McDonald's Turkey

2017

SUSTAINABILITY REPORT

ANADOLU GRUBU

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About Our Report

With McDonald's Turkey's fourth sustainability report we continue to share our economic, social and environmental performance with our employees, customers, business partners and other stakeholders. We value and see this report as a communication tool to share our efforts and best practices to manage our impacts.

During 2015-2017 period, we continued to implement our sustainability strategy based on or material topics. Upon the feedbacks we received from our key stakeholders, we decided to continue publishing our comprehensive sustainability performance report in 2018. (GRI 102-49)

Scope of Our Report

In a strategy workshop we convened with our managers, we reviewed the sustainability issues that we needed to manage primarily. As we identified these issues, we took into consideration all our restaurants and the entire process from supply to the delivery of our products to customers in Turkey, without any limitations. The information in this report represents our performance from January 1, 2015 to December 31, 2017 unless otherwise stated.

Principles of Our Report

This report has been prepared in accordance with the GRI Standards: Core option. We also considered GRI's materiality, stakeholder inclusiveness, sustainability context and completeness principles.
www.globalreporting.org

Message To
Our Stakeholders

Dear Stakeholders,

We are proud to share with you our fourth sustainability report with which we lead the way in fast food restaurant industry in Turkey since 2014.

Restaurants of McDonald's, that is rated as one of the 10 most valuable global brands according to BrandZ Top 100 Most Valuable Brands Report, are visited by 70 million guests around the world and approximately 250 thousand guests in Turkey every day. We employ approximately 15 thousand people through our 254 restaurants, 25 McD Café™s, 5 thousand employees and our suppliers.

We purchase 95% of our products from local producers in Turkey. This figure indicates our sustainable operations in Turkey. In 2017,

we achieved 15% growth with TRY 840 million turnover and led the way in guest number increase among McDonalds' 119 countries of operation.

While fulfilling our commercial commitments towards our shareholders, we also pay attention to manage our operations with an approach that prioritizes our social and environmental responsibilities. As McDonald's, we embrace this approach in Turkey for 32 years now. The reasons why we are a brand of choice are our delicious and quality products as well as our sustainability approach.

Along with our economic performance, core components of our sustainability strategy are employee and customer health and food safety. Our aim is to take care of our employees' and guests' health, safety and happiness at all times.

We believe that the happiness of our guests depends on the development and happiness of our staff employed at our restaurants in 42 cities around Turkey,

The road to guarantee guest health and food safety goes through a well-managed supply chain. Apart from controlling the quality of finished products, we also trace the product journey from farm to tray. From procurement to preparation and from food safety and logistics we describe our processes detailly and monitor them step by step.

We work with suppliers with the highest quality production and carefully prepare our products with the first quality and the freshest ingredients. We manage our environmental impacts through efficient use of water and energy and disposing our waste appropriately during operations.

Within this report we share with you our sustainable business model and the supporting projects and implementations in detail.

We kindly ask you to read our report and share your feedback with us. Your comments and suggestions will enlighten our way in our sustainability journey.

Sincerely,
Oğuz UÇANLAR
General Manager
McDonald's Turkey

Facts and Figures about McDonald's Turkey

Organizational Profile

254
RESTAURANTS

42
CITIES

TRY **840**
MILLION
TURNOVER

Restaurant Products

Beef sandwiches: **12**
Chicken sandwiches: **5**
Salads: **3**
Snacks and side dishes: **6**
Breakfast menus: **6**
Beverages: **15**
Desserts: **14**

15%
GROWTH RATE

25
McD Café®'s

5,000
EMPLOYEES

Restaurant Management

Anadolu Restoran İşletmeleri: **180**
Franchisees: **74**

APPROXIMATELY
250
THOUSAND
DAILY CUSTOMERS

32
YEARS
IN TURKEY

29%
RATIO OF
FRANCHISEES

McD Café® Products

Beverages: **19**
Desserts: **17**

Sustainability
Profile

Economic

95%
Ratio of locally sourced ingredients and materials in our products

TRY 350 million
Annual business volume with our suppliers

TRY 400 million+
Total amount of investment made by our suppliers in Turkey to date

Social

15 thousand+
Total employment we generate together with our suppliers

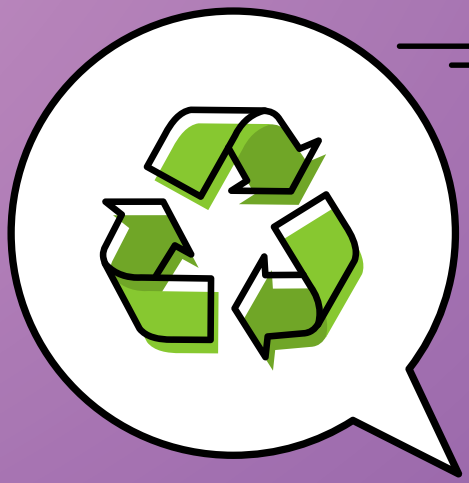
TRY 2 million
Social investments by McDonald's Children Charity

250 thousand
Number of children reached through McDonald's Children Charity in 25 cities

Sustainability
Profile

Environmental

30%
Recovery ratio of the frying oil we used



54%
Recycling by the licensed organization in proportion to our packaging waste (2016)

All data belong to 2017 unless otherwise stated.

Our Memberships

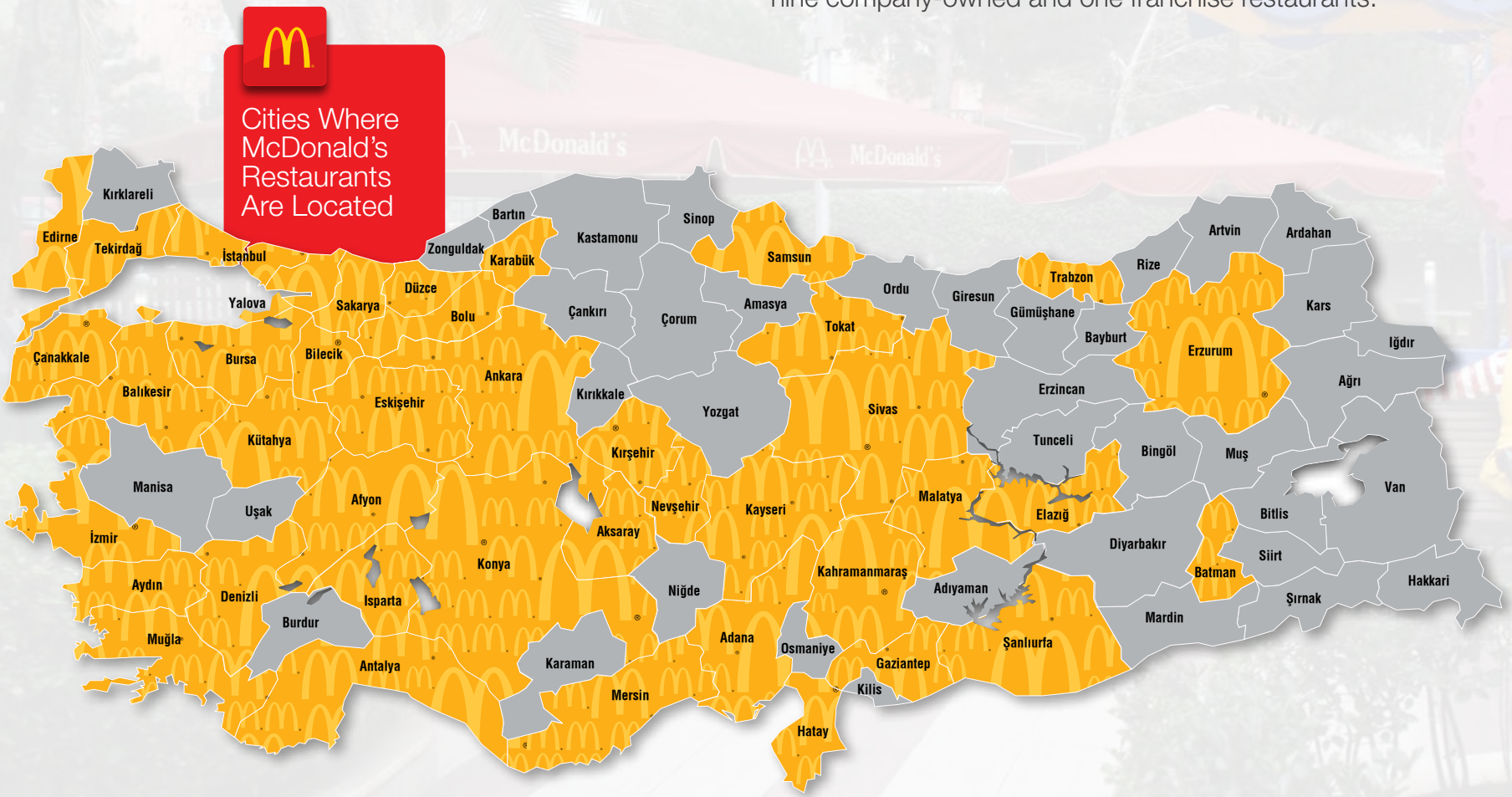
Memberships	Member McDonald's Executive
GGD Turkish Food Safety Association	Nuray ZAFER
TÜKÇEV Consumer and Environment Training Foundation	Ümit DOĞAN
ÇEVKO Foundation	Ümit DOĞAN
KID Corporate Communicators Association	Elif GÖKTAŞ

Our Restaurants and McD Café®'s

Distribution of McDonald's Restaurants in Turkey

As McDonald's Turkey, we mind being at the right locations instead of being at all locations.

