2018**
Horizontal Career Movement	13	8
Number of Employees Supported by Master's Degree and Doctorate	1	2
Promotion	105	182
Number of Employees Supported in the Stars Team	30	32
Total	149	224

Diversity And Equal Opportunity at Bilim (405-1)

Employee diversity provides a dynamic and productive structure for any organization. We care about the diversity of our employees and, aware that diversity is the cornerstone of our success, we do not compromise on equality of opportunity to preserve diversity.

Number of Employees by Age				
		Women	**Men**	**Total**
2017	Under 30	160	13	**576**
	30-40	150	1	**748**
	40-50	39	105	**297**
	Over 50	4	30	**40**
	Total	**572**	**1089**	**1661**

		Women	Men	Total
2018	Under 30	165	366	**531**
	30-40	163	659	**822**
	40-50	51	300	**351**
	Over 50	3	37	**40**
	Total	**382**	**1362**	**1744**

Gender Distribution of Disabled Employees

	Women	Men	Total
2017	6	22	**28**
2018	6	22	**28**

Employment Data Showing Seniority

	Seniority Group	Women	Men	Total
2017	0-2 Years	158	539	697
	3-5 Years	70	205	275
	6-10 Years	74	283	357
	11-15 Years	27	151	178
	Over 16 Years	24	130	154
	Total	**353**	**1308**	**1661**

Employment Data Showing Seniority				
	Seniority Group	**Women**	**Men**	**Total**
2018	0-2 Years	189	548	**757**
	3-5 Years	57	228	**285**
	6-10 Years	68	240	**308**
	11-15 Years	44	210	**254**
	Over 16 Years	24	136	**160**
	Total	**382**	**1362**	**1744**

Looking at the age distribution of employees, the highest number of employees are in 30-50 age group, indicating that Bilim Pharmaceuticals has both a young and experienced workforce. In terms of seniority, the concentration of employees in the 0-2 year seniority group stands as testament to the contribution Bilim Pharmaceuticals provides to employment. The energy of the new employees who join our family ensures that Bilim remains vibrant and vigorous.

In terms of the age and gender distribution at the management level, as set out in the table below, it is clear that employees from all age groups are given opportunities for managerial positions. Likewise, a balance between men and women is ensured in managerial positions. However, some physical challenges involved with taking on an active role in the field lead to a higher number of men among field workers. This numerical difference is due to the lower preference among women for field duties. In determining the necessary competencies for all duties in the work processes, Bilim Pharmaceuticals does not decide on the basis of personal characteristics such as gender, age, religion, language, race, sexual preference, which may cause discrimination – which is not accepted in our institution in any circumstances. Such personal characteristics are not included in job postings or when specifying competency criteria.

Gender Distribution at Management Level							
Years	**Location**	**Gender**	**General Manager**	**Director**	**Manager**	**Administrator**	**Grand Total**
2017	Headquarters	Men	1	5	12	15	33
		Women			4	15	**19**
		Total	1	5	16	30	**52**
	Çerkezköy	Men			2	3	**5**
		Women			1	2	**3**
		Total			3	5	**8**
	Gebze	Men	1	1	3	12	**17**
		Women		1	3	7	**11**
		Total	1	2	6	19	**28**
	Field	Men			96		**96**
		Women			2		**2**
		Total			98		**98**
	Grand Total		**2**	**7**	**123**	**54**	**186**
2018	Headquarters	Men	1	5	11	14	**31**
		Women		1	4	17	**22**
		Total	1	6	15	31	**53**
	Çerkezköy	Men			3	2	**5**
		Women			2	2	**4**
		Total			5	4	**9**
	Gebze	Men	1	1	4	14	**20**
		Women		1	3	7	**10**
		Total	1	2	7	20	**30**
	Field	Men			100		**100**
		Women			3		**3**
		Total			9103		**103**
	Grand Total		**2**	**8**	**130**	**55**	**195**

Age Distribution at Management Level							
Years	**Location**	**Age Group**	**General Manager**	**Director**	**Manager**	**Administrator**	**Grand Total**
2017	Headquarters	Under 30				3	**3**
		30-50	1	4	13	25	**43**
		Over 50		1	3	2	**6**
		Total	1	5	16	30	**52**
	Çerkezköy	Under 30					
		30-50			1	4	**5**
		Over 50			2	1	**3**
		Total			3	5	**8**
	Gebze	Under 30					
		30-50			6	19	**25**
		Over 50	1	2			**3**
		Total	1	2	6	19	**28**
	Field	Under 30					
		30-50			94		**94**
		Over 50			4		**4**
		Total			6		**98**
	Field	Under 30				3	**3**
		30-50	1	4	114	48	**167**
		Over 50	1	3	9	3	**16**
		Total	2	7	123	54	**186**

