



Yaşar
2017
Sustainability
Report



THE STARS POINT OUT TO THE FUTURE

We are proud to present you Yaşar 2017 Sustainability Report. While preparing the theme of our report this year, the stars have been our inspiration. First of all, stars are sustainable with their existences. Such that, regardless of which geography we are from, which culture we come from, all individuals on earth point out that they make the exact picture that they expect them to do when they look in the sky. In this sense, it is possible to say that they are the symbol of trust as well as we can state that they are the beings that we are inspired by. Throughout the history, we have considered the stars in a positive way; they empowered compassion and love for some of us and courage and curiosity for some. On a common ground, we can say that they point out to a future that we believe to be "better".

POWERFUL SYNERGY

We have also attributed different meanings to the stars. For example, we have wished to see each one of the shining stars symbolising Yaşar Group Companies and to see Yaşar Group that forms when they are taken together. With the same point of view, we have thought that each star symbolised Yaşar Group employees and stakeholders. We have dreamed of that horde of stars as a community that works for a better future and takes its power from unifying values.

INDICATOR OF DIRECTIONS

We cannot ignore the leading features and functions of the stars. It has been the biggest power for many people losing their directions by pointing out to the target even in the hardest times. The products and services of Yaşar Group having become guests to our homes and touching at least for once to the lives of Turkish people have showed up like a star in Turkish economy and sustainably keep shining like stars. It must not to be forgotten that the founder of Yaşar Group, our Honorary President, Selçuk Yaşar is a leader who has put signature under distinguished successes in Turkish business world and who has introduced the "firsts" to Turkish people. As a Group that follows the path on which its founder shines like a star, we keep going forward on our path with our sustainable activities and with the same ideals.

WE WILL CARE WELL

We wanted to emphasise five main topics that constitute the foundation of our systematic of values with the lines set out by the stars unifying and with the shapes formed by those lines. From now on, as well as so far, we shall continue to reflect our sustainable perspective that always provide added value, develop, bring goodness, happiness and success for our employees, our business, our environment, our society and our business partners with the same motivation.

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HIGHLIGHTS IN 2017



R&D ACTIVITIES

PINAR DAIRY
25
new
products

PINAR MEAT
40
new
products

DYO COATING
26
new products

PRODUCTIVITY ACTIVITIES



PINAR MEAT
20
new
projects

PINAR WATER
20% savings
in energy
consumption
per tonne of Kwh

PINAR DAIRY
TL 55.1 million
investment
amount

**VIKING
TISSUE**
Cogeneration
investment

YBP
35% distance and
24% cost savings
within the scope
of ideal point of
shipment and flexible
pointing application

ALTIN YUNUS
40% saving has
been achieved in LNG
consumption in building
heating and hot water
production + carbon
emission was reduced
by 20%



**YAŞAR HOLDING
SUSTAINABILITY
MEDAL**
Within the scope of
TÜSIAD SÜR 2017,
with the “Combat with
Carbon” project

**PINAR DAIRY WINS CDP
TURKEY CLIMATE AND
WATER LEADERS AWARD**
Pinar Dairy was awarded
this prize for the second time after
last year

[Read more p.17](#)



TRAININGS

A total of 99,884
hours of training
was conducted throughout
the Group in 2017

1,515 hours of
sustainability training
in 2017

ENVIRONMENT MANAGEMENT

Pinar Meat: Compared to the previous
year; the production amount increased
by 2.82%, the electricity consumption
decreased by 1.24% per ton product,
and the natural gas consumption
decreased by 1.83% per ton product.

Pinar Water: Thanks to these
energy efficiency works, Pinar
Water has reduced the carbon
emission value in 2017 by 13%
compared to 2016 values.

Wastes coming from the
product can be used as a
new raw material if they are
managed with a sustainable
point of view.

Viking Tissue reduced its
water footprints by 29%
in 2017 compared to water
footprints in 2012.

At Pinar Dairy İzmir Factory, 9% decrease
is recorded in water consumption per
ton of processed raw milk in 2017 in
comparison to 2016.

Message from the Management

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After an intense and full year of sustainability studies, we welcome you again.

In Yaşar Group, we consider sustainability as a business principle taken as a priority at every decision we make and see the sustainability performance as a success criterion for all of our internal stakeholders. In this direction, sustainability has again been the most important performance area in the past year.

We re-approach to and organize all our existing activities to fit the philosophy of adding value to the human beings and the planet along with all living things in environmental, social and economic sense, on the basis of "caring for" which constitutes the framework of our business understanding.

In all our companies, our executive leaders are doing serious works on all sustainability topics within their areas of activity, which they are influenced by or have influence on. This is also the basis of our understanding of leadership and achieving success in line with sustainable development goals are seen as a key success indicator for our leaders.

Our greatest sustainability project now is; that starting from the senior management who takes strategic decisions, all the employees from all levels who manage, conduct and control our activities in all processes work in accordance with the principle of sustainability.

We must also point out that the founding values of Yaşar Holding already meet the global sustainability concept of today. This is perhaps the most important supporting power for the concept of sustainability spreading in all our companies before many institutions.

The most important approach we are inspired by in our work in the field of sustainability is our belief in leadership. Our executive leaders in our companies carry out many transparent and sustainable studies in interaction with all the stakeholders, they have influence on or are influenced by within their field of activity.

We share a real experience with the Yaşar Holding Sustainability Day we organize every year with the inspiration we get from our employees and our companies. At Yaşar Holding Sustainability Day, every company shares their regular sustainability experiences with each other every year. Besides, on the same day, the sustainability awards where all our employees participate with their projects are also given. Within these themes, sustainability issues and practices, from water protection to energy efficiency, waste management and climate action, are included as well as corporate social responsibility projects.

We are constantly working to keep up with the sustainability knowledge of the world, to constantly inform our leaders making strategic decisions about change and development, and to keep their knowledge up-to-date. Through this approach, in the past year, all our investments and activities in all our companies have been reviewed to ensure that they have been consistent with sustainability principles.

Mustafa Selim Yaşar
Chairperson of Board of Directors



The most impressive work for us in 2017 on sustainability was to align our business objectives with the United Nations Sustainable Development Goals. In 2017, we moved this project, which actually started in 2016, to all our companies and created strategic documents for each of them. Based on these documents, aligned sustainability strategies and targets of our companies were announced to all of our stakeholders with our sustainability report. Sub-strategies related to Sustainable Development Goals and action plans specific to each company were created.

Over the course of the past year, all our investments and activities in all our companies were reviewed to ensure that they comply with the principles of sustainability. In fact, it would not be correct to say that these studies will end. For Yaşar Holding every day is a day where new works can be done on behalf of sustainability. Whether or not today's truths will be the truths of tomorrow in changing dynamics of the planet is always examined. We are constantly working to keep up with the sustainability knowledge of the world, to constantly inform our leaders making strategic decisions about change and development, and to keep their knowledge up-to-date.

Yaşar Holding wants to inform its stakeholders about the developments with its own practices, starting with the internal stakeholders and its suppliers, as well as following the best practice examples of the world. We share good practices and developments with our stakeholders that we have made in the name of sustainability in our region and sectors in which we operate and believe that development and leading towards a better world can only be possible through joint action.

We attach great importance and priority to Yaşar Holding sustainability reports and their timely and effective announcement. In these reports, we find the opportunity to share what can be done in the sectors we operate and how this can contribute to the path of providing a sustainable planet.

Likewise, as discussed in more detail in the following sections, with our sustainability management, we ensure participation of our internal stakeholders and get the opportunity to announce our studies to all our stakeholders through our events open to general participation such as Sustainability Day.

As Yaşar Holding, we aim to continue our investments with our employees to support the development of our society in economic, environmental, social and cultural areas.

Hereby, we would like to thank all our stakeholders who have accompanied us in our journey and have contributed to our success.

Sincerely,

Mehmet Aktaş
Chief Executive Officer



About the Report

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Our community has managed to become one of the fundamental institutions of Turkey with its people-oriented studies since its foundation and successful management in economic, environmental and social areas in all the sectors it operates in with "we take care of every circle in our value chain" motto. This year, we are publishing the seventh Yaşar Sustainability Report, which we have been publishing since 2011, following the United Nations Global Compact (UNGC) Progress Report we have published in 2009 and 2010 as a demonstration of the value we give to all of our stakeholders.

Content

2017 Sustainability Report evaluates the performance of our Group for 01.01.2017 - 31.12.2017 period in terms of sustainability which we can shortly describe as economic, social and environmental terms and reflects our affiliated studies of our renewed sustainability approach. All performance data contained in this report (unless otherwise specified) encompasses only 10 companies of our Group operating in Turkey and excludes our companies operating at abroad. Our companies active in Turkey were discussed in the report on the basis of sustainability performance in the sectors listed below and sustainability approach of the Group.



Paint and Coatings



Food and Beverage



Agriculture, Livestock and Fishery



Tissue papers



Trade and Service

The sustainability performance data of Yaşar Education and Culture Foundation, Pınar Institute and Yaşar University are not covered in the report, but activities carried out by these organizations in the area of sustainability are solely included to share information.

In our report, in addition to the general profile of our Group, our sustainability priorities, priority strategies and important developments during the reporting period, you can also find the sustainability performance under the titles "Caring for Business", "Caring for Society", "Caring for Employees", "Caring for Environment" and "Caring for Business Partners".

Compliance

Our report is prepared in compliance with the GRI Standards "Core" option. It also includes our compliance with the principles of the United Nations Global Compact (UNGC) in which we became a signatory in 2007. The indicators included in the report are detailed in the GRI Standards Content Index in the last section of the Report, and the UN Global Compact List is also included.

Our report is prepared in two languages in Turkish and English.

The preparation of our report and collecting and evaluating related data have been carried out under the management of the Corporate Affairs Coordinatorship and the Extended Sustainable Development Committee and by the contributions of relevant departments of the companies in Yaşar Group within the scope of the reporting. The report has not been externally controlled by an external audit. "SU" Sustainability and Corporate Social Responsibility Consultancy has supported the preparation of the report. The following teams have participated in the studies carried out under the leadership of our Chairman of the Board;

- The Extended Sustainable Development Committee,
- Sustainability Report Team Members,
- Carbon and Water Leaders,
- Carbon and Water Footprint Teams.

Your Feedback

Your feedback is highly important for us ...

Please send your opinions, suggestions and questions related to Yaşar 2017 Sustainability Report published by Yaşar Group to forabetterlife@yasar.com.tr

Yaşar Group

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Corporate Profile

Company Name: Yaşar Holding A.Ş.

Fields of Activity: Food and beverage, paint, cleaning paper, tourism, foreign trade, energy

Number of Employees: 7,500

UN Global Compact Membership Date: 12 November 2007

Address: Şehit Fethi Bey Cad. No:120 35210 İzmir, Türkiye

Name and Title of Contact Person: Dilek EMİL, Coordinator, Corporate Affairs

Contact Information: Tel: 0 312 294 92 00 / E-mail: dilekemil@yasar.com.tr

Yaşar Group in Brief

Yaşar Group's foundation has been laid during the first years of the Republic of Turkey. The journey moderately started at İzmir with trading sailing equipments and paint, has been accelerated by the year of 1945. Today, Yaşar Group has 22 companies with 4 of them in top 500 in Turkey. Acclaimed as Turkey's one of leading groups, Yaşar Group's affiliated companies also sustain a leading role in areas they carry on their businesses.

Yaşar Group is one of flag-bearer economical actors with 24 factories and facilities and 2 Foundations and has been providing job opportunities for 7,500 employees in food and beverage, paint, cleaning paper, tourism, foreign trade and energy sectors with more than 1,000 distributors and 200 thousands of sales points. Yaşar Group exports to more than 70 countries and has seven companies located abroad.

Offering innovative products improving the quality of life in every sector it operates and firmly protecting "the pioneer of innovations" title, Yaşar Group continues to exist with values of Holding Consumers and Customers First, Operational Perfectionism, Human Resources, Ethical Management, Environmental and Social Responsibility and its mission to provide quality products and services that add value to the lives of consumers with its reliable brands.

Yaşar Group contributes to country's economic and social development as well as creating sustainable values that will be handed down to next generations with companies which are in service and leads by example in food and beverage, paint, cleaning papers, tourism, foreign trade and energy industries.

With consolidated sales of 4 Billion Turkish Liras, which has increased 14.1% compared to 2016, the Group has made 238.2 million Turkish Liras of total investments in 2017.

Our Group, which values and gives importance to social development as well as economic development, supports education, sports,

culture and arts through Yaşar Education and Culture Foundation and Selçuk Yaşar Sports and Education Foundation and provides social benefits through its social responsibility projects. Yaşar University is one of the leading universities of Turkey with the education provided in international norms.

The Community which gives importance and value to social development as well as economic development, with Yaşar Education and Culture Foundation and Selçuk Yaşar Sports and Education Foundation, supports education, sports, culture and art and produces social benefit through the social responsibility projects. Yaşar University is among Turkey's leading universities that provide education in international norms.

Yaşar Group is committed to maintaining strong business collaboration in all sectors it is involved in and increasing sustainable value. While the Group companies strive for development of the sectors in which they operate, on the other hand they continue their production in an ethical and environmentally conscious manner, aware of their collective social responsibility.

Considering the interests of all stakeholders in terms of transparency, fairness, accountability and responsibility as adopted by the whole Group, Yaşar Holding constantly monitors its practices in terms of its corporate governance structure and Corporate Governance Principles.

Carrying out humanitarian activities in all areas of life with the responsibilities of corporate citizenship, Our Group works for a sustainable world with the slogan "for a better life". Managing all business processes on the axis of sustainability within this scope, our Group reports these activities as per the transparency principle. Our Group has been publishing Sustainability Reports every year since 2011, having participated in the United Nations Global Compact signatories in 2007 and published the 2009 and 2010 Communication on Progress (COP) Reports under the UN Global Compact framework. The mentioned reports can be found at www.yasar.com.tr

Yaşar Group

Yaşar Holding – Board of Directors

Mustafa Selim Yaşar	Yaşar Holding	Chairperson
Feyhan Yaşar	Yaşar Holding	Vice Chairperson
İdil Yiğitbaşı	Yaşar Holding	Vice Chairperson
Yılmaz Gököğlü	Yaşar Holding	Board Member
Cengiz Erol	Yaşar Holding	Board Member
Mehmet Aktaş	Yaşar Holding	Board Member

Yaşar Group – Top Management

Mehmet Aktaş	Yaşar Holding	Chief Executive Officer (CEO)
Hikmet Altan	Yaşar Holding	Executive Vice President - Chief Finance Officer (CFO)
Levent Dağhan	Yaşar Holding	Executive Vice President - Head of Food Group
Cüneyt Başbakkal	Yaşar Holding	Vice President - Foreign Trade
Sinan Gerçek	Yaşar Holding	Vice President - Information Systems
Hasan Girenes	Yaşar Holding	Vice President - Agriculture, Livestock and Fisheries
Serdar Oran	Dyo Coating	Vice President - Dyo Coating and Dyo Coating Foreign Subsidiaries
Kamil Deveci	Yaşar Holding	Coordinator - Internal Audit and Risk Management (1)
Dilek Emil	Yaşar Holding	Coordinator - Corporate Affairs
Seçkin Şenol	Yaşar Holding	Coordinator - Budget Control and Analysis (1)
Turgut Sanoğlu	Yaşar Holding	Coordinator - Purchasing (2)
Abdullah Akçasız	Viking Tissue	General Manager
Gürkan Hekimoğlu	Pınar Dairy	General Manager
Hüseyin Karamehmetoğlu	Pınar Water	General Manager
Orhan Koral	Altın Yunus	General Manager
Suat Özyiğit	YBP	General Manager
Erhan Savcıgil	Pınar Dairy	Coordinator - R&D and Technology
Arda Cenk Tokbaş	HDF Fzco	General Manager
Tunç Tuncer	Pınar Meat	General Manager
Mehmet Aykırı	Yaşar Holding	Director - Corporate Communications
Özgün Bayraktar	Yaşar Holding	Director - Real Estate Projects
Filiz Ergin	Yaşar Holding	Director - Human Resources (3)
Gözde Kınlı	Yaşar Holding	Director – Internal Audit (4)
Okan Netek	Yaşar Holding	Director – Financial Affairs
Aslı Yılmaz	Yaşar Holding	Director – Corporate Finance and Reporting (4)

(1) until 31.03.2017





(2) as of 01.01.2018

(3) until 03.01.2018

(4) as of 01.04.2017

Corporate Profile

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	 Pınar Süt Mamulleri Sanayi A.Ş. (Pınar Dairy)	Pınar Entegre Et ve Un Sanayii A.Ş. (Pınar Meat)	Pınar Su Sanayi ve Ticaret A.Ş. (Pınar Water)	Yaşar Birleşik Pazarlama Dağıtım Turizm ve Ticaret A.Ş. (YBP)	Çamlı Yem Besicilik San. ve Tic. A.Ş. (Çamlı Feed)	Dyo Boya Fabrikaları Sanayi ve Ticaret A.Ş. (Dyo Coating)	Viking Kağıt ve Selüloz A.Ş. (Viking Tissue)	Altın Yunus Çeşme Turistik Tesisler A.Ş. (Altın Yunus)	Yaşar Bilgi İşlem ve Ticaret A.Ş. (Yaşar Information Systems)	Desa Enerji Elektrik Üretim A.Ş. (Desa Energy)
Publicly Traded	X	X	X			X	X	X		
Foundation Year	1973	1985	1984	1983	1983	1954	1969	1974	1983	1996
Headquarter	İzmir	İzmir	İzmir	İzmir	İzmir	İzmir	İzmir	İzmir	İzmir	İzmir
Factory	İzmir, Eskişehir, Şanlıurfa	İzmir	Aydın, Sakarya, Isparta, Bursa	İzmir, İstanbul, Antalya, Bodrum/ Muğla, Adana, Ankara, Trabzon, Samsun (1)	İzmir, Manisa (2)	İzmir, Kocaeli, Manisa	İzmir	İzmir	İzmir (3)	İzmir (4)
Total Capacity 	550 million liters /year raw milk in processing	58,000 ton/year	2,000,000 ton/year	337,639 ton/year (5)	335,000 ton/year	266,000 ton/year	45,800 ton/year	1,021 person/ accomodation	-	158 million kWh/year
Brands	Pınar	Pınar, Doyum, Yörük	Pınar	Pınar, Nar'ca, Maxwell, Detay, Mars	Çamlı, Pınar Balık, Biofarm, Cooldog, Coolcat, Bioaqua, Çamlı Çiftliği	Dyo, Dewilux, Casati, Dyo Klimatherm, Dyotherm	Premia, Lily, Senso, Select, Pufia	-	Astron	-
# of SKU	more than 300	500	24 (water: 14, sparkling water: 9, lemonade:1)	750	396	15700	125	-		
Employment (2017) 	1710	1119	463	1144	501	1225	371	184	117	28
Distribution and Service Network 	via YBP	via YBP	403 dealer, 15 distributor	approximately 100 dealer, approximately 150.000 sales point	209 dealer	800 dealer, 182 construction market	300 dealer +Direct Customers	-	-	"All of Tukey, mainly the Aegean Region"
Website	www.pinar.com.tr	www.pinar.com.tr	www.pinarsu.com.tr	www.ybp.com.tr	www.camli.com.tr	www.dyo.com.tr	www.viking.com.tr	www.altinyunus.com.tr	www.astron.ws	www.desaenerji.com.tr
Foreign Trade	Middle East and Gulf Countries, Central Asian Countries, EU Countries, USA, Iraq, Northern Cyprus, Russia, China, Tayland, Nigeria, İsrail, Japan, Vietnam ve Panama	EU Countries, USA, Middle East and Gulf Countries, Russia, Central Asian Countries, Far East, Northern Cyprus, Australia, Canada	EU Countries, Middle East and Gulf Countries, ABD, Balkan Countries, Asia, Northern Cyprus, Central Asian Countries, North America, Australia	-	EU Countries, Middle East and Gulf Countries, Russia, USA, Far East	EU Countries, Central Asian Countries, Middle East and Gulf Countries, Russia, African Countries	EU Countries, Central Asian Countries, Africa, Middle East and Gulf Countries	Germany, Balkan Countries, England, Greece, Scandinavian Countries, Iran, Azerbaijan, Middle East and Gulf Countries, Russia (6)	-	-

(1) Regional Directorates (2) Factories & Plant (3) Offices (4) Plant (5) Total Sale Amount (6) Customers' Country Origins

Important Developments in Group Companies (2017)

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Pinar Dairy



• Pinar Dairy, with its strong R&D team, has developed 25 new products and 48 new product packages in 2017 and presented them to the market.



• In 2017 "Milk Protein Products" segment was created in the Turkish market by launching two new products.



• Pinar Dairy has invested a total of TL 55.1 million in 2017 to realize renovation and maintenance works in its facilities as well as investments that increase capacity.



• High technology investments are prioritized within the context of the adaptation to Industry 4.0. In 2017, various renovation investments and robot palletizing investments were completed in Eskişehir factory.



• Accounting for **20% of exports for Turkey's retail milk products (except milk powder) alone, Pinar has expanded its overseas target markets and started export to China, Thailand, Nigeria, Israel, Japan, Vietnam and Panama.**

• According to the results of Carbon Disclosure Project (CDP) Turkey "2017 Climate Change Report" and CDP Turkey "2017 Water Program Report", Pinar Dairy has been awarded both "CDP Turkey Climate Leaders Award" among the companies showing outstanding performance in the fight against climate change and "CDP Turkey Water Leaders Award" among the companies with a leading position in water management.



• Pinar Dairy R&D Center, which started to operate in January 2017, has started making necessary infrastructure preparations by expanding the staff for development of the Science and Technological working principles as well as existing R&D activities. Apart from personnel expansion, necessary steps have been taken for a new application laboratory in order to realize different innovative projects. Robot investments towards Pinar Dairy's Industry 4.0 strategy will be continued at the "Robot Workshop" to be established within the R&D center.

Important Developments in Group Companies (2017) 102-10

Pinar Meat

• Pinar Meat was entitled to receive the R&D center certificate in 2017. Pinar Meat R&D Center, which is the first in meat sector, provides research and development activities carried out by the Company at a center.

• In 2017, 20 efficiency-focused projects were initiated. It is targeted that 70% of the efficiency projects initiated by Pinar Meat will be commissioned in the first six months of 2018 and the remaining 30% by the end of 2018.

• Work plan has been done for the revisions to be done for TSE EN ISO 14001 Environmental Management System 2015 version.



• Pinar Meat launched 40 new products in total, comprised of 7 retail, 9 customer-special, 9 export and 15 Out of Home Consumption (OHC) products, depending on changing lifestyles and consumer expectations. In 2018, studies are being carried out for smaller products.



• Pinar Meat was awarded the "Organic Food Certificate" by successfully passing the organic food inspection conducted by "Ecocert" in 2017 as a reflection of its pioneering identity in its sector.



• Within the scope of TS EN ISO 50001 Energy Management System, improvement studies have been carried out to achieve measurable energy targets and objectives. In an approximately 10,000 m2 area, uninsulated roofing material has been replaced with insulated roofing material in 2017, and LED lighting was installed. With these studies, energy consumption is reduced by 2.5% in 2017 compared to the previous year.



• In addition to carbon footprint studies, activities have been initiated to reduce water consumption. Pinar Meat's "Water Footprint" calculation was made in 2017.

• **Within the scope of new investments and facility renovation works, Pinar Meat has invested a total of TL 17.9 million in 2017.**

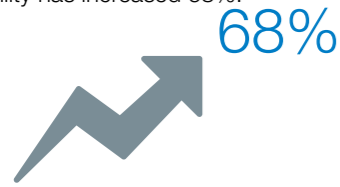


• Projects are going on to add high-tech equipment and software to our processes in order to carry out the transition to the Industry 4.0 platform. In this context; the open-end automation project, which was started in 2016, has been gradually commissioned in the first half of 2017. By installing a complete automatic package box making, box filling and box wrapping robots separately at the exit of a two-lane line in the system, it has been ensured that boxes arriving with uninterrupted transfer systems are collected in one spot and palletized with the palletizing robot. The MAP automation project has been completed to track and palletize the MAP products in a similar manner; and the systems to regularly monitor and automatically report the performance of all metal detectors and filling machines in manufacturing units have been completed. All systems will be commissioned in 2018.

Important Developments in Group Companies (2017) 102-10

Pinar Water

• The official opening ceremony of the Bursa İnegöl Plant, which was designed according to the requirements of modern technological equipment and the Industrial 4.0 management system, was launched in the previous year and has increased the Company's production capacity by 29%, was held in November 2017. According to 2016, the production of this facility has increased 68%.



• Pinar Water entered the lemonade market for the first time in 2017 by taking one step further with its vision of being a "beverage company". Pinar mineral water family also grew with fruity mineral water products.

• In 2017, Pinar Water has carried out productivity and savings-focused improvements in its production facilities. These improvements in facilities resulted in a 20% savings in energy consumption per tonne of Kwh with the increase in productivity

• In 2017, the company added to its portfolio 0,25L fruity mineral water "Pinar Frii", 1L lemonade, 0.33L Maple origin Şirinler with practical cover, and 0.75L Sportsman Bottle products which responded to increasing healthy life trend.

Çamlı Feed

• Organic Milk Livestock Facility of Çamlı Feed located in Manisa Beydere has obtained "Organic Agricultural and Animal Production Certificate" with the audit carried out by IMO Control, accredited by the European Union Organic Agriculture Commission.

• Çamlı Feed continues to support women's employment and qualified active participation in agriculture sector by providing trainings to women farmers on production of organic compost within the scope of the project "Women Farmers Meet with Agricultural Innovations" organized through the coordination support of the Educational Publications Department of Food, Agriculture and Livestock Ministry.

• Within the scope of efficiency studies, the improvements made in the cooling and lighting system of the fish feed production facility resulted in saving energy.



YBP

• YBP, which has been investing in digitalization since 2016, carried field management to digital through the TOGO project. It is important to view locations of the sales support staff and the customers on mobile environment in terms of economic and environmental dimension of sustainability as well.



• 35% distance and 24% cost savings are achieved by the work done within the scope of ideal point of shipment and flexible pointing application.

Important Developments in Group Companies (2017) 102-10

Dyo Coating

• Dyo Coating İzmir R&D Center was selected as the "Most Successful R&D Center" of the Chemical Sector for the 4th time. With the Gebze R&D Center established in 2017, the projects on innovative products continued throughout the year.



• In 2017, Dyo Coating has managed to maintain its leadership in the Turkish paint industry where 20 large-scale companies compete. Carrying out diligent work on thermal insulation, Dyo Coating has strengthened its innovative image by creating the Dyotherm brand besides the current thermal insulation brand Klimatherm in 2017.

• As new markets, construction paints, industrial paints, furniture paints and varnish products are presented in the markets of countries such as Poland, Bangladesh, Angola and Senegal.

• Dyo Coating has received the "EU Ecolabel" certificate for the three products it offers to the EU market under the Construction Paints category.



• Dyo Coating's corporate social responsibility efforts, which have become a part of corporate culture in recent years, have continued. "Value to Schools" phase of "the Value for Tomorrow" Corporate Social Responsibility Project has been completed. 1,358 teachers, 33,520 students and approximately 70 thousand parents were reached in 84 schools in total during 2016 - 2017 education period. The trainings for "Value for Learning" and "Value for the Mastership" phases continue.



• In 2017, Dyo Coating expanded its digital innovation. In order to remotely manage the wide coloring machine park growing every year, remote access was provided to all machines by establishing an internet connection in the framework of the business association established with "Vodafone İş Ortağım" in 2017. The opportunity for faster and uninterrupted service has been provided for our customers by remote management of the machines. Besides, by measuring the revenue generated by the distributors using the machines, the productivity and economic sustainability of the machine investments made at the sales points have been increased. With this digitalization push, Dyo Coating's "Digitalization Index" in 2017 has increased to 92% within Vodafone.

Important Developments in Group Companies (2017) ¹⁰²⁻¹⁰

Viking Tissue

- Efficiency in production has been increased through investments realized in 2017. Renewal and modernization work has been carried out in the machine park. In this context;
 - 3rd round product line installation has been done.
 - Cogeneration investment was made with Desa Energy. This facility, tested in the last months of 2017, which will reduce the amount of energy consumption per tonne of paper produced, will be in service from the beginning of 2018.



• Viking Tissue received the “Company Giving Importance for Women’s Business Life in 2017” award in “Izmir Business World Women Entrepreneurship Awards” organized by the Izmir Business Women’s Association for the first time this year.



- As well as the carbon footprint, calculation of the water footprint which has been initiated in 2015, continued in 2017. Compared to 2012, Viking Tissue has reduced its water footprint 29% by 2017 through its water footprint calculation activities that it regularly performs every year.

Altın Yunus

• The requirements of the Environmentally Responsible Accommodation Facility Certificate (Green Star) taken in 2016 continued with the savings realized in 2017 and Altın Yunus has stood out as an exemplary facility in the region in terms of protection of surrounding area.

- Altın Yunus has taken part among “Sustainability and Eco-Friendly Top 15 Hotels” in studies funded under the scope of TUYUP (Project for Enhancing the Adaptability Talents of Employers and Employees in Tourism Sector) conducted in cooperation of European Union and the Republic of Turkey.



- By starting to use geothermal energy more actively, approximately 40% saving has been achieved in LNG consumption in building heating and hot water production, and carbon emission was reduced by 20%.

Our Awards

Yaşar Holding

- Economic Journalists Association (EGD) honored Yaşar Holding Honorary Chairman Selçuk Yaşar with a plaque of gratitude due to the valuable contribution made to the economy of Turkey.
- Within the scope of TÜSiAD SÜR 2017, Yaşar Holding has been awarded the “Sustainability Medal” with the “Combat with Carbon” project.
- At the Human Resources Summit held in the main sponsorship of Kariyer.net, Yaşar Holding was awarded the Human Respect Award for the 7th time.

Pınar

- Pınar once again took place among super brands in Turkey as a result of the Superbrands selection committee members and research done by Nielsen.
- Pınar has been awarded the “Bronze Stevie” award with the “Pınar Painting Contest for Children” and “Pınar Dairy FSC Press Kit” projects in the Stevie Awards, one of the prestigious awards of the business world that has been applied by over 3,800 applications from more than 60 countries.
- In the Capital magazine’s corporate social responsibility research which is conducted every year together with GfK Research Company, Pınar was among the 20 most successful companies in corporate social responsibility. Pınar Children’s Theater was second among the 25 longest corporate social responsibility projects that mark the Turkish business world.
- Becoming one of the leaders in Turkey in CDP Climate and Water categories by taking A- rating in both categories, Pınar Dairy was awarded this prize for the second time after last year.
- Pınar was selected as “Turkey’s Best Governed Food Production and Procurement Company” by QM rating results carried out with the participation of about 60 thousand tourism professionals, employees, members and investors in QM Awards 2017 organized for the 8th time this year by GM Tourism and Management Magazine to underline the importance of quality in the tourism sector.
- Pınar received the Gulf “Product of the Year” award in fast-moving consumer goods “Labne” category for the third time in 2017, awarded to the world’s leading companies every year in the world’s largest and prestigious international food and beverage fair Gulfood Fair which was held for the 22nd time this year.

- Pınar Protein Milk was selected as the “Most Innovative Product” in dairy and dairy products category in the “2017’s Most Innovative Products” research carried out by WISIGHT Research for Marketing Turkey with the cooperation of poltio.com.

Dyo Coating

- Dyo R&D Center received the best R&D Center Award in chemical industry for the 4th time at the Private Sector R&D Centers Summit organized by the Ministry of Industry and Technology.
- Dyo Coating received the “Authorized Responsibility Certificate” issued by the Ministry of Customs and Trade within the context of the facilitation of customs procedures which provides international prestige with time and cost advantages in transactions involving foreign trade.
- Dyo Coating received the environmentally friendly labeling system EU-Ecolabel certification valid in the European Union countries, Norway, Iceland and Luxembourg for the products of Dynamic Silk Mat, Dynamic Mat, Color Base and Transition Underlay in construction paints.

Viking Tissue

- Viking Tissue was selected by İZİKAD as the “Company Giving Importance to Women’s Business Life in 2017” within the scope of “Izmir Business World Women Entrepreneurship Awards”.

Altın Yunus

- Altın Yunus was awarded the “2017 Customer Satisfaction Certificate” with its guest satisfaction-oriented approach and quality of service as a result of the evaluation of “otelz.com” customers in 2017.

Our Sustainability Journey

102-12

Sustainability studies at Yaşar Holding have been built on nearly sixty years of experience. Sustainability studies have first started with the aspect of corporate social responsibility. Over time, the Yaşar Holding companies have carried out a number of projects in the fields of education, health and environment.

The implementation of corporate social responsibility and sustainability activities, a natural extension of Yaşar Holding's founding values, in accordance with international standards and in a planned manner began with the adoption of the OECD's Corporate Governance Principles in 2000. In the following period, the Global Compact issued by the UN in conjunction with the Millennium Development Goals was signed by Yaşar Holding in 2007.