In 2017, we opened a total of 10 new restaurants in İstanbul, Bursa, İzmir, Balıkesir, Antalya, Muğla and Konya, including nine company-owned and one franchise restaurants.



McD Café™'s

A coffee chain present in more than 1,300 restaurants across 32 countries, McCafé started its operations in Turkey in 2012 as McD Café™'s. Coffees offered at McD Café™'s are prepared by our experienced baristas from 100% Arabica coffee beans.

At McD Café™'s we would like to provide our customers with pleasurable time and to introduce them to a genuine and premium coffee experience. With our newly launched McD Café™'s and coffee corners at McDonald's restaurants, the number of McD Café™'s reached 25 in 2017.

ADANA Galleria, Alparslan Türkeş **ANKARA** Batıkent **ANTALYA** Kemer, Manavgat **AKSARAY** Ağaçlı **AFYON** Afium **KAYSERİ** Talasyolu **KIRŞEHİR, KOCAELİ** Şekerpınar DT, İzmit Yuvam DT, Çayırova **İSTANBUL** Sabiha Gökçen Kara, Levent, Haramidere Torium Mall, Sultanahmet, Merter, Süreyyapaşa, Başakşehir, Ataşehir, Acıbadem, Tepe Nautilus, Beyoğlu, Taşdelen, Sabiha Gökçen International 2

"McDonald's is a people business, and that smile on our employee's face when taking your order is a vital part of our image."

Ray Kroc

Management Approach

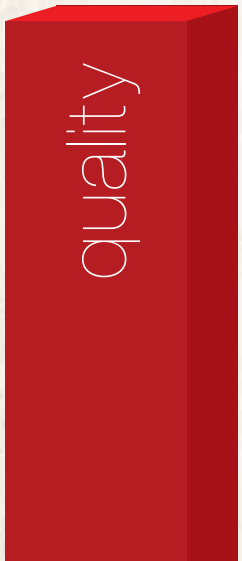
At McDonald's Turkey, we conduct all our operations in compliance with our ethical standards and in full awareness of our social and environmental responsibilities and in line with our vision of generating value for all our stakeholders, priory for our employees and customers.

McDonald's
Standards

The reason McDonald's is preferred by millions around the world is the McDonald's Standards that were set by Ray Kroc in 1954. Since then, each step taken to improve the McDonald's system has been shaped around these standards. Implemented the same way at all restaurants around the world, these standards are what distinguish McDonald's.

How do we ensure?

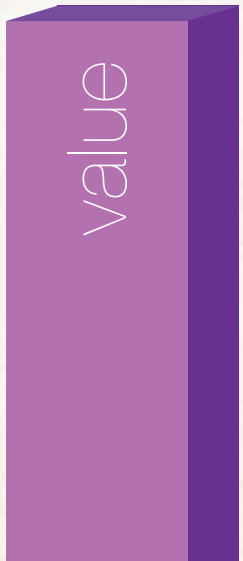
By our traceable practices that ensure superior food safety from the field to the tray



By being fast, accurate, friendly

By the cleanliness of our employees, restaurants and their environment

By serving fresh, warm and delicious products in an enjoyable atmosphere and at great value



By our sustainable practices across our entire value chain

By our innovative practices in all areas of the industry

Corporate Governance

Ethical Business Practices

McDonald's and Anadolu Group's Employee Handbook (working principles) lay out the responsibilities and codes of conduct for all employees to regulate their relations with all key stakeholders particularly including the shareholders' assembly/employer, other employees and suppliers. The handbook is presented to every new employee and explained in detail during orientation by our Human Resources Department. Furthermore, regulations relating to corporate and employee rules are made available to on a common digital ground accessible to all.

In addition to the information on the codes of conduct in the Employee Handbook, a complaint reporting mechanism is also in place to address ethical issues. An Ethics Committee was formed in 2012 to ensure that any behavior within the company in breach of the laws, Anadolu Group and McDonald's working principles and regulations, public decency and codes of conduct may be reported by the employees regardless of the person who acts improperly.

Supplementary Notice System

A binding document for all employees, Non-Compliance Reporting Regulations describes the structure and working principles of the Ethics Committee, of which creation is compulsory, as well as the scope of the non-compliance issues it is obligated to investigate and its responsibilities toward the Anadolu Group Ethics Committee; and lays down the reporting channels (Non-Compliance Hotline) that may be used to report non-compliance as well as the rights and responsibilities of the person who reports it. Non-compliance issues are categorized under illegal practices, practices contrary to Anadolu Group and company procedures, corruption, unethical practices and wastefulness. Non-Compliance Reporting Regulations also cover providers under the designation stakeholder.

Responsible Marketing

In accordance with The Golden Arches Code, which is applicable in all McDonald's offices and restaurants worldwide, as well as the Anadolu Group codes of conduct, we observe the principles of responsible marketing and communication and exercise self-control in line with these standards. We adhere to the message and visual usage standards and principles set out by McDonald's global organization in our communication activities that aim children.

(Global Children's Marketing Guidelines)

McDonald's Turkey manages all its business processes according to the (corporate governance) principles of transparency, fairness, accountability and responsibility.

According to 84% of our employees that participated in our sustainability survey...

NON-COMPLIANCE HOTLINE
0212 336 67 67

etik@mcdonalds.com.tr

Communication
With Our Stakeholders

Our stakeholders are the people or institutions that may be affected by our operations and have an impact on our business with their decisions.

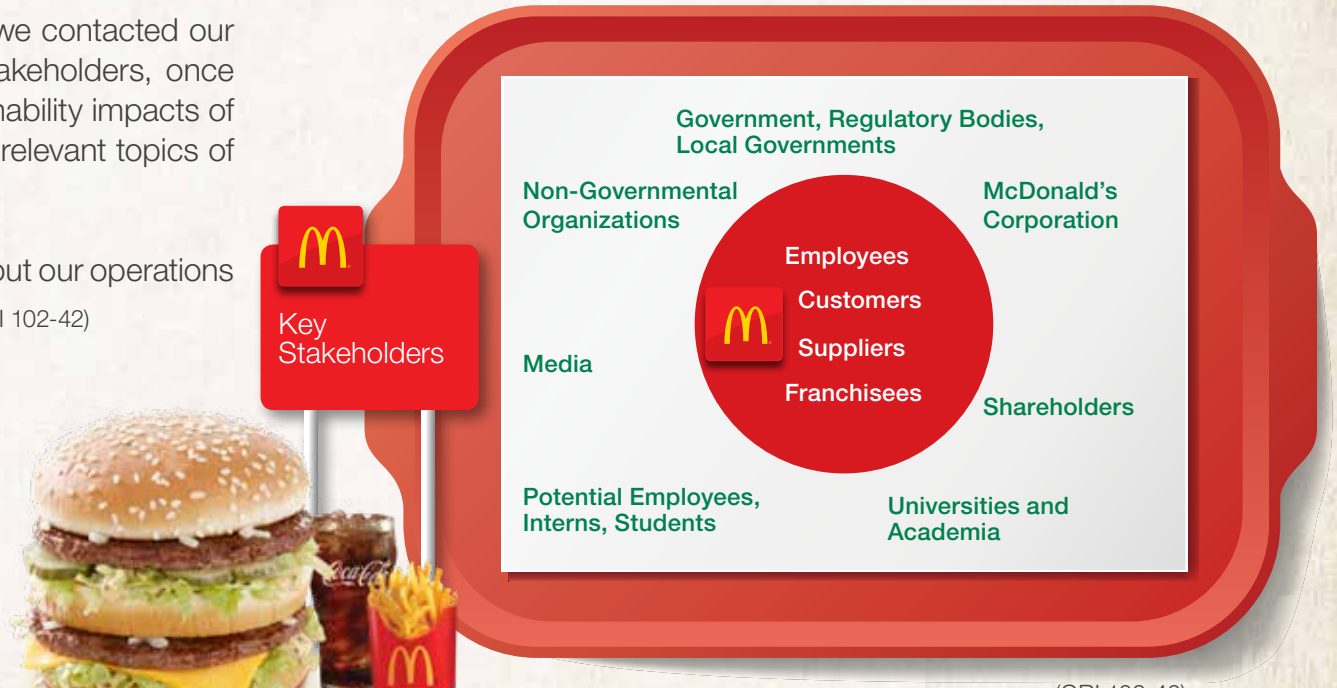
At the sustainability strategy review workshop, organized with the participation of our managers we reviewed all of our stakeholders and prioritized them in line with our strategic issues.

Via our sustainability performance review survey, we contacted our employees, who are foremost among our key stakeholders, once again and received their opinions about the sustainability impacts of our company. We included these views under the relevant topics of the report.

As McDonald's, we inform our key stakeholders about our operations and collect their opinions on various platforms. (GRI 102-42)

The regular communication platforms through which McDonald's Turkey can find out about the ideas, recommendations or expectations of its key stakeholders are adequate.

According to 79% of our employees that participated in our sustainability survey...



(GRI 102-40)

Communication Platforms with Key Stakeholders

Stakeholders	Communication Platforms	Communication Goal	Communication Frequency
Customers	**Sustainability Report**	**Describe the McDonald's experience and its difference**	**Annually**
	Website, Facebook, in-restaurant promotional materials and brochures	Take and review customer requests and suggestions and emphasize on quality	Regularly
Employees	**Sustainability Survey**	**Receive opinions on sustainability**	**Annually**
	Employee satisfaction survey	Take the action steps to ensure internal customer satisfaction	Annually at the restaurants; biannually at support office
Suppliers	**Sustainability Report**	**Receive opinions on sustainability**	**Annually**
	One to one meeting	Conduct supplier performance reviews	Annually
Franchisees	**Sustainability Report**	**Receive opinions on sustainability**	**Annually**
	Franchisee Meeting	Share the corporate annual business plans, ensure that they engage in an exchange of ideas both among themselves and with the support office units on a common platform	Biannually

(GRI 102-43)

Strategic
Sustainability Topics

During the reporting period, we identified our material topics through a strategy survey conducted with the participation of our top executives, after which we prioritized the issues at a sustainability strategy review workshop.

