

## Yaşar 2010 UN Global Compact Communication On Progress



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## One of Turkey's leading industrial groups

With 22 companies (six of which are traded on the İstanbul Stock Exchange) and two charitable foundations, 19 production plants, and 6,500 people, a network of more than 1,000 dealerships, and 200,000 points of sale through which it delivers its products and services, Yaşar Holding is today one of Turkey's leading economic actors.



## Chairperson's Message



İdil Yiğitbaşı  
Chairperson of the Board of Directors

## Sustainability is an important strategic goal all through our organization

The journey on which we embarked as Yaşar Holding in 2007 when we signed the UN Global Compact continues. Corporate responsibility is an indispensable element of management quality because of the contingent ability that it gives companies to respond to long-term trends and to maintain their competitive edge. We consider corporate responsibility as being closely linked to the Yaşar Group's values and strategies and thus as being the key to its own sustainability.

When we consider that we shall otherwise need three more planets like our existing one to meet the basic needs of a world population that is expected to reach 9 billion by 2050, we can much better understand why we must achieve balance among economics, the environment, and social life.

By signing the Global Compact, Yaşar Holding commits itself to report on its stance and progress with respect to the issues of human rights, manpower, and combating corruption. In addition, through our activities conducted under the "Corporate Reputation" project that we launched in 2010, we also emphasize that we intend to be more systematic in continuing our ongoing efforts to achieve balance among economics, the environment, and social life. Thus our goal as Yaşar Holding is to demonstrate an integrated approach by including social and environmental factors along with economic considerations in all of our decision-making processes and operations. In other words we are rapidly continuing our efforts to:

1. Minimize the environmental impact of our growth
2. Work closely with local communities wherever we engage in activities
3. Increase our in-house communication among all personnel by ensuring that our holding company's subsidiaries are aware of each others' activities and by enabling our blue-collar workers to take part in communication networks more effectively
4. Strengthen our existing communication channels with our suppliers as well as with all of our other stakeholders and continue our journey towards sustainability along with them.

İdil YİĞİTBAŞI  
Chairperson of the Board of Directors

## Chief Executive Officer's Message



**Dr Mehmet Aktaş**  
Chief Executive Officer

## We are aiming to raise awareness in our group.

Our world is in the midst of the most rapid changes and transformations. Developments experienced in recent years and the economic and technological point that we have reached is far beyond anything we imagined. Nowadays when making any forecasts about the future we are obliged to simultaneously assess not just a few but many different variables and when planning our activities we are in a position of absolutely having to consider not just the economic benefits they will secure but also their impact on sustainability.

According to Millennium Ecosystem Assessment that was published in March 2005, human activities during the past 50 years have brought about much faster and more comprehensive changes in the world's ecosystems than have ever been seen before. Projections for the future reveal the true urgency of the situation that confronts us. The demand for water, energy, and food is expected to increase between 30-50% over the next two decades. Even today about 15% of the world's population exists at the edge of starvation. By 2030, half the world's population will be living in places that do

not have enough water. In short, social well-being does not increase as fast as economic development. Supply is unable to keep up with demand.

This is why sustainability has today become an issue of the highest priority on the agendas of the world, of countries, of governments, and of companies. Because of its awareness of this, we signed the UN Global Compact (UNGC) in 2007 as the Yaşar Group and resolved to pursue our activities along the axis of global sustainability. The report you are now reading is the Yaşar Group's second "communication on progress" concerning its compliance with Global Compact criteria.

In our first Global Compact Communication On Progress (Yaşar 2009), our aim was to determine the existing situation in our companies and to quantify our goals more numerically over time. After sharing that communication on progress with our stakeholders, we conducted an intensive training program for our personnel that focused on the issues of preparing our sustainability roadmap, supporting our efforts on

behalf of sustainability with numerical data, identifying targets, and composing a report making use of Global Reporting Initiative (GRI) criteria. In addition, we also worked with our employees at a variety of conferences and seminars in order to increase awareness about these matters among Yaşar Group companies and to bring that awareness down to the level of every individual. Our personnel were given training on such subjects as energy efficiency and drawing up a greenhouse gas emissions inventory in order to reduce the environmental impact of our companies as they pursued growth.

We know that we still have a long way to go. As we proceed, our objectives must be to build upon the sense of corporate responsibility that is inherent in Yaşar Group traditions in line with today's needs and to share with you information about our efforts to achieve and maintain sustainability as we strive to fulfill our duties as a corporate group.

**Dr Mehmet AKTAŞ**  
Chief Executive Officer

## Yaşar Holding Board of Directors

Name	Position
İdil YİĞİTBAŞI	Chairperson (1), (4)
Yılmaz GÖKOĞLU	Vice Chairperson(4)
Mehmet AKTAŞ	Board Member (3)
Hasan GİRENES	Board Member
Servet TOPALOĞLU	Board Member
Neslihan TONBUL	Board Member (3)
Mehmet KAHYA	Board Member (2)

1. Chairperson of the Board of Directors Subcommittee on Human Resources & Corporate Governance
2. Chairperson of the Board of Directors Subcommittee on Audit & Risk Management
3. Member of the Board of Directors Subcommittee on Human Resources & Corporate Governance
4. Member of the Board of Directors Subcommittee on Audit & Risk Management

The Yaşar Holding Board of Directors consists of seven members, three of whom are independent members. There is a chief executive officer who is responsible for all of the Yaşar Group's executive functions and who reports directly to the Board of Directors.

Following the OECD's publication of Corporate Governance Principles in 1999, the responsibilities of the chief executive officer were separated from those of the Board of Directors.



# Yaşar Holding

## for a better life...



Established in 1945, Yaşar Holding is active in a wide range of consumer products with particular emphasis on the "food & beverages" and the "coatings" sectors.

Our Food & Beverages Group controls an extensive portfolio of products sharing the "Pinar" label, an extremely well-known brand that enjoys a high level of market share in Turkey. Pinar is an enduring leader of its sector in the milk, spreadable cheeses, charcuterie products and frozen meat products market segments.

Yaşar's presence in the coatings sector reaches as far back as 1927. Today the Coatings Group is at the service of customers with more than 1,000 products sharing the "Dyo" label that come in 3,500 different forms of packaging and with more than 60,000 color options.

Yaşar Holding consists of 22 companies (six of which are traded on the İstanbul Stock Exchange) and two charitable foundations. It has 19 production plants and is directly responsible for the employment of 6,500 people. The group also has a number of joint ventures with Ferrero and McDonald's.

Group companies export goods in the "food & beverages" business line to Gulf and EU countries and goods in the "coatings" business line to countries in Asia, Europe, and the Gulf.

The Food & Beverages Group is active in Germany through Pinar Foods GmbH. HDF FZCO is based in Dubai, where it carries out its mission of making the Pinar name a trusted regional brand with a reputation for quality throughout the Middle East and the Gulf.

Kemipex, a member of the Coatings Group, has been engaging in the manufacturing, sale, marketing, and distribution of Yaşar coating products in Russia since 1996.

SC Dyo Balkan SRL, which was founded in 2003, is based in Romania, where it sells construction coatings and wood varnishes.

Dyo Sipes Mediterranean Trade for Paints Co is a joint venture with the Sipes Group that was set up in Egypt in 2004. The company engages in the production, sale, and marketing of automobile repair and furniture coatings.

In 2010 Yaşar Holding booked an consolidated turnover amounting to TRL 2.6 billion.

**Company name:** Yaşar Holding AŞ

**Principal business activities:** Food & beverages, coatings, agro business, tissue paper, services & trade

**Number of employees:** 6, 500

**UNGC member since:** 12 November 2007

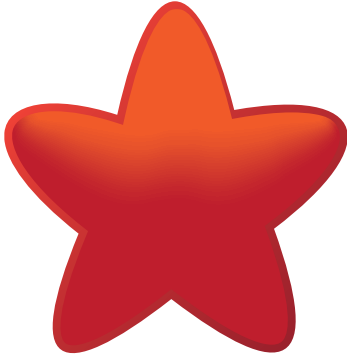
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## Our Corporate Values



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### 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.



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### 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.



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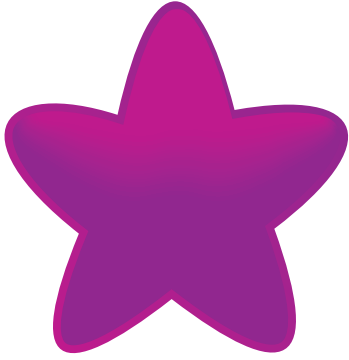
### Our People

Under our "Science, Unity, Success" motto, our people; who are well-trained and experienced, who have a high sense of possession and belonging, 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 Mission

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





## 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 Environmental and Social Responsibility

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

a rich product  
portfolio and  
unrivalled market  
position



## Our publicly-traded companies



### Pınar Süt Mamulleri Sanayii AŞ (Pınar Dairy)

Founded in İzmir in 1975 as the biggest venture of its kind in the Middle East and the most advanced in Europe, Pınar Dairy quickly earned a well-deserved reputation among Turkish consumers with its diversified range of innovative, healthy, tasteful, and nutritious products, and its “My Life Source” slogan.

More than just the major supplier of milk and dairy products to the domestic market in Turkey, Pınar Dairy is advancing rapidly towards becoming a “global brand” that is known for the superior goods which it exports to leading national markets around the world. The author of many firsts since 1975, Pınar Dairy single-handedly pioneered the concept of standardized, wholesome dairy products in Turkey.

Employing advanced technology to produce the milk and dairy products that are essential to good nutrition and to deliver them to consumers, Pınar Dairy contributes towards greater dairy production in Turkey by continuously supporting its more than 35,000 producers and maximizing the benefit of their efforts for all concerned. This is the essential objective of the company’s current expansion of its Eskişehir plant, whose total investment cost will reach TRL 26 million by the time it is completed.

