

**2018 SUSTAINABLE DEVELOPMENT AND
CORPORATE SUSTAINABILITY REPORT**



FURTHER

Message from Chairman Ercan Varlıbaş, M.D.



Sense of purpose is one of those important things that gives life meaning. This is often about family, profession, status, reputation or happiness. And ideals emerge when goals are systematically determined and implemented. They consist of the hopes and expectations of the individual, society and the nation one belongs to. Only few can achieve their ideals. Therefore, ideals are very valuable.

After graduating from medical school as a young ophthalmologist, I had an ideal not only for myself but also for everyone else. That's why I founded VSY Biotechnology.

At VSY Biotechnology, we have worked to improve people's quality of life by developing products that improve people's health. We aim to have a say in the industry by becoming a world-class biotech, pharmaceutical and medical device company. Today, we are pleased to have become a trailblazer in our industries and to offer our innovative products to physicians and patients in nearly 60 countries around the world. We are proud to have achieved our ideals in the 22 years since our founding.

I owe a debt of gratitude every colleague for accompanying us along this journey, helping us achieve our ideals, fulfilling their responsibilities without fail and supporting our institution to ride high on every platform. The VSY Biotechnology Family wish you many more successful days of achieving new ideals together!

Executive Board and Our Management



CONTENTS

1. SUSTAINABLE DEVELOPMENT AND CORPORATE SUSTAINABILITY	
1.1 Purpose.....	2
1.2 Objective	2
2. CORPORATE CULTURE	
2.1. Strong Communication.....	3
2.2. Innovation.....	3
2.3. Proactivity.....	3
2.4. Customer Focus.....	3
2.5. Ethical and Responsible Behavior.....	3
2.6. Sustainability.....	3
3. CORPORATE GOVERNANCE PROCESS	
3.1. Human resources	4
4. RISK MANAGEMENT.....	6
5. INTERNAL AUDIT AND INTERNAL CONTROL	
5.1.Ethical Approach.....	6
5.2 Code of Conduct.....	6
5.2.1 Respect for Laws.....	6
5.2.2 Employees and Compliance with Company Policies	6
5.2.3 Privacy.....	6
6. APPLICATIONS SUPPORTING BUSINESS ETHICS	
6.1 Compliance with Competition Laws.....	6
6.2 Fight Against Bribery and Corruption.....	7
6.3 Integrity in Marketing.....	7
6.4 Commercial Intelligence.....	7
6.5 Commercial Issues.....	7
6.6 Avoiding Misconduct.....	7
6.7 Preventing Fraudulent Conduct.....	7
6.8 Confidential and Proprietary Information.....	8
6.9 Patents, Trademarks and Copyrights.....	8
6.10 Confidentiality of Personal Information.....	8
6.11 Preventing Conflicts of Interest.....	8
6.11.1 Personal Relations.....	8
6.11.2 Non-Company Work.....	8
6.11.3 Acceptance of Gifts, Invitations, Loans and Other Gratuities.....	8
6.12 Reporting Discrimination and Harassment Incidents	8
6.13 Substance Abuse.....	8
6.14 Political Activities.....	8
7. SUPPLY CHAIN PRACTICES	
7.1. Legal and Regulatory Compliance.....	10
7.2. Environment	10
7.3. Respect for Human Rights.....	10
7.4. Child Labor.....	10
7.5. Forced Labor or Involuntary Servitude.....	10
7.6. Health and Safety of Employees	10
7.7. Intellectual Property and Confidential Information.....	10
8. OCCUPATIONAL HEALTH AND SAFETY POLICIES	
8.1 System.....	11
8.2 Field	11
8.3 People.....	11
9. SOCIAL PROJECTS	11
10. R&D AND PROJECTS.....	12
11. TRAINING.....	13
12. QUALITY POLICY.....	13
13. ENVIRONMENTAL POLICY.....	14
14. SUSTAINABLE COMMUNICATION WITH OUR STAKEHOLDERS.....	16



1. Sustainable Development and Corporate Sustainability

Since its founding in 1997, VSY Biotechnology has been working to contribute to the health of people within the scope of its mission, vision, goals and values.