We also included our franchisees and suppliers in the prioritization process. 65% of our main suppliers and 27% of our franchisees participated in the strategy survey demonstrated that Customer Health and Food Safety, and Employee Health and Safety topics appeared among the top four priority issues for both stakeholder groups.

Taking into consideration the feedback we received from our suppliers, we updated the McDonald's Turkey Sustainability Matrix. Our goal for the coming reporting period is to boost the participation rate in the stakeholder participation process of our suppliers and franchisees as well as our internal stakeholders.

We once again asked our employees to evaluate the performance of our company relating to the sustainability impacts in the value chain in a sustainability survey this year and included the results of this survey under the relevant headlines of our report. (GRI 102-46)

Priorities of our Franchisees

- Economic Performance
- Customer Health and Food Safety
- Employment
- Employee Health and Safety
- Local Communities
- Energy Management

(GRI 102-44)

Priorities of our Suppliers

- Customer Health and Food Safety
- Water Management
- Employee Health and Safety
- Energy Management
- Supplier Assessments
- Training and Education

McDonald's Turkey Material Topic Selection and Boundary Setting Processes

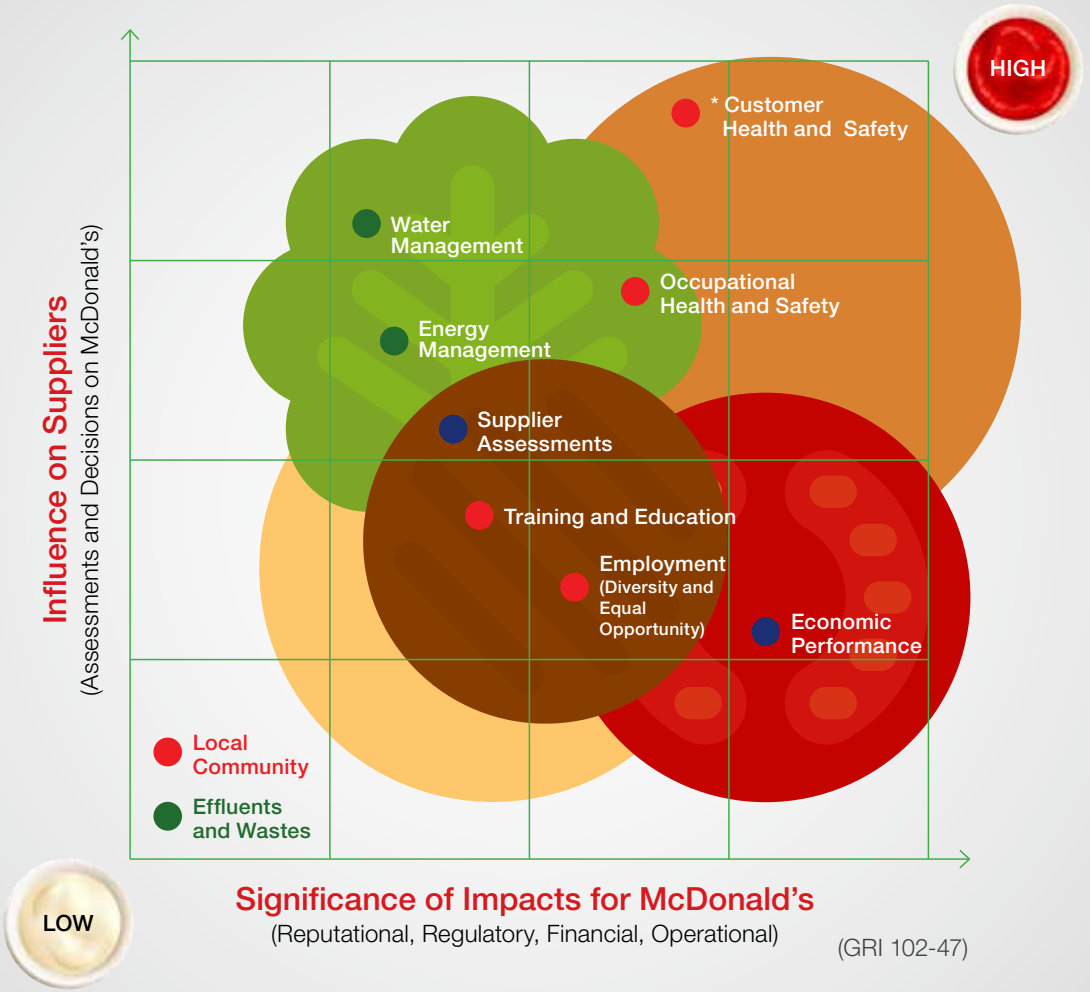
Strategy Survey — Identification of Topics (Executives)

Strategy Workshop — Material Topics and Boundaries (Managers)

Stakeholder Engagement Surveys — (Material Topics and Related Performance Results) (Suppliers, Franchisees, Employees)

Sustainability Matrix

McDonald's (Anadolu Restoran İşletmeleri) Materiality Matrix



(GRI 102-47)

The upper right side of our matrix feature both our suppliers' and company's priority topics that have direct and significant impact on the legal, financial and operational performance-and therefore, the reputation of our company. These topics constitute the headlines of the relevant sections of the report and we provide a detailed picture of our company's performance backed by numeric data. (GRI 102-44)

Sustainability Priorities Along Our Value Chain

production of ingredients

Customer Health and Food Safety

management

Contributions to the Economy
Employer of Choice
Giving Back to the Society

provision of ingredients

Supply Chain Management
Contributions to the Economy

post-consumption

Waste Management

preparation of products

Employee Health and Safety
Water Management
Energy Efficiency

service and consumption of products

Customer Health and Food Safety
Employee Health and Safety
Waste Management

Economic Performance

As McDonald's Turkey we realized an exemplary economic performance in 2017 during which we served our one billionth hamburger and grew by 15% with TRY 840 million turnover. Our approach to efficient management to supply chain played an important role in this success as we also help the local producers we collaborate to achieve production standards that are on par with those in the world. We source 95% of the product and packaging materials we offer at McDonald's restaurants from local suppliers in Turkey.

Contributions To The Economy

McDonald's makes significant contributions to the economies of the countries in which it operates due to its large sales volumes and its business relations with numerous industries. McDonald's procures products and services from many persons and companies across a vast variety of fields ranging from material and product producers to architects and from farmers to construction firms. This year, our annual business volume with our suppliers reached TRY 350 million. The number of our restaurants reached 254 this year while the number of our franchisees reached 74.

As a result of consumer research that we conducted in 2016, we lowered the prices of our major products; BigMac, McChicken and Double KöfteBurger, to a level anticipated by our customers. In order to sustain these prices, we introduced new suppliers to our system and reduced the cost of our supply. Through this new strategy, we set an exemplified performance to the World in 2017. We received Circle of Excellence by outdistancing 119 countries including the USA through the increase we achieved in customer numbers with respect to previous year.

Ingredient Usage

Supply Chain Management

Supply chain management is extremely important at McDonald's as a foremost driver of our efforts to provide our customers with high value. Our effective and reliable supply chain creates a long- term price and competitive advantage in our entire value chain as well as having a positive effect on our business performance.

The culture and behaviors that serve the foundation of McDonald's supply chain management are rooted in a long-winded experience and hard to copy. We share with our suppliers the methods we develop in order to bring our system to perfection and relay to them information and methods on productivity, food technologies, production, packaging, cold storage and distribution while helping them grow their business volumes.

In every country in which it operates, McDonald's chooses its suppliers among the best firms of the country. The selection and working criteria we set out for our suppliers include; institutionalism, adherence to values and principles, an awareness of social responsibility, supply assurance, innovativeness and rapid R&D/manufacturing competence.

In addition to the Supplier Code of Conduct, which applies to all McDonald's restaurants worldwide, we also implement the Social Workplace Accountability in Turkey in the same manner, collaborating with our both food and non-food product suppliers in line with the same standards regardless of whether they render their services directly or indirectly.

At McDonald's, we conduct inspections to control our suppliers' practices relating to work environment and workers' welfare as well as supplier quality inspections in each product category through our approved inspectors. After these inspections done by third parties, we lead and direct our suppliers for improvement.

McDonald's Turkey regularly controls its suppliers on food safety and rules concerning this topic has been defined in their respective contracts.

According to 86% of our employees that participated in our sustainability survey...

Supplier Performance Index Criteria

Core Supply Chain Values

Suppliers of McDonald's Turkey

As a leading brand, McDonald's Turkey expands the vision of its industry and raises the standards and we work with suppliers that have the potential to meet the global requirements of McDonald's on manufacturing technology, food safety and management approach. McDonald's Turkey's approved suppliers are also included in the global suppliers list.

In our system we have over 100 suppliers that we actively work with. Our aim is to select an optimum number of suppliers considering volume, quality and costs and to support their development.

We realize 95% of our procurement from local suppliers. We procure the rest (5%) from abroad; Donuts from UK, mustard from Germany, filter coffee from Jordan and the toys which are produced in Far East countries, from suppliers located in Europe.

Meat and poultry products, potatoes, buns, beverages and packaging products cover 65% of our procurement costs.

