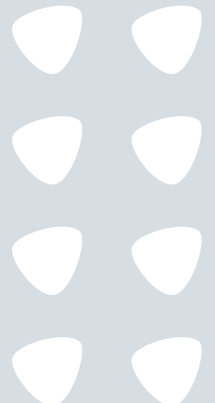
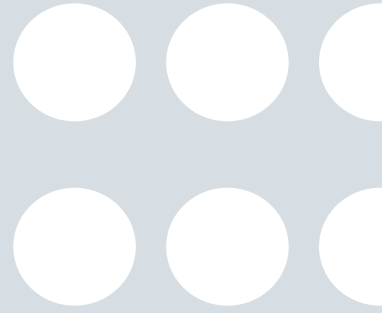


2017-2018 Sustainability Report



2017-2018 Sustainability Report



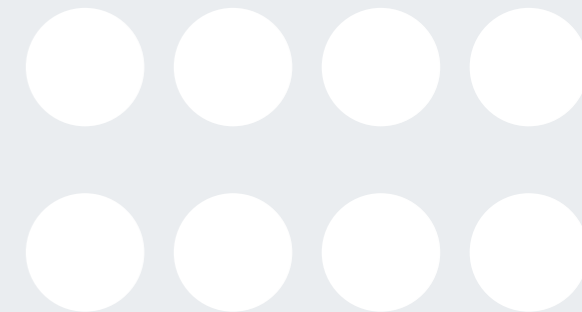
*Please scan the QR code to watch
the video of the report.*

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*We are Abdi İbrahim... We are the ones who heal lives...
We are aware of our responsibility for a healthier society and
more livable world. Our investments continue unabated, driven by
our faith in the potential of the Turkish pharmaceutical industry,
which we helped build, our faith in the strength of our country,
and our faith in its future. This is because we are a company
that endeavors to pay back its debt to its homeland through
investment, production, and employment. This is because we are
a passionate family that aims high and dreams big. Our journey
of healing, dating back to 1912, carries into the future as Abdi
İbrahim becomes a rising star in the international arena.*



MESSAGE FROM THE CHAIRMAN

We are not a mere pharmaceutical company; we are a large family working passionately to heal lives for the last 107 years.



Dear Stakeholders,

Originating from a small pharmacy store established by pharmacist Abdi Nadir İbrahim in 1912 in Küçükmustafapaşa, İstanbul, Abdi İbrahim has been in the service of humanity for the last 107 years, driven by the same passion for

healing and endless determination. Now in its second century, our Company continues to work with commitment, aiming to ensure the sustainability of its achievements with courage, responsibility and passion.

Building on this philosophy, we conduct our social, environmental and economic activities in a systemic manner that engages internal and external stakeholders, we endeavor to make a difference by focusing on the correct issues in today's increasingly complex universe of needs, and we take great care to disclose our progress in and results from these operations to our stakeholders and the public. As a member of globally accepted initiatives in the field of sustainability, we keep abreast of international standards and continuously develop ourselves accordingly.

In Turkey as well as other markets in which we operate, we pay attention to the social and environmental impact of our activities alongside our economic impact as befits our main philosophy of "healing life", and we collaborate with the private sector and non-governmental organizations as we do so.

It gives me great pleasure to note that we are working with dedication to ensure that our results in these three areas serve to increase and make sustainable the prosperity in the aforementioned markets, and to achieve our goal of

transforming Abdi İbrahim, a company with 107 years of history, into a "corporate citizen".

One of the key initiatives that guide us in our sustainability-oriented activities is the UNGC (United Nations Global Compact), which we signed in 2010. We endeavor to integrate into all of our business processes, strategies and operations the 10 global principles that form the core of the UN's 17 priority sustainable development areas, and share "Communication on Progress" with stakeholders on an annual basis.

Another initiative that we embrace in our sustainability efforts is the GRI (Global Reporting Initiative). Since 2013, we have been publishing a GRI-compliant sustainable report covering two-year periods. I would also like to note that as an enterprise that attaches great value to women's empowerment and employment, on January 16, 2017 we signed the United Nations' Women's Empowerment Principles, which promote women's participation in all sectors and segments of the economy. In our journey of over a century, Abdi İbrahim's female employees have always been an important source of strength for our company. We take pride in the fact that since our founding generation, women have played a key role in all significant steps forward in our history, making Abdi İbrahim one of the pioneers in gender equality in workplace. Today, 32% of all Abdi İbrahim employees and 36% of our executives are women – figures we are committed to raise even higher.

As necessitated by our responsibility towards the society we live in and the world that supplies our resources, our "4th Sustainability Report" provides detailed information about the activities we carried out between January 1, 2017 and December 31, 2018 in a wide range of fields from environment to investment and employment to social responsibility. We are pleased to share with you, our

esteemed stakeholders this report, which was prepared with an integrative approach and meets the requirements of the GRI Standards: Core option, and UNGC and WEPs Progress Reports.

2017 and 2018 represent a time of challenge for both Turkey and the world at large. Our industry, pharmaceuticals, was also affected by these adverse conditions presented during these years.

Yet, despite the economic volatilities, we managed to continue our investments without slowdown inside and outside Turkey and even planned new investments thanks to our long-term strategic plans and our ability to respond rapidly to opportunities and risks alike.

Paying our debt to our homeland is our greatest source of motivation.

This challenging period also saw us continue to strengthen our relationships with all of our stakeholders. We improved and redesigned critical processes of our company, including human resources, corporate reputation, information technologies, business continuity and new products.

We enhanced our production technologies to drive up capacity. Abdi İbrahim family grew bigger with each passing day as we created new jobs in Turkey and in our international markets. For us, we owe a debt of support to our country's economy, society, and the world we live in. As such, contributing to the development of our sector, and most importantly, paying our debt to our homeland is our greatest source of motivation.

Working with nearly 30 licensors while also developing proprietary products, our company continues to boast the largest portfolio in its industry with over 200 brands and close to 400 products.

Having maintained market leadership since 2002, Abdi İbrahim has assumed the responsibility of healing lives in more than 60 countries from EU states to Canada and North Africa to Asia with its 4,000 employees. We are aware of our responsibility for a healthier society and a more livable world, and we are committed to work diligently to become the healing force of Turkey, contributing to our country with our production, export, R&D and innovation. For Abdi İbrahim, developing our business is a multi-

faceted responsibility. We endeavor to make the best of opportunities as we make new agreements to enter into key partnerships. Meanwhile, we play a pioneering role in localization efforts. We produce for numerous foreign firms, and accordingly, we our R&D investments continue full speed. Abdi İbrahim's R&D investments earned the company 20th place in Turkish Exporters' Assembly's Turkey R&D Top 250 list of 2017, which also saw Abdi İbrahim maintain its position on the top of the pharmaceutical company rankings. With this in mind, we claim this: "If a Turkish company is to discover a new molecule, that company will be none other than Abdi İbrahim". And it gives me pleasure to say that we are sparing no effort as we work towards this goal with confidence and determination.

In the coming period, our journey of healing, which began in 1912, will carry into the future as Abdi İbrahim becomes a rising star in the international arena. As a company that shapes the pharmaceutical industry and continuously strives to raise the bar, we will take firm steps towards our ambitious goals driven by our bold initiatives, our responsibility towards our country, and our passion for what we do. We will continue to prove our philosophy that sees our sustainability and business strategies not as separate concepts, but rather as parts of a larger whole complementing and supporting each other.

As a signatory to the UN Global Compact, our focus will remain on our responsibility towards our planet and future generations. As part of this commitment, we have pledged our support for the 2030 Sustainable Development Goals, a United Nations and UNDP joint-initiative that was ratified in September 2015 by the leaders of 193 countries across the globe. We will continue to follow the guidance of these global goals, and sustain our support for efforts in this direction.

Sincerely
Nezhir Barut
Chairman

MESSAGE FROM THE CEO

*An important success story in terms of sustainability for Turkey,
Abdi İbrahim continues the journey it set out in 1912 with
a long run on market leadership since 2002.*



Dear Stakeholders,

Abdi İbrahim, with a deep-rooted history going back 107 years, is the leader of the Turkish pharmaceuticals industry, and an important international player in the

global arena. Today, we operate with a fully domestic capital, over 200 brands and approximately 400 products, continuously consolidating our strength in international markets. As the market leader in the Turkish pharmaceuticals industry for the last 17 years, we are realizing strong investments that will contribute to the future of our country.

Despite the adverse market conditions in the world and Turkey, 2017 and 2018 were years of investment and employment for our company. In the last two years, we created around 1,000 new jobs. We continued our investments as planned. We also focused on areas that will add value to our business and the industry at large, the chief of which is localization.

Although we draw strength from our successful position of today, we move forward fully aware that it is possible to do better. And better means more inclusive and more participative. At this stage, we do not limit our domain of influence and benefit to our economic activities. We approach the social and environmental impact of our business with the same care we take to our economic impact, and define our success criteria by taking into account these three areas simultaneously. While making our facility investments, which I will discuss in brief further

down, our priority is to always leave a “good” mark on the society and the world we inhabit – a philosophy that guides all of our actions.

We always consider leaving “good” marks on the society and on the world we live in as a priority.

For us, protecting the environment, utilizing natural resources efficiently, reducing, recycling and disposing our waste preferably at the source are essential parts of our business strategy, and so is dedicating our time and resources for projects that will benefit the society.

As such, I am pleased to note that the environmental protection investments we made in 2017 and 2018, which encompassed improvements in all business processes, resulted in significant savings.

AbdiBio, Turkey’s largest biotech pharmaceutical production facility that entered into service in May 2018 with an investment worth TRY 450 million, the Hormone Production Facility that commenced operations in 2018, the Sterile Ophthalmology and Sterile Inhalation Facility that will go operational in 2019 and the Sterile Injectable and Oncology Production Facilities that are planned to begin production in 2021 have all been developed with this eco-sensitive philosophy that we guides all of our renovation and expansion efforts without exception.

As Abdi İbrahim develops facilities befitting its position as market leader that will add to the strength of our country and industry, we keep our focus on two areas: environment and social responsibility.

During the period, we also continued our social responsibility projects on the areas of education, culture & arts, public health and environment.

Our 2025 vision entails becoming one of the world’s top 100 largest pharmaceutical companies.

We took part in a large number of exciting projects including the support we provided for the Republic of Turkey Ministry of Labor and Social Security’s Grandmother Project, our own Rational Use of Medicines Project,

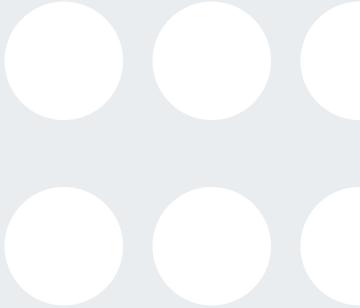
our HBVizyon against Hepatitis B, various aid projects organized by non-governmental organizations, and various campaigns for public awareness.

Abdi İbrahim has made it a habit of thinking big and pursuing ambitious goals. Our 2025 vision entails becoming one of the world’s top 100 largest pharmaceutical companies. To this end, we continue our overseas investments at full speed. In 2015, we commenced production in Kazakhstan, where we established one of the most modern facilities in the region, followed by Algeria in 2017. We have expanded our international network to export to over 60 countries. In our investments, both inside and outside Turkey, we ensure that our business and sustainability targets are compatible with each other, and we focus on making as much contribution to the world at large, as we consider the entire world our home.

We have much to do and many goals to meet ahead of us. We will continue to work with the love and responsibility we feel towards our job, our society, and our planet. Through practices that show our sensitivity towards the environment and natural resources, projects that will benefit our society and accurate investments and initiatives that will enhance our business, Abdi İbrahim will continue to heal the lives it touches.

Sincerely

Dr. Süha Taşpolatoğlu
CEO



ABOUT THE REPORT

Abdi İbrahim, having maintained its focus on sustainable achievement since its founding, attaches great importance to disclosing to the public the corporate, social, environmental and economic activities it has carried out with participation of internal and external stakeholders. A UNGC (United Nations Global Compact) signatory since 2010, the Company shapes its sustainability-oriented activities around the Ten Principles of the UNGC, and publishes its progress to the public through its Communications on Progress. On December 30, 2018, Abdi İbrahim disclosed the Eight Communication on Progress on the UNGC Principles.

Another indicator of Abdi İbrahim's focus on expanding the scope of its sustainability efforts is the GRI (Global Reporting Initiative) compliant Sustainability Report, which has been published biennially since 2013.

Abdi İbrahim attaches great value to women's empowerment and employment, and accordingly, on January 16, 2017, the Company signed the United Nations' private-sector oriented initiative Women's Empowerment Principles (WEPs), which promote women's participation in all sectors and segments of the economy.

The Fourth Sustainability Report of Abdi İbrahim covers the period between January 1, 2017 and December 31, 2018. This report, which is published in accordance with GRI Standards: Core option. The report, which also meets the requirements of the Ninth Communication on Progress on the UNGC Principles as well as the WEPs Progress Report, provides qualitative and quantitative data on Abdi İbrahim's headquarters, production facilities and business units on the field.

Data on human resources was gathered using Abdi İbrahim's internal information technologies system Bilin. Environmental data was collected using the measuring equipment, online measuring tools and methods.

As can be seen in the report, during the period covered by the Fourth Sustainability Report, Abdi İbrahim sustained its focus on systematic and comprehensive projects in accordance with the materiality and stakeholder participation criteria of GRI, UNGC and WEPs. The Company aims to maintain the implementation level and scope of its sustainability reporting in the coming period.

Abdi İbrahim greatly values the feedback of internal and external stakeholders, who represent an essential element of its sustainability approach. As such, please direct all feedback, suggestions and inquiries to the Public Relations and Corporate Communications unit using the contact information below.

REPORT CONTACT

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İpek Duman Ökek - Corporate Communications
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SUSTAINABILITY COMMITTEE

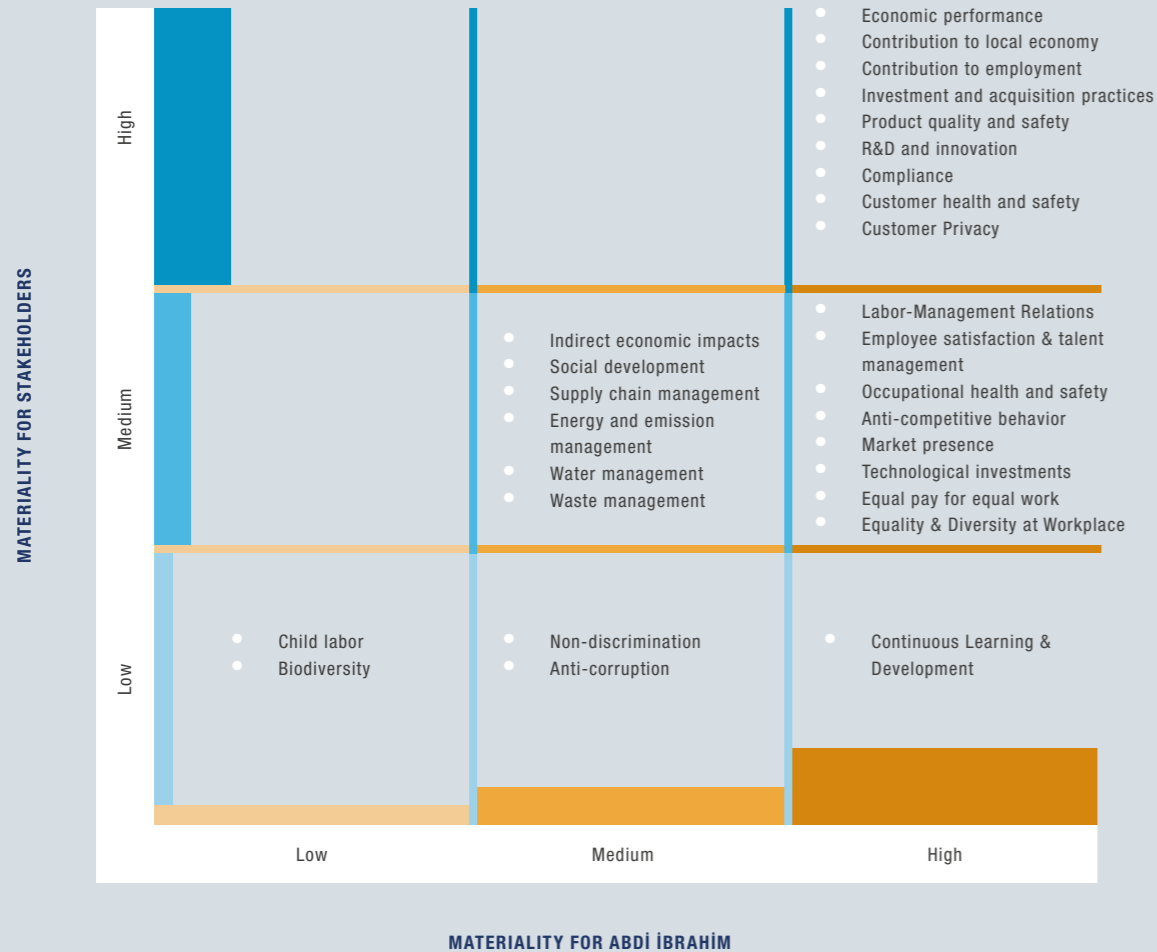
Abdi İbrahim's Sustainability Committee was established in 2013 to ensure systematic and organized management and reporting of the Company's sustainability-oriented efforts. The Committee works towards the objectives below, and takes into account stakeholder feedback in the process.

PRIMARY OBJECTIVES

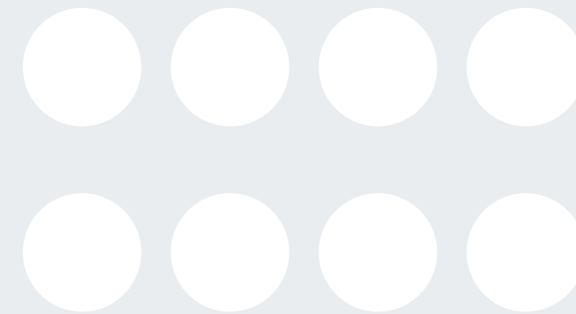
- Organize awareness-raising training activities and events to enhance employee engagement in Abdi İbrahim's sustainability targets,
- Map Abdi İbrahim's potential efficiency and resource savings and provide executive bodies with suggestions on increasing capacity,
- Organize events to spread awareness among stakeholders about the concept of sustainability as part of the Company's efforts towards corporate citizenship,
- Provide support for Abdi İbrahim's corporate responsibility projects on public health, environment, education and culture & arts to ensure these initiatives uphold the Company's sustainability philosophy.

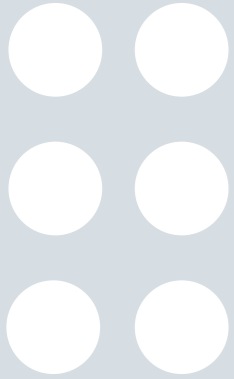
MATERIALITY MATRIX

In the process of creating Abdi İbrahim's GRI Standards: Core option-compliant 2017-2018 Sustainability Report, Abdi İbrahim Sustainability Committee prepared the materiality analysis below, taking into account stakeholder expectations. The analysis also served as a guide in the creation of the GRI Index, which is included at the end of this report. The scope of the materiality analysis is limited to Abdi İbrahim and its subsidiaries.

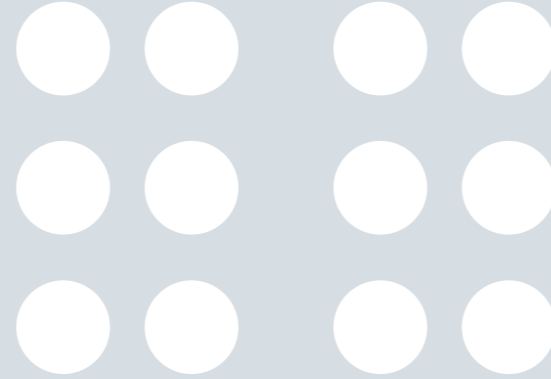


If a Turkish company is to discover a new molecule, that company will be none other than Abdi İbrahim. We believe in this, and we work diligently to make this aspiration a reality.

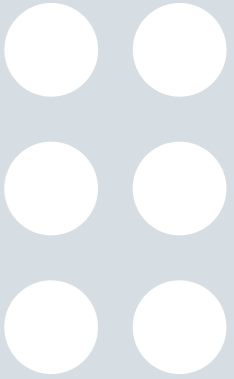




Our journey of healing dating back to 1912 continues in Turkey and overseas with the same excitement as day one.



**ABDİ İBRAHİM
AT A GLANCE**



ABDİ İBRAHİM IN BRIEF

VISION AND CORPORATE VALUES

ABDİ İBRAHİM'S SUSTAINABILITY JOURNEY

DEVELOPMENTS IN 2017-2018

KEY FINANCIAL AND OPERATIONAL INDICATORS

ABDI İBRAHİM IN BRIEF

Aiming to maintain its innovative and pioneering approach with the strength it sources from its long-established corporate values, Abdi İbrahim is still as bold, responsible and passionate about its healing journey as it was on day one.



Abdi İbrahim Esenyurt Production Complex

The foundations of Abdi İbrahim, the leading organization in the Turkish pharmaceutical industry, were laid in 1912 in a small pharmacy run by Pharmacist Abdi Nadir İbrahim in the Küçükustafapaşa district of Istanbul. This journey of healing, which began with medicines produced there by Abdi Nadir İbrahim, continued in the laboratories in Mahmutpaşa and Çemberlitaş, and subsequently in the factory in Vefa. Since the year 1996, Abdi İbrahim has continued its activities in its Esenyurt plant, which is the most modern pharmaceutical production facility in Turkey.

