The following pages contain the detailed scoring for your company based on public information.

The following table represents a summary of your scores:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of questions</th>
<th>% score based on public information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership, Governance and Organisation</td>
<td>10</td>
<td>30%</td>
</tr>
<tr>
<td>Risk Management</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>Company Policy and Codes</td>
<td>12</td>
<td>54.2%</td>
</tr>
<tr>
<td>Training</td>
<td>5</td>
<td>0%</td>
</tr>
<tr>
<td>Personnel and Helplines</td>
<td>7</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
<td><strong>34.6%</strong></td>
</tr>
</tbody>
</table>

TI has found no evidence that the company is involved in offsets and has therefore removed the two relevant questions (A13a and A13b).

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1 TI notes that Otokar is a group member of Koç Holding. Koç Holding’s Code of Ethics and Business Conduct is understood to be binding for Otokar.

OTOKAR 18/11/14
WWW.OTOKAR.COM.TR
WWW.OTOKAR.COM
A1:

Does the company publish a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company publishes a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company. Statements from the company’s Chairman and the Koç Group’s Chairman are insufficiently focused on the company’s ethics and anti-corruption agenda. Furthermore, the preface to the Code of Conduct appears to have been published in 2010.

References:

Public:

TI notes:

2013 Sustainability Report, pp.2-3:

‘Chairman’s Message’

‘As a company of the Koç Group, which has itself been the author of many firsts in the area of sustainability in Turkey, Otokar is strictly committed to the values and principles that the group shares and seeks constantly to expand the value that it adds to society and to play an increasingly greater role in the construction of a better tomorrow.

Otokar today successfully advances towards its targets with its clearly defined economic, environmental and social policies and strategies as a responsible, honest and transparent corporate citizen.’

‘Otokar also ensures that the authorized dealers and service centers and the suppliers with which it works, all of whom number among its most important stakeholders, are aware of its goal of spearheading positive change, its attitudes towards sustainability, and its business practices.’

‘During this period, we are determined to support and actively participate in the activities of initiatives like the United Nations Global Compact, which we believe will facilitate the building of a better future by overcoming global challenges that cannot be settled through the efforts of any individual or corporation alone.’
Koç Group Code of Ethics and Business Conduct (2010), p.2:

‘Our company, in its parallel development to the history of the Republic, has always placed great importance on ethical values, doing business transparently and fairly, complying with the laws, valuing projects of social responsibility and respecting universal human rights, and as such, has assumed a leadership role at all times, becoming a corporation that is admired and considered as a role model by many other enterprises.

In this context, our motto, formulated under the leadership of our founder, the esteemed late Vehbi Koç, is a guiding light for all of us: “To act fairly in all our relations with the perspective of ensuring mutual benefit, to act with good will and understanding in accordance with the laws and ethical principles, and to do this always and at all times.

In order to ensure that our ethical values are adopted by all our employees at the same degree of effectiveness and transferred to future generations, these principles have been incorporated into written form in our “Code of Ethics and Business Conduct and its Implementation Principles.

All Koç Holding Business Department Presidents and Directors are responsible for making sure that the code of ethics is adopted at all business levels and that all employees submit a written declaration that they are committed to acting in compliance with the Code.

The Koç Holding Board of Ethics was formed to facilitate a better evaluation of cases of noncompliance with the Code of Ethics and to put into force the required disciplinary measures. The Board conducts its assessments of infractions of the rules and reports of irregularities in accordance with the Koç Group Procedure numbered 271, dated June 2004.

All information on potential conflicts of interest or reports of irregularities are required under every circumstance to be conveyed to one of the Members of the Board of Ethics, who will bring the matter to the agenda of the first subsequent meeting to ensure that a decision is made with respect to the issue. The Board of Ethics must inform the Audit Group of every matter that is evaluated and decided upon, and must notify the Human Resources Director of every kind of disciplinary action taken.

Turgay Durak
CEO’.

Koç Group Corporate Social Responsibility Report 2013, p.2:

‘Today we are living in the age of worldwide transformation in all spheres, from environment to business and social life. In this period of transformation, the spirit of our times testifies to the实质性 of pursuing responsible and sustainable business models also indicated by our corporate values that we have emphasized since our establishment. In
consideration of this requirement, Koç Holding and our Group companies are focusing on the active management of sustainability risks and on ensuring sustainable growth through long termed strategies. By virtue of this standpoint, our success is increasing every passing day and Koç Group solidifies its position before our international stakeholders as one of the most credible investment options in Turkey. Last year, when the international credit rating agencies S&P and Moody’s determined the credit rating of Koç Holding as “investable”, we became the first Turkish company ever to be rated at this level. Such achievements encourage us about the accuracy and consistency of our principles and objectives.’

‘Mustafa V. Koç, Koç Holding A.Ş. Chairman’.

A2:

Does the company’s Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company’s Chief Executive Officer or Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company.

References:

Public:
NA
A3:
Does the company’s Chief Executive Officer demonstrate a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company’s Chief Executive Officer demonstrates a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure.

References:
Public:
NA
A4:
Does the company publish a statement of values or principles representing high standards of business conduct, including honesty, trust, transparency, openness, integrity and accountability?

Score:

2

Comments:
Based on public information, there is evidence that the company publishes a statement of values representing high standards of business conduct, including honesty and integrity. The company explains what it means by these values and shows how they are translated into company policies, while referencing transparency and accountability.

References:
Public:
2013 Sustainability Report, p.2:
‘As a company of the Koç Group, which has itself been the author of many firsts in the area of sustainability in Turkey, Otokar is strictly committed to the values and principles that the group shares and seeks constantly to expand the value that it adds to society and to play an increasingly greater role in the construction of a better tomorrow.’
‘Otokar focuses on fostering a sustainable workplace environment whose inherent qualities are honesty, mutual trust, and individual participation.’

(p.5): ‘Objectives and Values
Otokar is strictly bound to Koç Group objectives and values;
Our customers are the focus of everything we do.
Our top priority is to create value for our customers; to respond promptly to their expectations with quality. It is our duty to take responsibility for our products for the long term.
To be “the best” is our ultimate goal.
To be the best in quality, service, supplier, and dealer relationships; to offer the best investment opportunity for our shareholders; and to sustain this reputation are our primary goals. To achieve these goals we are committed to managing our businesses to be the
leader in the market.

Our most important asset is our people. The quality of our products and services is based on the quality of our people. For the continuity of Koç Group, we follow a policy of recruiting the best people, and providing opportunities for development and advancement. To fully utilize the talents, strength, and creativity of our people, we create a work environment which nourishes increased productivity, cooperation, and solidarity.

Creation of wealth for continuous development is our key objective.

Creating value for our shareholders is a guiding principle to assure continuity of service, investments in the future and to encourage and leverage small and large savings; and allocating resources from our operations to create value and to ensure efficient utilization of all resources with a view to support the economic and social development of our people and our society are our key objectives.

Honesty, integrity, and superior business ethics are the foundations of our business conduct.

We conduct our business based on good intentions, mutual benefit, and fair treatment in all our relationships. We are committed to conforming at all times to the highest ethical and legal standards. We are a leader in serving our society and safeguarding the interests of future generations. Protection of the environment and promotion of a higher level of environmental awareness are our duty to both our country and our planet.

We aspire to strengthen the Turkish economy from which we derive our own strength.

I would like to express a guiding principle of our Group with these words: “This is my code: I live and prosper with my country. As long as democracy exists and thrives, so do we. We shall do our utmost to strengthen our economy. As our economy prospers, so will democracy and our standing in the world.”

Vehbi Koç.’

(p.16): ‘Its corporate governance model, which has been shaped in line with the principles of integrity, respect, ethical behavior and compliance with the law and regulations, forms the basis of Otokar’s management organization. Demonstrating a transparent, fair, responsible and accountable management approach and fully complying with the regulations for the creation of policies, processes and the management structure are the principles that Otokar abides by at all times.’

(p.18): ‘With regard to its marketing and brand communication, advertising and promotion activities, Otokar pursues follow-up motives based on the concepts of Leadership, Optimism, Solidarity and Value Creation, which are the four integral values of the Koç brand. For these efforts, the Company has duly adopted the principles of acting in an ethical, honest, socially responsible and decent manner, avoiding any misleading disclosures.’

‘Otokar’s ethical principles, which are classified under the headings, Honesty, Respect for the Law, Working Environment and Employees, Acquisition, Use and Protection of the Information, and Environment may be viewed from the Company’s website. The ethical
values, that are available to all of the Company’s stakeholders, are the most important resource used by Otokar in tackling bribery and corruption. Newly hired employees are also informed of these values and rules, which are also set forth in the personnel regulation’.

2013 Annual Report, p.49:

‘1. Statement of Compliance with the Principles of Corporate Governance

The said principles, which bring about the quality of corporate governance, have been adopted by our Company, and most of them are still implemented. The Company adheres to Corporate Governance Principles in issuing public disclosures, ensuring transparency, and carrying out the necessary work with respect to all decisions and transactions concerning the shareholders, stakeholders and the Board of Directors.’


Company website: Ethical Code

‘Otokar has pledged to adopt attitudes and behaviors conforming to the Ethical Principles of Otokar detailed below toward the persons and entities with whom it has business relations at home and abroad, the community surrounding it, its customers, suppliers and partners, to abide by the criteria set out in the Global Compact of Koç Holding, and to widespread all these principles and exert effort for their adoption mainly in its sector in its business activities and relations.

Honesty

- Otokar exerts effort to attain the product standards expected by its customers. It refrains from causing loss or damage to others intentionally through its activities, products and services.
- Otokar abides by the promises and agreements it has made regarding the products it supplied to its customers.
- Otokar refrains from unauthorized use of any patent, copyright, trade secrets, trademarks, software programs or other intellectual and industrial property rights directly or through other companies.
- Otokar does not enter into any agreement with its competitors or other persons or entities which restrict the freedom of trade, such as price setting agreements.
- Otokar has adopted the principle of "struggling against all non-ethical acts, including threat and bribery" set out in the Global Compact.
- Otokar refrains from deceiving behavior by giving misleading information about its and others' commercial and financial situations.
- Otokar refrains from using belittling, mocking and offending statements about other persons, entities and products.
- It is important for Otokar that its business partners refrain from acts that blemish the image and respectability of Otokar and give importance to the proven business values of Otokar.
- The principles adopted regarding carrying out of the relations with public or private...
persons and entities who are doing or intend to do business with Otokar or regarding handling of any potential conflict of interest are as follows:

- No gift or favor may be demanded.

Respect for the Law

- Otokar acts in comply with the rules of law in all its activities.
- Otokar checks and makes the necessary tracking that the ongoing services purchased from other entities are rendered in comply with the law.
- Otokar targets to fulfill its tax obligations and other legal obligations in full on a timely manner and to be an example to the community in this regard.
- Otokar refrains from any illegal or criminal activity. It does not resort to any means and methods in the conduct of its business which are not in comply with the ethical and moral values of the business world and the society.
- Otokar never makes donations in any form to political parties, politicians or political candidates.
- Except for the persons named in the circular of authorized signatories, no employee may act or communicate so as to represent the company to third persons, unless he or she has been specifically authorized by his or her superior.


Koç Group Code of Ethics and Business Conduct, p.1:

‘Our motto is to always act fairly in all our relations with the perspective of ensuring mutual benefit, to act with good faith and understanding in accordance with the laws and ethical principles.’

(p.2): ‘Our company, in its parallel development to the history of the Republic, has always placed great importance on ethical values, doing business transparently and fairly, complying with the laws, valuing projects of social responsibility and respecting universal human rights, and as such, has assumed a leadership role at all times, becoming a corporation that is admired and considered as a role model by many other enterprises.

In this context, our motto, formulated under the leadership of our founder, the esteemed late Vehbi Koç, is a guiding light for all of us: “To act fairly in all our relations with the perspective of ensuring mutual benefit, to act with good will and understanding in accordance with the laws and ethical principles, and to do this always and at all times.

In order to ensure that our ethical values are adopted by all our employees at the same degree of effectiveness and transferred to future generations, these principles have been incorporated into written form in our “Code of Ethics and Business Conduct and its Implementation Principles.”