Age Distribution at Management Level							
Years	**Location**	**Age Group**	**General Manager**	**Director**	**Manager**	**Administrator**	**Grand Total**
2018	Headquarters	Under 30				3	**3**
		30-50		5	13	27	**45**
		Over 50	1	1	3	1	**6**
		Total	1	6	15	31	**53**
	Çerkezköy	Under 30					
		30-50			3	3	**6**
		Over 50			2	1	**3**
		Total			5	4	**9**
	Gebze	Under 30					
		30-50	1	1	6	20	**28**
		Over 50		1	1		**2**
		Total	1	2	7	20	**30**
	Field	Under 30					
		30-50			97		**97**
		Over 50			6		**6**
		Total			103		**103**
	Field	Under 30				3	
		30-50	1	6	119	50	**176**
		Over 50	1	2	11	2	**16**
		Total	2	8	130	55	**195**

OCCUPATIONAL **HEALTH AND SAFETY**

CORPORATE **RESPONSIBILITY** REPORT

2017-2018

bilim İLAÇ

OCCUPATIONAL HEALTH AND SAFETY

(403-1/403-2) The Occupational Health and Safety (OHS) Management System is structured on the basis of Bilim Pharmaceuticals OHS Policy and risk analysis. Risk analysis studies are evaluated every year throughout the organization and revised where needed. Revisions are repeated at least once every 4 years in accordance with the Risk Assessment Regulation. In the risk analysis, risks arising from our activities, the probability of their occurrence and their severity are evaluated and the risks are determined. An action plan is created for unacceptable risks based on the severity degree of the risks. Targets for reducing these risks to acceptable levels are integrated into the annual OHS targets. Activity plans are included in the OHS management program. The management program is reviewed at specified periods.

In addition to the structure specified in the occupational health and safety legislation, the Occupational Health and Safety Board consists of department representatives at the administrator, specialist, blue collar and manager level specified in the OHS Board Format. The Board meets once every 2 months and evaluates and reviews with the following agenda;

- Risk analysis results, the OHS targets and the OHS management program
- Internal and external audit findings, corrective and preventive actions and improvement plans
- Findings brought and recommendations made by the employee representative and other board members
- Notifications of occupational accidents, accident risk, near miss incidents and occupational illnesses
- OHS Training activities
- Preparedness for natural disasters and emergencies
- Evaluation and review of progress in improvement activities identified by the Current Situation Analysis
- Evaluation and review of changes in legislation (when necessary)
- Evaluation of Performance Indicators related to the OHS (monthly)
- Evaluation and review of innovative and creative ideas, benchmarking and learning information (when necessary)
- Evaluation and review of the Occupational Health and Safety Policy (in the last quarter of each year)

All employees are regularly checked and tested within the scope of the “Workplace Health Surveillance Procedure”. There are no employees at Bilim Pharmaceuticals facing the threat of ‘a highly contagious disease’ as a result of their professional activities.

OHS Guides (403-2/403-3/403-4)

A jointly represented health and safety board contributes to a positive health and safety culture. By making use of boards, we seek to ensure that employees participate in promoting the improvement of occupational health and safety at work. Our guides consist of managers and specialists determined by the department directorates.

The OHS board meets once a month or more frequently when necessary, with an agenda to conduct risk analyses within the scope of IMS (Integrated Management System), to review the OHS Standard Operating Procedure (SOP) and instructions in line with the experience gained from the practices, to ensure compliance with safe working rules in the departments which they represent, to evaluate the OHS notifications, to participate in internal audit activities, to plan and execute actions for areas found to be open to improvement, and to plan and carry out activities. The total workforce represented in the official, joint management-employee health and safety boards which help monitor and advise on the Occupational Health and Safety Programs is set out in the table below.

Number of OHS Board Members

		Number of Employees	Number of OHS Board Members	Ratio to Total Number of Employees
2017	Head Quarters	157	9	6%
	Gebze Production Plant	444	20	5%
	Çerkezköy Production Plant	158	13	8%
2018	Headquarters	165	9	6%
	Gebze Production Plant	473	27	6%
	Çerkezköy Production Plant	169	12	6%

Number of OHS –E Guides				
		Number of Employees	Number of OHS Board Members	Ratio to Total Number of Employees
2017	Head Quarters	157	7	5%
	Gebze Production Plant	444	18	4%
	Çerkezköy Production Plant	158	10	6%
2018	Headquarters	165	7	4%
	Gebze Production Plant	473	18	4%
	Çerkezköy Production Plant	169	13	6%

We conduct our in-house occupational health services by paying due regard to the privacy of our employees within the framework of respecting the privacy of the personal data of all of our employees. The confidentiality of our employees' personal health information is stored in locked cabinets by our workplace physician which cannot be accessed by others.