Main Suppliers of McDonald's in Turkey (Food)

Product	Organization	Production Center	Cooperation (Years)
Beef	Pınar Et	İzmir	32
Beef	Namet	Kocaeli	2
Beef	Hacıince	Konya	2
Chicken	Banvit	Bandırma	6
Potatoes	Konya Şeker	Konya	8
Potatoes	Doğa	Nevşehir	4
Buns	East Balt	Kocaeli	22
Ketchup	Tat	Bursa	32
Pickles and mayonnaise	Fersan	İzmir	32
Dairy products	Gönenli Süt	Gönen	1
Ice cream sauces	Aromsa	Gebze	32
Sparkling drinks	Coca-Cola	İstanbul	32
Canola oil	Marsa	Adana	32
Sauces	McCormick Kütaş	İzmir	32
Cakes and deserts	Pelit	İstanbul	18
Cakes and deserts	BTA	İstanbul	5
Cakes and deserts	CSM	İstanbul	7

Main Suppliers of McDonald's Turkey (Non-Food)

Product	Organization	Production Center	Cooperation (Years)
Paper cups	Ekol Ofset	İstanbul	32
Paper cups	Huhtamaki	İstanbul	20
Logistics services	HAVI Lojistik	İstanbul	22
Plastic packaging materials	Sem Plastik	İstanbul	32
Paper packaging materials	Öztaş Ambalaj	İstanbul	11
Cleaning materials	Diversey Kimya	Türkiye	30

Our Environmental Performance

We manage our environmental impacts by effective usage of natural sources such as water and energy and disposing of our waste with methods in line with law. To manage our impacts, we constantly monitor our operational activities across our value chain and work towards our improvement goals.

Energy Efficiency

Electricity is the foremost energy source used by McDonald's in its operations in Turkey. We use electricity in interior and exterior lighting of our restaurants as well as for kitchen equipment, treatment systems, air conditioners, freezers and deep freezers. And, we use diesel to power our generators that are activated in the event of a blackout.

In the reporting period, we upgraded the kitchen equipment of our newly opened restaurants with low energy consumption models to ensure energy efficiency. In the meantime, we optimized some equipment depending on the needs of our restaurants.

We started to use a new type of acclimatization equipment with lower energy consumption and emission rates at our new restaurants. In terms of energy consumption, they are approximately 25% more efficient than the previous equipment. In addition to switching to LED lighting in all newly opened restaurants, we also apply heat insulation at our new restaurant building construction.

We organize trainings in order to raise awareness among our employees and conduct a semi- annual energy survey. In the reporting period, we continued to conduct energy surveys to employees about the restaurants they work for and so found out about the energy leakages and took our measures.

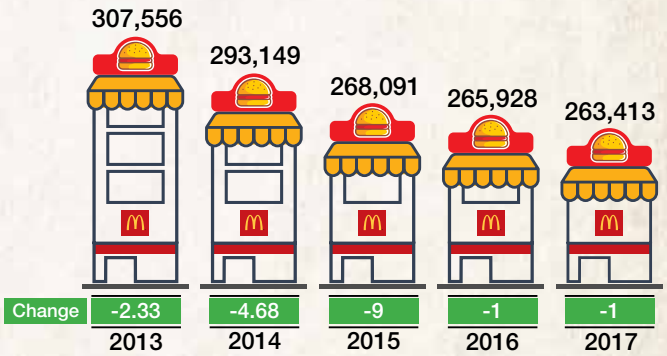
102 (approx. 60%) of our company restaurants purchase their electricity from EnerjiSA, which generates more than 44% of its electricity from renewable sources.

Our energy consumption per restaurant dropped by one percent due to our saving efforts and use of energy saver equipment.

The energy efficiency investments and other protective measures of McDonald's Turkey to decrease the consumption of energy are adequate.

According to 76% of our employees that participated in our sustainability survey...

ENERGY CONSUMPTİON PER RESTAURANT (kWh)



Water Management

The most intensively used natural resource in our restaurants is water. In addition to its use for general purposes, we also use it to prepare sparkling drinks, ice, coffee and cocoa. The water purification (reverse osmosis) system used at McDonald's Turkey is designed to remove any pollutants harmful to human health, such as heavy metals that might be coming from the water mains. We employ state-of-the-art technology to ensure compliance with food safety and beverage quality standards.

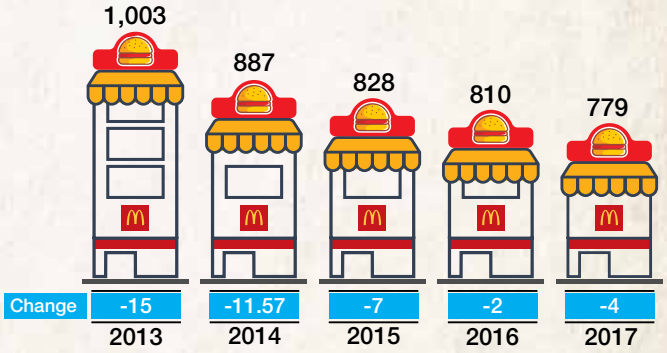
We ensure that our purification system undergoes periodical controls on a monthly basis and the water is chemically analyzed through the samples taken. During the reporting period, we continued to use infrared fittings in the personnel basins of our newly opened restaurants while using devices that would reduce the amount of running water.

As a result of the measures we have taken during the reporting period, our water consumption per restaurant decreased by two to four percent between years. Going forward, we will continue to take the measures that would keep the rate of increase in our water consumption below the rate by which our restaurants expand.

Investments and measures of McDonald's Turkey to make economical use of water resources are sufficient.

According to 78% of our employees that participated in our sustainability survey...

WATER CONSUMPTİON PER RESTAURANT (m^3)



Waste Management

Our restaurants mainly generate oil and packaging waste. All actions we take in relation with waste management have been launched in line with legal requirements. We have signed a contract with TÜRKÇEV in order to discharge our obligations concerning our packaging waste. As a legal requirement, we ensure that our oil waste is collected by delivering it to licensed collectors Albiyobir and Deha Biyodizel.

Under the regulations in force, frying oil waste is classified as hazardous waste. The frying oil we consume at our restaurants is used within the limits set by in the quality criteria by the Turkish Food Codex. These oils are disposed before the criteria limits are exceeded and delivered to licensed oil waste collection firms.

At all of our restaurants, we put the water used for cleaning purposes in the sink through oil retainers, which helps us retain the oil and dirt in our water waste, thereby contributing in the protection of the environment.

In 2016, under our legal obligation, we disposed of an amount of packaging waste equal to 54% of our packaging waste under our legal obligation. It was documented that these wastes were recycled at certified facilities.

MFY (Made For You)

In 2013, Turkey became one of the earliest adopters of the MFY project, which is mandatory for all McDonald's restaurants across the world. The project undertook to increase the sustainability of the company by optimizing costs and energy consumption while preparing each product within a certain amount of time based on the order of the customer. Before MFY, products were prepared, packaged, and offered for sale depending on the intensity of the sales. Product that could not be sold within a certain amount of time were considered waste and these products were disposed of in their packaging.

With the launch of MFY in that period, the amount of unpackaged waste, or the cooked product waste, declined by 8% while paper, cardboard, and packaging waste were reduced by 22%.

This brought along a reduction in energy consumption as well as product and packaging waste. With the MFY project, energy consumption per restaurant was reduced by 4.64% thanks to energy efficient equipment designed for MFY and the use of equipment based on the orders.

Efforts of McDonald's Turkey to reduce food waste are sufficient.

According to 78% of our employees that participated in our sustainability survey...

Our Social Performance

At the McDonald's employee and customer health and food safety are our top priorities. With a health and safety approach based on continuous improvement, we aim to support our people's personal and professional development and increase our contributions to the community through McDonald's Children Charity.

Customer Health
and Food Safety

At McDonald's the two topics we can never renounce are the quality of our products and the health of our customers. Strong supplier structure and ingredient quality is essential for us. We depend on the freshest and premium ingredients and utmost care to prepare all of our products. We put all our products through systematic inspections with a view to keeping under control the food safety of products offered at McDonald's restaurants. We undertake to guarantee our quality through such controls made across all stages starting from the acquisition of the raw materials to the offering of products at the restaurant.

We carry out the same meticulous controls for each one of the nearly 600 products consumed at McDonald's restaurants so as to meet food safety, cleanliness and hygiene standards at each and every stage of production. The source, origin, history and the conditions and method of preparation of all products served at our restaurants are recorded and all products from meat to sauce is monitored step by step from the first stage of production until served on the tray. Within this framework, we ensure product safety with HACCP (Hazard Analysis and Critical Control Points) at the producer firms and McHACCP practice exclusive to McDonald's at the restaurants.

In addition to our collaboration based on a long history and mutual trust with our producers, we also examine all products at their various stages through both planned and unannounced visits made by McDonald's Quality Assurance Department. In addition to our controls, we provide further guarantees for food safety through both planned and unannounced inspections and monitoring conducted by international, independent food control firms.

Halal Food

As McDonald's Turkey, we procure all our meat and poultry products from Pınar Et, Haciince, Namet, Abalıoğlu and Banvit companies, which run their production according to Turkish Food Codex and global standards of McDonald's.

At these companies having the most modern facilities of Turkey, all meat and poultry products are slaughtered in accordance with Islamic methods.

McDonald's Turkey implements regular controls on supplies regarding of food safety and the related principles and rules are covered in the contracts.

According to 96% of our employees that participated in our sustainability survey...