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



### Pınar Entegre Et ve Un Sanayii AŞ (Pınar Meat)

The first integrated meat processing plant in Turkey conforming to EU and other international norms, Pınar Meat since the day it was founded has been supplying consumers with healthy, reliable, and tasteful meats and meat products while focusing on both quality and hygiene.

Pınar Meat leads its sector by virtue of the confidence that its quality inspires among consumers. Seeking to offer diversified products to consumers in identified target markets, Pınar Meat engages in constant R&D and marketing activities while exporting its goods to many different countries.

Constantly reviewing and revising its product portfolio in line with the wishes, expectations, and needs of consumers, Pınar Meat also gives the utmost attention to today’s crucially important issues of food safety and traceability. In its annual inspections by the European Food Safety Inspection Service (EFSA), and independent food inspection agency, Pınar Meat consistently receives the highest marks, thereby demonstrating that it is worthy of the confidence that consumers have in its products.

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





#### Pınar Su Sanayi ve Ticaret AŞ (Pınar Waters)

The pioneer of the bottled water sector in Turkey, Pınar Waters introduced the first natural spring water bottled in one-way packaging to the country's market in 1984. Today Pınar Waters supplies spring water obtained from Madran, Gökçeada, and Toros springs under the "Pınar Yaşam Pınarım" [Pınar My Life Source] trademark to appreciative consumers both in Turkey and in the countries to which it is exported.

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



#### Dyo Boya Fabrikaları Sanayi ve Ticaret AŞ (Dyo Coatings)

Dyo Coatings manufactures paints for the construction and metalworking industries and for marine applications; paints, varnishes, synthetic resins, and polyester compounds used in furniture making; paints for automobile repair work; heat insulation materials; and brushes and rollers. The company has two production plants located in İzmir-Çiğli and in Gebze-Dilovası.

The Çiğli plant concentrates on making furniture paints and varnishes, industrial-application paints, special-purpose paints and polyesters, synthetic resins, and automotive repair paints. The plant's superior technology and extensive capacity make it one of the sector's leading manufacturers. Located on 67,000 m<sup>2</sup> of grounds, the Dyo Coatings Çiğli factory is the biggest facility in the sector in Turkey.

Employing a proprietary system capable of formulating more than six thousand hues, the company manufactures a wide range of products for use in applications ranging from building interiors and exteriors to metal and wood surfaces. Dyo Coatings operates 220 color mixers and 24 color centers that are conveniently accessible to users everywhere in the country. In addition to swatch cards showing the full range of colors, the company also supplies seven-color "softone" swatch cards that take changing tastes into account and in line with consumer preferences.

Known for its strong focus on research and development, Dyo Coatings once again added to its reputation for innovation and leadership in the second half of 2005 by sparking a revolution in the sector with its introduction of the first nanotechnology products to the Turkish market. The company authored yet another first in the industry by receiving a patent from the Turkish Patents Institute for its nanotech paint products. The nanotech paints that Dyo Coatings has launched to date are marketed under the names Nanoipekmat, Nanomat, Nanotex, Nanosön, Nanolacke, Nano Ahşap, and Nano Marine.

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





#### Viking Kağıt ve Selüloz AŞ (Viking Tissue)

Turkey's first foreign-financed and privately-owned paper manufacturer, Viking Tissue was originally founded in İzmir's Aliağa township in 1969 and joined the Yaşar Group in 1982. Since 1996, Viking Tissue has been active in national and international markets in the finished and semi-finished household paper product business lines. The company's basic strategies consist of pursuing growth and defending its market position in household paper products by offering superior goods that appeal to consumers while taking maximum advantage of brand and delivery channel strengths and also of increasing its exports by focusing on end-product sales in international markets.

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



#### Altın Yunus Çeşme Turistik Tesisler AŞ (Altın Yunus Resort)

Located in İzmir's Çeşme township, Altın Yunus Resort is a holiday village that has been at the service of Turkey's tourism industry since 1974. Situated on 140,000 m<sup>2</sup> of grounds with 465 rooms and a bed capacity of 1,080, Altın Yunus Resort is one of Turkey's biggest resorts. Its many pioneering innovations have contributed greatly to the progress of tourism in Turkey.

In addition to being a popular summer resort with its first-class facilities, marina, and blue-flag beach, Altın Yunus Resort attracts winter visitors with its thermal springs and is also a health tourism destination thanks to the thalassotherapy pool in its Bio Venus unit. With its well-equipped spacious hall, Altın Yunus Resort is capable of hosting events such as congresses, seminars, receptions, and business meetings year-round.

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



## Our other companies



### Çamlı Yem Besicilik Sanayi ve Ticaret AŞ (Çamlı Feed)

Çamlı Feed initially got its start in 1983 as a manufacturer whose only product was cattle feed. As time passed, the company began to take lead in the agriculture and livestock industries by virtue of the principles to which it committed itself. In the course of 28 years, Çamlı Feed has contributed greatly towards the growth and development of a thoroughly modern sector that has the advantage of tremendous competitive strength.

Having expanded into many different business lines, the company today has become a comprehensive farming, livestock raising, and fisheries group which has a presence at every link of the food chain from producer to the table with hundreds of different products ranging from feeds and feedlots to fish farming and fertilizers.

It is Çamlı Feed's principle to pursue growth by focusing on supplying products and services that are the result of using modern production methods and advanced technology, on distinguishing itself through continuous development while also maintaining its standing as a quality leader. The company has been audited by Certification of Environmental Standards GmbH (CERES) and is accredited as an "organic agricultural enterprise". Çamlı Feed is also the first company in Turkey to be awarded GlobalGap certification in the business of feed manufacturing.

Çamlı Feed, aware of its responsibilities towards both the sector in which it is active and the community of which it is a part, always abides by its principle of engaging in production that is sensitive to ethical values, to animal wellbeing, and to the environment. Recognizing the fundamental importance of intellectual capital in today's information society, the company regularly invests in knowledge, education, and research. The company creates strong working relationships with producers, suppliers, companies, and retailers in its ongoing efforts to maximize production efficiencies and to foster the growth and development of its market.

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



### Yaşar Birleşik Pazarlama Dağıtım, Turizm ve Ticaret AŞ (YBP)

YBP carries out the sale and distribution of the products bearing the Pinar brand, the leading name in Turkey's food sector, employing huge fleet of vehicles and a strong team of customer-focused, experienced people who are specialized in the company's business lines. YBP supplies more than 600 items in all categories of the Pinar label to 152,000 points of sale.

With its customer-focused sales specialists and experienced dealers numbering a hundred or so, YBP continues to build on its productivity-based mass distribution strategy day by day. In addition to its own (Pinar) brand products, since 2004 YBP has also been successfully selling and distributing Nutella, Kinder, and Bueno-brand goods made by Ferrero, the giant Italian manufacturer of chocolate and other confectionery products.

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







#### Bornova Matbaa Mürekkepleri Sanayi ve Ticaret AŞ (Dyo Inks)

Controlling a 40% share of the market for printer's inks in Turkey, Dyo Inks is the leading and only fully integrated manufacturer in its sector with a 25,000 ton annual production capacity and with marketing and sales forces that make it a potent force in all aspects of newspaper, magazine, photo-offset, serigraphy, metal packaging system, flexo, and rotogravure printing inks. Dyo Inks is now conducting its activities at its new plant. Located in the Manisa Industrial Park, the plant has 12,000 m<sup>2</sup> of indoor space and commenced production in November 2010.

With a network of 40 dealerships, Dyo Inks is able to reach printers all over Turkey. An efficient dispensing system consisting of its new plant, an İstanbul-based "Color Production Center", and dealerships allow the company to produce customized inks capable of satisfying customers' individual needs in the least amount of time.

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



#### Astron - Yaşar Bilgi İşlem ve Ticaret AŞ (Astron)

YH Bilgi Sistemleri (Yabim) was originally set up in 1983 to conduct and manage the Yaşar Group's information system functions. Yabim remained active in the areas of hardware and software until 1996.

Astron was formed late in 1996 to install the SAP R/3 enterprise resource planning (ERP) system at Yaşar Holding and among its subsidiaries and Yabim was incorporated into it.

Astron was the first fully world-class implementation of an ERP system in Turkey. Having successfully undertaken and concluded the country's first comprehensive SAP project, Astron subsequently led the way forward for other projects of that nature.

In 2001 Astron took over responsibility for the IT systems of all group companies with aim of unifying them. Today, it not only provides all of the group's information technology needs but has also achieved a nationwide presence that enables it to offer informatics services all over Turkey and even abroad.

Astron provides information technology services in line with its mission of making use of technology, processes, and methods to strengthen the technological infrastructure of the Yaşar Group while giving group companies a competitive advantage and helping them achieve their goals.

When providing service, Astron comes up with solutions that quickly and completely satisfy all the needs of group companies. It gives attention to ensuring that the products that it supplies embody solutions that will strengthen group companies' business processes and enhance their productivity. When performing its services, Astron gives utmost importance to equip its human resources with the advanced skills required by their jobs. By encouraging teamwork and participation, it seeks to create superior benefit for the entire Yaşar Group.

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

## Our Corporate Social Responsibility Activities

an ongoing effort  
to create sustainable  
and enduring value  
for our stakeholders



## Our corporate social responsibility activities

As part of the "Corporate Reputation" project that was launched throughout Yaşar Holding in 2010, a Corporate Social Responsibility Committee was set up whose purpose is to coordinate the group's activities in such areas in line with defined strategies.

### Yaşar Eğitim ve Kültür Vakfı

Yaşar Eğitim ve Kültür Vakfı (Yaşar Education and Culture Foundation) engages in a variety of activities in the areas of education, culture, and art. Since its inception the foundation has provided gratuitous scholarships to 5,046 students.

