

THIS IS OUR WORLD



ÜLKER



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WORLD**

“We care for making people happy and being happy while doing our job.”

Our business is to bring food products from different categories to people. While doing this, we reach the soil with one hand and people with the other.

For us, sustainability is about making both soil and people happy. The soil must be alive for the wheat to exist in the future and people must be healthy for being efficient. For us, sustainability is about leaving “A world where children are happy”. Sustainability is the investments made today, to have a better world and happier people in the future. It is to always look out for the “happiness” of tomorrow, while investing today. It is to care for “happiness” of tomorrow in all these investments made. It is to make people smile with our products, in a healthy environment.

We strive for leaving a world where next generations can live healthy and happy lives, by placing the sustainability approach in the heart of our business model. Within the frame of this vision;

- ★ We perceive creating solutions for the needs of the society in education, sports, culture-arts and similar areas among our primary responsibilities with the conscious of corporate citizenship.
- ★ We, together with our producers, embrace and protect the lands where our productions are based.
- ★ We desire to create an environment where diversity bushes out by offering equal opportunities to our stakeholders. We carry out talent programs that will contribute to the welfare and professional development of our employees and learn by embracing the “us culture”.
- ★ We create programs promoting balanced nutrition and physical activity by managing a transparent and responsible communication. We take our competitive power from our innovation culture and leading practises in the industry.

Mehmet Tütüncü
Yıldız Holding Food-Ülker Group President

Recycling about **41%** of the packaging wastes of the products marketed in years between 2010 and 2013.



Solar Friendly Factory: Roof of one of Ülker Bisküvi Factories will be covered with **solar panels**



Ülker Bisküvi Gebze Factory in line with Green Building standards in **2016**



Water saving of **450.000 m³** by reducing water consumption by **5% only in 2014**



Zero Waste: Recycling 100% of wastes until **2024***



ENVIRONMENTAL SUSTAINABILITY

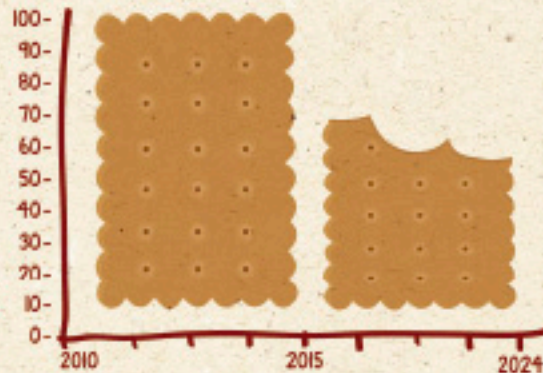
Zero emission growth until **2024***



Environment and energy investment of **53.4 million TL** in the last five years



Carbon reduction of **117.750 tons** with the operations carried out in the last five years.



40% less carbon emission and **30% less** water use per product in Ülker Bisküvi Factories

* Ülker Bisküvi A.Ş. target

ENVIRONMENTAL SUSTAINABILITY



We are taking the necessary steps for environmental sustainability. We are aiming for efficiency and excellence in all our operations by targeting zero waste, having carbon-neutral operations and sustainable water and raw material supply.

Our relationship with the environment is determined by our mission of "making a contribution for a world where its inhabitants can live a happier life". For environmental sustainability, we prioritize energy and water efficiency as well as decreasing emissions and waste at our companies. For this purpose, we have invested in environment and energy efficiency projects worth 53.4 million TL in the last five years. During the same period, we have decreased our carbon emission by 177.500 tons. We achieved water saving of 450.000 m3 by reducing water consumption by 5% only in 2014. We achieved recycling of about 41% of the packaging wastes of the products marketed in years between 2010 and 2013. We obtained Green Building Leed Certificate from US Green Building Council by making necessary improvements at our Çamlıca Campus.

As part of our environmental sustainability activities, we focused especially on Ülker Bisküvi, which is our leading company. The environmental sustainability activities that we carry out in Ülker Bisküvi are focused on the areas of Environmental Management System, Climate Change and Energy, Natural Resource Management, Waste and Waste Management and Biodiversity. Some of our sustainability targets and commitments at Ülker Bisküvi are as follows:

Until 2024 which will be the 80th anniversary of our company;

- ★ We commit to grow with zero emissions and decrease our carbon emissions, per unit production, by 40% with the supply of green energy.
- ★ We aim a 25% increase in energy efficiency
- ★ We will use 30% less water at our factories.
- ★ We aim to achieve a 100% recycling target and zero waste in 2024.
- ★ We will produce renewable energy with solar panels at our suitable plants.
- ★ We will understand the entire life cycle of our products from raw material production to waste disposal and their environmental effects with Life Cycle Analysis.