Beginning from 2009, Yaşar Holding has started to publish the progress report on Global Compact and on sustainability reports in compliance with GRI standards on a regular basis starting from 2011. Thus, Yaşar Holding has entered into a planned sustainability period and has started to announce its full performance annually to its stakeholders.

In 2016, Yaşar Holding also started to work on compatibility studies with the Sustainable Development Goals (SDGs) announced by the United Nations in 2015. For the last two years since this date, oversight activities have been carried out in all companies, the strategies of compliance with SDGs have been determined and the targets of the Holding have been shared with all stakeholders.

1960-1999

Social responsibility studies extend to the literacy courses and the social opportunities provided to employees by the Dyo Coating in the 1960s.

As a first in the private sector in 1967, for development of art in society, Dyo Coating has begun to organize a painting contest.

The theater built in 1969 in the Bademler Village of Izmir shows the roots of corporate social responsibility.

In 1974, Yaşar Education and Culture Foundation, which basically carries out its activities in the fields of education and culture, was founded in order to strengthen social solidarity, respect for spiritual values, contribution to public services and consolidation of state with individual. While the foundation supports education through educational investments and scholarships, it performs cultural services with Selçuk Yaşar Museum and Art Gallery and Dyo Art Awards. Selçuk Yaşar Museum opened in 1985 also bears the distinction of being Turkey's first private art museum. The foundation has also been continuing its supports to archaeological excavations since 1998.

The Pinar Painting Contest for Children, which was held for the first time in 1981 in order to increase the interest of children in art education and educate painters of the future, has been continuing with the same excitement for 36 years.

Besides, founded in 1987, Pinar Children's Theater has been presenting more than three million children in all Turkey shows free of charge to instill them the love of art. Again, as part of its responsible business approach, support and training provided by Pinar Dairy for raw milk producers in 1975, indicate the historical connections of the values and goals of the Group with the understanding of sustainable corporate responsibility.

Karşıyaka Sports Club is supported for more than 60 years under the leadership of Selçuk Yaşar, Yaşar Holding's Founder and Honorary Chairman. Since 1998, Pinar has provided support to the Karşıyaka Basketball Team and thousands of tiny athletes in the team's groundwork as the main sponsor.

Founded in 1998, Selçuk Yaşar Sports and Education Foundation has brought in Yaşar University, one of the two foundation universities of İzmir.

2000-2008

Compliance with the international standards of corporate sustainability studies began in 2000 with the adoption of the OECD Corporate Governance Principles.

Corporate Governance activities required for corporate sustainability continued with the Corporate Governance Principles of the Capital Markets Board and Human Resources Performance Management Systems.

The journey in the frame of holistic sustainability started in 12 November 2007 by signing the UN Global Compact, which was created for the private sector within the context of the UN Millennium Development Goals. 2007 was also the beginning of the sustainability journey that led to a new transformation and development process for the Yaşar Group.

2009-2010

The first UN Global Compact Progress Report was published in 2009.

The report has been a commitment to the contractual objectives and a way forward. In the following year, with the second UN Global Compact Progress Report, its development and announcement were shared with the public.

In 2010, the Corporate Communication, Sustainable Development, Social Responsibility, Corporate Governance and Ethics and the Corporate Values subcommittees were formed under the committee, set up to implement the 'Corporate Reputation' project. In addition, carbon footprint calculations have been launched within the Group in 2010. Through the Carbon Teams and Leaders, these processes have become widespread throughout the value chain.

Our Sustainability Journey

102-12

2011

In order to further qualify the sustainability journey, the Group implemented the reporting methodology provided by the Global Reporting Initiative (GRI), which is in line with the UN Global Compact, and published the first Yaşar Sustainability Report.

The GRI Reporting approach has provided the opportunity to better manage and assess the activities by means of the consistency, reliability and benchmarking possibilities. Pinar Dairy has started to be traded in Stock Exchange Istanbul Corporate Governance Index.

2012

The CEO Support Declaration of Women's Strengthening Principles initiated by UN has been signed.

Using the e-learning methodology under the brand "Yaşar Academy", a training platform was created for employees.

The Group participated in the "Platform for Equality in Business" brought forward by the World Economic Forum and led by the Ministry of Family and Social Policy.

Pinar Meat started to be traded at the Stock Exchange Istanbul Corporate Governance Index.

Dyo Coating won the environmental prize in the large-scale enterprise category in the 18th Şehabettin Bilgisu Environmental Award Contest of Kocaeli Chamber of Industry.

2013

The Pinar Institute, which was established in order to raise consciousness and awareness of the society in food, health and nutrition topics and to support scientific studies, has started its activities.

All companies have conducted a water survey to determine the needs for water and wastewater management.

"Orientation Procedure" has been published in order to ensure that the orientation process of all Group employees is carried out in a unified manner.

The construction of Yaşar Education and Culture Foundation Special Education Implementation Center and Business Implementation Center with 18 classrooms was completed and handed over to the Provincial National Education Directorate.

Pinar Water started to be traded at the Stock Exchange Istanbul Corporate Governance Index.

In the survey conducted by Superbrands International, Pinar has taken place among Turkey's super brands.

2014

The activities have been started to create a greenhouse gas inventory management system and to calculate the water footprint.

Pinar Dairy and Pinar Meat's Stock Exchange Istanbul Corporate Governance Index corporate governance ratings have been revised upwards.

Pinar has been awarded the big prize with "Pinar Painting Contest for Children" in the category of "Brand Voice", where successful projects in PR field are awarded with Felis awards by Mediacat.

Pinar Dairy won the first prize in the food and beverage sub-sector in the Energy-Efficient Industrial Plant category at the 15th Industrial Energy Efficiency Project Contest organized by the Ministry of Energy and Natural Resources.

Dyo Coating R&D Center has been the most successful R&D center in the chemical sector according to the results of "R&D center performance index" which evaluates all R&D centers.

2015

Animal Welfare Improvement project was carried out in Pinar Meat.

Bursa Plant, which produces Recycled Packed Natural Resource Water, was opened under Pinar Water. Thus, the recycled product capacity increased about 70% from "335,000 tons / year" to "568,000 tons / year".

Pinar Dairy, being the first milk and dairy products producer to be involved in CDP (Carbon Transparency Program), including the water transparency project, has taken first place among volunteers in the CDP 2015 Climate Change Turkey Report.

2016-2017

Depending on the changing world conditions, the UN has presented the new sustainability goal and approach to the public within the Sustainable Development 2030 Goals.

This change has given Yaşar Group a new direction for the sustainability journey and the harmonization and updating between the Group's business objectives and the 2030 Sustainable Development Goals have been realized through the activities carried out starting from the senior management.

Based on these studies, Yaşar Group 2030 Business Goals were prepared, surveillance work was carried out in all companies, compliance strategies with SDGs were determined, and Holding objectives were shared with all stakeholders.

Sustainability Priorities

102-44 102-46 102-47 103-1

As Yaşar Group, we are aware of the importance of determining our economic, social and environmental strategies, which are the main indicators of sustainability and our targets accordingly. In 2015 (by carrying out an update workshop with the members of the Extended Sustainable Development Committee), we have determined the sustainability priorities of the Yaşar Group for three years.

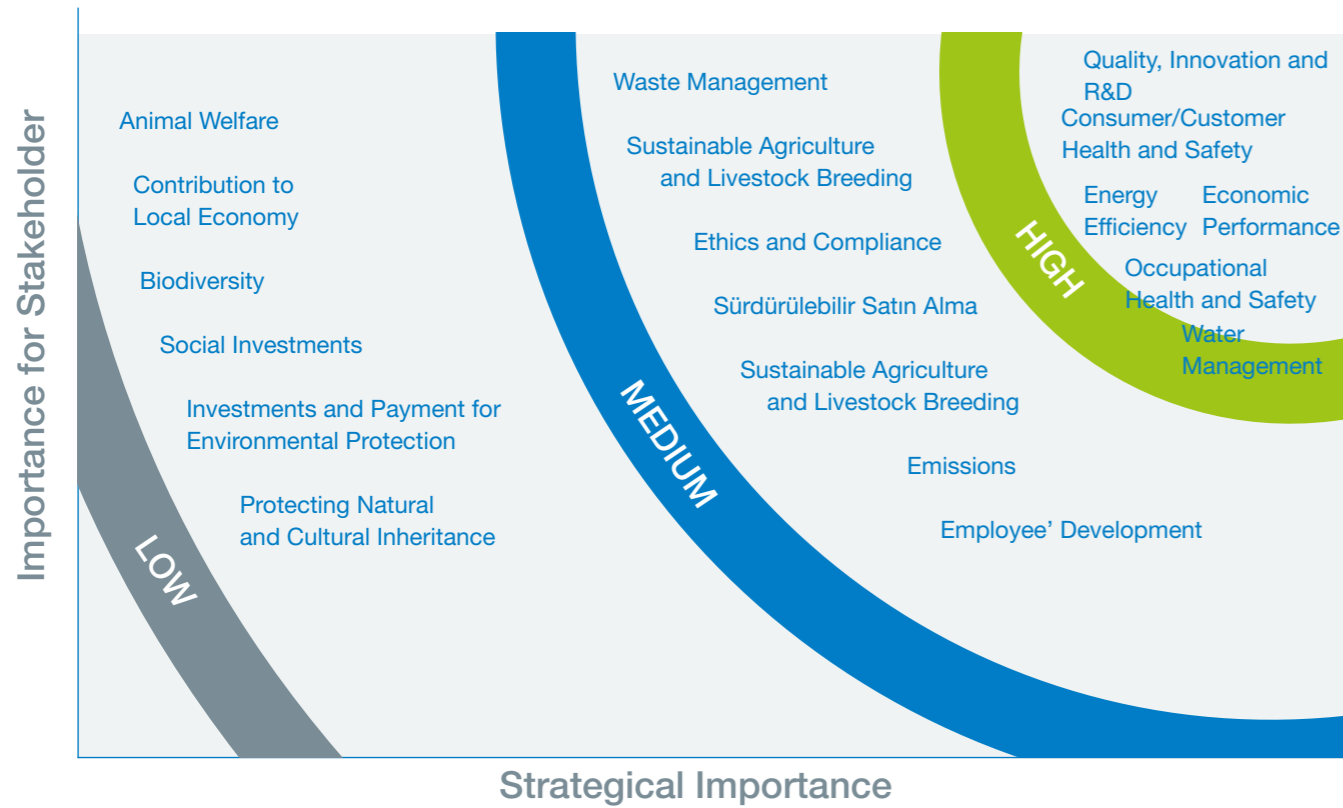
While carrying out this study, many different stakeholder groups were asked their opinion in order to determine the sustainability issues, in the sense that Yaşar Group operates in many sectors and has a wide network of stakeholders. In order to determine the strategic priorities of Yaşar Group, interviews were held with all the senior managers of our Group and opinions were taken via workshops and questionnaires from the representatives of 212 different stakeholder groups including the employees.

In 2017, the "Sustainability Materiality Matrix" was updated in meetings with the participation of Yaşar Group's senior management, members of the Sustainable Development Committees in all our companies, and with face-to-face interviews with our external stakeholders who have been most influential to our activities.

In the Yaşar Group Materiality Matrix, all the priority topics for the Group are included in my report.

Not all the Yaşar Group companies are within the scope of the issues stated in the Yaşar Group Materiality Matrix. Depending on the sectors in which the companies operate, there are differences in some issues.

Yaşar Group Materiality Matrix



Sustainability Priorities

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Like 2016, the issue that we have been focusing on most in the previous period is the compatibility with new sustainable development goals.

In 2016, we have concluded the alignment of our targets which we identified in the context of our Sustainability priorities with the Sustainable Development Goals of UN. By reviewing the key achievements within the context of the Group's business objectives, the alignment with the new sustainable development objectives were analyzed and strategies have been developed for alignment.

We have aligned all our goals that we have identified in the headings: caring for business, caring for society, caring for employees, caring for environment and caring for business partners, which are identified within our sustainability priorities and are the five main focus areas of the Group, with the Sustainable Development Goals.

Caring for	People	Planet	Profit	Partners	Peace	People	Planet	Profit	Partners	Peace	People	Planet	Profit	Partners	Peace
Business				✓				✓	✓	✓		✓	✓		✓
Society		✓	✓	✓	✓	✓									✓
Employees				✓				✓		✓					✓
Environment					✓	✓		✓	✓			✓	✓	✓	
Business Partners	✓							✓	✓	✓		✓	✓		✓

In this respect, we had the opportunity to explain easier that Yaşar Holding sees the risks that the world is facing and how it is possible to act accordingly.

In this report, you can find in detail the results of the studies carried out for compatibility and alignment of key values and key success indicators in Yaşar Group's Holding level with the new sustainable development goals in "Yaşar Group Sustainability Performance" sections.

Following these studies, in 2017, by reviewing our sustainability priorities and success indicators in terms of and business objectives for each company, the compatibility with new sustainable development goals has been analyzed and strategies for alignment have been developed. As a result of these efforts, each company has completed their own compatibility and alignment studies

Companies	People	Planet	Profit	Partners	Peace	People	Planet	Profit	Partners	Peace	People	Planet	Profit	Partners	Peace
Pınar Dairy		✓	✓	✓			✓	✓	✓			✓	✓		
Pınar Meat	✓	✓	✓	✓	✓	✓								✓	
Pınar Water			✓			✓	✓				✓	✓	✓		
YBP			✓	✓	✓										
Çamlı Feed			✓	✓				✓			✓	✓	✓		✓
Dyo Coating			✓	✓			✓	✓			✓	✓			✓
Viking Tissue					✓	✓	✓	✓						✓	
Altın Yunus			✓	✓			✓	✓			✓	✓	✓		



Caring for business

CARING FOR BUSINESS



Economic Performance

Consolidated net sales reached 4 billions of Turkish Liras with an increase of 14.1% compared to 2016, while the assets of the Group grew by 22.6% to 4.2 billions of Turkish Liras. The Group has invested a total of 238.2 millions of Turkish Liras in 2017.

[Read more p.27](#)



Sustainability Management

As Yaşar Holding, we have addressed our compatibility activities with United Nations Sustainable Development Goals at five main topics that constitute the foundations of our values system with the Holding and all our companies. These topics are as follows.

- Caring for Business
- Caring for Society
- Caring for Employees
- Caring for Environment
- Caring for Business Partners

[Read more p.29](#)



Ethics and Compliance

Yaşar Holding's corporate governance structure is constantly monitored in the framework of Corporate Governance Principles adopted in the Group, taking into account the interests of all stakeholders in terms of transparency, fairness, accountability and responsibility.

[Read more p.33](#)



Corporate Governance

Yaşar Group reflects corporate governance understanding, which it considers as an important element for sustainability of its companies, to all of its operation areas from past to today with vision and foresight, its rooted and sound corporate values and culture, ethical understanding, and legal and regulatory compliance

[Read more p.33](#)



Business Ethics

The "Guide to Rules of Business Ethics", prepared in 2009 and published in booklet form in 2010, which reveals the Yaşar Group's business ethics is distributed to all employees in the Community .

[Read more p. 34](#)



Anti-Corruption Practice

All companies operating within the Yaşar Group fight all kinds of corruption, including bribery and extortion, and fulfill all their obligations to prevent corruption.

[Read more p.36](#)



Risk Management

The Early Detection of Risks Sub-Committee under the Board of Directors of Yaşar Holding is responsible for the follow-up of risk management structure and its functioning, the determination of basic policies and strategies, the follow-up and control of the necessary measures against possible risks and the presentation of all these operations and results to the Board of Directors.

[Read more p.36](#)



Memberships

Yaşar Group companies are involved in boards of many different national and international professional societies, chambers of commerce, associations and councils which are related to their sectors.

[Read more p.38](#)



Throughout the year 2017, Yaşar Group has continued to work on identifying new targets for sustainability in the areas where it is needed and identifying those targets that are correlated with sustainability as a requirement to care for business through the decision taken in 2016. The inclusion of targets in the performance system is expected to be completed by the end of 2018.

Caring for business is carried out in accordance with global gender equality, reduced inequalities, decent work and economic growth, industry, innovation and infrastructure, responsible consumption and production and climate action.

Our corporate philosophy, together with corporate governance, especially its business ethics and the institutional values, it has set up for this purpose, and the structure we have emphasized, overlaps with many elements expressed in the UN. You can find the necessary explanations on corporate governance and business ethics on the following pages of this section.

We took an intense work schedule at this time, as always, in order to increase the awareness of our domain, to “intensify relationships with all business partners throughout the Group and to develop partnership understanding for the goals” to widen caring for business philosophy. One of these studies was YBP and Pinar Dairy collaborating with Fazla Gıda. Pinar Dairy and YBP collaborated with Fazla Gıda, which is one of the nine effect-focused entrepreneurship in the world selected to Accelerator 2030 Program supported by United Nations Development Program (UNDP) and the only representative from Turkey in the 2017 Geneva Social Benefits Summit organized by the United Nations Development Program.

Through collaboration, particularly the partnership for the targets, we started our journey to prevent waste in the context of the food hierarchy of food products that are yet to be consumed. The results of the study include: reducing carbon emissions causing climate change, increasing public awareness, and delivering food products to people in need.



In 2017, efforts have been initiated to improve the female employment rate of the Group, particularly in the administrative levels, from the previous period in a more efficient manner. Meetings were held by the Human Resources Department with the senior managers of the Group to raise awareness and assess what could be done, and some principles were set at these meetings.

During the promotion process within the Group, care is taken to definitely ensure that there are female employees within the proposed candidates. As a matter of fact, during the reporting period, 30% of the promoters in the executive level have been female employees.

Within 2018, a Women's Working Group was created and has started working on the project proposals which will be submitted to the management.



In order to develop policies for the development of human rights practices implemented in the Group companies as well as suppliers, and to develop the ethical principles and values to include suppliers, activities have been started under the leadership of the Corporate Governance Sub-Committee during the reporting period. In September 2017, the Yaşar Group Procurement Management Chain Study was conducted and the compliance of suppliers with the human rights aspects and ethical principles / values was also examined. You can find out the details of this study and its results in the section “Caring for Business Partners”.



The “Yaşar Sustainability Contest”, one of the main outputs of our “Caring for Business” philosophy specific to our Group, which has been organized since 2005 and where evaluation is done on economic, social and environmental dimensions that have been expanded in 2016 and become sustainability's sub-headings, had 43 project applications from Yaşar Group companies and 33 projects were evaluated by the jury. 235 employees of the Yaşar Group applied as a team in the competition, in which individual applications were not accepted and applicants were required to apply in teams in order to emphasize the importance of team work.

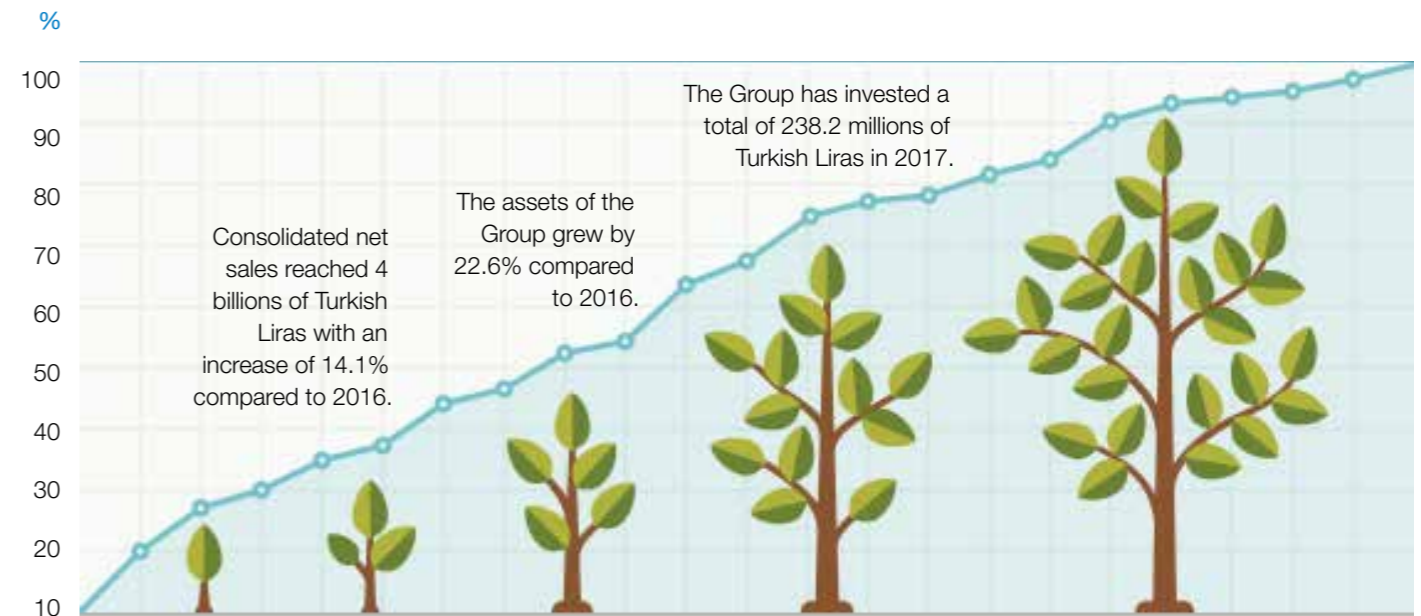
The presentation and evaluation of a total of 33 projects meeting the criteria for applying the Yaşar Group Sustainability Contest, with 15 in economic, 12 in social and 6 in environmental sustainability areas, were carried out on 26-27 September 2017 with the participation of 8 jury members, five of them from the Group and three from outside.

The contest where 19 projects applied in the previous year aims to reward the studies that contributes to corporate sustainability, affects provision of the needs of the future generations with social contribution projects as well as effective and efficient resource use and sustains the Group's corporate values, to provide them as an example in the Group and its dissemination, and to develop the understanding of sustainability in employees.

It has been decided that the announcement of a total of 9 projects which won the prize in each three category in 2017 Sustainability Awards and the award ceremony to take place in the “Yaşar Sustainability Day” event to be held in 2018.

Economic Performance

102-7 103-3



CONSOLIDATED NET SALES
TL 4 billions

ASSETS
TL 4.2 billions

INVESTMENT
TL 238.2 millions

Yaşar Holding continued to create value “For a Better Life” in 2017 with the investments, it has made in the economic, environmental and social aspects of sustainability. Consolidated net sales reached 4 billions of Turkish Liras with an increase of 14.1% compared to 2016, while the assets of the Group grew by 22.6% to 4.2 billions of Turkish Liras. The Group has invested a total of 238.2 millions of Turkish Liras in 2017.

In the food & beverage and paint business sectors, which constitute 94% of the Group's net sales, in the year 2017, 13.5% and 18.7% growth rates were achieved, respectively. On the other hand, a 13.8% growth was achieved in the tissue papers business.

In 2017, when sudden increases in raw material prices are observed in all active business lines in, the Group reached an EBITDA of 415,4 millions of Turkish Liras with 10.3% margin, excluding non-cash expenses such as non-continuing other operating income and expense and depreciation expense for fixed assets, retirement and severance indemnity charges. Gross profit margins were adversely affected by sharp increases in raw material prices; and by focusing on productivity and effective cost management, increase in operating expenses were kept limited and high added value products were focused.

In 2017, Yaşar Holding has made a total of 139 millions of USD in foreign revenues as a result of its exports to more than 70 countries and the activities of its foreign subsidiaries. Foreign revenues accounted for 12.7% of total sales.

In 2017, the efforts have been continued to develop new products at the R&D Centers within the Group Companies and to invest in brands in line with the market-oriented growth strategy. Activities have been carried out to increase the efficiency of the market and to meet customer expectations by highly reputable, reliable and strong brands through extensive sales and distribution channels.

The adverse effect of price competition in all areas of activity of Yaşar Holding, the negative effects of raw material prices in 2017 and the depreciation of the Turkish lira against the US dollar and the euro have been balanced through effective purchasing management and cost management throughout the year and control of operating expenses for the period.

Effective cost control through ongoing operational cost optimization activities throughout the year and a strategy to focus on sales of high profit marginal products across the Group have contributed to the effective management of risks.

Economic Performance 102-7 103-3

The Impact of Economic Performance on Stakeholders

Yaşar Group prioritizes maintaining strong cooperation with farmers, suppliers and the retail sector and sustainable added-value. While the Group companies strive for development of the sectors they are active, they continue ethical and environmentally conscious production and aware of their collective responsibilities.

- Having pioneered the establishment of a sector where agriculture and industry integration is provided more in food & beverage sector, Yaşar Group establishes efficient partnerships with its suppliers aimed to be efficient for both sides. The Group is a regular source of income for a large segment of society, particularly milk and meat producers. Whilst creating added value with healthy, quality feeds and innovative products provided to the producers, job opportunities are provided

to farmers by working in contracts with the producers in the regions where the suppliers are located. Pınar Dairy, which manufactures in European Standards without compromising without sacrificing quality, works with 329 different contracted points, including 133 farms, continuously supports over 18,000 manufacturers through strong relationships and contributes increasing milk production in Turkey. The company carries out training programs on topics such as milk quality, milk health, animal nutrition and preventive medicine in order to inform producers and raise consciousness to produce healthy milk.

- Meeting the meat requirements with live animals purchased from domestic breeding farms in different regions across Turkey, Pınar Meat provides all live turkey purchase and a portion of the cattle purchase from Çamlı Feed, which is a Group company. The company also provides balanced supply chain diversity with the cattle in its own cattle ranch raised with care and latest technological feed rations.

- Paying utmost attention to quality, Dyo Coating carries out sustainable cooperation with its suppliers in purchasing resin, solvent, monomer, titanium, pigment and additive-filling materials, which are the main raw materials of paint production, and packaging.

	31.12.2017	31.12.2016
Directly Produced Economic Value	4,023,206	3,527,055
- Incomes		
Revenue (net sales)	4,023,206	3,527,055
Distributed economic value:	3,762,943	3,275,541
Operating Costs	3,303,421	2,835,069
Employee wages and benefits	409,415	387,203
Payments to provider of capital	30,499	34,624
- Payment to government (by country)	19,608	18,645
Retained economic value	260,263	251,514

* Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.

** The information in the 2017 Yaşar Holding Consolidated Independent Audit Report is used.

*** As the total operating expenses, the cost of sales, marketing expenses, general administrative expenses and research and development expenses in the income table are taken into consideration.

**** Within the scope of employee fees and benefits, personnel expenses included in Footnote 29 of the report are taken into consideration.

***** Within the scope of payments to the providers of capital, the amount of dividend paid in the cash flow table of the consolidated report is used.

***** Within the scope of payments to the Governments, the amount of prepaid taxes included in footnote 38 of the consolidated report is used.

Consolidated Results (thousand TL)	31.12.2017	31.12.2016
Net sales	4.023.206	3.527.055
Short and Long Term Liabilities	3.360.520	2.711.194
Shareholders Equity	882.685	749.775
Main company shares	299.139	259.808
Non-controlling share	583.546	489.967

Yaşar Holding's corporate governance structure is constantly monitored in the framework of Corporate Governance Principles adopted in the Group, taking into account the interests of all stakeholders in terms of transparency, fairness, accountability and responsibility.

Sustainability Management

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Our Sustainable Development Policy

Our Yaşar Holding Sustainable Development Policy is based on our mission and values. Our policy, mission and values are in line with international goals and principles.



The Sustainable Development Committee is the executive of our Sustainable Development Policy under the leadership of the Executive Board. The Committee operates within the framework of identified priorities.

The Sustainable Development Committee encourages implementation of the strategy and implementation of the objectives and the sustainability approach to be dominant throughout the Group, while coordinating sustainability efforts in companies within the Group. The committee also aims to improve the sustainability strategy and implementation tools by assessing risks and opportunities, and to ensure that employees are actively involved in sustainability activities by means of the trainings they are provided. Evaluations made at regular meetings are reported and action is taken according to emerging needs. There are also other committees outside the Sustainability Committee at company level which contribute to sustainable development goals. The related structures, such as Yaşar Volunteers Platform, Waste Prevention Committee, Ethics Committee, Feasibility Committee and Sustainability Contest Committee, work in harmony and integration with Yaşar Group Sustainability Approach.

In addition to this, Yaşar Holding companies are still continuing their presence, especially in foreign markets, in accordance with the framework documents of the markets they are in and the requirements of international certificates. Sustainability practices in many companies require activities beyond local requirements. We try to spread the highest levels of good practices that can be brought in private and generic sense of each sector to other companies.

We also actively implemented an internal structuring that would control and monitor all these strategic goals with Yaşar Holding and sustainability committees in companies. In addition to that, we started to make regular reviews by creating subcommittees and working groups in each title.

The most important sustainability project that we started in 2017 is to be able to constantly monitor our sustainability performance. To this end, efforts are underway to create a “ScoreCard” that will enable all our companies to track our sustainability performance. In the long run, we aim to monitor our sustainability performance digitally and instantly. For this purpose, we also started R&D activities with our IT Company Yaşar Information Systems, which is the Turkey's first SAP user and solution partner. Our goal is to follow all our production, resource use, waste and energy management, carbon and water footprint instantly, and certainly to manage them through strategic decisions. Our other goal is to share our experience with all our suppliers to begin with and then all the companies in the sectors we operate, by the day we achieve this success.

As Yaşar Holding, sustainability is not an issue we want to be successful by ourselves. We want to share our journey and our experience with every enthusiastic person and institution in this area willing to do something for the planet and the sustainable future of mankind. We do not believe that we are at an irreversible point of humanity. We believe that, we can create a greener economy and a more livable world by working together, protecting our differences and sharing common future goals.

Compatibility with Sustainable Development Goals

As Yaşar Holding, we have addressed our compatibility activities with United Nations Sustainable Development Goals at five main topics that constitute the foundations of our values system with the Holding and all our companies. These topics are as follows.



Within this framework, we compared each main topic and our business objectives in these topics to consist of all our companies with UN SDGs and shared with our stakeholders by announcing these as strategic activities in our 2016 sustainability report. In this report, you can find detailed explanations on our activities done for each title and company.

“Protection of the water”, which we regard as not the problem of tomorrow but of today is one of the most important focal points of our entire performance. “Energy efficiency” and “waste management” issues, to be closely related with this issue, are among the subjects that we have taken the greatest distance in sustainability in 2017. We continue to work towards our 2018 targets for both issues.

Water protection is our priority

For Yaşar Holding, all sustainability titles are top priority. But among these priorities, the protection of clean water comes first. This is not only the priority of Pinar Water, but all our companies. According to our opinion, the preservation of clean water is not the issue of tomorrow, but of today. In particular, in a region like Turkey which will be critically affected by the climate action in near future and drought as a negative reflection of that, it is inevitable that this issue comes first for us.

Energy efficiency is an understanding of environmental protection

Energy efficiency is another priority for us. Efficient use of energy is not only about energy conservation. The efficient use of the energy is an overall environmental protection concept that reduces all side effects of producing it.

We do not consider environmentally insensitive projects, which do not look out for the effects of efficient use of energy to climate change, life in water and land, and clean water protection, and we think that they cannot go beyond being short-term projects. For this reason, energy efficiency for Yaşar Holding stakeholders is not only implementing cost reduction, but also the protecting the world we live in. Therefore, many of our employees have participated in our sustainability awards with energy conservation projects with their own initiatives and their own solutions. This is an indicator of a proud transformation for us.

The target of waste management is to reduce waste to the minimum level possible

All our companies have an ultimate goal of reducing waste to the smallest possible amount. In Yaşar Holding companies, many known waste management systems and practices are already being used and existing ones are being renewed. In our understanding, every kind of waste is a transformed state of energy, that is, in fact, potential energy. For this reason, we follow the world for better practices and strive to make progress through our own R&D studies. We believe that, a comprehensive waste management system and awareness across the country, can positively impact our current economy and prosperity at least for more than fifty percent.

All the activities we have done under these topics are shared with all of our stakeholders through detailed explanations and sustainability reports. However, to give some examples here; an industry compatible 4.0 system was established through the band renewal works at Pinar Water plants, the ability to produce with 38 mm diameter bottles instead of 48 mm diameter bottles has been achieved and less raw material consumption, waste-based waste reduction and energy efficiency have been provided. By switching to intelligent production systems at Dyo Coating, cleaning water usage rate at the production passages has been reduced to a minimum by color sequencing. In addition, electricity consumption has been reduced with cooling modernization, and natural gas consumption has been reduced by boiler automation. The radar type level system has been installed in the monomer tanks and the use of CO₂ gas will be terminated in 2018. In Pinar Dairy, blue collar personnel was provided training on the use of pallet stretcher and standardization of manual pallet stretcher winding was provided and the annual manual pallet stretch amount was reduced by 19% in Izmir factory. Saving 19% means that in 2017, 6,310 kg less LDPE plastic materials were used and 37 tonnes CO₂e was reduced. Provided that the same health conditions continue, a reduction has been achieved in use of packing materials annually by 41.3, through the R&D activities performed

on packaging section of Pinar Meat facilities. The use of paper packaging per ton was reduced by 30% through the activity done for 2 boxes to reduce the package thickness. At Pinar Meat, the change of the box system has reduced carbon emissions by 87% during transportation. In product packages that do not come into contact with food, the recycling rate has been increased to 75% in cardboard and 20% in hard foil. In Viking Tissue, which is operating in the paper sector where water use is important in production, water has been reduced by 29% with the last five years through our R&D work, and improvement has been made simultaneously with our blue water footprint.

