

# Yaşar 2011 Sustainability Report



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## Reporting Approach

### What is sustainability?

In its broadest sense, sustainability means incorporation of a social and environmental perspective into company activities, along with a traditional economy-based perspective.

This approach, which always has been an integral part of our tradition, is being implemented by Yaşar Group more systematically since 2007, followed by reports issued for submittal to our stakeholders since 2009.

The fundamental target of Yaşar Group has always been to increase life quality by offering high quality, reliable products to achieve "For a Better Life" in all geographies, where we conduct business.

Yaşar Holding signed the United Nations Global Compact (UNGC) in November 2007 and published Communication on Progress reports in 2009 and

2010. This year, we decided to adopt a different approach in reporting our sustainability efforts to our stakeholders. Beginning with this report, we are planning to publish annual sustainability reports.

The UNGC constitutes the backbone of our report, while taking account of the sustainability reporting principles of the Global Reporting Initiative (GRI).

### What is GRI?

Similar to financial reporting, the fulfilment of reliability, coherence, and comparability principles is of high importance in sustainability reporting. In this sense, the GRI is one of the most significant guiding mechanisms. The GRI provides a globally shared conceptual framework on sustainability.

Our report has been prepared with the support of all related departments of Yaşar Group

companies; and the data and information gathering process was carried out under the management of the Corporate Affairs Coordinatorship Department. Besides, GC Reporting Team and the Sustainable Development Committee were participated in the process of the report preparation studies.

Please visit following links to get online access to our report in Turkish or English:

[www.yasar.com.tr](http://www.yasar.com.tr)



<http://www.unglobalcompact.org/participants/detail/10228-Yasar-Holding-Co->

### Identification of the Report's Content

Our report covers the activities and projects that have been carried out in Turkey during the period 01/01/2011 - 31/12/2011. This year, we have expanded the scope of our report to include Desa Enerji Elektrik Üretim A.Ş. Thus, the number of group companies covered by our report has increased from 10 to 11.

Besides, the report also includes Yaşar University, which was founded by the Yaşar Education and Culture Foundation in collaboration with the Selçuk Yaşar Sports and Education Foundation. However, these foundations have been excluded from the data contained in the report in general. The report includes the activities thereof, only.

|  |  |
|--|--|
| <b>Company name:</b>                   | Yaşar Holding A.Ş.   |
| <b>Field of business:</b>              | Food & Beverges, Coatings, Agro Business, Tissue Paper, Services & Trade |
| <b>Number of employees:</b>            | 6.750  |
| <b>GC member since:</b>                | 12 <sup>th</sup> November 2007   |
| <b>Address:</b>                        | Şehit Fethi Bey Cad. No: 120 35210 Izmir, Turkey                         |
| <b>Authorized Person and Position:</b> | Dilek EMİL, Coordinator, Corporate Affairs                               |
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## Sustainability... Value Created by Yaşar



Heading out for "For a Better Life", Yaşar Group's activities are all focused on the creation of value for the society, environment, and all stakeholders.

Yaşar Group companies meet the needs of customers and consumers by an innovative approach, a sense of productivity, and values created by their contributions to sustainability.

Following the signing of the United Nations Global Compact (UNGC) in November 2007, we shared our 2009 and 2010 Communication on Progress with our esteemed stakeholders.

Today, we are all well aware of the increasing importance of sustainability in our lives.

This has been also emphasized in the OECD report "Environmental Outlook to 2050". The report points out four main topics that have to be included into the agenda of all societies and governments: climate change, biodiversity, water, and impacts of environmental pollution on human health. Despite of the recent recession, it is estimated that global economy will grow approximately fourfold until 2050. An increased

level of life standards will bring along an increased demand for energy, food, and natural resources. The expected result of all these factors is an increased pressure on environment.

UNGC principles constitute the backbone of our sustainability report. Because UNGC is an important anchor, which has to be included into sustainability agendas so as to keep current vital issues such as human rights, working conditions, environment, and corruption. But to take one step further at this point, from now on we will publish Sustainability Reports instead of Communication on Progress, aiming at a more detailed share of both values created by Yaşar Group and activities, with which we touch upon society, upon person, as an expression of our respect paid to the planet on which we live.

It is a great pleasure to share our first Sustainability Report, which we generated by an intensive work in 2011, and to thereby contribute to our country's sustainability efforts.

İdil Yiğitbaşı

Chairperson of the Board of Directors

**Yaşar Group companies meet the needs of customers and consumers by an innovative approach, a sense of productivity, and values created by their contributions to sustainability**



## Sustainability Alignment



As Yaşar Group, we have been attaching huge importance to sustainability. We have belief in the added value of sustainability and are carrying on our activities in alignment with sustainability.

Our sustainability studies, which we have begun to report more systematically with the signing of the UNGC in 2007 as an integral part of Yaşar Group's tradition, aim at a continuous improvement of our environmental, social, and economic performance. Thus, our vision "For a Better Life" is to prioritize the person, quality in every sense and the future in our business. Besides, it also serves as an efficient, short description of our major priority. This priority plays a key role in improving the ways of business, operations, and organizations of Yaşar Group companies.

"Turkey's Ecological Footprint Report" published on 6th March 2012 identifies the amount of resources available to us, along with information on by whom such resources are used to which amount, while making an evaluation on the question whether we have a sustainable life as a country. The report emphasizes that carbon emission is the most profound reason of the ecologic limit excess in Turkey. If our country continues its carbon-intensive growth, we won't be able to live within our national biological capacity limits.

Turkey's Ecological Footprint Report revealed once again that Yaşar Group is on the right track.

We have initiated our corporate carbon footprint calculation studies simultaneously with our 10 companies. We aimed at adopting an integrated approach by employing one and the same methodology. The aim of establishing "carbon teams" and training "carbon leaders" in our companies was to raise awareness beginning from an individual level, while turning the carbon issue into an integral part of all work processes by virtue of aforementioned teams. You may find the results of these studies in our report.

We believe that sustainability alignment conceptions and activities accompanied by sustainability-oriented communications with stakeholders will take Yaşar Group much further. Because sustainability will bring along priceless results such as close relations to consumers, customers, and investors along with concrete results such as decreased operational costs and increased productivity.

I am very happy to share our sustainability initiatives with you by this report, which we will improve year-by-year.

Dr. Mehmet Aktaş

Chief Executive Officer

**Sustainability alignment conceptions and activities accompanied by sustainability-oriented communications with stakeholders will take Yaşar Group much further**

## Yaşar Holding At a Glance

Founded in 1945, Yaşar Holding's main field of activities are "Food and Beverage" and "Coatings" among many other consumer goods.

Our "Food and Beverage" group has a wide product range that is sold under the name "Pınar", a very well-known brand with a high market share. The brand continues its sector leadership in the field of milk, fresh cheese, charcuterie products, and ready-to-serve frozen meat products.

Yaşar's history in the coatings sector roots back to 1927. Today, the company serves its customers under the coatings "Dyo" with over 1.000 products, 3.500 different packages, and 6.000 different colour options.

Yaşar Group incorporates a total of 20 companies, whereof 6 companies are quoted on Istanbul Stock Exchange the number of directly employed personnel is 6.750, currently.

Our products are exported to various countries, in particular to Gulf and European Countries in the "Food and Beverage" group and to Asian, European, and Gulf Countries in the "Coatings" group.

The Food and Beverage and Coatings group conducts business also in Germany by Pınar Foods GmbH, while HDF FZCO was founded in Dubai with the mission to turn Pınar into a high-quality, reliable regional brand in the Middle East, in particular Gulf Countries.

In the Coatings group, Kemipex has been engaging in the sales, marketing, and distribution of Yaşar's Coatings Group products in Russia since 1996. Besides, a production facility commenced operations in 2010 at the Russian city of Krasnodar.

Founded in 2003, S.C. Dyo Balkan S.R.L has been carrying on business in Romania with the countrywide sales of construction coatings and wood varnishes.

Dyo Sipes Mediterranean Trade for Paints Co. was founded in 2004 in Egypt as a joint venture with Sipes group. This cooperation covers the production, sale, and marketing of auto refinishes and furniture coatings.

In 2011 Yaşar Holding booked a gross turnover amounting to nearly TL 3.0 billion.



### Food & Beverages

#### Group

the most beloved flavors

the most wholesome products

the most advanced technology

Pınar Dairy

Pınar Meat

Pınar Water

Çamlı Feed

YBP

Pınar Foods GmbH (Germany)

HDF FZCO (Dubai)

### Coatings Group

technological leadership

strong brands and distribution network

Dyo Coatings

Dyo Printing Inks

Kemipex Joint-stock Co. (Russia)

S.C. Dyo Balkan SRL (Romania)

Mediterranean Trade for Paints Co. (MTP Co.) (Egypt)

### Tissue Paper

#### Group

environment-friendly production,

innovative products

Viking Tissue

### Trade & Services

#### Group

superior service approach

Altın Yunus

Bintur

Yaşar Foreign Trade  
YADEX International GmbH (Germany)

Desa Energy

Astron

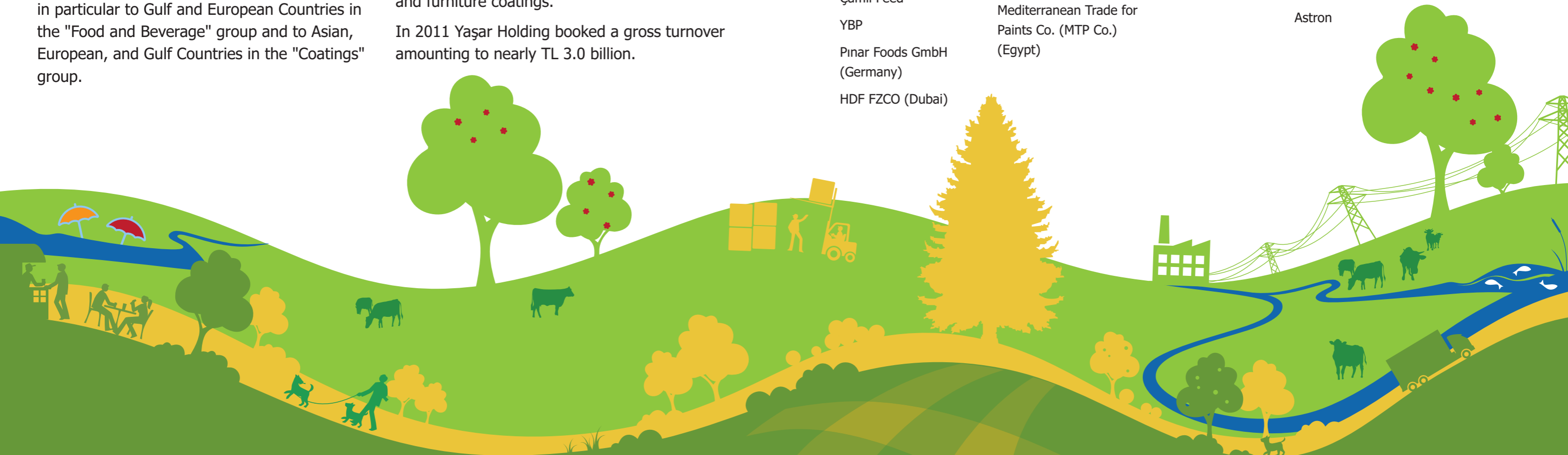
### Foundations

a highly responsible

corporate citizen

Yaşar Education and Culture Foundation

Selçuk Yaşar Sports and Education Foundation








# Mission and Corporate Values

## Mission

Our mission is to add value to the lives of consumers by providing high quality products and services with reliable brands.

## Corporate values

Yaşar Holding's studies for the review of its Corporate Values commenced in the last quarter of 2009 and concluded in early 2010. At search conferences, which took place under the participation of Yaşar Group's top managers, we discussed the Group's values that come to the forefront in the eye of stakeholders, resulting in following 5 major values being starred as our "corporate values".

-  Our Consumers and Customers Come First
-  Our Operational Excellence
-  Our People
-  Our Ethical Stance
-  Our Environmental and Social Responsibility

Our corporate values were launched on 6th November 2010 at a meeting that took place under the participation of Yaşar Group's mid-level and senior managers, followed by a workshop aiming at a rapid adaptation of our corporate values into life, while facilitating their internalization by all employees.

We shared our corporate values with all employees at the traditional establishment anniversary celebrations of Yaşar Holding and its group companies. Subsequently, we placed images to public places such as company entrances, dining halls, recreation areas, meeting halls in order to address the employees' visual memory.



### Our Consumers and Customers Come First

All our business units strive to quickly and accurately identify the needs of our customers. Our approach is to be agile, proactive, and innovative in meeting their ever-changing expectations for a better life.



### Our Operational Excellence

Our approach to operational excellence includes effective use of technology in all areas, pure lean operational processes, well-defined business systematic, fast and data-based decision support systems. Agility is a core competence we seek in our organization.



### Our People

Under our "Science, Unity, Success" motto, our people, who are well-trained and experienced, who have a high sense of possession and loyalty, who are open to science-based developments, who value free exchange of information and unity, who embrace participatory management and success-oriented culture, are among our most valuable assets.



### Our Ethical Stance

Everywhere our operations are located; we are respectful to the social, political, and cultural values. Our actions are transparent and in compliance with all requirement of law and rules of ethics. We emphasize honesty, open communications and fairness in all our activities.



### Our Environmental and Social Responsibility

In all our operations, we follow an approach that values the environment and nature while contributing towards creating a better future. As a socially responsible company, we continue our long-standing support for education, sports, arts and culture to further improve the quality of life.



## Corporate Profile

### Food and Beverage Group



### Pınar Süt Mamülleri Sanayii A.Ş. (Pınar Dairy)

Founded in Izmir in 1973 as the largest facility in the Middle East and the most advanced one, Pınar Dairy is deservedly described as the source of "novelties", "health", "taste" and "life" and as such, was quickly embraced by the Turkish people.

Pınar Dairy rapidly paves the way leading to becoming a "global brand" with its dairy products not only in terms of domestic consumption but also as a product group exported to major countries across the world. Having undersigned many firsts since the date started production in 1975, Pınar Dairy takes pride in being the first brand name to establish healthy dairy products concept in Turkey.

Employing cutting-edge technology in the production of milk and dairy products making up indispensable components of healthy nutrition and in their delivery to the consumers, Pınar Dairy optimizes the hard work put in by more than 35.000 producers and supports them, thus contributing to the increase of milk production in Turkey.

To serve this purpose, we have made an expansion investment at the Eskişehir plant which is amount of 22.000 m<sup>2</sup> at the end of 2011.

[www.pinar.com.tr](http://www.pinar.com.tr)



the most liked taste  
the most healthy products  
the advanced technology





## Corporate Profile

### Food and Beverage Group



### Pinar Entegre Et ve Un Sanayii A.Ş. (Pinar Meat)

Turkey's first privately owned integrated meat facility, Pinar Meat presents healthy, reliable and tasty meat and meat products, unwavering from its commitment to ensure high quality and hygiene ever since its foundation.

Pinar Meat enjoys sustained leadership in its sector thanks to the trust of the consumers secured by its high quality. Pursuing its R&D and marketing activities centered on the vision of presenting differentiated products to the consumers in targeted countries, Pinar Meat exports its products to various countries.

Pinar Meat attaches huge importance to food safety and traceability - two of today's most significant requirements - while renewing its

product range according to the consumers' demands, expectations, and needs. Inspected every year by the independent inspection agency SAI Global, Pinar Meat proves that it totally deserves the trust placed in it by the consumers with the top ratings earned.

[www.pinar.com.tr](http://www.pinar.com.tr)



healthy, trusted, tasty  
meat and meat products

## Corporate Profile

### Food and Beverage Group



### Pınar Su Sanayi ve Ticaret A.Ş. (Pınar Water)

The first spring water bottled in one-way packaging produced and introduced to Turkish consumers in 1984 bore the signature of Pınar Water.

Sourced from Turkey's natural springs in Madran, Gökçeağaç, and Akçağaç, Pınar's "Yaşam Pınarım" Natural Mineral Water brings this unique gift of nature to its domestic and foreign consumers in its purest, highest quality and most convenient form.

Having defined its development- and innovation-oriented vision in 1984, Pınar Water has gained place in everybody's life in Turkey by the advantage to have foreseen the water sector's future at such an early time. Employing the world's most advanced technologies in all of its filling facilities; Pınar Water constantly follows-up the technologic developments of the sector. The automated water filling operations are carried out in a fully hygienic environment under sterile air and positive pressure conditions, equipped with constant air cleaning

systems allowing no air inflow. Making use of its laboratory facilities, Pınar Water carries out physical, chemical and microbiological water tests at every phase of production from the spring up to the filling stage. Pınar Water is Turkey's first bottled water brand holding a TSE (Turkish Standards Institution) certification and the first Turkish beverage to have its quality endorsed by earning the qualification certificate from the US National Sanitation Foundation (NSF).

Pınar Water carries on its operations in compliance with highest service quality standards, while renewing its product range according to the consumers' demands, expectations, and needs.

[www.pinarsu.com.tr](http://www.pinarsu.com.tr)



**Pınar - My Source of life  
presents 100% of  
purity and naturality**

## Corporate Profile

### Food and Beverage Group



## Yaşar Birleşik Pazarlama Dağıtım Turizm ve Ticaret A.Ş. (YBP)

The domestic sale and distribution of Pinar products - a leading brand of the food sector - are carried out by the well-experienced, strong staff of the YBP company. Supported by a large vehicle fleet, each staff member is an expert in its field and adopts a customer-oriented work approach. Over the range of 500 products included into Pinar's product group sub-categories are transported by YBP to 150.000 sales points.

With its customer-oriented staff expert in sales and its 100 well-experienced dealers, YBP continuously improves its broad productivity-based distribution strategy with each passing day.

[www.pinar.com.tr](http://www.pinar.com.tr)



customer-oriented  
experienced strong team  
the wide range of transportation fleet  
150.000 points of sale



## Corporate Profile

### Food and Beverage Group



### Çamlı Yem Besicilik San. ve Tic. A.Ş. (Çamlı Feed)

Çamlı Feed was founded in 1983 as a company producing only dairy cattle feed. In time, it became a leading company with its "firsts" in the field of agriculture and livestock, and made remarkable contributions to creating a modern and competitive sector in its 29-year history.

Today, with its hundred kinds of products that reach to final consumers in the areas of feed production, turkey and cattle breeding, farmed fish and plant nutrition, Çamlı Feed has become an Agriculture, Livestock and Fishery Group taking its part in each ring of the food chain from farm to table.