All Koç Holding Business Department Presidents and Directors are responsible for making sure that the code of ethics is adopted at all business levels and that all employees submit a written declaration that they are committed to acting in compliance
(p.4): ‘Our motto is to abide by and embrace the following principles of the founder of the Koç Group, Vehbi Koç:

- Our customers are our benefactors,
- Our ultimate goal is always to be the best,
- Our most important asset is our people,
- Our aim is to continuously create resources for sustainable development,
- Our objective is to strengthen the Turkish economy, from which we derive our own strength,
- We commit ourselves to acting and working with impeccable ethics and integrity’.

(p.5): ‘To create and sustain a work environment in which transparency and mutual respect are encouraged and where cooperation and solidarity are the most important elements’.

(p.8): ‘It is the primary responsibility of all Koç Group employees to make sure that the “Koç” name is made synonymous with professionalism, integrity and trustworthiness and that the Group is carried to a higher level. In this context, Koç Group employees are expected to:

- Always comply with the laws;
- Fulfill their duties within the framework of fundamental moral and human values;
- Act with fairness, good faith and understanding in all relations aiming for mutual benefit;
- Refrain from obtaining unfair profit, accepting or giving bribes to or from any person or organization, for any reason whatsoever;
- Act in compliance with all principles and practices that support the relevant rules of business ethics and this Code in all duties undertaken;
- Refrain from engaging in any act, declaration or written statement that will mean a commitment on the part of the company without express authorization;
- Refrain from any behavior which may cause discomfort or harm to other employees, or that will disturb the harmony of the workplace;
- Treat all material or non-material assets of the Company, including information and information systems, as if it were the employee’s own, protecting these from loss, damages, misuse, abuse, theft and sabotage;
- Refrain from using work time and the company resources, either directly or indirectly, to achieve personal gain and/or engage in political activity or seek profit.’

Koç Group website: Vision and Values

‘Honesty, integrity, and superior business ethics are the foundations of our business conduct.

The conduct of our business is pursued with good intentions, mutual benefit, and fair treatment in all our relationships. We are committed to conforming at all times to the
highest ethical and legal standards. We are a leader in serving our society and safeguarding the interests of future generations. Protection of the environment and promotion of a higher level of environmental awareness are our duty to both our country and the world.’


Koç Holding Anual Report 2013, p.112:
‘Koç Holding has always made (i) transparency, (ii) fairness, (iii) responsibility and (iv) accountability its four inviolable principles.’

A5:
Does the company belong to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption?

Score:

2

Comments:
Based on public information, there is evidence that as the Koç Group has signed the UN Global Compact, the company is bound to its 10 principles.

References:
Public:
Koç Group website: Global Compact
‘In signing the Global Compact, our aim was to share our new business culture and our cognition of social responsibility internally with our Group as much as externally with our stakeholders and those around us. Today, we proudly stand at the point where we are delighted to have acted in favour of Turkey and the world by demonstrating an exemplary corporate citizenship comprised of our Group employees, distributors, and vendors.
We consistently improve our corporate structure, operations, and social responsibility, all of which are illustrated through our projects in parallel with the principles and values inherited from our founder, Vehbi Koç. Since signing the Global Compact in 2006, we have been acting with a perspective that reflects these global principles. We closely monitor the data from portals and principles that we ourselves have established within this scope and shape our decisions, accordingly.
In March 2008, we published our first Corporate Social Responsibility report covering our projects in 2006 and 2007. This year, we are once again publishing a Communication on Progress report where we reflect upon those projects already completed and the progress of our long-term projects during 2008, the year we also began gathering pertinent company data through a portal to monitor these global principles. We are continuously working to improve and disperse best practice among group companies.’

2013 Sustainability Report, p.1:
‘As a member of the Koç Group, one of the largest and most successful groups in Turkey and in Europe, Otokar is strictly bound to the 10 principles of the UN Global Compact signed by the Group on March 30th, 2006 and carries out its sustainability-related practices to this end.’

(p.3): ‘During this period, we are determined to support and actively participate in the activities of initiatives like the United Nations Global Compact, which we believe will facilitate the building of a better future by overcoming global challenges that cannot be settled through the efforts of any individual or corporation alone.’


Koç Holding Annual Report 2013, p.120:
‘The principles Koç Holding follows in exercising social responsibility as well as corporate governance and ethics were taken one step further by the signing of the UN Global Compact Treaty’
A6: Has the company appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda?

Score:

1

Comments:
Based on public information, there is some evidence that the company has appointed a committee with overall corporate responsibility for its ethics and anti-corruption agenda. The company has a Code of Conduct Board that is responsible for auditing breaches and ensuring compliance. Despite evidence not suggesting that the Code of Conduct Board is a Board level committee, the terms of reference are explicit, with responsibilities clearly stated. The company therefore scores 1.

References:
Public:
Corporate Governance Committee (July 2012), p.1:
‘Purpose
To give remedial advice to the Board of Directors for the corporate governance applications by identifying if corporate governance principles is applied or not, if not, the reasons of that issue and identifying conflict of interest because of incompatibility with such principles, the committee performs the duties of Nomination Committee and Compensation Committee.’
‘To give remedial advice to the Board of Directors for the corporate governance applications by identifying if corporate governance principles is applied or not, if not, the reasons of that issue and identifying conflict of interest because of incompatibility with such principles.’
‘To provide improvement, adoption and application of the Corporate Governance Principles inside the Company, to give remedial advices to the Board of Directors for the topics that such principle cannot be applied.’
Audit Committee
Established in 2003, the Audit Committee fulfills the duties set out in the Capital Market Legislation. The committee is composed of two independent members.

Corporate Governance Committee
Established in 2012, the Corporate Governance Committee is responsible for fulfilling the duties associated with corporate governance practices at Otokar. The committee is also in charge of the duties of the Nomination Committee and Wage Committee. Comprising of two members, the committee is chaired by the independent member.

Risk Management Committee
Established in 2012, the Risk Management Committee works on:
• early detection of risks that could pose a threat to the Company’s presence, development and continuity,
• applying necessary measures to tackle these risks, and
• risk management
in order to ensure compliance with article 378 of Law 6102 of the Turkish Commercial Code and effective operation of all committees reporting to the Board of Directors.

(p.18): ‘At Otokar, the Code of Conduct Board has been established in order to audit breaches and to ensure compliance. Otokar’s internal audit team and Koç Holding’s audit teams perform audits to identify any incidences of corruption. Behavior that is deemed suspicious may be reported to the Koç Holding Audit Team managers by contacting them from their direct lines. The goal is to ensure that employees are able to submit any allegations directly and free from any influence. Actions to be taken in the event of any possibility of corruption have been specified by Otokar’s and Koç Group’s code of conduct boards. No incidence of violation of ethical rules was reported during the reporting period.’

Working Principles of Audit Committee (April 2012), p.1:
‘Purpose
The purpose of the committee is making the observation of the operation of accounting and reporting systems within the frame of relating law and arrangements, declaration of the financial information to the public and operation and efficiency of independent audit and internal control system.’


Koç Group Code of Ethics and Business Conduct, p.2:
‘The Koç Holding Board of Ethics was formed to facilitate a better evaluation of cases of noncompliance with the Code of Ethics and to put into force the required disciplinary measures. The Board conducts its assessments of infractions of the rules and reports of
irregularities in accordance with the Koç Group Procedure numbered 271, dated June 2004.

All information on potential conflicts of interest or reports of irregularities are required under every circumstance to be conveyed to one of the Members of the Board of Ethics, who will bring the matter to the agenda of the first subsequent meeting to ensure that a decision is made with respect to the issue. The Board of Ethics must inform the Audit Group of every matter that is evaluated and decided upon, and must notify the Human Resources Director of every kind of disciplinary action taken.

Working Principles of Risk Management Committee (July 2012), p.1:
‘The duties of the Risk Management Committee;
- To identify, evaluate and monitor of the present and possible risk elements that can affect to reach the company objectives within the systematic framework of Enterprise Risk Management (ERM), to identify the principles relating to management of the risks in accordance with the risk taking profile of the company and to provide to be used in the decision mechanisms
- To identify the risks that are saved, managed, shared or eliminated according to calculations of possibility and effect.
- To provide integration of risk management and internal control systems to the corporate structure of Company.
- To review the risk management systems and to look after the proper performance of the applications in the relating departments that undertakes the management responsibility of risks according to the committee decisions.’


2013 Annual Report, p.53:
‘Stakeholders may access the Audit Committee through the contact information provided on the Company’s website and/or intranet, concerning any practices which violate the law, or are ethically inappropriate.’

Koç Group Corporate Social Responsibility Report 2013, p.7:
(p.8): ‘Koç Holding Code of Ethics and Business Conduct binds all Group Companies and regulates the relations of the employees with the customers, government, shareholders, competitors, suppliers, agents, authorized dealers and services. Within this framework, under all Group Companies, Code of Conduct Boards have been established to check against the violations of rules and to ensure compliance.’

(p.17): ‘Code of Conduct Boards exist in all Group companies to audit breaches and to ensure compliance. Koç Group HR Directorate is responsible throughout the Group for the management of the Code of Conduct. If a case of violation of the Code of Conduct is encountered in the course of periodical audits, the case is reported to senior management and preventive measures are taken. The results are also conveyed to the Audit Group and Human Resources Directorate for the data to be collected in a centralized archive.’

(p.36): ‘In fighting bribery and corruption, we take “Koç Group Code of Ethics and Business Conduct” as reference, published on our corporate website both in Turkish and English and shared with all our stakeholders New recruits are informed on this code of conduct. Implementation of the Code of Conduct and the supervision of compliance process with the codes are handled by the Ethical Behavior Boards formed separately within Group companies and within Koç Holding.’

Koç Group Corporate Social Responsibility Report 2012, p.26:
‘Our major reference in terms of fighting corruption is “Koç Group Code of Ethics and Business Conduct”. All newly-hired employees are informed on this code of conduct, which is an attachment of the personnel guidelines. Implementation of the Code of Conduct and monitoring the process compliance with the code is handled by the Koç Holding Ethical Behavior Board and the Ethical Behavior Boards formed separately in our Companies.’

Koç Holding Annual Report 2013, p.121:

‘Koç Holding’s “Principles of Ethical Behavior and Praxis” are obligatory for all Group companies; they regulate relations between employees, customers, the state, shareholders, competitors, subcontractors, distributors, authorized dealers and services. All new employees are informed about these principles and praxis, which are an appendix to the personnel regulations; in addition, our employees can access this resource over the intranet portal. The Ethical Behavior Principles are not disclosed to the public on the Internet website.

The application of the Ethical Behavior Principles and the monitoring of compliance with them are executed by separate Ethical Behavior Committees in each Koç Holding company. In the event of updating or, if necessary amending, the Holding’s “Principles of Ethical Behavior,” proposals such changes are submitted to the Koç Holding BoD for approval.’
A7:

Has the company appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda, and who has a direct reporting line to the Board?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda.

References:

Public:
TI notes:
Koç Group Code of Ethics and Business Conduct, p.2:
‘All information on potential conflicts of interest or reports of irregularities are required under every circumstance to be conveyed to one of the Members of the Board of Ethics, who will bring the matter to the agenda of the first subsequent meeting to ensure that a decision is made with respect to the issue. The Board of Ethics must inform the Audit Group of every matter that is evaluated and decided upon, and must notify the Human Resources Director of every kind of disciplinary action taken.’

2013 Sustainability Report, pp.16-17:
‘In accordance with Otokar’s corporate organization, the senior management is in charge of the coordination, monitoring and management of sustainability related issues. Thanks to the “Koç Group Sustainability Performance Evaluation and Reporting System” set up by the Group in 2010, Otokar is, as a responsible corporate citizen, able to monitor all social, economic and environmental efforts by using objective methods. The General Manager is responsible for monitoring and directing the Company’s development in the area of sustainability and coordinating the integration of economic, as well as social and environmental factors into the Company’s operations, products and services, and decision-making processes. The General Manager is also in charge of relations with suppliers and
ensuring that all decisions and efforts of the Company regarding human resources, occupational health and safety, and the environment are in compliance with its policies and respective regulations.’

(p.18): ‘At Otokar, the Code of Conduct Board has been established in order to audit breaches and to ensure compliance. Otokar’s internal audit team and Koç Holding’s audit teams perform audits to identify any incidences of corruption. Behavior that is deemed suspicious may be reported to the Koç Holding Audit Team managers by contacting them from their direct lines. The goal is to ensure that employees are able to submit any allegations directly and free from any influence. Actions to be taken in the event of any possibility of corruption have been specified by Otokar’s and Koç Group’s code of conduct boards. No incidence of violation of ethical rules was reported during the reporting period’. Koç Group Corporate Social Responsibility Report 2013, p.36: ‘For any possibility of corruption in the Group companies, the manager of the concerned department informs the Company’s General Manager on the situation. The General Manager then immediately informs the business Unit Presidency and the Audit Group Presidency that they report to at Koç Holding. The results of the corruption review are conveyed to the concerned senior management.’
A8:

Is there regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda?

