We work with passion to spread the goodness and abundance of milk.

Our mission is "To spread the goodness and abundance of milk by offering sustainable dairy products for the good of everyone therefore to increase their well-being and happiness. Our ultimate purpose is to produce natural and tasty

products while managing the farm to table value chain and the resources entrusted in us.

As our mission requires, we implement exemplary practices for our industry on issues such as energy investments, selection of suppliers and producers, stakeholder trainings, animal welfare and productivity.

The favorite dairy brand in Turkey.

We worked with the love of milk to become the favorite dairy brand.

Sütaş offers 70 products to the Turkish Dairy Market and has held its leading position in the sector for the last 10 years. Sütaş products are in 8 out of every 10 households, and it is the favorite brand in Turkey in dairy category according to Lovemarks 2015 research.

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IT'S VERY NATURAL FOR US TO THINK ABOUT THE FUTURE

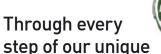


www.sutas.com.tr

ATURA

2015 SUSTAINABILITY REPORT

It is very natural for us to make a difference with our "From Farm to **Table**" business model.



business model "From Farm to Table", we pioneer many sectors, especially dairy sector in terms of environmental, social, economic and corporate sustainability.

As required by our "From Farm to Table" business model, and our sustainability approach, in addition to dairy production, we do plant production for the healthy and balanced diet of our animals; we establish feed plants in order to support our milk producers in terms of feed supply; we ensure that our dairy cattle farms are compliant with the principles of animal health and welfare; livestock selection and certification centers to provide fertile breeds to dairy farmers and applied dairy farming training centers for students, entrepreneurs and producers in each region we operate. (Page 4)

IT IS VERY NATURAL THAT SUSTAINABILITY IS THE CORE OF OUR BUSINESS

For the last 40 years, we perceived sustainability with its economic, environmental, social and corporate governance dimensions as a natural part of our business.

Our cows, under the "Five Freedoms" principle, are:

• Free from pain, injury and disease

• Free from fear and distress, and also

• Able to engage in normal patterns of

• Free from thirst, hunger and

• Free from discomfort,

malnutrition

animal behavior

(Page 8)

In all our activities, we follow the principle of satisfying the demands of today without limiting the opportunities of future generations. We define our business as our responsibility, economic growth as our goal, corporate governance as our foundation, while we treat natural resources as entrusted to us.

Our business is our social responsibility.

Milk is the most economic and most accessible food item for the balanced diet of the society and the growth of healthy generations. We strive to deliver this miraculous food to more and more people every day. Through our free of charge producer trainings to improve the quality and

Economic growth is our goal.

Dairy business is an activity that starts with completely natural resources creating a very high added value during the production process. The principal element of dairy business is the dairy cow and it creates capital accumulation by reproducing itself. This added value is shared by all segments of society and creates positive results in income distribution. In 2005, we paid 1 billion TL to our 27,500 milk producers and 800 million TL to our other suppliers. In addition, we provided 4,532 people with direct employment.

Corporate governance is our

It is very natural for us to produce our energy from our organic wastes. As our mission

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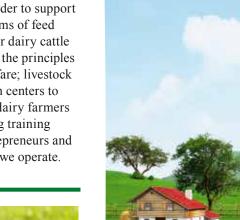
requires, we started our operations on energy in 2013 to minimize the environmental impact of our waste. We invested 20.1 million USD to date and we increased our electricity production capacity to 10.6 MWh, and our heat production capacity to 7.6ton/h as of 2015.

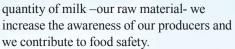
We convert all our organic wastes from production processes in addition to manure from our farms to biogas and produce electricity, hot water, and steam. This activity allowed us to dispose of 300,000 tons of waste in 2015 and produce 227,000 GJ renewable energy and thus 41% of our group's electricity need, and 10% of its steam need was satisfied.

In addition to waste disposal, we



As we are aware that efficient raw milk production, raw milk quality, and food safety depend on animal health and comfort, we define animal welfare as one of our top priorities.





Natural resources are entrusted to us.

One of our top priorities is to use renewable alternative energy sources and to satisfy our heat and energy needs from our own waste in order to fight against the negative impact of climate change on the sector. We strive to reduce and recycle our waste, develop our products and design our processes with minimal environmental impact and increase the awareness of our suppliers and employees on the issue.

foundation.

Operating in accordance with the universal corporate governance principles and improving our structure in line with these principles is a key factor in our business conduct. We received the "Non-Public Company with the Highest Corporate Governance Rating Score Award" with our "Corporate Governance Rating" report, prepared voluntarily and according to CMB's criteria.

limit fossil fuel consumption by producing clean energy and create an additional benefit by preventing manure-based methane emission into the atmosphere. Moreover, through our manure drying plant that will be operational in 2016, we aim to increase the efficiency of our agricultural operations by returning the waste from our biogas plant back to soil as high organic-content organomineral fertilizer. (Page 7)

It is very natural for us to deliver the goodness of milk to more people, in a safer way.

Milk has the highest nutrition value among known foods. It naturally contains many nutritional elements required for the growth, development, and well-being of human body.



As the world's resources continue to diminish,

we must remember the importance of milk and dairy products in the fight against malnutrition. The United Nations Food and Agriculture Organization (FAO) defines "sustainable diet" as "the diet with low environmental impact which contribute to food and nutrition security and the healthy life of present and future generations. In this context, FAO classifies milk as a "special" food due to its high nutritional value and its role in human nutrition.

(Page 11)







IT IS VERY NATURAL FOR US TO SHARE **OUR SUSTAINABILITY** PERFORMANCE NATURA AND GOALS

About the Report

We developed our sustainability report so as to present our economic, environmental, social and corporate governance performance transparently and openly. Through this report that we developed with the contributions of our stakeholders, we share the importance that we place on sustainability - the essence of our business model - and our objectives and goals.

Scope and Method

Our reporting method is based on the Global Reporting Initiative's (GRI) GRI G4 Sustainability Reporting Guidelines and GRI G4 Food Processing Sector Disclosures. The stakeholder analysis and engagement were conducted according to the Stakeholder Engagement Standard AA1000SE (AccountAbility). In the years to come, our sustainability reports where we will disclose our objectives and progress, will as well be in accordance with internationally recognized standards. Our report is prepared in accordance with

the principles of balance, comparability, openness, reliability, accuracy, and up-to-dateness. It contains consolidated data on Sütaş Group of Companies operating in Turkey -SÜTAŞ Süt Ürünleri A.Ş. (SÜTAŞ), TARFAŞ Tarımsal Faaliyetler Üretim Sanayi ve Tic. A.Ş. (TARFAŞ) and ENFAŞ Enerji Elektrik Üretim A.Ş. (ENFAŞ) only, unless stated otherwise. The report covers the period between January 1, 2015 and December 31, 2015, however, in order to obtain meaningful results, we compared some of the current data with those of 2013 and 2014. You can contact us at surdurulebilirlik@sutas.com.tr for all your opinions and suggestions about the report.

Materiality

Identification of Material Aspects

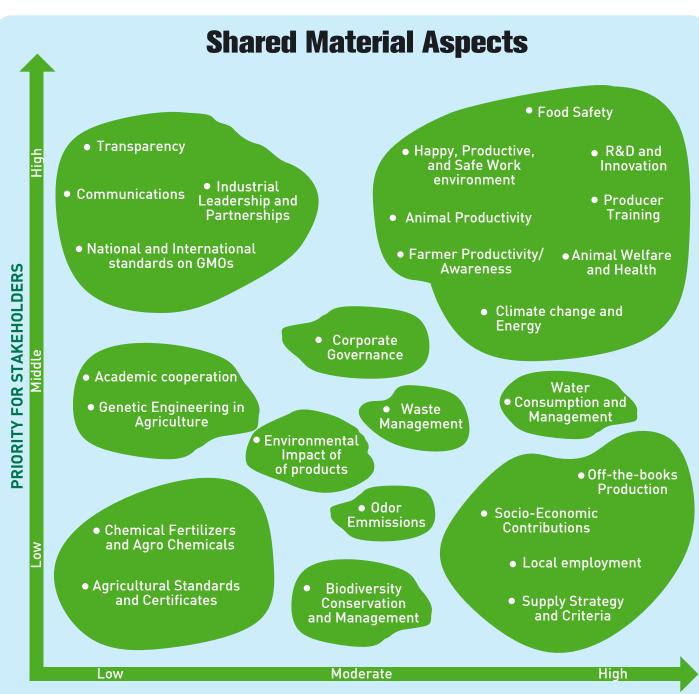
We discussed "shared material aspects" that are important for our stakeholders under the headings in accordance with the principles of stakeholder inclusiveness, sustainability context, materiality and completeness as outlined by GRI G4 Sustainability Reporting Guidelines.

In the first stage of this study, we worked with the Sustainability Coordination Board. We conducted a pre-study on the existing and probable direct and indirect impact of the activities of Sütaş and the sustainability of dairy sector. In the second stage, we evaluated this study in a workshop with the members of the Sustainability Committee consisting of the functional and operational leaders of Sütaş. We identified the material aspects through discussions on the sustainability strategy and performance of the organization and probable risks and opportunities and in line with our mission and vision.

We identified the priority sustainability issues for our stakeholders through a comprehensive stakeholder analysis process. As a result of these studies, the priority sustainability issues for Sütaş and its stakeholders (shared materiality) formed the scope of our report.

Stakeholder Analysis

We define our stakeholders as the individuals and organizations that influence or are influenced by our corporate strategy and performance as well as our decisions and activities.



PRIORITY FOR SÜTAS

The topics on the upper right hand side of the matrix are the issues that were revealed to have priority for both Sütaş and our stakeholders and that our stakeholders wish to have more information about. This report primarily focuses on these issues and these topics are always present in our list in terms of performance management, measurement, and continuous improvement. The topics on the lower right hand side of the matrix are the issues that are important to Sütaş but for which the awareness of the stakeholders must be increased. The topics on the upper left hand side of the matrix are the issues that Sütaş must first communicate and inform the stakeholders about the importance and priority it places upon them. The issues on the lower left hand side of the matrix are the issues that are well-known and understood by our stakeholders, and that are not so important for Sütaş as to be discussed in this report.

ons, and suggestions of our stakeholders. In compliance with the Stakeholder Engagement standard AccountAbility AA1000SE, to understand their priority sustainability issues, we grouped our stakeholders as consumers, public, public institutions, employees, milk producers, distributors, customers, suppliers, media, opinion leaders, non-governmental organizations, financial institutions, universities, and international and sectoral organizations. For the process, we first prepared the long list that defines our stakeholder groups and

stakeholders in our stakeholder map in terms of their interests, their influence on Sütaş, their expectations and needs from Sütaş, and their potential to create shared value. We identified those with high potential as "key stakeholders." Then, in the field analysis process, we conducted studies with the groups selected from among key stakeholders using various methods (focus group meetings, in-depth interviews, digital/printed surveys).

Through these studies, in addition to the identification of priority topics for our key

prepared for

Through the surveys we

communications with our stakeholders within the scope of this report.

Our Corporate Memberships

As Sütaş, we contribute to the sustainable development of our sector and society by taking an active role in non-governmental organizations



Thus, we prepared our sustainability report in a transparent manner to include and respond to the expectations, needs, opini-

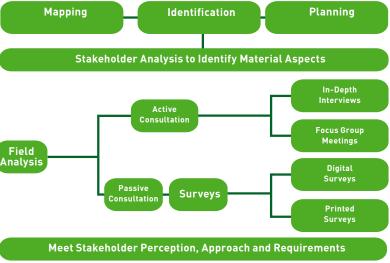
mapped our stakeholders. We assessed all internal and external stakeholders, we identified and evaluated the methods of our corporate relations and

DIALOGUE WITH OUR STAKEHOLDERS

ice

EMLOYEES	CONSUMER / PUBLIC	PUBLIC INSTITUTIONS	MEDIA	stakeholder engagement
One-on-one interviews, suggestion system, intranet, Sütaşkı Magazine, Sütaş Code Of Ethics web site, e-mails, employee meetings, bulletins, announcements, intra-company TVs, annual reports, trainings, seminars, and satisfaction surveys. Stakeholder Field Analysis: Focus group meetings, digital and printed surveys	Consumer surveys, brand tracking surveys, focus group meetings, Sütaş Consumer Hotline, news, announcements, advertising campaigns, printed and social media, and the web site. Stakeholder Field Analysis: Consumer and brand tracking surveys	One-on-one meetings, memberships and board of directors memberships, meetings and workshops, annual reports, announcements, seminars, press conferences, and conferences. Stakeholder Field Analysis: One-on-one meetings and digital surveys	One-on-one meetings, press conferences, press releases, announcements, bulletins, website and social media Stakeholder Field Analysis: Digital Surveys	process, we reached 950 people. As the responses we received from each stakeholder group reached an adequate level, we achieved the desired diversity and power of representation.
SUPPLIERS	NON-GOVERNMENTAL ORGANIZATIONS	FINANCIAL INSTITUTIONS	OPINION LEADERS	* The results of stakeholder analysis are shared at relevant parts.
One-on-one interviews, trainings, Sütaş Consumer Hotline, annual reports, relevant policies and documents Stakeholder Field Analysis: Digital and printed surveys	Memberships and board of directors memberships, meeting and workshops, annual reports, exhibitions, seminars and conferences, web site, news, announcements. Stakeholder Field Analysis: Digital Surveys	One-on-one meetings, annual reports, web site, special case statements Stakeholder Field Analysis: One on one meetings and digital surveys	One-on-one meetings, informative materials, confederations, conferences. Stakeholder Field Analysis: Digital and printed surveys	Mapping Stakeholder A
CUSTOMERS	DISTRIBUTORS	DAIRY FARMERS	UNIVERSITIES	
One-on-one meetings, Sütaş Consumer Hotline, polls, web site, special occasion communications. Stakeholder Field Analysis: Digital and printed surveys	One-on-one meetings, Sütaş Consumer Hotline, surveys, web site, special occasion communications, events and meetings. Stakeholder Field Analysis: Digital and printed surveys	One-on-one meetings, trainings, training research, Sütaş Consumer Hotline, relations with cooperatives Stakeholder Field Analysis: Digital and printed surveys	Vocational training and consulting within the framework of the Cooperation in Education Protocol, internship and scholarship programs, web site, career days, conferences. Stakeholder Field Analysis: Digital Surveys	Field Analysis Passiv Consultat
				Meet Stakeholder F

and sectoral associations.. As a result, we are represented in the board of directors of SKD and act as the president of the Climate-Friendly Agriculture Working Group. Some of the NGOs we take role are: Association of Baby Food Industrialists (BEBESAD), Biogas Investments Development Association (BİYOGAZDER), The Industrialists and Businessmen Association of Bursa (BÜSİAD), Environmental Protection and Packaging Waste Recovery and Recycling Trust (ÇEVKO), Sustainable Development Foundation (SKD), Advertisers Association (RVD), Turkish Corporate Governance Association (TKYD), Turkish Industry and Business Association (TÜSİAD), Young Businessmen Association of Turkey (TÜGİAD), Union of Dairy, Beef, Food Industrialists and Producers of Turkey (SETBIR), Turkish Quality Association (KALDER), Turkish Union of Chambers and Commodity Exchanges (TOBB), People Management Association of Turkey (PERYÖN), Turkish Enterprise and Business World Confederation (TÜRKONFED).