16% reduction

in carbon emissions

resulted from logistics operations
in the last three years



With **20% less**
carbon emission
in logistics operations

20.000 tons

of carbon emission

reduction until 2024



Providing training for

6.000 executives and

employees on sales and display

in **2015**

50% less outage

in packaging



VALUE CHAIN

Inspection of

more than 300 food and package

suppliers in **2015**



Regular inspection of

450 warehouses

in **2015**



Decrease

in the quantities of

return raw material

and packaging by

50% until 2024*

20% less complaints on

sales and distribution

channels until **2024***

VALUE CHAIN

We are helping all of our stakeholders in the value chain to meet their basic needs and we walk together especially with farmers and producers. We are blending company's values with the values of a sustainable society and integrate them into our way of doing business.

Our sustainability objective covers our entire value chain. Therefore we handle sustainability for the whole life cycle from raw material supply to waste disposal. Moreover we try to create a benefit for each of our stakeholders during this process. That is because we are aware of the fact that we are a transformative force for the industry with our activities in Turkey with regards to sustainability. In this context, we are going to perform inspection of more than 300 food and package suppliers and 450 warehouses in 2015. We are also providing training for 6.000 executives and employees on sales and display in 2015. We have decreased our carbon emission resulting from logistics operations by 16% as the result of our activities in this area for the last three years. We are planning to prevent 20.000 tons of carbon emission by cutting another 20% by 2024.



At Ülker Bisküvi on the other hand, we focus on Farmers-Sustainable Agricultural Practises as well as Sustainable Procurement-Supply parts of our value chain.

Since sustainable raw material supply is extremely important for us at Ülker Bisküvi, we supply about 80% of wheat, which is our main raw material, from the domestic market. The number of our directly contracted farmers has reached 2.900. We give the first priority to our directly contracted farmers in our agreements. Therefore we embrace our areas of production together and local development projects in these regions. With regards to the cocoa procurement which we supply from abroad, we form an environmentally sensitive and professional production chain while contributing to increase efficiency by becoming a sponsor of PACTS (Processor Alliance for Cocoa Traceability and Sustainability) program. Our objectives on the issue of sustainability in the value chain at Ülker Bisküvi are as follows:

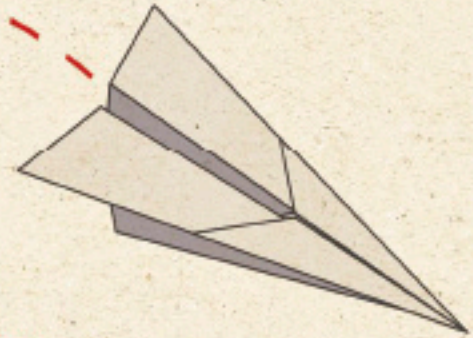
- ★ Decreasing the quantities of return raw material and packaging by 50% until 2024
- ★ Receiving 20% less complaints to sales and distribution channels until 2024
- ★ Finalizing seed improvement studies for improving wheat and yield increase,
- ★ Incorporating more of our suppliers into international certification processes.





20% decrease
in the plastics used
in packaging
until 2024

**Feedback from
85.000 consumers**
as a result of
260 surveys



INNOVATION

20% decrease
in paper utilization
until 2024 and
6.000 tons of paper
saving

Turkey's first
fast moving consumption
and food R&D company



**Smart Cube and
Innovative Idea
Competitions**

100% increase
in the number of projects
carried into effect with
the Atıl Kupa until 2024

INNOVATION



We are working with the goal of being the first to present the best and the most innovative as well as aiming to be the number one company in the areas that we operate. We are constantly producing value for all of our stakeholders and investors, in a manner that is parallel with the values of our company and in line with an understanding which has internalised an approach of respectful competition.

We evaluate innovation as an important mean of sustainability. We aim to understand and meet the needs of our consumers and make our consumers happy with the help of innovation. We founded Northstar, Turkey's first fast moving consumption and food R&D company, in accordance with this perspective. We conducted one on one interviews with 5.000 consumers, sense analysis tests with more than 8.500 consumers and product sample tasting with 10.000 consumers. We received feedback from 85.000 consumers as a result of the 260 surveys we conducted. We want to evaluate these results and strengthen our bond with the consumers by better meeting their expectations in the process of the development of new products.

We keep innovation at the heart of our work not only for consumer satisfaction but also for fulfilling our responsibilities regarding environmental and social sustainability. We plan to decrease 20% of the plastic used in packaging as a result of innovative practices until 2024. In a similar manner, we will also be decreasing paper utilization by 20% and save 6.000 tons of paper.

We also ensure that all of our employees contribute to the generation of innovative ideas. We aim to ensure a 100% increase in the number of projects carried into effect with the Akıl K p  (Kaizen Ideas) until 2024.

We conduct works that will increase the innovation culture internally.