VSY Biotechnology continues to establish interactive sustainable relationships with all its stakeholders by planning its activities in an environmentally sensitive manner in line with global sustainability policies and development strategies. Sustainability is a core value of VSY Biotechnology.

VSY Biotechnology contributes to the sustainability policies of the world by operating within international sustainability standards. VSY Biotechnology embraces the United Nations Global Compact and the 17 Sustainable Development Goals that the United Nations aims to achieve by 2030.

VSY Biotechnology is sensitive towards the United Nations Development Agency's (UNDP)'s call for universal action to eradicate poverty, protect the planet and support greater peace and prosperity for all, which also includes the UNDP's Sustainable Development Goals. The sustainable policies of VSY Biotechnology include concepts such as climate change, economic equality, innovation, sustainable consumption, peace and justice within the scope of the call to action.

VSY Biotechnology implements the United Nations policies on Sustainable Development Goals in its environmental, economic and social processes.

An advocate of justice and peace, VSY Biotechnology treats everyone equally regardless of race, color, sex, language or religion. Because employment is one of the basic elements of macroeconomics needed for the development and advancement of the country, the company strives to add to the number of its employees at an increasingly higher rate every year. To this end, the company organizes training programs to ensure employees acquire proactive, specialized and advanced higher education qualifications.

In order to attain sustainable development, a healthier world, and a better environment, VSY Biotechnology commits itself to owning the energy efficiency and environmental sensitivities for products and production processes.

VSY Biotechnology plans and undertakes corporate social responsibili-

ty projects to contribute to establishing a socially sustainable society. VSY Biotechnology regularly expands its innovative product range using advanced technology. The company aims to become one of the world's top five biotech companies by 2023.

1.1. Purpose

VSY Biotechnology aims to improve the quality of life and the lives of patients, relatives and physicians with its innovative products and practices developed in the fields of medicine, medical devices and biotechnology. Using sustainable development and innovation as a basis, VSY Biotechnology will continue to blaze new trails in Turkey and the world, and bring these innovations to people. The company will strengthen its activities that promote health and well-being as a source of inspiration to other companies.

1.2. Objective

VSY Biotechnology will continue to contribute to the lives of people as a global company by offering an expanding range of trailblazing, high-quality products to the world. VSY Biotechnology will achieve its sustainable growth in line with its mission. The company aims to become one of the world's top five biotech companies with its new patents and utility models created through R&D, production & development (P&D) and design projects. VSY Biotechnology always acts to fulfill its responsibilities towards a healthier and happier planet.



OUR VALUES KEEP US TOGETHER



MISSION

Our mission is to produce innovative products in the fields of pharma, medical device and biotechnology based on sustainable innovation and development as well as to be an inspiration for other companies. We are committed to reach more and more people and improve their quality of life.

VISION

Producing the cutting edge technology products with high quality mindset, our vision is to become a global company with sustainable growth and to increase people's life quality.

2. Corporate Culture

The core values VSY Biotechnology has embraced in its commercial activities are the most important elements of its corporate culture. In this direction, VSY Biotechnology combines the values of Strong Communication, Innovation, Proactivity, Customer focus, Ethical and Responsible Behavior and Sustainability into a holistic approach which is adopted and implemented by all layers of the company starting with the leadership team.

2.1. Strong Communication

As a whole, VSY Biotechnology employees are considered as the cornerstone of success. Communication within the company is open, frequent, sincere and respectful. The VSY family values and listens to each other, and constructively approaches, evaluates and responds to ideas. It is paramount to create the trust environment in the company, where private lives of individuals are respected, and fair, constructive and different ideas are expressed freely. Cultural differences are respected without discrimination.