Since its inception, the foundation has undertaken the construction not only of schools but also of such annexes, cafeterias, and sports and cultural facilities as the schools may need. It also meets schools' requirements for science, language, food technology, and computer laboratories.

The foundation organizes seminars and panel discussions on such topics ranging from "Working-life flexibility" to "Equality of the sexes" and from "Increasing social awareness and education about the healthy nutrition of children and youths" to "Milk and health".

To date the Yaşar Education and Culture Foundation has supported cultural life with 39 publications. The foundation also sponsors archaeological excavations such as the Nysa project near Aydın in southwestern Turkey.



The Yaşar Eğitim ve Kültür Vakfı Primary School

For more detailed information about the foundation's activities, please consult 2009 annual report, which is available at [www.yasar.com.tr](http://www.yasar.com.tr). (<http://www.unglobalcompact.org/participants/detail/10228-Yasar-Holding-Co->)

Another important event organized by the foundation is the Dyo Art Competition, which it has been holding for forty-four years.

### 44 years of Dyo Art Competitions

Durmuş Yaşar, who founded the first paint factory in Turkey, believed that it was essential in an developing country such as Turkey to undertake artistic functions in addition to having economic objectives. Taking this conviction as his point of departure in 1967, thirteen years after the firm was set up it was decided to organize a regular series of art competitions with the aims of encouraging art and artists and of making a contribution to Turkish painting.

A record-breaking 1,004 artists from everywhere in Turkey as well as from Azerbaijan, France, Greece, Holland, Italy, and Switzerland submitted total of 1,609 works in the 34th Dyo Art Competition whose jury-members consisted of Prof Gören Bulut, Prof Mümtaz Sağlam, Prof Ergin İnan, Burhan Doğançay, Yalçın Gökçebağ, Prof Atilla Atar, and Prof Mustafa Pilevneli. From among the works that were submitted, 64 were deemed to be worthy of exhibition while awards were handed out for four paintings and two original prints.

During 2011 the collection of 64 works will go on tour and be exhibited in the cities of Bursa, İzmir, Konya, Adana, and Ankara.



Dyo Art Competition



## Our Corporate Social Responsibility Activities

### Pınar: Corporate social responsibility activities

#### Social and cultural activities

Since the day it was founded, Pınar has sought to provide its consumers with a better life through both its products and its services while also contributing towards their physical and intellectual development and to the health and well-being of future generations. In keeping with this overall objective, Pınar has been undertaking corporate social responsibility projects and supporting education, sport, culture, and art since 1975.

#### Pınar Kido Children's Theater

In addition to supporting the physical and mental development of children through its products, Pınar also gives importance to activities in the areas of culture and art. Since 1987, the Pınar Kido Children's Theater has been employing a professional team of performers, directors, designers, and backstage crews to mount dozens of programs specially designed to appeal to children. During each year's theater season, the Pınar Kido Children's Theater appears before audiences in schools that it visits in İstanbul, İzmir, Bursa, and Eskişehir in addition to going on tour and giving performances in other parts of the country for thousands of children who might not otherwise have a chance to experience theater. In the course of 24 years, the Pınar Kido Children's Theater has put on free of charge performances attended by about 3 million children. The theater has also been instrumental in launching the careers of many of today's well-known performers such as Bülent İnal, Vahide Gördüm, Engin Altan Düzyatan, Sarp Apak, and Özgür Ozan.

#### Pınar Kido Art Competition

The Pınar Kido Art Competition has been held for 30 years with the aims of increasing primary school children's interest in art and of contributing towards the development of the artists of the future. Children from all over Turkey take part in the Pınar Kido Art Competition, which has been focusing on a different theme each year since it was inaugurated in 1981. The contest continues to fulfill its mission of discovering and encouraging the artistic talents of children today. The most recent round of the competition attracted a record-breaking 887,660 participants. Twenty-two children from Turkey's seven geographical regions and from the Turkish Republic of Northern Cyprus whose works were selected by a jury of educators and professional artists were awarded a laptop computer each and a chance to take part in a one-week art camp in İstanbul under the direction of the well-known artist Hüsamettin Koçan. The talented young artists taking part in workshops kitted out with professional equipment and supplies received certificates at an award ceremony held at the conclusion of the camp.

In addition to being a record-breaking year for the Pınar Kido Art Competition, 2010 was also witness to an important first in the competition's history. Pictures submitted to the contest, whose theme this year was "Draw what most attracts your attention" were used as input for a sociological study conducted by Professor Ercan Tatlıdil, chairman of the Sociology Department of the Ege University Faculty of Literature, and his team of assistants. Their study was based



Pınar Kido Children's Theater



Pınar Kido Art Competition

on 3,257 pictures that had been selected as a result of a preliminary jury examination. It revealed much valuable and useful information about the longings, living conditions, attitudes, and perceptions of children of elementary school in Turkey and the Turkish Republic of Northern Cyprus. The results of the survey, which were also shared with the Ministry of National Education, give us a deeper understanding about children themselves and the ways in which they perceive their living spaces, their times, and the opportunities adults provide them with.

## Sport

### Pınar KSK

Pınar has been providing advertising support for Pınar Karşıyaka, a basketball team that has been contending in the Turkish Premier Basketball League since 1998. A thousand children also benefit from the facilities of the Çiğli Selçuk Yaşar Sports Center every year. Pınar Karşıyaka is representing Turkey in the Euro Challenge Cup during the 2010-2011 Basketball League season.



Pınar Karşıyaka Basketball Team

## Education

### Apprentices School

The Pınar Meat Professional Training Unit was launched in 1998 to provide professional education in meat and meat product operations and management in order to provide trained people for a business line that lacks any other source of professional training in our country. The first such undertaking of its kind in Turkey, the unit's objectives are to provide young people in the 15-18 age group who have completed primary school education and who must go to work with theoretical and practical training to make them qualified to pursue a profession for which there is considerable unsatisfied demand in the country. Since opening its doors, the Pınar Meat Professional Training Unit has turned out 255 graduates.

During the 2010-2011 academic year, 79 apprentice students were attending the professional training unit. Training is provided by master teachers with experience in butchering and meat products. Students who successfully complete the course and pass their examinations are awarded journeyman certification. To date, Pınar Meat has itself employed 71 of the units' graduates.



Apprentices School

## Our Corporate Social Responsibility Activities

### Joint CSR projects with NGOs

#### TOBAV & Pınar

Under the "Listen to Me" project prepared by the İzmir branch of the State Theatre, Opera and Ballet Employees Foundation (TOBAV) with the support of Yaşar Holding Foods Group company Pınar acting as prime sponsor, training is to be provided to seventy musically talented children and youths who would not be able to develop and make use of those talents without social, cultural, and economic support. The project, which will last for nine months, focuses on achieving equality of opportunity in education while making it possible for young participants to take the first steps towards a career in music. Participants in the program are encouraged to make the most of their abilities as they prepare themselves for the admission examinations in order to attend fine arts lycees, state conservatories, university music departments, and other music schools.



TOBAV & Pınar: The "Listen to Me" Project

### Public education

#### Yaşam Pınarım

First appearing in 2004, Yaşam Pınarım is a magazine published by Pınar that seeks to establish and maintain bonds between the company and its consumers and business partners and with academic and governmental circles. Employing an engaging style and delivering unique content, Yaşam Pınarım published 10,000 copies quarterly and delivered with no charges.

#### Pınar

Pınar is a quarterly newsletter published in 20,000 copies. Intended mainly for the producers, Pınar is an important source of information for meat and dairy farmers.

#### Manisa-Beydere Dairy Campus

The Manisa-Beydere Dairy Campus will be located at a dairy plant with a 1,000-head capacity occupying 1,566 decares. Training at the campus will be provided in cooperation with universities in such areas as milking, feeding, dairy farm management, and livestock care and nourishment. Students who successfully complete the course will be awarded certificates.

This project's feasibility and preliminary studies have been completed with a launch date planned some time in 2011.



Pınar Newsletter



## Yaşar University

Yaşar University is a privately-owned institution of higher learning that was set up by the Selçuk Yaşar Sport and Education Foundation in İzmir in 2001. The university's close links with the business world as well as with other national and international institutions make it an ideal place for education and personal development.

Yaşar University is focused on quality education and performance. Because of its long-standing ties with the city of İzmir, it has close relationships with local authorities and concerns and it takes pride in being a part of creative social projects. During 2010 there were 948 instances of national and local media news reports concerning the university's achievements, projects, and activities.

Since 2004 has been an active participant in Erasmus and Lifelong Learning programs involving 110 universities in 23 countries. In 2010 Yaşar University was designated "Success Story of the Year" among European universities by European Commission.



**YAŞAR ÜNİVERSİTESİ**

Throughout their stay at Yaşar University, students are provided with every possible opportunity to benefit as much as possible from professional education in a supportive educational environment. There are 25 departments offering undergraduate programs in the school's Communication, Economic and Administrative Sciences, Architecture, Art & Design, Science & Literature, Engineering, and Law faculties. The Institute of Social Sciences and the Institute of Physical Sciences offer a total of 22 programs at the master's degree and doctorate levels. The Yaşar University Professional College's catalogue consists of associate degree program.

Yaşar University is an institution of higher learning which is known for:

- Student-focused education in English
- Instruction provided by leading Turkish and international academic personnel
- A catalogue of electives that qualify for transfer to the European university system
- Competitive scholarship opportunities for students
- An educational campus and sport facilities located in the heart of İzmir.

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



Yaşar University



Yaşar University, Sailing Team

## Global Compact Principles and Our Companies

### The Yaşar Group

- We as the Yaşar Group support the internationally recognized United Nations Declaration on Human Rights in any area in which may be impacted by any of our activities.
- We respect our employees' rights and liberties.
- We do not employ children in any capacity whatsoever in our businesses and are absolutely opposed to child labor.
- We seek to eliminate discrimination of any kind in our workplaces.
- In its efforts to be a corporate social citizen aware of its responsibilities, the Yaşar Group's activities are informed by environmental awareness and a desire to avoid causing environmental damage.
- The Yaşar Group supports efforts to combat dishonesty, bribery, and any and all other forms of corruption.