Having launched Turkey's first and largest accredited pharmaceutical R&D center in 2008, Abdi İbrahim plays a pivotal role in the pharmaceutical industry as a brave, pioneering and innovative actor. Abdi İbrahim, the industry leader since 2002, continues to pioneer the Turkish pharmaceutical industry and heal people around the world in its second century.

CONTINUOUS EXPANSION OF INTERNATIONAL SERVICE NETWORK

Successfully expanding its service network with each passing day through international operations, Abdi İbrahim has positioned itself as an international licensor that grants sublicenses in many countries where key players in the pharmaceutical industry operate.

Outside Turkey, Abdi İbrahim has operations in Kazakhstan, Algeria, Georgia, Azerbaijan, Iraq, Tunisia, Albania and Bosnia and Herzegovina. In line with its growth strategy for international markets, in 2012 the Company founded Abdi İbrahim Global Pharm (AİGP) in Kazakhstan, where it invested in the most modern factory of the pharmaceutical industry in the country, and in the same year established Abdi İbrahim Otsuka in partnership with Japanese pharmaceutical giant Otsuka. In 2014, the Company founded Abdi İbrahim Remede Pharma (AİRP) in Algeria, which is also the most modern pharmaceutical production facility in the country. The Kazakhstan facility commenced operations in 2015 and the Algeria facility in 2017.

Abdi İbrahim continues to grow in international markets by exporting to more than 60 countries from Europe to North America, Africa to Asia. The Company also carries out sales operations under its own brand in EU member states such as Germany, the UK, the Czech Republic and Portugal.

THE LARGEST BRAND AND PRODUCT PORTFOLIO

Working with nearly 30 licensors while also developing proprietary products, Abdi İbrahim boasts the largest portfolio in its industry with over 200 brands and close to 400 products. Abdi İbrahim provides services in 13 care areas, including antianemics, antibacterial/antiviral, dermatology, endocrine, metabolism, gastrointestinal,

cardiovascular, NSAİ and myorelaxants, ophthalmology, nervous system, respiratory system and urogenital system as well as food supplement products, vitamins and minerals.

THE HIGHEST EMPLOYMENT RATE

Today, following in the bold footsteps of Abdi Nadir İbrahim, Abdi İbrahim creates the highest employment in the pharmaceutical industry with 4,000 qualified employees. In addition to around 1,000 specialized and competent factory workers, the Company also stands out with the largest marketing and sales staff in the industry.

Abdi İbrahim attaches great importance to occupational health and safety in its operations and pays utmost attention to compliance with international standards, particularly OHSAS 18001, as well as legislations. The Company also holds the ISO 14001 Environmental Management System Certificate for its environmentally friendly operations.



Abdi İbrahim allocates around 5% of its annual turnover for R&D.

ARTISTICALLY DESIGNED WORLD-CLASS FACILITIES

Abdi İbrahim is the pioneer of its era with its high-tech facility that commenced operations in Esenyurt, Istanbul in 1996. Designed by the famous Italian architect Dante Benini, a doyen in industrial building and pharmaceutical

production facility design, the facility was built on an area of 83,000 square meters with an investment of USD 100 million.

Setting a world-class example, the facility is home to high-quality drug production powered by modern and environmentally friendly technologies. The facility boasts an annual production capacity of 450 million units.

The Company's headquarters is at Abdi İbrahim Tower in Maslak, Istanbul. Abdi İbrahim Tower, also designed by architect Dante Benini, brings environmentally friendly smart technologies and aesthetics together. The building hosts many statues, videos, installations and paintings by local and international artists.

INDUSTRY LEADER IN R&D

Allocating approximately 5% of its annual turnover for R&D operations, Abdi İbrahim established the first and largest accredited pharmaceutical R&D Center in Turkey with an investment of USD 42 million in 2008. The R&D Center, operating on a 13,600 square meter area in Esenyurt, Istanbul, serves as a benchmark for the pharmaceutical industry and other sectors alike thanks its technological infrastructure and architecture, and demonstrates the importance Abdi İbrahim attaches to R&D efforts to heal the future. The Center is home to around 150 researchers who innovate in the production of reference, generic and super-generic drugs.

THE MOST ADVANCED TECHNOLOGISTICS CENTER IN THE INDUSTRY

The Company has the most advanced technologists center in the industry. The Abdi İbrahim Technologists Center, which commenced operations in 2010 with an investment of USD 35 million, has an indoor area of 22,600 square meters. All operations of the center, including material movement are computer-controlled and fully automated, enabling the facility to store significantly higher amounts of material in less space than manual warehouses.

ABDİ İBRAHİM'S SUSTAINABILITY JOURNEY

A success story of healing dating back to over a century



1912
Pharmacist Abdi Nadir İbrahim establishes his first pharmacy in the Küçükmustafapaşa district of Istanbul.

1916
The pharmacy begins producing proprietary medicines: Strength Tonic, Abdi İbrahim Purgative Candy, Bromo-Valerin Nadir.

1919
The first pharmaceuticals factory is established, patent medicine production begins.

1939
The second generation assumes management with Pharmacist İbrahim Hayri Barut at the helm.

1952
The laboratories are moved to the Vefa district.



1975
The Company is renamed “Abdi İbrahim İlaç Sanayi ve Ticaret A.Ş.”.

1981
The third generation assumes management of the Company with Pharmacist Nezih Barut.

1994
Groundbreaking for the new production facilities in Esenyurt.

1996
Esenyurt facility, boasting cGMP (current Good Manufacturing Practices) standards, commences operations.

2002
Abdi İbrahim becomes the market leader in unit sales.



2003
Abdi İbrahim becomes the market leader in turnover and unit sales.

Construction of the R&D Center commences.

2007
Abdi İbrahim becomes the first Turkish company to rank among the “World’s Top 100 Pharmaceutical Companies”.

Abdi İbrahim Primary School is opened.

Abdi İbrahim Tower opens its doors.

2008
The first pharmaceutical R&D Center accredited by the Turkish Ministry of Science, Technology and Industry is opened.

The corporate identity is renewed.



2010
Abdi İbrahim Technologicals Center starts operations in Esenyurt, Istanbul.

Abdi Farma is established in Portugal.

2011
First Communication on Progress is published upon signing the UN Global Compact.

2012
Abdi İbrahim celebrates its 100th anniversary.

With the acquisition of 60% stake in Global Pharm, one of the largest enterprises in Kazakhstan, the Company establishes Abdi İbrahim Global Pharm (AİGP) and launches its factory investment.

Abdi İbrahim Otsuka (AIO), a 50-50 partnership with the Japanese Otsuka Pharmaceutical, is founded in Turkey.



2014
Abdi İbrahim Remede Pharma (AİRP) is founded in Algeria. The most modern factory investment in Algeria’s pharmaceutical industry is launched.

2015
The groundbreaking ceremony of the AbdiBio Biotechnological Pharmaceuticals Production Facility is held.

Sultan II. Bayezid Edirne Hospital is renovated.

Abdi İbrahim Global Pharm, the Company’s production facility in Kazakhstan, commences operations.

WE ARE BRAVE

Because we are fearless as we head towards the future to discover the better and to do what has never been done before.

WE ARE PASSIONATE

Because we know that it is only by the good work of passionate people that we can heal all lives.

WE ARE ACCOUNTABLE

Because we are aware of the fact that each one of us has an impact on everyone around us, and that we bear the responsibility of a healthier society and a more livable world.

DEVELOPMENTS IN 2017 AND 2018

*Despite global and national volatilities,
Abdi İbrahim maintained its uninterrupted track
record of investments inside and outside Turkey.*



2017

Abdi İbrahim Remede Pharma, the most modern production facility in Algeria, started production.

The construction of Sterile Ophthalmology & Sterile Inhalation Production Facility and Hormone Production Facility started.

Abdi İbrahim R&D Center ranked 20th among all companies and 1st among pharmaceutical companies by the resources allocated to R&D.

Abdi İbrahim received the “Global 100 Pharmaceutical Sector Leader” award.

Abdi İbrahim ranked first in the “Best Pharmaceutical Companies to Work for” category of the Ideal Employer Survey.

In Capital Magazine’s 2017 Corporate Social Responsibility Survey, Abdi İbrahim ranked in the top 20 companies in CSR, 10th in the “People’s Choice” category and 5th in the “Healthcare” category.

Abdi İbrahim contributed to the “Grandmother Project” initiated by the Ministry of Labor and Social Security in order to support women’s employment with a commitment to provide support to 500 families.

As part of the Rational Use of Medicines Campaign launched in 2012 against misuse of drugs, the Company conducted the second study in 2017, shared the results with the public, and continued its efforts to raise awareness on the issue.

2018

AbdiBio Biotechnological Pharmaceuticals Production Facility was opened.

The foundations of the Sterile Injectable and Oncology Production Facility were laid.

A Special Products Production Area, Additional Production Service Building, Highly Potent Products Division and an Additional Liquid and Semi-Solid Production Area were commissioned within the Abdi İbrahim Production Facilities.

Abdi İbrahim licensed the first biosimilar product in Turkey.

The Company obtained the ISO 13485: 2016 certificate for its newly developed wound dressing.

Abdi İbrahim received the “Leadership in Value for People” grand prize in the 10th Value for People Awards.

AbdiBio won the “Biotechnology Investment” award at the ninth Golden Mortar Awards.

Abdi İbrahim was recognized in the “Pharmaceutical Industry Awards of the Year - Social Responsibility Project of the Year” category at the Doktorclub Awards for its Rational Use of Medicines campaign.

As part of a project for one of its products, Abdi İbrahim planted 5,000 saplings in a forest area located in Çanakkale-Lapseki on behalf of physicians, creating the Umut (Hope) Forest.

KEY FINANCIAL AND OPERATIONAL INDICATORS

Abdi İbrahim maintained its successful performance in 2017 and 2018, increasing its domestic market share and export volume.



Focusing on its 2020 and 2025 strategies in its journey of “healing life and the future”, Abdi Ibrahim aims to maintain its innovative and pioneering approach with the strength it sources from its long-established corporate values.

SUSTAINABLE LEADERSHIP

ORGANIZATIONAL STRUCTURE

COMPANY POLICIES

PRINCIPLES OF BUSINESS ETHICS

INTERNAL AUDIT PRACTICES

**MANAGEMENT
APPROACH**

REPUTATION MANAGEMENT

STAKEHOLDER RELATIONS MANAGEMENT

MEMBERSHIPS AND SUPPORTED INITIATIVES

AWARDS AND ACHIEVEMENTS

KEY PERFORMANCE INDICATORS (KPI)

TARGETS

RESULTS



Maintain leadership in the Turkish pharmaceutical industry



Domestic market share in 2017 (USD %)



Domestic market share in 2018 (USD %)



Expand in international markets

More than
60

export destinations as of 2018

19%

Rate of increase in net sales in international markets in 2018 compared to 2016



Preserve the brand's strong reputation

88

An above sector average-score in the overall reputation index according to the Corporate Perception and Reputation Survey 2016



Make innovative investments

The construction of Sterile Ophthalmology, Sterile Inhalation Production Facility and Hormone Production Facility started in 2017.

ABDİBİO, TURKEY'S LARGEST BIOTECHNOLOGICAL PRODUCTION FACILITY, was inaugurated in 2018.

The foundations of the Sterile Injectable and Oncology Production Facility were laid in 2018.

Abdi İbrahim signed a strategic partnership agreement with Alvotech for the local production and launch of biotechnological products in Turkey.



Develop new products

71

Number of products developed and submitted for licensing in 2017-2018

Abdi İbrahim's FIRST BIOSIMILAR PRODUCT IN TURKEY was licensed in 2018.

The Company obtained ISO 13485:2016 certification for its wound dressing product.

SUSTAINABLE LEADERSHIP

An important success story for Turkey in terms of sustainability since 1912 when it set out on this journey, Abdi İbrahim has maintained its leadership in the Turkish pharmaceutical industry since 2002 and continues to be one of the key global players.

Founded in 1912 by Abdi Nadir İbrahim, Abdi İbrahim San. Tic. A.Ş. is currently led by the Chairman Nezih Barut, a third generation pharmacist in the family. With a fully domestic capital, Abdi İbrahim was incorporated based on a 50/50 partnership between the Barut and Esirtgen families.

ABDİ İBRAHİM BOARD OF DIRECTORS

- Pharm. Nezih Barut
- Nesrin Barut Esirtgen
- Ahmet Kamil Esirtgen
- Ahmet Cenan Esirtgen
- İbrahim Barut
- Erman Atasoy

SUSTAINABILITY STRATEGY

Abdi İbrahim has a sustainability approach that enables it to integrate economic growth and social and environmental issues into business processes, preventing potential conflicts of interests between itself and the public. As evident from its history, Abdi İbrahim has implemented its sustainability approach to all its operations and developed sustainability models that are able to meet the needs of future generations.

In line with its basic principle of “healing life”, Abdi İbrahim attaches equal importance to the financial results and social and environmental impact of its operations both in and outside Turkey. Within the framework of its “tripartite responsibility” approach, Abdi İbrahim endeavors to ensure that the financial, environmental and social outcomes of its activities serve to increase and make sustainable the

prosperity in the markets in which it operates, and to achieving its goal of “becoming a corporate citizen”, which refers to taking responsibility for social and environmental issues and acting in accordance with the applicable national and international regulations in these areas and with the code of ethics.

Attaching a great deal of importance to its innovative management approach in order to maintain its leading position in the industry, Abdi İbrahim continues its investments both in Turkey and abroad thanks to its long-term strategic plans and agility in addressing threats and seizing opportunities.

Renewing its vision in 2014 with the launch of “POWER-Aİ Strategy Vision Project”, Abdi İbrahim continues to make significant progress in five main branches of growth, namely “existing products, new products, international markets, production services, acquisitions and new partnerships”. Having started to work on its 2025 strategy with the aim of perpetuating its 2020 strategy and its goal of “becoming one of the top 100 pharmaceutical companies in the world”, the Company will focus on the following growth areas: the Turkish market, international markets, areas of investment (biotechnology and consumer health) and production services.

TOP 10 PROJECTS

In line with Abdi İbrahim's POWER-Aİ strategy, 10 projects were prioritized and launched under the title “TOP 10 Projects” in 2014. Certain of these projects have already achieved their goals and converted into dedicated company processes. As a result of the strategic evaluations in 2018,

these projects were removed from the TOP 10 Projects to be replaced by new ones in line with the priorities outlined in the Company's 2025 strategy.

The current status of the TOP 10 Projects is as follows:

CONVERTED INTO PROCESS AND REMOVED

- From Idea to Product
- Public-Partnership Projects
- Management of Strategy Implementation Process

ONGOING PROJECTS

- Abdi İbrahim Corporate Image and Reputation
- AbdiBio (Investment and Portfolio)
- Digitalization and Innovation
- Corporate Memory and Know-How
- Corporate Risk and Business Continuity Management

MERGED PROJECTS

- “A Workplace and Environment for Working with Passion” and “Talent Management”

NEW PROJECTS

- Pipeline Application Process Map
- Sterile Ophthalmology and Inhalation
- New Production Complex Strategy
- AİM (Abdi İbrahim International Markets)

2020 AND 2025 STRATEGIC TARGETS

- To be one of the 100 largest pharmaceutical companies in the world.
- To be among the top 10 most popular companies outside the pharmaceutical industry.
- To be the first domestic company that comes to mind for biotechnology in Turkey.
- To enhance international brand perception.
- To be among the first 3 pharmaceutical companies that provide production services.
- To be one of the top 3 pharmaceutical companies recognized for their social responsibility activities.
- To be one of the top 3 pharmaceutical companies that students want to work for the most.

ECONOMIC GOALS

Abdi İbrahim, the market leader in Turkey in terms of turnover and unit sales since 2002, has boosted its international momentum and increased the number of its export destinations to 60. With R&D investments at full steam, the Company continuously expands its product portfolio in order to make this success sustainable.

As part of its 2025 strategy, Abdi İbrahim plans to continue its growth in established and focus markets in Turkey through diverse strategies while consolidating its global presence through joint ventures and tailored strategies in its existing and target markets.

With its 2025 strategy aiming for growth through high-value-added investments such as biotechnology and consumer healthcare, Abdi İbrahim will focus on becoming the consumer healthcare market leader in Turkey and the globalization of its brands. Production services, which constitute one of the key elements of success in its 2020 strategy, will play a key role in Abdi İbrahim's 2025 goals for both domestic and international markets.

CORPORATE GOALS

The “Power-Aİ Strategy Vision Project” is now included in the business processes as the Strategy Management Process, which is internally managed within the Strategy and Business Development Division. By improving the competency of its facilities and enhancing its organizational capacity, the Company takes firm steps towards the goals specified in this vision: growth in international sales volume and expansion in the domestic market. In 2018, Abdi İbrahim maintained its leading position in the domestic market by increasing its market share in terms of turnover from 6.4 in 2017 to 6.6, and raised its international market revenue by 19% compared to 2016 and 75% compared to 2015.

In order to ensure the sustainability of its corporate structure, which has come to be characterized as deep-rooted, reputable and innovative, Abdi İbrahim periodically reviews and evaluates its annual targets with participation from its entire management team. The results are a testament to Abdi İbrahim's accelerated momentum towards becoming one of the 100 largest pharmaceutical companies in the world.

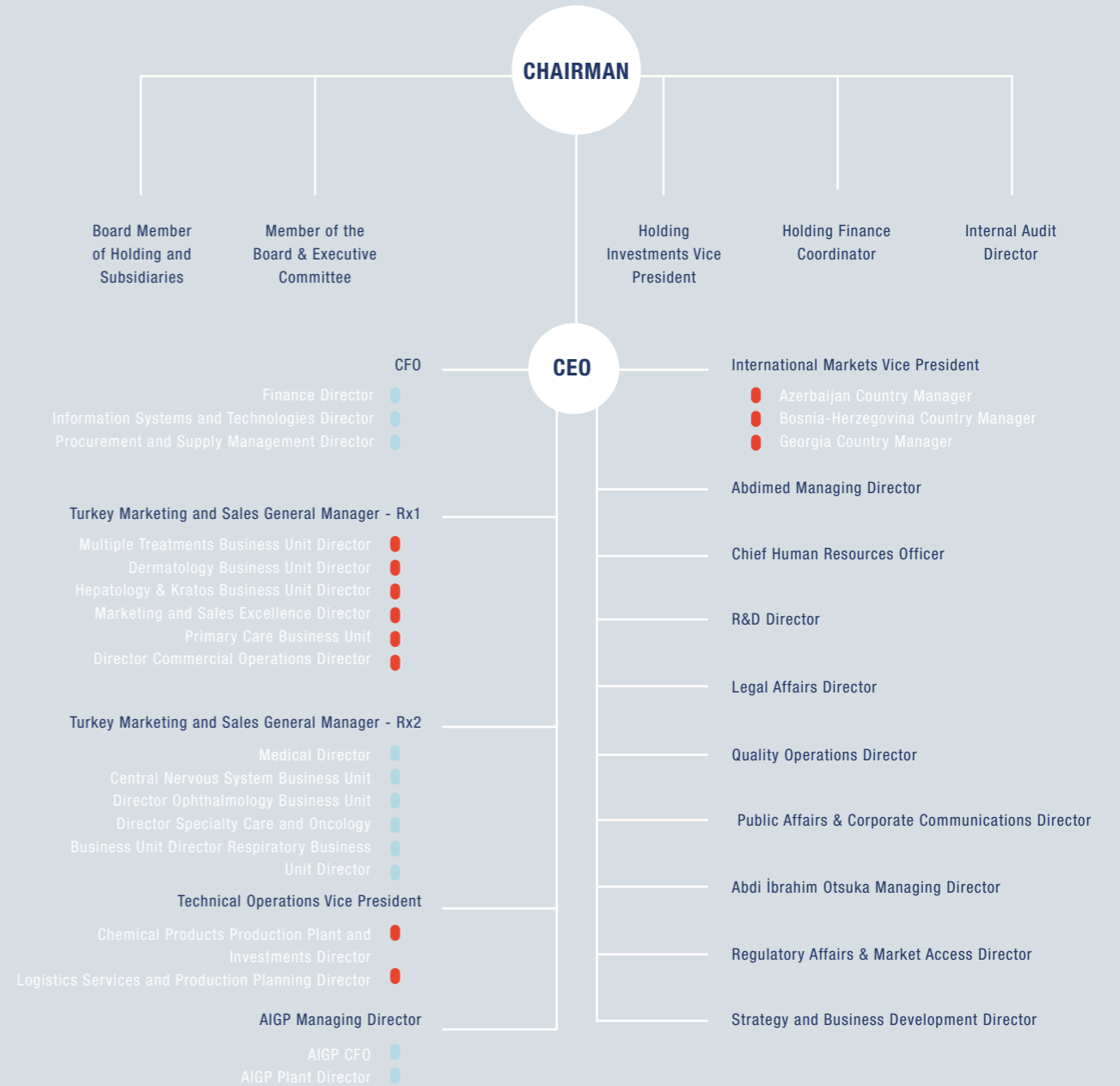
ENVIRONMENTAL AND SOCIAL GOALS

A corporate organization built around robust finances enables Abdi İbrahim to set an example with social and environmental projects as well. Abdi İbrahim takes into account the environmental impact of all its production activities and conducts all production and administrative operations in line with principle of environmental awareness. Having adopted a strategy of effectiveness in resource utilization, Abdi İbrahim aims to minimize the environmental impact, particularly carbon emissions, by quickly adopting the latest developments in technology in its production and administrative infrastructure.