Our workplace doctor works within the scope of Personal Data Protection Law (PDPL). We thus ensure that the personal health information of our employees and their participation in any occupational health services is not used for or against our employees.

Occupational Health and Safety in Our Production Facilities (403-3/403-6)

Both of our production facilities are subject to the OHSAS 18001 Occupational Health and Safety Management System and applications. They include a workplace physician, rest room, psychological counselling services and nursing room facilities which are equipped to deal with any health problems our employees may experience.

As an organization serving in the health sector, in order to encourage our employees to adopt a healthy lifestyle, our two production facilities include indoor sports halls, volleyball and basketball courts and open-air walking tracks where various activities can be carried out.

Occupational Health and Safety Training

OHS training is one of our OHS performance indicators. In order to increase the effectiveness of our practices, at least 12 hours of OHS training is provided per person every year based on the regulations regarding the occupational safety training of employees published by the Ministry of Labour and Social Security.

This training includes important training programs covering the health and safety of our employees such as safe driving techniques, ergonomics, behaviour-based safety management, personal protective equipment, emergency responses, protection against explosions, risk assessment, manual handling and lifting.

In addition to these training programs, we organize On-boarding Training to ensure that all our newly recruited employees are protected against dangers and risks. This training is provided by a knowledgeable and experienced employee in charge of the employee's department before the employee actually starts working. On-boarding training is provided in a practical manner and in a way to ensure that the employee is protected against risks and dangers during the period until the basic training is provided. At least two hours of on-boarding training is provided to each employee.

Occupational Health and Safety Practices in Supply Chain (403-7)

In addition to our efforts to ensure the health and safety of our employees, we also expect our suppliers to show the same sensitivity and for their employees to work under the same conditions. The OHSAS 18001 certification and the approaches in accordance with the provisions of the UN Global Compact on Human Rights and Working Conditions are among the criteria sought in supplier selection.

With the "Statement of Ethical Principles for My Suppliers", we clearly state that we expect our suppliers to display the same sensitivity to occupational health and safety as we do at Bilim Pharmaceuticals.

Occupational Health and Safety Practices in Supply Chain (403-7)

Work Accidents		Occupational Diseases	
All Employees			
Number of fatal work accidents	2017: 0 2018: 0	Number of deaths as a result of occupational illness	2017: 0 2018: 0
Number of work accidents resulting in serious injury	2017: 0 2018: 0	Number of work accidents resulting in serious injury	2017: 0 2018: 0
Number of recordable work-related injuries	2017: 4 2018: 14	Major types of occupational illness	No occupational illness encountered
Major types of work accidents	*Irritation *1st degree burns as a result of contact with a chemical substance *Sprains and strains *Scratches		
Number of working hours	9 hours/day		

Employees who are not employees of the organization but whose work and / or work area is under the control of the organization			
Number of fatal work accidents	2017: 0 2018: 0	Number of deaths as a result of occupational illness	2017: 0 2018: 0
Number of work accidents resulting in serious injury	2017: 0 2018: 0	Number of incidences of occupational illness	2017: 0 2018: 0
Number of recordable work-related injuries	2017: 4 2018: 14	Major types of occupational illness	No occupational illness encountered
Major types of work accidents	--		
Number of working hours	9 hours/day		

Number of Lost Days Including Recovery Time	
2017	79 days
2018	346 days

Hazards and risks related to work accidents are determined through site tours, internal audits and employee feedback within the scope of the risk assessment procedure together with the OHSAS 18001 Occupational Health and Safety System. We also strengthen our measures against work accidents with training programs. During the reporting period, there were no hazards resulting in serious injury.

Similarly, for occupational illness, within the scope of the OHSAS 18001 Occupational Health and Safety Management System, workplace risk assessment processes identify practices which could cause occupational illness and potential hazards. During the reporting period, no hazards were identified which could result in occupational illness.

In order to eliminate hazards regarding either work accidents or occupational illnesses and to keep risk under control, the Company has adopted the principle of eliminating hazards within the scope of the relevant legislation and OHSAS 18001. Moreover, the steps of substitution, engineering controls, administrative controls and the use of the latest personal protective equipment are applied respectively.

