

Yaşar 2018 Sustainability Report



Yaşar 2018 Sustainability Report



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Message from the Management

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Dear Stakeholders,

With our 8th Sustainability Report, we present our Group's future plans for sustainable development, our contribution to the efficient use of resources and the transfer of World resources to future generations, our approach to the fight against climate change and our targets to support sustainable development.

We are taking important steps towards sustainability by considering today's needs as well as future challenges. We manage and regulate all of our processes on the basis of "caring for" by integrating the concept of sustainability by considering economic, social and environmental issues while integrating into our business processes and focusing on creating value for all our stakeholders while respecting nature and humanity.

All Yaşar Group companies conduct their activities in accordance with the principle of sustainability and ensure that our employees from all levels carry out their activities in accordance with the principle of creating sustainable value and sharing this value with all of our stakeholders.

As Yaşar Group, we are aware of the critical role of the business world in achieving sustainable growth and sustainable development goals. Thus, we have linked our business goals with the United Nations Sustainable Development Goals. We aim to achieve our goals by implementing this study started in 2016, in all Group companies through sub-strategies and action plans.

Our sustainability management, which is carried out under the leadership of our Sustainable Development Committee, prioritizes stakeholder engagement across our value chain.

We strive to provide a better life for all of our stakeholders, and take care of our business, employees, society, business partners and the environment to achieve our goal.

By "caring for business", we improve our economic performance every year, and we work for our goal of sustainable growth in all of our fields of activity with our corporate governance approach, ethical stance and sustainability-based practices.

We reflect our understanding of "caring for employees" to our employees who are educated, experienced, and have a high sense of belonging with the values of Yaşar Group in the light of our "Science Union Success" torch and we always support their personal and professional development.

In order to contribute to our country and the world, we are carrying out various social and environmental projects by "caring for society". We aim to raise awareness by enabling our employees to participate in projects with sensitive and development-oriented perspectives.

Mustafa Selim Yaşar
Chairperson of Board of Directors



We support the economic growth of our country through local procurement practices and local employment by considering the welfare and development of the society under all circumstances.

As one of the values of our Group, customer and consumer satisfaction stands out as the most fundamental element that makes all our companies competitive. We always regard a focus on quality as a key success factor for our products and services.

In line with our market-oriented sustainable growth strategy, we strive to achieve our sustainable growth target by providing competitive products and services that expand our sectors through differentiation from innovation and R&D within our 4 R&D centers in all of the sectors where we operate. We always aim for improvement by considering international quality standards in the projects developed by our strong and well-equipped R&D teams.

We aim to extend the benefit we create with our "caring for partners" approach by spreading benefits to all the business we cooperate with, including our suppliers.

In this context, we evaluate our business partners, who we regard as our most important stakeholders for helping ensure the quality of our products and activities, in terms of sustainability and regularly improve our evaluation criteria.

As Yaşar Group, we continued our efforts to reduce our environmental impact with the principle of "caring for environment" in 2018 as well. We continued to improve our environmental performance by integrating environmentally friendly practices in our activities to mitigate climate change and supporting environmental investments.

In 2019, we will pursue an active policy that will manage our activities by keeping economic, social and environmental sustainability in our focus and develop innovative, environmentally sensitive and high quality products and increase our competitiveness.

We will continue our way even more confidently with the support of our esteemed stakeholders who accompany us and share our success in our sustainability journey that we strive to continually develop and make progress on. We would like to express our gratitude to all our stakeholders who supported us towards sustainability.

Sincerely,



Mehmet Aktaş
Chief Executive Office

About the Report

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With our "we take care of every circle in our value chain" motto that operates in all sectors, our community has managed to become one of the fundamental institutions of Turkey with its people-oriented studies since its foundation and successful management in economic, environmental and social areas, and tend to develop it year by year. Following the United Nations Global Compact (UNGC) Progress Report that have published in 2009 and 2010, Yaşar has been publishing annual Yaşar Sustainability Report since the year 2011, and as of this year, this will be the 8th report under the name of Yaşar Sustainability Report 2018 that company presents to its stakeholders.

Content

Yaşar 2018 Sustainability Report presents the performance of the group for 01.01.2018 – 31.12.2018 period in terms of sustainability and reflects their affiliated studies of its renewed sustainability approach. All performance data provided in the report (unless otherwise stated) encompasses only 10 companies of the Group operating in Turkey and excludes the companies operating at abroad. Companies that are active in Turkey were discussed in the report on the basis of sustainability performance in the sectors listed below and sustainability approach of the Group.



The report includes the general profile of Yasar Group, its sustainability materiality, sustainable development strategies and policies, and important developments during the reporting period. Yasar Group's sustainability performance in accordance with United Nations Sustainable Development Goals are approached under "Caring for Business", "Caring for Employees", "Caring for Society", "Caring for Business Partners" and "Caring for Environment" titles.

Compliance

This report has been prepared in accordance with the GRI Standards: Core option. The disclosures included in the report are detailed in the GRI Content Index in the last section of the Report. The compliance with the principles of the United Nations Global Compact (UNGC) in which the Group became a signatory in 2007 are detailed under the United Nations Global Compact (UNGC) section of the report

The report is prepared in both Turkish and English. The preparation of the report and collecting and evaluating related data have been carried out under the management of relevant departments of the companies in Yaşar Group within the scope of this report. The report has not been externally verified by an external auditor. EY Climate Change and Sustainability Services (CCaSS) team has supported the preparation of the report. The following teams have participated in the studies carried out under the leadership of the Chairperson of the Board;

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

Your Feedback

Your feedback is highly important to us.

You can share any opinion, suggestion and question regards to Yaşar 2018 Sustainability Report, published by Yaşar Group, to dahaiyibiryasamicin@yasar.com.tr.

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

Yaşar Group

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Corporate Profile

Company Name: Yaşar Holding A.Ş.

Fields of Activity: Food and Beverage, Paint, Cleaning Paper, Tourism, Foreign Trade, Energy

Number of Employees: 7,500

UN Global Compact Membership Date: 12 November 2007

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

Contact Information: Tel: 0 232 495 00 00 E-mail: kurumsal.iletisim@yasar.com.tr

Yaşar Group in Brief

Yaşar Group's foundation leads back to 1927 in İzmir Kemeraltı Şeritçiler Çarşısı under the name of "Durmuş Yaşar Müessesesi". As being one of the leading companies that shaped the industrialization of the Turkish Republic, the company started by the year 1945 with the company founder Selçuk Yaşar's vision at the activities in paint&coatings, food&beverage, tissue papers, tourism, foreign trade and energy sectors.

Today, Yaşar Group has 22 companies with 4 of them in top 500 companies in Turkey, and is one of the flag-bearer economic and social development actors with 24 factories and facilities and 2 foundations and has been providing job opportunities for 7,500 employees with more than 1,000 distributors and 200 thousand of sales points. Also, Yaşar Group exports to more than 70 countries and has seven companies located abroad.

Yaşar Group, with the strength from its roots and companies are a pioneers each in its own sector, is committed to provide better life to its stakeholders and creates sustainable value for passed on the future generations. While the Group companies strive for development of their sectors, they continue the production in an ethical and environmentally conscious manner with an awareness of their collective social responsibility.

Yaşar Group which values and gives importance to social development as well as economic development, provides social contribution by supporting education, sports, culture and arts through both Yaşar Education and Culture Foundation and Selçuk Yaşar Sports and Education Foundation via social responsibility projects. Yaşar University, Yaşar Group's most important

investment in the field of education, is among the Turkey's leading university with its education provided in international norms.

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

Managing all business processes on the axis of sustainability within this scope, Group reports these activities as per the transparency principle. Yaşar Group has been publishing Sustainability Reports every year since 2011, having participated in the United Nations Global Compact signatories in 2007 and published the 2009 and 2010 Communication on Progress (COP) Reports under the UN Global Compact framework. All published reports can be reached at www.yasar.com.tr.

Mission and Corporate Values

Carrying out humanitarian activities in all of their activities with the responsibilities of corporate citizenship, our Group works for a sustainable world with the slogan "for a better life". Offering innovative products improving the quality of life in every sector it operates and firmly protecting "the Pioneer innovations" title, Yaşar Group continues to exist with values of "Our Consumers and Customers Come First", "Our Operational Excellence", "Our People", "Our Ethical Stance", "Our Environmental and Social Responsibility" and its mission to provide quality products and services that add value to the lives of consumers with its reliable brands.



Our Consumers and Customers Come First!

All our business units strive to quickly and accurately identify the needs of our consumers and 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, 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 requirements 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.

Yaşar Group Board of Directors and Top Management

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Yaşar Holding – Board of Directors

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

Yaşar Holding – Top Management

Mehmet Aktaş	Yaşar Holding	Chief Executive Officer (CEO)
Hikmet Altan	Yaşar Holding	Executive Vice President- Chief Finance Officer (CFO)
Levent Dağhan	Yaşar Holding	Executive Vice President- Head of Food Group
Cüneyt Başbakkal	Yaşar Holding	Vice President- Foreign Trade
İsa Coşkun	Yaşar Holding	Vice President- Corporate and External Affairs
Sinan Gerçek	Yaşar Holding	Vice President- Information Systems
Hasan Girenes	Yaşar Holding	Vice President- Agriculture, Livestock and Fisheries
Serdar Oran	Dyo Coating	Vice President- Dyo Coating and Dyo Coating Foreign Subsidiaries
Turgut Sarıoğlu	Yaşar Holding	Coordinator- Purchasing
Abdullah Akçasız	Viking Paper	General Manager
Sami Murat Ertunç	Yadex	General Manager
Gürkan Hekimoğlu	Pınar Dairy	General Manager
Cenk Hüner	Desa Energy	General Manager
Hüseyin Karamehmetoğlu	Pınar Water and Beverage	General Manager
Orhan Koral	Çeşme Altın Yunus	General Manager
Suat Özyiğit	YBP	General Manager
Erhan Savcigil	Yaşar Holding	Coordinator- R&D and Technology
Arda Cenk Tokbaş	HDF Fzco	General Manager
Tunç Tuncer	Pınar Meat	General Manager
Mehmet Aykırı	Yaşar Holding	Director- Corporate Communications
Özgün Bayraktar	Yaşar Holding	Director- Real Estate Projects
Aylin Gençyürek	Yaşar Holding	Director- Human Resources
Gözde Kınlı	Yaşar Holding	Director- Internal Audit
Okan Netek	Yaşar Holding	Director- Financial Affairs

Corporate Profile

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	Pınar Süt Mamulleri Sanayi A.Ş. (Pınar Süt)	Pınar Entegre Et ve Un Sanayii A.Ş. (Pınar Et)	Pınar Su ve İçecek Sanayi ve Ticaret A.Ş. (Pınar Su ve İçecek)	Yaşar Birleşik Pazarlama Dağıtım Turizm ve Ticaret A.Ş. (YBP)		Çamlı Yem Besicilik San. ve Tic. A.Ş. (Çamlı Yem)	Dyo Boya Fabrikaları Sanayi ve Ticaret A.Ş. (Dyo Boya)	Viking Kağıt ve Selüloz A.Ş. (Viking Kağıt)	Altın Yunus Çeşme Turistik Tesisler A.Ş. (Altın Yunus)	Yaşar Bilgi İşlem ve Ticaret A.Ş. (Yaşar Bilgi)	Desa Enerji Elektrik Üretim A.Ş. (Desa Enerji)
Publicly Traded	✓	✓	✓				✓	✓	✓		
Foundation Year	1973	1985	1984	1983		1983	1954	1969	1974	1983	1996
Headquarter	İzmir	İzmir	İzmir	İzmir		İzmir	İzmir	İzmir	İzmir	İzmir	İzmir
Factory	İzmir, Eskişehir, Şanlıurfa	İzmir	Aydın, Sakarya, Isparta, Bursa	İzmir, İstanbul, Antalya, Bodrum/ Muğla, Adana, Ankara, Trabzon, Samsun (1)		İzmir, Manisa (2)	İzmir, Kocaeli	İzmir	İzmir	İzmir (3)	İzmir (4)
Total Capacity	550 million liter /year raw milk processing	58.000 ton/year	2.000.000 ton/year	337.639 ton/year (5)		335.000 ton/year	266.000 ton/year	45.800 ton/year	1.021 person/ accommodation	-	318 million kWh/ year
Brands	Pınar	Pınar, Doyum, Yörük	Pınar	Pınar, Nar'ca		Çamlı, Pınar Balık, Biofarm, Cooldog, Coolcat, Bioaqua, Çamlı Çiftliği	Dyo, Dewilux, Casati, Dyo Klimatherm, Dyotherm	Premia, Lily, Senso, Select, Pufila	-	Astron	-
# of SKU	Over 300	500	24	750		396	15700	92	-		27
Employment (2018)	1679	1037	403	1033		434	1053	320	127	120	26
Distribution and Service Network	via YBP	via YBP	403 dealer, 15 distributor	Approximately 100 dealer, approximately 150.000 sales point		209 dealer	800 dealer, 227 construction market	230 dealer + Direct Customers	-	-	"All of Turkey, mainly the Aegean Region"
Website	www.Pınar.com.tr	www.Pınar.com.tr	www.Pınarsu.com.tr	www.ybp.com.tr		www.camli.com.tr	www.dyo.com.tr	www.viking.com.tr	www.altinyunus.com.tr	www.astron.ws	www.desaenerji.com.tr
Foreign Trade	Middle East and Gulf Countries (UAE, Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Bahrain, Azerbaijan, Iraq, Northern Cyprus, Russia, Kosovo, China, Japan, Kyrgyzstan, Kazakhstan, Libya, Turkmenistan, USA, Uzbekistan, Venezuela, Vietnam, EU Countries (Germany, Belgium, Netherlands, Sweden,))	EU Countries, USA, Middle East and Gulf Countries, Russia, Central Asia Countries, Far East, Northern Cyprus, Australia, Canada	EU Countries, Middle East and Gulf Countries, USA, Balkan Countries, Asia, Northern Cyprus, Central Asian Countries, North America, Australia	-		EU Countries, Middle East and Gulf Countries, Russia, USA, Far East	EU Countries, Central Asian Countries, Middle East and Gulf Countries	EU Countries, Central Asian Countries, Africa, Central America, Middle East and Gulf Countries	Germany, Balkan Countries, England, Greece, Scandinavian Countries, Iran, Azerbaijan, Middle East and Gulf Countries, Russia (6)	-	-

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

Sustainability Management

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The Executive Board ensures that the companies carry out sustainability activities within the scope of the priorities of the Sustainable Development Committee, by leading the Sustainable Development Policy. The Sustainability Committee works to improve the strategy and to make it easily applicable to employees through risk and opportunity assessments in order to achieve adoption and development of the sustainability policy throughout the Group. Regular meetings are held to identify the necessary improvements and to take appropriate actions with the Sustainability Committees of the companies.

There are also other committees besides the Sustainability Committee at company level which contribute to sustainable development goals, such as Waste Prevention Committee, Ethics Committee, Feasibility Committee and Sustainability Contest Committee. All these committees work in harmony and integrated with Yaşar Group Sustainability Approach. Yaşar Group companies are continuing their presence in foreign markets, in accordance with the framework documents of the markets they are in and the requirements of international certificates. Sustainability practices in many Group companies require dedicated efforts beyond local requirements. In that sense, we try to spread the good practices that can be brought in private and generic sense of each sector to other Group companies.

Yaşar Group organizes and revises its strategic objectives with these internal structuring systems by forming committees and working groups in each sub-heading.

The "Yaşar Sustainability Contest", one of the main outputs of "Caring for Business" philosophy, has been held since 2005 and where evaluation is done on economic, social and environmental dimensions that its scope has been expanded in 2016 to sustainability's sub-headings. In 2018, there were 36 project applications from Yaşar Group companies.

Total of 36 project that meets the criteria for applying the Yaşar Group Sustainability Contest was presented and evaluated, with 21 in economic, 10 in social and 5 in environmental sustainability areas.

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

Announcements and presentations of a total of 9 projects and awards in each three categories in 2018 Sustainability Awards took place in the "Yaşar Sustainability Day" event.

Compatibility with Sustainable Development Goals

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



Compatibility with Sustainable Development Goals

In 2016, Yaşar Group reviewed its 5 main objectives which are caring for business, caring for employees, caring for society, caring business partners and caring for environment, focuses on its operations in order to compile them with Sustainable Development Goals and aligned its business and strategies accordingly. Yaşar Group had the opportunity to

explain how global risks are managed by following agenda and trends in Turkey and the world.

In 2017, key success indicators were taken into consideration within the framework of sustainability priorities and business objectives for each

Caring for

	SDG 1	SDG 2	SDG 3	SDG 4	SDG 5	SDG 6	SDG 7	SDG 8	SDG 9	SDG 10	SDG 11	SDG 12	SDG 13	SDG 14	SDG 15	SDG 16	SDG 17
Business				✓			✓	✓	✓		✓	✓					✓
Society	✓	✓	✓	✓	✓	✓		✓		✓	✓						✓
Employees				✓	✓		✓		✓		✓						✓
Environment						✓	✓	✓	✓		✓	✓	✓	✓			
Business Partners		✓						✓	✓	✓	✓	✓	✓				✓

Group company, and compliance with the Sustainable Development Goals was analyzed and new strategies were identified accordingly.

While 16 approaches to the 17 Sustainable Development Goals are directly touched by the five approaches we take as looking at work, society, employees, business partners and the environment, all of these approaches contribute to the 12th Sustainable Development Goal, Responsible Consumption and Production.

Companies

	SDG 1	SDG 2	SDG 3	SDG 4	SDG 5	SDG 6	SDG 7	SDG 8	SDG 9	SDG 10	SDG 11	SDG 12	SDG 13	SDG 14	SDG 15	SDG 16	SDG 17
Pınar Dairy		✓	✓	✓	✓		✓	✓	✓		✓	✓					
Pınar Meat	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓		✓			
Pınar Water			✓		✓	✓	✓			✓	✓	✓					
YBP			✓	✓	✓		✓	✓		✓							
Çamlı Feed			✓	✓	✓			✓			✓	✓	✓				✓
Dyo Coating			✓	✓	✓		✓	✓		✓							✓
Viking Paper				✓	✓	✓	✓	✓			✓	✓		✓			
Altın Yunus			✓	✓	✓	✓	✓		✓		✓	✓	✓	✓			

In 2018, the Group continued to focus on compliance with the Sustainable Development Goals and continued to implement projects and practices that contribute to the goals.

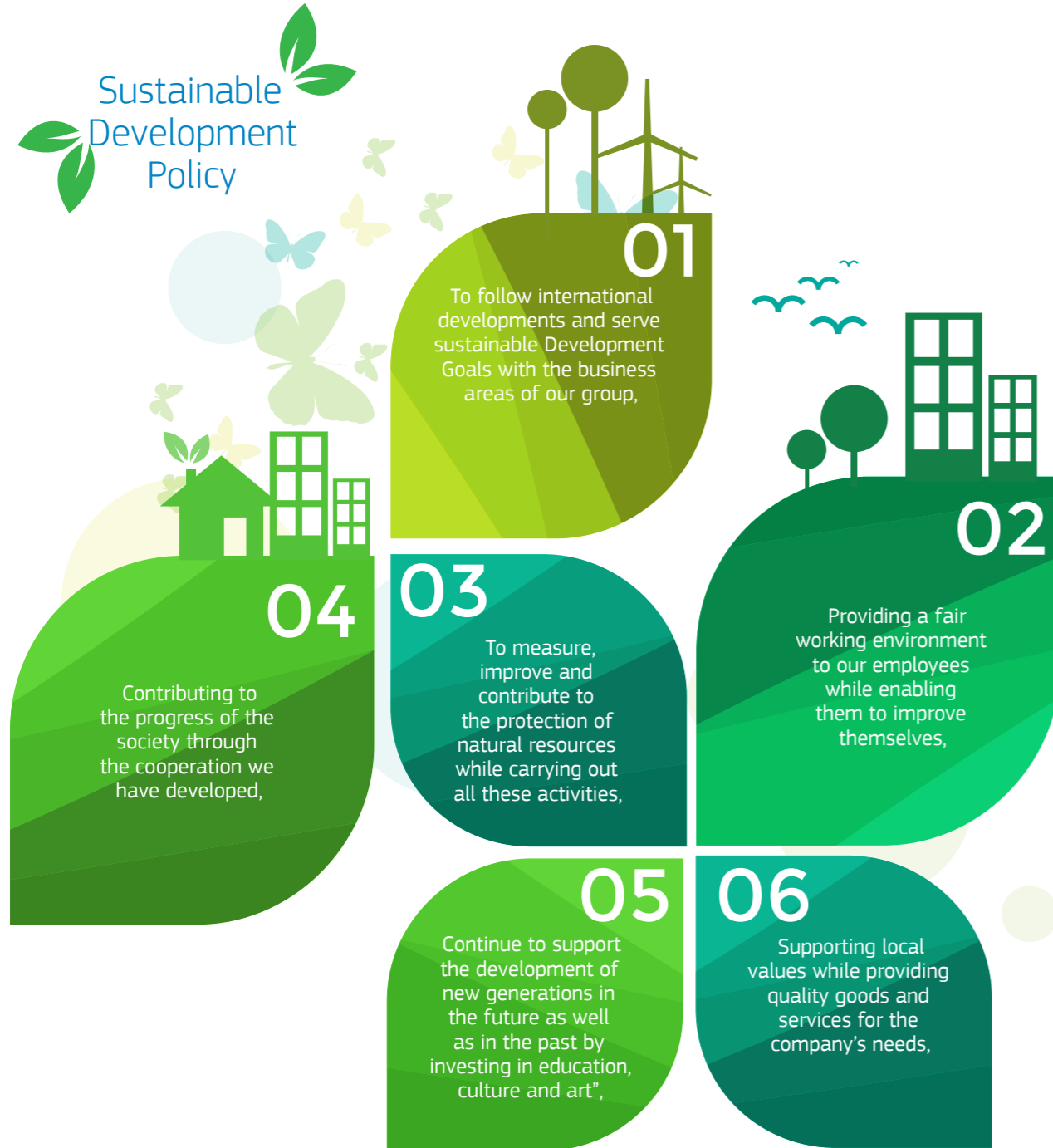
With the awareness of the fact that projects that do not have environmental sensitivity and do not consider the effects of the efficient use of energy to climate change, water and land survival and protection of clean water cannot go beyond being short-term. Yaşar Group is committed to ensuring that all projects within the Group have a positive contribution to the environment and society.

Within the scope of the projects and studies carried out by the Group companies, 16 of the 17 Sustainable Development Goals were directly touched upon and most of the companies contributed to the "Responsible Production and Consumption", "Good Health and Well-Being" and "Climate Action".

Sustainable Development Policy

Yaşar Group has established its Sustainable Development Policy in accordance with its mission and objectives in line with international principles and trends.

Within the frame of "no compromise with our understanding of ethical, accountable and honest work" principle;



are indispensable parts of Yaşar Group's Sustainable Development Policy.

Sustainability Priorities

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Yaşar Group serves a wide range of stakeholder groups with different sectors in it operates. In this respect, it adopts an attitude that shows the necessary importance to the values of all stakeholder groups, especially the main stakeholder groups, in determining the strategies and related targets of economic, social and environmental issues, which are the main indicators of sustainability, in measuring and prioritizing the impact of its activities.

In 2015, a workshop was held with purpose of updating the Group's sustainability priorities with members of the Expanded Sustainable Development Committee and the sustainability priorities of Yaşar Group for the next 3 years were determined. The opinions of the Yaşar Group's wide and diverse stakeholder network from many sectors was received and considered. During the course of determining the strategic priorities of Yaşar Group, opinions of the all senior executives in the Group, 212

different stakeholder group representatives including employees were received via survey and workshop.

In 2018, Yaşar Group Sustainability Priorities were determined with the approval of Senior Management and "Sustainability Materiality Matrix" was updated by considering the risks and opportunities that may arise from the activities of the Group and by following the prominent trends in the world and in our country. Material issue stated as "Emissions" in the previous reporting period was re-evaluated during this reporting period and updated as "Carbon Footprint". Material issues that are newly added compared to previous reporting period are listed below irrespective of importance

- Digitalization
- Gender Equality

Materiality Matrix

Importance for Stakeholder	High	Contribution to Local Economy Waste Management Employee Rights Gender Equality Social Investments Ethics and Compliance Consumer/ Customer Health and Safety Product and Service Quality Innovation and R&D Sustainable Agriculture and Livestock Digitilization Sustainable Purchase Occupational Health and Safety Environmental and Social Suitability of Suppliers Water Footprint Economic Performance Energy Efficiency
	Low	Protection of Natural Cultural Heriage Carbon Footprint Employee' Development
		Strategical Importance
		Low High

Strategical Importance

Sustainability Journey

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Since its foundation, Yaşar Group has adopted economic, social and environmental sustainability as a focus of its activities.

The implementation of Yaşar Group sustainability culture began with the adoption of the OECD's Corporate Governance Principles in 2000. In the following period, the Global Compact issued by the UN in conjunction with the Millennium Development Goals was signed by Yaşar Group in 2007. Starting from 2009, Yaşar Group has started to publish progress report on Global Compact and Sustainability reports in compliance with GRI reporting framework on a regular basis beginning from 2011. Thus, Yaşar Group has started to announce its full performance regularly to its stakeholders.

In 2016, Yaşar Group started to work on compatibility studies with the Sustainable Development Goals (SDGs). With this, oversight activities have been carried out in all companies, and the strategies of compliance with SDGs have been determined and the targets of the Group have been shared with all stakeholders.

1960-1999

Social responsibility studies extend to 1960s under the roof of corporate social responsibility. Sustainability studies have first started with the literacy courses and the social opportunities provided to employees by the Dyo Coating in the 1960s. As a first in the private sector in 1967, for development of art in society, Dyo Coating has begun to organize a painting contest. The theater built in 1969 in the Bademler Village of Izmir shows the roots of corporate social responsibility.