FROM THE CHAIRMAN

IT IS VERY NATURAL FOR US TO BE THE FAVORITE **DAIRY BRAND**

Sütaș was founded in 1975 in Karacabey, and for 40 years, has continued its operations to spread the goodness and abundance of milk, focusing solely on milk.

Sütaş does not perceive dairy business as just milk production. It operates with a unique business model called "From Farm to Table" through which it manages and audits all the process from the grass that the cows eat to the dairy products that reach the tables.

Sütaş offers 70 different products in 8 categories to the Turkish dairy market and is preferred in 8 out of every 10 households. According to the data from professional research companies, it has been the leading brand for the last 10 years in the dairy market in Turkey.

It is "very natural" for us to care for the welfare of future generations, and contribute to their health

and happiness.

Esteemed Stakeholders, Dear Friends of Sütaş;

Today, our world is going through a period of time

where it faces many important issues threatening the future of humanity such as global warming, natural resource depletion, food safety, hunger,

Following the establishment of dairy plants in Southern Marmara and Middle Anatolia with a capacity of 950 million liters of milk processing, Sütaş made its first foreign investment in Macedonia in 2012 and Romania in 2013 with the dairy plants it purchased. Sütaş invests the profits generated from milk into milk, and is in the process of establishing its third dairy plant in Tire, Turkey. 70% of the new plant with a million liters of milk processing capacity is already completed. In line with its regional export strategy, Sütaş is exporting its products to the Middle East, Turkic Republics, North Africa, and the United



and poverty. The "sustainability" concept lies at the very heart of all these issues, and it is referred more and more in the agendas of governments, corporations, non-governmental organizations, and individuals. Within the last year, we witnessed important developments worldwide to which Turkey actively contributed in terms of sustainability. The decisions made to support sustainability in the "Addis Ababa Action Plan," "Paris Convention," "2030 Sustainable Development Goals," and 2015 G20 Summit were the developments that gave us hope.

The United Nations defined its sustainability goals as "End hunger, achieve food security and improved nutrition, and promote sustainable agriculture and ensure healthy lives and promote a sustainable future for all at all ages." At the G20 summit, the commitments to "addressing the challenge of the sustainability of food systems" were emphasized. We are very pleased that our mission, which is "spreading the goodness and abundance of milk," overlaps perfectly with the universal understanding and goals of the world in terms of sustainability. We strive to realize our mission by setting an example for our sector in many areas such as producer training, dairy cow breeding, high quality feed production, animal welfare, energy production from manure

and waste, food safety and naturalness, food security of our country. As Aristotle, the philosopher, said "If one way be better than another, that you may be sure is nature's way," we have been following nature's way for 40 years, and valued the "natural. We

determined the promise of our brand as a "natural taste." As a guarantee of our

"natural taste," we developed the "From Farm to Table" integrated dairy production model.

Our business model "From Farm to Table" is also the basis of our sustainable business approach. Thus, we have been able to foresee all environmental, social, economic and corporate risks and create solutions. Since the day we were established, we adopted sustainability as our business method with all its aspects and we set challenging goals for the year 2020. We will satisfy 100% of our energy needs, including the energy used for logistics and offices, from manure and organic

from our employees, our customers, and business partners who share our vision, believe in our mission and empower us, and our

consumers who welcome us to their tables every day.

> I am very pleased to present our 2015 sustainability report that combines the results

of the sustainability approach that we have had for 40 years and our future goals, and to disclose our promises. I also wish to thank all of our stakeholders who share our passion for dairy business, who say that it is "very natural" that we care for the welfare of the future generations, and that we contribute to their happiness and quality of life. Sincerely, **Muharrem Yılmaz** Chairman of the Board

Sütaș is on the tables In 8 out of every 10 households

Leading brand for the last 10 years

OUR MISSION

To spread the goodness and abundance of milk by offering sustainable dairy products for the good of everyone therefore to increase their well-being and happiness. Our ultimate purpose is to produce natural and tasty products while managing the farm to

table value chain and

the resources

entrusted in us

To be the most **OUR VISION** loved brand, the most trusted corporation and the leading company

> Respect Responsibility Excellence Passion

OUR BUSINESS CONDUCT

S L

OUR VALU

of our farms. We will reduce our greenhouse gas emissions by 50%, and water use per liter of milk by 25%. We will improve the productivity of dairy farmers by 20% and help them grow their business by 30%. In this journey, we take courage

• We care for the happiness and development of our employees.

- We aim to reach consensus in all our decisions and find the "right" together, to create a shared mindset.
- We conduct our business under the guidance of science and technology, constantly questioning and learning.
- We perceive our work as our social responsibility, and we improve with our stakeholders.
- We believe creativity and innovation are the backbones of our mission and the guarantee of sustainability.
- We use natural resources efficiently and effectively, with active recycling and repurposing mechanisms.
- We continuously improve our corporate structure in line with corporate principles.

wastes

• We are committed to ethical principles.



IT IS VERY NATURAL THAT WE MAKE ADIFFERENCE WITH OUR "FROM FARM TO TABLE" BUSINESS MODEL



Our business model "From Farm to Table," unique in Turkey helps us pioneer the dairy industry among many others in terms of environmental, social, economic and corporate sustainability.

Stakeholder Opinion: 75% of our stakeholders think that we should continue to develop the value chain of the industry with "From Farm to Table" business model and to

model and to deploy the model. As required by this model that guarantees the naturalness and quality of our products and constitutes the basis of our sustainability approach, we engage in

plant production in addition to dairy business in order to ensure the animals to eat right and healthy. We establish feed plants that support our dairy farmers, dairy cattle breeding farms in line with animal health and welfare principles, cattle breeding centers to provide healthy and productive animals to

our dairy farmers, and applied

training centers for students and

business model.

In our dairy farming training centers in Karacabey and Aksaray, in cooperation with the Ministry of Agriculture and universities, we help small and medium businesses in modern animal husbandry practices. Moreover, with our training activities for students and the scholarships we offer, we aim to raise a qualified workforce.

To increase the quality and quantity of the milk we use as raw material, and to make it sustainable, we engage in plant production on 16,000 decare of land, 6,000 decare directly and 10,000 decare on contract as the first link in our value chain. We provide the seeds and fertilizers for our contracted producers who engage in plant production to ensure that the feed we produce have the same quality and

non-GMO, natural animal feed only for our own farms and for our milk producers. The development of animal husbandry in Turkey is very important for the future of our country. Thus, we work to decrease the number of imported animals and produce our own high-quality breeds.

Through the livestock selection and certification centers located within our integrated facilities, we engage in good practices to satisfy the demands of our milk producers, and we provide them with healthy, productive dairy cattle.

We obtain an average of 200 tons of milk per day from 10,756 dairy cows in our 5 farms, we have the largest corporately managed herd in Turkey.

We obtained "Disease-Free Business" and

We collect 2 million liters of raw milk from our farms and 27,500 dairy farmers for our dairy plants in Aksaray and Karacabey. The raw milk is immediately cooled and filled into tanks, and delivered to our dairy plants within the same day. After we secured the safety of milk through many hygiene and quality tests, the milk is transformed into dairy products maintaining its natural character and values. Our products are distributed to 132,000 points of sale with 1600 refrigerated vehicles in the most fresh and hygienic way possible. Today, 8 out of every 10 households in Turkey have Sütaş products.

All the organic wastes left over from our production processes along with the manure from our farms are converted first into biogas into electricity and heat. As of 2015, 41% of Sutas's total energy needs is satisfied by the renewable energy that we produced from our organic wastes.

deploy the model.

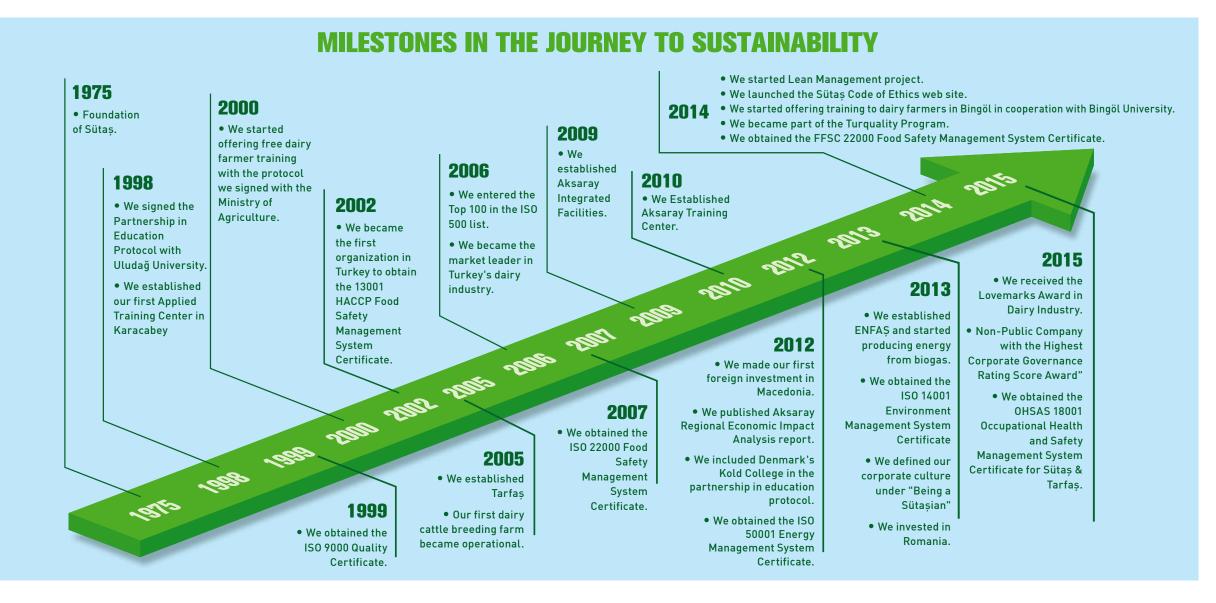
Stakeholder Opinion: 75% of our stakeholders think that we should continue to develop the value chain of the industry with "From Farm to Table" business

We see our educational activities, the foundation of sustainable development in the agriculture and livestock industry, as the most important part of our "From Farm to Table"

entrepreneurs.

standard. The feed materials that we obtain from plant production is processed in our two feed plants in Aksaray and Karacabey, and we produce 200,000 tons of high-quality,

'European Union Certified Dairy Farm certificates issued by the Ministry of Food, Agriculture and Livestock for our Dairy Cattle Breeding Farms in Aksaray and Karacabey.







IT IS VERY NATURAL FOR US TO WORK WITH A RESPONSIBLE MANAGEMENT APPROACH THAT THINKS ABOUT THE FUTURE OF THE ORGANIZATION

Our Organizational Structure

To fulfill our mission, we conduct our operations at Sütaş in accordance with our "From Farm to Table" business model and in a structure in compliance with this model

Sütaş Group Turkey, operates through three companies: SÜTAŞ is engaged in the production, sales and distribution of dairy products; TARFAŞ is engaged in feed production, dairy cattle breeding, agricultural trade and educational activities; and ENFAS is engaged in waste management and in the conversion of organic wastes to biogas and electrical energy.

After purchasing the dairy plant in Macedonia, we structured Balkan Dairy and established distribution centers in Albania and Kosovo. As Sütaş Group, we manage our domestic operations under Sütaş Türkiye, and our foreign operations under Sütaş Balkans. Our highest management body at Sütaş, the Board of Directors, consists of 11 members, 2 of

ETHICS COMMITTEE

AUDIT AND RISK MANAGEMENT

COMMITTEE

CORPORATE GOVERNANCE

COMMITTEE

SUSTAINABILITY COMMITTEE

SUSTAINABILITY

COORDINATION BOARD

whom are independent

and 3 of whom are non-executive. The Chairman of the Board of Directors is also the Chief Executive Officer. The Executive Board consists of the Chief Officers of Management Systems, Human Resources, Finance, R&D and Technology, Marketing, Supply Chain, and the General Managers of the companies. The Executive Board formulates policies in accordance with the strategies and processes approved by the Board of Directors, determines the organizational structure and is also responsible of efficient execution, auditing and improvement of the company operations.

Ethics Management

We consider the fact that all the members of the ever growing Sütaş Family adopt and keep alive our corporate culture, the basis of our sustainable success. Within this framework, in 2003, we established the Ethics Committee. The Ethics committee establishes the business ethics codes according to Corporate Governance

BOARD OF DIRECTORS

EXECUTIVE BOARD

CHIEF FUNCTION OFFICERS

principles and in a manner that the employees will be informed, follows up on the announcement and implementation of the principles, and ensures the establishment and improvement of a business ethics culture through regular trainings. In the same year, we published the manual, "Being a Sütaşian" so that all the elements of our corporate culture

and our code of ethics become accessible to our employees. In January 2014, we trained the managers that we chose as "instructors" on

CHIEF AUDIT OFFICER

"Being a Sütaşian." Later, our instructors trained 6,500 people including mono-distributors, distributors, and outsourced transport company staff in 20 different locations.