## 1. Human rights

### 1.1. Training programs and healthcare

Training programs are conducted for our employees and their families on issues related to healthcare. Employees are given checkups by workplace health units. As part of the Anti-Tuberculosis Campaign, employees are given chest x-rays, germ carries examinations are conducted, and throat cultures are collected and checked.

#### Food & Beverages Group

Training is provided to personnel under annual programs that focus on a variety of issues such as defense against contagious diseases, general and personal hygiene, family planning, substance abuse, and breast cancer.

#### Coatings Group

Dyo Coatings factory employees are given annual blood tests and checked for heavy metal and solvent exposure once every three months. Dyo Inks employees undergo blood and urine tests once a year. Tuberculosis screening as well as hearing and breathing function tests are also performed annually on personnel who are identified as being at risk.



### 1.2. Employee training concerning other issues

In addition to individual development and management skills training, employees' progression is also supported with technical training. Among the training programs provided under this heading are "Occupational Health & Safety", "Occupational Health & Safety Statutory Responsibilities & Obligations", "Chemicals & Their Safe Use", "Ergonomics", "Employees' Legal Rights & Responsibilities", "Fire Safety & Firefighting", "First Aid", "Pest Control Measures", "Hazard Analysis & Critical Control Points", and "Basic Disaster Awareness".

#### First aid training

Under the Ministry of Health's *First Aid Regulations*, at least one in every twenty people in normal workplaces must be trained in first aid. In some workplaces specially designated as heavy and dangerous this requirement is at least one in every ten.

The most fundamental objective of first aid training is to teach personnel the lifesaving action they need to take to protect themselves, those around them, and their surroundings in the event of an emergency and how to do so correctly, knowledgeably, and effectively in such cases.

Employees with first-aid certification	
2010	
<b>Coatings Group</b>	
Dyo Coatings	33
Dyo Inks	20
<b>Food &amp; Beverages Group</b>	
Pınar Dairy	87
Pınar Meat	110
Pınar Waters	5
Viking Tissue	28
YBP	54
<b>Farming, Livestock Raising, &amp; Fisheries Group</b>	
Çamlı Feed	31
<b>Others</b>	
Yaşar Holding	11
Altın Yunus Resort	2
<b>Total</b>	<b>381</b>

### 1.3. Employee sex and average age indicators

Sex distribution (all personnel)				
	2009		2010	
	% female employees	% male employees	% female employees	% male employees
<b>Coatings Group</b>				
Dyo Coatings	16	84	15	85
Dyo Inks	20	80	18	82
<b>Food &amp; Beverages Group</b>				
Pınar Dairy	15	85	15	85
Pınar Meat	11	89	12	88
Pınar Waters	13	87	13	87
Viking Tissue	10	90	10	90
YBP	15	85	16	84
<b>Farming, Livestock Raising, &amp; Fisheries Group</b>				
Çamlı Feed	13	87	13	87
<b>Others</b>				
Yaşar Holding	49	51	47	53
Altın Yunus Resort	16	84	16	84

2010-Sex distribution				
	White-collar personnel		Management-level personnel (team leader or higher)	
	% female employees	% male employees	% female employees	% male employees
<b>Coatings Group</b>				
Dyo Coatings	27	73	25	75
Dyo Inks	35	65	28	72
<b>Food &amp; Beverages Group</b>				
Pınar Dairy	32	68	29	71
Pınar Meat	25	75	25	75
Pınar Waters	18	82	19	81
Viking Tissue	20	80	26	74
YBP	16	84	18	82
<b>Farming, Livestock Raising, &amp; Fisheries Group</b>				
Çamlı Feed	25	75	25	75
<b>Others</b>				
Yaşar Holding	53	47	49	51
Altın Yunus Resort	21	79	7	93

Average age (all personnel)		
	2009	2010
<b>Coatings Group</b>		
Dyo Coatings	36	36
Dyo Inks	37	36
<b>Food &amp; Beverages Group</b>		
Pınar Dairy	34	35
Pınar Meat	37	37
Pınar Waters	34	34
Viking Tissue	34	35
YBP	34	34
<b>Farming, Livestock Raising, &amp; Fisheries Group</b>		
Çamlı Feed	35	35
<b>Others</b>		
Yaşar Holding	37	40
Altın Yunus Resort	35	34

2010-Average age		
	White-collar personnel	Management-level personnel (team leader or higher)
<b>Coatings Group</b>		
Dyo Coatings	36	40
Dyo Inks	36	40
<b>Food &amp; Beverages Group</b>		
Pınar Dairy	34	36
Pınar Meat	37	39
Pınar Waters	34	37
Viking Tissue	35	38
YBP	34	39
<b>Farming, Livestock Raising, &amp; Fisheries Group</b>		
Çamlı Feed	35	40
<b>Others</b>		
Yaşar Holding	40	43
Altın Yunus Resort	36	41

2010 -Yaşar Group company employees by age group							
(%)	18 or below	18-25	26-30	31-35	36-40	41-45	46 or above
<b>Coatings Group</b>							
Dyo Coatings	0	5	18	23	32	14	8
Dyo Inks	0	8	12	27	24	21	8
<b>Food &amp; Beverages Group</b>							
Pınar Dairy	0	5	23	29	26	12	5
Pınar Meat	0	2	13	25	28	24	8
Pınar Waters	0	4	27	31	25	9	4
Viking Tissue	0	5	27	27	24	11	6
YBP	0	4	27	28	25	12	4
<b>Farming, Livestock Raising, &amp; Fisheries Group</b>							
Çamlı Feed	0	9	24	26	21	13	7
<b>Others</b>							
Yaşar Holding	0	1	15	30	15	12	27
Altın Yunus Resort	0	17	21	21	20	9	12

## Altın Yunus Resort

Firms which provide the hotel's security and landscaping services are reviewed once a year to determine whether or not they are fulfilling their responsibilities towards their own employees. These firms are also required to submit monthly reports and documentation in order to check their fulfillment of their essential labor and social security law obligations towards their personnel.

### 1.4. Other employee training

Yaşar Group training programs are designed and conducted so as to encompass all employees in all Yaşar Group companies with the fundamental aims of increasing all employees' knowledge and skills and developing their competencies in such a way as to support their efforts to achieve the group's and their company's aims and to realize their individual goals.

The training programs which are provided by the Yaşar Group in order to assist its employees' progression are conducted under the headings of "Orientation Training", "On-The-Job Training", "Personnel Development", "Management Skills", and "Specialist Training".

Seminars and conferences are also conducted to keep employees up to date on a variety of matters and current issues and to help them to acquire an international vision.

### Training time

Total training time throughout the Yaşar Group in 2010 amounted to 59,073 hours and was provided to 7,363 participants. Average training time per person was 8.02 hours. 71% of training was provided extramurally with the remaining 21% being conducted in-house. 46% of training participants in 2010 were blue-collar workers; 40% of them held non-key positions and 14% of them held key positions.

Average training time per person at Altın Yunus Resort, which was 20 hours in 2009, was only 4 hours in 2010. This difference arises from the intensive extramural training which was provided by the Ministry of Culture and Tourism in 2009 and which is repeated every other year.

The substantial increase in the average (per-person) training time in the Coatings Group in 2010 was due to sales and marketing training given to personnel at Dyo Coatings and to professional development and compliance training given to blue-collar workers at Dyo Inks .

Average training time (hours)		
	2009	2010
<b>Coatings Group</b>		
Dyo Coatings	6	22
Dyo Inks	2	34
<b>Food &amp; Beverages Group</b>		
Pınar Dairy	8	6
Pınar Meat	6	10
Pınar Waters	5	6
Viking Tissue	8	16
YBP	12.5	9
<b>Farming, Livestock Raising, &amp; Fisheries Group</b>		
Çamlı Feed	5	9
<b>Others</b>		
Yaşar Holding	6.5	11
Altın Yunus Resort	20	4

### Greenhouse gas and energy management systems training

Under the heading of combating climate change, the Yaşar Group provided 2,920 hours of training concerning "ISO 14064-1:2006 Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals", "Greenhouse gas emission calculation", and "EN 16001:2009 Energy management systems" to a total of 73 people.

### Occupational training for workers employed for heavy and dangerous jobs

Training required at our companies under "Communique concerning occupational training for workers employed for heavy and dangerous jobs" published pursuant to Statute 4857 was given by Dyo Coatings, Dyo Inks, Pınar Meat, Pınar Dairy, Viking Tissue and Çamlı Feed during 2010.



### 1.5. Training and meetings for other stakeholders

#### YBP & Pınar Waters

Training is targeted not just at company employees but at all those who are involved in their processes at any level. In line with this, "Pre-Sale Personnel" and "SAP Module and Work Flow User" training is provided for the employees of dealerships with the aims of developing behavior models among personnel who are starting out in the Yaşar Group sales organization with models of behavior that are consistent with the group's corporate culture and brand values, of increasing an individual's sales effectiveness, and providing the necessary background. Such training also seeks to develop personal competencies that employees may also use in their everyday lives.

"SAP Module and Work Flow User" training was provided to 89 dealerships during 2010 of which 41 were Pınar Waters and 48 were YBP dealers.

#### Pınar Dairy & Çamlı Feed

The first stage of the "Joint Producer Development Seminar" series that began in 2010 was conducted in İzmir's Tire township. These seminars are attended by large numbers of livestock and dairy farmers. Their aim is to make it possible for the increasingly important farming and stock raising industries to be more knowledgeable and productive while also improving producers' earnings. The seminars will be continuing in 2011 with the first to be held in Muğla's Milas township.