In 1974, with the purpose of carrying out activities in the fields of education and culture, Yaşar Education and Culture Foundation was founded in order to strengthen social solidarity, respect for spiritual values, contribution to public services and consolidation of state with individual. While the foundation supports education through educational investments and scholarships, it performs cultural services with Selçuk Yaşar Museum and Art Gallery and Dyo Art Awards. Selçuk Yaşar Museum opened in 1985 also bears the distinction of being Turkey's first private art museum. In addition, the foundation has been continuing its supports to archaeological excavations since 1998. Pınar Painting Contest, which was first organized in 1981 with the purpose of increasing elementary school kids' interest in art and raising future painters, continues with the same enthusiasm for 37 years. Founded in 1987, Pınar Children's Theater has been presenting to more than three million children all around the country, free of charge, to instill them the love of art. As a part of responsible business approach, support and training provided by Pınar Dairy for raw milk producers in 1973 indicate the historical connections of the values and goals of the Group with the understanding of sustainable corporate responsibility.

Under the leadership of Yaşar Holding's Founder and Honorary Chairperson, Selçuk Yaşar, support has been provided to Karşıyaka Sports Club for over 60 years. Since 1998, Pınar has provided support to the Karşıyaka Basketball Team and thousands of tiny athletes in the team's groundwork as the main sponsor. In 1998, Selçuk Yaşar Sports and Education Foundation has brought in Yaşar University, one of the foundation universities in Izmir.

2000-2008

Studies in compliance with the international standards of corporate sustainability began in 2000 with the adoption of the OECD Corporate Governance Principles. These activities continued with the Corporate Governance principles of the Capital Markets Board and Human Resources Performance Management Systems. The journey in the frame of environmental sustainability started in 2007 by signing the UN Global Compact, which was created for the private sector within the context of the UN Millennium Development Goals.

2009-2010

The first UN Global Compact Progress Report was published in 2009. The report has been a commitment to the contractual objectives and a way forward. In the reports of the following years, its development and announcement were shared with the public. Again in 2010, the Corporate Communication, Sustainable Development, Social Responsibility, Corporate Governance and Ethics and the Corporate Values subcommittees were formed under the committee, set up to implement the "Corporate Reputation" Project. In addition to this, carbon footprint calculations have been launched within the Group in 2010. Through the Carbon Teams and Leaders, these processes have become widespread throughout the value chain.

2011

In order for the Group to further qualify the sustainability journey, the Group implemented the reporting methodology provided by the Global Reporting Initiative (GRI), which is in line with the UN Global Compact, and published the first Yaşar Sustainability Report. In the same year Pınar Dairy, one of the Group companies, has started to be traded in the Stock Exchange Istanbul Corporate Governance Index.

2012

The CEO Support Declaration of Women's Strengthening Principles initiated by UN has been signed. Using the e-learning methodology under the brand "Yaşar Academy", a training platform was created for employees.

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

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

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

2013

To raise consciousness and awareness of the society in food, health and nutrition topics and to support scientific studies, The Pınar Institute has been established.

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

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

Yaşar Education and Culture Foundation Special Education Implementation Center and Business Implementation Center with 18 classrooms, to provide education to children with autism, has been constructed and handed over to the Provincial National Education Directorate.

Pınar Water and Beverages started to be traded at the Stock Exchange Istanbul Corporate Governance Index.

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

2014

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

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

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

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

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

2015

Within Pınar Meat, Animal Welfare Improvement Project was carried out.

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

Pınar Dairy has taken first place among volunteers in the CDP 2015 Climate Change Turkey Report along with being the first milk and dairy products producer to be involved in CDP (Carbon Disclosure Program).

2016-2018

In 2017, Pınar Dairy has been deemed worthy of CDP Turkey Climate Leaders Award and CDP Turkey Water Leaders Award, and got B score in both categories in 2018.

Based on the changing world conditions, the UN has presented the new sustainability goal and approach to the public within the Sustainable Development 2030 Goals framework. This change has given Yaşar Group a new direction for its sustainability journey and the harmonization and updating between the Group's business objectives and the 2030 Sustainable Development Goals have been realized through the activities carried out starting from the senior management.

Based on these studies, Yaşar Group 2030 Business Goals were prepared, review was carried out in all companies, compliance strategies with Sustainable Development Goals were determined, and Group objectives were shared with all stakeholders.

The Eskişehir/Tepebaşı Yaşar Education and Culture Foundation Vocational and Technical Anatolian High School construction, which was built by Yaşar Education and Culture Foundation and laid the foundation in 2017, was completed in 2018 and donated to the Ministry of National Education.

2018 Highlights

4.7 milyar TL
Consolidated
Net Sales

Export to
70+
Country

17%
Revenue Growth

 **R&D Center**

Pinar DAIRY
39
new products

Pinar MEAT
24
new products

Dyo COATING
27
new products

 **EFFICIENCY PROJECTS**

Pinar MEAT
7% savings
in direct energy
consumption

Pinar DAIRY
24,598,776 TRY
operational cost
improvement with
114 projects

**Pinar WATER
AND BEVERAGE**
40.6%
savings in LNG usage with
improvement in steam
generator

**VIKING
TISSUE**
kojenerasyon ve
cogeneration and
3rd Round Product
Line investments

YBP
200 thousand TRY
financial savings in round
trip costs with the opening
of a new warehouse

ALTIN YUNUS
10% savings
in electricity consumption

per night and **25%**
savings in thermal
water consumption



AWARDS

Yaşar Holding Respect
to Human Award for
the 8th time



TRAINING

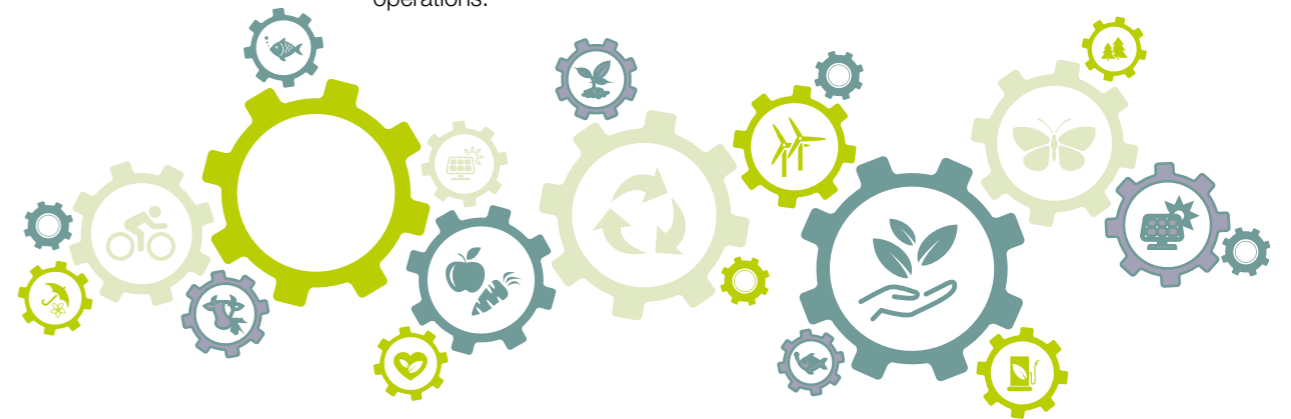
84,393 Hours of
Training
Across the Group

46,305 Hours of
OHS Training
Across the Group

ENVIRONMENTAL MANAGEMENT

Pinar Dairy has improved its carbon footprint and water footprint through improvements and optimizations in its operations.

Pinar Meat has reduced its water consumption per ton product by 9.5% under its Environmental Management System.



Pinar Water and Beverage saved 3% energy used per ton product.

Viking Paper has achieved an 18% reduction in its carbon footprint compared to 2010 and a 16% improvement in its water footprint over the last 4 years.

Important Developments in Group Companies in 2018

102-10

Pinar Dairy



- In 2018, 39 new products were launched with an experienced R&D team.



- In 2018, a total of 114 projects resulted in an operational cost improvement of TRY 24,598,776.

- Priority has been given to high-tech investments within the efforts of adaptation to Industry 4.0.



- 48 alternative products / suppliers were added to the system.

- With "Future of Our Milk is in Conscious Hands" project it has been reached to hundreds of milk producers within in a year.



- The R&D Center continued to produce TÜBİTAK-TEYDEB projects that will serve the future fiction in company sustainability with the cooperation of industry and universities, and in parallel with the Yaşar Group and company strategies, with scientific & technological innovation content. In addition, various projects have been realized in cooperation with Yaşar University. One of the approved 1501 and 1511 TÜBİTAK TEYDEB projects were audited by audience referee, work on projects were continued and three new 1501 TÜBİTAK TEYDEB projects were submitted.



- According to CDP Turkey 2018 Water Security Report results, Pinar Dairy became one of the initiative leaders in the field of water management.
- According to CDP Turkey 2018 Climate Change Report results, Pinar Dairy became one the leader companies and scored "B" among 7,000 voluntary responder companies.

102-10

Pinar Meat

- Water footprint calculation at Pinar Meat started at 2017. It is targeted to reduce water footprint by 5% until 2021 and by 10% until 2023. In 2018, water consumption per ton was reduced by 9.57%.



- With the studies carried out, the use of food additives has been reduced by 6% compared to the previous year.



- As a reflection of Pinar Meat's pioneering identity in the sector, the "Organic Food Certificate" audit by Ecocert was successfully passed in 2017 and it has been valid as "Organic Production Enterprise Certificate" this year.

- 45 alternative products / suppliers were created.



- It has been responded to CDP for the last two years. When applying for CDP; Scope 1, Scope 2 and Scope 3 emissions were calculated, and sector-specific questions answered in questionnaire. Companies are scored accordingly with their responses and these scores are published publicly available. Also, in 2018, Turkey Pollutant Release and Transport Register (CFRC) has to be included in the pilot plant project.



- Within the scope of TS EN ISO 50001 Energy Management System, improvement studies have been carried out in order to realize measurable energy targets and objectives. In this context, energy consumption has been reduced by approximately 6% compared to last year.



- Water footprint calculation at Pinar Meat started at 2017. It is targeted to reduce water footprint by 5% until 2021 and by 10% until 2023. In 2018, water consumption per ton was reduced by 9.57%.

- In 2018, 24 new products were launched through R&D activities.

Important Developments in Group Companies in 2018

Pinar Water and Beverage

- In order to maintain the ecosystem, 30% of the total flow rate of the water resources used for production is released to natural environment.

- In 2018, Pinar Water and Beverage was among to most popular brands under the water category in Turkey 11th time in the Turkey's 2018 LOVEMARK's.



- In 2018, Pinar Water and Beverage made improvements in its production facilities with the focus of efficiency and savings. Thanks to the efforts to increase line efficiency, periodic and thorough maintenance activities and efficient production planning, energy use was reduced by approximately 10% in all locations.

- For the new beverage category export-oriented product development activities for the domestic market have started. R&D laboratory installation and TUBITAK R&D beverage project applications were carried out.

Çamlı Feed



- Çamlı Feed continued its activities in 2018 with the "Organic Production Enterprise Certificate".

- Within the scope of efficiency studies, energy saving was achieved as a result of improvements in the cooling and lighting system in the fish feed production facility.

- With the support of HORIZON 2020, the "Intelligent Management System for Integrated Multitrophic Aquaculture Project" aims to reduce the environmental impact of company's activities and provide to try and apply new production methods.

- Turgutlu Feed Factory started its operations in 2018. Designed with food safety and Industry 4.0 principles in mind, the factory will make a significant contribution to the regional agricultural and national economy with its high capacity production lines.

YBP

- YBP, which has been investing in digitalization since 2016, has developed and disseminated web-based, user-friendly and mobility-compatible software that is compatible with today's technology in order to be used in the sales, distribution and logistics processes of dealers under its "Digital Company Application" project.

- It is aimed to prevent food waste through the "Surplus Food Project", one of the 9 initiatives selected worldwide to be supported by the United Nations Development Program (UNDP), which serves to reduce enterprises' waste resources.

Important Developments in Group Companies in 2018

DYO Coating



- In Çiğli Plant, ISO / TS 16949 version was changed to IATF 16949 version.

- DYO Coating was among the 10 enterprises out 100 companies with its 121 projects in the list of R&D 250 which is prepared by Turkishtime magazine to list the most R&D spending enterprises in Turkey.

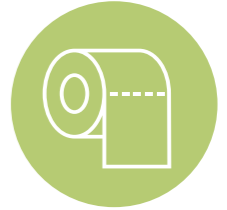
- In 2018, project on Supplier Portal was completed and it was activated. All orders, order confirmations, shipping processes, quotations, price confirmations and all quality processes related to suppliers are carried out via the portal is run through Supplier Portal.

Viking Paper

- With the cogeneration project, completed at 2017 and engaged in 2018, instead of the steam used in the drying process of the paper machine, the use of hot gas, which is the waste energy from electricity generation, is used as energy resources. Thus, instead of directly consuming natural gas in the boiler, the waste energy generated from electricity generation is used.

- In 2018, TUBITAK project was continued and completed in December 2018.

- Quality Management System has been upgraded to 9001:2015 and all processes have been included in the system. According with the changes in the standard, risk analysis for all processes has been carried out and actions have been taken and Quality Management has progressed towards excellence. The risk analysis of the organization was revised and updated again and continuously with the studies carried out.



- In 2016, BRC Consumer Product certification, which was received for the first time in tissue paper sector in Turkey, was renewed in 2018. As a result of the audits conducted by the German certification body DQS in 2018, it was awarded that the BRC Consumer Product (A Grade), Hygienic Product and the GC-MARK certificates. Viking Paper was the first company in its sector to receive these certificates.

Altın Yunus

- The requirements of the Environmentally Responsible Accommodation Facility Certificate (Green Star) received in 2016 have continued with the savings realized in 2018 and Altın Yunus has become prominent as an exemplary facility in its region in terms of environmental protection.

- As a result of reducing environmental impact and efficiency studies, 10 % savings in electricity consumption per night and 25% savings in thermal water consumption were achieved.



Caring for business



CARING FOR BUSINESS



Economic Performance

In 2018, the Group's consolidated net sales reached TRY 4.7 billion, with 93.6% of its net sales coming from Food&Beverage and Paint&Coating companies. With 17% growth in the food and beverage business, 16% in the paint business and 25% in the cleaning paper business Yaşar Group achieved 15% growth in total in its operations.

[Read more p.26](#)



Ethics and Compliance

Each company in the Group acts with the awareness that it has a responsibility towards the parties it has relations at each stage of their activities.

[Read more p.28](#)



Corporate Governance

Within the framework of corporate governance, there is a management plan for the parties that in a relation with the Group, relation with each other. With this plan, principles such as transparency, responsibility towards stakeholders, fairness and accountability are foregrounding.

[Read more p.28](#)



Business Ethics

Yaşar Group, which respects social values in its geographical location, acts in accordance with the rules of business ethics and observes transparency within these principles. Prepared in 2009 and distributed to all employees of the Group in 2010 as a booklet, the Code of Conduct sets out the Yaşar Group's approach to business ethics.

[Read more p.29](#)



Anti-Corruption Practice

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

[Read more p.30](#)



Risk Management

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

[Read more p.30](#)



Memberships

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

[Read more p.32](#)

Economic Performance

102-7 103-3 201-1 201-2

As a pioneer in all sectors in which it operates, the Yaşar Group Companies have achieved rising trends in terms of their operations in 2018, maintained their strong position in the markets and achieved a steady and sustainable increase in their turnover while achieving growth in all business lines. In 2018, the Group's consolidated net sales reached TRY 4.7 billion, with 93.6% of its net sales coming from Food&Beverage and Paint&Coating companies.

With 17% growth in the food and beverage business, 16% in the paint business and 25% in the cleaning paper business Yaşar Group achieved 15% growth in total in its operations.

As a result of its exports to more than 70 countries and the activities of its overseas subsidiaries, Yaşar Holding generated a total of USD 142 million in international revenues in 2018.

The Impact of Economic Performance on Stakeholders

Maintaining strong cooperation with farmers, suppliers and the retail sector sustainable added-value is prioritized by the Group. While the Group companies strive for development of the sectors they are active, they are aware of their collective responsibilities and pursue ethical and environmentally conscious production in order to do so. In this respect, the Yaşar Group pay regard to the employment, job opportunities and regular income ensured by economic performance within our stakeholders.

In the food and beverage sector, as being one of the segments that the Group is active in, the Group pioneered the establishment of that sector

As a result of the upward movement in raw material prices as a result of the exchange rate increase in the second half of 2018, the Company maintained its 27% gross profit with a gross profit of TRY 1.26 billion, focusing on cost control and efficiency in all business lines and operations in spite of the slowdown in growth and pressure on costs, EBITDA margin of 11.7% was achieved with TRY 552 million EBITDA achieved through operational cost improvement (OCI) activities as well as production efficiency.

In the R&D Centers of the Group companies, the Company continued to develop new products and make brand investments in line with its market-oriented growth strategy. Efforts to create added value for people, society and the environment have been realized with the projects developed by strong R&D teams taking into account international quality standards.

where agriculture and industry integration is provided sufficiently. The Group, particularly being as meat and milk producers, is a regular source of income for a large segment of the society. We provide job opportunities to local farmers as a result of our contractual agreements with producers in the supply regions. We provide healthy, quality feeds and innovative products which serve to improving animal welfare and productivity and create add value for our producers.

With the aim of caring for animal welfare and productivity; whilst creating added value with healthy, high-quality feeds and innovative products provided to the producers, job opportunities are provided to farmers by establishing contracts with producers in the regions where suppliers are located.

	31.12.2018	31.12.2017
Directly Produced Economic Value:	4,712,791	4,023,206
-Incomes	4,712,791	4,023,206
Revenues (net)	4,712,791	4,023,206
Distributed Economic Value:	4,303,968	3,762,943
- Operating Costs	3,799,246	3,303,421
- Employee wages and benefits	472,294	409,415
- Payments to provider of capital	20,882	30,499
- Payment to government (by country)	11,546	19,608
Retained Economic Value	408,823	260,263
Consolidated Results (thousand TL)	31.12.2018	31.12.2017
Net sales	4,712,791	4,023,206
Short and Long Term Liabilities	4,253,333	3,360,520
Shareholders' Equity	759,287	882,685
Main company shares	120,794	299,139
Non-controlling share	638,493	583,546

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

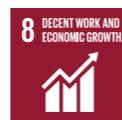
** The information in the 2018 Yaşar Holding Consolidated Independent Audit Report is used.

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

**** Within the scope of employee fees and benefits, personnel expenses included in Footnote 21 (IFRS) of the report are taken into consideration.

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

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



Stakeholder Dialogue

102-40 102-42 102-43 102-44

Value chain is a holistic phenomenon involving interaction with internal and external stakeholders. Evaluating and continuously improving this interaction is of strategic importance for the sustainability of the value chain. Therefore, identifying and classifying our stakeholders and identifying communication platforms and dialogue platforms based on this classification are the most important factors in the implementation of our sustainability strategy.









Yaşar Group accepts any and all kinds of persons, organizations and communities, directly or indirectly affected by its activities, goals and policies and who affects these decisions, as their stakeholders. With the philosophy of "Caring for Business, Employees, Society, Business Partners, Environment", Yaşar Group develops a long-term collaboration and establishes open communication with its stakeholders within the scope of its sustainability approach.

Stakeholders vary according to the sectors and companies in which the Group operates. Yaşar Group's corporate values and business ethics policy are taken into consideration while selecting stakeholders by mapping them on value chain basis. This regularly updated map is also a guide for monitoring, evaluating and improving the Yaşar Group's sustainability approach and its impacts. Evaluating and improving every impact, impact area and ratio from the raw material procurement process to until products reach to consumer is the basis of the Group's holistic sustainability approach.

Although there is an overall stakeholder management policy of the Group, the stakeholder communication, communication platform and frequency vary accordingly to the company and its sector in operates. Corporate and sustainability principles as well as customer satisfaction and operational excellence are effective factors in stakeholder selection. Yaşar Group continues to increase its sustainability performance every year through communication and relationship with its stakeholders on a daily or periodical basis.

Communication Methods with Stakeholders

Communication Methods and Frequency with Stakeholders

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

Ethics and Compliance

102-11 102-18 103-2 103-3 206-1

Corporate Governance

102-18 103-2

One of the most important understandings of doing business nowadays is to have responsibility to all parties directly or indirectly in mutual relations. For this reason, each company in the Group acts with the awareness that it has a responsibility towards the parties it has relations at each stage of their activities. Within the framework of corporate governance, there is a management plan for the parties that in a relation with the Group, relation with each other. With this plan, principles such as transparency, responsibility towards stakeholders, fairness and accountability are foregrounding. Yaşar Group reflects its corporate governance approach, which is regarded as a very important element for the sustainability of its companies, from its past to the present, its vision and foresight, its deep-rooted and solid corporate values and culture, its ethical understanding and compliance with laws and regulations in all its fields of activity. In the Group, the interests of all stakeholders are considered in the best possible way and the adopted corporate governance structure is continuously reviewed within the framework of Corporate Governance Principles.

Within the scope of the corporate governance rating activities carried out by Yaşar Group Companies as a demonstration of the importance given to corporate governance practices and the willingness to dynamically execute these applications; the corporate governance ratings of Pınar Dairy, Pınar Meat and Pınar Water and Beverage companies were revised upwards by 9.27, 9.31 and 9.50 respectively in November 2018. The responsibilities of Yaşar Holding's Executive Board and the Board of Directors are separate from each other in accordance with the OECD Corporate Governance Principles. The Chairperson of the Board of Directors is not an executive officer at the same time, and the CEO of Yaşar Holding, who is at the head of the executive functions, is responsible to the Board of Directors for all executive activities of the Yaşar Group. In addition, the principles of corporate governance, the decision processes of the board of directors and the executive board, the authority and responsibilities, sub-committees and roles of Yaşar Holding Board of Directors are determined by the "Yaşar Group Corporate Governance Handbook", and the business ethics approach is determined by the "Yaşar Group Code of Business Ethics Guide" and the Group employees' compliance with this Guide is essential. The Audit Subcommittee, the Early Detection of Risk Subcommittee and the Corporate Governance Subcommittee, which enable employees to express their opinions and suggestions to senior management, operate under the Yaşar Holding Board of Directors, which consists of six members.

There are two independent members on the boards of Yaşar Group's publicly traded companies. These independent members meet all the independence criteria stated in the Corporate Governance Principles issued by the CMB.

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

with the information policy established on the transparency and accuracy principle which is published by our company on its website. In this context, companies' wages, compensation, profit distribution and donation policies are accessed at the company's website. The website of Yaşar Group contains information about the activity areas of our Group companies and detailed information can be accessed in both Turkish and English from the "Investor Relations" modules, which are available on the web sites of the publicly traded companies of our Group and are prepared in accordance with the legislation.

The corporate governance process of the publicly traded companies and the progress made during this period are presented to all stakeholders and the public through the Corporate Governance Compliance Form and Corporate Governance Information Form prepared in accordance with the legislation, as well as the Corporate Governance Compliance Reports prepared in the annual reports prepared within the framework of the Capital Market Legislation.

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

Corporate Governance Ratings

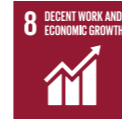
9.27

Pınar Dairy

9.31

Pınar Meat

9.50

Pınar Water
and
Beverages

Business Ethics

102-16

The code of business ethics defines the framework of operating in accordance with certain principles in line with social values. Ethical rules in societies that continue to develop within multiple social and cultural dynamics enable universal principles such as equality, transparency and impartiality to be prioritized in the business world.

Yaşar Group, which respects social values in its geographical location, acts in accordance with the rules of business ethics and observes transparency within these principles. Prepared in 2009 and distributed to all employees of the Group in 2010 as a booklet, the Code of Conduct sets out the Yaşar Group's approach to business ethics. This booklet is utilized within the scope of orientation trainings provided during the hiring process, and the Rules of Business Ethics are provided through Yaşar Academy, the online learning platform of the Yaşar Group.

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

A total of 17 issues were communicated to the Ethics Committee in 2009-2017 and they were resolved by conducting necessary examinations. No issue has been communicated to the Ethics Committee in 2018.

Rules of Business Ethics



- Working in a safe working environment, not allowing discrimination and respecting each other's personal rights,



- Using company resources efficiently,



- Avoiding conflicts of interest,



- Complying with the competition rules determined by the law, competing with competitors in a way that does not disturb market conditions,



- Giving importance to customer satisfaction, being always sensitive and honest to customers and consumers,



- Taking utmost care for the correct preparation of company information, assets and records, protecting it in confidentiality and not using it for benefit,



- Taking care of social benefits and respecting the environment in all activities,



- Adopt a lifestyle outside of work that will not create negative conclusions about the company and will not contradict the rules of the society we are in.

Anti-Corruption Practice

205-2

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

In 2018, 17 audits and 37 internal controls were conducted within the Group companies. In line with audits and controls, during the reporting period, business relations with the 6 employees from group companies were terminated under the business principles and ethical rules.

During the reporting period, there is not any corruption related public case against our Group or its employees. There were no cases of breach of corruption in the Group's contracts with business partners. There are no ongoing or open cases of trustification and monopoly.

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

Risk Management

102-11 205-2

In the rapidly developing world, determination of global risks and the preparation to these risks is become an approach that deals with only one aspect of the issue. The links between risks and the impact of long-term trends on risk formation or elimination are important issues that determine risk management.

The process of classification of risks is of a unique nature to the institutions for operating in different sectors within different business models. In this context, by creating a culture with risks awareness; integrated, systematic and proactive establishment and implementation of a corporate risk management structure by evaluating and managing all exposed risk is gaining importance.

Risk Management Understanding

Corporate risk management in Yaşar Group companies are taken as a systematic process in which risks are identified, analyzed, controlled and monitored. This management approach ensures that both unexpected

risks and the negative effects on the asset values of companies can be controlled.