Moreover, in order for every employee to be informed on the Code of Ethics, we included

CHIEF OPERATION OFFICERS



The Ethics Committee received 164 claims in 2015. The Committee convenes every week and examines all the applications submitted and provides feedback. Should a claim is about a code violation as corruption or bribery, the committee conducts an investigation and refers the issue to the Disciplinary Committee.

Through the Sütas Code of Ethics Web Site, our stakeholders can anonymously send their questions and concerns and . track their submissions. These questions and concerns are compiled in the system of a third party company with a confidentiality agreement and only made accessible to the members of the Ethics Committee.



The Company is largely compliant with CMB's Corporate Governance Principles, and implemented all policies and measures. The Management and internal auditing mechanisms are effectively established and operational. All corporate governance risks are identified and actively managed. The rights of share and stakeholders are



Sustainability Management

We implement our "sustainability" approach, defined in our mission statement as: "by managing the resources that are entrusted to us as efficiently as possible", through our "From Farm to Table" business model. As required by our mission, all our decision making processes and operations are conducted with a sustainable approach. The Sustainability Committee that reports directly to the Board of Directors is responsible for integrating the organization's sustainability strategy into business plans and to implement and audit these plans. The Committee is supported by the Sustainability

Coordination Board, the main responsibility of which is to establish short and long term sustainability strategies, to make recommendations for action plans, to manage its communications, and to prepare the organization's sustainability report.

Stakeholder Opinion:

80% of our stakeholders think that the dairy sector is affected by many factors such as policies implemented, automation, climate change and low income.

Reputation as a Risk Area

We recognize that "reputation," is the most important gain of the organization for sustainable success, and is also a risk area. Therefore we manage reputation at the highest level at Sütaş.

4 million Sütaș Products sold every day, are the main determinant of our reputation. On the other hand, the consumers whose awareness increase day by day, are not satisfied only with natural, healthy, high-quality and tasty products any more. They question how much the organization commits itself to the welfare of the society as well as its approach towards environmental issues.

Our stakeholders assess our organization through different reputation criteria. Sütaș regularly allows its stakeholders to assess the organization through comprehensive reputation analyses conducted by independent research companies. Thus we can identify our risks. We create our middle- and long-term corporate strategies based on the data made available by the analyses.

Knowing that each of our employees has a great impact on Sütaş's reputation, we conduct our strategic

Our Management Systems

reputation communications with an "inside-to-outside" approach. The "Internal Communications Committee" and the project groups that function under the committee conduct projects and make plans to create "corporate ambassadors" inside and outside, with the "brand advocacy" vision.

We manage and audit our formal structures through which we conduct our communications with our external stakeholders (Consumer Hotline, Corporate Web Site, Social Media Accounts, etc.) in a manner to protect and improve our reputation.

considered very fairly; public disclosures and transparency are at the highest level and the structure and operations of the board of directors is in the best practice category.

Audit and Risk Management

The audit and risk management strategy of our company is based on:

• The early detection of strategic, operational, financial, legal and other risks that may endanger the existence, the development and sustainability of the company,

• The establishment of the systems required for the accounting, internal audit and financial planning units of the company, and the works conducted for ensuring the continuity of the operation, the compliance and adequacy of the systems and the identification of intra-company powers and responsibilities.

The Audit and Risk Committee, while performing its duties makes use of the activities of the audit department and of independent auditors and certified public accountants.

According to the United Nations Food and Agriculture Organization (FAO), issues such as loss of agricultural fields, soil degradation due to climate change, the changes in the climate conditions necessary for plant cultivation are among the important issues that affect the milk and dairy products industry.

Climate change causes many problems such as emigration from rural areas to cities, lack of local development, agricultural unemployment and wrong urbanization.

Adding the wrong practices in the livestock industry, we perceive this as a great risk for our industry.

Corporate Governance

Continuously improving our corporate structure in line with the

universally recognized corporate governance principles "fairness, transparency, accountability and

responsibility", is one of the key elements of our business conduct.

Our values and priorities, processes and procedures, the powers and

responsibilities of the management team, the rights of all our stakeholders including our employees are regulated through our Corporate Governance Principles (CGP). In 2015, we established the Corporate Governance Committee consisting of 3 members and chaired by an Independent Member of the Board of Directors to ensure the development, adoption and implementation of Corporate Governance Principles in the company

In the "Corporate Governance Rating Report" prepared by SAHA Corporate

Governance and Credit Rating Company for Sütaş Süt Ürünleri A.Ş., Sütaş was rated 9,34 according to the "Non-Public (Private) Companies" Methodology. Moreover, we were included in Group 1 according to the World Corporate Governance Index published by SAHA:

We received the "Non-Public Company with the Highest **Corporate Governance Rating** Score Award " at the VIth **Corporate Governance Awards** of the Turkish Corporate Governance Association.

Management Systems

The Management Systems, in line with the company's strategic plans, aim for a work flow where processes and procedures are deployed through the continuous improvement culture, variables are minimized, human, material and equipment resources are used with 100% efficiency, and operational excellence is achieved. We perceive Management Systems as one of the pillars of our sustainability approach. Management Systems allow our company to conduct its operations through a continuous improvement process; in other words, in a "plan, do, check, act" cycle with necessary

audit mechanisms to implement preventive and corrective action plans required to achieve operational excellence and to ensure sustainability. For an efficient operation, the Management Systems are managed at Chief Officer level and under the Chief Executive Officer. In 2010, we started critical process control using digital workflow management and enterprise resource planning software. We reduced process costs, contributed to the efficient use of our resources, and improved the performance of our processes. While improving our processes to achieve operational excellence, we also get certified with internationally approved Management System Certificates.

Began

We were the gold winner in the "Business Transformation" category with our SAP Trade Promotion Management Project. As the project was the gold winner in Turkey, it was chosen as one of the 6 projects in the SAP EMEA **Quality Awards.**



Certification





IT IS VERY NATURAL FOR US TO GROW BY PROTECTING THE ENVIRONMENT

At Sütaș, we perceive resources such as earth, water and air as borrowed from the nature; we conduct our business with the principle of "returning to nature what nature gave us," and formulate our energy and environmental policies accordingly.

The dairy sector has a large impact on climate change due to greenhouse gas emissions from animal manure. Moreover, due to the high volume of water required by animal feed production, the protection of water resources and the prevention of the loss of agricultural lands is very important for the dairy sector.

Within the scope of our energy and environmental policy, we identified the use of renewable, alternative energy sources and satisfying our heat and electricity needs from our own wastes as our priorities to combat climate change. Our other commitments stated in our policy are to reduce and recycle waste, to develop all new

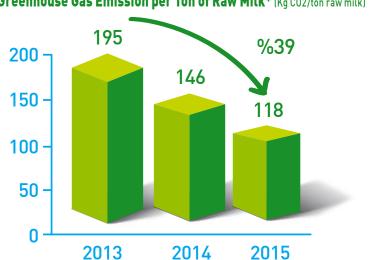
products and design operational processes with minimum environmental impact, and to build awareness in our employees and suppliers on energy utilization and its impacts as well as on the protection of the environment. To manage our environmental impact, we obtained the ISO 14001 Environment Management System and ISO 50001 Energy Management System

certificates. We monitor our environmental performance in full compliance with the requirements of these management systems and we continuously improve the systems.

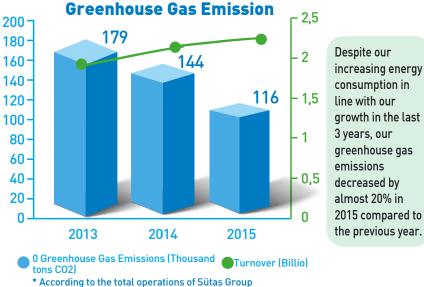
The most important performance criteria for fighting climate change is



the reduction of The most important performance criteria of the fight with climate change is the reduce energy consumption and emissions. We measure our performance based on these two criteria and aim to be certified with ISO14064 by 2020.



Greenhouse Gas Emission per Ton of Raw Milk* (Kg CO2/ton raw milk)





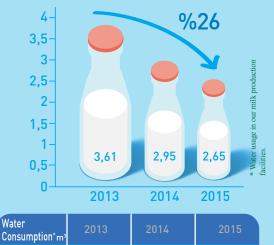
emissions decreased by almost 20% in 2015 compared to the previous year. 2015 Sera Gazı Salımının Yüzdesel Dağılımı*







Water Consumption per Ton of Raw Milk (m3)*



577.315

388.96

* According to the total operations of Sütaș Group Water Management

In its 2015 Global Risks Report, the World Economic Forum emphasizes that global water crises such as droughts, floods, and reduced water quality will adversely affect the world in the years to come. Contrary to popular belief, we live in an almost water-stressed country. Karacabey and Aksaray, where our integrated facilities are located, are among the areas with limited water resources. The dairy sector is a sector largely dependent on water resources and the most water-intensive processes are milk processing as well as agricultural production. Approximately 5 units of water are required to process a unit of raw milk, depending on the product type. Thus, in terms of sustainability, it is very important to use this resource in the most frugal and efficient manner possible.

of water. Our water consumption per ton of raw milk was reduced by 26% to 2.65 m3 compared to 2013,

We supply approximately 85% of the water we use from underground reservoirs. We first condition the underground water in our facility to make it compliant with the standards used for milk production. Thanks to the improvements in the CIP cleaning processes we recycle 25% of the water we use and reuse it in the milk processing centers. Through our continuing research and practices on the issue, we aim to increase the reclaimed water amount by 50% by 2020.

Since 2008, we have been returning all the wastewater from our production processes to the nature after 100% purification in our "Anaerobic Wastewater Treatment Facilities" using low energy and chemicals. The mud and organic materials generated by this treatment are recycled in our energy production facilities.

We continue our R&D efforts in order to make our wastewater treatment processes more efficient. The solids of the manure emerging from ENFAŞ facilities after energy production are composted and used in agricultural lands. We conduct R&D studies with the Ministry

and Academic Institutions in order to use the liquids of the manure to irrigate low-organic content soils.

Additionally, the project we conduct with the "Netherlands Enterprise Agency (RVO)" that encourages entrepreneurs in sustainable, agrarian, innovative and business, we improve our natural irrigated land treatment system and try to remove inefficiencies.

reached a length of 1500 kms.

We achieved an approximate of 40% reduction in water consumption on these lands. At the same time, we increased our yield per decare from 4.5 tons to 5.85 tons.

Evaporated water recovery project:

We did a recovery project to reduce water high-quality water. Through this project

In 2015 we used a total of 2.8 million m3

Logistics Management

One of our responsionness to the our environmental impact by improving the efficiency of our Distribution and Logistics network.

Through the improvement projects conducted in 2015, we achieved 6.6% improvement in raw milk logistics, 7.8% in product logistics and 8.8% in material logistics.

An important part of our logistics operations is the milk collection network. In 2015, we delivered approximately 2 million liters of raw milk to our dairy plants. By reducing the distance of milk collection points to our facilities by 5%, we decreased the distance we drove per liter of milk and improved our raw milk logistics by 6.6%. Moreover, we aim for further improvements in 2016 after the full implementation of "Milkcollect Project. In Material Logistics, with the "Backhaul Trucking" project, we saved 1.2 million TL in 2015, by using 70% of the vehicles that transport products, to carry materials that need to be delivered to the plants. With the design changes on yogurt packages, we delivered the same amount of products using 300 fewer trucks.

The handheld terminals that we started using to increase efficiency in our sales channels were implemented by all of our mono-distributors in 2015. Thus, we can monitor our sales point penetration, track sales data breakdown by vehicle and customer, and enable more efficient logistics management.

"Milk Collect" project aims improved traceability by combining the information on the location of vehicles that collect milk daily from 700 milk collection centers and farms, quality of the milk and vehicle occupancy; monitoring of quality reports and optimum daily operation management.

Energy Management

We do not limit ourselves to renewable energy production only to reduce greenhouse emissions but we do various other projects. For this purpose, we work on 4 Efficiency Enhancing Projects that were accepted in the support program by

We focus on reducing water consumption in our agricultural lands. For this purpose, the drip-irrigation systems that

we use on 40% of our agricultural lands

the Ministry of Energy and Natural Resources.

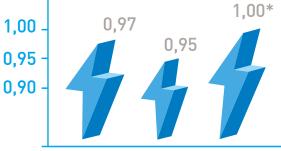
Within the scope of these projects, we replace energy-intensive light fixtures with LED fixtures. New generation.

low-energy-consumption, high-energy-efficiency motors are purchased to replace low-efficiency motors. These efforts are projected to be completed by 2016 and the objective is to achieve around 10,080 GJ of energy savings. This amount is approximately 9% of the electrical energy that we produced in our biogas facilities in 2015. Other projects that we conduct with TUBITAK support also contribute to our energy efficiency efforts. Climate-Friendly Refrigerators In the light of our "From Farm to Table" business model and with an approach to improve all processes in the value chain, we work on reducing the environmental impact of refrigerators located at our sales as tower and boiler feeding water. In the recovery plant, we recovered 850 m3/day it as boiler and tower feeding water. We contest organized by the Sustainable

points our products are stored in the refrigerators at the points of sale before they are delivered to our consumers, and various cooling fluids are used to cool these devices.

Since 2011, we have been purchasing eco-friendly hydrocarbon (HC) refrigerators. 40% of our 50,000 refrigerators in the field are of eco-friendly refrigerators. By 2020, we aim to have 100% eco-friendly refrigerators.

Energy Consumption per Ton of Raw Milk (GJ)**



2013 2014

2015

* The increase in 2015 is due to the increase in powdered milk production ** According to Sütaș Inc. Operations

water			
Underground Water	2.370.931	2.759.379	2.463.795
Total Water Consumption	2.848.364	3.316.694	2.852.757

477.433

Water

urface

* Water consumption in TARFAŞ agricultural lands were calculated based on the approximate water consumption per decare.

