

PINAR SÜT ANNUAL REPORT 2022



Yaşar

for a better life



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Relevant Accounting Period of the Report

01.01.2022 - 31.12.2022

Trade Name

Pınar Süt Mamulleri Sanayii A.Ş.

Trade Registry and Number

Izmir Trade Register 34821 K-572

Registered Equity Ceiling

80,000,000 TL

Issued Capital

44,951,051.25 TL

Contact Information

Headquarters

Yunus Emre Mahallesi
Kemalpaşa Cad. No: 317
Bornova - İzmir
Tel: (232) 436 15 15
Fax: (232) 436 20 40
E-mail: info@pinarsut.com.tr

Factory - Izmir

Yunus Emre Mahallesi
Kemalpaşa Cad. No: 317
Bornova - İzmir
Tel: (232) 436 15 15
Fax: (232) 436 20 40

Factory - Eskişehir

Organize Sanayi Bölgesi
Mümtaz Zeytinoğlu Bulvarı
No: 29 P.K. 55 Eskişehir
Tel: (222) 236 08 89
Fax: (222) 236 08 90

Factory - Şanlıurfa

Koçören OSB Mahallesi 205. Cadde No:5
Eyyübiye - Şanlıurfa
Tel: (414) 502 00 00
Fax: (414) 502 00 55

Website - Social Media

www.pinar.com.tr
instagram.com/pinarlayasam
facebook.com/pinarlayasam
twitter.com/pinarlayasam
youtube.com/herseycocuklarimizicin
linkedin.com/pinar-sut
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FOOD AND BEVERAGE

- Food
- Pınar Süt
- Pınar Et
- Yaşar Birleşik Pazarlama
- Pınar Foods GmbH
- HDF FZCO
- Hadaf Foods Industries LLC
- Beverage
- Pınar Su ve İçecek
- Agriculture, Husbandry and Fisheries
- Çamlı Yem Besicilik

COATINGS

- Dyo Boya Fabrikaları
- AO Kemipeks

TRADE AND SERVICE

- Altın Yunus Çeşme
- Bintur
- Yaşar Dış Ticaret
- Yaşar Bilgi İşlem ve Ticaret
- Yadex International GmbH
- Desa Enerji
- Desa Elektrik

SANITARY PAPERS

- Viking Kağıt

FOUNDATIONS

- Yaşar Eğitim ve Kültür Vakfı
- Selçuk Yaşar Spor ve Eğitim Vakfı

One of the Hard Working, Producing and Leading Groups of Turkey...

The Yaşar Group, which was established in İzmir during the early years of the Republic of Turkey and founded with the establishment of the "Durmuş Yaşar Institution," has played a significant role in the industrialization process of our country. The Yaşar Group has continued its activities based on the principles of "working tirelessly, producing and being beneficial to the country" for 78 years.

Having adopted the principle of "offering a better life" to all its stakeholders, Yaşar Group is among the leading industrial groups of our country's economy, with 21 companies operating in the food and beverage, coatings, sanitary papers, tourism, IT, foreign trade and energy business lines, as well as 25 factories and facilities, two foundations, 7,500 employees, over 1,000 dealers and 200 thousand sales points reached by all its operations.

Working with the mission of "providing quality products and services that add value to the lives of consumers with its trusted brands," the Group strengthens its presence with products and services that put consumers and customers at the center of all its operations, viewing its employees as its most important assets and never compromising on its ethical stance, aiming for operational excellence and observing its environmental and social responsibilities.

Yaşar Group continues to create value for Turkey and the wider world, offering a better life to all its stakeholders with its corporate values, including Our Consumers and Customers Come First, Operational Excellence, Human Resources, Ethical Stance and Environmental and Social Responsibility.

Leading Brands in Different Industries

Committed to always offering the best products and services, Yaşar Group continues to create strong brands and offer products and services in domestic and international markets with its highly committed employees and business partners, with whom it advances together towards a common goal. Pınar and DYO, the leading brands in the food, beverage and paint industries, the main business lines of the Group, are among the top brands in Turkey's "most well-known brands by consumers" listing.

The shares of Yaşar Holding A.Ş.'s subsidiaries Pınar Süt, Pınar Et, Pınar Su ve İçecek, Dyo Boya, Viking Kağıt and Altın Yunus Çeşme are traded on Borsa İstanbul.

A Deep-rooted Establishment that Introduced a Series of "FIRSTS" to Turkey

Yaşar Group proudly bears the title of "the pioneer of firsts" with the sectors, brands and products it has brought to Turkey.

- The first paint factory and brand, **DYO**
- The first private industrial dairy factory meeting international standards, **PINAR SÜT**
- The first premium-class holiday village with 1,100 beds, **ALTIN YUNUS ÇEŞME**
- The first private industrial paper mill, **VİKİNG KAĞIT**
- The first natural spring water offered in disposable packaging, **PINAR SU**

- The first private industry-integrated meat facility, **PINAR ET**
- The first integrated turkey facility, **PINAR HİNDİ**
- The first aquaculture facility and the first aquaculture farmed-fish production, **PINAR DENİZ**
- The first organic fertilizer factory, **ÇAMLI YEM BESİCİLİK**

An Approach That Values the Environment and Society

Yaşar Group shapes all its business processes to minimize its environmental impact, operating with the understanding of a production approach that values nature, the earth and human life and contributes to a better future than today. Yaşar Group shapes all its business processes to minimize its environmental impact. The Group aims to harmonize all its stakeholders with the understanding of sustainability to create responsible individuals and institutions, raise awareness and increase its impact. Continuing its operations in compliance with all laws and regulations, the Group acts responsibly for the future of Turkey and the world. It operates by setting targets for using natural resources, climate change, water, energy and effective management of waste.

"Climate change and energy management," "water and wastewater management," and "circular economy and waste management" are the priority areas that form the basis of Yaşar Group's environmental performance within the framework of its sustainability approach. While its operations align with its environmental strategies and Environmental Policy, Yaşar Group also continues its target monitoring, evaluation and updating efforts through environmental performance indicators.

Producing social contribution projects with the awareness of its social responsibility and seeking to expand its impact each year through long-term project planning, the Group continues to support education, sports, culture and the arts.

Yaşar University, one of the most important educational investments of the Group, is on its way to becoming one of the most successful universities in Turkey for its quality of education, experienced academic staff and the facilities it provides to its students.

The Yaşar Group, which became a voluntary participant of the United Nations (UN) Global Compact network on 12 November 2007 and has been reporting its sustainability performance since 2009, also supports women's participation in working life through appropriate gender policies within the scope of the "CEO Statement of Support" for the UN Women's Empowerment Principles signed in 2012.

The progress reports and sustainability reports published by the Group within the scope of the Global Compact are available on the corporate website at www.yasar.com.tr.

Message from the Chairperson of the Board

The eco-friendly and innovative projects of our R&D center made us proud once again in 2022.

”

Dear Stakeholders,

We are deeply saddened by the passing of our founder and Honorary President, Selçuk Yaşar, who set an example for us all with his ideas, vision, entrepreneurship and love for Turkey. In step with our enduring principles, we will carry our Group, left to us by Selçuk Yaşar, into the future.

One of the major players in the dairy industry since 1973, with a mission to raise healthy generations, Pınar Süt grows a little more every year thanks to the comprehensive and sustainable ecosystem it has created.

As Pınar Süt, we proudly offer our consumers healthy and delicious food options with over 500 product varieties in 17 categories. As a result of our efforts throughout the year, we export to 35 countries today. Our goal is to further expand our export footprint in 2023.

Our Company closed 2022 with a turnover of TRY 5.83 billion, ending a successful year with growth of 117.4%. With a gross profit of TRY 746.4 million, our Company's net profit was TRY 380.3 million. And with a 17.5% share in Turkey's total exports of branded dairy products, we continue our facility renewal investments without pause.

As part of these investments, we renewed our facilities and increased our capacity in 2022 with an investment of

TRY 78.7 million. We will continue our new investments in 2023 as well.

As in all branches of the livestock industry, sustainability has become increasingly important in the global dairy industry. Resources are limited and the world population continues to grow. Being sustainable under these conditions is extremely important for our Company. With our R&D and innovative power, we place human health and the planet's sustainability at the core of all our business processes while developing products that meet the needs of today's consumers. We have achieved positive results through our efforts to reduce greenhouse gas emissions and water and energy consumption. While using our resources more efficiently, we also ensure we recycle the waste we generate through various methods. We have developed our "Greenhouse Gas Monitoring Plan" for regulatory compliance. By recycling waste paper/cardboard, we saved 8,054 trees, 1,184.40 kWh of energy and 83,855.52 kg of greenhouse gases, while recycling waste plastics has saved 885,616.12 kWh of energy and 6,288.58 kg of greenhouse gases.

The successful work and innovative projects of our R&D Center have once again made us proud in 2022.

This year, we continued our innovation efforts by developing nine new

products and 22 eco-friendly packages at our R&D Center. Our new flavor Pınar Cheddar Cream Cheese, which joined the Cream Cheese family in 2022, proved hugely popular with our consumers. We received the "Excellent Taste Award" from the "Guild of Fine Food" in the United Kingdom for our Pınar Labneh product. We were named Turkey's most reputable brand in the dairy products category by Marketing Türkiye Magazine and the Turkish Reputation Academy. As we advance, we will work to improve our reputation further.

As we continue our R&D activities to ensure consumer satisfaction, our innovations make their lives easier. In this context, we launched 65 new products developed exclusively for the PınarOnline platform. As of the end of 2022, there are over 565 products on this platform. Based on our positive feedback, we will continue to add to these innovations on the e-commerce platform in 2023.

We thank all our stakeholders, employees, shareholders, suppliers and customers for joining us on this journey.

Respectfully Yours,

İdil Yiğitbaşı

Chairperson of the Board of Directors



Board of Directors



İDİL YİĞİTBAŞI
CHAIRPERSON OF THE BOARD OF
DIRECTORS



E. FEYHAN YAŞAR
VICE CHAIRPERSON OF THE BOARD
OF DIRECTORS



METİN AKMAN
INDEPENDENT MEMBER OF THE BOARD



YEŞİM GÜRA
INDEPENDENT MEMBER OF THE
BOARD



YILMAZ GÖKOĞLU
BOARD MEMBER



KEMAL SEMERCİLER
BOARD MEMBER



MEHMET AKTAŞ
BOARD MEMBER

Limits of Authority:

Both the Chairperson and the Members of the Board of Directors have the powers specified in the relevant articles of the Turkish Commercial Code and articles 11 and 12 of our Articles of Association.

** Resumes of the Board of Directors are available on pages 55-56.

Senior Management and Committees



BOARD OF DIRECTORS AND TENURES

NAME AND LAST NAME	TITLE	TERM OF OFFICE
İDİL YİĞİTBAŞI	CHAIRPERSON OF THE BOARD OF DIRECTORS	29.03.2022 - 29.03.2023
E. FEYHAN YAŞAR	VICE CHAIRPERSON OF THE BOARD OF DIRECTORS	29.03.2022 - 29.03.2023
METİN AKMAN	INDEPENDENT BOARD MEMBER	29.03.2022 - 29.03.2023
YEŞİM GÜRA	INDEPENDENT BOARD MEMBER	29.03.2022 - 29.03.2023
YILMAZ GÖKOĞLU	BOARD MEMBER	29.03.2022 - 29.03.2023
KEMAL SEMERCİLER	BOARD MEMBER	29.03.2022 - 29.03.2023
MEHMET AKTAŞ	BOARD MEMBER	29.03.2022 - 29.03.2023

Corporate Governance Rating:

Pınar Süt's corporate governance rating was confirmed as 9.35 out of 10 in 2022.

SENIOR MANAGEMENT

NAME AND LAST NAME	POSITION
SUAT ÖZYİĞİT	VICE CHAIRPERSON
GÜRKAN HEKİMOĞLU	GENERAL MANAGER
MUSTAFA ŞAHİN DAL	FINANCIAL AFFAIRS FINANCE DIRECTOR

CORPORATE GOVERNANCE COMMITTEE

NAME AND LAST NAME	POSITION
YEŞİM GÜRA	CHAIRPERSON
METİN AKMAN	MEMBER
YILMAZ GÖKOĞLU	MEMBER
BARIŞ KAV	MEMBER

AUDIT COMMITTEE

NAME AND LAST NAME	POSITION
METİN AKMAN	CHAIRPERSON
YEŞİM GÜRA	MEMBER

EARLY DETECTION OF RISK COMMITTEE

NAME AND LAST NAME	POSITION
METİN AKMAN	CHAIRPERSON
YEŞİM GÜRA	MEMBER
KEMAL SEMERCİLER	MEMBER



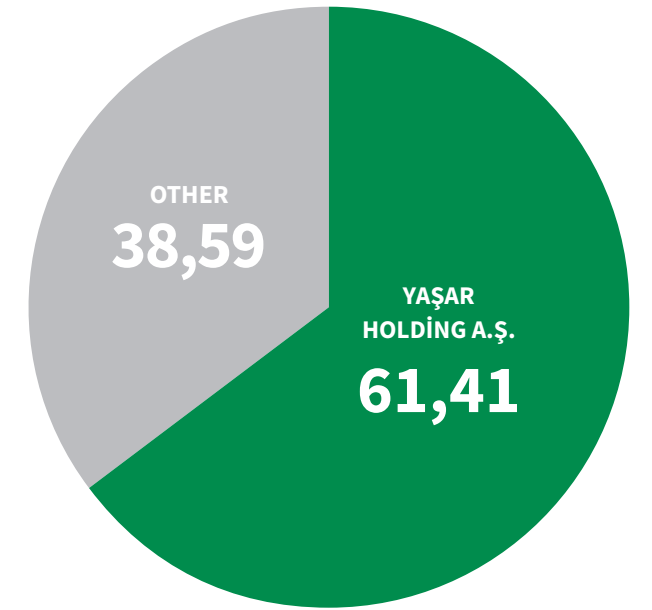
Production at
international
standards,
sustainable
growth...



PINAR SÜT



SHAREHOLDING STRUCTURE (%)



Share Holder	Share Ratio (%)	Share Amount (TL)
YAŞAR HOLDİNG A.Ş.	61.41	27,603,901.57
OTHER	38.59	17,347,149.68
Total	100.00	44,951,051.25

The shares of Pınar Süt are traded on the Borsa Istanbul Star Market under the ticker "PNSUT."

Information on privileges regarding company shares can be found in the Legal Disclosures section of the Annual Report.

Pinar Süt and 2022 at a Glance



Pinar Süt continued its operations by prioritizing health, sustainability and innovation in 2022.

”

- ✓ Raw Milk Supply from More than **20** thousand Farmers

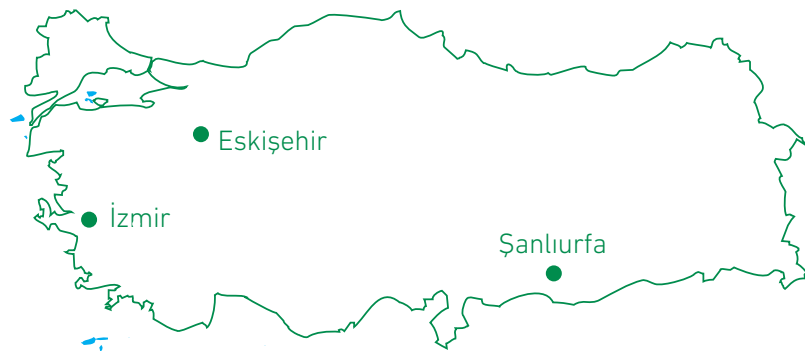
%17,5

the Share of Pinar Süt in the Export of Milk and Dairy Products from Turkey

- ✓ More than **155** thousand Sales Points

- ✓ **35** Export Countries

- ✓ Production facilities at **3** different locations in Turkey



Total Production Area
357.360 m²

Indoor Area
111.095 m²

- ✓ **1.277** Average Number of Employees

- ✓ **21.337** Total Hours of Training Given to Employees



- ✓ TRY **5,83** billion Turnover

- ✓ **%117,4** Turnover Growth

- ✓ TRY **78,7** milyon Investment Amount

- ✓ TRY **746,4** million Gross Profit

Financial Performance in 2022

(Million TRY)	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Net Sales	5,830.9	2,681.9
Gross Sales Profit	746.4	348.1
Gross Sales Profit Margin	12.8%	13.0%

(Million TRY)	31.12.2022	31.12.2021
Shareholders' Equity	3,982.1	1,950.9
Assets	7,018.4	3,387.3
Total Liabilities/Equity Ratio	0.76	0.74

Company Profile

Pınar Süt distinguishes itself in the industry with its innovative product range that responds to changing consumer expectations.

”

Pınar Süt, which introduced Turkey to long-life milk, was established in İzmir in 1973 as the largest facility in the Middle East and the most advanced facility in Europe. Pioneering the industry and contributing to developing food and livestock farming in Turkey, Pınar Süt has produced healthy and high-quality products since its establishment as Turkey's first modern industrial enterprise.

Pınar Süt, which prioritizes public health, continues to expand its product range in line with changing consumer expectations with its responsible producer identity.

The Company's three modern factories located in İzmir, Eskişehir and Şanlıurfa produce to European Union standards. Pınar Süt primarily produces milk and dairy products such as milk, yoghurt, ayran, cheese, butter and cream, as well as fruit juice, pudding, ketchup, mayonnaise, mustard, honey, sauces, jams and powders.

Serving healthy and delicious products in major markets at home and abroad, to maintain its high standards Pınar Süt highly values the quality of the raw materials it uses. In this context, the Company works with 110 contracted farms and supports over 20,000 dairy farmers.

The Company contributes to the growth of milk production in Turkey by supporting its suppliers with whom it has established sustainable and strong relationships.

Pınar Süt places human health and the sustainability of our planet at the core of its business processes, which start with the procurement of high-quality raw materials.

The Company closely follows the industry's



latest developments and modern technologies by distinguishing itself with products and services that add value to human life. The Company regularly updates its machinery and equipment while meticulously addressing various issues from marketing to R&D, packaging to logistics and quality improvement to product usage.

Pınar Süt continues to create value for the national economy with its responsible producer identity, timely investment decisions, working principles that value people, environmental sensitivity and a way of doing business that considers the efficient use of resources.

A Trusted and Admired Brand

As a Company that consumers trust thanks to its strong brand perception, Pınar Süt's mission is to be a source of "Health," "Flavor," and "Innovation." And as the "Fountain of Life" for millions of consumers, the Company maintains its strong position as the "Most Admired" brand in its industry.



Competitive Advantages

Pinar Süt delivers its healthy, delicious and innovative products to consumers in domestic and international markets by utilizing Turkey's largest cold chain distribution network.

”

HIGH AND STRONG BRAND VALUE

- ✓ Leading, innovative and responsible producer identity
- ✓ Turkey's Most Admired Company Award
- ✓ Most Reputable Brand of Turkey

QUALITY PRODUCTION, WIDE PRODUCT RANGE

- ✓ Hygienic production at EU standards, proven with certifications
- ✓ Over 300 SKUs
- ✓ Long-standing, strong and innovative R&D history
- ✓ Technological and sectoral know-how with current technologies
- ✓ Energy-efficient industrial facilities



SUSTAINABLE SUPPLY CHAIN AND WIDESPREAD DISTRIBUTION NETWORK

- ✓ Cooperation with Yaşar Birleşik Pazarlama, which owns Turkey's largest cold and frozen distribution chain
- ✓ Over 155,000 points of sale
- ✓ Advantage of distributing dairy and meat products together
- ✓ Strong supply chain sales processes with over 20,000 milk farmers



Industry Overview

In 2022, sustainability initiatives and analyzing the impact of and finding solutions to climate change gained pace in the industry.

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Sustainable production tops the agenda of the global dairy industry. Efforts regarding climate change, biodiversity, farm and company management, market and consumer perception and the rural economy, which affect sustainability, continue to intensify daily. In 2022, efforts to analyze the industry's impact on climate change and to solve the problems identified continued. These efforts are carried out under two main titles, including a reduction of greenhouse gases and adaptation to climate change and are expected to accelerate further in 2023 (National Dairy Council 2021 Milk Report).