2.2. Innovation

VSY Biotechnology views innovation as the foundation for diversity, success, profitability, development and leadership. Within the organization, new ideas and creativity are approached constructively, encouraged and rewarded. Innovations are made and implemented to ensure that the company's products and services, business conduct and processes are more effective and efficient for both employees and customers. While working together with customers, innovation is used to meet and exceed expectations.

2.3. Proactivity

Proactivity is to look at issues positively, to anticipate potential problems and to take precautions, to produce solutions without bias, and to take responsibility. In order to become a successful institution and to meet the changing needs of customers, VSY Biotechnology places great importance on collaboration by removing institutional and geographical barriers.

2.4. Customer Focus

For VSY Biotechnology, part of the corporate goals and culture is to fully understand the needs of customers, to evaluate and respond in a comprehensive manner and to maintaining customer focus at all times.

The company believes that achieving values and attaining targets can only be met by evaluating, responding and meeting the changing needs and expectations of customers, better and faster than our competitors.

2.5. Ethical and Responsible Behavior

The VSY Biotechnology Family is committed to conducting itself in a proper fashion, both ethically and morally. While individual and social relations are governed by the Code of Conduct, the company believes honesty is paramount. There is a strong sense of ownership towards the company, business and environment. Inappropriate behavior is avoided. The VSY Biotechnology Code of Conduct and Handbook provides detailed information on ethical regulations.

2.6. Sustainability

Solid foundations are laid and long-term strategic plans are developed for our current talent pool to render growth permanent. Focusing on basic processes such as innovation, efficiency, profitability and customer satisfaction, contributes to the development of these aspects. Aspirations for self-development, adaptation, and value creation are supported. In this way, the sustainable structure is preserved thanks to continuous development and persistence.



3. Corporate Governance Process

Today, organizational structure and workforce modeling of enterprises have begun to diversify and become more complex because of the extraordinary developments in science and communication technology such as the internet revolution, the Internet of Things, Industry 4.0, the generation and expansion of artificial intelligence, and the globalization and sustainability approach. This situation has changed the approach and thinking of management, urging managers and employees to adopt a proactive, creative and responsible model. This new concept of governing, which can be named as “governance” has become an effective norm in business as a participatory, multi-player form of management that gives individuals greater freedoms and responsibilities by moving the traditional one-way communication approach to a more interactive model. In the governance approach, the impact of global competition, which has evolved at the same dizzying pace of technological and scientific changes and developments, is also very clear.

In the governance approach, it is obvious that the efficient, creative and innovative work practices of managers and employees are a decisive factor in meeting the basic needs enterprises have for survival and development. In this context, the company considers the following as the fundamental elements: improving employee performance, fostering a culture of innovation and creativity, and developing new tactics and strategies in light of emerging developments. Because businesses, managers and employees synthesize new educational, cultural and scientific methods and practices to adapt work systems to the realities of this new economic world, these practices form the backbone of the governance model.

VSY Biotechnology has been operating for over 20

years in the biotechnology arena, which can still be regarded as a new field in Turkey and in the world. VSY Biotechnology, by fully adopting the governance approach, paves the way for its managers and employees to combine within their knowledge and experience, their creative and innovative work principles in production and service businesses in line with the realities of the global markets. Thanks to its internal and external customer rating system, the company has been able to establish an inclusive, partnership structure for its customers and suppliers as well as for its managers and employees. In this respect, VSY Biotechnology has developed an interactive work model for its diversified work force sharing a common sense of responsibility and authority.

3.1. Human Resources

The VSY Biotechnology Family is committed to growth in line with its sustainability policies. The number of employees increases every year. The number of blue collar employees rose by 37 percent during 2018. The number of white collar employees rose by 5 percent during 2018. The total number of employees increased 21 percent and reached 323 during 2018.



4. Risk Management

VSY Biotechnology implements a risk management program in order to make its activities and services sustainable. Risk management practices are used to analyze current and potential company risks within the framework of VSY Biotechnology policies, principles and objectives. Employees manage the risks undertaken with company assets and for company activities.