Çamlı Feed aims at developing such products, services, and solutions that will meet the market demand in the fields of agriculture, livestock and fishery, and achieving growth enhanced by the

creation of competitive advantage. Being conscious of its responsibilities both for the sector and society, Çamlı Feed has adopted the principle of carrying out its productions in compliance with ethical rules, sensitive to environment and animal welfare. Being conscious of cognitive capital to be in the foreground within the information society, Çamlı Feed invests in information, education, and research. Çamlı Feed has devoted itself to the agriculture of the country and will continue to work for realizing efficient production and promoting the market through strong cooperation with farmers, suppliers, enterprises and retail sector.

[www.camli.com.tr](http://www.camli.com.tr)



from the farm  
to the dining table  
in every part of the food chain



## Corporate Profile

### Coatings Group

## Dyo Boya Fabrikaları Sanayi ve Ticaret A.Ş. (Dyo Coatings)

Being recognized as a leading company of the coatings sector, Dyo Coatings has a fairly wide range of products. The products produced by Dyo include construction, marine industrial, and furniture coatings and varnishes as well as synthetic resins, polyesters, car refinishes, and thermal insulation systems. Dyo Coatings is the country's single coatings company that makes productions in all of these sub-sectors. The productions are carried out at two plants located in Çiğli-Izmir and Dilovası-Gebze.

The factory in Izmir-Çiğli manufactures furniture coatings and varnishes, industrial coatings, specialty coatings, polyesters, synthetic resins, car refinishes, and marine coatings. The plant ranks among the coatings sector's model plants by virtue of the advanced technologies and capacities employed by it. The plant is the largest one in the Turkish coatings sector with an area of 67.000 m<sup>2</sup>.

The highly automated factory in Gebze is updated according to technologic developments and produces construction coatings and chemicals. The plant is established on an area of 65.000 m<sup>2</sup>.

By virtue of a "Colour Fountain" able to create over 6 thousand colours, the company is capable to produce diverse products for indoor/outdoor metal and wooden surfaces. The company operates 220 colour fountain machines and 24 colour houses across the country. Along with colour cards showing the entire colour scale,

a "softone" colour card comprising 7 colours has been put on the market to meet customer demands on the basis of colour preferences changing in time.

Drawing on its solid R&D structure, the Business launched nanotechnology products in the Turkish market for the first time in the second half of 2005, and once again proved its traditional innovative and spearheading competencies. Breaking new ground in the industry with its nanotechnology products, the Company earned a patent with (substantive) examination for its nanotechnology products from the Turkish Patent Institute, thereby authoring another first in nanotechnology, as well as in the industry. Nanotechnology products, which the Company introduced to the market so far, include Nanoipekmat, Nanomat, Nanotex, Nanosön, Nanolacke, Nano Wood Range, and Nano Marine Range.

Along with nano-technological coatings, PTFE (Teflon) added coatings and coatings produced by hybrid technology hold a special place in Dyo Coatings product range.

Dyo Coatings has been the first company having an R&D Centre in the Turkish coatings sector.

[www.dyo.com.tr](http://www.dyo.com.tr)



with Dyo  
Dream, Act, Become



## Corporate Profile Coatings Group

### Dyo Matbaa Mürekkepleri San. ve Tic. A.Ş. (Dyo Printing Inks)<sup>1</sup>

Founded in 1968, the company leads the Turkish printing inks market with a market share of nearly 35% and an annual production capacity of 25.000 tonnes. It is the first and single company of the Turkish market that is engaged in the production, marketing, and sale of newspaper magazine inks, sheet offset inks, serigraphy inks, flexo and rotogravure inks, and metal packaging systems. Having a wide range of products, the Dyo Printing Inks company produces printing inks and auxiliary products suitable for each and every printing technique. The company continues its productions at its new factory, which was commissioned in December 2010 at the Organized Industrial Zone of Manisa (MOSB) in an indoor space of 12.000 m<sup>2</sup> built on a ground area of 20.000 m<sup>2</sup>, along with its Colour Production Centre in Istanbul.

Thanks to its 35 dealers countrywide and its sales offices located in 4 cities, the company is accessible to each and every typographer, while meeting any individual colour demands of its customers in shortest time by virtue of its new facility and the "Colour Production Centre" in Istanbul.

[www.dyo.com.tr](http://www.dyo.com.tr)



(1) Bornova Matbaa Mürekkepleri San. ve Tic. A.Ş changed its company title to Dyo Matbaa Mürekkepleri San. ve Tic. A.Ş. on the 2<sup>nd</sup> of January 2012



**Dyo Printing Inks**  
make true your  
special demand for colors

## Corporate Profile

### Tissue Paper Group

### Viking Kağıt ve Selüloz A.Ş. (Viking Kağıt)

Established in 1969 in Izmir/Aliağa to supply products for the industrial paper sector, Viking Kağıt ve Selüloz A.Ş. is Turkey's first foreign-invested privately-owned paper mill. The company was incorporated by Yaşar Group in 1982 and is carrying on business in foreign and domestic markets in the field of tissue paper products and semi-finished products since 1996.

The company's major strategies include the achievement of sustainable growth and the maintenance of its current market position by offering featured products fitting the preferences of consumers taking strength from its powerful tissue paper brand and distribution channels, while increasing its export share by giving weight to final product sales in foreign markets.

[www.viking.com.tr](http://www.viking.com.tr)



healthy life  
 personel hygiene  
 environmental friendly products



## Corporate Profile

### Trade and Service Group

### Altın Yunus Çeşme Turistik Tesisler A.Ş. (Altın Yunus)

Serving the Turkish tourism since 1974 in the Izmir/Çeşme, Altın Yunus Holiday Village is one of largest facilities in Turkey with its 1080 -bed capacity and 465 rooms in total expanding on an area of 140.000 m<sup>2</sup>. The facility has spearheaded the Turkish tourism with numerous international organizations hosted, and contributed to the growth and developmet of the sector.

The resort welcomes its guests all year round with its marina services and blue flag-holder beach in summertime, and the healing thermal water in wintertime, while the Thalasso therapy pool at the Bio Venus unit addresses health tourism. Besides, a conference room offers the perfect setting for congresses, weddings and seminar organizations, all seasons.

[www.altinyunus.com.tr](http://www.altinyunus.com.tr)



**a Spa day for all seasons  
heathy living  
warm and cheerful hospitality  
for your organisations**



## Corporate Profile

### Trade and Service Group



### Desa Enerji Elektrik Üretim A.Ş. (Desa Energy)

Founded in 1996 as an auto-producer for Yaşar Group companies, Desa Energy continued to serve the group as an electric generation company in 2011. Desa Energy generates and provides the Yaşar Group Companies with electrical and thermal energy using natural gas at the Pınarbaşı Power Plant with an installed capacity of 9,8 MW. While meeting the partners' energy requirements, the company also allows for the gain of cost advantages.

In line with its growth target, the company makes researches on renewable energy based investment opportunities.

**Development  
Growth = Energy**



## Corporate Profile

### Trade and Service Group

#### Yaşar Bilgi İşlem ve Ticaret A.Ş. (Astron)

YH Information Systems (Yabim)-Astron was founded in 1983 to execute and manage Yaşar Group's information system functions. Until 1996, Yabim used to conduct business in the field of hardware and software.

On 1st October 1996, the Astron organization was established to carry out the installation and generalization of SAP R/3 for Yaşar Holding and the companies incorporated by it; and Yabim was included into the body of Astron.

The Astron organization is the first example in Turkey to apply a world-class ERP package. Having carried out Turkey's first and most comprehensive SAP Project, Astron paved the road for and shed light on subsequent applications.

Astron merged with all group companies' information systems in 2001 and became capable of meeting all companies' information system requirements. With its structure spread all over Turkey at the present day, Astron renders information services both to our country and foreign locations.

Astron in short, continues its services in line with the mission to strengthen Yaşar Group's technologic infrastructure by means of information system technologies, processes, and methods, while contributing to our companies gaining competitive advantage to achieve their targets.

In the procurement of services, Astron generates rapid solutions that meet the companies' needs to the fullest extent. Its efforts are directed towards ensuring that the products generated by it are capable of both reinforcing the business processes and increasing the productivity of group companies.

Acknowledging human resources as the most important input of service procurements, the organization endeavours to equip said human resources with contemporary skills, taking aim at providing high benefits for Yaşar Group as a whole through the support of team work and participation.

Compliance with applicable laws, expectations of in- and out-house stakeholders as well as any regulations, decisions, and policies of Yaşar Holding and companies incorporated by it constitutes a factor that is taken into consideration in each single step.

[www.astron.ws](http://www.astron.ws)



**efficient technological infrastructure**  
**fast solutions**



## Governance at Yaşar Group

### Corporate Governance

Having adopted compliance with applicable laws and legislations, ethical values, transparency, and fairness as indispensable and uncompromisable principles of the mission and vision adopted by it from past to present, Yaşar Holding seeks to impartially protect the interests of all of its subsidiaries, investors, and other stakeholders while taking a socially responsible approach as it strives to maximize both customer satisfaction and shareholder value. Well before the subject of "corporate governance principles" was on anyone's agenda in Turkey, Yaşar Holding had already begun voluntarily taking steps to develop its own best practices on such issues thanks to its foresightful understanding of the benefits that good corporate governance promised to provide.

Following the publication of OECD corporate governance principles in 1999, Yaşar Holding split the duties and accountabilities of the CEO's office and the board of directors from one another in 2000. In this way, all work processes and responsibilities pertaining to both management and organization were clearly set forth in the "Yaşar Group Management Handbook".

The group-wide structure that was formulated in this way was subsequently reviewed in light of Corporate Governance Principles published by the Turkish Capital Markets Board (CMB) in 2003 and then revised again in 2005 and 2011. Another

indication of the Yaşar Group's attitudes towards good management is to be seen in its introduction of International Financial Reporting Standards (IFRS) in all group companies beginning in 2003.

All executive functions of Yaşar Group are under the responsibility of the Yaşar Holding Chief Executive Officer, who is held accountable for them by the Yaşar Holding Board of Directors.

The Yaşar Holding Board of Directors consists of seven members, four of whom are independent members. There also exist a Sub-Committee for Auditing and Risk Management and a Sub-Committee for Human Resources and Governance, both of which report directly to the board.

It is a fundamental requirement that all Yaşar employees fully comply with Yaşar Group Rules of Business Ethics, which was published in 2009.

At Yaşar Holding, corporate reputation is managed as a significant value that is formed through long years. To that end, Yaşar Holding established a Corporate Reputation Committee and five separate subcommittees within the scope of the "Corporate Reputation Project" initiated in 2010. The aim of the "Corporate Governance and Ethics Committee" as one of said subcommittees was to create projects with positive reflections on reputation, to implement such projects, and to share them with in- and out-house stakeholders on most appropriate platforms.

Detailed information is provided about group companies, their principal business activities, and their brands on the Yaşar Group's website, from which there is also access to "Investor Relations" modules containing further information about those group companies whose shares are publicly traded.

The progress that publicly traded Yaşar Group companies make in the area of corporate governance is publicly disclosed through corporate governance principles compliance reports, which are prepared for inclusion in their annual reports as required by Turkish capital markets laws and regulations. In 2011, the Corporate Governance Grade Score of Pınar Dairy was (8,34). Thus, the company began to be traded at the Corporate Governance Index of the Istanbul Stock Exchange.

Audit Committees and Corporate Governance Committees have been established at Yaşar Holding's public companies as provided for under the Turkish Capital Markets legislation in conjunction with CMB's corporate governance principles. In addition, the Committees for Candidate Nomination, Early Recognition of Risks and Wage Setting are formed in the Committee for Corporate Governance. The working principle

of the Committees have been announced in the web pages of the companies. Furthermore the Holding Company has appointed two independent members to the boards of the public companies. Profit distribution and payment policies have been identified for said companies, which we declared to the public in all transparency.

Investor Relations Units have been established in Yaşar Group's all public companies. To ensure that all stakeholders, the public, and all other beneficiaries are provided with complete, accurate, and comprehensible information accessible under equal conditions as provided for under applicable legislation, an availability policy has been established on the basis of transparency and accuracy, which we declared to the public.

Continuing to work in line with its long-term sustainable growth targets, Yaşar Holding has adopted corporate governance principles in all aspects including the protection of shareholders' rights, illumination of the public, transparency, and any decisions and transactions that are of interest for both the Board and beneficiaries. All activities are carried out in line with said corporate governance principles.

## Corporate Reputation Management

Beginning from the mid 1980's, we realized the strategic need for establishing and maintaining corporate reputation so as to gain competitive advantage.

Corporate reputation comprises a general assessment of an enterprise in the eyes of employees, customers, suppliers, competitors, and the public. The basic point is the reputation results from perceptions.

At Yaşar Holding, corporate reputation is managed as a significant value that is formed through long years. To that end, Yaşar Holding established a Corporate Reputation Committee and five separate subcommittees within the scope of the "Corporate Reputation Project" initiated in 2010:

- Corporate Communication
- Sustainable Development
- Social Responsibility
- Corporate Governance and Ethics
- Corporate Values

An increased awareness and consciousness level was achieved in terms of in-house reputation management as result of our activities, which we initiated by the establishment of aforementioned committees.

The committees carried out benchmark studies on the functioning of reputation management at diverse companies. Thereby, they got familiar to different structures and developed projects appropriate for our Group.

Yaşar Group is well-aware that employees constitute the fundamentals of any corporate reputation process. Internal communication plays an important role in the employees' participation in the corporate reputation process. Therefore, the Committees of Corporate Communication and Corporate Values organized meetings with broad participation in order to ensure an active process inclusion of our employees.

The Sustainable Development Committee established under the Corporate Reputation Committee organized many workshops to form

a sustainability strategy for Yaşar Group, which enjoyed broad participation from every level. Thus, we identified the priority aspects of environment-oriented sustainability.

The sector analysis results of the Turkish Reputation Index are declared to the public by RepMan (Reputation Management), which is carried out by GfK Turkey. Reputation is an indicator of and enterprise's "admiration" and "reliance" in the eyes of different stakeholders. In this sense, it means much more than mere admiration. In the assessment of reputation, following main topics are dealt with:

- Recognition
- Properties relating to governance
- Properties relating to product and service quality
- Properties relating to employees
- Financial stability
- Social responsibilities
- Emotional loyalty

İtibar Araştırmaları Merkezi

# RepMan

Reputation Research Center

The RepMan Reputation Research Centre declared Turkey's most reputable sectors and companies. According to the research that was carried out by GfK Turkey in 7 geographic regions covering 15 provinces among 14.176 people including 929 opinion leaders, Pinar ranked among Turkey's top 10 most reputable companies.

Revealing the outcome of our Corporate Reputation studies, this success has been a source of motivation for us and accelerated our studies.



## Risk Management

Corporations have to identify, measure, and manage risks so that they can achieve their goal of "sustainable growth", because under the conditions of the present day, it does not suffice to focus on financial risks in a classical understanding of risk management. In particular, operational and strategic risks are at least as important as financial risks in corporations that incorporate different sectors and different ways of business.

### Understanding of Risk Management

A "Corporate Risk Management", a systematic process that defines, analyses, controls, and monitors risks, is implemented at companies incorporated by Yaşar Holding. This method is capable of minimizing the impact of unexpected negative resulting incidents on costs and company assets.

Our companies' studies towards risk management serve following purposes:

- Analysing all companies' fields of activity, business units, and profit centres and identifying any existing risks,
- Establishing a risk management structure for a systematic and permanent process,
- Providing and maintaining a clear definition for duties and responsibilities,

- Assessment of already present controls to avoid any risks the cause and results of which are known,
- Implementing an efficient, permanent risk management and monitoring process by designing new and efficient controls.

Thus, we will ensure that our companies gain competitive advantage over their competitors, that our companies reassure their shareholders of a better protection and improvement of company assets, and gain a higher level of self-confidence in seizing opportunities by a clearer view to risks.

On the other hand, our group companies have been carrying out internal audit activities at regular intervals. These audit activities bring along a systematic and well-disciplined approach aiming at the assessment and improvement of the efficiency level of risk management and control processes, and thereby lends assistance for group companies in achieving their targets.

The efficiency assessment of the corporation's existing risk management and control processes serves following purposes:

- Assessment whether these processes are structured and operated in such way that will ensure the achievement of the corporation's goals and targets,



- Suggestion of proposals towards the improvement of corporate activities in terms of performance efficiency and productivity.

### Fight Against Corruption

All Yaşar Group companies fight against all corruptions of any type including without limitation bribery and exaction, and supports the "United Nations Declaration against Corruption and Bribery in International Commercial Transactions" to

prevent and fight against corruption. The employees of all companies incorporated by Yaşar Holding have committed themselves to work in line with Yaşar Group Rules of Business Ethics Handbook. In our capacity as Yaşar Group, we follow up and support the government's "Strategy for Increasing Transparency and Strengthening the Struggle Against Corruption" and any activities related to it.

## Business Ethics

Everywhere our operations are located; Yaşar Group companies are respectful to social, political, and cultural values. Our actions are transparent and in compliance with a legal requirements and rules of ethics. In this context, we prepared the Yaşar Group Rules of Business Ethics Handbook in 2009 and declared said guidelines to all employees. In 2010, we printed the guidelines in the form of a guideline manual and handed over a copy thereof to each employee. Besides, the manual is also utilized during orientation trainings for new personnel. Yaşar Group's business ethics rules are divided into eight groups:

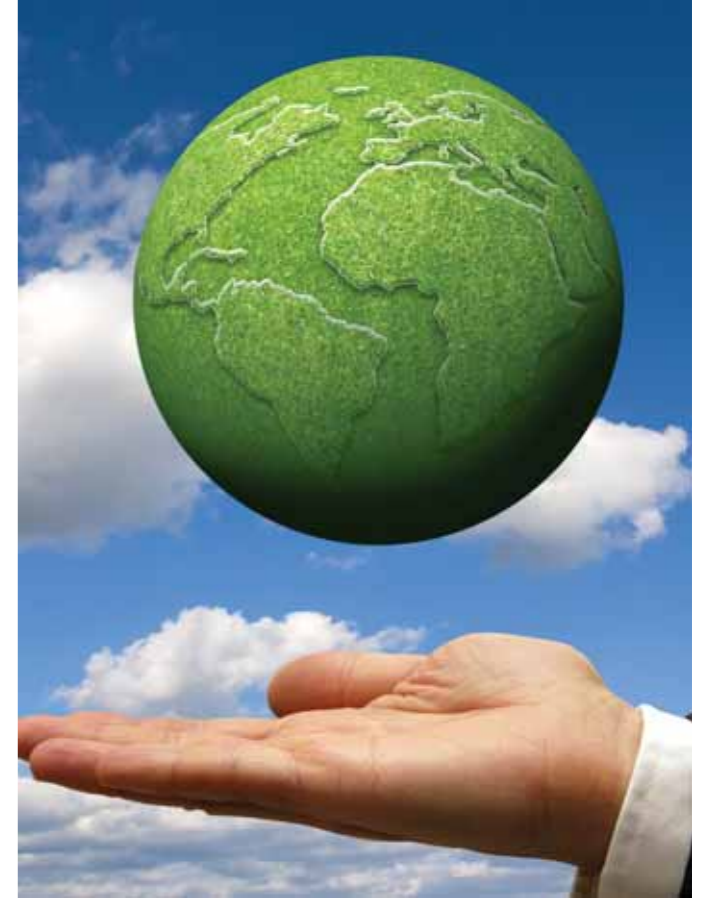
- Working in a safe environment, abstaining from discrimination of any kind and paying respect to each others' personal rights
- Using company resources in an efficient manner
- Avoiding any conflicts of interest
- Obeying legal rules on competition, competing with competitors in such a way that does not and will not cause any disorder of market conditions
- Attaching importance to customer satisfaction, adopting a sensitive and honest attitude towards customers and consumers
- Paying utmost attention to the proper preparation of, keeping confident, and abstaining from taking advantage of any company information, assets, and records
- Protecting the society's benefits and being respectful to the environment in all of our activities carried out by us, as employees of Yaşar
- Adopting a lifestyle not only at work, but also in our business lives outside of the workplace, that will not create any negative opinion against the company and will not contradict the rules of the society we live in

Any issue considered to be incongruent to Yaşar Group's Rules of business ethics rules can be notified by all employees to the Ethics Committee by e-mail, letter post, or phone call. The Ethics Committee consists of five members that are selected by Yaşar Holding's Board of Directors: a chairman selected among the independent members of Yaşar Holding's Board of Directors, one person (holding the position of manager or higher) each for the Food and Beverage Group, Coatings Group, and Yaşar Holding, and a Secretary General.