Score:

0

Comments:

Based on public information, there is no readily available evidence of regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda.

References:

Public:
NA
A8(a):

Is there a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and evidence of improvement plans being implemented when issues are identified?

Score:

0

Comments:
Based on public information, there is no readily available evidence of a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, or evidence of improvement plans being implemented when issues are identified.

References:
Public:
NA
A9:
Does the company have a formal process for review and where appropriate update its policies and practices in response to actual or alleged instances of corruption?

Score:

1

Comments:

Based on public information, there is some evidence that the company has a formal process for review and where appropriate updates its policies and practices in response to actual or alleged instances of corruption. If a Code of Conduct violation is detected in a periodic audit, the case will be reported to senior management and preventive measures are taken. The results are then given to the Audit Group and Human Resources Directorate to be archived centrally. If a manager becomes aware of alleged instances of corruption they will inform their General Manager, who will inform the business Unit Presidency and the Audit Group Presidency at Koç Hol. The company states that in 2013 no corrective actions were taken, as no instances of corruption were discovered. The company therefore scores 1. To score higher the company would need to provide evidence that preventive measures include updates to policies and practices, rather than solely disciplinary measures.

References:

Public:
2013 Sustainability Report, p.18:
‘At Otokar, the Code of Conduct Board has been established in order to audit breaches and to ensure compliance. Otokar’s internal audit team and Koç Holding’s audit teams perform audits to identify any incidences of corruption. Behavior that is deemed suspicious may be reported to the Koç Holding Audit Team managers by contacting them from their direct lines. The goal is to ensure that employees are able to submit any allegations directly and free from any influence. Actions to be taken in the event of any possibility of corruption have been specified by Otokar’s and Koç Group’s code of conduct boards. No incidence of violation of ethical rules was reported during the reporting period.’

(p.55): ‘Actions taken in responses to incidents of corruption – no corruptive practices were encountered in 2013, so no corrective actions needed to be taken.’
Koç Group Code of Ethics and Business Conduct, p.2:
‘The Koç Holding Board of Ethics was formed to facilitate a better evaluation of cases of noncompliance with the Code of Ethics and to put into force the required disciplinary measures. The Board conducts its assessments of infractions of the rules and reports of irregularities in accordance with the Koç Group Procedure numbered 271, dated June 2004.

All information on potential conflicts of interest or reports of irregularities are required under every circumstance to be conveyed to one of the Members of the Board of Ethics, who will bring the matter to the agenda of the first subsequent meeting to ensure that a decision is made with respect to the issue. The Board of Ethics must inform the Audit Group of every matter that is evaluated and decided upon, and must notify the Human Resources Director of every kind of disciplinary action taken’.

Koç Group Corporate Social Responsibility Report 2013, p.36:
‘In 2013, all audits conducted by Koç Holding and Company Internal Audit Teams included audits related to corruption. Behavior that is deemed suspicious is reported to the Koç Holding Audit Team managers by contacting them via their direct lines. The goal is to ensure that company employees can submit their allegations directly and free of any influence.

For any possibility of corruption in the Group companies, the manager of the concerned department informs the Company’s General Manager on the situation. The General Manager then immediately informs the business Unit Presidency and the Audit Group Presidency that they report to at Koç Holding. The results of the corruption review are conveyed to the concerned senior management.

In the process of researching suspicion of corruption, the following issues are of utmost importance:
• Clarifying the issue as soon as possible,
• Maintaining confidentiality,
• Following the necessary legal process,
• Informing public authorities or stakeholders, if necessary’.

(p.17) : ‘Code of Conduct Boards exist in all Group companies to audit breaches and to ensure compliance. Koç Group HR Directorate is responsible throughout the Group for the management of the Code of Conduct. If a case of violation of the Code of Conduct is encountered in the course of periodical audits, the case is reported to senior management and preventive measures are taken. The results are also conveyed to the Audit Group and Human Resources Directorate for the data to be collected in a centralized archive.’
A9(a):
Does the company have a formal anti-corruption risk assessment procedure implemented enterprise-wide?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure implemented enterprise-wide. The Risk Management Committee is responsible for the company’s Enterprise Risk Management system. The company identifies legal risks at the strategic level, and the company’s internal audit team and Koç Group’s audit teams perform audits to identify any incidences of corruption. However, there is no evidence that corruption is an identified risk at the strategic level, which is mitigated throughout the company. In the 2013 Sustainability Report the company states it does not publicise the number of business units that were analysed for corruption risks.

References:

Public:
TI notes:
Working Principles of Risk Management Committee (July 2012), p.1:
‘The duties of the Risk Management Committee;
- To identify, evaluate and monitor of the present and possible risk elements that can affect to reach the company objectives within the systematic framework of Enterprise Risk Management (ERM), to identify the principles relating to management of the risks in accordance with the risk taking profile of the company and to provide to be used in the decision mechanisms
- To identify the risks that are saved, managed, shared or eliminated according to calculations of possibility and effect.
- To provide integration of risk management and internal control systems to the corporate structure of Company.
- To review the risk management systems and to look after the proper performance of the applications in the relating departments that undertakes
the management responsibility of risks according to the committee decisions.’

2013 Sustainability Report, p.18:
‘At Otokar, the Code of Conduct Board has been established in order to audit breaches and to ensure compliance. Otokar’s internal audit team and Koç Holding’s audit teams perform audits to identify any incidences of corruption. Behavior that is deemed suspicious may be reported to the Koç Holding Audit Team managers by contacting them from their direct lines. The goal is to ensure that employees are able to submit any allegations directly and free from any influence. Actions to be taken in the event of any possibility of corruption have been specified by Otokar’s and Koç Group’s code of conduct boards. No incidence of violation of ethical rules was reported during the reporting period.’

(p.19): ‘Risk Management at Otokar
Otokar has adopted a risk management policy which is implemented in line with its strategies with the aim of foreseeing and monitoring any potential risks that may prevent the Company from reaching its goals, and of drawing up action plans to tackle such risks. All actions and activities with regard to risk management are carried out by Otokar’s Risk Management Committee. In addition to its own risk policy, Otokar also acts in line with the risk policy implemented by the Koç Group.
Otokar follows its risks as financial risks, strategic risks, operational risks and legal risks’.

(p.55): ‘Percentage and total number of business units analysed for risks related to corruption’ – not reported in the report.

2013 Annual Report, p.57:
‘The main risks which our Company is exposed to come under four main headings - financial risks, strategic risks, operational risks and legal risks. The Risk Management Committee and Board of Directors are periodically informed of these risks.’

(p.58): ‘Risk Management
The risk management policy at Otokar is led by the General Manager under the supervision of the Board of Directors. Risk management is carried out in coordination with all managers, spread across all levels of the organization and is implemented in line with the Company’s strategies, with the aim of foreseeing and monitoring potential any risks which may prevent the Company from reaching its goals, and of drawing up action plans to tackle such risks.
The Risk Management Committee was established to determine and assess any strategic, operational, financial, legal and other risks which may undermine the Company’s presence or growth; to calculate the impact and probability of such risks, to report and manage these risks according to the Company’s risk profile; and also to table suggestions to the Board of Directors concerning the implementation of the necessary measures against such risks,
taking them into consideration in decision making processes and establishing and integrating effective internal control mechanisms.

In addition to its own risk policy, Otokar also acts in line with the risk policy implemented by the Koç Group.

Otokar follows its risks as financial risks, strategic risks, operational risks and legal risks.’

(p.59) : ‘Legal Risks
Legal risks and opportunities are followed by the management and legal advisors with respect to compliance with the current laws, regulations and standards. The legal conformity (HUY) test and contract supervision system (LERIMAN) are applied in parallel with the Group’s implementations.’

‘The committee held 7 meetings in 2013. The committee evaluates the Company’s principles for the Risk Management System and Risk Reporting, examines Risk Reports which were prepared periodically and expresses its views on measures that are deemed necessary to tackle areas where there is non-compliance with the limits determined in the Risk Management System. Reporting work and committee evaluations are submitted to the attention of the Board of Directors.’

(p.60) : ‘The establishment of the Internal Control System aims to achieve the following; to remain neutral and independent in all transactions, to add value to the Company, to ensure that activities comply with the strategies, targets and legislation, to provide a contribution to the realization of the Company’s main targets, principles and strategies, and to increase effectiveness and efficiency.

The Internal Control system consists of standard definitions of the business processes, job descriptions, authorization system, policies and written procedures.

The Internal Audit unit regularly evaluates the Internal Control system for effectiveness. The Internal Audit unit directly reports to the General Manager in order to function independently.’

Koç Group Code of Ethics and Business Conduct, p.2:
‘The Koç Holding Board of Ethics was formed to facilitate a better evaluation of cases of noncompliance with the Code of Ethics and to put into force the required disciplinary measures. The Board conducts its assessments of infractions of the rules and reports of irregularities in accordance with the Koç Group Procedure numbered 271, dated June 2004.

All information on potential conflicts of interest or reports of irregularities are required under every circumstance to be conveyed to one of the Members of the Board of Ethics, who will bring the matter to the agenda of the first subsequent meeting to ensure that a decision is made with respect to the issue. The Board of Ethics must inform the Audit Group of every matter that is evaluated and decided upon, and must notify the Human Resources Director of every kind of disciplinary action taken.’
In addition to the preventive approach for the procedures created within the scope of control system, specific targeted audits are conducted against the risk of all types of misconduct in Group companies.

The audit processes are managed by the Koç Holding Audit Group Presidency and reporting directly to the Koç Holding Chairman. A significant number of Group companies also has their own internal auditing function. In compliance with International Auditing Standards, Koç Holding and Group companies’ internal audit departments essentially perform five basic auditing processes that are Risk Management Auditing, Process Auditing, Financial Statements Auditing, Regulations and Compliance Auditing, and Fraud Auditing. Within these five basic auditing processes, efficiency and sufficiency of internal audit systems are evaluated and areas for improvement are identified.

In 2013, all audits conducted by Koç Holding and Company Internal Audit Teams included audits related to corruption. Behavior that is deemed suspicious is reported to the Koç Holding Audit Team managers by contacting them via their direct lines. The goal is to ensure that company employees can submit their allegations directly and free of any influence.

For any possibility of corruption in the Group companies, the manager of the concerned department informs the Company’s General Manager on the situation. The General Manager then immediately informs the business Unit Presidency and the Audit Group Presidency that they report to at Koç Holding. The results of the corruption review are conveyed to the concerned senior management.

In the process of researching suspicion of corruption, the following issues are of utmost importance:

- Clarifying the issue as soon as possible,
- Maintaining confidentiality,
- Following the necessary legal process,
- Informing public authorities or stakeholders, if necessary.

Code of Conduct Boards exist in all Group companies to audit breaches and to ensure compliance. Koç Group HR Directorate is responsible throughout the Group for the management of the Code of Conduct. If a case of violation of the Code of Conduct is encountered in the course of periodical audits, the case is reported to senior management and preventive measures are taken. The results are also conveyed to the Audit Group and Human Resources Directorate for the data to be collected in a centralized archive.
A10:

Does the company have a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied.

References:

Public:
NA
A11:
Does the company conduct due diligence that minimises corruption risk when selecting or reappointing its agents?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company conducts due diligence that minimises corruption risk when selecting or reappointing its agents.

References:
Public:
NA
A12:
Does the company have contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has contractual rights and processes for the monitoring, control, and audit of agents with respect to countering corruption. TI notes that evidence shows the company expects its business partners to behave in conformity with its Ethical Principles.

References:
Public:
TI notes:
2013 Sustainability Report p.18:
‘Otokar has pledged to adopt attitudes and behavior which conforms to its Ethical Principles towards the following;
• persons and entities with whom it has business relations at home and abroad,
• the community surrounding it,
• its customers,
• its suppliers,
• its partners, and
• its employees
and to abide by the criteria set out in the Global Compact accepted by Koç Holding, and to attempt to widen the adoption these principles and strive to ensure their adoption, most especially in its sector, in its business activities and in its relations. Otokar publishes its Ethical Principles with its stakeholders, including its employees, authorized dealers, service centers, suppliers on the Company’s website.’