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



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



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



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



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



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

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

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

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

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

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

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

In 2018;



- The actions required by the legal communiqués and regulations related to the sectors in which our companies operate, in particular for the alignment process of the Personal Data Protection Law among the Group in order to eliminate compliance risks,



- Implementation of action plans for managing information security risk with maximum level of control and follow-up for the measures taken,



- Efforts to effectively manage the brand and reputation risk of the Group,
- Studies to eliminate the financial and operational risks that will adversely affect the profitability of our companies and / or manage them with appropriate control and monitoring methods,

were actualized at level of Yaşar Group and its companies and it was monitored by the Early Detection of Risk Sub-Committee and submitted to the understanding and evaluations of Yaşar Holding Board of Directors. In 2018, the Yaşar Group Sub-Committee for Early Detection of Risk convened nine times.

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

Memberships

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Name of Organization		
ADANA STOCK EXCHANGE	GEBZE CHAMBER OF COMMERCE	ROMANIA TURKISH BUSINESSMEN FOUNDATION
ASSOCIATION OF FAMILY ENTERPRISES (TAİDER)	FOOD SAFETY ASSOCIATION *	SAKARYA CHAMBER OF COMMERCE AND INDUSTRY
ALİAĞA CHAMBER OF COMMERCE	CHAMBER OF FOOD ENGINEERS	DEFENSE AND AVIATION INDUSTRY MANUFACTURERS ASSOCIATION
ALUMINUM SURFACE TREATMENT ASSOCIATION (AYİD)	GLOBAL RELATIONS FORUM	CELLULOSE AND PAPER INDUSTRY FOUNDATION *
PACKAGING MANUFACTURERS ASSOCIATION (ASD)	GLOBAL REPORTING INITIATIVE	CHAMBER OF INDEPENDENT ACCOUNTANT AND FINANCIAL ADVISORS
PACKED WATER PRODUCERS ASSOCIATION (SUDER) *	GS1 TURKEY FOUNDATION	AQUACULTURE GROWERS AND PRODUCER CENTRAL UNION
PACKED MILK AND MILK PRODUCTS INDUSTRY ASSOCIATION (ASÜD) *	ECONOMIC RESEARCH FOUNDATION	BASIC NEEDS ASSOCIATION (TİDER)
AMERICAN TURKISH COUNCIL	İNEGÖL CHAMBER OF COMMERCE AND INDUSTRY	TOBB GLOBAL STANDARDS CENTER
AMERICAN BUSINESS COUNCIL (DEİK)	INTERACTIVE ADVERTISING FOUNDATION	TURGUTLU CHAMBER OF COMMERCE AND INDUSTRY
ANKARA STOCK EXCHANGE	HEAT WATER SOUND AND FIRE ISOLATORS ASSOCIATION (İZÖDER)	TURKISH-AFRICAN BUSINESS COUNCIL (DEİK)
ANKARA CHAMBER OF COMMERCE	ISPARTA CHAMBER OF COMMERCE AND INDUSTRY	TURKISH AMERICAN BUSINESSMEN ASSOCIATION
ANTALYA STOCK EXCHANGE	İSTANBUL EXPORTERS ASSOCIATION	TURKISH GULF BUSINESS COUNCIL (DEİK)
ANTALYA CHAMBER OF COMMERCE	İSTANBUL MINERALS AND METALS EXPORTERS ASSOCIATION	TURKISH EGYPTIAN BUSINESSMEN ASSOCIATION
EUROPEAN FOOD INFORMATION COUNCIL (EUFIG)	İSTANBUL CHAMBER OF INDUSTRY	TURKISH MIDDLE EAST AND GULF BUSINESS COUNCIL (DEİK)
EUROPEAN BUSINESS COUNCIL (DEİK)	İSTANBUL COMMODITY EXCHANGE	TURKISH INDUSTRY AND BUSINESS ASSOCIATION (TUSIAD)
AYDIN CHAMBER OF INDUSTRY	İSTANBUL CHAMBER OF COMMERCE	TURKEY AND MIDDLE EAST BUSINESS COUNCIL (DEİK)
BARO	İZMİR RED MEAT PRODUCERS UNION	TURKISH VETERINARY MEDICINE UNION
FEDERATION OF WESTERN ANATOLIA INDUSTRIALISTS AND BUSINESSMEN ASSOCIATIONS (BASIFED)	İZMİR BUSINESSMAN FOUNDATION	TURKEY ENVIRONMENTAL EDUCATION FOUNDATION
BABY FOOD MANUFACTURERS ASSOCIATION (BEBESAD)	İZMİR INDUSTRIALIS AND BUSINESSMAN ASSOCIATION (İZSİAD)	CENTRAL TURKEY CATTLE BREEDERS ASSOCIATION
WHITE MEAT INDUSTRIALISTS AND BROOD BREEDERS ASSOCIATION (BESD-BİR)	İZMİR SEAFOOD FARMERS AND MANUFACTURERS ASSOCIATION *	TURKEY ECONOMY FORUM (TEK)
BODRUM CHAMBER OF COMMERCE	İZMİR COMMODITY EXCHANGE	TURKEY FOOD INDUSTRY AND EMPLOYERS UNION (TÜGİS) *
BORNOVA FARMER ASSETS PROTECTION ASSOCIATION	İZMİR CHAMBER OF COMMERCE	TURKEY FOOD AND BEVERAGES INDUSTRY ASSOCIATIONS FEDERATION(TGDF)
BORNOVA CHAMBER OF AGRICULTURE	İZMİR CHAMBER OF AGRICULTURE	TURKEY INTERNAL AUDIT INSTITUTE (TİDE)
ASSOCIATION OF PARTNERSHIP MANAGER QUOTED TO THE STOCK EXCHANGE (KOTEDER)	KAĞITHANE AYAZAĞA VALLEY URBAN DEVELOPMENT ASSOCIATION	TURKEY EXPORTERS ASSEMBLY (TİM)
PAINT INDUSTRIALISTS ASSOCIATION(BOSAD) *	KAPLICA TALASSO AND CURE CENTERS ASSOCIATION	TURKEY CONSTRUCTION MATERIAL INDUSTRIALISTS ASSOCIATION (İMSAD)

Name of Organization		
BURSA STOCK EXCHANGE	CARDBOARD PACKAGING INDUSTRIALISTS FOUNDATION (KASAD)	PEOPLE MANAGEMENT ASSOCIATION OF TURKEY (PERYÖN)
BURSA CHAMBER OF COMMERCE AND INDUSTRY	KEMALPAŞA ORGANIZED INDUSTRIAL REGION (KOSBI)	TURKISH QUALITY ASSOCIATION (KALDER)
ÇEŞME TOURISTIC HOTELIERS ASSOCIATION	CHAMBER OF CHEMICAL ENGINEERS	TURKEY CHEMICALS, OIL, RUBBER AND PLASTIC INDUSTRY EMPLOYERS UNION (KİPLAS) *
FOUNDATION FOR ENVIRONMENTAL PROTECTION AND PACKAGE WASTE EVALUATION(ÇEVKO) *	KOCAELİ CHAMBER OF INDUSTRY	CORPORATE MANAGEMENT ASSOCIATION OF TURKEY
CHAMBER OF ENVIRONMENTAL ENGINEERS	COMPOSITE INDUSTRIAL ASSOCIATION	MINERAL WATER PRODUCERS ASSOCIATION OF TURKEY
COATINGS RESEARCH INSTITUTE (CoRI)	EMBASSY MEMBERS ASSOCIATION	MUSICAL WORK OWNERS SOCIETY OF TURKEY (MESAM)
CLEAN SEA ASSOCIATION (TURMEPA)	KONYA CHAMBER OF COMMERCE	THE UNION OF CHAMBERS AND COMMODITY EXCHANGES OF TURKEY (TOBB)
MARINE CHAMBER OF COMMERCE	CHAMBER OF MECHANICAL ENGINEERS	TURKISH PETROL CHEMICAL TIRE WORKERS UNION (PETROL-İŞ) *
FOREIGN ECONOMIC RELATIONS BOARD(DEİK)	MANİSA CHAMBER OF COMMERCE AND INDUSTRY	TURKISH ASSOCIATION OF TRAVEL AGENCIES
EASTERN ANATOLIA EXPORTERS ASSOCIATION (DAİB)	MANİSA ŞEHZADELER CHAMBER OF AGRICULTURE	THE ASSOCIATION OF TURKISH MILK, MEAT, FOOD INDUSTRIALISTS AND MANUFACTURERS ASSOCIATION (SETBİR) *
DUBAI CHAMBER OF COMMERCE	MANİSA CHAMBER OF COMMERCE AND INDUSTRY	TURKISH FODDER INDUSTRIALISTS UNION
DUBAI TURKISH BUSINESS COUNCIL	MERSİN COMMODITY EXCHANGE	TURKTRADE *
ECCA EUROPEAN COIL COATING ASSOCIATION	FRUIT JUICE INDUSTRY ASSOCIATION (MEYED)	ULUDAĞ ASSOCIATION OF EXPORTERS
AEGEAN REGION CHAMBER OF INDUSTRY	INTERNATIONAL CHAMBER OF COMMERCE (ICC)	NATIONAL FOOD TECHNOLOGY PLATFORM (UGTP)
AEGEAN REGION CHAMBER OF INDUSTRY FOUNDATION	MUSICAL WORKS BELONGS GROUP PROFESSIONAL ASSOCIATION	NATIONAL RED MEAT COUNCIL (UKON)
AEGEAN EXPORTERS ASSOCIATION *	KITCHEN FRIENDS ASSOCIATION	NATIONAL MILK COUNCIL (USK)
AEGEAN INDUSTRIALISTS AND BUSINESSPERSON ASSOCIATION (ESİAD)	MÜYAP CONNECTED BENEFICIARY PHONOGRAM PRODUCERS UNION	UN GLOBAL COMPACT (UNGC)
AEGEAN TOURISM ENTERPRISES ACCOMODATIONS ASSOCIATION	MUSICIANS UNION	UN GLOBAL COMPACT TURKEY
EDUCATION AND DEVELOPMENT PLATFORM FOUNDATION (TEGEP)	NAZİLLİ CHAMBER OF COMMERCE	WORLD ECONOMIC FORUM
CHAMBER OF ELECTRICAL ENGINEERS	ORGANIC PRODUCT PRODUCERS AND INDUSTRIALISTS ASSOCIATION (ORGÜDER)	INVESTOR RELATIONS ASSOCIATION
ESKİŞEHİR CHAMBER OF COMMERCE	CENTRAL ANATOLIA EXPORTERS UNIONS	CHAMBER OF CERTIFIED PUBLIC ACCOUNTANTS
ESKİŞEHİR CHAMBER OF INDUSTRY	PAINT RESEARCH ASSOCIATION	YENİDEN BİZ ASSOCIATION
ETHICS AND REPUTATION ASSOCIATION	ADVERTISMENT CLIENTS ASSOCIATION *	YURT DIŞI YATIRIMLAR İŞ KONSEYİ FOREIGN INVESTMENTS BUSINESS COUNCIL (DEİK)
OUT-OF-HOUSE CONSUMPTION ASSOCIATION (ETÜDER)	ROMANIA PAINT PRODUCERS FOUNDATION	CHAMBER OF AGRICULTURE ENGINEERS

*Organizations we take place in the Board of Directors



Caring for employees



CARING FOR EMPLOYEES



Employee Profile

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

[Read more p.38](#)



Employee Development

Yaşar Group as one of the leading Holdings in Turkey, actively supports personal developments as well as continuous professional development of its employees and establishes development plans in accordance with the 70:20:10 Effective Learning Model, describing the focus of learning methods. According to this approach; 70% of development is through experiencing, practicing and learning at work, 20% during relationship management and communication, and 10 % through formal education methods and in-class trainings.

[Read more p.46](#)



Employee Rights

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

[Read more p.42](#)



Occupational Health and Safety

Improving the scope of and implementing new further goals regarding occupational health and safety practices is a way of doing business in each Yaşar Group company. Accordingly, any current situation or activities related with OHS is under the supervision of the Board of Directors.

[Read more p.47](#)



CARING FOR EMPLOYEES

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The concept of “decent work” in the main and sub-texts of the United Nations and the Global Compact is one of the most fundamental values that determine the way the Yaşar Group works. Thus, the Yaşar Group primarily looks out for the basic rights of its employees and keeps their health, safety and prosperity in the forefront.

The Group is proud to be among the first company as recognizing the trade union rights in its organization. Employees of the Yaşar Group have been working as union members in Pinar Dairy since 1976, Dyo Coating since 1985 and Viking Paper since 2013.

For sustainable success, The Group is looking out for and supporting the personal and professional development of its employees, and has organized trainings and events, along with informing its employees about occupational health and safety in 2018.

The Group continued to add value to the society, via the perspective of their employees with high awareness and development-oriented mindset, through participating in corporate social responsibility projects. In order to ensure that the responsible production and consumption consciousness is not only confined to the management level and an interactive mechanism for transferring it to all employees is established, internal trainers have been determined and trainings have started to be given in the Group companies.

The Group puts great importance on high degrees of motivation and loyalty through its anti-discrimination approach, egalitarian understanding, and expansive working environment provided to its employees.

Employee Profile

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Total Workforce by Agreement Type

	Indefinite Term		Fixed Term Temporarily/ Contractual		General Total	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Number	5,094	1,146	84	21	5,178	1,167
Ratio of Total Employees	80.3%	18.1%	1.3%	0.3%	81.6%	18.4%

Percentage of Labor Force by Employment Type

	Key		White Collar		Blue Collar		Temporary		Total	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
2016	4.5%	1.3%	33.2%	11.1%	42.7%	4.4%	2.5%	0.4%	82.9%	17.1%
2017	4.6%	1.3%	33.7%	12.3%	41.2%	4.1%	2.4%	0.4%	81.9%	18.1%
2018	5.0%	1.4%	34.9%	12.5%	40.1%	4.2%	1.6%	0.4%	81.6%	18.4%

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

Total Labor Force by Employees and Supervised Workers

	Employees of Yaşar Holding and Companies		Supervised Employees		Total	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Number	4,166	942	1,012	225	5,178	1,167
Ratio	65.7%	14.8%	15.9%	3.5%	81.6%	18.4%

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

Gender Distribution in the Breakdown of the Employee Category by Companies

KEY	2016		2017		2018	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Yaşar Holding	43 %	57 %	48 %	52 %	53 %	47 %
Pinar Dairy	67 %	33 %	69 %	31 %	69 %	31 %
Pinar Meat	76 %	24 %	72 %	28 %	72 %	28 %
Pinar Water and Beverages	83 %	17 %	83 %	17 %	79 %	21 %
YBP	91 %	9 %	90 %	10 %	90 %	10 %
Çamlı Feed	91 %	9 %	92 %	8 %	95 %	5 %
Dyo Coating	75 %	25 %	74 %	26 %	74 %	26 %
Viking Paper	100 %	0 %	100 %	0 %	100 %	0 %
Altın Yunus	86 %	14 %	80 %	20 %	83 %	17 %
Yaşar Information Systems	90 %	10 %	90 %	10 %	82 %	18 %
Desa Energy	75 %	25 %	50 %	50 %	50 %	50 %
TOTAL	78 %	22 %	78 %	22 %	78 %	22 %

WHITE COLLAR COMPANY	2016		2017		2018	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Yaşar Holding	50 %	50 %	46 %	54 %	44 %	56 %
Pinar Dairy	66 %	34 %	65 %	35 %	66 %	34 %
Pinar Meat	70 %	30 %	65 %	35 %	61 %	39 %
Pinar Water and Beverages	75 %	25 %	74 %	26 %	76 %	24 %
YBP	86 %	14 %	86 %	14 %	85 %	15 %
Çamlı Feed	72 %	28 %	70 %	30 %	69 %	31 %
Dyo Coating	72 %	28 %	71 %	29 %	70 %	30 %
Viking Paper	71 %	29 %	69 %	31 %	71 %	29 %
Altın Yunus	77 %	23 %	74 %	26 %	78 %	22 %
Yaşar Information Systems	61 %	39 %	64 %	36 %	71 %	29 %
Desa Energy	79 %	21 %	79 %	21 %	80 %	20 %
TOTAL	75 %	25 %	74 %	26 %	74 %	26 %

BLUE COLLAR COMPANY	2016		2017		2018	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Yaşar Holding	58 %	42 %	70 %	30 %	70 %	30 %
Pinar Dairy	90 %	10 %	90 %	10 %	88 %	12 %
Pinar Meat	82 %	18 %	82 %	18 %	83 %	17 %
Pinar Water and Beverages	90 %	10 %	89 %	11 %	86 %	14 %
YBP	100 %	0 %	100 %	0 %	95 %	5 %
Çamlı Feed	98 %	2 %	99 %	1 %	96 %	4 %
Dyo Coating	99 %	1 %	99 %	1 %	95 %	5 %
Viking Paper	100 %	0 %	99 %	1 %	77 %	23 %
Altın Yunus	83 %	18 %	73 %	27 %	78 %	22 %
Yaşar Information Systems	-	-	-	-	-	-
Desa Energy	100 %	0 %	100 %	0 %	100 %	0 %
TOTAL	91 %	9 %	91 %	9 %	88 %	12 %

Gender Distribution in the Breakdown of the Employee Category by Companies (continued)

TEMPORARY COMPANY	2016		2017		2018	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Yaşar Holding	-	-	60 %	40 %	75 %	25 %
Pınar Dairy	-	-	-	-		
Pınar Meat	100 %	0 %	0 %	100 %	0 %	100 %
Pınar Water and Beverages	95 %	5 %	100 %	0 %	100 %	0 %
YBP	50 %	50 %	100 %	0 %	100 %	0 %
Çamlı Feed	100 %	0 %	50 %	50 %	29 %	71 %
Dyo Coating	89 %	11 %	91 %	9 %	92 %	8 %
Viking Paper	-	-	-	-		
Altın Yunus	72 %	28 %	68 %	32 %	72 %	28 %
Yaşar Information Systems	-	-	-	-		
Desa Energy	-	-	100 %	0 %		
TOTAL	85 %	15 %	86 %	14 %	80 %	20 %

Distribution of Total Workforce by Region and Gender

Region	2016		2017		2018	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
Aegean Region	12.2%	52.3%	12.1%	51.6%	12.5%	50.5%
Marmara Region	2.1%	16.9%	3.0%	15.6%	3.2%	16.5%
Central Anatolia Region	2.1%	10.0%	2.1%	11.0%	2.3%	10.6%
Mediterranean Region	0.2%	2.0%	0.3%	1.9%	0.2%	1.7%
Black Sea Region	0.1%	0.5%	0.1%	0.5%	0.1%	0.5%
South East Anatolia Region	0.1%	1.4%	0.1%	1.7%	0.1%	1.8%
Eastern Anatolia Region	0.0%	0.1%	0.0%	0.0%		
Total	16.7%	83.3%	17.7%	82.3%	18.4%	81.6%

Newly-Hired Employees by Their Age Groups

AGE	EXCEPT TEMPORARY AND SUB-EMPLOYER Number of Total Employees Recruited				INCLUDING TEMPORARY AND SUB-EMPLOYER Number of Total Employees Recruited			
	MALE	PERCENT	FEMALE	PERCENT	MALE	PERCENT	FEMALE	PERCENT
	UNDER 30 YEARS	151	29.2%	59	11.4%	992	51.7%	231
30-50 YEARS	249	48.2%	43	8.3%	549	28.6%	116	6.0%
OVER 50 YEARS	12	2.3%	3	0.6%	20	1.0%	10	0.5%
TOTAL	412	79.7%	105	20.3%	1,561	81.4%	357	18.6%

Newly-Hired Employees by Region

REGION	EXCEPT TEMPORARY AND SUB-EMPLOYER Number of Total Employees Recruited				INCLUDING TEMPORARY AND SUB-EMPLOYER Number of Total Employees Recruited			
	MALE	PERCENT	FEMALE	PERCENT	MALE	PERCENT	FEMALE	PERCENT
	AEGEAN	230	44.5%	67	13.0%	905	47%	236
MARMARA	130	25.1%	25	4.8%	314	16%	34	1.8%
CENTRAL ANATOLIA	36	7.0%	11	2.1%	314	16%	80	4.2%
MEDITERRANEAN	8	1.5%		0.0%	16	1%	5	0.3%
SOUTHEASTERN ANATOLIA	8	1.5%	1	0.2%	12	1%	1	
BLACK SEA		0.0%	1			0%	1	
TOTAL	412	79.7%	105	20.3%	1,561	81.4%	357	18.6%

Employee Turnover Rates by Age Distribution

Personnel turnover rate by age distribution	Number of employees at the beginning of the year		Non-Group Employment		In-Group Transfer		Resigned		Turnover Rate	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
UNDER 30 YEARS	229	530	63	177	0	1	42	150	14.4%	21.2%
30-50 YEARS	692	3,578	39	225	7	10	96	450	13.0%	11.8%
OVER 50 YEARS	29	176	2	11	1	0	6	35	18.8%	18.7%
TOTAL	950	4,284	104	413	8	11	144	635	13.6%	13.5%

Employee Turnover Rates by Region

Personnel turnover rate by region	Number of employees at the beginning of the year		Non-Group Employment		In-Group Transfer		Resigned		Turnover Rate	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Aegean Region	649	2,701	66	231	7	8	102	436	14.1%	14.8%
Marmara Region	175	870	25	130	1	2	26	135	12.9%	13.5%
Central Anatolia Region	101	493	11	36	0	0	13	50	11.6%	9.5%
Black Sea Region	4	33	1	0	0	0	1	0	20.0%	0.0%
South East Anatolia Region	13	105	0	8	0	0	1	10	7.7%	8.8%
Eastern Anatolia Region	8	82	1	8	0	1	1	4	11.1%	4.4%
TOTAL	950	4,284	104	413	8	11	144	635	13.6%	13.5%

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

	Total number of employees entitled to parental leave		Total number of employees granted parental leave		Total number of employees returning to work after the end of parental leave		The total number of employees returning to work after the end of parental leave and still working after twelve months from returning to work	
	Female	Male	Female	Male	Female	Male	Female	Male
2018	49	242	49	235	37	235	33	207
TOTAL								

2018	Rate of Returning to Work	Rate of Retention at Work
FEMALE	76 %	89 %
MALE	100 %	88 %

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

	2016		2017		2018	
	Female	Male	Female	Male	Female	Male
Senior Manager*	17 %	83 %	12 %	88 %	8 %	92 %
Director	25 %	75 %	29 %	71 %	28 %	72 %

	2016		2017		2018	
	Senior Manager	Director	Senior Manager	Director	Senior Manager	Director
Under 30 years	0 %	0 %	0 %	0 %	0 %	0 %
30-50 years	21 %	75 %	20 %	79 %	8 %	92 %
Over 50 years	79 %	25 %	80 %	21 %	62 %	38 %

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



Gender Based Representation of Individuals in Governance Bodies of the Organization

2018	Key	White Collar	Blue Collar	Temporary
Female	22 %	26 %	12 %	20 %
Male	78 %	74 %	88 %	80 %

Percentage of Employees' Diversity Categories Per Employee Category

2018	Key	White Collar	Blue Collar	Temporary
Under 30 years	0 %	21 %	25 %	70 %
30-50 years	80 %	77 %	72 %	23 %
Over 50 years	20 %	2 %	2 %	7 %

Distribution of Disabled Workers by Employee Category

Year	Disabled Employee	Working Number	Percent
2016	134	5,394	3
2017	129	5,241	3
2018	130	4,981	3

2018	Key	Ratio	White Collar	Ratio	Blue Collar	Ratio	Temporary	Ratio	Total
Number of Disabled Employees	0	0 %	70	54 %	59	45 %	1	1 %	130

Employee Rights

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Appropriate Working Conditions

Yaşar Group focuses on employee satisfaction in all its operations and activities and provides appropriate working conditions for its employees. With this approach, the Community has a working environment in which all employee rights specified under the Basic ILO Conventions are respected.

Labor and Labor Force

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

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

Equality of Opportunity and Non-Discrimination

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Our Group, which encourages its employees training and improvement, provides equal opportunities to all of its employees where the criteria such as religion, sex, age and marital status are not determinative in any human resource processes such as remuneration, performance evaluation, promotion, appointment, training and development. The qualifications and competencies required for a position in recruitment process are assessed on the basis of the applicant's suitability, there is no difference in recruitment and remuneration between men and women. In 2018, our employees did not have any complaint about discrimination in our Group. Yaşar Group has taken place in the "Equality Platform in Business" which was brought into the agenda by the World Economic Forum and continued under the leadership of the Ministry of Family and Social Policies.

Supporting empowerment of women in every sector we operate; the Group signed the "UN Women's Empowerment Principles CEO Support Declaration" in 2012 to make a commitment in implementing correct gender policies. The Group also took place in the "Women's Empowerment Working Group" established by the Board of Directors of Global Compact

Turkey, also the Group was the spokesperson of the "Global Compact Turkey Women's Empowerment Izmir Platform" executed by ESIAD and IZIKAD found in Izmir.

Towards the Empowerment of Female Employees

During the reporting period, 19% of the promotions to the executive level consisted of female employees. This rate is 50% in expert staff. The rate of female university students and female high school students are 70% and 40% in the internship programs respectively, which are considered as an important workforce pool for recruitment.

Pregnant and breastfeeding employees of the Group work within the time limits specified in the law a woman continue to work in their remaining position after returning from maternity leave.

Pinar Meat, one of the Group companies, provides legal rights and practices training to ensure that all pregnant female employees can continue their working life. This trial process is aimed to extend more.

Child Employment

408-1

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



Forced Labor and Involuntary Servitude

409-1

In all companies operating within the Yaşar Group, the working days and times are announced to employees by defining public, general and weekly holidays. More work can be done through the approval of employees for higher work quality and increasing production. These conditions are laid down within the written conditions of the Law and the fees are paid in the same way as mentioned there. Job descriptions are set for the employees of the Group

companies and they are notified when they start work; Documents related to job description are shared in the company through the common system which is used according to ISO 9001 and is open to employee access. There is no incident in the Yaşar Group that has been submitted to the jurisdiction of forced labor and slavery in 2018.