Projects with TUBITAK support

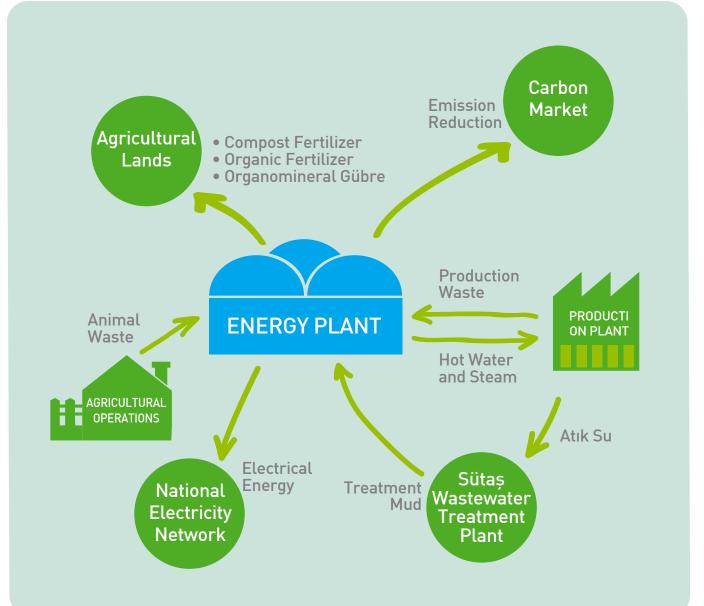
Project 1: Project for wastewater filtrating and reducing energy consumption in the biogas facility using membrane instead of aerobic system •85%saving in chemical consumption •15% saving in electricity consumption •10% increase in biogas production Project 2: Project for energy saving by increasing biogas production in less time from organic wastes in biogas facilities through the increase of the inner-reactor temperature In the decomposer with a current capacity of 50 tons/day; • 20% increase in the waste processing capacity •%26 increase in gas productivity Project 3: Project for water softening using CO2 recovered from flue gas instead of chemicals. • A decrease by 2,100 tons/year in carbon emission •3,000 tons less chemical use •22,000 m3 water savings





IT IS VERY NATURAL FOR US TO PRODUCE OUR ENERGY FROM OUR ORGANIC WASTES

As required by our mission, we started our energy activities in 2013, in order to minimize the environmental impact of our wastes. As of 2015, we increased our electricity and heat production capacity to 10.6 MWh and 7.6ton/h respectively through 20.1 million USD worth of investment to date.



We convert all organic waste from production processes and manure from farms to biogas and thus produce electricity, hot water and steam.

These activities allowed us to dispose of 300 thousand tons of waste in 2015 and produce 227 thousand GJ renewable energy. Thus, we satisfied 41% of our group's electricity needs, and 10% of its steam needs.

We sell the electricity that we produce to the electricity

Through our renewable energy production, we reduced greenhouse gas emissions by 86,000 tons in 2015 and thus our total emissions by 74%. Network and we use the steam and hot water that we produce in our dairy plants. Thus, we reduce waste and obtain clean energy, while limiting the use of fossil fuels.

We take animal manure that naturally emits methane gas to the atmosphere, to our biogas plant and use it to produce energy. Thus, we create an additional benefit by preventing the methane gas from animal manure, which is one of the greatest factors that affect climate change, from reaching the atmosphere.

In 2015: Our elec

Facilities

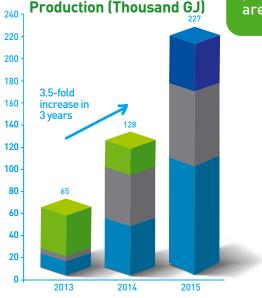
- Our electricity and production was 31,100 MWh and 21,000 tons/year respectively. Aksaray Biogas Facility satisfied
- 50% of the electricity and %10 of the steam demand of

In 2015, we initiated the investment for the Tire Wastewater Treatment and Biogas Facility. The facility is designed for a capacity of 6,000 tons/day water treatment, 4.2 Mwh electricity production and 3 ton/h steam production with an investment of 8.9 million USD.



*Gold Standard, is a global certification program. It is a standard for creating high-quality emission reductions projects.

Total Renewable Energy



Stakeholder Opinion: Approximately 90% of our stakeholders think that our moves for environmental sustainability are very important and expect us to play a leading role in this area. Our total greenhouse gas reduction equals to the amount of CO2 absorbed by In 2013 - 510,000 trees In 2014 - 400,000 In 2015 - 2.000.000 trees

We received the Sustainable Business Award in Carbon and Energy Management with our Aksaray Biogas Plant.

Greenhouse Gas Reduction through Renewable Energy (Thousand Tons CO2)

56.3

100 —	5-fold increase in
90-	3 years
8 0	

17.8

2013

7 0 -

6 0 -

5 0

4 0

3 0

2 0 -

1 0

0

Aksaray Dairy Plant. •20% of the energy demand of Aksaray Integrated Facilities. Karacabey Biogas Facility satisfied •40% of the electricity and 9% of the steam demand of Karacabey Dairy Plant. •16% of the energy demand of Karacabey Integrated

Wastewater Treatment Plant Biogas Biogas Cogeneration Plant (Hot Water)

Biogas Cogeneration Plant (Steam Production)
 Biogas Cogeneration Plant (Electricity Production)

🔴 Karbon Yakalama 🛛 🔵 Fosil Yakıt İkamesi 📄 Elektrik Üretimi

2014

2015

Agricultural Operations and Land Management

Within the scope of our agricultural operations, we are engaged in plant production on our own lands as well as in contracted plant production.

For increased productivity in our plant production processes, we implement good agricultural practices and we take measures to prevent the loss of agricultural fields.

Taking into consideration the goals for productivity of products, we use organomineral fertilizers upon the results of soil analyses. To improve the organic condition of post-harvest soil, we bury vegetable waste. We practice crop rotation, knowing that growing the same crop in the same place for many years in a row disproportionately depletes the soil of certain nutrients and causes the build-up of pathogens and pests. We grow grains and corn on agricultural fields in succession. 64% of Turkey's land has a soil structure with less than 2% organic matter content. This also means that the soil cannot be used for agricultural purposes, that is, results in soil loss.

Our manure drying facilities with a

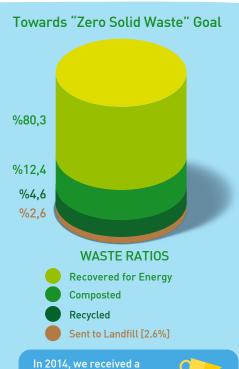
We ensure the resistance of our crops to diseases and pests by cultivating certified product varieties. Moreover, the crop rotation practice reduces the use of agro-chemicals and increases soil productivity and crop yield. capacity to produce 4,650 tons of organic fertilizer will become operational in 2016. In these facilities, we will recycle animal waste from our energy facilities and produce a highly valuable fertilizer with 80% organic matter content. Thus, in addition to preventing soil loss, we will enrich the soil and contribute to higher productivity.

Waste Management

Using all the resources in the value chain in the most efficient manner possible, we strive for the goal of "0 waste" to increase the recycling and recovery rates. In 2015, 378,000 tons of solid waste including animal manure were produced. 304,000 tons of these wastes were recovered for energy production, while 47,000 tons were composted for agricultural production efficiency. We recycled 17,000 tons of materials, of which 62% was from packaging wastes, and 38% was from recycled materials. We sent 10,000 tons of waste, which constitute only 2.6% of our total waste, to landfills. By 2020, we aim to reduce the amount of waste we send to landfills to zero.

We focus on sustainability on product packaging without reducing quality, we use less material or materials with lower environmental impact. We recycle our wastes to transform them into new resources through our cooperation with ÇEVKO.

We replaced the non-biodegradable raw material polyvinyl chloride (PVC) with the recyclable material polyethylene terephthalate (PET), which also has less environmental impact. Therefore, we reduced the use of plastic by 474 tons. We used recycled material instead of 141 tons of raw material to manufacture the palettes we use to transport our products. By changing the containers of our yogurt packaging, we reduced the use of plastic by10 tons.



In 2014, we received a gratitude plate in the Çevko Green Point Environmental Awards





IT IS VERY NATURAL FOR US TO CARE ABOUT ANIMAL WELFARE

We recognize that the health and comfort of our cows have a direct impact on milk production, milk quality, and food safety, therefore we define animal welfare as one of our high-priority issues.

For us, good dairying practice of animal welfare is underpinned by the framework provided in The Five Freedoms that describe an animal's fundamental needs. Animal management practices should aim at keeping animals:

• Free from thirst, hunger and malnutrition,

• Free from discomfort,

Free from pain, injury and diseaseFree from fear and distress, and also

• Able to engage in normal patterns of animal behavior.

We formulated our animal welfare policies considering both the physical and mental health of our animals. We defined our activities for the implementation of sensible and sensitive animal husbandry practices in our "Animal welfare Handbook" and "Good Dairy Farming Practices Handbook."

We prepared our handbooks in the light of



activities through 5 Dairy Cattle Breeding Farms (2 in Karacabey and 3 in Aksaray), a Livestock Selection and Certification Center and 2 Applied Dairy Farming Training Centers.

To maintain the sustainability of the dairy sector, and consequently, the dairy livestock industry, our Livestock Selection and Certification Center plays a key role. In our center, we aim to create a local, pure, health and high quality dairy breeds for the producers and the industry, and thus help our producers produce high-quality, natural raw milk. We conduct our operations on the matter in three separate farms that we call collection, insemination, and breeding centers.

After the health screening, we take the 8-12 month-old female calves from our producers to our heifer collection center. The heifers arrive at our collection center at 10 months of age on average, and are subjected to various health tests and vaccinations as required by law. On average, at the age of 13 months in average, those with the required qualities are transferred to the insemination center and are inseminated as from 14 months of age, which is the minimum age of insemination required by law. The heifers that took the pregnancy tests are then transferred to the breeding center at the age of around 16 months. The pregnant and healthy heifers that we breed until they are 20-12 months old, are sent to our producers. The breeding conditions and the welfare of dairy cattle have a direct impact on their health and consequently on milk quality and quantity. We provide good housing conditions to 9500 high producing fertile dairy cows in our farms. At the same time, we provide them with sufficient space to prevent discomfort and ensure that the animals are able to meet their normal behavioural needs. We design our farms in a manner to provide safe, comfortable environments and equipment (fences, flooring, doors, and loafing areas) to prevent injuries and ensure regular cow traffic. In order to create suitable housing

conditions, we group the animals in our dairy farms according to their age and physical characteristics. We have pens for 0-2 month-old calves, different barns for 3-6 month-old, 7-12 month-old, 13-18 month-old, and 18+ month-old animals as well as milking cow barns. In addition, we provide other housing areas for pregnant heifers and

> We are the only animal feed manufacturer that produces feed in a standard ration and declares the energy values on the packaging.

cows to cater for their special needs.

In this regard, we accommodate our milking cows in dry cow barns in the 8th month of gestation, and in special transition sheds in the last month. We conduct medical controls and treatments of our cows in veterinary dispensaries in the farm. We use antibiotics for infections; anti-inflammatory drugs for the treatment of mastitis1 and for cases that require painkillers; GnRH (used to induce ovulation and initiation of a new follicular wave in synchronization protocols) and PGF (a hormone that is produced by the uterus to regress the Corpus Luteum and allow the female to come into estrus) hormones for the treatment of anoestrus2. The use of these hormones poses no risk for human health. Our half-open accommodations have communal walking areas (3) outside each barn. The barns have a curtain system to protect our cows from harsh winter conditions. Our accommodations have a stop-system and each stop has beds that our cows can lie on. Ventilation fans allow constant fresh air circulation in the barns. We use automatic manure scraping systems to scrap the manure away from the floor to minimize odor and create hygienic conditions in the barn. We collect manure to be used for electricity production in our biogas facilities. Good stockmanship underlies the success of our dairying operation. The animals in our farms are under the surveillance of

experienced and specialist staff and veterinarians and constantly monitor their health

conditions. At our farms, we do not engage in practices such as branding, tail docking, and tooth-clipping that may be painful for animals. We dehorn our calves before they are 21 days old as horns may present danger to animals as well as farm workers. At Sütaş, we use automatic milking systems in hygienic milking parlors as we care for the udder and teat hygiene of the animals as well as for their comfort. The water treatment facilities in our farms provide our animals with potable water that is fit for human consumption. We feed the animals in our farms according to their age, weigh, behavioral, and physiological needs, in a manner that will support their health and welfare, and that will cater to their special needs. We provide our animals with natural, healthy, non-GMO feed. We produce all the concentrated feed that we offer our animals in our own feed plant, 25% of the fodder crops in our own lands, while we procure the rest from 130 contracted producers -at the same time, our seed and fertilizer suppliers- that we regularly analyze. We monitor the feed production processes through the "Feed Production Group Directorate."

journeys, we provide feeding, watering and resting times. We only use vehicles that did not previously transport animals or are thoroughly disinfected before reaching our farm. Moreover, we coordinate our transfers through a company certified for animal transportation.

In 2015, during the transport of caretaking of animals, there were no reported accidents, neither were any illegal situations encountered.

The importance we place on animal welfare has a positive impact on the milk yield of our cows. Our herd consisting of just Holstein breed had a milk yield of an average 8 tons per cow in 2015.

In Karacabey and

the regulations of the UN Food and Agriculture Organization (FAO), International Dairy Federation (IDF), World Animal Health Organization (OIE), and the European Council, and used them as a reference in all of our animal husbandry operations.

> We established Herd Management System through which we monitor and report the highest number of animals

Our herd of 10.756 animals in total is the biggest corporately managed herd in Turkey.

100% of the dairy cattle that we breed in our dairy farms at Karacabey and Aksaray are of Holstein breed, the world's highest-production dairy cows.

We manage our animal husbandry

We did not received any customer complaint in the last 2 years concerning feed quality.

Our animals undergo health screening and we decide on their fitness for transfer. We do not transfer animals that are unfit, females in the final 10% of gestation, or that have given birth in the previous week, or newborn animals in which the navel has not completely healed. During long Aksaray, we have farms with "European Union Certified Dairy Farm" certificate that allows us to export to the EU and "Disease-Free Facility" certificate issued by the Ministry of Food Agriculture and Livestock.

