Dear Stakeholders,

The process of rapid change in the world today is leading to many complex issues. For global sustainability, environmental assets must be protected, we must aspire to a society of higher welfare, and adopt a shared value approach of economic development. In our business, we need to continue to adapt quickly in order to maintain our success and distinction this dynamic environment.

The most important legacy we inherited from our founder, Sabri Ülker, is a business model based on zero waste. Our sustainability journey started back in 2015 with the motto: This is Our World. This journey is extended to the group firms in 2017, according to the strategy of the firm: Make Happy Be Happy. Bozın Toplan, Şökk Marketler, Keremtaş and Besler, which are affiliated companies of Yıldız Holding, published their first sustainability reports in 2017 and became part of the sustainability efforts under the umbrella of Yıldız Holding. In 2017, we brought our sustainability experience to the global scale by including pladis in the process.

Our sustainability approach is at the center of our strategic management at Yıldız Holding. We support entrepreneurship to maximise opportunities and develop preventive steps to identify risks in advance, protect limited natural resources, focus on efficiency and employees and contribute to social development in the communities where we operate.

As it always has been, Yıldız Holding will continue to serve the development of our country, while maintaining its strong economic performance and leading the sectors in which it is engaged. We are aware that there is a long and difficult process ahead of us. We will keep working in order to achieve the Sustainable Development Goals set out by the United Nations and adopted by Turkey and build a sustainable future together.

I am very pleased that we, as Yıldız Holding, have prepared our first sustainability report and I would like to express my gratitude to everyone who has contributed to the report.

Best regards,

Murat Ülker
Chairman

Yıldız Holding
Dear Stakeholders,

Consumer expectations and competition play an important role in the transformation of the food and retail sector, just as in all other sectors. Global challenges such as climate change, limited resources, urbanization, migration and digital transformation have a critical impact on the sectors in which we operate. As one of the leading companies in the markets where we provide services and products, we are responding to these challenges with our innovative perspective and we strive to create a happier and more sustainable world.

Since the company’s foundation, we have adopted a quality and responsible production approach. We play an important role in the transformation of the sectors we are involved in and aim to be the sustainable business leader in Turkey. The sustainability approach adopted by Yıldız Holding and its affiliates and their practices in this area are the basis of our current business strategy. We have prepared the Yıldız Holding Sustainability Report for the first time this year in line with our sustainability strategy, which is shaped by our motto Make Happy, Be Happy. We started out to leave a more viable and happier world to the next generations and we said: Sustainability: Our Legacy for the Future. From this point of view, we have grouped our sustainability strategy under three pillars: Planet, People and Product. Considering the environmental impact of our activities, we made a commitment to improve the current conditions of our world, create value for society by gaining strength with our employees and stakeholders and inspiring society with our products. With our clear sustainability objectives, we aim to contribute our part to the Sustainable Development Goals for the year 2030, announced by the United Nations in 2015, which encompass health and welfare, economic growth, education, equality, justice and a clean environment.

We continue our work under the guidance of three main themes Restore (Planet), Empower (People) and Inspire (Product) that we consider within the scope of our strategy Make Happy, Be Happy. We aim to contribute to social development through the economic value we produce. We focus on the role of local development and as one of the largest agricultural raw material manufacturers in Turkey, we are developing practices for the welfare of the farmers. Kireneş, a subsidiary of Yıldız Holding, encourages planned production by implementing the contracted farming model, and provides training to our farmers and supports their development. As we strengthen our farm partners, we plan to minimize our environmental impact, ensuring agricultural activities are carried out in a sustainable way and use natural resources efficiently and economically. Ülker Bisküvi, one of the largest hazelnut buyers in Turkey, carried out the Sustainable Hazelnut Farming Project in cooperation with an international foundation. We are showing a great effort to leave this valuable legacy to future generations by using the resources of our country efficiently. Bizim Toptan is the largest cash&carry company in Turkey in terms of number of stores and geographic reach. Bizim Toptan combines the purchasing power of Bizim Toptan with the field power of the associate markets within the scope of the partnership merchandise procurement system SEÇ Market. It promotes sustainable growth and social development by encouraging entrepreneurship and sharing its operations and market experience with business partners.

In 2017, we took important steps in the direction of waste management, with the effective environmental management that we, as Yıldız Holding and its affiliated companies, adopted. We focus on waste management in Yıldız Holding and its affiliated companies, in particular Ülker Bisküvi, and support the Zero Waste initiative coordinated by Republic of Turkey Ministry of Environment and Urbanization. We achieved significant improvements within the scope of its sustainability goals for 2024 in Ülker Bisküvi and reduced the ratio of waste sent to landfills by 8%.

We aim to integrate the most up-to-date approaches in our business practices by closely following developments in R&D and innovation matters, which have an important place in the global sustainability agenda. In 2017, Ülker Bisküvi’s R&D and innovation expenditure increased by more than 13% compared to 2016. Besler’s R&D and innovation expenditure increased two and a half times in the same period. Şık Marketlet follows the rapidly changing expectations and needs of its customers and develops its shopping experience with innovative digital solutions. In line with this, the mobile application “Cepte Şık”, which is a first in its field, was put into practice.

We created the Leaders Initiative for Sustainable Future where leading figures of the business world came together in Turkey under the leadership of Yıldız Holding. It is important for the business world to take joint responsibility for the establishment of a sustainable world today and in the future. Our sustainability strategy, which we developed in the light of this approach, leads our sustainability efforts. In order to build our common future, we, as Yıldız Holding are pleased to take part in all cooperation opportunities and partnerships.

I would like to express my sincere gratitude to all our stakeholders, especially our employees who must take huge credit for our achievements.

Best regards,

Ali Ülker

Head of Yıldız Holding Sustainability Platform
ABOUT THE REPORT

Our motto, Sustainability: Our Legacy for the Future and our strategy Make Happy, Be Happy are the two areas which focus the direction of our sustainability programme at Yıldız Holding and its affiliated companies. We are pleased to bring to the attention of all our stakeholders this Sustainability Report that we published for the first time this year.

We have prepared our report in compliance with the “Core” option of the Global Reporting Initiative (GRI) Standards. The report includes the contribution of Yıldız Holding and its affiliates to the 2017 environmental, governance and social performance and Sustainable Development Goals (SDGs) for 2030.

SCOPE OF THE REPORT

This report has been prepared based on consolidated sustainability performance data for the year January 1, 2017 - December 31, 2017. It includes the following Yıldız Holding affiliated companies: Ülker Bisküvi Sanayi A.Ş., Bizim Toptan Satış Mağazaları A.Ş., Şok Marketler Ticaret A.Ş., Besler Gıda ve Kimya Sanayi ve Ticaret A.Ş., Kerevitaş Gıda ve Kimya Sanayi ve Ticaret A.Ş. The report includes the sustainability performance of Gözde Girişim Sermayesi Yatırım Ortaklığı and pladis A.Ş. In the report, the sustainability approaches of the firm are included as best practice examples. Ülker Bisküvi Sanayi A.Ş. a part of the sustainability practices under Yıldız Holding. We’ve extended our sustainability practices to global with pladis and its iconic brands.