Trade Union and Collective Labor Agreement

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

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

Percentage of Union employees

	Pinar DAIRY		Pinar MEAT		DYO COATING		Viking Paper	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
2016	6.6%	55.2%	14.0%	61.7%	0.7%	54.0%	0.0%	64.1%
2017	6.5%	53.6%	13.6%	60.9%	0.6%	54.0%	0.4%	63.6%
2018	6.6%	56.1%	13.3%	58.9%	0.6%	46.6%	1.0%	61.9%

Recruitment

The Yaşar Group, evaluating human resources by objectively considering the criteria of knowledge, skill and experience required by the position in the light of "science, unity, success" principle.

In human resources management, the Group values bringing a participative management approach considering sharing information and the spirit of unity valuable, is open to all science-based developments and has qualified, trained and experienced staff adopting success-oriented activities together through its human-oriented management approach. Applicants who want to work in the Group can make their applications directly through the Yaşar Group website or recruitment sites. Internship and job advertisements are published via the Yaşar Group website, and the candidates can register their resumes to the application pool. As a result of the preliminary evaluations by the Company's human resources departments, negotiations are held with the appropriate department managers with these candidates and after the reference check, job offers are made to eligible ones. Candidates who cannot be evaluated positively are notified through career portal, e-mail or phone. Recruitment procedures are in accordance with the Labor Law No. 4857 and the Regulation on Non-covered personnel.



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

Employee Rights

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The Yaşar Group's emphasized people-oriented management approach prioritize the welfare of its employees. The Group's employees' rights and opportunities are listed in the table accordingly.

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

*Manager and above

**Unionized blue-collar social rights are not specified.



Employee Development

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Training and Development Activities

Total Employee Training Hours

Total Training Hours 2018	Key	White Collar	Blue Collar	Temporary	Total
Female	1.364	12.653	4.491	640	19.148
Male	3.020	22.372	35.673	4.180	65.245
Total	4.384	35.025	40.164	4.820	84.393

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

The Group's "Yaşar Academy" brand established in 2012, an education platform using the e-learning method, still continued its studies throughout 2018.

In Pinar Dairy, including the executives, all female employees get together with female producers on March 8 International Women's Day.

In 2018, YBP has continued to provide trainings and services for the development of its employees. Within these trainings, the Employee Counseling Center (Job Psychologist) provides consultancy services that can help our employees not only with issues related to their career development but also to their personal life. On the other hand, Leadership Development Coaching trainings are provided to employees who are promoted or whose team members have changed. The Shadow Light Program, brings first level managers and senior managers together, enabling internal know-how transfer, best practices sharing; ensuring continuously maintained corporate culture and loyalty. Available positions in the company are filled with the current employees through the Career Planning Module. During the reporting period, sustainability trainings were also provided to employees and managers in regional offices. Orientation, professional and personal development trainings for new hires; first aid trainings, trainings for branch employees and managers are delivered annually, ensuring development of all employees.

Viking Paper supported its employees through orientation trainings, job trainings, personal development trainings, management skills trainings, specialist trainings, technical and vocational trainings as well as seminars and conferences, occupational health trainings, emergency and fire fighting trainings, first aid trainings, legal trainings, quality and environmental trainings with the emphasis on employee development.

Pinar Meat carries out regular trainings and informing activities throughout the year in order to develop their focus points, occupational management and skills. Additionally, the company declared Sustainability OHS Days within itself along with film therapy trainings.

Dyo Coating makes the necessary adjustments according to the annual worker-managers meeting feedbacks. This way, trainings implemented within the company are determined and adjusted by employee demands.

Pinar Water plans trainings for specific departments with the company according to their needs and wants periodically, and pursues it in an iterative routine to keep the support and development of its employees on an increasing trend. Some of these trainings are technical trainings that include food safety, occupational health and safety trainings, customer satisfaction trainings and quality production process-oriented trainings.

Yaşar Academy

In 2012, under the Yaşar Academy brand by means of e-learning methodology, the users of the education platform have been increased in 2013 and 2014 and all White collars and blue collars supervising staff have been included in the system. In 2018, trainings of the learning platform involving 2,906 people have been separated as selective and compulsory.

Employees can choose as much as they want from 45 compulsory and 147 elective courses and 284 videos, depending on their function and the skills they want to improve. In addition to the ready content, the Yaşar Academy also shares its policies with its employees through the Yaşar Academy learning platform, which describes the policies, procedures or ways of doing business of Yaşar Group companies.

The Yaşar Group invests in its employees and has organized training programs and projects aimed at accelerating active work towards the development of employees' personal development and global citizenship awareness.

Talent management and lifelong learning programs were created to support employees' career management and professional development.

Best Practices and Developments from Companies

Career Management System

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Yaşar Talent Management

In order to ensure the continuity of the Yaşar Group's leadership knowledge, to preserve and improve the institution's knowledge and experience, to anticipate the needs of the next period, and to keep the workforce ready to back up positions, in 2017, Yaşar Talent Management has been implemented in 5 companies selected as pilots, and it has extended to 6 companies in 2018. By means of the Yaşar Talent Management, the needs for the career expectations and development needs of managers and employees can be met.

Mentorship

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



Occupational Health and Safety

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Yaşar Group has always considered occupational health and safety as a priority, and as a natural part of its production and service activities. In accordance with out zero accident target, employees are trained to adopt and internalize occupational health and safety practices aimed at protecting employees and their assets; and to carry out first interventions for any possible accidents.

Improving the scope of and implementing new further goals regarding occupational health and safety practices is a way of doing business in each Yaşar Group company. Accordingly, any current situation or activities related with OHS is under the supervision of the Board of Directors.

Yaşar Group OHS Training Hours

Total Training Time		Total Employee Number		Average Training Time Per Capita	
Female	Male	Female	Male	Female	Male
8.460	37,845	1,046	4,875	8.1	7.8

Pinar Dairy

- In 2018, banners were placed in activity fields to increase OHS awareness amongst employees. By tracking the emergency team on shift through the system, fast and efficient access has been provided for any case of emergency.
- In 2018, trainings and workshops on Occupational Health and Safety, Environment and Zero Waste Management and on Energy Efficiency has been provided to Pinar Dairy factory workers.
- Occupational Health and Safety Committee meetings has been conducted, 50 resolutions in Eskişehir, 78 resolutions in Izmir, and 61 resolutions in Urfa has been recorded.

- In order to extend the usage of Personal Protective Equipment (PPE), lockers have been provided and catalogs on PPE has been published.

- Pinar Dairy Visitor's Brochure which includes OHS rules has been formed for all visitors entering the factories.

- In 2018, we have carried out a fire drill co-operated with the Şanlıurfa Municipality and Organized Industrial Zone Fire Department and increased fire consciousness of employees.

- Examination on work accidents, establishment of root cause analysis team and evaluating any kind of accident in separate meetings are targeted for the year • The main OHS goal for the year 2019 is decreasing work-related accidents by 10% compared to previous year. In this sense, providing information on OHS to people whether visiting or working (no matter duration of work) in facilities is one of the crucial objectives

Viking Paper

During 2018, within the scope of OHS, regular OHS Committee meetings have been held once every 2 months. Within the reporting year, an efficient control system has been established, which includes the use of Personal Protective Equipment (PPE), subcontract control, work permits control, regular inspection of work vehicles and forklifts, etc. "The Emergency Plan" has been revised, an emergency drill has been conducted. Information on work accidents and near miss events was provided and research reports were prepared and shared with employees. Working staff were provided with the details of the work accidents and their principles to

prevent them from ever emerging again by holding informative meetings. Applied casualty trainings were given to the working personnel in return to the work accident reports. Thanks to these efforts, in 2018, cases of accidents occurred as minor injuries and non-lost days work accidents. In 2018, there were no cases of occupational diseases in Yaşar Group. After the assessment was carried out, necessary measures were taken against the risks and employees were informed about it. During 2018, OHS trainings provided to Viking Paper staff is estimated as 9.91 hours per personnel.

YBP

In 2018, the aim was not to limit the OHS awareness and applications with the Group, but to spread it to business partners. Accordingly, "Nace Codes" have been examined by communicating with YBP dealers and they were informed about the ones they were obligated to fulfill under the law along with their current hazard classes. In 2018, sharp surfaces inside the distribution means were coated with shock absorbing material

in order to prevent head injuries. The vast majority of work accidents in 2018 occurred because of falling off the car's chassis. To prevent these accidents, necessary measures will be taken in 2019, and with additional trainings, zero work accidents are targeted for 2019.

Dyo Coating

During 2018, necessary adjustments in order to prevent major industrial accidents in accordance with Seveso III Directive has been reported to Ministry of Environment and Urbanization. Following these notifications, Seveso and Work Equipment Regulation related measurements, controls and necessary regulations have been implemented starting from Çiğli Factory, and it has been done according to the planning for the year of 2018. Hazop risk assessment has been completed, actions started to be initiated.

Compatibility checks with ATEX and EX equipment has been done, and planning required for these equipment's has been set as well. Risky equipment regulations and required trainings are planned to be conducted in 2019. Full compliance with legislation for new chemical storage areas has been ensured. Warehouse layouts has been put up next to the entrance. Custom storage matrices has been revised to update the storage rules. Air conditioning system in work places is completed, fresh air intake labelled as hot or cold has been set in order to maintain a healthy and comfortable work environment. In order to prevent waist injuries, load lifters and empty container lifting apparatus have led to healthier working condition.

With synthetic resin tank refills, a new system is followed which

led to reduction in fire risk. The number of active in-house Sprinkler fire extinguisher systems has increased, and the pump station has extended via new fire water pumps, which all led to a more effective fire extinguishing system and thus, decreased the firefighting-oriented risks. In order to reach fire alarm zones quicker, additional monitors that point out the alarm zones has been places within the enterprise. With this action, a quicker access to pointed zones has been maintained. In the conducted fire drills, the duration of arrival disregarding the alarm has improved 20%.

The OHS trainings and fields inspections done in 2018 has been revised in order to decrease behavior-oriented work accidents and number of lost days because of it, which consists 89% of all work accidents. Resulting from these efforts, in 2018, 3% of work-related accidents decreased, and 45% of number of lost days resulting from work-related accidents decreased. In 2019, assessment documents will be updated for further reduction of behavior-oriented work accidents (the target of OHS trainings). With new studies to be implemented, "Zero Work Accidents" target is aimed by reducing the severity and the quantity of work accidents, and with reduction in the weight and frequency of work accidents as well.

Pinar Meat

Pinar Meat has conducted its OHS activities with "Zero Accidents" target in 2018. Pinar is the leading firm in its relative sector to obtain the OHSAS 18001 Occupational Health and Safety Management System certificate.

In order to prevent and diminish work accidents, and unsafe situations/actions, Pinar Meat carries out risk assessments constantly. OHS risk analysis prepares and applies plans to prevent potential work accidents or occupational diseases.

With the Notion of operational perfection, diminishing work accidents has been a target and in that sense, robotic systems suitable for automation have been preferred in order to benefit from technology efficiently. The Group

has declared Sustainability and OHS Days to diminish work accidents by transforming awareness into action by holding OHS trainings and by enacting From Theater Method on the scope of work-life balance and male-female relations.

Pinar Meat, respects social, political and cultural values in its activity fields, acts accordingly to the laws and business ethics rules. With corporate and social responsibility understanding, the safety of subcontractors and suppliers are taken into consideration and legal compliance of the companies that we are going to work together are checked beforehand. Information regarding changing legislations will always be provided to the companies that we work together with.

OHS Committees

403-1

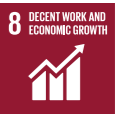
Yaşar Group companies comply with the rules set out in the related laws and regulations following their occupational health and safety programs. In this context, there are occupational Health and Safety Councils in companies where there are more than 50 employees and more than six months of continuous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

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

b) In a workplace, if only the number of employees of the actual employer is fifty or more, the committee is established by the primary employer. The subcontractor who is not obliged to form a committee appoints and authorized representative by Proxy to coordinate the implementation of the decisions taken by committees.

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

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



Workplace Danger Classifications and OHS Rules

Company	Workplace Hazard Class	OHS Committee	Percentage of employees represented by the OHS Committee
YAŞAR HOLDİNG	LESS DANGEROUS	YES	The OHS Committee covers all staff members
Pınar DAIRY	DANGEROUS	YES	The OHS Committee covers all staff members
Pınar MEAT	DANGEROUS	YES	The OHS Committee covers all staff members
Pınar WATER AND BEVERAGES	LESS DANGEROUS	YES	The OHS Committee covers all staff members
YBP	LESS DANGEROUS	YES	The OHS Committee covers all staff members
ÇAMLI FEED	Ören İşletmesi VERY DANGEROUS/ Other İşletmeler DANGEROUS	YES	The OHS Committee covers all staff members
DYO COATING	VERY DANGEROUS	YES	The OHS Committee covers all staff members
VİKİNG TISSUE	DANGEROUS	YES	The OHS Committee covers all staff members
ALTIN YUNUS	LESS DANGEROUS	YES	The OHS Committee covers all staff members
YAŞAR INFORMATION SYSTEMS	LESS DANGEROUS	YES	The OHS Committee covers all staff members
DESA ENERGY	VERY DANGEROUS	YES	The OHS Committee covers all staff members

Work Accidents and Missing Days

YEAR 2018	Accident Frequency Rate		Missing Day Rate		Absence Rate	
	Female	Male	Female	Male	Female	Male
Pınar DAIRY						
Aegean Region	30.9	46.01	0.03	0.40	0.115	0.103
Marmara Region	0	0	0	0	0.103	0.044
Central Anatolia Region	53.27	35.74	0.17	0.34	0.105	0.96
Mediterranean Region	0	0	0	0	0.000	0.098
Southeastern Anatolia Region	0	21.19	0	0.14	0.064	0.054
Pınar MEAT						
Aegean Region	25.04	59.95	0.12	0.38	0.630	0.190
Marmara Region	0	0	0	0	0.130	0.160
Pınar WATER AND BEVERAGES						
Aegean Region	12.70	13.73	0.01	1.28	0.001	0.001
Marmara Region	0	18.53	0	0.04	0.002	0.000
Central Anatolia Region	111.1	0	0	0	0.000	0.000
YBP						
Aegean Region	0	23.14	0	0.10	0.111	0.083
Marmara Region	13.68	24.11	0.03	0.16	0.134	0.088
Central Anatolia Region	0	7.29	0	0.03	0.119	0.084
Mediterranean Region	37.38	6.63	0.93	0.01	0.087	0.091
Black Sea Region	0	0.00	0	0	0.000	0.000
ÇAMLI FEED						
Aegean Region	7.29	32.01	0.01	7.94	0.110	0.080
DYO COATING						
Aegean Region	0	34.03	0	0.14	0.061	0.045
Marmara Region	0	42.89	0	0.38	0.055	0.030
Central Anatolia Region	0	0	0	0	0.005	0.009
Black Sea Region	0	0	0	0	0.003	0.004
Mediterranean Region	0	0	0	0	0.002	0.003
Southeastern Anatolia Region	0	0	0	0	0.001	0.003
VİKİNG TISSUE						
Aegean Region	5.63	46.18	0.01	0.47	0.113	0.092
ALTIN YUNUS						
Aegean Region	0	25.05	0	0.025	0.003	0.001
YAŞAR INFORMATION						
Aegean Region	0	0	0	0	0.181	0.113
DESA ENERGY						
Aegean Region	0	19.32	0	0	0.000	0.007

Female	Male
FOOT SLIPPAGE, FALLING, TWISTING	HAND/FOOT JAMMING
HAND/FOOT JAMMING	FOOT SLIPPAGE, FALLING, TWISTING
CUTTING	CUTTING
MATERIAL PART FALLING	MATERIAL PART FALLING
MEDIUM DEGREE BURN	ENTRY OF CHEMICAL INTO THE EYE
	MEDIUM DEGREE BURN
	ENTRY OF FOREIGN MATERIAL INTO HAND/FOOT
	EXPOSURE TO SMOKE



Caring for society



CARING FOR SOCIETY



Consumer/ Customer Health and Safety

With the main idea of “Adding value to life”, Yaşar Group operates in a structure that complies with the laws, national and international standards and audited regularly by authorized institutions and organizations. Yaşar Group considers consumer and client health as priority.

[Read more p.59](#)



Sustainable Agriculture and Livestock

Being aware of the key role of the efficient and responsible use of natural resources and the support of sustainable agriculture and animal husbandry is part of solution to the climate change problem, Yaşar Group supports and develops all its stakeholders, particularly its producers.

[Read more p.70](#)



Quality, Innovation and R&D

Yaşar Group carries out its activities with scientific and innovative solutions by considering certain quality standards and strengthens its R & D activities. The difference made by Group companies in their own sectors; It has emerged as a result of synthesizing its scientific and innovative works with data-based and rapid decision-making ability and considering sustainability of product quality.

[Read more p.64](#)



Social Investments

Yaşar Group conducts efficiency studies by providing trainings to its suppliers and manufacturers with its resources, and also contributes to the society through R&D projects, greenhouse gas and waste management studies and social investments.

[Read more p.71](#)

CARING SOCIETY



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The approach of taking good care of the society in Yaşar Group, is all of the values that reflect the healthy and reliable delivery of products and services, as well as the community's corporate citizenship awareness and the performance of this consciousness. The most important priority of Yaşar Group since its foundation has been the health and safety of its consumers and customers in all circumstances and has been continued its business approach in this concept.

The business approach of the Group is managed in parallel with the era it is in, and it is carried out in a quality-oriented way for science-based, sustainable production with R & D studies that can meet the needs of the society. In line with the Global Development Goals, Yaşar Group presents its work around the principle of customer and public health that it has prioritized.

In addition to the needs formed by the requirements of the era, the Yaşar Group approaches the needs of all geographies and cultures in which it offers products and services in an innovative and egalitarian perspective, in line with the principle of customer and public health. In addition, Yaşar Group closely follows the social issues and studies in the geographies where maintained operates and supports and tries to be a part of it. In addition to direct or indirect initiatives, Yaşar Group Companies implement their own corporate social responsibility projects in their operating regions, contribute to the development of the society and set an example for the sectors in which they operate with these projects Yaşar Group approaches all of the circles in the value chain with the same dedication and inclusive perspective and directs its social activities in this direction. Adopting the principle of customer and public health, the group is committed to taking steps with all its stakeholders in this context and to create a common awareness by sharing its resources.

Yaşar Group has carried out studies in line with its business targets for "Caring Society" and aligned these efforts with its Sustainable Development Goals.

Yaşar Education and Culture Foundation carries out its activities by contributing to modern and qualified education for the development of the society by keeping the focus on being beneficial to the society with educational institutions.

Within the framework of the sustainable agriculture approach, the Group continues its efforts to develop the agricultural sector in which it is involved, and the innovative works of the Group are detailed under the heading "Sustainable Agriculture and Livestock".

Aiming to create a society of healthy individuals with the products it offers, the Group has carried out many activities in this context. The studies are detailed under the heading "Consumer and Customer Health and Safety".

The following projects were actualized in 2018 in order to establish cooperation to contribute to the development of all stakeholders in the value chain:

- In the scope of the "Future of Our Milk is in Conscious Hands" project carried out by Pinar Dairy & Çamlı Feed in cooperation, a total of 339 producers were reached in Eskişehir, Kütahya, Afyon, Izmir, Aydın and Bursa provinces on "animal health" and "animal nutrition" issues. In 2018, the participation of women producers in milking practices and hygiene was emphasized and 141 women's producers have been trained in this context. The number of producers reached during the project for 4 years has increased to over 7000.

In Izmir, Aydın, Eskişehir and Bursa, face to face surveys were carried out with both milk producers who have received education and who have not received

education. In order to understand the perception, attitudes and behaviors of dairy farming, face-to-face interviews were conducted with the elders of the villages (village headmen, milk collection plant managers, cooperatives) as well as the male and female producers. During the quality and productivity studies carried out in pilot applications, ethnographic observations were made on the farms where the application was made. A total of 615 milk producers and stakeholders participated in the Social Impact Survey conducted between October 2017 and October 2018.

• Dyo Coating "the Value for Tomorrow" Project

Dyo Coating's social responsibility project "the value for tomorrow" aims to build a better future by creating sustainability practices based on scientific data and foundation.

In the first stage of the project, an advisory board was established with the theme of "it is worth of learning" from the academicians of Mimar Sinan Fine Arts University, Faculty of Architecture and Department of Educational Sciences. This board has prepared training content which gives information about color, space usage, heat and light elements. Within the scope of the project, trainings were given to administrators, teachers and members of the school family association.

During the 2015 - 2016, 2016 - 2017 and 2017-2018 academic year, a total of 1,696 teachers, 42,003 students and 83,966 parents were involved in 105 schools in total.

The education aims to increase the quality of life and success of children and to be aware of aesthetic values.

Again, under the project "the value for tomorrow", works were made with the theme "it is worthy of mastership". In this direction, 416 paint Masters were trained by Mimar Sinan Fine Arts University in 14 provinces throughout Turkey. With the trainings, masters who have a professional qualification certificate, experienced color and space composition with an architect's eye.

- Viking Paper and Izmir Institute of Technology met with students in various events and platforms and realized project and collaboration studies. Presentations were made by the employees of the company during the events.

• YBP supports the development of visually impaired people with Braille alphabet

One of the customers of the company, Big Chef Restaurant Chain Kitchen Coordinator Chef Murat Aslan was supported to create special poetry books for visually impaired people in order to support the minority community. All pages of the book, printed in Braille, contain a QR code. By means of the mobile application developed, these codes can be read and the poems can be heard from the voice of the author. The income of the book is distributed as a scholarship to visually impaired children.

- Sister School Project: Within the scope of sister school, in 2018, kermes was organized in Esenyurt and Dudullu region. Income from the lottery and the issued kermes helped meet the school's needs.

- Surplus Food Project: Surplus food is a technology initiative that serves to reduce the waste resources of businesses and prevents food waste and Supported by the United Nations Development Programme (UNDP). With the joint project launched with the cooperation of Pinar Dairy, YBP, Migros and Surplus Food, non-expiry returns are provided free of charge through the 'food donations markets'.

Consumer and Customer Health & Safety



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With the main idea of "Adding value to life", Yaşar Group operates in a structure that complies with the laws, national and international standards and audited regularly by authorized institutions and organizations. Yaşar Group considers consumer and client health as priority.

In 2018 Yaşar Group, which renews itself with the aim of maintaining and strengthening the trust in its brand, while bringing new products to the sector by constantly following the trends in Turkey and the World, continued to add value to consumers and client's life in accordance with set goals with its work and applications that can be an example for the sector.

Best Practices and Developments from Companies

Pinar Dairy

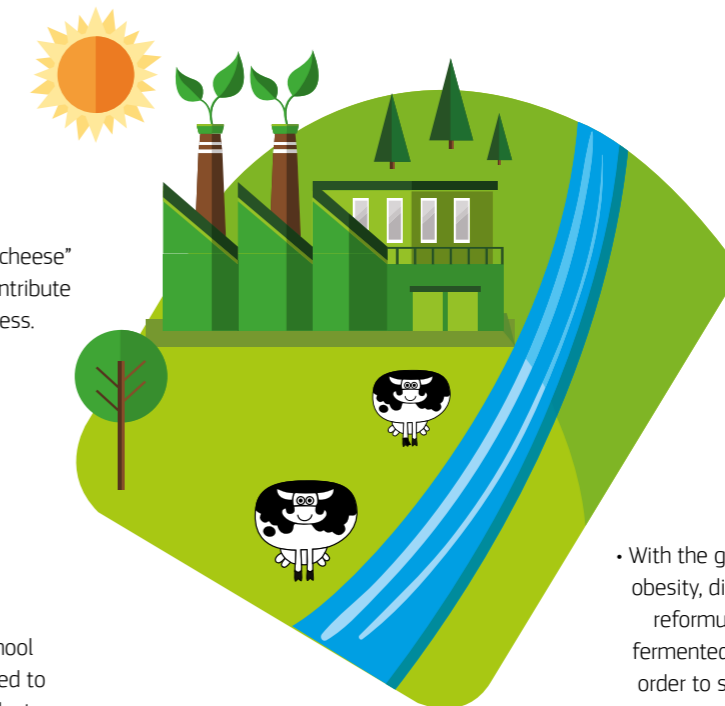
- With the Pinar Dairy's mission of raising healthy generations, in addition to Pinar Protein Family's launch in 2017, Pinar Kefir Family products launched in parallel with healthy living trend and gained great appreciation in 2018.

- Pinar Dairy launched Pinar Protein Milk with new concept "street art", targeting young consumers and with flavours; strawberry and banana-peanut.

- In addition to healthy living trends, Pinar Dairy continues its works in sustainability with different projects. Within this scope, milk packages supplied from sustainable forests, yogurt packages designed in a way that it can be used in different areas later by consumer.

- "Low-fat, low-salt cottage cheese" presented to customer to contribute to healthy living awareness.

- "Suited to be sold in school canteens" expression added to the Kido and Pipetto products. These products are in flavored milk group and formulated for school canteens.



- With the growing up in health problems such as obesity, diabetes, hypertension among society, reformulations work carried out in cheese, fermented products and fruit juice category in order to support fat, sugar and salt decrease in daily diet of consumers and contribute to healthy living awareness.

- With the R&D works, between 13% and 26% fat reduction in cheese category, 17% fat decrease in fermented products and between 5% and 19% sugar reduction in fruit juice are conducted. When all product categories evaluated 326 tons table sugar, 641 tons saturated fat and 860 tons table salt removed in total from formulations in 2018.