Our Corporate Social Responsibility Projects

Responsible consumption and production understanding, the twelfth item of the “United Nations Sustainable Development Goals”, constitutes the main starting point of our corporate social responsibility projects.

Scholarship opportunities provided by our foundations to students with limited financial resources, 8 schools we have built to contribute to national education, the Dyo Art Awards, organized by Yaşar Education and Culture Foundation and celebrating its 50th year this year, International Pinar Painting Contest for Children organized for 36 years, Pinar Children’s Theater which brings children together with theater for 30 years, the support we have given for 40 years to archaeological excavations for return of our history to daylight, the support we have given to Karşıyaka Sports Club, the love of our honorary president for 60 years, and our name sponsorship of Pinar Karşıyaka Basketball Team with our Pinar brand for 20 years are our long-term projects in the fields of education, arts, sports and cultural values.

While we share our knowledge and experience with all our suppliers and professionals who use our products, we try to raise awareness of responsible consumption in our consumers and improve their lives. For example, we are trying to improve our business skills, while increasing the knowledge levels of our valuable milk producers on animal health and hygiene issues through the “Future of Our Milk is in Conscious Hands” project, which is a joint project of Pinar Dairy, Pinar Institute and Çamlı Feed. Under the title of Tomorrow’s Value with Dyo, we teach them the fineness of the profession to paint masters and provide them to be certified by Mimar Sinan University. Within the scope of the same project, we developed a guide to contribute to quality and proper painting of our primary and secondary schools and offered it for use by the Ministry of National Education. At the same time, we provided trainings to our children in elementary school on aesthetic and color through fun contents. We continued to support our sister school near the campus of Pinar Meat by meeting its educational and training needs, which is supported by Pinar Meat since 1995. With Yaşar University, we have developed lifelong education opportunities and we have taken sustainability education to our agenda beginning from this year. We also share our many projects with all of our stakeholders in our sustainability reports.

Stakeholder Dialogue

From a value chain perspective, sustainability is a phenomenon involving interaction of internal and external stakeholders which necessitates their evaluation. In this respect, identifying and categorizing our stakeholders and identifying communication platforms and dialogue platforms based on this classification are the most important factors in the implementation of sustainability strategies.

Any and all kinds of persons, organizations and communities affected by the activities of the Yaşar Group or affects the Group’s activities are named as our stakeholders.









As Yaşar Group, with our philosophy of “Caring for Business”, we develop long-term cooperation and communicating openly with our stakeholders, including our employees, our customers, our consumers, our business partners to start with and also our suppliers, our shareholders, public institutions and organizations, international organizations, sectoral associations, NGOs, universities and written and visual media. Our stakeholders vary according to the sectors and companies in which our Group operates and we identify our stakeholders by mapping them on a value chain basis.

We use our corporate values and business ethics in our stakeholder elections. The map that we regularly update is also a powerful tool to monitor, assess and improve our sustainability approach and the effects we create. Developing every domain and proportion, we have created from the raw material procurement process to the consumer is a requirement of our holistic sustainability approach.

Although there is an overall stakeholder management policy of the Group, the stakeholder relationship, communication style and frequency vary according to the company and sector in which the activity is conducted. Customer satisfaction and operational excellence are also important factors in our stakeholder choice along with corporate and sustainability principles. We continue to increase our sustainability performance every year through communication and relationship with our stakeholders on a daily or periodical basis.

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Communication Methods with Stakeholders

Stakeholder Groups	Communication Platform	Contact Frequency
 Our Employees	Trainings, Yaşar Academy Training Platform, employee opinions, questionnaires, bulletins, internal communication materials, electronic communication tools, social activities	Regular/Frequent
 Our Consumers	Satisfaction surveys, phone calls, communication and call centers, social media accounts, sustainability reports, advertisements, dealerships and communication channels	Continuous/Frequent
 Our Investors and Shareholders	Board meetings, annual reports, performance reports, sustainability reports, CDP Climate Change Report, CDP Water Report, investor presentations, general board meetings, internet sites where Investor Relations modules are also available	Regular
 Our Customers, Suppliers & Distributors	Supplier meetings, visits and trainings, distributor meetings and trainings, factory visits, customer visits, satisfaction surveys, participated congresses, meetings and panels, phone calls, communication and call centers, distributorship portals, distributor satisfaction surveys, sustainability reports	Regular/Periodical
 Public Institutions and Organizations, NGOs & Associations	Visits, legislative views, sectoral meetings, congresses, conferences and seminars, developed joint projects, sectoral reports, sustainability reports, membership associations	Regular/Frequent
 Media	Press releases, visits, press conferences, launches, Yaşam Pınarım Magazine, Güzel Yaşa Magazine, Pınar Producer Newspaper, Dyorum Magazine, social media platforms, digital agencies, kisikates.com.tr	Regular
 Universities	Career days, conferences and panels, activities of university clubs and communities, opportunities for internships in Group companies, joint projects	Regular
 Union	Collective Labor Agreements, union representation, factory visits, meetings	Regular

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Corporate Governance

One of the most important aspects of doing business today is the responsibility to all parties involved. For this reason, at every stage of its operations, each and every company in the Group has a responsibility to the parties, it has relations. Corporate governance, which establishes a management understanding regarding the relations of all parties with whom the company is connected to, is carried out with principles such as transparency, responsibility to stakeholders, fairness and accountability.

The corporate governance, regulated and encompassed by the legislation, has led to an increase in good governance practices throughout the world. Corporate governance practices in our country are carried out within the scope of Corporate Governance Communiqué No. II-17.1 issued by Capital Markets Law No. 6362 and Capital Markets Board (CMB).

Yaşar Group reflects corporate governance understanding, which it considers as an important element for sustainability of its companies, to all of its operation areas from past to today with vision and foresight, its rooted and sound corporate values and culture, ethical understanding, and legal and regulatory compliance. In Yaşar Group, interests of all stakeholders are managed in the best way. The corporate governance structure adopted in Yaşar Group is constantly monitored within the framework of Corporate Governance Principles. These principles were published by the CMB in 2003, revised in 2005, and with the amendment made in 2011, many provisions have become mandatory for publicly traded companies. With the Corporate Governance Communiqué numbered II-17.1 issued by the Capital Markets Board at the beginning of 2014, Corporate Governance Principles have been rearranged and finalized.

Within the scope of the corporate governance rating activities carried out by Yaşar Group Companies as a demonstration of the importance given to corporate governance practices and the willingness to dynamically execute these applications; the corporate governance ratings of Pınar Dairy, Pınar Meat and Pınar Water companies were revised upwards by 9.26, 9.29 and 9.46 respectively in November 2017.

The responsibilities of Yaşar Holding's Executive Board and the Board of Directors are separate from each other in accordance with the OECD Corporate Governance Principles. The Chairman of the Board of Directors is not an executive officer at the same time, and the CEO of Yaşar Holding, who is at the head of the executive functions, is responsible to the Board of Directors for all executive activities of the Yaşar Group. At the same time, all processes and responsibilities related to management and organizational structure

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are determined by the "Yaşar Group Corporate Governance Handbook" and the business ethics approach is defined by "Yaşar Group's Code of Business Ethics Guideline" and all of our Group employees are in compliance with this Guide.

The "Yaşar Group Corporate Governance Handbook" defines the principles of corporate governance, the Board of Directors and the decision-making processes of the executive, the powers and responsibilities of the Board of Directors and its sub-committees and roles. The agenda setting and voting principles in the Board of Directors are also included in this Handbook.

Various systems have been set up so that our employees can make a proposal or recommendation to their company's senior management. The Audit Subcommittee, the Early Detection of Risk Sub-Committee and the Corporate Governance Sub-Committee carry out their activities in accordance with the Yaşar Holding Board of Directors, consisting of six members. There are two independent members on the board of directors of the Yaşar Group's publicly traded companies. In this respect, our independent members meet all the independence criteria in article 4.3.6 of the Corporate Governance Principles attached to the Corporate Governance Communiqué No. II-17.1 issued by the CMB.

In addition, five of our publicly-traded companies already have two female members in the board of directors and another has one female member. This is also an indication of compliance with non-obligatory Corporate Governance Principles No. 4.3.9. In addition, the committees required by the legislation have been established within the Board of Directors.

Investor Relations Departments have been established in all publicly traded companies of our Group in order to ensure that the communication between the investors and the partnership is conducted in a healthy and reliable manner within the scope of the Capital Markets Legislation. Within the framework of the relevant legislation, it is ensured that the shareholders, public and other interested parties are informed in a timely, complete, accurate, understandable and equal manner in accordance with the

9,26
The corporate governance ratings of Pınar Dairy

9,29
The corporate governance ratings of Pınar Meat

9,46
The corporate governance ratings of Pınar Water

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information policy established on the transparency and accuracy principle which is published by our company on its website. In this context, companies' wages, compensation, profit distribution and donation policies are also available at the company's website. The website of Yaşar Holding contains information about the activity areas of our Group companies and detailed information can be accessed in both Turkish and English from the "Investor Relations" modules, which are available on the internet sites of the publicly traded companies of our Group and are prepared in accordance with the legislation. The corporate governance process of our publicly traded companies and the progress made during this process are presented to all stakeholders and the public through the Corporate Governance Principles Compliance Reports prepared in the framework of the Capital Market Legislation and included in the annual activity reports.

Audit Committee, Early Risk Detection Committee and Corporate Governance Committee which are structured in the publicly traded









companies of Yaşar Group are established within the framework of the Capital Markets Legislation and CMB Corporate Governance Principles, and the Nomination Committee and the Remuneration Committee are structured within the Corporate Governance Committee.

Since the date, when corporate governance principles were not on the agenda in Turkey yet, Yaşar Holding took important steps as a volunteer in implementing the best management approaches and also manages the "corporate reputation" of a significant value created as a result of many years, and continues to create sustainable values for stakeholders and the wider community with effective and proactive practices.

Business Ethics

To operate in accordance with the values and universal principles of society is possible by acting in accordance with the rules of business ethics. Ethical rules in societies that continue to develop

Yaşar Group Rules of Business Ethics

 <p>Working in a safe working environment, not allowing discrimination and respecting each others personal rights,</p>	 <p>Using company resources efficiently,</p>	 <p>Avoiding conflicts of interest</p>	 <p>Complying with the competition rules determined by the law, competing with competitors in a way that does not disturb market conditions,</p>	 <p>Giving importance to customer satisfaction, being always sensitive and honest to customers and consumers,</p>	 <p>Taking utmost care for the correct preparation of company information, assets and records, protecting it in confidentiality and not using it for benefit,</p>	 <p>Taking care of social benefits and respecting the environment in all activities,</p>	 <p>Adopt a lifestyle outside of work that will not create negative conclusions about the company and will not contradict the rules of the society we are in.</p>
<p>«In a professional business environment, our companies do not tolerate verbal or physical harassment among employees, do not tolerate insults, and do not discriminate on the grounds of nationality, race, sex, ethnicity, religion or marital status.»</p>	<p>«Efficient work is part of our culture. Special effort should be given in order to be productive while doing our work and it should not be forgotten that inefficient work and all wastes affect the company's profitability.»</p>	<p>«This is a conflict of interest if we, or our relatives, gain personal benefits by taking advantage of our position within the company, and lose our loyalty and objectivity to our work.»</p>	<p>«Yaşar Group Companies have to compete with their competitors on the road to success. In doing so, it must act in a way that is legal and sensitive to market conditions.»</p>	<p>«To be successful, Yaşar Group companies must always be sensitive and honest to their customers and consumers. Yaşar Group does not advertise based on misleading information. Information about customers and consumers should be kept confidential.»</p>	<p>«Employees should take care to prepare any information / documents correctly during their duties. All company records must be regulated correctly, timely and legally. Employees should also not share any confidential information they learn during their duties.»</p>	<p>«Production with an approach that values the environment and nature, contributing to create a better tomorrow from the environmental and economic aspects, and corporate social responsibility awareness are among the values of the Yaşar Group .»</p>	<p>«Memberships are allowed in social facilities (foundations, professional and social associations, sports club, school family association, etc.) on condition that they do not disrupt the employees' works and no fees are paid. Employees shall not accept duties or pay any contribution on behalf of the Company for the purpose of supporting political parties or organizations on behalf of the Company or the Group during their duties at the Company. They cannot spend their time or company assets on such applications.»</p>

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within multiple social and cultural dynamics enable universal principles such as equality, transparency and impartiality to be prioritized in the business world.

Yaşar Group, which respects social values in its geographical location, acts in accordance with the rules of business ethics and observes transparency within these principles. The "Guide to Rules of Business Ethics", prepared in 2009 and published in booklet form in 2010, which reveals the Yaşar Group's business ethics is distributed to all employees in the Community, . This booklet is utilized within the scope of orientation trainings provided during the hiring process, and the Rules of Business Ethics are provided through Yaşar Academy, the online learning platform of the Yaşar Group.

Employees who have started work in 2017 have been given 30 hours of Work Ethics Code training.

Employees of the Group companies may notify the Ethics Committee via e-mail, letter or telephone where they find issues, that do not comply with the specified rules of business ethics and they consider as infringements. Ethics Committee is comprised of a total of 5 members who are elected by the Board of Directors of Yaşar Holding, including 1 President among Yaşar Holding Board of Directors members, 3 members of Yaşar Holding's senior management and 1 general secretary. The issues reported to the Ethics Committee are resolved within one week at the latest within the frame of the rules contained in the Guide.

A total of 17 issues were communicated to the Ethics Committee in 2009-2016 and they were resolved by conducting necessary examinations. No issue has been communicated to the Ethics Committee in 2017.

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Anti-Corruption Practice

All companies operating within the Yaşar Group fight all kinds of corruption, including bribery and extortion, and fulfill all their obligations to prevent corruption.

The employees of the Yaşar Group are obliged to work in accordance with the “Yaşar Group’s Rules of Code of Business Ethics”

Within the scope of the Group companies, 30 audits were carried out in 25 functions.

During the reporting period, 3 employees working in our companies has been terminated in the framework of our business principles and our code of ethics.

During the reporting period, there is not any corruption related public case against our Group or its employees. We have not experienced any violation of corruption in our contracts with our business partners. There are no litigation cases that have yet to be settled in order to prevent recompense behavior, trust and monopoly.

Within the context of audit activities, preventive and dissuasive audits are carried out, and internal control awareness and measures are strengthened.

Risk Management

In the globalizing world we live in, identification of global risks and preparing for them have become an approach that addresses only one dimension of the issue. The links between risks and the impact of long-term trends on risk formation or elimination are important issues that determine risk management. The process of classifying risks is specific for institutions in more than one sector and for organizations operating under different business models.

In this context, it becomes important to establish and implement an integrated, systematic and proactive corporate risk management structure by creating a culture with risk awareness, and evaluating and managing all the risks exposed by it.

Our Risk Management Understanding

Corporate risk management in companies affiliated to Yaşar Group; is a systematic process in which risks are defined, analyzed and controlled and monitored. This management approach ensures that both the unexpected risks and the negative effects on the asset values of the companies can be controlled.



- **Determining existing risks by examining all activity areas of companies, business units, profit centers,**



- **Effective risk management with the design of new and effective controls and the permanent implementation of the monitoring process,**



- **Establishing a risk management structure to make the process systematic and continuous, clarifying related duties and responsibilities and sustaining them,**



- **Dissemination of internal communication, ensuring that the risk management process is systematic and dynamic,**



- **Assessing existing controls to avoid risks with identified causes and consequences,**



- **Achieving sustainable profitability and reaching strategic targets by creating a common risk perception throughout the organization in order to manage risks in a consistent and optimal manner,**

are among the objectives of the risk management processes of our Group companies.

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This approach provides companies with competitive advantage while assuring shareholders that the company values are being well protected and developed.

The purpose of evaluating the adequacy of existing risk management and control processes is to evaluate the aspects of the processes that are structured and working to achieve the goals and objectives of the organization and to make proposals for improving the organization’s activities in terms of performance efficiency and productivity

The Yaşar Holding Risk Management function is responsible for overseeing the implementation of risk management strategies and policies in the Group companies and regularly presents its work to the Early Risks Detection Subcommittee, which is affiliated to the Yaşar Holding Board of Directors. The Early Detection of Risks Sub-Committee under the Board of Directors of Yaşar Holding is responsible for the follow-up of risk management structure and its functioning, the determination of basic policies and strategies, the follow-up and control of the necessary measures against possible

risks and the presentation of all these operations and results to the Board of Directors.

In addition, Early Risk Detection Committees, whose members are members of the Board of Directors of our companies holding the shares traded in the stock exchange under the Turkish Commercial Code and the Capital Markets Board regulations, were created in 2013 and the related committees evaluate the effectiveness of the risk control systems and the control methods and actions on reported critical risks.

Risks in the Yaşar Group are monitored according to the Strategic, Operational, External, Financial and Regulatory Compliance categories. The prioritized risks on the basis of categories are managed by the companies, and the control methods, measures and results related to risk are taken into account by the Yaşar Holding Risk Management function; current situation and developments regarding risk factors are evaluated in Early Risk Detection Committees operating under the management boards of Yaşar Holding and related companies.

In 2017;



- The actions required by the legal communiqués and regulations related to the sectors in which our companies operate, in particular for the alignment process of the Personal Data Protection Law among the Group in order to eliminate compliance risks,
- Implementation of action plans for managing information security risk with maximum level of control and follow-up for the measures taken,
- Efforts to effectively manage the brand and reputation risk of the Group,
- Studies to eliminate the financial and operational risks that will adversely affect the profitability of our companies and / or manage them with appropriate control and monitoring methods,

have been performed at Yaşar Holding and Companies level and presented to Yaşar Holding Board of Directors’ information and evaluations after being monitored by Yaşar Holding Early Detection of Risks Sub-Committee.

In 2017, Yaşar Holding Early Risks Detection Subcommittee met six times.

Internal audits are regularly conducted at our Group companies to help companies achieve their goals by introducing a systematic and disciplined approach to assess and improve the effectiveness of their risk management and control processes.

Memberships

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Name of the Organization

ADANA STOCK EXCHANGE
ASSOCIATION OF FAMILY ENTERPRISES (TAİDER)
ALİAĞA CHAMBER OF COMMERCE
ALUMINUM SURFACE TREATMENT ASSOCIATION (AYİD)
PACKED WATER PRODUCERS ASSOCIATION (SUDER) *
PACKED MILK AND MILK PRODUCTS INDUSTRY ASSOCIATION (ASÜD) *
AMERICAN TURKISH COUNCIL
ANKARA STOCK EXCHANGE
ANKARA CHAMBER OF COMMERCE
ANTALYA STOCK EXCHANGE
ANTALYA CHAMBER OF COMMERCE
EUROPEAN FOOD INFORMATION COUNCIL (EUFIC)
EUROPEAN BUSINESS COUNCIL (DEİK)
AYDIN CHAMBER OF INDUSTRY
BAR
FEDERATION OF WESTERN ANATOLIA INDUSTRIALISTS AND BUSINESSMEN ASSOCIATIONS (BASİFED)
WHITE MEAT INDUSTRIALISTS AND BROOD BREEDERS ASSOCIATION (BESD-BİR)
BODRUM CHAMBER OF COMMERCE
BORNOVA FARMER ASSETS PROTECTION ASSOCIATION
BORNOVA CHAMBER OF AGRICULTURE
ASSOCIATION OF PARTNERSHIP MANAGER QUOTED TO THE STOCK EXCHANGE (KOTEDER)
PAINT INDUSTRIALISTS ASSOCIATION (BOSAD) *
BURSA STOCK EXCHANGE
BURSA CHAMBER OF COMMERCE AND INDUSTRY
ÇEŞME TOURISTIC HOTELIERS ASSOCIATION
FOUNDATION FOR ENVIRONMENTAL PROTECTION AND PACKAGE WASTE EVALUATION (ÇEVKO) *
CHAMBER OF ENVIRONMENTAL ENGINEERS
CLEAN SEA ASSOCIATION (TURMEPA)
MARINE CHAMBER OF COMMERCE
FOREIGN ECONOMIC RELATIONS BOARD (DEİK)
DUBAI CHAMBER OF COMMERCE
DUBAI TURKISH BUSINESS COUNCIL
ECCA EUROPEAN COIL COATING ASSOCIATION
AEGEAN REGION CHAMBER OF INDUSTRY
AEGEAN REGION CHAMBER OF INDUSTRY FOUNDATION
AEGEAN EXPORTERS' ASSOCIATIONS *
AEGEAN INDUSTRIALISTS AND BUSINESSMEN ASSOCIATION (ESİAD)
AEGEAN TOURISM ENTERPRISES ACCOMODATIONS ASSOCIATION
CHAMBER OF ELECTRICAL ENGINEERS
ESKİŞEHİR CHAMBER OF COMMERCE
ESKİŞEHİR CHAMBER OF INDUSTRY
ETHICS AND REPUTATION ASSOCIATION
OUT-OF-HOUSE CONSUMPTION ASSOCIATION (ETÜDER)
GEBZE CHAMBER OF COMMERCE
FOOD SAFETY ASSOCIATION *
CHAMBER OF FOOD ENGINEERS
GLOBAL RELATIONS FORUM
GLOBAL REPORTING INITIATIVE
HEAT WATER SOUND AND FIRE ISOLATORS ASSOCIATION (İZODER)
İSPARTA CHAMBER OF COMMERCE AND INDUSTRY
ECONOMIC RESEARCH FOUNDATION
İNEGÖL CHAMBER OF COMMERCE AND INDUSTRY
INTERACTIVE ADVERTISING ASSOCIATION
İSTANBUL MINERALS AND METALS EXPORTERS ASSOCIATION
İSTANBUL COMMODITY EXCHANGE
İSTANBUL CHAMBER OF COMMERCE
İZMİR PROVINCE RED MEAT PRODUCERS UNION
İZMİR SEAFOOD PRODUCERS AND PRODUCERS ASSOCIATION*
İZMİR COMMODITY EXCHANGE
İZMİR CHAMBER OF COMMERCE
KAĞITHANE AYAZAĞA VALLEY URBAN DEVELOPMENT ASSOCIATION
KAPLICA TALASSO AND CURE CENTERS ASSOCIATION
KEMALPAŞA ORGANIZED INDUSTRIAL REGION (KOSBI)
KOCAELİ CHAMBER OF COMMERCE
COMPOSITE INDUSTRIAL ASSOCIATION
KONYA CHAMBER OF COMMERCE
CHAMBER OF MECHANICAL ENGINEERS
MANİSA CHAMBER OF COMMERCE AND INDUSTRY
MERSİN COMMODITY EXCHANGE
FRUIT JUICE INDUSTRY ASSOCIATION (MEYED)
INTERNATIONAL CHAMBER OF COMMERCE (ICC)
MUSICAL WORKS BELONGS GROUP PROFESSIONAL ASSOCIATION
MÜYAP CONNECTED BENEFICIARY PHONOGRAM PRODUCERS UNION
MUSICIANS UNION
NAZİLLİ CHAMBER OF COMMERCE

Memberships

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ORGANIC PRODUCT PRODUCERS AND INDUSTRIALISTS ASSOCIATION (ORGÜDER)
CENTRAL ANATOLIA EXPORTERS UNIONS
PAINT RESEARCH ASSOCIATION
ADVERTISEMENT CLIENTS ASSOCIATION *
SAKARYA CHAMBER OF COMMERCE AND INDUSTRY
DEFENSE AND AVIATION INDUSTRY MANUFACTURERS ASSOCIATION
CELLULOSE AND PAPER INDUSTRY FOUNDATION *
CHAMBER OF INDEPENDENT ACCOUNTANT AND FINANCIAL ADVISORS
BASIC NEEDS ASSOCIATION (TİDER)
THE UNION OF CHAMBERS AND COMMODITY EXCHANGES OF TURKEY GLOBAL STANDARDS CENTER
TURGUTLU CHAMBER OF COMMERCE AND INDUSTRY
TURKTRADE *
ASSOCIATION OF TURKISH AMERICAN BUSINESSMEN
ASSOCIATION OF TURKISH EGYPTIAN BUSINESSMEN
TURKISH MIDDLE EAST AND GULF BUSINESS COUNCIL (DEİK)
TURKISH INDUSTRY AND BUSINESS ASSOCIATION (TÜSİAD) *
TURKISH VETERINARY MEDICINE UNION
TURKEY ENVIRONMENTAL EDUCATION FOUNDATION
TURKEY BREEDING CATTLE BREEDERS CENTRAL UNION
TURKISH ECONOMIC INSTITUTION (TEK)
TURKISH FOOD INDUSTRY AND EMPLOYERS' UNION (TÜGİS) *
TURKEY EXPORTERS ASSEMBLY (TİM)
TURKEY CONSTRUCTION MATERIAL INDUSTRIALISTS ASSOCIATION (İMSAD)
TURKISH QUALITY ASSOCIATION (KALDER)
TURKEY CHEMICALS, OIL, RUBBER AND PLASTIC INDUSTRY EMPLOYERS' UNION (KİPLAS) *
CORPORATE MANAGEMENT ASSOCIATION OF TURKEY
MINERAL WATER PRODUCERS ASSOCIATION OF TURKEY
MUSICAL WORK OWNERS' SOCIETY OF TURKEY (MESAM)
THE UNION OF CHAMBERS AND COMMODITY EXCHANGES OF TURKEY (TOBB)
TURKISH ASSOCIATION OF TRAVEL AGENCIES
THE ASSOCIATION OF TURKISH MILK, MEAT, FOOD INDUSTRIALISTS AND MANUFACTURERS ASSOCIATION (SETBİR) *
TURKISH FODDER INDUSTRIALISTS UNION
NATIONAL FOOD TECHNOLOGY PLATFORM (UGTP)
NATIONAL RED MEAT COUNCIL (UKON)
NATIONAL MILK COUNCIL (USK) *
UN GLOBAL COMPACT (UNGC)
UN GLOBAL COMPACT TURKEY
WORLD ECONOMIC FORUM
INVESTOR RELATIONS ASSOCIATION
CHAMBER OF CERTIFIED PUBLIC ACCOUNTANTS
YENİDEN BİZ ASSOCIATION
CHAMBER OF AGRICULTURE ENGINEERS

* Organizations we take place in the Board of Directors



**Caring for
environment**



CARING FOR ENVIRONMENT



Environment Management

In an attempt to manage and minimize the environmental impacts that resulted from our operations in the most effective way, Yaşar Group has developed methods based on the environmental protection and biodiversity, responsible use of resources, business processes development in an environmental friendly way, and has constituted investment programs according to environmental impact assessments

[Read more p.44](#)



Water Management

Yaşar Group has been struggling to raise awareness since 2017 in line with its goal of “conducting active work and supporting existing work to protect water basins and reserves in the regions where identified facilities were located”.

[Read more p.44](#)



Energy and Climate Management

The Group is aware that the negative impact of energy use on the environment can be reduced by using clean energy, and therefore pursues and supports the policy of producing renewable and clean energy adopted by the national energy politics.

[Read more p.49](#)



Waste Management

Yaşar Group has adopted the idea that the waste is not a “garbage” but a new raw material. Recognizing both the environmental and economic contribution of the correct and effective management of waste, the Group shares this understanding and awareness with stakeholders and business partners.

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Environment Management

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Yaşar Group acknowledges that the environment we interact must be protected while we meet the needs of the society that we serve with high-quality products and services. Since climate conditions change and natural resources decrease, protection of the environment is no longer an option but a necessity. Adopting the philosophy of harmonization of people with the land, while carrying out its activities, the Group aims to use all kinds of natural resources and energy in a sustainable way by providing water, basic foodstuff, cleaning and energy for the society. In line with this scope, Yaşar Group has accepted a holistic approach towards the use of natural resources, water and energy management issues as well as the fight against climate change and the conservation of natural habitats. Group has identified direct and indirect goals for each topic and been acting since 2017.

Our Group is also aware that, within the context of “the goal of sustainable use of extant resources,” both input and outputs of these resources need to be managed effectively. This awareness has led the Group act on the goal of “reducing waste as much as possible.”

In an attempt to manage and minimize the environmental impacts that resulted from our operations in the most effective way, Yaşar Group has developed methods based on the environmental protection and biodiversity, responsible use of resources, business processes development in an environmental friendly way, and has constituted investment programs according to environmental impact assessments. In the decision-making process for new investments, the environmental impact assessments are carried out and flora and fauna of the region are taken into consideration. Besides, the Group is closely interested in scientific and technological developments in every area where it operates and improves its environmental management policy. Thanks to the use of ISO 14001 Environmental Management System methodology

Water Management

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Considering the existence and continuity, water is indispensable for every living being and every ecosystem. Despite its cyclical nature, water is not an unlimited resource. Yaşar Group companies are aware that radical changes and works to protect water resources for a sustainable future are much needed. Displaying sensitivity particularly to the protection of the water basins and investigating the new investments' effects on ecosystem, the Group pursues water management policies in all national and international platforms and shares its own good practices. In short, as Yaşar Group, we maintain sustainable water management by being active and pursuing up-to-date water management knowledge.

With improving environmental management system, finding a middle ground with stakeholders and partners and having good practices; the Group has been carried out water footprint and water efficiency studies in the plants that have been built in different regions since 2014. Moreover, the Group provided constant voluntary support to the Carbon Disclosure Project (CDP) and Carbon and Water Disclosure

within the environmental management policy that was established by the Group in line with the pre-determined targets, the Group achieved a sustainable management system.

With a sustainability approach aiming to reduce environmental impacts, improve business processes and provide efficient use of resources; Yaşar Group follows sustainability studies around the globe and reviews good practices. Furthermore, the Group which has close cooperation with its stakeholders on sustainability, interacts with various international initiatives such as the UNGC and CDP, and examines and benefits from the best practices, measures and evaluation methods of these platforms.

Yaşar Group aligned its goals with global targets and has been working in this direction since 2017. As an outcome of this action, the Group has concluded that the environmental management system should be converted into a more maneuverable, more active and alive system. The Group is also aware that simultaneous data tracking is a critical part of risk assessment and future opportunities. Therefore, Yaşar Group cooperates with one of its companies, namely Yaşar Information Systems, and has recently accelerated its efforts to adapt itself to Industry 4.0 –the most popular agenda of the world. Acknowledging that the exchange of good practices with internal and external stakeholders as well as business partners is essential, Yaşar Group has adopted the goal of “effective development by sharing its environmental policies and efforts to prevent climate change with all its business partners and suppliers.” In this context, the Group's sustainability efforts, including environmental policies and studies to prevent climate change are presented to stakeholders. These activities are as follows: Sustainability reports, Yaşar Holding and company activity reports, press release, participation in news studies, advertising works, interviews, executives' presentations and speeches addressed inside and outside the company.

Program Initiatives in 2017.

Yaşar Group has been struggling to raise awareness since 2017 in line with its goal of **“conducting active work and supporting existing work to protect water basins and reserves in the regions where identified facilities were located”**. Throughout the year, there were numerous studies carried out; and as a result, at the beginning of 2018 two committees have been set up to focus on two important sustainability issues in the Corporate Governance Sub-committee, and the Group decided that one of these committees should focus on a macro-scale issue such as water. Additionally, highlighting the sustainability and environmental topics before the management level is one of the most distinct steps in accordance with the goal of **developing and automating the entire environment-related mechanism - especially the waste management infrastructure – in all Group companies.**

The Group companies have also carried out many studies on protecting water reservoirs and supplies.

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Good Examples and Developments from the Companies

Pinar Water



Company has been receiving advisory services from expert Geological Engineers in two different zones as well as from its own specialists so that new water sources will be explored, new investment opportunities are capitalized on eligible sources and the quantity and quality of sources are not only maintained and controlled but also used in the most efficient way within general perspective.

Considering the use of water, the principle of consuming adequate water for production requirements has been adopted and the amount of water required to sustain nature life and ecosystem nearby the water resource has been released to natural life before the water is channeled to production facilities.



As we started to use automated operating room at Sakarya Hendek Facility, the quantity of water waste used has eventually been decreased.



In line with the target of efficient water resource management and sustainable ecosystem, the fluctuation of water volume (water flow) and the quantity of water for production is monitored (with flow meters) and the conservation of the natural reserve by analyzing water volume for production plan is a priority area.



In all plants, water utilization, water waste in production and recreational facilities are regularly monitored. Thanks to the in-house trainings, the awareness level of our personnel was significantly improved.

Efficient use of natural resources has already been achieved in Aydın Bozdoğan and Bursa İnegöl Facilities thanks to the use of process water (for washing purposes) obtained from wells instead of natural source.

We, as Yaşar Group, closely follow local global authorities, organizations and bodies which can have influence over water sources. Yaşar Group directly or indirectly participates well-established events such as Water and Health Congress organized by Ministry of Health as well as various panels about ecology and water rights that are coordinated by NGOs and where manufacturers in the industry, scientists, decision-makers in all related public institution willfully participate. Additionally, the Group monitors initiatives and studies of EFBW (European Federation of Bottled Waters) via affiliated SUDER (Turkey Packed Water Producers Association) and works coordinately with other industrial key players.