Risk Management operates within the framework of corporate strategy. Its organizational reach ranges from the Board of Directors to every employee. Audit mechanisms ensure proper risk management. VSY Biotechnology carries out its audit activities using a risk-focused internal audit methodology and periodically audits the audit universe every year to ensure compliance with company regulations and procedures as well as legal legislation. Furthermore, the management of the Ethics Hotline evaluates any report received from any and all stakeholders and ensures that the necessary actions are taken.

VSY Biotechnology determines financial, legal and environmental risks, prepares action plans in these areas, continually monitors the status of actions taken and takes important steps for corporate development.

In addition to internal audits, VSY Biotechnology carries out multilateral audits through independent third parties.

In order to evaluate and improve the effectiveness of internal controls, risk management and governance processes, the VSY Biotechnology Internal Audit Department uses risk-oriented internal audit methodology to perform audit and consultancy activities. The department uses international internal audit standards and the Code of Conduct as a benchmark in its operations and adheres to the principles of independence and impartiality. The department conducts audit activities in accordance with the internal audit plan prepared annually and assures efficient execution of its activities in accordance with laws and regulations, and corporate policies, regulations and procedures. It also assures due protection of corporate assets and reliability of reporting.

At the end of the audit activities, the Internal Audit Department reports various risks exposures of the company (financial, legal, environmental

and so on) to the leadership team, and supports corporate development by monitoring actions planned against these risks. It adds value to the activities of the institution.

In addition to its auditing and consulting activities, the Internal Audit Department evaluates any concern or report sent by any internal or external stakeholder, through management of the Ethics Hotline. When necessary, it conducts fraud investigations with the knowledge and approval of the Board of Directors.

The Board of Directors is responsible for risk management processes. Duties and activities in this field are carried out by the "Audit and Early Detection of Risk Committee" in accordance with the relevant legislation.

The Audit and Early Detection of Risk Committee monitors the risk management process in five main steps with a proactive approach and a consistent, balanced and holistic risk management methodology that includes all corporate activities. These steps are: risk identification, risk measurement, risk assessment, risk management and continuous risk monitoring.

5. Internal Audit and Internal Control

5.1 Ethical Approach

VSY Biotechnology adopts a very clearly defined ethical understanding in all corporate processes. Relations with employees, physicians, solution partners and customers, who are also stakeholders of the organization, are evaluated and handled within this ethical understanding. The leadership team and employees of the organization avoid any misconduct, fraud, embezzlement, damage to public or company property, irregularity, corruption, bribery and conflict of interest, i.e. acts that do not conform with the ethical understanding of the work environment at any level. In order to ensure that the code of conduct system, which is paramount for VSY Biotechnology to successfully achieve its goals, all units and levels of the company are regularly and consistently audited by the Internal Audit Unit, which directly reports to the Board of Directors

5.2 Code of Conduct

5.2.1 Respect for Laws

Respect for Laws is a primary responsibility of the leadership team, employees and solution partners of VSY Biotechnology.

5.2.2 Employees and Compliance with Company Policies

VSY Biotechnology has developed an ethics hotline to report any violation of laws, company policy, conduct procedures, or code of conduct by its managers and employees.

5.2.3 Privacy

It is of utmost importance that employees feel secure by the company's policies and ethical compliance system. Therefore, privacy is given top priority at VSY Biotechnology. Within the scope of compliance with company policies, the identity of the concerned person is kept confidential when interacting with the ethics hotline.

6. Practices Supporting Business Ethics

6.1 Compliance with Competition Laws

In order to avoid unlawful or irregular agreements and to prevent even the slightest impression/implication in this regard, VSY Biotechnology prohibits the following: To negotiate with competitors or to establish any other connection with the intent of price fixing, collusion or discrimination. To negotiate with suppliers or customers or to establish any other connection with the intent of limiting free trade or removing competitors from the market in an unfair and unlawful way. To negotiate with competitors about the regions or markets where competitor products can be sold, or for sharing market or customers. To negotiate or make agreements with third parties and companies aimed at boycotting customers or suppliers.