Industry in Turkey

Livestock farming activities increased in commercial value with a combination of factors such as greater awareness of the contribution of animal protein sources to health, individuals becoming increasingly conscious of balanced and quality nutrition, rural development support programs and support for livestock farming. The livestock industry, which supplies raw materials to various industries such as leather, textiles, home decoration and the food industry, continues contributing to the national economy. The industry solves many socio-economic problems, such as reducing rural-urban migration and related social problems (NDC)



10 MILLION TONS
TOTAL COW'S MILK VOLUME

%40 GROWTH
IN TURNOVER

The volume of cow's milk produced by commercial dairies decreased by 3% year-on-year to 9.7 million tons in January-December. Butter production increased by 12.8%, ayran production by 6.9% and yoghurt production by 3.8%, while cow cheese production decreased by 4.5% and drinking milk production by 1.7%.

A look at consumption patterns shows that economic developments impact the milk and dairy products market. As of 2022, the total packaged milk market contracted 8% to 936 thousand tons in tonnage, while

turnover grew by 100% to TRY 12.8 billion (Nielsen, Total TR, 2022).

In 2022, the loose milk market contracted by 1% in tonnage to 1.3 million tons. By turnover, the market ended the year on TRY 12.7 billion, marking a 91% growth rate (IPSOS, HTP, 2022).

Analysis of growing categories in the milk market in 2022 shows that value-added products such as light, protein-supplemented and lactose-free milk stood out (Nielsen, Total TR, 2022).

The packaged cheese market contracted 7% in tonnage terms to 0.3 million tons. Regarding turnover, the market reached TRY 23.2 billion with 90% growth (Nielsen, Total TR, 2022). In the packaged cheese market, labneh and cream cheese were the categories that grew during the year.

While the unpackaged (loose) cheese market contracted 17% in tonnage terms to 0.2 million tons, it recorded a turnover of TRY 14.4 billion on 55% growth (IPSOS HTP, 2022).

Growth in Turkey's exports of milk and dairy products in the previous year continued in 2022 as well. In particular, commodity prices in international markets provided the Turkish dairy industry with significant price advantages, whereby exports of products such as butter and milk powder increased significantly in the first months of the year. Butter exports, which amounted to 3,238 tons for 2021, rose 290% in 2022, exceeding 12,643 thousand tons. Total milk and dairy products exports increased by 20% in 2022 from the previous year, totaling USD 619.4 million. Imports of milk and dairy products amounted to USD 95.8 million (NDC 2022 Milk Report).



Activities of 2022

Pinar Süt, which closed the year 2022 with a turnover of TRY 5.83 billion, concluded a successful year on growth of 117.4%.

”

With its production to European Union standards, Pinar Süt achieved a sales volume of 311 thousand tons in 2022. Having successfully ended 2022 with a turnover of TRY 5.83 billion and a gross profit of TRY 746.4 million, the Company posted growth of 117.4%. Net profit for the period was TRY 380.3 million. The total fixed asset expenditures of Pinar Süt, which continued its investments unabated in 2022, amounted to TRY 78.7 million.

Continuing its export activities in line with its strategy of becoming a regional power in the Middle East and near geography, Pinar Süt realized 17.5% of Turkey's total dairy product exports in 2022.

Pinar Süt makes 50% of its international sales to Gulf countries (UAE, Iraq, Kuwait, Bahrain, Oman, Qatar, Saudi Arabia), while TRNC, USA, North African countries (Egypt, Algeria, Libya and Morocco), CIS countries (Azerbaijan, Russia, Georgia), the European Union and China are among the significant countries to which the Company exports in other global markets.

Pinar Süt continued participating in events in 2022 to follow the industry closely and meet with its customers. The Company attended the world's



%17.5 SHARE IN EXPORTS OF
BRANDED DAIRY PRODUCTS

35 EXPORT COUNTRIES

largest food and beverage fairs, including the Gulfood Fair in the Gulf region and the SIAL Paris Fair in Paris, France, recognized as the world's largest food and beverage fair with participants from over 100 countries. Pinar Süt attracted great attention from EU customers and exhibitors from the Far East, Africa and the Middle East at the fair, where it also presented its new products.

The Company acquired information on global developments, new and innovative products and technologies and conducted detailed reviews of the fair and products on the market.

NEW MARKETS, NEW ACHIEVEMENTS

Pinar Süt, which accelerated its steps towards new export markets in line with its goal of sustainable growth, established a presence in different regions of the world with the Pinar brand and products in 2022.

Having exported its products to the People's Republic of China, one of the world's largest dairy markets, for the first time in 2020, Pinar Süt continued its exports with Labneh, Pinar Beyaz, White Cheese and Kashar Cheese in 2022. The Company also continued its efforts to increase brand awareness on various digital channels in this region and boost its sales on e-commerce platforms.

The Company entered the Albanian, Swedish, Sierra Leone, Thai and Swedish markets in 2022. In addition to Labneh, it also started exporting Cottage Cheese and Protein Milk categories to Europe.

Communication activities were carried out using digital media applications to increase brand awareness in the Gulf Region, Europe, Iraq, Azerbaijan, Georgia, the TRNC and Kazakhstan.

FUTURE GOALS

Pinar Süt, appreciated by consumers for its high-quality, healthy and value-added products for domestic and international markets, has an innovative production approach that embraces improvement. The Company aims to take its production standards to an even higher level. Continuing to develop innovative projects based on the expectations and needs of the consumer, Pinar Süt aims to maintain its strong market position with new product varieties by developing functional and innovative products across diverse categories shortly.



**Pinar Labne ile
lezzet senden sorulur!**



Investments

Pınar Süt invested TRY 78.7 million in 2022 in line with its efficiency targets and goal of improving product quality.

”

Advancing its technology with renewal and modernization projects, Pınar Süt continues to make new investments to respond to the changing needs of the industry and consumer expectations.

With a total investment of TRY 78.7 million in 2022, Pınar Süt invested in increasing its production capacity and for renovation and maintenance works at its facilities.

The Company completed the testing, control and commissioning of the anaerobic wastewater treatment plant revision and biogas plant investment at the İzmir Plant, the first step of which was taken at the end of 2020.

The Company reduced its water footprint with the increased efficiency of the renovated treatment plant. It took an important step towards its carbon neutrality goal with a 17% reduction in its carbon footprint thanks to the biogas produced at the plant. Pınar Süt also completed the installation of robotic systems to automate the Aseptic Product Multipak Grouping process.



78.7

MILLION IN
INVESTMENTS

Continuing its efficiency efforts at the Şanlıurfa Factory, the Company completed its investments in a Butter Churning Machine and Butter Process Equipment. Pınar Süt continued its renovation and modernization investments in manufacturing units and auxiliary facilities throughout the year.

HIGH-TECH INVESTMENTS

Investing in high-tech to adapt to Industry 4.0, Pınar Süt completed the Aseptic Lines Robotic Palletizing System project works at the Eskişehir Factory in 2022. The Company aims to complete the system's installation, testing and commissioning processes in the first half of 2023.

In this context, the Company continued its research and development efforts on robotics, automation equipment and technologies throughout the year.

Pınar Süt completed the installation of the Aseptic Lines Robotic Palletizing Automation project at its İzmir Factory, one of the Automation System projects carried out by the Technology Center within its R&D Center. The automation project was commissioned in the first half of 2022.

INFORMATION TECHNOLOGIES

In 2022, Pınar Süt implemented important projects related to information technologies infrastructure.

Digitalization investments led to significant developments and advances in increased efficiency, business continuity, data security and cost improvement.

The Company implemented SAP BW/4 Hana procurement reporting and procurement-Mobile Approval System (MAS) integration projects.

Improvement projects for the Workflow Applications and Milk Distribution Chart systems were completed. The Company achieved increased efficiency and reduced costs in its business processes by using Robotic Process Automation technologies.



R&D Studies

Nine new products and 22 eco-friendly packages were developed thanks to the R&D Center's successful works and innovative projects.

”

The R&D Center continues its operations in two departments: "Operational R&D," which carries out packaging and new product development activities and "Scientific & Technological R&D," which carries out innovation projects, industry-university collaborations, research and literature studies and projects. Projects related to robot design and domestic packaging machines within the scope of Industry 4.0 are also carried out at the Technology Center under the roof of the R&D Center.

In 2022, both the Operational R&D department and the Scientific & Technological R&D department focused on economic and environmental sustainability, accessibility to raw materials and food, which have become especially important globally in the post-pandemic period and sustainable and efficient management of resources. Predictions regarding climate and agricultural crises were scrutinized. Projects to ensure the sustainability of all raw and packaging materials constituted a large part of the Company's projects and R&D studies.

The primary goals of the R&D Center were to improve export capacity to increase domestic production with domestic raw materials and inputs, expand export channels and implement projects to establish new collaborations.



9

NEW PRODUCTS

22

ECO-FRIENDLY
PACKAGES

A patent application was filed in 2022. One of the pending applications was accepted during the year and the Company was granted a patent certificate. R&D Center employees published two research papers, gave a poster presentation at a symposium and applied for two horizon projects. The R&D Center currently has seven patent applications, including the one made this year.

The R&D Center aims to develop more sustainable next-generation production technologies with the strength it derives from academia-industry collaborations. And with a philosophy of continuous development and life-long learning, in 2022, Pınar Süt continued its dialog with various universities and institutions for such academia-industry collaboration. The Company also continued its efforts to address recent challenges related to the climate crisis, the circular economy and sustainable procurement throughout the year.

Strategies of the R&D Center:

- ✓ To maintain and continuously improve its effectiveness and criteria,
- ✓ To improve the staff, quality and competence of the R&D Center,
- ✓ To contribute to the Company and the country by designing new-generation technologies and applications that will transfer academic knowledge and know-how to the industry,
- ✓ To protect project outputs with patents, utility models, registration per Intellectual-Industrial Rights,
- ✓ To contribute to development and progress in related fields through scientific publications, articles, etc.,
- ✓ To achieve swiftness and flexibility in applied research and experimental development stages by strengthening the laboratory and pilot plant infrastructure,
- ✓ To produce innovative works that will strengthen the brand value and financial power, to establish domestic or foreign collaborations,
- ✓ To make progress towards sustainable agriculture, sustainable environment, sustainable food and sustainable economy goals,
- ✓ To improve the Company's eco-friendly packaging portfolio for a sustainable world,
- ✓ To ensure high customer satisfaction.

HEALTHY AND QUALITY LIFE

In line with its principle of serving a "healthy and quality life," the Pınar Süt R&D Center aims to balance calorie intake in all segments of society and reduce inputs such as sugar and salt, known to cause health problems when consumed excessively.

The Company is working on functional and innovative products that support immunity and facilitate making healthy nutrition a daily habit.

RESPONSIBLE PRODUCTION AND CONSUMPTION

For responsible production and consumption, Pınar Süt's R&D Center ensures that all packages in its portfolio are recyclable and eco-friendly and that secondary packages are derived from recycled packages.

In new packaging projects, pallet optimization is considered to determine technical criteria, such as the material and weight of packaging components and reducing carbon emissions in the logistics process.

The Company carries out projects such as reducing the weight of packaging, optimizing pallet alignment and the number of boxes, reducing the weight of parcel paper, transitioning to using low-micron aluminum foil and localization with a systematic approach.

Within the scope of the Business World Plastics Initiative signed under the leadership of Yaşar Holding, Pınar Süt carried out review and monitoring studies related to plastic reduction and the use of recyclable and recycled materials in 2022.

In cooperation with TÜBİTAK, the R&D Center implemented studies related to production with less energy, less auxiliary material use and lower cost.

Informative Bulletins

Informative bulletins containing details of innovations, packaging, science and technique and patents prepared by the R&D Center were regularly shared with Company employees.

AWARD-WINNING PROJECTS

- Pınar Labneh and Pınar Cottage Cheese received awards from Deutsche Landwirtschafts - Gesellschaft (German Agricultural Society - DLG).
- Pınar Labneh won the "Excellent Taste Award" presented by the Guild of Fine Food in the United Kingdom, which has been organized since 1994, based on evaluating products sold in grocery stores.
- Tomato Labneh received the Superior Taste Award from the International Taste Institute.
- The "Pınar Süt New Fresh Cheese Lid" received the Silver Award in the Food category at the "Crescents and Stars of Packaging Awards 2022" organized by the Packaging Manufacturers Association (ASD) for the tenth time this year.

Strong Cooperation with Suppliers

Pınar Süt, which meticulously selects all its suppliers in line with the 'Pınar Quality Criteria,' does not compromise on high quality, health, hygiene and sustainability principles.

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Never compromising on product quality, Pınar Süt meticulously selects its suppliers to maintain its high standards at all times. Working with over 20,000 raw milk farmers in Turkey to achieve sustainable, quality and healthy production, the Company continues supporting its suppliers to develop Turkish livestock farming. Pınar Süt procures milk from 110 farms that comply with its quality standards to ensure a high raw material quality. Producing to European Union standards, the Company also informs and raises awareness among its suppliers to ensure healthy milk production and sustainable industry. The Company organizes supplier training programs on key issues such as herd health, animal nutrition, preventive medicine and milk quality.

In addition to raw milk and raw materials procurement, the Company also purchases auxiliary food, packaging, operating, spare parts, equipment and promotional materials.

Working with approximately 1,880 suppliers in 2022 for all purchases other than raw milk, the Company purchases raw materials, food auxiliary materials and packaging materials from suppliers approved by the Quality Assurance, Purchasing and R&D Departments.

Once prospective Pınar Süt suppliers are subjected to trial processes, companies that can provide appropriate



raw materials in line with Pınar Quality Criteria are included in the supplier system.

In line with Pınar Süt Purchasing Regulations and Procedures, the Company considers certain criteria for procuring all raw materials, auxiliary materials and services. These criteria include compliance with developments in domestic and international markets, current economic conditions, commercial conditions, desired delivery time-quantity-quality, ethical and moral rules and all laws and regulations. The Company also reviews technical competence, technological infrastructure, financial structure and performance, service quality and favorable location. Pınar Süt can establish long-term and sustainable collaborations with its suppliers thanks to these detailed reviews. Continuity of collaboration and consistency in product quality also play an important role.

The Company audits its suppliers on a quarterly basis through the joint effort of the Purchasing and Quality Assurance Departments. Suppliers are audited in terms of quality, price, delivery time, quantity and service quality as part of the Supplier Evaluation Procedure. The Company continuously improves its procurement activities through corrective actions based on audit results.

Pınar Süt works with local suppliers and producers located close to its factories to reduce the carbon emissions generated during the logistics processes and to manage its environmental impact. The Quality Assurance unit ensures the availability of all MSDS (Material Safety Data Sheet) documents to evaluate the environmental impacts of materials used. The Company prefers suppliers holding TS EN ISO 14001 certification for service procurement.

Pınar Süt commenced using robotic process automation for technical materials in 2020 to adapt current technological developments to its processes and increase the use of artificial intelligence as part of its digitalization efforts. In 2022, the Company used robotics to receive commercial bids from approved suppliers for 12,453 materials at its İzmir, Eskişehir and Şanlıurfa factories. The project's second phase, which involves the "maintenance of commercial bids in the system using robotics," is ongoing.

In 2022, 128 suppliers, which account for 84% of Pınar Süt's total purchasing volume, excluding raw milk, signed the Pınar Süt Supplier Principles Guide. In this way, suppliers have accepted human rights and fair labor criteria for social sustainability and environmental responsibility criteria for environmental sustainability. Pınar Süt aims to increase the number of signatory suppliers per its corporate values and principles.



Pinar Süt Products

Pinar Süt develops healthy and innovative products in line with changing consumer expectations, by maintaining its position as a strong industry actor in Turkey and export markets.

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MILK

Packaged Milk

- ✓ Plain Milk
- ✓ Organic Milk
- ✓ Light Milk
- ✓ Follow-on Milk for Kids
- ✓ Denge Lactose
- ✓ Free Milk
- ✓ Protein Milk
- ✓ Kido Flavored Milk
- ✓ Pinar Latte Art



CHEESE

Modern Cheeses

- ✓ Pinar Beyaz
- ✓ Pinar Beyaz Extra Soft
- ✓ Labneh
- ✓ Sliced Toast and Burger Cheese
- ✓ Aç Bitir Kashar Cheese
- ✓ Aç Bitir Cheddar Cheese
- ✓ Cream Cheese
- ✓ Cheddar Cream Cheese
- ✓ Triangle Cheese



Geleneksel Peynirler

- ✓ Fresh Kashar
- ✓ Cottage Cheese
- ✓ High-Protein Cottage Cheese
- ✓ Cheese - Brined White Cheese
- ✓ High-Protein White Cheese
- ✓ Kahvaltı Keyfi Toast Cheese



+300 PRODUCT

Keyif Cheeses

- ✓ Halloumi Cheese
- ✓ Cheddar Cheese
- ✓ Gouda Cheese
- ✓ Go Snack Cheeses
- ✓ İnce Bi' Cheese



Yoghurt

- ✓ Natural Yoghurt
- ✓ Organic Yoghurt
- ✓ Probiotic Yoghurt
- ✓ Lactose-Free Yoghurt
- ✓ Light Yoghurt



AYRAN

KEFİR

- ✓ Plain Kefir
- ✓ Strawberry Kefir
- ✓ Forest Fruit Kefir



BUTTER

CREAM

- ✓ Pinar Cream
- ✓ Special Pinar Cream for and sauces



FRUIT JUICE

Fruit Nectars

- ✓ Peach Nectar
- ✓ Apricot Nectar

100% Fruit Juices

- ✓ 100% Elma Suyu



Fruit Drinks

- ✓ Mediterranean Drink
- ✓ Cherry Drink
- ✓ Orange Drink
- ✓ Çılgın 2'li

FLAVORING

- ✓ Ketchup (Hot and Sweet)
- ✓ Mayonnaise (Classic and Light)
- ✓ Mustard (Classic, Honey, Hot, Grainy)
- ✓ Hot Sauce
- ✓ Barbecue Sauce
- ✓ Cream
- ✓ Chocolate Sauce

POWDER PRODUCTS

- ✓ Whipped Cream

OUT-OF-HOME CONSUMPTION (OOHC) Milk

- ✓ Milk (Full-Fat, Half-Fat, Non-Fat)
- ✓ Kutupak Milk (Full-Fat and Half-Fat)
- ✓ Latte Art Barista Milk (Full-Fat)
- ✓ Barista Milk (Half-Fat)



Cheese

- ✓ Labneh
- ✓ Choco Labneh
- ✓ Pinar Beyaz
- ✓ Fresh Cheese
- ✓ Sliced Toast Cheese- Block Toast Cheese
- ✓ Triangle Cheese
- ✓ Sliced Burger Cheese
- ✓ Full-Fat White Cheese

Butter

- ✓ Single Serving
- ✓ Roll Butter (Block)

Jam and Honey

- ✓ Single Serving Strawberry Jam
- ✓ Single Serving Cherry Jam
- ✓ Single Serving Honey

Cream

- ✓ UHT Cream
- ✓ Sour Cream

Yoghurt

- ✓ Natural Yoghurt (Full-Fat and Half-Fat)

Ayran

- ✓ Cup Ayran

Milk Powder

- ✓ Non-Fat Milk Powder

Sauce

- ✓ Service Mayonnaise
- ✓ Service Ketchup
- ✓ Mayonnaise Bucket
- ✓ Ketchup Bucket
- ✓ Single Serving Mayonnaise
- ✓ Single Serving Ketchup
- ✓ Single Serving Barbecue Sauce
- ✓ Barbecue Sauce Bucket
- ✓ Single Serving Hot Sauce
- ✓ Hot Sauce Bucket

New Options for Everyone

Pinar Süt has developed short-, mid- and long-term innovation plans to add value to the lives of its consumers and respond quickly to their needs.

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The Company continues to follow global trends, conduct intensive consumer research and develop new products by assessing the latest developments with its business partners.

Pinar Cheddar Cream Cheese

As the first cream cheese brand in the market, Pinar continues to develop new flavors. To this end, the Company added Pinar Cheddar Cream Cheese as a new flavor to its Cream Cheese family in 2022.