For your questions, feedback, and recommendations regarding this report, you may contact us via surduruulebilirlik@yildizholding.com.tr

INTRODUCTION

Having a place amongst global leaders requires one to precisely grasp the leading trends of the time, and to shape the vision and the business models of the firm in line with these trends, and extend this behavior with products and services complementing to long term purposes which accurately projects the wants and needs of future.

As Yıldız Holding, one of the greatest legacies we inherited from our founder Sabri Ülker is the zero waste business model that Ülker has adopted since its founding. Our sustainability journey started back in 2015 with the motto: This is Our World, is extended to include the group firms in 2017, according to the strategy of the firm: Make Happy Be Happy. We’ve aggregated our work on Sustainability in Our Legacy for the Future to three main pillars: People, Planet, and Product. Publishing of the first sustainability reports of the group firms Bizim Toptan, Şok Marketler, Kerevitaş, and Besler became a part of the sustainability practices under Yıldız Holding. We’ve extended our sustainability practices to global with pladis and its iconic brands.

ABOUT YILDIZ HOLDING

Founded with the core idea of our founder Sabri Ülker “We believe that wherever you are in the world, everyone has the right to a happy childhood”, we continue our activities in line with this legacy and a deep respect to humanity and society.

As Yıldız Holding, we adopt the principle of compliance with the rule of law, as well as the codes of conduct, in relation to society and to the individual. We have transformed a humble biscuit factory under the umbrella of Ülker and to a leading food company in both Turkey and globally. These values also lead the way in Yıldız Holding’s non-food investments. We have taken the first steps to becoming a global brand thanks to cooperation with world’s giant brands like Gumlink. We continued our global journey by incorporating Belgian premium chocolate brand Godiva in 2007, Italian packaging company Nuroll in 2011, Demet’s Candy Company in 2014 and in the UK United Biscuits company at the end of the same year.

In 2016, we combined biscuit, chocolate, cake and confectionary activities under the roof of a single company called pladis and brought over 300 years’ experience from the organisations of Ülker Bisküvi, Godiva, McVitie’s and Demet’s together. Today, we produce across areas, including biscuit, chocolate, gum, confectionary, oil, frozen food and personal care. We have a total of 80 factories, of which 55 are located in Turkey. We have 60,000 employees, 5,200 suppliers around the world, 2,900 farmers and 400 distributors based in Turkey. With our iconic global brands such as Ülker Biscuits, Godiva, McVitie’s and Demet’s, we are increasing our share in global markets with each passing day. By the end of 2017, the total turnover of Yıldız Holding and its affiliates reached TL 42.3 billion. In addition to our financial success and contribution to the national economy, we have been carrying out activities with a sense of responsibility towards the society in which we have grown. In this direction, we support social development with social responsibility projects and sponsorships, especially focusing on sports, education, health and art.
Our goal is to increase our achievements and to do better for the future while ensuring sustainable growth. We will achieve this by focusing on our goals with an innovative perspective, responding to the changing world and business conditions.

Structured around the pillars of People, Planet and Product, it has a focus on three main themes, each with a far-reaching aim and clear interim objectives to help us achieve them:

**RESTORE PLANET**

In order to provide the resources and services we need to sustain our lives, we must protect and enhance the ability of our environment to deliver the resources and services we need to live our lives, and for our children and future generations.

**EMPOWER PEOPLE**

Our employees and partners make us successful. We aim to empower them to funnel their passion, commitment and inspiration towards meeting the goals and our aims.

**INSPIRE PRODUCT**

Our customers and wider society expect us to play an active role protecting our environment, improving our health and wellbeing and supporting societal values that we hold dear. We need to inspire them with confidence, making them happy that we are doing this.

Keys enablers to meet our aspirations are; education, engagement, collaboration, innovation, and digitisation. We need to innovate to deliver the change we want to see, embracing digital and clean technologies enabled by an entrepreneurial mindset.

The whole framework is supported on the foundation of strong and transparent governance which ensures everything we do, by everyone in the company, is done ethically, transparently and with integrity.

**HOW DO WE MANAGE?**

**OUR SUSTAINABILITY APPROACH**

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**MAKE HAPPY, BE HAPPY**  
Sustainability - Our Legacy for the Future

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**SUSTAINABILITY MANAGEMENT**

Effective and robust management is the basis of our sustainability approach. Responsible leadership, supported by the structures upon which each employee contributes, enables us to establish a trust-based relationship with stakeholders by acting within the framework of honesty. Based on these principles, we aim to manage the sustainability in Yıldız Holding by guiding all Group companies via a broad framework covering global operations. We therefore established the Yıldız Holding Sustainability Platform, which comprises all CEOs of the group companies.

We started the first phase of the Platform by setting our priorities and we defined the approach Make Happy, Be Happy. We utilized executive interviews and employee workshops to determine the priorities of each company.

The Sustainability Platform seeks to help the companies of Yıldız Holding, operating in different regions of the world, contribute to corporate reputation management in local, regional and global markets. Operations of the Platform are sponsored by chairperson Murat Ülker.

We started the first phase of the Platform by setting our priorities and we defined the approach Make Happy, Be Happy. We utilized executive interviews and employee workshops to determine the priorities of each company.

The United Nations Sustainable Development Goals have provided the foundations on which we have built our approach. These goals provide a comprehensive guide to the most challenging social and environmental issues we all face in order to build the future we dream of. With our approach in line with the SDGs, we aim to contribute to the Goals of Decent Work and Economic Growth (8), Industry, Innovation and Infrastructure (9), Responsible Consumption and Production (12), Climate Action (13) and Life on Land (15).

Make Happy Be Happy is aligned to Goal 21, our business strategy to 2021. GOA21 is about learning, experimenting, improving and raising our standards to be the best in everything we do. Make Happy Be Happy is about applying this thinking towards sustainability.

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When the Ülker family expanded their group of companies, Yıldız Holding, through the international acquisitions of GODIVA Chocolatier (2008), DeMet’s Candy Company (2014) and United Biscuits (2014), they brought together the family businesses that would become pladis. Goal 21 is the roadmap for success for the pladis family of companies. It defines the way things are done, and gives us the powerful tools and motivation we need to win, defines what it will take for us to achieve our Central Idea (“to promise happiness to the world with every bite”), and articulates our journey across the wider Yıldız Holding family of companies. Detailed information about GOA21 can be found here.
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We started the first phase of the Platform by setting our priorities and we defined the approach Make Happy, Be Happy. We utilized executive interviews and employee workshops to determine the priorities of each company. We also discussed in detail global and sectoral trends, risks and opportunities and changing stakeholder expectations as part of the materiality process. Stakeholder analysis was conducted in the companies affiliated to the Yıldız Holding according to the Accountability AA1000SE Standard, an international stakeholder engagement standard.

In the second phase, we prepared a leadership Sustainability Guide. We addressed in detail global trends, SDGs, business strategy and integration of sustainability, and material issue management. Thus, we expect each company to contribute to the Yıldız Holding Sustainability Approach within the scope of its own material issues.

In the next phase, within the scope of the workshops carried out in companies other than Ülker Bisküvi, which has already set the sustainability targets for 2024, we took the first step in the direction of determining the sustainability targets of each company in line with their material issues.