As one of the oldest private enterprises in Turkey, Abdi İbrahim conducts a wide range of acclaimed social responsibility activities on public health, education, culture & arts and environment, to which the Company plans to add with new “long-term” and “result-oriented” projects in line with the needs of society in the coming period.



ORGANIZATIONAL STRUCTURE



COMPANY POLICIES

Recognizing the importance of company policies in achieving sustainable success, Abdi İbrahim operates in line with national and international standards. All company employees are expected to comply with these policies.

QUALITY POLICY

Abdi İbrahim fully meets the requirements of GMP and local and international standards in pharmaceutical manufacturing and other operations to provide the highest level of safety and quality in its healthcare products. By continuously improving its operations with internal/ external audits and trainings, Abdi İbrahim has built and refined a sustainable quality system that is expanded to the Company's employees.

ENVIRONMENTAL POLICY

In all of Abdi İbrahim's operations, protection of the environment, continuous development, efficient use of natural resources, full compliance with legal requirements, prevention of pollution, reduction and separation of waste at its source, and recycling and disposal of waste with the best methods available form the basis of the Company's environmental policy. Abdi İbrahim holds all necessary legal permits, as well as the ISO 14001 Environmental Management System certification.

OCCUPATIONAL HEALTH AND SAFETY POLICY

For Abdi İbrahim, ensuring full compliance with the applicable law and international regulations and customer requirements, continuous improvement and establishing a safe working environment for its employees at all its facilities are at the core of its Occupational Health and Safety Policy. Abdi İbrahim holds all necessary legal permits, as well as the OHSAS18001 Occupational Health and Safety Management System certification.

INFORMATION SECURITY POLICY

Abdi İbrahim recognizes that effectively protecting information in a timely, accurate, appropriate manner is what allows the Company to maintain its reputation and the continuity of its services. The main responsibilities of the Company with regards to the protection of information assets are as follows:

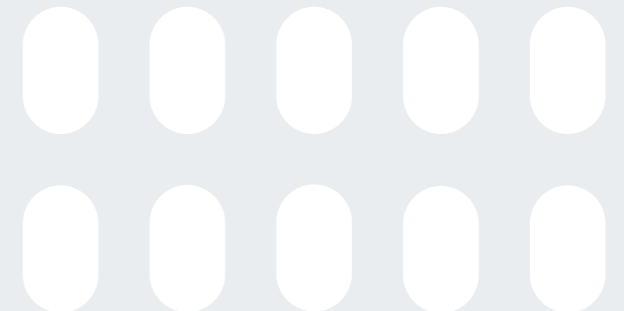
- Identifying the information assets of the organization,
- Protecting the information of employees and all stakeholders,
- Ensuring the confidentiality, integrity and accessibility of information assets,
- Using information assets only for the purposes specified by the management,
- Upholding the organization's security policies and rules,
- Keeping information security standards and processes up-to-date,
- Spreading information security awareness among employees through trainings,
- Regularly reviewing the internal and external risks related to information security and taking necessary measures by conducting risk analyzes.

CODE OF BUSINESS ETHICS

Shaping all its business processes by taking into account its responsibilities towards the science of medicine and human health, Abdi İbrahim acts in accordance with the codes of conduct included in its Code of Business Ethics.



Abdi İbrahim, acting since 1912 with the awareness that human health is its first and foremost responsibility, believes in the value of doing business in a complete, correct and honest manner and sets its standards at the highest. Aiming to perpetuate the trust and respect of its stakeholders with this approach, the Company based its Code of Business Ethics on the codes of conduct it had valued since its inception and shared it with its employees on December 30, 2015 and all its external stakeholders (suppliers, licensors, physicians and pharmacists) on February 10, 2016.



INTERNAL AUDIT PRACTICES

Abdi İbrahim is regularly audited by the Internal Audit Department, which operates as an independent and impartial body.

The Internal Audit Department has been operating under the umbrella of Abdi İbrahim since 2006 and is focused on adding value to the Company's risk management, control and corporate governance processes through a risk-centered approach. The Audit Committee Regulation and Internal Audit Regulation, defining the working principles of the department, came into force in March, 2013, following the approval of the Board of Directors.

A TRANSPARENT, ACCOUNTABLE, ETHICAL BUSINESS APPROACH

Abdi İbrahim is guided by its long-established corporate culture that is the result of a century-old expertise, and acts in line with national and international laws in its decision-making processes and practices. The Internal Audit Department, an independent and impartial body within the Company, audits all the operations of the Company in terms of effectiveness, efficiency, and compliance with the legislation, policies, regulations and procedures and reports its findings to the Board of Directors on a regular basis.

Abiding by social norms and Abdi İbrahim Code of Business Ethics as well as legal regulations in all its business processes, Abdi İbrahim also adopts a meticulous anti-corruption approach. In its fight against potential cases of corruption that it might encounter during internal and external business processes, the Company acts in line with the principles of accountability, transparency and ethics, avoiding any financial dependence in its business relations and provides its partners and the public with accurate and complete information in regards to its financial and operational results.

Abdi İbrahim enjoys a high reputation in the public eye thanks to its long-established corporate culture, and did not encounter any corruption or bribery cases during the reporting period.



REPUTATION MANAGEMENT

Abdi İbrahim steadily boosts brand awareness and reputation in the public eye.

To preserve its well-established corporate culture and reputation built over a hundred years of experience and expertise, Abdi İbrahim carries out all activities in line with its vision and corporate values. Bolstered with an emphasis on product responsibility and high product quality, Abdi İbrahim enjoys considerable reputation in the public eye. As per the Codes of Conduct, the company carries out all R&D activities and clinical trials in line with national legislation, international regulations and medical ethics.

Owing to the abovementioned approach and decisive efforts in reputation management, Abdi İbrahim has achieved remarkable levels of reputation in numerous surveys so far. According to Turkey Reputation Index results announced by Reputation Workshop in September 2015, Abdi İbrahim was named most reputable company in the pharma industry. According to Corporate Perception and Reputation Survey announced in May 2016, Abdi İbrahim earned an above industry average score of 88 points in the general reputation index of pharma companies. Abdi İbrahim plans to repeat the Corporate Perception and Reputation Survey in 2019.



STAKEHOLDER RELATIONS MANAGEMENT

Abdi İbrahim maintains open communication with internal and external stakeholders, taking their feedback into account in business processes and sustainability goals.

Abdi İbrahim proactively communicates with all stakeholders from employees and end consumers, NGOs and licensors to physicians and pharmacists, and manages all communication processes effectively. The company regularly receives stakeholder feedback regarding their expectations and priorities through various platforms. Based on analyses and assessments, Abdi İbrahim has confirmed that its priorities reflect the expectations of stakeholders.

ABDI İBRAHİM STAKEHOLDER MAP

ABDI İBRAHİM EMPLOYEES

Intranet, tablet communication platform, internal periodical, e-bulletin, e-training, medical information exchange meetings, quarterly and year-end meetings, social club activities, sports activities, volunteering, employee engagement survey, proposals system, orientation program, career development program, performance meetings

ASSOCIATIONS/NGOS

Project partnerships, memberships, meetings

PHARMACEUTICAL WAREHOUSES

Visits, telephone calls, corporate reputation and perception surveys

PHARMACIES

Medical representative visits, letters, telephone calls, corporate reputation and perception surveys, dialog line, corporate website

PHYSICIANS

Medical representative visits, scientific meetings, congresses/conferences, panels, letters, corporate reputation and perception surveys, market surveys, clinical trials, dialog line, corporate website

PUBLIC AUTHORITIES AND GOVERNMENT BODIES

Visits by department representatives, visits to head offices, memberships, meetings

PRESS

Press conferences, press bulletins, interviews, exclusive reports, corporate reputation and perception surveys

SUPPLIERS

Visits, audits, evaluation system, telephone calls

SOCIETY

Social outreach activities, corporate social responsibility projects, career days, corporate reputation and perception surveys, corporate website, social media communication channels

PATIENTS AND RELATIVES OF PATIENTS

Awareness and information projects

MEMBERSHIPS AND INITIATIVES SUPPORTED

Believing in the importance and power of non-governmental organizations, Abdi İbrahim is actively involved in a variety of platforms including unions, chambers and associations.

- Foreign Economic Relations Board
- Union of Chambers and Commodity Exchanges of Turkey
- GS1 The Global Language of Business
- Pharmaceutical Manufacturers Association of Turkey
- General Secretariat of Istanbul Exporters' Association
- Turkish Exporters' Assembly
- Istanbul Chemicals and Chemical Products Exporters' Association
- Istanbul Minerals and Metals Exporters Association
- İstanbul Chamber of Industry
- İstanbul Commodity Exchange
- İstanbul Chamber of Commerce
- People Management Association of Turkey
- TEGEP Learning and Development Association
- Food Supplement and Nutrition Association
- Public Communications and Corporate Relations Management Association
- Business Council for Sustainable Development Turkey
- Ethics & Reputation Society
- ISPE, The International Society for Pharmaceutical Engineering
- Environmental Protection Foundation
- Association for the Protection of Intellectual Property Rights
- UN Global Compact (UNGC)
- Global Reporting Initiative (GRI)
- Women's Empowerment Principles (WEPs)
- Corporate Communicators' Association

AWARDS AND ACHIEVEMENTS

Abdi İbrahim continues to crown its achievements with awards, with its innovative practices and projects recognized multiple times in 2017 and 2018.

2017



ABDİ İBRAHİM AMONG TURKEY'S GIANTS AGAIN

As the market leader in pharmaceuticals since 2002, Abdi İbrahim was listed once again at the higher levels on the top companies rankings of Istanbul Chamber of Industry (ICI) and Turkish Exporters' Assembly (TIM) in 2017. On ICI's "Turkey's Top 500 Industrial Enterprises Survey" (2016), Abdi İbrahim ranked 125, maintaining leadership position in the industry.

Abdi İbrahim made it to the list of "Top 1,000 Exporters of Turkey" at 491 (2016), going up 202 spots compared to the previous year. The list is prepared by TIM, the umbrella organization of exporters in Turkey.

ABDİ İBRAHİM NAMED PHARMA INDUSTRY LEADER IN GLOBAL 100 AWARDS

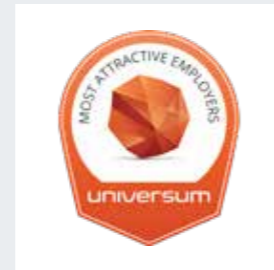
Abdi İbrahim was named industry leader at Global 100 Awards, a joint organization by the Platin magazine and Ipsos that ranks top 100 companies that provide the largest contribution to Turkey's international trade. Nezih Barut, Chairman of the Board of Directors at Abdi İbrahim, received the award at the ceremony held on February 24..

ROHA ARZNEIMITTEL HONORS NEZİH BARUT

Chairman Nezih Barut and CEO Süha Taşpolatoğlu visited Roha Arzneimittel in Germany, one of the licensors of Abdi İbrahim. Following the meeting, Johannes Berghöfer, Director of Roha Arzneimittel, presented Nezih Barut with *Premium Partner Award* to celebrate the anniversary of the cooperation between the companies.

MUSTAFA DARMAN AMONG TOP 50 CFOs IN TURKEY

Mustafa Darman, CFO at Abdi İbrahim, made it to the list of "Top 50 CFOs in Turkey" in the survey that evaluated Turkey's Top 1,000 companies, conducted on the occasion of the CFO Summit 2017.



ABDİ İBRAHİM NAMED "IDEAL EMPLOYER" BY YOUNG PEOPLE

According to Universum's Ideal Employers Ranking 2017 in Turkey, Abdi İbrahim was selected the most attractive company to work for in the pharma industry.

Universum carries out surveys with 1.5 million university students, new graduates and young professionals in 60 countries worldwide to find out the perception of an ideal employer. In 2017, the company conducted the survey with 44,260 people aged 22 on average in 39 leading universities in Turkey, studying sciences, healthcare, medicine, literature, social, economic and administrative sciences, engineering and information technologies. According to the results of this significant survey, Abdi İbrahim is most attractive employer in the pharma industry in Turkey according to medical and health sciences

students. The company also ranked fourth among all industries in the Medicine/Health Sciences category.

ABDİ İBRAHİM VOTED THE 10TH MOST SUCCESSFUL COMPANY IN CORPORATE SOCIAL RESPONSIBILITY

Abdi İbrahim, embracing corporate social responsibility as an essential part of its main activities, ranked 10th among 20 companies in CSR "People's Choice" category in Capital Magazine's "Corporate Social Responsibility Survey" in 2017. The company came 5th in the "Healthcare" category of the same survey.

AIGP WINS ISKER SPECIAL PRIZE

Abdi İbrahim Global Pharm (AIGP) was given the ISKER special prize which honors businesses and entrepreneurs in Kazakhstan that seek continuous quality and development in products and services as well as sustainable success in activities with innovative products.

"DON'T LOOK THE OTHER WAY" WINS AWARD AFTER AWARD!



Abdi İbrahim Otsuka (AIO) added to its long list of accolades with the "Don't Look the Other Way – Journey of Schizophrenia from Prehistory to Modern Day" Exhibition, which carried off new awards in 2017.

The "Don't Look the Other Way" exhibition intends to raise awareness on schizophrenia and to help patients suffering from the disease to function independently. The exhibition became one of the two finalists and received a certificate of merit in the Global Awards 2016, which sees thousands of projects from around the world compete for honors. Global authorities awarded the project in the Educational Awareness category as well.

The exhibition came third in the Special Projects category of "Direct Marketing Awards" organized by Turkish Direct Marketing Association, while winning one silver and two bronze awards at the Stevie International Business Awards, one of the most prestigious business honors in the world. The exhibition won Silver Stevie Award in "Corporate Social

Responsibility of the Year in Europe" category, was named "PR Campaign of the Year" and won *Bronze Stevie Award* in both Media Relations and in Healthcare categories.

"CEREN'S STORY" WINS SOCIAL RESPONSIBILITY COMMUNICATION AWARD

BoomSonar and Marketing Turkey joined forces to organize Social Media Awards Turkey, first and the only of its kind in the country measuring social media performances of brands and agencies with objective data. "Ceren's Story", a project by Abdi İbrahim that raises awareness on psoriasis, won Bronze Award in the Social Responsibility Communication category.

YOUPLUS PRODUCTS WIN SUPERIOR TASTE AWARDS

Two YouPlus products by Abdi İbrahim won *Superior Taste Award* by The International Taste & Quality Institute (iTQi) which is represented in more than 120 countries in the world with independent chefs and sommeliers.

Developed in Abdi İbrahim's R&D facilities, Omega-3 Fish Oil from the YouPlus Kids range won 85 points and two golden stars for the *Superior Taste Award*, followed by YouPlus Kids Multivitamin Vitamin AND Mineral Complex scoring 72.5 points to win *Superior Taste - one gold* star award. The International Taste & Quality Institute (iTQi) held the Superior Taste Award Ceremony on June 14 in Brussels, where Erhan Koç and Enis Demir of the R&D Formulation team received award on behalf of Abdi İbrahim.

"FORGET ME NOT" PROJECT WINS ACHIEVEMENT AWARD

The "Forget Me Not" project, created in cooperation between Abdi İbrahim and Alzheimer's Association to raise awareness on the disease on the occasion of World Alzheimer's Day (September 21), was named Best WOM Project at Mediacat Felis Awards.

As part of the project, Abdi İbrahim intended to draw attention to Alzheimer's disease, building on the beneficial effects of old songs on memory to form a choir with patients and patients' relatives. On September 21, World Alzheimer's Day, the choir sang Esmeray's famous song "Unutama Beni" (I Hope You Won't Forget Me), leveraging the healing power of music to convey a social message.

BEST SUPPLY CHAIN OF THE YEAR AWARD WITH SAP DEMAND PLANNING PROJECT

Abdi İbrahim's SAP Demand Planning Project won *Best Supply Chain of the Year Award* at SAP Forum 2017. The project involves entering all sales forecasts on the SAP system and calculating demand on the basis of individual warehouses. The project team received the award at the ceremony held on October 12.

ROTA PROJECT WINS AWARD AT CIO SUMMIT

Abdi İbrahim's ROTA project, launched with the slogan "from data to report, from report to strategy, from strategy to success," won third place in Best Change Management category in Best Projects of the Year Awards at IDC CIO Summit 2017.

2018

ABDİ İBRAHİM AMONG INDUSTRY GIANTS IN TURKEY ONCE AGAIN

In 2017, Abdi İbrahim once again made it to the lists of top companies in Turkey compiled by Istanbul Chamber of Industry (ICI) and Turkish Exporters' Assembly (TIM). On ICI's "Turkey's Top 500 Industrial Enterprises Survey" published in 2018, Abdi İbrahim surpassed its competitors once more to rank 134. The company was also ranked 597 on "Top 1,000 Exporters of Turkey in 2017" by TIM.

ABDİ İBRAHİM WINS GRAND PRIZE

Abdi İbrahim won "*Leadership in Valuing People*" award, the biggest honor at the 10th Valuing People Awards by People Management Association of Turkey (PERYÖN). The award was given to the Abdi İbrahim Human Resources team at the ceremony held on May 3. Valuing People Awards by PERYÖN intends to promote innovative and creative practices in human resources management, present exemplary activities to the rest of the industry and



to encourage and support a process of

"learning from each other." For the honors, all nominated companies were thoroughly audited by an independent audit firm and

were later evaluated by a jury made up of experts in the field.

At the end of this meticulous selection process, Abdi İbrahim won "Leadership in Valuing People" award, an honor for companies excelling in leadership, motivation and performance-oriented activities.

HAKAN ÖNEL AMONG MOST EFFECTIVE CHROS

Hakan Önel, Deputy General Manager of Human Resources at Abdi İbrahim, made it to the list of "*Turkey's Most Effective 50 CHROs*." The ranking is part of a research conducted on the occasion of CHRO Summit 2018, surveying more than 1,000 leading companies in Turkey. Önel was given the honor thanks to his effective management of human resources and launching unique human resources practices. He received the award at a ceremony held on February 15.

ABDİ İBRAHİM NAMED R&D LEADER AGAIN

Abdi İbrahim maintains position among leaders of R&D in



Turkey, now holding 20th spot on the R&D 250 list published by *Turkishtime* magazine in 2018 which ranks companies according to their R&D spending in 2017. Compared to the previous year, Abdi İbrahim is up 6 spots on the list and 1st among pharmaceutical companies. Following are

Abdi İbrahim's rankings in various categories:

- 20th among the 250 companies that spend the most on R&D
- 20th in terms of number of R&D personnel
- 1st in terms of number of brands obtained by the R&D Center
- 9th in terms of number of projects carried out in the R&D Center

- 18th in terms of number of undergraduate and graduate personnel working at the R&D Center
- 32th in terms of share of R&D expenditures in total turnover in 2017
- 14th in terms of number of patents obtained by the R&D Center
- 45th in terms of number of design registrations obtained by the R&D Center
- 28th in terms of number of useful models obtained by the R&D Center

ABDİBİO WINS "BIOTECH INVESTMENT" AWARD

AbdiBio, the largest biotech pharmaceutical production facility in Turkey that opened in May 2018, received "*Biotechnology Investment*" award by the *Eczacı* magazine at the 9th Golden Mortar Awards. The award was handed to Altuğ Uysal, Deputy General Manager of Technical Operations at Abdi İbrahim, at a ceremony on December 21.

ABDİ İBRAHİM OTSUKA WINS YET ANOTHER AWARD

Abdi İbrahim Otsuka (AİO) was rewarded by Otsuka Global for its distinctive projects. The award ceremony took part during the Otsuka Global Marketing meeting held in Bangkok on July 22 and 23 with attendance from 75 marketing executives across the globe. AIO Marketing Manager Zeynep Alptekin and Group Manager ErKay Dumanlı were granted the award for their poster presentation and their project entitled "*Digital Detailing*." Participants at the event showed great interest in AİO's VR device, detailing projects and interactive AR brochures.

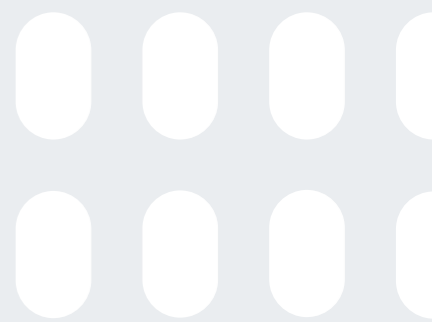
ABDİ İBRAHİM RECEIVES FELIS AWARD

Felis Awards emphasize the role of creativity in marketing activities in advertising and marketing industries, recognizing achievements of teams who contribute to a creative world. Abdi İbrahim's three projects were shortlisted at the award ceremony. These included were "HBVision" and "Don't Look the Other Way – Journey of Schizophrenia from Prehistory to Modern Day Exhibition" in the Health segment of Social Responsibility and Sustainability category, and "Coldaway C Launch" in

"Launch / Re-Launch Campaign" segment of Health Communication category. "Don't Look the Other Way" exhibition was also given the *Felis Achievement Award*.

RATIONAL USE OF MEDICINES CAMPAIGN WINS SOCIAL RESPONSIBILITY AWARD

Abdi İbrahim's Rational Use of Medicines Campaign was named Social Responsibility Project of the Year at the Pharmaceutical Industry category of Doktorclub Awards organized by Digital Physicians Platform, given out with votes by 17,000 doctors. Dr. Oğuz Mülazimoğlu, Marketing and Sales Manager at Abdi İbrahim, received the award at a ceremony held on December 21.



With production activities launched in factories in Kazakhstan and Algeria, Abdi Ibrahim is ever more active abroad and exporting to more than 60 countries, manifesting robust growth both in Turkey and in international markets.