At Bilim Pharmaceuticals, practices related to occupational health and safety are evaluated with the basic performance indicator of the Accident Severity Rate (ASR). The Work accident severity rate covers accidents resulting in lost days and sets out how many hours are lost for every 100 working hours worked in a calendar year.

When a work accident occurs, work accident notifications, reporting and statistics are kept in accordance with the “Occupational Health, Safety and Environmental Notifications Procedure”. It is calculated by dividing the total lost working hours due to occupational accidents in the calendar year by the total working hours of the workers in the reference group in the same year, and multiplying the value by 100.

The ASR is calculated by the formula of (Lost days x 8 x 100) / Total working hours.

WASTE **MANAGEMENT**

CORPORATE
RESPONSIBILITY
REPORT

2017-2018

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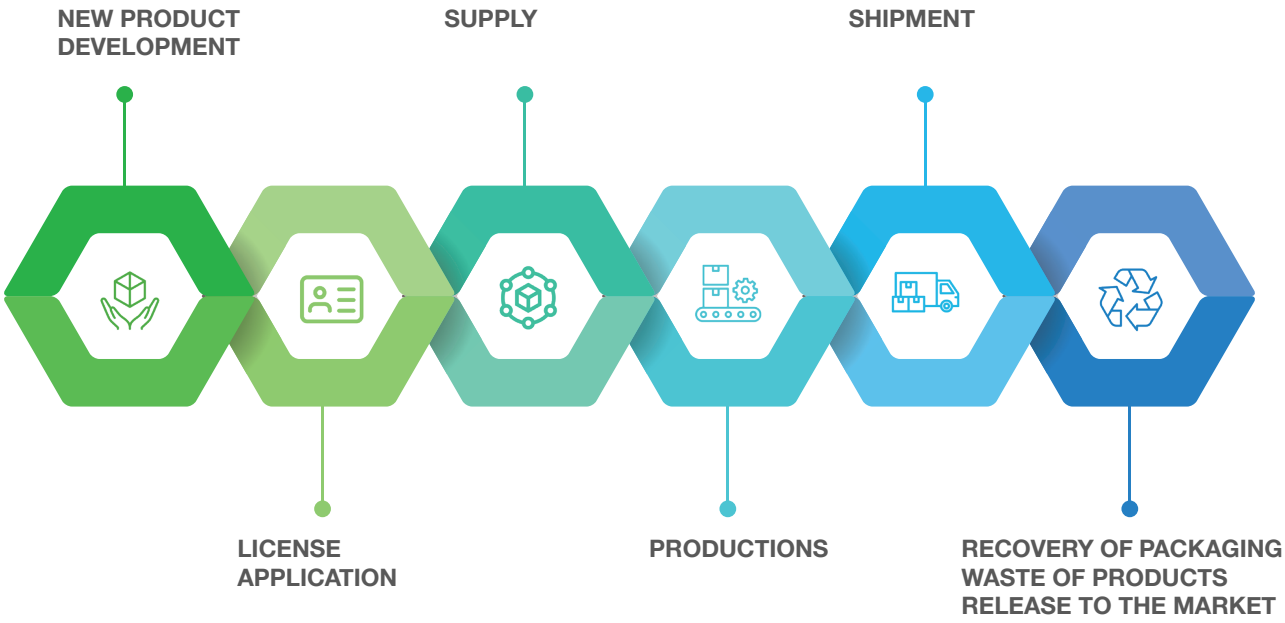
INFORMATION SECURITY & BUSINESS CONTINUITY

Our Environmental Impact Management covers impacts related to our inputs such as energy and water and outputs including emissions, waste water and waste. We carry out our activities in order to protect the environment, right from the process of developing new products and applying for a license through to the processes of procurement, production, shipment and recycling of packaging wastes of products brought to the market by addressing the environmental aspects and environmental impacts together and in a manner which will oversee the protection of natural resources.

(102-11) At Bilim Pharmaceuticals, we strive to use our resources as economically and prudently as possible. In this context, a precautionary approach is at the forefront of our work processes. According to the precautionary approach requirement defined in Principle 15 of the Rio Declaration on Environment and Development, 'in order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.'

OUR ACTIVITIES THAT ENVIRONMENTAL ASPECT IS MONITORED



(306-1/306-3)

Our work activities which generate the most significant amount of waste are;

- Dust Collection Systems Wastes,
- Trial Production Wastes,
- Shelf Sample Wastes.