### 1.6. Trade unions and collective bargaining agreements

All personnel are employed under indefinite-term work agreements as per requirements of the labor law (Statute 4857). Under the terms of their agreements, contractors and subcontractors doing business with group companies are required to employ only people who are covered by social security.

#### Coatings Group

##### Dyo Coatings & Dyo Inks

The rights of the company's employees are governed and protected by a workplace collective bargaining agreement entered into between their employer and their representative, the Petrol-İş trade union.

### Food & Beverages Group

#### Pınar Meat & Pınar Dairy

The rights of the companies' employees are governed and protected by workplace and company collective bargaining agreement entered into between the employers and their representative, the Tek Gıda İş trade union.

Percentage of employees covered by collective bargaining agreements	
	2010
Dyo Coatings	53%
Dyo Inks	52%
Pınar Dairy	65%
Pınar Meat	66%

### 1.7. Security services

All security services at all of our companies are provided by specially-trained and licensed security personnel. Security personnel undergo refresher training at regular intervals.

# Security personnel	
	2010
<b>Coatings Group</b>	
Dyo Coatings	8
Dyo Inks	12
<b>Food &amp; Beverages Group</b>	
Pınar Dairy	35
Pınar Meat	17
Pınar Waters	17
Viking Tissue	11
YBP	46
<b>Farming, Livestock Raising, &amp; Fisheries Group</b>	
Çamlı Feed	24
<b>Others</b>	
Yaşar Holding	15
Altın Yunus Resort	11
<b>Total</b>	<b>196</b>

No member of the Yaşar Group has been accused of or penalized for any violations of human rights.



### 1.7. Attitudes towards public policy

Yaşar Group companies are actively represented on a corporate basis among NGOs and sectoral associations that contribute towards the development of the sectors in which it is active. Particular care is given to ensure that representative activities endeavor to develop public policy. The group is also actively represented on the government's National Red Meat Council and the National Dairy Council as well as among the national sectoral assemblies of the Union of Chambers and Commodity Exchanges of Turkey.

### 1.8. The value we add to consumers' lives through our trusted brands

Our Food & Beverages Group companies conduct their production activities in accordance with the requirements of the Ministry of Agriculture and Rural Affairs' National Foodstuffs Codex, which is EU regulatory-compliant, and with Ministry of Health regulations concerning spring and mineral water. Clearly-stated information about our products is made available to consumers on packaging labels as required by the regulations of these two ministries. Other Yaşar Group companies provide consumers with such information in accordance with the requirements of the Ministry of Industry and Commerce's "Regulations on labels, schedules, and price lists".

The promotion of our products among consumers using advertising and other forms of marketing communication is guided by an awareness of our social responsibilities. We are a member of the Advertisers' Association and with comply with that organization's Advertising Self-Regulatory Board in line with internationally recognized practices. We make an ongoing, proactive effort involving ourselves as advertisers along with agencies and media to ensure that our advertising is legal, moral, accurate, and honest.



## 2. Labor

Our human resources strategy is defined as "Taking as its point of departure the principle of putting the right person to work at the right job, to attract the most talented, qualified, creative, innovative, motivated, and high-performance people in the market to our group through human resources policies and practices that win the hearts and minds of employees and to retain them by developing the qualified manpower we have and increasing its loyalty."

### 2.1. Recruitment and hiring

Yaşar Group companies comply with the requirements of the labor law (Statute 4857) and of Yaşar Holding personnel regulations with respect to recruitment and hiring procedures and practices. During our recruitment and hiring processes, candidates are evaluated strictly on the basis of their knowledge, skills, competencies, and experience as required by the position. During the evaluation stage, a variety of competency-based interview techniques are used. All applicants are given an equal opportunity without any distinctions being made as to sex, race, age, or marital status.

### 2.2. Compensation

Whenever employee compensation is to be determined or changed, consideration is given to such criteria as position category, experience, education, location, foreign language competency, precedents, superior and subordinate positions, positions reported to, prior-year performance points/ bonuses, and market compensation levels and decisions are made accordingly. No consideration is given to matters pertaining to sex, race, age, or marital status when determining compensation. The compensation paid and other rights granted to employees covered by collective bargaining agreements are determined according to such agreements as they are signed.

### 2.3. Business ethics rules manual

Wherever Yaşar Group companies are active, they are respectful of social, political, and cultural values and their actions are transparent and in compliance with the requirements of law and the rules of ethics. *Yaşar Group Rules of Business Ethics Handbook* was composed and announced to employees in 2009. In 2010 the manual was printed up in booklet form and given to all personnel. Use is made of this manual during the orientation training of newly-hired personnel. The precepts contained in *Yaşar Group Rules of Business Ethics Handbook* are summed up under eight headings:

1. While operating within a safe working environment, allow no discrimination and be respectful of each other's individual rights.
2. Make productive use of company resources.
3. Avoid conflicts of interest.
4. Comply with rules of competition as prescribed by law while competing with rivals in such a way as not to cause harm to the market.
5. Give importance to customer satisfaction while always dealing sensitively and honestly with customers and consumers.
6. Make every possible effort to ensure that company information, assets, and records are accurately stated while maintaining their confidentiality and refraining from using them for one's personal benefit.
7. Be mindful of the wellbeing of society and respectful of environmental values in everything that we do as Yaşar employees.
8. Do not engage in any behavior either on the job or off that will create unfavorable opinions about the company while also adhering to lifestyles that will not be contrary to the mores of the community of which we are a part.

Employees may report any actions or incidents involving business ethics rule violations to the Yaşar Holding Ethics Committee by e-mail, telephone, or letter. The Ethics Committee consists of five members, all of whom are chosen by the Yaşar Holding Board of Directors: a chairperson (who must be one of the board's independent directors); one

representative (manager-level or higher) each from the Food & Beverages Group, the Coatings Group, and Yaşar Holding; and a general secretary.

Issues related to matters defined in the manual that the Ethics Committee becomes aware of must be resolved within one week's time at the latest.

In 2009 one matter was brought to the attention of the Ethics Committee. In 2010 the number was seven. These issues were examined and resolved by the committee.

### 2.4. Performance evaluation system

The Yaşar Group has adopted an integrated management system in order to achieve its basic objectives and strategy goals. The performance management system, which has been in operation since 2005, is designed to ensure that company objectives and individual objectives are kept in alignment with each other. Performance evaluation results are used as input for decisions impacting on individuals' personal development, career planning, and reward/compensation issues. The system is based on the "Balanced Scorecard" technique making use of "Key Performance Indicators" which are decided and mutually agreed upon at the beginning of every year. At midyear, guidance and monitoring meetings are held during which targets are reviewed and revisions are made if necessary. At year-end, performance and targets are reviewed again. Employees whose compensation is tied to the Bonus Regulations are excluded from the Performance Evaluation System.

The Performance Evaluation System has been in operation at the Pınar Meat, Pınar Dairy, Pınar Waters, YBP, Viking Tissue, Çamlı Feed, Dyo Coatings, and Dyo Inks companies since 2005. In 2008 it was joined by Yaşar Dış Ticaret, which hitherto had been excluded. In 2010 Altın Yunus Resort and Bintur as well as the group's international subsidiaries were brought in as well. The number of people covered by the system, which was 526 in 2009, was 545 in 2010. Work is now in progress to include Yaşar Holding employees in the system in 2011.

### 2.5. Employee opinion poll

In keeping with its "People First" principle, the Yaşar Group has been conducting an annual "Employee Opinion Poll" every year since 1998 in which its employees' opinions on a variety of issues are solicited. In line with the results of these polls, company managements draw up action plans and undertake activities to increase employee satisfaction and motivation.

For the Employee Opinion Poll in 2010, a survey of current literature was carried out in line with requirements, a variety of studies were undertaken, personnel employed in different positions and at different levels were interviewed, and practices at other companies were examined and revised as needed. As it was observed that the concept of "employee loyalty" has become an issue that deserves as much attention as that of "employee satisfaction", it was decided to include the first as a factor to be measured along with the second. According to the results of the 2010 Employee Opinion Poll, the overall rate of employee loyalty was 59%.

## **2.6. Corporate values booklet**

A project to review Yaşar Holding's corporate values that was launched in the last quarter of 2009 was completed in early 2010. During conference calls in which members of the Yaşar Group's senior management personnel took part, the corporate values of the group that were considered to be outstanding by stakeholders were discussed and the following five were identified as being of primary importance:

- Our consumer and customer priority
- Our operational perfection
- Our human resources
- Our ethical stance
- Our environmental and social responsibility.

At a meeting that was held on 6 November 2010 and attended by members of the Yaşar Group's middle and senior management, the group's corporate values were formally launched and a workshop was conducted focusing on ways to facilitate the internalization of these values among all employees and to rapidly make them a part of everyone's lives.

The group's corporate values were communicated to all employees during the customary celebrations surrounding the anniversary of the founding of Yaşar Holding and its subsidiaries. As a way of reinforcing them in employees' visual memories, this communication was followed up by placing visuals highlighting the values in conspicuous places such as company entrances, cafeterias, recreation areas, and meeting rooms.

## **2.7. Traineeship opportunities for high school and university students**

The Yaşar Group offers a specified quota of traineeship opportunities to enable high school and university students to become better acquainted with business life and to develop themselves. The aims of the trainee program is to give students on-the-job training opportunities and also to identify

individuals and create a data base/pool of people who may be qualified to fill particular positions within the group in the future. Students attending professional high schools are allowed to work three days a week at group companies in order to reinforce what they have learned in the classroom and also to become familiar with where they may be working after graduation. University students serve as trainees at group companies during the summer months (June to September).

## **2.8. Child employment**

According to Turkish labor law, no one may be employed unless they have completed their 15th year of age, the sole exception to this rule being made in the case of those who have completed both their 14th year of age and primary school and who may be employed for limited periods of time in light tasks in such a way as not impede their growth and development or their further education. Although the law allows younger individuals to be employed in some cases, it is a principle of Yaşar Group companies not to hire anyone who is not at least eighteen years old.