Company website: Ethical Code
‘Otokar has pledged to adopt attitudes and behaviors conforming to the Ethical Principles of Otokar detailed below toward the persons and entities with whom it has business relations at home and abroad, the community surrounding it, its customers, suppliers and partners, to abide by the criteria set out in the Global Compact of Koç Holding, and to widespread all these principles and exert effort for their adoption mainly in its sector in its business activities and relations.’

‘It is important for Otokar that its business partners refrain from acts that blemish the image and respectability of Otokar and give importance to the proven business values of Otokar.’

A13:
Does the company make clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption and the consequences of breaches to this stance?

Score:
1

Comments:
Based on public information, there is evidence that the company makes clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption. Suppliers must act in accordance with the UN Global Compact and the company’s business practices. However, despite the company auditing suppliers for compliance with the UN Global Compact, the purchase contract does not contain a clause that if the supplier fails to adhere to agreements in regard to business ethics and the UN Global Compact, it will suffer sanctions. The company therefore scores 1. To score higher the company would need to provide evidence that it has contractual rights to apply sanctions in the event of a breach of its contract.

References:
Public:
Koç Group Corporate Social Responsibility Report 2013, p.37:
‘Koç Group companies are also sharing the ethical values they are devoted to, with their value chains and providing support to the diffusion thereof.’

Koç Group Code of Ethics and Business Conduct, p.7:
‘Global Compact
Act in compliance with the principles stipulated in the United Nations Global Compact for the benefit of our country and the world and to act as an exemplary corporate citizen together with our employees, dealerships, suppliers and authorized services’.

2013 Sustainability Report, pp.2-3:
‘Otokar also ensures that the authorized dealers and service centers and the suppliers with which it works, all of whom number among its most important stakeholders, are aware of
its goal of spearheading positive change, its attitudes towards sustainability, and its business practices.

(p.18): ‘Otokar has pledged to adopt attitudes and behavior which conforms to its Ethical Principles towards the following;
- persons and entities with whom it has business relations at home and abroad,
- the community surrounding it,
- its customers,
- its suppliers,
- its partners, and
- its employees
and to abide by the criteria set out in the Global Compact accepted by Koç Holding, and to attempt to widen the adoption these principles and strive to ensure their adoption, most especially in its sector, in its business activities and in its relations. Otokar publishes its Ethical Principles with its stakeholders, including its employees, authorized dealers, service centers, suppliers on the Company’s website.’

(p.20): ‘Otokar supports initiatives which improve sustainable development in its relations with suppliers.
The Company requires its suppliers to meet certain criteria with respect to human rights, working conditions and the environment, and specifically includes environmental issues in supplier contracts.’

(p.23): ‘Otokar prefers those suppliers who:
- Act in line with the general policies and strategies of Otokar and Koç Holding;
- Fulfill the criteria set forth in the United Nations Global Compact;
- Do not employ children;
- Apply no discrimination against their employees;
- Do not apply forced labor;
- Abide by the principle of confidentiality of information;
- Supports collective labor agreement and protect employees’ right to join a union;
- Obey the rules of occupational health and safety;
- Comply with employee-related standards imposed by the sector and the law;
- Obey legal working/employment hours;
- Follow ethical rules (together with Otokar’s employees)
- Do not partake in any form of psychological or physical pressure, abuse or similar methods;
- Have a competitive edge;
- Invest in the development of technology and human resources;
• Provide high-quality products in a timely manner and under competitive conditions; place importance on research and development to further increase their expertise in their areas; and perform production activities in accordance with the national and international standards with respect to occupational health and safety and the environment.

In their contracts with Otokar, suppliers undertake to comply with the provisions of the UN Global Compact, environmental legislation and the requirements of Otokar’s ISO 14001 Environmental Management System.’

(p.24): ‘Otokar audits its suppliers under different headings. Otokar audited 57 suppliers under the heading of:
• quality, logistics/delivery, cost/planning,
• compliance with the general policies and strategies of Otokar and Koç Holding, and
• compliance with the provisions of the UN Global Compact.
To this end, the Company held more than 250 visits and meetings. As a result of this auditing process, no incidences of impropriety with respect to compliance with the above listed topics were found.’

‘Otokar holds supplier days to ensure coordination among suppliers with respect to the Company’s vision, mission, and corporate culture and targets. In these meetings, suppliers are informed of these issues and rewarded on the basis of different criteria.’

Company website: Ethical Code

‘Otokar has pledged to adopt attitudes and behaviors conforming to the Ethical Principles of Otokar detailed below toward the persons and entities with whom it has business relations at home and abroad, the community surrounding it, its customers, suppliers and partners, to abide by the criteria set out in the Global Compact of Koç Holding, and to widespread all these principles and exert effort for their adoption mainly in its sector in its business activities and relations.’

‘It is important for Otokar that its business partners refrain from acts that blemish the image
and respectability of Otokar and give importance to the proven business values of Otokar.’

Company website: Purchasing Policy
‘Otokar’s Purchasing Policy is to establish, carry out and develop long term business relations with existing and potential business partners based on mutual trust and cooperation in compliance with general policies and strategies of Koç Holding and Otokar in line with the United Nations Global Responsibility Principles and the Purchasing Management System of Koç Holding.’

Otokar Purchase Contract
No contractual rights to apply sanctions in the event of unethical or corrupt behaviour.
A13(a):
Does the company explicitly address the corruption risks associated with offset contracting?

Score:
NA

Comments:
Based on public information, there is no readily available evidence that the company engages in offset contracting.

References:
Public:
NA
A13(b):
Does the company conduct due diligence that minimises corruption risk when selecting its offset partners and offset brokers?

Score:
NA

Comments:
Based on public information, there is no readily available evidence that the company engages in offset contracting.

References:
Public:
NA
A15: Does the company have an anti-corruption policy that prohibits corruption in its various forms?

Score: 1

Comments:
Based on public information, there is some evidence that the company has an anti-corruption policy that prohibits corruption. This includes the giving and receiving of bribes and corrupt gifts and hospitality. The company therefore scores 1. To score higher the company would need to provide evidence that it prohibits other forms of corruption such as kickbacks and facilitation payments.

References:
Public:
2013 Sustainability Report, p.18:
‘Otokar’s ethical principles, which are classified under the headings, Honesty, Respect for the Law, Working Environment and Employees, Acquisition, Use and Protection of the Information, and Environment may be viewed from the Company’s website. The ethical values, that are available to all of the Company’s stakeholders, are the most important resource used by Otokar in tackling bribery and corruption. Newly hired employees are also informed of these values and rules, which are also set forth in the personnel regulation’.

Company website: Ethical Code
‘Otokar has adopted the principle of "struggling against all non-ethical acts, including threat and bribery" set out in the Global Compact.’
‘The principles adopted regarding carrying out of the relations with public or private persons and entities who are doing or intend to do business with Otokar or regarding handling of any potential conflict of interest are as follows:
No gift or favor may be demanded.
• Except for any social convenience or sales promotion which has a low value and does not give the impression of a practice of corruption, no gift or favor may be accepted.
• No discount or benefit which has not been usually offered for a product or service may be accepted or given.

OTOKAR 18/11/14
WWW.OTOKAR.COM.TR
WWW.OTOKAR.COM
Employees may not accept cash money, gift check or precious metal as gift.

Money may not be borrowed from banks and financial institutions, unless conditions of lending are applicable to everybody.

No support is accepted from any person or entity for leisure, training and entertainment activities of Otokar without prior content of the Human Resources.

Employees may not give gifts on the name of Otokar to other employees of Otokar or their families.

Employees may not give support and benefit to any activity, society, person or entity on the name and behalf of Otokar without prior consent of the Human Resources.


Koç Group Code of Ethics and Business Conduct, p.8:

‘The Rules of Ethical Conduct Mandatory For Employees

It is the primary responsibility of all Koç Group employees to make sure that the “Koç” name is made synonymous with professionalism, integrity and trustworthiness and that the Group is carried to a higher level. In this context, Koç Group employees are expected to:

- Always comply with the laws;
- Fulfill their duties within the framework of fundamental moral and human values;
- Act with fairness, good faith and understanding in all relations aiming for mutual benefit;
- Refrain from obtaining unfair profit, accepting or giving bribes to or from any person or organization, for any reason whatsoever’.
- Act in compliance with all principles and practices that support the relevant rules of business ethics and this Code in all duties undertaken’.

Koç Group Corporate Social Responsibility Report 2013, p.2:

‘Principles of the UN Global Compact :

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery’.

(p.26): ‘Our major reference in terms of fighting corruption is “Koç Group Code of Ethics and Business Conduct”. All newly-hired employees are informed on this code of conduct, which is an attachment of the personnel guidelines. Implementation of the Code of Conduct and monitoring the process compliance with the code is handled by the Koç Holding Ethical Behavior Board and the Ethical Behavior Boards formed separately in our Companies’.

(p.36): ‘In fighting bribery and corruption, we take “Koç Group Code of Ethics and Business Conduct” as reference, published on our corporate website both in Turkish and English and shared with all our stakeholders New recruits are informed on this code of conduct. Implementation of the Code of Conduct and the supervision of compliance process with the codes are managed by the Ethical Behavior Boards formed separately within Group
Koç Group Corporate Social Responsibility Report 2012, p.26:

‘Our major reference in terms of fighting corruption is “Koç Group Code of Ethics and Business Conduct”. All newly-hired employees are informed on this code of conduct, which is an attachment of the personnel guidelines. Implementation of the Code of Conduct and monitoring the process compliance with the code is handled by the Koç Holding Ethical Behavior Board and the Ethical Behavior Boards formed separately in our Companies.’
A16:  
Is the anti-corruption policy explicitly one of zero tolerance?

Score:

1

Comments:
Based on public information, there is evidence that the company has a zero tolerance policy for violations of its Code of Ethics and Business Conduct. All employees must comply with the Code and violations result in disciplinary actions. The company therefore scores 1. To score higher the company would need to have an explicit zero tolerance policy of corruption or bribery. The company states that it is tackling bribery and corruption, but this is insufficiently strong to be applicable for this question.

References:

Public:
2013 Sustainability Report, p.18:
‘Otokar’s ethical principles, which are classified under the headings, Honesty, Respect for the Law, Working Environment and Employees, Acquisition, Use and Protection of the Information, and Environment may be viewed from the Company’s website. The ethical values, that are available to all of the Company’s stakeholders, are the most important resource used by Otokar in tackling bribery and corruption. Newly hired employees are also informed of these values and rules, which are also set forth in the personnel regulation.’

Koç Group Code of Ethics and Business Conduct, p.2:
‘All Koç Holding Business Department Presidents and Directors are responsible for making sure that the code of ethics is adopted at all business levels and that all employees submit a written declaration that they are committed to acting in compliance with the Code.’

(p.4): ‘All Koç Group employees are expected to act and behave in a way that preserves the integrity of the Group’s corporate culture. In addition, all employees are also expected to protect and enhance the prestige of the Koç name as well as the integrity of the Koç Group as a corporation.
All employees, including temporary personnel employed within the Koç Group organization, are bound to be responsible for complying with the codes of ethics and business conduct of
either the Koç Group, or of the Group companies, which are based on the Koç Group Code of Ethics and Business Conduct. All stakeholders are expected to abide by the rules of business ethics as well as all principles and practices that support these rules.’

(p.8): ‘The Rules of Ethical Conduct Mandatory For Employees
It is the primary responsibility of all Koç Group employees to make sure that the “Koç” name is made synonymous with professionalism, integrity and trustworthiness and that the Group is carried to a higher level. In this context, Koç Group employees are expected to:

- Always comply with the laws;
- Fulfill their duties within the framework of fundamental moral and human values;
- Act with fairness, good faith and understanding in all relations aiming for mutual benefit;
- Refrain from obtaining unfair profit, accepting or giving bribes to or from any person or organization, for any reason whatsoever’.

(p.11): ‘7.2. Disciplinary Actions
The following disciplinary action shall be taken in the event of violations of the Code of Ethics:

- Any willful acts of infraction shall result in termination of the employment contract (in accordance with the relevant articles of the Labor Law) and if necessary, in the start of legal proceedings. Positive contributions in the past shall not constitute grounds for either a partial or full amnesty of the disciplinary punishment decided upon in the case of a person who has willfullyobtained an unfair gain.
- In the absence of a willful infraction but in the existence of merely carelessness or negligence due to ignorance, an oral or written warning shall be issued appropriate to the impact of the infraction committed.’