Dyo Coating

• All products covered in CLP(SEA) regulations are classified, label and safety data sheets are created. Warning symbols, warning sentences and precautionary statements, classification related content information and warning word are put on labels (printed packages). Additionally, Security Information Forms (MSDS) are created for all products in this scope. These informations are accessible to public in dyo.com.tr website.

• Teknoplast, Nanoipekmat and Djjoyen products forms the product groups that licensed and produced in accordance with Biocidal Product Regulations. Consumer are informed in products labels with compliant warning phrases and precautionary statements.

• Clients are informed with a letter including Security Information Forms (MSDS) prepared or updated in 2018, domestic and foreign hazardous chemicals legislations including REACH and KKDIK and examinations on hazardous chemicals used in sector.

• Efforts to raise awareness on the subject are continued with the release of chemical classifications (REACH) equivalent KKDIK Legislation.



• As a result of the examination and evaluation studies, toxic and environmentally harmful chemicals phthalate and plasticizers were removed from the auto repair group product formulas and replaced by much lower environmental risk alternatives.

• A large number of R&D projects for water-based products continued to be implemented. In this respect, the efforts to develop water-based domestic resins have increased and compliance with the sustainability aspect of the subject has increased.

• Toluene raw material removed from the public offerings. Industrial customers were provided with training in the Dyo Coating Factory or in their own factories.

Pinar Meat

• Studies are carried out to reduce the amount of salt and sodium in the products. Voluntary salt / sodium reduction commitment submitted to the Ministry of Health.

• Studies are carried out on the use of natural sourced additives in meat products.

• With the studies carried out, the use of food additives decreased by 6% compared to the previous year.

• Studies are carried out to reduce the saturated and unsaturated fat used in the products.



• For school canteens, product studies with low saturated fat, low sodium and low energy content were carried out in accordance with food and beverage standards prepared by the Ministry of Health. The compliance of the product studies with the EU Pledge Nutrition Criteria which are low energy, low saturated fat, low sodium, low sugar and high protein criteria which products should carry for food and beverage advertisements which can be published to children under 12 years of age in European Union were also evaluated. For school canteens, 7 products that meet the energy, sodium and saturated fat limits determined by the Ministry of Health were added to the portfolio.

Pinar Water and Beverages

• Water resources are periodically monitored and controlled for possible biological, chemical, physical and radiological changes. These controls cover many control points, from the water source to the production of water. In addition, there are devices on the water line (in-line) before the natural spring water is taken into production and these devices are continuously and automatically measuring the basic compliance indicator parameters of the water. In case of changes that may occur in water and can be defined as nonconformity, automatic discharge of water is provided by the signal coming from these devices, preventing water from being approved for production. Periodic controls are made against the risks of physical, biological and chemical contamination that may be caused by factors such as equipment, production area or personnel within the scope of food safety plans at production stages. These controls verify the effectiveness of the preventive activities and ensure that the appropriate production conditions are maintained. All kinds of input materials taken into production are controlled according to the specified methods and are included in the production processes after they are approved. All elements of the auxiliary facilities that may affect the product safety are also checked periodically and their suitability is confirmed. In all these monitoring, control and analysis processes, scientific developments and technical developments that can contribute to rapid and effective approval processes are closely monitored and implemented. Studies are carried out with universities; research institutes and other legal national and international authorities and activities are carried out to protect product safety and consumer health and safety.

• Product development activities are carried out to ensure that only natural beet sugar is used as a sugar source in beverage production and glucose / fructose syrups are not included in the product contents. In the selection of sweeteners, the health effects factor of the sweeteners is taken into consideration and the development of sugar-free products is emphasized. In the case of the use of colorants in beverage products, only natural colorants are preferred.



Viking Paper



• In 2018, the "Recycling Information" brochure was prepared and distributed to the customers, which includes paper recycling processes, benefits of recycling and AFH channel products produced from recycling.

Consumer and Customer Information and Ethical Marketing

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The Group, in all of its products, renders the necessary information reachable for its consumers via labels, advertisements, website and social media. The sharing of the nutrition products, via labels, with consumers is subject to the provisions of Turkish Nutrition Codex Regulations. These provisions and the Labeling Guide conducted by the Turkish Republic Ministry of Agriculture and Forestry precisely determines the information that has to be on the label of a nutrition product. Having had the production and service information in absolute accordance with the special arrangements of the sector and the regulations and rules towards labeling, the group hasn't experienced any discordance regarding the issue during the reporting period. The Group acts in accordance with the legislations about marketing and introduction, being conscious of responsibilities in presenting the products to consumers via marketing tools takes priority.

The Group is in absolute accordance with the self-auditing advertisement committee principles published by "Advertisement Givers Society" in which it takes part as a member.

Consumer and Customer Satisfaction

Yaşar Group attaches great importance to consumer and customer satisfaction and constantly carries out studies in order to improve its products and services by assessing the feedbacks via regular surveys. The necessary actions, with the complaint and interpretation mechanisms, have been taken by having the feedbacks of the shareholders assessed via the consumer and customer surveys conducted in 2018.

Pinar Communication Center measures customer satisfaction for the brands such as Pinar Dairy, Pinar Meat and Pinar Water and Beverage. According to the data of the year 2018, the rate of customer satisfaction is 93%.

In 2018, YBP has implemented customer satisfaction survey to its 3000 customers (in which the customers remained anonymous).

Best Practices and Developments from Companies

Pinar Dairy

- A factory tour was made with nursery, junior and high school, profession schools and university students in 2018. Out of 71 schools; 1,318 at Eskisehir Factory, 1,224 at Izmir Factory, 391 at Urfa Factory, making 2,933 students in total, visited Pinar Dairy Factories. Consciousness-raising activities were made about producing healthy milk processes and the importance of milk consumption.

- The requests and complaints received by Pinar Communication Centre (PCC), which can be called from anywhere within Turkey via the number 444 76 27 without dialing the area code, are answered live; requests and suggestions are observed rigorously. According to the data of the year 2018, the rate of having successful calls is 90 %. Pinar Communication Centre is reachable through twitter.com/InfoPinar as well. PCC, perusing and solving the requests and suggestions coming through social media, responds to the consumers rapidly by its official Twitter account.

- Being an important applying source for the farmers who are specialized in meat and milk, Pinar Newspaper contains topics such as livestock, milk technologies and livestock health. The newspaper is published in every three months and prepared for the 18,000 producers who supply milk for Pinar.

- Consumers form a prominent bond with business partners, academic and bureaucratic communities with the magazine "Life With Pinar" since 2004.

- While families are given actual and beneficial information about the parent and child communication via Life with Pinar Institutional Social Media Accounts on Twitter, Facebook and Instagram; it also enlightens the youth about being conscious of sport and environment. Topics such as social responsibility and sustainability are also featured on the social media accounts. Thus, gathering different target groups is aimed.

Pinar Meat

- Launched in 2017 and bringing the "delicious and healthy life" principle to the masses, "Güzel Yaşa" magazine and internet platform draws attention that the secret of good living is to acquire correct and healthy eating habits. Social media channels continue to work as a reference point with this project. The journal, which is published quarterly, reaches 3,000 people from academics, athletes, doctors, dietitians and business world.

DYO Coating

- Decoration and home living magazine "Dyorum" is published every 4 months Readers are offered creative solutions for seasonal trends and fashion interior decoration. The magazine aims to inform every stakeholder who interested in interior decoration through the magazine provides information on DYO products and colors.

- One of the most important platforms for communication with consumers is social media accounts. Companies reach consumers through their corporate and product social media accounts.

YBP

OOH Marketing Activities

- With the demo chiefs, all work in Turkey were deepened. Providing prescription support especially for the lock OOH customers in the sales channel; lessons with Pinar such as offering Pinar product advantages and training on correct product use in contracted universities, product development support in R&D, and prescription-product / performance promotion activities were conducted in the regions.

- During 2018, there has been two Cheftalks meetings held with the brand ambassador chefs regarding the further development of the relevant sector. In April 2018 at Cookery School Graduates' Association AŞOMDER organization in Bolu Mengen, bringing college student chef candidates together with today's popular chefs, practical information has been transferred to the students, has reached about 3,000 professionals. Trainings were given to students about the Pinar products and the correct use of products.

- At the end of November 2018, the sixth SIRHA ISTANBUL Fair was held at the Istanbul Congress Center and the flavors created with Pinar products by many famous chefs like Hazer Armani, Ali Ronay and Ömür Akkor were shared. In cooperation with the gastronomic departments of the universities, delicacies were presented with the concept of "Speak Your Creativity with Pinar" and 11,500 professional people have been reached.

- In sector magazines (such as Food-in-Life, Patisserie, Food Time, Gastronomy, etc.), product promotions and recipe executions by chefs have been placed in order to increase product awareness amongst its target consumers and to broaden the product usage by giving recipe suggestions.

- Within the scope of Pinar Dairy, Bucket of Fresh Cheese was launched in 2018 and a high-performance product for cake making was offered to consumers and producers in the pastry producers' channel.

- Brochures and recipe booklets were presented to small companies in order to provide brand awareness and product information.

- Events attended:

Izmir Chocolate and Coffee Festival'18

Ankara Chocolate and Coffee Festival'18

Istanbul Coffee Festival'18

Ankara Coffee Festival'18

Sirha İstanbul 2018

Gastromasa 2018

Gelişim and Okan University Career Days and Seminars

%93

The rate customer satisfaction of Pinar companies in 2018

- Marketing activities for the non-household consumption channel is continually developed as part of the "Kısık Ateş"(Low heat) platform. It serves as a meeting point of gastronomy lovers amongst whom are; chefs, gastronomy students, academics, business owners and all individuals interested in gastronomy in Turkey. The platform aims to; create gastronomy database in Turkey; to transfer cultural values to future generations and to support the personal development of the gastronomy students through workshops. By the end of 2018; Kısık Ateş platform contributed to the development of gastronomy students and fans with 500 unique recipes, 150 promoted eateries, 120 blog posts about successful restaurants and industry trends in Turkey, 25 tips for those who want to get better in kitchen with the involvement of 18 expert editors. In 2018, more than 60,000 users visited the site monthly and Social media (Instagram and Facebook) followers reached 50,000 people. Kısık Ateş TV started broadcasting on YouTube at the end of 2018.

Quality, Innovation and R&D

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Quality management

Yaşar Group aims at continuous improvement in all fields of activity and continuously develops its pioneering service and product understanding in terms of operational perfectionism. The Group has established a quality management approach in its "Our Consumers and Customers First" approach by combining its corporate values with advanced technology, lean business conduct and defined distribution of each task. Group companies aim to ensure that their services and products reach high standards in the scope of compliance with international standards and quality management systems.

Yaşar Group carries out its activities with scientific and innovative solutions by considering certain quality standards and strengthens its R & D activities. The difference made by Group companies in their own sectors; It has emerged as a result of synthesizing its scientific and innovative works with data-based and rapid decision-making ability and considering sustainability of product quality.



Innovation and R&D Work

As a result of Yaşar Group's quality understanding and R&D efforts for continuous improvement of quality, innovative products are developed. Yaşar Group stands out in the competition with its innovation and R&D activities in all fields of activity, particularly in the paint, food and beverage business. Innovation and R & D activities within the Group contributes to Turkey's sustainable growth and initiated new opportunities in new markets. In addition to the development of value-added products, the innovative approach followed in the processes reinforces the leadership of Group companies in their sectors.

Market research, consumer expectations and demands, areas that provide comparative advantage in competition, legal regulations and cost improvement efforts continues as a result of innovation and R&D studies.

Management Systems and Product / Service Compliance

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Yaşar Group fulfils the requirements of operational excellence while using its management systems and continuously improves its performance. In addition to this improvement, it has used different strategies in many areas such as quality, food safety, environment, customer satisfaction

and energy while developing its management systems. Quality and trust are offered to consumers and customers through delivered products and services and documented according to internationally accepted standards.

Management Systems and Product / Service Compliance Certificates

Management Systems and Product / Service Compliance Certificates	System Certificate	Pinar Meat	Pinar Dairy	Pinar Water	Dyo Coating	Altın Yunus	Viking Paper	Çamlı Feed	Desa	YBP
Quality management system	ISO 9001	X	X	X	X	X	X	X	-	-
Information Security Management System	ISO/IEC 27001	-	-	-	X	-	-	-	-	-
Food Safety Management System	FSSC 22000	X	X	-	-	-	-	-	-	-
Food Safety Management System	ISO 22000	-	X	X	-	-	-	X	-	-
Environmental Management System	ISO 14001	X	X	X	X	-	-	X	-	-
Occupational Health and Safety Management System Certificate	OHSAS 18001	X	X	X	X	-	-	X	-	-
Laboratory Approval Certificate for TSE Test Service	ISO 17025	X	-	-	-	-	-	-	-	-
Customer Satisfaction Management System	ISO 10002	-	-	X	X	-	-	-	-	-
Energy Management System	ISO 50001	X	X	-	X	-	X	X	-	-
General Conditions for Organizations Performing Conformity Assessment- Personnel Certification	TS EN ISO/IEC 17024	-	-	-	X	-	-	-	-	-
Automotive Sector and Suppliers Quality Management System	IATF 16949	-	-	-	X	-	-	-	-	-
Organic Production Organizations Certificate	-	-	X	-	-	-	-	X	-	-
FSC- CoC (Forest Stewardship Council) Management System	STD-50-001	-	-	-	-	-	X	-	-	-
	STD-40-004	-	-	-	-	-	X	-	-	-
	STD-40-007	-	-	-	-	-	X	-	-	-
GlobalG.AP	CFM	-	-	-	-	-	-	X	-	-
	Aquaculture	-	-	-	-	-	-	X	-	-
Halal Food Certificate	TS OIC/SMIC 1	X	X	X	-	-	-	-	-	-
Friend Of The Sea (Sea Conservation)	FOS	-	-	-	-	-	-	X	-	-
Good Agricultural Practices (ITÜ)	EOS	-	-	-	-	-	-	X	-	-
Turkish Standards Compliance Certificate	TSE TSEK	-	-	X	X	-	X	-	-	-
Good Agricultural Practices (ITU)	Su Ürünleri	-	-	-	-	-	-	X	-	-
Blue Flag	-	-	-	-	-	X	-	-	-	-
ECOCERT	-	-	-	-	-	-	-	X	-	-
Consumer Product	BRC	-	-	X	-	-	X	-	-	-
Hygienic Product GC Mark	-	-	-	-	-	-	X	-	-	-
Green Star	-	-	-	-	-	X	-	-	-	-
Ecolabel	-	-	-	-	X	-	-	-	-	-
Vegetarian Certificate	-	-	-	X	-	-	-	-	-	-
ESMA (UAE Standard)	ESMA	-	-	X	-	-	-	-	-	-
US National Sanitation Foundation	BNSF	-	-	X	-	-	-	-	-	-

Best Practices and Developments from Companies

Pinar Dairy

• Pinar Dairy introduced 39 new products and 74 new packages in 2018.

• Optimized fat and saturated fat ratios in products through the structural features. Contributed to the awareness of healthy living to the reduction of the disorders caused by excess weight and to provide economic sustainability with the reduction of energy taken from 1 portion.

• Doubled R&D Center area as a result of the construction of new laboratory and pilot plant in addition to the Technology Center Building, where Industry 4.0 project applications will be practiced.

• In order to extend the great success of Pinar Protein Milk and to meet the new demands of consumers, Strawberry and Banana&Peanut varieties were developed and introduced to the market in 200 ml and 500 ml.

• Following the healthy living trends, started the production of 'Semi-skimmed Organic Milk' in the organic milk for the consumer needs category.

• Pinar Kefir production started in April 2018 as a part of the importance of healthy nutrition. In addition to the plain, 3 different fruit varieties such as strawberry, forest fruit and apricot were offered to the consumers in order to make children love kefir. Kafir with fruits has been produced with low sugar content in accordance with the canteen regulations.

• Environmentally Friendly new product Pipetto enabled the use of milk permeate which is left behind during the filtration process of milk for cheese making. Pipetto branded beverages presented in the flavored milk category and contain nutritional milk sugar and useful minerals.

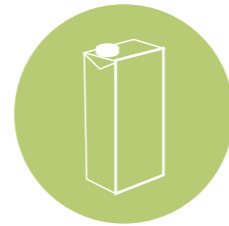
• Continues product studies on a long shelf life that provides operational flexibility and organoleptic profile suitable for the local market, which contributes both to the national economy and the company with the 'export'. In this context, developed crepe cheese for Russia and chocolate labne and long-life strained yoghurt products for the Middle East.

• Improved the carbon footprint and water footprint values through R&D in packaging. Both primary and secondary packaging, pallet standardization and optimization projects were carried out, reducing the use of plastic and paper for the environment. As a result of a change in fruit juice packaging, reduced 600 tons of carbon emissions and 61 tons of packaging in 2018. In addition, reduced 190 tons of carbon emissions and 34 tons of packaging through a project in sauces group. Reduced the carbon emission 60 tons as a result of other additional packaging projects. In total 850 tons of CO₂ improvement was achieved as a result of packaging projects.

• Pinar Dairy's R&D Center continued to develop new TÜBİTAK-TEYDEB projects in cooperation with industry and universities, which serve to the future in the field of corporate sustainability, in parallel with the Holding and company strategies. In addition, various projects have been realized in cooperation with Yaşar University. Carried out audits related to the approved 1501 and 1511 TÜBİTAK TEYDEB projects were, continued studies related to the projects and submitted three new 1501 TÜBİTAK TEYDEB projects. Bil-Tek Academy is an establishment founded by R&D personnel who have postgraduate education and have academic experience and conducts internal and external training activities in the Pinar Dairy R&D Center. Delivered trainings on the topics of 'Advanced Food Processing Technologies', 'Seasonal Changes in Milk', 'Food Allergies,

Intolerances and Some Metabolic Disorders', 'Intellectual Property Rights' and 'Sustainability'. With the participation of İzmir, Eskişehir and Urfa factories, 20 trainings have been held in 2018 and educated more than 455 employees on the identified training topics. Trainings lasted around 60 hours and related documents are around 900 pages in total.

• In 2018, Packaging Innovation E-Bulletin was presented to the employees in every two months. It includes the introduction of new Pinar Dairy products brought to market in Turkey and world markets and domestic and foreign food trends Innovation E-Bulletin. Science and Technical E-Bulletin deals with food trends, non-food trends, news from the world of science and the topic of the month and different topics, new packaging presented to the world market and in Turkey, and new trends in the packaging industry.



39

new products



74

new packages

Pinar Meat

• In 2018, the Company launched 24 new products with its R & D efforts.

• Developed 45 alternative products / suppliers.

• In the delicatessen section, the production lines where modified atmosphere packaging is made have been switched to automation. Box designs and paper quality suitable for automated lines were studied. The cartons are designed to match the operating mechanism of the robot arms. Packaged products are placed inside the boxes with robot arms and glued. In this way, the use of parcel labels and duct tape was eliminated in the production line. With the transition to automation in December 2018;

- Reduced approximately 145 kg of plastic due to the removed box tape. This value is expected to be approximately 1,740 kg in 2019.

- Reduced paper usage approximately 35 kg due to the removed scale label. This value is estimated to be approximately 420 kg in 2019.

• In order to contribute to environmental sustainability, efforts have been initiated to increase the number of parcels on shipping pallets. By increasing the number of boxes on a pallet, more products are shipped in one vehicle, and as a result of the studies. It aims to reduce the 18 units of shipped vehicles

and 189 tons of carbon emissions annually. When the study is completed on all products, it is foreseen to reduce 54 vehicles and 567 tons of carbon emissions annually.

• The R & D and Innovation Bulletin, which is published electronically every 2 months, informs the employees about food trends, new packaging and new products in our country and the world. In addition, each bulletin provides information on trending issues such as nutrition flows and future food sources.

• New product studies continue in line with the healthy living concept. In this context, studies on the use of natural sourced additives in meat products are carried out. A patent has been filed for the use of natural sourced preservatives and it is expected to obtain the patent in 2019.

• With the studies carried out, the use of food additives has been reduced by 6 % compared to the previous year.

• With the TÜBİTAK project carried out in 2018, it is aimed to obtain animal protein, which is of great importance in the health and nutrition of the society, from the raw material released as a by-product during the processing of meat. The product to be obtained is of high nutritional value and is expected to have potential health benefits such as antioxidant, antihypertensive effect, iron and calcium binding. The project is planned to be completed in 2019.

In order to contribute to environmental sustainability, research studies on recyclable packages are ongoing. While innovations related to recyclable packaging are being followed, packaging reduction studies are carried out on existing materials.



• In the scope of paper packaging reduction studies, it was aimed to reduce the amount of paper packaging used by 21 tons in total. As a result of the studies, 14 tons less paper was used. In 2019, the studies are ongoing.



• It is aimed to reduce the total amount of plastic packaging 1.6 tons in total through thinning and optimization studies in plastic-based packages. As a result, 660 kg less plastic was used in 2018. Thinning and optimization studies are ongoing and In 2019, it is expected to use 17 tons less plastic packaging.

Dyo Coating

- Developed an environmentally friendly interior paint which absorbs formaldehyde. With this product, which is specially developed using formaldehyde abatement technology, harmful free formaldehyde is absorbed and converted to water vapor and provides a cleaner and healthier indoor environment.
- Developed a writing board paint which has been formulated especially for writing on wall and can be wiped easily from surfaces. Double- component paint is designed as a product that can replace whiteboards in the future as it performs similar to whiteboards and is water based.
- Water-based pearl paint for panel doors has been introduced to the market for having a pearl effect in painted wooden doors. For the first time, ceiling and wall paints will be designed for market customers and presented to the market.
- Turkishtime Magazine prepared a special edition covering Turkey's top companies with highest R&D expenditures. Dyo placed among top performers in R&D 250 list of leading

companies from the paint industry. With 121 projects, Dyo Coating ranked in the top 10 companies according to the number of projects carried out at the R&D Center.

- In 2018, regularly and actively participated in the working groups which aims to further develop R&D in Turkey and delivered R&D related trainings as a founding member of the R&D Centers Communication and Collaboration Platform since its establishment in 2015. Continued intensive efforts towards the project portfolio funded publicly.
- In 2018, 10 TEYDEB and 3 San-Tez projects are completed and 6 TEYDEB projects (two of them is in scope of TEYDEB 1509, which is an international support program) and 1 San-Tez projects are ongoing.

YBP



- **Digital Enterprise Application:** A software, which is web-based, user friendly and compatible with mobile, is used for dealer sales, distribution, logistics processes. It has been put into use as of 2018 and it has become widespread quickly. With this application, a cost advantage has been provided in terms of license fees and at the same time, a simpler and faster design has been created which can respond to the needs of the users quickly.
- **Digital Field Application:** It is a mobile application that enables the tracking of sales support personnel, sales points and all field operations on the map. It is a project that also takes advantage in time management and documentation. Displaying the location of sales support staff and customers in a mobile environment is also important for the environmental dimension of sustainability. In 2018, some pilot practices were initiated.



- **Digital Assistant Application:** Digital Assistant is the application where data entry and approvals are carried out in operational processes. YBP carries out unit price and sales premium processes on this system. The application enables to document and calculate the purchase, sale and recommended prices of the materials, to get approval from the relevant managers and to transfer relevant information to the ERP system. In the sales premium process, the targets of the sales team and executive approvals of these targets are carried out on the digital assistant.
- **Digital Promotion Application:** Customer product and channel based discount and approval processes are transferred to technology tool called digital promotion. Provided cost improvement and operational efficiency in sales and discounting business processes which is one of the main activities of YBP's operations.

- **YBP BO:** It is an application that provides fast and analytical reporting over the web with enriched visual elements. Unlike the currently used detailed reporting system, it enables managers to use a summary reporting with templates.

- **Mobile Approval:** It is an application that allows managers to approve discounts and business requests on their mobile phones to prevent disruption in the approval processes when they are out of the office.



- **Mobile Vehicle Loading:** Vehicle loading project with mobile device and barcode reader enables the warehouse employee (worker, officer) to perform vehicle loading operations via mobile application and it is aimed to make error-free loading. Since the products that are read by barcode are automatically removed from the system, the probability of missing or excess entry is minimized and the probability of error is kept at minimum.



- **Ideal Delivery Point Application:** The orders are sent from the most appropriate dispatch point according to the volume of the products in the content. Automatically determine the most suitable routing and the most suitable vehicle type through the ERP software. In addition to improvements in operational processes, it has helped to reduce carbon emissions.

- **Virtual Pos:** It is a platform created on the web for dealers to make payments to YBP. With the user names and passwords given to the dealers, collections can be made on this page by using different payment methods such as instalment or cash according to the payment methods agreed with the bank.

Çamlı Feed

Çamlı Feed and Livestock HORIZON 2020 (European community Research and Innovation Action; The Smart Management System for Integrated Multitrophic Aquaculture Project (IMPAQT), which is implemented with the support of RIA), aims to reduce the environmental impact of cage fish farming activities. In the scope of the project, it is planned to monitor and secure other species (mussels, oysters, macro

algae) that will convert the organic load of the activity to biomass by means of sensors placed in the system and food safety and environmental impacts of the activities with smart systems.

With the new production approach, it is aimed to ensure the sustainable cultivation in the production areas by minimizing the environmental impact of sea bass and sea bream production.

