

Environment & Sustainability

making optimum use of natural resources and minimizing environmental pollution

Pınar Su continues to work for a better environment.

In order to systematically minimize any harm that its activities cause or may cause to the environment and to eliminate such losses wherever possible, Pınar Su seeks to identify environmental factors and, by keeping such factors under control, to minimize the environmental harm which they cause while also continuously improving its own environmental performance.

Pınar Su is aware that people must use the natural resources they need to maintain a good way of life in a sustainable manner, which is to say with the needs of future generations taken into account as well.

Calling upon its consumers to take urgent measures to combat global warming with its "There's Life Inside!" campaign, Pınar Su itself engages in a variety of efforts to make optimum use of natural resources and to minimize environmental pollution.

Less energy was consumed in production activities.

Efforts to reduce the amount of electricity used in production activities continued in 2010. Under this heading:

- Economies of 25% were achieved in electrical power consumption by adding frequency inverters to the electrical motors of high-pressure compressors that use the most electricity.
- The amount of electricity used for bottle and package conveyor systems was reduced by adding speed controls to their electrical motors.
- Energy was used more productively by specifying electrical line measurement, cleaning, and maintenance cycles in scheduled maintenance programs in greater detail and performing such maintenance accordingly.



As a result of these efforts average electrical power use at all three plants was reduced. Activities are also continuing to take advantage of more economical rates by using electricity more effectively at the right times of day.

An honorable mention was awarded in the Yaşar Group Productivity Competition.

In addition to continuously improving its energy costs through the energy conversion projects that it is undertaking at its production sites, Pınar Su has also begun using fuels that are less environmentally harmful. This project, which earned Pınar Su an honorable mention in the Yaşar Group Productivity Competition, is just one aspect of the company's ongoing commitment to reducing its carbon footprint.

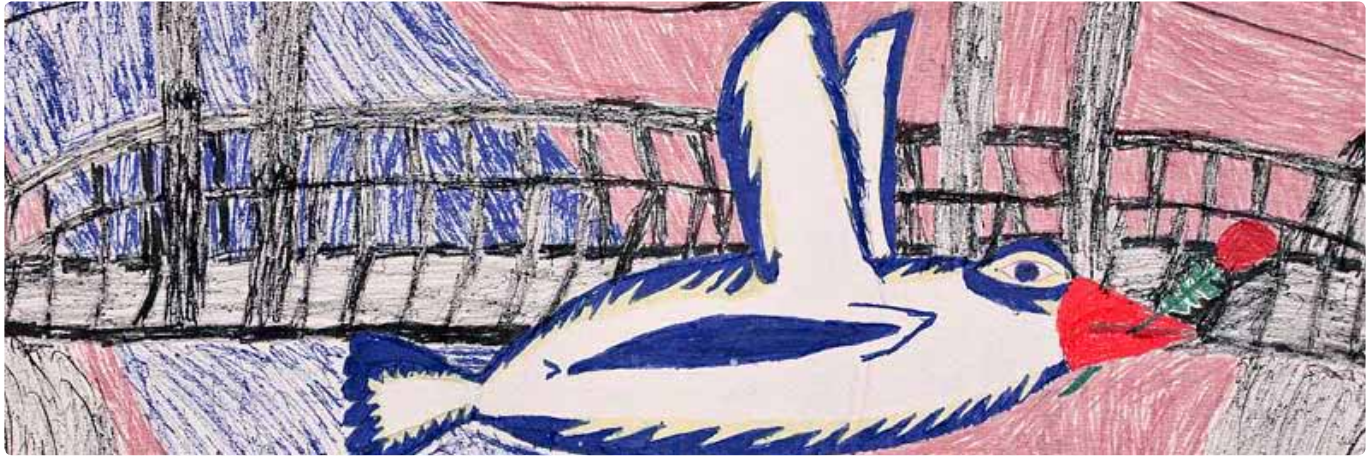
Consistent improvements were achieved in production line efficiencies.

Improvements were achieved in many production lines as a result of efforts to increase productivity at Pınar Su plants.

Production line efficiency is one indicator by means of which ongoing improvements taking place at a plant may be quantified. Improving production line efficiency means that more product can be made even though the same amount of energy is being used.