Meanwhile, Pinar Water set a target to contribute the preventive strategy development process with monitoring global and local climate changes as well as involving decision-making processes with its expertise to maintain production sustainability as sectorial requirement and has started to work on this issue. Ultimate attention is paid to the selection of sources that are not close to residential area and also whose essential characteristics such as water flow and chemistry are not dependent to climate changes. In this nature, water sources located at areas which are open to natural impacts and natural life activities has been taken under protection against possible risks. The water reaching the surface in reservation areas is carried to facilities through pipelines which protect the existing quality of water and avoid the loss of health and sanitary qualities. Food Defense Plans are also considered in water resource management and food safety teams conducted local, regional and national risk assessment at the facilities for the sustainability of resources as well as a water quality assessment. The risk analysis revealed that the preventive actions eliminating or mitigating the risk must be identified and implemented. The efficiency of these actions is also monitored through the updates in risk analysis studies.

In 2017, new practices were designed in many Group companies in line with the objective of maintaining efforts related to reducing water footprint that occurs as a natural result of Yaşar Group's products and services as well as creating politics to extend the scope of these works.

Water Management

Pınar Dairy



According to Carbon Disclosure Project (CDP) Turkey '2017 Water Program Report' results, Pınar Dairy was deemed worthy of 'CDP Turkey Water Leaders Award' amongst the companies in leading position in water management.



Water and waste water analyses were performed at the factories and water performance indicators have been established thanks to the elevated awareness about the significance of water management.



There is a production target in performance scorecards for water (tons) / package (thousands).



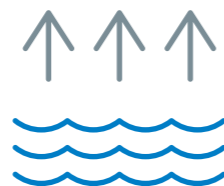
In İzmir Factory, transition to automated valve system in iced water lines of yoghurt manufacturing system has been completed to save more water. Thanks to fact that the working conditions of yoghurt homogenizer are re-organized with an additional work in production system, the amount of cooling water is reduced and eventually water-saving level is improved.

Mains water system has been used throughout Eskişehir Factory. Mains water consumption was 1,193,232 m3 in 2017 while it was 994,102 m3 in 2016. Studies to identify the precise locations where waste water can be re-used are on the way. In Pınar Dairy, there are regular trainings about how to prevent waste water, and other studies to achieve cost-effective practices are passionately conducted.

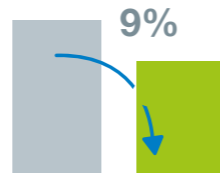
In 2017, daily water consumption analyses were conducted for all manufacturing units. Water consumption data was analyzed on a unit-basis approach and measures were taken to reduce and enhance water consumption. New targets were set for 2018 in manufacturing department studies.



İzmir Factory Water Treatment Facility has discharged considerably less chemical and less contaminated water due to the optimization works executed in cationic polyelectrolyte consumptions. There are savings on environment, energy and consumption costs after the sludge dewatering technology used in the treatment plant is changed and the use of lime is terminated. By means of adding a driver to caustic dosage system of DAF unit in the treatment plant, pH ranges are more stable now and treatment efficiency is improved.



RECORDED IN WATER CONSUMPTION PER TON OF PROCESSED RAW MILK



2016 2017

At Pınar Dairy İzmir Factory, 9% decrease is recorded in water consumption per ton of processed raw milk in 2017 in comparison to 2016. Since the beginning of 2018, the water consumption data analysis has been sustained meticulously, and efforts to reduce and improve water consumption are in progress.

Thanks to the optimization studies that were conducted on in-situ cleaning systems of production processes, washing times are revised so that less waste water is produced in return.

The amount of water discharge is reduced due to the revision of cooling towers that pushes more water to pass through the system.

The amount of waste water is reduced thanks to the revision of Sliced Toast Cheese cooling water.

The amount of waste water is reduced by using lubricant chemicals instead of water used to prevent deformation in packed product conveyor.

Water Management

Pınar Meat

In addition to Carbon Footprint studies, another work has been initiated to reduce water consumption within the framework of voluntary-based Carbon Disclosure Program (CDP). "Water Footprints" of Pınar Meat was calculated and verified in 2017.

Pınar Meat takes 2017 data a baseline and aims at reducing water consumption by 5% m³ / ton by 2021 and 10% m³ / ton by 2023.

High pressure spray nozzles reducing the amount of water utilization were put into use by working with our partner who established our central cleaning system.

Water spraying systems were renewed to cool the products more effectively.



Separate meters were installed in the facility entrances to control water consumption.



Automated control systems that have flow and pressure control were started to be used to prevent excessive water consumption.



In order to reuse the cooling water used in packaging machines, 5 closed-circuit cooling systems were introduced. By this means, it was possible to reuse the heated water that comes out during the operation of the machine.

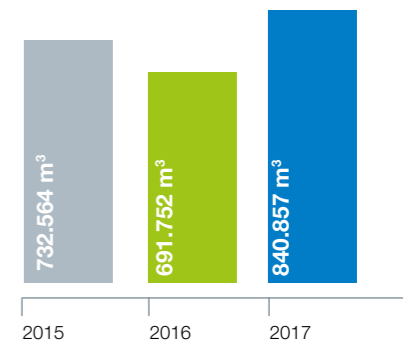


Automated machines that allows dry cleaning in the corridors inside the plant were installed.



A fertilizer separator was provided to dewater the waste after the offal cleaning process, and the pollution was reduced to minimum level by transferring the water squeezed by the machine directly to purification.

WATER CONSUMPTION ACCORDING TO YEARS



Groundwater is used in Pınar Meat facilities and groundwater drawn from 3 separate wells feeds the factory. A total of 840,857 m3 of water was consumed from the wells in 2017. In 2017, the amount of water consumption related to production increased. The water consumption has increased due to the modifications made within the factory and the sanitary works in the newly created utility areas.

Water Management

Dyo Coating

Water targets have been identified within the scope of footprint reduction. Within this context, it is aimed to reduce 10-25% of blue footprints and 10-15% of gray footprints. Investments and studies carried out for this context continued in 2017 as well.

Dilovası Plant Water Footprints Operations and Investments

Operational Improvements:

During the preparation of Weekly Production Plan, it was ensured that similar products have a consecutive order of serial and color transition due to the washing in product transitions. The plans of the fillers were also ensured to make the filling from light colors to dark colors. "Production and Sample Tracking System" screens are placed on the production and filling lines and thus it is maintained that all operators are informed in advance about the next production (serial and color flow). Thanks to these efforts, we enabled to save more water and as we attach great importance to the water saving and its impact on sustainability, monthly KPI follow-ups have been started.

Project/Investment Improvements:

Water System Dust Aspiration System was cancelled and a Vibratory Dry Bag Filtered Dust Aspiration System (Jet Pulse System) was installed. Significant improvements have been achieved in water consumption, waste water production and mud production.

Viking Tissue Altın Yunus

According to the water footprints calculations that Viking Tissue regularly performs every year, Viking Tissue reduced its water footprints by 29% in 2017 compared to water footprints in 2012. Almost all this reduction is due to the gray water footprints.

The daily water consumption in the production lines was 2,650 tons / day in 2016, and it was to 2,450 tons / day in 2017. Additionally, an improvement in blue water footprints have been achieved.



Water needs of the plant are met only by underground water. A total of 83,436 m³ of water was consumed in 2017. The consumed water is monitored individually by the meters located in the facility and the result is evaluated daily by the technical personnel.

All used the water is purified in wastewater treatment facility and re-used for irrigation purposes in garden and forest areas. There is no sewage or cesspool connection, 100% of the water consumed is recycled.

Underground water substantially contributes to the hydrological balance. It is also known that underground water contributes to the solution of problems such as slope stability and slope settlement. It is important to have conscious and responsible utilization of underground waters that contribute to the formations of earth's forms. Therefore, several operational solutions for water and energy conservation are implemented, but the main recycling is achieved through the wastewater treatment plant.

Çamlı Feed



In Çamlı Feed, one of the Group companies, surface water utilization, which was 3,037,125 m³ in 2016, was 2,939,023 m³ in 2017. Also, the underground water withdrawal which was 1,947,723 m³ in 2016, was realized as 1,622,030 m³ in 2017. There is no recycled or reused water. There is no resource significantly impacted by the water withdrawal.

Energy and Climate Management

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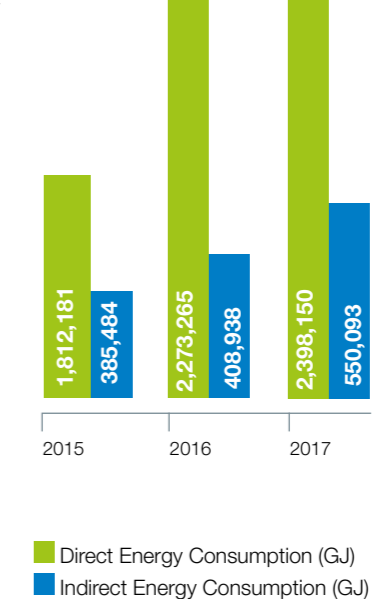
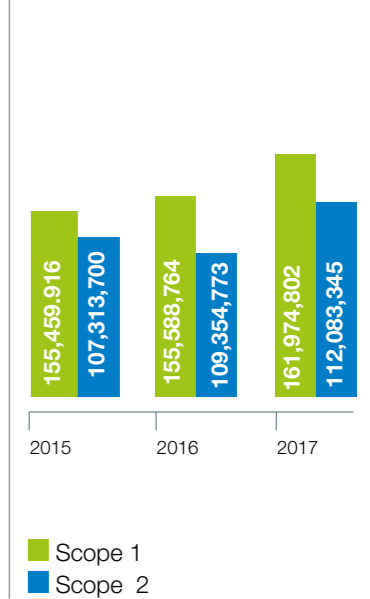
Due to the climate change and rapid depletion of natural resources, the efficient use of energy has become a critical issue for every sector. Yaşar Group follows the research on energy efficiency carried out on the national and international platforms and conducts its own researches on advanced technologies. The Group is aware that the negative impact of energy use on the environment can be reduced by using clean energy, and therefore pursues and supports the policy of producing renewable and clean energy adopted by the national energy politics.

The unconscious destruction of the environment by human beings and the climate change disasters that have accelerated in recent years as the result of the irresponsible use of resources have become one of the most important issues to be tackled in the direction of global targets.

The objective of Yaşar Group in the environmental field is to continuously monitor and improve the energy efficiency activities in all facilities and to create the necessary infrastructure due to renew existing ones; which already lead Group companies to new practices that will enable them to have both environmental and economic achievements.

Following the studies in line with target "reducing average carbon emission 15% per tonne of production until 2020" which was announced in 2012 by Yaşar Group, carbon emission is reduced by 12.35% in 2017.

ACCORDING TO PRIMARY ENERGY SOURCE

GREENHOUSE GAS EMISSIONS (kg.CO₂ / year)

Good Examples and Developments from the Companies

Pinar Dairy



- Pinar Dairy successfully passed the TS ISO 50001: 2011 Energy Management System audit in 2017 and was granted the right to renew the certificate.

- Establishing environmental activity plans and programs at the beginning of each year, the Company is carrying out improvement works aimed at reducing resource and energy consumption throughout the year.

- In 2017, robot automation projects that increase the line performance with the reduction of operational costs in production lines have been continued. It is preferred that all the investments made are of low power consumption and that operate with minimal energy consumption during their economic life.

- In 2017, various targets were set to improve energy and chemical consumption for all manufacturing units. Targets were followed up regularly throughout the year and business results were analyzed. Within the year 2018, new targets were set in the breakdown of the manufacturing department.



- Before the process investments realized in 2017, the energy-water-air consumptions to be consumed by the systems for the next 15 years were examined in the technical specifications, the process investments with the least consumptions were made. Thus, it is aimed to reduce the amount of energy consumed per ton of product produced.

- Steam consumption was optimized by conducting steam surveys. Steam condensate waters were collected by conducting steam trap operations on steam lines.

- The transfer system investments to reduce the transfer operations of the product pallets in the factory are of great importance to reduce the transportation costs and operational expenses, to optimize the use of natural resources and to reduce carbon emissions. The investment plans for the dissemination and development of the investments made in 2018 have already been designed.



- In the Eskişehir factory, the lighting used in cooling and compressor room was replaced by LED lighting. The 41 halogen projector lights used for exterior lighting were converted into LED

Energy and Climate Management



lighting. In 2017, we continued LED lighting transformations in the interior lighting of our plant. Our efforts were continued in 2017 to replace the engines with high level of energy consumptions with EFF3 electrical engines with high level of energy efficiency.

- The entire lighting system of Ankara regional storage that is one of the regional storages was replaced with LED lightening systems in 2017. Works have been started to replace the lighting of Bursa regional storage with LED lighting system in 2018. Moreover, in 2017, within the framework of energy saving and energy management system, the administrative buildings of Bursa and Ankara storages were jacked to prevent heat and energy loss.

- In İzmir factory, projects were carried out within cost reduction operations. Efforts to make more efficient use of energy resources have continued. In this respect, an energy analyzer was purchased and the energy analyzer analyses were performed on the machine-based high power units. Additionally, sludge dewatering technology used in the treatment plant was changed and the use of lime was terminated. Thanks to these achievements, improvements have been made in terms of environment, energy and costs. Steam saving was also achieved by using hot water in cleaning yoghurt manufacturing.

- In Şanlıurfa factory, energy losses were reduced thanks to the isolations in the steam lines of UHT system. The filters of air conditioning plants were replaced with carbon based filters to prevent environmental pollution.



Pınar Dairy Energy Consumption (Eskişehir)

	2016		2017	
	Total consumption (GJ)	Energy consumption per ton in production (GJ)	Total consumption (GJ)	Energy consumption per ton in production (GJ)
Natural gas	252,908	1,314	286,679	1,438
Diesel	56,997	0,296	52,441	0,263
LPG	594	0,003	471	0,002
Electricity	93,644	0,487	102,203	0,513

Pınar Dairy Energy Consumption (İzmir)

	2016		2017	
	Total consumption (GJ)	Energy consumption per ton in production (GJ)	Total consumption (GJ)	Energy consumption per ton in production (GJ)
Natural gas	76,719	0,596	25,360	0,197
Diesel	47,253	0,367	52,591	0,409
LPG	769	0,006	590	0,005
Electricity	101,067	0,785	101,940	0,792
Diesel	200,314	1,556	245,594	1,908

Pınar Dairy Energy Consumption (Şanlıurfa)

	2016		2017	
	Total consumption (GJ)	Energy consumption per ton in production (GJ)	Total consumption (GJ)	Energy consumption per ton in production (GJ)
Natural gas	50,237	1,874	61,285	1.432
Diesel	10,701	0.399	16,878	0.394
Electricity	18,478	0.689	22,626	0.529

Energy and Climate Management

Pınar Meat

In order to reach the highest level of energy efficiency in production areas, a joint production plan is conducted in the machines and machine groups that can be jointly used. For this purpose, we continue our production, particularly in frozen product units, by planning joint productions with the priority given to efficient use of machinery. Moreover, energy use in the machinery and equipment to be purchased within the scope of investments is considered as a priority of purchasing preference.

Energy saving practices:

- Roofing materials of our cooled production buildings were replaced with insulated materials.
- More air-saving inverter-based air-conditioners are being preferred in the offices.
- Insulations in the auxiliary and production facilities were renewed.
- The lighting in the plant were gradually replaced with LED lighting system.
- A proportional burning system was introduced to improve the combustion efficiency of the steam boiler.
- Projects for heat recovery in steam systems were launched (water heating system with flue gas).

- New projects have been implemented in the condensation systems for more efficient operation of the cooling systems.

- With the heat exchangers in the rendering process, the recovery of waste steam energy has contributed to the performance of deodorizer.

	2016	2017
Electricity (GJ)	109,290.98	111,081.99
Natural Gas (GJ)	162,417.39	164,099.47
Refrigerant Food Gas (kg)	2,190,900	2,207,980
Steam (kg)	59,598,647	60,215,882

- Compared to the previous year; the production amount increased by 2.82%, the electricity consumption decreased by 1.24% per ton product, and the natural gas consumption decreased by 1.83% per ton product. It is aimed to reduce both natural gas and electricity consumption by 2% per ton for 2018.

Pınar Water

- The filling line of 5L and 10L production in Sakarya Hendek Plant was moved to Bursa İnegöl Plant which has the most up-to-date infrastructure and production equipment; which aims to provide a 45% increase in the efficiency of the line especially thanks to the advantages of technological infrastructure and location.

- The investments in storage areas increased the storage capacity, resulting in reduced storage and logistics costs. Thanks to the investments in Bursa İnegöl Facility, logistics costs have been considerably reduced in company totals. In parallel with the increase in the capacity due to the investments already made in technology and automation systems, the unit product energy costs have been minimized.

- Sakarya Hendek Plant is mainly engaged in export-oriented production with a new planning approach aiming at the efficient use of plant production capacities, easy access to marketplace, reduction of storage and logistics costs, increasing the uninterrupted production capabilities by eliminating the requirements of line change and other locations are intended to maintain production with a strategy based on specific product groups for internal market.

Thanks to these energy efficiency works, Pınar Water has reduced the carbon emission value in 2017 by 13% compared to 2016 values.

Pınar Water Greenhouse Gas Management

(kgCO ₂ e)	Energy Direct Total	Energy Indirect Total	Total
2016	809,922	8,477,992	9,287,914
2017	621,770	7,684,455	8,306,224

	Production (tone)	Energy Direct (kgCO ₂ e/tonne)	Energy Indirect (kgCO ₂ e/tonne)	Total (kgCO ₂ e/tonne)
2016	549,488	1.47	15.43	16.90
2017	567,866	1.09	13.53	14.63

Energy and Climate Management

Dyo Coating

Energy Density (kWh/tonne)	2016	2017
Çiğli	315	455
Dilovası	152	141
Turgutlu	936	743

Note: The Electricity and Natural Gas energy type are included in the Raw Plant's energy density ratio. The type of electric energy is included in the ratio of the energy density of the Dilovası Plant.

The energy intensity of Dyo coating in Dilovası and Turgutlu Plants has declined in years. However, there has been an increase in the use of cooling gasses for processes in the recycling of cooling water in enterprises.

YBP

The following table shows the energy resources (non-renewable) used in regions and energy consumptions in gigajoule units in YBP. 91.5% of YBP's greenhouse gas emissions are direct energy consumption, mobile combustion and fixed combustion, and the remaining 8.5% is indirect energy consumption.

Total energy consumption (gigajoule)

According to Primary Energy Source	2015	2016	2017
Direct Energy Consumption	327,663	300,501	313,648
Indirect Energy Consumption	1,300	1,339	1,301
TOTAL	328,963	301,840	314,948

Viking Tissue

According to the Primary Energy Source	2016	2017
Direct Energy Consumption	351,590	334,648
Indirect Energy Consumption	184,768	178,652

The amount of paper produced with 1 TOE (Tons of Oil Equivalent) in 2017 is 4,212 kg. The consumed natural gas and electricity consumption is converted to TOE and the total amount of paper produced is divided by the resulting TOE value. Only the energy consumed in the plant was used in the ratio. There is no energy consumption outside of the plant. With the aim of improving and developing energy resources used in the production process, cogeneration investment was made with Desa Energy in Viking Campus. This facility, which was tested in the last months of 2017 to reduce in the amount of energy consumption per ton of paper produced, has been in service since early 2018.

Energy and Climate Management

Carbon Footprint Reduction Studies

With the awareness that Yaşar Group must take steps for a sustainable world in this period when we acutely see the consequences of climate change, we have set the goal of "maintaining expanding the scope of carbon footprint reduction studies". In this context, the activities of the Group companies can be listed as follows.

Pınar Dairy

According to the results of Turkey 2017 Climate Change Report, "Pınar Dairy Carbon Disclosure Project" has been awarded CDP Turkey Climate Leaders Award among the companies showing outstanding performance for the fight against climate change. To reduce carbon footprint, Pınar Dairy maintains to work in three factories.

Altın Yunus

In order to use energy efficiently, Altın Yunus is trying to reduce expenses by choosing the latest technological products in new investments. Examples include condensing hot water boilers and frequency inverter motors which are incorporated in the plant infrastructure.



Dyo Coating

Carbon Footprint Projects at Dilovası Factory

It is aimed to reduce energy consumption in the Gebze Factory Bağlayıcılar Plant with cooling system renewal/modernization and cooling tower projects. In addition, a 50% reduction is anticipated thanks to the modernization in the consumption of refrigerant.

With the monomer tanks radar type (new) level indicator system project, the radar type level measurement system project has been initiated and the use of CO₂ in tank level measurements will be abolished in 2018.

Two automatic boiler automation systems were installed in Dilovası plant and automatic surface and bottom blowdown amounts and durations were brought to a standard level. Thus unnecessary heat losses are prevented and natural gas consumption is reduced.

Moreover, in the transportation works of Dilovası Plant, the number of portable loads were kept at the highest level in one operation and carbon emissions were reduced by having less fuel consumption.

Çiğli Factory Carbon Footprint Projects

LED bulbs are used in lighting system in the new parcel investment.

The old systems in the existing factory are being replaced with LED armatures gradually depending on the investment budgets by years.

We take advantage of natural lighting by utilizing the transparent roofing.

2 heat oil cycle pump motors and 2 cold water cycle pump motors were replaced with high efficiency motors. Other existing pump motors have been maintained.

The steam generator and the heating oil and steam installations in the production have been completely overhauled and the insulation and leakage problems have been eliminated. As most of the energy losses in the heating system are resulted from these units, the maintenance contributes to increase the efficiency.

1

An evaporative system with no carbon emission was installed as it does not emit greenhouse gas for comfort cooling in production areas and uses the principle of water evaporation to cool the air in the system.

2

The machines in the production processes were renewed and the latest technology high-efficiency machines have been used.



Energy and Climate Management

Pinar Meat

Pinar Meat, forming its environmental policy in line with the productive use of natural resources and putting environment friendly practices into action, aims to reduce its carbon emission by 15% by 2020. Pinar Meat reduced its carbon emissions by 10.79% in 2017 compared to the baseline year of 2010.

Studies carried out in this context are as follows:

Approximately for 10,000 m² area of uninsulated roofing materials were replaced with insulated roofing material. In addition, the insulation on the heating and cooling systems is regularly refurbished to prevent heat losses.

LED luminaires and photocells has started to be used in lighting systems. The projects for heat recovery in steam systems were put into operation.

Combustion efficiency was optimized in steam boilers and new projects have been applied in condensation systems for more efficient operation of cooling systems.

The recovery of the waste steam with the heat exchangers in the rendering process contributed to the performance of the deodorizer.

Viking Tissue

Carbon footprint was reduced by 4% in 2017 compared to 2016 and by 17% compared to 2010, the baseline year.



Çamlı Feed

Çamlı feed achieved 125.3 GJ/year energy savings due to the improvements made in fish feed production plant, cooling plant and lighting system of Çamlı Feed, and it reduced greenhouse gas emissions by 25,617 KgCO₂ in 2017.



YBP

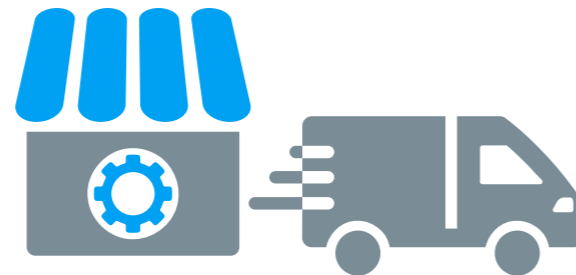
Any improvement that affects particularly intercity logistics and intra-city distribution not only increases the company profitability and operational efficiency but also mitigates environmental damage and reduces carbon emissions.

Intra-city and inter-city planning with micro and macro distribution programs are carried out in such a way to enable distance (km) and load optimization. In this respect, carbon emissions are also prevented by saving both the actual distance (km) and the number of vehicles.

Considering the increase in sales tonnage since 2011 that is accepted as baseline year and consequently the increase in operational processes; the reduction in the amount of per ton of product is a direct result of these savings.

YBP, considering that energy consumption is at the highest level during share distribution, has been working with certain optimization programs minimizing the process so that carbon emission can be controlled and reduced. As a result of this effort as well as the tissue savings explained in Waste Management section and digitalization works, YBP has reduced the carbon emission rates by 2.5% per product compared to 2016 values.

YBP has reduced the carbon emission rates by 2.5% per product compared to 2016 values.



kg. CO ₂ / year	2015	2016	2017	2017 / 2011 %
YBP	26,859,451	25,313,620	25,798,429	6.28%
Product Sale (tons)	322,049	324,250	337,602	9.03%
Emissions per unit product (tons)	83.40	78.07	76.42	-2.52%

Waste Management

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The production processes, by its very nature, generate both product and waste at the end of the process activity. Wastes coming from the product can be used as a new raw material if they are managed with a sustainable point of view. Waste management not only refers to production process management or package management of the end user but also is defined as a set of principles covering all these main and intermediate steps. This journey, starting with the reduction of waste in its source, involves the reuse and recycling of waste and its recovery as energy, and eventually the waste disposal.

Yaşar Group has adopted the idea that the waste is not a “garbage” but a new raw material. Recognizing both the environmental and economic contribution of the correct and effective management of waste, the Group shares this understanding and awareness with stakeholders and business partners.

Our Group is also among the founders of the ÇEVKO Foundation. Recycling is carried out according to the objectives determined by the Ministry.

The Recovery Amount by Year (%)

Packaging Type	2014	2015	2016	2017	2018*
Paper-Cardboard	44	48	52	54	54
Plastic	44	48	52	54	54
Glass	44	48	52	54	54
Metal	44	48	52	54	54
Wood	5	5	7	9	11

(*)Planned

Within the scope of the consumer awareness of environmental impact of all products including packaging and collective adaption goal of active environmental protection, the

Group companies have various good practices with the consciousness that natural resources are limited.

Good Examples and Developments from the Companies

Pinar Dairy



We continue to upload all registration related to all internal audits and inspections into the online system established by Ministry of Environment and Urbanization of Turkish Republic.

Pinar Dairy, attaching a great importance to environment sensitivity, is in search of alternative ways and solution-oriented studies to identify the possible conditions that can negatively affect the environment due to production and utility activities and to minimize them.

All wastes generated from the production and usage activities are send to and disposed by the companies holding the licenses by the Ministry of Environment and Urbanization. Evaluable wastes are sent back to the licensed company for recycling and they are recycled for the sake of economy. Organic and domestic wastes are also sent to landfill areas of the metropolitan municipalities.

According to the “Regulation on Major Industrial Accidents”, with the Seveso Declaration submitted to the Ministry of Environment and Urbanization, the possible effects of the chemical substances in Pinar Dairy on the environment and human beings are evaluated by the Ministry and the level of organization is determined.

Waste Management

The Cooperation with ÇEVKO

Pınar Dairy organizes informative training activities for consumers and municipalities about the collection, recycling and recovery of packaging wastes in cooperation with the Foundation for Environmental Protection and Packaging Waste Evaluation (ÇEVKO).

In addition to trainings provided to increase the environmental awareness among employees, additional trainings are also provided within the scope of ISO 14001 Environmental Management System studies. Additionally, annual Environmental Management System audits are performed by the Turkish Standards Institute (TSE).

Pınar Dairy, which has the "Environmental Permit Certificate" entitled by the Ministry of Environment and Urbanization in İzmir, Eskişehir and Şanlıurfa factories, is subject to the necessary supervision and controls by the competent government agencies on a regular basis within the scope of compliance with environmental legislation.

Within the framework of the Decree on Monitoring and Reporting of Greenhouse Gas Emissions in accordance with the legislation, having prepared the "Greenhouse Gas Monitoring Plan", the Company, by notifying the Ministry of Environment and Urbanization, has also completed the Greenhouse Gas Inventory Management System software.

Pınar Dairy is active in the direction of its management system policy

as a company that invests in environment, uses natural resources most efficiently, operates in accordance with environmental legislation and works in harmony with the legal regulations related to the environment.

The efforts aiming to reduce the use of resources in packaging materials has been made possible within the scope of plastic and paper materials and has contributed to sustainability and economic gain. The use of paper has been reduced by 5 tons of per year, by eliminating the use of corrugated cardboard separator used in parcels in Protein Yoghurt product with the newly designed parcel. Reducing the use of 5 tons of paper means reducing 2.5 tons CO₂ emissions. In the product of Cottage Cheese 500 g, with the newly designed parcels, the number of product in parcel increased from 6 to 8; which resulted that the amount of paper used is reduced by 36% per year. Thanks to the more efficient pallet arrangement, the carbon footprint in our logistics process has also been reduced. As we started to supply open-top foil of 350 gr sliced cheese products from a domestic company, we achieved not only the indirect reduction of carbon footprint of the raw material logistics but also a valuable economic gain. We also provided trainings for our blue-collar personnel to standardize the manual pallet stretcher winding and managed to reduce annual amount of manual pallet stretcher by 19% in İzmir factory. 19% saving ratio means that 6310 kg less LDPE plastic material was used in 2017 and 37 tons of Co₂ was reduced.

Pınar Meat

Protecting global resources is the top priority in all studies conducted by Pınar Meat. Significant reductions in paper and plastic packing materials have been achieved during studies on packaging materials. By replacing 500-micron hard bottom foil with 350-micron for "Doyum Turkey Cocktail Sausage and Barbecue Delight Turkey I.i.G. Sausage" product, the use of hard bottom foil has been reduced by 41.3% from the beginning of the project and we aim at achieving 55% annual reduction.

Thanks to the transition to automated systems for "Aç-Bitir" Sliced products, the design of parcels used was modified. In the new design, 19 kg less paper was used in one parcel in comparison to the previous parcel designs. Thanks to the new design for the parcels, 104 tons of less paper was used in 2017. The transportation means of new parcels reduced carbon emission during transfer by 87%.

With the improvement work done on the perforated parcel of "Lezzet Keyfi Cocktail Sausage 290 gr" product, the use of paper was reduced by 35%.

For "Aç-Bitir Hungarian Salami" products, 70-micron soft top foil was replaced with 65-micron and consequently the use of soft top foil has been reduced by 12% since the beginning of the project and we aim at reducing by 15% annually.

As Pınar Meat, we permanently continued our project "Bring 10 Batteries, Plant 1 Tree" as in every year



The corrugated cardboards used in the product packaging have been produced by using 75% recycled paper. Hard foils are produced from 20% recycled materials.

Waste Management

Dyo Coating

With the awareness that wastes should be managed in a hierarchical manner, the goal of developing and automating the whole environment-related mechanism, especially the waste management infrastructure, has been determined in all Group companies and studies have been started. In this context, Dyo Coating has tried to reduce transport distances using regional storages and regional suppliers for the heat insulation work unit, and as a result of using less number of vehicles in less distance, vehicle waste is reduced.

In order to respond to the preferences of the consumers in accessing clean, healthy and qualified water, consumers are offered products in all packaging alternatives in different water categories including PET and glass bottles.

Pınar Water

In order to respond to the preferences of the consumers in accessing clean, healthy and qualified water, consumers are offered products in all packaging alternatives in different water categories including PET and glass bottles. In the sense of sustainability, Pınar Water regularly supports the content of the environmental icon that emphasizes plastics reduction in pet packaging and responds to the objective of jointly adopting active environmental protection. Automatic shrink machine has been introduced as an alternative to the manually made cardboard pan process in the glass bottle line at Aydın Bozdoğan Plant. Following this transformation, the use of cardboard packaging material has been reduced and an innovative technology has been introduced by reducing the cost of labor. Besides, the revisions were conducted in the line of 5L and 10 L products and the line has been changed from a 48-mm bottle diameter to 38-mm bottle diameter to achieve the ability to produce with lower weight bottles in this product group. As a result of this study, a cost improvement was achieved in which packaging material waste was reduced by using a lower weighted preform, a lower weighted cover and lower weighted carrying cases. In Isparta Eğirdir Plant, the improvements made in the product pallet stretching process in the production of glass water, the amount of stretch usage was reduced, and the improvements made in the production process and the efforts made to decrease the package weight used in the glass product were successfully accomplished to reduce the environmental effect caused by packaging waste and reduce the cost.



YBP

With the awareness of sustainability, it is an important saving effort in YBP to avoid print outs of inventory reports, minutes and e-mails and have less archiving activities, to minimize paper consumption by saving documents in digital medium, work more efficiently, lower the cost of stationery, save workload and power, and to reduce the number of documents. In addition, you can find detailed information about the Autonomous Project, another application that saves paper, in the section "Quality, R&D, Innovation".

Caring for society



CARING FOR SOCIETY



Consumer/ Customer Health and Safety

Consumer / customer health and safety is the primary issue that Yaşar Group takes into consideration while carrying out its activities. The Group, which focuses on the principle of adding value to life, carries on its business in a structure that respects the law, is supervised by authorized institutions and organizations, and complies with the standards required by the sector; and the Group always cares for consumer and customer health.