Number of OHS –E Guides			
	Waste Type	**2017 Amount**	**2018 Amount**
Wastes generated after using inputs	Hazardous-Recovery-Raw material packaging (barrels-drums)	63,236 kg	68,282 kg
	Hazardous- Non-recyclable disposed-Raw material packaging (cardboard, plastics)	63,236 kg	68,282 kg
	Non-hazardous Recyclable- Raw Material Packaging Cartons	50,700 kg	106,120 kg
	Non-hazardous Recyclable- Raw Material Packaging Plastics	26,480 kg	224,610 kg
	Non-hazardous-Recovery-Wooden pallets	19,210 kg	191,465 kg
Wastes generated after using inputs	**Wastes produced by the outputs until they reach the end user**	**2017 Amount**	**2018 Amount**
	Non-hazardous Recyclable-Paper, Cartons	1,483,811 kg	3,388,905 kg
	Non-hazardous Recyclable – Plastics	63,011 kg	37,510 kg
	Hazardous- Non-recyclable – Glass	1,920,690 kg	1,546,200 kg
	Hazardous - disposed Metal (cream boxes etc)	111,904 kg	241, 602 kg
	Hazardous- Non-recyclable – Plastics	390,132 kg	1,212,400 kg
	Hazardous- Non-recyclable – Composites	188,380 kg	17,780 kg

There was a decrease in the quantities of some wastes in 2018 when compared to 2017, which was a result of changes in the incoming raw material and the means of packaging, as well as differences in the products produced.

According to the principles of the Waste Management Regulation, the waste disposal method is determined by our organization, and our waste is disposed of by companies licensed by the Ministry of Environment. The waste disposal contractor uses landfill and incineration methods for the disposal of waste.

Total Weight of Hazardous Wastes - By Disposal Methods		
	2017	**2018**
Reuse	63,236 kg	68,282 kg
Recycling	11,128 kg	15,248 kg
Waste incineration (mass incineration)	147,427 kg	180,164 kg
Total Weight of Non-Hazardous Wastes - By Disposal Methods		
Reuse	193,210 kg	191,465 kg
Recycling	503,330 kg	537,410 kg
Waste incineration (mass incineration)	50,200 kg	58,090 kg
Burial	59,310 kg	76,370 kg

(306-2) The most important element in waste management is the prevention of waste generation. As an organization aware of this responsibility, we care about keeping the environmental impact of our suppliers under control and we carry out our operations in a manner which creates keeps waste to a minimum. However, with our field of production being pharmaceuticals – a product which directly affects human health – it is only possible to achieve the use of recycled materials as an input in very limited areas. However, we exercise care to use recycled inputs wherever possible.

We expect our suppliers to demonstrate the same care in waste management as we do ourselves. The 'Statement of Ethical Principles for My Suppliers' contains articles on environmental impacts and clearly states the subject of complying with laws and regulations in this regard.

Hazardous Waste Management (306-5)

All hazardous waste generated as a result of our activities is monitored as a performance indicator of the “hazardous waste quantity per box”.

If a decision for disposal is taken for materials and products rejected by the Quality Control and Quality Assurance departments, a disposal report form is drawn up. Based on the disposal report form, the products and/or materials are transferred to the project stocks provided that they remain in the reject warehouse in the SAP system. This information is forwarded to the Cost Accounting department. At this stage, informative letters are submitted to the Ministry of Finance and the Ministry of Health. Relevant persons from the Tax Office and the Ministry of Health check the quantity and the reasons for disposal. After receiving a letter of conformity, products and materials are disposed of by the authorized organization (İzaydaş) which is a waste disposal plant, under the supervision of the Public Notary and the Ministry of Health.

2017 and 2018 Shelf Sample and Quantities of Hazardous Waste for Disposal

	2015	2016	2017	2018
Wastes generated after using inputs	0.3672 gr/box	0.8087 gr/box	0.1092 gr/box	0.2388 gr/box
Shelf Sample Hazardous Waste Quantities (g/box)	0.1682 gr/box	0.0875 gr/box	0.0696 gr/box	0.0637 gr/box
Quantities of Hazardous Waste for Disposal (g/box)	0.1990 gr/box	0.7212 gr/box	0.0396 gr/box	0.1751 gr/box

Since the nature of the pharmaceuticals for which a disposal decision has been taken and which are removed from the shelf sample varies by year, the quantity of hazardous waste per shelf sample and quantity of hazardous waste for disposal will also vary by year.

In contrast, if a material can be recycled, it is referred to recycling companies, in which case the Ministry of Health would not normally be notified. There is no environmental pollution resulting from our activities.

The hazardous waste quantities per box and the 2019 targets are set out in the tables below.