Pinar Cheddar Cream Cheese, which contains 55% cheddar cheese, received acclaim as a nutritious meal with a unique flavor and high calcium content thanks

to the special cheese varieties in the product. Produced under hygienic and modern conditions with the brand's high technology, Pinar Cheddar Cream Cheese offers easy storage with its practical and safe packaging.



Pinar Latte Art

Pinar Latte Art, which offers a creamy taste with its smooth texture, won attention in 2022 with its communication efforts focused on popular coffee recipes.



Pinar Süt Customers and Consumers

Pinar Süt developed creative solutions throughout the year in response to changing and diversifying demands.

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In 2022, during which the effects of the pandemic partially continued, the Company developed different solutions thanks to its flexible and rapid business approach. The Company focuses on ensuring that products reach consumers sustainably and with the same quality and nutritional content. In the face of changing economic conditions and consumer behavior, the Company reviewed its product portfolio in the milk and dairy products categories. It introduced more affordable and easily accessible products to consumers.

In addition, Pinar Süt worked tirelessly in collaboration with its business partners to protect and strengthen its value chain. The Company continued to work on product launches and communication and social responsibility projects to meet consumer needs with a sustainable supply approach sensitive to the world's resources

MILK GROUP

PRODUCT	TURNOVER SHAREI(%)	POSITION
Plain Milk	23.7	Leader
Light Milk	30.5	Leader
Kids Milk	61.9	Leader
Organic Milk	76.4	Leader
Protein Milk	59.3	Leader

CHEESE GROUP

PRODUCT	TURNOVER SHAREI(%)	POSITION
Labneh	39.4	Leader
Sliced Cheese	32.2	Leader
Fresh Cheese	46.8	Leader

(Nielsen, Market Excluding IM 2022)



82
thousand

NUMBER OF CUSTOMERS
REACHED IN ONLINE SALES
IN 2022

VERSATILE COMMUNICATION MANAGEMENT

In 2022, through communication, Pinar Süt informed its consumers about its products and projects. The Company aimed to add value to the lives of its consumers by bringing experts and consumers together in its social media posts.

Pinar Süt

Raising generations, Pinar Süt's "I Raised My Kid with Pinar" campaign was broadcast on television in March 2022. The campaign was supported by radio, outdoor, digital and social media advertisements. The Company continued its communication efforts throughout the year by using online banners on the Nefis Yemek Tarifleri website. In addition, communication continued throughout the year with posts on social media accounts on instagram/pinarhepyanimda and facebook / pinarhepyanimda and suggestions that add value to consumers' lives.

Pinar Kids Follow-on Milk

Pinar Kids Follow-on Milk's commercial, which supports the development of children with the slogan "Rich in Vitamins, Minerals and Delicious!" was broadcast on TV and digital channels.

The commercial's broadcasts continued between January-June and September-November. A Book Promotion campaign was launched with Kinom to strengthen brand loyalty and increase one-time purchase volume. Meanwhile, the Pinar Hep Yanımnda social media account shared various posts with Prof. Dr. Vildan Ertekin to support the brand image recommended by specialist physicians.

Pinar Kido

The Pinar Kido "Kido Pop" commercial film was broadcast on TV and digital channels between January-April and September-November. The Company aimed to interact with its target audience at different times through giveaways on Instagram. Pinar Kido also held three separate giveaways for the "Spring Break," "April 23rd," and "Back to School" periods. Pinar Kido participated in the Creative Kids Festival event on June 4-5, 2022, as the theme sponsor under the slogan "Adding Fun to Milk," continuing to add fun to children's lives.



Pinar Protein

The Pinar Protein Milk Family's popular commercial "Nobody Like You" was broadcast on TV and digital platforms in June-November 2022. In addition, digital projects, PR & influencer collaborations, events and on-site display activities were carried out throughout the year.

Pinar Denge

The Pinar Denge Lactose-Free Family commercial film, which provides easy digestion, was broadcast on digital platforms between March and May 2022. In addition, digital projects, influencer collaborations and on-site display activities were carried out throughout the year. The commercial film for Pinar Denge Probiotic Yoghurt, the latest member of the Pinar Denge Family, was

broadcast on digital platforms throughout the year.

In addition, the physicians and dietitians attending the 9th National Intestinal Microbiota and Probiotics Congress held in Ankara on October 26-29, 2022, were offered a promotional glass of kefir at Pinar's stand.

Pinar Beyaz

In July, Pinar Süt celebrated "World Cheesecake Day" and published a San Sebastian Cheesecake recipe in "Sofra," one of Turkey's most popular food magazines. Throughout the year, Pinar Beyaz's advertising visuals were used in all San Sebastian Cheesecake recipes on the Nefis Yemek Tarifleri website.

Pinar Keyif Cheeses

The Cheddar and İnce Bi Peynir products were promoted on digital channels.



Labneh

The new Pinar Labneh commercials featuring Chef Danilo Zanna were broadcast on TV and digital channels. Special recipes prepared by the Chef were shared on both Pinar Hep Yanımnda's social media accounts and Danilo Zanna's accounts.

Danilo Zanna recommended Pinar Labneh in recipes published on Nefis Yemek Tarifleri's popular website. The recipes of two consumers selected in the recipe contest on Instagram were filmed featuring Danilo Zanna and consumers and posted on social media accounts.

20 g packages were distributed on Pinar Online and in grocery stores so consumers could sample the Pinar Choco Labne 180 g product. The product was promoted at the Creative Kids Festival with the participation of Danilo Zanna. A mini brochure was distributed together with Sofra magazine. The product was also promoted in Migros Virtual Market advertisement spaces.

Pinar Kefir

Pinar Cup Kefir was promoted in digital media with films that highlighted its "mild" flavor and health benefits. Consumers were introduced to cup kefir through events, tasting activities and sales promotions. With the support of Expert Dietician Şefika Aydın Selçuk, educational presentations on creating healthy eating habits and the benefits of kefir were made in schools and hospitals. As a healthy beverage alternative, cup kefir was included on school and hospital menus.



Pinar Cream

The TV communication support for Pinar Cream, initiated in 2021, continued in March-April 2022.

In addition to TV, the campaign was also supported on digital channels. The Company interacted with consumers throughout the year with recipe videos explaining the uses of cream and the unique flavor that Pinar Cream adds to recipes. The product was promoted throughout the year on Nefis Yemek Tarifleri, one of the digital recipe platforms most visited by consumers.



Pinar Sauce

The sauce group's Instagram and YouTube channels were actively used for communication throughout 2022. Films featuring the slogan "Multiply the Flavor with the Pinar Sauce Family" delivered healthy and delicious recipes to consumers. In addition, Pinar Mayonnaise was promoted on digital channels.

Pinar Hep Yanımda Social Media Platforms

In 2022, Pinar Süt continued its social media communication through Pinar Hep Yanımda Instagram, YouTube and Facebook channels.

Informative content about milk and dairy products, recipes created for product communication, content on special days and sustainability projects and expert opinions were shared with followers on Pinar Hep Yanımda's social media channels.

The Company continued to share informative content on healthy and balanced nutrition with Expert Dietician Şefika Aydın Selçuk and on child nutrition with Prof. Dr. Vildan Ertekin throughout the year. Videos containing recipes using Pinar products and expert videos were also published on the Pinar Hep Yanımda YouTube channel.

Pinar Süt's and Pinar Institute's sustainability-related activities were published as a new content series. The activities carried out as part of sustainability efforts were made into video content around the main discourse of "Everything for healthy and happy generations."

Contests were held to increase interaction with followers with special constructs prepared for World Milk Day, Back to School and New Year's Eve.



E-COMMERCE AND PINARONLINE

With its flexible and agile structure, PinarOnline reached 82 thousand customers and 2.5 million visitors in a single year. Allocating 70 percent of its marketing budget to digital, PinarOnline offers consumers access through its website and mobile application.

Aiming to provide consumers with a practical and cost-favorable shopping experience, PinarOnline expanded its product range in 2022 with the inclusion of Pinar's meat, milk, water and beverage product groups, as well as complementary brands in the exclusively produced Pinar Kasap, Pinar Box and Pinar Select categories. As of the end of 2022, PinarOnline offers its consumers over 565 products.

In addition to the products already sold through face-to-face shopping channels, PinarOnline delivers products and services developed specifically for this platform.

In this way, the Company strengthens its brand identity in line with its innovative vision. With Pinar Box, developed specifically for the platform, consumers can enjoy a practical and cost-favorable shopping experience. Pinar Kasap, available on PinarOnline, provides access to gourmet flavors exclusive to PinarOnline. Pinar Chef, customers' helper in the kitchen, shares special recipes for PinarOnline customers keen to create delicious dishes. The +4 ° / -18 ° product groups ordered on PinarOnline are offered to consumers in Istanbul, Ankara and Izmir by appointment delivery to ensure healthy and safe food delivery. Product groups that do not require a cold chain are delivered by cargo throughout Turkey. To date, PinarOnline has traveled 400 thousand kilometers to deliver customer orders. PinarOnline continues its efforts to expand its delivery network and actively operate in more cities.

Sustainability

Pinar Süt focuses on sustainability in PinarOnline's operations as in all business processes in line with Yaşar Group's criteria. Not compromising on sustainability with its environmentalist brand vision, PinarOnline makes investments accordingly.

Keeping the carbon emissions generated in logistics activities under control is essential in combating climate change.

As part of Environment Week in 2022 PinarOnline managed to neutralize 7 tons of carbon emissions



generated for approximately 3 thousand kilometers traveled for orders received for 1 week.

PinarOnline also aims to build its logistics fleet with electric vehicles.

To this end, PinarOnline added a mini electric van to its vehicle fleet, which enables the delivery of products between +4 and -18 degrees without disrupting the cold chain.

2023 Targets

Prioritizing consumer insights and behavior, Pinar Süt plans to expand its product range in 2023 with an innovative approach focused on trends. The Company thus seeks to reach a wider audience on the PinarOnline platform. In this context, it seeks to increase the consumer loyalty to the platform by expanding the Pinar Box category, which offers different concepts and advantageous prices.

Additionally, Pinar Chef aims to ensure that the platform is accepted as a "digital chef" by offering a wide variety of practical recipes in line with current trends and to ensure that consumers take part in the shopping experience.

The Company aims to expand PinarOnline's delivery network, thereby extending the area of operation to different regions of Turkey. The feasibility studies for structuring in various cities identified within this framework are ongoing.

The sustainability approach, at the heart of all business processes of the Pinar brand, is also reflected in PinarOnline's operations.

In this respect, the Platform offers environmentally friendly options, from packaging to logistics solutions. A consumer-oriented and eco-friendly brand with its strong, high-tech infrastructure, PinarOnline strives to have a 100% electric delivery network by 2025.

OUT-OF-HOME CONSUMPTION WORKS

Pinar Süt, which serves a wide customer portfolio from hotels to restaurants and catering companies to schools on the Out-of-Home Consumption (OOHC) channel, continued to work on this channel throughout the year. Pinar Süt continued to support its customers with innovative and practical products and solutions that meet demand.

Pinar Süt continued its R&D studies to develop innovative and practical products that make life easier in this process. Additionally, in line with its product-oriented communication plans, the Company continued its product-brand communication and communication with chef-head cooks, determined as opinion leaders, on digital channels.

The changing living habits of societies in the wake of the pandemic also led to a change in the OOHC channel. Considering these changes and expectations, Pinar Süt began its controlled participation in events in 2022. The Company continued its marketing activities with target audience communication at specialized fairs and festivals throughout the year.

THE PINAR COMMUNICATION CENTER

Consumers can reach the Pinar Communication Center (PCC) anywhere in Turkey using the phone number 444 76 27 without dialing an area code. Calls for complaints, suggestions, information, criticism and praise related to products and services received by the Pinar Communication Center are answered by PCC operators between 07.00 - 23.00.

The requests and suggestions received by the Pinar Communication Center, which operates with the principle of "Our Consumers and Customers Come First" are carefully reviewed by the Company.

In addition to feedback recorded under the Law on Protection of Personal Data, necessary referrals are made to the relevant departments for complaints that have not been resolved and the entire complaint management process is strictly followed from beginning to end. Customers can also reach the Pinar Communication Center at twitter.com/InfoPinar and facebook.com/PinariletisimMerkezi. The PCC also examines and resolves requests and suggestions received via social media with its official Twitter and Facebook accounts, providing the fastest response to consumers.

According to the 2022 data, the successful call reception rate in PCC was 89.08%, while the customer satisfaction rate was 86.12%

"Accessible Communication Line" from PCC



To provide full service to all its consumers, Pinar uses the free "Accessible Communication Line" application for visually and hearing impaired individuals via the PCC.

PCC provides services to visually and hearing impaired individuals between 07.00 - 23.00 hours, seven days a week, thanks to the application introduced to facilitate the lives of visually and hearing impaired individuals in Turkey. Consumers can reach an operator using the phone number 444 76 27 of the Pinar Communication Center and the call service number reported to the Associations of the Visually Impaired in Turkey. Visually and hard-of-hearing individuals can receive audio and video support by showing products to the operator. In the same way, they can access the details of products and their content and find answers to questions they may have, such as the expiry date.



EFFECTIVE DISTRIBUTION AND STRONG SALES

Pinar Süt delivers over 500 product varieties in 17 categories to sales points through Yaşar Birleşik Pazarlama (YBP), the sales, marketing and distribution company of Yaşar Group. One of Turkey's largest sales and distribution companies, YBP successfully carries out the sales and distribution of Pinar Süt products across Turkey with over 1,200 vehicles in three degrees of air conditioning. With its widespread sales and distribution power, YBP fulfills 86% of Pinar Süt's sales.



The Pinar Süt Family

Placing employee loyalty and happiness at the core of its Human Resources policy, Pinar Süt adopts a “People First” approach that includes many elements such as anti-discrimination, equal opportunity and diversity.

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HUMAN RIGHTS AND EMPLOYEE RIGHTS

Pinar Süt, a member of the Yaşar Group, manages its human resources policy to employ an innovative, highly motivated and highly performing, qualified workforce and to increase the commitment of its workforce through sustainability. Yaşar Group offers equal opportunities to every candidate without discrimination based on gender, nationality, race, religion, ethnic origin, age, belief, language, sexual orientation, marital status, disability, social or economic status, or political affiliation. Pinar Süt adopts an approach in line with universal values in its human resources management, as in all its activities.

Employees are given equal opportunities in all human resources processes, such as recruitment, remuneration, performance evaluation, promotion, assignment, training and development. The Company honors the contracts signed with employees. All contracts signed are prepared in full compliance with the legislation and the Law on the Protection of Personal Data.

To strengthen and develop its human resources built on the knowledge, skills and experience criteria required by the position with the principle of “science, unity, success,” Pinar Süt brings together educated and experienced individuals who are people-oriented, who adopt knowledge-sharing as a principle, value the



1,277 EMPLOYEES

21,337 HOURS OF TRAINING

spirit of unity, are open to all developments based on science and who adopt participatory management and success-oriented work approach.

While organizing various training activities to ensure employee satisfaction and loyalty, the Company supports the participation of its employees in training activities to assist their personal and professional development. The Company participates in projects that support the development of its employees at all levels, from new hires to senior management, through programs such as talent management, development and mentoring provided within the Group.

The Company continues to work in compliance with internationally recognized principles such as the Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Women's Empowerment Principles and ILO Conventions, as well as the legal framework and legislation regulating human rights and labor in Turkey. The principles and policies are included in the Business Ethics Guidelines as company policies and in the collective bargaining agreements of the companies. They are also made public on the corporate website.

BASIC HUMAN RESOURCES POLICY

- Staffing at the Company is determined according to the criteria of business economics and all employees agree that honorable employment is only possible through productive work.
- Internal and external training programs are implemented within the planning framework determined at all levels to ensure personnel development.

- Equality of opportunity is observed in promotions and appointments within the organization; assignments are made from existing personnel on principle.
- By applying development plans, the career planning system provides the widest possible opportunities for promotion to personnel of potential.
- The performance evaluations of personnel are based on their goals and competencies.
- Job descriptions and performance standards are documented for each position from the lowest level to the highest and this system forms the basis for personnel evaluation.
- While ensuring safe working environments and conditions is important for the Company, all legal measures are taken to prevent occupational risks, protect health and safety and eliminate risk and accident factors within the Occupational Health and Safety Regulation framework. Improvement efforts continue with regular meetings.
- The Company's management style "... is to maintain our existence as a company that acts per laws and ethical rules and to adopt a total quality philosophy and participatory management style."
- The principle of equal treatment of employees regardless of language, race, color, gender, political and philosophical opinion, religion, sect and similar reasons is essential. Necessary measures are taken to protect this basic constitutional right of employees.

HUMAN RESOURCES

Adding value to the national economy as one of Turkey's most well-established brands, Pinar Süt manages its competent workforce with employee-friendly practices. Making employees at all levels feel that they are part of a wider family, Pinar Süt values its employees by adopting a “People First” approach. Pinar Süt implemented several initiatives, from special day events to training programs in 2022 within human resources practices. The events include the Sahlep Treat on the first day of the new year, Fast-Breaking Dinner, March 8 International Women's Day and World Milk Day celebrations and the “Pinar'a Gidiyorum” event.

Believing that socializing is important to employee happiness, the Company organized various events for employees to ensure a pleasant time. Social events to increase employee satisfaction include a Bowling

Tournament, Service Appreciation Ceremony, San Sebastian Cheesecake Workshop, New Year's Dinner and New Year's celebration with cake and desserts. Committed to the development of its employees as much as to social events, Pınar Süt also continued its in-house training efforts in 2022. Each employee received 14.2 hours of technical and personal development training throughout the year. A total of 21,337 hours of training was provided in this context. Training on gender equality and discriminatory language and trainer training was also included in the program. Seeking to contribute to the prevention of violence against women and children in line with its gender equality principle, Pınar Süt joined the "Business Against Domestic Violence" project and started to establish protocols.

As every year, managers participated in Turquality Executive Development Training in 2022. Throughout the year, employees from different levels of the Company participated in Portfolio Management, Brand Architecture and Product Development Training for the R&D Center, Sustainable Brand Management, Innovations in Research Conference, Understanding the Consumer and 2022 Consumer Trends Training to follow marketing trends.

In 2022, the Company employed an average of 1,277 individuals, 17.2% of whom were women. Believing in the importance of workplace peace on the road to social peace, Pınar Süt signed a Collective Bargaining Agreement with Tek-Gıda İş Union covering the period of January 1, 2022 - December 31, 2023

HEALTH-FOCUSED PRACTICES AND TRAINING

Pınar Süt supports the health of its employees with good practices and training in line with its fair human resources policy determined by Yaşar Group's corporate culture. In the wake of the pandemic that reshaped living conditions worldwide, Pınar Süt continued to build on the experience it gained to protect employee and public health in the post-pandemic period.

In 2022, awareness-raising training was organized to raise awareness of good health and to teach partial and simple first-aid practices not included in the first-aid training. In addition:

- Applied training was given to employees to impart ergonomics skills.
- Employees were provided with "Hygiene Training" and "OHS Training."
- One-to-one training was provided on seasonal diseases.
- In addition to evaluating the health and fitness of the person for the position in the recruitment process, periodic screenings and health checks for infectious diseases were carried out for all employees, depending on their departments, in 2022.
- As a result of these screenings and checks, the departments were informed about the accommodations required by the person when necessary while informing and following up on the person's specific ailments.
- The Company continued to support its employees by providing masks and sanitizers appropriate to their departments, when necessary, during the post-pandemic period, evaluating and referring cases for PCR testing, even if the number of cases decreased significantly and informing the Turkish Ministry of Health.
- OHS committee meetings were held monthly.



Sustainability Approach

Pınar Süt conducts all of its activities with a consciousness of responsibility towards its stakeholders and society, following the Yaşar Group's principle of "taking good care of all its stakeholders for a better life." considering the balance of natural resource use and protection in all operations.