Actions that violate competition laws can take many forms. VSY Biotechnology never engages in any talks or enters into any agreements with the competition on matters that involve prices, terms of sale, costs, profits, profit margins, product or service offerings, production or sales volumes or capacities, market shares, coordination of tendering processes, division of sales regions or allocation of customer or product types.



6.2 Fight Against Bribery and Corruption

VSY Biotechnology prohibits making a payment of any kind or form or offering any kind or form of gift whatsoever to any person with the intention of providing an advantage in sale of goods and services or securing a favor for the company with the help of official authorities. Public officials are not offered any gifts or services, nor are compensated in consideration of influencing their decisions.

6.3 Integrity in Marketing

VSY Biotechnology forbids the use of any unfair competition method or unfair or misleading acts or practices in trade. This prohibition includes, but is not limited to, false, misleading or deceptive advertising, false or deceptive statements, bribes, unfair or unwarranted statements made about competing products in connection with sales and marketing activities.

6.4 Commercial Intelligence

When VSY Biotechnology employees somehow gain access to commercial information about other companies, they are obliged to acquire this information only after acknowledging that obtaining this information in no way poses any moral and legal risks and that no person will be violating VSY's confidentiality obligations in doing so.

6.5 Commercial Issues

In many countries, there are various laws that restrict or prohibit trade with certain other countries and parties. Within VSY Biotechnology, the persons responsible for international operations have the necessary knowledge about these laws and how they are applied, and direct any questions or concerns to the legal department.

6.6 Avoiding Misconduct

VSY Biotechnology is not allowed to act in violation of moral principles, laws and the VSY Biotechnology disciplinary rules.

6.7 Preventing Fraudulent Conduct

Fraud is the intentional improper use or seizure of the resources and assets of a business entity by an employee to generate unfair personal gains. In the event of determining a fraud in the company, VSY Biotechnology is determined to conduct a thorough investigation/inspection

to determine those responsible. Fraud cases include, but are not limited to:

- Embezzlement of money, material, or other assets;
 - Irregularities in buying and selling processes;
 - Misuse of company funds;
 - Intentional inappropriate reporting of financial transactions;
 - Intentional faulty display of financial information and performance results;
 - Intentional misrepresentation of improper expenditures in an attempt to conform with the company's reporting procedures.
 - Intentional alterations made to company documents to mislead users.
- Potential concerns about suspected or doubtful fraudulent situations can be reported to the leadership team via the ethics hotline.

6.8 Confidential and Proprietary Information

Products, services, ideas, concepts and other information produced or developed by VSY Biotechnology are valuable and proprietary assets. Various laws make it possible to protect these assets. Examples of confidential and proprietary information include marketing plans, sales and marketing information, customer and personnel records, research and development information, technical data, manufacturing techniques, price information, strategies and information about new products and services. Sharing confidential information by employees of the company with third parties is not considered ethical behavior.

6.9 Patents, Trademarks and Copyrights

Patents, trade secrets, copyrights, trade names and trademarks, scientific and technical information, know-how and experience acquired or practices developed as part of the operation of the company are considered the intellectual property assets of the company and as such, must be protected. It is necessary to establish, protect and defend the company's intellectual property rights on every company asset that is commercially important, and to ensure that these rights are exercised responsibly. As much as it is important to protect the intellectual property rights of the company, the legal intellectual property rights of other persons and organizations should also be respected.

6.10 Confidentiality of Personal Information

In the corporate culture of VSY Biotechnology, the confidentiality principle is applicable not only in terms of business information, but also in terms of personal information of current or former employees, job applicants, consultants, customers and other stakeholders of the company. VSY Biotechnology protects and keeps all personal information confidential.