McDonald's Quality Chain

- Safe breeding grounds
- Quality raw materials
- Animal welfare
- Sustainability
- Social responsibility
- Biosafety

Field

Supplier

- Specifications
- Incoming raw materials
- Food safety
- Sanitation and hygiene
- Equipment maintenance
- Employee practices
- Sensory product evaluations

- Total quality expectations
- Temperature Monitoring Systems
- Shelf life
- Stock recalls and traceability

Distribution Center

Restaurant

- Food safety
- Quality controls

- Sales
- Customer tests
- Customer complaints
- Supplier field visits
- ATCQ / BTCQ quality controls

Customer

Open Kitchen

One of the largest kitchens in the World and the one we call ‘our heart’ at McDonald’s is open to everyone for 11 years now.

Everyone can visit any McDonald’s kitchen in any city in Turkey thanks to ‘Open Kitchen’ practice that is a first in the industry, implemented to reveal the food safety transparency, the most distinct indicator of McDonald’s system.

With this practice, our guests can observe the food preparation stations in the kitchen accompanied by restaurant managers and complying with our hygiene rules.

Employee
Health and Safety

Providing our employees with a healthy and safe work environment and preventing work-related diseases and accidents is among the top three topics of sustainability identified by both our company and key stakeholders.

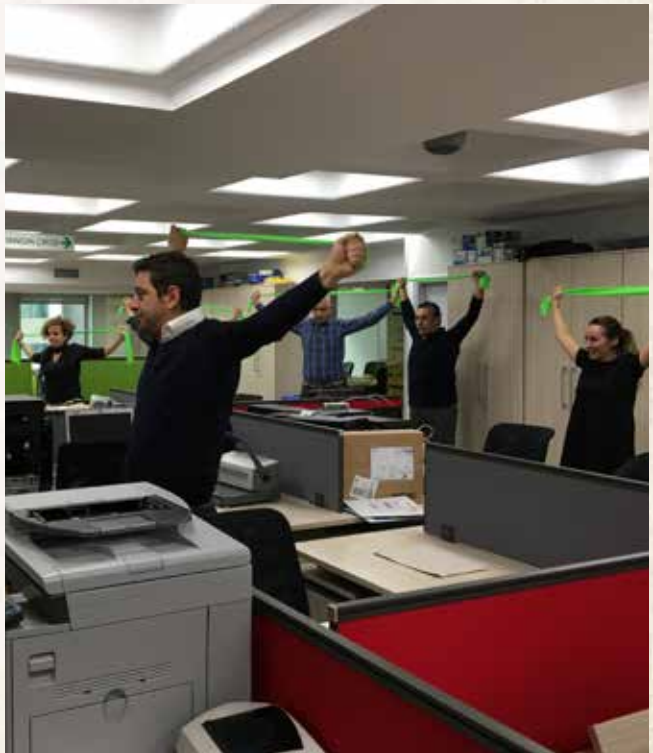
Raising awareness of health and safety issues among our employees and guests is also a significant contribution to public health. Occupational health and safety (OHS) efforts make significant positive economic contributions as a result of increased productivity in parallel with growing employee satisfaction, work motivation and work quality.

In managing this issue, we adhere to both occupational health and safety law and the relevant Anadolu Group programs. In order to safeguard the health and safety of our employees in all our restaurants as well as our head office, we conduct risk analyses, hold trainings, put in place contingency plans and meticulously address the issue through our OHS Committees.

With a view to providing our employees with a safe and healthy work environment, we strive towards carrying out the necessary planning to prevent any potential risks at the workplace and any harms that may be caused on the environment by the work, taking precautions, inspecting and properly handling the management of work accidents resulting in diseases or injuries. We aim to create an OHS culture and raise awareness at our workplaces. We also monitor those OHS practices of our subcontractors like the security and office cleaning services firms and the call center.

The importance placed in ensuring employee health and safety by McDonald's Turkey and the protective measures it takes for this purpose are adequate.

According to 89% of our employees that participated in our sustainability survey...



Occupational Heayt and Safety Policy

Our OHS policy and related efforts, which cover persons working at our support office, restaurants and subcontractors, were created by our Human Resources Directorate in view of national and international standards and in full compliance with legal requirements. ‘McDonald’s Occupational Health and Safety Unit”, which reports to the Human Resources Department is responsible for the enforcement of the policy and management of the issue. In 2017, we carried out our work in accordance with the OHS directive created by the OHS committee. After the OHS committee meeting, we prepared a brochure including our policy and shared with all our restaurants and support office staff.

OHS Trainings

As per standard McDonald’s practices, detailed technical occupational trainings are systematically provided by our in-house trainers. Starting from induction, Restaurant Safety, Security and Cleaning, Sanitation, and Safe Food are among the four basic trainings taken by everyone regardless of their department or position.

Additionally, the occupational health and safety trainings, which are mandatory under Law no. 6331, are delivered to all employees at our restaurants on the subjects and within the time periods prescribed by the law by certified occupational health experts on the basis of training regulations.

In 2017, we provided these trainings to all employees, together with hygiene trainings, which are mandatory by law since June 2014, in cooperation with authorized institutions.

We also included OHS topics in different training programs provided to restaurant management teams. For also our 2,742 employees we hired through İşkur incitement program and provided OHS trainings.

Risk Analyses and Contingency Plant

We identify the risks associated with each restaurant’s location, architectural conditions and its layout, take separate precautions for each, and prepare and implement action plans accordingly.

In 2015-2017, we completed the risk analyses and contingency plans of all restaurants in İstanbul and Anatolia.

Drills

Emergency drills were conducted in 2014 in each restaurant under the supervision of an expert. In 2015, we prepared a guideline of drills. We update this document annually and share with our restaurants for them to run their drills annually

İŞ GÜVENLİĞİ TALİMATI

Committees

We regularly hold quarterly committee meetings at our four restaurants in İstanbul with more than 50 employees as well as our Support Office.

Committee Members in Each Restaurant
Employer Representative (restaurant manager)
On-site Doctor
Occupational Safety Expert
Administrative Affairs (one of the managers)
Employee Representative

Support Office Committee Members
Employer Representative
On-site Doctor
Occupational Safety Expert
Human Resources
Administrative Affairs
Equipment Department
Quality Department
Construction Department
Employee Representatives
Security Supervisors
Training Department

Planned and Completed Annual Plan 2017

Reporting

We prepared activity and action reports, which include the practices and visits, every three months and at the end of the year. In 2017, we continued to prepare accident monitoring reports.

Actions

We planned actions based on controls, evaluations and audit reports' results. (Please see OHS Projects)

Controls

At our restaurants we planned controls on fire systems, pressured CO_2 container tubes, chimneys, air conditions and emergency exit and signs.

We added five new clauses of OHS questions and evaluations to McDonald's global audit implementation named Food Safety Control List.

Trainings

We organized basic OSH trainings for newly hired employees and the ones who completed their three years in the company. Besides we provided all employees certificated hygiene trainings.

Safe Driving Trainings

In order to encourage the drivers to be more precautious in traffic and obey the rules during delivery of increased AloServis orders, we launched ‘Nothing Like Safe Driving’ training initiative.

We prepared a booklet and a film that include safe driving techniques. With this awareness initiative, McDonald’s pioneered a practice in its industry. We make sure all our drivers who start work watch this film. No fatality due to driving occurred in the reporting period.

2016 - 2017 Health and Safety Projects

Name of Practice	Restaurant Instructions Posters
Objective	To reduce accidents and enhance OHS awareness
Results and Gains	**Economic:** We reduced the financial (regulatory penalties, compensations, equipment etc.) and labor loss by preventing accidents and injuries. **Corporate:** OHS awareness among employees increased.

Name of Practice	Restaurant/Office Electrical Measurement and Assessment Practice
Objective	Identifying the risks associated with electricity and hardware and taking necessary precautions.
Results and Gains	**Economic:** We reduced the financial (regulatory penalties, compensations, equipment etc.) and labor loss by preventing accidents and injuries. **Environmental:** We reduced the accident risk that could harm environment. **Corporate:** We reduced the risk of work-related accidents.

Name of Practice	Subcontractor Third Party Monitoring Practice
Objective	To monitor the OHS of subcontractor staff and employees who work in our restaurants and to take preventive actions against possible accidents.
Results and Gains	**Economic:** We reduced the financial (regulatory penalties, compensations, equipment etc.) and labor loss by preventing accidents and injuries. **Corporate:** We reduced the risk of work-related accidents.

Name of Practice	Restaurant Risk Assessment Practice
Objective	To undertake and report the full risk assessment of restaurants and take preventive actions.
Results and Gains	**Economic:** We reduced the financial (regulatory penalties, compensations, equipment etc.) and labor loss by preventing accidents and injuries. **Corporate:** We created safe working environment where reduced the risk of work-related accidents.

2016 - 2017 Health and Safety Projects

Name of Practice	Name of Practice
Objective	To enable restaurant staff to act in emergency situations by own means for evacuation and other necessary actions.
Results and Gains	**Economic:** We reduced the financial (regulatory penalties, compensations, equipment etc.) and labor loss by preventing accidents and injuries. **Corporate:** We enhanced our ability of readiness to emergency situations.

Name of Practice	Pilot Practice for Using Nonslip Sole
Objective	Wearing user friendly soles as work shoes to prevent accidents resulting from slipping at the restaurants.
Results and Gains	**Economic:** We reduced the financial (regularory penalties, compensations, equipment etc.) and labor loss by preventing accidents and injuries. **Corporate:** The number of accidents resulting from slipping reduced even during the pilot work.

Name of Practice	Improving Maintenance and Purchasing Processes of Protective Equipment and Fire Extinguishers
Objective	Reducing the workload of restaurants and increasing the attributions of the necessary equipment and maintaining standardization by managing the purchasing activity via single department.
Results and Gains	**Economic:** We reduced the financial (regularory penalties, compensations, equipment etc.) and labor loss by preventing accidents and injuries. **Corporate:** We increased the equipment quality and achieved workload saving.