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In line with Yaşar Group's Sustainability Policy, approach and priorities, Pınar Süt manages sustainability by determining its strategies and objectives to develop the industry. The Company reflects the Group's understanding of "taking good care of all its stakeholders for a better life" in all its processes, from supply to sales. The sustainability strategy of Yaşar Group, the parent company of Pınar Süt, aims to take care of all stakeholders and provide them with a better life. The activities of the Group companies, which carry out their operations in line with targets set with a business approach focused on sustainability, serve the Sustainable Development Goals.

The information on and data of Pınar Süt are included in the reports prepared in line with the basic standards of the Global Reporting Initiative (GRI), where Yaşar Holding has been sharing its sustainability performance with the public since 2009, having signed the United Nations Global Compact (UNGC) in 2007.

In the Yaşar 2021 Sustainability Report, the eleventh sustainability report of the Yaşar Group and published with the theme of "for a better life, guided by nature,"



the sustainability model and performance results that guide the Group's sustainability strategy and way of doing business are presented under the headings of "caring for business," "caring for employees," "caring for society," "caring for business partners" and "caring for the environment." The Yaşar 2021 Sustainability Report, which also includes Pınar Süt's data and all Sustainability and Global Compact Reports of the Yaşar Group can be accessed from the Sustainability section of Yaşar Holding's website (www.yasar.com.tr).

While the greenhouse gas emission, water and waste data monitored on an annual basis through Pınar Süt's sustainability efforts are included in the Yaşar Sustainability Report, the emission factors used in the carbon footprint calculations presented in Scope-1 and Scope-2 detail are taken from the Turkish National Inventory Report (TR NIR) published in the UN Climate Change (UNCC).

Yaşar Holding has a Sustainability Committee, a Climate Crisis Working Group and a "We Live Equally"

Gender Equality Working Group established under the Committee. The Yaşar Holding Sustainability Committee, where Sustainability Leaders represent all Group companies, ensures coordination in the field of sustainability throughout the Group, monitors progress towards achieving sustainability goals and leads the improvement of sustainability throughout the Group.

Current developments, regulation changes, ongoing and planned projects and works are evaluated and best practices are shared at regular committee meetings. The Yaşar Holding Board of Directors leads the implementation of the Sustainable Development Policy by ensuring that sustainability efforts align with priorities.

Pınar Süt, a subsidiary of the Yaşar Group, continues to carry out sustainability studies within the framework of priorities set in coordination with the Sustainability Committee established with the participation of Company employees.

The Committee works towards the implementation of the strategies, the achievement of the objectives and the dissemination of the sustainability approach throughout the Company. The Pınar Süt Sustainability Committee, which is also responsible for the execution of Environmental, Social and Corporate Governance Policies, plays an active role in many studies throughout the year. The Company's Sustainability Committee Leaders monitor the performance indicators determined to achieve the targets and ensure the coordination of the annual sustainability report. The Climate Crisis and Gender Equality working groups established under the Pınar Süt Sustainability Committee continue to work towards sustainability.

Pınar Süt, which closely follows developments related to the climate crisis, considers the crisis a significant risk that causes socio-economic and environmental impacts.

Continuing efforts to reduce its carbon footprint and energy density through risk assessments performed across the entire value chain, the Company observes the balance of natural resource use and protection in line with an awareness of its ecological footprint, especially the carbon and water footprint.

With its three factories processing 3 million liters of raw milk daily and creating an ecosystem of 500 thousand people, Pınar Süt aims to be carbon neutral by 2050.

While projects aimed at reducing the carbon and water footprint were underway during the year, reducing carbon emissions and water use in all areas is identified as a priority, with environmental sustainability targets for the short and long term set in line with the goal of carbon neutrality by 2050. Pınar Süt's main sustainability strategies, which also cover these goals, are defined as "developing strategies to reduce the negative effects of climate change," "supporting the personal development of our children, the guarantee of our future, in education, sports and the arts," "educating and supporting our producers for the sustainability of our country's high-quality milk production," "producing high-quality and innovative products for the balanced and healthy nutrition of individuals and society as a whole," and "creating a working environment that supports the personal development of employees and meets their changing expectations."

Per its management systems policy, Pınar Süt conducts continuous review and improvement studies on energy and climate change. It aims to use renewable energy and achieve energy savings with the projects it develops.

The Company monitors changes in energy use by performing annual carbon and water footprint calculations and revising its targets to curb consumption.

In line with these targets, the Company completed its Wastewater Treatment Plant Revision investment in 2022 to protect the environment and natural resources by reducing its carbon and water footprint. With the commissioning of the plant, efficiency was maximized by utilizing state-of-the-art automation systems and achieving a high level of treatment. In this way, the Company contributes to protecting nature by treating wastewater. It reduces the use of fossil fuels by using the biogas produced in this system to generate steam, contributing to a sustainable environment with the energy savings achieved.

In line with the plastic reduction targets set as part of the Business Plastics Initiative, which Yaşar Holding signed in 2019, Pınar Süt continues its efforts to reduce plastics, use recycled plastics and ensure they are recyclable.

As a requirement of Yaşar Group's holistic sustainability approach, the Company aims to improve and develop the entire value chain from raw material supply to delivery to the consumer. The Company considers it a responsibility to spread its sustainability understanding to the suppliers it interacts with beyond its corporate structure, operation and products. The Company continues to act per the targets set out rigorously for each area in its sustainability studies and to expand its field of influence by sharing these studies with its suppliers and including suppliers in these studies. By adopting the policy of "managing the environmental, social and economic impacts of products and services throughout the life cycle and promoting good practices," the Company's supplier policy aims to develop and strengthen the solid bond established with stakeholders on the supplier map within the scope of this policy.

The Company aims to contribute to a sustainable future by selecting suppliers and business partners, which are among the most important parts of the value chain, within the framework of Environmental Responsibility, Commercial Integrity, Fair Working Standards, Human Rights and Compliance with Laws within the scope of Pınar Supplier Principles.

Participating in the Carbon Disclosure Project (CDP), which evaluates the declarations of companies on their impacts on climate change, water resources, supply chain and forests, since 2016, Pınar Süt was rated with a grade of B- for water security and C for climate change in 2022.

The "Yaşar Sustainability Competition" started in 2016 and the "Yaşar Sustainability Day," the first of which was organized in 2018, encourages implementing projects aligned with sustainability goals. Meanwhile, the yearly training programs ensure that sustainability awareness is established and disseminated among Pınar Süt employees and all Group companies.

SUSTAINABLE ENVIRONMENTAL APPROACH

Yaşar Group works for a sustainable environmental approach by prioritizing climate crisis and gender equality. As a member of the Group, Pınar Süt also shapes its sustainability approach and environmental priorities within this framework.

Global climate change, drought, population growth and rapid decline in natural resources bring about environmental problems and risks. Yaşar Group's principle of producing with an approach that values the environment and nature and contributes to creating a better future than today also has an important place in all operations of Pınar Süt. The Company considers "Climate Change and Energy Management," "Water and Wastewater Management," and "Circular Economy and Waste Management" priority areas related to the environment and regularly evaluates the environmental impact of all products and processes by adopting the ISO 14001 Environmental Management System to improve environmental performance. The Company sets improvement targets to this end.

In developing strategies to mitigate the negative impacts of climate change, the Company aims to reduce the use of fossil fuels by increasing the use of alternative energy sources, reduce its carbon footprint by investing in renewable energy and improving energy efficiency, reduce its water footprint by reducing water consumption and increasing wastewater recycling and reduce the amount of plastics used in packaging. Pınar Süt's environmental sustainability focus contributes to the fight against global warming and climate change by reducing the use of and dependence on non-renewable resources, waste generation water consumption and plastic use.



As part of the carbon footprint calculations initiated in all Group companies by taking 2011 as the base year, Pınar Süt also calculated and reported its "Corporate Carbon Footprint" in 2022.

As part of Yaşar Group's Sustainability Strategy, the Company performs water footprint calculations and reporting in pilot regions selected to monitor the consumption of natural resources and reduce its environmental impact. Pınar Süt implements various factory projects to control water consumption in production processes in line with this strategy.

ENVIRONMENTAL POLICY

Pınar Süt, which produces using methods that do not harm the environment and human health while reducing resource consumption, fully complies with all relevant laws and regulations on energy and occupational health and safety.

The Company, which aims to raise the awareness level of its employees, customers and suppliers within the scope of its environmental policy, adopts the principles of waste reduction, recycling and reuse in all its business processes. While the Company plans to reduce its energy use with new investments, it continues to develop maintenance programs with the same vision.

By including its suppliers in its sustainability-based registration system, the Company can evaluate its suppliers' environmental management systems and their functioning and support them in making the necessary improvements.

ENERGY MANAGEMENT AND GREENHOUSE GAS EMISSIONS

Continuing its energy efficiency efforts, Pınar Süt successfully passed the TS EN ISO 50001:2018 Energy Management System certification audit. The Company, which created environmental activity plans and programs at the start of 2022, continued to work on improvement efforts to reduce resource and energy consumption and to include technologies within this scope in its business processes.

In line with "Responsible Consumption and Production" for sustainable development purposes, the Company implemented projects to reduce various categories' carbon and water footprint during the year.

By reducing the weight of packages, the Company focused on using less plastic. It reduced the tonnage of packaging delivered to the market and the carbon dioxide released to the environment.

Carbon footprint reduction efforts continued at Pınar Süt's İzmir factory by setting targets to reduce the carbon footprint resulting from production activities. The Wastewater Treatment Plant works initiated in 2020 were commissioned in June 2022 and the Company started to reduce its carbon footprint from both wastewater and treatment sludge. Savings in natural gas consumption were achieved by using the biogas generated during wastewater treatment at the Anaerobic Treatment Plant as fuel. In the last quarter of 2022, the Company reduced CO2 emissions by 277 tons, with a total of 155,425 Sm3 of biogas produced. Annual electricity savings of 131,657 kWh were achieved by replacing fluorescent lighting used in units and common areas with LED luminaires.

At Pınar Süt's Eskişehir plant, targets were set for the carbon reduction efforts and work on this issue continued. The Company created an annual Greenhouse Gas Emission Report to comply with environmental legislation and legal requirements and submitted it through the Ministry's system after having it verified by the relevant organization. The Company saved 135,597 kWh of electricity annually by switching to LED tube luminaires. Four condensate pumps were installed to increase condensate recovery, saving water and natural gas.

The Company prevented heat loss at Pınar Süt's Şanlıurfa factory by the chemical washing of boilers. Optimization was achieved by changing the location of the OIZ main water connection.

WATER MANAGEMENT

As part of the ISO 14001 Environmental Management System, Pınar Süt aims to prevent pollution at the source and reduce water use by applying methods to minimize the use of natural resources.

The Company conducts efficiency studies to control and reduce water consumption in all operational processes. Pınar Süt conducts water-saving studies to maximize water use efficiency. The Company sets targets per the regularly performed Water Footprint calculations. Pınar Süt was rated with a B- grade in 2022 as part of the Water Program of the voluntary CDP initiative.

With the commissioning of the new Wastewater Treatment Plant at Pınar Süt's İzmir factory in mid-2022, the wastewater generated was treated with high efficiency and the energy and chemicals used for unit wastewater treatment were minimized. The whey generated during cheese production was collected by separating it from wastewater and sent to licensed companies for use as a by-product, thus contributing to the circular economy. This way, the Wastewater Treatment Plant load was reduced and maximum treatment efficiency was achieved.

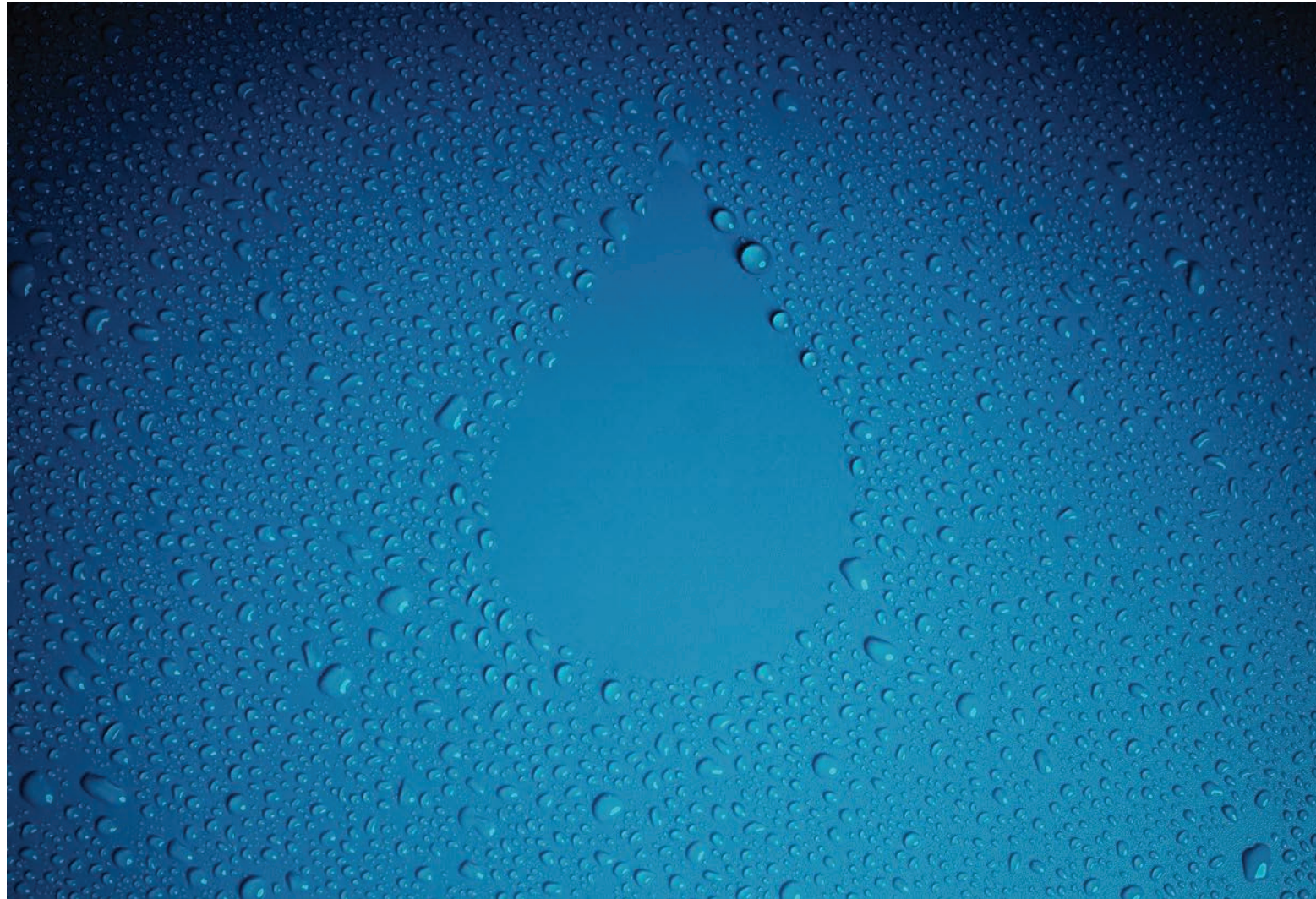
Pınar Süt continued to work to minimize chemical and electricity consumption in the wastewater treatment plant at its Eskişehir factory in 2022. Throughout the year, the Company ensured discharge below the 24-hour wastewater discharge limits at the wastewater treatment plant and performed all necessary equipment maintenance and inspections. The whey generated during cheese production continued to be stored in tanks with separate lines and sent off-site to ensure industrial symbiosis.

Pınar Süt continued its water-saving efforts at its Şanlıurfa factory to use water most efficiently. With the new counters installed and active monitoring, 96 percent of the water taken into the factory can now be monitored.

WASTE MANAGEMENT

Pınar Süt continued its solution-oriented activities throughout 2022 to identify and minimize possible factors that may adversely impact the environment due to its production and material use.

The Company, which has an Industrial Waste Management Plan in place, enters its internal audit results into the online system developed by the Turkish Ministry of Environment, Urban Planning and Climate Change. In addition, all waste generated from production and material use is disposed of by working with companies licensed by the Ministry.



As a responsible producer, Pınar Süt contributes to the circular economy by working with licensed recycling companies for recyclable waste. Organic and household waste is sent to landfills in cooperation with metropolitan municipalities.

Pınar Süt was awarded the "Zero Waste Certificate" for all factories in 2021 due to its efforts to use natural resources most efficiently, minimize waste generation and recycle the waste generated. Pınar Süt, which maximizes the efficient use of natural resources and fully complies with environmental regulations, continues its activities with environmental awareness regarding collecting, recycling and recovering packaging waste at the source.

In addition to the training provided to its employees to increase environmental awareness, the Company also organized training within the ISO 14001 Environmental Management System scope. Additionally, the Company conducted annual Environmental Management System audits under the supervision of the Turkish Standards

Institute (TSE). Pınar Süt's İzmir, Eskişehir and Şanlıurfa factories, which hold the Environmental Permit issued by the Ministry of Environment, Urban Planning and Climate Change, underwent regular inspections and audits carried out by authorized government agencies within the scope of compliance with environmental legislation.

Pınar Süt's İzmir plant continued to separate at source, collect and send waste off-site as part of its Industrial Waste Management Plan. In particular, plastic and paper/cardboard waste collected from production and shipping units was included in the Zero Waste System. All collected waste was sent to licensed recovery/recycling facilities.

- By recycling waste paper/cardboard, the Company saved 8,054 trees and 1,942,416 kWh of energy and reduced greenhouse gases by 83,856 kg.
- By recycling waste plastics, the Company saved 400,015 liters of oil and 885,616 kWh of energy and reduced greenhouse gases by 6,289 kg.

- By recycling waste metals, the Company saved 81 tons of raw materials and 39,984 kWh of energy and reduced greenhouse gases by 5,917 kg.

The Company started sending treatment sludge, formerly sent to the landfill, to a licensed Biogas Production Facility, thereby generating energy from the sludge and making it as harmless as possible for the environment.

At the İzmir factory, the Company began converting organic waste into biogas via its treatment plant.

The Company, which prepared a "Greenhouse Gas Monitoring Plan" within the framework of the Communiqué on Monitoring and Reporting of Greenhouse Gas Emissions to ensure compliance with legislation, also completed the development of its Greenhouse Gas Inventory Management System software.

Pınar Süt's Eskişehir factory renewed its "Environmental Permit" in 2022, valid for five years. More detailed work was initiated to separate waste as part of Zero Waste Management and increase the number of waste bins. All waste generated throughout the factory was collected and stored separately and sent to recycling facilities. In 2022, the Company started sending mixed packaging waste generated at the Eskişehir factory, formerly sent with domestic waste, to a licensed recycling company under the mixed packaging code.

This resulted in 134,690 kg of waste being recycled.

As a result of sending recyclable waste to licensed companies and monthly zero waste notifications at the Eskişehir factory:

- The Company saved 6,592 trees, 969 m3 of storage space, 1,589,775 kWh of energy and 10,857 m3 of water and reduced greenhouse gas emissions by 68,632 kg annually by recycling paper/cardboard waste.
- The Company saved 373,231 liters of oil, 826,317 kWh of energy and 358 m3 of storage space while reducing greenhouse gases by 5,868 kg annually through recycling plastic waste.
- The Company saved 79 tons of raw materials, 39,162 kWh of energy and 183 m3 of storage space and reduced greenhouse gases by 5,795 kg annually by recycling metal waste.
- The Company saved 932 trees, 272 m3 of storage space, 425,963 kWh of energy, 1,535 m3 of water, 105,381 liters of oil and 35 tons of raw materials and reduced greenhouse gases by 12,475 kg annually by recycling mixed packaging waste.

In 2022, the Company aimed to collect all recyclable and recyclable waste at the Pınar Süt Şanlıurfa factory separately and send 100% of it to licensed recycling companies promptly.

All waste generated by production activities and personnel was collected separately at source by type and stored separately in the temporary storage-waste area, with designated waste codes. The Şanlıurfa factory, which has a waste management plan and temporary storage permit issued by the Provincial Directorate of Environment and Urban Planning, continued providing detailed waste management training by adding "zero waste management" to its annual environmental training program in 2022.