As part of our accelerated sustainability efforts, we have set material issues for each company and prepared a Leadership Sustainability Guide to support effective management. Ülker Bisküvi published its third Sustainability Report in accordance with the Global Reporting Initiatives (GRI) guidelines, while Besler, Kerevitaş, Söke Marketler and Bizim Toptan introduced their reports for the first time.

ORGANIZATIONAL STRUCTURE OF YILDIZ HOLDING SUSTAINABILITY PLATFORM

YILDIZ HOLDING SUSTAINABILITY PLATFORM

GROUP COMPANIES
We offer our consumers a wide range of products, including biscuit, chocolate, cake, oil, snacks, frozen food, with a sense of quality on which we have not compromised since the foundation of the company. We aim to contribute to a happy future with the products having low environmental impact, while bringing our consumers together with high quality and delicious products under our Make Happy, Be Happy strategy. In this way, we have created a strong connection with our consumers through over 300 brands.

In addition to offering products with high standards, we prioritize providing value for our consumers and to society, protecting the environment, contributing to the formation of a healthy society and maintaining social values. With this understanding, we maintain our position as one of the leading corporate groups in developed markets.

As Yıldız Holding, we inspire the society with products which have been developed for balanced nutrition and a healthy diet and contribute to the achievement of the Sustainable Development Goals, including Good Health and Well-Being (3), Responsible Consumption and Production (12), Life Below Water (14), Life on Land (15) and Partnerships for the Goals (17).

Practices such as environmental policies and regulations, labeling requirements, and advertising restrictions on high sugar, fat including saturated fat and salt products are encouraging other companies to bring responsible production to their own agendas.

Understanding our leadership responsibilities, we believe that guiding our consumers about their choices plays an important role in achieving a more sustainable food system. We define our impact area as the provision of clear information about our products’ origins and impacts and the future education of our consumers about balanced health and nutrition.

The objectives and actions we have determined as material to our products within the scope of sustainability are as follows:

- Product traceability and disclosure
- Target emerging markets
- Leading and educating consumers about balanced nutrition and offer product opinions for more balanced nutrition
- Developing collaborations

We have set our nutrition goals for all of our products as follows:

Commitment 1: Ensuring that at least 95% of the portfolio contain no more than 200 calories in one serving

Commitment 2: Increasing choice by introducing lower-sugar products, and reducing sugar in our best-selling biscuits while maintaining the taste that our consumers know and love

Commitment 3: Continuing to reduce the salt across our whole portfolio of snacks including our most iconic biscuits

Commitment 4: Making nutritional information easily accessible to help our consumers, suppliers and employees make responsible snacking choices

pladis has developed a set of nutrition profiles to drive responsible product formulation, to reduce calorie content and levels of fat, saturated fat, sugar and salt in its products.
**VALUE CHAIN**

At Yıldız Holding, we are creating a large ecosystem with thousands of suppliers, producers, farmers and other stakeholders. Within this network that constitutes our value chain, we strive for sustainable production by means of practices that respect human rights, increase farmer welfare and seek solutions to problems with business associations, support socio-economic and local development and guarantee product quality and safety.

**STRATEGIC SUPPLY CHAIN MANAGEMENT**

Across Yıldız Holding and its subsidiaries, we see suppliers as our strategic business partners and aim to strengthen these relationships. Accordingly, the Central Supply Units were established in our companies in order to manage the supply chain in a holistic manner. In addition to the quality and safety issues of every company, there are working principles in terms of basic human rights, working conditions, environmental protection and ethics to which the suppliers should adopt. These principles are prepared within the framework of legal regulations and international standards. We only work with suppliers that meet these standards and we provide training for suppliers to maintain and improve these standards. In addition, suppliers are subject to regular inspections on quality, product safety and risk analysis. Suppliers are adapting to our working conditions while concurrently raising their own standards.
Şok Marketler- Digital Applications

Şok Marketler closely follows technological developments to create digital applications for its supply chain. The company aims to further strengthen its supply chain processes with digital projects such as the ongoing Advanced Planning and Demand Forecasting, Promotion Allocation Algorithm, Improvement of Order Replenishment System and Automatic Invoice Closure.

Improvement of Order Replenishment System: Implemented in 2016, the System manages the orders from stores into its warehouses in accordance with the historical data and it aims to increase efficiency, reduce human error and reduce the number of stock days. We have seen the number of stock days, (37 days in 2015), decreased to 31 days in 2017. Furthermore, stock availability in store accounted for 97.3% in 2015 and this increased to 98.6% in 2017.

Advanced Planning and Demand Forecasting: Through the system developed as part of our advanced planning and order forecast project, the product sales forecasts will be shared with the suppliers, so they can work more effectively by planning ahead more accurately. This allows Şok Marketler to take their principle of having the right products in our stocks to even greater extremes.

Promotion Allocation Algorithm: Promotion allocation algorithm allows Şok Marketler to distribute the promotional items they offer to their customers to their stores digitally. It aims to improve the two-week sales target realization rate.

Automatic Invoice Closure: It aims to transform the manual billing system into a self-managed digital cost management system with the automatic invoicing. It will be able to make instant monitoring and reporting of investment purchases and cost management in the central office, warehouses and stores within budget. Thus, it will save on both time and labor force and prevent errors. The automatic closing of the shipping invoices will also be provided under this project.

SUSTAINABLE AGRICULTURE PRACTICES

With the increasing world population, factors such as the decrease in resources and the increase in the demand for food pile more pressure on agricultural production with each passing day. Sustainable agriculture practices play an important role in finding solutions to these problems and contributing to sustainable development. In this regard, as one of the largest buyers of agricultural raw materials in Turkey, we consider providing sustainable supply of raw materials and supporting the socio-economic development of farmers and manufacturers among our responsibilities.

In 2017, 57% of the main raw material that consumed by Ülker Bisküvi on a weight basis is wheat.

We are also carrying out studies on expanding the usage area of Ali Ağa, which is productive and has more resistance to plant diseases and drought. We are aiming to produce the ideal wheat for biscuit in cooperation with the Bahri Dagdas International Agricultural Research Institute.

As Yıldız Holding, we are a program sponsor under the FACTS (Processor Alliance for Cocoa Traceability and Sustainability). Aiming to increase productivity while creating an environmentally-friendly and professional production chain, FACTS ensures farmers producing cocoa are trained in innovative production practices. We are also investing in improving the living and working conditions of cocoa producers from every country within the scope of the program, for example we support drinking water supply and lighting with solar energy.

Ülker Bisküvi, Turkey’s largest cocoa user, became a member in 2012 of the World Cocoa Foundation, a platform for global chocolate manufacturers. We aim to support the economic and social development of cocoa farmers by adopting sustainable principles in agricultural production. McVitie’s, the iconic biscuit brand under the roof of pladis, is also member. Godiva has achieved 100% sustainable palm oil supply as a member of both the World Cocoa Foundation and RSPO (Roundtable on Sustainable Palm Oil). In addition to this, it has a goal to 100% sustainable cacao supply until 2025.2

For detailed information, you can check Responsible Products section.
All companies under the umbrella of Yıldız Holding follow international quality and food safety standards to provide customers with the highest quality products. We always observe product quality and safety throughout the process from the growing of the products in the fields to the shelves, from the processing in the factories to the consumer. Internal and external audits are carried out regularly in our factories during the year for the purpose of taking our standards to the next level so that we can maintain and increase loyalty and trust of our stakeholders who play an important role in our success. All of our products are analyzed at regular intervals determined as a result of risk analysis in the internal or external laboratories by holding the health and safety of our customers as number one priority. Our products are approved by Republic of Turkey Ministry of Food, Agriculture and Livestock.