6.11 Preventing Conflicts of Interest

In VSY Biotechnology, a potential conflict of interest identified by management and employees can be explained and shared through the ethics hotline. An example of a conflict of interest is when a company employee accepts fees or commissions or obtains any other financial gain from a supplier, competitor or client company.

6.11.1 Personal Relations

Various enterprises and actions of family members and close friends of VSY Biotechnology employees taking place outside of the workplace may be evaluated within the framework of potential conflict of interest and various measures can be taken accordingly.

6.11.2 Non-Company Work

It is absolutely unacceptable for the company to have a VSY Biotechnology employee work for a competing company, customer, supplier company or a supplier of goods or services.

6.11.3 Acceptance of Gifts, Invitations, Loans and Other Gratuities

Conflicts of interest can sometimes arise despite the best of

intentions. Company employees are prohibited from accepting any gifts or services from customers or suppliers. Small or token gifts with little monetary value may be accepted only if it is not on a regular or frequent basis.

6.12 Reporting Discrimination and Harassment Events

At VSY Biotechnology, an employee involved in harassment or discriminatory behavior is subject to various disciplinary measures, including termination of employment.

6.13 Substance Abuse

The VSY Group of Companies Policy has been designed to eliminate substance addiction. It is strictly forbidden for employees to be under the influence of alcohol or drugs while at work.

6.14 Political Activities

VSY Biotechnology employees may not engage in any political activity during normal working hours of the company and may not use the company's resources for this purpose.







7. Supply Chain Policy

VSY Biotechnology's supply chain policy is to create a value chain for healthcare products and services that enhance the quality of people's lives, the company's ultimate goal.

The VSY Biotechnology Supply chain policy is governed by long-term business relationships with internal suppliers and all stakeholders within the framework of efficiency, sustainability and risk management. All stakeholders play a direct and/or indirect role on the products and services in the health industry. Accordingly,

In its supply chain policy, VSY Biotechnology believes in the power of all its stakeholders in creating the added value in global markets. When competing in global markets, human health, ethics, honesty, respect for the environment and human rights form the principal philosophical framework. VSY Biotechnology and all its stakeholders, including its suppliers, adhere to these basic principles. The Supply Chain Policy is based on the International Labor Organization (ILO) Conventions, the United Nations Global Compact, the United Nations Convention on the Rights of the Child and national laws.

7.1. Legal and Regulatory Compliance

VSY Biotechnology, its suppliers and stakeholders operate in accordance with all universal values, industry standards and applicable domestic and international legislation of the health industry.

7.2 Environment

VSY Biotechnology expects its suppliers to act in accordance with all applicable local and national environmental laws and regulations.

7.3 Respect for Human Rights

VSY Biotechnology aims to work with suppliers that respect human rights, provide equal opportunities to their employees and do not discriminate in any way. We expect suppliers not to use race, sex, nationality, age, physical disability, association membership, pregnancy or marital status as a basis for discrimination.

7.4 Child Labor

VSY Biotechnology is strongly opposed to the use of child labor, and expects the same from all suppliers. Suppliers must not employ workers below the age limit defined in the legislation.

7.5 Forced Labor or Involuntary Servitude

VSY Biotechnology expects all our suppliers to not use any forced or involuntary labor, employment in servitude, military labor or prison labor. Employment should be voluntary.

7.6 Health and Safety of Employees

At VSY Biotechnology, we expect suppliers to provide their employees with a healthy and safe work environment. The supplier must comply with all applicable health and safety regulations.

7.7 Intellectual Property and Confidential Information

Suppliers must respect the intellectual property rights of VSY Biotechnology and/or should inform us when they receive news of any violation. In this context, they should be in close cooperation with VSY Biotechnology to prevent violations or to terminate any violator.

8. Occupational Health and Safety Policies

Occupational health and safety is given due priority at VSY Biotechnology because the company is aware that its employees are its most valuable asset. The company aims to keep any foreseen risks under control and to ensure that its employees work in a safe environment without being exposed to risk of accidents.