According to the functioning of the Ethics Committee as defined in the Guidelines, any issue referred to the Ethics Committee has to be solved within one week at the latest.

The number of issues referred to the Ethics Committee was one in 2009, seven in 2010, and two in 2011. All issues that have been referred to the Ethics Committee ever since 2009 have been successfully solved after necessary investigations.

The low number of issues referred to the Ethics Committee can be interpreted in two ways: either the employees are not familiar enough to the committee and/or there are concerns about the confidentiality of issues referred to the committee. A process review and the re-information of employees by means of trainings based on e-learning are among our topical issues.



**Yaşar Group Rules of Business Ethics Handbook handed over a copy thereof to each employee.**

## Yaşar Group's Sustainability Approach

Heading out for "For a Better Life", Yaşar Group's aim is to add value to the lives of consumers by providing high-quality products and services with reliable brands.

The finest definition of "sustainability" is not to jeopardize the needs of future generations when meeting the needs of today. Of course, environmental protection and improvement is not the single criterion of sustainability. While carrying on their activities in line with profitability and productivity principles, companies should make efforts to contribute to the society they live in. In other words, a company's activities have to touch upon person.

With its economic, social, and environmental aspects, sustainability has three dimensions. Yaşar Group addresses the term of sustainability in all of its three dimensions, and we set our strategies and targets accordingly.

As a Group, that played an active role in Turkey's industrialization process, we try to focus our activities on sustainability. To that end, we have been improving the sectors, in which we conduct business, accompanied by an improvement of our operations, compliance with corporate and ethical values, and implementation of a best management approach in line with "Corporate Governance" principles.

Yaşar Group's Corporate Values are in parallel with its sustainability targets to the fullest extent. While continuing our growth, our purpose is to minimize our negative impact on environment; to establish a close collaboration with local communities everywhere we conduct business; and to achieve an increased level of internal communication with our employees by ensuring that our Group companies are well-informed about each others' activities along with a more efficient participation of all employees in communication networks. Our studies to take this sustainability journey together with all our stakeholders and especially our suppliers continue at high speed, enhanced by reinforcing our existing communication channels.

Existing efforts have to be handled in a more systematic way so that balance can be established between economy, environment, and social life. Yaşar Holding's target is to display an integrated approach by including social and environmental factors into both its decision making processes and operations, in addition to economic factors.

Yaşar Group's sustainability studies are oriented by the "Yaşar Holding Sustainable Development Committee". The Committee will continue to focus on ways to map its role in making the sustainability with its 3 dimensions - economic, social and environmental - an integral part of business process.

Our Group defined 5 priorities in terms of sustainability:

- Energy and Combating with Climate Change
- Water and Waste Water
- Used Materials and Waste
- Health and Safety
- Community Contribution

Energy and Combating with Climate Change is the most important one of these 5 priorities.

**Our studies to take this sustainability journey together with all our stakeholders and especially our suppliers continue at high speed, enhanced by reinforcing our existing communication channels.**



## Energy and Combating with Climate Change

Climate change is defined as the biggest problem confronted by man. Scientists agree that climate change is the result of increased greenhouse gas emissions caused by human activities to a substantial part. According to data obtained by the International Energy Agency (IEA, CO<sub>2</sub> Highlights, 2011), approximately 65% of global greenhouse gas emissions are caused by the energy sector, where coal, petrol, and natural gas finds intensive use. Similarly, the global electric demand will experience an increase of ¾ by 2035 compared to the present day, and the use of fossil fuel will continue to be widespread,

according to the IEA 2010 energy projections. The assessments of the Intergovernmental Panel on Climate Change (IPCC) put forth that our planet will continue to experience the impacts of climate change for centuries even if we managed to achieve greenhouse gas stabilization in the atmosphere right today. In the light of recent climate change projections, scientists have been pointing out that the irrecoverable impacts of climate change will drive the world to disaster if the current greenhouse gas concentration continues as is. According to recent scenarios, the CO<sub>2</sub>

concentration in the atmosphere has to be fixed at 350 ppm (parts per million) in order to avoid the irrecoverable impacts of climate change and to keep the average temperature increase at 2 degrees (IPCC, 4<sup>th</sup> Assessment Report). The countries, which came together in December 2011 at the United Nations Climate Change Conference in Durban, were of one mind about that. The decision taken at the conference to sign a convention in 2015, which will be legally binding on developed and developing countries, has been a strong signal for a shift to low-carbon practices by the business world.



**The General Directorate of Meteorology declared that it has completed the "Turkey Climate Change Scenarios Project" and that a temperature increase of 1,5 degrees is expected in the region for a period of 50-100 years as of 2012.**

"The apparent temperature of the Mediterranean and Aegean region will increase by 4-5 degrees. Turkey's average temperatures have been on the rise since 1994. The hottest year was 2010 with an increase of 2 degrees. The number of summer days, tropical hot nights, and hot days has increased, while a decrease is observed in the number of frosty days, cold nights and days, along with an increase in minimum temperatures. A relation can be observed between temperature changes and the number of meteorological disaster. According to a detailed projection, no significant temperature change is expected in near future (1,5 degrees). But the pessimistic scenario expects a temperature change of 4-6 degrees for the period 2071-2099, while a temperature change of 2-4 degrees is foreseen by an optimistic scenario for the same period."

## Actions Taken by Yaşar Group

The business world gradually comes to the forefront as an integral part of climate change adaptation and greenhouse gas reduction studies, which are being carried out both on scientific and politic level. Being active in many sectors reaching from agriculture to food, from tourism to tissue paper, Yaşar Group is well-aware of the potential

impacts of climate change on all living creatures on earth as well as the resulting risks, to which our economic activities are exposed. Therefore, Yaşar Group has initiated actions to manage the greenhouse gases caused by its own activities and to identify climate change risks.

## Carbon Footprint Study

Heading out by the principle "it is impossible to manage what you cannot measure", Yaşar Group has initiated carbon footprint calculation studies on corporate level for its brands that come to the forefront in our daily lives. These companies have been determined as Pinar Dairy, Pinar Meat, Pinar Water, YBP, Viking Tissue, Dyo Coatings ve Dyo Printing Inks, Altın Yunus, Çamlı Feed and Desa Energy. The studies carried out on the basis of the aforementioned 10 companies revealed the carbon footprints of these companies, along with "hot carbon spots" that cause carbon emissions at most. The carbon map, which will be formed according to the results of calculations and analyses, will show the "carbon intensive" areas that have to be addressed with priority and will guide the studies, which can be carried out to achieve reduction in greenhouse gas emissions.

In the study, which will be reported according to ISO 14064-1 "Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals", the companies' emissions will be calculated to include Scope 1<sup>2</sup> and Scope 2<sup>3</sup> emissions. Within the scope of the study, we have completed our site visits, but the data gathering process continues. Data obtained from emission sources that have been identified by a "Control approach" will be gathered on holding level, followed by a consolidation at the headquarters. This year and in coming years, we will develop a greenhouse gas inventory management quality management system on holding and company levels in order to ensure the accuracy, completeness, compliance with our targets and applicable standards, transparency, and coherence of data.

(2) Scope 1 emissions: Direct greenhouse gas emissions arising out of sources controlled or owned by a corporation.

(3) Scope 2 emissions: Indirect greenhouse gas emissions caused by purchased thermal energy, electrical energy or steam.

## Carbon Leaders

We have designated Carbon Leader in order to strengthen carbon management on holding and companies' level and to achieve an increased ownership in greenhouse gas reduction studies. These leaders are provided with all necessary trainings and it is ensured that they take active part in carbon footprint studies. These leaders are at the same time also member to the "Sustainable Development Committee", a subcommittee of the "Corporate Reputation Committee". Our aim is to establish full integration between carbon management studies and sustainable energy management studies carried out by the Energy Committee, to draw highest benefits from this synergy.



## Trainings

Around 150 staff members under-went face to face training in the ISO 14064 and Energy Management Systems.

### ISO 14064 Training;

The training purpose is to get informed about the general structure of standards applicable to the calculation and reporting of greenhouse gas emissions, requirements of ISO 14064-1, methodologies and sources that can be applied to calculate emissions on corporate level.

### Energy Management Systems Training;

The training purpose is to get informed on the development of a corporate energy policy, establishment of targets and processes to fulfil the requirements of said energy policy, performance measurements, improvements, and compliance with applicable standards.

## Improvement-oriented Studies

According to data published by the International Energy Agency (CO<sub>2</sub> Highlights, 2011), electricity and heating are responsible for 41% of global greenhouse gases, followed by transportation and industry with a share of 23% and 20%, respectively.

On holding level, high priority is attached to the same fields with respect to studies aiming at a more efficient use of energy, improvement of costs, and reduction of greenhouse gases.

Up to the present day, Yaşar Group has carried out many improvement-oriented studies. These studies were not limited to energy efficiency, but

also included the disposition of renewable energies and other resources. We are well-aware that studies that have been or will be carried out by companies within the scope of Energy Management and Carbon Footprint studies will make valuable contributions to increase our competitiveness and reputation. Therefore, it is for sure that our initiatives and practices in this respect will continue in coming years.

Following chart shows the total energy consumptions of aforementioned 10 companies according to the raw data gathered within the scope of the carbon footprint study:

### Total Energy Consumption

**Gigajoule**

Direct energy consumption according to primary energy source

**2.524.523**

Indirect energy consumption according to primary energy source

**498.314**

Within the scope of energy utilization reduction and improvement studies, we have been organizing "Operational Cost Improvement" contests and have been providing financial support for selected projects in order to increase and promote efficiency competitions among companies and to spread good practices to other companies.

Along with operational cost improvements, we have been carrying out big budget austerity projects within the scope of Lean 6 Sigma Programs, accompanied by projects implemented in collaboration with our supply chain if necessary.



## Carbon Reduction Projects

| Company                     | OCI Project   | Emission Reduction (TON CO <sub>2</sub> ) |
|-----------------------------|---|---|
| <b>Altın Yunus</b>          | Use of solar energy at beach facilities   | <b>3</b>                                  |
| <b>Çamlı Feed</b>           | Energy conservation by turning lightings into time-lightings or photocell lightings where appropriate | <b>16</b>                                 |
| <b>Dyo Printing Inks</b>    | Shorter grinding times for newspaper inks   | <b>25</b>                                 |
| <b>Dyo Coatings</b>         | Savings in the lighting of factory grounds  | <b>20</b>                                 |
| <b>Pınar Meat</b>           | Improvement of the DAF system   | <b>2</b>                                  |
| <b>Pınar Water</b>          | Energy savings by the insertion of frequency invertors  | <b>262</b>                                |
| <b>Pınar Water</b>          | Prevention of air leakages and lighting-related savings   | <b>135</b>                                |
| <b>Pınar Water</b>          | Energy savings by the improvement of air compressors  | <b>568</b>                                |
| <b>Pınar Dairy</b>          | Economizer improvement  | <b>382</b>                                |
| <b>Pınar Dairy</b>          | Revision of the YBP building's cooling system   | <b>40</b>                                 |
| <b>Pınar Dairy</b>          | Natural gas savings by revision of natural gas pressure reduction station                             | <b>1.822</b>                              |
| <b>Pınar Dairy</b>          | Energy savings by the installation of a reverse osmosis device  | <b>241</b>                                |
| <b>Viking Tissue</b>        | Decreased Energy Costs for Cellulose Pulp Preparation   | <b>306</b>                                |
| <b>Viking Tissue</b>        | Energy Savings by insertion of an invertor to natural gas boiler fans                                 | <b>60</b>                                 |
| <b>Viking Tissue</b>        | Increased Boiler Efficiency by reducing the stack gas oxygen amount and saving potential              | <b>346</b>                                |
| <b>Total reduction- OCI</b> |   | <b>4.228</b>                              |

| Company  | Lean 6 Sigma and Company Projects  | Emission Reduction (TON CO <sub>2</sub> ) |
|--|--|---|
| <b>Pınar Dairy</b>   | Installation of a conveyor on the Tetrapak line  | <b>36</b>                                 |
| <b>Viking Tissue</b>                                       | Shorter forklift transportation distance by displacing the goods receiving and storage yards of grey chipboard | <b>2</b>                                  |
| <b>Food Group Companies</b>                                | Food Group transportation project*   | <b>202,5</b>                              |
| <b>Pınar Dairy</b>   | Milk box optimization  | <b>240</b>                                |
| <b>Pınar Meat</b>  | Energy savings through reduction of cooking time   | <b>12</b>                                 |
| <b>Total reduction - Lean 6 Sigma and Company Projects</b> |  | <b>492,5</b>                              |

(\*) Collective project of YBP and Astron

We reduced CO<sub>2</sub> emissions by  
**4.720,5**  
 tonnes through  
 our carbon reduction projects

## Sample Implementations

### Pinar Food Group Transportation Project

With regard to the long distance and urban transport process of Food Group companies, the SCM (Supply Chain Management) and APO (Advanced Planner and Optimizer) modules of the ERP system (Enterprise Resource Planning), also referred to as SAP, were integrated into logistic processes in 2010.

Thanks to this project, we have been able to transport our products with minimum kilometers, yet maximum tonnages with respect to long distance transport processes and, in particular, frigorific transports. To express it in figures, 1 ton of products used to be distributed with 30, 12 km in 2009. In contrast, the same amount was distributed with 27,97 km in 2010.

In addition to aforementioned project, the "Optimized Transport Point Application" was implemented to identify the service regions of specific transport points. As result, each factory began to serve a certain region with respect to

products of the durable group. Thereby, the distance covered by each 1 ton of products in the process of long distance land transport accrued as 26,68 km in 2011. This saving of 1,29 km for each 1 ton of the Food Group companies' product transports achieved in 2011 compared to 2010 lead to an overall reduction of approximately 787.000 km in all transport types of Food Group companies.

Besides, the urban transport SAP SCM (Supply Chain Management) module, which was commenced in 2011, aimed at the optimization of appropriate vehicle types, minimum km, maximum customer number, maximum tonnage, load factor, and cost. Our target is to extend the urban transport project to all regions, the distributions of which are carried out by YBP. Our plan is to achieve the fulfilment of this target by 2012.

### Pinar Water Transportation Project

Measures have been taken to ensure that goods cover shorter distances compared to 2008 by sale of goods at regions close to factory locations.

|                   | 2008  | 2009  | 2010 | 2011  |
|-------------------|-------|-------|------|-------|
| <b>km per ton</b> | 23,52 | 21,98 | 22,1 | 19,75 |

In 2011, transport distances were shortened by 2,35 km for each ton of goods compared to the previous year.

With regard to lorries and trucks used for product transports, trucks held a share of 40,2%. In 2011, this percentage increased to 49,4%. Thus, a higher amount of goods were transported by lower amount vehicles thanks to an increased use of truck-type vehicles:

- One truck of products corresponds to approximately 1,7 lorries,
- The increase of 9,2% corresponds to 1.936 truck transports. For the same amount, 3.291 lorries would have been necessary. Thus, the number of utilized vehicles was reduced by 1.355.

### DYO Printing Inks Manisa Plant

Having conducted business under the title Bornova Printing Inks until 2011, Dyo Printing Inks moved from its long-lasting Bornova facilities at the end of 2010 to its new plant in the organized industrial zone of Manisa. The new plant was designed by an engineer team, which has been employed at Bornova Printing Inks for many years. The applications carried out at this new plant are as follows:

- Optimization of on-site vehicle routes
- Exterior and pipe insulations as well as insulation of any necessary indoor units
- Daylight lighting
- Location of offices at the southern side
- Horizontal and vertical adjacent location of rooms with heating requirements
- Roof insulation paint
- Use of steam generator

**Sustainability applications are carried out at our new plants and units at a highest level possible.**

# Our Aim

is to reduce the average carbon emissions  
per production unit by

**15%**

until 2020

Altın Yunus: CO<sub>2</sub>/accommodation  
Desa Energy: CO<sub>2</sub>/MWh  
YBP: CO<sub>2</sub>/ton transported



## Energy Efficiency

### Çamlı Feed

- Motor substitution program; substitution of old low-performance motors with high performance motors: In 2001, 5% of all existing motors were renewed within the scope of this action.
- Decreased use of production lines with low energy efficiency by means of line planning activities; prioritization of high efficiency lines: Energy savings of 25% in unit electricity consumptions.

| Subject of energy savings | Energy kWh saved |
|---------------------------|------------------|
|---------------------------|------------------|

|  |        |
|--|--------|
| Use of a variable speed cooling system     | 47.150 |
| Heat generation by waste water             | 48.500 |
| Use of a variable speed compressor         | 77.900 |
| Optimized production / line load balancing | 45.235 |

### Dyo Coatings

- Shift from fuel oil to natural gas at our enterprise located in Gebze-Dilovası, Kocaeli
- Process change and use of raw material (slurry): 16.000 kg products were obtained instead of 4.500 kg despite of an increase in productions of 26% compared to 2010, the energy consumption per unit production decreased by 0.004 kWh/ton.
- Additional automations in the reactor heating systems at our enterprise in Çiğli, Izmir: The results will reveal in 2012.
- Improvement of water for use in steam boilers: The results will reveal in 2012.

### Pınar Meat

- In 2011, our overall natural consumption of the entire factory has been 4.513.938 Sm<sup>3</sup>, accompanied by a energy consumption of 29.922.346 kWh.
- Improvements in our factory's production processes by implemented projects brought along decreased energy consumptions per one ton of products in 2011 compared to the previous year. This decrease accrued as 16,10%

and 5,80% in natural gas and electricity consumptions, respectively.