## **2.9. Involuntary servitude and forced labor**

Workdays and hours as well as official, general, and weekend holidays are prescribed for all Yaşar Group companies and announced to employees.

Employees may be required to work overtime for reasons arising from the nature of their jobs or to temporarily increase output. Overtime work is performed under the conditions stipulated by law and is paid for as prescribed by law.

When they are hired, employees are informed of their job description and they are first put through an interdepartmental orientation. Job descriptions and associated documentation are kept current and made available throughout the company by means of a shared system as per ISO 9001 that is accessible to employees.

No incidents involving involuntary servitude or forced labor have been reported to any authorities.

## **2.10. Employment of the handicapped**

Yaşar Group companies comply with the requirements of laws and regulations as they apply to providing employment opportunities for the physically handicapped. 2.24% of the personnel employed throughout the Yaşar Group are in the handicapped category.

## Global Compact Principles and Our Companies

In 2010 Pinar Dairy received an award from the İzmir Municipal Council and the İzmir Metropolitan Municipality upon a recommendation by the Turkish Employment Agency in recognition of its efforts to employ the handicapped.

### 2.11. Employee statutory rights

Employees exercise all rights prescribed to them by law with respect to such issues as rest time, meals, paid and annual vacation, service awards, severance pay, etc.

### 2.12. Other practices

#### Management Trainee Pool Project

In line with its notion of training its own managers itself, the Yaşar Group introduced its Management Trainee Pool Project (MTPP) in 1996 and has been conducting it continuously ever since. All group companies take part in this project, by means of which high-potential candidates in whom the group plans to invest are first identified and then put through an 18-month progress program.

The goals of MTPP are to identify young management candidates, expand and train their vision, monitor their career progression, and enable them to take part in projects and activities that will develop their potential. By bringing individuals working in different companies together, MTPP gives them a chance to strengthen interpersonal communication while allowing young management candidates to become more acquainted with the Yaşar Group as a whole.

The fifth round of the program (MTPP-5) was begun in 2010. To date, 326 people have taken part in the program and 134 of them went to work in group company positions. Of that number, 67 were promoted. 24% of the people promoted were women and 76% were men.

	MTPP-1	MTPP-2	MTPP-3	MTPP-4	MTPP-5
Female candidates	25%	31%	25%	33%	39%
Male candidates	75%	69%	75%	67%	61%

#### Food & Beverages Group Lean 6 Sigma programs

In 2007 the Yaşar Holding Food & Beverages Group decided to add a new dimension to its longstanding, ongoing efforts to continuously improve productivity in a variety of ways in the form of the "Lean 6 Sigma" discipline whose proven

effectiveness in project management-related issues is recognized throughout the world. The initial stages of this project were completed in 2007 and the first "Wave" was launched in 2008.

Three Master Black Belts were identified to fulfill the training and coaching functions during all of these efforts. Master Black Belts serve as bridges between project leaders and management expectations in the conduct of projects. They ensure that activities are carried out in a coordinated manner and as scheduled.

Information about the number of personnel who have achieved Black Belt and Green Belt status in the conduct of projects to date is provided below. 30% of the company's project leaders are women and 70% are men.

	# Black Belt projects	# Green Belt projects
2008	13	
2009	7	11
2010	9	24
2011*	7	31

\* Planned

# employees trained	2008-2010	2011*
Master Black Belt	3	
Black Belt	15	3
Green Belt	22	26
Yellow Belt	295	

\* Planned

Project topics during the new round consist of "Supply Chain", "Energy Economy", and "Production-Sales-Distribution Operations".

### 2.13. Occupational health and safety

A set of occupational health and safety internal regulations has been put into effect at our companies with the aims of maximizing workplace safety and of preventing work-related accidents and illnesses. An occupational health and safety committee has been created as required by these regulations.

#### Dyo Coatings & Dyo Inks

Ministry of Environment and Forestry reporting requirements are fulfilled pursuant to the Seveso II Directive the control of major-accident hazards involving dangerous substances.

### 3. Environment

The Yaşar Group supports taking a cautious approach when dealing with environmental problems. To put it another way, in any situation in which there is a risk of the environment suffering serious or irreversible harm, it adheres to the principle that a lack of scientific certainty should not be advanced as a justification for delaying cost-effective measures that might prevent environmental damage.

Within this overall framework, Yaşar Group companies are fundamentally committed to compliance with all laws and regulations pertaining to protecting the environment and to reducing environmental pollution resulting its activities on the one hand and, on the other, to the design of all products and production processes in such a way as to minimize their environmental impact.

#### 3.1 Energy conservation and management

Yaşar Group members engage in energy conservation and management on a individual company basis however an Energy Committee has been set up at the holding company level in order to identify each company's energy consumption profile and to develop energy efficiency projects with the aims of tracking such efforts centrally and of creating synergies. Within the framework of "Sustainable Development Committee" which is one of the elements of the "Corporate Reputation Project" being carried out by Yaşar Holding, all environmental issues will be viewed through an integrated approach. This makes it possible to continue the efforts of group companies along the axis of sustainability.

#### Pınar Meat

As a result both of projects carried out and of improvements made in group production facilities, the level of energy consumption achieved in 2010 was essentially the same as that of the previous year.

Energy productivity was achieved by adhering to the principles of using less in the way of natural resources and energy and of generating less in the way of waste through the use of high-efficiency production technologies and methods.

Under the heading of both environmental protection and energy productivity efforts, combustion control optimization was carried out to ensure that fuels in combustion systems burned more efficiently. In collaboration with other manufacturers active in the sector, methods were investigated in order to achieve the highest possible efficiencies in heating, cooling, air conditioning, and heat transfer systems.

To help address the issue of climate change, investments are currently in progress to make use of alternative cooling technologies which do not involve the use of hydrofluorocarbons and which contribute towards protecting the ozone layer and minimizing environmental impact.

Measurements using a thermal camera were conducted throughout the plant in order to identify and prevent energy consumption losses. On the basis of this project's findings, measures were initiated as needed to deal with losses and leaks and to ensure the continuity of such efforts.



## Global Compact Principles and Our Companies

Efforts are made to automate operational processes where possible in order to achieve greater energy efficiencies making improvements and changes in production processes so as to minimize errors resulting from human factors. In this way, process productivity has been increased.

In line with efforts that are being made throughout the plant to increase energy efficiency, every department's energy use is monitored by means of measurement devices according to the energy source. In its current configuration, this system makes it possible to keep track of about 85% of the areas throughout the plant where energy is being used.

### Pınar Waters

Efforts continue to be made to reduce the amount of electricity used in production facilities. as a result of these efforts:

- Economies of 25% were achieved in electricity consumption by adding frequency inverters to the electrical motors of high-pressure compressors that use a great deal of electricity (256 kWh).
- The amount of electricity used for bottle and package conveyor systems was reduced by adding speed controls to their electrical motors.
- Energy was used more productively by specifying electrical line measurement, cleaning, and maintenance in schedule maintenance programs in greater detail and performing it accordingly.

Average electricity use at three facilities (Madran, Gökçeada, Toros) was reduced from 37 kWh/ton to 33.7 kWh/ton. Activities are also continuing to take advantage of more economical rates by using electricity more effectively at the right times of day.

### Altın Yunus Resort

Water booster system pumps which had been in use since 1997 were replaced with more efficient units. The water pumps supplying the hotel with water, which had to work 5,710 hours in 2009, worked only 4,122 hours (1,588 hours less) in 2010 despite the increase in the number of guests. This corresponds to savings of 8,734 (1,588 \* 5.5) kWh of electricity last year.

The temperature of the naturally occurring local thermal water used in pools was reduced from 53 to 40 degrees while a heat-exchange system has been in use to heat the thalassotherapy pool since 2007. These measures have resulted in savings of about 15,000 kg/year in LNG use (worth about USD 10,000 / year). By using less fuel to heat water, the hotel is also helping reduce CO<sub>2</sub> emissions as well.

In 1982 a heat recovery exchanger was brought on line in order to take advantage of the flash steam heat in steam return water thus saving about 10,000 kgs of fuel oil a month during the summer months. This system is still in operation.

### Viking Tissue

A voluntary energy density reduction project has been launched in collection with the Electrical Power Resources Survey and Development Administration (EİEİ). So far EİEİ has undertaken such projects with only ten firms in Turkey, Viking Tissue being one of them. The aim of this project is to reduce overall energy density in 2010-2012 by at least 11% below what it was in the years before that.

Through the use fan frequency converters to adjust the amount of natural gas used in the boiler combustion systems, the average amount of electricity consumed per ton of steam generated was reduced from 7.95 kw to 4.83 kw. This corresponds to 12-month savings on the order of 280,000 kWh.

Energy-efficiency work carried out on the first paper machine (PM1) reduced the amount of electricity consumed per ton of paper from 877 kWh to 781 kWh. This corresponds to a per-ton saving on the order of 12%.

Valve jackets are being installed on all factory steam lines with the aim of preventing heat losses amounting to about 347,000 kcal/hour.



## Pınar Dairy

Under the annual environment management plan and programs whose performance is monitored all year long, the company seeks to achieve improvements in its efforts to reduce resource consumption. Per-unit-of-production electricity, water, and steam economics achieved at the İzmir and Eskişehir plants are shown below.

(%)	Electricity			Steam			Water		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
İzmir	-0.46	2.75	-5.50	5.70	12.00	-0.50	-10.00	12.50	3.30
Eskişehir	5.38	-4.06	0.50	4.74	8.30	-0.20	11.00	7.32	0.00

Note: Positive values indicate declines, negative values indicate rises.

Details concerning new operational procedures that have been agreed upon with Pınar Dairy's hygiene chemicals supplier are summarized below.