The 2015-2018 Hazardous Waste Amount per Box									
	2015		2016		2017		2018		2019
Performance Indicators	**T***	**A****	**T***	**A****	**T***	**A****	**T***	**A****	**T**
Quantity of Process-Driven Hazardous Waste (g/box)	0.902	1.021	1.050	0.755	1.000	0.850	1.000	1.135	1.500
Gebze	1.500	1.776	1.500	1.344	1.500	1.460	1.430	1.966	1.998
Çerkezköy	1.500	1.776	1.500	1.344	1.500	1.460	1.430	1.966	1.998
Headquarters and Regions	0.010	0.008	0.010	0.000	0,010	0,000	0,010	0,016	0,010

***T-Target** ****A-Actual**

Waste Types and Disposal Methods (306-1 /306-5)

We carry out the disposal of products, materials and semi-finished products as waste, for which a decision for disposal has been taken for reasons such as the products reaching their expiry date or their failure to meet the quality specifications within the scope of the "Rejection and Disposal Procedure". The table below sets out information on the definition of waste and the disposal method.

No	Waste Definition /Content	Waste Name	Disposal Method
1	Blisters which contain residues of hazardous substances or are smeared with hazardous substances, paper, cardboard, plastic packaging wastes, laboratory waste (HPLC and GC column waste, TLC plate, capillary tubes, etc.), ink rollers and boxes, injector needles (used in laboratories), or contaminated wooden, glass or plastic paint cans	Contaminated waste Contaminated glass waste	In accordance with the Regulation on Waste Management, such waste is transported by the vehicles licensed by the Ministry of Environment and is incinerated in companies licensed by the Ministry of Environment, or sent to the incineration plant.
	Tin plate, plastic raw material barrels and the IBC (intermediate bulk container) tanks containing residues of hazardous substances or which have been smeared with hazardous substances.	Contaminated tin plate packages	
		Contaminated plastic packages	

2	Filter materials contaminated with hazardous substances, oil filters	Filter waste	In accordance with the Regulation on Waste Management, such waste is transported by vehicles licensed by the Ministry of the Environment and is incinerated in companies licensed by the Ministry of the Environment.
3	Vacuum- raw material powder wastes, tablet-capsule wastes	Powder wastes, tablet-capsule wastes	
	Semi-finished products/ Products (Finished products)	Powder wastes, tablet-capsule wastes	
	Raw materials to be disposed of (raw material liquid-powder wastes released during production and separated for disposal), finished products to be disposed of (finished products that expired, products recalled from the market to be disposed of due to quality defects)	Raw materials to be disposed of	
		(Liquid-Powder-Pomade etc.) Products to be disposed of (Finished products)	
	Oil cleaning solvents	Oil cleaning solvent waste	
	Coating solutions	Coating solutions	
4	Laboratory chemical wastes (acid, alkaline)	Waste acid Waste alkaline Other chemical wastes	In accordance with the Regulation Waste Management, such waste is transported by vehicles licensed by the Ministry of Environment and is incinerated at the companies licensed by the Ministry of Environment.
5	Softening resin	Waste resin	In accordance with the Regulation on Waste Management, such waste is transported by the vehicles licensed by the Ministry of Environment and is incinerated at the companies licensed by the Ministry of Environment.

6	Waste print toners and printer cartridges containing hazardous substances, wastes with ink (Pens, ink boxes, highlighter-glass pens, board markers, etc.)	Waste toner Waste cartridges	In accordance with the Regulation on Waste Management, such waste is transported by the vehicles licensed by the Ministry of Environment and is incinerated at the companies licensed by the Ministry of Environment.
7	Batteries and accumulators	Waste batteries	In accordance with the Regulation on Waste Management, such waste is transported by the vehicles licensed by the Ministry of Environment and is incinerated at the companies licensed by the Ministry of Environment.
	Wireless and phone batteries	Waste accumulators	
8	Waste Oil	Waste Oil	In accordance with the Regulation on Control of Waste Oils, such waste is transported by the vehicles licensed by the Ministry of Environment, and is recovered at companies licensed by the Ministry of Environment.
9	Waste Oil	Waste tires	Such waste is recycled at the companies licensed by the Ministry of Environment in accordance with the Regulation on the Control of Expired Tires.
10	Electric and electronic waste (IT and telecommunication waste, monitoring and control equipment and devices, vending machines, lighting equipment and tools, large white goods, small electrical home appliances, consumer appliances, etc.)	Electric and electronic waste	In accordance with the Regulation on Waste Management, such waste is transported by vehicles licensed by the Ministry of Environment and is recycled at the companies licensed by the Ministry of the Environment.
11	Fluorescent lamps and other waste containing mercury	Fluorescent waste, waste containing mercury	In accordance with the Regulation on Waste Management, such waste is transported by vehicles licensed by the Ministry of Environment and is recycled at the companies licensed by the Ministry of the Environment.