Koç Group Corporate Social Responsibility Report 2013, p.2:
‘The UN Global Compact
Anti-Corruption Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery’.

(p.36): ‘In fighting bribery and corruption, we take “Koç Group Code of Ethics and Business Conduct” as reference, published on our corporate website both in Turkish and English and shared with all our stakeholders New recruits are informed on this code of conduct. Implementation of the Code of Conduct and the supervision of compliance process with the codes are managed by the Ethical Behavior Boards formed separately within Group companies and within Koç Holding.’

Koç Group Corporate Social Responsibility Report 2012, p.26:
"Our major reference in terms of fighting corruption is "Koç Group Code of Ethics and Business Conduct". All newly-hired employees are informed on this code of conduct, which is an attachment of the personnel guidelines. Implementation of the Code of Conduct and monitoring the process compliance with the code is handled by the Koç Holding Ethical Behavior Board and the Ethical Behavior Boards formed separately in our Companies."

Company website: Ethical Code

"Otokar has adopted the principle of "struggling against all non-ethical acts, including threat and bribery" set out in the Global Compact."

A17:

Is the company’s anti-corruption policy easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company?

Score:

2

Comments:

Based on public information, there is evidence that the company’s ethics and anti-corruption policies are easily accessible to Board members, employees, contracted staff and third parties. Both the company’s Ethical Code and the Koç Group’s Code of Ethics and Business Conduct are available respectively on their websites, in English and Turkish. Koç Group’s Code of Ethics and Business Conduct is provided to every Group company employee.

References:

Public:
Company website: Ethical Code
‘Otokar has pledged to adopt attitudes and behaviors conforming to the Ethical Principles of Otokar detailed below toward the persons and entities with whom it has business relations at home and abroad, the community surrounding it, its customers, suppliers and partners, to abide by the criteria set out in the Global Compact of Koç Holding, and to widespread all these principles and exert effort for their adoption mainly in its sector in its business activities and relations’.


Koç Group Code of Ethics and Business Conduct, p.4:
‘It is among the primary duties and responsibilities of mid-level and senior managers of the Koç Group to make every effort and show leadership to ensure that all employees are notified of the Code of Ethics and Business Conduct, that they understand the importance of these rules and provide compliance.’
Koç Group Code of Ethics and Business Conduct
Turkish language version.
http://www.koc.com.tr/tr-
tr/hakkinda/Documents/Koc%20Toplulugu%20Etik%20Davranis%20Kurallari.pdf

Koç Group Corporate Social Responsibility Report 2013, p.5:

(p.17): ‘The Code of Ethics and Business Conduct, which involves human rights issues such as the prohibition of child workers, discrimination and forced labor and is adopted by all companies within Koç Group, defines the social and ethical rules to which employees of all levels are subject. Employees are expected to act in accordance with these rules. Every Group company employee is expected to read and sign the Code of Conduct upon their recruitment. Employees can also obtain a copy on intranet and internet pages. Labor Legislation Trainings are organized, where matters included in Koç Group Code of Ethics and Personnel Regulations are shared with the main personnel responsible for their dissemination throughout Group companies. The scope and content of these trainings realized by the Coordinate of Industrial Relations are intended to be broadened in the year 2014.’

(p.36): ‘In fighting bribery and corruption, we take “Koç Group Code of Ethics and Business Conduct” as reference, published on our corporate website both in Turkish and English and shared with all our stakeholders New recruits are informed on this code of conduct. Implementation of the Code of Conduct and the supervision of compliance process with the codes are managed by the Ethical Behavior Boards formed separately within Group companies and within Koç Holding.’
Koç Group Corporate Social Responsibility Report 2012, p.26:

‘Our major reference in terms of fighting corruption is “Koç Group Code of Ethics and Business Conduct”. All newly-hired employees are informed on this code of conduct, which is an attachment of the personnel guidelines. Implementation of the Code of Conduct and monitoring the process compliance with the code is handled by the Koç Holding Ethical Behavior Board and the Ethical Behavior Boards formed separately in our Companies.’
A17(a):

Is the company’s anti-corruption policy easily understandable and clear to Board members, employees and third parties?

Score:

2

Comments:

Based on public information, the company’s ethics and anti-corruption policies are easily understandable and clear to Board members, employees and third parties. Both the company’s Ethical Code and the Koç Group’s Code of Ethics and Business Conduct are written using accessible, comprehensible language.

References:

Public:
Company website: Ethical Code
‘The principles adopted regarding carrying out of the relations with public or private persons and entities who are doing or intend to do business with Otokar or regarding handling of any potential conflict of interest are as follows:

- No gift or favor may be demanded.
  - Except for any social convenience or sales promotion which has a low value and does not give the impression of a practice of corruption, no gift or favor may be accepted.
  - No discount or benefit which has not been usually offered for a product or service may be accepted or given.
  - Employees may not accept cash money, gift check or precious metal as gift.
  - Money may not be borrowed from banks and financial institutions, unless conditions of lending are applicable to everybody.
  - No support is accepted from any person or entity for leisure, training and entertainment activities of Otokar without prior content of the Human Resources.
  - Employees may not give gifts on the name of Otokar to other employees of Otokar or their families.
  - Employees may not give support and benefit to any activity, society, person or entity on the name and behalf of Otokar without prior consent of the Human Resources.'
Koç Group Code of Ethics and Business Conduct, p.8:

‘It is the primary responsibility of all Koç Group employees to make sure that the “Koç” name is made synonymous with professionalism, integrity and trustworthiness and that the Group is carried to a higher level. In this context, Koç Group employees are expected to:

- Always comply with the laws;
- Fulfill their duties within the framework of fundamental moral and human values;
- Act with fairness, good faith and understanding in all relations aiming for mutual benefit;
- Refrain from obtaining unfair profit, accepting or giving bribes to or from any person or organization, for any reason whatsoever;
- Act in compliance with all principles and practices that support the relevant rules of business ethics and this Code in all duties undertaken;
- Refrain from engaging in any act, declaration or written statement that will mean a commitment on the part of the company without express authorization;
- Refrain from any behavior which may cause discomfort or harm to other employees, or that will disturb the harmony of the workplace;
- Treat all material or non-material assets of the Company, including information and information systems, as if it were the employee’s own, protecting these from loss, damages, misuse, abuse, theft and sabotage;
- Refrain from using work time and the company resources, either directly or indirectly, to achieve personal gain and/or engage in political activity or seek profit.’
A18:
Does the anti-corruption policy explicitly apply to all employees and members of the Board?

Score:

1

Comments:
Based on public information, there is evidence that the company's ethics and anti-corruption policies apply to all employees. The company therefore scores 1. To score higher the company would need to provide evidence that its ethics and anti-corruption policies also apply to Board members.

References:
Public:
2013 Sustainability Report, p.18:
´Koç Holding’s Code of Ethics and Business Conduct is binding for Otokar as it is for all other Group companies.

With regard to its marketing and brand communication, advertising and promotion activities, Otokar pursues follow-up motives based on the concepts of Leadership, Optimism, Solidarity and Value Creation, which are the four integral values of the Koç brand.

For these efforts, the Company has duly adopted the principles of acting in an ethical, honest, socially responsible and decent manner, avoiding any misleading disclosures.

Otokar has pledged to adopt attitudes and behavior which conforms to its Ethical Principles towards the following;
• persons and entities with whom it has business relations at home and abroad,
• the community surrounding it,
• its customers,
• its suppliers,
• its partners, and
• its employees

and to abide by the criteria set out in the Global Compact accepted by Koç Holding, and to attempt to widen the adoption these principles and strive to ensure their adoption, most
especially in its sector, in its business activities and in its relations. Otokar publishes its Ethical Principles with its stakeholders, including its employees, authorized dealers, service centers, suppliers on the Company’s website.

Otokar’s ethical principles, which are classified under the headings, Honesty, Respect for the Law, Working Environment and Employees, Acquisition, Use and Protection of the Information, and Environment may be viewed from the Company’s website. The ethical values, that are available to all of the Company’s stakeholders, are the most important resource used by Otokar in tackling bribery and corruption. Newly hired employees are also informed of these values and rules, which are also set forth in the personnel regulation.’

Koç Group Code of Ethics and Business Conduct, p.2:
‘All Koç Holding Business Department Presidents and Directors are responsible for making sure that the code of ethics is adopted at all business levels and that all employees submit a written declaration that they are committed to acting in compliance with the Code.’

(p.4): ‘All Koç Group employees are expected to act and behave in a way that preserves the integrity of the Group’s corporate culture. In addition, all employees are also expected to protect and enhance the prestige of the Koç name as well as the integrity of the Koç Group as a corporation.

All employees, including temporary personnel employed within the Koç Group organization, are bound to be responsible for complying with the codes of ethics and business conduct of either the Koç Group, or of the Group companies, which are based on the Koç Group Code of Ethics and Business Conduct. All stakeholders are expected to abide by the rules of business ethics as well as all principles and practices that support these rules.

It is among the primary duties and responsibilities of mid-level and senior managers of the Koç Group to make every effort and show leadership to ensure that all employees are notified of the Code of Ethics and Business Conduct, that they understand the importance of these rules and provide compliance.

The responsibility of making sure that the most recent version of the Code of Ethics and Business Conduct and Implementation Principles is read and understood by each employee and of documenting the employee’s commitment of compliance belongs to the employee’s immediate line manager’.

Koç Group Corporate Social Responsibility Report 2013, p.8:
‘Koç Holding Code of Ethics and Business Conduct binds all Group Companies and regulates the relations of the employees with the customers, government, shareholders, competitors, suppliers, agents, authorized dealers and services. Within this framework, under all Group Companies, Code of Conduct Boards have been established to check against the violations of rules and to ensure compliance.’
‘Otokar acts appropriately in all of its domestic and international activities and relations with business partners, the wider society, its customers, suppliers, shareholders and employees, and strives to expand such behaviour not only in its sector but also to a larger platform. The Company announces how it plans to achieve this purpose on its website, under the section Otokar’s Ethics.

Within the scope of its corporate social responsibility efforts, Otokar carries out activities both in the region where its factory is located while also targeting the general public, in order to contribute to and create value for the society. Detailed information concerning these efforts are included in the Annual Report. The Company did not receive any negative notices during the period on account of damage caused to the environment. There Company keeps records of its activities, principally consisting of environmental impact reports.’
A20:

Does the company have a policy on potential conflicts of interest, and does it apply to both employees and board members?

Score:

2

Comments:

Based on public information, there is evidence that the company has a policy on potential conflicts of interest. The policy includes a definition of conflicts of interest and a range of examples. Evidence does not show that the policy applies to Board members. However, the policy is assessed to be sufficiently strong to score full marks here.

References:

Public:
Koç Group Code of Ethics and Business Conduct, p.2:
‘All information on potential conflicts of interest or reports of irregularities are required under every circumstance to be conveyed to one of the Members of the Board of Ethics, who will bring the matter to the agenda of the first subsequent meeting to ensure that a decision is made with respect to the issue. The Board of Ethics must inform the Audit Group of every matter that is evaluated and decided upon, and must notify the Human Resources Director of every kind of disciplinary action taken’.

(pp.9-10): ‘4.2. Avoiding Conflicts of Interest
Conflicts of interest are situations that affect or may affect employees in the impartial execution of their duties, any and every kind of benefit that may be gained, or laying claim to any and every kind of material or related personal interest or gain by employees for themselves, their relatives, friends or persons or enterprises they have relations with.

4.2.1. Refraining from transactions with self-interest or from related-party transactions

- Refrain from unfair gain and profit for oneself, related parties or third parties by taking advantage of position and powers;
- In the case of personal investments, take care to avoid a conflict of interest with enterprises with which business is undertaken;
- Take care that personal investments or other engagements outside of the duties of
the job do not hinder one’s duties in the Koç Group, either in terms of time or attention, and to avoid any situation that will prevent concentration on main duties;

- Inform the immediate line manager in the event the employee has a first degree family relationship with a person who is in a decision-making position at a company that is a customer or supplier in the same line of business;
- Employees are required at the time they are first hired to disclose their shareholding in another company, if any, or their participation in any investment. This matter is particularly questioned during job interviews with candidates. Employees are required to inform their immediate line managers of any changes in their status in this context or of any similar matters that may be perceived as conflicts of interest; this disclosure should also be made to at least two high level managers.
- The line manager is to be informed in the event the employee is made aware of relatives with shares or material interests in another company with which commercial relations are being undertaken.