LOGISTICS OPERATIONS

Adopting the "Green Logistics" concept, Pınar Süt continues to improve its service quality by carrying out efficiency-oriented studies in logistics processes.

Pınar Süt continued its operations throughout the year with a logistics model based on more and faster transportation with less distance within the scope of its environmental sustainability vision. The measurement of the service quality and performance of third-party service provider companies from which logistics services are procured was also reported monthly in 2022, in line with the Lean 6 Sigma philosophy. In 2022, all logistics service providers' value chain's Sigma performance level was 3.50.

As a result of this approach, in the Dealer (Customer) Logistics Satisfaction Survey, in which approximately 100 dealers participated, Pınar Süt increased the satisfaction rate of logistics operations and the service provided to 93% in 2022.

Among the international shipments of the food business line of the Yaşar Group companies nationwide in 2022, the usage rate of RIG-type vehicles was 93% in durable shipments and 59% in refrigerated shipments. Due to the reverse logistics process of the Yaşar Group companies, the occupancy rate of vehicles assigned to return in 2022 operations was 96%. Compliance with Euro 4 and Euro 5 norms was ensured to keep the exhaust emissions of the fixed vehicle fleet shipped nationwide in check in 2022.



QUALITY-ORIENTED EFFORTS

Pınar Süt, which prioritizes quality in all areas from raw material supply to production and distribution to export, operates per international standards in all its business processes.

In 2022, the Company continued its continuous improvement efforts through visits to existing and potential suppliers and implementing corrective actions. From raw material procurement to final product delivery, food safety and quality management systems were maintained with a risk-based approach and continuous improvement activities.

All regulations directly related to food and indirectly related to the Company's field of activity were monitored, reviewed, reported and notified. Relevant departments took action in areas of concern. The Company aimed to increase regulatory knowledge by sharing information throughout the factory through periodic regulation agendas.

In parallel with annual plans, the Company provided its employees with basic training on management systems, especially food safety and quality management systems, food, hygiene and sanitation, allergen management, critical control points and EU and Russian Milk and Dairy Products Export Procedures.

Certificates and Documents

Pınar Süt, which certifies that it operates per international standards, has management system certificates in the fields of Quality, Environment, Food Safety, Energy Management and Occupational Health and Safety.

- TS EN ISO 9001 Quality Management System Certificate
- TSE FSSC 22000 Food Safety System Certificate
- TS EN ISO 14001 Environmental Management System Certificate
- TS ISO 45001 Occupational Health and Safety Management System Certificate
- 2012 TS EN ISO 50001 Energy Management System Certificate
- TSE Halal Certificate of Conformity
- TSE Covid-19 Safe Production Certificate
- TSE Product Certificate for UHT Milk and Butter
- Organic Product Production Certificate
- Zero Waste Certificate

SÜRDÜRÜLEBİLİR KALKINMA AMAÇLARIYLA UYUMLULUK

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Pınar Süt		✓	✓	✓	✓		✓	✓	✓			✓	✓				

PRODUCTIVITY-CENTERED EFFORTS

Pınar Süt, operating based on maximum efficiency by prioritizing the efficient use of natural resources in its production facilities, continued the development of technological and operational processes throughout the year. Pınar Süt continued to operate using the latest and most efficient methods at its production facilities with a consumer-oriented innovative approach. With the preliminary evaluation of production orders and optimization of production batch sizes, the Company ensured that all process and packaging lines ran efficiently.

Pursuing its activities in 2022 with an operational excellence approach, the Company continued offering consumers a wide range of products without compromising product quality and safety.

The Company carried out daily productivity measurements and analyses on all production lines. It continued to create action plans to eliminate those factors causing productivity losses and improve current values. The Operational Cost Improvement (OCI) system was recorded in a database. Productivity was increased with operational efficiency and digitalization-focused improvements. In this process, efforts to invest in automation and advanced robotics technology were carried out uninterrupted. By continuously improving product quality with its operational excellence approach, the Company continued to make its cost base even more competitive through increased efficiency.

Pınar Süt achieved significant improvements in cost reduction through projects implemented with the Operational Cost Improvement model. The Company, which offers employees the opportunity to turn their ideas into projects that eliminate disruptions related to their own business with this model, achieved significant cost improvements with projects and solutions commissioned upon executive approval. The realized projects were rewarded with encouragement. Employees at all levels, from operators to senior management, play an active role in operational excellence processes. All new employees completing the recruitment process are informed about the OCI system and its functioning during orientation so they can be directly involved in cost-improvement processes.

Corporate Social Responsibility

Pınar Süt which committed to its mission of raising "Healthy and Happy Generations" in line with Yaşar Group's principles, continues to invest in culture, arts, sports, and education to contribute to society.

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PINAR CHILDREN'S THEATER



Pınar Children's Theater, which has reached over three million children throughout Turkey free of charge in the 35 years since its establishment, aims to contribute to their cultural and personal development with each performance. Pınar Children's Theater, the first children's theater to have traveled to all 81 provinces of Turkey, has also served as an effective school introducing numerous celebrated actors to the art of theater.

Pınar Children's Theater could not perform the play "Oyun Makinesi" during the 2021-2022 academic year due to the pandemic. To compensate for this, a "2022



summer tour" was held in four locations, including Çivril-Denizli, Aslanapa-Kütahya, Alpu-Eskişehir and the central district of Eskişehir.

To increase the access of little theater lovers, the play "Oyun Makinesi" has been broadcast on Pınar's Youtube channel "Her Şey Çocuklarımız İçin" to delight theater lovers digitally. Meanwhile, Pınar Children's Theater's previous plays remain available for viewing on the "Her Şey Çocuklarımız İçin" YouTube channel.

INTERNATIONAL PINAR CHILDREN'S PAINTING CONTEST

The International Pınar Children's Painting Contest, organized to increase the interest of primary school children in the art of painting and to discover the painters of tomorrow, was held for the 41st time in 2022. In line with sustainability goals, the theme was determined as "The World Through My Eyes," and based



on these goals, the slogan of the painting contest was set as "Take action for the future; paint the world of your dreams."

Organized as an awareness-raising campaign, the Pınar Children's Painting Contest aimed to raise the awareness of students, teachers and parents on issues such as sustainability, climate and water crisis, plastic use, recycling, waste management and marine pollution and to encourage them to take action. To this end, information, news content and do-it-yourself videos on sustainability issues were shared on the website for contest applications.

In total, 9,144 paintings were submitted to the contest from Germany, the TRNC, the United Arab Emirates and Azerbaijan in the overseas category, from all across Turkey, including Special Education and Technical Schools and the Group itself. As a result of the evaluation of the Selection



Committee, 14 successful little painters in the competition were awarded tablets and professional painting materials and three students received a one-year scholarship through the Yaşar Education and Culture Foundation.

The results of the contest were announced at the award ceremony in Eskişehir.

Thirty-two paintings selected in the contest and 55 deemed worthy for exhibition by the jury were presented to visitors at the "Virtual Exhibition," opened for viewing on Pınar's website at www.pinar.com.tr. The video of the exhibition was broadcast on the 'Her Şey Çocuklarımız İçin' YouTube Channel. In addition to the "Virtual Exhibition" on the digital side, the awarded works were also exhibited at shopping centers of high visitor footfall in Izmir and Istanbul.

PINAR CHILDREN'S PAINTING WORKSHOP

Pınar Children's Painting Workshop welcomed little painters at ArtContact Istanbul held at the Yenikapı Dr. Mimar Kadir Topbaş Performance and Art Center between May 26-29, 2022. The Pınar Children's Painting Workshop encouraged children's interest in painting and children reflected their imagination in their paintings throughout the fair.

SUPPORT FOR SPORTS

The Pınar brand contributes to sports with its corporate culture approach focused on "social citizenship." Under the leadership of Yaşar Holding's Founder and Honorary Chairperson, Selçuk Yaşar, Pınar has been providing support to the Karşıyaka Basketball Team and thousands of little athletes playing sports in the youth academy as the main supporter since 1998. Having ensured that more than 25 thousand children engage in sports with its support for the youth academy, Pınar continues its initiatives on various sports branches in addition to basketball.

Pınar KSK

Pınar, the main sponsor of the Karşıyaka Basketball Team for 24 years, contributes to the team by supplying drinks in addition to its name sponsorship.

The Turkish Basketball Cup Championship, Turkish Basketball Presidential Cup Championship and Turkish Basketball League Championship are among the recent achievements of Pınar Karşıyaka, which supported these events integrate society, young people and children of Izmir through



sports and make İzmir the city of basketball. To this day, Pınar Karşıyaka has successfully represented our country in international organizations such as the Turkish Airlines EuroLeague, 7DAYS EuroCup, FIBA Champions League and FIBA Europe Cup.

The club continues its European campaign in the Basketball Champions League alongside the Türkiye Sigorta Basketball Super League in the 2022-2023 season. Pınar has contributed to the sports of more than 25 thousand children so far with the support given to the infrastructure of the Karşıyaka Basketball Branch.

Pınar Cup Tournament

The Pınar Cup Tournament, an annual tradition organized on behalf of Pınar Karşıyaka, was held on September 22-24, 2022, at İzmir Mustafa Kemal Atatürk



Karşıyaka Stadium. In addition to Pınar Karşıyaka, Fenerbahçe Beko and Ukrainian team Prometey competed fiercely in the Pınar Cup. The Pınar Karşıyaka Basketball Team, which also opened the season with the Pınar Cup, enjoyed the excitement of meeting its fans before the 2022-2023 season.

PINAR INSTITUTE

Pınar Institute, which develops projects to raise public awareness about food, health and nutrition issues and create awareness about quality of life, has continued its operations since 2013.

"Sütümüzün Geleceği Bilinçli Ellerde" Project

Quality and efficiency are crucial in the production of milk and dairy products. With this perspective, the "Future of Our Milk Is in Safe Hands" project, implemented to support healthy milk production, has been carried out by Pınar Institute since 2014 with public-university-industry cooperation. The project continues to provide training to increase the knowledge



and experience of milk producers.

The project aims to increase dairy farmers' knowledge of animal health, nutrition, correct milking practices and financial literacy and has reached more than 8,250 dairy farmers in 14 provinces since 2014.

The Company prepared the Annual Report for the Business Call to Action (BCtA) platform developed by the United Nations (UN) within the framework of its 2021 activities and submitted it to the UNDP in 2022.

Pınar Süt provided training on the dry forage period, calving, calf care and feeding in dairy farming in the Aslanapa district of Kütahya and Hatipkişla and Ömerler villages of Aydın. The Company also provided training on Correct Milking Practices and Financial Literacy in İstiklalbağı Village in the Sivrihisar district of Eskişehir.

Professional and Personal Capacity Building Program for Young Farmers

Efforts to improve agriculture and animal husbandry are becoming increasingly important worldwide. The United Nations declared the period of 2019–2028 to be the "Decade of Family Farming." As part of this, the Company initiated the "Professional and Personal Capacity Building Program for Young Farmers" in 2022. The Company looked for ways to support young farmers to ensure the sustainability of family farming. To this end, the Company investigated the motivations of young people to continue farming and identified their expectations. Research to reveal findings related to these topics was designed in 2022. The Company aimed to define the strategies that should be incorporated into relevant policies to ensure the continuity of young people in agricultural production and to identify their priorities for life in rural areas.

In March-April 2022, 113 young farmers between 18-40 were surveyed in 10 districts of İzmir, which was selected as the pilot region. The survey was conducted on-site by representatives of the Development Studies Application and Research Center (AKÇAM) of Ankara University, volunteer students from the Food and Agriculture Community of Yaşar University and Pınar Institute officials.

The project workshop, where the results of the research



on "Young Farmers' Perception of and Expectations from Sustainable Agriculture and Rural Life" conducted by Pınar Institute in cooperation with İzmir Provincial Directorate of Agriculture and Forestry and the Development Studies Application and Research Center (AKÇAM) Ankara University were announced, was held on October 12, 2022, in İzmir. "The Future of Young Farmers Workshop" was held as part of the event and participants listened to young farmers' expectations, wishes and thoughts regarding the industry.

Based on the survey results and the opinions received at the workshop, it was decided to develop an action plan to develop sustainable agriculture and livestock farming. Starting from the pilot regions selected after the planning stage, work will be carried out in social development, education and economy to support young farmers in Turkey. These efforts aim to socialize rural life, enable families to continue living in rural areas, increase the quality of products, create new markets, or diversify and strengthen existing ones. The project seeks to improve living standards in rural areas through training and activities.

Mobile Application for Dairy Farmers – Süt Uzmanı

The majority of dairy farms in Turkey are small-scale family farms. Raising the awareness level of small-scale producers regarding dairy farming practices is important for the industry's continuity and ensuring the desired criteria in milk quality.

In step with the digitalizing world, Pınar Süt launched the "Süt Uzmanı" mobile application under the leadership of Pınar Institute to support dairy farmers, increase their knowledge, encourage them to adopt correct animal husbandry practices and provide training to farmers who cannot be reached physically. Süt Uzmanı particularly encourages small-scale dairy farmers to prefer the right livestock farming practices, improve their well-being with increased income and boost their motivation to continue milk production.

Pınar Süt met with small-scale dairy farmers in and around Eskişehir in November-December 2022 and introduced the Süt Uzmanı mobile application first-hand. Information on the use of the application was provided with posters and brochures. The Company plans to visit villages to meet with farmers, promote the application and reach more small-scale dairy farmers.

Let's Move with Fun, Let's Eat Healthy

Advocating adopting a balanced and healthy diet as a lifestyle, Pınar Süt also values supporting physical



activity. The "Let's Move with Fun, Let's Eat Healthy" project, developed for this purpose, has been ongoing since 2016 to raise awareness among preschool children, their teachers and parents.

Upon completion of the project activities, the project team visited schools for monitoring and evaluation purposes to learn about teachers' contributions, wishes and suggestions regarding the project and to observe their work closely. Independent kindergartens in the Balıkesir and Çanakkale provinces, included in the project in the 2021-2022 academic year, were visited in June 2022. Teachers' opinions were received via interviews to improve and transform the project.

As part of the project implemented in cooperation with the General Directorate of Basic Education of the Ministry of National Education, a Trainer Training Event was held online on September 26, 2022, with all independent kindergarten teachers in Bursa and Bilecik in the fall semester of the 2022-2023 academic year. The Project Consultant and Head of the Department of Preschool Education, Department of Basic Education, Ege University, Assoc. Prof. Dr. Sibel Sönmez gave a presentation on "Sustainable Nutrition in Early Childhood Education," and Pediatric Dietitian Kader Atlı gave a presentation on "The Importance of Nutrition for Children." The presenters shared information with teachers participating in the training and introduced new training materials.

The project reached over 24,000 children through 546 teachers in 17 provinces between 2016 and the end of 2022.

New Research Paper

The research paper entitled "Nutritional Preferences of Preschool Children for Breakfast," produced as part of the project in 2022, was published in "Health & Research Journal."

Healthy Living Sessions

The talk sessions, held on different topics and with expert academics since 2018 to raise public awareness on food, health and nutrition issues and correct common misconceptions, continued online in 2022.

In August 2022, the Q&A video series featuring Prof. Dr. Gül Ergör, a faculty member at the Epidemiology Division, Department of Public Health, Faculty of Medicine, Dokuz Eylul University and a member of the Board of Directors of Pınar Institute, was shared with all employees on the informational screens at Pınar Süt's İzmir Factory, on Pınar Institute's YouTube channel and via e-mail.

In the video series, Ergör emphasized that a balanced and healthy diet is one of the most important elements of our daily lives. She stated that everyone should add physical activity to their lives and that this habit would help prevent chronic diseases and cancer.

SPECIAL PUBLICATIONS

Pınar Newspaper

Addressing issues such as nutrition, milk and meat technologies and livestock health, Pınar Newspaper is an important source of reference for farmers. The newspaper, including content such as farm interviews and news from Pınar, is sent to Pınar's business partners. The new issue of the quarterly published Pınar Newspaper and the entire archive can be found at www.pinar.com.tr.

Benim Pınarım

Benim Pınarım magazine is published quarterly for Company employees to strengthen communication and commitment within the organization. The magazine contains Company news, up-to-date information on employees, internal announcements and unique content.

Pınar'la Yaşam Social Media Accounts

Pınar provides useful and up-to-date information to families through mother-child communication via its Twitter, Instagram, Facebook accounts and YouTube channel. It also informs the youth on issues such as sports and environmental awareness.

Pınar, which also includes Social Responsibility and sustainability issues in its accounts, aims thus to bring together different target groups.

It supports the artistic development of children by organizing workshops for children on its Instagram accounts.

SPONSORSHIPS

Pınar Süt also supports events that promote the development of gastronomy and culinary culture in Turkey.

Events Participated in 2022:

- Gulfood 2022, February 13-17, 2022
- Yaşar University Summit 2022 Event, March 5-6, 2022
- 11th National Obesity Congress, March 3-6, 2022
- 20th Eskişehir Quality Festival, March 23, 2022
- Yaşar University 15th Logistics Days, April 7-8, 2022
- Pınar Karşıyaka Groundwork Children's Festival, April 24, 2022
- Çukurova University Industry Summit Dots to Lines Event, May 10 - 11, 2022
- Yaşar University Spring Festival, May 12-13, 2022
- Wings For Life, May 8, 2022
- Bornova Anatolian High School Ayran Day, May 15, 2022
- Üsküdar Color Run, May 15, 2022
- Yeditepe University Brain'22 Event, May 14-15, 2022
- Ministry of Agriculture and Forestry World Milk Day Event, June 1, 2022
- Creative Kids Festival, June 4-5, 2022
- 8th Ayvalık Music Festival, August 16-22, 2022
- 91st İzmir International Fair, September 2-12, 2022
- 22nd In Search of Excellence Symposium, October 5-6, 2022
- World Food Day Conference, October 17, 2022
- Symposium on Safe Food for Children, October 17-18, 2022
- 8th Sustainable Food Summit, October 18-19, 2022
- SIAL International Food Fair, October 15-19, 2022
- 10th International Congress on Maintenance Technologies, October 20-22, 2022
- Turkish Sailing Federation October 29th Republic Cup Races, October 28-30, 2022
- Velotürk Gran Fondo Çesme, November 5-6, 2022
- 3rd Eurasia Health 4.0 Summit, November 11, 2022
- Run to Nature in Urla, November 13, 2022
- Selçuk Yaşar Sports and Education Foundation Tennis Tournament for Ages 8-10, November 17-20, 2022
- Zumba Master Class, November 19, 2022
- 4th International Dairy and Livestock Industry Conference, November 24, 2022
- İzmir Agriculture Summit, December 5, 2022
- 6th Aegean Economic Forum, December 7-9, 2022

Awards

Pınar Süt also received several awards for its products and services in 2022.

”

2 Awards to Pınar from Generation Z

At the "Stars of Food" award ceremony organized by the Food and Healthy Nutrition Club of Yıldız Technical University, Pınar was named the "Star of Food" of 2022 in the Cheese and Milk categories.

Crescents and Stars of Packaging 2022 Silver Award

The "Pınar Süt New Fresh Cheese Lid" received the "Silver" award in the Food category at the "Crescents and Stars of Packaging Awards 2022" organized by the Packaging Manufacturers Association (ASD) for the tenth time this year.

Pınar Labneh and Pınar Cottage Cheese Awarded by German Agricultural Society (DLG)

The Pınar Labneh and Pınar Cottage Cheese products of Pınar, which has been offering healthy, delicious, innovative and high-quality products to consumers for 49 years for healthy and happy generations, were recognized with an award from the German Agricultural Society (Deutsche Landwirtschafts - Gesellschaft - DLG).

Turkey's Most Admired Companies Award

According to the results of the "Most Admired Companies in the business world" Survey prepared by Capital Magazine for ZENNA Research and Consulting, Pınar Süt became the most admired company in the "Milk and Dairy Products" category this year. The Most Admired Companies of the Business World survey was conducted with the participation of 1,980 executives representing over 600 companies from different industries. Turkey's most admired companies were determined based on the opinions of all business world representatives. In



contrast, the most admired companies in their respective sectors were identified by canvassing the opinions of professionals in the relevant sector.