All our factories within the body of Ülker Bisküvi have IFS, BRC and ISO 22000 certifications and all of the plants are subject to audits of Global Safety, Quality, Security and Environment (GSQSE) and Central Quality Zero Error Compliance once a year.

Our suppliers are subject to the product safety and audit, and we work on increasing the number of suppliers who are required to undertake these audits. With the audits that we apply to our suppliers in the field of quality assurance, we always contribute to the development of our suppliers by achieving high standards.

Kerevitaş conducts a quality management process in line with the TS EN 9001:2015 Quality Management System. Within the scope of the Food Safety Management System studies, Hazard Analysis Critical Control Point (HACCP) System, which predetermines the risks against the consumer health and eliminates these, was implemented and these studies are certified by TS 13001 HACCP Food Safety Management System. Leading the oil industry in Turkey since its foundation, Besler became the first company that has all of the following certificates: Integrated Management System ISO 9001, ISO 14001 and OHSAS 18001. Şok Marketler implements its quality management with ISO 9001 certification. Developing the Call Management system where the products with quality concerns originating from the suppliers are reported, Şok Marketler, our representative in the retail sector, always aims to provide its customers with safe and quality food. With the digital system created, questionable products are alerted to the supplier and corrective actions are taken regarding the quality of the products.

pladis has recently become members of The Forest Trust (TFT) who are a Not for Profit organization specializing in the design and implementation of scalable sustainable solutions throughout the supply chain. As part of this partnership pladis has worked with TFT to gain traceability back through its supply chain to mill for 84% of its palm oil; pladis will continue to work with TFT and its suppliers to develop innovative sustainable transformation programmes which will look to address key challenges such as deforestation. Working in cooperation with both seed cooperatives and our wheat suppliers since 2015, pladis has supported farmer cooperatives within the scope of the UK - Wheat Programme Back to Farm to significantly increase wheat planting rates, pladis now has Back to Farm agreements with over 40% of its wheat supply from farmers in the UK.
CUSTOMER AND CONSUMER ORIENTATION

As Yıldız Holding, we believe that making other people happy leads to happiness. In every operation we carry out, we act with the focus of making our customers and consumers happy, adding value to them and growing together. One of our material issues is being the reliable partner of our customers and consumers with quality, healthy, and innovative products and applications that make their lives easier.

Understanding the changing needs and demands of our customers and consumers is the key to refresh the products and services that we offer and to constantly improve ourselves. We follow consumption trends, new technologies, consumer and customer expectations, accordingly improve customer/consumer experience and expand our product and service range.

Our stakeholders demand faster, easier and more personalized services in a world that rapidly changes with the effect of technology. Digitalization directly influences consumer choices from their shopping preferences to notification of the consumer reviews regarding the purchased products and services. We implement digitalization-oriented projects with the intent of making our stakeholders’ lives easier. Within this framework, we offer privileges to our customers with customer loyalty programs and card memberships. Similarly, in addition to the advantages that we offer with mobile applications that we developed in the purpose of contributing to the shopping experience, we give people extra time and make their lives easier. As Bizim Toprak (Wholesale), Bizim Kart (Card) offers opportunities in shopping wholesale, a timeframe can be determined with the Şok Cepte Şok application so that our customers can select and get the product they want. This way, people can receive their packages prepared in advance at the closest Şok Marketler within the same day, without waiting.

R&D AND INNOVATION

We aim to meet expectations and ensure competitive advantage by responding to the changing world and business environment with innovation. Our goal is to introduce smarter solutions to social and environmental issues and to improve each task at hand by implementing newer, more effective ideas. We continue to improve our R&D and innovation skills by providing inspiring work environments; that support entrepreneurial spirit and that encourage cooperation among different teams.

In line with our mission to find innovative ways to make happy and be happy, we are moving forward with a holistic R&D and innovation strategy that uses the tools offered by innovation and digital transformation in alignment with our sustainability priorities, GOAL21 and the Sustainable Development Goals.

Feedback from our stakeholders plays an important role in the development of our customer and consumer-oriented business culture. Our customers and consumers are encouraged to call the Yıldız Holding Customer Relations Center (MIM), and contact us at mim@yildizholding.com.tr or via the relevant e-mail addresses of the group companies. We, as a Group, are committed to take action concerning the received recommendations and/or complaints within the same working day. We have resolved around 94% of over 52,000 queries received within the reporting period. We manage queries by taking the confidentiality and information safety of the customers and consumers into consideration. We adhere to the Code of Protection of Personal Data and the Yıldız Holding Customer Relations Center Policy.

We organize satisfaction surveys on a regular basis in order to take customer and consumer satisfaction forward. Based on the survey results, we introduce initiatives in order to take the customer and consumer satisfaction to a new level, such as secret shopper reviews with independent companies and brand health surveys.

The Cepte Şok mobile application was awarded the Best Digital Channels Project award within the scope of the International Data Corporation (IDC) Retail Tech Awards 2017.

R&D AND INNOVATION CAPACITY

We are aware that in order to bring together quality and value-oriented, sustainable innovations for our consumers and customers, we need to focus on innovation. With this in mind, we always invest on our R&D and innovation competencies with the intent of ensuring sustainable growth in all our active sectors and of achieving leadership.

Since we founded our first R&D department in 1974, our R&D and innovation investments have been thriving with the value we place in new ideas and the passion we have for our customers’ and consumers’ aim to offer new experiences. Within this scope, the R&D and innovation costs of Ülker Bisküvi at TL 15.4 million in 2016 increased by over 13% in 2017 compared to the previous year. Beşler’s R&D and innovation expenditure increased by two and a half times in 2017 compared to 2016. The ratio of Beşler’s R&D Center investment to the total turnover increased by 9.5 times within the same period. As for Kerevitaş, the R&D and innovation investment was over 1 million Turkish Liras in 2017.

At our R&D and innovation centers, we bring to life R&D and innovation initiatives to improve our competitiveness in many fields from developing new products to providing cost advantages; from reducing the environmental effects of the products to developing ideas that result in process improvements. pladis has two R&D Centers in the United Kingdom and Belgium.
In 2016, pladis Turkey Chocolate R&D Center has been certified by the Ministry of Science, Industry and Technology of the Republic of Turkey as the first R&D center of Turkey in the chocolate category. Subsequently, pladis Turkey Baked Goods (biscuits, cakes) R&D department was certified in 2017 by fulfilling the requirement of being an R & D Center.