[Read more p.64](#)



Quality, Innovation and R&D

Yaşar Group acknowledges that sustainability can be achieved by developing scientific and innovative solutions to maintain high quality in future operations without compromising quality in today's operations and its R&D activities help the group to get better and stronger.

[Read more p.67](#)



Sustainable Agriculture and Livestock

The Group believes that efficient and responsible use of natural resources, supporting sustainable agriculture and livestock are key to solving these problems and therefore provides support and development opportunities to all of its shareholders including most notably its producers.

[Read more p.70](#)



Social Investments

With its nationwide supply chain, export volume, added values and direct - indirect employment created, Yaşar Group supports local development and economy and has carried out its operations successfully since the day it was founded with the principle of adding values to Turkey.

[Read more p.71](#)

Yaşar Group's perception of caring for society and consumers is not only confined to the presentation of products and services in a healthy and reliable manner, but it is also a set of values that is complemented with the Group's corporate citizenship awareness and its performance as required by this awareness.

The health of each consumer served with product and each customer provided with service have been (without any conditions) the primary priority of every company within Yaşar Group since its establishment, and the Group has planned and carried out all the steps during its development in accordance with this framework.

The Group's innovative understanding of business, led by the changing needs of the society in accordance with the new era it operates in, has been shaped through R & D studies in various aspects such as being scientific, responsive to the requirements of society, and focused on the improvement of quality. This business mentality is in line with the goals of global development aligned with Yaşar Group's business and makes it visible by materializing customer and community health policy statement, which is the Group's priority.

Yaşar Group not only presents an innovative and equalitarian approach considering the customer and community health principle to the requirements of the present era but also meets the needs of all the geographies and cultures in which it operates. Moreover, it closely follows, supports and endeavors to be a part of social issues and social studies which focus on geographical areas it provides service. In addition to the initiatives that we engage as Yaşar Group companies, we also develop our own corporate social responsibility projects in the geographical regions where we are active and contribute to the development of society by setting an example to the sectors in which we operate through these projects.

Yaşar Education and Culture Foundation, which carries on its business activities with the awareness that the development of society can only be possible with modern and qualified education, makes it its primary focus to be beneficial to society through educational institutions.

Yaşar Group, which interiorizes the perception of contribution to society, directs its social works with a perspective that does not skip any link of the value chain. The Group takes all its innovative steps with all its suppliers, stakeholders and consumers, and strives to create a collective consciousness by sharing its resources.

Yaşar Group has worked to achieve the business goals it set for "Caring for Society" and has aligned these efforts with its sustainable development targets.

The activities and practices executed by our Companies in line with the goal of accelerating studies towards the development of a sustainable agricultural understanding in the agricultural sector are presented in the "Sustainable Agriculture and Livestock Breeding" subsection.

The companies of the Group conduct various studies in different fields within the goal of extending all products of the Group towards the development of a healthy society in order to contribute to the presence of healthy individuals. Some of these studies can be found in the following sections of the report under the title "Consumer / Customer Health and Safety".



Various studies were carried out in 2017 to increase the number and improve the quality of the trainings provided for all stakeholders within our value chain. Within this context, throughout the Group;

- Following the training of internal trainers in October 2016, we provided our 1,515 hours of sustainability training in classroom environment to our employees in 2017. 1,187 hours of these trainings were given by internal trainers and 328 hours by non-Group organizations. We also ensure that our employees participate in sustainability summits and trainings.
- Within the scope of the Sustainability Contest, information training sessions were provided first to the competition representatives and to the HR staff, and they were expected to provide these training in their Companies and disseminate related information through the information points established in their Companies. Moreover, we also organize trainings at Yaşar Academy.


We provided our
1.515 hours
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employees in 2017.

- "Yaşar Sustainability Day", which will include various panels and where the results of the Sustainability Contest will be announced, will take place on April 27, 2018.
- External trainers are also recruited in leadership and personal development areas.
- Pinar Dairy has performed studies concerning the aforementioned risks alongside the determined opportunity areas. Pinar Dairy, which has always attached great importance to increasing the level of education and awareness, has organized Sustainability Trainings for its 176 employees with internal trainers in 2017, including climate change and its effects. In addition to these trainings, Pinar Dairy, through the Waste Reduction Committee, carried out studies to create awareness about waste and promote waste consciousness by putting employees at the focal point on food, energy, water and time issues that affect the sustainability of life. In this context, training, information and awareness activities



were carried out for all its employees.

- 934 milk producers were trained in the "Future of Our Milk is in Conscious Hands" project that consists of 19 training sessions which were held in 8 provinces in 2017; this project contributed to a more conscious milk production as well as informing the producers on improving environmental conditions and the efficient use of resources. You can find detailed information on this project under the heading "Sustainable Agriculture and Livestock Breeding".

- Pinar Dairy, which has adopted the principle of adding value to human life and health with the finest quality products, carried out company visits and audits to existing and potential suppliers in 2017. The company has provided its employees trainings on HACCP, food safety and hygiene issues in line with its annual plans.

- During the 2016 - 2017 Academic Year, approximately 3,000 children received training in 39 independent kindergartens in Izmir in order to raise nutrition awareness at a young age and to raise healthy individuals with the "Let's Move with Fun Eat Healthy" project conducted by the Pinar Institute.

- Pinar Dairy organizes informative education activities in order to inform consumers and municipalities on collecting and recycling packaging wastes through ÇEVKO.

- Alongside trainings provided to increase environmental awareness among its employees, additional trainings have been given within the scope of ISO 14001 Environmental Management System studies.

- Pinar Dairy pursues to support its suppliers, who produce milk in accordance with the European Union Standards and who have adopted the Company's quality understanding, with training programs while collaborating with them. Moreover, Pinar Dairy also organizes educational programs for its suppliers on significant issues such as milk quality, herd health, animal nutrition and preventive medicine to keep the producers informed and to raise awareness concerning the production of healthy products.

- Social activities such as Cinema-Theatre Activities, Music Therapy, Traditional I'm Going to Pinar Activity, Yoga and Breath Training have been carried out in Pinar Dairy Izmir-Eskişehir-Şanlıurfa factories throughout 2017.

Dyo Coatings' works in this context are as follows:

Two projects have been continued in 2017 within the scope of "Value for Tomorrow".

- With the "It is Worthy of Learning " project; we reached over 8000 2nd, 3rd and 4th grade students and 400 teachers through 375 trainings given in 18 schools in 4 provinces in the 2016-2017 academic year.
- With the "It is Worthy of Mastership" project; Mimar Sinan Fine Arts University provided 600 hours of training for 100 master dyers in 5 provinces in 2017.

You can find detailed information on these projects conducted by Dyo Coatings in "Social Investment Works" section.

Çamli Feed activities

- The women farmers are given training on organic compost production and hence, development of women's employment and their qualified active participation in agriculture sector are supported within the scope of the "Women Farmers Meet with Agricultural Innovations" project organized with the support of Çamli Feed, and Ministry of Food, Agriculture and Livestock, Department Of Training, Extension and Publications.



The Company takes an active role in various NGOs such as chambers, associations, etc. related to our sectors in order to accelerate responsible joint development of all sectors involved and to increase the representation ratio of the relevant platforms:

- Yaşar Holding Chief Executive is the president of the TÜSİAD Food, Beverage and Agriculture Working Group. The "TÜSİAD Assessments on the Food, Drink and Agriculture Sector", the "TÜSİAD Assessments on Food Banking" reports and the "Information Note on the Agricultural Finance Summit" were prepared by the Working Group in 2017 and shared with related stakeholders. Moreover, TÜSİAD organized the "Food Waste and Loss Strategic Roadmap: High Level Consultation Meeting" with the contributions of the Working Group on January 12, 2018; and they have still been working on TÜSİAD Saving Document.

- Pinar Dairy carries out its works within the sectors in which it operates with the aim of taking a more active role in the issues that concern public health and sharing its experiences with the sector. In 2017, kindergarten, primary school, high school and university students participated in factory visits including various activities on raising awareness about the issues such as healthy milk production processes and the importance of milk consumption. 2700 students from 69 schools attended these activities in Eskişehir factory, 869 students in Izmir factory and 704 students in Şanlıurfa factory.

- Within the scope of the School Milk Program, which is a joint project of the Ministry of Food, Agriculture and Livestock, Ministry of National Education and Ministry of Health and aimed at providing healthy milk consumption of the students, 43,834,800 200 ml UHT Milk were produced in 2017 and distributed to the nursery, kindergarten and primary school students 3 days a week.

- Pinar Dairy continuously informs producers and its suppliers concerning agriculture and livestock, healthy and quality raw milk production and current topics through Pinar Producer Newspaper which is published every 3 months. In a similar way, Pinar Dairy also publishes "Yaşar Pınarın Magazine" every 3 months and informs its suppliers and customers about new products, healthy and proper nutrition, significance of milk in our life, child development and daily life.

You can find all practices carried out in order to establish the infrastructure that will develop the interaction with the consumer and their results under the heading "Customer / Consumer Information and Ethical Marketing".

Consumer/Customer Health and Safety

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Consumer / customer health and safety is the primary issue that Yaşar Group takes into consideration while carrying out its activities. The Group, which focuses on the principle of adding value to life, carries on its business in a structure that respects the law, is supervised by authorized institutions and organizations, and complies with the standards required by the

sector; and the Group always cares for consumer and customer health. Throughout 2017, Yaşar Group has continued to add value to the lives of its customers and consumers with the works it carried out in line with its goals and good practices that would serve as a model to its sector.

Good Examples and Developments from the Companies

Pinar Dairy

- We successfully passed inspections by the Ministry to export cheese to South Korea in 2017. Leading the milk sector in Turkey through the joint works conducted with Republic of Turkey Ministry of Food, Agriculture and Livestock within the scope of European Union export standards since 2000, Pinar Dairy is one of the first companies receiving the approval of UHT milk export to European Union. The company continues to expand its EU approved product list as a result of the EU approval audits. In addition to that, it exports various product types to Russia through the export license given by Russian Veterinary and Plant Health Observation Institution.
- 100% Apricot-Apple, 100% Peach-Apple and 100% Mixed Fruit Juices are put on the market according to the energy, fat, salt and sugar regulations that are introduced for products sold in school canteens and sugar ratio in the Kido series is reduced by 7% - 12% following the criteria stating that "total sugar can be maximum 9,5% and additional sugar can be maximum 5%" in Flavoured Milk in light of the "School Health Science Board" decision, which is presented in accordance with the "Circular on Hygienic Control of Food that will be Sold in School Canteens and Food Premises in Educational Institutions" that was published by the Republic of Turkey Ministry of Health.
- With the expansion of Healthy Life consciousness among the society, the changing eating habits and the increased interest in exercise and sports have led to an increase in consumers' demand for low-fat and nutritious food. In order to meet this demand, the Pinar Protein Family offers high quality Protein Milk with Cocoa and Vanilla Flavor in the UHT Milk category containing 70% more protein content than the standard milk and High Protein with Plain and Banana-Oat that contains about twice as much protein compared to standard yogurt in the yoghurt category.
- With the expansion of Healthy Life consciousness among the society, the changing eating habits and the increased interest in exercise and sports have led to an increase in consumers' demand for low-fat and nutritious food. In order to meet this demand, the Pinar Protein Family offers high quality Protein Milk with Cocoa and Vanilla Flavor in the UHT Milk category containing 70% more protein content than the standard milk and High Protein with Plain and Banana-Oat that contains about twice as much protein compared to standard yogurt in the yoghurt category.
- Pinar Protein Yogurt Banana - Yogurt with Oat is produced with a 50% lower sugar content compared to similar products on the market.
- In conventional and fresh Cheese product groups, salt ratios are reduced between 14% and 47%.

Considering the lack of vitamin D in the general population, vitamin D supplemented half-fat UHT Milk with an intake of 37.5% of the amount of D vitamins that an adult person should take daily in 1 serving size is put on the market within the functional product category.

The Pinar Protein Milk series is specially formulated to be extra sugar free.

Fat in natural and fresh varieties of cheese have been reduced between 13% and 26% within our cheese category.

On a sectoral basis, it supports Republic of Turkey Ministry of Food, Agriculture and Livestock Specialized Sub-Commission's studies.



Consumer/Customer Health and Safety

Pinar Meat

- Pinar Meat carries out works intending to reduce salt and sodium in products. Furthermore, products with low-saturated fat, low-sodium and low-energy content were produced for school canteens in accordance with the food and beverage standards that the Ministry of Health has published. The compatibility of the products with the European Union's EU Pledge Nutrition Criteria has also been assessed. The EU Pledge sets the criteria stating that the products in food and beverage advertisements that can address children under the age of 12 in the European Union should contain low energy, low saturated fat, low sodium, low sugar and high protein. 20 product studies were conducted in accordance with the energy, sodium and saturated fat limits determined by the Ministry of Health for the school canteens. 7 new products were put on the market. Commitment to salt reduction carried out with the Ministry of Health (on a voluntary basis) was communicated to SETBIR.
- Product specifications including all legal requirements of the products are prepared, including information on the packaging of the products according to the Turkish Food Codex Regulation on the Notification of Food Labelling and Informing Consumers as well as the "Meat and Meat Products Communiqué". We ensure that the products are produced in accordance with the quality and food safety management systems considering legal requirements and other requirements of these systems. The shelf life studies are carried out in conjunction with R & D to determine the exposure time of the products. Shelf life studies are assessed by comparing the sensory, microbiological and

chemical analyses of the products during the study with legal regulations and scientific data. In order to be used in the investigation of incompatibilities that may be experienced during the exposure time related to the products, archive samples from each party are separated and stored in the conditions stated on the package. These archive samples are evaluated at specified frequencies. In addition to that, during the exposure time of our products, the conditions of these products are monitored by our regional quality experts and improvement studies are carried out according to the monitoring results.

- We identify all compulsory information that was stated in relevant regulations and must be available on the food package as well as additional information to keep our consumers up-to-date and direct them. The package is printed once it is approved by the relevant managers through the product packaging design approval portal. Furthermore, the information can also be approved in the post-printing package input control phase.
- The recommended use of our products which are to be heated / cooked is stated on product package in order for our consumers to be informed correctly. Additionally, nutrition notification has become compulsory for all our products according to the Food Inspection and Consumer Information Regulation and the Regulation on Nutrition and Health Statements, whose latest revision was published in 2017. Comprehensive nutrient analysis of all our products has been completed and nutrition statements have been added to the package according to the new regulations on packaging. All notifications will be completed before the allowed transition period.

Dyo Coating

- In accordance with the Legislation and the ADR Regulation, all products are subject to hazard classification for handling and transport before delivery to the marketplace. Within this process, if there is a classification which is found problematic for domestic and foreign markets, the formula change is put on the agenda to reduce the product risk.
- The isobutyl, the import raw material, that is on SVCH list of REACH is replaced with more appropriate alternatives in terms of environment and is no longer used in the formulas of the auto repair group products.
- Customers have been informed in relation to the above mentioned issue through the review and declaration / notification letter in light of REACH and various domestic / foreign legislation or private sector dangerous chemical lists.



- Studies have been started to raise awareness on this issue with the publication of the PPRC legislation, which is the local counterpart of REACH.
- Within auto repair group, water-based and high-solid product formulas suitable for the VOC (Volatile Organic Compound) regulation with proactive approach have already been prepared. We also carry out studies to publish this regulation in Turkey.
- Considering the wood preservative and antifouling products, which are included in the Biocidal Products Regulation, the biocidal product inventory has been registered with the Ministry of Health; and the labelling of the related products has been designed to meet the requirements. Tracking and data gathering process concerning licensing, which is the next step, is still carried out.
- Numerous R&D projects for water-based products are still ongoing.

Customer and Consumer Information and Ethical Marketing

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Yaşar Group, which carries out its activities within the framework of unconditional customer satisfaction principle, provides information concerning its products and services through social media channels as well as labels, advertisements and web sites. Each company of the Group is subject to different product / service information regulations and labelling rules depending on the nature of the sectors. The Group companies are 100% compatible with all regulations and rules on product / service information regularizations and labelling. No case presenting inconsistency has been encountered during the reporting period. Sharing information about food products with consumers through labels is subject to the provisions of Turkish Food Codex Alignment Regulation. The

provisions of the said regulation and the labelling guide issued by the Ministry of Food, Agriculture and Livestock precisely specify the information that must be stated on a food label. Besides, the Group carries out its activities in accordance with the legislation related to the promotion and marketing of products within its body. While introducing products to the consumers through advertisements and other marketing communication tools, the Group acts with a sense of responsibility.

The Group acts in full compliance with the Advertising Self-Audit Committee Principles issued by the "Advertisement Clients Association" which the group is a member of. Hence, the Group actively strives to ensure that advertisements are legal, ethical, correct and honest.

"Yaşam Pınarım" Magazine

Pınar Dairy has established an important link with its consumers, business partners, academic and bureaucratic circles through Yaşam Pınarım Magazine which has been published since 2004. The magazine, which is published quarterly and distributed free of charge, presents useful information addressing parents. All issues of Yaşam Pınarım is e-mailed to consumers as an e-bulletin since 2013.

"Güzel Yaşa" Magazine

In 2017, Pınar Meat put into practice the Güzel Yaşa Magazine and its internet platform which introduces the principle of "delicious and healthy life" to masses. Believing that the secret of good living is to embrace the right and healthy eating habits, the Company continues to work aiming to become a reference point with this project, which also contains social media channels.

Pınar Newspaper

Pınar Newspaper, which is an important reference source for farmers engaged in milk and meat farming, includes topics such as fattening, dairy technology and animal health. The newspaper, which is published every three months, is issued for the 4 thousand producers who provide milk for Pınar.

Life with Pınar (Pınar'la Yaşam)

While providing useful information to families about parent-child communication via Twitter, Instagram and Facebook accounts, Pınar also enlightens young people on issues such as sports and environmental consciousness. Pınar, which without fail includes social responsibility and sustainability issues on its social media accounts, aims to bring different target groups together.



Pınar Communication Center

Customer requests and complaints that are addressed to the Pınar Communication Center (PCC), which can be called at 444 76 27 without any area code from all around Turkey, are replied live. At the PCC, which has a call service success rate of 92%, 88% of calls are answered within 15 seconds.

Pınar, carrying out its activities by making no concessions to the principle of "our consumers and our customers come first", examines and considers the customer requests and suggestions rigorously considering its consumer-oriented working principle. Pınar Communication Centre, which has a customer satisfaction ratio of 92%, also analyses and resolves the requests and suggestions presented on social media via its official Twitter account and replies to the consumers.



Dyorum Magazine

Dyorum, the decoration and home life magazine, has been published for every 4 months. The magazine continues to provide readers with creative solutions concerning their living spaces, keeps them informed about Dyo products and colors, and ensures that readers enjoy themselves with pleasant articles about life.

Bir Bilene Sorun (birbilenesorun.com.tr)

A website where you can ask everything about paint, not only limited to Dyo Coating products, and get answers concerning both technical and aesthetic issues. All questions, from appropriate paint recommendations to the most appropriate color preferences, from product selection to application details, are replied by Dyo Coating's expert staff. A total of 3,000 questions have been answered so far at birbilenesorun.com.tr.

Customer and Consumer Satisfaction

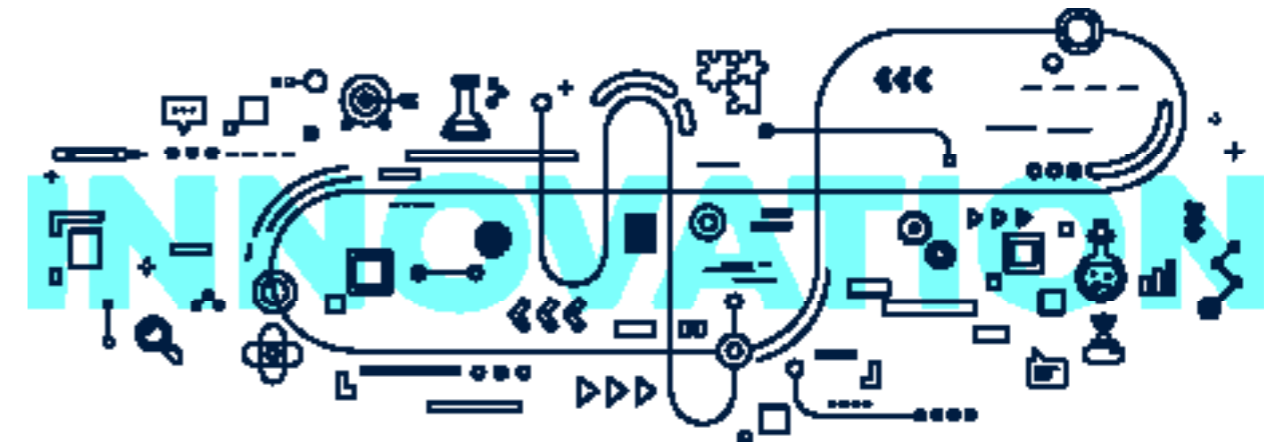
The companies within Yaşar Group are in contact with their customers and consumers regularly concerning the products and services they provide, and they carry out their activities by taking the comments and criticisms of consumers into consideration. Regarding customer and consumer satisfaction surveys and stakeholder feedback as an important tool, Our Group has been taking consistent steps to improve its products and services. In 2017, Our Group received feedbacks from its stakeholders through customer and consumer surveys, complaint and comment mechanisms, evaluated them and has taken reformative action accordingly.

Pınar Communication Center, which evaluates and resolves requests, complaints and suggestions received from customers, also measures customer satisfaction of our Pınar Dairy, Pınar Meat and Pınar Water brands. According to the 2017 data, customer satisfaction rate is 92%.

In 2017, customer satisfaction questionnaire with sealed envelope method was applied to 2,753 customers in the YBP. According to the questionnaires applied in the Traditional, Dealer, Modern and Out-of-Home channels, the satisfaction rates are 82%, 74%, 87% and 87% respectively.

Quality, Innovation and R&D

103-2 103-3



Quality Management

The goal of Yaşar Group is to achieve improvement in every business segment in which the Group operates with its pioneering service and product approach and based on the principle of operational excellence. The Group combines corporate values with advanced technology, streamlined business processes, defined distribution of work and builds its total quality management approach based on its "our consumers and our customers come first" approach. The group companies achieve high standards in their products and services by complying with international standards and using of quality management systems.

Yaşar Group acknowledges that sustainability can be achieved by developing scientific and innovative solutions to maintain high quality in future operations without compromising quality in today's operations and its R&D activities help the group to get better and stronger. These scientific and innovative activities combined with the data driven and fast decision making capability allow the group companies to make a difference in their respective industries.

Management Systems

Yaşar Group achieves operational excellence and continuously improves its performance with its management systems. In addition to improving performance the Group also improves its management systems with the standards it uses in several fields including quality, food safety, environment, customer satisfaction, energy. Quality and reliability offered to consumers and customers in products and services are documented according to internationally accepted standards.

Quality, Innovation and R&D

Management Systems	System Certification	Pinar Meat	Pinar Dairy	Pinar Water	Dyo Coating	Altın Yunus	Viking Tissue	Çamlı Tissue	Desa Energy	YBP
Quality Management System	ISO 9001	X	X	X	X	X	X	X		
Information Security Management Systems	ISO/IEC 27001				X					
Food Safety Management System Certificate	FSSC 22000	X	X							
Food Safety Management System Certificate	ISO 22000	X	X	X				X		
SAI GLOBAL Food Safety		X								
Environment Management System	ISO 14001	X	X	X	X			X		
Occupational Health and Safety Management System Certificate	OHSAS 18001	X	X	X	X			X		
Turkish Standards Institution Subcontractor Laboratory Approval	ISO 17025	X								
Customer Satisfaction Management System Certificate	ISO 10002			X	X					
Energy Management Systems	ISO 50001	X	X		X		X	X		
Conformity Assessment - General Requirements for Bodies Operating Certification of Personnel	TS EN ISO/IEC 17024				X					
Automotive Sector and Sub-Industry Quality Management System	ISO TS 16949				X					
Organic Farming Entrepreneur Certificate	-							X		
FSC-CoC (Forest Stewardship Council) Management System	STD-50-001						X			
	STD-40-004						X			
	STD-40-007						X			
US National Sanitation Foundation	NSF			X						
British Retail Consortium	BRC	X		X						
International Food Standart	IFS	X								
GLOBALG.A.P	CFM							X		
	Aquaculture Standart							X		
National Britannia	NB					X				
Halal Food Certificate	TS OIC/SMIC 1	X	X	X						
Friend Of The Sea	FOS							X		
Good Agricultural Practices	EOS							X		
Mc Donald's SQMS	-	X								
Turkish Standards Compliance Certificate	TSE TSEK			X	X		X			
Qualicoat	Class 1				X					
Good Agricultural Practices	Aquaculture							X		
ESMA (UAE Standard)	ESMA			X						
Blue Flag						X				
ECOCERT								X		
Consumer Product	BRC						X			
Hygenic Product GC Mark							X			

Quality, Innovation and R&D

Good Practices and Developments from the Group Companies

Pinar Dairy:

Following global and local trends closely, Pinar Dairy regularly introduces innovations to the market with its strong R&D center to meet consumer demands. These new products are offered to a wide range of customers with effective marketing activities in several media.

- Pinar Dairy was certified as an R&D Center on January 26, 2017 according to the evaluations and inspections conducted by the Turkish Ministry of Science, Industry and Technology. With this new R&D Center the objective is to increase qualified workforce, and improve technical infrastructure and equipment. R&D activities of Pinar Dairy continue with a focus on new product/packaging development and improvement of existing products/packaging. Other R&D activities including development of new products and new packaging, reformulation of products, cost optimization, product and process improvement, laboratory trials & product prototypes, adaptation of laboratory trials in production lines, packaging prototypes, packaging manufacturing trials, benchmarking reporting, preparation of trend and concept presentations, training programs, alternative material-supplier search and TÜBİTAK Projects continue.

- Pinar Dairy R&D center has increased its number of employees and started necessary infrastructure upgrades to develop scientific and technological work principles in addition to ongoing R&D activities. In addition to increased number of employees, necessary steps have been taken to establish a new application laboratory & pilot facilities to implement different innovative projects. University-Industry collaborations have been initiated in order to benefit from academic knowledge during product development processes and actions have been taken to use innovative technology and applications. With the employment of people with PhD degrees, the workforce in the R&D center has improved both in quantity and quality.

- With its strong R&D team Pinar Dairy developed and launched 25 new products and 48 new packaging in 2017.

- There are 2 TÜBİTAK TEYDEP projects which were accepted in 2017 and still ongoing.

- With Pinar Protein Milk and Pinar Protein Yoghurt launched in 2017 and made a big impact in the milk and dairy products segment, Pinar Dairy adds ones to its ongoing innovation work for years to meet customer expectations products and reinforces



25
new products



48
new packaging

its name as the leading company in this market. Pinar Protein Milk and Pinar Protein Yoghurt represent healthy alternatives for health conscious consumers, who skip meals during the day, work out or who try to keep their weight under control. Offering an option for consumers with its different flavors Protein Milk and Protein Yoghurt differentiate from similar products with its high protein content and being lactose-free.

- Barista Milk has been launched for the Coffee Industry as a result of demand based growth in the Out of Home (OOH) Consumption channel.

- In 2017 Pinar continued to work on its packaging in order to provide user friendly products for consumers and increase premium brand perception. 500 ml UHT milk products with twist off lids and ergonomic design "Prizma Edge Dreamcap" packaging were introduced into the market. This packaging which is also used in the "Protein Milk" product range has printing on metalized substrates improving its visibility on shelves. In addition to metallic printed shrink sleeves used in "Protein Yoghurt" product range improving the premium brand perception, "spoon-in-lid" contributes to ease of consumption.

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Quality, Innovation and R&D

Pınar Meat

- Pınar Meat moved its R&D activities to the R&D Centre in November, 2017. A first in the meat industry, Pınar Meat R&D Center will carry Pınar Meat a step further away from its competitors.
- Pınar Meat launched 40 new products taking into consideration changing consumer life styles and expectations.
- Pınar Meat continued its growth in 2017 and was awarded Organic Food Certification by Ecocert after successfully completing organic food inspection. In addition to its beef product range certified as organic Pınar Meat has completed the development other products including Burgers and Meatballs.
- Special Products for School Cafeteria: In 2017, Pınar Meat worked to develop new products that meet the "Food and Beverage Standards in Schools" set by the Turkish Ministry of Health and the criteria defined in the "Circular for Food to be Sold in School Cafeterias" published by the Ministry of Education based on these standards. The company successfully completed

reformulation of 20 new products that will meet the circular criteria and 7 of these products were launched in the market.

- The project titled "Recovery of protein hydrolysate from mechanically separated meat and use of this hydrolysate in products" with which the company applied under the TÜBİTAK 1511 TEYDEP Priority Areas Research Technology Development and Innovation Projects was accepted and the work has started. (Projects to develop methods to make "mechanically separated meat" which is a side product of meat process, a high quality food source for humans continue under the framework of TÜBİTAK projects).
- For frozen foods; change of packaging of 50% of the products in PP containers/trays to cardboard packaging has been completed. Packaging of other products is changed in stages. This project contributes to economic and environmental sustainability

With the aim to reduce the use of plastic and paper packaging;



Folio use per ton in MAP sausage/fermented sausage is forecasted to be reduced by **55%** in 12 months. **41.3%** reduction has achieved in 7 months by the end of December.



In the study carried out to reduce the thickness of 2 boxes; the use of paper per ton has been reduced by **30%**.

- Food safety, quality and occupational health and safety training was given to employees using educational videos prepared for employees, visitors and contractors with the additional benefit of creating awareness on waste reduction. This video which also aimed to provide information about the facility and the operations faster and more efficiently to visitors was considered as a good example for corporate image and promotion.

- 66 dealers and the regional warehouse of YBP in the Aegean and Marmara regions were visited by Pınar Meat quality team. Through these visits knowledge and awareness about food safety was increased, monitoring and continuous improvement of basic requirements for food safety was ensured, communications between dealer and warehouse authorized personnel and YBP sales and stock control team were improved and good practices in different warehouses were shared. Additionally dealers that showed good performance based on evaluations were awarded with certificates.

Quality, Innovation and R&D

YBP



Customer Master Data Project

In the Master Data Project under the 'Otonom' project customer identifications are recorded and kept in the computer environment instead of on paper forms. Furthermore, new customer identifications and changes in customer information are shown in the mobile approval application loaded on mobile phones of relevant managers in accordance with the payment term and credit limit guidelines of the company and this digitalized process saves time and paper.



TOGO Project

Field management was also digitalized with YBP TOGO project. It is a time saving project which minimizes paper work. Identifying the locations of sales support personnel and customers in the mobile environment is also important for the environmental aspect of sustainability.



Mobile HR

Using tablet computers, YBP personnel can access to "self-service" applications of the human resource department. Using their tablet computers, the personnel on the field can have access to the e-payroll, time management and reporting applications of the human resources department. The mobile life which started with the 'Otonom Project' has been extended with these applications and the personnel who is expected to work more efficiently on the field has been equipped with more tools to allow them stop being desk-bound.



Other Works

BUSINESS INTELLIGENCE - a discipline which includes several inter-related activities including data mining, online analytical processing, querying and reporting.

DIGITAL DEALER- A retail module developed in cooperation with Yaşar Information Systems, a Yaşar Group company. A software program that covers all sales and distribution processes was developed to be used in dealers and the project is still ongoing.

In 2018, reorganization based on the segregation of duties principle for purchasing and sales of our products outside the group was made.

Dyo Coating

- DYOTHERM ISOLTECO 110, a class A fire retardant, sound reducing, innovative and eco-friendly thermal insulation product manufactured with hybrid technology was introduced into the market.
- Dyo Dinamik İpekmat and Renk Pınar base paints, Dyo Dinamik Mat and Renk Pınar base paints and Dyo Transfer Primer were awarded Ecolabel certification. (The European eco-label system was first laid down in Council Regulation (EEC) n° 880/92 of 23 March 1992 on a Community eco-label award scheme and it is a voluntary scheme which shows that a product's environmental impact is below a predefined limit during its life cycle in all

processes from supply of raw materials to production and use and it is valid in 27 European Union member states as well as in Norway, Iceland and Luxembourg.)

- Research to develop a new generation pigment that meets the criteria for EU Ecolabel has started.

Just like the previous years, Dyo Coating continued its R&D activities in full speed. Receiving the best R&D Center award for the fourth time, the R&D center of Dyo Coating continue to work on new product projects. TÜBİTAK TEYDEP projects constitute a major part of the R&D projects.

Sustainable Agriculture and Livestock

Being a global hot topic, sustainable agriculture and livestock has been an important agenda for Yaşar Group for several years. Increasingly visible impacts of global warming are an undeniable indicator that the agriculture industry needs new perspectives. The Group believes that efficient and responsible use of natural resources, supporting sustainable agriculture and livestock are key to solving these problems and therefore provides support and development opportunities to all of its shareholders including most notably its producers. Animal protein contained in milk and dairy products which are the main products in Food and Beverage Division of the Group is vital for a healthy society. Some of the work for sustainable agriculture and livestock are detailed as the work of Pinar Institute in the sections, "Contribution to the Local Economy" and "Social Investment Works" of the report. Additionally, projects and activities to support Sustainable Agriculture and Livestock are also included in the company practices described in the section, "Caring for Business Partners".