¹ Inflammation of udder tissue

 ² Anoestrus: The cow is not observed in oestrus either because she has not come into oestrus (not cycling) or because oestrus was not detected (cycling).
 ³ Except 0-2 month-old calve pens.

Guarantee of Naturalness: We Will Develop the Internet of Things System

We record and analyze the data we collect from our farms through digital technologies. We convert the data into information, develop solutions for our business, and make the best decisions quickly.

We put an ear tag on our cows the moment they are born; a neck collar and a pedometer when they reach puberty. The RFID tags on their ears identify our calves and ensure traceability and better record keeping. Through the microphones on the rumination monitoring neck collars on the necks of our cows, we assess their swallowing and rumination sounds and monitor their health.

The pedometers on their feet are heat detectors.

We aim to increase the use of digital technologies by developing efficient solutions for our cows to produce milk under most comfortable conditions and increasing the quantity of the data we obtain from the animals and their surroundings.

Cattle Breeds in Numbers in Karacabey and Aksaray Integrated Facilities:

Cattle Breeds	Number of Animals	Percentage
Holstein Dairy Cow	5.334	%49,7
Holstein Heifer (2-24 months)	4.260	%39,7
Holstein Female Calf (0-2 months)	444	%4,1
Holstein Male Calf (0-2 months)	349	%3,2
Holstein Calf (2-19 months)	359	%3,3
TOTAL	10.756	





IT IS VERY NATURAL FOR US TO CONTRIBUTE **TO SOCIAL WELFARE**

Milk, produced from totally natural resources, is a food item that generates high economic value throughout its production process. This economic value is created and shared by the contributions of various segments of the society such as milk producers, employees in the dairy plant, suppliers, product distributors. With our "From Farm to Table" business model, we provide 4,532 people with direct employment and 27,500 milk producer families, 1,600 distributors and 700 business partners with indirect employment.

We contribute to the per capita income in the cities in which we operate and the cities around them. 95% of our procurement is from local suppliers. We procure 2 million liters of milk per day from 27,500 dairy farmers and contribute to the local economy. Our total payments in 2015 reached 1.8 billion TL.

We distribute our products to 132,000 points of sale around Turkey through our 28 regional directorates and 88 distributors. In the last 5 years, the dairy market grew by 64% while Sütaş grew by 97%. In 2015, our turnover was 2.3 billion TL.

We ranked 51st in "Turkey's Top 500 Industrial Enterprises" list of the Istanbul Chamber of

Commerce (ISO) of which we have been within the Top 100 NATURA since 2005. In 2015, our export volume to 22 countries including countries in North America, Middle East, Turkic Republics,

European Union, Russia, the United States, and West and North Africa reached a total of 8.3 billion USD.

We invested so far 661.5 million USD and 48.6 million USD in 2015 in Sütaş Group operations. We invested 29 million USD between 2012 and 2015 in the dairy plants we purchased in Macedonia and Romania, with the objective to export first to the Balkans, then to the European Union

Sütaş has a sustainable financial structure and it retains a sufficient amount of distributable profits in the company for investment. For external financing, it has sufficient amount of credit limit in domestic and foreign financial institutions

In line with our goal to become a global brand, we joined the TURQUALITY program. TURQUALITY

For Society, With Society: Creating Shared Value*

The competitiveness of an organization and the social development of the communities around it are mutually dependent. The "Creating Shared Value" approach prescribes increasing the economic

value and spreading the social value instead of direct economic support. It provides opportunities so to increase the size of the pie.

At Sütaş, we act on the principle of increasing the opportunities in our relationships with our dairy farmers and suppliers, thus, contribute economically and socially to the rural development. Around the value we created, we provide 4,532 people with direct employment, we help the creation of financial and social capital accumulation in every region we operate. 95% of our suppliers are local, therefore, we contribute to the improvement of competition.

Moreover, since 1998, tens of thousands of students, entrepreneurs and producers took training and received free consultancy from us at our Dairy Farming Training Centers. Our students from 81 cities learn free of charge about efficient, sustainable farm management and scientific animal husbandry. Along with the income generated from our own operations, we aim to grow by increasing the opportunities in the social environment. We believe that the shared value will only increase through practices and cooperation that support rural development.

In the retail industry, dairy products that constitute 20% of the total trade has an important place. It contributes heavily to retail in terms of cash flow and rolitability with its every other day urchasing frequency. Sütaş has the largest retail direct service distribution network with 132,000 points of sale. These points are regularly visited to ensure the continuity and freshness of the products on the shelves so to support the sustainable trade of retailers.

Creating Social Value

Creating Shared Value Investments in long term competitiveness that simultaneously address social and environmental objectives

Creating Business Value Investments in long-term competitiveness

* The shared value concept was introduced by Harvard University and Prof. Michael E. Porter and

2.3 billion TL turnover in 2015	A total of 661.5 million USD worth of investment so far 68.6 million USD worth of investment	A total investment of 29 Million USD in Romania and Macedonia
Direct employment to 4,532 people	#51 Our rank on the ISO 500 list	32 cities, 1,161 villages 27,500 producers
95% local supplier rate	28 regional directorates, 88 distributors 132,000 points of sale	Fleet of 1,600 distribution vehicles



Mark R. Kramer in 2011 as a business model stating that the competitiveness of a company and the health of the communities around it are mutually dependent.

We generate stable income for tens of thousands of dairy farmers while supporting their social development.

According to the data from TUİK, 49% of the milk produced in Turkey is off the books. This situation poses a threat to public health, as well as, it is far from contributing to the social and economic development of the producer. Industry-based dairy sector is very important to keep milk production on

record. It is only possible to include the dairy farmers - raw material suppliers of the industry - to formal economy without emigrating to big cities is by providing them with stable income. The dairy farmer will then adopt the planned production model required for the industrial society. communicate regularly with the industry,

and be informed about the hygiene, quality and productivity concepts and adapt to the changes. All these factors make important contributions to rural economy. We collect milk twice daily from 27,500 dairy farmers in 1,161 villages of 32 provinces. All of our dairy farmers are contracted and in 2015, we paid them a total of 950

million TL. In addition to the economic value that we created, we made an important social contribution by including our dairy farmers in the social security system. In order for them to reach the raw milk quality standards that we approve through 14 different tests before accepting the milk in our facilities, we continuously

strive to increase the awareness of our producers. In the surveys that we conducted with the dairy farmers to whom we offer free dairy farming education, nine out of every 10 participants stated that they saw an increase in the milk quantity and quality after the training and thus their income has increased.







IT IS VERY NATURAL FOR OUR LOVE OF MILK TO FEED OUR INNOVATIVE APPROACH

At Sütaş, we perceive innovative products and processes that contribute to social, environmental, and economic sustainability as the key to sustainable growth.

Adopting the milk culture that has a thousand years of history in Anatolia, we try to be the masters of our business, and to constantly improve our expertise under the guidance of science and technology. Thus, we accept the responsibility to carry natural tastes to the future, and to allow future generations to grow with natural taste just like we did. Through our investments in R&D, we focus on continuously improving our products, and to develop new natural tastes that please the palates of our consumers while protecting the essence of milk

We believe that technology and R&D must cooperate for innovation. For that purpose, we manage R&D operations under the Chief Officer of R&D and Technology reporting directly to the Executive Board.

Through the stakeholder feedback process operated within the same department, we

In 2015, our application to be licenced as an R&D Centre was filed at the Ministry of Science, Industry and Technology. We aim to finalize the licencing process in September 2016 and to conduct all our activities from our R&D centre within two years.

Stakeholder Opinion:

More than 80% of our stakeholders expect us to continue to innovate and develop natural and high-quality products.

In the World DairyInnovation Awards 2014, Sütaş Light Ayran was considered "highly 🌈 recommended" in the dairy drinks category.

ensure that all feedback concerning products is handled initially during product development or improvement phase.

Additionally, we work with an approach that allows all Executive Board members to contribute to the innovation process in line with their own functions.

Our Firsts

19

20

20

20

20

20

20

20

Since our establishment, we have been leading the way in many things in dairy industry in Turkey and in the world. We have been awarded many prizes in the international arena. In addition to our firsts in many practices, through our products, we make important contributions to our industry and to the healthy diet of future generations.

As an example for the products we developed with this approach, we can mention our functional yogurt Yovita, with two probiotic bacteria and prebiotic fibers (symbiotic) in its content that has digestion facilitating effects, and our cheese for children, Büyümix, that differs from its rivals with the highest (35% more) protein content

77	The first packaged ayran
	The first packaged yogurt with garlic
000	The first light white cheese
	The first packaged cream-on-top yogurt
01	The first packaged caciki, Easy Caciki
	The first light kashar cheese
03	The first tubed child's yogurt, Hüptrik
105	The first light ayran
05	The first light yogurt with fruit
06	The first baby yogurt: Babymix
09	The first UF white cheese "Süzme"
107	The first packaged haydari
)15	The first UF white cheese "Süzme" goat
15	The first peppered spreadable

The first peppered spreadable processed cheese in a jar

Product Development Process

We manage our product development process with a participatory management approach. Our employees can submit their opinions and suggestions through our suggestion system, and our customers can do the same through our Consumer Hotline. Thus, we can find out about the opportunities and receive new product demands directly from our customers.

At Sütaş, the Product Development Board (PDB) is responsible for the management and performance of the product development process. The Chief Executive Officer chairs the PDB and the members of the board are from R&D and Technology, Marketing, Supply Chain and Finance. This cross-functional structure of PDB enables us to develop new products and improve existing ones with contributions from all relevant departments.

The owner of the product development process is the Marketing Team. As well as their marketing plans, the ideas submitted through different channels are evaluated by the Chief Officer of Marketing in terms of their suitability to Sütaş corporate culture and strategies, and those that are found to be suitable are submitted to the PDB.

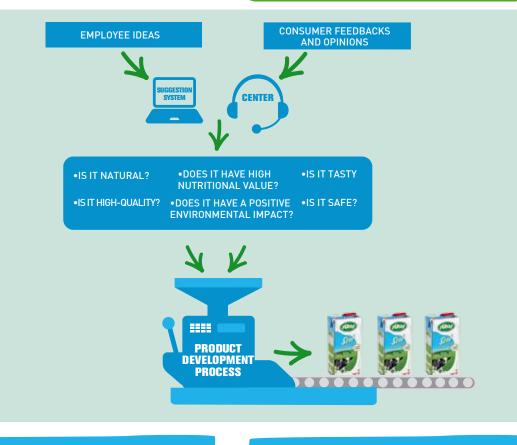


In line with the principle of continuous improvement, the product development process consists of the planning, design and development, implementation, and improvement stages. Thus, we measure the process performance within the continuous improvement cycle.

Into the product development process, we integrate many sustainability parameters such as, impacts on food safety, human health, nutrition, food safety and environment. Our fundamental criterion is not to use any additives that can damage the naturalness of our products.

Stakeholder Opinion:

Our stakeholders believe that the leadership of Sütaș in the sustainability of the sector is very important: Our employees: 98%. NGOs, Suppliers, Distribution Channels and Universities: 90%, Public Institutions: 70%



In 2015, the peppered spreadable processed cheese in a jar received the Silver Award in the Crescent and Stars for Packaging Competition,

In 2015, the peppered spreadable processed cheese in a jar received the Packaging Award in Food Category in the Asia Star competition.



After the filling process is completed, a

To prevent waste during the consumption of "Süzme" and to make it user-friendly, we offer the cheese in various package sizes, portioned in each package.



The story of UF White Cheese "Süzme"

We invented UF white cheese (cow) "Süzme" in 2009, a new product for Turkey, it differs from other cheeses as it contributes more towards a balanced diet, due to its production method.

UF white cheese "Süzme" caters to all consumers of all ages and profiles and it became the favorite cheese of Turkey within 5 years.

In the ultra-filtration technique that we use to produce "Süzme", we first standardize and pasteurize the milk that we will use in cheese making. We separate most of the water and milk sugar in the milk (permeate) and we get concentrated milk (retentate).

Thus, the milk serum proteins called whey proteins which are very beneficial to human health, remain inside the milk. We add special starter cultures and rennet to the retentate and fill this concentrated milk immediately to the consumer packages.

special paper is placed into the package and table salt is added. Fermentation of the retentate starts and is continuous in the package of "Süzme". "Süzme" contains 25% more milk-serum proteins compared to fresh white cheese made by in a Traditional way in which the whey is separated. Salting method enables the slow penetration of salt into the cheese, and allows us to adjust the amount of salt and keep it stable. Taking into consideration its impact on health, we optimize the salt level. Since this method enables us to standardize the milk content and the salt amount in the cheese, we can offer the same consistency and taste in every package.

The production technique of "Süzme" has lower labor cost and raw material loss rate. The use of high technology and fermentation inside the package enables efficient production. The production of "Süzme" has 70% lower energy and labor cost, and the loss of protein and fat is 80% less compared to fresh white cheese production.

In 2015, we introduced another innovative product, 'UF White Cheese "Süzme" (Goat) which contains 100% goat cheese.

"Since we met Sütaș UF whited Cheese, my younger daughter Irmak and my older daughter Yağmur started eating cheese. Please keep your honesty and quality. Sütaș UF White Cheese is brilliant; bless those who created it and their efforts. From Silopi with love"

> The opinion of our consumer **Selahattin Damla**

Lean Management

We initiated the "Lean Management Project" in 2014 in order to manage the value chain in the most efficient and safe way possible and to obtain the most efficient output with the least amount of resources. Our definition of lean management goes far beyond "a methodology to reduce costs", it is a strategic approach that supports the sustainable business conduct.

We started the Lean Management Project with "Lean Thinking" and "Lean Leadership" training programs. As lean management requires team work and the engagement of employees to succeed, we established "Lean

Project Teams" in both Aksaray and Karacabey Plant, as well as "Project Management Committee".

In the "Lean Production" phase, we initiated the "Kaizen" projects. We conducted studies to increase productivity in the production processes in our value chain and implemented "visual management" practices. In this process, we identified the opportunities for improvement in ayran and yogurt production in Karacabey, and kashar cheese production in Aksaray, then we started implementing pilot projects.

In 2015, we included all the production processes into the scope of the project and built effective process management aiming to reduce time losses, increase capacity utilization rate,

increase the efficiency of line management, planning and shipment processes, occupational health and safety and ergonomics.