12	Injectors, blood, body fluids and wastes contaminated with drugs generated at the workplace doctor office	Medical waste	In accordance with the Regulation on the Control of Medical Waste, such waste is transported by licensed medical waste transportation vehicles and is disposed of at incineration plants licensed by the Ministry of the Environment.
13	Wastes generated at the garden and cafeteria, and washbasins and toilets	Waste batteries	In accordance with the Regulation on Waste Management, such waste is transported by the vehicles licensed by the Ministry of the Environment and is stored in landfill licensed by the Ministry of the Environment.
14	Glass - paper - cardboard - metal - wood wastes, clean PVC, aluminium foil	Recycling wastes	In accordance with the Regulation on the Control of Packaging Wastes, such waste is recycled at companies licensed by the Ministry of the Environment.
15	Clean blister, the backside of adhesive label, clean bonnet, overshoes	Industrial wastes	In accordance with the Regulation on Waste Management, such waste is disposed of at incineration facilities licensed by the Ministry of the Environment.

Recycled and Collected Wastes (306-4)

We have been cooperating with ÇEVKO since 2005, which is the authorized organization in recycling activities, in order to collect the packaging wastes we put on the market over a certain quota within the scope of the Regulation on Control of Packaging Waste.

Recovery Obligation		
	2017	**2018**
Polyethylene (PE)/Polyamide (PA)	22,879 kg	18,301 kg
Polypropylene (PP)	11,148 kg	1,955 kg
Paper Cardboard	801,296 kg	1,830,009 kg

According to the type of packaging material of pharmaceuticals produced, the recycled packaging materials differ from year to year.

Amount of Waste Recovered				
	2015	**2016**	**2017**	**2018**
Recycled Packaging Waste / Plastic	70,860 kg	60,640 kg	63,260 kg	66,030 kg
Recycled Packaging Waste / Paper – Cardboard	372,953 kg	210,610 kg	346,780 kg	393,280 kg
Recycled Packaging Waste / Glass	15,570 kg	9,680 kg	193,210 kg	13,460 kg
Recycled Packaging Waste / Scrap Pallet	182,655 kg	189,745 kg	193,210 kg	191,465 kg

Recycling wastes and packaging wastes originating from our production facilities are more effectively separated from each other every year.

Waste management is an element that we focus on sensitively as a requirement of our industry. We classify our wastes and monitor them continuously for effective waste management. We carry out our waste management processes by adhering to the relevant environmental regulations. In 2017 and 2018, there was no non-compliance arising from the activities of our production facilities, and no situation, which required to be penalized, occurred as a result. There were no environmental accidents/chemical spills or leaks.

ANNEX: TABLES

Recalled Products in 2017				
Product name	**Product lot no**	**Reason for Recall**	**Recalled Quantity**	**Response Letter no/date**
MONUROL SACHET	348838	It is an imported product. The product was voluntarily recalled after the manufacturer company Zambon S.p.A reported that contamination originating from raw materials.	348838	MM.1012 / 20.03.2017
MONUROL SACHET	348839		348839	
MONUROL SACHET	348840		348840	
ANTEPSİN SUSPENSION	16004049A	Suspicion of possible contamination due to the operator's error	118	MM.1056 / 08.09.2017
EKSOFED SYRUP	17130006A		25591	
AFERİN PED SYRUP	17091012A		38226	

Recalled Products in 2018				
Product name	**Product lot no**	**Reason for Recall**	**Recalled Quantity**	**Response Letter no/date**
ZESPIRA 4MG SACHET	17509009A	Two yellow particles in white powder	1264	MM.1117 / 13.06.2018
	17584001		8280	
	17584002		21625	
	17584003		13665	
	17584004		3945	
	17584005		14242	
	17584007		5200	
	17584008		10687	
	17584009		142254	
	17584010		20833	
	17584011		29544	

ENFEXIA 750MG IM INJ	17584012	The appearance specification on the secondary packaging is not compatible with the current specification in the Ministry.	22235	MM.1135 / 05.07.2018
	17584013		7763	
	17584015		7410	
	17584016C		24660	
	16584001A		2661	
	16584002		1573	
	16584003		753	
	16584004		2838	
	16584005		2507	
	16584006		1432	
	16584007		1930	
	16584008		1648	
	16584009		1948	
	16584010		5625	
	16584011		6313	
	16584012		740	
	16584013B		4741	
	16584014		7110	
	16584015		490	
	16584016		9500	
	16584017		6589	
	16584018		2910	
	16584019B		11475	
	16584020		7393	
	16584021		7467	
	16584022		13001	
	16584023		10722	
	16584024C		9673	
	16584025		3880	
	16584026		8528	
	16584027		12196	
	16584028		23249	
	16584029		9747	