The following factors were influential in improving production line efficiencies:

- New investments being brought on stream
- Elimination of bottlenecks in existing production processes
- Regular and effective conduct of maintenance plans
- Effective sales and production planning.



The following production line efficiencies were achieved in 2010:

- 66% on the 19 liter polycarbonate bottle and 83% on the PET production lines at the Madran plant
- 72% on the 19 liter polycarbonate bottle and 98% on the PET production lines at the Hendek plant
- 63% on the 19 liter polycarbonate bottle and 84% on the PET production lines at the Toros plant.

The consolidated production line efficiency rates at all plants were 72.96% in 2007, 78.34% in 2008, 81.1% in 2009, and 79.38% in 2010.

Operational Cost Improvement and Lean Six Sigma projects were carried out.

Improvements were achieved in operational costs in many areas through solutions that were developed in 2010 to conserve energy, to reduce the amount of packaging used per unit of production, to improve productivity, and to make logistical services more effective.

Lean Six Sigma projects conducted last year focused on lowering defectivity rates, reducing packaging use, developing new logistical models, and improving customer-focused services. Through these projects, sustainable gains and process improvements were achieved.

Pınar Su-ÇEVKO collaboration

Pınar Su is a founding member of the Environmental Protection and Packaging Waste Recovery and Recycling Trust (ÇEVKO), which has been designated as an authorized agency by the Ministry of Environment and Forestry pursuant to the Packaging Waste Control Regulations and with which the company has entered into a contractual agreement, assigning to the trust all of its own packaging waste collection and recycling rights and obligations.

Pınar Su only works with firms that are licensed by the ministry to collect and recycle all packaging waste materials. According to the company's waste management plan, which has been drawn up on the basis of contractual agreements and submitted to the ministry, activities such as at-source waste sorting and segregation, recovery, and recycling are carried out by ÇEVKO, which also engages in public education activities that are aimed at both individuals and municipalities.

Specifically designing and executing the packaging of its products with the issues of reusability and recoverability in mind, Pınar Su gives attention to ways in which to minimize waste and to create packaging materials that will cause as little harm to the environment as possible from the initial concept stage to final production and post-use.

Recycled Packaging Materials

(Kg)	2009		2010	
	Supplied to market	Recovered	Supplied to market	Recovered
PET	4,316,242	1,553,847	4,480,278	1,447,416
PE	989,981	356,393	1,079,203	399,305
Cardboard	1,218,397	438,623	991,309	366,784
Glass	505,220	181,879	614,011	227,184
		36%		37%



Social Responsibility

Since the day it was founded, Pınar Su has sought to contribute towards the physical, mental, and cultural development of its consumers and to ensure the wellbeing of future generations through the products that it makes and through the services that it provides. In line with this goal, Pınar Su contributes towards numerous projects in the areas of education, sport, culture, and art and it continued to do so in 2010 as well.

Pınar Kido Children's Theater

Since 1987, the Pınar Kido Children's Theater has been employing a professional team of performers, directors, designers, and backstage crews that visits schools in İstanbul, İzmir, Bursa, and Eskişehir throughout each year's theater season and which mounts dozens of programs that are specially designed to appeal to children. To date, about three million children have had a chance to attend these performances, for which no admission is charged.

During the summer months, the Pınar Kido Children's Theater goes on tour and captures the hearts of thousands of children in other parts of the country. In addition to encouraging a love of theater among children, every performance is also designed to contribute towards children's individual cultural and personal development.

During the 2010-2011 academic year, the Pınar Kido Children's Theater mounted performances of Nasreddin İnadın Sonu, a newly-composed play that seeks to acquaint children with traditional Turkish theater.



The Pınar Kido Children's Theater has also been instrumental in launching the careers of many of today's well-known performers in Turkey such as Bülent İnal, Vahide Gördüm, Özgür Ozan, Necmi Yapıcı, Sarp Apak, Engin Altan Düzyatan, and Ozan Güven.

Pınar Kido Art Competition

The Pınar Kido Art Competition has been held for 29 years with the aims of increasing primary school children's interest in art and of contributing towards the development of the artists of the future.