PRODUCTION
MARKETING AND SALES
INTERNATIONAL MARKETS

**FINANCIAL AND
OPERATIONAL
PROCESSES**

INVESTMENTS
PROCUREMENT AND SUPPLY CHAIN

KEY PERFORMANCE INDICATORS (KPI)

TARGETS



Boost Turkey's development



Make investments to sustain competitiveness



Raise the added value of business processes with R&D



Deliver a sales performance that supports future goals



Enrich the product portfolio with signature medications

RESULTS

TRY 278,334 million

Taxes and other legal liabilities paid in 2017 and 2018

USD 116,19 million

Total investments in 2017 and 2018

TRY 122,19 million

Total R&D budget in 2017 and 2018

Total turnover by the end of 2018

USD 571,61 million

Total amount of exports by the end of 2018

USD 91,37 million

201 brands

by the end of 2018

397 products

by the end of 2018

PRODUCTION

With cutting-edge production facilities in Turkey, Kazakhstan and Algeria, Abdi İbrahim continues to work towards healing lives and the future across the globe.



Abdi İbrahim Esenyurt Production Facilities

ABDI İBRAHİM PRODUCTION FACILITY (ISTANBUL-TURKEY)

Abdi İbrahim continues to production in the facility that opened in 1996 with an investment worth USD 100 million. The Esenyurt/Istanbul facility sprawls over an area of 83,000 square meters and boasts a production capacity of 450 million units per year.

The GMP and GLP-compliant facility produces medicines using modern and eco-friendly technologies. Facility processes are regularly enhanced with both technological investments and automation systems that boost traceability and efficiency. Paying due attention to occupational health and safety, Abdi İbrahim lays maximum emphasis on compliance with legislation and international standards, chief of which being OHSAS 18001. The company holds an ISO 14001 Environmental Management System certificate owing to its eco-friendly work methods.

The facility produces not only Abdi İbrahim products but serve national and international companies as well, with a team of nearly 1,000 specialists managing all production processes. The facility produces solid, semi-solid and liquid pharmaceuticals, with 230 million units produced in 2017 alone. 21% of solid and 40% of liquid and semi-solid medications are produced for leading international pharma companies. In 2018, the production increased to 250 million units, with 26% of solid medications and 40% of liquid and semi-solid medications produced for leading international pharma companies.

AUDITS BY COMPANIES AND AUTHORITIES

Audited and approved by authorities and companies from countries that lead the pharmaceutical production in Europe and the world, Abdi İbrahim Production Facilities were audited by the following health authorities and corporate clients in 2017 and 2018:

AUDITORS IN 2017

- Takeda Pharmaceuticals
- ANVISA (Brazilian Health Authority)
- GSK Consumer Health
- Geropharm
- Leo Pharma
- MSD
- Janssen (J&J) (due diligence audit)
- Russian Health Authority
- Avixa
- Merz Pharma
- Tunisian Health Authority
- ISO 9001:2015
- MSD
- Sanofi
- Sandoz
- Sanofi (Global Star Project)
- Janssen (J&J)
- GSK Consumer Health
- Cisters
- Daiichi Sankyo
- Teofarma
- Valeant
- Reckitt Benckiser
- Adeka
- UPSA/BMS
- Reckitt Benckiser
- GSK & GSK Consumer Health
- Chiesi
- Maxpharma

- Janssen
- Boehringer Ingelheim (due diligence audit)
- MSD
- Turkish Ministry of Health
- Boehringer Ingelheim
- Iraqi Ministry of Health
- Turkish Ministry of Food, Agriculture and Livestock
- Vifor Pharma
- Turkish Ministry of Health (AbdiBio)
- Stada
- ISO 9001
- Yemeni Health Authority
- S&D Pharma
- Italfarmaco
- Pfizer
- Sun Pharma
- Janssen
- InterPharma
- Fresenius Kabi
- Welding
- Novartis
- Otsuka (OPJ)
- HBM Pharma
- Servier
- Astra Zeneca
- Russian Health Authority
- Valenta
- ISO13485 and CE Certificate
- GE Pharm



AbdiBio: Biotechnological Pharmaceutical Production Facility

ABDIBIO BIOTECH PHARMACEUTICAL PRODUCTION FACILITY (ISTANBUL-TURKEY)

In 2015, Abdi İbrahim laid the foundations for AbdiBio, taking a significant step towards producing biotechnological pharmaceuticals, which, until then, were almost entirely supplied through imports. AbdiBio, the biggest biotechnological pharmaceuticals production facility in Turkey built with USD 100 million in investment, was opened on May 11, 2018 with a ceremony that hosted a large number of representatives from the public and private sector.

Sprawling over an indoor space of 13,500 square meters, the facility was audited and approved by the ministry in 2018. AbdiBio features the entire range of pharmaceutical production processes from cell bank to end products, with a production capacity of 11 million flacons, 9 million syringes, 22 million cartridges and 1 million lyophilized products annually. The facility will produce biotechnological pharmaceuticals for diseases that cannot be cured with chemical pharmaceuticals, such as cancer, diabetes, rheumatism; as well as blood diseases, gastroenterological, dermatological and immunological diseases. Products manufactured at the facility will be marketed in Turkey as well as in export markets. The facility will also produce pharmaceuticals for other companies.

Abdi İbrahim will help heal even more lives with biotechnological activities carried out in AbdiBio in areas below:

- Hematology
- Oncology
- Rheumatology
- Immunology
- Endocrinology
- Neurology
- Dermatology
- Gastroenterology
- Ophthalmology

ABDI İBRAHİM R&D CENTER (ISTANBUL-TURKEY)

Drawing its strength from a robust R&D culture since its inception, Abdi İbrahim lays great emphasis on R&D, the essential denominator of development and innovation, to put science at the service of human health with high quality and affordable solutions. Having established Turkey's first accredited pharmaceutical R&D center and allocating nearly 5% of its annual turnover for R&D activities, Abdi İbrahim is among leading pharma companies in Turkey with 171 patent applications as of the end of 2018.

Abdi İbrahim R&D Center utilizes advanced technologies in laboratories that develop newest formulations and analytical methods. It is equipped with the capacity and infrastructure necessary to develop medications with inhalation and nanotechnological methods, set to meet changing and developing needs of the pharma industry both at home and across the globe.

The R&D Center focuses on developing innovative products, achieving good results in bioequivalence efforts, accelerating the production of signature products, preparing Common Technical Documents (CTD) for Turkey, Europe and other regions and developing value added products. The center also engages in joint projects with national and international scientific institutions to facilitate the transfer of know-how.

R&D BUDGET RISES UP TO TRY 70.12 MILLION

- For Abdi İbrahim, the number one pharmaceutical company in Turkey in terms of R&D budget, 2017 and 2018 were highly productive years with development projects, process improvements, alternative sourcing projects and university-industry collaborations.
- In 2018, the R&D budget amounted to TRY 70.12 million, with chief projects and developments listed below:
- The clinical trials for the wound dressing developed in cooperation with Ege University were completed.
- The goal was to develop a reliable, biodegradable, easy-to-use product that facilitates healing and enables monitoring of the recovery due to its transparent texture. The project is now at the stage of commercialization.
- The innovative, combined dry powder inhaler, still in progress, will be the first of its kind in the world.
- Another R&D project involves an agent to be used against life-threatening, systemic fungal infections, superior to a signature product in terms of pharmacokinetic profile, and free from nutrient effects. The project is licensed in Turkey. In Europe, meanwhile, hybrid license applications are underway.
- Innovative, combined gastroenterological product developments are also in progress.
- Currently available is a nervous system medication in immediate release form. Progress has been made in the development of a modified release form of the same medication, which is now undergoing clinical trials.
- The current R&D portfolio encompasses a global domain that includes Europe, the US, Brazil, Australia, South Korea, Africa, Middle East and Turkic countries, and new investments are made in this direction.

R&D BUDGET (MILLION TL)

2015	60,12
2016	40,35
2017	52,07
2018	70,12

INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS

Abdi İbrahim, boasting world-class competence in pharmacological technologies, made 171 patent applications as of the end of 2018, in Turkey, Europe and other countries. The company has 27 registered patents in Turkey, and six in Europe.

The wound dressing that Abdi İbrahim developed jointly with Ege University, which promotes tissue regeneration and contains microparticles is patented in 35 European countries including Turkey, as well as the US, Russia, Japan, China and Australia; totaling 40 countries.

In addition to patent applications, Abdi İbrahim obtained four utility model registrations, three design registrations and applied for one design registration by the end of 2018.



Abdi İbrahim Technologists Center

ABDİ İBRAHİM TECHNOLOGISTICS CENTER (ISTANBUL-TURKEY)

In 2010, Abdi İbrahim launched Abdi İbrahim Technologists Center, built with USD 35 million in investments, features a storage capacity of 14,500 Euro-pallets in total and an indoor space of 22,600 square meters. The center represents the pinnacle of logistics technology where all operations are computerized and fully automated, including movements of materials.

Abdi İbrahim Technologists Center boasts a material storage capacity higher than manually run warehouses on a smaller footprint, with temperature and moisture levels controlled 24/7 by a facility monitoring system. On average, 1,000 pallets move on the premises daily.

In 2017, the center exported nearly 4,000 Euro-pallets of medication to 50 countries and more than 19,000 Euro-pallets on behalf of 21 companies to which the center provides production services. Throughout the year, approximately 52,000 Euro-pallets were delivered to the manufacturing warehouse. In 2018, the Technologists Center exported around 5,000 Euro-pallets to 55 countries, and more than 23,000 Euro-pallets of medication were exported on behalf of the 21 contracted companies.

Throughout 2018, around 57,000 Euro-pallets were delivered to the manufacturing warehouse.



Abdi İbrahim Global Pharm

ABDİ İBRAHİM REMEDE PHARMA (AIRP) R&D CENTER AND PRODUCTION FACILITY (ALGIERS, ALGERIA)

After launching its first franchise outside Turkey in Algeria in 1999, Abdi İbrahim founded Abdi İbrahim Remede Pharma (AIRP) in 2014, the most modern investment in a pharma factory in the country. Abdi İbrahim's second factory abroad started operations in 2017 and obtained GMP certificate the same year. The facility is situated on an area of 5,678 square meters. The facility, which employs over 300, has an annual production capacity of 51 million units, and is capable of producing solid, liquid and semi-solid forms of pharmaceuticals.

ABDİ İBRAHİM REMEDE PHARMA (AIRP) R&D CENTER AND PRODUCTION FACILITY (ALGIERS, ALGERIA)

Abdi İbrahim, which opened its first foreign office in Algeria in 1999, established Abdi İbrahim Remede Pharma (AIRP) in Algeria in 2014 and realized the most modern factory investment of the pharmaceutical sector in the country. The factory, which was commissioned in 2017 as Abdi İbrahim's second factory abroad and received GMP certificate in December 2017, is located on a campus with an area of 5.689 square meters. Equipped with the technology to produce solid, liquid and semi-solid dosage forms, the factory has a production capacity of 51 million units annually and employs more than 300 employees.

MARKETING AND SALES

Abdi İbrahim serves humanity with more than 200 brands and nearly 400 products, owing to the strongest and most competent marketing-sales team in Turkey.

Abdi İbrahim has the most expansive product portfolio in Turkey's pharma industry, serving human health with products in almost every area of care. The company aims to raise the market share of current products, create new products equally powerful in their respective fields, thereby healing an even greater number of people each year.

The well-organized and strong field team of Abdi İbrahim across Turkey delivers services to nearly half of 155,000 doctors working in the country and has one-to-one access to more than 20,000 pharmacies in the country. The sales and marketing channels of the company work effectively and productively, adapting to technological advancements and changing operating conditions in the industry.



With a marketing & sales team of nearly 2,000 people, we reach out to 80,000 doctors and 22,000 pharmacists per month on average in our endeavor to heal lives.

REGIONAL OFFICES

- Adana Region
- Ankara Region
- Antalya Region
- Bursa Region
- Diyarbakır Region
- İstanbul Region
- İzmir Region
- Kadıköy Region
- Konya Region
- Samsun Region
- Trabzon Region



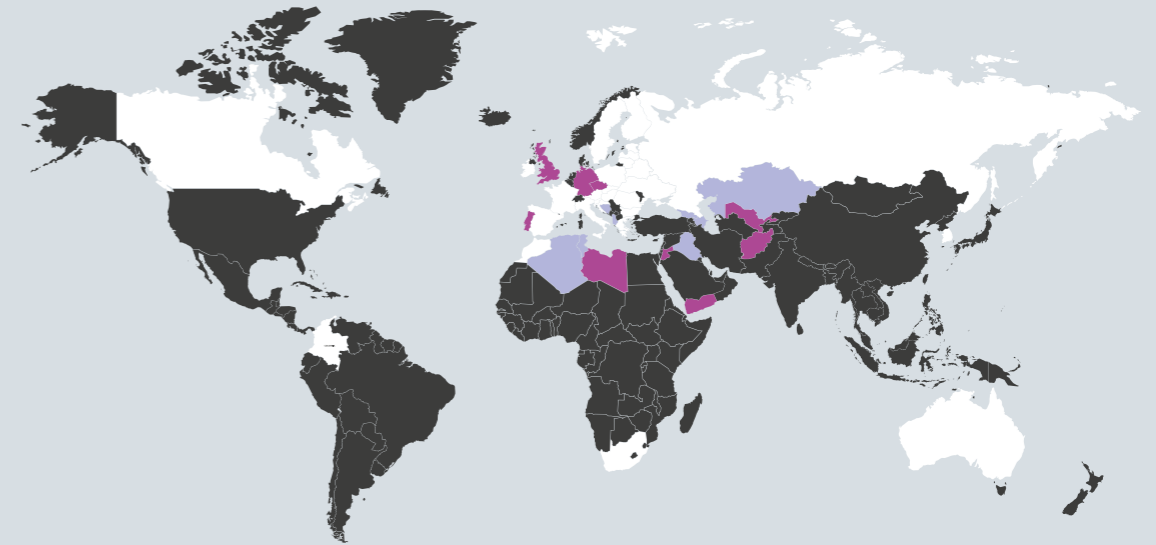
INTERNATIONAL MARKETS

Exporting to more than 60 countries worldwide and aiming to become one of the top 100 pharma companies in the world, Abdi İbrahim conducts operations in international markets with a team of nearly 600 people.

International Markets Department carries out all operations of Abdi İbrahim abroad. The team has approximately 600 members of staff in total, 40 of who are based in Istanbul and 530 in other countries of operation. Their responsibilities include taking Abdi İbrahim's market leadership beyond the borders of Turkey, grant licenses for Abdi İbrahim products to foreign companies and establish long-term partnerships, increase sales revenues from abroad as well as the number of countries of operations.

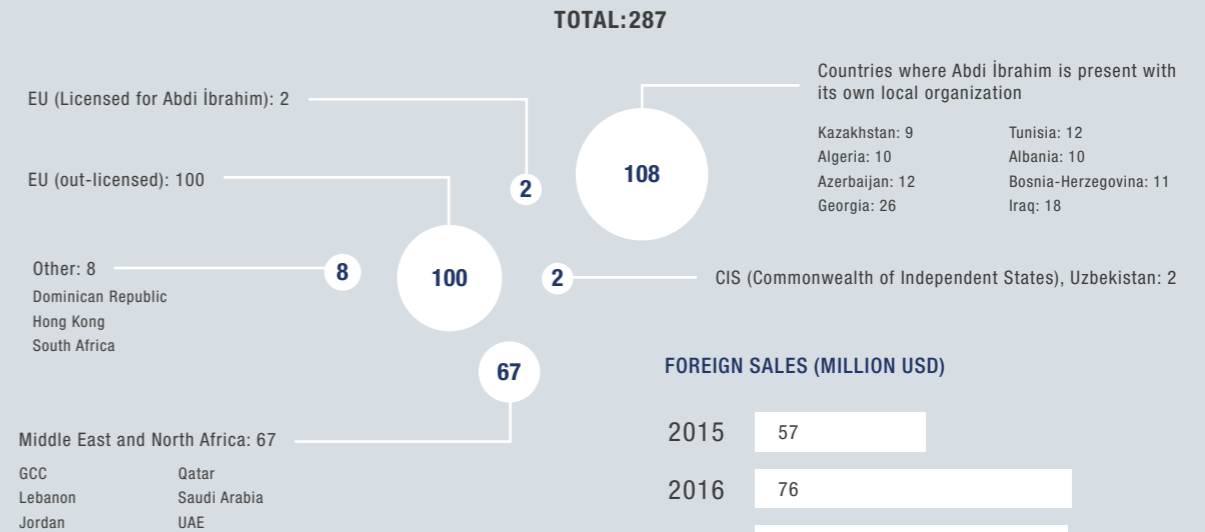
Abdi İbrahim continues to pursue goals for growth in international markets, with leading developments in 2018 listed below:

- New analgesics were launched in Albania.
- New respiration products were launched in Tunisia.
- New respiration and dermatology products were launched in Georgia.
- For a product that's used for thyroid treatment, the company signed a sale of license agreement with one of the largest global players that serves EU countries, chief of them being the UK. This is the highest sales projection and file expenses in a customer-branded product licensing deal for Abdi İbrahim.
- Clinical trials will be conducted in Russia for the oral spray used in the treatment of common cold.
- A licensed sale agreement was signed with a global brand that operates in the EU and Australian markets for a product that is used in the treatment of systemic fungal infection.
- The new factory in Algeria commenced local manufacturing operations after completion of technology transfer.
- In Kazakhstan, Abdi İbrahim continued to meet the local demand for a great variety of medications for diseases such as hepatitis, HIV and tuberculosis.
- New gynecology and respiration products were launched in Kazakhstan.
- A franchise office was opened in Bosnia-Herzegovina.
- New neurology and urology products as well as analgesics were launched in Bosnia-Herzegovina.

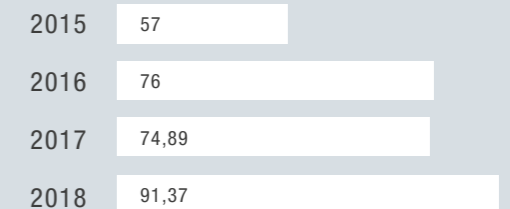


Strategic countries	Other countries	License countries
Countries where Abdi İbrahim has a company, factory and sales force	Countries where Abdi İbrahim brand products are distributed	
Algeria Kazakhstan Iraq Albania Georgia	Azerbaijan Bosnia-Herzegovina Tunisia Yemen Jordan Libya Afghanistan UK Portugal	Canada Russia Lebanon Belarus Morocco South Africa South Korea Australia Colombia

LICENSED PRODUCTS IN INTERNATIONAL MARKETS (AMOUNT)



FOREIGN SALES (MILLION USD)



INVESTMENTS

As one of the oldest industrial organizations in Turkey, Abdi İbrahim's investments add value to the pharmaceutical industry and the Turkish economy at large with the company continuously taking new initiatives in international markets.



Sterile Ophthalmology and Sterile Inhalation Production Facility

Standing out in the pharmaceutical industry with its reputation as an investor, Abdi İbrahim is steadily moving towards the goal of becoming one of the top 100 pharma companies in the world, thanks to major investments in recent years. Under the umbrella of Abdi İbrahim Global Pharm (AIGP), the company made the most modern production facility investment in Kazakhstan and started production in 2015. The company invested in a second facility abroad in Algeria, starting production in 2017 at the factory as part of Abdi İbrahim Remede Pharma (AIRP).

INVESTMENTS IN 2017-2018

Following are some of the major investments Abdi İbrahim made in 2017 and 2018:

BIOTECHNOLOGICAL DRUG PRODUCTION FACILITY: ABDIBIO

In 2015, AbdiBio's foundations were laid with an investment worth USD 100 million. The facility started operating in 2018. Sprawling over an indoor space of 13,500 square meters, the facility has a capacity to produce 11 million flacons, 9 million syringes, 22 million cartridges and 1 million lyophilized products annually.

STERILE OPHTHALMOLOGY AND STERILE INHALATION PRODUCTION FACILITY

The foundations for Sterile Ophthalmology and Sterile Inhalation Facility were laid in 2017, with an investment worth USD 60 million. The facility is situated on an area of 2,500 square meters with a capacity to produce 600 million flacons per year, and is expected to commence production in 2019.



Equipment and revision investments were made for R&D departments.

STERILE INJECTABLE AND ONCOLOGY PRODUCTION FACILITY

A USD 150 million investment that entered development in 2018, the Sterile Injectable and Oncology Production Facility sprawls over an area of 48,000 square meters. When complete, the facility will be the biggest sterile production center in Turkey. Production will begin in 2021 with sterile products in various forms.

HORMONE PRODUCTION FACILITY

Situated over an area of 620 square meters, the Hormone Production Facility was built with USD 4 million in investments and started production in 2018. With a production capacity sufficient to close a major deficit in Turkey, Abdi İbrahim is now able to manufacture its own products while providing production services for other companies.

ADDITIONAL PRODUCTION SERVICE BUILDING

The Additional Production Service Building, situated over an area of 400 square meters, entered into service in 2018 with an annual production capacity of 40 million units.

DEPARTMENT OF PRODUCTS WITH HIGH POTENT CONTENT

In 2018, a 400 square meter area was allocated to the manufacture of high potency in Abdi İbrahim Production Facilities. Featuring an annual production capacity of 20 million units, the facility entered into service following ministry approval.

ADDITIONAL LIQUID AND SEMI-SOLID PRODUCTION AREA

In 2018, an additional liquid and semi-solid production area was allocated at Abdi İbrahim Production Facilities. This 300 square meter area represents an annual production capacity of 20 million semi-solid and 20 million liquid products.

INVESTMENTS FOR EQUIPMENT AND REVISIONS

In 2017 and 2018, multiple investments were made for the quality control and R&D departments of Istanbul, Kazakhstan and Algerian production facilities of Abdi İbrahim.