Similarly, the R&D Department of Kerevitaş was certified by the Ministry of Science, Industry and Technology of the Republic of Turkey in 2017 and managed to become a pioneer in the frozen food sector. And Besler, a pioneer in the vegetable oil and margarine sector in Turkey, which has the first and only fraction facility and fraction products in Turkey, conducts its R & D and innovation activities under the leadership of the biggest R&D Center in Turkey, Middle East and Balkans.

Our Ministry-certified R&D centers keep on developing new projects with the funding and support they receive. Within this scope, pladis Turkey Biscuit R&D Center submitted to TÜBİTAK-TEYDEB (Technology and Innovation Funding Programs Directorate) in 2017 a project which was granted funding by the arbitration board. Also, there are three more projects from pladis Turkey Biscuit, Chocolate, Gum and Candy R&D Centers that are currently pending approval. Similarly, Kerevitaş which aims to strengthen its public, industry and university business collaborations has also pending a submission within the scope of TÜBİTAK-TEYDEB.

With the projects conducted with the collaboration of TÜBİTAK-TEYDEB and Ministry of Agriculture and Forest of the Republic of Turkey-TAGEM (General Directorate of Agricultural Research and Policy), Besler intends to increase the amount of imported goods developed in Turkey; ensure that healthier oils that do not contain trans oil are being produced and energy is being recycled with water. Besler has so far made nine publicly supported project submissions and successfully completed three of these projects. Within this framework, Besler was entitled to a grant of TL 1.35 million for two of its projects aside from EU grants. In addition, the company also aims to develop natural antioxidants for margarines to prolong the shelf life by preserving product quality for a longer amount of time with its smart packaging, software and nanencapsulation development project within the scope of the European Union Smart Electronics – EURIPIDES.

Another group company, Kerevitaş submitted another project aiming to develop innovative drone and smart sensor technologies for agricultural applications. Studies at the pilot potato farm continue to ensure cultivation is at optimum level with less water, fertilization and labor.

**INNOVATION AND ENTREPRENEURSHIP CULTURE**

We are dedicated to integrate innovation in to all parts of our operation. We take steps toward creating a people-oriented business culture that encourages, diversity of voices and different points of views in line with Make Happy, Be Happy approach.

With Kaizen ideas, an initiative we created within the purpose of establishing a culture where we inspire each other, we have created a great open platform to share with our employees’ recommendations to improve our activities since 1990. With our Innovation, Inspiration and Idea Platform Idea Starts, our employees can share their ideas in all fields including business processes, new business models, new products, and even solutions to social issues. Through that platform, we have collected an average of 500 ideas each year and implemented more than 20% of the ideas put forth. In addition, we have been awarding the best projects in the Innovation category at the Stars of the Year and Quality that we hold every year. This way, we contribute both to the development of innovative ideas from each department and level and to employee engagement and loyalty.

We focus on championing collaborations and synergies in order to achieve our true potential in terms of innovation. Although we are a large global group, we have structures in place enabling us to become faster and agile in the way we innovate and operate.

Our Group companies regularly organize satisfaction surveys in order to further enhance customer and consumer satisfaction.
PEOPLE
EMPOWER
As Yıldız Holding, we get our strength from the collaboration we make with our employees and partners. We believe contributing to and growing with the societies we operate in is key to ensuring the sustainability of our business.

In line with our Make Happy, Be Happy strategy, we are committed to enabling employees to put forth their skills as efficiently as possible in a working environment that supports equality and diversity. We make sure to engage with our business partners in a responsible and ethical way, one that also contributes to their development. We have a trust based relationship with our stakeholders and we inspire one another.

**Actions and objectives:**
- Support farmer welfare and socio-economic development
- Support increased diversity and inclusion
- Supporting equality of opportunity regardless of race, gender or any other discrimination
- Provide equal opportunities in all levels throughout the company
- Respect human rights
- Ensure health and safety and safe work environment
- Support positive mental wellbeing
- Train and provide opportunities
- Skill Management

As a global company, we conduct our activities in conformity with the Sustainable Development Goals. Good Health and Well-Being (3), Decent Work and Economic Growth (8) and Responsible Consumption and Production (12) goals within Sustainable Development Goals especially guide our studies towards getting stronger together.

**Employee Distribution by Gender**

- **Male**: 65%
- **Female**: 35%

**Senior Management Distribution by Gender**

- **Male**: 74%
- **Female**: 26%

**Actions and objectives:**
- Support farmer welfare and socio-economic development
- Support increased diversity and inclusion
- Supporting equality of opportunity regardless of race, gender or any other discrimination
- Provide equal opportunities in all levels throughout the company
- Respect human rights
- Ensure health and safety and safe work environment
- Support positive mental wellbeing
- Train and provide opportunities
- Skill Management

**EMPLOYEES**

Our company’s ability to make a difference in the various sectors where it is active and maintain its competitive force are directly related to the happiness of the employees who are our most valuable stakeholders. Within this perspective, we are committed to providing work environments where diversity, equality, healthy and safe work practices are embraced. We make sure proper trainings and career development programmes are in place in order to cultivate existing talent pool while also recruiting new talent.

We contribute to the country’s overall employment rate with the increasing number of new hires every year. Our current workforce Yıldız Holding is over 60,000 as of 2017.

We respect and care about employee rights. We value offering equal opportunities for all employees and increasing diversity within our structure. We support especially women becoming more active in the work life and getting further in their careers. Women represent 35% of the total labour in the holding and its affiliates and 26% of the senior management positions are filled with female executives.3

As Yıldız Holding, we are among the supporters of the Mentoring Among Companies Program for More Women on Boards of Directors that was brought to life with the cooperation of the Mentorship company PRAESTA Turkey and Forbes Turkey magazine.

One of our group companies, Kerevit has won the Female-Friendly Workplace Award within the scope of the Certification of Female-Friendly Workplaces through Social Dialog Project executed by the HAK İŞ Confederation and the Center for Labor and Social Security Training and Research (ÇAGSEM). The company also participated in the Project of Equality of Opportunity in Jobs for Females that is being executed by the Ministry of Labor and Social Security and that aims to improve gender yerie to support equality of opportunity equality and to raise awareness especially in employers.

3 Consolidated data. It includes the following Yıldız Holding affiliated companies: Ülker Bisküvi, Bizim Toptan, Şok Marketler, Besler and Kerevit.
**pladis**

**pladis - Gender Pay Gap Report**

The pladis Gender Pay Gap Report, published in 2017, shares the current situation and the future steps to be taken to reduce the difference between men’s and women’s hourly earnings in the company. The report, which is a legal requirement in the UK, outlines that the gender pay gap at pladis is 9.6% which is below the United Kingdom average of 18.4%. pladis has set four commitments across the business in the UK Corporate functions and the supply chain that will be the focus as we work to make pladis the employer of choice for colleagues of all backgrounds.

**Performance and Career Management**

We are committed to offering trainings, career opportunities for all of our employees at Yıldız Holding and its affiliates by adopting Equality of Opportunity. In line with this principle, we apply the Performance Management System to ensure that employees evaluate their performance, set goals for the future and discover opportunities for all of our employees at Yıldız Holding and its affiliates.