- Some examples of reduce the amount of electricity consumption that we have taken within the scope of environmental management programs:
  - Partial renewal of compressor oil cooling systems and condensers at industrial cooling plants
  - Savings in the electricity consumption of pump and fan motors by an extended use of frequency controlled devices
  - Insertion of Scada systems into a certain part of energy monitoring systems and response to malfunctions in the shortest time possible
  - Use of cold environments for the procurement of suction air for air compressors
  - Measurements by thermal cameras and insulations at locations, where losses-leakages are observed, by means of monitoring activities that cover energy using areas to 85%

### Pınar Water

Consolidated line efficiencies of all factories

|                |
|----------------|
| 72.96% in 2007 |
| 78.34% in 2008 |
| 81,1% in 2009  |
| 79,38% in 2010 |
| 78% in 2011    |

Measures taken to achieve reduction in the electricity consumed at production plants:

- Insertion of frequency inverter systems, which bring along an energy consumption decreased by 25%, into electric motors of high-pressure compressors with highest energy consumption (256 kWh)
- Insertion of speed control systems into the electric motors of bottle and package conveyors
- More detailed electrical line measurement, cleaning, and maintenance in schedule maintenance programs
- Timely use of power and power pricing at multi-time tariffs at our Madran, Gökçeağaç, and Akçaağaç plants, resulting in a decrease of our energy consumption from 34 kWh/ton to approximately 29kWh/ton
- Improved efficiency of high-pressure air and cooling compressors consuming high electricity by means of lean 6 sigma projects
- Follow-up and reporting of both all parameters that might have an influence on product quality and all consumables such as output, line efficiency, production losses, electricity generation, water consumption, packaging material on momentary, hourly, daily or monthly basis at any desirable time
- Reduction of labour and electricity consumption costs by 50% by reduplicated line efficiency as result of revisions carried out at the filling and capping machine utilized for glass bottle productions

## Altın Yunus

- Electricity consumption decreased by 1.588 hours, accompanied by an electricity saving of 8.734 kWh as result of a substitution of pumps, which had been in use in the air pressure tank system since 1997, with pumps of higher efficiency
- Employment of a plated exchanger system to heat the thalassic pool while decreasing thermal water heat from 53 to 40 degrees, resulting in a saving of 10.000 USD/year LNG corresponding to 15.000 kg/year.
- Fuel oil saving of 10.000 kg/month during summer months by means of a heat recovery exchanger through the use of flash steam heat of steam return water
- Employment of a solar power system to meet the hot water requirement of electricity-heated guest rooms and personnel housings, resulting in an electricity saving of 35.00 kWh/year
- Elimination of the need for sea water and well water treatments thanks to drinking water quality achieved by a Reverse Osmosis investment

- Commencement of a geothermal plant with a capacity of 850.000 kcal/h for hot water generation purposes, which will result in 60.000 kg LNG savings as planned

## Viking Tissue

To achieve reduced energy consumption

- A voluntary project has been initiated to decrease energy density in collaboration with the Electrical Power Resources Survey and Development Administration (EİE)
- As result of this project, we plan to reduce energy density by 11% in 2010-2012 compared to 2009 and before

## Pınar Dairy

Projects for reduced energy consumption:

- Use of insulation mats for the insulation of hot steam boiler surfaces at our factory in Izmir
- Use of valve jackets for the insulation of steam valves and equipments
- Insertion of a frequency convertor into steam boiler fan motors

- Modernization of the cold chambers' central cooling system, accompanied by the employment of high-efficiency motor classes and alternative cooling technologies that contain hydro-fluorocarbon (HFC) causing less damage to the ozone layer
- Use of low energy consuming armatures and lamps in lighting systems
- Use of appropriate measuring devices to measure units' steam, water, and electricity consumptions within the scope of power consumption follow-up studies covering the entire plant
- Shift to glycol-containing cooling systems at our factory in Eskişehir, which will result in an electricity saving up to 12% as planned

- Economizer applications in steam boilers and improvements in burner firing systems, resulting in electricity savings up to 15%
- Instant follow up and record of stack gas oxygen and carbon monoxide rates, resulting in a higher amount of energy generation keeping combustion efficiency at high levels
- Inverters have been implemented to the electric motors of the Pınar Dairy factory in Eskişehir. Currently, the substitution of existing electric motors with high-efficiency "IE3" class motors continues.
- In terms of new production line investments, we will continue to invest in high energy efficient packaging machines that employ new generation technologies.

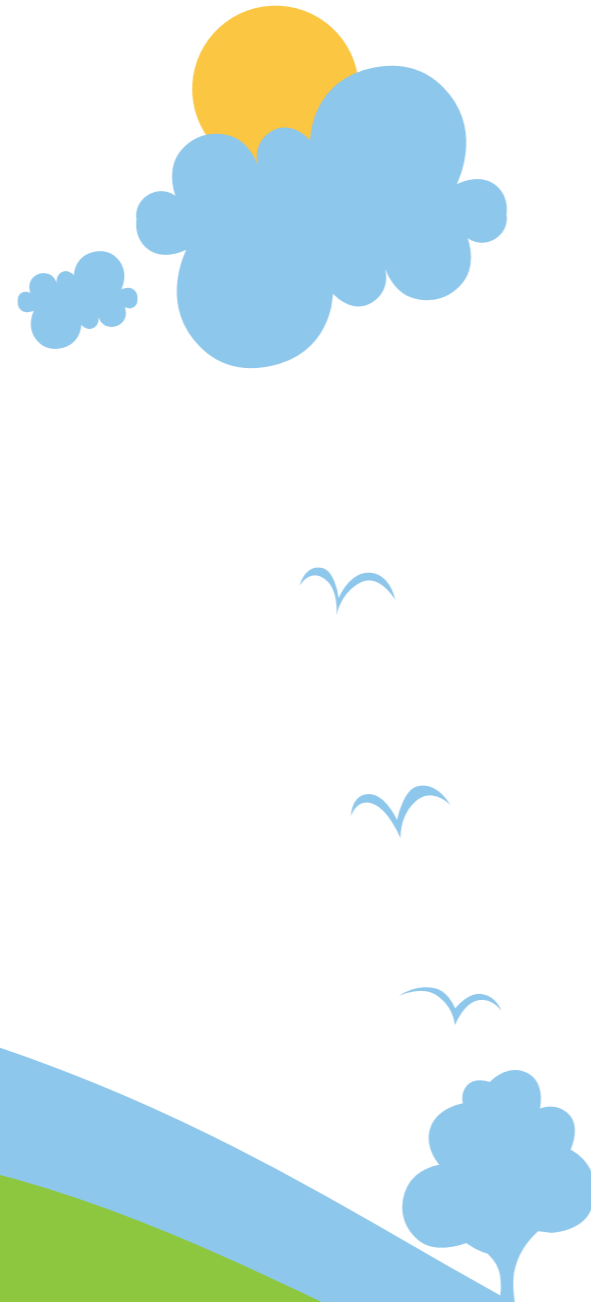
| %         | Electricity saving |       |       |        | Steam saving |       |      |        |
|-----------|--------------------|-------|-------|--------|--------------|-------|------|--------|
|           | 2008               | 2009  | 2010  | 2011   | 2008         | 2009  | 2010 | 2011   |
| İzmir     | -0,46              | 2,75  | -5,50 | -10,97 | -10,00       | 12,50 | 3,30 | -12,69 |
| Eskişehir | 5,38               | -4,06 | 0,50  | 1,97   | 11,00        | 7,32  | 0,00 | 6,30   |

Positive data indicate reductions, negative data indicate increases.

### Dyo Printing Inks

Projects carried out to achieve lower energy consumption at the new factory established in the Organized Industrial Zone of Manisa:

- Use of frequency-controlled speed adjustment systems in the majority of large high power engines
- Use of natural lighting systems aiming at a higher benefit from sun light in the plants as well as in administrative offices; as result, the consumed electrical energy of 0,30 kWh/kg in 2010 was has been decreased to 0,24 kWh/kg in 2011
- As result of an efficient insulation of the new factory building, heating costs by fuel oil amounted to 249.000 TL in 2010 compared to heating costs by natural gas amounting to 152.000 TL in 2011



### Astron

In line with our target to achieve a more environment-friendly information technologies sector, Astron has included serious measures into its annual activity plans.

The company has been taking actions to reduce the energy consumed by servers, clients, and auxiliary units (printers, scanners etc.) by each year.

- During the purchase of any and all data processing equipments, high priority is attached to "Energy Star" properties.
- Thin client and LCD monitor substitutions have brought along energy savings up to 70% in client services during the period 2008-2011.

- Server virtualization studies have brought along an energy saving of USD 143.051 in 2011. This corresponds to 836.492 kg carbon emission and 4.153 planted trees.

- As of 2012, the company has begun to prefer LED monitors, which consume less electricity up to 30%, in its new monitor purchases so as to continue its energy saving actions.

- Extended use of central multi-function devices that include functions such as photocopier, scanner, and printer. Thus personal printers and scanners have been eliminated, resulting in energy saving up to 30%.





## Collaboration with Non-Governmental Organizations and Sector Representatives

### Mandatory Memberships

Chambers, exchanges, and unions membership to which is legally mandatory, have been identified on grounds of the "Law On Chambers, Commodity

Exchanges, And The Turkish Union Of Chambers And Commodity Exchanges" nr. 5174.

### Mandatory Memberships

|  |   |
|--|---|
| Aliağa Chamber of Commerce               | Istanbul Mineral and Metals Exporters' Union  |
| Ankara Commodity Exchange                | Istanbul Chamber of Industry  |
| Antalya Commodity Exchange               | Istanbul Commodity Exchange   |
| Antalya Chamber of Commerce and Industry | Izmir Commodity Exchange  |
| Turkish Chamber of Shipping              | Izmir Chamber of Commerce   |
| Aegean Region Chamber of Industry        | Kocaeli Chamber of Industry   |
| Aegean Exporter Unions                   | Manisa Chamber of Commerce and Industry   |
| Eskişehir Chamber of Industry            | Central Anatolian Exporters Union   |
| Eskişehir Chamber of Commerce            | Association of Turkish Chambers of Commerce, Industry, Maritime Trade and Commodity Exchanges |
| Gebze Chamber of Commerce                |   |

### Voluntary Memberships

Membership to occupational organizations such as business councils, products councils and associations are becoming more influential issue since the participation of professional associations into the governmental decision making process has been deemed very vital. Having forecasted these developments at an early time, Yaşar Group has been the founding member of many associations for many years. Besides, the Group

is also member to many other associations. With these voluntary memberships, we have been aiming at promoting sectoral developments and gaining the ability to act in parallel with global developments.

The activities of associations contribute also to the development of a common business culture and our Group attaches huge importance to such activities with regards to its efforts to emphasize sectors' long-term requirements over companies' short-term choices.

### Voluntary Memberships

|   |   |
|---|---|
| Association of Packaging Manufacturers  | Association of Cuisine Amicable   |
| Packaged Water Manufacturers Association  | Organic Product Producers and Industrialists Association                                |
| American Turkish Council  | Association of Advertisers  |
| Association of Infant Food Manufacturers  | Healthy Turkey Platform   |
| Poultry Meat Producers And Breeders Association   | Pulp and Paper Industry Foundation  |
| Bornova Association of Farmer Assets  | Turkish - African Business Councils - Foreign Economic Relations Board                  |
| The Turkish Paint Manufacturers Association   | Turkish Industry & Bussiness Association  |
| Çeşme Tourism Hoteliers Association   | Turkish - Middle Eastern Business Councils - Foreign Economic Relations Board           |
| Environmental Protection and Packaging Waste Recovery And Recycling Trust   | Turkish Veterinary Medical Assosiation  |
| Turkish Marine Environment Protection Association   | Foundation For Environmental Education  |
| Aegean Industrialists' and Businessmen's Association  | Cattle Breeders' Association of Turkey  |
| Aegean Tourist Business and Accommodation Association   | Turkish Food And Beverage Industry And Employers Association                            |
| Ethics and Reputation Society   | Turkish Quality Association   |
| Turkish Food Safety Association   | The Chemicals, Petroleum, Rubber and Plastics Industry Employers' Association of Turkey |
| Association of Thermal Insulation, Waterproofing, Sound Insulation and Fireproofing Material Producers, Suppliers and Applicators | Corporate Governance Association of Turkey  |
| Foundation of Economic Researches   | Turkish People Management Association   |
| Izmir Association of Businessmen  | Union of Dairy, Beef, Food Industrialists and Producers of Turkey                       |
| Izmir Union of Aquaculture and Fishery  | Turkish Feed Manufacturers' Association   |
| The Valley of Kagithane - Ayazağa Urban Development Association   | National Red Meat Council   |
| Turkish Spas Thalasso and Health Resorts Association  | National Milk Board   |
| Fruit Juice Industry Association  | Manisa Organized Industrial Zone Industrialists' Association                            |
| International Chamber of Commerce (ICC)   | Investor Relations Association  |

### Occupational Chamber Memberships

- Chamber Of Electrical Engineers
- Chamber Of Food Engineers
- Chamber Of Agrucultural Engineers

## Employees

### Understanding of Human Rights

#### Human Resources Policy

##### Labour and Labour Force

Heading out for "training right people for the right job", our human resources strategy is to recruit the market's most skilled, qualified, creative, and innovative labour force with highest motivation and performance by means of fair human resources policies and practices capable to win the personnel's mind and heart, while ensuring the continuance of already recruited skilled personnel by improving their skills and enhancing their loyalty.

##### Recruitment

In recruitments, Yaşar Group applied recruitment procedures that comply with the Turkish Labour Law (4857) in conjunction with Yaşar Holding's Personnel Regulations. In our recruitment processes, we make our assessments according to Yaşar Group Competencies along with criteria

such as knowledge, skills, and experience required by a certain position. At the stage of assessment, competency-based interview techniques are applied. Applicants are provided with equal opportunities without any discrimination in gender, race, age, or marital status.

Upon recruitment, our personnel are provided with information on Company Personnel Regulations. These Personnel Regulations regulate the working conditions, rights, duties, and responsibilities of recruited personnel as well as applicable personnel policies and principles.

In 2011, Yaşar Holding acting on behalf of Yaşar Group companies was awarded as "Company with the highest number of job applications" by Kariyer.net. This award is granted according to various criteria as an indicator of the importance attached to human resources.



**Wage Setting**

Wage settings or changes are carried out according to class of position, individual experience, education, location, command of foreign language, precedent positions, in consideration of criteria such as higher and lower position assessments, positions reported by personnel, performance scores/premiums of previous years, and market wage levels. Wage levels are set without any discrimination in gender, race, age, or marital status. Covered personnel's wages and other rights are regulated by a collective labour agreement.

**Child Labour**

According to applicable provisions of Labour Law, the recruitment of children below the age of 15 is prohibited. As an exception, children that have filled their 14th age and have graduated from primary school may be employed in light works for a limited amount of working hours, in a way that will not interfere with their personal development and education. Although Turkish laws provide for a lower limit of 15 ages (exceptionally children having fulfilled their 14th age), Yaşar Group companies have adopted and are implementing the principle not to recruit any people below 18.

**Involuntary Servitude and Forced Labour**

In all Yaşar Group companies, working days and working hours as well as all public, general, and weekend holidays are clearly defined and announced to employees.

Our employees may work overtime due to reasons such as the characteristics of particular works or

increased productions. Overtime work is subject to legal provisions and overtime pay is determined as stipulated by applicable laws.

Upon recruitment, our personnel are provided with information on their job definition, followed by an interdepartmental orientation. Updated documents relating to job definitions are shared within the company by means of a common system that has been installed in accordance with ISO 9001. The employees have unrestricted access to these documents. Up to the present day, there have been no incidents referred to court on grounds of involuntary servitude and forced labour.

**Employment of the Handicapped**

Employment of the handicapped is subject to rates stipulated by applicable law. The general rate of handicapped employment in Yaşar Group is 2.23%.

**Employee Statutory Rights**

The employees have the opportunity to exercise all legal rights available to them such as recreation, food, paid and annual leaves, and severance payment.

If an employee of Yaşar Group companies is appointed to another job, such legal times shall apply as stipulated under the Labour Law in conjunction with Personnel Regulations. The times stipulated under the collective labour agreement shall apply to employees who are covered by such a collective labour agreement.

| Educational Background Percentage |      |      |      |
|-----------------------------------|------|------|------|
|                                   | 2009 | 2010 | 2011 |
| Doctorate                         | 0,2  | 0,2  | 0,2  |
| Postgraduate                      | 3,7  | 3,8  | 3,5  |
| Graduate                          | 30,7 | 31,6 | 29,6 |
| Associate degree                  | 8,0  | 8,4  | 8,9  |
| High school                       | 38,7 | 37,9 | 39,1 |
| Primary school                    | 18,8 | 18,2 | 18,6 |

**Employee Opinion Poll**

Aiming at the principle "people come first", Yaşar Group has been carrying out an annual "Employee Opinion Poll" since 1998, to take the employee's opinion and to measure their loyalty to the company. On grounds of Employee Opinion Poll's results, action committees consisting of employees from all levels prepare action plans for any aspects to be improved, accompanied by applications directed towards an increased satisfaction and motivation of employees.

As every year, the Employee Opinion Poll has been revised in 2011 by means of literature researched in line with needs, customers' voice applications with implementers, interviews with employees of diverse staffs and levels, and examination of other companies' practices. In 2011, the survey did not reveal any field that would indicate a decreased employee satisfaction compared to 2010. On the other hand, the employee loyalty factor, which we began to measure in 2010, has increased by 5% to reach 64%.

**Social and Cultural Activities for Our Employees**

To achieve increased employee motivation and an improved internal communication, we have been organizing annual company picnics and many other activities during the year.

- Out-house dinner organization
- Soccer, backgammon, table tennis, and bowling tournaments

- In-house dinner organization
- Holiday draw
- Picnic
- Cinema - theatre organization
- Birthday parties and gift draws
- Weekend trips
- Fishing organization

In 2011, the Dyo Colours Stage Theatre Company founded by the employees of Dyo Coatings performed their first play. The theatre company's practices for their second performance continue.

Dyo Printing Inks has established and commissioned a social space, from which its employees can benefit during resting time. Besides, we have organized following events:

- Picnic to welcome summer for the families of all our personnel as well we the families of personnel recruited by associated sub-employers
- "DYO" Family Factory Visit for the children of all personnel recruited by our company and/or associated employers, allowing them to get acquainted with their parents' workplace
- Tree sapling certificate from the Aegean Forrest Foundation as birthday gift
- Breakfast with the management and female employees



## Employees' Development Rights

### Performance Evaluation System

The Group adopts an integrated management system to achieve its fundamental aims and strategic targets. The Performance Evaluation System, which is being implemented since the year 2005, serves for the fulfilment of company targets in parallel with individual targets. The results of performance assessments are reflected to individuals in the form of personal development, carrier planning, and awards/wages. Our assessment system, which we developed on the basis of the Balanced Scorecard technique, employs Key Performance Indicators (KPI) that we set at the beginning of each year. In midyear, the fulfilment of targets is monitored by means of guidance and monitoring interviews; revisions are carried out if necessary. At year end, fulfilled targets are assessed. Employees subject to premium regulations are excluded from this process.