Sustainable Agriculture and Livestock

203-2

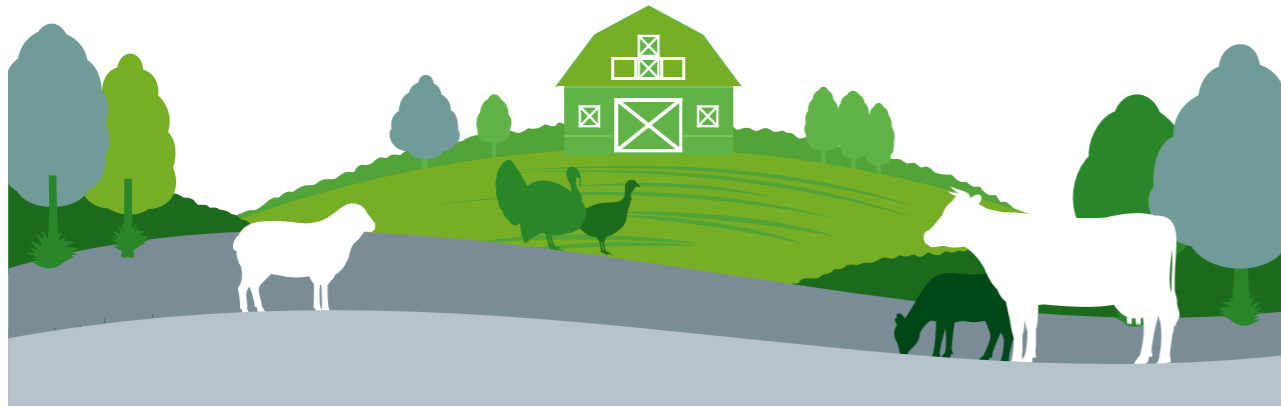
In Turkey, the sustainability of agriculture and livestock sector, which has been the forerunner of the Yaşar Group, is one of the priority issues for the Group. Recently experienced effects of global warming are an indication of the need for new perspectives in the agricultural sector. Being aware of the key role of the efficient and responsible use of natural resources and the support of sustainable agriculture and animal husbandry is part of solution to the climate change problem, Yaşar Group supports and develops all its stakeholders, particularly its producers.

Animal Welfare

Pınar Meat is the first enterprise engaged in studies on animal welfare in its sector in Turkey. Pınar Meat led the way in animal welfare as in many other subjects by following agreed practices in the world

and especially in EU countries before introduction of any notification / regulations regarding animal welfare in Turkey. In addition, participated in overseas trainings provided by experts on animal welfare requirements and made substantial investments for continuous improvement points on this issue.

On-site and practical training has been received from experts in the US and Europe for animal welfare best practices. In line with these trainings, the animal welfare system, including the necessary infrastructure and internal control, was established and all employees were trained. The effectiveness of the system is verified every year with independent third-party audits (SAI GLOBAL, UK), which results with high success.



In addition to the various systematic and infrastructural improvements implemented, training and information meetings were held to raise awareness of animal welfare among animal owners and employees within the Group, and an ethical stance was raised to raise awareness on animals within all stakeholders, which interacts directly or indirectly with animals. Informational videos were prepared for 2018 and provided to live animal suppliers who is able to watch it in rest rooms.

With animal welfare audits conducted at suppliers, the awareness of suppliers on these issues is increased and the requirements are fulfilled. These studies also contribute to a sustainable livestock approach that supports terrestrial life on a country and company basis by preventing yield losses due to misapplication.

The control of prohibited substances in the supplied animals is verified by regular analyzes carried out both by the Turkish Ministry of Agriculture and Forestry and by independent accredited 3rd party laboratories as Pınar Meat. In the transport of animals, the "Regulation on the Transport of Live Animals and Animal Products in the Country" and the "Regulation on Welfare and Protection of Animals during the Transportation" are followed strictly.

Çamlı Feed, one of the Group companies, uses a contracted production model in the turkey production process. It offers an income source to the villagers living in mountain villages, which are not suitable for agriculture, in return for the turkey care service provided.

Furthermore, trainings are given to the breeders on animal husbandry and animal welfare at least three times a year by the responsible veterinarians, and the identified positive examples are communicated while the wrong practices are terminated immediately. Fertilizers from turkey coops in Seferihisar are processed at the fertilizer processing plant in Ören. In order to protect animal welfare, the breeding intensity is maintained in accordance with the legislation, while the Faculty of Agriculture in Ege University is working on projects on loading stress of live turkeys and animal welfare in poultry houses.

Social Investments

203-2

Contribution to Local Economy

201-1

Yaşar Group, realizes its activities with the purpose of adding value to Turkey since its foundation, with its employment, supply chain, and export volume contributes to local economy and local development. Yaşar Group creates a regular income sources for locals by providing its necessary labor force and raw materials primarily from the regions where it operates. Yaşar Group conducts efficiency studies by providing trainings to its suppliers and manufacturers with its resources, and also contributes to the society through R&D projects, greenhouse gas and waste management studies and social investments.

Yaşar Group with its "local employment" policy endeavors to employ local people in its investment in different parts of Turkey, depending on the qualifications required by the relevant positions. In particular in dairy sector, in the provinces of İzmir, Eskişehir and Şanlıurfa where dairy factories are located and in the regions where the provinces are located, support is provided for regional development by direct and indirect employment, raising producers' awareness and increasing productivity.

It contributes to the development of the region and the city where Group companies are located, in addition to the provided employment to local communities. One of the short-term contributions to local communities is to make quality products and services accessible.

With its responsible resource usage and resource efficiency approach, the Group combines local natural resources with quality products and services and offers them to all consumers.



Education and Culture Foundation

Yaşar Education and Culture Foundation which was founded in 1974 by Durmuş Yaşar is active contributing in education, culture and arts activities.

Training Activities

Since its foundation, the Foundation has built many schools, as well as the construction of additional buildings, cafeterias, sports and cultural facilities in line with the needs of the schools. It also met the needs of schools in science, language, food technology and computer laboratories.

Educational Scholarships

In 2017-2018 academic year, Yaşar Education and Culture Foundation contributed to their education by giving totally free grants to graduate and undergraduate students studying at various departments of universities and to 90 successful and needy students studying at Anatolian Vocational High Schools. Furthermore, 20 students were granted conditional grants by Yaşar Group companies and executives. The Foundation has contributed to the education of 6,469 students by giving scholarships.

Educational Investments

One of the aims of Yaşar Education and Culture Foundation is to make educational investments. To date, the Foundation has built 8 schools and put them into the service of national education. The foundation completed the construction of Yaşar Education and Culture Foundation Vocational and Technical Anatolian High School in 2018, which will provide training in gastronomy, culinary arts and dairy technology. The school, which is built in cooperation with the Governorship of Eskişehir and the Directorate of National Education on an area of 8.563 m², has 16 classrooms, 5 laboratories, 1 milk workshop, 3 branch classrooms, library, kitchen and administrative rooms.

Panels

The Foundation also organizes congresses, symposiums and panels that examine and research current problems in our country and in the world in a scientific way, which focus on solutions and aim to communicate the results in the widest possible way to the society. The panels organized by Yaşar Education and Culture Foundation to raise awareness about autism attract great attention from its participants. Each year, different topics are discussed in the panels and information and experiences are shared for the development and participation of individuals with autism in social life. This year, panels on autism were titled as "Nutrition in Autism and its Psychiatric Effects" and "The Contribution of Art and Sports Studies to Mental Development in Autism".

Yaşar Education and Culture Foundation also held panels under the title of "Painting and New Art Approaches in the world and Turkey" in four provinces as a part of 37th Dyo Art Awards activities.

Pınar Institute



Pınar Institute, which has been established to contribute to the healthy development of the society with a sense of social responsibility in order to raise awareness of the society on food, health and nutrition issues, has no commercial activities and is a non-profit organization. The Institute enables consumers to reach scientific and reliable resources, and as a corporate citizen, supports effective interdisciplinary cooperation in these areas.

“The Future of Our Milk is in Safe Hands”

Pınar has always believed in the importance of education in the production of high quality and healthy milk and dairy products. Since its establishment in 1973, Pınar has been supporting the education for the awareness of producers. Since 2014, the Pınar Institute has started to carry out its activities within the scope of the “The Future of Our Milk is in Safe Hands” project, within the framework of public-university-industry cooperation, under the cooperation of Pınar Dairy & Çamlı Feed, under the leadership of Pınar Institute.

The aim of the project is to raise the awareness of producers on animal health, nutrition, hygiene and sanitation, along with to maximize all the benefits of the milk produced by raising the quality and productivity of the milk. In this way, it is aimed to contribute to the protection of public health and to increase the welfare of producers along with the increase in quality and productivity.

In this direction, a total of 339 producers were reached in 2018 in 13 different trainings in Eskişehir, Kütahya, Afyon, İzmir, Aydın and Bursa in terms of “animal health” and “animal nutrition”. In 2018, women producers participated in milking practices and hygiene, and 141 women producers received training in this context. The number of producers reached over 7,000 during the 4-year project process.

In addition to the training activities, one-on-one studies were carried out based on quality and efficiency in scope of the Pilot Area Implementations carried out with the producers identified in İzmir and Eskişehir provinces.

At the same time, as a first in Turkey within this scope, social impact analysis have been initiated for the purpose of measuring the social benefits of all these activities and defining the profile on the dairy farming in Turkey. As of 2018, Pınar Dairy has positioned this training and support process as an inclusive business model in scope of sustainability activities with “The Future of Our Milk is in Safe Hands” project.

By April 2017, with the initiative of Pınar Institute, Pınar Dairy became a member of Business Call to Action (BcTA) program of the United Nations Development Program (UNDP) as part of the project “The Future is in Our Safe Hands”. With the BcTA membership, the project has been

linked to the goals of the United Nations Sustainable Development Goals: “Zero Hunger”, “Good Health and Well-Being”, “Quality Education”, “Gender Equality”, “Decent Work and Economic Growth”, “Responsible Consumption and Production”.

In 2018, “Practical Information Brochure for Dairy Cattle Businesses” was prepared as a guide booklet for producers on animal health, feeding and hygienic milking practices. The project shot off for a prize in the Social Impact category of the Sustainable Business Awards organized by the Sustainability Academy in 2018, and also got mentioned as a good practice in the “Sustainable Agriculture Principles - Good Practice Guide” published by the Sustainable Development Association in 2018.



In 2018, 100 teachers, 92 kindergartens and 5,458 children were reached in Aydın, Denizli, Muğla, Uşak and Manisa. The Scientific Research Project (BAP) on Play and Educational Materials for Healthy and Balanced Nutrition covers the three-dimensional training materials for the EHESB project, which was designed by Yaşar University Industrial Design Department and the women working in the Seferihisar Doğanbey Village Women’s Labor House, referenced by the felt artist Ayfer Güleç.

Let’s Move With Fun Let’s Eat Healthy

The project was developed as a training program aimed at acquiring the habit of balanced nutrition and physical activity at an early age. Within the framework of the project, the protocol signed with the General Directorate of Elementary Education of the Ministry of National Education, led to expansion of trainings.

In 2018, 100 teachers, 92 kindergartens and 5,458 children were reached in Aydın, Denizli, Muğla, Uşak and Manisa. The Scientific Research Project (BAP) on Design of Play and Educational Materials for Healthy and Balanced Nutrition covers the three-dimensional training materials for the EHESB project, which was designed by Yaşar University Department of Industrial Design and the women working in the Seferihisar Doğanbey Village Women’s Labor House, referenced by the felt artist Ayfer Güleç. General message of the project; healthy societies are possible with healthy children. The project is carried out with the aim of contributing to the social responsibility awareness and contemporary education towards children, teachers, families and society that will be the architects of healthy societies.



Pınar Institute Scientific Article Award

Pınar Institute Scientific Article Award was launched in 2018 with the institution’s main aim of “supporting the scientific researches and studies that contribute to healthy development of the society” mission, and encouraging researchers and future studies by supporting scientific studies. Scientific Article Award has been given to three articles by the selective committee of academicians; based on either food technology, nutrition-health relationship (hypertension, diabetes, osteoporosis, cardiovascular diseases, obesity, etc.) or on food safety issues published in peer-reviewed journals between 2013-2018; considering criteria’s such as contribution to science, social benefit and applicability. At the award ceremony to be held in 2019, plaques will be presented to the owners of the articles that will be awarded and the results will be announced to the press.

Milk Panel for Health

On the World Milk Day, “Milk for Health” Panel organized by the Pınar Institute was held at Yaşar University. The speakers, whom consist of academicians and public sector representatives, mention milk production and consumption situation in Turkey and around the world, the importance of milk in nutrition, and false facts about milk, etc.

Healthy Living Sessions

In 2018, the Pınar Institute launched the employee oriented Healthy Living Sessions event aiming to prevent information pollution on food, health and nutrition. The topics of the program are “False Facts in Nutrition” and “School Age Child Nutrition” trainings, provided by Ege University, Department of Food Engineering, Department of Nutrition Academy Member Prof. Dr. Sedef Nehir El and Ege University Faculty of Health Sciences Department of Nutrition and Dietetics Instr. Member Dr. Özge Küçükerdönmez.

CULTURE AND ART ACTIVITIES

Selçuk Yaşar Museum and Art Gallery

Selçuk Yaşar Art Museum opened in 1985 as the first private art museum in Turkey. Selçuk Yaşar Art Gallery, under the roof of Selçuk Yaşar Art Museum, was opened in 1990. In 2018, the gallery on the ground floor of the museum hosted drawing and sculpture exhibitions by several artists including Nihat Kahraman, Hikmet Barutçugil, Setanay Alpsoy, İsmail Ateş, Tunç Tanışık, Çetin Erokay, Mustafa Pilevneli and Resul Aytemür.

Altın Yunus Art Galleries held by the collaboration of Yaşar Education and Culture Foundation and Çeşme Altın Yunus hosted artists during summer seasons since 3 years. Yet again, Altın Yunus Art Galleries exhibited the works of 16 artists who were awarded and/or selected for exhibition at the Dyo Art Awards.

37th Dyo Art Awards

The organization started as "Dyo Drawing Competition" by Durmuş Yaşar in 1967 and renamed as "Dyo Art Awards" in 2017 has been going on interrupted for 50 years. The judged of the 37th Dyo Art Awards were Prof. Şeniz Aksoy, Prof. Zahit Büyükişliyen, Prof. Neşe Erdok, Prof. Hasan Kıran, Assoc. Prof. Burcu Pelvanoğlu, Assoc. Prof. Umur Türker and İhsan Yılmaz, Culture and Art Editor of Hürriyet Newspaper. Turkish artists and artists from Greece and Uzbekistan participated in the competition with the theme of "Transformation in the Universe" this year.

In the 37th Dyo Art Awards, where 463 artists competed with 790 pieces of artwork, Sidar Bakı with his painting titled "Nameless" and Murat Özbakır with his painting "Necture-Body-City I" won the painting awards and Semih Çınar "Waste No.1" won the award for original printmaking. 53 exhibitions that were awarded in the 37th Dyo Art Awards, aiming to introduce the art of Turkish painting to the masses and to raise awareness about painting with the exhibitions held in different cities of Anatolia, was displayed in İzmir Ahmed Adnan Saygun Arts Center, Bursa State Fine Arts Gallery, Ankara Cermodean Arts Center, and Adana Metropolitan Municipality 75th Year Art Gallery throughout 2018, respectively.

Archaeological Excavations

In line with the duties of Yaşar Education and Culture Foundation's official deed, bringing the cultural to the light of day, transferring it to future generations, promotion and protection of culture and history, supporting archaeological excavations, publishing its findings, and presenting them to the information of the societies at national and international level;

- Since 1998, located in Sultanhisar district of Aydın province, under the direction of Ankara University Faculty of Language and History – Geography, Archeology Department of Classical Archeology, Assoc. Dr. Serdar Hakan Öztaner's excavations at the ancient city of Nysa,

- Since 2015, located in Bayraklı district of İzmir province, conducted by Prof. Dr. Cumhuri Tanrıver's excavations of the Old City of Smyrna, also known as Bayraklı Mound, on behalf of Ege University.

- Since 2017, the official sponsor of the excavations in the ancient city of Smyrna under the common service protocol within Smyrna Agora ruins located in İzmir province, Konak district, has the 19th century Ottoman inn structure to be used by DEU Department of Archaeology Asst. Assoc. Dr. Akin Ersoy's excavation and restoration studies.

Selçuk Yasar Museum

The building survey, renovation and restitution of the old flour factory registered as a "Cultural Property to be Protected" in Konak province, İzmir

owned by Yaşar Education and Culture Foundation, were completed to use the building as Selçuk Yaşar Museum. The construction of the museum was started on December 19, 2017.

The restoration of Selçuk Yaşar museum, which consist of 2,600 m² Temporary and Permanent Exhibition Areas, a Library, Workshops on an area of 300 m², Executives Offices, Administrative Offices, A Conference Hall with a capacity of 326 people which also includes an orchestra pit, a Cafeteria, Sales Offices and similar other units in the registered building with an area of 6,000 m², continued in 2018.

Atatürk Studies

One of the main aims of Yaşar Education and Culture Foundation, is to make researches and collections about and better introducing Atatürk's personality, principles and historical role to the society and the following generations, by making cooperation with scientific and research institutions established for this purpose, and to ensure the publication and promotion of the studies to be done in Turkish along with foreign languages.

For this purpose, various scientists' works related to Atatürk were published by the Foundation. The Foundation also supports various scientific activities such as symposiums and seminars on Atatürk, and has built Atatürk corners to various educational institutions.

The panel titled "Atatürk's Perspective on Women and Revolutions" was held on 7 March 2018 within the scope of Atatürk Studies, which is among the activities of Yaşar Education and Culture Foundation. At the panel, the rights granted to women by Atatürk and the Republic, the importance of women in life and the role of women in community life were discussed.

Publications

Selçuk Yaşar, the pioneer in paint, agriculture and food sector in Turkey, and founder and honorary president of the Yaşar Group, told his life in dozens of books written so far, having communicated their opinion, to support the professional and personal development, mentioned the problems of the sector and has worked to find solutions. All this has been presented to a wide audience from country administration to business professionals.

"Selçuk Yaşar | Life Memories"

Written by Selçuk Yaşar between 1994 and 2012; "Life is Like a School", "My Life", "Rules of Management", "It is Both Easy and Hard to Succeed", "To the Youth With Love" and "Word Flies, Writing Remains", "Selçuk Yaşar | His Life Memories Advices" contains 94 years of life, memories and experiences of the veteran business person Selçuk Yaşar, not only for business people but for everyone.

Supports for Other Organizations

In 2018, Yaşar Education and Culture Foundation continued to provide financial and in-kind assistance to many institutions and organizations. Durmuş Yaşar Primary School, which was named after Durmuş Yaşar, founder of Yaşar Education and Culture Foundation, located in Bayraklı District of İzmir, was renovated in 2018-2019 academic year. Durmuş Yaşar Primary School, which was built in 1974 and renovated in 1998, has become a school with 15 classrooms with the addition of 5 classrooms and a new building with 5 classrooms, has been prepared for the new school year with 34 educators and 650 students. In the process which started with the identification of the individual deficiencies of each classroom, the interior and exterior paints of the school were made and the classroom floors were renewed. Within the scope of renovation works, gates for the disabled was also built in the backyard to prevent the disabled students from having problems at the entrances and exits. The books and toys obtained through the book and toy collection campaign launched within the Group in 2018 were classified according to availability and sent to schools in Anatolia in accordance with their preferences and demands.

Developments from Companies



Pinar CHILDREN'S THEATER

Since its establishment in 1987, Pinar Children's Theater has reached more than 3 million children across Turkey, free of charge. Pinar Children's Theater, which aims to contribute to the cultural and personal development of children in every play they have performed, serves as an important school in introducing many successful actors to the theatre world. In the 2017-2018 education period, the schools have performed its new play "Fairy Tale Train" in various schools in İstanbul. The play was staged in Profilo Shopping Center made thousands of children theatre lovers to experience a visual feast. The touring program of the new play which consists of Çankırı, Afyon, Uşak, Tire, Ödemiş, İzmir and Çanakkale, has met approximately 12 thousand children. Thus, it was the only children's theatre that has been staged in 81 provinces.

INTERNATIONAL Pinar PAINTING CONTEST FOR CHILDREN

The International Pinar Children's Art Competition was organized in 2018 with the theme of "Dear Friend" aimed at raising the interest of primary school children in painting and fine arts and educating painters of the future. 27,679 pieces of paintings and 2,900 schools have participated in the contest from Cyprus, Germany and social media apart from the seven regions of Turkey. Following the evaluation of the jury, 16 junior artists who were awarded prizes came together at the Pinar Culture & Art Event in İzmir to receive their awards and certificates. Pinar 37th International Children's Painting Competition award ceremony has taken place in Ahmed Adnan Saygun Arts Center between June 11-24 and the works of young artists has been displayed there.

With the theme of "Dear Friend"

2900
schools

27.679
pieces of paintings

Pinar CHILDREN'S PAINTING WORKSHOP

Pinar Children's Painting Workshop is another activity that is carried out with the aim of bringing children together with art. Within the scope of the Pinar Children's Painting Workshop, which was held for the third time in 2018, 2,247 children participated in the Pinar Children's Painting Competition and reached 227,000 people through the workshops.

SUPPORTING SPORTS - Pinar KSK



Pinar, as the main sponsor of Karşıyaka Basketball Team since 1998, with their sponsorship activities that has been carried out for 21 years has contributed significantly to the development of basketball in Turkey.

Beside the support to Karşıyaka Basketball Team, sport opportunities have been provided to 25,000 children in the infrastructure and the sport academies together with the Pinar Karşıyaka branch.

Additionally, sponsorship activities with Turkey Sailing Federation supports the youth's interest and development in sports.

DYO COATING / DYO MASTER LEAGUE

Dyo Master League Project is one of the examples of good practice of the Group in the scope of social media presentations and supporting sport activities. "Dyo Master League 2018 Turkey Championship" football tournament on a regional basis which was organized with the special permission and support of Turkey Football Federation for the paint consumers and the "paint masters" which is the most important stakeholders of the industry was held in Antalya Kervansaray Lara Hotels from 9 to 13 July 2018. The tournament has reached millions through A Sport channel, social media pages and the specially prepared website www.dyoustaligi.com. DYO Master League Turkey Championship qualifying matches; completed on October 22 - November 4, 2018 with the participation of 400 masters in 10 provinces where Regional Directorates are located. The third Master League organization for the year of 2019 is going to be held in Antalya between 3-8 July.

Sponsorships

Dyo Coating

- Turkey Football Federation National Team
- 19th Search for Perfection Symposium
- 27. Quality Congress
- Session with Dyotherm brand at RE360 Conference
- İztik Senyör Tennis Tournament sponsorship
- İzmir Journalists Association paint sponsorship
- Project sponsorship for the painting of the Küre İstiklal Yolu Story
- Paint sponsorship for the restoration works of Küre Municipality's historic houses
- Tire Dünderli Primary School sponsorship
- İzmir Industrial Vocational High School epoxy paint support to the automation workshop
- International Architecture, Ecological and Human Focused Building Summit: Archisections
- Sponsorship of National Karting athlete Berkay Besler

Pınar Dairy

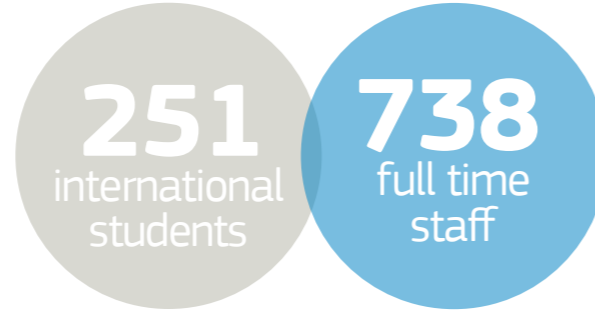
Attends and supports many congresses such as R&D, sustainability and marketing related. Also, its sponsors events that support the development of cookery, gastronomy, and culinary culture in Turkey. Accordingly, in 2018, it is sponsored 7 congress/summits/forums, 1 symposium and 51 activities.

In 2018 participated in:

- Agroexpo 13th International Agriculture & Livestock Exhibition
- Dubai GULFOOD Fair
- 8th Gourmet İzmir (Olivetech) Fair
- İzmir International Fair
- Sirha Fair

YBP

- In 2017, in order to increase the field penetration of the protein milk family, especially in sports halls and coffee festivals product usage varieties were introduced in all regions.
- Launched in 2017, Pınar Latte Art Barista Milk development in the field is continued and Pınar Dairy's sales figures improved positively. Pınar has become the first preferred brand in the coffee channel. In order to maintain the leadership at the coffee channel and to meet customer needs correctly, and the product range was completed. YBP continued to participate as the milk sponsor and supporter of İzmir, İstanbul and Ankara Coffee festivals in order to Pınar Dairy meet coffee lovers and operators and reached 100,000 people in only 3 festivals.



Yaşar Üniversitesi

With its goal of raising individuals who are sensitive and has social responsibility awareness, Yaşar University was founded in 2001 and started academic activities in 2002-2003 academic year. In the 2018-2019 academic year, 9416 active students were enrolled in Yaşar University. 413 academic personnel and 325 operational personnel is employed making up 738 full time staff in the University.

Yaşar University offers academic and scientific services with 30 majors, 12 associate degree programs, 23 graduate programs and 10 doctorate programs with 2 institutes, 7 faculties, one applied sciences vocational school, 2 trade schools and one foreign languages vocational school.

One of only 2 private universities in İzmir, Yaşar University's fundamental philosophy is to support individuals' academic, cultural and social development through the perspective of universal values and inquiry.

During the 2018-2019 academic year, 79 students studied abroad as part of the Erasmus Education Program along with 34 students who benefitted from the Erasmus Internship Program abroad. 63 students have spent their academic year at Yaşar University in scope of Erasmus as well. 24 students have also studied in Yaşar University in the scope of the Global Exchange Program.

Yaşar University offers a global education experience with its large student profile variety. 251 international students from 58 different countries including; EU and other European Countries, USA, Peru, Belarus, Nigeria, Kenya, Somali, DR Congo, Tajikistan, Venezuela, Iraq, Azerbaijan, Iran and Pakistan studies full and part-time at Yaşar University.

Yaşar University supports the achievements and education of its students through different scholarship options such as Educational Grants, Academic Achievement Scholarship, Talent Scholarship, Martyr and Disabled Scholarship, Accommodation grants and International Student Scholarships. 57.60% of students benefit from varying rates of grants in the University.