In the "Lean Deployment" phase, in addition to the previous phase, we plan to build a continuous improvement infrastructure, to use the suggestion system more effectively, to expand the activities of Kaizen teams, and ensure the adoption of Lean Management strategic goals and policies by the whole team (Hoshin Kanri). The completion of the organizational structuring required to support these efforts is among our short-term goals.

While the supply and production processes continue to "get lean", we analyze as well product based opportunities for improvement. In the next phase, our efforts will be to improve and organize the product development processes in a manner that will support production supply chain.

In addition to Lean Management, we do "Kaizen" projects to increase our efficiency and improve our working conditions, and expand the successful projects through trainings. Since the beginning of the Lean Management project, approximately 400 of our employees participated in the "Lean Thinking," "Simple Leadership" and "Kaizen" training programs.

Our employees who have completed their Kaizen trainings identify new Kaizen topics for improvements in their fields. In order to transform the learned techniques into our

business conduct, we are now starting the "Kaizen Leaders" process.

In 2015, through our Lean Management programs, we achieved

 209,000 person/hour/year workforce savings

- 10,265 hour/year machine time savings
- And 5 million TL savings with process improvements.





IT IS VERY NATURAL FOR US TO SAFELY DELIVER THE GOODNESS OF MILK TO MORE PEOPLE

Milk has the highest nutrition value among known foods. It naturally contains many nutritional elements required for the growth, development, and well-being of human body. Dairy products are sources of calcium, potassium, phosphorous, protein, Vitamins A, B12, riboflavin and niacin. People who eat a balanced diet and meet 10% of their daily calorie

50

requirement through dairy products satisfy 50% of required daily calcium intake, 30% of required daily phosphorous intake, 30% of required daily Vitamin A intake, 25% of required daily B12 and riboflavin intake, 20% of required daily protein intake, 15% of required daily potassium and zinc intake, and 10% of required daily magnesium intake

In a world where resources are in depletion, the importance of milk and dairy products must not be forgotten in the fight against malnutrition.

The United Nations Food and Agriculture Organization (FAO) defines "sustainable diet" as "the diet with low environmental impact which contribute to food and nutrition security and the healthy life of present and future generations. "Sustainable nutrition" does not harm biodiversity and the ecosystem, is affordable, accessible, sufficient, and healthy. In this context, FAO classifies milk as a "special" food due to its high nutritional value and its role in human nutrition.

The World Health Organization (WHO) in cooperation with FAO states that tightening the Codex standards (Food Code) especially for foods of animal origin and expanding their scope may contribute to public health and economic development.

Off-the-books and uncontrolled production, which is one of the structural problems of the dairy sector in Turkey, poses a great threat to public health, causes the producer and the consumer to suffer financial loss, and creates unfair competition.



Due to the nature of our business at Sütaş, the management of risks against human health is our priority. In every step of our "From Farm to Table" NATURAL process, we conduct effective food safety management with a preventive approach to protect the health of our consumers and the quality of our products and through continuous improvement, we offer the "safe food" which is the key expectation of our consumers.

> For us, the safety of dairy products starts with safe forage harvesting. We are aware of the fact that our stakeholders attribute great importance to the negative impacts of "genetically modified organisms" (GMOs) on human health and the regulations concerning this issue. We never use GMOs in the animal feed we produce, and we analyze the fields of our contractors to make sure that our dairy cows don't feed on feedstock containing GMOs. We removed products, such as soy sprouts, that are at risk of containing GMOs.

> Our farms in Aksaray and Karacabey are certified with "Disease-Free Facility" and "European Union Certified Dairy Farm" certificates, issued by the Ministry of Food, Agriculture and Livestock. In addition, we ensure the compliance of the milk we procure from our producers with high safety and quality criteria. Every day, we cool the milk we collect from villages around Turkey to +4 C at 720 cooling points and test them for temperature, dry matter, fat, antibiotics, and acidity. We monitor the temperature of our vehicles from satellites throughout the journey to ensure the effectiveness of the cold chain; and guarantee the naturalness and quality of the milk that we deliver to our facilities.

> Our milk control teams supervise the collection of milk in villages and meet face-to-face with 60% of the producers to discuss milk quality, cleaning methods and milk hygiene. These meetings are very important to ensure the sustainability of quality and food safety We formulated our production policy by upholding

the primary promise of our brand, "natural taste," with an approach that maintains the essence and naturalness of milk. In this respect, we first produce our products using the simplest process possible, and we select our raw materials from among the natural ones. In our facilities, under our Quality Management system, we conduct physical (taste, odor, color, etc.), chemical (protein, fat, etc.) and microbiological (food safety and product quality analyses) checks for our raw materials, production processes and products. To approve the suitability for transport of the milk arriving at our facilities, we conduct 9,000 analyses per day. We offer safe food to our customers and consumers through the implementation of a sustainable, preventive and traceable food safety management in all stages of supply chain process in full compliance with existing local food safety legislation, HACCP methodology, Good Manufacturing, Good Hygiene and Good Laboratory Practices.

Our Supplier Principles: We have many stakeholders that supply us materials and services apart from milk which is our primary raw material. The number of suppliers we work with directly is 1,179, and the number of our material and service suppliers and their suppliers reach 12,273,

We oversee the compliance of our suppliers with legal requirements, with Sütaş sustainability criteria and the laws and the

context, we audit our suppliers in terms of quality, hygiene, human resources and environment management practices, that is, in areas which constitute our sustainability criteria. According to the audit results and other risk factors, we conduct follow-up audits at periods from 6 months to 3 years, and monitor the realization of the required improvements.

providing of high quality and timely In this

We ensure the compliance of our suppliers with our criteria through regular audits by independent audit firms.

Certificates of our suppliers*:

- 80% of them are certified with ISO 9001 Quality Management System
- 50% of them are certified with ISO 22000 Food Safety Management System
- 40% of them are certified with BRC Global Standard For Food Safety
- 40% of them are certified with ISO 14001 **Environment Management System**
- 40% of them are certified with OHSAS 18001 Occupational Health and Safety Management System

* These data belong to our 10 biggest suppliers that supply packaging and product materials.

We will increase the number of sustainability criteria on our supplier audit questionnaire and improve the compliance ratio of the suppliers.

In addition, we confirm the quality of our products through the official analyses conducted by the Ministry of Food, Agriculture, and Livestock, Ministry of Health, and the audits conducted by the Turkish Standards Institute (TSE), and our customers. In 2015, the audits conducted in Aksaray and Karacabey facilities by independent organizations confirmed that the production conditions in both plants comply with the FSSC 22000 Food Safety Management System Standard.

In order to strengthen the relationship of trust between Sütaş and its consumers, we believe in the transparent disclosure of our production process and we do our part for our consumers to make healthy choices. We present the information in line with the Labelling Regulation of the Turkish Food Codex, on the quality and the production of the food on the labels of our products.

The increasing consumption of processed foods, rapid urbanization and changing lifestyles have a great impact on our daily eating habits. According to statistics of the World Health Organization (WHO), every day consumption of saturated fats, trans fats, sugar, and salt is increasing. Encouraging the consumption of dairy products produced by preserving the nutritional value and naturalness of milk, is very important to prevent the eating habits that pose a serious health risk. In order to help elementary school students (including preschoolers) gain the habit of drinking milk, to contribute to their healthy and balanced diet, and support their healthy growth and development, we joined the School Milk Project carried out in cooperation with the Ministry of National Education, Ministry of Food, Agriculture and Livestock, the Ministry of Health, and the Turkish Milk Board to help future generations access safe milk.

Milk and dairy products protect human health due to their nature. However, we also provide our consumers who need a special diet with light alternatives with less sodium and low fat content.

In light product categories, we are the market leader in terms of amount and value share.1 Additionally, the salt content rate in our cheeses is below the maximum salt content rates declared in the Cheese Communiqué of the Turkish Food Codex issued in February 2015 by the Ministry of Agriculture.²

In 2014, Sütaş was the leader in the low-fat yogurt, fruit yogurt, ayran, white heese and kashar cheese. Data source: Nielsen Retail Panel, excl. Discount Sto Of the 23 types of cheese produced by Stitas, none of them has a salt content rate above the salt content rate declared in the Cheese Communiqué of the Turkish Foo Codex execut the Mibalic cheese that is produced true to its traditional recipe



A Vitamin 68 mcg 🚽 Fat 6 g B2 Vitamin 412 mcg B3 Vitamin 206 mcg B6 Vitamin 82 mcg Taze Günlük B12 Vitamin 0,8 mcg Calcium 240 mg Phosphorous 160 mg Magnesium 24 mg Potassium 300 mg Sinc 0,72 mg Energy 114/478 kcal|kj

Nutritional value in 200 ml milk

In 2014, in order to move forward in our food safety practices, we converted our existing Food Safety Management System to FSSC 22000 Food Safety Management System designed to provide with an ISO based FSMS certification that is recognized by the Global Food Safety Initiative (GFSI).

Our consumers are our primary auditors. They test us with the 4 million Sütas products they consume each and every day. We assess their suggestions at Sütas Consumer Hotline (444 4 SUT) where we manage all types of complaints, problems or suggestions concerning our products and services and initiate corrective action thereof.







IT IS VERY NATURAL FOR US TO VALUE THE HAPPINESS AND HEALTH OF SUTASFAN

Direct employment to 4,532 people

Being a Sütaşian means being "a good person, a good citizen and a good milkman." Based on this philosophy, our Human Resources vision is to establish a family that consists of good milkmen who protect Sütaş values, who became experts and masters of their work who are passionate about the mission to spread the goodness and abundance of milk, and make Sütaş a powerful employee brand with a respected mission.

At Sütaş, we oversee the compliance of our activities with the Corporate Governance Principles and the code of ethics. In line with these principles and the code of ethics, we aim to protect the rights of the employees, and to constantly improve them in accordance with the requirements of today's economy.

At Sütaş, for the sustainability of a transparent, safe, peaceful, and productive working environment, we support our employees to act on their free will within their rights and provide all the legal guarantees. We believe that the fact that we have been the leading brand of the dairy sector for the last 10 years is largely connected to the peaceful and trusting work environment that we have created. We believe that our work environment has a positive impact on the development and motivation of our employees and increases our productivity.

We have various boards and committees consisting of our employees to enable employee engagement in the operations of

our company, to evaluate suggestions and to make decisions together.

Business Partners

Suggestions Committee: This committee evaluates and awards the suggestions of all Sütaşians that contribute to the business.

Social Activities (Group Sütaşkı) **Committee:** This committee is established to manage any socio-cultural work that shall be executed within the company for Sütaşians.

OHS Committee: This committee monitors the implementation of OHS regulations, addresses health and safety concerns in the workplace, in an effort to reduce workplace accidents and injuries. It identifies and evaluates concerns, makes recommendations for corrective action and promote health and safety in the workplace.

We consider the understanding and adoption of our corporate culture by all the employees of our growing company as the foundation of our sustainable success. At Sütaş, we aim to reach consensus in all our decisions and find the right answer, together.

2015, We organized "Values Workshops" with the participation of 514 employees and helped them adopt our corporate culture and to provide feedback on its development.

Equal Opportunity and Careers at Sütaş

1.500 Distributors

The "Equal Opportunity" concept emphasized in our code of ethics, is the basis of our human resources policies.

At Sütaş, we respect our employees' personal differences including gender, age, ethnicity, nationality, religion and political viewpoint, and we create a participatory working environment where everyone has equal rights. We believe that different points of view add diversity to our organization.

At Sütaş, our policy is to provide equal opportunities for all employees in recruitment, hiring, training, compensation, career management. In line with our "Career Management" policy, we do the assessments on the professional development and careers of our employees, based on their 4.500 skills, competencies, 4 000 contributions and 3.500 experiences. We support this approach with 3 main processes.

Careers and Professional Development Committees: Career and Professional Development Committees

Our Human Resources Strategy

• We create happy and loyal employees for sustainable and successful business results.

• Our true competitive advantage is our human resources.

• We create a difference through our corporate culture that is adopted by all of our employees.

are established to provide our employees with feedback on their careers and development.Equal Opportunity and Careers at Sütaş to establish a good succession and development plan, and to identify critical human resource through a common opinion. Every year, the employees are evaluated by these committees.

Succession Planning: It is a process for identifying employees who can fill higher positions in the organization based on Career and Development Committee outputs, their past experience, current position and potential. Through succession plans, we identify pools of talent that could potentially fill high management roles and we create the risk maps of the positions in question.

Career Programs: These are programs that support young employees by

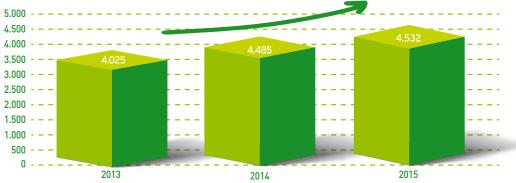
providing them the opportunity of multi-lateral learning and development in their career fields. They are established to provide the organization with specialized human resource who learned the industry because of their knowledge of different aspects of the business. We offer a powerful learning and experience opportunity to our employees through Production, Sales, and Marketing programs.

Through our career programs, our employees get acquainted with all the areas related to the relevant function, they learn systems management and operational processes, and learn by hands-on experience.

The performance, development needs and motivation of the employees in the program are monitored by the relevant HR partners. We remain loyal to our equal opportunity principle in terms of equal remuneration and career opportunities for our female and male employees as well as in terms of fringe benefits. For example, in 2015, 104 female employees enjoyed the right for maternal leave, and 382 male employees for paternity leave. 88 of our 104 female employees who went on maternal leave, returned to work at Sütas

As of 2015, our female employees constitute 19% of the total workforce. We will increase the number of female employees in order to contribute to the economic independence and strength of women in the society.

13% Increase in the Number of our **Employees within the last 3 years**





Performance Management

The performance management system at Sütaş is based on business goals and competencies. The performance management process begins with goal planning discussions at the beginning of the year. The status of the goals is monitored during the year and in the intermediate evaluation period, and the necessary actions are taken. Moreover, through ongoing coaching and feedback we enable the employees achieve their goals. At the end of the year, in the performance evaluation meetings, the managers evaluate past performance and identify areas for

development. The outputs of the performance evaluation process are used in all HR processes, such as training and skill development, remuneration and career management.