In 2001, the employees of Yaşar Holding have been included into the Performance Evaluation System, which is being implemented by Pınar Meat, Pınar Dairy, Pınar Water, YBP, Viking Tissue, Çamlı Feed, Dyo Coatings, Dyo Printing Inks, Yaşar Foreign Trade, Altın Yunus, Bintur, and our foreign companies since 2005. In 2010, the Performance Evaluation System covered 545 people, and increased to 661 people in 2011.

### Management Trainee Pool Project (MTPP)

With the idea "raise your managers yourself", Yaşar Group has been implementing an MTPP since 1996. From among all group companies, high-potential candidates are selected for prospective investments. These candidates take part in a development program of 18 months.

The aim of the MTPP is to achieve a close acquaintance with young manager candidates, improve the vision of and train members, monitor their carrier progression, and ensure their

participation in projects and activities that will improve their potentials. Thus, we have been able to strengthen communications by bringing together people working for different companies, while giving young manager candidates the chance to get a closer look at Yaşar Group.

The Program is organized in a triple structure:

- **Training activities:** Seminars providing information on and ideas about management and leadership skills, personal development, specialization trainings etc.
- **Mentorship:** Relations established by one-to-one interviews with project members and voluntary mentors selected by them.
- **Project Activities:** The members are expected to carry out a collaborated project in a field to be determined by the top management.

A novelty brought to the 5<sup>th</sup> group of the MTPP foresees that the members also carry out individual graduation projects to improve the work processes in their respective departments.

To create awareness of sustainability and to ensure that sustainability gets a place in the agendas of managers as early as possible, we

have set sustainability as the main topic of project activities. The topics set for projects are as follows:

- Water footprint
- Examination of sectoral fair trade practices and the effects thereof on financial results
- Preparation and management of supplier certificates with an eye to sustainability
- Adaptation of sustainability-related topics to communication-oriented activities
- Adaptation of sustainability criteria to Key Performance Indicators
- Assessment of GRI-based successful sustainability reports and determination of success criteria and to reflect them to the sustainability report of Yaşar Group
- Contribution of the Carbon Disclosure Project to sustainability
- Appropriate organization structure of sustainability reporting activities

Said project topics are current issues of the Sustainable Development Committee; and the projects will constitute the basis of future actions.

Besides, diverse supplementary activities are carried out during the program.

- Company visits
- Common communication platform (share of publications such as articles, book summaries etc.)
- A Buddy application is implemented to make ready the members of the 5<sup>th</sup> MTPP group for projects, to support them during the project and to make them communicate with the members of the 4<sup>th</sup> Group. Each member of the 5<sup>th</sup> MTPP group will have a "buddy" from the 4<sup>th</sup> MTPP group.

This program, which was implemented for the 5<sup>th</sup> period in 2010, enjoyed the participation of 326 people up to the present day. Thereof, 130 people continue to work for the Group. 76 people of these 130 employees have been promoted. 30% of promoted employees have been women, while the remaining 70% constituted of men.

| MTPP Candidates Percentage |          |          |          |          |          |
|----------------------------|----------|----------|----------|----------|----------|
|                            | Period 1 | Period 2 | Period 3 | Period 4 | Period 5 |
| Female                     | 25       | 31       | 25       | 33       | 39       |
| Male                       | 75       | 69       | 75       | 67       | 61       |

### Manager Development Seminar (MDS)

In 2011, Yaşar Group began to organize Manager Development Seminars to contribute to the development of employees, who have been recruited to a manager's office or who have been promoted to a manager's office. The aim of the program, at which 37 managers participated in 2011, is to improve various competencies of our

managers. For that purpose, we have been following a program comprising basic management skills, personal development, and expert training.

### Employee Management System

Only the white collar employees are subject to Employee Management System which has been implemented since 2005. We are planning to extend the system in coming years.

| White Collar Employees Percentage Covered By The Performance Management System |      |      |      |
|--|------|------|------|
|  | 2009 | 2010 | 2011 |
|  | 55   | 52   | 55   |

In 2011, 10% of white collar workers either received a promotion or employee satisfaction was achieved by in-house/intercompany transitions.

### Other Employee Trainings

The training programs of Yaşar Group cover the entire employees of all Yaşar Group companies. The essential target is to improve the employee's knowledge, skills, and competencies so that they can contribute to the fulfilment of both Group/Company targets and individual goals.

The training programs applied by Yaşar Group for its entire employees can be subdivided into following groups: orientation training, on-the-job training, personal development, management skills, and expertise.

Besides, we have been organizing seminars and conferences that help our employees to keep up with novelties in diverse, actual issues, while gaining an international vision.

## Training Hours per Person

|                                 | 2009 | 2010 | 2011 |
|---------------------------------|------|------|------|
| Yaşar Holding                   | 6,5  | 11   | 22   |
| <b>Coatings Group</b>           |      |      |      |
| Dyo Coatings                    | 6    | 22   | 27   |
| Dyo Printing Inks               | 2    | 34   | 46   |
| <b>Food and Beverage Group</b>  |      |      |      |
| Pınar Dairy                     | 8    | 6    | 13   |
| Pınar Meat                      | 6    | 10   | 15   |
| Pınar Water                     | 5    | 6    | 30   |
| Çamlı Feed                      | 5    | 9    | 12   |
| YBP                             | 12,5 | 9    | 9    |
| <b>Tissue Paper Group</b>       |      |      |      |
| Viking Tissue                   | 8    | 16   | 17   |
| <b>Trade and Services Group</b> |      |      |      |
| Altın Yunus                     | 20   | 4    | 22   |
| Desa Energy                     | 0    | 11   | 10   |

In addition, we have been organizing diverse training programs according to the Group companies' own needs. Within this scope, Dyo Coatings organized basic finance trainings for sales personnel along with culture development, 360 degrees, and customer-orientation trainings. Similarly, Dyo Printing Inks contributed to the training of its personnel by trainings such as OHSAS 18001-2007, Lean 6 Sigma green belt and yellow belt trainings, ISO 14001 environmental management system training, CRM feedback training, general calibration training, MSDS

preparatory training, communications skills, Check Law, and waste classification.

As overall, Yaşar Group carried out a total of 82.176 training hours in 2011, corresponding to 17,9 training hours per person. Thereof, 65% consisted of external trainings, whereas the remaining part of 35% consisted of internal trainings. The participants of the trainings in 2011 consisted of blue collar workers (21%), non-key workers (63%), and key workers (16%).

## Occupational Health and Safety

### Training Programs and Health Controls

We have been applying training programs for the purpose of giving support to our personnel and the families thereof with regard to diseases. These health-related trainings such as hypertension and nutrition, coping with stress, healthy and balanced nutrition, breathing exercises, cold and flues, protection against breast cancer, ergonomics, health of mother & child, wrong use of medicaments, family planning, food poisoning, and infectious diseases.

The employees' health controls are carried out by workplace physicians. Besides, we are taking lung x-rays within the scope of the fight against tuberculosis, porter and audiometric examinations, throat culture extracts, and stool culture scans.

By collaboration with universities, we have been organizing trainings for pregnant employees through the help of interns covering topics such

as nutrition, post-natal actions, baby care as well as disease, nutrition, and caution trainings to those suffering from a chronic disease such as diabetes, hypertension, or epilepsy.

There are also separate examinations, which we carry out according to the properties of a certain work branch. In this context, Dyo Coatings carrying out quarterly heavy metal and solvent analyses and annual blood analyses. In addition, the tests also include lung scans and respiratory function tests.

Workplace physicians and workplace nurses furnish healthcare services 5 days a week.

### Occupational Safety

To maintain occupational safety and prevent any probable occupational accidents and/or diseases, our companies have been implementing internal occupational health and safety regulations. An

occupational health and safety board has been established according to these rules.

Employee health controls in 2011 have delivered no finding of any occupational disease, together with a decreased frequency rate in occupational accidents and absent days.

To prevent any large industrial accidents in our Coatings Group Companies, notifications are made to the Ministry of Environment and Urban Development as provided by the Seveso II regulations.

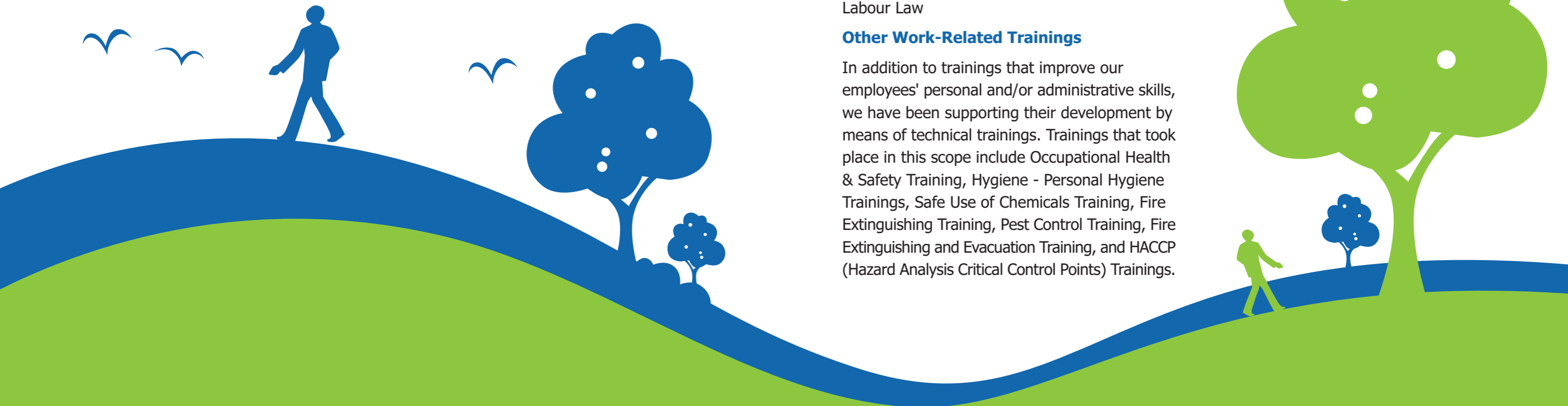
### Occupational Training of Personnel Employed In Heavy, Dangerous Duties

Our companies have carried out all necessary trainings in 2011 within the scope of the "Communiqué on Occupational Trainings of Workers employed in Heavy and Dangerous Duties" prepared in accordance with the Turkish Labour Law

### Other Work-Related Trainings

In addition to trainings that improve our employees' personal and/or administrative skills, we have been supporting their development by means of technical trainings. Trainings that took place in this scope include Occupational Health & Safety Training, Hygiene - Personal Hygiene Trainings, Safe Use of Chemicals Training, Fire Extinguishing Training, Pest Control Training, Fire Extinguishing and Evacuation Training, and HACCP (Hazard Analysis Critical Control Points) Trainings.

**Occupational health and safety come first**





## First Aid Trainings

The First Aid Regulations of the Ministry of Health stipulate that one person out of 20 people has to be trained in first aid for normal workplaces, whereas one out of 10 people has to be trained in first aid for heavy-duty workplaces.

An essential target of first aid training is to train the personnel on life-saving interventions for itself, its environment and relatives, and to gain necessary capabilities to take the right, conscious actions in extraordinary situations without feeling helpless.

## Number of Certified Personnel

|                                 | 2009       | 2010       | 2011       |
|---------------------------------|------------|------------|------------|
| Yaşar Holding                   | 2          | 2          | 2          |
| <b>Coatings Group</b>           |            |            |            |
| Dyo Coatings                    | 61         | 33         | 69         |
| Dyo Printing Inks               | 19         | 20         | 20         |
| <b>Food and Beverage Group</b>  |            |            |            |
| Pınar Dairy                     | 67         | 87         | 108        |
| Pınar Meat                      | 71         | 110        | 85         |
| Pınar Water                     | 4          | 5          | 20         |
| Çamlı Feed                      | 24         | 31         | 28         |
| YBP                             | 52         | 54         | 51         |
| <b>Tissue Paper Group</b>       |            |            |            |
| Viking Tissue                   | 19         | 28         | 37         |
| <b>Trade and Services Group</b> |            |            |            |
| Altın Yunus                     | 12         | 11         | 16         |
| Desa Energy                     | 0          | 0          | 0          |
| <b>Total</b>                    | <b>331</b> | <b>381</b> | <b>436</b> |

## Security Services

All security services at our companies are provided by certified personnel with special training in

security services. Periodic training programs are applied to all security personnel.

## Number of Security Personnel

|                                 | 2009       | 2010       | 2011       |
|---------------------------------|------------|------------|------------|
| Yaşar Holding                   | 15         | 15         | 15         |
| <b>Coatings Group</b>           |            |            |            |
| Dyo Coatings                    | 22         | 12         | 24         |
| Dyo Printing Inks               | 11         | 8          | 8          |
| <b>Food and Beverage Group</b>  |            |            |            |
| Pınar Dairy                     | 29         | 35         | 35         |
| Pınar Meat                      | 16         | 17         | 24         |
| Pınar Water                     | 18         | 17         | 22         |
| Çamlı Feed                      | 18         | 24         | 22         |
| YBP                             | 43         | 46         | 43         |
| <b>Tissue Paper Group</b>       |            |            |            |
| Viking Tissue                   | 11         | 11         | 15         |
| <b>Trade and Services Group</b> |            |            |            |
| Altın Yunus                     | 11         | 11         | 10         |
| Desa Energy                     | 4          | 4          | 4          |
| <b>Total</b>                    | <b>198</b> | <b>200</b> | <b>222</b> |

## Right to Association

### Union and Collective Bargaining Agreement

A labour agreement for an indefinite period is signed with all employees as provided for under the Labour Law. All contracting and sub-contracting companies, which we are in collaboration, have to insure all their employees, too.

The rights of our employees are secured by mean of workplace and enterprise collective bargaining agreements that are signed by and between the employer and respective labour unions (Petrol-İş in case of Coatings Group Companies; Tek Gıda İş Sendikası in case of Food Group companies including Pınar Dairy and Pınar Meat).

Percentage of employees covered by collective labour agreements:

### Percentage of Employees Covered by Collective Bargaining Agreements

|                   | 2009 | 2010 | 2011 |
|-------------------|------|------|------|
| Dyo Coatings      | 55   | 53   | 57   |
| Dyo Printing Inks | 50   | 52   | 47   |
| Pınar Dairy       | 62   | 65   | 64   |
| Pınar Meat        | 62   | 66   | 70   |

The Workplace Collective Bargaining Agreement concluded by and between the employer and Petrol-İş includes following clauses in addition to the Labour Law:

"The employer shall, in addition to the Labour Law,

- Accepts to strictly comply with Occupational Health and Safety Regulations,

- Accepts to employ a nurse or an health officer, who will make any necessary injections or dressings as advised by the physician, in case a sudden illness or injury occurs in the absence of a workplace physician,
- Keep available a permanent vehicle at workplace to transport any ill or injured personnel to the hospital in case of emergency."

The Workplace Collective Bargaining Agreement concluded by and between the employer and Tek Gıda İş Sendikası includes following clauses:

- Transport to health facilities: The employer shall be liable to keep available at the workplace a vehicle and a driver to transport the workers urgently to a health facility in case of an occupational accident, at all times at which the workers work at the workplace, regardless of the number of workers and the distance between the workplace and health facilities. Failing which, the employer shall be held responsible for any delay in the timely transport of workers to medical intervention.
- Occupational health and safety board:
  1. Legislative provisions shall apply to occupational health and safety rules at workplace.

2. Within (15) days as of the signing date of this agreement, the union shall inform the employer of the board representative (incl. substitutes) as provided for under Article 3 (g) of aforementioned legislation. Within same time, the employer shall inform the union of its representatives (incl. substitutes).

3. According to Article 5 of this legislation, the branch officials or regional branch officials shall be entitled to audit and inspect the meetings to be held by the board at least on monthly basis as well as any dossiers, books, and documents thereof comprising board activities such as decisions, measures, maintenance, control, and trainings etc. at any time considered necessary.

4. All activities carried out by the board's union representative with respect to aforementioned duties shall be considered as actual works."

## Environmental Consciousness and Principles

Yaşar Group supports taking a cautious approach when dealing with environmental problems. In other words, in situations such as the danger of seriously and irreversibly damage of the environment, the principle of non- scientific certainty cannot be used as the reason of delay in taking preventer cost effective actions of the damage of environment is adopted.

Besides the customer satisfaction selected as the baseline by Yaşar Group companies, with the conscious of we borrow the environment from the future generations by acting appropriately to the foundation principles and legal legislations to create a more livable environment for the society they are in, suppliers, customers and employees;

- The productive usage of energy and natural resources with the acting of environmental management principles such as reduction in the source, re-using, recovery and removing, minimizing the wastewater and emission formation by controlling with an integrated approach besides the usage of toxic and hazardous chemical,
- To protect the balance between the protection of the environment and the prevention of pollution with socio-economic needs,
- To leave a livable environment to the future generations for sustainable development by using environment friendly inputs in the design of the products,
- Carrying out a policy including evaluation of environmental effects in new enterprises,
- To create the structure that provides the activities, planning, and education needed for the sustainability and improvement of all these actions,

- To behave perspicuously to meet the expectations of our customers, employees and the society who effect from our actions,
- Revising the aims and goals of environmental management system in defiance of regular and changing conditions and working for increasing the environmental performance all the time are undertaken.

Within the frame of the actions that are done to minimize the environmental effects of our production activities;

- Hazardous wastes are collected in an intermediate storage site in accordance with the legal principles and from there with licensed firms 'vehicles and to licensed firms' recovery and remove facilities,
- Organic wastes and domestic wastes that emerges from production activities are collected in the regular storage site suitable to the legal principles in the facility, and then are sent to places certificated by Ministry of Environment

and Urban Development and showed by local authorities.

- Altın Yunus oil wastes are utilized each year increasingly.
- 1.240 kg in 2009, 1.350 kg in 2010 and 4.655 kg waste in 2011 are collected and utilized.
- All wastewater from production processes and social sites are refined in our biologic waste water refine facility in the factory.
- REACH and SEVESO applications aimed at controlling the hazardous chemical and industrial accidents that are applied in European Union are appealed and fulfill the legal obligations.
- Within the frame of aforesaid precautions, a leak couldn't be seen in our industrial plant in 2011.