A "dry-tech" lubrication system will be installed on the Tetrapak production lines to replace the existing "wet-tech" one. In addition, water-saving equipment will be installed on the fitjet nozzles that are used when disinfecting open areas. The objective of this project is to economize on the amounts of water that are use.

(ton)	Dry Tech	Fitjet
İzmir	2,600	9,100
Eskişehir	3,200	4,555
<b>Total</b>	<b>5,800</b>	<b>13,655</b>

In addition to the foregoing, efforts were made to better control the amounts of chemicals being used. Through the use of the Secure Clean system on which testing will begin in 2011, information about chemical concentrations, equipment, systems, and other issues that affect total cleaning costs such as water consumption and heat will be systematically entered by technical personnel using hand-held computers and will be reported to the units concerned. This hard data will make it possible to conduct activities with less environmental impact and while keeping consumption under better control.



## Pınar Waters

During the most four years consolidated production line efficiencies at all plants were achieved as follows: 72.96% in 2007, 78.34% in 2008, 81.1% in 2009, 79.38% in 2010. This performance is due to the following:

- New investments have been brought on line.
- Bottlenecks have been corrected in existing production lines.
- Programmed maintenance is carried out more effectively and regularly.
- Sales and thus production activities are managed more dynamically and effectively so as to reduce discrepancies between plans and performance.

## Dyo Inks

Projects have been drawn up and launched to reduce the amounts of electricity and fuel used in production operations at the new factory located in the Manisa Industrial Park. It is planned to achieve electrical energy economies through the use of frequency-controlled speed adjustment systems on many of the biggest electrical motors. An illumination system that takes advantage of natural daylight is being considered for use in production and administrative operational areas. This will make it possible to achieve economies by reducing the amount of electricity needed for lighting. The plan is to lower electrical energy consumption per ton of output from its current figure of 0.30 kWh/ton to 0.28 kWh/ton during 2010.

Another objective at the new factory is to reduce the amount of energy needed for heating and cooling by giving greater importance to insulation. The plan is to burn 200,000 m<sup>3</sup> of natural gas for this purpose in 2011 rather than the 228 tons of fuel oil that were used in 2010.

### Astron

In line with our goal of making the information technologies sector more environment-friendly, significant measures are included in Astron's annual operational plans.

Every year efforts are made to reduce the amounts of energy needed to operate servers, clients, and peripherals such as printers and scanners.

Whenever new hardware is to be procured, particular attention is given to ensuring that it is "Energy Star" compliant.

Thin client and LCD monitor replacements resulted in energy economies on the order of 70% in client services in 2008-2010.

Through the use of terminal server systems, virtual server systems, and application virtualization technologies, energy savings on the order of 15% have been achieved in system room operations. Efforts are continuing in this area.

The use of individual printers and scanners has been substantially eliminated through the installment of centralized, multifunction units that can act as printer, scanner, and photocopier. Energy savings on the order of 30% have been achieved in this way.

The number of physical servers has been reduced by 30% through the use of virtual server systems. This has resulted in energy economies by reducing the amount of climate-control that is needed.

### 3.2. Greenhouse gas emissions

Available evidence shows that there have been substantial increases in the amounts of CO<sub>2</sub> released into the atmosphere since the 1970s; that these missions have brought about changes in the earth's atmosphere; and that the rise in temperature is steady and on the order of 0.8-2.0 C°/century. These changes have caused the concept of "greenhouse gas" to become a part of our everyday lives. The United Nations

Framework Convention on Climate Change (UNFCCC) is an international treaty that was signed to prevent the rapid buildup of greenhouse gases and stop climate change. The objective of UNFCCC is to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous human-caused interference with the climate system. To deal with the direct and indirect consequences of the impact of greenhouse gases, work has begun at Yaşar Group companies to increase energy efficiency and to make use of appropriate energy sources in manufacturing and distribution processes. As a first stage of these efforts, teams have been set up at individual companies who will be responsible for the conduct of projects to identify existing greenhouse gas emission levels and ways to reduce them. These teams have been given training in issues related to the ISO 14064-1 (Quantification and reporting of greenhouse gas emissions and removals) and to the EN 16001 (Energy management systems) standards. "Climate Change and Carbon Footprint" training has also been provided help reduce greenhouse gas emissions and to make all employees aware of such matters.

### Pinar Waters

As a result of efforts to increase the efficiency of the +4 refrigerator units employed in product sales and to conserve energy, comparisons were made between units equipped with R-134 refrigerant and those equipped with R-600 refrigerant. As it was determined that R-600 refrigerant is more energy-efficient and breaks down naturally thus remaining free in the atmosphere for less time, it was decided to use that in refrigerators.

### Astron

- Both the need for air conditioning and the emission of greenhouse gases were reduced by decreasing the number of servers in use.
- Equipment was installed to achieve more efficient automatic control of heat in system rooms both during and outside working hours. With this equipment, air conditioning automatically turns on only when it is needed.

- Video-conferencing systems installed in 17 offices greatly eliminate the need for travel and that contributes towards reducing the greenhouse gas emissions generated by transport conveyances.

### 3.3. Efforts to reduce the environmental impact of products and services

In our production processes we adhere to the principle of controlling and minimizing their environmental impact through an integrated approach that involves using natural resources and energy efficiently, avoiding toxic and dangerous substances, and reducing waste, effluents, and emissions.

#### Pınar Meat & Pınar Dairy

Our products cause no harm whatsoever to the environment. Ongoing efforts are made to minimize the environmental impact resulting from raw materials and from manufacturing activities. 100% of the hazardous waste resulting from our operations and maintenance activities is collected in a temporary holding area within the confines of facilities that fully complies with the requirements of laws and regulations. Such waste is carried away by means of the vehicles of licensed firms for disposal or recycling by licensed firms as appropriate.

In the same way, both organic waste from production activities and domestic waste are collected in a temporary holding area within the confines of facilities that fully complies with the requirements of laws and regulations. It is then disposed of at location which have been designated by local authorities and which are licensed by the Ministry of Environment and Forestry.

#### Altın Yunus Resort

The company has begun recycling waste in collaboration with the local Çeşme municipality.

Brown grease which is generated by the hotel's kitchens is collected and disposed of under this agreement. 1,240 kgs and 1,350 kgs of such grease were handled in this way in 2009 and 2010 respectively.

#### Pınar Meat

All effluents generated by Pınar Meat's production processes and facilities are treated in the company's own on-site biological treatment plant. Waste water quality is periodically checked for compliance with standards by officials of the Ministry of Environment and Forestry and by an independent laboratory as well as in the company's own laboratories.

#### Dyo Coatings & Dyo Inks

The companies keep a close watch on EU REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) directives and regulations to be sure that they remain in compliance with the requirements of law.

#### Viking Tissue

Waste paper recovery: The amounts and percentages of recycled cellulose used in paper production in 2009 and 2010 are shown below.

Year	%	Tonnage
2009	27%	10,300
2010	42%	16,000

Every single ton of recycled paper corresponds to the pure cellulose obtainable from 16 average-size pine trees. Since the company's waste paper processing plant went into operation, approximately 154,000 tons of paper have been secured from recycling. That corresponds to about 2,464,000 trees.

The per-ton amount of water used in paper manufacturing in 2010 was 20% less than what it was in 2009.

#### YBP

Optimizing and standardizing the numbers and types of printed forms used every day by the company's sales and delivery personnel resulted in 19,150 fewer sheets of A4 paper and 12,000 fewer sheets of photocopy paper being used during 2010.

### 3.4. Packaging waste

Yaşar Group company Pinar Waters is a founding member of the Environmental Protection and Packaging Waste Recovery and Recycling Foundation (ÇEVKO). Group companies have delegated their rights and responsibilities pertaining to packaging waste recovery and recycling to this organization, which is recognized by the Ministry of Environment and Forestry as an authorized agency for such activities. ÇEVKO is authorized to sport the "Green Dot" logo.

Group companies work with firms licensed by the ministry to collect and recycle all packaging waste materials. According to our waste management plan, which has been drawn up on the basis of contractual agreements and submitted to the ministry, public education activities aimed at both individuals and municipalities are also carried out by ÇEVKO. These activities address such issues as at-source waste sorting and segregation, recovery, and recycling.

Product packaging is designed and executed with the issues of reusability and recoverability in mind. From the initial concept stage to final production and post-use, attention is given to ways in which to minimize waste and to create packaging materials that will cause as little harm to the environment as possible.

The chart below shows packaging materials supplied to and recovered from the market 2009-2010 broken down by type along with the targets set for 2011.

Type	% recovered		Target (%)
	2009	2010	2011
Paper & cardboard	36	37	38
Plastic	36	37	38
Glass	36	37	38
Metal	36	37	38

#### Pinar Waters

Under the heading of reducing amounts of packaging waste, efforts are made to reduce manufacturing unit costs by using fewer materials and improving manufacturing processes through packaging design, process enhancement, and changes in materials' specifications.

In 2010 the process specialists of bottle-making machinery manufacturers were involved in projects to develop the company's process parameters. As a result of these efforts, various improvements were made while 13.5-14 gram preforms were used instead of 15-gram materials to make half-liter bottles. A similar reduction was made in 5-liter bottles, for which 74-75 gram preforms replaced 78-gram materials. A "short-neck" bottle project was launched that will economize on the amounts of material used in the necks of 0.50, 0.33, and 1.5 liter preforms. When manufacturing under this project begins in May 2011, there will be savings on the order of 1.5 grams of materials in each preform unit as well as of 0.3-0.5 grams/unit in caps.

Process improvements were made in the heating tunnels of shrink-wrap machinery used for 4, 6, 12, and 24-bottle packets resulting in savings in stretch wrap use. Savings on the order of 20-25% were also achieved in the materials used as a result of improvements (tension, stretch thickness, winding counts) made in stretching machines.