4.2.2. Representation and participation in events

- Participation in any public event of the nature of a sports activity, domestic/international tour, etc. organized by persons or organizations with which there is an existing or a potential business relationship and that is not of the nature of a conference, reception, promotional activity, seminar, etc. is subject to the approval of the General Manager in the case of Group companies, and to that of the President/Director/Counsel for Holding departments.

4.2.3. Receiving and Giving Gifts

In conducting relations with private or public persons or organizations that show an interest in forming or continuing a business relationship with the Koç Group:

- Refrain from accepting or offering any kind of gift that may create the impression of the existence of an infraction, give rise to or seem to give rise to a relationship of dependency except for materials given in accordance with business tradition, general custom and usage in the likes of mementos/promotional items;
- Refrain from demanding any kind of discount or material gain from suppliers, dealerships, authorized services, customers, Group companies or third parties that might be perceived as inappropriate, to refrain from proposing the same to third parties and refusing to accept if this is proposed.

4.2.4. Doing Business with the Group after Termination of Employment

Doing business with the Group after termination of employment, by means of personally establishing a company or acquiring a shareholding in a company, and dealing in selling, contracting, consulting, commissioning, representation, dealership and similar activities with Group companies is a very important matter that must be considered with care in order to avoid negative perceptions. It is imperative before and after such a period that action is taken within the framework of Group interests, and that moral and ethical rules are honored and conflicts of interest are not allowed before or after the period.

In such a case, it is the duty of the responsible manager to contact the Group Company at which such particular supplier had been previously employed; confirming in a report to be presented to the immediate line manager, that there is no irregularity. In the existence of an
irregularity, no commercial relations with that supplier must be established. Except for instances that require the approval of the president, to avoid negative perceptions, approval should not be given for such commercial relations with a former employee before 2 years have elapsed since his/her departure from the Group’.

Company website : Ethical Code
‘The principles adopted regarding carrying out of the relations with public or private persons and entities who are doing or intend to do business with Otokar or regarding handling of any potential conflict of interest are as follows:
• No gift or favor may be demanded.
  o Except for any social convenience or sales promotion which has a low value and does not give the impression of a practice of corruption, no gift or favor may be accepted.
  o No discount or benefit which has not been usually offered for a product or service may be accepted or given.
  o Employees may not accept cash money, gift check or precious metal as gift.
  o Money may not be borrowed from banks and financial institutions, unless conditions of lending are applicable to everybody.
  o No support is accepted from any person or entity for leisure, training and entertainment activities of Otokar without prior content of the Human Resources.
  o Employees may not give gifts on the name of Otokar to other employees of Otokar or their families.
  o Employees may not give support and benefit to any activity, society, person or entity on the name and behalf of Otokar without prior consent of the Human Resources.’

A21:
Does the company have a policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery?

Score:

1

Comments:
Based on public information, there is evidence that the company has a policy for the giving and receipt of gifts, to ensure that such transactions are bona fide and not a subterfuge for bribery. Gifts may only be accepted or given if they are of a low value and do not give the impression of corruption. Cash, gift checks and precious metal can never be accepted as gifts. The company therefore scores 1. To score higher the company would need to provide evidence that it sets clear upper limits on the acceptable value of a gift and/or has the requirement for senior management authorisation if a value threshold is exceeded.

References:
Public:
Company website: Ethical Code
‘The principles adopted regarding carrying out of the relations with public or private persons and entities who are doing or intend to do business with Otokar or regarding handling of any potential conflict of interest are as follows:

- No gift or favor may be demanded.
  - Except for any social convenience or sales promotion which has a low value and does not give the impression of a practice of corruption, no gift or favor may be accepted.
  - No discount or benefit which has not been usually offered for a product or service may be accepted or given.
  - Employees may not accept cash money, gift check or precious metal as gift.
  - Money may not be borrowed from banks and financial institutions, unless conditions of lending are applicable to everybody.
  - No support is accepted from any person or entity for leisure, training and entertainment activities of Otokar without prior content of the Human Resources.
  - Employees may not give gifts on the name of Otokar to other employees of Otokar or their families.'
Employees may not give support and benefit to any activity, society, person or entity on the name and behalf of Otokar without prior consent of the Human Resources.‘


Koç Group Code of Ethics and Business Conduct, p.10:

‘4.2.3. Receiving and Giving Gifts

In conducting relations with private or public persons or organizations that show an interest in forming or continuing a business relationship with the Koç Group:

- Refrain from accepting or offering any kind of gift that may create the impression of the existence of an infraction, give rise to or seem to give rise to a relationship of dependency except for materials given in accordance with business tradition, general custom and usage in the likes of mementos/promotional items;
- Refrain from demanding any kind of discount or material gain from suppliers, dealerships, authorized services, customers, Group companies or third parties that might be perceived as inappropriate, to refrain from proposing the same to third parties and refusing to accept if this is proposed.’
A22:
Does the company's anti-corruption policy include a statement on the giving and receipt of hospitality that ensures that such transactions are bona fide and not a subterfuge for bribery?

Score: 0

Comments:
Based on public information, there is no readily available evidence that the company has a policy for the giving and receipt of hospitality, to ensure that such transactions are bona fide and not a subterfuge for bribery. The company discusses the regulations in regard to employees receiving a gift or favour, but it does not explain that a favour can be defined as hospitality.

References:
Public:
TI notes:
Company website: Ethical Code
' The principles adopted regarding carrying out of the relations with public or private persons and entities who are doing or intend to do business with Otokar or regarding handling of any potential conflict of interest are as follows:
• No gift or favor may be demanded.
  o Except for any social convenience or sales promotion which has a low value and does not give the impression of a practice of corruption, no gift or favor may be accepted.
  o No discount or benefit which has not been usually offered for a product or service may be accepted or given.
  o Employees may not accept cash money, gift check or precious metal as gift.
  o Money may not be borrowed from banks and financial institutions, unless conditions of lending are applicable to everybody.
  o No support is accepted from any person or entity for leisure, training and entertainment activities of Otokar without prior content of the Human Resources.
  o Employees may not give gifts on the name of Otokar to other employees of
Otokar or their families.

- Employees may not give support and benefit to any activity, society, person or entity on the name and behalf of Otokar without prior consent of the Human Resources.


Koç Group Code of Ethics and Business Conduct, p.10:

‘4.2.3. Receiving and Giving Gifts

In conducting relations with private or public persons or organizations that show an interest in forming or continuing a business relationship with the Koç Group:

- Refrain from accepting or offering any kind of gift that may create the impression of the existence of an infraction, give rise to or seem to give rise to a relationship of dependency except for materials given in accordance with business tradition, general custom and usage in the likes of mementos/promotional items;

- Refrain from demanding any kind of discount or material gain from suppliers, dealerships, authorized services, customers, Group companies or third parties that might be perceived as inappropriate, to refrain from proposing the same to third parties and refusing to accept if this is proposed’.
A23:
Does the company have a policy that explicitly prohibits facilitation payments?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a policy that explicitly prohibits facilitation payments.

References:
Public:
NA
A24:

Does the company prohibit political contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent? Does the company record and publicly disclose all political contributions?

Score:

2

Comments:

Based on public information, there is evidence that the company prohibits political contributions in order to prevent undue influence or other corrupt intent.

References:

Public:
Company website: Ethical Code
‘Otokar never makes donations in any form to political parties, politicians or political candidates.’

2013 Sustainability Report, p.55:
‘Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country’ – not reported in the report.

Koç Group Corporate Social Responsibility Report 2012, p.41:
Koç Group Code of Ethics and Business Conduct, p.8:
‘Refrain from using work time and the company resources, either directly or indirectly, to achieve personal gain and/or engage in political activity or seek profit.’

(p.11): ‘Prohibition from Political Activity

The Koç Group companies do not make any donations to political parties, politicians or candidates for political office. Activities within the boundaries of the workplace devoted to demonstrations, propaganda or similar purposeful activities are not allowed. The resources of the company (vehicles, computers, e-mails) may not be allotted to political activity.’

Koç Group Corporate Social Responsibility Report 2013, p.36:
‘As a matter of Group companies Ethical Conduct Rules, Koç Holding and Group companies do not hold political opinions or form moral or material relationships with political persons or institutions, on the local or international levels. Except for commercial and social responsibility projects, Koç Group companies do not hold a communication with the public authorities of the countries in which they operate.’
A25:
Does the company have a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, and discloses the issues on which the company lobbies?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, or discloses the issues on which the company lobbies. TI notes that the company states that it is not an active participant in the political and public policy making process. However, the Koç Group 2013 Corporate Social Responsibility Report details that Group companies communicate with public authorities in regard to commercial and social responsibility projects.

References:
Public:

TI notes:

2013 Sustainability Report, p.55:
‘Public policy positions and participation in public policy development and lobbying – Otokar is not an active participant in the political and public policy making process’.

Company website: Ethical Code
‘Employees may not give support and benefit to any activity, society, person or entity on the name and behalf of Otokar without prior consent of the Human Resources.’
‘Except for the persons named in the circular of authorized signatories, no employee may act or communicate so as to represent the company to third persons, unless he or she has been specifically authorized by his or her superior.’


Koç Group Corporate Social Responsibility Report 2013, p.36:
‘As a matter of Group companies Ethical Conduct Rules, Koç Holding and Group companies do not hold political opinions or form moral or material relationships with political persons or institutions, on the local or international levels. Except for commercial and social responsibility projects, Koç Group companies do not hold a communication with the public authorities of the countries in which they operate.’
A25(a):

Does the company prohibit charitable contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?

Score:

1

Comments:

Based on public information, there is some evidence that the company regulates charitable contributions in order to prevent undue influence or other corrupt intent. The company has a donations policy, but this is not publically accessible. However, the company states that all employees may not give support to any society or entity, without prior approval from Human Resources. The company details the annual donation amount in its annual report. The company therefore scores 1. To score higher the company would need to provide further evidence of the donations policy, for example due diligence on potential recipients, and publically declare recipients.

References:

Public:
2013 Annual Report, p.41:
‘Agenda of Annual General Meeting of Otokar Otomotiv ve Savunma Sanayi A.Ş. dated 28th March 2014 :
Informing the Shareholders of donations provided in 2013 and determining the upper limit of donations to be made in 2014’.

(p.45): ‘In our Annual General Meeting dated 27th March, 2013, the upper limit of donations that will be made in 2013 was set as TL 2,100,000. In 2013 our Company provided tax-deductible donations and aid amounting to TL 2,038,442, to foundations and associations for charitable purposes’.

(p.51): ‘In the Annual General Meeting held in 2013, shareholders were informed of the donations and aid made in 2012 on a separate agenda item. The limit for donations in 2013 was set TL 2,100,000 for 2013’. 
(p.127): ‘Provision of information to Shareholders concerning the Company’s donations in 2013 and the establishment of an upper limit for donations to be made in 2014.

According to the Capital Market Board’s Dividend Communiqué numbered II-19.1, the limit of donation should be determined by the General Meeting in the event that it is not mentioned in the articles of association. Donations and payments provided are required to be submitted for the attention of shareholders in the Annual General Meeting. The donations provided to foundations and associations amounted to TL 2,038,442 in 2013. In addition, the limit of donation to be made in 2014 will be determined in the Annual General Meeting’.

2013 Sustainability Report, p.18:
‘Donation and Aid Policy’.

Company website: Ethical Code
‘Employees may not give support and benefit to any activity, society, person or entity on the name and behalf of Otokar without prior consent of the Human Resources.’
‘Except for the persons named in the circular of authorized signatories, no employee may act or communicate so as to represent the company to third persons, unless he or she has been specifically authorized by his or her superior.’

Company website: Social Responsibility
‘As a company being aware of its corporate responsibility, Otokar takes charge actively on issues such as development of the country, growth of the society, protection and supporting of the environment and invests in the future.

Otokar supports the “For My Country” Project which aims at spreading the idea of social responsibility among the companies, employees, dealers and suppliers of Koç Group, developing a more participating attitude toward social problems, supporting the local development and realizing the projects that will elevate the living standard. Launched on the 80th anniversary of Koç Group, the “For My Country” Project has realized significant successes in the field of social responsibility since 2006. Otokar has participated actively in the projects in the fields of local development, afforestation, blood donation and participation of the disable in the social life.