Dialogue Mechanisms

We make use of modern communication media effectively, in order to increase the interaction within the company and employee engagement in processes. Through the intranet, our employees can access information about the company, news on the company and the industry and career opportunities within the company and borrow books from the Sütas library. Another medium where we share news and novelties about our company is our periodical Sütaskı.

In 2013, in order to centralize the management of human resources processes, we implemented the SAP Human Resources Project. Thus, we enabled the processes to run more systematically and quickly and ensured the engagement of our employees to HR processes. All intra- and extra-company events of social activity purposes are organized by the Human Resources Department together with Group Sütaşkı, consisting of voluntary employees. We organize various activities from summer cinemas to cultural visits. We strive to involve the families of our employees in our intra-company social activities. This way,

we aim for the adoption of our values by the families and to improve the loyalty of our employees.

Special occasions, such as Seniority Ceremonies and the anniversaries of our company, are among the activities to which we invite our employees' families. Since 2009, we have been participating in Corporate Games. With a group of 60 employees, we compete in football, tennis, bowling, basketball, carting, Ping-Pong, have fun and provide support sporting.

In 2015, to communicate our developing corporate approach and to celebrate with our employees the value we created with our employees, we organized concerts, competitions, seniority awards, and many other Sütaşkı Festivals for our 40th anniversary. The festivals consisting of concerts, competitions, and many other activities were attended by 2,000 employees in Istanbul, 800 in Izmir, and more than 1,000 in Adana.





SOCIAL SUSTAINABILITY

IT IS VERY NATURAL FOR US TO WORK PRODUCTIVELY AND PEACEFULLY IN A SAFE ENVIRONMENT

To provide our employees with a safe working environment, our measures against work accidents and occupational diseases go far beyond the law and regulations, and we make continuous improvements. According to our "preventive approach" principle, it is essential for us to prevent work accidents before they happen.

At Sütaş, we manage our production processes in compliance with OHSAS 18001 Occupational Health and Safety Management System.

Our OHS policy compliant with OHSAS 18001 Occupational Health and Safety Management System Standard, demonstrates the organization's commitment to continuous improvement. The OHS Committee monitors the implementation of the policy and regulations, addresses health and safety concerns in the workplace, in an effort to reduce workplace accidents and injuries. The OHS board reports to the corporate OHS management and to the Chief Management Systems Officer who is responsible for OHS on behalf of the Executive Board

Occupation

Health

Safet

Through our OHS programs practices, we aim for "zero accidents" in all activities at Sütaș. To reach this goal, we identify the risks in all our fields of activity and take precautions.

We identified our major OHS risks as noise-induced hearing loss, hand and foot injuries for employees who work with dairy cows, zoonotic diseases for farm employees, and respiratory disorders associated with dust for feed plant. Moreover, through our "Suggestion System," we encourage our employees to submit suggestions on OHS and award the suggestions that are implemented. Within the scope of our healthy living approach, we audit our lunch menus with the cooperation of our workplace physicians and cooks in terms of calories and the balanced diet concept. Within the scope of "quit smoking" campaign, we deliver trainings and issue messages explaining the negative effects of smoking in public places. We care for the mental health of our employees as much as their physical health, and aim to contribute to their business and family

life through seminar programs, especially in stress management.

Moreover, we will start health screenings in the company in order to act proactively concerning the health of our employees. Additionally, our improved health unit will implement new programs (ergonomics, obesity, etc.) that will support a healthy life. To promote a sustainable health and safety culture, we will increase our OHS communications.

As a key part of our occupational health and safety management, we electronically record all the work accidents and investigate their root causes under our "Work Accident / Emergency Incident Inquiry Procedure". Additionally, we do regular reporting on accidents in terms of accident frequency, accident severity, age, experience, gender and shifts. For the events not causing harm but has the potential to cause injury or ill-health, we prepare "near miss reporting" forms.

We support the activities for the creation of a safer and more productive working environment with our Kaizen efforts. The comprehensive private health insurance we offer to all our employees enables us to stand by them in any health issues they may encounter. In line with our efforts, the accident frequency rate and lost work day rate improved.

In 2015, the accident frequency rate was 6.67 due to the changes in the recordkeeping methods. Moreover, since 2012, there was no occupational disease among the employees of Sütaş and the employees of our subcontractor firms.

The most frequent work accidents in 2015 were identified as skin contact with cleaning chemicals, cuts on the hands and feet, sprains and strains, and we took the relevant precautions in compliance with the OHSAS 18001 standard.

Since the day we were established, the only fatal work accident at Sütaş and its subcontractor firms, happened at Sütaş in 2013 due to a fall from a height.

We believe that establishing a healthy working environment in the workplace is only possible with the adoption and implementation of rules by all **Acci** employees. Twenty percent of our employees work in committees, work groups, or voluntary teams concerning Occupational 7

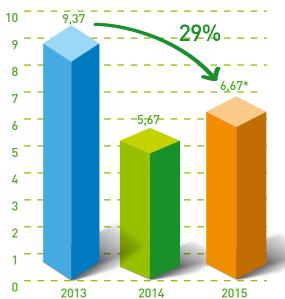
We intensified our OHS trainings so that our new employees get acquainted with our OHS practices and our existing employees get adapted to the OHS processes.

The OHS policy, OHS regulation and emergency treatment guide, OHS notice boards, and warning signs on cartoon posters are some of the communication tools we use to expand the range of health and safety practices.

In addition to audit mechanisms, we aim to create a work environment where our employees encourage each other to work in a safer environment. Thus, we have voluntary employees who identify and report risks and who ensure that the required measures are taken.



Accident Frequency Rate



2010 2014



Lost Work Day Rate



We focus on the risks and we develop our processes through audits and effective record management, we ensure that our employees adopt and implement the measures through trainings. In this regard, we completed Kaizen studies called "Improving Occupational Safety Conditions," and "Improving Ergonomic Conditions" in delivery planning and logistics processes.

tudies procedures, y emergency situation hic guides, basic OHS rules leaflets, first-aid and

The number of accidents of 100 full-time employees. *In 2015, the accident frequency rate was 6.67 due to changes in the recordkeeping methods. The number of work days lost per 200,000 business hours

Sütaş Suggestion System

Sütaş Employee Suggestion and Recognition System is established to encourage our employees to share their suggestions and ideas to improve the working environment and business processes. We implement these suggestions to encourage intra-company innovation, to improve business processes and create a participatory management process. The suggestions are submitted through the suggestion boxes in the facilities or the intranet and are evaluated and scored according to their applicability and contribution criteria by suggestion committees that consist of our employees and managers.

The employees who pioneer and contribute to the company's improvement are awarded in annual

In 2015, 1077 of the 3589 suggestions made by our employees were implemented.

ceremonies with "Continuous Improvement Awards." In 2015, we started to evaluate some of the suggestions through the lean management system in production. In this regard, 546 employees participated in Kaizen trainings and implemented 157 improvement actions.

Moreover, the team members who make a difference can be awarded the "Thank You for Your Effort" award instantly by their managers. In that regard, we recognized 64 employees with the "Thank You for Your Effort" award in 2015. Additionally, the employees who worked for our company for 5 years or more get seniority awards.

> 50.3% of our "white-collar" employees have 5 years or more seniority.

Education and Development Programs

The Training and Development Department at Sütaş aims for better job performance to support corporate development and to quicken the pace of the learning abilities. Our learning and development activities include our employees, their families, mono-distributors, the employees of our distributors and subcontractors and students.

The foundation of all programs designed by our Education and Skill Development



In the last 3 years, the average training hours per blue-collar employee increased by

38%

Department is to raise a "good person, good citizen and a good milkmen master of their business".

During the design and implementation of our programs, we aim to offer equal opportunity to all employees.

Our trainings start with the new employee orientation program. The objective of the program is to make the employees adapt quickly to the corporate culture and to their duties and to increase their loyalty. The program includes information about our mission, vision, values, brand and product awareness, information security, and code of ethics. During the program, we schedule introductory meetings with senior management, and provide a one-on-one experience for them to learn the business processes from experienced colleagues and get information on issues that are within the scope of their duties.

Through Sütaş Akademi, we contribute to the development of our employees with corporate, professional, personal development, and leadership trainings to enable them to reveal their true potential, to improve their expertise and mastery and to increase their performance.

We design these trainings in compliance with Sütaş values, strategies, and business conduct. We organize Sütaş Development Seminars in different locations in order to support the creation of happy, loyal, and productive employees, and to increase the quality of the personal and professional lives of our employees.

> In 2015, the average training hours per employee was 16.5 hours.

In this context, this year, at the Sütaş Development Summit, we introduced 3,100 employees to leading experts in their fields. Moreover, our seminars on "Harmful Effects of Smoking," "The Art of Being a Father," "School Bells are ringing," and "Stress Management (We Have a Game with Stress)" continued throughout the year with the participation of 1,300 employees.





IT IS VERY NATURAL FOR US TO CONTRIBUTE TO THE DEVELOPMENT OF OUR INDUSTRY THROUGHOUR TRAINING ACTIVITIES

In our dairy facilities, we have applied dairy farming training centers to provide training for students, entrepreneurs, and dairy farmers.

Through trainings, we strengthen our connections with the producers, one of the most important link in our value chain, we pass our knowledge, experience, and know-how required for high standard efficient production on to milk producers. We aim to help the farmers in our country to produce raw milk in EU standards, to increase the quality and quantity of the milk they produce, and to contribute to their welfare. Thus, we serve the development of our industry and country, and enable our consumers to consume higher-quality milk and dairy products and prevent the risk of diseases that may emerge due to ignorance. In our efforts to raise qualified interim employees for the dairy industry, we aim to prevent young people from being disconnected from animal husbandry, to prevent qualified employee shortage, to develop solutions for the problems of the animal husbandry industry, and to manage the probable risks in our supply chain.

In our 40th year, we included sustainability, savings, and budget management in the dairy farmer training program. **Stakeholder Opinion:** 80% of our stakeholders expect us to continue our dairy farmer trainings.

Satisfaction rate for trainings



The rate of dairy farmers who achieved increased productivity and income after trainings



Sütaş Educational Initiative was the winner in "Best Corporate Social Responsibility" category at the World Dairy Innovation Awards in 2014



Our Academic Partnerships

According to the results, 9 out of every 10 participants stated that they saw an increase in the milk quantity and quality after the training we provided, and thus their income has increased. Most of the producers reported increase in milk quantity and number of dairy animals; and decrease in animal health issues.

Sütaş has taken the first step to support vocational training in 1998, through the partnership protocol with the Uludağ University. Within the scope of this protocol, we provide internship and applied courses to the students of Milk and Dairy products, Food Technology, Animal Husbandry, Feed Technology and Animal Feeding programs of the university. When the integrated facilities in Aksaray went operational, we signed a similar protocol with Aksaray University and provided the same support to the students of Aksaray University Vocational Academy. In 2000, after the protocol we signed with the Ministry of Food, Agriculture, and Livestock, we included dairy farmers in our trainings. We initiated the same partnership with Bingöl University and continued our four-day, free, theoretical, and applied dairy farming trainings, which are the first and only in Turkey that went on uninterrupted for 15 years.

In 2015, 879 dairy farmers attended our open training programs. In the period 2000 - 2015, 17,000 dairy farmers who attended our trainings received a Ministry approved certificate. 29,000 people visited our farms and received information within the scope of our transparency policy.

Our training activities gained an international dimension with the protocol signed in 2012 with the Danish Kold College, one of the oldest institutions in terms of dairy farming, feed and milk technologies in Northern Europe. Thus, the mutual exchange of students and teachers created a platform to share knowledge and experience. Through training and education programs, especially the "EU Lifelong Learning Programs, provided students, academics and technical staff with internship and vocational training opportunities. We planned to take consultancy services and training support from Kold College in order to provide training services according to EU standards at Sütaş Dairy Farming and Technologies Vocational Academy that will be established by Sütaş. In this context, lessons and seminars were organized for students at Sütaş Applied Dairy Farming Training Center in collaboration with Uludağ University and Kold College.



The 5 most successful graduates of the Uludağ University Karacabey Vocational Academy were sent to a 6-week internship program organized by Kold College through Kold College scholarships.

In order to reach a wider audience for training and to raise qualified teachers in vocational education, The Ministry of National Education carried the "Workplace Education Protocol" into effect. Within the scope of the project supported by TÜSİAD, YÖK, TOBB, and TISK, 12 vocational education teachers participated a 3 days - workplace training in dairy production and technologies at Sütaş. The training was conducted at Sütaş Aksaray facilities and given by Sütaş experts. This way, we were able to reach teachers out of our area of operation and created a multiplier effect.

To share our knowhow and experience on milk with all segments of society, we have been holding "Milk Congresses" since 2010 in collaboration with the Milk Communities of Uludağ University Karacabey Vocational Academy and Aksaray University Aksaray Technical Sciences Vocational Academy. At these congresses, we exchange information with our stakeholders and we inform them about the important issues in the dairy industry and current developments. This year, the congress focused on "Dairy Farming in Turkey and the EU" and "Vocational Education on Dairy," with the participation of 300 people including students, teachers, academics, representatives of the City Directorates of Agriculture, and officers from public institutions and organizations. In the "Milk Congress" international lecturers from Kold

We were one of the top 5 best practices in all industries in Turkey with our vocational education activities within the scope of "Vocational Education" research conducted by United Nations Development Program (UNDP) and the Istanbul International Center for Private Sector in Development (IICPSD). Our program was presented

Our program was presented as a model for developing countries through the scientific publication issued following the collaborative study of UNDP and IICPSD, Boğaziçi University Koc University, and Bilgi University.

Our Scholarship Programs

In addition to the collaboration in education protocols, 132 students attending dairy production and dairy cattle breeding completed their education with the Sütaş Vocational Education and Foreign Language scholarship under the Sütaş Support for Educational Success Program. In 2015, the Support for Educational Success Scholarship Protocols signed with Uludag University and Aksaray University allowed us to provide scholarships for 15 students. Under the same protocol, 16 students benefited from the English Language Scholarship offered by Sütaş in the 2015/2016 academic year.