This Performance Management System serves to all of our group as an overarching system. Each company is free to make necessary changes in the system depending on its field of activity and needs. The performance system consists of three main periods that recur annually including setting the goals, interim assessment and final assessment periods and results are being assessed based on goal and competence.

We evaluate performance according to the related position along with the goals that employees set. At the end of the year, first employees complete their own assessments, then they receive the assessments of the primary and secondary line managers and the process is finalized.

Our remuneration system is based on the content of the job. We provide a remuneration that is equal, competitive and market-compatible by assessing the jobs of our employees with this system that has been put in place by taking the annual market remuneration researches and standards into consideration. We offer side benefit packages that may vary depending on the employees’ positions. The side benefits of the out-of-scope employees at Ülker Bisküvi are managed with the Senseç Flexible Side Benefits Platform; and those of in-scope employees are managed within the scope of the collective job agreements. With Senseç, the employees can determine their side benefits depending on their individual needs.

We started the Instant Reward system so as to instantly reward employees that make an outstanding contribution to their company. According to this system, the executives can nominate an employee they wish to award. Once approved, the relevant employee gets rewarded as a result of the assessment of the recommendation that directly reaches their line manager. This system allows all of our managers to notice, appreciate and reward their employees in an instant way.

**Skill Management and Training**

At Yıldız Holding and its affiliates, we prioritize investing in our workforce. Within this perspective, we are introducing human resources initiatives that will ensure that new talent is being attracted while existing talent is being retained. We organize trainings by considering the individual needs of the employees and changing trends of the sector in order to improve their professional and personal competencies.

Yıldız Academy learning and development platform offers trainings that all employees within the group can benefit from. Within Yıldız Academy Digital, we can access information and trainings online or on their mobile devices. The outputs of the performance assessment process assist employees’ training plan. There are several improvement tools including self-improvement catalog trainings, leadership journey.

**Sok Marketer Leadership Development Program**

In 2017, Sok Marketer began the “Tactics Here” leadership development program for field executives consisting of regional executives, regional managers and branch managers. As part of the program, regional executives received four days, regional managers three days, and branch managers six days of classroom training. The program was also further expanded to include training content for the development of eight leadership competencies contained in the set of qualifications demonstrated by field executives. In addition, branch managers were provided with one-day coaching training.

**Leadership Competencies**

- **Forseeing the Future**
- **Encouraging High Performance**
- **Innovation**
- **Result-Oriented**
- **Strengthening the Team**
- **Adding Value**
- **Matrix Leadership**
- **Celebrating Success**
Bizim Toptan B-Raise Manager Development Program

Bizim Toptan implemented the B-Raise Manager Development Program in order to attract graduates and young professionals. Thousands of people applied through the career portal, out of which 80 candidates went through a two-week orientation training. Trainings included subjects ranging from business culture to internal auditing to customer management, from finance to human resources, all offered by internal trainers. Then, for three months during the field part of the training, store managers were be experienced first hand all of the positions that they would be expected to manage by working at different departments at pilot stores in different regions of Turkey. These roles ranged from cash register to aisles, from storages to goods acceptance and candidates changed pilot stores monthly. Before being assigned as store managers and assistant managers, the B-Raise manager candidates completed the process by meeting with mentors assigned to them throughout the training process on a regular basis and by giving a presentation to a committee consisting of a senior management team at the headquarters at the end of three and a half months.

We implemented First us initiative in order to enable employees to continue their careers within the company, under different positions or sectors. With this initiative, we prioritize Yıldız employees for open company, under different positions or sectors. With this initiative, we prioritize Yıldız employees for open assignments between functions or companies and positions ranging from promotion to a higher position, this initiative, we prioritize Yıldız employees for open this initiative, we prioritize Yıldız employees for open this initiative, we prioritize Yıldız employees for open this initiative, we prioritize Yıldız employees for open.

Şok Marketler – Şok Academy

We take steps toward digitalization of trainings as well as recruitment procedures. The e-learning and development platform Academy Şok which was founded in 2017 by Şok Marketler is a top exemplary work that we conducted in this field. Academy Şok has been designed as a user-friendly platform that eliminates time and place limitations; that is highly accessible; and that has easy and easy to digest content. All Şok Marketler employees can attend trainings being offered on many subjects including store procedures and basic management, which they can access via computers, tablets and all smart mobile devices.

Ülker Bisküvi started an impact assessment and evaluation project, taking an important strategic step to assess the impact on employees and the society of the investments we make in talent. Within the framework of a pilot project, Ülker Bisküvi launched in 2016 a training program called Star Operators made up of technical training sessions for 700-800 in-scope employees carried out over a time period of one year using the Social Return on Investment (SROI) method to perform a social and environmental impact assessment.

Employee Happiness

In line with Make Happy Be Happy strategy which also is the baseline of our sustainability approach, we value creating a satisfactory work environment where the employees can also get a sense of belonging. We listen to the needs and expectations of our employees in many issues such as leadership, performance and reward, skill management and communication via the Voice of the Stars Employee Loyalty surveys conducted at Yıldız Holding and its affiliates. We identify fields that we could improve according to the results.

Establishing transparent and solid communication lines plays an important role in achieving our goal of growing together with our employees. Within this scope, we implement various initiatives both to enhance communication and to increase employee engagement and loyalty.

Kaizen Ideas: With this internal communication platform, we aim to capitalize on the innovation and entrepreneurship skills of our employees by sharing ideas regarding business procedures. Employees post their suggestions regarding many subjects from product development to R&D, from quality to occupational health and safety. And ideas that get implemented are rewarded by the related group companies.

Mentoring Program: With this program, we provide a bilateral development initiative to Yıldız Holding employees and managers. We are committed to support the implementation of their development plans as a result of the human resources planning and to unlock the potentials of high-performance employees. The program offers various benefits to the mentors and mentees. Within this scope, the mentors become intercorporate role models that contribute to talent development by improving their management, leadership and communication skills. And the awareness of the mentees in personal and professional development areas is raised by means of getting feedback from managers other than their own; they prepare action plans by setting their goals and they make more efficient decisions in the face of problems by gaining different thought models.

Master & Apprentice Meetings: We carry out coaching trainings at the meetings that bring together young employees, born after 1988 with their managers in order to ensure intergenerational integration.

Stars of the Year: We designed Stars of the Year in order to make sure that employees share their best practices and to reward productive team building behaviours. Once a year, we organize this competition platform to which all employees within the group are encouraged to join. We pick and reward the Stars of the Year in different categories.

pladis

pladis - Mental Health and Wellbeing

pladis is a strong supporter of the Time to Change pledge, demonstrating its commitment to change how the company think and acts about mental health in the workplace and make sure that its colleagues who face challenges feel supported. pladis is committed to focussing on the education and awareness of mental health within our Health and Wellbeing programme, and it promises to tackle the discrimination associated with mental health by raising awareness, providing support and creating a platform for its employees to talk openly.

The company’s program Positive Minds, called so to highlight the importance of both mental fitness, as well as supporting mental ill health, has evolved quickly in the last year. Over 100 Mental Health & Wellbeing Ambassadors who volunteer their time to raise awareness and support their colleagues and are an energy behind the initiative. As well as campaigning and education across all its locations, pladis has a support mechanism in place, including Employee Assistance Program with counselling sessions.