Yaşar University pioneer's wide variety of projects ranging from social projects to university-industry co-operation projects in the subjects of; software, design, business process improvement, communication, perception measurement and education. Funding for most of the projects comes from TÜBİTAK, with other funding sources being Yaşar University directly, industrial organizations or other organizations. Many university-industry co-operation projects are developed with Yaşar Group companies.

Some examples of projects developed by Yaşar University:

Project Name: **Berber.org**

Project Leader: **Minerva Incubator Center**

Having not found the necessary backing globally, social entrepreneurship has begun to increase as a trend in recent years. This means that issues faced by technology entrepreneurs are even higher for social entrepreneurs. Despite the increasing awareness for social entrepreneurship, training and incubator programs to support social start-ups are limited. Limited understanding of social entrepreneurship is the key factor for this problem. To answer the problem, Yaşar University Knowledge and Technology Transfer Office has applied for the "SENTRÉ: A Virtual Learning Platform and Transnational Academies for Future Social Entrepreneurs" project under the Erasmus+ Program – Key Action 2: Co-Operation for Innovation and the Exchange of Good Practices. In this context, SENTRÉ aims to develop a curriculum for the specific needs of social entrepreneurs, delivering on this goal with a virtual learning environment (VLE) that utilizes a joint an open innovation and design approach for all stakeholders. Thus, SENTRÉ will have a positive impact on entrepreneurship and the feeling of entrepreneurship, employability and the skill levels for social entrepreneurship. The proposed project will also provide support to NGOs, associations and co-operatives for new projects and increasing awareness.

One of the teams within the Yaşar University Minerva Incubation Center, berber.org, is a social initiative that aims to build an infrastructure that enables the transfer of products and services needed by the civil society from the right sources to the right people. The team aims to forward all products and services to the needy through e-commerce platforms beginning with the most basic needs. Within the scope of the project, agreements will be made with product or service providers in order for them to sell their products with special prices on berber.org together with a corporate social responsibility understanding. Products of agreed companies will be incorporated into the berber.org's e-commerce platform. Enabling this platform will allow for age, size, type and quality selection for necessary provisions. Beraber.org aims to fulfil the requirements in social responsibility projects with an e-commerce system. Even though charities and relief agencies are mostly focused on collecting provisions, the platform will match the sales channels that have e-commerce systems with needy persons or organizations. In this context, it is the first example of its kind where needs can be purchased and transported to the needy securely.



Project Name: **Topographic Laser Scanning Technologies for Documenting Cultural Heritage**

Project Type: **Scientific Research Project**

Project Leader: **Dr. İlker Kahraman**

Conventional methods for documenting historical sites result low quality while also being inefficient in terms of manpower and lost time. In addition, students do not get the chance to learn digital documentation techniques and are not able to use them in their professional careers as well. The goal of this project is to find the best and optimal solution for the restoration works of the General Directorate of Foundations' Çanakçı Masjid and Alaeddin Sultan Hermitage by testing and obtaining experience with the Topographic Laser Scanning method, which has been used heavily in the recent years to document cultural heritage. These sites are planned to be restored and even utilized for some functions.

2
Institutes

7
Faculties

437
Academic
stuff

2
Trade
Schools

1
School of
Applied
Sciences



Caring for business partners



CARING FOR BUSINESS PARTNERS

Pınar Dairy	Pınar Meat	Pınar Water	Çamlı Feed	YBP	Dyo Coating	Viking Paper	Altın Yunus
<p>Pınar Dairy, acts together with institutional values in the direction of this understanding and takes care that the suppliers have the same point of view.</p>	<p>“Supplier Principles Guideline” is to state the standards Pınar Dairy and Pınar Meat suppliers should comply with in business relations and the values that should be adhered.</p>	<p>Suppliers treated in two groups as the ones in contact with the product and the ones without are subject to inspections with frequent checks according to critical evaluations such as the effectiveness of their management systems, scan supplier audit scores, annual performance.</p>	<p>Çamlı Feed performs supplier selection in the light of “Supplier Selection and Evaluation Criteria and Methods”. The quality, food safety and sustainability standards required for each product are effectively questioned.</p>	<p>YBP pays attention very much for the selection of its business partners. It considers that its business partners tally with Pınar brand values, Pınar products are complementary and supportive, they comply with legal and ethical values, and they take care for consumer health and product quality.</p>	<p>All Dyo Coating’s global suppliers, in addition to having declarations in the field of sustainability, has referred to concepts such as work ethic, environmental policy, child labor, workers’ rights, fair trade, social responsibility, equality, education under the sustainability strategies</p>	<p>The Company, which constantly observes the production, storage and loading conditions of suppliers, also controls whether the requirements of quality certifications and quality inspections are fulfilled through supplier inspections.</p>	<p>Altın Yunus considers environmental policy and corporate reliability as the main priority in supplier section. Audits are conducted on food suppliers once a year. If any nonconformity is detected, suppliers are informed in detail and correction is requested. If not corrected, a new supplier is searched.</p>
Read more p.82	Read more p.82	Read more p.83	Read more p.83	Read more p.83	Read more p. 84	Read more p.85	Read more p.85



CARING FOR BUSINESS PARTNERS

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Supply Chain Management

102-9 102-10 103-2 103-3 414-1 414-2

In order to maintain sustainable growth and development, a cradle-to-grave integrated operational system should be established taking into consideration all elements that could impact the quality of activities. Supplier and business partner selection is considered as one of the most important pieces of the system because of their direct impact on the quality of products and services of the group companies. In line with the Yaşar Group's "Promoting good practices of products' environmental, social and economic impacts throughout their life-cycle" policy, the Group has developed a supplier policy and strengthened its ties with its stakeholders in the supplier network. The procurement and supplier selection processes are managed via established principles such as; objective selection criteria, procurement contracts, standard procedures and tools. These principles and procedures are used in supplier assessments in areas such as human rights, occupational health and safety, working conditions, animal welfare, environment, raw material supply and social impact.

Yaşar Group aims to grow its impact radius with sustainability studies that are shared with and include its suppliers. In this sense, they have linked their goals and what they have done parallel with Sustainable Development Goals and by this association has become a common language for the Group to share its sustainability studies.

The current situation was analyzed and a supplier relations roadmap to involve suppliers fully in sustainability activities was developed through the "Yaşar Supplier Management System Research" conducted in 2017 with the involvement of all group companies. The goal of the Yaşar Group with this study is to share its "decent work" understanding, which it attaches significant importance to, with all its suppliers and to make sure suppliers are implementing their business activities in line with this framework.

Best Practices and Developments from Companies

204-1 308-1 308-2 407-1

Pinar Dairy and Pinar Meat

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

The aim of "Supplier Principles Guideline" is to state the standards Pinar Dairy and Pinar Meat suppliers should comply with in business relations and the values that should be adhered. The criteria's under the "Supplier Principles Guidelines" are;

- Laws and Legal Compliance: Supplier complies with national and international laws, rules, regulations and requirements in force.
- Human Rights: Supplier is obligated to support and respect internationally proclaimed human rights principles aimed at protecting human rights.
- Fair Work Standards: Supports the freedom of association and collective bargaining of workers. Forced or compulsory labor cannot be employed. Child labor is not allowed. Discrimination in recruitment and placement is not allowed. Provides safe and healthy working conditions. Complies with applicable laws and regulations regarding

working hours and wages.

- Environmental Responsibility: Supports prudent approaches to environmental issues. Supports all kinds of activities and organizations that increase environmental responsibility. Supports the development and diffusion of environmentally friendly technologies.
- Corruption Fighting: Does not engage in fraudulent activities while conducting supplier business. The suppliers do not offer, pay, request nor accept bribery. The supplier shall keep the information (such as new product, new design, product formulation, etc.) of the companies in which it cooperates under any circumstances and operates in a strictly confidential manner. The supplier certainly does not share these informations with third parties.

The suppliers are always obliged to comply with the principles set out in this guideline and to ensure that its suppliers are also compliant.

In 2018, 34 suppliers of Pinar Dairy (which consists of 33% of the purchase amount rate) and 16 suppliers of Pinar Meat (which consists of 20% of the purchase amount rate) has all signed the Pinar Supplier Principles Guideline, and therefore accepted environmental sustainability in terms of human rights and fair labor standards. Pinar Dairy and Pinar Meat, aims to expand the signatures it will receive from its suppliers in line with corporate values and principles in 2019.

In order to provide an effective, easy and rapid communication environment and to share the reliable and up-to-date data flow mutually, "Pinar Supplier Portal" activities are initiated in 2018. With this application, the management process such as vendor information tracking, bid collection, ordering and tracking, tracking of loading notifications, DFS tracking and supplier evaluation will be monitored and recorded through a single system.

Çamlı Feed

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

Çamlı Feed subjects each supplier to evaluation of its Purchasing and Quality Departments once in a year. On-site supplier inspections are conducted to assess product qualification when it is deemed necessary. Incomplete issues are reported to the suppliers, which are expected to be completed within one year. In addition to researching alternative suppliers for suppliers falling below 80 points, improvement works are being carried out. Çamlı Feed, which adopts the principle of not working with suppliers falling below 50 points, revises the approved suppliers list every year.

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

Suppliers of fish meal and fish oil, the existing quality documents, if any, of the country where the fish meal and oil are produced or the company's sustainability policies, MSC, IFFO documents, originals or texts indicating the types of fish used in the production of the products and compliance with legal hunting documents or texts are being questioned and provided (including origin ratios if possible). In the fish meal / fish oil supply used in the production of fish feed, each purchase checks the IUCN Red List according to the suppliers' production areas to check whether the fish species from which the product is produced is included in the list. If the type of product originates on the red list, the purchase of this product is strictly prohibited.

While raw feedstuffs used in organic milk production are obtained from domestic suppliers with organic farming certifications, raw feed ingredients are grown on their own, and some are produced by contract farmers in the region. Produced organic milk is sold to the Pinar Dairy and bred calves are sold other breeders in the region.

The fertilizers used in the plant feeding business unit are collected from the organic milk plant and other farms. The fertilizers which are converted into compost in the operation area are dried, packed, and delivered to the customers through dealers.

Eggs used for the production of turkeys in poultry production operations are procured from Canada by means of a representative in the country and converted into chicks in the hatchery at Seferihisar in 28 days. The chicks are transported to producers' coops through a logistics supplier. During the production process, the field officer veterinarians conduct weekly visits to monitor animal performance. At the end of the 4 month of the production period, adult turkeys are loaded from poultry houses and sent to Pinar Meat. The seed fish

used in seafood operations are produced by using broodfish of the plants. The seed fish are grown in ponds on land for 4 months and then transported to cages in sea. It is grown here for about 18 months using feeds produced in feed business. 60% of the harvested fish are exported and the remaining part is delivered to the customers via dealers in the country.

Pinar Water and Beverages

In the selection of suppliers, firstly management systems and certifications of companies (such as ISO 9001, 14001, 18001, Food Security, SA 8000 Social Responsibility Standard), harmonization with Yaşar Group corporate values, public health and responsibilities towards nature are taken into account.

Suppliers are grouped in two categories: in contact with the product and without contact. Suppliers are subject to inspections with audits performed at various intervals determined according to results of critical evaluations that assess the effectiveness of their management systems, latest audit scores, and their annually monitored performance. The relevant departments of the company carry out on-site audits and monitor compliance towards Quality, Food Safety, Occupational Health and Safety and Environmental Management Systems. While selecting new suppliers, inspection visits are carried out to the candidate companies by quality, assurance and procurement teams. It is targeted that suppliers in contact with the product at least annually and others at least biennially. Supplier audit checklists, procurement contracts and direct audits clearly state that supplier should be responsible to inform the company in case of any important environmental issue as a result of the activities performed.

YBP

YBP pays attention very much for the selection of its business partners. It considers that its business partners tally with Pinar brand values, Pinar products are complementary and supportive, they comply with legal and ethical values, and they take care for consumer health and product quality. To ensure these processes, predefined and year-over-year plant and production audits of business partners are rigorously conducted, and audit reports are stored digitally. All the suppliers are subject to quality audits under ISO 22000 standards.

For Nar'ca suppliers; the main processes adopted by the YBP in the field of supply management under the light of Group's Supplier Policy can be summarized as follows;

- If any nonconformity is detected in any supplier company, the CPA plan is requested and the application of the received CPA plan by the YBP inspectors is questioned,
- A business partnership plan is being established with the supplier company on the basis of the qualification approval,
- Audit activities are performed at least once a year,
- Plant inspections are regularly carried out annually,

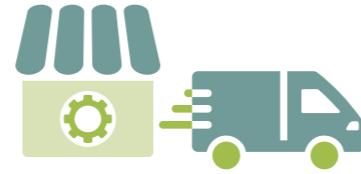
The following principles are taken into account when choosing the logistics supplier for the warehouse / shipment processes of YBP;

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

Conducting quality controls in accordance with ÇEVKO standards in non-group products, operating in accordance with the ISO 22000 standard, subjecting the plants to annual inspections and making plants within business partnership with suppliers are the activities covering partnership part of sustainability goals.

In 2018, a new application has started regarding the purchases of returns from the field in Marmara Directorate. At this point, the products to be returned are expected to be picked up by the suppliers from a stacking area. At this point, there is a waste of time in the collection and separation of the products intended to be returned in accordance with the recycling process, which leads to the creation of a serious amount of waste. With the new implemented model, sales forces separate the products in sealed return bags and ties them appropriately with sealed clamps right at the field. Explosive products are packaged separately. Via mobile application, data such as the number of returns, its waybills, etc. are entered right at the field. The packages prepared has to be picked up within 3 days by the distribution team, that way in-vehicle hygiene will be ensured by preventing the returns which are spoiled, flowing or stinky being put together and damaging robust products throughout the day inside the distribution vehicle. Additionally, disagreement regarding the refund amount between the sales team and distribution team is eliminated, which adds up to more care span to more customers regarding order and delivery.

Via mobile digital systems, operational information such as e-invoice can also be started immediately as the information regarding the returns to central sales accounting is received immediately. Communications with customers regarding problematic returns can be addressed more quickly. With this application, returns picked up from field are delivered back to the producers by product-based arrangement and classification, which is done in central YBP depots, without being handled in area depots.



Dyo Coating

Dyo Coating supplies raw materials for its production through a widespread supplier network of chemicals. All Dyo Coating's global suppliers, in addition to having declarations in the field of sustainability, has referred to concepts such as work ethic, environmental policy, child labor, workers' rights, fair trade, social responsibility, equality, education under the sustainability strategies.

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

Dyo Supplier Portal aims to improve the processes of Dyo Coating and its suppliers and reduce speed, efficiency and operational workload of them. Particularly, the activities of global suppliers on these issues are tracked by getting their Sustainability Declarations.

In 2018, the number of suppliers whom were subjected to Environmental Impact Assessment (EIA) is 15. There has been on-site inspection to 6 suppliers, a survey based on environmental impact to 5 firms, and on-site inspection to 4 waste companies. No negative findings with environment aspect have been identified. The extension of environmental impact assessments with suppliers is planned for 2019.

Dyo Coating monitors all suppliers within the frame of internationally recognized management systems in terms of economic, social and environmental aspects as well as the criteria set by law. In 2018, the number of new suppliers whom were in conformity with 14001 and 18001 criteria is 15.

Viking Paper

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

The Company, which constantly observes the production, storage and loading conditions of suppliers, also controls whether the requirements of quality certifications and quality inspections are fulfilled through supplier inspections. Viking Paper, which evaluates its suppliers in terms of quality, delivery and price performance and rates them through a score system, implements the Corrective Preventive Activity (CPA) tracking system to prevent recurrence of quality problems. The identified problems are shared with the suppliers and necessary precautions are taken and monitored.



Viking Paper closely monitors the latest developments in the sector, analyzes and evaluates new chemicals, packaging designs and technical developments together with its suppliers and makes production tests for those that are deemed appropriate. Additionally, alternative supplier activity on the supplying scrap paper, the raw material of recycled production, is constantly ongoing. Obtaining ISO 50001 Energy Management System Certificate, Viking Paper attaches great importance to sustainability in terms of energy consumption consciousness and shares it with its suppliers. In the offer requests submitted to the suppliers for purchasing energy consuming products, the energy classes of the devices to be proposed are requested to be indicated and the conformity to the ISO 50001 standards is taken into account in the purchasing evaluations.

Altın Yunus

Altın Yunus considers environmental policy and corporate reliability as the main priority in supplier section. Audits are conducted on food suppliers once a year. If any nonconformity is detected, suppliers are informed in detail and correction is requested. If not corrected, a new supplier is searched.

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





**Caring
for the
environment**



CARING FOR THE ENVIRONMENT



Environment Management

Yaşar Group acknowledges that the environment we interact must be protected while we meet the needs of the society that we serve high-quality products and services.

[Read more p.90](#)



Energy and Climate Management

Within the scope of combating climate change, the Group believes that the most efficient way of energy use is by using renewable and green energy, and therefore pursues and supports the policy of producing renewable and green energy.

[Read more p.95](#)



Water Management

Yaşar Group companies are aware that avantgarde practices and applications to protect water resources for a sustainable future are much needed. In that matter, the Group pursues water management policies in all national and international platforms.

[Read more p.90](#)



Waste Management

With systematic waste management plans, wastes coming from the product can be used as a new raw material. Yaşar Group's waste management system consists of reduction of waste in its source, involves the reuse and recycling of waste and its recovery as energy, and eventually waste disposal.

[Read more p.100](#)

CARING FOR THE ENVIRONMENT



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Environment Management

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Risks caused by climate change and depletion of natural resources and raw materials makes the matter of protecting the environment extremely crucial, therefore companies should prioritize this matter as well. Yaşar Group, shapes its activities taking into consideration the sustainability of resources and to the harmony between the society and environment. We hold a sensitive position the society with our businesses that provide the most basic human needs. The Group sets targets for water and energy management, natural resource consumption, climate change and biodiversity, and carries out all its activities within the context of these objectives.

Yaşar Group companies are aware that besides the management policy ensuring sustainable use of resources, applications which address to decreasing the waste resulting from the operations and activities of the Group has to be managed effectively as well.

Yaşar Group develops environmentally friendly practices in its business and processes and supports environmental investments with its responsible management approach to reduce the environmental impacts arising from its activities. The Group conducts its activities with the awareness of environmental sustainability and continuously improves its environmental management policy with the regular monitoring of scientific and technological developments. In this respect, it follows a systematic sustainable management by using the ISO 14001 Environmental Management System methodology.

The Group follows sustainability trends across the world and maintains its policies accordingly. Additionally, the Group has a close cooperation with its stakeholders on sustainability, meanwhile interacts with various international initiatives such as the UNGC and CDP in terms of implementation, measuring and evaluation methods of these platforms. Yaşar Group has aligned its goals with global targets and has been working in this direction. As an outcome to this, the Group concluded that the environmental management system should be converted into a more dynamic, more active and alive system. In this direction, the Group cooperates with one of its companies, namely Yaşar Information Systems, and has recently accelerated its efforts to adapt itself to Industry 4.0. Acknowledging the fact that internal and external stakeholders should be included in the best practices to mitigate environmental impacts, Yaşar Group set a common target addressing all its stakeholders. In this context, the Group's sustainability efforts, including environmental policies and actions to prevent climate change are shared with stakeholders. These activities consist of sustainability reports, Yaşar Holding and company activity reports, press releases, participation in new studies, advertising works, interviews, executives' presentations and speeches addressed inside and outside the company.

Water Management

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For the existence and continuity of every living being and every ecosystem, water is the most major natural resource. Despite its cyclical nature, water is not an unlimited source and it requires constant protection and prevention.

Group companies support the conservation of water resources and ecosystems with modern practices. In this sense, the Company determines its roadmap following national and international standards and water management policies, and actively works towards ensuring the sustainability of water resources.

With its modern and advanced environmental management system, the Group brings stakeholders and business partners together on good practices. As a result, water footprint and water efficiency studies are carried out since 2014. Moreover, the Group continued voluntary support to the CDP Climate Change and Water Security Programs in 2018 through the responses of Group companies: Pınar Dairy and Pınar Meat. Yaşar Group continues its activities with the awareness of protecting

water resources by working towards protecting water resources in certain regions and its operating region. With the committees at the management level, environmental and sustainability issues have been managed effectively, and with this idea, development and progress has been observed in environment-related mechanisms such as the formation of an infrastructure related to waste management.

In 2018, new practices were designed in many Group companies in line with the objective of maintaining efforts related to reducing water footprint that occurs as a natural result of Yaşar Group's products and services as well as creating politics to extend the scope of these works.



Best Practices and Developments from Companies

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Pınar Water and Beverages¹

- All facilities use "natural spring water" and the flow of sources are monitored with flowmeters on the pipeline. 30% of the flow from sources being utilized are discharged into their natural receiving bodies for the sustainability of the ecosystem. For new source selection and investments "economic feasibility", "fair water uses and social equality", "environmental health and ecosystem sustainability" are taken into account. In addition to Pınar Water and Beverage experts, subject matter Geological Engineering experts are consulted in two different regions for; locating new water sources and assessing investment opportunities for suitable sources, and protection of water bodies in terms of amount and quality according to a general framework.

- Even though the product variety has increased, wastewater discharge in 2018 stayed approximately the same in 2018 with the improvements in reducing leakages in production line disinfections, sanitary use areas and packaging processes through discharge monitoring.



- Within the context of ecosystem sustainability and efficient water source management; water volume fluxes and amount withdrawn for production are monitored and the perpetuation of the natural source's sustainable structure is prioritized when making production plans.



- Periodic communications with City Health Directorates, Municipalities, Water and Sewer Works General Directorates are held in order to develop efficient mechanisms for water resource management for the protection of right to clean and safe water. Two-way communications regarding protection of water body quality, regional priorities and social policies, strategies for access to clean, hygienic, and quality water on both local and regional levels are made during these engagements.

- Wells are utilized instead of natural spring water bodies for efficient water use in for process water use. Wastewater and effluents as a result of biological and industrial activities in the facilities are treated and discharged under legal limits. Projects are being developed to increase water efficiency by reducing the amount of water used in cleaning and disinfecting production lines by utilizing automated closed-circuit disinfection applications (CIP systems). In addition, dry disinfection methods (e.g. UV systems) are utilized for pre-packaging disinfection processes, eliminating unnecessary water use.

Yaşar Group continues its activities with the awareness of protecting water resources by working towards protecting water resources in certain regions and its operating region.

¹ Water withdrawal and consumption figures are not disclosed due to the classification of production.

Pinar Dairy



• Carbon Disclosure Project (CDP) Turkey '2018 Water Security Report' results indicate that Pinar Dairy is amongst the pioneers of water management in Turkey.



• Pinar Dairy conducts water footprint measurement studies to monitor consumption of natural resources, increase environmental awareness and to make sure water consumption is monitored adequately.



• Two-way positive impact was achieved by optimizing cleaning systems in production processes to achieve reductions in both water consumption and wastewater sent to treatment.



• New cleanup water investments enabled more efficient cleanup water production and water savings were achieved through reductions in reverse washing periods and volumes.



• Efficiency of the İzmir factory White Cheese process line was increased with a new investment. As a result, unit water and cleaning agent consumptions were reduced per ton product.

• UHT dairy packaging machinery were replaced, enabling the use of cold water already produced in the facility, for increased water efficiency in Eskişehir factory.

• Improvements were made to the raw milk tank and milk receiving lines' cleaning systems, resulting in a 39% improvement of unit cleaning water consumption.

• Daily water consumption in the silo tanks within the tank gallery was reduced by 33% after the maintenance of cooling water valves and re-arrangement of the mixer operating hours.



• 51 tons per day reduction was achieved in water consumption of the sterilization lines with production planning optimization.

• Due to the increase in the production capacity in the Eskişehir plant, the construction of the new bioaeration tank was started for increasing the treatment plant capacity of the plant. In order to stay below effluent discharge limits, wastewater analyzes were performed daily and pollution was minimized by appropriate treatment methods. Whey lines were revised and used as a part of industrial symbiosis process.

• Improvements in the line mover systems that are used to prevent the deformation of the packaged product conveyor resulted in water savings.

Pinar Meat

• Pinar Meat has started to measure its water footprint starting with 2017. Within this scope, water performance is transparently reported and disclosed to the CDP Water Security questionnaire.



• Pinar Meat strives to reduce water consumption per ton product within the scope of its Environmental Management System. In 2018, water consumption per ton product decreased by 9.57%.



• Pinar Meat management has set targets towards reducing water consumption; targeting 5% reduction until 2021 and 10% until 2023.



• Pinar Meat Sustainability Project presentations organization was held, honoring project members while informing all employees about the projects.

• Efficient use of automated machinery in factory corridor cleaning results in reduced water consumption. Efficient use of water is aimed by creating awareness towards water consumption with the help of environmental committee, which includes all representatives from each process. All employees were given sustainability and environmental training throughout 2018 so reductions in water consumption can be supported both during work and personal lives.

• Efficiency of the Pinar Meat wastewater treatment facility was realized 98% in 2018.

• New implementations for efficient water use and water recycling regularly go live in Pinar Meat factories.

• Closed circuit systems were developed in order to recycle the water that is being used for machine cooling waters and transferring turkey waste to the rendering facility.

• Joint studies with the business partner that established the central cleaning system were held and pressurized spray nozzles were taken online to reduce water consumption.

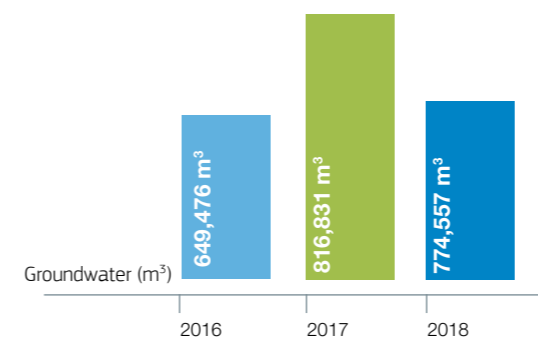
• Spray systems used in cooling charcuterie products were renewed.