Name of Practice	Staff OHS Trainings
Objective	To provide all employees with OHS trainings in different topics and formats.
Results and Gains	**Economic:** We reduced the financial (regularory penalties, compensations, equipment etc.) and labor loss by preventing accidents and injuries. **Corporate:** We reduced occupational accidents and deployed OHS culture through trainings.

Employer
Of Choice

Human resources are the most valuable asset for McDonald's. Employee satisfaction is key to our ability to have fully satisfied customers.

Our Human Resources Department regularly reaches out to all our employees to hold internal customer satisfaction surveys under strict confidentiality and devises action plans based on the results of these.

We conduct a satisfaction survey bi-annually with the support of Wills Towers Watson, among support office and restaurant managers while IRI Consulting conducts another survey among the restaurant staff on an annual basis.

McDonald's Turkey provides equal opportunities for all its employees and ensures diversity on behalf of its human resources policy.

According to 81% of our employees that participated in our sustainability survey...

83.7 %

2016
(IRI) RESTAURANT STAFF SATİSFACTİON SCORE

86.6 %

2016
(IRI) RESTAURANT MANAGEMENT TEAM SATİSFACTİON SCORE

Employment

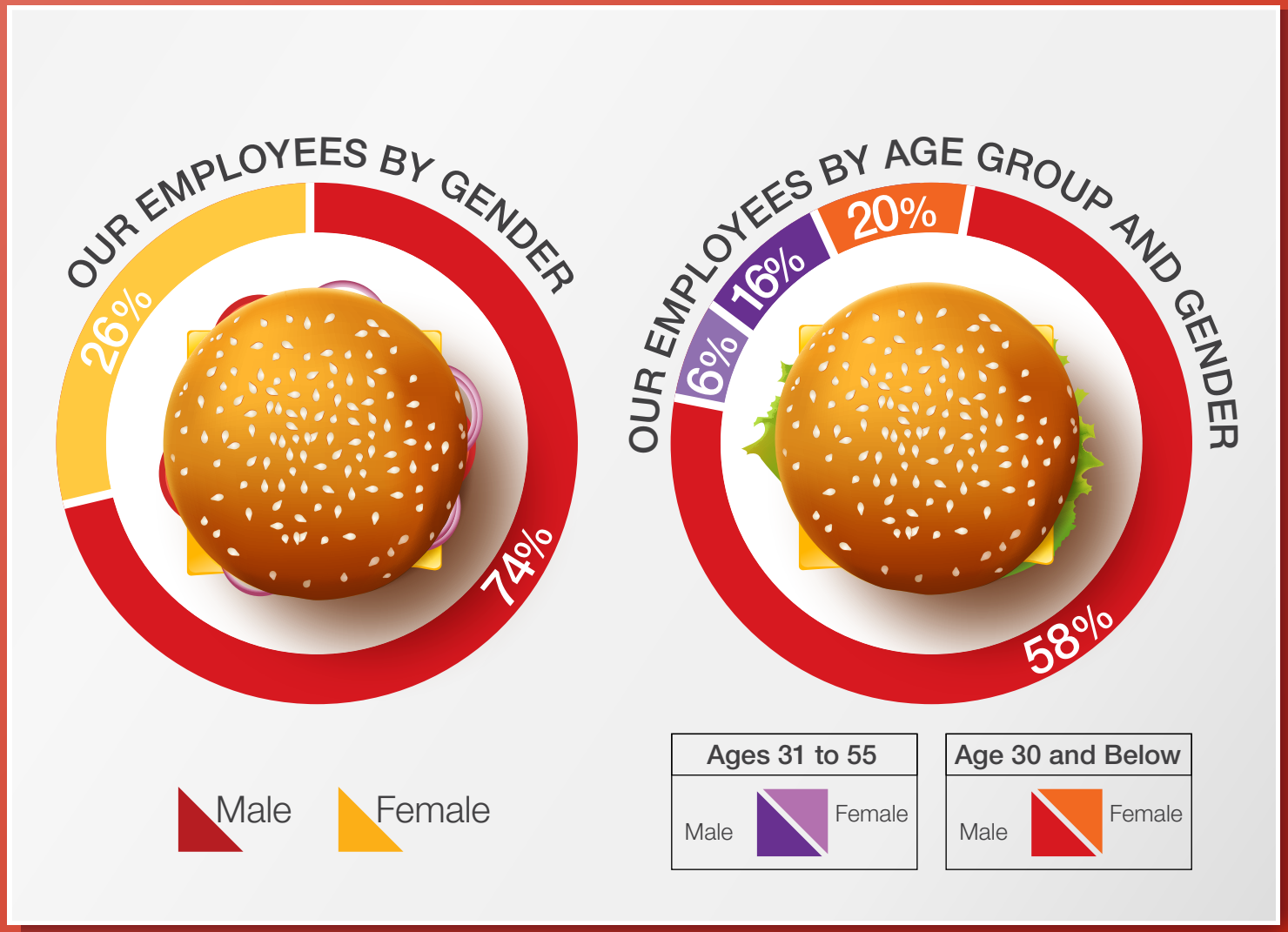
Long-term employment of our people, and accordingly, low employee turnover rate is of utmost importance due to their positive impacts on productivity, and therefore to costs, as well as customer satisfaction and employee image.

While turnover is a widespread problem in the retail industry, it is neither possible to completely eliminate nor strategically desirable to keep it at or near zero.

As a company, we regularly follow the turnover rate every month and set yearly targets and strive to reduce it to reasonable levels. We have a variety of processes and efforts in place including trainings, orientation, and motivation programs that support employee retention starting from recruitment with a view to reducing turnover.

Most of our policies concerning human resources practices have been set based on company and employee needs, and also supported by global practices and national requirements.

Furthermore, HR Department of McDonald's MEA (Middle East & Africa) region, to which we report, also follows performance. Any different practices in the region are shared with us while our practices are also shared with the region.


OUR EMPLOYEES BY GENDER
26%
74%
Male
Female
OUR EMPLOYEES BY AGE GROUP AND GENDER
6%
16%
20%
58%
Ages 31 to 55
Male
Female
Age 30 and Below
Male
Female

Diversity and Equal Opportunity

Under Anadolu Group's Equal Opportunity Policy, our employees are never discriminated against either during hiring or throughout their careers at our company based on age, gender, race, religion, language, ethnicity, sexual orientation, belief, marital, social or economic status, disability, political views, union participation and membership, pregnancy or military service status. We do not have any employees who are members of a labor union, nevertheless there's no obstacle for them to do so on behalf of our company. (GRI 102-41)

At our company, we adopt the equal pay for equal work principle as per the International Labor Organization's Equal Remuneration Convention and use "HAY Job Evaluation Methodology." In this system, there are no differences between our male and female employees in terms of salary. The wages of employees working at our restaurants are determined based on the positions, while remuneration is at the same level for all employees recruited for these positions regardless of their gender. We implement our remuneration policy based on performance results, and in a fair manner that also affords us with competitiveness in the labor market.

We aim to increase the number of female candidates and to employ at least one middle-aged female employee at each restaurant. We continuously receive positive feedback regarding this implementation from our restaurants.

For our full-time employees, we provide benefits like life insurance and health services, which are not provided to temporary or part-time employees. During 2015-2017, six women employees from our support office used parental leave and five of them (83%) returned to work after the legal period.

At our restaurants team members start with minimum wages determined by law. These personnel make up 60% of our employees and 26% of them are women. We do not have any company or contractor employees who work under minimum wage level.

Advantages of Working at McDonald's

Ability to Socialize While Working

Our employees find the opportunity to be part of a fun, dynamic and friendly working environment as part of a larger team with flexible working hours.

Employment Opportunities for All Age Group

The McDonald's system offers employment opportunities for men and women of all ages. Currently, employees between the ages 16 and 55 work at our support office as well as many units of our restaurants.

Equal Opportunity

Our female and male employees recruited at the same management level are offered exactly the same opportunities. At our 178 restaurants with less than 50 employees, we employ a total of 122 disabled persons. This ratio is above legal requirements.

Contribution to Private Pension Plans

We make an additional contribution equivalent to 2% of each employee's salary in his/her pension plan. In 2017, we allocated a budget of TRY 210,000 for the pension plans of 88 of our employees.

Career Opportunities

Working at McDonald's means having a safe work environment and career opportunities with a promising future. Every year we receive 3,000 to 3,500 applications for entry level positions. Executives currently working in various departments at McDonald's Turkey support office also include those who started professional life at McDonald's restaurants as team members. Throughout their careers, personal performances of McDonald's employees are continuously reviewed for promotions, rewards and other privileges.

Personal and Professional Development Opportunities

Training is a foremost consideration in the McDonald's system. Each McDonald's employee attends various training programs both before starting work and throughout their career. Team members start their professional life at McDonald's with restaurant orientation. This is followed by the so-called star system-a training system where improvements in knowledge and performance are rewarded with career advancements.

Improvement Practices

Restaurant Visits

At the end of the year, restaurants with highest turnover are identified. These restaurants are then visited 3 times during the year by Business Partners. The first visit aims to ascertain the situation. Throughout the day, the relevant restaurant manager and the team are interviewed, documents are examined, and the overall situation is assessed concerning human resources practices. A second visit is made approximately a month later. This time, an action plan is drawn up to address the issues identified in the previous visit. And the last visit is made approximately four months later. During this visit, both the implementation of the action plan and changes compared to the previous visit are identified and reported to the relevant executives. This project has resulted in significant improvements at restaurants with high turnover. We continued these implementations in 2017 as well.