And in October this year, pladis further demonstrated its commitment by re-signing the Time to Change pledge, and continued to build on its relationships with various mental health organisations to support the company driving this positive change. It’s through happiness that it empowers the people and Its Mental Health initiative is central to this.

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**OCCUPATIONAL HEALTH AND SAFETY**

We work with the goal of Zero Incident. We fully comply to all legal obligations regarding occupational health and safety at all our locations in order to preserve the health and safety of our employees and business partners. The Holding Health, Safety, Energy and Environment (SEÇ) department works in collaboration with the departments in charge of the occupational health and safety of the affiliates. Ülker Bisküvi and Besler hold the OHSAS 18001 occupational Health and Safety Management System certificate. Şok Marketler and Keremay continue their work for completing the certification process.

We care about our employees getting the necessary trainings regarding occupational health and safety. 1.6 hours of occupational health and safety training per employee was achieved at the group level in 2017.

**SOCIAL RESPONSIBILITY**

We run social responsibility activities for the welfare and happiness of the society in line with: Be Happy, Be Happy strategy. As Yıldız Holding, we aim to grow together with our locomotive brand Ülker Bisküvi and the other affiliates as well as the society where we live and operate in. We focus on areas of sustainable agriculture, healthy lifestyle, culture-art and sports.

Ülker Bisküvi conducts corporate social responsibility projects for children thus encourage children to take active part in arts&crafts and sports. Within this scope, the Ülker Children Art Workshop has introduced 17.000 children to art since 2011. So far, 1,100.000 children from all over Turkey attended the Ülker Children Cinema Festival. And Ülker helped more than 330.000 children develop sports habit between 2007-2017 within the scope of the Soccer for Children project conducted with the Turkish Football Federation. As for the sustainable agriculture field, Ülker Bisküvi as one of the biggest hazelnut buyers of the country supported local farming by purchasing from local producers and its Sustainable Hazelnut Farming project conducted in collaboration with an international foundation.

We founded the Sabri Ülker Food Research Institute Foundation in 2009 in order to support studies carried out to offer accurate and reliable information on healthy nutrition and foods to the public. The Sabri Ülker Metabolic Research Center was founded in 2015 at Harvard University by the foundation named again after Sabri Ülker- our founder who was one of the leading entrepreneurs of the food sector. The Center is committed to work on and develop solutions with regards to the formation of genetic and metabolic diseases under the leadership of Prof. Dr. Hotamışlıgül hosts scientists from Turkey and around the world. In addition, symposiums are being held in Istanbul and Boston to bring together the leading scientists of the world with the young generation researchers. The Sabri Ülker Food Research Institute Foundation conducts various social projects including Balanced Nutrition, Nutrition and Healthy Lifestyle Summit, the Sabri Ülker Science Award, Nutrition and Healthy Communication Program and Healthy Conversation.

You can access all of the Sabri Ülker Food Research Institute Foundation projects here.

**pladis – Cooperation with In Kind Direct**

pladis has been supporting the In Kind Direct since 2011. In Kind Direct delivers the consumption goods donated by the companies to those in need via charity foundations in the United Kingdom and other countries. pladis contributes to the foundation by donating surplus order products. Since pladis started working with In Kind Direct, nearly 1,500 charities have benefited from pladis’ donations.

**pladis – Cooperation with Starlight Children’s Foundation**

pladis gives happiness to the lives of seriously ill children and their families through supporting the Starlight Children’s Foundation, in line with its slogan Make Happy, Be Happy. pladis aims to improve the team spirit of its employees and to support their self-improvement all the while raising awareness and providing financial support for the Starlight Children’s Foundation. The employees donate their time through volunteering projects and financial support via fundraising events they execute throughout the year to the Foundation, pladis aims to increase and continue its support.

**Gözde Girişim**

Gözde Girişim Fund has been founded in order to invest in the initiatives and companies which have potential and need funding and support in order to grow further. The company aims to invest in non-food companies that need financial and operational configuration and that promise relatively fast return and high financial income.

The company, which embraced the principle of putting into good use the strategic superiorities, knowledge and expert resources that Yıldız Holding has, reflects this strategy in its current investment portfolio.

We contribute to the Turkish economy in the finance, retail, industrial minerals, manufacturing industry, fast moving consumption, wholesale trade and packaging sectors in which we invest through Gözde Girişim. We work to add value to society with the perspective of being a responsible investor in our active fields. With our innovative vision and leading role, we also aim to integrate the issues of social and corporate management in our investment processes in the future.
PLANET
RESTORE
The increasing population and urbanization, industrialization and economic activities conducted with conventional models cause a great pressure on the environmental resources and conditions. The future of the sectors where we do business is directly related to the preservation of natural resources. We are aware that we should efficiently manage our manufacturing processes and raw material resources both for the sustainability of our world and our business. We work to improve our performance and contribute to the world where we live without stretching the limits of the ecosystem by growing and expanding the geography of our operations on the one hand and by reducing our negative impact on the environment on the other. Combating climate change, monitoring the energy and carbon emission values, reducing water and waste consumption and preserving biodiversity lie within the center of our approach.

We contribute to the SDGs in order to better our world and contribute to the solutions of global issues. With this approach, we support business models where sustainable management of everyone’s water resources is ensured, natural life in water and on land is preserved, energy resources are efficiently managed, innovation is enhanced, sustainable consumption and manufacturing templates are guaranteed and which facilitate tackling climate change. Within this scope, we contribute to the goals of Clean Water and Sanitation (6), Affordable and Clean Energy (7), Industry, Innovation and Infrastructure (9), Sustainable Cities and Communities (11), Responsible Consumption and Production (12), Climate Action (13), Life Below Water (14) and Life on Land (15).

**Actions and objectives:**
- Energy efficiency, reduction and renewables across operations and supply chain and tackling climate change
- Sustainable supply of raw materials
- Packaging waste reduction
- Green logistics
- Water management

**Environmental Sustainability at Ülker Bisküvi**

Ülker Bisküvi took yet another important step toward the improvement of the environmental performance of the sector by setting growth with zero emissions increase goal in 2015 as a first in Turkey. The commitments made by Ülker Bisküvi are of great importance for the contribution of the private sector to the global agenda and objectives.

With their cooling systems revisions realized in the field of energy efficiency, isolation improvements, transformation projects, efficient engine use, installment improvements and heat recovery projects, a total of 9.9 million kWh of energy was saved including 6.7 million kWh in electricity and 3.2 million kWh in natural gas.

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*Energy density has been calculated by dividing the total energy consumption into the total number of employees of the five companies which the environmental data cover.*
Global climate change, irregularities in the antecedent precipitations and drought rendered the efficient use of water resources extremely vital. As a company that bases the foundation of its activities on soil and water, we manage the issue of water use in an effective manner. Protection of water resources and efficient use of water are amongst the issues which we prioritize. Within this perspective we monitor the water consumption deriving from our activities and we conduct work toward increasing the efficiency where possible. In 2017, water use per employee occurred at 128 m$^3$.

In order to make water efficiency and waste water management more efficient, we intend to increase the number of relevant projects and develop more recycling opportunities.