With the leadership of our experienced R&D staff, we develop new products with the contribution from all of our units from marketing to manufacturing, supply chain and sales with an innovative approach.



An average of **18,5 hours** of training for our employees in **2014**



Unionization rate of **74,7%**. Goal for 2016 is **98,9%***



Employee loyalty index: **79%**
participation: **93%**



23%

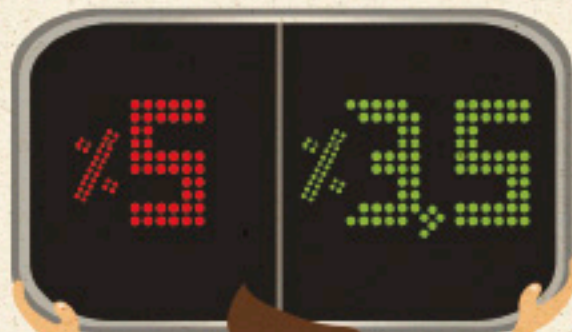
decrease in the rate of work accidents with workday loss

The goal for **2024** is zero work accidents*

OUR EMPLOYEES



Employee turnover rate is **5%**



2024 goal is **3,5%** employee turnover rate

* Ülker Bisküvi A.Ş. target

OUR EMPLOYEES



We are working altogether for our sustainability target as well as in our work. Our individual differences are respected and we become a single team for the same goal. We are keeping people at the center of our work and lay the foundation for new talents to develop. We are distant to hierarchical structures in internal communication and giving each employee the value and respect that they deserve.

We want the happiness we aim for the society for our employees as well. We desire to reach our sustainability goals with our employees who adopt these principles. We aim to increase the satisfaction of our colleagues in order to satisfy our consumers.



We give importance to our employees using their union rights and encourage our employees to increase their unionization rate, which is 74,7% in Turkey, up to 98,9% until 2016.

The opinions of our factory workers concerning their work conditions are important for us. Our Industrial Relations Boards play an important part regarding this matter. These boards consist of factory managers,

human resources, union representatives and the workers themselves. In our Boards, we discuss matters such as efficiency, occupational safety, relations with seniors and comfort.

Since 2014, 35 meetings have been held in the concerning Industrial Relations Boards in our 21 manufacturing companies and 112 topics have been discussed. The reports of these boards provide benefits in the shaping of the employee relations policies.

We want our employee loyalty rate, which is very satisfactory, to increase even more. 93% participation was ensured in our 2013 employee loyalty survey and our loyalty index was determined to be 79%.* We want to improve these rates, which are already over the average in Turkey, even more and aim to rank among the "High Performance Companies" category. We aim to decrease the employee turnover rate, which is five percent, to 3,5% until 2024.

With projects such as the Genç (Youth) Platform, carried into effect for the youth to be able to contribute to business development processes and co-production and the More Women in the Management Boards, which will enrich our diversity even more, we attempt to increase the participation to the highest level possible.

*Our business partner Towers Watson's Sustainable Employee Loyalty Analysis

Carbonated beverages containing **5.200 tons** less sugar



Baked products, beverages, milk product, chewing gums and candies manufactured with **14.000 tons** less sugar

The number of children reached with sports projects in the last eight years **272.500**



Mutlu Biran

Responsible Nutrition Communication Guide:
The first and only example in Turkey



Baked products and milk products containing **1.800 tons** less fat

Removing **3.000 tons** of fat from chocolate products



SOCIAL RESPONSIBILITY

Ankara Bisküvi factory employees have planted **15.000 trees** until now. The goal in 2015 is **6.500 trees**

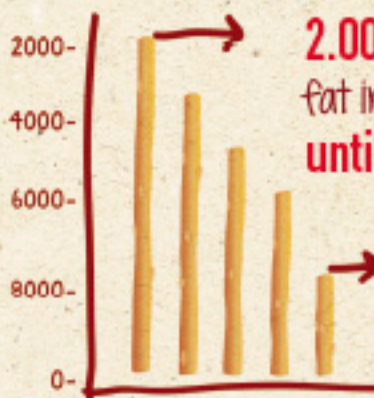


Sabri Ülker Food Research Institute Foundation
Balanced nutrition training to **1 million** children and parents in 10 provinces with the Balanced Nutrition Project

The number of children that have participated in the Ülker Children's Cinema Festival **1 million**



2.000 ton less saturated fat in all fat products until 2024



8.000 ton less saturated fat in the baked products category

SOCIAL RESPONSIBILITY



We are trying to inform all of our consumers and stakeholders in a transparent manner and raise awareness by emphasizing a healthy and active life.

We are aiming to support a healthy society and to make life simpler and easier.

We have adopted the principle of working for a happier society, we take into consideration the responsibility of being a food manufacturer in our social responsibility approach.