Hormone Production Facility

TOTAL INVESTMENTS* (MILLION USD)

2015	10,5
2016	55,32
2017	62,93
2018	53,26

*Including overseas operations

PROCUREMENT AND SUPPLY CHAIN

Abdi İbrahim maintains relations with domestic and foreign business partners in the supply chain with integrity, fairness, openness and honesty. The company works with nearly 5,000 suppliers.

Abdi İbrahim's procurement activities are divided into three main pillars: direct materials, indirect materials and investment. Purchases are planned in line with long and short-term policies of the company. Abdi İbrahim's priorities in procurement activities include the selection of suppliers and development of business processes. In terms of supplier selection, Abdi İbrahim chooses to work with companies that it can build long-term and sustainable partnerships with, meanwhile laying maximum emphasis on compliance with legislation and codes of ethics in occupational health and safety.

In addition to contracts signed with suppliers, the company takes into consideration Labor Law no 4857 in control operations and procedures. Abdi İbrahim currently has nearly 5,000 direct and indirect suppliers. The Company endeavors to improve and develop processes with suppliers in order to enhance bilateral business processes and ensure a sustainable supply and procurement chain. Annual orders by Abdi İbrahim amount to 30,000.

Following are the universal principles that underlie Abdi İbrahim's procurement and supply operations:

- Quality
- Savings
- Safety
- Ethics
- Protection of society and environment

SHARE OF LOCAL SUPPLIERS

In 2018 and 2017, Abdi İbrahim worked with nearly 4,900 suppliers, of which 78% were local. The supplier network grew by 2% in 2018.



WE ARE BRAVE

Because we are fearless as we head towards future to discover the better and to do what has never been done before.

WE ARE PASSIONATE

Because we know that it is only by the good work of passionate people that we can heal all lives.

WE ARE RESPONSIBLE

Because we are aware that every one of us has an effect on everyone, and that we bear a responsibility for a healthier society and more livable world.

Abdi Ibrahim's "healers of life" team of 4,000 continues to work passionately for a healthier society and more livable world.

HUMAN RESOURCES STRATEGY

VALUING PEOPLE AND PARTICIPATORY MANAGEMENT

CAREER AND PERSONAL DEVELOPMENT

**HUMAN RESOURCES
PRACTICES**

INFORMATION SHARING AND RECOGNITION

DIVERSITY

OCCUPATIONAL HEALTH AND SAFETY PRACTICES

HUMAN RESOURCES INDICATORS

KEY PERFORMANCE INDICATORS (KPI)

TARGETS

RESULTS



Continuously support the development of new talents taken on board, prepare them for higher positions

Rate of promoted employees in manager and above positions:

2017	2018
44%	65%

Rate of rotation (considered a major development activity):

2017	2018
2,7%	1,7%



Improve employee competencies with training programs

Average training hours per employee in 2018:

28,6 HOURS



Implement universal OHS practices in production facilities to eliminate risks

Total OHS training hours per employee:

2017	2018
3,5 HOURS	5,86 HOURS



Promote women's employment and equal opportunities

Percentage of female employees at Abdi Ibrahim's head office:

2017	2018
50%	52%

Percentage of female employees at the R&D center:

2017	2018
66%	68%



Retain high-potential, high-performing employees

Rate of loss in this target group (i.e. undesired loss):

2017	2018
2,9%	3%



Support participatory management

Number of proposals received by AIDEA by the end of 2018:

1,167

HUMAN RESOURCES STRATEGY

With professional insights and experience above industry average and a staff of nearly 4,000 people, Abdi İbrahim invests in employees as much as it does in R&D, products and facilities.

Embracing principles of reliability and transparency, Abdi İbrahim employees work in an environment designed as a living space. In their view, the company culture and the ethical values built over more than a century are the cornerstone of their activities.

PRIORITIES OF ABDİ İBRAHİM'S HUMAN RESOURCES STRATEGY

- Ensure a workplace that inspires passionate work,
- Excel in talent management and redundancy,
- Foster a performance culture that reflects strategic priorities,
- Develop technical competencies and leadership skills required by company strategy,
- Create the systems and sustainable processes the HR infrastructure entails.

Believing that long-term vision and goals can only be achieved with the right team, Abdi İbrahim regards all recruits as potential talents. Placing significant emphasis on talent management to ensure a work environment that inspires passion, the company manages the process in seven stages:

FIRST STAGE, RECRUITMENT

Parallel to the steady growth in its business volume, Abdi İbrahim strengthens the organizational structure of the company where recruitment processes are handled objectively and transparently. Abdi İbrahim informs stakeholders of recruitment processes and employee benefits in clear and straightforward terms on the corporate website (www.abdiibrahim.com.tr/Kariyer), meanwhile launching a microsite (www.iyilestirenyuzler.com) that provides information on mass recruitment of medical sales representatives.

SECOND STAGE, ORIENTATION

Newcomers to the family are welcomed into a "Family Orientation Program." The program accelerates new employees' adaptation to the business and company culture in a friendly atmosphere.

THIRD STAGE, PERFORMANCE MANAGEMENT (WHAT I'VE ACCOMPLISHED)

The company's 2020 vision entails a performance culture-oriented approach to human resources processes, with special attention to setting employees' tasks and responsibilities according to long-term goals and policies.

FOURTH STAGE, COMPETENCY ASSESSMENT (HOW I'VE ACCOMPLISHED)

With a 360-degree competency assessment, the company demonstrates how employees attain their targets.

FIFTH STAGE, FEEDBACK AND DEVELOPMENT PLANNING

The company evaluates business results (What?) with the performance management system and behavioral expectations (How?) with the 360-degree competency assessment system. With supervision all year round, the company strives to promote a culture of regular dialog between employees and their managers.

SIXTH STAGE, REMUNERATION AND PREMIUMS MANAGEMENT

Employee's accomplishments during the year are assessed with the performance management system. The goal is to ensure fair remuneration, taking into account equivalent positions across the pharma industry alongside employee performance. Individual achievements are rewarded with premiums with an eye to giving back as the company gains further, in line with the financial success of the organization.

SEVENTH STAGE, POTENTIAL LEADERS OF THE FUTURE

Potential leaders of the future are individuals who shine out in talent management processes and whose development Abdi İbrahim seeks to expedite. Employees who manifest sustainable performance for two years are evaluated in terms of both their performance and their potential. Underpinned by analysis tools, the assessment results are discussed with committees who give the final decision on potential leaders of the future.

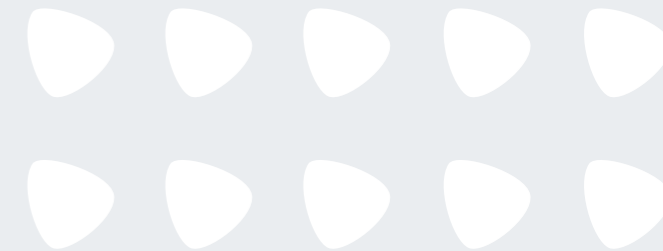


ELIXIR PROGRAM FOR YOUNG TALENT DEVELOPMENT (ELIXIR)

With an eye to attracting newly graduated talents and to recruit young people of high potential for long-term employment at the company, Abdi İbrahim launched the "Elixir Program for Young Talent Development" in 2017.

Young people pass through numerous challenging stages and join Abdi İbrahim family, followed by a structured, six-month development program. The program involves mentorship, mastery of orientation, digital and in-class training, meetings on career coaching, rotation to have an understanding of various departments as well as presentation of a department project developed over six months which rounds off the process successfully.

The program, which is highly popular among young people, received nearly 5,000 applications in 2017 and around 6,000 in 2018. A total of 31 persons were accepted to the program in the course of two years. Eight people who joined Abdi İbrahim family with Elixir currently serve as specialists in the company.



VALUING PEOPLE AND PARTICIPATORY MANAGEMENT

Abdi İbrahim is always open to the ideas and suggestions of employees, and has launched 118 projects so far through the AIDEA Proposals System.

AIDEA

In March 2011, Abdi İbrahim launched the AIDEA Proposals System in order to create a work environment that fosters open communication where employees are involved in decision-making mechanisms with their ideas and proposals, thereby contributing to the sustainability goals of the company. As of the end of 2018, AIDEA received 1,167 proposals from employees, of which 118 evolved into projects and were put into practice. Employees who shared proposals on the system were rewarded with a total of TRY 73,962.



CAREER AND PERSONAL DEVELOPMENT

Abdi İbrahim supports its employees throughout their career, offering professional and personal development opportunities.

ABDI İBRAHİM ACADEMY

Providing development solutions in order to uphold strategic priorities and foster a shared culture, Abdi İbrahim Academy offers content including corporate academy programs, basic technical training, e-training, social learning and the corporate library aipedia. Employees can plan their development using their "Competency Development Guidelines" through this training management system, and participate in development programs featuring in-class training and e-training. Abdi İbrahim delivered an average of 39 hours of training to 2,750 people in 2017, and an average of 28.6 hours of training to 3,540 people in 2018.

The schools that form part of the Academy include:

JOURNEY TO THE TOP

It is a career development program that aims to support medical sales representatives throughout their career. Set to provide the necessary mental, emotional and behavioral skills for carrying out efficient promotional activities, the program is planned in consideration of different needs according to professional seniority.

AİLEDEYİM (I'M IN THE FAMILY) ORIENTATION PROGRAM

A program developed to help new recruits adapt faster to the company, supporting them during their first six months.

MEDICO MARKETING INSTITUTE (MMI)

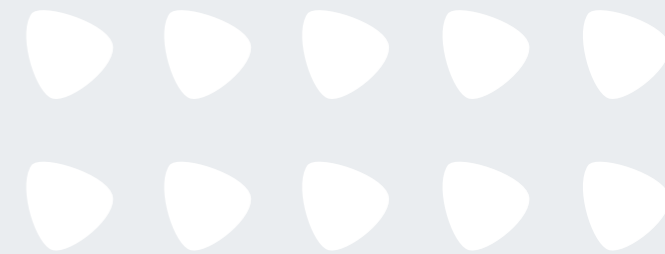
A multi-dimensional development program that bolsters the development of marketing teams through the different stages of their career, the MMI incorporates a diverse range of development methods and tools to put learning into practice.

PHARMA MINI MBA (PMM)

Designed to inspire a paradigm shift in the implementation of strategies and to train the new generations that will take over the leadership ranks in 2020, this 15-month, multi-dimensional development program with rewards and credits is open to all employees at the specialist level.

MASTERS CLUB (MENTORSHIP)

Aiming to enhance leadership capacity in line with corporate goals and strategies, the program is designed to facilitate the adaptation of newly recruited, newly appointed or newly promoted individuals, especially in managerial positions, to corporate culture and to contribute to their professional development.



INFORMATION SHARING AND APPRECIATION

Abdi İbrahim has many practices initiated in order to strengthen internal communication and employee loyalty.

AİNSAN

The Aİnsan Human Resources System is accessible to all Abdi İbrahim employees at <http://ainsan.abdiibrahim.com.tr>. This system allows employees to:

- Access their payroll information,
- Update their personal information,
- Submit a leave request,
- Create target cards, monitor their performance and perform 360-Degree Competency Assessment if they are a part of the Technical Head Office or Abdi İbrahim Tower management team,
- Access in-house organizational charts and various applications.

PUSULA (COMPASS)

A management and support portal for sales and marketing teams across Turkey, the Pusula (<https://pusula.abdiibrahim.com.tr>) provides a wide range of assistance services to employees engaged in sales and marketing operations.

COSMOS

Abdi İbrahim's portal for employees engaged in international operations, Cosmos (<https://cosmos.abdiibrahim.com.tr>) is a platform for sharing announcements and documents, activity management, budget, sales and inventory management follow-up, data entry for business processes, and data integration for the database at Abdi İbrahim Head Office.

WORKFLOW

Designed for Abdi İbrahim Head Office and Production Facilities, workflow (<http://workflow.abdiibrahim.com.tr>) allows employees to submit vehicle requisition forms, expenditure forms, business card requests, overseas travel requests, and overseas travel expenditure forms.

AİLECE (AS A FAMILY)

Abdi İbrahim intranet service Ailece offers employees a user-friendly sharing platform.

REWARDING ACCIDENT-FREE EMPLOYEES

Taking as reference not only national legislation but also international best practices in the field of occupational health and safety, Abdi İbrahim aims to nurture an occupational safety culture among its employees with the "Accident-Free Employee of the Month" award.

REWARDING OCCUPATIONAL HEALTH AND SAFETY EMPLOYEES

"OHS Employee" awards are given every three months at Abdi İbrahim in order to raise awareness about OHS, foster an OHS culture and reward employees who comply with OHS rules.

TRAINING FOR SECURITY PERSONNEL

All security personnel at Abdi İbrahim undergo a procedural training on an annual basis.



REWARDING ENVIRONMENTALIST EMPLOYEES

Abdi İbrahim is fully aware that that its environmental sustainability objectives can only be attained with the voluntary participation of stakeholders, and accordingly, it aims to spread environmental awareness among its employees through the program "Environmentalist Employee of the Month". Since 2018, the Company selects the "Environmental Employee of the Month" on a quarterly basis.



DIVERSITY

Abdi İbrahim offers its employees a working environment based on equal opportunities and respect for diversity.

Abdi İbrahim's human resources practices are free of any discrimination based on race, language, religion, age or gender, and provide equal opportunities to all. As a signatory to United Nations Global Compact (UNGC) and Women's Empowerment Principles (WEPs), the Company is committed to providing a fair and egalitarian working environment that respects human rights.

Abdi İbrahim attaches great value to women's empowerment and employment, and accordingly, on January 16, 2017, the Company signed the United Nations' private-sector oriented initiative Women's Empowerment Principles (WEPs), which promote women's participation in all sectors and segments of the economy.

SUPPORTING WOMEN'S AND LOCAL EMPLOYMENT

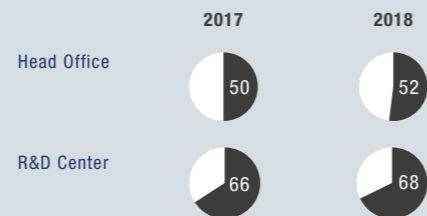
Abdi İbrahim supports women's participation in business and local employment. Leveraging its vast field organization extending throughout Turkey, the Company prioritizes local employment in the "mass recruitment" processes for sales positions. Likewise, for its internal promotion processes, the Company evaluates candidates' managerial potential and prioritizes native candidates when selecting between two employees of equal potential. As a result of this policy, at Abdi İbrahim the percentage of promotions from the local population to Senior Management level (Regional Manager, Product Manager, Director, etc.) has reached 70%.

Abdi İbrahim is especially sensitive towards the career development of female employees, and 52% of its head office employees are women. The gender breakdown of management roles at the Company is as follows:

GENDER BREAKDOWN OF ABDI İBRAHİM SENIOR MANAGEMENT

TITLE	FACTORY		HEAD OFFICE		FIELD		SUM TOTAL		
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
	Deputy Director and above	3	1	22	9	0	0	25	
	3	1	23	9	0	0	26	10	2018
Manager	8	9	65	79	162	18	235	106	2017
	10	10	68	76	175	21	253	107	2018
Executive	18	25	11	24	1	0	30	49	2017
	20	25	13	24	1	0	34	49	2018
Total	29	35	98	112	163	18	290	165	2017
	33	36	104	109	176	21	313	166	2018

PERCENTAGE OF WOMEN EMPLOYEES (%)



INDUSTRIAL RELATIONS

GRI 102-41

There is no union organized at Abdi İbrahim. The Company respects employee rights in accordance to applicable legislation governing industrial relations, and regularly audits its suppliers. Abdi İbrahim employees are represented on various decision-making bodies that determine working conditions, particularly occupational health and safety policies.

OCCUPATIONAL HEALTH AND SAFETY PRACTICES

Abdi İbrahim believes that institutionalization in occupational health and safety can be achieved by utilizing correct technical equipment, healthy facilities and instruments, and through the propagation of its corporate OHS culture across all business processes.

Abdi İbrahim pays utmost attention to compliance with domestic legislation as well as international standards, particularly OHSAS 18001, and aims to raise the occupational safety awareness of employees through training activities. Employees are offered occupational health and safety training every year. Accordingly, 3.5 hours per person of training was delivered in 2017 and 5.86 hours per person of training in 2018. Risks in workplaces and protection parameters, occupational accidents and near-misses are taken into consideration while determining the content of periodical training each year.

At Abdi İbrahim, targets are set every year in order to reduce the overall accident rate, and strategic studies are conducted to improve safety and promote safe conduct. In order to make a global comparison of its accident rates, Abdi İbrahim has transitioned to the Occupational Safety and Health Administration's (OSHA) accident calculation methodology as of 2018.

OCCUPATIONAL HEALTH AND SAFETY INDICATORS

ACCIDENT INCIDENCE RATE*

2017 2018

3.43 4.05

*Lost workday accidents rate covers all the work accidents that result in one or more days of leave. Lost workday accidents rate = Total number of accidents with lost workday x 200.000 / Total working hours

OCCUPATIONAL DISEASE RATE**

2017 2018

0 0

** Occupational Disease Rate = Total incidence of occupational disease x 200,000 / Total working hours

LOST WORKDAY RATE***

2017 2018

420.3 493.2

*** Lost workday rate= Total workday losses x 200.000 / Total workdays (Number of employees x number of workdays)

NUMBER OF FATAL ACCIDENTS

2017 2018

0 0

HUMAN RESOURCES INDICATORS

Abdi İbrahim offers employees a world-class working environment and an expansive range of side benefits.

Abdi İbrahim's priority in the field of human resources is to design processes where employees can display their potential, and to provide opportunities and environments for their continuous development. Embracing active employment policies in line with its growth plans, the Company provides strong support to the Turkish economy.

NUMBER OF EMPLOYEES*

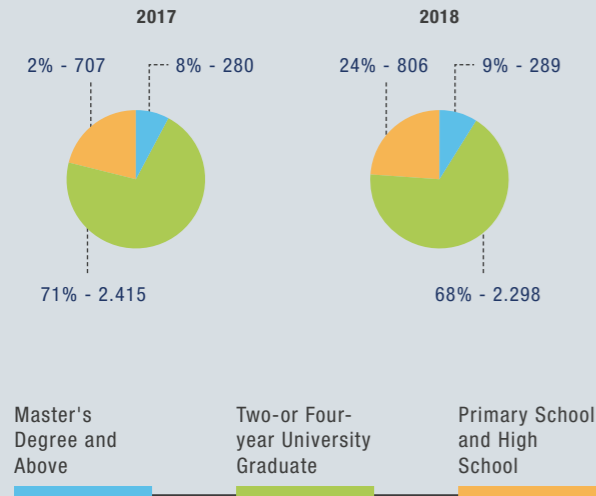
2017 2018

3.883 3.924

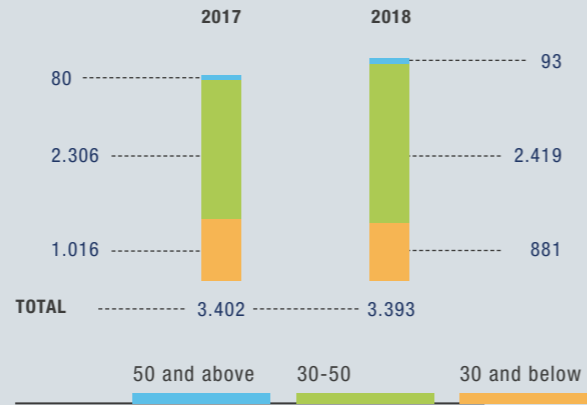
*Including the employees at overseas representative offices, Otsuka and subcontracting companies.

EDUCATION LEVEL

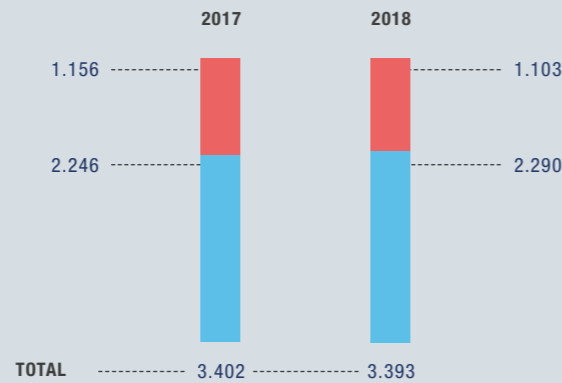
64% of Abdi İbrahim employees have bachelor's degree or above.