• Separate flowmeters were installed in facility entrance points along with remote monitoring systems for momentary water monitoring to control water use.

• Flow and pressure-controlled booster pumps were utilized to prevent excess water use.

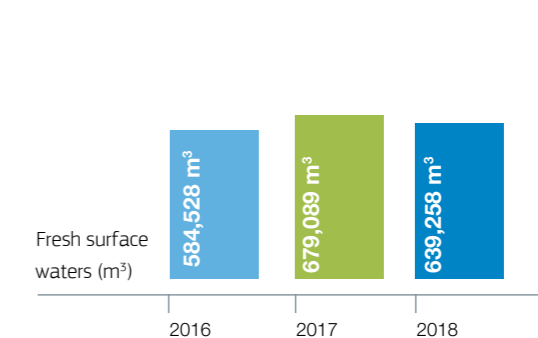
Total volume of water withdrawn in Pinar Meat

Total volume of water withdrawn



Wastewater discharge in Pinar Meat

Wastewater discharge



Viking Paper

• Regions that do not have biological diversity were selected for water sources. Water withdrawn from wells are used in paper tissue production process.

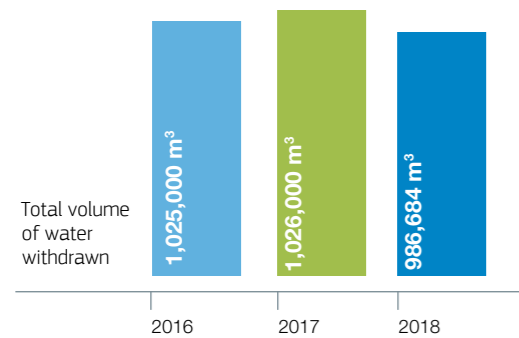


• Water footprint is calculated by the company annually. Total water footprint is made up of blue water and grey water with no green water footprint. In 2014, total water footprint was 2,303,505 m³. In 2018, 1,923,900 m³ was achieved, signifying a 16% improvement.

• For calculating grey water footprint, Viking Paper belongs in Water Quality Parameter Class II according to the Water Pollution Control Regulation (COD = 50 mg/l). In 2018, 933,403 m³ of wastewater was discharged from the wastewater treatment facility fully in line with legal limits.

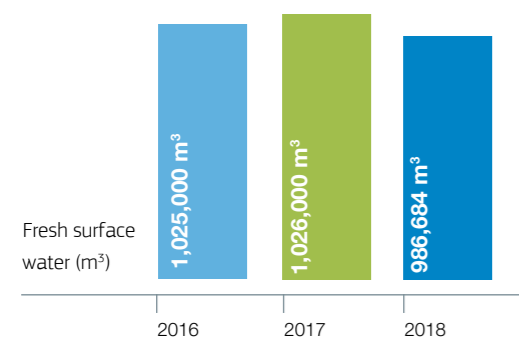
Total volume of water withdrawn in Viking Paper

Total volume of water withdrawn



Wastewater discharge in Viking Paper

Wastewater discharge



Altın Yunus

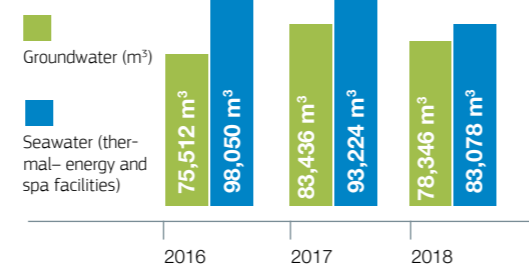
• The facility supplies its water needs only from groundwater sources. In 2018, 78,346 m³ of water was withdrawn and consumed. Water consumption is monitored regularly with meters. Wastewater generated is treated in the biological wastewater treatment facility and used for landscape irrigation.

• Effluent parameters are determined by the Ministry of Environment and Urbanization as BOD, COD, TSS and pH and are analyzed monthly by licensed firms.



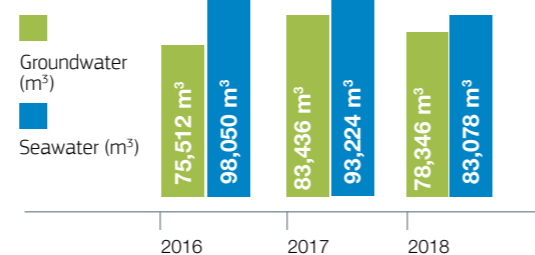
Total volume of water withdrawn in Altın Yunus

Total volume of water withdrawn



Wastewater discharge in Altın Yunus

Wastewater discharge



Çamlı Feed

• Feed producing Turgutlu and Pınarbaşı facilities use water for; steam production, sanitary purposes and raw material for products. Pınarbaşı facility's water needs are supplied by Pınar Dairy, and mains water is used in Turgutlu. There are no wastewater generation from processes in these facilities and domestic wastewater is discharged to sewage systems.

• Beydere Organic Dairy facility uses water for; animal husbandry, sanitary services, domestic use and agricultural production. Feed producing plants are irrigated from a nearby dam and water wells owned by the facility.

• Water is one of the main components of fish culture process. Facilities with fingerling production withdraw water from the sea, treats and then heated or cooled depending on the process needs. Water that provides the required media for fish to grow in the net cages is then discharged back. In addition, groundwater withdrawn can be used for specific stages of the production as well.

Total volume of water withdrawn in Çamlı Feed

Total volume of water withdrawn	2016	2017	2018
Surface water (m ³)	440,770	334,614	401,310
Groundwater (m ³)	1,947,723	1,622,030	2,481,125
Seawater (m ³)	2,596,355	2,604,409	2,673,766
Third parties (mains etc.) (m ³)	29,875	32,146	34,556

Water consumption in Çamlı Feed

Water consumption	2016	2017	2018
Water consumption (m ³)	5,014,723	4,593,199	5,590,75

Energy and Climate Management

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Climate change and rapid depletion of natural resources has obliged using renewable energy and being efficient in the energy sector. The unconscious destruction of the environment by human beings and the climate change disasters that have accelerated in recent years as the result of the irresponsible use of resources have become one of the most important issues to be tackled in the direction of global targets.

Within the scope of combating climate change, the Group believes that the most efficient way of energy use is by using renewable and green energy, and therefore pursues and supports the policy of producing renewable and green energy. In order to minimize environmental impacts of its operations and activities, Yaşar Group follows the best-available energy efficiency practices in national and international platforms.

The Group is aware of the need to protect the environment the best possible way for future generations, and by decreasing their environmental effects in order to do so. Therefore, the Group continuously monitors and improves energy efficient activities in all facilities and create the necessary infrastructure due to renewing existing ones and, selects and implements its activities considering the economic and environmental gain effect.

Yaşar Group's announced "reducing average carbon emission 19% per ton of production until 2020" target from 2012 along with the studies in line with the target.

Yaşar Group's Total Energy Consumption

Total Energy Consumption	2016	2017	2018
Direct Energy Consumption (GJ)	2,273,265	2,398,150	2,673,995
Indirect Energy Consumption (GJ)	408,938	550,093	422,278

Yaşar Group's Total GHG Emissions

GHG Emissions	2016	2017	2018
Scope 1 (tCO ₂ e/year)	155,589	164,021	175,003
Scope 2 (tCO ₂ e/year)	106,340	112,858	96,201

Best Practices and Developments from Companies

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Pinar Water and Beverages

- Approximately 10% reduction in energy consumption was achieved through studies to increase production line efficiencies, periodic and sporadic maintenance works and production planning.

- LNG consumption was reduced 40.6% by improvements made to the steam generator used in reusable bottle cleaning (PC and Glass dispenser size water bottles) process in Bursa İnegöl facility.

- Weight-feed reduction resulted in 20.5 tons of PET savings in the preform process used in 500 ml bottled water production in Bursa İnegöl Facility. Stretch nylon consumption was also reduced 20% by using lower weight materials in the pallet wrapping packaging process.

- Investments made in the Sakarya Hendek facility enabled simpler and faster transportation for raw material and other inputs. Leaning out the process resulted in reduction of 15% in energy consumption.

Pinar Water and Beverages GHG Emissions (tCO₂e)

	Scope 1	Scope 2	Total
2016	810	8,478	9,288
2017	622	7,684	8,306
2018	433	6,900	7,333

Pinar Water and Beverages GHG intensity (tCO₂e/ton)

	Total
2016	0.169
2017	0.146
2018	0.144

system PLCs' are supplied from UPS. This reduced the use of extra water from energy fluctuations.

- Large-scale energy savings is achieved by investing in ammonia compressor for HVAC cold water system the in central cooling system, 7 degrees ice water is started to use instead of 2 degrees ice water.

Pinar Dairy GHG Emissions (tCO₂e)

	Scope 1	Scope 2	Total
2016	32,573	33,161	69,634
2017	37,061	41,011	78,072
2018	32,228	39,803	72,031

Pinar Dairy GHG Emission Intensity (tCO₂e/ton)

	Total
2016	0.200
2017	0.200
2018	0.202

Pinar Dairy

- According to CDP Turkey 2018 Climate Change Report results, Pinar Dairy became one the leader companies and scored "B" among 7,000 voluntary responder companies.

- In Pinar Dairy facilities, following practices are realized for the efficient use of energy, and energy saving.

- Manually operated air blowing nozzle in the Tetrapak packaging unit was automated for blowing air only during the production. Thus, 2,565 kWh of electricity was saved with an average of 15,363 m³ of compressed air gain per month.

- The 400-Watt sodium vapor lamps used in the factory ambient lighting have been replaced with 75-Watt compact type fluorescent lamps that require less maintenance. Thus, 30 lamps were replaced with the compact fluorescence; as a result, an average annual saving of 47,806 kWh was achieved. Similarly, 116-Watt fluorescent lamps in the warehouse were replaced with 30 Watt led luminaires. Thus, both efficiency and energy savings of 18,956 kWh were achieved.

- The project for the reassessment of steam condensate water for heating purposes was completed. By eliminating the need for live steam consumption for hot water production 2,245 GJ of steam energy is saved annually.

- Tetrapak filling machines are designed for alarming the operator in case of leakages from pumps. This prevents burnout of the pump motor during a possible overflow.

- In order not to be affected by possible electrical surges and blackouts, UPS was installed to UHT and Pasteur systems' control panels and control

Pinar Meat

- According to CDP Turkey 2018 Climate Change Report results, Pinar Meat became one the leader companies and scored "B" among 7000 voluntary responder companies.

- Pinar Meat carried out the following applications for energy efficiency in its production processes.

- Uninsulated roofing material was replaced with insulated roofing materials in an area of approximately 10,000 m².

- Led luminaires and photocells use was started in lighting systems.

- Insulations in heating and cooling systems are regularly renewed to prevent heat losses.

- Heat recovery projects in steam system were engaged (Water heating system with flue gas).

- Combustion efficiency in steam boiler combustion system is optimized by O₂ and CO measurement and monitoring systems installation.

- Improvement projects have been implemented to reduce the condensation temperature for more efficient operation of cooling systems. The waste steam from the rendering process was recovered and used in the water heating system. This process also helped to improve performance of the deodorizer system.

Pinar Meat GHG Emissions (tCO₂e)

	Scope 1	Scope 2	Total
2016	13,798	15,891	29,690
2017	10,725,000	16,147,000	26,872,000
2018	11,190	16,428	27,618

Pinar Meat GHG Emission Intensity (tCO₂e/ton)

	Total
2016	0.694
2017	0.615
2018	0.627

Dyo Coating

- In Dilovası Factory, measurement system in the tanks was replaced and revised with "Radar Type Level Measurement System", thus CO₂ gas usage was eliminated in 2018. New projects are underway to further reduce CO₂ use.

- Heat oil boiler burners have been modernized to operate with more precise proportionality and proportional operation of Synthetic Resin production reactors in heating systems was realized.

Dyo Coating GHG Emissions (tCO₂e)

	Scope 1	Scope 2	Total
2016	8,866	8,740	17,606
2017	9,565	8,950	18,515
2018	8,059	8,288	16,347

Dyo Coating GHG Intensity (tCO₂e/ton)

	Total
2016	0,694
2017	0,615
2018	0,627

Viking Paper

- In 2017, energy consumption for drying project was 5,038 TOE/ton paper energy, with the applied efficiency project energy consumption realized as 6,338 TOE/ton paper. It was achieved by using the waste heat generated from electricity instead of direct steam generation by combusting natural gas.

- With the Kojen project in the drying process, waste heat from electricity production is recovered by using released hot gas. Thus, energy savings is achieved.

Viking Paper GHG Emissions (tCO₂e)

	Scope 1	Scope 2	Total
2016	20,513	27,231	47,744
2017	19,591	26,330	45,921
2018	31,556	10,553	42,109

Viking Paper GHG Intensity (tCO₂e/ton)

	Total
2016	0.123
2017	0.118
2018	0.117

Çamlı Feed

- By using the waste heat generated in the compressor is used for heating the feed water and using of a high efficiency steam boiler, high amounts of savings was achieved.

Cattle and poultry feeds were produced in the new Turgutlu feed factory in the last two months of the year, thus energy saving was achieved. The new factory is able to operate more efficiently due to the proper process design and the high-efficient equipment and devices. Efficiency was calculated by comparing the first six months of the similar production in old factory.

Çamlı Feed GHG Emissions (tCO₂e)

	Scope 1	Scope 2	Total
2016	8,497	8,514	17,011
2017	9,480	8,687	18,167
2018	9,361	9,941	19,302

Çamlı Feed GHG Emission Intensity (tCO₂e/ton)

	Total
2016	0.077
2017	0.076
2018	0.072

YBP

- In 2018, in order to raise awareness about energy saving projects and periodic information giving were started. Energy efficiency was achieved by replacing lighting systems with led lamps in regional offices and warehouses.

YBP GHG Emissions (tCO₂e)

	Scope 1	Scope 2	Total
2016	23,050	2,264	25,314
2017	23,603	2,196	25,798
2018	21,678	2,300	23,978

YBP GHG Emission Intensity (tCO₂e/ton)

	Total
2016	0.078
2017	0.076
2018	0.074

Carbon Footprint Reduction Studies

Yaşar Group's on the way of achieving the goal of a sustainable world, we see the consequences of climate change and therefore set the goal of "maintaining expanding the scope of carbon footprint reduction studies".



Pinar Dairy

- In addition to the many projects mentioned in energy and climate management section, savings are achieved through projects made in packaging and formulations used.
- 28.5 tons of paper, 25 tons of polyethylene and 7.3 tons of aluminum saved annually by changing the packing of 1000 ml fruit juices. Thus, 360 tons of carbon emissions reduced annually.
- Pinar Dairy gained a logistical advantage by producing and delivering the product in its all 3 factories. Thus, 226,000 km and 240 tons of carbon emission reduced in the logistics.
- Product formulations in fruit nectars were revised to reduce sugar use. By reducing the produced solid waste and by-products in sugar production, carbon emissions were also reduced.
- Carbon emissions were reduced by changing the packaging of sauce group products. With the reduction in the used packaging resulted in 189 tons CO₂e, 31 tons of plastic in the market and as 3 tons per paper packing total of 34 tons annual reduction was achieved.

- Plastic waste amount was reduced by using paper separators instead of plastic separators in yoghurt group. Instead of the use of 6 tons of PVC plastic per year, 2 tons of testliner paper, recycled material, was used. Thus, 18.7 tons of carbon emission reduction was achieved.
- The need for in-box separator was eliminated with the revision made in the Protein Yoghurt Package. Thus, cost improvement, annually 4 tons of less paper usage and 3.2 tons carbon emission reduction were achieved.
- The cottage cheese boxes were switched from 6-pack to 8-pack, thus less corrugated cardboards were used. Accordingly, 43.9 tons cardboard and 37.1 tons of carbon emission reduction was achieved.
- In order to reduce carbon emissions from personnel services, routes are marked on city plans and by considering the occupancy rates some lines was merged. Thus, number of services were reduced by 8% and carbon emission reduction was achieved.

YBP

- With the Asian Warehouse Optimization Project, YBP was reduced its number of warehouses, thus maintenance costs reduced by using air conditioners at an optimum level. The most important saving aspect of the project was the optimum use of electricity during the loading of the vehicles. In addition to the new warehouse layout, routing was organized through urban distribution optimization efforts, and 3 distribution vehicles and 13 sales representative vehicles were reduced so gasoline savings were achieved. Accordingly, with the projects, 141,722 kWh reduction in electricity and 2,361 kg CO₂e reduction in emissions is expected.

• YBP Asia Region Urban Distribution Optimization Projects

In addition to the new warehouse layout, in the project of optimizing rut in urban distribution, gasoline save, car rental cost reduction and optimum number of employees were the expected returns of the project.

- In 2017 at Bursa Region, durable foods and fresh food was distributed by 2 different companies with 29 vehicles. In order to make the business process more efficient, agreement with the fresh food distribution company was terminated, thus number of vehicles reduced to 21. 25% reduction in road and fuel consumption was achieved with the 8-vehicle reduction in the fleet, so carbon emissions were also 67,555 kg CO₂e reduced.

- As of November 2018, YBP Europe Regional Sales Team has begun to apply the New Working Model. With this new working model, European KA and European Traditional sales teams start the day on the field and also end their days on the field. With the increase in the time spent in the field, productivity has been increased and fuel savings have been made by reducing the round-trip fuel consumption to the company.

- As of October 1, 2018, mobile sales distribution personnel vehicles were returned and instead 7 sales distribution staff were added to their positions. As a result, the time spent in traffic was minimized, and 17 car rents and 2 tank fuel per vehicle were saved on average.

- With the European Regional Urban Distribution Optimization Works, 4 distribution vehicles were reduced by increasing vehicle efficiency in urban distribution along with a new warehouse layout. After a distribution vehicle became dual-regime, 3 vehicle worth of savings were achieved, and route optimization were made for Pinar Food dealers based on their customers' location, nearest locations were handled by YBP and remote points were handled by dealers, thus, 1 vehicle worth of savings were achieved. Carbon emission reduction achieved by gasoline savings, car rental cost reduction, optimum number of employees, and by achieving expected returns for warehouses.

Pinar Water and Beverage

- With the help of weight reduction studies on preform material used in bottling of water, the amount of emission is reduced by using less energy in bottle formation process.
- In the reversible bottle washing process, the LNG use has been reduced by 40.6% and the emissions also been reduced, in line with the improvement activities in the steam generator used for heating the water.
- With the help of production planning activities and simplification activities, that enabling increase in productivity, industrial energy use has been reduced by approximately and 10%, thus carbon emission was reduced.

Waste Management

103-2 103-3

After the production process, the outcome both include the product generated by using raw materials and the waste. With systematic waste management plans, wastes coming from the product can be used as a new raw material. Yaşar Group's waste management system consists of reduction of waste in its source, involves the reuse and recycling of waste and its recovery as energy, and eventually waste disposal.

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

Best Practices and Developments from Companies

306-1 306-2

Pinar Dairy



• All hazardous and non-hazardous wastes, such as wooden pallets and scrap iron, that are generated as a result of production, maintenance, and daily activities at Pinar Dairy plants are separately and temporarily stored at the waste sites in facilities and appropriately recycled or recovered.

• Food residues and garden wastes are disposed to the municipal waste site for biogas production within the scope of biodegradable waste.

• Awareness raising trainings are provided especially within the scope of "Zero Waste" management and awareness is raised on the most efficient recovery and recycling way of all wastes.

Pinar Water and Beverage

• Production wastes, packaging materials from wastages and input materials, paper and cardboard derived packages separated from returns, PET and glass wastes are separated under appropriate conditions and collected in containers under appropriate conditions. These wastes are then taken to packaging waste - non-hazardous waste depot and disposed of by licensed collection-separation firms when the waste reach the specified volume or weight in the container.



• 3 million kg of PET was recovered, and 3 million kg of glass was recycled.

In the cardboard-based packaging material, 54% of the total packaging material are recovered from the market.

Pinar Meat

• Wastes generated at Pinar Meat facility are collected at the separate bags and disposed to waste collection sites, then its collected by the licensed waste firms.

• In 2018, it was ensured that waste sludge and tripe wastes were collected directly into the container without touching the ground, to be disposed.

• As in every year since 2014, "Bring 10 Batteries, Plant 1 Tree" project was continued in 2018.



• In 2018, the project of collecting vegetable waste oil from houses carried out with the KOSBİ Environmental Directorate was launched.

• Studies on the Zero Waste Project carried out by the Ministry of Environment and Urbanization continued.

YBP

• With the activities like blue cover collection campaign and waste battery collection campaign, in regional offices and warehouse, recycling of these materials is achieved. In addition, packaging waste, stretch, cardboard, nylon and product plastics accumulated in warehouses are collected in a suitable area and collected by recycling companies.

• The nylon pallet wraps on the milk pallets are collected in warehouses at Antalya Region, and recovered for re-use in Pinar Dairy's İzmir and Eskişehir plants.

Viking Paper

• 56 % of cardboard-based corrugated cardboard products and 56 % of plastic-based outer packages issued to market are collected by ÇEVKO.

Awards

Yaşar Holding

- Yaşar Holding Honorary President Selçuk Yaşar, one of the founders of TÜSİAD, was honored with a plaque of appreciation for his contributions to the establishment of TÜSİAD.
- Yaşar Holding Honorary President Selçuk Yaşar was honored with a plaque of appreciation for his contributions to tourism sector by The Turkish Tourism Investors Association.
- At the Human Resources Summit held in the main sponsorship of Kariyer.net, Yaşar Holding was awarded the Human Respect Award for the 8th time.

Pınar Meat

- **Pınar Meat "Most Successful Team of the Year" Silver Award**

European Foundation for Quality Management (EFQM) national cooperation partner in Turkey, Turkey Quality Association (Kalder) organized within the framework of the 19th Izmir branch carried out under the Local Quality Awards of Excellence Quest Symposium, "The Most Successful Team of the Year" Pınar Meat won the "Silver Award" with the Automation Project for Packaging and Packaging of Sliced Products developed by the "Pinarobot team".

- **Pınar İllaki Fermented Sausage, "Crescent and Stars of Packaging" Competence Award**

• Pınar Meat won the Competence Award with Pınar İllaki Fermented Sausage in the Packaging Materials and Components Category at the 9th Crescent and Stars of Packaging Award organized by the Packaging Manufacturers Association (PMA).

Pınar Water and Beverage

- Pınar Water and Beverage was among to most popular brands under the water category in the Turkey's 2018 LOVEMARK's organized by IPSOS.

Dyo Coating

- DYO Coating was among the top 10 companies in the R & D 250 list by Turkishtime.
- Dyotherm Isolteco 110 was awarded the "Thermal Insulation of the Year" award.
- "Value for Tomorrow" project received the IMSAD Investment for the Future Award.

Altın Yunus

- Certificate of Appreciation was received from Çeşme District Governorate, Clean Seas Association and EMITT Eastern Mediterranean Tourism Fair.
- Altın Yunus received the Green Star Hotel Certificate.

Pınar Dairy

- **Pınar Dairy, International Taste and Quality Institute Award**

At the ceremony organized by the International Taste and Quality Institute (ITQI) in Belgium, Pınar Protein Milk Cocoa, Pınar Protein Milk Vanilla and Pınar Cocoa Lactose-Free Milk was awarded the Superior Flavor Award by the jury of Michelin-starred chefs and pies.

- **Pınar Protein Milk and Pınar Protein Yoghurt, "Selected Product of the Year"**

With an investment of approximately TRY 10 million, it was introduced to consumers as a result of R & D activities that lasted for three years, "Pınar Protein Milk" and "Pınar Protein Yoghurt" with the votes of the consumers, it became the "Selected Product of the Year" title in the Value Added Milk Products category.

- **Pınar Dairy, Most Successful Global Company Award**

According to the results of the research conducted in collaboration with the independent market research company IPSOS, Platinum, the economy and business magazine, the Global 100 Award Ceremony was held with the theme of Industry 4.0. Successfully representing Turkey in the global arena, Pınar Dairy was the owner of the award as a leader in the beverage sector.

- **Pınar Latte Art Barista Milk, Most Innovative Milk Product Award**

According to Wizzsight Research collaborates with Poltio.com for Marketing Turkey "Innovative Products of the Year" research Pınar Latte Art Barista Milk was selected as the Most Innovative Milk Product of 2018.

- **Pınar, Turkey's Most Admired Companies Award**

• In the research conducted by Capital and Zenna Research and Consultancy, Pınar Dairy became the Most Admired Company in the milk and milk products category. In the research, Pınar was evaluated by 1,480 middle and senior executives from the business world according to criteria such as service and product quality, customer satisfaction, reliability and innovation.

- **Pınar Dairy, Turkey's Most Successful Marketing Leaders Award**

• Organized by Capital Magazine and research, which determined the scope of Turkey's most successful marketing team Pınar Dairy was awarded the prize in 2018 for his pioneering work.

- **Pınar White Grissini, Crescent and Stars of Packaging Gold Award**

• Pınar White Grissini received the "Gold Award" in the food category at the Crescent and Stars of Packaging Awards organized by the Packaging Manufacturers Association.

- **Pınar Protein Milk, Crescent and Stars of Packaging Bronze Award**

• Pınar Protein was awarded the "Bronze Award" in the Milk and Beverage category at Crescent and Stars of Packaging Awards organized by the Packaging Manufacturers Association.

- **Pınar Mustard and Pınar Kefir Probiotic Beverage, Crescent and Stars of Packaging Award**

• Crescent and Stars of Packaging Awards organized by the Packaging Manufacturers Association, received the Pınar Mustard "Competence Award" and the Pınar Kefir Probiotic Beverage Bronze Award in the graphic design category.

- **Pınar Dairy, Turkey Achievement Award in the Reputation league**

• Repman and Zenna Consulting conducted by Turkey and by so far the most comprehensive reputation management is carried out according to the survey results; Pınar Dairy won the award of Turkey Achievement Award in the Reputation League.



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Yaşar Holding UN Global Compact Communication on Progress

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