Exhibiting proactive works in the area of education as well, Otokar takes part in university-industry collaborations, provides support to universities especially on the issues of vehicles running with alternative fuels and supports the “Our Country Needs Vocational Schools” project which has been carried out under the roof of Koç Holding.

Within the scope of its social responsibility works, Otokar also takes upon the duty of raising the awareness for the environment and carrying out its environmental responsibilities. It establishes system based on efficient utilization of the environment and the natural resources and ensures continuity of such systems. On the areas of protection and
improvement of the surrounding environment, Otokar conducts afforestation activities and delivers training to the local people and the business partners about the protection of the environment. Having been awarded awards on the subject of environment from the Ministry of Environment, the Office of Governor of Sakarya, the İstanbul Chamber of Commerce, the Adapazari Chamber of Industry and Commerce, the Kocaeli Chamber of Industry, Otokar is one of the first automotive companies which has obtained the ISO 14001 certificate.


Koç Holding Annual Report 2013, p.3:
‘Agenda of the Ordinary General Assembly
12. Presentation to the shareholders, of the donations made by the Company in 2013, and resolution of an upper limit for donations for the year 2014’.

(p.22): ‘It is concluded that, TL 2,633,932,576.99 is determined as distributable dividend base after deduction of 5% legal reserve stated under article 519 of Turkish Commercial Code amounting to TL 45,780,423.01 from the net profit achieved in the consolidated financial statements for the accounting period of 1 January - 31 December 2013 prepared by Koç Holding A.Ş. management which are in compliance with TFRS under Capital Markets Board regulations and audited by Güney Bağimsiz Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Ernst & Young Global Limited) and TL 2,635,398,830.74 is determined as first category dividend base after addition of donations made to foundations and associations amounting TL 1,466,253.75 to distributable dividend base’.

(p.115): ‘At the General Assembly meeting held in 2013, information concerning donations made and aid granted during 2012 was provided under a separate agenda heading; and donation limit was set as 5% of net income period based on official records of Koç Holding A.Ş. and no change was made to the policy for donations or grants’.

(121): ‘Koç Holding and the Group companies put social responsibility, which was introduced by Vehbi Koç, one of the pioneers of institutionalization in Turkey, into practice through social projects and in the way they do business. Vehbi Koç Foundation, which is Turkey’s first private foundation, is continuing to mark its leadership in the fields of education, healthcare and culture, setting lasting examples in the institutionalization of these services. The institutions of the Foundations each of which is set up as a center of excellence, aim to contribute to the development of Turkish society via the services it delivers. Koç Holding and Koç Group companies support the activities of the Foundation through many social responsibility projects they undertake. Koç Group’s objective to further improve as a socially responsible corporation was confirmed with the participation in the Global Compact, an official and international framework.’

OTOKAR 18/11/14
WWW.OTOKAR.COM.TR
WWW.OTOKAR.COM
12. Presentation to the shareholders, of the donations made by the Company in 2013, and resolution of an upper limit for donations for the year 2014

Pursuant to Article 6 of the CMB’s Communiqué on Dividends No. II-19.1, the limit of donations to be made must be determined by the General Assembly, in cases not specified in the Articles of Association, and information concerning the donations and payments made must be provided to shareholders at the General Assembly. Donations totaling TL 1,466,253.75 were made to foundations and associations in 2013. The upper limit of donations to be made in 2014 shall be made by the General Assembly’.

Koç Group website: Corporate Social Responsibility

‘With an enrooted corporate culture, the Koç Group is a member of the Turkish business community, especially in one of its strongest social aspects: Each year, the Koç Group supports many various social sharing projects through corporate citizenship awareness. The Koç Group funded many projects to advance society’s quality of life where the Group...”
operates and works with the aim to fulfil our obligations towards our employees and their families, our local community, and our other stakeholders.

The Koç Group and its companies, undertaking a mission to create a spirited Turkey for future generations, places absolute importance on supporting long-term and socially gainful projects with permanent benefits. Conscious of the importance of social responsibility, and its leading role in the society, the Group invests predominantly in education, health, culture, arts and environment. We are encouraged by the fact that any investment we make in these areas fills a void in our country’s development. Contributing to society and considering our growth as an integral part of the development of our society, constitute our basic philosophy.’

A26:
Does the company provide written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company provides written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda.

References:
Public:
NA
A27: Does the company have a training programme that explicitly covers anti-corruption?

Score: 0

Comments: Based on public information, there is no readily available evidence that the company has a training programme that explicitly covers anti-corruption. TI notes that in its ethical code the company states that it provides training to ensure job and personal development for employees. However, it is unclear if this includes a focus on ethics and compliance.

References:

Public:

2013 Sustainability Report, p.40:
‘As for blue-collar employees, their score cards composed of technical and behavioral competencies. After performance evaluation period, we define development areas for underperforming employees. Until the first half of the year they attend training programs related to the specified development areas. At the beginning of the second half, we make half year performance evaluation in order to measure their progress. For blue collar team leaders, balanced score cards are used to evaluate their performance. As having a crucial role in managing blue-collar collars, team leaders’ target integration to the organizational goals is the main point of this system. In these performance review processes, 100% of employees receive performance feedback at the end of the year’.

(p.42): ‘Otokar’s Training and Development Policy
Otokar carried out various activities in 2013 with respect to the training of its human resources.
In the face of the rapidly changing environment in the sector, Otokar is required to maintain its human resources, most of who are from the Y generation. For this purpose, the Company pursues a training and development policy that essentially aims to precisely identify employees’ training and development needs and to support them through appropriate training programs.
In addition, Otokar’s training and development management systems, which are applied by the Company to protect and improve its qualified human resources have been configured to support this policy. Thanks to these systems, the Company defines people’s training needs precisely and in a timely manner and supports its employees through appropriate training activities. As a result, in order to have dynamic, well-informed, highly competitive and qualified human resources which meet global standards, Otokar aims to correctly identify its employees’ needs and to effectively meet these needs. Acting upon these dynamics, the Company has shaped its training policy in line with its targets and strategies with the purpose of maintaining its presence under today’s competition conditions, to ensure the personal development of our employees and to maximize their performance, knowledge and skills.’

(p.55): ‘Percentage of employees trained in organization’s anti-corruption policies and procedures’ – not reported in the report.

Koç Group Code of Ethics and Business Conduct, p.5:
‘In this context, the following basic principles comprise the framework of employee relations within the Koç Group:

- To utilize as a single criterion for recruitment the suitability of qualifications for the job, ensuring equal opportunity with no discrimination;
- To recruit the most qualified young people and experienced professionals that will carry our Group forward;
- To make utmost use of the competencies, skills and creativity of employees;
- To provide possibilities and equal opportunity for training, guidance and professional development of employees.’

Koç Holding Annual Report 2013, p.33:
‘KoçAcademy provides activities to support the development of Koç Group employees. Activities are planned and implemented according to the Company’s and employees’ needs. Indeed, it serves as the learning and development infrastructure of the Group. In order to identify the most preferred development needs, KoçAcademy has competency and ability assessments tools. According to the results of the assessment, an individual development plan for each employee is formulated by selecting the most appropriate development activities. In addition, KoçAcademy is continuously enriched by new contents like training programs, e-learning modules and articles in order to better support the professional development of the Company’s employees.’

‘The main objective of Koç Group Leader Development Programs is to form a common management and leadership culture throughout the Group. It also creates a training and business cooperation environment where managers from different Group companies can share their knowledge and experience. In total, 5,673 managers attended these programs between 2002 and 2013’.
Company website: Ethical Code

‘Otokar provides training to ensure job and personal development of its employees’.  

Koç Group Corporate Social Responsibility Report 2013, p.17:
‘The Code of Ethics and Business Conduct, which involves human rights issues such as the prohibition of child workers, discrimination and forced labor and is adopted by all companies within Koç Group, defines the social and ethical rules to which employees of all levels are subject. Employees are expected to act in accordance with these rules. Every Group company employee is expected to read and sign the Code of Conduct upon their recruitment. Employees can also obtain a copy on intranet and internet pages. Labor Legislation Trainings are organized, where matters included in Koç Group Code of Ethics and Personnel Regulations are shared with the main personnel responsible for their dissemination throughout Group companies. The scope and content of these trainings realized by the Coordinate of Industrial Relations are intended to be broadened in the year 2014.’

(pp.17-18): ‘As a result of this understanding, all companies within the Group make use of Koç Akademi, which is a platform of training, development and sharing, in addition to training and development practices specific to their fields of work.

On this platform where the development planning processes of Group employees are managed, areas of need are determined and development plans are formed by drawing primarily on resources such as various evaluations, objectives and employee and manager requests. Following these practices development activities are carried out. These activities can be short-term trainings as well as long-termed programs. Within the whole process, interviews are carried out to monitor employee development throughout the year and to evaluate it at the end of the year. Subsequent to year-end evaluation interviews, planning interviews for the following year are realized.

(p.36): ‘In fighting bribery and corruption, we take “Koç Group Code of Ethics and Business Conduct” as reference, published on our corporate website both in Turkish and English and shared with all our stakeholders New recruits are informed on this code of conduct. Implementation of the Code of Conduct and the supervision of compliance process with the codes are managed by the Ethical Behavior Boards formed separately within Group Companies and within Koç Holding’.
A28:
Is anti-corruption training provided in all countries where the company operates or has company sites?

Score:
0

Comments:
Based on public information, there is no readily available evidence that anti-corruption training is provided in all countries where the company operates or has company sites.

References:
Public:
NA
A29:
Does the company provide targeted anti-corruption training to members of the Board?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company provides targeted anti-corruption training to Board members.

References:
Public:
NA
A30:
Does the company provide tailored ethics and anti-corruption training for employees in sensitive positions?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company provides tailored ethics and anti-corruption training for employees in sensitive positions.

References:
Public:
NA
A31:
Does the company have a clear and formal process by which employees declare conflicts of interest?

Score:
2

Comments:
Based on public information, there is evidence that the company has a clear and formal process by which employees declare conflicts of interest. Employees must disclose any potential conflicts of interest to a member of the Board of Ethics. The Board of Ethics must inform the Audit Group of all matters that are evaluated, and notify the Human Resources Director of any disciplinary action taken.

References:
Public:
Koç Group Code of Ethics and Business Conduct, p.2:
‘All information on potential conflicts of interest or reports of irregularities are required under every circumstance to be conveyed to one of the Members of the Board of Ethics, who will bring the matter to the agenda of the first subsequent meeting to ensure that a decision is made with respect to the issue. The Board of Ethics must inform the Audit Group of every matter that is evaluated and decided upon, and must notify the Human Resources Director of every kind of disciplinary action taken’.

(pp.9-10): ‘4.2. Avoiding Conflicts of Interest
Conflicts of interest are situations that affect or may affect employees in the impartial execution of their duties, any and every kind of benefit that may be gained, or laying claim to any and every kind of material or related personal interest or gain by employees for themselves, their relatives, friends or persons or enterprises they have relations with.
4.2.1. Refraining from transactions with self-interest or from related-party transactions
- Refrain from unfair gain and profit for oneself, related parties or third parties by taking advantage of position and powers;
- In the case of personal investments, take care to avoid a conflict of interest with enterprises with which business is undertaken;
- Take care that personal investments or other engagements outside of the duties of
the job do not hinder one’s duties in the Koç Group, either in terms of time or attention, and to avoid any situation that will prevent concentration on main duties;

- Inform the immediate line manager in the event the employee has a first degree family relationship with a person who is in a decision-making position at a company that is a customer or supplier in the same line of business;
- Employees are required at the time they are first hired to disclose their shareholding in another company, if any, or their participation in any investment. This matter is particularly questioned during job interviews with candidates. Employees are required to inform their immediate line managers of any changes in their status in this context or of any similar matters that may be perceived as conflicts of interest; this disclosure should also be made to at least two high level managers.
- The line manager is to be informed in the event the employee is made aware of relatives with shares or material interests in another company with which commercial relations are being undertaken.

4.2.2. Representation and participation in events

- Participation in any public event of the nature of a sports activity, domestic/international tour, etc. organized by persons or organizations with which there is an existing or a potential business relationship and that is not of the nature of a conference, reception, promotional activity, seminar, etc. is subject to the approval of the General Manager in the case of Group companies, and to that of the President/Director/Counsel for Holding departments.