In the OHS field, VSY Biotechnology implements policies that ensure employees are informed, updates on legislation are shared, OHS metrics are consistently included in company and employee targets, auditing and nonconformity values are accepted as key performance targets, and the OHS measures translate into corporate culture with the use of practices such as incident/hear-miss notification and regular reporting.

VSY Biotechnology works toward the goal of zero occupational accidents and conducts various activities to minimize risks and to create accident-free work environments. Because accidents occurring in the workplace are recorded, work-related accidents are systematically kept under control. Continuous risk analyses are performed and periodic equipment checks are conducted in order to reduce the number of accidents and their impacts.

Occupational health and safety is continually improved with audits, optimization and information sharing activities, and appointments of OHS specialists, workplace physicians, and employee representatives. Risk analysis, fire drills, emergency action plans, and other issues are managed in accordance with legal regulations. Supporting the occupational health and safety culture and undertaking production activities in a healthy and safe working environment is only possible by improving the awareness of employees. In line with this, VSY Biotechnology organizes occupational health and safety training programs for its employees.



At VSY Biotechnology, emphasis is placed on protecting workers against occupational diseases. Employees are informed about occupational diseases and prevention principles such as biological and psycho-social risk factors and first aid. Periodic environment and health checks are performed.

In order to increase OHS awareness, VSY Biotechnology views ensuring the safety and health of its employees, service providers and any persons visiting its premises, as one of its primary goals. In this context, employees are supported through continuous training programs in order to raise the occupational safety awareness of all units and to raise awareness about OHS. The OHS process has three dimensions at VSY Biotechnology: system, field and people.

8.1 System

The OHS system is defined as a company strategy where risk definition, supervision and management are important. The OHS management system is continuously supported by training, information, auditing and optimization activities.

8.2 Field

The OHS domain for VSY Biotechnology consists of production sites. VSY Biotechnology regularly conducts risk analyses and audits to eliminate hazards that could potentially cause damage and injury to work sites.

8.3 People

The most important element in VSY Biotechnology is people. With its people-oriented approach, the company aims to ensure that its employees are aware of the risks and are cautious at all times. Thanks to the applications implemented, employee behavior has changed towards occupational health and safety.

9. Social Projects

VSY Biotechnology acts with a sense of responsibility towards society. VSY Biotechnology plans and designs its social responsibility projects based on the principle of being beneficial and contributing to society. VSY Biotechnology develops its sustainable corporate social responsibility projects to provide strong social impact and cultural development.

VSY Biotechnology's sustainable social responsibility projects are diverse. In order to increase awareness about eye diseases and treatments, VSY Biotechnology has sponsored Sağlıklı Günler (Healthy Days), a TV show aired on Kanal Türk for 52 weeks. For one year, the Küçükyalı branch of the Child Protection Agency brought children together and celebrated their birthdays. In order to increase awareness about eye health, the branch designed and printed a calendar from the pictures made by children and delivered them to all ophthalmologists.

On April 23, National Sovereignty and Children's Day, VSY Biotechnology organized a charity sale for children with leukemia. Donations received at the bazaar as well as the donation budget allocated by the company was presented to the Foundation for Children with Leukemia.

VSY Biotechnology, which carries out its social responsibility projects successfully, will continue to create activities that will contribute to society by generating new corporate social responsibility projects leveraging its sustainable structure

10. R&D and Projects

VSY Biotechnology has valued R&D and innovation from the very first day. VSY Biotechnology allocates 7 percent of its profits to R&D and undertakes sustainable investments. The company develops innovative products with its strong and creative team in the health biotechnology field it focuses on.

Certified as Turkey's 161st R&D center by the Republic of Turkey Ministry of Industry and Technology, the VSY Biotechnology R&D Center is developing and implementing many new projects for the future.