Ülker Bisküvi
Ülker Bisküvi came third at the Istanbul Chamber of Industry (ISO) Environmental Awards Large Scale Enterprises Environmental and Sustainability Management, with the exemplary projects that the company executed in the environmental sector and process management. The awards are granted to the long-established industrial institutions of Turkey for more environmental products, projects that provide less energy and with raw materials and work concerning sustainability and environmental management. Ülker Bisküvi awarded first prize in Turkey at the European Business Awards for the Environment, which is an award by the European Commission for companies making important contributions to sustainable development. With our success in the category of management we are entitled to represent our country in the The European Business Awards for the Environment in Europe.

Şok Marketler - Energy Efficiency on the Shelves of Dairy Products
The energy efficiency project is a transformation project which aims to transform the systems and carry out efficiency-oriented maintenance in product aisles to ensure energy efficiency in Şok Marketler stores. Pilot project aims to enable the compressors to work less and allow us to keep the cooled air inside the section which in return will reduce the strain on the central cooling system. In addition, Şok Marketler further aim to reduce energy consumption by replacing fluorescent lighting in refrigerated sections with LED lights.

WATER MANAGEMENT

Global climate change, irregularities in the antecedent precipitations and drought rendered the efficient use of water resources extremely vital. As a company that bases the foundation of its activities on soil and water, we manage the issue of water use in an effective manner. Protection of water resources and efficient use of water are amongst the issues which we prioritize. Within this perspective we monitor the water consumption deriving from our activities and we conduct work toward increasing the efficiency where possible. In 2017, water use per employee occurred at 128 m$^3$.

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Besler - Zero Loss Journey Project
With the energy card system developed at Besler for the detection of losses and leaks, the main energy consumption points including cooling, vapor, electricity, natural gas and pressurized air systems were regularly examined and the processes were redesigned within the scope of six main projects. These projects were determined as pressurized air system revision; vapor lines revision; redesigning of cooling systems; pump efficiency projects; natural gas efficient burning works and heat recovery in hydrogenation. An average of 200 energy notification cards were registered and solved monthly during the execution of the projects. 11% energy efficiency was achieved as a result of the implemented projects as well as 2.3 million Turkish Liras of savings was recorded. Besler Gıda won the firstplace award in 2017 with its Zero Loss Journey Project through Corporate Action at the ISO Energy Efficiency Awards organized by ISO.

Kerevitaş - Drip Irrigation Project
Kerevitaş uses the drip irrigation method so that water resources are used efficiently and has been performing irrigation for the last three years on corn fields. They obtained a financial saving of about 680,000 Turkish Liras and 1.7 million kWh savings with a water saving of 5.4 million tons.

Besler - Investing in the Future: Water
Besler which conducts its energy and environmental management with its international ISO 14001 Environmental Management System and ISO 50001 Energy Management System certificates is implementing important initiatives concerning both water and energy management. Investing in the Future: Besler that made line revisions in order to maintain water consumption as efficient as possible within the scope of the water project reduced the water consumption and the water amount consumed per unit production by half at the end of the project by reducing water production through the use of rain waters, cooling towers and recovery of process vapor water. They won first place award in the Sustainable Business Awards Water Management category at the Green Business Summit in 2015 with their works on water consumption.
Waste management is a global issue and we are conducting work at our companies regarding this matter. Encouraging efficient choice of material in our production and in the operations of our suppliers lies within the foundation of these initiatives.

Preserving biodiversity enables an increase in the productivity of agricultural sites and quality of the products and it also adds to the continuity of our business all the while allowing that the needs of society are met in the future years.

pladis

pladis – Packaging Waste Management

pladis is a member of CEFLEX which is a collaborative initiative of a European consortium of companies and associations representing the entire value chain of flexible packaging. The CEFLEX Mission is to further enhance the performance of flexible packaging in the circular economy by advancing better system design solutions identified through the collaboration of companies representing the entire value chain. In the United Kingdom pladis is engaged in a partnership with TerraCycle. TerraCycle specialises in recycling hard-to-recycle waste, including flexible plastic packaging that most councils in the UK do not recycle. Consumers can choose to send wrappers into TerraCycle via freepost or drop them off at one of nearly 500 public drop-off points around the UK. The wrappers are then turned into items such as playground equipment and gardening equipment. Pladis UK & Ireland has partnered with TerraCycle since 2012, and in 2018 extended its partnership to cover all its brands, including McVitie’s, Jacob’s, Carr’s and go ahead!, thereby increasing the amount of packaging that consumers can recycle.

pladis which signed the UK Plastics Pact undertakes to make all their plastic packages recyclable, reusable or compostable by the year 2025.

Ülker Bisküvi – Life Cycle Analysis

Ülker Bisküvi also manages its packaging and analyzes its environment impact within life cycle analysis that it performs for its products in line with the raw material rate used in packages, the reduction of package wastes and the optimization works in packaging. The company conducts various optimization works in terms of the thickness, size and weight of the packages and parcels and manages to achieve improvements by preventing redundant package and pack sizes. Ülker Bisküvi also obtained 850 thousand Turkish Liras worth of savings with their packaging and packing works so far.

Waste Management at Bizim Toptan

Bizim Toptan started using the Poşetmatik application in order to keep package waste under control and to reduce the use of plastic bags by the consumers at the stores. Bizim Toptan’s target is to reduce waste packaging by encouraging customers to use fewer bags with Poşetmatik. In 2017, Bizim Toptan installed Poşetmatik in the Altunizade store in Istanbul as a pilot practice. An almost 30% reduction in the use of plastic bags was observed as a result of this practice.

Ülker Bisküvi - Sustainable Hazelnut Farming Project

Ülker Bisküvi started a Sustainable Hazelnut Farming Project with with an international foundation for the preservation of productivity and biodiversity in agricultural sites. In the project where we research the biodiversity effects of the Giresun plump nut, a brand new type, we brought the aspect of developing the social and economic levels of the hazelnut producers in the prominence. Within the scope of the project, studies and pilot applications were implemented for the preservation of hazelnut diversity in the Giresun city and to enable hazelnut production with more sustainable methods. Works conducted with the cooperation with local authorities, non-governmental organizations and farmers were collected in the report titled Toward Sustainable Hazelnut Production in Giresun.

On the other hand, we have been conducting rehabilitation works with the Bahri Dağdaş International Agricultural Research Institute for around ten years in order to cultivate the ideal wheat for biscuits. We developed a kind of wheat that is highly efficient and resistant to diseases and draught which we called Ali Ağa as a result of our studies and it has been registered by the Ministry of Agriculture and Forest of the Republic of Turkey Seed Registration and Certification Central Directorate.
## APPENDIX

### Corporate Memberships
- Turkish Marine Environment Protection Association (TURMEPA)
- Diabetic and Functional Food Products Association
- Global Relations Forum
- Interactive Advertising Association
- Independent Industrialists’ and Businessmen’s Association (MÜSİAD)
- Advertisers Association
- Turkish Industry and Business Association (TÜSİAD)
- The British Chamber of Commerce in Turkey
- Women Corporate Directors Foundation
- New Investor Relations Association
- Women on Board Turkey

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