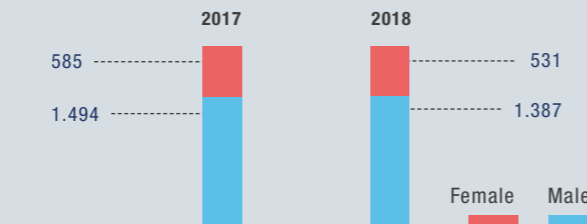
AGE GROUPS



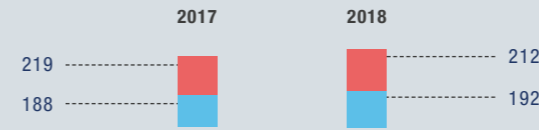
GENDER



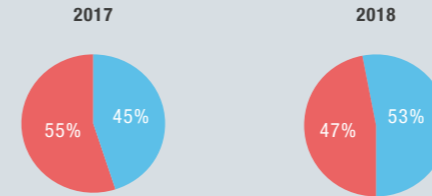
FIELD



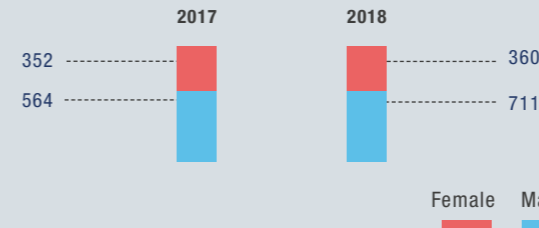
AI TOWER (HEAD OFFICE)



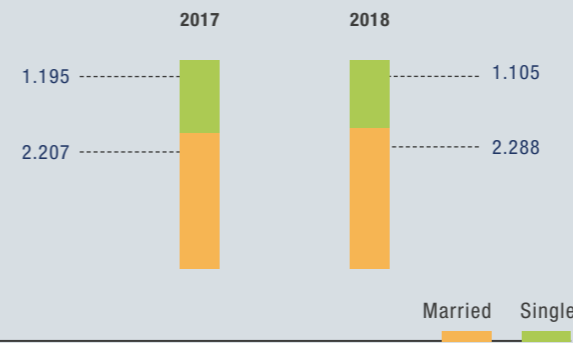
COUNTRIES



TECHNICAL HEAD OFFICE (FACTORY)

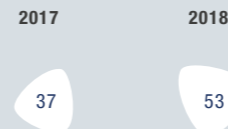


MARITAL STATUS

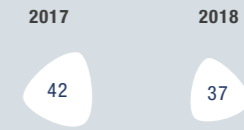


PARENTAL LEAVE

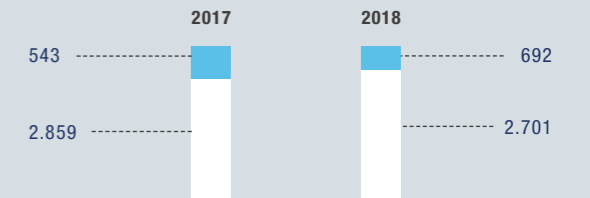
EMPLOYEES TAKING PARENTAL LEAVE



EMPLOYEES BACK FROM PARENTAL LEAVE

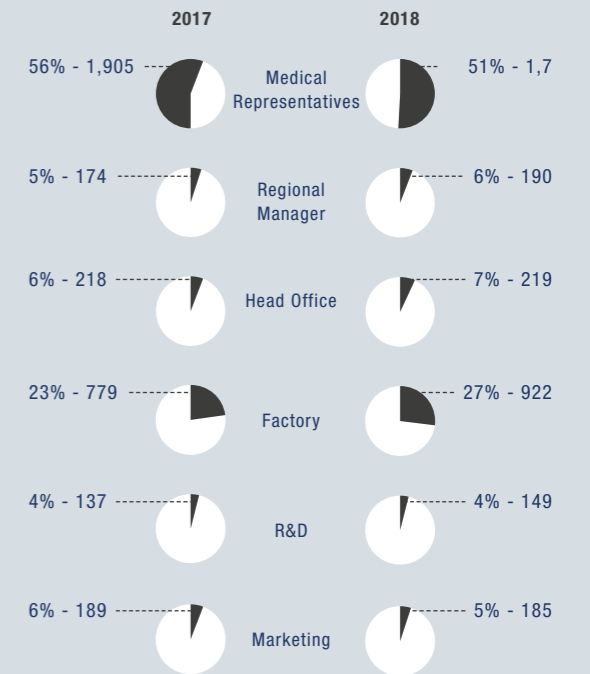


BREAKDOWN BY FUNCTION



Abdi İbrahim's employees perform numerous functions such as production, sales & marketing and corporate management. As of the end of 2018, Abdi İbrahim's workforce comprises 80% of white-collar and 20% of blue-collar employees.

BREAKDOWN OF EMPLOYEES



PROJECTS IN 2017 AND 2018

Committed to contributing to the advancement of society's intellectual capital, Abdi Ibrahim relentlessly pursues its social responsibility projects along the axes of education, culture & arts, public health and the environment.

**SUPPORT FOR
SOCIAL DEVELOPMENT**

PHILANTHROPY

KEY PERFORMANCE INDICATORS

TARGETS

RESULTS



Support aid projects

Abdi İbrahim gave its support to the *"Grandmother Project"* by Ministry of Labor and Social Security, securing aid to

500 families.



Organize public health efforts

HBVIZYON PROJECT WAS LAUNCHED

to counter *Hepatitis B*, a major health hazard in Turkey.



Pioneer studies on public health

Within the scope of the **RATIONAL USE OF MEDICINES CAMPAIGN** launched in **2012** to counter the irrational use of medication, a second study was conducted in **2017**, its results were shared with the public, and awareness campaigns were conducted on social media.



Support aid projects by NGOs

Abdi İbrahim employees joined the *Istanbul Marathon* together with the *Association of Cancer-Free Life* to support the latter's project for renovating the oncology service at *Ümraniye Training and Research Hospital*.

Abdi İbrahim employees attended the *Runatolia Marathon* to send **FREE-OF-CHARGE TRAINED NURSE** visits to the homes of patients suffering from Alzheimer's.



Develop environmental projects

As part of a project for one of its products, Abdi İbrahim created a **"FOREST OF HOPE"** by planting in the name of physicians in the forest land determined in the **Çanakkale-Lapseki** region. **5,000 SAPLINGS** on behalf of physicians in a forestation area in **Lapseki, Çanakkale**.



Conduct campaigns during public awareness days

The Company conducted various projects on special days such as *International Lymphoma Day, Breast Cancer Awareness Month, World Cancer Day, International Women's Day, World Parkinson's Day, Polycystic Kidney Disease Day, World Alzheimer's Day, Iron Deficiency Day*.

2017 AND 2018 PROJECTS

In keeping with the results of its Corporate Reputation and Perception Survey, Abdi İbrahim focuses its social responsibility activities in the fields of education, culture & arts, public health and the environment. In 2017 and 2018, the Company launched new and ground-breaking corporate social responsibility projects.

2017



ABDİ İBRAHİM DELIVERS THE MOST COMPREHENSIVE STUDY IN THE INDUSTRY ONCE AGAIN

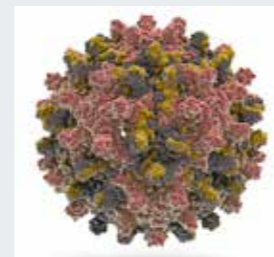
In 2012, Abdi İbrahim launched the Rational Use of Medicines Campaign to raise public awareness on irrational use of medication. In its fifth year, Abdi İbrahim engaged all of its employees in the project to once again deliver the most comprehensive study in the Turkish pharmaceutical industry on this topic.

The project was carried out by Abdi İbrahim in collaboration with Association for Raising Medicine Awareness and Rational Medicine Use, around the slogan "Use Medicine Rationally, Don't Jeopardize Your Health", and the first results of the study were shared with the public in late 2013. The second study was carried out in the fifth year of the campaign, which is of huge importance for public health and national economy. The independent research firm FutureBright conducted the research on a set of 8,000 people across Turkey using the same methodology as the first study, revealing the map of rational medicine usage awareness in our country for the second time. The results of the study were disclosed at a press conference on November 16.

In his speech at the press conference, Abdi İbrahim's CEO Dr. Süha Taşpolatoğlu noted that irrational use of medicines jeopardizes public health and leads to significant losses for the Turkish economy: "Powered by our over 100 years of

in-depth experience, and with the responsibility of being the leader of the Turkish pharmaceuticals industry, we have launched the Rational Use of Medicines Campaign in 2012 in order to support parallel efforts by the Ministry of Health. Within the scope of our campaign, we have conducted awareness-raising activities such as television commercials, advertisements, brochures for pharmacies, and social media content. At Abdi İbrahim, we take crucial steps to improve our lives and future, and view it as our primary mission to spread awareness in the society on health issues and help raise a healthy generation. The Rational Use of Medicines Campaign is a manifestation of this sense of social responsibility."

HBVİZYON: AN EXEMPLARY WORLD-CLASS HEALTH PROJECT



Abdi İbrahim has offered its unconditional support to the project HBVizyon, which was launched at a press conference on July 28, World Hepatitis Day. Emre Kaan, Sales and Marketing General Manager at Abdi İbrahim, and Prof. Dr. Aydın Şeref Köksal from Sakarya Training and Research Hospital participated at the conference, providing detailed information on the HBVizyon Warning System, a reactivation risk management program against the Hepatitis B virus.

The pilot study for the HBVizyon Warning System was launched in 2017, and the system was subsequently expanded to 26 training and research hospitals and university hospitals in the short span of five months.

Information on the system is shared with physicians through satellite symposia at national meetings and congresses, and through informative meetings in hospitals. This system is designed as a warning monitor that is poised to raise awareness across Turkey.

Abdi İbrahim's Sales and Marketing General Manager Emre Kaan stated that the Company aims to raise awareness of reactivation risk management for the Hepatitis B virus, which has infected 3.5 million people in Turkey, to increase HBV screening rates among immunosuppressive patients,

"HBVizyon is an exemplary project of Turkey."

and to administer prophylaxis without delay. He added that about 2 billion people in the world and 3.5 million people in Turkey are infected with Hepatitis B, and underlined the importance of early diagnosis and treatment in countering this disease: "The theme of World Hepatitis Day this year is 'Eliminating Viral Hepatitis'. In order to achieve this goal, Abdi İbrahim has launched the HBVizyon Project, a social responsibility project for safeguarding public health. With this project, we aim to increase Hepatitis B screening rates among immunosuppressive patients, and to administer prophylaxis without delay. By launching the 'HBVizyon System' alarm, we aim to evaluate the risk of pre-treatment HBV and prevent possible HBV reactivations among patients who are administered an immunosuppressive treatment, by means of a warning message that appears on the monitor during the use of drugs suppressing the immune system, for any disease."

Emphasizing that HBV infection is a serious public health hazard and that approximately 400 million people carry Hepatitis B virus worldwide, Prof. Dr. Aydın Şeref Köksal

stated, "With this electronic warning system, the patients who will be administered an immunosuppressive treatment will be assessed for HBV risk before treatment and thus possible HBV reactivations will be prevented. HBVizyon Turkey is an exemplary Turkish project".

ABDİ İBRAHİM SUPPORTS THE "GRANDMOTHER PROJECT"

Abdi İbrahim gave its support to the Grandmother Project initiated by the Ministry of Labor and Social Security in order to bolster women's employment, and provided aid to 500 families under this important project. The project provided 425 TRY in financial support to grandmothers who take care of their grandchildren, and its signature ceremony on February 8 was attended by Neziha Barut, Chairman of Abdi İbrahim and Chairman of Association of Pharmaceutical Industry Employers.



ABDİ İBRAHİM EMPLOYEES RUN FOR PHILANTHROPY

Abdi İbrahim Healers Team joined the Istanbul Marathon in 2017, as they had done in 2016.

Abdi İbrahim Healers Team joined the Istanbul Marathon on November

12 together with runners from the Association of Cancer-Free Life, to support the latter's project for renovating the oncology service at Ümraniye Training and Research Hospital.

ABDİ İBRAHİM EMPLOYEES RAN FOR ALZHEIMER PATIENTS

Abdi İbrahim employees who work in the Antalya region participated in the Runatolia Marathon in Antalya on March 5. The Healers Team ran to provide free-of-charge trained nurse visits to the homes of Alzheimer's patients confined to bed.

INFORMATIVE MEETING ON WORLD LYMPHOMA DAY

Research and Training Association for Leukemia Lymphoma Myeloma Patients (LLMBİR) organized an informative meeting for patients on the occasion of September 15 World Lymphoma Day with the support of Abdi İbrahim. The press conference held in Ankara on September 15 was attended by Ankara University Faculty of Medicine Department of Hematology Faculty Member and LLMBİR Chairman Prof. Dr. Muhit Özcan; Ankara University Faculty of Medicine, Department of Hematology Faculty Member and LLMBİR Secretary General Assoc. Dr. Selami Koçak Toprak; LLMBİR Board Member Attorney Asst. Assoc. Dr. Ertuğrul Akçaoğlu; and Association Member Ece Yücekan. The coordinator of the meeting was Assoc. Dr. Selami Koçak Toprak, who in his inaugural speech stated that the meeting was held with the full support of Abdi İbrahim and thanked Abdi İbrahim on behalf of all patients.

**PINK FESTIVAL**

Abdi İbrahim became a sponsor of the Pink Festival organized by the Breast Health Association (MEMEDER) in Istanbul on October 8-9, as part of the Breast Cancer Awareness Month (October 1-31).

Organized by MEMEDER, which provides services to women in the field of breast health through both scientific projects and free-of-charge screening campaigns, the festival was open to the public, and offered participants free-of-charge breast screening to highlight the importance of early diagnosis. Abdi İbrahim's booth attracted significant attention at the festival. Brochures about AbdiBio were distributed to communicate the message that the Company is focusing on the treatments of future for oncology patients.

GIFTS FOR STUDENTS

Continuing to support education and children, Abdi İbrahim's head office, factory and field workers collected garments and stationery in donation boxes and gifted these to students from various schools across Turkey.

"A HOBBY EVERY MONTH" BY AİO

Abdi İbrahim Otsuka (AİO) launched another stage of its Don't Look the Other Way project, created to raise public awareness on schizophrenia and help patients suffering from the disease to live their lives in a more independent manner. Every month, the "A Hobby Every Month" section of the web site www.gormezdengelmeyelim.com (Don't Look the Other Way) features a video showing an activity that schizophrenia patients can engage in at the Social Centers for Mental Health, such as dyeing T-shirts, decorating flower pots, making mirrors, ornamenting decorative boxes, etc. As such, the healing process of schizophrenia patients will be boosted not only with medicine treatment but also hobby-based treatment, and more patients and their relatives will be reached.

CLOTHING AID TO PATIENTS BY AİO

In a campaign organized by Abdi İbrahim Otsuka, 1,200 pieces of clothing collected by factory, head office and field employees were presented to patients in Bakırköy and Erenköy mental and neurological diseases hospitals on April 4-10.

STEM CELL AND BLOOD DONATION CAMPAIGN

Abdi İbrahim joined forces with Turkish Red Crescent to raise awareness about stem cell and blood donation. During the campaign organized in July, Turkish Red Crescent gave seminars at Abdi İbrahim Tower and production facilities. Abdi İbrahim employees voluntarily donated stem cells and blood in the campaign. Red Crescent authorities expressed their gratitude to Abdi İbrahim on behalf of patients and relatives, for assisting 399 patients with a total of 133 blood donations.

2018**ABDİ İBRAHİM SUPPORTS CANCER AWARENESS CAMPAIGN**

Abdi İbrahim gave support to the activities organized by Turkish Association of Research and Fight Against Cancer, and the Union for International Cancer Control

(UICC) on February 4, World Cancer Day. In order to draw attention to this disease, Abdi İbrahim Tower was lit up in shades of blue and orange on February 2-4.

A press conference was organized on February 2 to provide information on the activities to be organized by Turkish Association of Research and Fight Against Cancer, and the Union for International Cancer Control (UICC). The press conference was attended by Pharmacist Çiğdem Yılmaz, Abdi İbrahim's Director of Special Expertise and Oncology Department.

In her speech at the meeting, Yılmaz shared the Company's delight in contributing to this crucial campaign, saying, "We believe that the solution to such an important public health problem as cancer can only be discovered under the leadership of our esteemed scientists, through a combination of government policies with NGOs and private sector initiatives. In this sense, it is very positive that we now talk about both treatment and preventive action and activities. We wanted to do our part in this campaign to raise awareness about cancer."

A MEANINGFUL GIFT ON WORLD WOMEN'S DAY

Abdi İbrahim's cardiology teams Phoenix and Dragon led a meaningful project on occasion of March 8 International Women's Day. The teams published a 40-page bulletin on women's cardiovascular health in cooperation with the Turkish Society of Cardiology. The bulletin emphasized the need to differentiate risk assessment and treatment protocols for women based on scientific studies and articles. It also underlined the importance of a patient-oriented approach, namely the Abdi İbrahim Introductory Model, in the treatment protocol. Abdi İbrahim teams

visited 64% of the cardiology physicians in Turkey on March 8 and 9, and distributed the bulletins, thus reaching 2,129 physicians in total.

"TIME TO DO MORE"

On April 11, World Parkinson's Day, Turkish Association of Parkinson's Disease organized informative meetings in 12 provinces with the participation of patients and their relatives around the slogan "Time to Do More", and with full support from Abdi İbrahim. The Istanbul meeting on April 11 was attended by Turkish Association of Parkinson's Disease Chairman Prof. Dr. Raif Çakmur, Prof. Dr. Murat Emre, Prof. Dr. Sibel Ertan, Prof. Dr. Haşmet Hanağası, Assoc. Dr. Gülsen Babacan, Assoc. Dr. Başar Bilgiç, Physiotherapist Dr. Burcu Ersöz and Psychiatrist Dr. Burç Çağrı Poyraz, Dr. Öykü Tezel Bayraktaroğlu and Dietitian Sevgi Neylan Bakım. Patients and their relatives were informed about the Parkinson's disease, movement, balance, speech, proper diet and solidarity, and their questions were answered in a Q&A session.

OLYMPUS CELEBRATES APRIL 23

Abdi İbrahim's Olympos team decorated pediatrics clinics for April 23 National Sovereignty and Children's Day, reaching out to both physicians and children. The team also distributed Certificates of Achievement designed specifically for children.

UNICEF PROJECT

In May, Abdi İbrahim's Boreas team donated multivitamins to UNICEF for children in need, on behalf of the 3,953 obstetricians it has visited. Thirty bags of multivitamins were donated on behalf of each physician via UNICEF to disadvantaged children living in hardship. Donation certificates were handed to physicians by the field teams.

"LIVING MOMENTS"

Abdi İbrahim Otsuka (AİO) continues its journey of healing with social responsibility projects on days of awareness, and on May 10, Polycystic Kidney Disease Day, it released the film #YaşayanAnlar (Living Moments). AİO aims to raise awareness of the life-threatening polycystic kidney disease, the most common form of hereditary kidney disease, and to improve more lives by reaching out to more patients. Accordingly, AİO published the film #YaşayanAnlar through

its social media channels and on YouTube. The film reached 73,000 views on Facebook and 5,000 on Instagram, while AİO field staff also shared it with physicians around the slogan #YaşayanAnlar. In addition, AİO set out to expand the audience by placing infographic posters in the waiting rooms of hospitals and issuing a press release.

HOPE FOREST

Under the scope of a product project, Abdi İbrahim's Hercules and Pegasus teams created a small forest by planting 5,000 saplings on behalf of physicians in a forestation area in Lapseki, Çanakkale. Within the scope of the "Hope Forest" project, a sapling was planted on behalf of every psychiatrist and neurologist visited, as well as every employee in the Pegasus and Hercules teams, their families and head office employees. Following this effort to create a more livable world for future generations, Deniz Ataç, Chairman of Tema Foundation, visited Abdi İbrahim Tower on May 25, and presented a thank you plaque to Dr. Oğuz Mülazımoğlu, Abdi İbrahim's Sales and Marketing General Manager.

AİO'S NEW INSTAGRAM PAGES

Engaged in intense communication activities, Abdi İbrahim Otsuka (AİO) set up the Instagram pages "gormezdengelmeyelim" (Don't Look the Other Way) and "otizmailem" (My Autism Family) offer more people correct information on schizophrenia and autism.

IN THE NAME OF PHILANTHROPY!

Abdi İbrahim Otsuka (AİO) continues to conduct social responsibility projects under the brand "Adımız İyilik Olsun" (In the Name of Philanthropy). The group "Courage" launched a campaign in the 2018/19 academic year for book and stationery donations to village schools. With the motto "Information is courage, information is power", the AİO team, Abdi İbrahim and AİO employees collected books and stationery and for delivery to the schools.

"REMEMBER ME EVEN IF I FORGET YOU"

Abdi İbrahim Alzheimer team Hercules contributes to raising public awareness about the Alzheimer's with the campaign "Unutsam da Seni Unutma Beni" (Remember Me Even If I Forget You). In 2017, as in the previous year, the team assumed the sponsorship of the press conference organized by Turkish Association of Alzheimer's on World

Alzheimer's Day.

The press conference held on September 19 in İstanbul drew high attendance from both mainstream and sector-specific media outlets. At the meeting, there was ample interest in the performance by Alzheimer's Voice Choir, formed by a choir of patients and their relatives from "Kadıköy Alzheimer's Center", and by "Ortaköy Gönül Dostları Turkish Music Group".

Abdi İbrahim broke fresh ground with this choir established to draw more attention to the Alzheimer's disease, and performed a mini concert around the theme of "Forgetting" at the end of the event. At a time when the positive effects of art and music on Alzheimer's disease are being confirmed by studies, the press conference featuring the choir had wide press coverage.

Alzheimer's Voice Choir also delivered a mini concert on September 21, World Alzheimer's Day at Abdi İbrahim Tower. Abdi İbrahim employees showed ample interest in this concert organized jointly by MSS-2 and Ortaköy Gönül Dostları Turkish Music Group at the cafeteria on the fifth floor.

PUBLIC MEETINGS ON WORLD ALZHEIMER'S DAY

On September 21, World Alzheimer's Day, Abdi İbrahim's Hercules team held public meetings in collaboration with the Turkish Association of Alzheimer's. Organized to raise public awareness on the disease and to bring patients and their relatives together with specialist physicians to help them share their problems with ease outside hospitals, the meetings received a great deal of interest from the public.

Assoc. Dr. Başar Bilgiç, Assoc. Dr. Barış Topçular and Specialist Dr. Erdi Şahin presided over such meetings in İstanbul's Bayrampaşa, Kağıthane and Bakırköy municipalities, Prof. Dr. Neşe Tuncer in Marmara Training and Research Hospital in Kadıköy, and Assoc. Dr. Özge Yılmaz Küspeci in İzmir. As such Hercules team reached around 1,000 patients and their relatives with the slogan "Forgetfulness is not a natural aspect of old age".