Preform discards are kept under control by actively monitoring manufacturing processes and taking corrective/preventive measures as required. The percentage of preform discards, which was 1.2% in 2009, was reduced to 1.12% in 2010. Our goal is to further lower this to the 1% level in 2011.

#### Viking Tissue

Under the heading of reducing the amount of packaging used per unit of product, in 2010 the weight and thickness parameters of napkin packaging was optimized. This had the result of reducing the amount of polyethylene used in packaging by 16% per product unit. On a 12-month basis, this corresponds to savings on the order of 18,500 kgs of polyethylene packaging material.

## Pınar Meat

As a result of packaging R&D work carried out in 2010, a structural change that could be made in one type of packaging material used for the company's cold cuts. We expect to be using 10% less as packaging materials as a result of this change in 2011.

## 3.5 Shipping

### Pınar Waters

Beginning in 2008, a number of improvements were introduced in order to make the company's shipping management more effective.

A web-based system was developed that makes it possible for shipping management to be perceived as a fully-integrated whole and has been in regular use since 2008. This system maximizes the efficiency and productivity of vehicle deployment.

Weigh bridges installed at factories ensure that vehicles are loaded to their maximum allowed carrying capacity.

Transport distances have been reduced by concentrating sales wherever possible in areas close to factory locations. This has reduced travel distances per ton as compared with 2008.

	2008	2009	2010
Distance/ton	23.52	21.98	22.10

## YBP

An APO (Advanced Planning and Optimization) module was added to the SAP system to minimize costs and optimize routings in intercity shipping processes. This model will also be deployed for use in rationalizing distribution activities within cities. When this project becomes operational, it will maximize product tonnages and minimize travel distances by using the right vehicles on the right routes.

In 2009 an average of 30.12 kms was traveled per ton of product when making intercity deliveries. In 2010 this figure was reduced to 27.97, meaning that an average of 2.15 kilometers less had to be traveled for each ton of product. In this way:

- Exhaust emissions generated by vehicles traveling a total of 390,000 kilometers were prevented.
- 180 fewer tires had to be changed on trucks.
- 500 fewer liters of engine lubricant had to be used.

These efforts resulted in vehicle travel-distance savings equal to about ten times the circumference of the earth and in a corresponding reduction in their exhaust emissions.

## Dyo Inks

Weigh bridges installed at the factory ensure that vehicles are loaded to their maximum carrying capacity so as to derive the maximum benefit from their use. We work with shippers who possess QMS certification, who hold N2 and R1 licenses issued by the Highway Department, and whose policy is to engage in an ongoing effort to continuously improve the efficiency by which our products are delivered to customers.

## Viking Tissue

As a result of order/delivery optimization efforts, the average volume of product per delivery vehicle, which was 33.97 m<sup>3</sup>/vehicle in 2009, was increased to 34.62 m<sup>3</sup>/vehicle in 2010. This corresponds to a year-on rise of 1.92%.





### 3.6. Management System activities

Management System	System Certificate	Pınar Meat	Pınar Dairy	Pınar Waters	Dyo Coatings	Dyo Inks	Altın Yunus Resort	Viking Tissue	Çamlı Feed	Çamlı Farm
Quality Management System	ISO 9001	X	X	X	X	X	X	X	X	
Food Safety Management System	ISO 22000	X	X	X					X	X
Environmental Management System	ISO 14001	X	X	X (Madran Plant)	X				X	
Occupational Health & Safety System Certificate	OHSAS 18001	X			X					
Experiment and Calibration Laboratory Accreditation	ISO 17025	X								
Customer Satisfaction Management System Certificate	ISO 10002				X					
Quality Management System for automotive production and relevant service part organizations	ISO 16949				X					
Entrepreneur Certificate for Organic Agriculture									X	
FSC-CoC (Forest Stewardship Council- Chain of Custody) Management System	FSC 40-004 FSC 40-007							X X		
NSF (National Sanitation Foundation)			X (Madran Plant)							

#### Pınar Dairy & Pınar Meat

All activities are conducted within the framework of ISO 14001 Environmental Management System standardization in order to determine the environmental dimensions of our products and services, assess their risks, and develop and implement control methods as needed. In order to ensure the sustainability of management systems and increase their effectiveness, European Foundation for Quality Management (EFQM) "Excellence Model" activities were undertaken along with the standards and methodologies indicated below.

- ISO 9001:2000 Quality Management System
- ISO 22000 Food Safety Management System
- Lean 6 Sigma
- Kaizen practices

All production activities and processes are carried out within the framework of integrated management systems. Every year our personnel are given internal inspection training in order to increase the number of the companies internal inspectors.

Deniz Ürünleri, a subsidiary of Çamlı Feed, conducts its production operations within the framework of ISO 14001 Environmental Management System certification.

#### Çamlı Feed

Çamlı Feed was the first company in Turkey to receive "organic agricultural enterprise" certification for the production of animal feeds in Turkey. The company encourages the use of organic resources and the making of organic products. Çamlı Feed is also the first company in Turkey to be audited and awarded for compliance with GLOBALG.A.P standards and to receive compound feed manufacturing (CFM) standard certification. This recognition is evidence not only of the company's commitment to improving the reliability, quality, and value of its products but also of its sensitivity towards such issues as minimizing detrimental environmental impacts of farming operations, reducing the use of chemical inputs and ensuring a responsible approach to worker health and safety as well as animal welfare.

Çamlı Feed's ISO 22000 Food Safety Management System is now operational. This makes it possible to more effectively provide customers with the trustworthy, high-quality products that they demand.

#### 2011 objectives

ISO 14001 Environmental Management System certification is to be obtained for all companies other than Deniz Ürünleri.

Occupational health and safety risk analyses have been carried out in all groups and measures have been taken accordingly. These efforts have not only ensured the right of all our personnel to work in a safe and healthy work environment but also serve as the groundwork for obtaining OHSAS 18001 Occupational Health & Safety Assessment Series certification, which is another of our 2011 objectives.

#### Dyo Coatings

Preliminaries for OHSAS 18001 Occupational Health & Safety Assessment Series and ISO 14001:2004 Environmental Management System certification were initiated in 2009. TSE awarded both certificates to our Çiğli and Gebze facilities in 2010. Efforts to make improvements continue to be made to ensure that both certifications remain sustainable.

#### Viking Tissue

Forest Stewardship Council Chain of Custody (FSC CoC) certification was completed in 2010. The FSC CoC management system tracks FSC-certified material through the production process from the forest to the consumer, including all successive stages of processing, transformation, manufacturing and distribution. Viking Tissue is the first and only paper and cardboard manufacturer in Turkey to have been awarded such certification.

#### 4. Anti-Corruption

All Yaşar Group companies support the "United Nations Declaration against Corruption and Bribery in International Commercial Transactions". The employees of all Yaşar Group companies pledge to act in accordance with the requirements of *Yaşar Group Rules of Business Ethics Handbook*. To the extent of its abilities, the Yaşar Group keeps track of and supports the government's "Strategy for Increasing Transparency and Strengthening the Struggle against Corruption" and activities related to it.

##### 4.1. Business units whose risks are analyzed

The Yaşar Group consists of twenty-two companies and two foundations. All of these units are subjected to a general company examination annually and a secondary examination and/or audit may be conducted during the same year as circumstances warrant. To put it another way, the goal is to keep the average time between an individual unit's review to within a twelve-month period. In the course of these reviews, individual processes are studied with the aims of identifying any shortcomings and/or possibilities of improprieties and of taking such measures as may be needed.



#### **4.2. Training related to anti-corruption policies and procedures**

All company managers serving throughout the Yaşar Group undergo in-house and extramural training and briefings on the group's anti-corruption policies and procedures during which they are provided with examples that are to serve as benchmark references. Under this heading, there exists a body of group policies and procedures which are updated on a regular basis. About 30-40% of all senior management and key personnel undergo this sort of training every year.

#### **4.3. Measures taken to deal with instances of corruption**

For all Yaşar Group companies, priority is given to methodically defining in-house anti-corruption auto-controls, processes, and methods and both personnel and task flows are made to comply with these. Whenever any instance of corruption is identified, measures and solutions are employed with are both absolute and intended to serve as an example. Every effort is made to ensure that all necessary preventive measures are taken so that similar events do not recur anywhere else in the group.

In addition, there is also a centralized oversight function whereby existing preventive and identifying auto-control structures are regularly reviewed to ensure that they are operating soundly. Under the heading of such oversight activities, attention is given to technological developments so as to obtain and make use of such methods and means as may be necessary.

## GRI Index

Subjects	UNGC Principles	Associated GRI indicators included in this communication
<b>Human Rights</b>	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	LA8, LA13, HR2 (-), HR3, HR4, HR5, HR6, HR7, HR8, PR2 (-), SO5
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	
<b>Labour</b>	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	LA4, HR2 (-), HR3 (-), HR4, HR5, HR6, HR7, SO5, LA13
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	
	Principle 5: Businesses should uphold the effective abolition of child labour.	
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
<b>Environment</b>	Principle 7: Businesses should support a precautionary approach to environmental challenges.	EN6, EN18 (-), EN26 (-), EN27, EN29, SO5, PR4
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	
<b>Anti-Corruption</b>	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	SO2, SO3, SO4, SO5

Note: “(-)” indicates that the GRI indicator is included in the communication on a partial basis.

Report name	Period	Publication date	Scope
Yaşar 2009*	01.01.2008 - 31.12.2009	30.03.2010	The companies indicated on pages 5-8.
Yaşar 2010	01.01.2010 - 31.12.2010	08.04.2011	The companies indicated on pages 9-13.

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

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**for stakeholder feedback:**

You may direct any views, suggestions, and/or questions about United Nations Global Compact Communication on Progress reports published by the Yaşar Group to the email address indicated below.

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