Pınar Süt was named Turkey's most reputable dairy product brand.

Pınar Süt was named Turkey's most reputable brand in the dairy products category by Marketing Türkiye Magazine, the leading marketing platform of Turkey and the Turkish Reputation Academy.

"Excellent Taste Award" for Pınar Labneh from the United Kingdom

Pınar received the "Excellent Taste Award" presented by the "Guild of Fine Food" in the United Kingdom for its Pınar Labneh product. Organized since 1994, the award is based on grocery store product reviews.

Pınar Labneh with Dried Tomato received the Superior Taste Award in Europe!

The leading Turkish milk and dairy industry brand, Pınar received the "Superior Taste Award" from the International Taste Institute for its Labneh with Dried Tomato product with a high calcium content.

Milestones

Groundbreaking Industry Leader

- 1973**
 - Producers were provided with training services on bovine care, feeding, precautions against diseases and producing clean and high-quality milk before working with Pınar Süt.
 - Pınar Süt was established..
- 1975**
 - Turkey's first UHT milk and packaged dairy products were presented to consumers.
 - A dealership system was established to sell and distribute Pınar Süt products.
- 1976**
 - The first processed cheese and chocolate milk production started in Turkey.
- 1978**
 - Pınar Sliced Kashkaval and Pınar Cream Cheese were introduced to consumers.
- 1980**
 - Pınar Cheddar Cheese was produced.
- 1981**
 - The pioneering children's painting competition in Turkey, Pınar Children's Painting Competition, was organized for the first time.
- 1982**
 - Milk, cheese, butter, Yoghurt and strawberry milk products were exported to Central Europe, TRNC and the Middle East.
- 1983**
 - Pınar Yem was established to meet the high-quality feed requirement of producers.
 - In a first for Turkey, domestic mayonnaise was presented to consumers.
 - The production of the first pasteurized cheese (Pınar White) and whipped cream from powder products began.
 - Pınar Triangle Cheese was produced.
 - Yaşar Birleşik Pazarlama, Turkey's most significant sales, marketing and distribution company, was established to sell and distribute Pınar branded products.
- 1984**
 - Export of Pınar Labneh to Kuwait began.
- 1985**
 - Pınar Labneh was presented to consumers for the first time in Turkey.
- 1987**
 - Pınar Children's Theater was established.
- 1990**
 - The first fruit juice production was carried out.
- 1991**
 - The first pasteurized milk was produced in Turkey.
- 1992**
 - Pınar Yoghurt won the TSE Golden Packaging Award for its application of the first foil cover in Turkey.
- 1993**
 - Pınar became the first company in the Turkish food industry to receive TS ISO 9002 Quality Assurance Certificate.
- 1994**
 - Pınar Süt won the TSE Golden Packaging Award with its 10-liter kutupak packaging.
 - The Company obtained TS ISO 9001 Certification, marking a first for the industry.
- 1995**
 - The production of long-lasting fruit Yoghurt and ready-made desserts began.
 - Light and extra-light Yoghurt and light triangle cheese were introduced to the market.
- 1997**
 - The Pınar Süt Eskişehir factory was opened.
- 1998**
 - 100% Pure Fruit Juice was released to the market.
 - The Company's official sponsorship of the Pınar Karşıyaka Basketball Team began.
- 1999**
 - Denge branded products (lactose-free milk, calcium, vitamin A, D and E) were produced in Turkey for the first time.
- 2001**
 - The UHT milk aseptic bottle was produced for the first time.
- 2004**
 - TS 13001 HACCP Food Safety Management System Certificate was received.
- 2005**
 - Pınar Organic Milk, Turkey's first organic milk, was launched.
- 2008**
 - Lean 6 Sigma works were initiated as a first for the Turkish food industry.
 - Pınar Kid's Milk was launched.

- 2010**
 - Ballı Pınar Çocuk and Pınar Kahvaltı Keyfi White Cheese series were introduced to the market.
- 2011**
 - Gourmet Flavors Series Cheddar and Thyme-Olive Cream and Triangle Cheeses and Pınar Organic Yoghurt were launched.
- 2012**
 - Pınar Proselytizing was established for the food away from home consumption channel.
- 2013**
 - TS 18001 Occupational Health and Safety Management System and TS EN ISO 50001
 - Energy Management System Certificates were obtained.
 - The Company started to export milk and dairy products to Europe.
 - Pınar Institute was established to raise social awareness on food, health and nutrition.
- 2014**
 - Keyif cheeses and organic butter were launched.
- 2015**
 - The Pınar Süt Şanlıurfa Factory commenced operations.
 - Cottage Cheese was launched.
- 2016**
 - Pınar Go Cheese series and Pınar Aç-Bitir Sliced Cheeses were introduced to consumers.
- 2017**
 - The Pınar Protein product line was introduced to the market.
 - The Pınar Süt R&D Center was established.
- 2018**
 - Pınar Kefir was launched.
- 2019**
 - The Pınar Institute's "The Future of Our Milk Is in Safe Hands" project was included in the Impact Champions program by the United Nations Development Program (UNDP) Business Call to Action Platform.
- 2020**
 - Initial export to the People's Republic of China was completed.
 - Pınar Cafe Art series, Pınar Multi, Vitamin D Kido and Denge Vitamin D were introduced to the market.
- 2021**
 - Choco Labne, Pınar Protein Cottage Cheese, Pınar Beyaz Extra Soft, Pınar Denge Probiotic Yoghurt and Pınar Bardak Kefir were introduced to the market
- 2022**
 - Pınar Cheddar Cream Cheese was launched.

CORPORATE GOVERNANCE PRACTICES AND FINANCIAL INFORMATION

BOARD OF DIRECTORS

İdil Yiğitbaşı - Chairperson of the Board of Directors

İdil Yiğitbaşı completed her Bachelor's degree in Business Administration at Boğaziçi University in 1986 and her MBA at Indiana University in 1989. Yiğitbaşı, who started her career in Yaşar Group as an executive assistant in 1986, served as an Assistant System and Financial Analysis Coordinator between 1990-1995, the Coordinator of Pınar Food Group in 1995, the Vice President of Pınar Food Group between 1997-2001, the Vice President responsible for Pınar Food Group's Milk and Dairy Products between 1 February 2001 and 31 January 2006 and a Member of the Board of Directors in various Group companies. She served as the Vice Chairperson of the Board of Directors of Yaşar Holding between 2003-2009 and as the Chairperson of the Board of Directors of Yaşar Holding between 2009-2015. İdil Yiğitbaşı has been acting as the Vice Chairperson of the Board of Directors of Yaşar Holding and the Chairperson and member of the Board of Directors of Yaşar Group companies since April 2015. She is the Vice Chairperson of Selçuk Yaşar Sports and Education Foundation, a Member of the Board of Directors of the Yaşar Education and Culture Foundation, a Member of the Board of Directors of the Aegean Region Chamber of Industry (EBSO) and İzmir Culture, Art and Education Foundation (İKSEV), Member of the Foreign Economic Relations Board of Turkey's (DEİK) UK Business Council Executive Board, Member of the Advisory Board of the Aegean Young Businessmen Association (EĞİAD), Member of the Turkish Industry and Business Association (TÜSİAD), Member of the Turkish Dairy, Meat and Food Industrialists' and Producers' Association (SETBİR), Member of the Aegean Industry and Business Association (ESİAD), Member of the Family Businesses Association (TAİDER), Member of the Advertisers Association (RVD) and Member of the Corporate Governance Association of Turkey (TKYD).

E. Feyhan Yaşar - Vice Chairperson of the Board of Directors

Feyhan Yaşar started her career in 1978 at DYO, a Yaşar Group company. She then served in the Yaşar Group as a manager in the fields of finance and management. After Selçuk Yaşar became Honorary President, she assumed the position of Chairperson of the Yaşar Holding Board of Directors from 2004-2009. Feyhan Yaşar, who served on the Board of Directors of Group companies for many years, assumed the position of Deputy Chairperson of Yaşar Holding from 2014 to 2021. She became the Chairperson of the Board of Directors of Yaşar Holding as of January 2022. She also serves on the Boards of Directors of Group companies. Feyhan Yaşar, who has been active in many non-governmental organizations that support social development in the fields of education, culture and the arts and sports, as well as business life, is also the Vice Chairperson of the Yaşar Education and Culture Foundation Board of Directors and a Member of Selçuk Yaşar Sports and Education Foundation Board of Directors and the Trustee Board Member of Yaşar University. In addition to her business life, she served as a Member of the Board of Directors of TÜSİAD, Chairperson of the Beverage Industry Assembly of the Union of Chambers and Commodity Exchanges of Turkey (TOBB), Chairperson of the Danish Business Council of DEİK. She participated in the annual DAVOS meetings as a Member of the World Economic Forum (WEF). Currently, she is a member of the Executive Board of the United Arab Emirates Business Council of the Foreign Economic Relations Board (DEİK), a member of the EBSO Assembly, a member of the SEV Board of Trustees, a member of the Board of Trustees of the Bosphorus University Foundation and a member of TUSIAD, SETBİR and ESIAD. Feyhan Yaşar, who has been providing personal support to the Teos Ancient City excavations in Seferihisar, İzmir, carried out by the Ministry of Culture and Tourism since 2011 and has also been the Honorary Consul of Luxembourg since 2014. In May 2021, she was honored by the Grand Duchy of Luxembourg with the "Order of the Oak Crown" for her services. Feyhan Yaşar completed her undergraduate education at Boğaziçi University, Faculty of Administrative Sciences, Department of Business Administration and her Master's degree in the Department of Economics at Dokuz Eylül University. She speaks English and French.

Metin Akman - Independent Member of the Board of Directors

Born in 1966 in Ankara, Metin Akman received his Bachelor's degree from the Department of Business Administration of the Faculty of Economics and Administrative Sciences of METU in 1989 and a Master's degree from the Department of International Economic Law of the Faculty of Law of Bilkent University in 2013. Akman started his professional career at Unilever in 1989 and continued as an entrepreneur. As chairperson of the Board of Directors at Nutreco - Trouw Nutrition Turkey until 2019, Akman is currently a chairperson of the board of Directors at Yuniko, a joint venture company with Anaco egg products, Atilen and Schaffelaarbos based in the Netherlands. In addition, since 2019, Metin Akman has been a member of the Board of Trustees of Yaşar University and a member of the Board of Directors of Pınar Süt. He was elected as the Chairperson of the Board of Directors at YÜSAD, established in 2020 to increase the global competitiveness and sustainability of the Turkish egg industry. Believing in the importance of social development, Metin Akman actively contributes to the works of non-governmental organizations and sectoral associations that represent unity, volunteering, solidarity, and business life. Metin Akman, a member of TÜSİAD, TÜYEKAD, Hacettepe Nazmi Hosal Education Foundation, YUMBİR, IEC, and SKD, was elected a Member of the Board of Directors of TÜSİAD in 2014 and served until 2019. He is a corporate member of the United Nations Global Compact, a company of Anako Egg Products, of which he is Chairman of the Board of Directors. Akman, who also actively participates in international organizations, has been the President of the Business at the OECD Agriculture and Food Commission since 2014.

BOARD OF DIRECTORS

Yeşim Güra - Independent Member of the Board of Directors

Yeşim Güra completed her Bachelor's degree in Business Administration at Boğaziçi University in 1989 and her MBA at Indiana University in 1991 with a scholarship from TEV. Having started her career as a Financial Analyst at Procter & Gamble A.Ş. in 1991, Yeşim Güra served as Sales Finance Director, Finance Group Manager, Corporate Finance Director, Financial Analysis Director and Budget Planning Director. Güra, who held senior positions at Danone Hayat İçecek ve Gıda Sanayi A.Ş. between 2004 and 2017, was the General Manager of the company for eight years starting from 2009. Güra later served as the General Manager of Altıparmak Gıda A.Ş. ve Draeger Medikal ve Korunma Teknolojileri A.Ş. She was Vice Chairperson of the Board of Directors of Draeger Turkey and a Member of the European Leadership Team. Providing services as a strategic consultant in Turkey, Europe and the US since May 2020, Yeşim Güra currently works as a Business Coach and Senior Executive Coach under the European Commission's Innovation Program. She has been working as a Member of the Board of Directors appointed by IFC (International Finance Corporation) at Acibadem City Clinic BV since November 2021. Yeşim Güra is an IU Kelley School of Business Global Dean's Council member and a Board Member of YÜD (Board Members Association). She speaks English and French. Having received the Qualified Risk Director title awarded by the internationally accredited DCRO Institute in 2021, Yeşim Güra is the Regional Director for Turkey and Belgium and a member of the Advisory Board of this organization.

Yılmaz Gökoğlu - Member of the Board of Directors

Having completed his primary, secondary and high school education in Izmir, Yılmaz Gökoğlu graduated from the Department of Economics and Finance, Faculty of Political Sciences, Ankara University in 1977. From 1978 to 1982, he served as an Account Specialist at the Ministry of Finance. Yılmaz Gökoğlu, who left his position at the Ministry of Finance in 1983 to join the Yaşar Group as Assistant Financial Affairs Coordinator, worked as Assistant General Manager of Financial Affairs at Dyosad A.Ş. between 1988-1990 and Assistant General Manager of Financial Affairs at Tuborg A.Ş. between 1990-1995. Gökoğlu served as Audit Coordinator and Financial Affairs and Subsidiaries Coordinator at Yaşar Holding from 1995, Vice President of Financial Affairs and Subsidiaries from July 2000 and Vice President of Audit in addition to his current duties since April 2001. He was elected as a Member of the Board of Directors of Yaşar Holding in April 2007. He served as the Deputy Chairperson of the Board of Directors of Yaşar Holding between April 2009 and April 2014. Gökoğlu, who also serves as the General Secretary of the Boards of Directors at Yaşar Holding, is also a Board Member and Committee Member in Group companies. He is also a member of the Administrative Committee of the Yaşar Education and Culture Foundation. He is a Member of the Chamber of Chartered Accountants, Member of the Association of Account Specialists, Member of the Mülkiyeliler Association and Member of the Assembly of the Aegean Region Chamber of Industry. Yılmaz Gökoğlu holds Independent Auditor and Certified Public Accountant licenses.

Kemal Semerciler - Member of The Board of Directors

Kemal Semerciler was born in 1958. He completed his higher education at the Faculty of Economics and Administrative Sciences, Uludağ University. He started as an assistant inspector at Yapı Kredi Bank in 1981. He was a manager in the Financial Control and Budget, General Accounting and Financial Affairs departments from 1990-2003. He served as the Head of the Inspection Board from 2004 to 2006. From 2006-2008, Semerciler served as the Deputy General Manager of the Legislation Department. He worked as the General Manager Advisor at Yapı Kredi Bank between 2008-2009. During his tenure at Yapı Kredi Bank, he served as a Board of Directors member and an Auditor in numerous subsidiaries. Between March 2010 and March 2016, he served as a Board Member at Alternatifbank. Kemal Semerciler currently provides corporate governance, project finance and financial restructuring consultancy. He serves on the Boards of Directors of Yaşar Holding and several companies within Yaşar Group.

Mehmet Aktaş - Member of the Board of Directors

Mehmet Aktaş, who started his career as an Assistant Auditor in the Presidency of the Court of Accounts in 1983, joined the Ministry of Finance, Tax Inspectors Board in 1984 and was appointed Chief Accountant of the Ministry of Finance in 1994. He served as an Advisor to the State Minister Responsible for the Economy. In 1995, he left his duties in the state and joined Yaşar Group as Presidency Advisor. After holding various senior management positions within the Group, in 2000, he was appointed Vice Chairman of Strategic Planning, Budget and Corporate Finance. Appointed as Yaşar Holding's Chief Executive Officer (CEO) in July 2007, Mehmet Aktaş has served as a Board Member and the Chief Executive Officer (CEO) of Yaşar Holding since May 2009. Aktaş serves on the Board of Directors of Yaşar Group companies and the Tax Inspectors Foundation. He has been the Chairperson of the Food Working Group at TUSIAD since 2017. He is actively involved in the civil society activities of the economy world, holding memberships of TUSIAD, ESIAD, KOTEDER, TURKTRADE, the Turkish Exporters Assembly, the Mülkiyeliler Association and TURMOB. In addition, he holds Certified Public Accountant and Independent Auditor licenses. Mehmet Aktaş graduated from Ankara University, Faculty of Political Sciences in 1983, completed his Master's degree in the Department of Economics at Vanderbilt University in the USA in 1992 and received a Ph.D. in finance from the Faculty of Economics and Administrative Sciences at 9 Eylül University in 2003.

In Yaşar Group, of which the Company is also a member, it is possible that the members of the Board of Directors are also members of the Board of Directors of other Group companies and that various transactions between these companies can be evaluated within the scope of Article 395/1 of the TCC. However, the parties to the transactions that can be evaluated within this scope are only Group companies and necessary permissions are obtained at the general assembly of each company.

RISK MANAGEMENT, INTERNAL CONTROL SYSTEM and INTERNAL AUDIT ACTIVITIES

RISK MANAGEMENT

The scope of Corporate Risk Management activities to be applied to companies within the Yaşar Group, as well as working procedures and principles, have been determined within the framework of the Regulation. In this context, under which framework the risk management activities should be carried out, duties and responsibilities related to risk management, processes, reports, trust procedures and risk management terminology have been established.

At the Company, "Corporate Risk Management" has started to be implemented as a systematic process in which risks are defined, analyzed, controlled and monitored. This method can minimize the costs arising from unexpected adverse events and their effects on the asset values of our company.

Risk Management Policy of the Company

The Company's Board of Directors adopts risk management strategies to minimize the effect and possibility of risks that may affect all of the Company's stakeholders, primarily shareholders. It ensures that necessary actions are taken within this context.

Workings of the Early Detection of Risks Committee

The Early Detection of Risks Committee conducts its activities to detect the risks early on and create an effective risk management system.

The Committee monitors corporate risk management activities to create a prioritized risk inventory within the framework of risk management policy and procedures, determine appropriate risk strategies and monitor the results by taking the necessary actions and providing guidance.

Future Risks on Sales, Productivity, Income Generating Capacity, Profitability, Debt / Equity Ratio and Similar Issues

Within the framework of the risk management policy and procedures adopted throughout the Group, efforts are made to create a risk inventory in terms of all Company activities and to take the necessary actions.

In this context, the risks that the Company is exposed to

include:

- Standard definitions, policies and procedures, job descriptions and authorization structures for business processes constitute the internal control mechanism.
- Current controls for risks of great concern are reviewed in terms of their design and implementation and the most appropriate strategies and actions are determined,
- Action implementation results are monitored and,
- Results and possible developments are reported to and evaluated by the relevant units.

INTERNAL CONTROL MECHANISM AND INTERNAL AUDIT ACTIVITIES

Controls can be defined as all kinds of practices aimed at eliminating occurrences that may adversely affect the Company's achievement of its goals or reduce their impact and possibility of occurrence. Standard definitions, policies and procedures, job descriptions and authorization structures for business processes constitute the internal control mechanism. In this context, the management has established all control systems, including preventive/detective and remedial systems, for the Company to carry out its business activities effectively and efficiently.

Utilizing the internal control systems established within the company, the effectiveness and efficiency of operations, reliability of the financial reporting system, compliance with legal regulations and assurance on these issues are targeted. These control mechanisms also protect the Company's assets, reputation and profitability.

The Company's accounting system, public disclosure of financial information, independent audit and oversight of the operation and efficiency of the partnership's internal control system are essentially carried out by the Audit Committee established by the Company's Board of Directors.

While the Committee Responsible for Audits fulfills the function, the Audit Directorate of the Group uses the findings of the Independent Audit and Certified Public Accountancy organizations.

Within the scope of internal audit activities, the Company's existing risk management system's adequacy, effectiveness and efficiency of the internal control system are evaluated and suggestions are made for its improvement. In addition, the determination and implementation processes of the necessary actions for the determinations and suggestions within this scope are closely followed.

LEGAL DISCLOSURES

Information on the Extraordinary General Assembly Meetings Held During the Year, if any

The Company’s Ordinary General Meeting was held on March 29, 2022 and the decisions were implemented. There was no Extraordinary General Assembly Meeting held in 2022.