The Hercules team reached out to around 1,000 patients and their relatives

RALLY TO RAISE AWARENESS ON LYMPHOMA

At a meeting organized on September 16 in Ankara by Research and Training Association for Leukemia Lymphoma Myeloma Patients (LLMBİR), Abdi İbrahim's Hematology and Oncology team organized a symbolic rally to raise public awareness on lymphoma, around the slogan "Rally Against Lymphoma".

510 registered individuals accompanied by a band participated in this rally organized to warn against a sedentary lifestyle, which is regarded as one of the major causes for the disease.

IRON DEFICIENCY AWARENESS CAMPAIGN

Abdi İbrahim has the most extensive portfolio of iron in Turkey, and continues to hold activities spread awareness on iron deficiency. On November 26, Iron Deficiency Day, the Company called upon physicians, healthcare providers and patients to "be dynamic, not anemic". Dozens of opinion leaders from four major associations in Turkey supported the campaign, and a video featuring messages from physicians and shared through Abdi İbrahim's corporate accounts reached out to 488,000 people. Abdi İbrahim's Asteria, Boreas, Kratos and Perseus teams delivered the message "be dynamic, not anemic" to hundreds of physicians to invite them to support the campaign through social media.

PHILANTHROPY

Abdi İbrahim continued to provide aid and donation to non-profit organizations in the 2017 and 2018.

In each fiscal year, in its investment and budget plans, Abdi İbrahim allocates a significant portion of its financial resources to donations and aids to non-profit organizations. In this respect, the Company donated TRY 3.79 million in 2017 and TRY 0.47 million in 2018.

DONATIONS AND AID (TRY MILLION)

2017	2018
3.79	0.47

Viewing environmental sustainability as an integral part of its business processes, Abdi Ibrahim does its utmost to protect and continuously improve the environment in all operational processes from procurement to product launch.

ENVIRONMENTAL POLICY

ENVIRONMENTAL PROTECTION INVESTMENTS

RECYCLING AND WASTE MANAGEMENT

ENVIRONMENTAL APPROACH

ENVIRONMENTAL IMPACT MITIGATION EFFORTS

ENERGY CONSUMPTION

WATER CONSUMPTION

GREENHOUSE GAS EMISSIONS

KEY PERFORMANCE INDICATORS (KPI)

TARGETS

RESULTS



Implement benchmark projects

As part of a project for one of its products, Abdi İbrahim created a
“FOREST OF HOPE” by plant **5.000 SAPLINGS**
 on behalf of physicians in a forestation area in Lapseki, Çanakkale.



Minimize energy consumption through efficiency-oriented projects

In 2017, saved
43.225 M³ NATURAL GAS
3.481.200 kWh ELECTRICITY

In 2018, saved
917.903 kWh OF ELECTRICITY



Reduce water consumption with effective recovery methods

In 2017 saved
47 m³
 of water by increasing the number of campaigns for specific products and
 reducing microbiological tests at seven water sampling points.

In 2018 saved
1.050 m³
 of water by reducing the annual production of specific products.



Reduce the amount of waste generated

As a result of process improvements in 2018, alcohol use was

REDUCED BY
1.819 KG

- By reducing the frequency of microbiological controls of pressurized gases from twice a year to once a year,
- Reducing the frequency of active air controls in liquid production
- laminar air flow (LAF) cabinets from once a week to once a month;
- And reducing microbiological tests at seven water sampling points,
- the amount of medical waste generated fell by 240 kg.



Reduce paper consumption

Changed the design of the bulk packaging
 for specific products to save
12.283 kg
 of paper in 2017 and 2018.

As a result, prevented cutting down of
204 TREES

ENVIRONMENTAL POLICY

Abdi İbrahim, the first and only pharmaceutical company to receive ÇEVKO's Green Dot Industrial Award, regularly invests in environmental protection and sets the benchmark in the industry with exemplary environmental practices.

Based on the notion that the world has been borrowed from future generations, Abdi İbrahim's environmental policy is based on prioritizing in all its operations environmental protection, continuous improvement, effective use of natural resources, full compliance with the law, preventing pollution, reducing and sorting waste at the source of origin, recycling and disposing of waste generated as a result of its activities with the most appropriate methods in all its activities.

The first and only pharmaceutical company to receive the Green Dot Industrial Award.

In line with these principles, Abdi İbrahim declares to the public that it is committed to:

- Organizing educational activities to raise the awareness of its employees, suppliers and subcontractors on environmental protection;
- Using appropriate technologies to control and mitigate its environmental impact;
- Following and adhering to relevant legislation, international regulations and customer requirements to prevent environmental pollution and continuously improve its environmental performance.

ENVIRONMENTAL PROTECTION INVESTMENTS

Abdi İbrahim invested significant amounts in environmental protection in 2017-2018 as well.

INVESTMENTS IN WASTE DISPOSAL, EMISSIONS, WASTEWATER TREATMENT AND IMPROVEMENT

2017 INVESTMENTS	Cost of Investment (TRY)
Investment	
Collection, transportation and disposal of waste	273.092
Wastewater analyses	8.140
Domestic and industrial wastewater treatment facility	56.196
Emission measurements	47.750
2018 INVESTMENTS	Cost of Investment (TRY)
Investment	
Collection, transportation and disposal of waste	384.632
Wastewater analyses	13.100
Domestic and industrial wastewater treatment facility	61.350
Activities regarding environmental permits for discharge, emissions etc.	6.600
Emission measurements	28.538

The Company paid TRY 62,000 in 2017 and TRY 68,350 in 2018 as environmental cleaning tax.

INVESTMENTS IN ENVIRONMENTAL MANAGEMENT AND PREVENTIVE MEASURES

2017 AND 2018 INVESTMENTS	Cost of Investment (TRY)
Investment	
ISO 14001 Environmental Management System and OHSAS 18001 (Occupational Health and Safety Certification inspections)	24.000

RECYCLING AND WASTE MANAGEMENT

Waste management is an essential component of Abdi İbrahim's activities in environmental sustainability.

Abdi İbrahim manages its waste according to the Waste Management Procedure that conforms to relevant legislation. All waste generated as a result of its activities are sorted at the source. The Company partners with firms licensed by the Ministry of Environment and Urbanization for disposal or recycling of waste.

The Abdi İbrahim Environmental Policy prioritizes reducing waste at the source, collecting waste separately, recycling and disposing of waste using the most appropriate methods. To this end, Abdi İbrahim Production Facilities employ effective and sustainable waste management policies. Abdi İbrahim ensures that its production processes are in line with the international environmental standards. The amount of packaging materials and raw materials used in the last two years are presented in the charts below.

MATERIALS AND RAW MATERIALS USED IN PRODUCTION



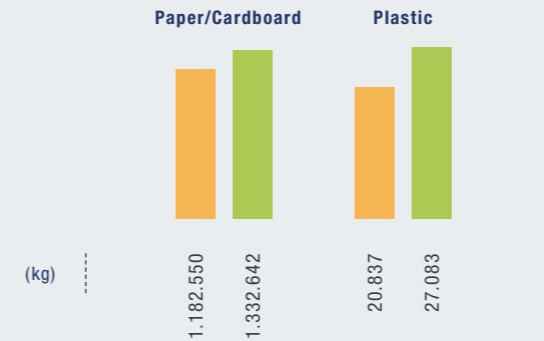
2017 2018

RECYCLING PRACTICES

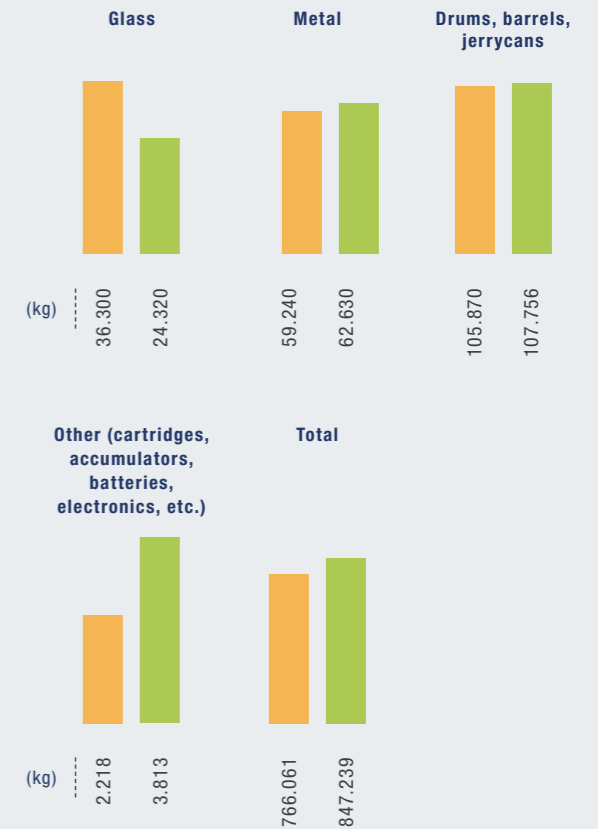
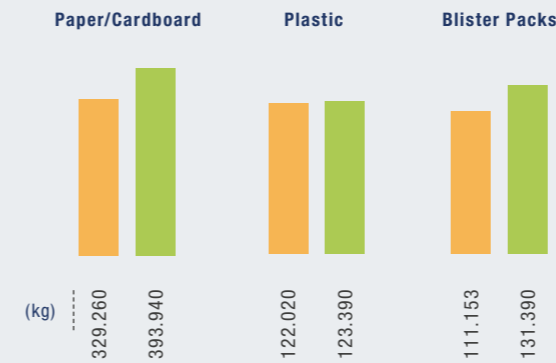
Abdi İbrahim recycles the packaging of its products in the market in line with the target values established in the Regulation on the Control of Packaging Waste within the Environmental Legislation. Since 2005, the Company has partnered with the authorized organization ÇEVKO (Environmental Protection and Packaging Waste Recovery and Recycling Trust). Furthermore, waste disposal methods are determined and implemented in accordance with the regulations in effect.

The Company monitors the amount of waste generated and natural resources consumed per unit, and shares the results with all employees via the Abdi İbrahim intranet portal. The amount of packaging materials recycled from the products marketed within the last two years and the amount of recyclable waste generated at the production facilities are presented in the charts below.

AMOUNT OF RECOVERY OF THE PRODUCTS ON MARKET (KG)



WASTE RECYCLED AT THE PRODUCTION FACILITIES



WASTE DISPOSAL PRACTICES

As per the Waste Management Procedure, Abdi İbrahim separately collects waste at the source and delivers them to firms authorized by the relevant legislation. In addition to paper, plastic, glass and blister pack waste, hazardous waste such as electronic waste and waste drums-barrels-jerrycans are sent to recycling/recovery facilities; and other waste that needs to be disposed is sent to waste incinerators.

Due to the 4% growth in production in 2017 over the previous year, there was an increase by 21% in paper/cardboard waste, 31.60% in plastic waste, 27.13% in glass waste, 16.42% in metal waste, 2% in other (cartridges, accumulators, batteries, electronics, etc.) waste; and decrease by 15% in drum/barrel/jerry can waste and 6% in blister pack waste. Overall, in 2017 there was a 10.71% increase in the amount of waste over the previous year due to the growth in production.

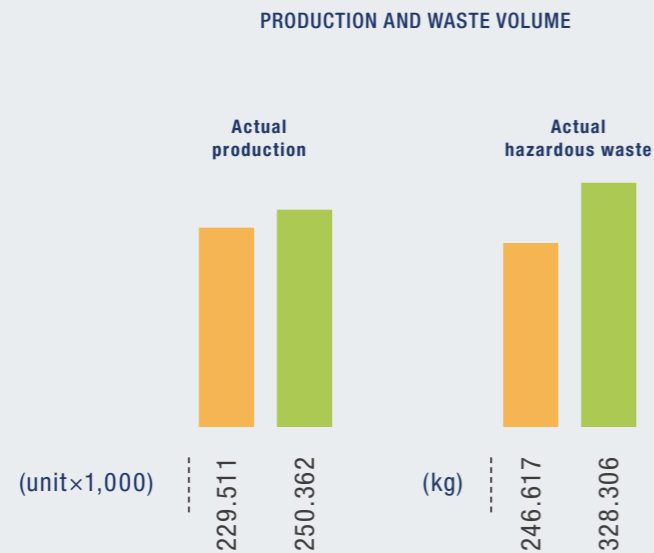
2017 2018

As a result of the 9% growth in production in 2018 over 2017, there was an increase by 16.42% in paper/cardboard waste, 1.11% in plastic waste, 5.41% in metal waste, 41.83% in other (cartridges, accumulators, batteries, electronics, etc.) waste, 1.75% in drum/barrel/jerrycan waste, 15.40% in blister pack waste; and 28.80% decrease in glass waste due to having allocated less glass waste for disposal. Overall, in 2018 there was a 10.59% increase in the amount of recyclable waste over the previous year due to the growth in production.

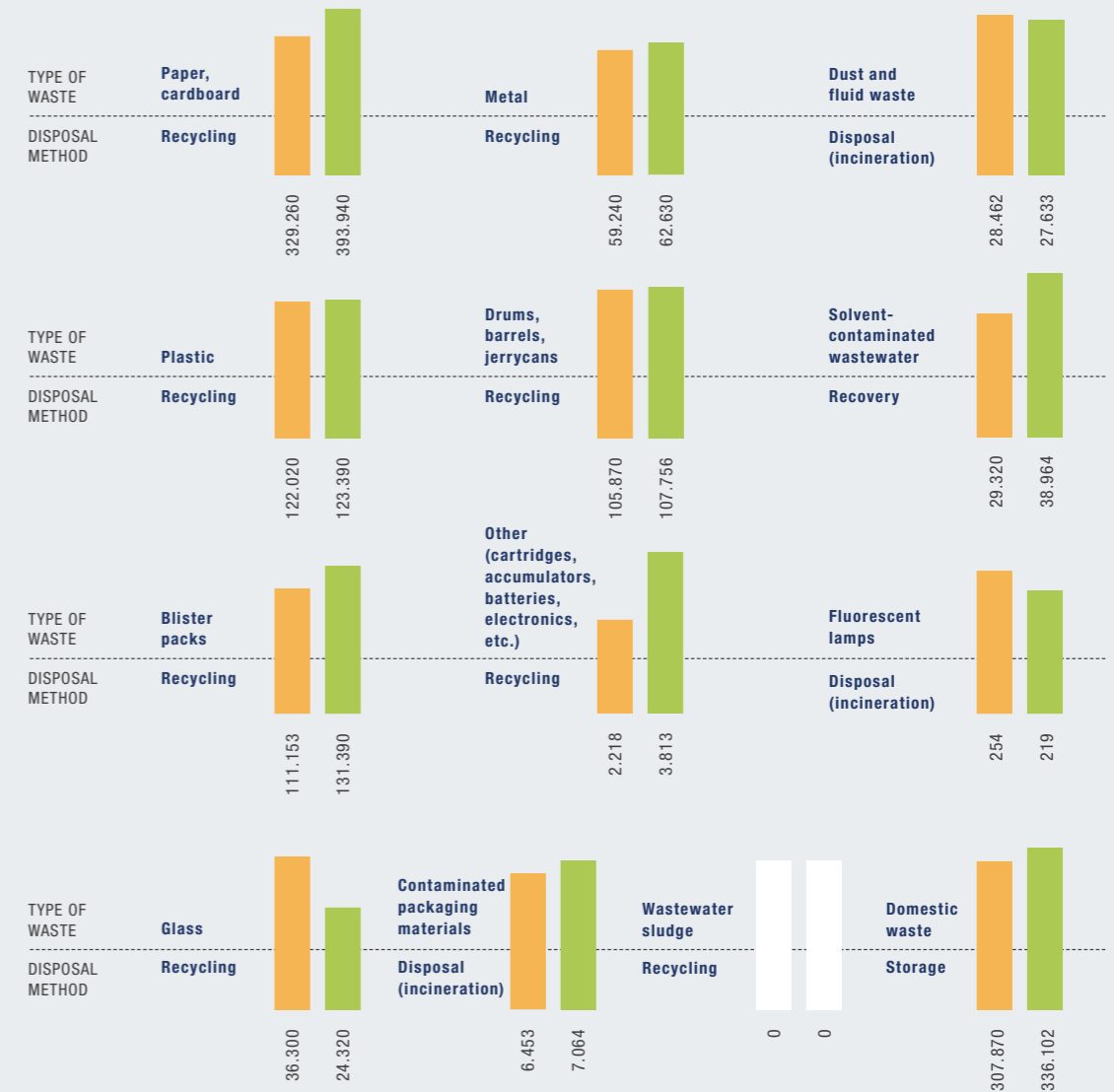
Environmental improvements implemented in the laboratories reduced the amount of hazardous waste by 28% in 2017. Similar to previous years, no wastewater sludge was generated at the wastewater treatment facility in 2017. As for other hazardous waste with disposal costs, there was an increase by 34% in contaminated packaging waste, 7% in dust and fluid waste (dust collected in dedusters and waste collected in oil separators), 38% in fluorescent lamps; a decrease by 15% in contaminated filters and 10% in solvent-contaminated wastewater thanks to the implementation of the portioning system in the laboratories.

Regarding hazardous waste with disposal costs, in 2018 there was an increase by 48% in contaminated packaging waste, 33% in solvent-contaminated laboratory wastewater, 9% in contaminated filters; and a decrease by 3% in dust and fluid waste (dust collected in dedusters and waste collected in oil separators), and 14% in fluorescent lamps. No wastewater sludge was generated at the wastewater treatment facility in 2018, either.

The following charts present the volume of hazardous and non-hazardous waste generated as a result of actual production volume in the last two years.



WASTE RECYCLED AT THE PRODUCTION FACILITIES



There are no surface waters such as streams, lakes, etc. or water seepage within the impact area of Abdi İbrahim Production Facilities. The solvent-contaminated wastewater from the laboratories, process and domestic wastewater are defined as effluent waste. The wastewater from the Company laboratories are collected separately and sent to an authorized treatment facility. Domestic and process wastewater is discharged upon treatment in the wastewater treatment facility.

2017 2018

2017 2018

ENVIRONMENTAL IMPACT MITIGATION EFFORTS

In 2017 and 2018, Abdi İbrahim recorded significant savings thanks to projects implemented upon employees' suggestions.

The reduction in waste and savings accomplished through projects implemented upon employees' suggestions are presented below. These also indicate reduced consumption of natural resources.

- In 2017, Abdi İbrahim traded the 2,200 manual transmission vehicles used by the sales team for automatic transmission vehicles; resulting in saving 0.7 l/km per vehicle and 1,540 l/100 km overall in fuel consumption.
- In 2017, 3,481,200 kWh of electricity was conserved as a result of procuring a high-efficiency chiller group, a frequency conversion compressor, and recovering heat through recirculation in System 6.
- Increasing the number of campaigns for specific products and reducing microbiological tests at seven water sampling points conserved 47 m³ of water in 2017.

- As a result of heat recovery through implementing recirculation in System 6, 43,225 m³ of natural gas was saved in 2017.
- As a result of heat recovery through implementing recirculation in System 6, 43,225 m³ of natural gas was saved in 2017.
- In 2018, 47,560 kWh of electricity was conserved by switching from fluorescent lights to LED lighting in the primary packaging area; and 870,434 kWh of electricity was saved by procuring a high-efficiency chiller group and a variable speed compressor.
- In 2018, 11,855 kg of paper was conserved by changing the bulk packaging design for certain products.
- Thanks to process improvement efforts, use of IPA was reduced by 1,819 kg in 2018.

ENERGY CONSUMPTION

Abdi İbrahim places great emphasis on the efficient use of natural energy resources and continuously improves its performance thanks to the Energy Board established within the Company.

The Abdi İbrahim Energy Board is composed of directors, managers, engineers and technicians and 67 people serve in the Board's sub-working groups. Based on their fields of expertise, all technical personnel contribute to the sub-working groups. The Board is responsible for organizing meetings to assess new projects, changes in existing activities, and other issues determined by the Energy Manager; reviewing the tasks assigned to sub-working groups based on targets on savings and their progress. The Board convenes at least twice a year for general assessment meetings.

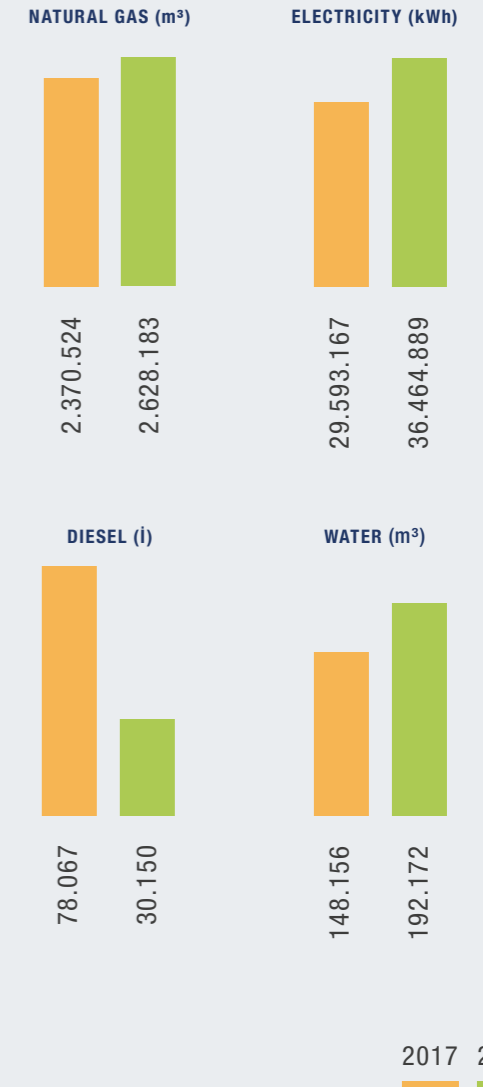
Abdi İbrahim uses energy consultancy services to provide data input in investment decisions and carries out activities under the supervision of experts. The Company continuously develops savings projects to support its environmental policy.