Restaurant Management Team Transfer Ratios

Frequent transfers of restaurant managers were identified as a factor that impacted turnover. Accordingly, regulations were created concerning transfers and efforts were undertaken to drive down the transfer ratio. We monitored our targets on a monthly basis. Our transfer rate dropped to 64.17% in 2017 from 69.35% in 2015.

Human First Project

Since 2014, our Human Resources Department has been organizing the Human First summits with the participation of restaurant staff of about 350 people from all around Turkey.

These summits undertook to convey to executives' innovations and human resources practices to motivate employees. Targeting employees in Shift Manager and Second Manager positions who have a very critical role in the restaurant management team, the summit also aimed to impress upon the employees that they work under a major brand and the importance of teamwork and to facilitate their exchanges with managers from other regions.

Our executives also attend the summit and share the company's goals and experiences with the participants. At the meetings, the role of restaurants in meeting corporate goals is addressed with expert speakers providing latest information and methods on topics like Human Resources Targets, Hiring and Retention, Occupational Health and Safety, Professional Image and Personnel Affairs.

We plan to organize this summit every other year as a delightful event where we can learn, share success stories and have fun at the same time.

McDonald's & Family

We initiated the McDonald's & Family practice in September 2017 by the cooperation of Human Resources and Operation departments towards our restaurant staff and their families.

Our purpose is to bond our company and staff's families, to reinforce the bonds between the staff and company and increase productivity as a result. We aim to reach around 21 thousand people of McDonald's staff families by means of regular get togethers.

Service Awards

We conduct a recognition program for all our employees with the cooperation of Human Resources and Operations departments. We designed special award plates for every five year of tenure and presented them at an award ceremony to 107 employees who have been working for 5 to 30 years with us. We intend to continue this practice in the following years.

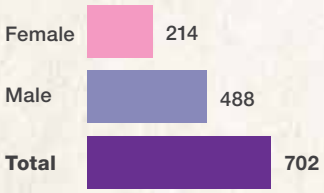
Employee
Development and Trainings

Our company operates in accordance with the training first to ensure internal customer satisfaction and service quality approach. We are aware that investment in the training and development of our employees will result in committed employees, happy guests, increased sales and safe, smooth restaurant operations. Accordingly, we continuously improve the technical and personal development trainings we offer to our employees and executives across various levels. We believe that well-trained team members are essential to the continued success of our company.

Training Catalogue

The trainings envisaged by the executive for the employees after performance reviews, personal training needs of employers, and competencies that need to be highlighted based on the company's vision are consolidated at the end of the year. Based on this analysis, the issues where the company needs training are identified. We aim to create trainings open to all employees on the topics needed at the beginning of each year.

Trained Emplyees



Executive Development Center

In line with the need for executive succession planning, the company launched the Executive Development Center project led by the Human Resources Department in the 2013-2014 period with a view to identifying high-performing employees with advancement potential within the company, to ascertain the areas of development of such persons and to support their development in such areas. Within the Project we implement assessments with objective evaluation tools like 9 boxes.

The work carried out during the implementation of the project included a personality inventory, a one-day assessment center practice, and 360-degree assessment. Following these assessments, consultant coaches provided each person with feedback and competencies that stood out and that must be developed were identified.

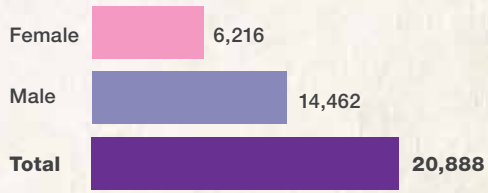
During 2016-2017, each of 12 employees who joined the Project created his/her individual development plan, and each participant was given 90-minute one-to-one trainings accompanied by a coach for 10 months on the areas that needed to be developed as well as presentation techniques and coaching training, thereby ensuring an effective training and education process.

Training topics included in the project are; Leadership that Develops, Architects of Management (Business Administration), Influence and Persuasion, Result Oriented Leader, Personal Awareness, Personal Leadership Training, Strategic Leadership.

Training programs provided by McDonald's Turkey to support the personal and occupational development to its employees are adequate.

According to 81% of our employees that participated in our sustainability survey.

Training Hours



Experience of The Future

In October 2017, our Human Resources Training Unit initiated the Experience of the Future Project that includes the implementation of all technological and behavioral changes to meet customer expectations at all McDonald's restaurants around the world.

A committee including HR-Training-Operations-Equipment-IT-Marketing and Construction departments is gathered under this project that aims to enhance operational excellence and employee engagement during implementation. The training package localization is done. All video shootings (Starter, Gatherer, Cashier, Runner, Caterer, Bartender) are completed.

Trainings are provided gradually to operation department and support office staff. Trainer's Trainee program is organized for operation consultants. A training program is designed and presented for office consultants to give training at their restaurants. Support is given to operation staff in first trainings at their regions.

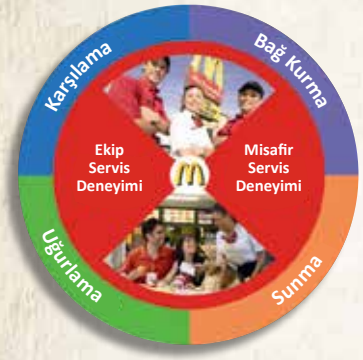
Guest Experience Managers

We recruited 15 Guest Experience Managers to enrich guest time spent at our restaurants and meet customization needs as an essential part of Experience of the Future process initiated to meet the guest needs at a maximum level and to provide an excellent experience for guests during their visits at our restaurants.

In order to develop Guest Experience Managers (GEM), we launched a comprehensive training program that included 20 different topics from personal care to tasting. Following the start of GEMs at the restaurants, many improvements are observed such as reduction in number of restaurant guest book complaints, improvement in RUV (Online Order Feedback System) results, increase in guest numbers, and improvements in restaurant staff hospitality approach.

We will continue to provide trainings to GEMs who will be responsible to explain the Experience of the Future process to guests which will include new launches such as Self Order and Kiosk Global Mobile App in the near future.

‘Service is Our Stage’ Training Project



Our Human Resources Training Unit designed a new training program with the motto ‘Service is our Stage’ in May 2016 that aims to offer our guests a unique, customized service experience. Service is Our Stage trainings were completed step by step within 2016.

1. STEP — We completed all shortcomings at the restaurants regarding the training program.

2. STEP — We created employee experience.

3. STEP — We developed the guest experience.

4. STEP — We did follow ups for continuous development.

In order to commence these trainings into running, the Support Office employees in İstanbul and Restaurant Managers promoted ‘Service is our Stage’ motto during class trainings of restaurants in Ankara, İzmir, Adana and Antalya after completing their trainings.

‘Service is our Stage’ Training CD

We prepared Service is our Stage Training CD for our young employees designed according to their learning habits to help support our ‘Customer Oriented Service’ journey. We worked with actress Şehla Halis for CD preparation to make sure our young colleagues had fun while learning.

We aimed at providing the same customer-oriented service improvement with the same perspective at any restaurant through this training program that we began to deploy in June 2017.

Giving Back To The Society

At McDonald's, success is about more than achieving commercial goals such as profitability and growth, but also about operating to the benefit of our communities. McDonald's is a responsible member of the society and each McDonald's restaurant is a good neighbor in the area in which it is located; and as such, they take part in projects that benefit the community. We provide support across several fields from health to sport on both local and international levels.

McDonald's Children Charity

McDonald's is the biggest supporter of McDonald's Children Charity, which operates in Turkey as a local chapter of RMHC's (Ronald McDonald's House Charities) global organization. In line with the charity's mission, we support the creation of projects in hospitals across Turkey's several provinces to help sick children and their families to have a more comfortable experience throughout their inpatient care.

Since the foundation of McDonald's Children Charity in 1999, we have completed 50 projects in the childcare units of 30 different hospitals in 25 cities, from İzmir to Van and Adana to Trabzon. To date, we have reached out to more than 250 thousand children and transferred in excess of TRY 2 million in cash or in kind through the Charity, which has implemented projects across Turkey to promote children's welfare and happiness.

Through the Eye Health and Success in Education Project in collaboration with GAP Region Development Administration, we have conducted the eye screening of tens of thousands of elementary school students in Şanlıurfa, Diyarbakır, Mardin, Gaziantep, Adıyaman, Batman, Şırnak and Cizre.

In the reporting period the completed projects with around TRY 500 thousand budget are in the following;

In 2015:

- Furnishing of Çapa Cancer Service to serve about 500 children
- Eye screening to 4,500 children at Cizre
- Eye screening to 11,500 children at Şanlıurfa
- Started construction of a nursery building at Behçet Uz Children's Hospital

In 2016:

- Eye screening to 432 children at Suruç, Şanlıurfa
- Delivery of nursery building at Behçet Uz Children's Hospital. The building serves the children of hospital staff.

Investments / efforts by the McDonald's Children Charity across Turkey are adequate in terms of realizing our company's social responsibility.

According to 65% of our employees that participated in our sustainability survey...

Projects Completed to Date

- 4 Family rooms
- 3 In hospital primary education classrooms
- 6 Hospital playgrounds
- 30 Pediatric services furnished
- 7 Eye screening projects
- 1 Nursery at a children's hospital

McDonald's Çocuk Vakfı
Aileleri yakınlaştırır

Ronald McDonald House Charities (RMHC)

A non-profit organization established in 1975 in Philadelphia, RMHC creates, develops, and supports projects that offer direct benefits for children's welfare and happiness. Thanks to its global network of its local extensions in 58 countries and territories, RMHC support children's access to quality healthcare services worldwide with millions of dollars in donations in three main programs including the Ronald McDonald House®, Ronald McDonald Family Room®, and Ronald McDonald Care Mobile®.