Affiliated Company Report

The conclusion part of the report prepared by the Board of Directors of our Company per Article 199 of the Turkish Commercial Code and explaining our relations with Controlling and Affiliated Partnerships are as follows;

Per Article 199 of the Turkish Commercial Code numbered 6102, which entered into force on 01 July 2012, the Board of Directors of our Company, within the first three months of the current year activity, is obliged to prepare a report on the relations of the Company with the controlling shareholder and affiliated companies of the controlling shareholder for the previous activity year and is required to include the conclusion part of this report in its Annual Report.

Necessary explanations about the business transactions our Company has entered into with the related parties are included in this report herewith. In this report prepared by the Board of Directors of the Company, in all transactions carried out with the controlling shareholder of the Company and the subsidiaries of the controlling partner in 2022, an appropriate counter-act in each transaction according to the state and conditions known to us at the time the transaction was made or else an action was taken or avoided to be taken. There are no measures taken or avoided to be taken that may cause damage to the Company and there is no action or measure that requires offsetting within this framework.

Grants and Donations

The Company can assist and donate to foundations, associations, universities and similar social organizations per the principles established by The Capital Market Board.

In 2022, the Company made donations and financial assistance in the amount of TRY 545,805 to various institutions and organizations.

Information Regarding Lawsuits Filed Against the Company That May Affect the Company’s Financial Status and Activities and Possible Consequences of Such Lawsuits

An explanation on the subject is included in footnote 14 of our financial statements drawn for 01.01.2022 – 31.12.2022.

Disclosures Regarding Administrative or Judicial Sanctions Imposed Against the Company and Members of the Management Body Due to Practices Deemed Contrary to the Legislative Provisions

No administrative or judicial sanctions are imposed on the Company and its management body members due to practices deemed contrary to the provisions of the legislation.

Amendments Made to the Articles of Association during the Period

There is no change in the Articles of Association.

Financial Benefits Furnished to Members of the Board of Directors and Senior Executives

Financial benefits furnished to the Chairperson and Members of the Board of Directors are determined per the Remuneration Policy posted on our website. The total wages and similar payments to senior executives are TRY 11,107,520.

Disclosures Regarding Independent and Public Audit During the Fiscal Period

An explanation on the subject is included in footnote 14 of our financial statements drawn for 01.01.2022 – 31.12.2022.

Statement on Company Equity

As of 31 December 2022, it is seen that the equity level of TRY 1,950,852,884 and the issued capital of TRY 44,951,051 are excessively protected.

Voting Rights and Minority Interests

The following privileges are available in nominating candidates for the Board of Directors in Article 8 of the Company’s Articles of Association:

“If the board of Directors consists of 5 people, 3 members of Group A, 1 member of Group B and 1 member of Group C are selected, if it consists of 7 people, 4 members of Group A, 2 members of Group B, 1 member of Group C are selected; if it consists of 9 people, 5 members of Group A, 3 members of Group B, 1 member of Group C are selected from among the candidates to be shown by shareholders.

If the board of Directors decides, the Managing Member can be elected. However, the Chairperson of the Board of Directors and the Managing Director are determined from Group A members.

Regarding the exercise of voting rights, no provisions in the Company’s Articles of Association prevent a non-shareholder from voting by proxy as a representative. Each share has one voting right. Article 23 of the Company’s Articles of Association, in which voting is regulated, is as follows:

“The votes to be used in the electronic General Assembly system are reserved and the vote at the General Assembly meetings is held openly and by a raising of hands. However, it is necessary to apply secret voting upon the request of those who own one-tenth of the capital represented by the present shareholders at the meeting.”
Regarding votes used by proxy, compliance is ensured with Capital Market Board regulations.

There is no company with which the Company is mutually affiliated.

Working Principles of the Board of Directors

The working principles of the Board of Directors are regulated in Article 10 of the Company’s Articles of Association. Accordingly:
The Board of Directors will convene as the Company’s business affairs require it to do so. However, it must convene at least once a month. The Board of Directors convenes with the majority of the total number of members and makes decisions with the majority of the members present at the meeting.”

Details regarding the working principles of the Board of Directors and the 2022 fiscal year are as follows:

The Board of Directors convened 77 times during the activity period. Usually, all members attend the meetings. Damages to be inflicted on the Company by the faults of the Members of the Board of Directors during their duties are insured to cover 25% of the capital.

The Number, Structure and Independence of the Committees Established within the Board of Directors

The Audit Committee, the Corporate Governance Committee and the Early Risk Detection Committee have been established in our Company.

The Corporate Governance Committee carries out the duties of the Nomination Committee and the Remuneration Committee. While fulfilling their activities, the Board of Directors Committees follow the working principles on the Company’s website.

Mr. Metin Akman is the Chairperson of the Audit Committee and Mrs. Yeşim GÜRA is a member of the Committee. Both members are non-executive, non-affiliated board members. Audit Committee meetings are held at least once every three months, at least four times a year. Within the scope of the committee activities, information on the operations of the Company and internal control systems were obtained from the Company executives. In contrast, audit findings were collected from the independent auditors. The Committee supervises the accounting system of the partnership, the disclosure of financial information to the public and the functioning and efficiency of the independent audit and internal control system. In addition, it carries out the selection of the independent audit firm, the preparation of the independent audit contract and the initiation of the independent audit process and the observance of the work of the independent audit firm. It informs the Board of Directors of the truthfulness and accuracy of the annual and interim financial statements to be disclosed to the public.

LEGAL DISCLOSURES

The Corporate Governance Committee's Chairperson is non-executive and independent board member Mrs. Yeşim Gura; Committee Members are non-executive and independent board member Mr. Metin Akman, non-executive board member Mr. Yılmaz Gökoğlu and the Director of the Investor Relations Department, Mr. Barış Kav. Corporate Governance Committee meetings are held at least once every three months, at least four times a year. The Corporate Governance Committee determines whether the Corporate Governance Principles are applied in the Company, why they are not implemented and the conflicts of interest arising from not fully complying with these principles and recommends the Board of Directors to take remedial measures. The Corporate Governance Committee oversees the work of the Investor Relations Department.

Within the scope of the duties of the Nomination Committee, the Corporate Governance Committee works on establishing a transparent system for determining, evaluating, training and rewarding candidates suitable for the Board of Directors and determining policies and strategies in this regard. In addition, it evaluates the candidate proposals for independent membership, including the management and shareholders, by considering whether the candidate meets the independence criteria and submits its evaluation to the Board of Directors for approval.

The Corporate Governance Committee determines the recommendations of the Board of Directors and senior executives regarding the remuneration principles, considering the Company's long-term goals within the scope of the Remuneration Committee's duties.

The Early Detection of Risks Committee is responsible for identifying risks that may endanger the Company's existence, development and continuation, taking necessary precautions regarding the detected risks and carrying out studies to manage risks properly. The Committee's Chairperson is a non-executive and independent board member Mr. Metin Akman and the Committee Members are Non-Executive and Independent Board Member Mrs. Yeşim Gura and Non-Executive Board Member Mr. Kemal Semerciler.

In the assessments made by the Board of Directors of the Company, it was determined that all committees of the Company were established per legislation, that activities were carried out effectively within the framework of the working principles previously established and published on our Company's website, that a sufficient number of meetings were held periodically during the year and that as a result of these meetings, it is ascertained that the Committee Responsible for Audits ensured the supervision of the Company's accounting system and financial information and the effectiveness of its public disclosure and regularly submitted its findings, opinions and suggestions on this subject to the Company's Board of Directors, that the Corporate Governance Committee made determinations about strengthening compliance with Corporate Governance Principles and submitted them to the Board of Directors together with their suggestions and that the Early Detection of Risks Committee reviewed the effectiveness of internal controls and risk management processes and the structure of early warning systems and models for risks, as well as identifying risks.

Strategic Objectives of the Company

The Board of Directors establishes corporate strategies and targets per the Company's vision, growth and profitability expectations. The principles that will guide the strategies above are determined by the senior management and the degree of achievement of the targets, activities and past performance is evaluated at monthly meetings.

Dividend Distribution Policy

The Profit Distribution Policy of Pınar Süt Mamulleri Sanayii A.Ş. for 2013 and subsequent years and prepared per Capital Market Legislation, was submitted for the approval of the Ordinary General Assembly of 2013 and disclosed to the public and the said information available on the Company's corporate website (www.pinar.com.tr) can be accessed in Turkish and English on the Investor relations page.

AGENDA

PINAR SÜT MAMULLERİ SANAYİİ A.Ş.

AGENDA OF THE ORDINARY GENERAL ASSEMBLY OF 2022 DATED 29 MARCH 2023

1. Opening and election of the Chairperson of the Meeting,
2. Authorizing the Meeting Chair to sign the General Assembly Meeting Minutes,
3. Reading, negotiating and approving the 2022 Annual Report prepared by the Company's Board of Directors,
4. Reading and discussing the Independent Audit Report for the fiscal year 2022,
5. Reading, negotiating and approving the Financial Statements for the fiscal year 2022,
6. Releasing the members of the Board of Directors from their duties for the Company's activities in 2022,
7. Submitting the selection of the Independent Audit Firm made by the Board of Directors for the approval of the General Assembly per Turkish Commercial Code and Capital Markets Board regulations,
8. Determining the number and terms of office of the Members of the Board of Directors, electing according to the determined number of members, determining the non-affiliated Board Members,
9. Under Article 408 of the Turkish Commercial Code, determining the wages of the Members of the Board of Directors and their rights such as per diem, bonuses and premiums,
10. Per Article 12 of Corporate Governance Communiqué numbered II-17.1 of the Capital Markets Board, providing information to the shareholders about the income and benefits obtained by the guarantees, pledges, mortgages and sureties given by our Company in favor of third parties,
11. Informing the shareholders about the donations made during the year and submitting the donation limit determined per Capital Market Legislation for the approval of the General Assembly,
12. Discussing and settling on the issue of year profit,
13. Allowing the Members of the Board of Directors to make transactions per Articles 395 and 396 of the Turkish Commercial Code,
14. Wishes and opinions, closing.

DECLARATION OF NON-AFFILIATION

As a non-affiliated candidate for the Board of Directors at PINAR SÜT MAMULLERİ SANAYİİ A.Ş. (the "Company")

- There is no employment relationship in the managerial position that had undertaken important duties and responsibilities in the past five years and there is no joint or sole ownership of more than 5% of the capital or voting rights or privileged shares and no significant commercial relationship has been established between me, my spouse and my relatives up to the second degree by blood and marriage; with the Company, partnerships that possess or have a significant influence on the management control of the company and partners who possess or have a significant influence on the management control of the Company, as well as legal entities over which these partners have management control,
- In the past five years, I have not been a shareholder (5% or more), employed in a managerial position to assume important duties and responsibilities, or a member of the Board of Directors of companies in which the Company purchases or sells services or products to a significant extent within the framework of agreements entered during the periods when services or products are purchased or sold, nor have I partaken in the audit (including tax audit, legal audit, internal audit) being in the first place, rating and consultation activities of the Company,
- I have the professional education, knowledge and experience to fulfill the duties I will undertake due to being an independent board member,
- I am not, after being elected, working full-time as a member in public institutions and organizations, except as a university lecturer, provided that it is per the legislation I am bound with,
- I am deemed to be residing in Turkey according to Income Tax Law No. 193 dated 31/12/1960,
- I have strong ethical standards, professional reputation and experience that can contribute positively to the activities of the Company, maintain my impartiality in conflicts of interest between the Company and shareholders and make decisions freely taking into account the rights of the stakeholders,
- I will be able to devote time to Company affairs to the extent that would enable me to follow the functioning of the Company activities and fully fulfill the requirements of the tasks I have undertaken,
- I have not served as a member of the Company's Board of Directors for more than six years in total within the past ten years,
- I have not served as an independent board member in more than three of the companies controlled by the Company or its shareholders who have management control and in more than five of the companies listed on the stock exchange in total,

"I have not been registered and declared in my name as the legal person elected as a member of the Board of Directors, and hence I am capable of fulfilling my duty as an independent member of the Company's Board of Directors.
Respectfully Yours,

Metin AKMAN



DECLARATION OF NON-AFFILIATION

As a non-affiliated candidate for the Board of Directors at PINAR SÜT MAMULLERİ SANAYİİ A.Ş. (the "Company")

There is no employment relationship in the managerial position that had undertaken important duties and responsibilities in the past five years and there is no joint or sole ownership of more than 5% of the capital or voting rights or privileged shares and no significant commercial relationship has been established between me, my spouse and my relatives up to the second degree by blood and marriage; with the Company, partnerships that possess or have a significant influence on the management control of the company and partners who possess or have a significant influence on the management control of the Company, as well as legal entities over which these partners have management control,

- In the past five years, I have not been a shareholder (5% or more), employed in a managerial position to assume important duties and responsibilities, or a member of the Board of Directors of companies in which the Company purchases or sells services or products to a significant extent within the framework of agreements entered during the periods when services or products are purchased or sold, nor have I partaken in the audit (including tax audit, legal audit, internal audit) being in the first place, rating and consultation activities of the Company,
- I have the professional education, knowledge and experience to fulfill the duties I will undertake due to being an independent board member,
- I am not, after being elected, working full-time as a member in public institutions and organizations, except as a university lecturer, provided that it is per the legislation I am bound with,
- I am deemed to be residing in Turkey according to Income Tax Law No. 193 dated 31/12/1960,
- I have strong ethical standards, professional reputation and experience that can contribute positively to the activities of the Company, maintain my impartiality in conflicts of interest between the Company and shareholders and make decisions freely taking into account the rights of the stakeholders,
- I will be able to devote time to Company affairs to the extent that would enable me to follow the functioning of the Company activities and fully fulfill the requirements of the tasks I have undertaken,
- I have not served as a member of the Company's Board of Directors for more than six years in total within the past ten years,
- I have not served as an independent board member in more than three of the companies controlled by the Company or its shareholders who have management control and in more than five of the companies listed on the stock exchange in total,

"I have not been registered and declared in my name as the legal person elected as a member of the Board of Directors, and hence I am capable of fulfilling my duty as an independent member of the Company's Board of Directors.
Respectfully Yours,

Yeşim GÜRA



PROPOSAL FOR PROFIT DISTRIBUTION

At the Board of Directors Meeting of our company dated 03.03.2022:

Commercial Code, Capital Markets Legislation, Corporate Tax, Income Tax and other legal regulations, the articles of our Articles of Association regarding profit distribution and our Dividend Distribution Policy; per financial tables audited independently and prepared per our Company’s Capital Markets Board II-14.1 Communiqué and based on Turkey’s Accounting Standards, the General Legal Reserve has not been allocated from TRY 380,276,821, that is a net term profit of 2022, due to reaching the legal limit and net distributable profit for the period has been calculated as TRY 380,276,821.

Over the calculated distributable profit, in line with CMB regulations, and by taking into account donations amounting to TRY 545,805, the distribution of the First Dividend to the Shareholders of TRY 76,164,525, corresponding to 20% of the distributable profit, to the allocation of the Board of Directors, not exceeding 5% in the articles of association, and over the remaining amount, the first dividend and the total net amount of our nominal issued capital (TRY 44,951,051) Distribution of Second Dividend to the Shareholders of TRY 59,138,139 (total net amount of the First and Second Dividend TRY 121,772,398), the total net amount of which meets 270.9% of our nominal issued capital, allocation of the General Legal Reserve Fund of TRY 6,129,126 and the remainder it has been proposed that the issue of allocating the entire amount as Extraordinary Reserve Fund be submitted for the approval of the Ordinary General Assembly.

For each share traded on the stock exchange with a nominal value of TRY 1, a net cash dividend of TRY 2.7090 will be paid.

Kindly submitted for your information.

Respectfully yours,

PINAR SÜT MAMULLERİ SANAYİİ A.Ş.

DIVIDEND DISTRIBUTION TABLE

1.	Paid-in / Issued Capital	44,951,051	
2.	General Legal Reserve Fund (According to Legal Records)	72,274,894	
If there is a privilege in profit distribution in accordance with the articles of association, information on the said privilege			
		According to the CMB	According to Legal Records (LR)
3.	Term Profit	338,385,388	186,418,586
4.	Taxes (-)	41,891,433	(11,253,985)
5.	Net Profit For The Term (=)	380,276,821	175,164,601
6.	Previous Years' Losses (-)		
7.	General Legal Reserve Fund (-)		
8.	NET DISTRIBUTABLE PERIOD PROFIT (=)	380,276,821	175,164,601
9.	Donations Made During the Year (+)	545,805	
10.	Net Distributable Term Profit with Donations Added	380,822,626	
11.	First Dividend to Partners		
	- Cash	76,164,525	
	- Bonus		
	- Total	76,164,525	
12.	Dividend Distributed to Privileged Shareholders		
13.	Other Dividend Distributed		
	- To the Members of the Board of Directors	15,205,000	
	- To Employees		
	- To Persons Other Than Shareholders	8,667,000	
14.	Dividend Distributed to Dividend Right Certificate Holders		
15.	Second Dividend to Shareholders	59,138,139	
16.	General Legal Reserve Fund	15,692,711	
17.	Status Reserves		
18.	Special Reserves		
19.	EXTRAORDINARY RESERVE	205,409,446	297,226
20th	Other Resources Planned to be Distributed		
21	General Legal Reserves Allocated for Other Resources Planned to be Distributed		

DIVIDEND SHARE RATES TABLE

NET	GROUP	TOTAL DIVIDEND DISTRIBUTED		TOTAL DIVIDEND DISTRIBUTED / NET DISTRIBUTABLE PERIOD PROFIT	DIVIDEND FOR SHARE WITH TRY 1 NOMINAL VALUE	
		CASH (TRY)	BONUS SHARE (TRY)	RATE (%)	AMOUNT (TRY)	RATE (%)
	There is no privileged share group in the profit.	121,772,398		32.02%	2.7090	270.90
	TOTAL	121,772,398		32.02%	2.7090	270.90

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES OF PINAR SÜT MAMULLERİ SANAYİİ A.Ş.

a) PINAR SÜT MAMULLERİ SANAYİİ A.Ş. (The “Company”) complied with all mandatory articles of Corporate Governance Principles in the annex of Corporate Governance Communiqué numbered II-17.1 published by the Capital Markets Board (CMB) during the operating period that ended on December 31, 2022.

b) Our Company strives to comply fully with the non-compulsory principles of Corporate Governance Principles. The justifications based on non-mandatory principles that have not been implemented are explained below; as of the current date, these issues are not considered to cause a significant conflict of interest.

The explanations to be made by our Company per Article 8 of the Corporate Governance Communiqué regarding the non-compulsory corporate governance principles that have yet to be complied with are presented below, per each principle:

1.3.11. There is no clause in the Articles of Association of our Company regarding the participation of the beneficiaries and the media in the General Assembly. Independent audit firm officials and corporate governance rating agency officials also attend our General Assembly meetings and no request for participation from other stakeholders and the media has reached our Company.

1.5.2 In line with general practices, rights have been granted to the minority within the framework of the provisions of general regulations. Within the context of our Company’s capital structure and free float ratio, the practice is foreseen to continue.

4.3.9 No policy has been established for the rate of female members on the Company’s Board of Directors, but there are currently three female members on our Board of Directors.

4.4.7 The Members of the Board of Directors of our Company are not restricted from taking on other duties beyond the Company and the duties of the Board of Directors beyond the Company are presented to the shareholders by inclusion in the Annual Report.

4.5.5 There are two Independent Members on the Board of Directors of our Company and one Member of the Board of Directors serves on more than one committee. The fact that the Members of the Board of Directors serve on more than one committee increases the possibility of communication and cooperation between the committees.

4.6.1 There is no performance evaluation system for the Board of Directors.

4.6.5 In line with general practices, the remuneration of the Members of the Board of Directors and managers with administrative responsibilities are disclosed collectively in the Annual Report.

The 2022 Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF), prepared per CMB Decision No. 2/49 dated 10.01.2019, are separately disclosed on the public and corporate website of the Public Disclosure Platform (www.kap.gov.tr). Related documents can also be accessed from our Company’s Corporate Governance page found on the Public Disclosure Platform website (https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1059-pinar-sut-mamulleri-sanayii-a-s).