Animal Welfare

Pinar Meat is the first company to acknowledge animal welfare in Turkey and in the industry. Pinar Meat followed generally accepted practices in the world and especially in the EU member countries and participated in several training programs abroad given by experts on animal welfare requirements when there was no regulation /law or practice on animal welfare in Turkey and the company has proved to be a leader also in animal welfare in the industry in Turkey with continuous improvements and investments in this area.

Practical and onsite training for the relevant personnel on animal welfare was provided by specialists from Europe and the USA. An animal welfare system which also included necessary infrastructure and internal audit was built based on these training programs and further training was provided to all employees. High scores regularly achieved in independent third party audits (SAI GLOBAL, United Kingdom) confirm the efficiency of the system every year.

In addition to improvements in systems and infrastructure, the group assumes an ethical stand to increase sensitivity towards animals and organizes training and activities to increase animal welfare awareness in animal owners and employees. Informative videos have been prepared for 2018 and these videos will be shown in waiting rooms for live animal suppliers. Animal welfare audits performed in suppliers' premises help to create awareness in suppliers and ensure that relevant requirements are met. These activities also prevent losses in productivity due to incorrect practices and contribute to a more sustainable husbandry that supports life on earth for the country and company.

Control of restricted drugs in the animals supplied to the group is done and verified with regular analyses by accredited third party laboratories contracted by Pinar Meat and by other analyses conducted by the Ministry of Food, Agriculture and Livestock. Animals are transported in compliance with the rules of "Rules



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Additionally, veterinarians give training on livestock and welfare to animal breeders at least three times a year and this helps to increase the number of good practices while eliminating incorrect one

of Directive on Transportation of Livestock and Animal Products within the Country and Directive on Welfare" and "Protection of Animals During Their Transportation".

Çamlı Feed, a Group company uses contracted production model for turkey production and provides an opportunity to earn money by keeping turkeys especially for the people of mountain villages where agriculture is not possible. Additionally, veterinarians give training on livestock and welfare to animal breeders at least three times a year and this helps to increase the number of good practices while eliminating incorrect ones. Manure from turkey sheds in Seferihisar is transferred to manure processing plant in Ören. Stocking density that complies with the relevant regulations is maintained for animal welfare and the projects in collaboration with the Department of Agriculture in Ege University about Loading Stress of Live Turkeys and Animal Welfare in Sheds continue. Furthermore the department manager continues to write a dissertation paper on Turkey Shed Stocking Density in the Veterinary Department of Istanbul University.

Social Investments

Contribution to Local Economy

With its nationwide supply chain, export volume, added values and direct - indirect employment created, Yaşar Group supports local development and economy and has carried out its operations successfully since the day it was founded with the principle of adding values to Turkey. In addition to direct added values for the local people with its products and services, the Group also makes a point of supplying necessary manpower and raw materials locally in the operations of all products and services. Yaşar Group organizes training programs for its suppliers and producers and makes contributions for the local people through its productivity projects based on cost optimization, R&D projects, greenhouse gas and waste management and social investments.

Yaşar Group with its "local employment" policy endeavors to employ local people in its investment projects in different parts of Turkey depending on the qualifications required by the relevant positions.

One of the contributions for the local community that have become visible in the short term is to make high quality products and services accessible. Especially due to the direct effects of food products on public health, products that provide balanced and sufficient nutrition for the public are offered to consumers. Yaşar Group believes that natural resources are the biggest assets we have and have major economic values for the future, as demonstrated by its responsible use of resources and resource efficiency approach.

Yaşar Education and Culture Foundation

Yaşar Education and Culture Foundation was established by Durmuş Yaşar in 1974 and is currently active in different areas including education, culture and art. The Foundation has built many new schools as well as constructing annexes, cafeteria buildings, sports halls and facilities for cultural activities in existing schools. Additionally, the foundation has also met other needs of schools such as science, language, food technology and computer laboratories.

Yaşar Education and Culture Foundation gave non-refundable grants to 155 successful and disadvantaged students who were studying for a bachelor's degree, master's degree and associate degree in various departments in universities and who were students of vocational high schools in the academic year of 2016-2017. Furthermore, Yaşar Group companies and executives gave conditional grants to 23 students. The Foundation has given education grants to 6,172 students until today.

One of the objectives of Yaşar Education and Culture Foundation is to make investments in education by collaborating with the Ministry of Education. The construction of the 8th school within the framework of this collaboration started in Tepebaşı, Eskişehir. Özdemir Çakacak, the Governor of Eskişehir and Feyhan Yaşar, Vice Chairperson of Yaşar Holding Board of Directors and Vice Chairperson of Yaşar Education and Culture Foundation were the hosts at the groundbreaking ceremony on December 5, 2017.

There will be 16 classrooms, 5 laboratories, 1 milk workshop, 3 specialty classrooms and 1 library in the Vocational High School for Food Technologies which will focus on food technology, culinary arts and gastronomy on a land of 9,000 m² with a building coverage of 2,000 m² and the school is planned to be ready for the academic year of 2018-2019.

The Foundation published almost 40 books including most notably archeological and scientific books and other cultural publications and publications about Atatürk and in 1998 the Foundation was proud to publish the book titled "Ne Buldu, Ne Bıraktı" written by historian-writer Cemal Kutay who worked in Hakimiyet-i Milliye, an official newspaper of Ankara government of Atatürk based on months of research to celebrate 75th anniversary of the Turkish Republic. The second edition of this impressive work of literature of Cemal Kutay titled "Ne Buldu, Ne Bıraktı" was published and distributed in September 2017.

The Foundation also organizes conferences, symposiums and panel discussions that intend to look at the problems of the world and Turkey with a scientific approach and find potential solutions and communicate the results to as many people as possible.

The panel topic of the "Autism Panel" in 2017 was "Language and Speech Practices in Autism". The moderator of the panel organized at Yaşar University was Selim Yaşar, Chairperson of Yaşar Holding. Prof. Funda Acarlar from the Department of Special Education in Faculty of Educational Sciences of Ankara University, Prof. İlnur Maviş from the Department of Language and Speech Therapy in Faculty of Health Sciences of Anadolu University, Ass.Prof. Alev Girli from the Department of Special Education for Mentally Challenged People in the Department of Education of Dokuz Eylül University, İlim Aksu, Language Expert and Speech Therapist and Ergin Güngör the President of ODER Autism Association were speakers at the panel discussion which was attended by teachers from schools for autistic children, employees of counseling and research centers, teachers and students from relevant departments of high schools and parents of autistic children.

The topic of the archeology panel organized by the Foundation on May 2, 2017 was "the Importance of Sponsorship in Discovering and Protecting our Cultural Heritage". The session moderator of the panel organized by Yaşar University was Professor Recep Meriç from the Tourism Management Department of Yaşar University. Prof. Musa Kadioğlu, the head of the Archeology Department of Language and History - Geography Faculty of Ankara University; Prof. Cumhur Tanrıver, the Head of the Department of Ancient Languages and Cultures in Faculty of Literature in Ege University, Assoc.Prof. Serdar Hakan Öztaner from the Archeology Department of Language and History - Geography Faculty of Ankara University and Ass. Prof. Akın Ersoy from the Department of Archeology in Faculty of Literature of Dokuz Eylül University were the speakers at the panel discussion which were attended by teachers and students from history and archeology departments of universities and history and archeology enthusiasts.

Social Investment

The first of the panel discussions titled “The Art of Drawing and New Artistic Approaches in the World and in Turkey” planned to be organized in 4 different cities where 37th DYO Art Awards exhibitions will be held was organized moderated by Prof. Dr. Zahit Büyükişliyen in Yunus Emre Campus Hall Anadolu in Eskişehir Anadolu University on December 5, 2017 with Prof. Hayri Esmer, Prof. Rıdvan Coşkun and artist and research associate Filiz Piyale as speakers. The development and future of drawing as an art was discussed at the panel which was received with great interest by professors, teachers and students of the Fine Arts Department

In 2017 Yaşar Education and Culture Foundation continued to provide financial support to Nysa excavations under the framework of Common Service Protocol in line with its principle to support archeological excavations and to support promotion of our culture and history. Additionally, the foundation is the sponsor for the excavations and restoration work in the Ancient Smyrna city also known as Bayraklı Tumulus in Bayraklı, Izmir and 19th Century Ottoman Caravanserai in Smyrna Agora archeological site in Konak, Izmir.

DYO Art Awards which has been organized every year since 1967 is another important event which has been organized by the Foundation since 1993.

50 Years with DYO Art Awards

37th DYO Art Awards

The organization started as “Dyo Drawing Competition” by Durmuş Yaşar in 1967 and renamed as “DYO Art Awards” in 2017 has been going on uninterrupted for 50 years. The judges of the 37th Dyo Art Awards were Prof. Şeniz Aksoy, Prof. Zahit Büyükişliyen, Prof. Neş'e Erdok, Prof. Hasan Kıran, Assoc. Prof. Burcu Pelvanoğlu, Ass. Prof. Umur Türker and İhsan Yılmaz, Culture and Art Editor of Hurriyet newspaper.

Turkish artists and artists from Greece and Uzbekistan participated in the competition with the theme of “Transformation in the Universe” this year. Sidar Bakı with his painting titled “Nameless” and Murat Özbakır with his painting titled “Nature-Body-City I” won the painting awards and Semih Çınar “Waste No.1” won the award for original printmaking and 53 pieces of artwork were selected for exhibition at the 37 Dyo Art Awards where 563 artist competed with 790 pieces of artwork.

Bekir Şahin Tütüncü, Deputy Governor of Eskişehir; Nihat Değirmenci, Deputy Director of Fine Arts Department of the Ministry of Culture and Tourism; Abdülkadir Adar, Deputy Mayor of Eskişehir participated in the 37th Dyo Art Awards ceremony held at Atatürk Culture, Art and Conference Center and hosted by Feyhan Yaşar, Vice Chairperson of Yaşar Holding Board of Directors and Vice Chairperson of Yaşar Education on December 5, 2017. İdil Yiğitbaşı, Vice Chairperson of the Board of Yaşar Holding; Mehmet Aktaş, Chief Executive of Yaşar Holding; Ahmet Yiğitbaşı, Board Member of Dyo Coating Factories and Serdar Oran, Vice Chairperson and Managing Director of Dyo Coating Factories were present at the awards ceremony. Award winning artwork and pieces of artwork that were selected for exhibition will be exhibited first in Eskişehir then in Izmir, Bursa, Ankara, Adana and Istanbul.

Selçuk Yaşar Museum and Art Gallery

Selçuk Yaşar Art Gallery under the roof of Selçuk Yaşar Art Museum opened in 1985 as the first private art museum in Turkey was opened in 1990.

In 2017, the gallery on the ground floor of the museum hosted drawing and sculpture exhibitions by several artists including Erol Kınalı, Gürbüz Doğan Ekşioğlu, Devrim Erbil, Onay Akbaş, Hasan Kıran, Işıl Özışık, Hanefi Yeter and Yalçın Gökçebağ.

In 2017, the works of artists who were awarded and/or selected for exhibition at the Dyo Art Awards including Birgül Ergün, Ezgi Eroğlu, Mehmet Emre, Erhan Çelik, Şükran Ulucan, Yunus Emre Dokumacı, Soner Zağil, Murat Özbakır, Raife Tokyürek, Ezgi Yüksel, Yavuz Ayhan, Baran Kamiloğlu, Hasan Kıran, Semih Çınar, M.Fatih Gök, Coşgu Ateş, Merih Yıldız, Esra İlbeyli, Gülistan Karagüzel, Emrah Akkayüz, M.Sıddık Turan, Tuncay Topçu and Ahmet Albayrak were exhibited at Altın Yunus Art Galleries that have been hosting artists and art lovers at the exhibitions held by Yaşar Education and Culture Foundation during summers for many years.

Selçuk Yaşar Museum

The building survey, renovation, restitution of the old flour factory registered as a “Cultural Property to be Protected” in Umurbey Konak, Izmir owned by Yaşar Education and Culture Foundation were completed in order to use the building as Selçuk Yaşar Museum and the construction of the museum started in December 2017.

Selçuk Yaşar Museum will have 2,600 m² Temporary and Permanent Exhibition Areas, a Library, Workshops on an area of 300 m², Executive Offices, Administrative Offices, A Conference Hall with a capacity of 326 people which also includes an orchestra pit, a Cafeteria, Sales Offices and similar other units in the registered building with an area of 6,000 m².

Supports for Other Organizations

Books and toys collected with the books and toys collection campaign by Yaşar Holding were categorized and sent to 4 schools in rural Anatolia based on these schools' requests and preferences. The Foundation also provided paints for 4 schools and donated 184 books and 2 notebooks to be used by students and other people at the Public Library of Bademler Village in Urla which is the first village theatre in Turkey.

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Social Investment

Social Investment Works

Pınar Institute

In order to raise awareness of the society in food, health and nutrition issues and to create an awareness on quality life, Pınar Institute, which has started off with the initiative of Yaşar Holding A.Ş., began its activities in 2013 with the members of the Board of Directors and the Science Committee.

Pınar Institute which operates with the mission of supporting scientific projects, participating in information networks and engaging in educational activities without profit aim, intends to be a reliable reference point in the field of food and nutrition.

For the purpose of contributing to the healthy development of the society, Pınar Institute has been working continuously since 2013. The Institute develops projects aimed at raising awareness of the society on the issues of food, health and nutrition and creating awareness on quality life. Moreover, it also does literature research on healthy nutrition and food subjects.

“The Future of Our Milk is in Conscious Hands”

Founded in order to raise awareness in the society with regard to food, health and nutrition and to contribute to well development of the society and operating as a non-profit organization, Pınar Institute continued its projects and activities in 2017 as well.

Since 2014, the Pınar Institute has started to carry out its activities in a more systematic manner and towards certification within the scope of the “The Future of Our Milk is in Conscious Hands” Project. Project stakeholders consist of Provincial and District Directorates of Food, Agriculture and Livestock, Dairy Associations, Cooperatives, Pınar Dairy and Çamlı Feed.

Trainings on “Animal Health”, “Animal Feeding” and “Hygiene-Sanitation” have been given to the milk producers under the project which aimed at ensuring that milk animals are fed properly, and they are healthy, and that at the same time benefitting from all of the advantages of milk through raising consciousness of the breeders on the issues of hygiene and sanitation.

Within the scope of the trainings issues such as mastitis (garget) and prevention methods, decrease in milk yield, condition level, dry period treatment, milking practices and hygiene, environmental management, feeding of cattle, calves and heifers, animal nutritional needs, lameness and walking scoring, the importance of quality of feedstuffs, factors affecting milk fat, particle size, etc. are explained in the context of practical information to producers.

Manufacturers, who learn the correct practices with these trainings given to the producers and see their deficiencies in the care, nourishment and milking processes of the animals, are

aware of the losses they experience from the wrong practices. In this way, producers oriented towards the right applications realize more efficient and high-quality production and it is possible to supply better quality milk for Pınar Dairy.

In this direction, a total of 934 producers were reached in 2017 in 19 different trainings in İzmir, Eskişehir, Aydın, Muğla, Denizli, Uşak, Burdur and Adıyaman. In addition, activities have been initiated with producers in İzmir, Eskişehir and Aydın to realize one to one studies on the basis of quality and efficiency. The project focused on the participation of women producers.

Analyses of raw milk samples taken from the farms with Pilot Zone Applications were carried out and raw milk quality was measured and regular visits to producers were carried out by expert personnel and the correct practices were conveyed through one to one activities and developments were followed.

At the same time in the work carried out in this context, a first in Turkey, studies to measure the social benefit of all these works and to realize the social impact analysis for defining the profile on the dairy farming have been initiated. Within the framework of the analysis in question, questionnaires for the producers, training monitoring activities, ethnographic observation and one to one in-depth interviews are conducted. Social impact measurement is designed to cover the activities carried out within the scope of the project in İzmir, Aydın, Eskişehir and Bursa.

By April 2017, the Institute has become a member of the United Nations Development Program (UNDP) Business Call to Action (BCTA) program as part of the project “The Future of Our Milk is in Conscious Hands”. With the BCTA membership, the project has been linked to the goals of the United Nations Sustainable Development Goals: “Zero Hunger”, “Good Health and Well-Being”, “Quality Education”, “Decent Work and Economic Growth” and “Responsible Consumption and Production”.

“Let's Move With Fun and Eat Healthily”

The need for sufficient and well-balanced nutrition and regular physical activity are also included in the policies towards community health care. One of the most important reasons for this is the influence of childhood nutrition and physical activity habits on the health risks that individuals will face in later ages. More and more people today make conscious choices in adopting a healthy life style and try to get their children adopt this habit.

Social Investment Works

The Pinar Institute is also working to provide children with healthy lifestyle habits through the project “Let’s Move With Fun and Eat Healthily”, one of the projects developed with the aim of supporting community health and development. The aim of the project is to provide nutrition and healthy life awareness to young children, to guide them in nutrition and to provide physical activity habits through fun activities to be organized.

The project is proceeding within the framework of the protocol signed between the İzmir Provincial Directorate of National Education and the Pinar / Pinar Institute with content and training materials that have been completely renewed in the past year. “Let’s Move With Fun and Eat Healthily” project will be active in 39 independent nurseries in İzmir during the 2016 - 2017 academic year and approximately 3,000 children have been trained through the teachers trained under Training of the Trainer Activities. Three academic publications were prepared as a result of the information obtained from teachers and children and pre-test and post-test assessments.

- “Examination of Knowledge Levels of Pre-school Teachers on Nutrition and Movement Activities” 6th Hacettepe Nutrition and Dietetic Days / May 2017 - Ankara

- “Examination of the Effect of Nutrition Education on Pre-school Children” 12th International Social Science Conference / May 2017 - Amsterdam

- “Determination of the prevalence of overweight and obesity of children in preschool education” European Early Childhood Education Research Association Annual Conference / September 2017 - Bologna

A protocol will be signed with MoNE Basic Education General Directorate for the project to be disseminated in Turkey in the future period and for a certification program work towards the teachers by incorporating it into the curriculum.



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Developments from Companies

Pinar Children’s Theatre

Pinar Children’s Theatre aims to contribute to the cultural and personal development of the children by ingraining love of theatre in the children. The story of the Pinar Children’s Theatre, reaching more than three million children with 45 different plays until today, was rewritten in 2017 with the documentary entitled “A Theatre Named for Children but Big in Itself” in the eyes of Coskun Aral. For the first screening of the documentary, a night was organized where the names from the world of art and business came together hosted by the Yaşar Holding Vice Chairman İdil Yiğitbaşı. In the documentary, there are also interviews by the actors such as Vahide Percin, Bülent İnal, Yıldırım Beyazıt, Necmi Yapıcı, Melek Şahin ve Evrim Alasya which they conveyed their memories in the Pinar Children’s Theatre.



Pinar Children’s Theatre, which reaches to millions of children in Turkey free of charge and serves as an important school in introducing many successful actors, has performed its new play called “Fairy Tale Train” in various schools in Istanbul in the 2017-2018 education period. It has been staged in the Profilo Shopping Centre and made thousands of children theatre lovers experience a visual feast. Pinar Children’s Theatre will continue to be staged in many cities in 2018 as part of the touring program of the new play.

Social Investment Works



International Pinar Painting Contest for Children

The International Pinar Painting Contest for Children was organized in 2017 with the theme of “Health and Sport”, aimed at raising the interest of primary school children in painting and fine arts and educating painters of the future. 32,206 pieces of paintings has participated in the contest from Cyprus, Germany, Qatar, the United Arab Emirates and social media apart from the seven regions of Turkey. 36. The award ceremony of the International Pinar Painting Contest for Children was held this year at Art Week organized at Şile Doğa Tatilköyü. Children who participated in the workshops under the supervision of the painter Prof. Zahit Büyükişliyen, had a full week with art and many talented children who had a chance to see Istanbul for the first time left the Art Week with smiling faces.

Pinar Children’s Painting Workshop

Pinar Children’s Painting Workshop was held for the second time in 2017. Pinar Children’s Painting Workshops were held in 6 provinces and 7 points in Şanlıurfa, Adana, Ankara, İzmir, Samsun and İstanbul between 3 March and 16 April. Approximately 16,900 children painters were reached during the workshop program.



Pinar Meat / Vocational Training Unit

Pinar Meat, which has established Pinar Meat Vocational Education Unit, and which has been operating since 1998, has professionally trained more than 400 apprentice students in meat and meat products processing field. By the end of 2017, 12 students continue their education in the vocational education unit.

Dyo Coating/ Dyo Master League:

DYO master league project is one of the examples of good practice of the Group in the scope of social media presentations and supporting sport activities. “DYO Master League” football tournament on a regional basis which was organized with the special permission and support of Turkey Football Federation for the paint consumers and the “paint masters” which is the most important stakeholders of the industry was held in Antalya Kervansaray Hotel Lara from 24 to 28 July 2017. The tournament has reached more than 3 million people through A Spor channel, social media pages and the specially prepared website www.dyoustaligi.com. The Master League organization was also launched for the year 2018.



Dyo Coating / Value for the Future Corporate Social Responsibility Project.

With its social responsibility project titled “Value for the Future”, Dyo Coating aims to build a better future by creating sustainable practices based on scientific data and principles, with “Worth Learning”, “Value for the Mastership” and “Value for Schools” themes.

In the first stage of the project, an advisory committee was formed from the academic staff of Mimar Sinan Fine Arts University Faculty of Architecture and Department of Educational Sciences with the theme of “Value for Learning”. Educational contents providing colour, space usage, heat and light elements were prepared by this committee.

Training was given in 13 provinces in Turkey to 312 paint masters by Mimar Sinan Fine Arts University in two years with the theme of “Value for the Mastership” Masters with Vocational Qualification Certificates have experienced making a color and space composition through the eyes of an architect thanks to the trainings.

Under the “Value for Schools” theme, trainings were given to administrators, class teachers and parent teacher association. During the 2015-2016 and 2016-2017 education periods, 1,358 teachers, 33,520 students and approximately 70,000 people were reached in 84 schools in total. It is aimed to increase the quality of life and achievements of children with the trainings given and to have awareness about aesthetic values.

16,900

children painters were reached during the workshop program

Under the “Value for Schools” theme

32,520

students were reached

Under the “Value for Mastership” theme

to 316 paint masters Masters with Vocational Qualification Certificates

Social Investment Works

STAKEHOLDER OPINION

Prof. Dr. Burçin Cem Arabacıoğlu

Mimar Sinan Fine Arts University
Faculty of Architecture Interior Architecture Department

Can we learn your thoughts about the 'Value for the Future' project developed by DYO Coating ?

DYO Coating's 'Value for the Future Corporate Social Responsibility Project is an initiative which reserves different layers together in itself, having the potential to maintain its sustainability by adapting over time according to various purposes and which is intended to obtain permanent results in medium and long term in our country which is exceptional in our country. 'Value for the Future' Corporate Social Responsibility Project has successfully reached to the related sections of the society with the sector beginning with the sub projects of 'Worth Learning', 'Value for the Mastership' and 'Value for Schools' and has obtained positive feedbacks from the first day. 'Value for the Future' The Corporate Social Responsibility Project is a model project that stands out in terms of creating awareness in society.

What kind of differences the Value for the Future project applications will make on sector professionals and children and what contributions will it make according to you?

'Value for the Future' The Corporate Social Responsibility Project is a project that is established aiming to create major awareness, especially in the fields of both space design principles on the users of the designed spaces, use of colour-light in the space and thermal comfort. I think that the fact that the project aims the children who will become the decision maker individuals of the future society is an important strategy which will ensure that this awareness will be permanent in the society in the long term. The products of space design are often products that have a lifetime as long as a person's life. The handling of the design process in the light of scientific principles will increase the quality of life of users in the emerged space and will contribute to sustainability by providing more efficient use of products and resources with long life span. At the same time, the project will strengthen communication by creating a common consciousness among users and practitioners and contribute to the creation of designs that give more accurate answers to needs.

How do you find a paint company to perform such a project as an architect other than being an academician?

As a professional person besides my academicians identity, I believe that the "Value for Future" Project will contribute to the better identification and expression of the needs of the users by strengthening the communication between the space designers and the users primarily. A grasp of the design principles of space by every segment of the society will form a platform for requesting quality spaces in functional and aesthetic manner which will influence the life quality as well as the material quality. This environment will contribute to increasing the structural, functional and aesthetic qualities of the architecture of the country which shapes the life by architects' introduction of works not only focused on quantity but also in quality.

Çamlı Feed

Çamlı Feed acts on the basis of supporting sustainable agriculture and livestock by considering it as a responsibility to disseminate the concept of holistic sustainability to its producers who are in interaction beyond its own institutional structure, operation and products. Çamlı Feed supports and improves producers with the awareness of responsibility for humanity and nature. With the expert technical team and field team, it supports the manufacturer in farm management and animal health practices and contributes to raising awareness of producers through trainings. In this way, it supports them receive more efficient results by developing manufacturers' sustainable operation understanding.

YBP

YBP has realized social investment works in 2017 by incorporating them with various activities. Some of those are:

- In 2017, two new "Demo Chef" positions were created in the YBP organization chart. The objectives of the new demo chefs is raising awareness on the performance and taste elements of the products and make recipe studies in accordance with the customers and their needs.
- The applied trainings on the products for the sales teams has been conducted by the demo chefs with cuisine studies.
- CHEFTALKS meetings were held with the participation of leading names in the gastronomy world and OHC sales and business development teams to promote the use of the product portfolio.
- University student chef candidates coming from the four corners of Turkey and popular chefs of today are brought together and practical information were conveyed to the students in the Bolu Mengen Culinary high school ASOMDER organization held in April 2017. Approximately 3,000 professionals have been reached.
- In November 2017, Şirha İSTANBUL Fair, which is held for the fifth time in the Istanbul Congress Centre, many flavours were which were created with Pinar products by several chefs were shared. It has been introduced to the gastronomy students of Kısık Ateş. 12,000 professionals have been reached.
- Many Pinar Meat and Pinar Dairy products, especially the Pinar Latte Art Barista Milk which was launched in 2017, were introduced to the sector representatives and coffee lovers in the festivals held in İstanbul, Ankara, Eskişehir and İzmir. Approximately 150,000 consumers and nearly 200 participating companies have been reached.
- Product promoting advertisements (Food-in-Life, Patisserie, Food Time, Gastronomy etc.) and practical recipes with famous chefs were provided to the target group in the sector journals through text medium both for the aim of increasing the brand recognition, extending product usage areas by offering recipe proposals.
- Brochures and recipe books have been prepared for the purpose of providing convenience for sales executives and customers in order to be beneficial for intercorporate and external notifications for the new product launches of the OHC portfolio.

Social Investment Works

Sponsorships

**Pinar KSK**

In addition to contributing to the conservation of education, arts and cultural assets with the understanding of "social citizenship", Pinar also supports sports. Karsiyaka Sports Club has been supported for 60 years under the leadership of Yaşar Holding's Founder and Honorary President Selçuk Yaşar. Thousands of teen sportsmen playing in Karşıyaka Basketball Team and infrastructure are supported since 1998 by us as main sponsors. Setting on the road with the goal of making İzmir a basketball city and supported in order for the residents of İzmir, youngsters and kids to be integrated with sports, recent achievements of Pinar Karşıyaka include Turkish Cup Championship, Presidential Cup and Turkish Basketball League Championship. Pinar Karşıyaka has also represented Turkey in Euro Challenge and Euroleague successfully. Beside the support to Pinar Karşıyaka Basketball Team, sport opportunities have been provided to 25 thousand children in the infrastructure and the sport academies together with the Pinar Karşıyaka Basketball branch.

**Pinar Dairy and Pinar Meat**

In addition to participating in many organizations held in fields such as R & D, quality, sustainability and marketing, Pinar also supports them as a sponsor. Moreover, it supports activities which promote the cookery, gastronomy and cuisine culture in Turkey. In these type of organizations, the opportunities to meet with the leaders and scientists of the Turkish food sector are also being created.

Pinar participated in the Food Conference, where issues such as increasing the number of sustainable food brands and training of institutional leaders for sustainable brands as a Platinum Sponsor in 2017, and the Sustainable Markets Conference was supported as a Bronze Sponsor. In 2017, 6 fairs, 3 congresses / summits / forums, 1 symposium and 30 event sponsorships were realized with Pinar brand.

30 Event sponsors | **6** Fairs | **3** Congresses

**Pinar Water**

Pinar Water sponsors various events organized in the fields of quality, food, R & D and marketing, as well as participating in many fairs and congresses for the development of the sector every year. Many activities were participated also in 2017.

Major sponsored organizations:

- 4th İzmir Occupational Health and Safety Summit
- 4th İzmir Employment Fair
- 14th Aegean Human Management Summit
- Marka Türkiye 2017
- İzmir Girls' High School Model United Nations Conference
- 18th Search for Perfection Symposium
- Karşıyaka Bicycle Festival
- Sustainable Food Conference 2017
- Aegean Economic Forum
- 6th International İzmir Theatre Festival
- Sustainable Brand Conference
- Sustainable Food Conference

Fairs participated:

- 86th İzmir International Fair
- Gurme İzmir (Olivetech) Fair
- Gastro Entertainment

Viking Tissue

As part of its corporate social responsibility activities, Viking Tissue provided 8 student scholarships through the Yaşar Education and Culture Foundation in 2017. A total of 51 internships were offered to high school and university students within the scope of vocational education.

Viking Tissue, which develops effective solutions for the environmental and natural issues, also undertakes different projects in the field of corporate social responsibility.

Cleaning Paper support was made to Yaşar Education and Culture Foundation Private Education Application Centre in Güzelbahçe Yelki and The School for Disabled in Aliağa and Turkish Education Volunteers Foundation Çiğli Education Park in 2017.

Social Investment Works



Dyso Coating

Sponsored organizations:

- Turkey Football Federation National Team
- 18th Search for Perfection Symposium
- 26th Quality Congress
- Session with Dyotherm brand at RE360 Conference
- Sponsorship of National Karting athlete Berkay Besler
- ATOM Symposium
- KİPLAS Journal
- Paint support for the playground of Şanlıurfa Siverek Town Çevirme Village Primary School
- The Independence Road Project, which was organized in cooperation with Küre Municipality and Mimar Sinan University.



Altın Yunus

Altın Yunus continued its social responsibility projects in 2017 as it has been in the past with the concept of corporate citizenship. In addition to education, special projects have been supported in environmental issues.

Supported Trainings in 2017:

- Altın Yunus participated in Career Days in Balıkesir University, Çanakkale 18 Mart University and Afyon Kocatepe University in March 2017, Yaşar University in April 2017 and in Ege University Çeşme High School in November 2017.
- Internships have been offered to students of 5 Tourism Training Centres (TUREM), 2 Erasmus Plus exchange program students, 28 vocational high school and 27 university students making a total 62 students within the scope of Altın Yunus. Altın Yunus was awarded with a certificate of appreciation by Çeşme Governorship Mehmet Akpınar Secondary School



because of its contributions to education.

Environment and Sustainability Studies

- In 2017, food support from waste food has continued to be given to the Çeşme Animal Shelter.
- Altın Yunus was awarded a certificate of appreciation by TURMEPA Turkish Marine Environment Protection Association within the framework of environmental conservation and sustainability activities.
- Altın Yunus Beach, which fulfils the necessary criteria in environmental management and environmental education issues, was awarded with the International Blue Flag Award for cleanliness, equipment and services of sea water.

Yaşar University

Aiming to raise individuals who are sensitive to the environment and to their own lives as well as capable of acting with awareness of social responsibility, Yaşar University was founded in 2001 and started its activities in 2002-2003 academic year. Yaşar University, where 8,674 active students are educated in 2017-2018 academic year, has a total of 742 full-time staff including 437 academic and 305 administrative staff.

Having 2 institutes, 7 faculties, 1 School of Applied Sciences, 2 Vocational Schools of Higher Education and 1 School of Foreign Languages, Yaşar University serves academically and scientifically with 30 departments, 12 associate degree programs, 23 master's degree and 10 PhD programs.

The fundamental philosophy of Yaşar University, one of the 2 private universities in İzmir is to support the academic, cultural and social development of individuals with a perspective to promote universal values and free thinking.

2	7	1	2	1	437
Vocational Schools	Faculties	School of Applied Sciences	Vocational Schools	Foreign Languages	academic staff

91 students went abroad under the scope of Erasmus Education Program and 22 students went abroad under the Erasmus Internship Program during the 2017-2018 academic year, 2 students came to Yaşar University to make internship under Erasmus Program. In addition, 1 student studied in the United States under the Global Exchange Program and 12 students came to Yaşar University to study.

As an international education experience is offered with the variety of student profiles in the campus 275 full time and part time international students from 69 different countries such as Europe, USA, Peru, Belarus, Nigeria, Kenya, Central Africa, Congo, Tajikistan, Venezuela, Iraq, Azerbaijan, Iran, Pakistan and Ecuador study in Yaşar University.