	5584030		341	
	5584032		634	
	5584033		683	
	5584034		622	
	5584035		321	
	5584036		346	
	5584037		477	
	5584038		543	
	5584039		435	
	5584040		684	
	5584041		664	
	5584042		79	
	5584043		375	
	5584044		815	
	5584045		635	
	5584046		969	
	5584047		228	
	5584048		929	
	5584049		287	
	5584050		44	
	5584051		508	
	5584052B		361	
	5584053		543	
	5584054		740	
	5584055		272	
	5584056		696	
Siprazon 500 mg/ 500 mg Film Coated Tablet	17644002A	Suspension of licences of the licensed medical products for human use in the combination of Ciprofloxacin + Ornidazole	14811	MM.1147 / 16.08.2018

THE GRI CONTENT INDEX (102-55)

For the Materiality Disclosure Service, GRI Services reported that the GRI content index was clearly presented and the references for Disclosures 102-40 to 102-49 aligned with appropriate sections in the body of the report.

This report was prepared in accordance with the GRI Standards: Core option		
GRI 101: Foundation 2016		
GRI 102: GENERAL DISCLOSURES 2016		**PAGE/EXPLANATION**
CORPORATE PROFILE		
102-1	Name of the organization	10
102-2	Activities, brands, products, and services	11
102-3	Location of headquarters	81
102-4	Location of operations	12
102-5	Ownership and legal form	15
102-6	Markets served	12.14
102-7	Scale of the organisation	8
102-8	Information on employees and other workers	18
102-9	Supply chain	19
102-10	Significant changes to the organization and its supply chain	There were no significant changes in the size, structure, ownership or supply chains of the organization during the reporting period.
102-11	Precautionary Principle or approach	67
102-12	External initiatives	24
102-13	Membership of associations	24
STRATEGY		
102-14	Statement from the senior decision-maker	6.7
ETHICS and INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	45

GOVERNANCE		
102-18	Governance structure	15
STAKEHOLDER ENGAGEMENT		81
102-40	List of stakeholder groups that are provided to participate	27
102-41	Collective bargaining agreements	Syndication and collective bargaining are constitutional rights and we respect and do not restrict these rights of our employees within the framework of Bilim Pharmaceuticals Employee Rights. Our company does not have a trade union membership or activity. There are no employees who enter into a collective bargaining agreement at Bilim Pharmaceuticals.
102-42	Identifying and selecting stakeholders	27
102-43	Approach to stakeholder engagement	27.29
102-44	Key topics and concerns raised	32.36
REPORTING		
102-45	Entities included in the consolidated financial statements	32
102-46	Defining report content and topic Boundaries	29.32
102-47	List of material topics	32
102-48	Restatement of information	There is no significant change in the statement of the information in the 2017-2018 Corporate Responsibility Report.
102-49	Changes in reporting	There is no significant change compared to the previous reporting period in the scope of the material topics and the limits of the topics of the 2017-2018 Corporate Responsibility Report.
102-50	Reporting period	5
102-51	Date of most recent report	5
102-52	Reporting cycle	5
102-53	Contact point for questions regarding the report	5

102-54	Claims of reporting in accordance with the GRI Standards	5
102-55	GRI content index	77
102-56	External assurance	The Bilim Pharmaceuticals 2017-2018 Corporate Responsibility Report contains data which was audited by independent institutions. Bilim Pharmaceuticals is regularly audited in the fields of Environmental Management, Quality Systems and Occupational Health and Safety. The financial data included in the report was also audited and approved by independent audit companies. There is no personal relationship between the decision makers, including the senior management of Bilim Pharmaceuticals, with any of the aforementioned independent auditing institutions.

MATERIAL TOPICS		
GRI STANDARD	**INDICATOR**	**PAGE**
GROWTH STRATEGY		**PAGE/EXPLANATION**
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GRI 103: Management Approach2016	103-1	36, 37
	103-2	36-43
	103-3	
GRI 201: Economic Performance 2016	201-4	37
GRI 202: Market Presence 2016	202-1	39
	202-2	39
GRI 203: Indirect Economic Impacts 2016	203-1	40
	203-2	40, 41
GRI 204: Procurement Practices 2016	204-1	39, 40
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