## Use of Resources

### Lean 6 Sigma Implementation

The Group Companies who aim at efficient use of resources give priority to the energy consumption, logistics, streamlining the supply chain and deficiency-cost optimizations in selecting the projects for the Lean 6 Sigma implementations. Employees and executives work together in choosing the aforesaid projects.

Yaşar Holding Food and Beverage Group took a decision of adding a new discipline in 2007 to the longstanding works of continuous improvement and development. This new discipline Lean 6 Sigma which is accepted globally and proved its efficiency about "project management". Installation was completed in 2007 and first project wave was started in 2008.

3 Master Black Belt are educated with the aim of supporting the education and coaching responsibilities with a domestic fund during all these applications. Master Black Belts function as bridge between the management and the

leaders of projects with the focus on well coordinated timely works.

Dedicated human resource and the number projects in years;

### Numbers of Human Resource

|                     | Black Belt | Green Belt |
|---------------------|------------|------------|
| 2008                | 13         |            |
| 2009                | 7          | 11         |
| 2010                | 9          | 24         |
| 2011                | 6          | 29         |
| 2012 <sup>(*)</sup> | 8          | 28         |

(\*) Planned  
 • 38 projects that were planned in 2011, recognized as 35 projects due to the resigning of 2 projects leader and content and expectations of project not corresponding to Lean 6 Sigma methodology.

### Number of Educated Employees

|                   | 2008-2011 | 2012 <sup>(*)</sup> |
|-------------------|-----------|---------------------|
| Master Black Belt | 3         |                     |
| Black Belt        | 18        | 6                   |
| Green Belt        | 45        | 26                  |
| Yellow Belt       | 295       |                     |

(\*) Planned

Projects are evaluated in 3 main groups, 2008-2011 realized and 2012 planned refraction;

### Project Groups

|                        | 2008 | 2009 | 2010 | 2011 | 2012 <sup>(*)</sup> |
|------------------------|------|------|------|------|---------------------|
| Cost Enhancing         | 7    | 4    | 6    | 14   | 19                  |
| Operational Perfection | 5    | 13   | 21   | 16   | 11                  |
| Process Design         | 1    | 1    | 6    | 5    | 6                   |

(\*) Planned

With the exception of long-termed projects, "KAIZEN" works that are fictionalized and completed in a short time and aimed to reduce the casualties and simplification during the work processes, are also recognized in the scope of Lean 6 Sigma implementations.

The gender refractions of the project leaders according to the harmony of project subjects and duties are shown below.

### Percentage of Gender Distribution of Project Leaders

|        | 2008 | 2009 | 2010 | 2011 | 2012 <sup>(*)</sup> |
|--------|------|------|------|------|---------------------|
| Female | 23   | 39   | 26   | 30   | 38                  |
| Male   | 67   | 61   | 74   | 70   | 62                  |

(\*) Planned

Lean 6 Sigma Implementations that starts in our Food and Beverage Group are also adopted by our other companies and in 2011, educations and project designing has started in our Dyo Printing Inks

### Operational Cost Improvements (OCI) Works

OCI works has gained a new perspective in Yaşar Group Companies who places the subject of sustainability to the center of their strategies.

OCI projects are evaluated as the ones with persistence and the ones avails only one time, and not only in TL based but also the expression of gained possessions' in the basis of amount in every condition is looked for. In this way it become possible to produce the data that will be used in our sustainability works.

Some OCI projects that are under the headline of action on climate change, serve as model in these works.

## Water Management

Yaşar Group Companies give importance to use less water and take aims at efficient management of water which is a unique natural resource.

While the year of 2011 water usage of Çamlı Feed, except agricultural irrigation and sea water is 333.730 tonnes, it reaches to 4.063.730 tonnes when the agricultural irrigation and sea water are included. It is taken aim to reduce the water usage with the projects ahead.

Pinar Meat follows one by one the water usage in production processes. In this context, water flow meter is attached to every facility entrance and total water usage is controlled with 14 water flow meter every day. In the year of 2010, ton per product total water usage was 24,1 m<sup>3</sup> it is reduced to 23,5 m<sup>3</sup> in the year of 2011. The mentioned reduction is done with the help of ;

- The renewal of blow-down systems of condensers in the cooling plants,
- The recovery of flash steam by the help of flash steam tank application,
- The transformation of soft packing pumps to mechanical type packing,
- The transformation of packaging machine cooling system to closed cycle system.

Dyo Coatings, stopping the well water usage completely in 2011, started to make benefit from the relevant authority network service. It enhances the water leakages at the rate of 0.06% with the revisions in the operation and utility water lines.

Water is the most important natural resource that many governments, establishments and communities show sensitivity. The increase of the urban population and the amount of per capita income will cause to occur water shortage in many places of the world. Today nearly 2.5 billion people cannot reach the resources of sanitation because of water shortage. According to the rapport of the world bank, till 2030, global water demand will be more than existing water resource because of estimated population and economic growth. The access to water will be harder for the world population because of the water demand being 40% more than the existing water resource. And this situation will increase the importance of water management globally.



## Packaging Waste and Solid Waste Management

Pinar Water, one of the companies of our group, is the founding member of ÇEVKO (Çevre Koruma ve Ambalaj Atıklarının Değerlendirme Vakfı - Environment Protection and Packaging Wastes Recovery and Recycling Trust, and our companies transferred the responsibility to waste recollection and evaluation to the abovementioned foundation, which has been determined by the Ministry of Environment and Urban Development as a notified body. ÇEVKO Foundation has given the right to use green dot.

It is worked with the Ministry approved licensed firms for the recovery and collection of all packaging wastes. According to our packaging wastes management plan, which is prepared in line with the contracts concluded, and which is

presented to the Ministry, training activities aimed to inform the consumers and municipalities on the subjects of separate collection of packaging wastes, their recycling and their recovery, are organized via the ÇEVKO Foundation, to which we are a member.

Reusability and recyclability are aimed for the packages of sold products. Starting from the design stage of the package, packaging materials are used in a manner to generate the minimum amount of waste possible and to harm environment as minimally as possible, during and after the production and usage.

Concerning packaging materials introduced into the market, the recovered packaging waste rates and target for the year 2012 are provided in the

Article 11 of the Regulation on Packaging Waste Control provides the following: "Those who introduce products to the market are liable to use the packages which will generate the fewest waste after the usage of the product, whose recycling and recovery are the easiest and the cheapest." Through taking the above mentioned provision into consideration, upon the efforts carried out for the outer packages of Viking Tissue cleaning papers, the outer package waste was reduced by 30% per product. In the frame of the same principle, the packaging waste arising from round product bobbins such as towel and toilet paper, was also reduced by 6.3% per product.

As for Pinar Meat, within this scope, it reduced the weight of the foils it uses in the packaging of its products, and reduced the folio production waste amount by 12% when compared with last year. Besides, the waste wastage rate, which was 4,19% in the year 2010 in the meat products packaging department, was reduced to the level of 3,57% in the year 2011.

Electronic scrap amounting to a total of 2.300 kg, generated by Astron in the year 2011 from old computer materials, were used via a recycling firm which has the necessary authorizations of the Ministry of Environment and Forestry Directorate of Environment Management, along with ISO 14001, ISO 9001, OHSAS 18001 certificates, in a manner non-harmful to the environment.

Çamlı Feed, has made a contract with the ÇEVSAN firm, which has a license granted by the Ministry of Environment and Urban Development, in order to put recyclable waste to good use.

In Viking Tissue, the amount of hazardous waste occurring in the year 2011 was reduced to 14.320 kg; a fall from the 16.640 kg which occurred in the year 2010. The entirety of the hazardous wastes was sent to licensed disposal or recovery firms.

### Recovery Percentage Amount of the Year

| Type of Package   | 2009 | 2010 | 2011 | 2012 <sup>(*)</sup> |
|-------------------|------|------|------|---------------------|
| Paper - Cardboard | 36   | 37   | 38   | 40                  |
| Plastic           | 36   | 37   | 38   | 40                  |
| Glass             | 36   | 37   | 38   | 40                  |
| Metal             | 36   | 37   | 38   | 40                  |

(\*) Planned



## Relations with Society

## Our Employment Data

## Total Work Force Percentage as per the Regions

| Region                        | 2009  | 2010  | 2011  |
|-------------------------------|-------|-------|-------|
| Aegean Region                 | 69,16 | 68,70 | 69,49 |
| Marmara Region                | 18,60 | 19,46 | 17,60 |
| Central Anatolia Region       | 8,75  | 8,31  | 9,82  |
| Mediterranean Region          | 2,33  | 2,42  | 2,08  |
| Black Sea Region              | 0,55  | 0,57  | 0,52  |
| South Eastern Anatolia Region | 0,36  | 0,33  | 0,29  |
| Eastern Anatolia Region       | 0,25  | 0,21  | 0,20  |

## Total Work Force Percentage as per the Employment Type

| Type of Employment | 2009 | 2010 | 2011 |
|--------------------|------|------|------|
| Key Personnel      | 7,6  | 7,6  | 6,9  |
| White Collar       | 47,7 | 48,3 | 45,4 |
| Blue Collar        | 42   | 41,6 | 45,3 |
| Temporary          | 2,7  | 2,5  | 2,4  |

## Employee Turnover Ratio

|            | 2009 | 2010 | 2011 |
|------------|------|------|------|
| Group Wide | 6,5  | 7,9  | 7,9  |

## Employee Turnover Ratio for the Year 2011 as per Age Distribution

|                   |            |
|-------------------|------------|
| 18 and less       | -          |
| 18-25             | 3,8        |
| 26-30             | 10,2       |
| 31-35             | 6,4        |
| 36-40             | 6,5        |
| 41-45             | 5,6        |
| 46 and more       | 18,3       |
| <b>Group Wide</b> | <b>7,9</b> |

## Employee Turnover Ratio for the Year 2011 as per Region

|                               |            |
|-------------------------------|------------|
| Aegean Region                 | 7,8        |
| Marmara Region                | 9,4        |
| Central Anatolia Region       | 5,2        |
| Mediterranean Region          | 7,4        |
| Black Sea Region              | 10,3       |
| South Eastern Anatolia Region | 0,0        |
| Eastern Anatolia Region       | 22,7       |
| <b>Group Wide</b>             | <b>7,9</b> |

## Employee Turnover Ratio for the Year 2011 as per Gender

|                   |            |
|-------------------|------------|
| Female            | 6,2        |
| Male              | 8,4        |
| <b>Group Wide</b> | <b>7,9</b> |

## Gender Distribution of Employees' Data

## Gender Distribution Percentage of All Employees

|                                | 2009   |      | 2010   |      | 2011   |      |
|--------------------------------|--------|------|--------|------|--------|------|
|                                | Female | Male | Female | Male | Female | Male |
| Yaşar Holding                  | 49     | 51   | 47     | 53   | 51     | 49   |
| <b>Coatings Group</b>          |        |      |        |      |        |      |
| Dyo Coatings                   | 16     | 84   | 15     | 85   | 14     | 86   |
| Dyo Printing Inks              | 20     | 80   | 18     | 82   | 19     | 81   |
| <b>Food and Beverage Group</b> |        |      |        |      |        |      |
| Pınar Dairy                    | 15     | 85   | 15     | 85   | 18     | 82   |
| Pınar Meat                     | 11     | 89   | 12     | 88   | 15     | 85   |
| Pınar Water                    | 13     | 87   | 13     | 87   | 14     | 86   |
| Çamlı Feed                     | 13     | 87   | 13     | 87   | 13     | 87   |
| YBP                            | 15     | 85   | 16     | 84   | 15     | 85   |
| <b>Tissue Paper Group</b>      |        |      |        |      |        |      |
| Viking Tissue                  | 10     | 90   | 10     | 90   | 10     | 90   |
| <b>Trade and Service Group</b> |        |      |        |      |        |      |
| Altın Yunus                    | 16     | 84   | 16     | 84   | 22     | 78   |
| Desa Energy                    | 0      | 100  | 0      | 100  | 7      | 93   |

## Gender Distribution Percentage of Employees-White Collar

|                                | 2009   |      | 2010   |      | 2011   |      |
|--------------------------------|--------|------|--------|------|--------|------|
|                                | Female | Male | Female | Male | Female | Male |
| Yaşar Holding                  | 53     | 47   | 53     | 47   | 57     | 43   |
| <b>Coatings Group</b>          |        |      |        |      |        |      |
| Dyo Coatings                   | 29     | 71   | 27     | 73   | 27     | 73   |
| Dyo Printing Inks              | 37     | 63   | 35     | 65   | 35     | 65   |
| <b>Food and Beverage Group</b> |        |      |        |      |        |      |
| Pınar Dairy                    | 31     | 69   | 32     | 68   | 34     | 66   |
| Pınar Meat                     | 24     | 76   | 25     | 75   | 26     | 74   |
| Pınar Water                    | 17     | 83   | 18     | 82   | 19     | 81   |
| Çamlı Feed                     | 21     | 79   | 25     | 75   | 27     | 73   |
| YBP                            | 16     | 84   | 16     | 84   | 16     | 84   |
| <b>Tissue Paper Group</b>      |        |      |        |      |        |      |
| Viking Tissue                  | 20     | 80   | 20     | 80   | 21     | 79   |
| <b>Trade and Service Group</b> |        |      |        |      |        |      |
| Altın Yunus                    | 16     | 84   | 21     | 79   | 26     | 74   |
| Desa Energy                    | 0      | 100  | 0      | 100  | 7      | 93   |

## Gender Distribution Percentage of Employees Team Leaders and Superior Management Staff

|                                | 2009   |      | 2010   |      | 2011   |      |
|--------------------------------|--------|------|--------|------|--------|------|
|                                | Female | Male | Female | Male | Female | Male |
| Yaşar Holding                  | 52     | 48   | 49     | 51   | 57     | 43   |
| <b>Coatings Group</b>          |        |      |        |      |        |      |
| Dyo Coatings                   | 28     | 72   | 25     | 75   | 24     | 76   |
| Dyo Printing Inks              | 30     | 70   | 28     | 72   | 32     | 68   |
| <b>Food and Beverage Group</b> |        |      |        |      |        |      |
| Pınar Dairy                    | 31     | 69   | 29     | 71   | 30     | 70   |
| Pınar Meat                     | 24     | 76   | 25     | 75   | 27     | 73   |
| Pınar Water                    | 25     | 75   | 19     | 81   | 24     | 76   |
| Çamlı Feed                     | 22     | 78   | 25     | 75   | 26     | 74   |
| YBP                            | 15     | 85   | 18     | 82   | 19     | 81   |
| <b>Tissue Paper Group</b>      |        |      |        |      |        |      |
| Viking Tissue                  | 29     | 71   | 26     | 74   | 25     | 75   |
| <b>Trade and Service Group</b> |        |      |        |      |        |      |
| Altın Yunus                    | 6      | 94   | 7      | 93   | 14     | 86   |
| Desa Energy                    | 0      | 100  | 0      | 100  | 0      | 100  |

While the woman and man employee percentages display a balanced distribution in Yaşar Holding, the same balance distribution cannot be observed in our Group Companies. Sometimes it is because of the preference of man employees due to the characteristic of the work performed. However since we believe the increase of female

employment is necessary, the "Women's Empowerment Principles" drawn up in the year 2011 by the UN Gender Equality and Women's Empowerment Unit and UN Global Principles Agreement, were thoroughly examined. It was decided to initiate efforts, along with our group's human resources departments, on actions to put the above mentioned principles into practice.

## Indicators of the Employees' Average of Age

### Average of Age All Employees

|                                | 2009 | 2010 | 2011 |
|--------------------------------|------|------|------|
| Yaşar Holding                  | 37   | 40   | 40   |
| <b>Coatings Group</b>          |      |      |      |
| Dyo Coatings                   | 36   | 36   | 35   |
| Dyo Printing Inks              | 37   | 36   | 37   |
| <b>Food and Beverage Group</b> |      |      |      |
| Pınar Dairy                    | 34   | 35   | 33   |
| Pınar Meat                     | 37   | 37   | 36   |
| Pınar Water                    | 34   | 34   | 35   |
| Çamlı Feed                     | 35   | 35   | 35   |
| YBP                            | 34   | 34   | 35   |
| <b>Tissue Paper Group</b>      |      |      |      |
| Viking Tissue                  | 34   | 35   | 35   |
| <b>Trade and Service Group</b> |      |      |      |
| Altın Yunus                    | 35   | 34   | 34   |
| Desa Energy                    | 36   | 39   | 37   |



## Average Age of White Collar and Management Staff

|                                | White Collar |      |      | Management Staff |      |      |
|--------------------------------|--------------|------|------|------------------|------|------|
|                                | 2009         | 2010 | 2011 | 2009             | 2010 | 2011 |
| Yaşar Holding                  | 39           | 40   | 39   | 41               | 43   | 41   |
| <b>Coatings Group</b>          |              |      |      |                  |      |      |
| Dyo Coatings                   | 36           | 36   | 36   | 40               | 40   | 40   |
| Dyo Printing Inks              | 36           | 36   | 37   | 40               | 40   | 40   |
| <b>Food and Beverage Group</b> |              |      |      |                  |      |      |
| Pınar Dairy                    | 33           | 34   | 33   | 36               | 36   | 36   |
| Pınar Meat                     | 36           | 37   | 36   | 39               | 39   | 39   |
| Pınar Water                    | 34           | 34   | 35   | 36               | 37   | 37   |
| Çamlı Feed                     | 35           | 35   | 35   | 40               | 40   | 40   |
| YBP                            | 34           | 34   | 35   | 38               | 39   | 39   |
| <b>Tissue Paper Group</b>      |              |      |      |                  |      |      |
| Viking Tissue                  | 35           | 35   | 35   | 38               | 38   | 37   |
| <b>Trade and Service Group</b> |              |      |      |                  |      |      |
| Altın Yunus                    | 35           | 36   | 36   | 39               | 41   | 44   |
| Desa Energy                    | 36           | 39   | 37   | 53               | 54   | 55   |