VSY Biotechnology regularly files patent applications. With new innovations and products that incorporate inventions, the innovative structure of VSY Biotechnology has become sustainable.

VSY Biotechnology's innovation processes are based on the strategies drawn on the roadmap developed to achieve its vision and goals. Forward-oriented strategies such as R&D and innovation, new product development, available product development, revision control, and process development are planned and implemented. In order to ensure reliable products, innovation processes are meticulously managed by taking into account all research-development-test mechanisms.



11. Training

VSY Biotechnology values its human resources and human talent. The company contributes to the sustainable development of its employees. In order to preserve its sustainable structure in terms of training.

VSY Biotechnology recognizes the employees' right to training in areas they need improvement and provides training to its employees every year, in areas employees can improve themselves. VSY Biotechnology trains and develops its future management candidates with its Management Trainee program. In 2018, VSY Biotechnology planned 183 training programs and delivered a total of 856 man-hours of training.

12. Quality Policy

In line with its mission of "Improving the Life Quality of People," VSY Biotechnology adheres to the principles it sets in the Pharmaceutical, Medical Device and Biotechnology industry.

The company provides the necessary personnel, building, technology and auxiliary systems for the production of products in a reliable and high quality manner and in accordance with the intended use, legal requirements and national and international standards.

The company produces products that market trends and consumer needs by using a continually developing quality system, and ensures that the products are delivered to customers in a timely and accurate manner.

The company keeps customer satisfaction at the highest level without compromising quality. It produces its products with a proactive approach to the risks involved.

In order to sustain the quality system, it helps employees embrace and internalize the system using risk-based approaches and training.

The company operates in accordance with Medical Devices Quality System EN ISO 13485 and Medical Devices Quality Management System EN ISO 13485.



13. Environmental Policy

In all activities performed with the mission of improving the quality of life for all of its employees, VSY Biotechnology is committed to supporting environmental protection, continuous improvement, effective use of natural resources, full compliance with the laws and prevention of pollution, separation of wastes at source, prioritizing recycling and disposing of wastes using the most effective method.

Within the framework of this policy, the company commits to the following:

- To provide training to employees, suppliers and subcontractors in order to raise environmental awareness, to ensure personal development and to increase individual awareness,
- To follow the relevant laws, regulations and other legal requirements in order to prevent environmental pollution and to continuously improve the environmental management system,
- To use the necessary technology to minimize the potential impacts on the environment,
- To use natural resources effectively for the protection of the environment,
- To conduct environmental risk assessment and to take the necessary measures in order to eliminate and/or mitigate the risks involved.





14. Sustainable Communication with Stakeholders

VSY Biotechnology establishes relations with all stakeholders such as employees, customers, suppliers and media representatives on the basis of sustainable communication. VSY Biotechnology is open to all stakeholders' ideas and suggestions. We review all reports and evaluations received from stakeholders and use them in strategic decision making processes.

VSY Biotechnology acknowledges that long-term sustainable relationships with its stakeholders play an active role in success. It provides sustainable quality standards for customer satisfaction in the 60 countries it operates within its international structure.

VSY Biotechnology's employees contribute greatly to the sustainable growth of the company. VSY Biotechnology employees are experts in their fields. Employees who have adopted lifelong education and learning as a principle and support sustainable development form

the human resources potential and talent pool of VSY Biotechnology.

VSY Biotechnology has also established collaborations with its suppliers based on sustainability principles.

In line with its sustainable policies, VSY Biotechnology also organizes trade conventions and meetings to support its distributor relations. It also shares industry information and technical training with distributors through training meetings.

VSY Biotechnology manages Media Relations through designated speakers. If necessary, the Chairman and the CEO make public statements as the company's spokesperson.

VSY Biotechnology communicates with its stakeholders through social media platforms. VSY Biotechnology conducts sustainable communication activities through YouTube, Facebook, LinkedIn, and Instagram accounts as well as micro and macro websites.