4.2.3. Receiving and Giving Gifts

In conducting relations with private or public persons or organizations that show an interest in forming or continuing a business relationship with the Koç Group:

- Refrain from accepting or offering any kind of gift that may create the impression of the existence of an infraction, give rise to or seem to give rise to a relationship of dependency except for materials given in accordance with business tradition, general custom and usage in the likes of mementos/promotional items;
- Refrain from demanding any kind of discount or material gain from suppliers, dealerships, authorized services, customers, Group companies or third parties that might be perceived as inappropriate, to refrain from proposing the same to third parties and refusing to accept if this is proposed.

4.2.4. Doing Business with the Group after Termination of Employment

Doing business with the Group after termination of employment, by means of personally establishing a company or acquiring a shareholding in a company, and dealing in selling, contracting, consulting, commissioning, representation, dealership and similar activities with Group companies is a very important matter that must be considered with care in order to avoid negative perceptions. It is imperative before and after such a period that action is taken within the framework of Group interests, and that moral and ethical rules are honored and conflicts of interest are not allowed before or after the period.

In such a case, it is the duty of the responsible manager to contact the Group Company at which such particular supplier had been previously employed; confirming in a report to be presented to the immediate line manager, that there is no irregularity. In the existence of an
irregularity, no commercial relations with that supplier must be established. Except for instances that require the approval of the president, to avoid negative perceptions, approval should not be given for such commercial relations with a former employee before 2 years have elapsed since his/her departure from the Group’.

Company website : Ethical Code
‘The principles adopted regarding carrying out of the relations with public or private persons and entities who are doing or intend to do business with Otokar or regarding handling of any potential conflict of interest are as follows:
- No gift or favor may be demanded.
  - Except for any social convenience or sales promotion which has a low value and does not give the impression of a practice of corruption, no gift or favor may be accepted.
  - No discount or benefit which has not been usually offered for a product or service may be accepted or given.
  - Employees may not accept cash money, gift check or precious metal as gift.
  - Money may not be borrowed from banks and financial institutions, unless conditions of lending are applicable to everybody.
  - No support is accepted from any person or entity for leisure, training and entertainment activities of Otokar without prior content of the Human Resources.
  - Employees may not give gifts on the name of Otokar to other employees of Otokar or their families.
  - Employees may not give support and benefit to any activity, society, person or entity on the name and behalf of Otokar without prior consent of the Human Resources.’
- Employees use the fixtures, tools and equipment of the company for their intended purpose and refrain from wasting them. Employees may not use the facilities of Otokar for their private works.’


Corporate Governance Committee (July 2012), p.1:
‘Purpose
To give remedial advice to the Board of Directors for the corporate governance applications by identifying if corporate governance principles is applied or not, if not, the reasons of that issue and identifying conflict of interest because of incompatibility with such principles, the committee performs the duties of Nomination Committee and Compensation Committee.’
‘The duties of the corporate governance committee;
- To give remedial advice to the Board of Directors for the corporate governance applications by identifying if corporate governance principles is applied or not, if not, the reasons of that issue and identifying conflict of interest because of incompatibility with such
A32: Is the company explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities?

Score:

1

Comments:
Based on public information, there is evidence that the company has an explicit commitment to apply disciplinary procedures to employees found to have violated the Code of Ethics and Business Conduct, which includes an anti-corruption policy. The company therefore scores 1. To score higher the company would need to provide evidence that disciplinary procedures are applied to Directors and Board members found to have violated the Code of Ethics and Business Conduct.

References:

Public:
2013 Sustainability Report, p.18:
‘At Otokar, the Code of Conduct Board has been established in order to audit breaches and to ensure compliance. Otokar’s internal audit team and Koç Holding’s audit teams perform audits to identify any incidences of corruption. Behavior that is deemed suspicious may be reported to the Koç Holding Audit Team managers by contacting them from their direct lines. The goal is to ensure that employees are able to submit any allegations directly and free from any influence. Actions to be taken in the event of any possibility of corruption have been specified by Otokar’s and Koç Group’s code of conduct boards. No incidence of violation of ethical rules was reported during the reporting period’.

(p.55): ‘Actions taken in response to incidents of corruption – no corruptive practices were encountered in 2013, so no corrective actions needed to be taken.’

Koç Group Code of Ethics and Business Conduct, p.11:
‘7.2. Disciplinary Actions
The following disciplinary action shall be taken in the event of violations of the Code of...
Ethics:

- Any willful acts of infraction shall result in termination of the employment contract (in accordance with the relevant articles of the Labor Law) and if necessary, in the start of legal proceedings. Positive contributions in the past shall not constitute grounds for either a partial or full amnesty of the disciplinary punishment decided upon in the case of a person who has willfully obtained an unfair gain.
- In the absence of a willful infraction but in the existence of merely carelessness or negligence due to ignorance, an oral or written warning shall be issued appropriate to the impact of the infraction committed.’
A33:
Does the company have multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee (e.g. web, phone, in person), to report concerns or instances of suspected corrupt activity?

Score:
1

Comments:
Based on public information, there is some evidence that the company has accessible, secure and confidential channels, for employees to report concerns or instances of suspected corrupt activity. Channels include the General Manager, the President or the Koç Holding Audit Team. The company therefore scores 1. To score higher the company would need to provide evidence that it has at least one independent channel for employees to report to, which facilitates anonymous reporting.

References:
Public:
Koç Group Code of Ethics and Business Conduct, p.1:
‘All information on potential conflicts of interest or reports of irregularities are required under every circumstance to be conveyed to one of the Members of the Board of Ethics, who will bring the matter to the agenda of the first subsequent meeting to ensure that a decision is made with respect to the issue. The Board of Ethics must inform the Audit Group of every matter that is evaluated and decided upon, and must notify the Human Resources Director of every kind of disciplinary action taken’.

7.1. Obligation to Report Infractions
Should employees learn or have a suspicion of an infraction of the Code of Ethical Conduct and the Implementation Principles of the Koç Group or of a particular Group Company, or of a violation of the laws and regulations under which the company operates, they are required to report this to their immediate line manager or, depending upon the situation, to the General Manager and/or the President concerned.'
In order to avoid a negative effect on the harmony of the workplace or on the individual’s business relations, employees should under all circumstances make sure that the report of the infraction is not revealed to third parties. Care should be taken so that the reporting mechanism is run in the interests of the company.

It is important to be sure that the person reporting an infraction refrains from engaging in acts of bad faith such as gossiping about the reported individual or attempting to negatively affect that person’s career.

For this reason, the process of reporting and inquiry is one in which utmost care should be taken to preserve confidentiality, objectivity and ethical standards. The informer and the persons managing the process are required to expend maximum efforts and care in this matter.

Any report found to be made with deliberate prevarication and/or slander shall be considered a violation of the Code of Ethics and Business Conduct and its Implementation Principles.’

Company website: Ethical Code
‘Employees are not insensitive and unresponsive to any event which affects the interest of the company and report such events to the concerned departments’.

2013 Sustainability Report, p.18:
‘Behavior that is deemed suspicious may be reported to the Koç Holding Audit Team managers by contacting them from their direct lines. The goal is to ensure that employees are able to submit any allegations directly and free from any influence. Actions to be taken in the event of any possibility of corruption have been specified by Otokar’s and Koç Group’s code of conduct boards. No incidence of violation of ethical rules was reported during the reporting period.’
A33(a):
Are the whistleblowing channels available to all employees in all geographies?

Score:

2

Comments:
Based on public information, there is evidence that across geographies, all employees have access to more than one reporting channel. These channels include their local General Manager, President or the Koç Holding Audit Team.

References:
Public:
Koç Group Code of Ethics and Business Conduct, p.1:
‘All information on potential conflicts of interest or reports of irregularities are required under every circumstance to be conveyed to one of the Members of the Board of Ethics, who will bring the matter to the agenda of the first subsequent meeting to ensure that a decision is made with respect to the issue. The Board of Ethics must inform the Audit Group of every matter that is evaluated and decided upon, and must notify the Human Resources Director of every kind of disciplinary action taken’.

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inquiry is one in which utmost care should be taken to preserve confidentiality, objectivity and ethical standards. The informer and the persons managing the process are required to expend maximum efforts and care in this matter. Any report found to be made with deliberate prevarication and/or slander shall be considered a violation of the Code of Ethics and Business Conduct and its Implementation Principles.

Company website: Ethical Code
‘Employees are not insensitive and unresponsive to any event which affects the interest of the company and report such events to the concerned departments’.


2013 Sustainability Report, p. 18:
‘Behavior that is deemed suspicious may be reported to the Koç Holding Audit Team managers by contacting them from their direct lines. The goal is to ensure that employees are able to submit any allegations directly and free from any influence. Actions to be taken in the event of any possibility of corruption have been specified by Otokar’s and Koç Group’s code of conduct boards. No incidence of violation of ethical rules was reported during the reporting period.’
A33(b):

Does the company have formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company has formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, or that whistleblowers are treated supportively. TI notes that the company carries out an annual employee survey, but there is no evidence that this includes questions on the whistleblowing process.

References:

Public:

Koç Group Code of Ethics and Business Conduct, p.1:

‘All information on potential conflicts of interest or reports of irregularities are required under every circumstance to be conveyed to one of the Members of the Board of Ethics, who will bring the matter to the agenda of the first subsequent meeting to ensure that a decision is made with respect to the issue. The Board of Ethics must inform the Audit Group of every matter that is evaluated and decided upon, and must notify the Human Resources Director of every kind of disciplinary action taken’.

Koç Group Corporate Social Responsibility Report 2012, p.19:

‘This survey, carried out annually since 2011, serves to measure Group employees’ engagement and satisfaction and to analyze factors affecting engagement. Within the scope of 2013 Survey, 46,290 questionnaires were filled out by our employees and the ratio of completing the questionnaires was 86%. Employee engagement objectives are determined and improvement activities are pursued in accordance with application results.’
A34:
Does the company have well-publicised resources available to all employees where help and advice can be sought on corruption-related issues?

Score:

1

Comments:

Based on public information, there is limited evidence that the company has well-publicised resources available to all employees, where help and advice can be sought on corruption-related issues. Employees have access to mid-level and senior managers, but there is no evidence that they are trained for the advisory job. The company therefore scores 1.

References:

Public:
Koç Group Code of Ethics and Business Conduct, p.4:
‘It is among the primary duties and responsibilities of mid-level and senior managers of the Koç Group to make every effort and show leadership to ensure that all employees are notified of the Code of Ethics and Business Conduct, that they understand the importance of these rules and provide compliance.’
A35:
Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a commitment to non-retaliation for bona fide reporting of corruption.

References:
Public:
TI notes:
Koç Group Code of Ethics and Business Conduct, p.11:
‘7.1. Obligation to Report Infractions
Should employees learn or have a suspicion of an infraction of the Code of Ethical Conduct and the Implementation Principles of the Koç Group or of a particular Group Company, or of a violation of the laws and regulations under which the company operates, they are required to report this to their immediate line manager or, depending upon the situation, to the General Manager and/or the President concerned.
In order to avoid a negative effect on the harmony of the workplace or on the individual’s business relations, employees should under all circumstances make sure that the report of the infraction is not revealed to third parties. Care should be taken so that the reporting mechanism is run in the interests of the company.
It is important to be sure that the person reporting an infraction refrains from engaging in acts of bad faith such as gossiping about the reported individual or attempting to negatively affect that person’s career. For this reason, the process of reporting and inquiry is one in which utmost care should be taken to preserve confidentiality, objectivity and ethical standards. The informer and the persons managing the process are required to expend maximum efforts and care in this matter.
Any report found to be made with deliberate prevarication and/or slander shall be considered a violation of the Code of Ethics and Business Conduct and its Implementation Principles’.
Company website: Ethical Code
‘Employees are not insensitive and unresponsive to any event which affects the interest of the company and report such events to the concerned departments’.
Information Sources

Company website:
www.otokar.com.tr
www.otokar.com

2013 Annual Report:

2013 Sustainability Report:

Corporate Governance Committee (July 2012):

Corporate Governance Principles Compliance Report:

Koç Group Code of Ethics and Business Conduct:

Koç Group Code of Ethics and Business Conduct:
Koç Group Corporate Social Responsibility Report 2012:

Koç Group Corporate Social Responsibility Report 2013:

Koç Holding Anual Report 2013:

Working Principles of Risk Management Committee (July 2012):

Working Principles of the Audit Committee (April 2012):