Children from all over Turkey take part in the Pınar Kido Art Competition, which has been focusing on a different theme each year since it was inaugurated in 1981. A record-breaking number of youngsters took part in the competition held in 2010, whose theme was "Draw what most interests you". From among 887,660 entries submitted from every part of Turkey, the works of twenty-two children were selected by a jury of educators and professional artists and the winners were rewarded with a chance to take part in a one-week art camp in İstanbul under the direction of the well-known artist Hüsamettin Koçan. The talented young artists taking part in the 29th Pınar Kido Art Competition held last year received netbooks and certificates at an award ceremony that was held at the conclusion of the camp.

Pınar KSK

Pınar has been an advertising sponsor of Pınar Karşıyaka, a basketball team that has been contending in the Turkish Premier Basketball League since 1998. Pınar Karşıyaka represented Turkey in the Euro Challenge Cup games during the 2010-2011 season. In addition, nearly a thousand children also benefit from the facilities of the Çiğli Selçuk Yaşar Sports Center every year.

"Listen to Me" project

Pınar is the prime sponsor for the "Listen to Me" project conducted by the İzmir branch of the State Theater, Opera and Ballet Employees Foundation (TOBAV) in which training is to be provided to musically talented children and youths.

Under this project, students are given musical training in line with their individual abilities and skills while they are also helped to prepare for admission examinations and to take the first steps towards a career in music by attending fine arts lycees; the primary, middle, and high divisions of state conservatories; university music departments; and other music schools.

ESTİ

Pınar Su is a prime sponsor of Aegean Water Sports and Water Polo Club (ESTİ), which was founded in İzmir in 1993. Since 2008, ESTİ has been successfully representing İzmir in the Turkish Water Polo Premier League. It also represents Turkey at the international level in tournaments held in other countries.

Publications

Yaşam Pınarım

First appearing in 2004, Yaşam Pınarım is a magazine published by Pınar that seeks to establish and maintain bonds between the company and its consumers and business partners and with academic and governmental circles. Employing an engaging style and delivering unique content, Yaşam Pınarım is distributed free of charge.

Fairs, Congresses, and Sponsorships

- Pınar Su exhibited its products at the Yaşar Group Food & Beverages Division's stand at the 79th İzmir International Fair in 2010.
- Pınar was a prime sponsor of the Forum İstanbul 2010 conference when it was held in İstanbul in May to discuss the theme of Turkey's emergence from the current global financial and economic crisis and where Turkey was likely to be going between now and 2023.
- Pınar acted as a sponsor for the "11th In Search Of Perfection Symposium" conducted by the İzmir Quality Association.
- Pınar provides sponsorship support for the congresses, seminars, and exploratory conferences organized by the Federation of Food and Drink Industry Associations of Turkey.

- Pınar was on hand as a prime sponsor for the 3rd International Golden Cap Chefs Competition which was organized by the Turkish Federation of Cooks and by the Antalya Chefs Association and in which nearly 2,500 cooks took part when it was held at the Antalya Expo Fair and Congress Center.
- Pınar was a prime sponsor of the United Nations World Food Day Congress organized in İstanbul by the Turkish Food Industry Employers' Association (TÜGİS).
- Pınar Supported the Ege University "50th Year Pediatrics Day" conference held in İzmir in April.
- Pınar was a sponsor for the first "Safe Food Symposium" organized by the İzmir branch of KalDer in December 2010.

Awards and Recognitions

Pınar Su was again the recipient of numerous awards from respected organizations in recognition both of the company's high production standards and advanced technology and of its innovative and principled business approaches.

According to the "Brands" survey conducted every year by the independent research firm of Nielsen, Pınar ranked among the top five brands (both national and international) in all sectors in Turkey which consumers said they felt the closest to in 2010.

At an award ceremony conducted by the Aegean Chamber of Commerce in 2010, Pınar Su received awards in the following categories from that association:

- Beverages Industry Professional Group Certificate of Success
- Firm providing the most employment (1st place)
- Firm paying the most tax (1st place)
- Firm exporting the most (2nd place)
- Firm carrying out the most investments (3rd place)
- Firm carrying out the most production (3rd place).

At the same ceremony, Pınar Su was also awarded a letter of appreciation by the İzmir Tax Office in recognition of its standing among the 100 firms (41st rank) reporting the highest earnings in 2009.