## Age Distribution Percentage for the Year 2011 of the Employees Employed at the Yaşar Group Companies

|                                | 18 and less | 18-25 | 26-30 | 31-35 | 36-40 | 41-45 | 46 and more |
|--------------------------------|-------------|-------|-------|-------|-------|-------|-------------|
| Yaşar Holding                  | 0,0         | 1,0   | 13,7  | 23,5  | 22,5  | 14,7  | 24,5        |
| <b>Coatings Group</b>          |             |       |       |       |       |       |             |
| Dyo Coatings                   | 0,0         | 8,4   | 18,4  | 22,6  | 26,9  | 15,1  | 8,6         |
| Dyo Printing Inks              | 0,0         | 7,4   | 13,9  | 22,2  | 21,3  | 25,0  | 10,2        |
| <b>Food and Beverage Group</b> |             |       |       |       |       |       |             |
| Pınar Dairy                    | 0,0         | 14,5  | 25,5  | 22,8  | 22,7  | 10,4  | 4,1         |
| Pınar Meat                     | 0,0         | 8,0   | 16,4  | 21,3  | 26,1  | 20,0  | 8,3         |
| Pınar Water                    | 0,0         | 5,1   | 20,3  | 37,1  | 22,8  | 10,2  | 4,6         |
| Çamlı Feed                     | 0,0         | 9,2   | 22,9  | 24,8  | 20,5  | 13,5  | 9,2         |
| YBP                            | 0,0         | 4,4   | 24,7  | 30,3  | 23,1  | 12,8  | 4,7         |
| <b>Tissue Paper Group</b>      |             |       |       |       |       |       |             |
| Viking Tissue                  | 0,0         | 5,4   | 22,5  | 27,5  | 25,2  | 15,5  | 3,9         |
| <b>Trade and Service Group</b> |             |       |       |       |       |       |             |
| Altın Yunus                    | 0,0         | 21,9  | 17,9  | 21,2  | 15,2  | 11,3  | 12,6        |
| Desa Energy                    | 0,0         | 6,7   | 33,3  | 6,7   | 33,3  | 6,7   | 13,3        |

## Management Systems

As a sign of the respect we have for the society in which we display activities, for our customers, employees and for our consumers, we attach

utter importance to our management systems efforts in order to ensure that our activities are conducted at internationally recognized standards.

| Management System  | System Certificate | Pinar Meat | Pinar Dairy | Pinar Water | Dyo Coatings | *Dyo Printing Inks | Altın Yunus | Viking Tissue | Çamlı Feed            | Çamlı Farm | Desa Energy | YBP |
|--|--------------------|------------|-------------|-------------|--------------|--------------------|-------------|---------------|-----------------------|------------|-------------|-----|
| Quality Management System                                    | ISO 9001           | ●          | ●           | ●           | ●            | ●                  | ●           | ●             | ●                     | ●          |             |     |
| Food Safety Management System Certificate                    | ISO 22000          | ●          | ●           | ●           |              |                    |             |               | ●                     | ●          |             |     |
| Environment Management System                                | ISO 14001          | ●          | ●           | ●           | ●            | ●                  |             |               | ●<br>(Sea Enterprise) |            |             |     |
| Occupational Health And Safety Management System Certificate | OHSAS 18001        | ●          |             | ●           | ●            | ●                  |             |               |                       |            |             |     |
| Test And Calibration Laboratory Accreditation                | ISO 17025          | ●          |             |             |              |                    |             |               |                       |            |             |     |
| Customer Satisfaction Management System Certificate          | ISO 10002          |            |             |             | ●            | ●                  |             |               |                       |            |             |     |

(\*) Applications of renewal for Management System certificates were made in 2011 and received in 2012 due to the change in location and company name.

| Management System  | System Certificate       | Pinar Meat | Pinar Dairy | Pinar Water            | Dyo Coatings | *Dyo Printing Inks | Altın Yunus | Viking Tissue | Çamlı Feed                            | Çamlı Farm | Desa Energy | YBP |
|--|--------------------------|------------|-------------|------------------------|--------------|--------------------|-------------|---------------|---------------------------------------|------------|-------------|-----|
| Automotive Sector And Sub-industry Quality Management System             | ISO 16949                |            |             |                        | ●            |                    |             |               |                                       |            |             |     |
| Organic Farming Entrepreneur Certificate                                 |                          |            |             |                        |              |                    |             |               | ●<br>(Feed/Milk Fattening Enterprise) |            |             |     |
| Fsc-coc (Forest Stewardship Council- Chain Of Custody) Management System | FSC 40-004<br>FSC 40-007 |            |             |                        |              |                    |             | ●             |                                       |            |             |     |
| Us National Sanitation Foundation  | NSF                      |            |             | ●<br>(Madran Facility) |              |                    |             |               |                                       |            |             |     |
| British Retail Consortium  | BRC                      |            |             |                        |              |                    |             |               | ●<br>(Fish Facility)                  |            |             |     |
| International Food Standard  | IFS                      |            |             |                        |              |                    |             |               | ●<br>(Fish Facility)                  |            |             |     |
| Global Gap   | CFM/COC                  |            |             |                        |              |                    |             |               | ●                                     |            |             |     |
| Food Safety System Certification   | FSSC 22000               |            | ●           |                        |              |                    |             |               |                                       |            |             |     |
| Halal Food Certificate   | TS OIC/SMIC 1            | ●          |             |                        |              |                    |             |               |                                       |            |             |     |

(\*) Applications of renewal for Management System certificates were made in 2011 and received in 2012 due to the change in location and company name.

## Support to the Development of Sectors Yaşar Holding is active

### Support to the Promotion of the Turkey Brand

#### **TURQUALITY® 10 World Brands in 10 Years**

We are within the scope of the program, with our brands Pinar (since 2007), Dyo and Dewilux (both since 2008).

Export is carried out to Gulf and EU Countries in the "Food and Beverage" business line, and particularly to Asia, Europe and Gulf Countries in the "Coatings" business line.

While the Food and Beverage Group displays activities in Germany through the Pinar Foods GmbH Company, HDF FZCO is established in Dubai, in order to make the Pinar brand a high-quality and trustable regional brand in the Middle East, particularly in Gulf Countries.

With the support of the TURQUALITY® project, we uninterruptedly continue our efforts to ensure that Dyo, Dewilux and Pinar brands appeal to a global consumer group.



It is the world's first and only state-supported branding program. Today, the competition which gets progressively harder, and the changing consumption patterns push the companies which want to appear in the international arena, in creating strong brands, which mean more added value and bigger market share. TURQUALITY® is a project aiming to increase the export of Turkey by developing strong global brands.

#### **The Value We Add to the Lives of our Consumers: Customer Satisfaction**

Çamlı Feed targets "Full Customer Satisfaction", as it is undertaken in the "Management Systems Policies". The Customer Satisfaction efforts are conducted as it is specified in the "Customer Satisfaction Monitoring Procedure", established pursuant to Management Systems standards and company principles.

In the "Management Systems Targets", determined in the beginning of each year on the basis of departments, and, which, in total, constitutes the company targets, appear criteria addressed towards measuring the customer satisfaction (survey, complaint, return). Criteria specified in these targets are analyzed twice in a year and the customer communication is strengthened through necessary corrections and improvements. The surveys conducted are analyzed with the SPSS method since the year 2010, and thus their better interpretation is ensured.

In the year 2010, Dyo Coatings has been the first coatings company to receive "Customer

Satisfaction Management System" TS ISO 10002:2006 certificate in its sector.

As for the year 2011, it declared to the entire public through written media that "it offers solution to 95% of the customers applying to it, within the same day, and that 90% of the customers are satisfied according to feedback obtained via the call center and surveys, in conformity with the target of achieving customer satisfaction" through the efforts it carried out in line with the criteria of TS ISO 10002:2006 Customer Satisfaction Management System Standard, which it enjoys.

In addition to all these, it initiated efforts to commission the SAP CRM software, which has superior features when compared to the software currently used, in order to upgrade its customer satisfaction efforts.

Within our Coatings Group, a satisfaction survey was made addressed towards our Construction Dealers, in the year 2011, its results were evaluated and the necessary actions are being taken. Satisfaction surveys were conducted about the Dyolog system, which was established for Paints for Buildings addressed towards Masters and Sale Clerks, and it was observed that the satisfaction ratio was 91%.

The website [www.birbilenesorun.com.tr](http://www.birbilenesorun.com.tr) (which means, "ask to a knowledgeable person"), which is directly addressed to the consumer, was

commissioned in the beginning of the year 2011 by coating for construction, survey works are conducted through taking the feedbacks monthly received from the customers, and improvements are carried out in line with these feedbacks. The satisfaction ratio is above 95%.

User Seminars were held in the furniture sector in the years 2010-2011. Within this line, meetings and trainings were held throughout Turkey in 48 different provinces, to which the total participation was 2.500, and in which separate messages were given for final users (finishers), corporate customers (large sized furniture manufacturers) and architects, who are seen as the target audience. In the light of these activities which were carried out during the April-July 2010 period;

- Product and service expectations of customers in different channels were received.
- "Customer Satisfaction Survey", consisted of various questions, was applied to 2.500 persons.

According to the results of our Dyo Printing Inks 2011 customer survey, the satisfaction ratio is 86%, and our satisfaction ratio following the process of handling the customer complaints is 95,73%.

Altın Yunus's guest satisfaction ratio for the year 2011 was 90%.



## Social Contribution Projects

Through its products and services, Pınar aims to offer a good life to its consumers, to contribute to their physical and mental development, and to raise healthy generations. For this purpose, it continues to support social responsibility projects in the fields of education, sports and culture-arts since the year it was established. Pınar Painting Contest, whose first edition was held in the year 1981, and which still continues uninterruptedly, Pınar Children's Theatre which still continues uninterruptedly since the year 1987, and the support for the Pınar Karşıyaka Basketball Team which continues since the year 1998, are among the examples of Pınar's most important Social Contribution Projects.

Pınar communicates the importance it attaches to social responsibility efforts, with a new advertisement film, which was broadcast in the year 2011. The new advertisement film recently put into practice by Pınar, which continues its efforts towards increasing the quality of social life in Turkey since 39 years, brings its social responsibility awareness to the screens.

### Pınar Painting Contest

Pınar Painting Contest is being held since 30 years in order to increase the interest of elementary period children to the art of painting and to fine arts, and to raise the painters of the future.

Pınar Painting Contest opens with a different theme each year since the year 1981, and in the year 2011 it was held with the theme "Let's Paint Our Future", with a record number of participants. In the competition, to which 768.286 paintings from all corners of Turkey participated, 23 very young painters selected through the evaluation of a jury consisting of academics and experts, were rewarded with a 1 week Arts Camp held in Istanbul under the coordinatorship of famous painter Hüsametting Koçan. The participant students of Pınar Painting Contest, whose thirtieth version was held in the year 2011, also received their netbooks and certificates in the ceremony held on the last day of the art camp.







### Pınar Children's Theatre is in its 25<sup>th</sup> year

Pınar Children's Theatre, which put its signature under tens of children's play since 1987 with its professional staff, from its director to its lighting director and to its stage designer, and which enabled approximately 3 million children up to now to watch plays free of charge, toured 25 provinces in 30 days within the scope of the Hürriyet Train project, and reached approximately 25.000 children.

Pınar Children's Theatre, which performed its new play titled "Yaşasın Büyüyorum" (Hooray I Am Growing Up) during the 2011-2012 School year, allows the children to experience a visual theatre feast, with this play, whose stage, music, decors and costumes are prepared professionally.

Pınar Children's Theatre also was influential in the raising of many important figures, such as Bülent İnal, Vahide Gördüm, Özgür Ozan, Necmi Yapıcı, Sarp Apak, Engin Altan Düzyatan and Öner Erkan, to whom it had casted in its plays.

### Other Social Contribution Projects

- The renovation of housekeeping workshop of Çeşme Tourism and Hotel Management Hotel, in February 2011
- Donation of 1.870 pieces of kitchen and service equipment to be used in the occupational application course at the Alaçatı Tourism Training Center and Çeşme Hotel Management Vocational High School, in December 2011
- Aid to Somalia with the aid campaign held between the employees and through the medium of Red Crescent
- Blanket and winter clothing support to our citizens who were victim of the earthquake which occurred in Van on October 2011
- Hosting the activity held in favor of autistic disabled children
- Provision of paint for the painting activity held by the Private Pendik Gündönümü Maternal School
- Provision of paint for the wall painting fest held at Istanbul Provincial Social Services Directorate Kemberburgaz-Ağaçlı Protection Care and Rehabilitation Center

- Participation to the "Stars of Istanbul" social responsibility project held by UNICEF Turkey, with five stars



- Karacaağaç Organic Village Project - Buca / İzmir
- Environmental cleaning performed by a team constituted of Altın Yunus personnel, of the state territory located at the entrance of the hotel, and of the Kalem Burnu Island,
- Covering the coatings need of Salih Dede - Birsen Gümüş Çay Special Training and Rehabilitation Center / İzmir



## Education and Publications

### Yaşar University

Yaşar University started to provide training and education during the 2002-2003 academic year. Yaşar University, which is among the 5 foundation-supported universities of Izmir, continues to provide education at Alsancak Campus (Preparatory School) and Selçuk Yaşar Campus (Central Campus).

A total of 4.899 students receive education at the Yaşar University and 533 academic and administrative personnel work within the body of the institution.

In Yaşar University; there are 7 faculties, 26 departments, 1 vocational school, 9 associate programs, 1 School of Foreign Languages, 2 graduate schools, 19 master's programs and 5 postgraduate programs.

The purpose of Yaşar University, is to raise its students, as individuals

- able to easily orient their intellectual potential to business,
- with high design and project skills,
- able to think in an analytic, systematic and formal manner,
- not satisfied with what he has already achieved, always researching and questioning,
- sensitive to environment and to his own life,
- able to act with a social responsibility awareness, and
- who participates to civil society activities held within the framework of sensitivity to ethic and aesthetic values.



Yaşar University, whose corporate identity and position is associated with the motto, "Science, Unity, Success", has made the courses Design Culture, Project Culture, Research Culture, Human Sciences, Ethics Culture, Aesthetic Culture and Social Responsibility Project, under the title of Institution Basic Training obligatory for all departments, and ensured these concepts to be adopted by the students.

Yaşar University;

- has prepared its strategic plan for the period 2011-2015,
- within the framework of an "international urban university" vision emerged in line with the change agenda,
- it adopted the basic task of "being a high-quality education and research institution which established the culture of science and which contributes to the development of society both locally and globally", through taking the competencies of the university as a starting point.

Since the 2010-2011 period, the Yaşar University Altın Yunus Student Dormitory, offers its five-star accommodation service of 400 bed capacity to Erasmus Exchange Program students, alongside students and guest academics.

Yaşar University continues the meticulous high-quality it displays in academic education, also in social organizations and sports and arts activities held with the participation of the students and makes an important contribution to the social life of Izmir. Its Men's and Women's Volleyball Teams became champions of the 2010-2011 Interuniversity Sports Federation 2<sup>nd</sup> Division, without a single defeat and earned promotion to 1<sup>st</sup> Division. As for the 2011-2012, Tennis became part of the abovementioned success, and our tennis team earned promotion to first division by courtesy of the successful results of our students in this field.



### **A Campus Pushing the Boundaries of International Standards**

The Selçuk Yaşar Campus is an academic space where international standards determined in terms of natural environment and physical space per student criteria are applied. The ramp and lift mechanisms in conformity with the standards were used in order to avoid any circulation problem to be experienced by the physically disabled students.

Besides, consumption of cigarettes and tobacco products are strictly prohibited in both outdoor and indoor areas of the Campus, which is a first in Turkey.

### **International Urban University**

As an urban university at international standards, many foreign students prefer Yaşar University to continue their education by courtesy of promotion efforts conducted by International Relations and European Union Center, and of student exchange programs, and it is an indicator of our recognition in the international platform.

As for another important aspect of our internationalization strategy, it is the reflection of international quality sensitivity in education to all units of our university, and therefore to our students. An important part of our responsibility towards our students and our work is the world-class quality of the education and the diplomas we give to our students. Yaşar University English Language Preparatory Class has the honor of being the first Turkish program accredited in the field of English language education, through receiving CEA accreditation. In this way, Yaşar University English Language Preparatory Class became of the 96 English language programs enjoying CEA accreditation, and the nineteenth such program accredited outside USA.

### **EU Center, Erasmus Programmes**

Within the scope of our harmonization efforts towards the Bologna process, our university received the "Diploma Supplement Label" in the year 2011. Each year, an average of 70 student of ours go abroad through the Youth Programme and projects; 80 Erasmus students receive

education in our university, approximately 25 personnel of ours lecture abroad and 50 European academics give seminars/courses here through visiting our university.

### **Scholarships**

Yaşar University supports the success of its students also through different scholarship opportunities; ÖSYM (Student Selection and Placement Center) Scholarship, Academic Success Scholarship and Skill Scholarship. 1 of 4 students receiving education at Yaşar University have scholarships; they benefit from scholarships of 100%, 50% or 25%.

### **Social Life**

Alongside academic education, Yaşar University also supports its students socially. Along with the classical music concerts, exhibitions, conferences and panels held within the campus, there are more than 35 active student groups, and by courtesy of these, the students find the opportunity to support their educations with social and cultural activities.

[www.yasar.edu.tr](http://www.yasar.edu.tr)



### Pınar - Apprenticeship School

Through the medium of Pınar Meat Vocational Training Unit, education and training opportunity is offered to children who are unable to continue their education. Vocational skills in the field of meat and meat products processing were successfully taught to 30 apprentice students who completed their training at the vocational training unit, by instructors who are expert in their field, and 17 students gained right to receive Journeyman Certificate. 10 of the graduated students were given employment within the body of Pınar Meat after their graduation. As of the end of the year, 63 students continue their training at the vocational training unit.

Pınar Meat Vocational Training Unit, was opened to education in the year 1998, since it was difficult to find trained personnel in the sector due to the lack of an institution providing training in the field of meat and meat products processing. The purpose of this training, which is a first in Turkey, is to allow young people between the ages of 15 and 18, who completed their basic training, started their working life and who want to learn a



profession, receiving theoretical and practical vocational trainings according to a program, and to include them among the qualified workforce required by the nation. It is also aimed for this training to ensure work discipline in business life, to ensure professional standards at a national level, to develop quality standard in production and to increase efficiency.

### Yaşam Pınarım (My Fountain of Life) Magazine

Yaşam Pınarım Magazine has been establishing a connection between itself and Pınar's consumers, business partners and academic and bureaucratic milieus since the year 2004 with its different line and content. Yaşam Pınarım Magazine, which is printed quarterly (10 thousand units), is distributed free of charge.

### Pınar Gazetesi (Pınar Bulletin)

Pınar Gazetesi, which is printed quarterly (20 thousand units) and which is addressed towards producers, is an important reference for farmers carrying out dairy and meat stock breeding.

### Manisa - Beydere Dairy Project

Çamlı Feed, which accelerated in the year 2011 the investment on the modern dairy facility at Manisa, Beydere, aims to carry out high-quality and hygienic milk supply from this facility. Turkey's first "Farming and Stock Breeding Campus" where trainings will be held and R&D efforts will be conducted, will appear within the body of Beydere Dairy Facility, which will carry out fully organic production. The Training Campus, which will appear in the campus, will have an indoor area of 275 square meters and consists of accommodation and training halls. The purpose of the campus is to provide customer and supplier trainings, to organize technical training and certificate programs (feed, farm management, animal husbandry-breeding) by cooperating with universities, to support the development of the employees, to implement orientation programs and to carry out R&D, innovation and new product efforts. It is also planned to create a demonstration area in the determined territory, for plant nutrition products of Çamlı Feed. Organic farming and good farming practices will be carried out on this area, and applied farming trainings will also be provided.