Since 2009, our main field of activity is biscuits, cakes and chocolate which does not contain "trans fat". Until 2024, we will remove a total of 2.000 tons of saturated fat from all fat products and 8.000 tons of saturated fat from baked products. We aim to use 3.000 tons less fat in chocolate products until 2024.

With the responsibility we feel towards individuals regarding food and beverages, we carry out an open and responsible communication and adopt an approach that encourages balanced nutrition and physical activity.

At Ülker Bisküvi, we support responsible marketing, balanced nutrition and active life project with this approach.

We used approximately 20.000 tons less sugar and 550 tons less salt in the products of Ülker and its sub-brands in the last five years. We removed a total of 14.000 tons of sugar from baked products, milk products, candies and beverages. The amount of sugar we removed from carbonated beverages is 5.200 tons. With similar works, we used 1.800 tons less fat in the manufacturing of milk products and baked products.

At Ülker Bisküvi, where we carry out numerous awareness and R&D projects regarding healthy

nutrition, the Responsible Nutrition Communication Guide we published has the feature of being the sole example in this area in our country.



We give our priority to children with respect to our vision of a happier society. We focus on children in sports projects with the purpose of encouraging them to have an active life. We reached a total of 272.500 children in different branches with the Children and Sports projects we have carried out in the last eight years.

The number of children that have participated in the Children's Cinema Festival reached one million in the last eight years. We consider it our responsibility to do our best in order for our children to grow in a healthy and happy environment. We support them in expressing themselves with art projects. We also provided trainings for one million children and parents in the scope of Balanced Nutrition Project in four years through the Sabri Ülker Food Research Institute Foundation.

Our Partnerships



İTÜ



Since 2009, biscuits, cakes and chocolate categories does not contain "trans fat".

Ali Ağa
Wheat
Productivity
Project



LEADERSHIP

Ülker Chocolate Factory is at the **global leadership level** in its water consumption

TURMEPA
SABRI ÜLKER
ÇEVRE ÖDÜLÜ

Support for the projects created concerning the environment with the **Sabri Ülker Environment Award**



Ülker Chocolate is the **first Turkish company** to become a member of the World Cocoa Foundation



World Cocoa
Foundation

LEADERSHIP

We are also aiming to be a transformational leader in the area of sustainability in an innovative and unique way by determining the rules and following the global developments.

We give importance to carrying our industrial leadership role to the field of sustainability. We are ready to show the leadership reflex that will ensure that we take the necessary and courageous steps in the path of sustainability, which is a long and difficult process. Providing benefit for the world and society we live in is the strongest motivation to reinforce our leadership in this area.

We supported the foundation of the Sabri Ülker Food Research Institute Foundation that bears the name of our founder, Sabri Ülker, in 2009 within the framework of industrial leadership and our sense of responsibility to the society. The purpose of the Sabri Ülker Foundation, which is an independent, scientific and non-profit institution, is to provide the society with the correct information concerning nutrition and health. Today, the Foundation is organizing trainings to equip one million children and parents with the Balanced Nutrition Project. It shares the most recent scientific developments with the society with the participation of the world's leading scientists by means of the Nutrition and Healthy Life Summit. It supports the researches in the field of nutrition and healthy life with the Sabri Ülker Science Award.

In the recent past, we entered into an agreement by which the Harvard University Genetics and Complex Diseases Laboratory will be named the Sabri Ülker Center as a result of the biggest donation made from Turkey to a worldwide scientific institution. This way, we carried into effect an effective and exemplary cooperation in the field of community health.

At Ülker Bisküvi, we carry out our sustainability activities with an understanding of "leadership". Since 2007, we have been a member of International Life

Sciences Institute (ILSI Europe) working in the field of food and environmental safety through Ülker Bisküvi. Since 2015, we are a member of the European Food Information Council (EUFIC) that helps increasing the consumer's awareness concerning nutrition and food safety and assists consumers to adopt a balanced and a healthy life style. With the protocol signed by our parent company Yıldız Holding and the İstanbul Technical University (ITU), we will be adopting a leading role in academic and industrial development.

We reflect leadership in our value chain as well as our business practices. With the Konya Bahri Dağdaş International Agricultural Research Institute, we realized an effort that can increase the biscuit wheat plantation areas required in Turkey and can contribute to the country's agriculture and economy and developed a biscuit wheat type which we called Ali Ağa. In the project we initiated with WWF-Turkey, we focused on the issues such as hazelnuts, natural life and biological diversity which are going hand in hand in areas where hazelnut production is carried out, particularly in Giresun. As the first Turkish company that has become a member of the World Cocoa Foundation, we support the cocoa industry being sustainable and the welfare of the cocoa farmers being increased by means of the works carried out under the roof of this foundation.



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