The Sustainability Principles Compliance Report, which was prepared per the format specified by the CMB’s Communiqué on the Amendment of the Corporate Governance Communiqué (II-17.1) of October 2, 2020 (II-17.1.a) and the addition of Sustainability Principles and the Decision No. 34/977 dated June 23, 2022, is included in the Annual Report (pages 66-71) and is also disclosed to the public on our Company’s corporate website (www.kap.gov.tr). The relevant report can also be accessed from our Company’s Corporate Governance page found on the Public Disclosure Platform website (https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1059-pinar-sut-mamulleri-sanayii-a-s).

SUSTAINABILITY COMPLIANCE REPORTING

		COMPLIANCE STATUS					
If the compliance status is "Yes" or "Partially", the report information/link regarding the information disclosed to the public should be included. Explanations regarding compliance with the principles are presented under the "Explanation" column. The extent to which the requested information is presented on a consolidated or solo basis should be indicated in the "Explanation" column.							
	PRINCIPLES	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	REPORTING STATUS ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER SHOULD ALSO BE SPECIFIED)/LINK
	A. General Principles						
	A1. Strategy, Policies and Targets						
A1.1	The Board of Directors determines material environmental, social and governance (ESG) issues, risks and opportunities.	✓				The 2021 Sustainability Report of Yaşar Holding covers the sustainability performance of 10 Group companies between 1 January 2021 and 31 December 2021. This report, which includes Pınar Süt, was prepared to share the approach, strategies, activities and performance results on sustainability with stakeholders.	Yaşar 2021 Sustainability Report, Sustainability Approach and Management (Pages 24-33) Risk Management (Pages 58-59, 60-61) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
	The Board of Directors establishes relevant ESG policies (e.g., Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) and they are publicly disclosed.	✓				Our strategies and targets are determined within the framework of the Yaşar Group Sustainability Policy and Company policies.	Yaşar 2021 Sustainability Report, Sustainability Management (Page 26) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt Website https://www.pinar.com.tr/hakkimizda/detay/Yone-tim-Sistemleri-Politika-si/2925/3350/0
A1.2	The Company publicly discloses short- and long-term goals set according to ESG policies.			✓		The goal of becoming carbon neutral by 2050 has been disclosed to the public.	Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
	A2. Implementation/Monitoring						
A2.1	The Company determines and discloses the committees/units responsible for the execution of ESG policies and the highest level positions in charge of ESG issues at the Company and their duties.	✓					Yaşar 2021 Sustainability Report, Sustainability Management (Page 29) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
	The responsible committee and/or unit reports the activities carried out per the policies during the year at least once a year to the Board of Directors.	✓					Yaşar 2021 Sustainability Report, Sustainability Management (Page 29) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
A2.2	The Company creates and discloses implementation and action plans aligned with ESG targets.	✓					Yaşar 2021 Sustainability Report, Caring for Society (Pages 108-171), Caring for the Environment (Pages 180-235) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
A2.3	The Company discloses ESG Key Performance Indicators (KPI) and the degree of their achievement by year.	✓					Yaşar 2021 Sustainability Report (Pages 187, 202-205, 216-219) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2
A2.4	The Company discloses efforts for improving sustainability performance with respect to work processes or products and services.	✓					Yaşar 2021 Sustainability Report, (Pages 48, 72, 112, 123-127) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
	A.3 Reporting						
A3.1	Faaliyet raporlarında ortaklığın sürdürülebilirlik performansına, hedeflerine ve eylemlerine ilişkin bilgi anlaşılabilir, doğru ve yeterli bir şekilde verilmiştir.	✓					Yaşar 2021 Sustainability Report https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)

SUSTAINABILITY COMPLIANCE REPORTING

		COMPLIANCE STATUS					
If the compliance status is "Yes" or "Partially", the report information/link regarding the information disclosed to the public should be included. Explanations regarding compliance with the principles are presented under the "Explanation" column. The extent to which the requested information is presented on a consolidated or solo basis should be indicated in the "Explanation" column.							
	PRINCIPLES	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	REPORTING STATUS ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER SHOULD ALSO BE SPECIFIED)/LINK
A3.2	The Company provides information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities relate to.	✓					Yaşar 2021 Sustainability Report, Compliance with Sustainable Development Goals (Pages 27-28) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
A3.3	The Company makes disclosures regarding the lawsuits filed and/or concluded against the Company on account of ESG issues, which are material with respect to ESG policies and/or have a material impact on operations.	✓				Information on material lawsuits filed against the Company is provided under the legal disclosures in the Annual Report.	Pınar Süt 2022 Annual Report, Legal Disclosures (Page 58)
	A4. Verification						
A4.1	ESG Key Performance measurements are verified by an independent third party and publicly disclosed.			✓		Corporate governance is rated annually by independent organizations based on corporate governance principles. Although environmental and social sustainability efforts and sustainability performance monitoring are carried out, independent third-party verification is not performed on the data.	Yaşar 2021 Sustainability Report, Corporate Governance (Page 54) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Senior Management and Committees (Page 6)
	B. Environmental Principles						
B1	The Company publicly discloses its environmental management policy and practices, action plans, environmental management systems (known by ISO 14001 standard) and programs.	✓					Yaşar 2021 Sustainability Report (Pages 60-61, 118-121) Caring for the Environment (Pages 180-235) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
B2	The Company publicly discloses the limitations over the reporting scope, reporting period, reporting date and reporting conditions of the environmental reports to be prepared for providing environmental management information.	✓					Yaşar 2021 Sustainability Report, About the 2021 Sustainability Report (Pages 6-7) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
B3	Stated in A2.1.						
B4	The Company discloses the environmental targets included in rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (board members, executives, employees and so on).			✓			Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
B5	The Company discloses how environmental issues identified to be material are integrated into business goals and strategies.	✓					Yaşar 2021 Sustainability Report, Caring for the Environment (Pages 180-235) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
B6	Stated in A2.4.						
B7	The Company discloses how it manages environmental issues throughout the Company's value chain, including suppliers and customers, so as to cover the operation process as well and how they are integrated into its business goals and strategies.	✓					Yaşar 2021 Sustainability Report, Caring for Business Partners (Pages 172-179), Caring for the Environment (Pages 180-235) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45), Strong Cooperation with Suppliers Page (Pages 22-23)

SUSTAINABILITY COMPLIANCE REPORTING

		COMPLIANCE STATUS					
If the compliance status is "Yes" or "Partially", the report information/link regarding the information disclosed to the public should be included. Explanations regarding compliance with the principles are presented under the "Explanation" column. The extent to which the requested information is presented on a consolidated or solo basis should be indicated in the "Explanation" column.							
	PRINCIPLES	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	REPORTING STATUS ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER SHOULD ALSO BE SPECIFIED)/LINK
B8	The Company discloses whether it is involved in policy-making processes on environmental issues of relevant institutions and non-governmental organizations and its collaborations with these institutions and organizations, if any.	✓					Yaşar 2021 Sustainability Report, Stakeholder Dialogue (Pages 62-65) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
B9	The Company periodically reports information about its environmental impacts comparatively in the light of environmental indicators; GHG emissions Scope-1 (Direct), Scope-2 (Indirect from purchased energy), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity implications).			✓		Pınar Süt's works on reducing greenhouse gas emissions, water footprint calculations, energy efficiency and waste management are included in the Yaşar Sustainability Report. Scope 1 and Scope 2 calculations are being performed and Scope 3 calculation studies are continuing.	Yaşar 2021 Sustainability Report (Pages 187, 202-205, 216-219) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2
B10	The Company discloses the standard, protocol, methodology and baseline year details used to collect and calculate its data.	✓					Yaşar 2021 Sustainability Report, About the 2021 Sustainability Report(Pages 6-7) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
B11	The Company publicly discloses the status of environmental indicators for the reporting year (increase or decrease) in comparison with previous years.	✓					Yaşar 2021 Sustainability Report (Pages 187, 202-205, 216-219) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2
B12	The Company sets short and long-term goals to reduce its environmental impact and discloses these goals and the progress, if any, as compared to the targets set in previous years.			✓		Pınar Süt sets and monitors its targets to reduce environmental impact and discloses relevant data. Efforts are underway to set scientific targets.	Yaşar 2021 Sustainability Report (Pages 187, 202-205, 216-219) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
B13	The Company discloses its strategy and actions to combat the climate crisis.	✓					Yaşar 2021 Sustainability Report, Climate Change and Energy Management (Pages 184, 187) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
B14	The Company creates and discloses its programs or procedures to prevent or minimize the potential negative impacts of the products and/or services it offers.	✓					Yaşar 2021 Sustainability Report (Page 124-127, 187, 202-205, 216-219) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Page 38-45)
	The Company takes and explains its actions for driving reduction of GHG emission quantities of third parties (e.g., suppliers, sub-contractors, dealers, etc.).			✓		Supplier evaluations and audits take into account environmental impacts.	Yaşar 2021 Sustainability Report İş Ortaklarına İyi Bakmak (Page 172-179) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Page 38-45) Tedarikçilerle Güçlü İş Birliği (Page 22-23)
B15	The Company discloses the total number of actions taken, projects carried out and initiatives undertaken to mitigate its environmental impacts, along with the benefits/revenues and cost savings they provide.	✓					Yaşar 2021 Sustainability Report (Page 48, 126-127, 187, 202-205, 216-219) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Page 38-45)
B16	The Company reports energy consumption data (gas, diesel oil, fuel oil, LPG, coal, electricity, heating, cooling, etc.) and discloses its energy consumption as Scope-1 and Scope-2.	✓					Yaşar 2021 Sustainability Report İklim Değişikliği ve Enerji Yönetimi (Page 187) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2
B17	The Company discloses information about the electricity, heat, steam and cooling generated during the reporting year.			✓		A certain portion of the steam is produced and included in total emissions.	Yaşar 2021 Sustainability Report İklim Değişikliği ve Enerji Yönetimi (Page 187) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2

SUSTAINABILITY COMPLIANCE REPORTING

		COMPLIANCE STATUS					
If the compliance status is "Yes" or "Partially", the report information/link regarding the information disclosed to the public should be included. Explanations regarding compliance with the principles are presented under the "Explanation" column. The extent to which the requested information is presented on a consolidated or solo basis should be indicated in the "Explanation" column.							
	PRINCIPLES	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	REPORTING STATUS ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER SHOULD ALSO BE SPECIFIED)/LINK
B18	The Company conducts and discloses studies on increasing the use of renewable energy, transition to zero or low carbon electricity.			✓		The Company is working on the transition to low-carbon electricity. Feasibility studies are ongoing within the scope of renewable energy.	Yaşar 2021 Sustainability Report (Page 39) Climate Change and Energy Management (Pages 184, 187) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2
B19	The Company discloses data on its renewable energy generation and consumption.		✓			No renewable energy source was used within the relevant reporting period.	
B20	The Company develops energy efficiency projects and discloses the quantity reduced in energy consumption and emission enabled by these efforts.	✓					Yaşar 2021 Sustainability Report (Page 39) Environment, Climate Change and Energy Management (Pages 182-184, 187, 191) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
B21	The Company reports the amount of underground or over ground water withdrawn, recycled and discharged the resources and procedures.	✓					Yaşar 2021 Sustainability Report, Water and Wastewater Management (Pages 202-205) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2
B22	The Company discloses whether its operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade, or Carbon Tax).		✓			The Company does not participate in any carbon trading system.	
B23	The Company discloses the carbon credits saved or purchased during the reporting period.		✓			No carbon credit was used within the relevant reporting period.	
B24	The Company discloses the details if carbon pricing is applied within the Company.		✓				
B25	The Company discloses the platforms on which it reports its environmental information.	✓					Pınar Süt 2022 Annual Report, Sustainability Approach (Pages 38-45)
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	The company develops a Company Human Rights and Employee Rights Policy, which pledges full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other applicable legislation and discloses the policy and the roles and responsibilities associated for its implementation.	✓					Yaşar 2021 Sustainability Report (Page 7, 29, 56-57, 78-87, 100-101) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Pınar Süt Family (Page 34-36)
C1.2	The Company incorporates equitable workforce, improvement of working standards, women's employment and inclusion (not discriminating on the basis of gender, race, religion, language, marital status, ethnicity, sexual orientation, gender identity, family responsibilities, union activities, political affiliation, disabilities, social and cultural differences, etc.) in its policy concerning employee rights, while looking out for the effects of supply and value chain.	✓					Yaşar 2021 Sustainability Report (Page 78-87, 172-179) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Pınar Süt Family (Page 34-36) Sustainability Approach (Page 38-45) Pınar Süt Investor Relations Website, Yaşar Group Business Ethics Rules https://yatirim.pinar.com.tr/UserFiles/YasarToplulugulsEtigiKurallari-2021.pdf
C1.3	The Company discloses the measures taken throughout the value chain for protecting the rights of groups sensitive to certain economic, environmental, social factors (low-income groups, women, etc.) or for securing minority rights/equal opportunity.	✓					Yaşar 2021 Sustainability Report (Page 41, 78-87) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Pınar Süt Family (Page 34-36)

SUSTAINABILITY COMPLIANCE REPORTING

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	PRINCIPLES	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	REPORTING STATUS ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER SHOULD ALSO BE SPECIFIED)/LINK
C1.4	The Company reports on progress in relation to actions for preventing and remedying discrimination, inequality, human rights violations, forced labor and child labor.	✓					Yaşar 2021 Sustainability Report (Pages 78-87) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Pınar Süt Family (Pages 34-36) Pınar Süt Investor Relations Website, Yaşar Group Business Ethics Rules https://yatirim.pinar.com.tr/UserFiles/YasarToplulugulsEtigiKurallari-2021.pdf
C1.5	The Company incorporates investments in employees (training, development policies), employee compensation, fringe benefits granted, the right to unionize, work/life balance solutions and talent management in its policies concerning employee rights.	✓					Yaşar 2021 Sustainability Report (Pages 78-87, 88-89) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Pınar Süt Family (Pages 34-36)
	The Company determines the mechanisms for resolution of employee complaints and labor disputes and establishes conflict resolution processes.	✓					Yaşar 2021 Sustainability Report (Pages 56-57, 78-87) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Pınar Süt Family (Pages 34-36) Pınar Süt Investor Relations Website, Yaşar Group Business Ethics Rules https://yatirim.pinar.com.tr/UserFiles/YasarToplulugulsEtigiKurallari-2021.pdf
	The Company discloses the activities for ensuring employee satisfaction during the reporting period.	✓					Yaşar 2021 Sustainability Report (Pages 78-87, 88-89) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Pınar Süt Family (Pages 34-36)
C1.6	The Company establishes and discloses occupational health and safety policies.	✓					Yaşar 2021 Sustainability Report (Pages 94-96, 100-101) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Pınar Süt Family (Pages 34-36)
	The Company discloses the measures adopted for preventing workplace accidents and for protecting occupational health, along with statistical data on accidents.	✓					Yaşar 2021 Sustainability Report (Page 94-96, 100-101, 241) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Pınar Süt Family (Page 34-36)
C1.7	The Company establishes and discloses personal data protection and data security policies.	✓					Pınar Süt Web Sitesi https://www.pinar.com.tr/hakkimizda/detay/KVKK/3589/4781/0
C1.8	The Company establishes and discloses a code of ethics.	✓					Yaşar 2021 Sustainability Report (Page 56-57) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt Investor Relations Website, Yaşar Group Business Ethics Rules https://yatirim.pinar.com.tr/UserFiles/YasarToplulugulsEtigiKurallari-2021.pdf

SUSTAINABILITY COMPLIANCE REPORTING

		COMPLIANCE STATUS					
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	PRINCIPLES	YES	NO	PARTIALLY	IRRELEVANT	EXPLANATION	REPORTING STATUS ON PUBLICLY DISCLOSED INFORMATION (PAGE NUMBER SHOULD ALSO BE SPECIFIED)/LINK
C1.9							
C1.10	The Company organizes information meetings and training programs on ESG policies and practices for employees.	✓					Yaşar 2021 Sustainability Report (Page 38, 79, 85, 88-89) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Pınar Süt Family (Page 34-36) Sustainability Approach (Page 38-45)
C2. Stakeholders, International Standards and Initiatives							
C2.1	The Company establishes and discloses a customer satisfaction policy for handling and resolving customer complaints.	✓					Yaşar 2021 Sustainability Report (Page 135-136) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Pınar Süt Consumers and Customers (Page 28-32)
C2.2	The Company discloses information about the communication maintained with stakeholders (which stakeholders, topics and frequency).	✓					Yaşar 2021 Sustainability Report Stakeholder Dialogue (Page 62-65) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt Investor Relations Website, Corporate Governance, Information Policy https://yatirim.pinar.com.tr/yatirim.aspx?dil=QkF-pL2NvY3FIODkwZVpkU250Yjh4dz09
C2.3	The Company discloses the international reporting standards used in its reporting.	✓					Yaşar 2021 Sustainability Report About the 2021 Sustainability Report (Page 6-7, 242-249) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Page 38-45)
C2.4	The Company discloses the principles adopted in relation to sustainability, international organizations, committees and principles that it is a signatory or member of.	✓					Yaşar 2021 Sustainability Report About the 2021 Sustainability Report (Page 6-7) About the Yaşar Group (Page 12) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Sustainability Approach (Page 38-45)
C2.5	The Company makes improvements and concrete efforts to qualify for inclusion in sustainability indices of Borsa İstanbul and/or international index providers.	✓				Data entry for the new period was made to be evaluated per the Borsa İstanbul Sustainability Index.	
D. Corporate Governance Principles							
D1	The Company seeks stakeholders' opinions when determining the measures and strategies in relation to sustainability.	✓					Yaşar 2021 Sustainability Report Sustainability Approach and Management (Page 24-33) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2
D2	The Company works on raising awareness of sustainability and its importance through social responsibility projects, awareness activities and training programs.	✓					Yaşar 2021 Sustainability Report (Page 139-141, 144-145, 147-150, 154-157) https://www.yasar.com.tr/tr/images/pdf/Yas-ar-2021-Surdurulebilirlik-Raporu.pdf?v2 Pınar Süt 2022 Annual Report, Corporate Social Responsibility (Page 46-50)

STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY PREPARED PER ARTICLE 9 OF THE COMMUNIQUÉ ON THE PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS NO II-14.1 OF THE CAPITAL MARKETS BOARD

We hereby declare per CMB regulations that; the financial position statement, including footnotes, comprehensive income statement, cash flow statement and equity change statement, as well as the Board of Directors activity report arranged by our Company and approved by the Board of Directors decision dated 01.03.2023 and numbered 2023/28 of the independently audited Pınar Süt Mamulleri Sanayii A.Ş. for the accounting period 01.01.2022 - 31.12.2022, which were prepared per the Turkish Accounting Standards/Turkish Financial Reporting Standards (TMS/TFRS) and the formats determined by the CMB;

1. That they were examined by our Company,
2. Within the framework of the information that we have in our field of duty and responsibility of our Company, they do not contain any false statements on important matters or any deficiencies which may be consequentially misleading as of the date of disclosure,
3. Within the framework of the information that we have in our field of duty and responsibility of our Company, our financial statements prepared per the Communiqué honestly reflect the truth about the assets, liabilities, financial situation and profit and loss of the enterprise and that our Annual Report honestly reflects the development and performance of the business and the financial situation of the enterprise, together with the significant risks and uncertainties faced,

We have reviewed the Corporate Governance Compliance Report ("URF") and the Corporate Governance Information Form ("KYBF") prepared for the fiscal period of 01.01.2022 - 31.12.2022 per the CMB's decision dated 10.01.2019 and no 2/49 and that the said reports were prepared per the procedures and principles determined in the resolution referred to in the CMB's Corporate Governance Communiqué no. II-17.1 in line with CMB regulations.

Respectfully yours,
PINAR SÜT MAMULLERİ SANAYİİ A.Ş.

Metin AKMAN
Head of the Audit Committee

Yeşim GÜRA
Member of the Audit Committee

Gürkan HEKİMOĞLU
General Manager