Yaşar University supports the achievements of students and contribute to their education with various scholarship opportunities, which are Education and Training Scholarship, Academic Achievement Scholarship, Talent Scholarship, Martyr and Disabled Veteran Scholarship, Shelter Scholarship and International Student Scholarship. In this framework, 63,86% of students utilize the scholarships granted in different rates.

Yaşar University pioneers projects in the areas of software, design, work process improvement, communication, perception measurement and training in a broad spectrum ranging from social projects to university-industry collaboration projects. A major part of these projects are supported by TÜBİTAK and the others are sourced from the resources of Yaşar University or industrial or other organizations and institutions. Many universities - industry collaboration projects are realized in partnership with the Yaşar Group companies.

Some of the projects realized by Yaşar University are listed below.

SENER: "A Virtual Learning Platform and Transnational Academies for Future Social Entrepreneurs"

Erasmus + Program - Key Action 2: Business Association for Innovation and Change in Good Practices

Yaşar University Information and Technology Transfer Office

Berber.org

Minerva Incubation Centre

Although the notion of social entrepreneurship has not received what it deserved in the world, it has begun to show a trend as well. For this reason, the challenges faced by any technology entrepreneur are increasing for a social entrepreneur. Contrary to the growing interest in social entrepreneurship, a number of incubator and training programs targeting social initiatives are still limited. This problem is mostly due to the limited understanding of the concept of social entrepreneurship.

Yaşar University Information and Technology Transfer Office Team has applied for the project named "SENER: "A Virtual Learning Platform and Transnational Academies for Future Social Entrepreneurs" under the title of Erasmus + Program - Key Action

2: Business Association for Innovation and Change in Good Practices. In this context, SENTRE intends to develop a curriculum that serves for the specific needs of Social Entrepreneurs and to make this curriculum through a virtual learning environment (VLE) that uses an open innovation and co-creating approach among all stakeholders. Thus, SENTRE will have a positive influence on the entrepreneurship and the sense of entrepreneurship, employability and skill levels for social entrepreneurship. The proposed project will also provide support for non-governmental organizations, associations and cooperative associations to carry out new projects and increase capacities.

Berber.org, one of the teams of the Minerva Incubation Centre in Yaşar University, is a social initiative aimed at developing an infrastructure that allows the transfer of the products and services needed in civil society from the right source to the right person. Starting from the most basic needs, the team aims to deliver all products and services sold through e-commerce to the needy in a transparent and sustainable way. Within the scope of the developed project, agreements shall be made with the product or service provider companies to sell the products or services at berber.org at a special price within the framework of corporate social responsibility approach. The products of the contracted companies will be included in the berber.org system together with the e-commerce infrastructure. The subject of age, size, type and quality issues will not be left to chance, by creating opportunity for the necessary products to be purchased from this page. Berber.org aims to meet the needs of social responsibility projects with e-commerce system. Although today's charitable organizations are focused solely on collecting charitable donation, the platform to be developed will primarily match the sales channels with e-commerce systems to those who need it. In this context, it is the first case that needs can be purchased and reliably reached to the needy.

Project Name: Terrestrial Laser Scanning Technologies in Cultural Heritage Documentation

Project Type: Scientific Research Project (SRP)

Project manager : Asst. Prof. İlker Kahraman

Conventional methods for documenting historical buildings lead to workforce and loss of time, and also cause the quality of the work to be low. In addition, students cannot learn digital documentation techniques during their education period and cannot use these technologies in their professional lives.

The aim of this research is to test the method of Terrestrial Laser Scanning which is frequently used in the field of cultural heritage documentation in recent years, to document and scan the Çanakçı Mosque and Alaeddin Sultan Zawiyah in Tire owned by General Directorate for Foundations, test the restorations works with computational design methods and seek an answer for reaching the best and optimal result. It is aimed to develop ideas about the use of these structures through re-functionalization and in specific functions.

Caring for employees



CARING FOR EMPLOYEES



Employee Profile

The Yaşar Group is aware that the corporate commitment and continuity of its employees are the most needed elements in order to increase the quality of its products and services and provide economic development. When we look at the working profile of the Yaşar Group, it is seen that this institutional commitment exists, and the employees contribute voluntarily and actively to the social and economic development.

[Read more p.87](#)



Employee Development

The Yaşar Group is aware of the need to invest in its employees and has organized training programs and projects aimed at accelerating active work towards the development of employees' personal development and global citizenship awareness. Talent management and lifelong learning programs were created to support employees' career management and professional development.

[Read more p.95](#)



Employee Rights

Equality of opportunity in the Yaşar Group is provided to employees as they enter the door of the Yaşar Group and equal opportunities are granted to employees in all human resources processes such as remuneration, performance evaluation, promotion, appointment, training and development as long as the employee is in the Group organization.

[Read more p.92](#)



Occupational Health and Safety

It is a philosophy aimed to be established within the way of doing business in each Yaşar Group company to review the occupational health and safety practices in improved scope and implement new further goals. In accordance with the decision taken by the Board of Directors, the most obvious step taken by the Group towards this target is to add an agenda item to the first Board of Directors meetings of all companies regarding the current situation and activities in the field of OHS.

[Read more p.97](#)

The Yaşar Group primarily looks out for the basic rights of its employees and keeps their health and safety in the forefront with the consciousness that the most valuable resource is the employees since the first day of its foundation. The Group is proud to have the first companies to recognize the trade union rights in its organization. Employees of the Yaşar Group have been working as union members in Pınar Dairy since 1976, Dyo Coating since 1985 and Viking Tissue since 2013.

The Group, looking out for and supporting the personal and professional development of its employees, has adopted the principle of empowerment together with its employees for a better future. In 2017, the Yaşar Group has organized trainings and events for personal development of its employees and aimed its employees to internalize the principle of occupational health and safety by informing its employees about occupational health and safety. The Group, which cares to incorporate all accessible advanced practices into this goal, has the philosophy that working within the framework of occupational health and safety principles can only be achieved, if it is supported by employees' personal and social activities and development.

The Yaşar Group is aware that the corporate commitment and continuity of its employees are the most needed elements in order to increase the quality of its products and services and provide economic development. When we look at the working profile of the Yaşar Group, it is seen that this institutional commitment exists, and the employees contribute voluntarily and actively to the social and economic development.

In 2017, the Yaşar Group continued to add value to the society through corporate social responsibility projects as in previous years. The employees of the Yaşar Group have been voluntarily and actively involved in each stage of the design, development and processing of the project. In addition, employees take active role in enabling that the products and the services are good quality and compatible with environment and human health and informing the society about the right way of consuming these products and services.

The fact that the motivation of this participation is formed in sincerity and devotion proves that the Yaşar Group has an egalitarian understanding which fights discrimination both within its own organization and its business partners. The concept of "decent work" in the main and sub-texts of the United Nations and the Global Compact is one of the most fundamental values that determine the way the Yaşar Group works. The Sustainable Development Goals for the Group have guided it in setting goals to protect employee prosperity and move it further. It has been understood that the active and voluntary participation of the employees is necessary for getting faster and more effective results from all the activities done in line with these targets and rooting of the applications.

In order to ensure that the responsible production and consumption consciousness is not only confined to the management level and an interactive mechanism for transferring it to all employees is established, internal trainers have been determined and trainings have started to be given in the Group companies.

The employees of the Yaşar Group voluntarily participated in the social and environmental activities of the Group with their sensitivities and development-oriented perspectives. In order to bring both the employees and the institution to a higher level with the devotion and desire of its employees, the Yaşar Group has set the objective of establishing and disseminating the necessary infrastructure for increasing the interest of all the employees together with the Group on common problems and projects. Within the frame of this goal, activities have been carried out to extend the Yaşar Sustainability Contest, which has been held for the second time in 2017 to all group companies. At the award ceremony where the results of the contest were announced, the relevant employees of the Group companies have been informed about the projects. In addition, it has been tried to establish a common awareness and value on the problems and implemented projects through the sustainability trainings provided to the employees of Altın Yunus, YBP and Pınar Dairy.



Employee Profile

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Total Workforce by Agreement Type

	Indefinite Term		Fixed Term		General	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Number	5,560	1,167	126	20	5,686	1,187
Ratio of Total Employees	80.9%	17.0%	1.8%	0.3%	82.7%	17.3%

Percentage of Labour Force by Employment Type

	Key		White Collar		Blue Collar		Temporary		Total	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
2015	4.4%	1.3%	31.8%	10.9%	43.5%	4.7%	2.9%	0.5%	82.6%	17.4%
2016	4.5%	1.3%	33.2%	11.1%	42.7%	4.4%	2.5%	0.4%	82.9%	17.1%
2017	4.6%	1.3%	33.7%	12.3%	41.2%	4.1%	2.4%	0.4%	81.9%	18.1%

* Sub-employers are excluded in the table of total permanent employees .

In 2017, the proportion of women working in the Group increased from 17.1% to 18.1% with the increase in the proportion of female employees in the white collar.

Total Labour Force by Employees and Supervised Workers

	Our Own Employees		Supervised Workers		General	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
2017						
Number	4,368	963	1,318	224	5,686	1,187
Ratio	63.6%	14.0%	19.2%	3.3%	82.7%	17.3%

* The total number of employees consists of the total number of permanent and sub-employer employees.

Gender Distribution in the Breakdown of the Employee Category by Companies

KEY	2015		2016		2017	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Yaşar Holding	44%	56%	43%	57%	48%	52%
Pınar Dairy	70%	30%	67%	33%	69%	31%
Pınar Meat	75%	25%	76%	24%	72%	28%
Pınar Water	76%	24%	83%	17%	83%	17%
YBP	92%	8%	91%	9%	90%	10%
Çamlı Feed	88%	12%	91%	9%	92%	8%
Dyo Coating	76%	24%	75%	25%	74%	26%
Viking Tissue	100%	0%	100%	0%	100%	0%
Altın Yunus	86%	14%	86%	14%	80%	20%
Yaşar Information Systems	-	-	90%	10%	90%	10%
Desa Energy	67%	33%	75%	25%	50%	50%
TOTAL	77%	23%	78%	22%	78%	22%

Employee Profile 102-8

WHITECOLLAR	2015		2016		2017	
COMPANY	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Yaşar Holding	44%	56%	50%	50%	46%	54%
Pınar Dairy	66%	34%	66%	34%	65%	35%
Pınar Meat	70%	30%	70%	30%	65%	35%
Pınar Water	76%	24%	75%	25%	74%	26%
YBP	85%	15%	86%	14%	86%	14%
Çamlı Feed	73%	27%	72%	28%	70%	30%
Dyo Coating	71%	29%	72%	28%	71%	29%
Viking Tissue	75%	25%	71%	29%	69%	31%
Altın Yunus	76%	24%	77%	23%	74%	26%
Yaşar Information Systems	-	-	61%	39%	64%	36%
Desa Energy	87%	13%	79%	21%	79%	21%
TOTAL	74%	26%	75%	25%	74%	26%

BLUE COLLAR	2015		2016		2017	
COMPANY	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Yaşar Holding	67%	33%	58%	42%	70%	30%
Pınar Dairy	89%	11%	90%	10%	90%	10%
Pınar Meat	81%	19%	82%	18%	82%	18%
Pınar Water	87%	13%	90%	10%	89%	11%
YBP	100%	0%	100%	0%	100%	0%
Çamlı Feed	98%	2%	98%	2%	99%	1%
Dyo Coating	99%	1%	99%	1%	99%	1%
Viking Tissue	100%	0%	100%	0%	99%	1%
Altın Yunus	83%	17%	83%	18%	73%	27%
Desa Energy	100%	0%	100%	0%	100%	0%
TOTAL	90%	10%	91%	9%	91%	9%

TEMPORARY	2015		2016		2017	
COMPANY	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Yaşar Holding	0%	100%	-	-	60%	40%
Pınar Dairy	0%	100%	-	-	-	-
Pınar Meat	-	-	100%	0%	0%	100%
Pınar Water	84%	16%	95%	5%	100%	0%
YBP	100%	0%	50%	50%	100%	0%
Çamlı Feed	-	-	100%	0%	50%	50%
Dyo Coating	87%	13%	89%	11%	91%	9%
Viking Tissue	-	-	-	-	-	-
Altın Yunus	80%	20%	72%	28%	68%	32%
Desa Energy	100%	0%	-	-	100%	0%
TOTAL	85%	15%	85%	15%	86%	14%

Employee Profile 102-8

Distribution of Total Workforce by Region and Gender

Human resource of the Yaşar Holding, which makes investments mainly in the Aegean Region, is 63.7%. The Group which spread all around Turkey has generated employment in all the regions of Turkey with its recent investments from 2016.

Region	2015		2016		2017	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
Aegean Region	11.4%	51.8%	12.2%	52.3%	12.1%	51.6%
Marmara Region	3.5%	17.0%	2.1%	16.9%	3.0%	15.6%
Central Anatolia Region	2.1%	9.7%	2.1%	10.0%	2.1%	11.0%
Mediterranean Region	0.3%	2.2%	0.2%	2.0%	0.3%	1.9%
Black Sea Region	0.1%	0.4%	0.1%	0.5%	0.1%	0.5%
South East Anatolia Region	0.1%	1.4%	0.1%	1.4%	0.1%	1.7%
Eastern Anatolia Region	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Total	17.4%	82.6%	16.7%	83.3%	17.7%	82.3%

* The total number of employees consists of the total number of permanent and sub-employer employees.

Newly-Hired Employees by Their Age Groups

AGE	EXCEPT TEMPORARY AND SUB-EMPLOYER				INCLUDING TEMPORARY AND SUB-EMPLOYER			
	Number Of Total Employees Recruited				Number Of Total Employees Recruited			
	MALE	PERCENT	FEMALE	PERCENT	MALE	PERCENT	FEMALE	PERCENT
UNDER 30 YEARS	166	32.4%	82	16.0%	1,040	56.4%	148	8.0%
30-50 YEARS	202	39.5%	55	10.7%	521	28.2%	115	6.2%
OVER 50 YEARS	6	1.2%	1	0.2%	17	0.9%	4	0.2%
TOTAL	374	73.0%	138	27.0%	1,578	85.5%	267	14.5%

Newly-Hired Employees by Region

REGION	EXCEPT TEMPORARY AND SUB-EMPLOYER				INCLUDING TEMPORARY AND SUB-EMPLOYER			
	Number Of Total Employees Recruited				Number Of Total Employees Recruited			
	MALE	PERCENT	FEMALE	PERCENT	MALE	PERCENT	FEMALE	PERCENT
AEGEAN	205	40.0%	81	15.8%	777	42%	170	9.2%
MARMARA	124	24.2%	45	8.8%	322	17%	51	2.8%
CENTRAL ANATOLIA	29	5.7%	11	2.1%	408	22%	43	2.3%
MEDITERRANEAN	6	1.2%	1	0.2%	33	2%	3	0.2%
SOUTHEASTERN ANATOLIA	6	1.2%	-	-	34	2%	-	-
BLACK SEA	4	0.8%	-	-	4	0%	-	-
TOTAL	374	73.0%	138	27.0%	1,578	85.5%	267	14.5%

Employee Turnover Rates by Age Distribution

Personnel turnover rate by age distribution	Number of employees at the beginning of the year		Non-Group Employment		In-Group Transfer		Resigned		Turnover rate	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
UNDER 30 YEARS	233	658	91	202	0	2	44	155	13.6%	18.0%
30-50 YEARS	678	3,589	53	203	4	7	95	375	12.9%	9.9%
OVER 50 YEARS	21	148	1	3	0	1	0	37	0.0%	24.3%
TOTAL	932	4,395	145	408	4	10	139	567	12.9%	11.8%

Employee Turnover Rates by Region

Personnel Turnover Rate by Region	Number of employees at the beginning of the year		Non-Group Employment		In-Group Transfer		Resigned		Turnover rate	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Aegean Region	630	2,765	85	230	4	10	79	340	11.0%	11.3%
Marmara Region	173	901	47	132	0	0	44	156	20.0%	15.1%
Central Anatolia Region	103	506	12	30	0	0	14	42	12.2%	7.8%
Black Sea Region	4	31	0	4	0	0	0	2	0.0%	5.7%
Mediterranean Region	14	107	1	6	0	0	2	18	13.3%	15.9%
South-eastern Anatolia Region	8	85	0	6	0	0	0	9	0.0%	9.9%
TOTAL	932	4,395	145	408	4	10	139	567	12.9%	11.8%

Rates of Returning to Work and Staying At Work After Birth Permit

The Yaşar Group guarantees the social rights of all employees, especially women.

2017	Total number of employees entitled to parental leave		Total number of employees granted parental leave		Total number of employees returning to work after the end of parental leave		The total number of employees returning to work after the end of parental leave and still working after twelve months from returning to work	
	Female	Male	Female	Male	Female	Male	Female	Male
TOTAL	47	304	47	304	37	304	32	290

2017	Rate of Returning to Work	Rate of Retention at Work
FEMALE	79%	86%
MALE	100%	95%

In case of wife's giving birth, in accordance with the regulation made in the Labour Law No. 4857, the right to paid leave for five days is offered to male employees.

Distribution of Employees in the Governance Bodies by Gender and Age (%)

In Yaşar Group, the rate of female managers who are authorized in decision making mechanisms is 29% at the level of directors and 12% in senior managers.

	2015		2016		2017	
	Female	Male	Female	Male	Female	Male
Senior Manager	20%	80%	17%	83%	12%	88%
Director	23%	77%	25%	75%	29%	71%

	2015		2016		2017	
	Senior Manager	Director	Senior Manager	Director	Senior Manager	Director
Under 30 years	0%	2%	0%	0%	0%	0%
30-50 years	32%	71%	21%	75%	20%	79%
Over 50 years	68%	27%	79%	25%	80%	21%

* Senior manager group (consists of members of the Board of Directors, CEO, Executive Vice Presidents, Vice Presidents, Coordinators and General Managers).

Gender Based Representation of Individuals in Governance Bodies of the Organization

2017	Key	White Collar	Blue Collar	Temporary
Female	22%	27%	9%	14%
Male	78%	73%	91%	86%

Percentage of Employees' Diversity Categories Per Employee Category

2017	Key	White Collar	Blue Collar	Temporary
Under 30 years	0%	22%	21%	57%
30-50 years	83%	76%	78%	35%
Over 50 years	17%	2%	1%	8%

Distribution of Disabled Workers by Employee Category

YEAR	DISABLED EMPLOYEE	WORKING NUMBER	PERCENT
2017	129	5,241	3
2016	134	5,394	3
2015	144	5,683	3

2017	Key	Ratio	White Collar	Ratio	Blue Collar	Ratio	Temporary	Ratio	Total
Number of Disabled Employees	0	0%	59	46%	68	53%	2	2%	129

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Equality of Opportunity and Non-Discrimination

In the frame of current rules of ethic and in accordance with the goal to carry out activities for fighting inequalities efficiently and increasing loyalty in a way to cover all business partners and suppliers, the Yaşar Group performing various practices based on its "decent work" approach, has accelerated its activities within this scope in 2017.

Equality of opportunity in the Yaşar Group is provided to employees as they enter the door of the Yaşar Group and equal opportunities are granted to employees in all human resources processes such as remuneration, performance evaluation, promotion, appointment, training and development as long as the employee is in the Group organization. In 2017, our employees did not have any complaint about discrimination in our Group where the criteria such as religion, sex, age and marital status are not determinative in human resources processes. Our Group, which believes in the principle of continuous improvement, promotes health, safety, education and personal development of all our employees, regardless of whether they are men or women. As stated in our corporate web site, there are competencies and qualifications set for each open position. While the qualifications and competencies required for a position in recruitment process are assessed

on the basis of the applicant's suitability, there is no difference in recruitment and remuneration between men and women. Supporting empowerment of women in every sector we operate, our Group signed the "UN Women's Empowerment Principles CEO Support Declaration" in 2012; and "Equality Platform in Business" and "Women's Empowerment Working Group" established by the Board of Directors of Global Compact Turkey, which were brought into the agenda by the World Economic Forum and continued under the leadership of the Ministry of Family and Social Policies, took place in our Group.

Towards the Empowerment of Female Employees

- During the reporting period, 30% of the promotions to the executive level consisted of female employees. In the intra-Group promotion process, care is taken to ensure that there are also female candidates within the proposed candidates.
- The rate of female students is 67% while male students 33% in the internship programs, which are considered as an important workforce pool for recruitment.

Pregnant and breastfeeding employees of the Group work within the time limits specified in the law and women continue to work in the same position after returning from maternity leave. The rate of female employees returning to work is 79% and the rate of staying at work is 86%.

Meanwhile, Pinar Meat provides 1-hour legal rights and practices training to ensure that all pregnant female employees can continue their working life.

30%
of the promotions to the executive level consisted of female employees

The rate of female students is **67%** in the internship programs

The rate of female employees of staying at work is **86%**

Appropriate Working Conditions



Labor and Labor Force

Based on the principle of "putting the right people to the right jobs", Yaşar Group's aim with human resources applications is to attract the most talented, qualified, creative, innovative, motivated and high performing workforce in the market through its fair human resources policies and practices that earn the employee's mind and heart, and retain it by developing it and increasing its loyalty to the Group.

In the event that the employees employed within the companies are to be assigned for another assignment, the assignment procedure is conducted in accordance with the 4857 Numbered Labor Law within the terms indicated in the Non-Extra Personnel Regulations, and for the employees included in the Collective Labor Agreement, the periods specified in the Collective Labor Agreement become applicable.

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Child Employment

Child employment in our country is regulated by the Labor Law No. 4857. In accordance with the relevant provisions, those who are not at least 15 years of age cannot be employed but those who have completed 14 years of age and completed primary education can be employed in light jobs with limited periods of work that will not interfere with their development and education. Although there is no legal requirement, Yaşar Group companies adopted the principle of not employing personnel who are not at least 18 years old.



Forced Labor and Involuntary Servitude

In all companies operating within the Yaşar Group, the working days and times are announced to employees by defining public, general and weekly holidays. More work can be done through the approval of employees for higher work quality or increasing production. These conditions are laid down within the written conditions of the Law and the fees are paid in the same way as mentioned there. Job descriptions are set for the employees of the Group companies and they are notified when they start work; Documents related to job description are shared in the company through the common system which is used according to ISO 9001 and is open to employee access.

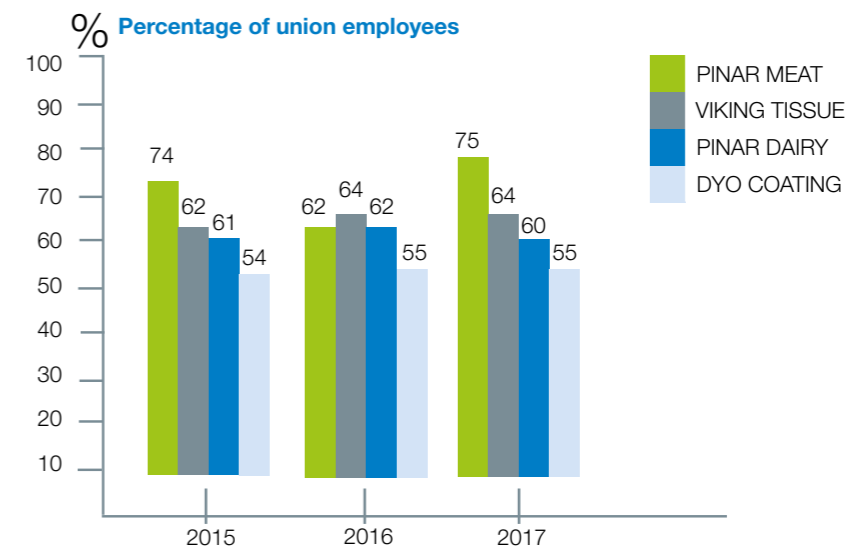
There is no incident in the Yasar Group that has been submitted to the jurisdiction of forced labor and slavery in 2017.



Trade Union and Collective Labor Agreement

In Yaşar Group companies, under the Labor Law No. 4857, an indefinite period work contract is signed with all employees. It is also obligatory that the employees of the contractors and subcontractors establishing partnerships with the Group companies are insured. Within the frame of existing rules of ethic, this obligation is a practice that serves the purpose of actively fighting with inequalities in a way to cover all business partners and suppliers, and increasing their loyalty.

Yasar Group Companies, known for the grounds they have broken, also take important steps towards unionization. Dyo Coating is the first company applied collective labor agreements in the paint sector. Constructive relations are always established with employees who are members of legal unions, and the employees' right to join unions is respected. Within this context, the employees' rights are secured through workplace and collective labor agreements signed by and between Dyo Coating and Petrol-Labor Union, by and between the Food Group Companies Pinar Dairy and Pinar Meat and Single Food Labor Union and by and between Viking Tissue and Cellulose Labor union.



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Recruitment

The Yaşar Group, evaluating human resources by objectively considering the criteria of knowledge, skill and experience required by the position in the light of “science, unity, success” principle; aims to bring a participative management approach considering sharing information and the spirit of unity valuable, open to all science-based developments and its qualified, trained and experienced staff adopting success-oriented activities together through its human-oriented management approach. .

Applicants who want to work in our Group, conducting all its activities in the light of universal human rights standards, can make their applications directly through the Yaşar Holding website or recruitment sites. Internship and job advertisements are published via the Yaşar Holding website, and the candidates can register their resumes to the application pool.

As a result of the preliminary evaluations by the Company’s human

resources departments, negotiations are held with the appropriate department managers with these candidates and after the reference check, job offers are made to eligible ones. Candidates who cannot be evaluated positively are notified through career portal, e-mail or phone.

The Yaşar Group, which carries out the recruitment procedures in accordance with the Labor Law No. 4857 and the Regulation on Non-covered personnel, was awarded by the Kariyer.net “Human Respect” award for the seventh time in 2017.

Employees of the Group companies are informed through the Company Personnel Regulations regulating the working conditions, rights, duties and responsibilities, and the personnel policies and principles become applicable, when recruitment processes are completed. New employees employed within the Group are provided the e-learning based “Yaşar Group Orientation Training” in the first day of employment and then participate in the “Company Orientation Program” specifically designed for each company.

Employee Rights

Social rights offered to employees	KEY	WHITE COLLAR	BLUE COLLAR (*)	TEMPORARY
Life insurance		Not applied		
Health services	X (company pays)	X Certain Stages (company pays)		
Disability and Physical Infirmity insurance		Not applied		
Maternity leave	X	X	X	X
Pension right		Not applied		
Stock ownership		Not applied		
Others				
The New Year Gift Box	X	X	X	X
Ramadan Box	X	X	X	X
Fuel Allowance	X Certain Stages	X	X	
Feast Allowance	X Certain Stages	X	X	X Certain Companies
Food Allowance	X	X	X	X
Road Toll		X	X	X
Marriage	X Certain Stages	X	X	X Certain Companies
Birth	X Certain Stages	X	X	X Certain Companies
Death	X Certain Stages	X	X	X Certain Companies
Car	X	X Certain Positions		
Fuel	X	X Certain Positions		
Cell Phone Device and Line	X	X Certain Positions		
Seniority Efficiency Wages	X	X	X	
Clothing		X Certain Positions	X Certain Positions	X Certain Positions
Sales Premium	X Certain Positions	X Certain Positions		
Performance Premium	X Certain Positions	X Certain Positions		

* UNIONIZED BLUE-COLLAR SOCIAL RIGHTS ARE NOT SPECIFIED.

Employee Development

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Training and Development Activities

Average Training Time 2017	Key	White collar	Blue collar	Temporary	Total
Female	2,011	13,783	3,690	3,361	22,846
Male	5,820	30,120	35,668	5,335	7,
Total	7,831	43,904	39,453	8,6,96	99,884

Yaşar Group as one of the leading Holdings in Turkey, actively supports personal development as well as continuous professional development of its employees and establishes development plans in accordance with the 70:20:10 Effective Learning Model, describing the focus of learning methods. According to this approach; 70% of development is through experiencing, practicing and learning at work, 20% during relationship management and communication, and 10% through formal education methods and in-class trainings. The Group’s competitive advantages are sustained by implementing a number of training programs to improve its competencies from orientation trainings to on-the-job trainings, personal development trainings to management skills trainings.

The Yaşar Group is aware of the need to invest in its employees and has organized training programs and projects aimed at accelerating active work towards the development of employees’ personal development and global citizenship awareness. Talent management and lifelong learning programs were created to support employees’ career management and professional development.

Pinar Dairy gives special importance to increasing the level of education and awareness; in the activity year of 2017, Pinar Dairy has organized Sustainability Trainings including include climate change and effects for 176 employees through internal trainers. In addition to these trainings, Pinar Dairy has been working on raising awareness about waste and acquiring waste awareness through the Waste Prevention Committee by putting employees at the focus of Food, Energy, Water and Time issues affecting the sustainability of life. Within this scope, training, information and awareness activities were carried out for all employees. Furthermore, Pinar Dairy has trained its employees in HACCP, food safety and hygiene topics in line with the annual plans. In addition to these trainings, employees are provided training in the scope of ISO 14001 Environmental Management System activities. In addition, annual Environmental Management System audits are carried out by the Turkish Standards Institute (TSE). In 2017, yoga and breathing trainings were provided to increase motivation of the employees of Pinar Dairy İzmir-Eskişehir-Şanlıurfa plants.

Pinar Meat founded Pinar Meat Library with the intent of supporting personal development of its employees and provided film therapy trainings. Training and informing activities are also carried out in order to increase animal welfare awareness among employees.

YBP has implemented a number of practices to support employee development, in the frame of the “focus, specialize and differentiate” principles that support the main mission, and have been working

to speed up and improve existing projects. These are studies such as Employee Counseling Center (Job Psychology), Leadership Development (Career) Coaching Services, Shadow Light, Career Planning Module, and individual development and vocational trainings are also provided to employees. In this context, employees are provided trainings in negotiation techniques, feedback, stress management and product training and digitization.

In 2017, Viking Tissue supported its employees through orientation trainings, job trainings, personal development trainings, management skills trainings, specialist trainings, technical and vocational trainings as well as seminars and conferences with the emphasis on employee development.

Altın Yunus has also organized several training organizations for improving its employees in 2017. On-the-job training courses organized by the Ministry of Tourism to improve the professional knowledge and skills of the personnel working in accommodation and catering enterprises have been participated. Moreover, all employees have been provided with various training sessions on ergonomics departments, operating machines and equipments, service quality and standards, communication with guests and guest satisfaction.

The users of the education platform established under Yaşar Academy brand in 2012 by means of e-learning methodology, have been increased in 2013 and 2014 and all white collars and blue collars supervising staff have been included in the system. In 2017, trainings of the learning platform involving 2.963 people have been separated as selective and compulsory. Employees can choose as much as they want from 45 compulsory and 147 elective courses, depending on their function and the skills they want to improve. For senior executives, there are 284 videos. In addition to the ready content, the Yaşar Academy also shares its policies with its employees through the Yaşar Akademi learning platform, which describes the policies, procedures or ways of doing business of Yaşar Group companies.

A total of 99,884 hours of training was conducted throughout the Group in 2017, with an average training time of 15 hours per employee. The average hours of training per female employee were 19 and per male employee were 14. Average hours of training per key employee were 25; while this was 17 per white collar employee, 10 per blue collar employee 10 and 62 per temporary worker.



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Personnel Management System



In the Yaşar Group, premium regulations for employees of the Performance Management System sales function are regulated by the Performance Evaluation Regulation for other employees. The Group, which adopts a holistic management approach towards achieving its main and strategic objectives, aims to achieve its personal and company goals parallel to each other through the Performance Management System implemented since 2005. The results of performance evaluation are reflected in individuals' personal development, career planning and rewarding / remuneration issues.

In the evaluation system established based on the Balanced Scorecard technique, the Key Performance Indicators (KPIs) selected at the beginning of the year with agreed goals are used. At the end of the year, realizations and goals are evaluated. The Performance Management System, which has been in use since 2005 and encompasses white collar employees, is being revised to improve its efficiency.

Employees of Yaşar Group companies benefit from Yaşar Group Core competencies and Business Family competencies for their personal and professional development. They identify the competencies they see as developmental areas with their managers, and they can choose between them through personal development forms. Through these forms, training and development needs of employees are determined and training plans are formed after analyses.

The evaluations made at the end of the year are reflected in performance scorecards in specified rates. In 2012, employees' performance scores and in 2013, Personal Development Forms were integrated into the SAP system and the human resources information systems infrastructure has been strengthened.

Performance / Percentage of Employees Included in the Premium System

	2016	2017
FEMALE 	30%	36%
MALE 	14%	30%
Key	77%	98%
Out of scope	23%	47%

Career Management System

Yaşar Talent Management

In order to ensure the continuity of the Yaşar Group's leadership knowledge, to preserve and improve the institution's knowledge and experience, to anticipate the needs of the next period, and to keep the workforce ready to back up positions, in 2017, Yaşar Talent Management has been implemented in 5 companies (Pinar Dairy, Pinar Meat, Pinar Water, Dyo Coating, YBP) selected as pilots. By means of the Yaşar Talent Management, the needs for continuity of the organization, as well as the needs for the career expectations and development needs of managers and employees can be met.