### Auto Refinishes - Technical Service Center

The center, which was put into service in the year 2011, appears within the Çiğli campus. Through the protocol made with İzmir Governorate Provincial Directorate of National Education, it is started to give auto refinishing theoretical and practical training in the center, to students of vocational high schools, and Ministry of National Education approved certificates are granted at the end of the training.

One day of the week, applied training is provided to a total of 35 students from Selçuk Yaşar Industrial Vocational High School and to a total of 36 students from Automotive Vocational High School automotive body paint division at our Auto Repair Technical Service center, and the shuttle, food and material expenses of these students are also covered by us.

Training on product applications and color applications are provided at the same center to auto repair masters from all over Turkey. Furthermore, applied trainings on their own fields are also provided to masters.

### Coatings for Buildings-Dyo Academy Project

The implementation of the coating through the use of accurate techniques is as important as the quality of the coating. Due to this reason, Dyo Coatings opened the DYO ACADEMY training center at the Gebze Campus, primarily in order for the professional master dyers to receive training which would ensure their professional equivalence and qualifications in the frame of the European Union harmonization law, to become aware of new techniques and technologies and to improve their personal competences. Professional master dyers, who successfully complete the training program, which is carried out in cooperation with the Ministry of National Education, which is given in two stages; theoretical and practical, and which consists of different modules (interior-exterior wall, wood-metal, marine paints practices and technologies and heat insulation systems practices and technologies), are entitled to receive certificates which are approved by both the Ministry of National Education and Dyo Academy.

While the masters orient themselves to new techniques and technologies through this training

program which increase their knowledge and experience, they also increase their knowledge and become more qualified and competent in their profession. On top of that, no fee is demanded from our masters in consideration of all these efforts.

Result obtained following the paint application is extremely important in ensuring consumer satisfaction. The Dyo Academy Project, which aims to contribute to the professional development of our masters who perform paint applications in our country, for the achievement of more professional application results, was also continued in the year 2011.

In the year 2011, 197 masters of our country received certificates, by courtesy of the Dyo Academy Project we carried out at various spots of our country.

### Renküssü Road Show

A roadshow activity was carried out in the year 2011 under the name of RENKÜSSÜ (ColorBase) in order to develop the paint and color awareness at our country. Dyo Renküssü travelled 7.000 km. throughout Turkey between the dates April 16 and May 29, visiting 19 provinces and transferred

information on paint and color to visitors. During the activity in which astrological information on color were also given, fun games were played addressed to children and adults and gifts were distributed.

### Trainings and Meetings Addressed Towards Other Stakeholders

Trainings provided by the Yaşar Group do not only target the company employees, but all rings involved in the process. For this purpose, those employed in our dealers are also trained, and it is aimed to develop competencies of the employees, which may also used by them in their private lives.

Of the 150 dealers whose "SAP Modules and Work Flows User" training was carried out in the year 2011, 31 was Pınar Water dealers, 30 Dyo dealers and 89 YBP dealers.

Trainings given by Dyo Printing Inks to Marmara University and Istanbul University printing departments, to dealers and sub-dealers, industrialists costumers and printing masters, also target the training of rings involved in our processes.

In the industry, furniture, building and auto refinish coatings technical service organizations established on June 2010, a total of 11.248 persons were provided training in the year 2011. The purpose of the trainings is for the paint to be better understood, to be more accurately applied and

to have a longer economic life.

Within the scope of the training of the non-employees, training on career opportunities and on behaviors and skills important for guest relations was provided to 300 and 150 students respectively from Çeşme Tourism and Hotel Management High School and Balçova Tourism Training Center.

### Internship Opportunity to High School and University Students:

The Yaşar Group provides internship opportunities to high school and university students, in order for them to get more acquainted with business life, and to develop themselves, within the quotas it determines. The aim of the internship program is to offer the students the opportunity of on the job internship and also to create a database covering qualified candidates which may be employed in relevant positions in the future. Vocational high school students spend three days of the week in our companies in order to strengthen the trainings they receive at the school and to get acquainted with the environment in which they will work when they graduate. As for the university students, they are given the opportunity to do their internships at our companies between the months June and September.



### Yaşar Education and Culture Foundation

Yaşar Education and Culture Foundation has provided non-refundable scholarship to 5.184 students since its establishment, and it display activities in the areas of education, culture and arts.

Since its establishment, our foundation not only has undertaken the construction of many schools, but has also undertaken the construction of additional buildings, refectories, sports and cultural facilities in line with the needs of existing schools. It also has covered the science, language, food technology and computer laboratory needs of the schools.

The protocol of Special Education Primary School, which will consist of 18 classrooms, is concluded between the Izmir Governorate and National Education Directorate and our Foundation, and the relevant construction will be made at Izmir / Güzelbahçe in the year 2012.

Seminars and panels with very different themes, from "Flexibility in Working Life" to "Equality of Different Genders", from "Raising the Awareness of Public and Training the Society on the Subject of Healthy Nutrition of the Children and the Youth" to "Drinking Milk and Health". As for the year 2011, subjects of "The Contributions of DYO

Contests and Selçuk Yaşar Museum to Contemporary Painting", "The Place of Foundations in Training" and "The Importance of Competitive Exhibitions in the Current State of Turkish Plastic Arts" were dealt in the panels organized.

Yaşar Education and Culture Foundations, which supports the participation of 40 publications to cultural life, signed a protocol with Assistant Professor Fikret Yılmaz for the publication of the book on the subject of "Social, Urban and Economic Transformation of Izmir from 1797 until Today".

Dyo Art Competition which is continued by our foundation uninterruptedly for 44 years since 1967, is another one of our important activities.



### 44 Years with Dyo Art Competition

Durmuş Yaşar, the founder of the first coatings factory in Turkey (1954), DYO, has though that undertaking an artistic function, as well as economic purposes, is a must in a country like Turkey which is in a struggle for development. Taking this reality as a starting point, the decision to hold a painting contest to encourage the art and the artist was taken in 1967, only 13 years after the establishment of the company.

A record participation was ensured to the 34<sup>th</sup> Dyo Art Competition, with 1.004 artists from all corners of Turkey and from Azerbaijan, Greece, Netherlands, France, Italy and Switzerland, with 1.609 works. As for the works who received awards and were deemed worthy to be displayed in the year 2011, they were met with art enthusiasts in Bursa, Izmir, Konya, Adana and Ankara. DYO Painting Contests are organized by Yaşar Education and Culture Foundation since 1969, and its 35<sup>th</sup> edition will be held in 2012.

### Selçuk Yaşar Art Gallery and Painting Museum

Selçuk Yaşar Art Gallery, which is within the body of Selçuk Yaşar Art Gallery, the first private



painting museum of Turkey which had opened its doors in the year 1985, opened its doors in 1990.

The Foundation continued its exhibitions in the year 2011 at the gallery located on the bottom floor of the museum, with exhibitions of Reyhan Abacıoğlu, Mustafa Aslier, Fahri Sümer, Lütfü Günay, Karma Sergi and Zafer Gençaydın; and it continued its summer exhibitions at Çeşme Altın Yunus Art Gallery with Filiz Pelit, Burhan Doğançay and Şükran Ulucan.

## Sponsorships and Recognitions

### Main Sponsorships

#### Pınar KSK

Pınar supports the basketball team which continues to compete in the Turkish Basketball First Division under the name Pınar Karşıyaka, on the basis of advertisement, since the year 1998. Also each year approximately 1.000 children benefit from the opportunity to play sports and exercise at Çiğli Selçuk Yaşar Facilities with the sponsorship of Pınar

Pınar Karşıyaka successfully represented our country in the Pınar Cup Tournament held in the year 2011 under the Main Sponsorship of Pınar.

#### Pınar Karşıyaka at EuroChallenge Cup

As the only Turkish basketball team which reached the quarter finals of the 2010-2011 Basketball League EuroChallenge Cup, Pınar Karşıyaka successfully represented Turkey in Europe.



### Balkan and World Indoors Athletics Championship

Pınar supports the Balkan and World Indoors Athletics Championship as the official drink. Also Pınar has been the Main Sponsor of the European Teams Athletics Championship which was organized by the Turkish Athletics Federation.

#### ESTİ Water Polo Team

Pınar has undertaken the Main Sponsorship of ESTİ Water Polo Team which successfully represents Izmir in the Turkish 1<sup>st</sup> Division since the year 2008.



### Other Sponsorships

- Sponsorship to 9<sup>th</sup> May European Day organized jointly by the Antalya Governorate with the Metropolitan Municipality and ATSO
- Paint sponsorship to Ankara Yenimahalle Municipality 5<sup>th</sup> Boya Bizden Dostluk Sizden" (We Provide the Paint, You Provide Friendship) Painting Festival
- Main sponsorship of Boğaziçi University Dance Festival
- Sponsorship of Ege University 9<sup>th</sup> Electrochemistry Congress
- Sponsorship of Trailer Industrialists Association
- Main sponsorship in the "Sokak Sanatla Güzel" (Art Makes Streets Beautiful), organized by the Küçükçekmece Municipality with 140 thousand participants, and which is the largest outdoor exhibition of the world
- Paint Sponsorship of Gebze District-Governorate "İşte Benim Güzel Okulum" (Here's My Beautiful School) project



## Recognitions

- KALDER Turkey Customer Satisfaction Index (TMME) research - the brand from which the consumers are satisfied the most since the year 2007 in the milk and fruit juice sectors: Pınar
- TMME's category based 2011 second quarter results, the leader brand of customer satisfaction: Pınar Fruit Juice
- "The Most Sincere Brands 2011" milk and milk products category, carried out by MediaCat Magazine in cooperation with IPSOS KMG, the most sincere brand according to results: Pınar
- According to the research conducted in the year 2011 by the GFK company Repman reputation researches center, one of the 10 companies in Turkey with the highest standing: Pınar
- Research conducted by AC Nielsen research company, the brand to which the consumers in Turkey feel fourth closest to: Pınar
- Result of the "first brand remembered" research of AC Nielsen in the categories of packaged meat and butter: Pınar
- Golden award in the Effie Turkey Advertisement Activity Contest, the "Oscar" of Advertisement Awards; Pınar Çocuk Sütü (Pınar Milk for Children) "Bir Tek Annem Olsun Bana Bir Şey Olmaz" (I will be alright, as long as there's mama) advertisement campaign
- Crystal Apple Multi-Channel Campaign: Pınar Milk for Children
- Package Moon-Crescents Contest held by Package Industrialist Association and where unique designs and works creating difference are rewarded, the Gold reward in the Graphic Design Category was given to Pınar Gurme Triangle Cheese package; while the silver reward went to Pınar Gurme Cream Cheese package
- Result of 2011 Brandlove the most loved yoghurt brand research: Pınar Yoğurt (Pınar Yoghurt)
- 2011, Brandlove, the list covering all sectors, 8<sup>th</sup> place brand: Pınar Yoğurt
- SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş.'s corporate management report evaluation result, the company evaluated with 8,34/10: Pınar Dairy
- Firms of Aegean Chamber of Industry, the company which pays the second highest tax: Pınar Dairy
- Izmir Chamber of Commerce, gold medal in the categories of Net Trade Profit Notification and Foreign Currency Obtainment: Pınar Dairy
- Izmir Directorate of Tax Administration, the first record holder chamber member for the province of Izmir in the category of corporate tax: Pınar Dairy
- AC Nielsen "Brand Recognizance" research, packaged meat category, first brand remembered: Pınar Meat
- KALDER TMME processed meat sector research, the brand from which the consumers are satisfied the most since the year 2007: Pınar Meat
- The result of the most liked packaged meat sector company research conducted in the year 2011 by the GFK company Repman reputation researches center, with the participation of 1592 managers: Pınar Meat
- Firms of Aegean Region Chamber of Industry, the company which pays the fourth highest tax: Pınar Meat
- Izmir Chamber of Commerce, silver medal in the categories of Net Trading Profit Notification and Foreign Currency Obtainment: Pınar Meat
- Izmir Directorate of Tax Administration, the record holder chamber member for the province of Izmir in the category of corporate tax: Pınar Meat
- Izmir Chamber of Commerce, tax payment special award: Pınar Water
- Izmir Chamber of Commerce foreign currency obtainment letter of appreciation: Pınar Water
- TMME's category based 2011 second quarter results, the leader brand of customer satisfaction: Pınar Water
- Kocaeli Governorate Employment and Social Responsibility evaluation letter of acknowledgment: Dyo Coatings
- Izmir Chamber of Commerce, gold medal in the category of Foreign Currency Obtainment: Viking Tissue

# GRI Index

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|--|--|------|--|-------|

**Economic**

**Disclosure on Management Approach**

|   |  |  |  |  |
|---|--|--|--|--|
| EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. |  |  | Please refer to following web pages for Economic data.<br>www.yasar.com.tr<br>www.investyh.com |  |
|---|--|--|--|--|

**Environmental**

**Disclosure on Management Approach**

|  |                     |         |  |       |
|--|---------------------|---------|--|-------|
| EN3 Direct energy consumption by primary energy source.  | UNGC8               | Full    | Improvement-oriented Studies               | 48-49 |
| EN4 Indirect energy consumption by primary source.   | UNGC8               | Full    | Improvement-oriented Studies               | 48-49 |
| EN5 Energy saved due to conservation and efficiency improvements.  | UNGC8, UNGC9        | Partial | Energy Efficiency                          | 56-61 |
| EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | UNGC8, UNGC9        | Partial | Energy Efficiency                          | 56-61 |
| EN7 Initiatives to reduce indirect energy consumption and reductions achieved.   | UNGC8, UNGC9        | Partial | Energy Efficiency                          | 56-61 |
| EN8 Total water withdrawal by source.  | UNGC8               | Partial | Water Management                           | 82-83 |
| EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.   | UNGC7, UNGC8, UNGC9 | Full    | Carbon Reduction Projets                   | 50-51 |
| EN22 Total weight of waste by type and disposal method.  | UNGC8               | Partial | Packaging Waste and Solid Waste Management | 84-85 |

| GRI Indicators   | Related UNGC Indicators | Scope of Report | Reported Part                              | Page Number |
|--|-------------------------|-----------------|--|-------------|
| EN23 Total number and volume of significant spills.  | UNGC8                   | Full            | Environmental Consciousness and Principles | 78-79       |
| EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. | UNGC8                   | Full            | Environmental Consciousness and Principles | 78-79       |
| EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.  | UNGC7, UNGC8, UNGC9     | Full            | Packaging Waste and Solid Waste Management | 84-85       |
| EN27 Percentage of products sold and their packaging materials that are reclaimed by category.   | UNGC8, UNGC9            | Full            | Packaging Waste and Solid Waste Management | 84-85       |

**Labor Practices and Decent Work Performance Indicators Management Approach**

|   |              |         |   |                |
|---|--------------|---------|---|----------------|
| LA1 Total workforce by employment type, employment contract, and region.  |              | Full    | Employment Data's   | 86-87          |
| LA2 Total number and rate of employee turnover by age group, gender, and region.  | UNGC6        | Full    | Employment Data's   | 86-87          |
| LA4 Percentage of employees covered by collective bargaining agreements.  | UNGC1, UNGC3 | Full    | Union and Collective Bargaining Agreement                                   | 76             |
| LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.   | UNGC3        | Full    | Employee Statutory Rights   | 66             |
| LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.  | UNGC1        | Partial | Occupational Safety   | 72-73          |
| LA8 Education, training, counseling, prevention, and risk control programs in place to assist workforce members, their families, or community members regarding serious diseases. | UNGC1        | Full    | Training Programs and Health Controls                                       | 72             |
| LA9 Health and safety topics covered in formal agreements with trade unions.  | UNGC1        | Full    | Union and Collective Bargaining Agreement                                   | 76-77          |
| LA10 Average hours of training per year per employee by employee category.  |              | Full    | Other Employee Trainings  | 70-71          |
| LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.                       |              | Full    | Employees' Development Rights   | 68-71          |
| LA12 Percentage of employees receiving regular performance and career development reviews.  |              | Full    | Performance Evaluation System   | 68-70          |
| LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.       | UNGC1, UNGC6 | Full    | Employees' Gender Distribution Data's<br>Employees' Age Distribution Data's | 88-90<br>91-93 |

| GRI Indicators   | Related UNGC Indicators | Scope of Report | Reported Part  | Page Number |
|--|-------------------------|-----------------|--|-------------|
| LA14 Ratio of basic salary of men to women by employee category.   | UNGC1<br>UNGC6          | Full            | Wage Setting   | 66          |
| <b>Human Rights</b>  |                         |                 |  |             |
| <b>Disclosure on Management Approach</b>   |                         |                 |  |             |
| HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.                         | UNGC1<br>UNGC2<br>UNGC5 | Full            | Child Labor  | 66          |
| HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor. | UNGC1<br>UNGC2<br>UNGC4 | Full            | Involuntary Servitude and Forced Labour                                  | 66          |
| HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.                  | UNGC1<br>UNGC2          | Full            | Security Services  | 75          |
| <b>Society</b>   |                         |                 |  |             |
| <b>Disclosure on Management Approach</b>   |                         |                 |  |             |
| SO2 Percentage and total number of business units analyzed for risks related to corruption.  | UNGC10                  | Partial         | Risk Management<br>Business Ethics                                       | 38-41       |
| SO4 Actions taken in response to incidents of corruption.  | UNGC10                  | Partial         | Risk Management<br>Business Ethics                                       | 38-41       |
| <b>Product Responsibility</b>  |                         |                 |  |             |
| <b>Disclosure on Management Approach</b>   |                         |                 |  |             |
| PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.  |                         | Full            | The Value We Add to the Lives of our Consumers:<br>Customer Satisfaction | 96-97       |

## UNGC Principles

| Subjects        | UNGC Principles  |
|-----------------|--|
| Human Rights    | Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.<br>Principle 2: Businesses should make sure that they are not complicit in human rights abuses.  |
| Labour          | Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.<br>Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.<br>Principle 5: Businesses should uphold the effective abolition of child labour.<br>Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation. |
| Environment     | Principle 7: Businesses should support a precautionary approach to environmental challenges.<br>Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.<br>Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.  |
| Anti-Corruption | Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.   |

| Report Name                      | Period                   | Publication Date | Scope                                  |
|----------------------------------|--------------------------|------------------|--|
| Yaşar 2009* UNGC COP Report      | 01/01/2008<br>31/12/2009 | 30.03.2010       | The companies indicated on pages 5-8.  |
| Yaşar 2010 UNGC COP Report       | 01/01/2010<br>31/12/2010 | 08.04.2011       | The companies indicated on pages 9-13. |
| Yaşar 2011 Sustainability Report | 01/01/2011<br>31/12/2011 | 06.07.2012       | The companies indicated on pages 12-33 |

(\*) The Yaşar Group's first communication on progress.

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### We express our thanks to Sustainability Reporting Team Members

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