The following charts present the Company's direct energy consumption by energy source (natural gas, electricity, diesel fuel and water) for the years 2010-2018. Diesel fuel is used in generators during power cuts. 1,760 liters of the diesel fuel used in 2017 and 1,955 liters in 2018 was used for outdoor forklifts.

DIRECT ENERGY CONSUMPTION BY ENERGY SOURCE

The following charts depict the natural gas, electricity, diesel fuel and water consumption values for the years 2017-2018. Diesel fuel is used in generators during power cuts. 1,760 liters of the diesel fuel used in 2017 and 1,955 liters in 2018 was used for outdoor forklifts.

NATURAL RESOURCE CONSUMPTION



Due to the approximately 4% growth in production in 2017 over the previous year, there was an increase by 6.71% in natural gas, 10.72% in electricity and 9% in water consumption. As there were fewer power cuts in 2017 compared to 2016, there was a 61.35% decrease in diesel fuel consumption.

As a result of the approximately 9% growth in production in 2018 over 2017, there was an increase by 10.8% in natural gas, 23.22% in electricity and 29% in water consumption. As there were fewer power cuts in 2018 compared to 2017, there was a 61.37% decrease in fuel consumption.

Use of renewable energies is a determining factor in choosing electricity suppliers. The following chart indicates the share of renewable sources in the electricity consumed.

LİMAK ENERJİ/RATIO OF GENERATION AND SUPPLY (%)



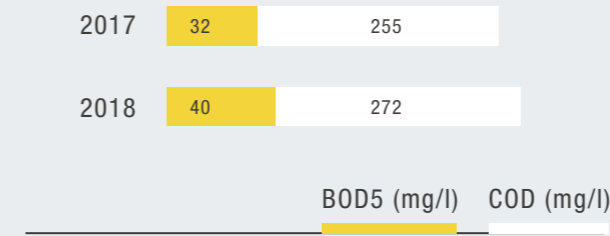
EFFORTS TO REDUCE ENERGY CONSUMPTION AND IMPROVE EFFICIENCY

The specific energy consumption was 15.1 TEP/million units in 2015, 14.3 TEP/million units in 2016, 15.2 TEP/million units in 2017 and 15.4 TEP/million units in 2018.

WATER CONSUMPTION

Abdi İbrahim Production Facilities employ the membrane technology in wastewater treatment.

The laboratory established within the wastewater treatment facility monitors the performance of the facility on a daily basis. The 2017 and 2018 facility input and output values for some of the parameters measured and analyzed are presented below.



The following charts depict the amount of wastewater discharged from the wastewater treatment facility over the years. The water obtained from the wells is measured through İSKİ (Istanbul Water and Sewerage Administration) meters. The following charts also show the amount of water measured through the İSKİ meters.



GREENHOUSE GAS EMISSIONS

Abdi İbrahim carries out systematic activities to reduce carbon emissions resulting from its operations.

Abdi İbrahim closely follows the global efforts to tackle global warming and carries out systematic activities to reduce the CO₂ emissions resulting from its operations. In these activities, the Company utilizes the IPCC Methodology included in the "Inventory of Greenhouse Gas Emissions Working Group 2006 Draft Report" published by the Ministry of Environment and Urbanization in April 2006.

According to the emission report Abdi İbrahim has commissioned in 2013 to an independent audit firm, its emission values remain below the legal limits.* Carbon emissions resulting from use of natural gas at Abdi İbrahim Production Facilities were calculated as 2,101 tons/year in 2017 and 2,294 tons/year in 2018. The CH₄, NO_x and CO emissions were calculated as 747.3 tons/year in 2017 and 641.2 tons/year in 2018.

Between years 2014-2018, no ozone-depleting R22 has been emitted.

The Production Facilities use natural gas and the flue gas output is monitored round-the-clock with online measurement and monitoring devices installed at the steam boiler stacks.

The average values measured are as follows:

NO ₂	60 mg/Nm ³
CO	0 mg/Nm ³
SO ₂	0 mg/Nm ³

** CO, NO₂ values can be traced online within Abdi İbrahim. Other emissions are evaluated in the emission reports prepared based on the instant measurements performed biannually. Emission measurements of the Chemical Production Plant has been carried out in 2017, whereas emission measurements of the new AbdiBio Biotechnological Production Plant has been carried out in 2018.*

WE ARE ACCOUNTABLE

Because we are aware of the fact that each one of us has an impact on everyone around us, and that we bear the responsibility of a healthier society and a more livable world.



Abdi İbrahim never compromises its product quality and always upholds legal and ethical principles in all processes from clinical trials to licensing.



MEDICAL
CLINICAL TRIALS

PRODUCT SAFETY (PHARMACOVIGILANCE)

LICENSING AND MARKET ACCESS

PRODUCT INFORMATION AND CONSULTATION HOTLINE

KEY PERFORMANCE INDICATORS (KPI)

TARGETS

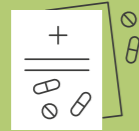
RESULTS



Respond fully and swiftly to patients' and health professionals' reports regarding product use

Total number of questions regarding adverse reactions and medical information answered via the product information hotline or e-mail in **2017** and **2018**:

1,118



Fully comply with relevant legislation regarding product responsibility

0

number of violations of the Pharmaceutical Industry Marketing Regulations



Establish an internationally recognized pharmacovigilance system

Total number of inspections carried out by the Ministry of Health and licensing firms in **2017** and **2018**:

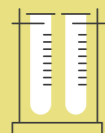
2



Develop products through university-industry collaborations

Abdi İbrahim and Ege University Faculty of Pharmacy collaborated to

DEVELOP A WOUND DRESSING.



Develop new products

In 2018, Abdi İbrahim had **TURKEY'S FIRST BIOSIMILAR PRODUCT** licensed.

In **2017** and **2018**, obtained licenses in Turkey for a total of:

- 53 HUMAN MEDICINAL PRODUCTS,
- 8 FOOD SUPPLEMENTS,
- 2 MEDICAL DEVICES.

Across international markets, obtained **287 LICENSES** in **40 COUNTRIES** in 2017 and 2018.



Carry out public health activities

THE HBVİZYON PROJECT WAS LAUNCHED

against *Hepatitis B*, a major health hazard in Turkey.

MEDICAL

The Medical Directorate is a testament to Abdi İbrahim's compliance with ethical rules; it leads a wide range of strategic business partnerships within and outside the Company on the basis of compliance with ethical values and rules.

The Medical Directorate is composed of the Medical Management, Clinical Trials and Pharmacovigilance Departments operating across all domestic and international markets.



New ideas and trends of the science world are followed closely.

BUSINESS DEVELOPMENT AND NEW PRODUCTS

Playing an active role in all new product development processes in line with Abdi İbrahim's future objectives, the Medical Directorate contributes to Business Development Department's timely assessment of the Company strategies along with new ideas and trends in treatment from the science world in line with the Company's growth strategies.

To this end, Abdi İbrahim and Ege University Faculty of Pharmacy collaborated to develop a wound dressing, the

first medical device to be released with this formulation in the world. A successful example of university-industry collaborations, the wound dressing is planned to meet consumers by the end of 2019. The ongoing research on the product primarily focuses on its use for the treatment of diabetic foot wounds, a chronic health problem that affects one in every 7-8 patients with diabetes. It is among the Medical Directorate's top-priority plans and objectives to conduct further studies in time to demonstrate the product's effectiveness for all types of wounds and thus to provide a preventive and curative treatment addressing a critical public health issue.

TRAINING

The Medical Directorate is responsible for delivering the basic medical, pharmacovigilance, compliance with regulations and ethics, publicity activities and product trainings for newly hired medical sales representatives and marketing teams.

The Medical Directorate works in close collaboration with all stakeholders in the health industry, including the scientific and academic community. It also supports external stakeholders by contributing to all scientific and product publicity events throughout the year by participating in and making contributions to conventions and symposia, sharing information from advisory boards, and publishing the results of clinical trials. Furthermore on public health awareness days, it publishes short informative pieces on relevant diseases and general principles of treatment to help raise public awareness. To this end, HBVizyon Project, unconditionally supported by Abdi İbrahim and led by the Medical Directorate, is an important

project that addresses Hepatitis B, a major health hazard in Turkey. The project has aimed for an increase in the rates of Hepatitis B scanning among patients receiving immunosuppressants or immunosuppressive treatments; immediate application of prophylaxis; assessment of patients for HBV risk and prevention of potential Hepatitis B reactivation and has demonstrated examples of successful practices at major university and research hospitals across the country.

PUBLICITY

Throughout the year the Medical Directorate carries out activities to prepare the contents and messages to be delivered in all the scientific materials to be used by the Abdi İbrahim sales team, to review them in line with relevant SPC information and regulations on advertising, and to disseminate up-to-date and objective disease and treatment data to health professionals. The Directorate has approved sponsorships for over 1,000 scientific and product publicity events, thus contributing to such events with the scientific content it prepares. Furthermore, in line with the Abdi İbrahim Publicity Principles, it helps disseminate scientific discussions to a large number of health professionals across the country.

As a member of the Pharmaceutical Manufacturers Association of Turkey, in line with Abdi İbrahim's industry leadership, the Directorate assumes leadership roles in modifications to regulations as recommended by TITCK (Turkish Medicines and Medical Devices Agency) and establishment of the ethical code and values for the pharmaceutical industry regarding medical products as well as medical devices and cosmetics.



CLINICAL TRIALS

Abdi İbrahim conducts clinical trials on a regular basis to discover new treatment methods and improve or compare existing treatment methods.

Each year Abdi İbrahim increases the budget it allocates for clinical trials. When necessary, samples from volunteers are used in these studies. Abdi İbrahim carries out clinical trials with utmost care and diligence, as these studies cover processes such as volunteer rights, protection of the health-related safety and well-being of volunteers, which are highly important in terms of universal medical ethics. To this end, in all activities regarding clinical trials, the Company complies with the Good Clinical Practice (GCP) guidelines and relevant regulations issued by the Ministry of Health, especially the Regulation on Clinical Trials. Furthermore, in accordance with international regulations, the approval of the Authority and Board of Ethics is obtained prior to clinical research projects, which is a prerequisite for recognition on a global scale.

As of 2017, Abdi İbrahim has carried out various retrospective and observational studies in clinical research, which are grouped under four phases depending on the characteristics of the study. Results of these studies have been presented in various national and international scientific platforms and published in articles in medical journals. In 2018, the Company has applied for approval for Phase 3 studies to be initiated in EU countries and Russia; and also provided partial support for “Researcher Initiated Clinical Trial” requests from physicians that are in line with the regulations.



PRODUCT SAFETY (PHARMACOVIGILANCE)

Abdi İbrahim regards product safety as an integral principle. In 2017 and 2018 its pharmacovigilance system was inspected by two firms and deemed successful.

Abdi İbrahim’s Pharmacovigilance Department, accessible 24/7, carries out product safety activities in line with legal requirements and Company procedures, contributing to the safe use of products. The Company keeps records of all sorts of safety information on the medications in its product range, and also continuously assesses the products’ risks and benefits throughout their lifecycle.

In terms of product safety, Abdi İbrahim takes the “Regulation on the Safety of Medications” issued by the Ministry of Health and relevant guidelines as points of reference. In export activities, it strives to comply with the legislation and regulations on pharmacovigilance in corresponding countries.

Going above and beyond international and national regulations, Abdi İbrahim regards it as its ethical duty to monitor adverse effects of the products it is responsible for in line with patient privacy principles. It prepares periodic benefit/risk assessment reports analyzing product safety data and other safety reports and informs the Ministry of Health. In line with the principle of continuous improvement, the Company designs and organizes internal training activities; provides comprehensive trainings on product safety to employees of third party firms within its field of impact as well as its own employees.

INSPECTIONS BY AUTHORITIES AND FIRMS

As per the relevant legislation, Abdi İbrahim’s pharmacovigilance system is subject to inspections by the Ministry of Health. Abdi İbrahim’s pharmacovigilance system operates in line with the guidelines on “Good Pharmacovigilance Practices” and relevant regulations. As stated in the Company procedures, the pharmacovigilance system undergoes regular internal inspections. In 2017-2018 it was inspected by two foreign firms and deemed successful. These practices have a critical role in improving the system.



LICENSING AND MARKET ACCESS

Abdi İbrahim carries out the licensing process, one of the most critical components of the business process, in line with ethical values and relevant regulations.

Carrying out all business processes in line with the effective legislation in Turkey, Abdi İbrahim also closely follows regulations and guidelines issued by international health institutions. The Licensing Department carries out all stages of licensing including preparing product license files for human medical products containing chemical and biological active substances; submitting license applications; following up with the domestic review process and those by the health authorities in corresponding countries; obtaining license approvals; obtaining, cancelling or transferring market distribution licenses; keeping product files up-to-date for products in the market; applications for necessary variations; and following up with the approval process. In addition to these processes regarding human medical products, the department is also responsible for preparing the product application files, obtaining approvals and supporting the market release processes for products classified as cosmetics, medical devices and food supplements.

The Market Reach Department is responsible for pricing new products at the licensing stage and ensuring admission into the list by applying for reimbursement upon obtaining the license; registering new products in the electronic prescription systems; following up with the documentation for distribution; and all other processes regarding product distribution.

The Market Access Department monitors the price movements for molecules and products, which are already in the market or licensed by the Ministry to be released in the market, and takes the necessary actions for affected products. In 2017 and 2018, a total of 69 products/forms were included in the scope of reimbursement and prices

were increased for 64 products. The Abdi İbrahim company, production facilities and/or sales force operates in eight other countries outside of Turkey and exports to more than 60 countries. The International Markets Licensing Department under the Directorate obtains licenses for Abdi İbrahim products in various countries across the globe.

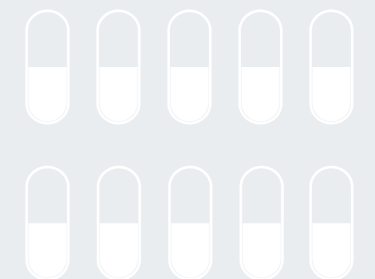
In 2017 and 2018, in addition to obtaining Turkey's first biosimilar license, Abdi İbrahim has obtained a total of 53 human medical product licenses, approvals for eight food supplements and two medical devices in Turkey; and 287 licenses in 40 countries across the globe. Furthermore, as part of the localization project, of great strategic significance in Turkey, obtained manufacturing licenses for three imported products. As per the GMP (Good Manufacturing Practices) inspection requirements for license applications for imported products, introduced by the Ministry of Health in 2009, in 2017 and 2018 the Ministry of Health has carried out inspections in nine production facilities located abroad and issued GMP certificates for 18 products manufactured in these facilities. In addition to these, GMP renewal applications were submitted for 24 products and necessary approvals were obtained.

PRODUCT INFORMATION AND CONSULTATION HOTLINE

Committed to developing relationships with stakeholders based on mutual communication and transparency, Abdi İbrahim provides 24/7 consultation services through its pharmacovigilance and medical information hotline.

Abdi İbrahim pharmacovigilance and medical information hotline operates 24/7, responding to patients'/patient relatives' and health professionals' reports of adverse events and quality complaints. Placing great emphasis on stakeholders' expectations and suggestions, the Company has assigned the Group Directorate of Quality Operations on addressing complaints on quality, the Medical Directorate on medical information, and the Pharmacovigilance Department on reported adverse events.

Stakeholders may reach the hotline by phone on the company line 0212 366 84 00 during business hours; outside business hours, there is a mobile number, fax number and an e-mail address accessible 24/7.



GRI CONTENT INDEX

Within the scope of the GRI Materiality Disclosures Service, GRI Services has reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. This service has been performed on the Turkish version of the report.



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	102 - 11	Risk Management and Internal Control Mechanism: 32 Business Ethics: 31, https://www.abdiibrahim.com.tr/en/about-us/our-business-ethics-principles Occupational Health and Safety: 67 Climate and Energy: 90-94
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UNITED NATIONS GLOBAL COMPACT




(UNGC) 9th Communication on Progress

Abdi İbrahim has signed the United Nations Global Compact (UNGC) in 2010 and hereby affirms its continued commitment. The 2017-2018 Sustainability Report constitutes Abdi İbrahim's 9th Communication on Progress on the UN Global Compact.




The following table summarizes the Company's progress regarding the ten principles within the reporting period and provides the references to corresponding sections of the report.

GLOBAL PRINCIPLES




HUMAN RIGHTS

PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Management Approach, pp. 23-39 
PRINCIPLE 2: Businesses should make sure that they are not complicit in human rights abuses.	Management Approach, pp. 23-39 
PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human Resources Practices, pp. 57-69 

LABOR

PRINCIPLE 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	Human Resources Practices, pp. 57-69 
PRINCIPLE 5: Businesses should uphold the effective abolition of child labor.	Human Resources Practices, pp. 57-69 
PRINCIPLE 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Human Resources Practices, pp. 57-69 

ENVIRONMENT

PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges.	Environmental Approach, pp. 81-95 
PRINCIPLE 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Environmental Approach, pp. 81-95 
PRINCIPLE 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Environmental Approach, pp. 81-95 

ANTI-CORRUPTION

PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Management Approach, pp. 23-39 
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WOMEN'S EMPOWERMENT PRINCIPLES

(WEPs) Communication on Progress

Abdi İbrahim attaches great value to women's empowerment and employment, and accordingly, on January 16, 2017, the Company signed the United Nations' private-sector oriented initiative Women's Empowerment Principles (WEPs), which promote women's participation in

all sectors and levels of the economy. The following table summarizes the Company's performance regarding the seven principles within the reporting period and provides references to the corresponding sections of the report.

PRINCIPLE 1: Corporate Leadership for Gender Equality	Management Approach, pp. 23-39, 66-69 
PRINCIPLE 2: Equal Opportunity, Inclusion and Non-Discrimination	Human Resources Practices, pp. 57-69 
PRINCIPLE 3: Health, Safety and Well-Being	Human Resources Practices, pp. 57-69 There were no cases of discrimination at Abdi İbrahim during the reporting period. 
PRINCIPLE 4: Education and Training	Human Resources Practices, pp. 57-69 
PRINCIPLE 5: Enterprise Development, Supply Chain and Marketing Practices	Financial and Operational Indicators, pp. 41-54 
PRINCIPLE 6: Community Initiatives and Advocacy	Human Resources Practices, pp. 57-69 
PRINCIPLE 7: Measurement and Public Reporting for Gender Equality	Human Resources Practices, pp. 57-69 

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals that make up the 2030 Agenda for Sustainable Development were ratified by 193 countries at the Sustainable Development Summit held in September 2015 at the United Nations Headquarters in New York. Abdi İbrahim carries out various projects and practices that serve all 17 goals either directly or indirectly. The Company is committed to be an advocate for the global goals at all times and to prioritize activities that support them. The table below summarizes the progress and performance regarding the 17 goals within the reporting period and provides references to the corresponding sections of the report.

SUSTAINABLE DEVELOPMENT GOALS



NO POVERTY

Financial and Operational Indicators, pp. 41-54



ZERO HUNGER

Financial and Operational Indicators, pp. 41-54



GOOD HEALTH AND WELL-BEING

Human Resources Practices, pp. 57-69
Support for Social Progress, pp. 71-79



QUALITY EDUCATION

Human Resources Practices, pp. 57-69



GENDER EQUALITY

Human Resources Practices, pp. 57-69



CLEAN WATER AND SANITATION

Environmental Approach, pp. 81-95



AFFORDABLE AND CLEAN ENERGY

Environmental Approach, pp. 81-95



DECENT WORK AND ECONOMIC GROWTH

Financial and Operational Indicators, pp. 41-54
Human Resources Practices, pp. 57-69



INDUSTRY, INNOVATION, AND INFRASTRUCTURE

Management Approach, pp. 23-39
Financial and Operational Indicators, pp. 41-54



REDUCED INEQUALITIES

Financial and Operational Indicators, pp. 41-54
Human Resources Practices, pp. 57-69



SUSTAINABLE CITIES AND COMMUNITIES

Abdi İbrahim at a Glance, pp.13-21
Financial and Operational Indicators, pp. 41-54



RESPONSIBLE CONSUMPTION AND PRODUCTION

Financial and Operational Indicators, pp. 41-54
Human Resources Practices, pp. 57-69



CLIMATE ACTION

Environmental Approach, pp. 81-95



LIFE BELOW WATER

Environmental Approach, pp. 81-95



LIFE ON LAND

Environmental Approach, pp. 81-95



PEACE, JUSTICE AND STRONG INSTITUTIONS

Financial and Operational Indicators, pp. 41-54
Human Resources Practices, pp. 57-69
Support for Social Progress, pp. 71-79



PARTNERSHIP FOR THE GOALS

Abdi İbrahim at a Glance, pp. 13-21

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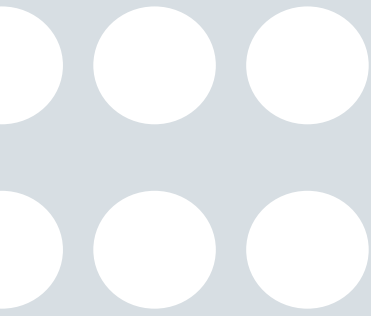
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