The Yaşar Group, which operates in line with the principle of "raising its own manager", aims to expand Yaşar Talent Management project in 2018.

Leadership Development Programs

I live as a Leader

Yaşar Group has been continuing education, project activities and mentoring since 1996 with the philosophy of "cultivate its own managers by itself".

In 2016, in order to lead the business and human resources in the most efficient way in line with the vision and strategies of the Yaşar Group, develop leaders who value values and train new leaders, "I Live is a Leader Development Program", which is a tool to shed light on the way to sustain the competitive advantage for supporting the development of leaders and creating a common culture of leadership, the Director and the manager trainings were completed in 2017. The program specifically designed for senior executives in the Group includes; the trainings consisting of "Leadership for Yourself", "Leadership for Organization", and "Leadership for Others" were provided, personality and leadership measurement inventory studies were conducted, coaching meetings were held with each manager, a co-coaching system was applied and Individual Development Plans were prepared.

Mentorship

The "Mentoring Program" is implemented in order to improve the potential managers who will take important duties in reaching the goals and future successes of the Yaşar Group by taking advantage of the knowledge and experience of today's managers. With the mentoring program, transferring the existing knowledge, experience and culture of the company to the generations, the rapid adoption and strengthening of the institutional culture, feeding the Group with its own internal resources, expanding and strengthening the internal communication network with the inter-company approach, increasing employee commitment and strengthening leadership skills are aimed.

In the program of the Yaşar Group where the future leaders with high performance and potential, open to learning and

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development and capacity to manage in the future, who are important for the Group's future take place as "mentees", the managers taking place as "mentors" transfer their knowledge and experience to their mentees by allocating required high-quality time for them. In addition to mentor-mentee talks, the program is supported by various trainings.

The Mentoring Program, with its revised content, has been conducted with the participation of 43 mentors and mentees in 2016-2017 period.

Y Connected

The Y Connected program, which was designed with the aim of learning the expectations and thoughts of the new generation working environment, company, by ensuring that the Chief Executive of the Yaşar Group meets the employees of the Group Y branch for increasing mutual communication, contributing for adopting the goals, culture and principles of the Group and increasing employee loyalty, has been put into practice in 2017.

Occupational Health and Safety

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Occupational health and safety is an issue that the Yaşar Group has always considered as a priority. The philosophy of occupational health and safety is seen by the Group not as an additional work but as a natural part of its production and service activities. Employees are trained to adopt and internalize occupational health and safety practices aimed at protecting employees and their assets; first aid trainings are also provided so that the first intervention for the accident can be carried out.

It is a philosophy aimed to be established within the way of doing business in each Yaşar Group company to review the occupational health and safety practices in improved scope and implement new further goals. In accordance with the decision taken by the Board of Directors, the most obvious step taken by the Group towards this target is to add an agenda item to the first Board of Directors meetings of all companies regarding the current situation and activities in the field of OHS.

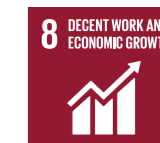
Within the scope of reducing work accidents, Pinar Dairy has prepared the Occupational Health and Safety Subcontractor and Visitor Film, which only a few of the enterprises in Turkey have, tracked work permit forms and carried out corrective and preventive activities for accidents specific to departments.

Altın Yunus uses warning signs and instructions for taking necessary precautions in the context of occupational health and safety and in particular ensures compliance of all employees with the instructions regarding food safety.

Viking Tissue, which is in dangerous working class, has made improvements in occupational health and safety in 2017 as follows:

Hazardous areas with potential for high altitude were identified and horizontal and vertical life lines were set up in these areas.

	Total Training Time		Total Employee Number		Average Training Time Per Capita	
	Female	Male	Female	Male	Female	Male
2017	7,753	38,796	1,187	5,686	6.5	6.8
2016	6,407	35,643	1,159	5,763	5.5	6.2



Occupational Health and Safety

OHS Committees

Yaşar Group companies comply with the rules set out in the related laws and regulations following their occupational health and safety programs. In this context, there are Occupational Health and Safety Councils in companies where there are more than 50 employees and more than six months of continuous work. The OHS Committees in the companies represent 100% of permanent employees. In addition, in accordance with the Regulation on Occupational Health and Safety Committees,

a) If the primary employer and the sub-employer have more than fifty employees, the actual employer and the sub-employer establish the Occupational Health and Safety Committee, separately. Regarding the implementation of occupational health and safety activities and the decisions taken by the committees, coordination and cooperation is provided by the primary employer.

b) In a workplace, if only the number of employees of the actual employer is fifty or more, in , the committee is established by

the primary employer. The subcontractor who is not obliged to form a committee appoints an authorized representative by proxy to coordinate the implementation of the decisions taken by committees.

c) If the number of employees of the sub-employer is fifty or more and the number of employees of the primary employer is less than fifty, the committee is established by the sub-employer. The primary employer appoints an authorized representative by proxy to establish business cooperation and coordination to the committee formed by the sub-employer.

d) Where the number of employees of the primary employer and the sub-employer are separately below fifty and while the total number of employees of them is more than that, a committee is established by jointly by the primary employer and sub-employer. The members of the Committee are appointed by the joint decision of both employers according to Article 6.

Company	Workplace Hazard Class	OHS Committee	Percentage of employees represented by the OHS Committee
YAŞAR HOLDİNG	LESS DANGEROUS !	YES	The OHS Committee covers all staff members.
PINAR DAIRY	DANGEROUS !!	YES	The OHS Committee covers all staff members.
PINAR MEAT	DANGEROUS !!	YES	The OHS Committee covers all staff members.
PINAR WATER	LESS DANGEROUS !	YES	The OHS Committee covers all staff members.
YBP	LESS DANGEROUS !	YES	The OHS Committee covers all staff members.
ÇAMLI FEED	Ören Business VERY DANGEROUS / !!! Other businesses DANGEROUS !!	YES	The OHS Committee covers all staff members.
DYO COATING	VERY DANGEROUS !!!	YES	The OHS Committee covers all staff members.
VİKİNG TISSUE	DANGEROUS !!	YES	The OHS Committee covers all staff members.
ALTIN YUNUS	LESS DANGEROUS !	YES	The OHS Committee covers all staff members.
YAŞAR INFORMATION SYSTEMS	LESS DANGEROUS !	YES	The OHS Committee covers all staff members.
DESA ENERGY	VERY DANGEROUS !!!	NO (OHS Expert is in charge because the number of employees is less than 50)	

Occupational Health and Safety

Work Accidents and Missing Days

YEAR 2017	Accident Frequency Rate		Missing Day Rate		Absence Rate	
	Female	Male	Female	Male	Female	Male
PINAR DAIRY						
Aegean Region	22.6	37.45	0.01	0.24	0.155	0.103
Marmara Region					0.041	0.031
Central Anatolia Region	8.16	37.42	0.04	0.31	0.053	0.024
Southeastern Anatolia Region		40.88		0.02	0.006	0.066
PINAR MEAT						
Aegean Region	31.40	55.07	0.32	0.39	0.134	0.114
Marmara Region					0.092	0.053
PINAR WATER						
Aegean Region	33.38	3.34	0.13	0.01	0.096	0.090
Marmara Region		7.73		0.03	0.119	0.081
YBP						
Aegean Region		25.27		0.08	0.108	0.091
Marmara Region	12.52	20.10		0.04	0.098	0.075
Central Anatolia Region		7.60		0.01	0.087	0.124
Mediterranean Region					0.132	0.087
Black Sea Region					0.107	0.095
ÇAMLI FEED						
Aegean Region	15.60	27.35	0.01	0.11	0.070	0.029
DYO COATING						
Aegean Region		29.26		0.23	0.108	0.128
Marmara Region	12.7	28.96		0.15	0.061	0.076
Central Anatolia Region					0.052	0.04
Black Sea Region					0.049	0.04
Mediterranean Region					0.025	0.05
Southeastern Anatolia Region					0.051	0.04
VİKİNG TISSUE						
Aegean Region		34.77		0.22	0.002	0.0001
ALTIN YUNUS						
Aegean Region		5.49			0.097	0.600
DESA ENERGY						
Aegean Region					0.011	0.014

There were no cases of occupational diseases in Yaşar Group and the information on work accidents is given in the following table.

Types of Injury

Female	Male
Foot Slippage, Falling, Twisting	Hand cutting
Entry of foreign material into the eye	Foot Slippage, Falling, Twisting
Hand Jamming	Impact
Impact	Hand Jamming
Contact with Chemicals	Contact with Chemicals
Material Part Falling	Entry of foreign material into the eye
Slippage / Fall	Foot Jam
Cutting	Medium Degree Burn
Traffic Accident with injury	Electric shock

Caring for business partners



CARING FOR BUSINESS PARTNERS



Pinar Dairy	Pinar Meat	Pinar Water	Çamlı Feed	YBP	Dyo Coating	Viking Tissue	Altın Yunus
<p>As a raw milk producer in Turkey with more than 18,000 employees, Pinar Dairy, picks these establishments which it cooperates very carefully in accordance with its "Pinar Quality Criteria. The Company, fulfilling its promise of tastier and healthier products to its consumers, develops long-term cooperation by determining its suppliers together with Purchasing, R&D and Quality Assurance functions.</p>	<p>Thanks to its supply chain management's contact information network, Pinar Meat ensures that suppliers who are in constant contact are aware of possible developments and innovations in the sector. Pinar Meat, which organizes quality and innovation circles, makes business associations and applies the aforementioned innovations primarily, provides its suppliers with its own business volume.</p>	<p>Suppliers treated in two groups as the ones in contact with the product and the ones without are subject to inspections with frequent checks according to critical evaluations such as the effectiveness of their management systems, recent supplier audit scores, annual performance.</p>	<p>Çamlı Feed subjects each supplier to evaluation of its Purchasing and Quality Departments once in a year. On-site supplier inspections are conducted to assess product qualification when it is deemed necessary. Incomplete issues are reported to the suppliers, which are expected to be completed within one year. In addition to researching alternative suppliers for suppliers falling below 80 points, improvement works are being carried out.</p>	<p>YBP considers that its business partners tally with Pinar brand values, Pinar products are complementary and supportive, they comply with legal and ethical values, and they take care for consumer health and product quality. To ensure these processes, predefined and year-over-year plant and production audits of business partners are rigorously conducted and audit reports are stored digitally.</p>	<p>Dyo Coating, which classifies its suppliers by product groups and types, has a business alliance with a total of 1,634 suppliers from different groups. All Dyo Coating's global suppliers, in addition to having declarations in the field of sustainability, has referred to concepts such as work ethic, environmental policy, child labor, workers' rights, fair trade, social responsibility, equality, education under the sustainability strategies.</p>	<p>Viking Tissue, which evaluates its suppliers in terms of quality, delivery and price performance and rates them through a score system, implements the Corrective Preventive Activity (CPA) tracking system to prevent recurrence of quality problems. The identified problems are shared with the suppliers and necessary precautions are taken and monitored.</p>	<p>Altın Yunus considers environmental policy and corporate reliability as the main priority in supplier selection. Audits are conducted on food suppliers once a year. The quality target is to monitor 75% of suppliers, especially food suppliers, during the year.</p>
<p>Read more p.105</p>	<p>Read more p.106</p>	<p>Read more p.107</p>	<p>Read more p.107</p>	<p>Read more p.108</p>	<p>Read more p.108</p>	<p>Read more p.109</p>	<p>Read more p.110</p>



Considering from global and institutional aspects, an integrated operation system should be established and all elements affecting the quality of activities should be taken into consideration in order to obtain fruits of a development. The selection of suppliers and business partners, who are considered by the Yaşar Group as one of the most important circles of the value chain, has been one of the most important issues of the Group for a sustainable future, because it is the first factor directly affecting the quality of products and services. In line with the Yaşar Group's understanding of "promoting the management and good governance practices of the environmental, social and economic impacts of products and services throughout the life cycle" has identified supplier policy and developed strong ties within the scope of this policy with stakeholders in the supplier map. Within this frame, the procurement process is governed by established principles, objective selection criteria, procurement contracts, standard procedures and tools. These principles and procedures are used by suppliers in areas such as human rights, occupational health and safety, working conditions, animal welfare, environment, raw material supply and social impact.

The Yaşar Group has begun to broaden its scope by taking actions in accordance with the goals it has meticulously determined for each field in its sustainability studies, sharing these activities with its suppliers and by including them. At the same time, they have linked their goals and what they have done in this direction with Sustainable Development Goals and this association has become a common language for the Group to share its sustainability studies with other companies on the market. In this context, "Yaşar Supplier Management System Survey" covering all companies of the Group was conducted in 2017; the current situation has been analyzed and a road map has been drawn up for supplier involvement with full inclusion in sustainability studies. This road map has been a study not only of the product or service it has supplied, but also of the supplier's way and understanding of doing. By this work, Yaşar Group aimed to share the concept of "decent work", which is

especially emphasized on it, with all its suppliers and to shape its suppliers' work and production in this principle.

Yaşar Supplier Management System Research

As one of the key stakeholders of all sustainability areas, managing suppliers on sustainability issues and harmonizing them with corporate objectives are fundamental principles of sustainability studies. A sustainable supply chain makes significant contribution to business development by generating products and services and reducing the risks that may arise in the delivery of customers. It also creates opportunities to create closer links with suppliers in the long run, which will be for the benefit of the company. To create and manage a sustainable supply chain and extend an organization's sustainability strategies to include the entire supply chain are of great importance for the future of the companies.

By the Yaşar Vendor Management System Survey, it was aimed to examine the sustainability performance criteria of procurement management and practices in the companies affiliated to the Group and reach the information for establishing a common point of view on specific issues by setting out the differences. In this context, in September 2017, a study has been conducted with the officers the purchasing and procurement officers of all companies by filling in questionnaires and face to face interviews. All information from criteria and performance measurements used by all companies for determining suppliers has been obtained through the study. The results of the study were presented to the Corporate Governance Sub-Committee of the Board of Directors of Yaşar Holding and important actions were taken for the year 2018.

Supplier selection and evaluation procedures, implemented differently according to sector dynamics in the Group companies, have been developed from a common point of view considering the principles and values of sustainability. We aim to share with you our practices that are implemented in the light of the results and decisions taken.

Developments from Companies

Pinar Dairy

Pinar Dairy continues to support them with the training programs it organizes while working in partnership with suppliers who manufacture conforming to the European Union Standards and adopt the company's quality understanding.

As a raw milk producer in Turkey with more than 18,000 employees, Pinar Dairy, picks these establishments which it cooperates very carefully in accordance with its "Pinar Quality Criteria. The Company, fulfilling its promise of tastier and healthier products to its consumers, develops long-term cooperation by determining its suppliers together with Purchasing, R&D and Quality Assurance functions.

Pinar Dairy, supplies milk from 329 separate suppliers, 15 of them with "Institutions free from Diseases", 7 with "EU Approved Business" certificates and 133 of them are dairy farms producing in accordance with the European Union standards adopting Pinar Dairy quality approach.

Pinar Dairy gets 76% of its total organic raw milk supply from Çamlı Feed, which is a member of Yaşar Group.

Pinar Dairy also organizes training programs for suppliers on important issues such as milk quality, herd health, animal nutrition and preventive medicine in order to inform the producers to produce healthy milk. The studies carried out in this context, are explained in detail under the heading of Pinar Institute in the section of "Social Investment Works".

In addition to the raw material supply other than raw milk, the Company purchases food auxiliary materials, packaging materials, operating materials, spare parts, investment and equipment purchases, and promotional materials. The materials and services requested by Pinar Dairy are supplied in compliance with ethical and moral rules, all legal regulations, Pinar Dairy Purchasing Regulations and Procedures. Cooperation with suppliers ensures that innovations in the sector are followed and innovations from abroad are applied to our companies in the first place. We are trying to increase the number of suppliers by creating alternative products without sacrificing quality and by searching for reliable and different sources of supply. Alternative suppliers / materials researches are being carried out continuously and joint studies are being carried out with R & D and Quality Assurance Directorates. Companies that are able to supply materials meeting the specified Pinar Quality criteria for the materials to be procured are determined and suppliers are included in the system if extensive testing studies and inspection results are positive.

As one of the leading companies in the sector, Pinar Dairy has always adhered to philosophy to grow with its producers and suppliers, to become a world brand by being integrated with

its customers, to comply with legal and ethical rules and to manufacture with an approach that respects environment and nature. It acts together with institutional values in the direction of this understanding and takes care that the suppliers have the same point of view. In this direction, it has completed the substructure of the "Enhancing Supplier Performance" project for suppliers in selecting new suppliers and business partners for sustainable and quality procurement in order to raise suppliers' awareness and create awareness. Within this project, the "Pinar Dairy Supplier Guidelines" regarding compliance with the "Laws and Legal Compliance, Human Rights, Fair Work Standards, Environmental Responsibility, Corruption Fighting" provisions, including the criteria of the Global Compact, will be signed by 2018.

Pinar Dairy performs monitoring and evaluation of performance of the supplier companies in the current supplier evaluation system through the joint work of the Purchasing and Quality Assurance Departments. Raw materials, auxiliary materials and packaging materials are evaluated every three months according to the criteria determined within the scope of the "Supplier Evaluation Procedure", and our suppliers are trying to be improved through corrective preventive activities. The risk-based evaluation based audit plans are prepared for our suppliers. In this context, suppliers are regularly inspected and food safety and Pinar quality production are ensured. The inspections are carried out with the participation of related personnel from the Quality Assurance and Procurement Departments. The deficiencies identified during the audit and the issues that need to be corrected / improved are reported to the suppliers and corrected. Firms that do not make necessary improvements in the issues requested at the given due are removed from the supplier list and purchases are stopped from them until the desired improvements are provided. In the supplier audits, the Quality Systems of the manufacturing companies as well as the Environmental Management Systems, Occupational Health and Safety Management Systems and Social Responsibility issues are examined by the Quality Assurance teams.

Pinar Dairy also organizes training programs for suppliers on important issues such as milk quality, herd health, animal nutrition and preventive medicine in order to inform the producers to produce healthy milk.



Developments from Companies

Pınar Meat

Pınar Meat, meets its meat need through live animals bought from lots of breeding farms through Turkey. With each passing day, it expands its purchasing hinterland and thus begins working with many new suppliers to support the producers. It also ensures diversity of its supply chain in a balanced manner through calves it raises at its own bovine farm fed through careful and last technology feeding ratios.

Pınar Meat develops long-term cooperation with suppliers in accordance with the criteria that are subject to regular inspections, in line with the concept of providing quality and healthy products. Through these inspections, new materials suitable for food safety are developed jointly, and suppliers are offered opportunities to enter new business areas.

Thanks to its supply chain management's contact information network, Pınar Meat ensures that suppliers who are in constant contact are aware of possible developments and innovations in the sector. Pınar Meat, which organizes quality and innovation circles, makes business associations and applies the aforementioned innovations primarily, provides its suppliers with its own business volume.

In inspections conducted for suppliers within the scope of risk assessment, suppliers are questioned about environmental permits and whether there are serious environmental pollution problems in the work areas. In the event of a problem, the necessary actions can be taken by indicating the nonconformity in the report. If the action cannot be taken, the relevant score of the supplier is reduced. When drop below a certain score, the necessary follow-up inspections are carried out and if the supplier's score falls below the threshold, the supplier is removed from the approved supplier list.

Pınar Meat, has a very rigorous approach to working with suppliers who have principles that are in line with the concept of Food Safety, Quality, Environment, Occupational Health and Safety and Energy Management Systems. The Company inspects its collaborative suppliers in this frame, requests for remediation at points it deems necessary, and supports the institutions it serves.

In 2017, Pınar Meat, conducting studies on developing supplier risk analyses, further elaborated the supplier evaluation criteria. The number of inspections to be carried out in the light of these evaluations has been determined, and Supplier Scorecards have been established for product and raw material suppliers.

The monitoring and evaluation of supplier Company's performance in the existing supplier evaluation system is carried out through a joint work of the Purchasing and Quality Assurance departments. Suppliers are evaluated according to the criteria set out in the "Supplier Evaluation Procedure" and try to be developed through corrective preventive actions. Within the scope of the Supplier Assessment System, alternative suppliers are primarily audited on site, and when compliance is

In the "Pınar Meat Supplier Principles Guideline" sent to the suppliers, the standards that Pınar Meat suppliers should comply with in business relations and the values that should be adhered to are stated. The suppliers are always obliged to comply with the principles set out in this guideline and to ensure that its suppliers are also compliant

approved, it is started to work with them through cooperation. For existing suppliers, risk analysis is done to determine the frequency and form of evaluations. Inspections and evaluations are made to ensure that suppliers comply with legal regulations, food safety and Pınar quality. The determined deficiencies and the issues that need to be improved are reported to the suppliers and the improvement is tracked. Companies that do not make the necessary improvements in the issues requested to be improved in the given period are removed from the supplier list, and purchases are stopped from these companies until the desired improvements are provided.

In the supplier evaluations, besides the quality systems of the manufacturer companies, Environmental Management Systems, Occupational Health and Safety Management Systems and social responsibility issues are also examined by Quality Assurance teams. In 2017, it has been started to add all the sustainability criteria into this evaluation system, and system integration studies have been continuing. Within this scope, a protocol was sent to the suppliers under the title of "Pınar Meat Supplier Guidelines". Under the "fair working standards" criterion, it is also emphasized that suppliers should support their employees' freedom of association and collective bargaining.

The "Ethical and Social Compliance Requirements" heading has also been added to the questionnaires used in the on-site audits held by the suppliers.

The "Pınar Meat Supplier Principles Guideline" sent to the suppliers emphasizes the criteria of "child labor is not allowed".

Supplier is obligated to support and respect internationally proclaimed human rights principles aimed at protecting human rights.

Developments from Companies

Pınar Water

In the selection of suppliers, firstly management systems and certifications of companies (such as ISO 9001, 14001, 18001, Food Security), harmonization with Yaşar Group corporate values, public health and responsibilities towards nature are taken into account. Suppliers treated in two groups as the ones in contact with the product and the ones without are subject to inspections with frequent checks according to critical evaluations such as the effectiveness of their management systems, recent supplier audit scores, annual performance. While selecting new suppliers, inspection visits are carried out by quality assurance and procurement teams.

It is targeted that suppliers in contact with the product should be inspected at least once a year and others at least once every two years.

Çamlı Feed

60% of the raw materials used in the feed business unit are imported and 40% is supplied from domestic sources. The products, produced in the Pınarbaşı feed production facility of the company are delivered to farms, cooperatives and dairies and sold through direct sales. In addition, some of the production is used in companies that produce turkeys and fish.

While raw feedstuffs used in organic milk production are obtained from domestic suppliers with organic farming certifications, raw feed ingredients are grown on their own, and some are produced by contract farmers in the region. Produced organic milk is sold to Pınar Dairy and bred calves are being sold to the other breeders in the region. The fertilizers used in the plant feeding business unit are collected from the organic milk plant and other farms. The fertilizers which are converted into compost in the operation area are dried, packed and delivered to the customers through dealers. Eggs used for the production of turkeys in poultry production operations are procured from Canada by means of a representative in the country and converted into chicks in the hatchery at Seferihisar in 28 days. The chicks are transported to producers' coops through a logistics supplier. During the production process, the field officer veterinarians conduct weekly visits to monitor animal performance. At the end of the 4 month of the production period, adult turkeys are loaded from poultry houses and sent to Pınar Meat. The seed fish used in seafood operations are produced by using broodfish of the plants. The seed fish are grown in ponds on land for 4 months and then transported to cages in sea. It is grown here for about 18 months using feeds produced in feed business. 60% of the harvested fish are exported and the remaining part is delivered to the customers via dealers in the country.

Çamlı Feed performs supplier selection in the light of "Supplier Selection and Evaluation Criteria and Methods". While the quality, food safety and sustainability standards required for each product are effectively questioned; suppliers of fish meal

STAKEHOLDER OPINION

Yalova Okuyanlar Dealer

Hamdi Okuyan – Company Owner

I enjoy the happiness of spending my 43rd year in Pınar family this year. I had the opportunity to work with Mr. Durmuş Yaşar, Mr. Selçuk Yaşar and his family, which started in 1975 with a newspaper advertisement and boxed milk.

Pınar is a school and we are its students. I have some advice and suggestions for you. I can list them mainly as trusting and believing the Pınar brand, working in a customer focused manner, providing and continuing necessary trainings to employees, transferring information we receive from the top management to our customers and our staff and sales personnel in our region, making point-based and regional campaigns in our region as dealers, and never putting off any daily order or delivery, what you can do today. Finally, I would like to thank to my directors, Pınar employees, my own personnel and to my family who have never left me on my own. As a member of the Pınar family, I wish you all a nice happy year and earnings.

Developments from Companies

and fish oil, the existing quality documents, if any, of the country where the fish meal and oil are produced or the company's sustainability policies, MSC, IFFO documents, originals or texts indicating the types of fish used in the production of the products and compliance with legal hunting documents or texts are being questioned and provided (including origin ratios if possible).

In the fish meal / fish oil supply used in the production of fish feed, each purchase checks the IUCN Red List according to the suppliers' production areas to check whether the fish species from which the product is produced is included in this list. If the type of product originates on this red list, the purchase of this product is strictly prohibited.

Çamlı Feed subjects each supplier to evaluation of its Purchasing and Quality Departments once in a year. On-site supplier inspections are conducted to assess product qualification when it is deemed necessary.

Incomplete issues are reported to the suppliers, which are expected to be completed within one year. In addition to researching alternative suppliers for suppliers falling below 80 points, improvement works are being carried out. Çamlı Feed, which adopts the principle of not working with suppliers falling below 50 points, revises the approved suppliers list every year.

YBP

YBP pays very much attention for the selection of its business partners. It considers that its business partners tally with Pınar brand values, Pınar products are complementary and supportive, they comply with legal and ethical values, and they take care for consumer health and product quality. To ensure these processes, predefined and year-over-year plant and production audits of business partners are rigorously conducted and audit reports are stored digitally.

For Nar'ca suppliers; the main processes adopted by the YBP in the field of supply management under the light of the group's supplier policy can be summarized as follows: All the suppliers are subject to quality audits under ISO 22000 standards. Plant inspections are regularly carried out on annually. If any nonconformity is detected in any supplier company, the CPA plan is requested and the application of the received CPA plan by the YBP inspectors is questioned. A business partnership plan is being established with the supplier company on the basis of the qualification approval.

The following principles are taken into account when choosing the logistics supplier for the warehouse / shipment processes of YBP;

- That the firm has an institutional structure,
- Firm's financial and service level being over a certain scale,
- Firm's references being good.

Conducting quality controls in accordance with ÇEVKO standards in non-group products, operating in accordance

with the ISO 22000 standard, subjecting the plants to annual inspections and making plans within business partnership with suppliers are the activities covering partnership part of sustainability goals. Non-Group products are supplied only from Turkish companies and all products are manufactured in Turkey. In order to measure the workforce and human resources policies of the suppliers, especially Narca, supplier audit forms are filled and scoring related to these subjects are conducted. If the score is below the limit, the deal is re-audited.

Dyo Coating

Dyo Coating supplies raw materials for its production through a widespread supplier network of chemicals. Dyo Coating, which classifies its suppliers by product groups and types, has a business alliance with a total of 1,634 suppliers from different groups. All Dyo Coating's global suppliers, in addition to having declarations in the field of sustainability, has referred to concepts such as work ethic, environmental policy, child labor, workers' rights, fair trade, social responsibility, equality, education under the sustainability strategies.

In the chemical sector in 2017, the differentiation of the supplier structure due to the company merger and the separation of some business units of the companies as different companies, critical developments such as fire, explosion, hurricanes caused by climate change, and a major producer and environmental policy of the state in China, which are consumers at the same time, have caused many producers to stop operating indefinitely. The adverse developments that have taken place have led to an imbalance of supply and demand in the chemical industry of the world, and this has led to the difficulties of raw material availability and the prices have increased considerably. In addition to this, supplier structure and has maintained its dynamism and variability like previous years due to dominance of global players.

Dyo Coating selects, evaluates and contributes development of its suppliers according to certain criteria. Suppliers taken under selection and evaluation through some aspects such as quality, service, pricing, timely procurement, sustainability declarations and etc. are also audited in accordance with the supplier development plan prepared annually for contributing their development and learning and implementing mutually advantageous practices and technical visits are carried out.

Cooperation with suppliers is developed. Dyo Supplier Portal aims to improve the processes of Dyo Coating and its suppliers and reduce speed, efficiency and operational workload of them. The rate of local suppliers in terms of raw materials, packaging materials and commercial products is 28%.

Particularly, the activities of global suppliers on these issues are tracked by getting their Sustainability Declarations.

Dyo Coating monitors all suppliers within the frame of internationally recognized management systems in terms of economic, social and environmental aspects as well as the criteria set by law.

Developments from Companies

Viking Tissue

While relations with suppliers is extremely important for Viking Tissue, which meets its raw material requirement of cellulose through importation, developed long-term business associations stand out as one of the building blocks of the sustainable business model. Cellulose, the raw material for paper which is not produced in Turkey, is supplied from regions and countries such as Finland, Sweden, North America, Spain, Portugal and South America (Brazil, Uruguay) and etc. As well as raw materials, packaging materials and chemicals are important. Viking Tissue getting together with its suppliers especially in fairs and seminars, has adopted the principle of internalizing all kinds of development which will increase its production capacity and improve its quality.

The Company, which constantly observes the production, storage and loading conditions of its suppliers, also controls whether the requirements of quality certifications and quality inspections are fulfilled through supplier inspections. Viking Tissue, which evaluates its suppliers in terms of quality, delivery and price performance and rates them through a score system, implements the Corrective Preventive Activity (CPA) tracking system to prevent recurrence of quality problems. The identified problems are shared with the suppliers and necessary precautions are taken and monitored. Adopting operational excellence as an enterprise value, Viking Tissue performs effective cost management and optimization of operational expenses activities in the field of supply.

Viking Tissue closely monitors the latest developments in the sector, analyzes and evaluates new chemicals, packaging designs and technical developments together with its suppliers and makes production tests for those that are deemed appropriate. In this context, in addition to the existing cellulose qualities in supplying raw materials in 2017, importance was attached to alternative product tests. On the other hand, alternative supplier activity on the supplying scrap paper, the raw material of recycled production, is constantly ongoing.

Obtaining ISO 50001 Energy Management System Certificate, Viking Tissue attaches great importance to sustainability in terms of energy consumption consciousness and shares it with its suppliers. In the offer requests submitted to the suppliers for purchasing energy consuming products, the energy classes of the devices to be proposed are requested to be indicated and the conformity to the ISO 50001 standards is taken into account in the purchasing evaluations.

While there is no new supplier initiative to be evaluated in this context in 2017, questions have been added to BRC CP practices on the revised Supplier Auditing Questionnaire for existing suppliers, and inspections have started to be carried out within this scope.

Viking Tissue, which evaluates its suppliers in terms of quality, delivery and price performance and rates them through a score system, implements the Corrective Preventive Activity (CPA) tracking system to prevent recurrence of quality problems.

Altın Yunus

Altın Yunus considers environmental policy and corporate reliability as the main priority in supplier selection. Audits are conducted on food suppliers once a year. If any nonconformity is detected, suppliers are informed in detail and correction is requested. If not corrected, a new supplier is searched. It is planned to add environmental and social additional indicators to the supplier selection criteria after 2018. The quality target is to monitor 75% of suppliers, especially food suppliers, during the year.

The number of suppliers started to work in 2017 consists 32% of total suppliers.

Altın Yunus continues to supply vegetables and fruits, which make up 5% to 10% of its total supply, from local suppliers, prefer almost all these products from the ones grown in the Aegean region. The company supplies meat and meat products as well as water, milk and dairy products from the Yaşar Group companies while its products are supplied to its customers through well-known brands through its dealers. The Company outsources services for security, garden spraying and landscaping, and also has OHS related articles in its supplier contracts.



Appendix 102-55

Yaşar Holding 2017 Sustainability Report

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Yaşar Holding A.Ş.

Head Office

Şehit Fethi Bey Caddesi No:120 35210
Alsancak- İzmir - Turkey
Tel: +90 232 495 00 00
Fax: +90 232 484 17 89
Web: www.yasar.com.tr
E-mail: info@yasar.com.tr

Istanbul Representative Office

Setüstü No: 23 Kabataş
34427 İstanbul - Turkey
Tel: +90 212 251 46 40 (Pbx)
Fax: +90 212 244 42 00
E-mail: info@yasar.com.tr

Ankara Representative Office

Gazi Mustafa Kemal Bulvarı
Ali Suavi Sok. No: 11 Maltepe
06570 Ankara - Turkey
Tel: +90 312 294 92 00 (Pbx)
Faks: +90 312 232 01 82 - 232 16 73
E-mail: info@yasar.com.tr

Contributors to the Report Content and Reporting Consultant

SuCSR Corporate Sustainability Consulting
www.sucsr.com

The report concept and design
İndeks İçerik ve İletişim Danışmanlık
www.indeksiletisim.com