Awards

Horizon Interactive Awards **Silver Award** Consumer Briefing Category McDonald's' Secret Campaign **2015**

The One Awards **First Place** Fast Food Category The Most Reputable Brand **2016 and 2017**

Retailers' Sun Awards **First Place** Best HR Implementation Category Service Is Our Stage Project **2017**

Aon Best Employers **Success Award** Employee Loyalty **2016**

Interactive Media Awards **Superior Achievement Award** Consumer Briefing Category McDonald's' Secret Campaign **2015**

Appendix

Our Social Performance
Indicators

OCCUPATIONAL HEALTH AND SAFETY

	Women			Man		
Accidents	**2015**	**2016**	**2017**	**2015**	**2016**	**2017**
Accident frequency rate	28.23%	39.50%	52.92%	41.71%	57.94%	66.75%
Fatality	0	0	0	0	0	0
Number of Accidents	72	105	147	311	425	547
Lost Days	**2015**	**2016**	**2017**	**2015**	**2016**	**2017**
Lost days of acciedents	201	170	195	992	720	669

Formulas and Explanations
First aid level accidents are included in accident frequency rate.
Fatalities are included in accident frequency rate.
Lost days are calculated based on calendar days.
Lost day count starts the day after the accident.
No occupational diseases are encountered in during our operations.

Accident Frequency Rate = Number of Accidents X 1,000,000 / Total Work Hours
1 fatal accident = 7,500 lost days
n.a. = not available

Types of Accidents
Falling down / Cut, crush or hurt by an object / Burn / Traffic accidents

HEALTH AND SAFETY (OHS) TRAININGS

Health and Safety (OHS) Trainings	Number of Employees	Duration (Hours)
Basics	2,500	8
Hygene	2,500	4
Working at Heights	13	4
OHS Committee	23	1
Risk Management	100	4
Work Safety	320	2
İşkur (Health and Safety)	2,742	1.5
Security and Safety	5,000	0.5

Board Structure	2017
Total Members	5
Women Members	40%
Members Aged 30 - 50	80%
Members Aged Over 51	20%

EMPLOYEE PROFILE

By Gender	Unit	2015	2016	2017
Male	Person	3,380	3,045	3,706
	Ratio	74%	67%	74%
Female	Person	1,182	1,507	1,283
	Ratio	26%	33%	26%
By Contract and Gender	**Unit**	**2015**	**2016**	**2017**
Permanent Employee - Female	Person	3,380	3,045	1,283
Permanent Employee - Male	Person	1,182	1,507	3,706
Temporary Employee - Female	Person	0	0	0
Temporary Employee - Male	Person	0	0	0
By Location and Gender	**Unit**	**2015**	**2016**	**2017**
Support Office Staff - Female	Person	48	49	48
Support Office Staff - Male	Person	63	59	62
Restaurant Staff – Female	Person	1,134	1,458	1,235
Restaurant Staff – Male	Person	3,317	2,986	3,644
By Employment Type and Gender	**Unit**	**2015**	**2016**	**2017**
Full-Time Employees - Female	Person	912	926	993
Full-Time Employees - Male	Person	2,653	2,590	2,789
Part-Time Employees - Female	Person	270	305	290
Part-Time Employees - Male	Person	727	731	917

EMPLOYEE PROFILE

By Age Group and Gender	Unit	2015	2016	2017
Age 30 and Below	Female	955	1,246	1,013
		20.93%	27.37%	20.30%
	Male	2,693	2,359	2,895
		59.03%	51.82%	58.03%
Ages 31 to 50	Female	218	249	251
		4.78%	5.47%	5.03%
	Male	666	663	780
		14.60%	14.57%	15.63%
Age 51 and Above	Female	9	12	19
		0.20%	0.26%	0.38%
	Male	21	23	31
		0.46%	0.51%	0.62%
TOTAL		**4,562**	**4,552**	**4,989**

EMPLOYMENT AND TURNOVER

SUPPORT OFFICE EMPLOYEES	Unit	2015	2016	2017
Total (Year end)	Person	111	108	110
Total - Hired	Person	2	13	10
Total - Left	Person	21	28	11
By Gender	**Unit**	**2015**	**2016**	**2017**
Male - Hired	Person	0	4	4
	Ratio	0.00	3.70	3.64
Male - Left	Person	16	14	4
	Ratio	14.41	12.96	3.64
Female - Hired	Person	2	9	6
	Ratio	1.80	8.33	5.45
Female - Left	Person	5	14	7
	Ratio	4.50	12.96	6.36
By Age	**Unit**	**2015**	**2016**	**2017**
Age 30 and Below - Hired	Person	1	5	4
	Ratio	0.90	4.63	3.64
Age 30 and Below - Left	Person	1	2	1
	Ratio	0.90	1.85	0.91
Ages 31 to 50 - Hired	Person	1	8	6
	Ratio	0.90	7.41	5.45
Ages 31 to 50 - Left	Person	18	22	10
	Ratio	16.22	20.37	9.09
Age 51 and Above - Hired	Person	0	0	0
	Ratio	0.00	0.00	0.00
Age 51 and Above - Left	Person	2	4	0
	Ratio	1.80	3.70	0.00

* Franchisee restaurants are not included as they are separate entities.

EMPLOYMENT AND TURNOVER

RESTAURANT EMPLOYEES	Unit	2015	2016	2017
Total (Year end)	Person	4,451	4,444	4,879
Total - Hired	Person	5,552	4,488	5,298
Total - Left	Person	5,841	4,541	4,751
By Location*	**Unit**	**2015**	**2016**	**2017**
Company Restaurants - Hired	Person	5,552	4,488	5,298
	Ratio	124.7	101.0	108.6
Company Restaurants - Left	Person	5,841	4,541	4,751
	Ratio	131.2	102.2	97.4
By Gender	**Unit**	**2015**	**2016**	**2017**
Male – Hired	Person	4,247	3,529	4,218
	Ratio	95.4	79.4	86.5
Male - Left	Person	4,495	3,530	3,752
	Ratio	101.0	79.4	76.9
Female – Hired	Person	1,305	959	1,080
	Ratio	29.3	21.6	22.1
Female - Left	Person	1,346	1,011	999
	Ratio	30.2	22.7	20.5
By Age	**Unit**	**2015**	**2016**	**2017**
Age 30 and Below - Hired	Person	4,966	4,000	4,707
	Ratio	111.6	90.0	96.5
Age 30 and Below - Left	Person	5,068	3,941	4,160
	Ratio	113.9	88.7	85.3
Ages 31 to 50 - Hired	Person	564	459	567
	Ratio	12.7	10.3	11.6
Ages 31 to 50 - Left	Person	742	572	562
	Ratio	16.7	12.9	11.5
Age 51 and Above - Hired	Person	22	29	24
	Ratio	0.5	0.7	0.5
Age 51 and Above - Left	Person	31	28	29
	Ratio	0.7	0.6	0.6

Our Environmental Performance

Indicators

Electricity Consumption	Unit	2013	2014	2015	2016	2017	Reason Behind Change
Anadolu Restoran	kWh	51,386,837	52,879,338	50,385,456	48,285,465	47,956,485	Saving measures, use of environmental friendly equipment and decrease in the number of restaurants
Franchisees	kWh	15,300,575	19,625,321	19,854,256	19,526,263	18,950,456	
Total	kWh	66,867,411	72,504,659	70,239,712	67,811,728	66,906,941	
Per Restaurant according to SOM	kWh	307,556	293,149	268,091	265,928	263,413	
Change	%	**-2.33**	**-4.68**	**-9**	**-1**	**-1**	
Diesel Consumption	**Unit**	**2013**	**2014**	**2015**	**2016**	**2017**	**Reason Behind Change**
Anadolu Restoran	liters	320,554	299,731	305,152	315,245	325,546	Increase in the number of company restaurants
Per Restaurant according to SOM	liters	1,796	1,545	1,641	1,781	1,809	
Change	%	**2.32**	**-14**	**6**	**8**	**2**	
Water Consumption	**Unit**	**2013**	**2014**	**2015**	**2016**	**2017**	**Reason Behind Change**
Anadolu Restoran	m^3	167,642	160,049	158,465	154,698	148,465	Saving measures, use of environmental friendly equipment and decrease in the number of restaurants
Franchisees	m^3	49,916	59,400	58,562	57,462	55,642	
Total	m^3	217,558	219,448	217,027	212,160	204,107	
Per Restaurant according to SOM	m^3	1.003	887	828	810	779	
Change	%	**-15**	**-11.57**	**-7**	**-2**	**-4**	

SOM: Store Operating Month.

TOTAL WASTE BY WEIGHT (kg)	SUPPORT OFFICE AND ALL RESTAURANTS		
By Type	**2015**	**2016**	**2017**
Hazardous Waste *(frying oil wast)*	406,000	680,000	811,000
Non-Hazardous Waste (*plastics, paper / cardboard)*	1,908,000	2,481,480	n.a.
Total Waste Disposed	2,314,000	3,161,480	**n.a.**
By Disposal Method	**2015**	**2016**	**2017**
Recovery *(Frying Oil Waste)*	406,000	680,000	811,000
Recycling / Recovery (*plastics, paper / cardboard)*	968,060	1,340,000	n.a.
Total Waste Disposed	**1,374,060**	**2,020,000**	**n.a.**

n.a.: The figures for 2017 are not disclosed since the report was not published at the time of publication.

* As of 2014, we classify frying oil waste under hazardous waste in our reporting.

** In line with our environmental consciousness, we started to include our paper cups and sandwich boxes to focus on disposing of a greater amount of packaging waste.

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