Our scholarship program that we initiated in our 40th year for 40 successful engineering students includes as well personal development and career coaching.

measure the results of our dairy farming trainings, 400 people who attended trainings at the Sütaş Training Centers until 2012 were interviewed by phone.

Under the survey conducted by the independent

research company INSIGHT, in order to

Program of the Year in Europe" category. At the Stevie International Business Awards 2014 College, Wageningen University, and AEDIL shared their experiences. From this year onwards, the congress will be held biannually with the participation of international opinion leaders.

OUR PRODUCERS WILL TELL YOU

"Leyla is not my property, she's my life. The biggest problem in my farm begins after birth. Udder diseases, rumen rotation, etc. are common problems. Grandpa Milk and other teachers whom we met at Sütaş trainings taught us how to handle these diseases. I raised these cows and I want them to be healthy. Doing something consciously is the best! This profession is my mother's legacy to me. We started handling animals when we were kids, and we were trained within the family. I started with 2-3 animals, now we have 8 cows. I attended Sütaş trainings a couple of months ago to learn more. I have a small place and we want to grow our business. Now, when I take care of my animals, the moment I make a mistake, I remember the trainings and immediately correct them. They were very helpful. We are always thankful to Sütaş.

l've been working in our family business for the last 10 years. Seven years ago, I attended Sütaş trainings. During the second time, I took a large group from my village to the training. Thanks to the animal feeding methods that I've learned, I now get 5kg more milk per cow. I corrected my inappropriate practices. I recommend this to everyone.

Hediye Şimşek

Ümmühan Cakan



Halvet Tünertal







GRI Code	Page /Direct Answer
	STRATEGY AND ANALYSIS
G4-1	Page 3
G4-2	Page 2, 5
	ORGANIZATIONAL PROFILE
G4-3	Page 2
G4-4	Page 1
G4-5	Sütaş Website https://www.sutas.com.tr/tr/iletisim
G4-6	Page 5
G4-7	Sütaş 2014 Annual Report /General Information
64-7	https://www.sutas.com.tr/uploads/images/Sutas-Faaliyet-Raporlari-2014.pdf
G4-8	Page 5
	Page 3,9 - For the total organization capital divided by debts and equity,
	see Sütaş 2014 Annual Report / General Information
	https://www.sutas.com.tr/uploads/images/Sutas-Faaliyet-Raporlari-2014.pdf sf.35
G4-10	Page 13, 15
G4-11	We have zero employees covered by collective bargaining agreement.
G4-12	Page 4
G4-13	Page 3
G4-14	Page 5
G4-15	Page 2
G4-16	Page 2
	IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES
G4-17	Page 2, 5
G4-18	Page 2
G4-19	Page 2
G4-20	Page 2
G4-21	Page 2
G4-22	Page 2
G4-23	The scope of the previous report is preserved.
	STAKEHOLDER ENGAGEMENT
G4-24	Page 2
G4-25	Page 2
G4-26	Page 2
G4-27	Page 2, 11
	REPORT PROFILE
G4-28	Page 2
G4-29	The sustainability report covers the full year from 01.01.2014
04-29	until 31.12.2014.
G4-30	Page 2
G4-31	Page 2
G4-32	Page 15
G4-33	There was no external assurance.
	GOVERNANCE
G4-34	Page 5
G4-35	Page 5
G4-36	Page 5
G4-39	Page 5
G4-45	Page 2, 5
G4-48	Page 2
	ETHICS AND INTEGRITY
G4-56	Page 5
G4-57	Page 5, Etik Sütaş Website http://www.etiksutas.com/doc/guide/index.html
G4-58	Sf. 5, Etik Sütaş Website http://www.etiksutas.com/doc/guide/index.html

GENERAL STANDARD DISCLOSURES

	SP	ECIFIC STANDARD DÍSCLOSURES
Management Approaches		
and Indicators	Page	Notes /Reasons for Omissions
		ECONOMIC
		ECONOMIC PEFORMANCE
G4-DMA	Page 9	
G4-EC1	Page 9, 15	
G4-EC4	Page 15	
01.00		MARKET PRESENCE
G4-EC5	Page 15	
64 D) (4	D 0	INDIRECT ECONOMIC IMPACTS
G4-DMA	Page 9	
Concerning the Activities. G4-EC7	Page 9	Sütaş Annual Report 2014 / Company Activities and Important Developments https://www.sutas.com.tr/tr/sutas-hakkinda/raporlar/aksaray-etki-raporu https://www.sutas.com.tr/uploads/images/aksaray-etki-analizi-raporu-tr.pdf
G4-EC8	Page 9	Sütaş Annual Report 2014 / Company Activities and Important Developments Concerning the Activities. https://www.sutas.com.tr/tr/sutas-hakkinda/raporlar/aksaray-etki-raporu https://www.sutas.com.tr/uploads/images/Sutas-Faaliyet-Raporlari-2014.pdf https://www.sutas.com.tr/uploads/images/aksaray-etki-analizi-raporu-tr.pdf
		PURCHASING PRACTICES
G4-DMA	Page 9	
G4-EC9	Page 9	b. Sütaş Turkey's Operations
01207	r ugo y	c. Provinces and environs of Sütaş's factories
		ENVIRONMENTAL
<u> </u>	P (ENERGY
G4-DMA	Page 6	
G4-EN3	Page 15	
G4-EN5	Page 6	
G4-EN6	Page 6	WATER
C4 DMA	Daga 6	WAIEK
G4-DMA G4-EN8	Page 6 Page 6	
04-EIN0	1 age 0	EMISSIONS
G4-DMA	Page 6, 7	Lanostons
G4-EN15	Page 6, 15	
G4-EN16	Page 6, 15	
G4-EN18	Page 6	
G4-EN19	Page 7, 15	
		WASTEWATER AND WASTES
G4-DMA	Page 7	
G4-EN23	Page 7	
		SOCIAL LABOUR PRACTICES AND DECENT WORK
		EMPLOYMENT
G4-DMA	Page 13	
G4-LA2	Page 13	The fringe benefits provided for fulltime employees are not provided for temporary or part-time employees.
G4-LA3	Page 13	

		OCCUPATIONAL HEALTH AND SAFETY
G4-DMA	Page 14	
G4-LA5	Page 14	
G4-LA6	Page 14	Not specified according to region and gender. Absenteeism rate
G4-LA7	Page 14	and contractor data are not included.
04-LAT	1 age 14	TRAINING AND EDUCATION
G4-DMA	Page 14	
G4-LA9	Page 14, 15	Not specified according to gender
G4-LA11	Page 13, 15	
		DIVERSITY AND EQUAL OPPORTUNITY
G4-LA12	Page 15	EQUAL REMUNERATION FOR WOMEN AND MEN
G4-LA13	Page 15	EQUAL REMUNERATION FOR WOMEN AND MEN
OT-LAID	1 450 15	SOCIETY
		LOCAL COMMUNITIES
G4-DMA	Page 9, 11	
G4-SO1	Page 9, 11	
0.1 P) ()		ANTI - CORRUPTION
G4-DMA	Page 5	In 2014, we responded to all 165 applications submitted to Etik Sütaş website.
		Four incidents were referred to the Disciplinary Committee after the examination
G4-S05	Page 5	of the Ethics Committee because the claims were about code violations as
		corruption and bribery. All necessary precautions concerning submissions were taken
		COMPLIANCE
		In 2014, there were no administrative or judiciary sanctions on our company or
G 4 995		on the members of the management body for non-compliance with laws and
G4-S05		regulations. Moreover, there were no lawsuits with a significant impact on our
		operations and financial status during the reporting period.
		GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY
G4-DMA	Page 12	GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY
G4-SO11	Page 12	
010011	1 460 12	PRODUCT REPONSIBILITY
G4-DMA	Page12	
G4-PR1	Page 12	DODUCT AND CEDUICE & DELING
G4-DMA	Dec. 12	PRODUCT AND SERVICE LABELING
G4-DMA G4-PR3	Page 12 Page 12	
04-1103		
	1 age 12	FOOD PROCESSING SECTOR DISCLOSURES
Management Approaches	Page	FOOD PROCESSING SECTOR DISCLOSURES
Management Approaches and Indicators	Ŭ	FOOD PROCESSING SECTOR DISCLOSURES Notes /Reasons for Omissions
	Ŭ	Notes /Reasons for Omissions SOCIAL
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and Indicators	Page	Notes /Reasons for Omissions SOCIAL
and Indicators G4-DMA	Page Page 8	Notes /Reasons for Omissions SOCIAL SOCIETY
and Indicators G4-DMA G4-FP9	Page Page 8 Page 8	Notes /Reasons for Omissions SOCIAL SOCIETY
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and Indicators G4-DMA G4-FP9 G4-FP10 G4-FP11	Page 8 Page 8 Page 8 Page 8 Page 8 Page 8	Notes /Reasons for Omissions SOCIAL SOCIETY
and Indicators G4-DMA G4-FP9 G4-FP10 G4-FP11 G4-FP12	Page 8 Page 8 Page 8 Page 8 Page 8 Page 8 Page 8 Page 8	Notes /Reasons for Omissions SOCIAL SOCIETY ANIMAL WELFARE PRODUCT REPONSIBILITY
and Indicators G4-DMA G4-FP9 G4-FP10 G4-FP11 G4-FP12 G4-FP13	Page 8 Page 8 Page 8 Page 8 Page 8 Page 8 Page 8 Page 8 Page 8	Notes /Reasons for Omissions SOCIAL SOCIETY ANIMAL WELFARE
and Indicators G4-DMA G4-FP9 G4-FP10 G4-FP11 G4-FP12	Page 8 Page 8 Page 8 Page 8 Page 8 Page 8 Page 8 Page 8	Notes /Reasons for Omissions SOCIAL SOCIETY ANIMAL WELFARE PRODUCT REPONSIBILITY

* The report is prepared according to the GRI Content Index "Core" Option

Performance Data and Reporting Guidelines

Blue Collar Employees

Reporting Guidelines and Performance Data Reporting Guidelines cover the data collection and calculation methods for greenhouse gas emissions (GRI G4-EN 15, 16 and 18) and energy consumption GRI G4-EN3). The reference year for greenhouse gas emissions was selected as 2014, as in 2014, complete and reliable data was accessible, and 2014 is a year reflecting the activities of today. The greenhouse gas calculation method is based on "greenhouse gas emission or removal factors multiplied by greenhouse gas activity data".

Greenhouse gas emissions were calculated according to the methodology of the Greenhouse Gas Protocol by WRI/WBCSD. The organization's borders were handled using the control approach, and the greenhouse gas emissions from all buildings, production facilities, agriculture and livestock activities, generators, and coolant gases were included in the inventory. The activity borders were defined as scope 1 (direct) and scope 2 (indirect). In the calculations, the CO2 equivalent values were

Emission Faktörleri	CO ₂	CH ₄	N ₂ O	Total kg CO2e
Natural Gas	1.9365	0.0043	0.0010	1.9418
Biogas	1.1422	0.0005	0.0006	1.1434
Diesel	2.6248	0.0035	0.0412	2.6694
Gasoline	2.2164	0.0030	0.0543	2.2738
Diesel (stationary)	2.6248	0.0089	0.0063	2.6399
Gasoline (stationary)	2.2164	0.0080	0.0057	2.2301
Refrigerant Gases - R410A	2087.5	-	-	2087.5
Refrigerant Gases - R407C	2107.0	-	-	2107.0
Refrigerant Gases - R134A	1430.0	-	-	1430.0
Fire Extinguishers - HFC 227ea	3220.0	-	-	3220.0
Electricity (network)	0.4931	0.0002	0.0014	0.4946
Enteric Fermentation (Dairy Cow)	0.0000	3200.0000	0.0000	3200.0
Enteric Fermentation (Other)	0.0000	1325.0000	0.0000	1325.0

	2013	2014	2015
Energy Consumption	(GJ)	(GJ)	(GJ)
Purchased electricity	298.949	304.995	322.156
Natural Gas	598.293	612.749	673.342
Diesel (Generator)	726	797	956
Diesel (Vehicle Fuel)	49.915	114.525	114.384
Renewable Energy	65.565	128.323	227.000
Biogas Cogeneration Plant	12.671	51.163	112.956
(Electricity Production)			
Biogas Cogeneration Plant (Steam Production)	5.196	48,906	58.184
Wastewater Treatment Plant	47.698	28.254	0
Biogas Cogeneration Plant (Hot Water)	47.098	0	55,860
Sold Electricity	-12.326	-50.307	-111.884
Total Energy Consumption	-12.326 1.001.122	-50.307 1.111.083	-111.884 1.170.094
Greenhouse Gas Emission			
	(ton CO2)	(ton CO2)	(ton CO2)
Total Scope 1 Emissions	137.500	101.991	71.929
CO2	42.807	43.251	46.653
CH4	93.466	56.996	23.528
N2O	1.228	1.744	1.749
Total Scope 2 Emissions	41.072	41.903	44.260
CO2	40.944	41.772	44.123
CH4	14	15	15
N2O	113	116	122
General Total	178.572	143.894	116.190
CO2	83.752	85.023	90.776
CH4	93.480	57.011	23.543
N2O	1.341	1.860	1.871
Emission Reduction	17.680	56.370	86.197
Renewable Energy Production	1.741	7.029	15.519
Fossil Fuel Substitution	2.891	4.293	3271
Carbon Fixing	13.228	45.047	67.408

	2013		2014		2015	
Equal Opportunity in Upper Management	Female	Male	Female	Male	Female	Male
Upper management employees	4	9	5	10	5	11
According to age:	2013		2014		2015	
Under 30	0		0		0	
30-50 years	3		3		3	
Over 50	11		12		13	
	2013		2014		2015	
Performance and career development reviews	Female	Male	Female	Male	Female	Male
Number of employees receiving reviews	106	527	113	578	143	673
According to employee group:	2013		2014		2015	
White Collar Employees	602		637		626	
White Conar Employees				. ,		-0

54

190

is above minimum wage

is above minimum wage

There is no difference between the entry level wage of

males and females in our company.

31

	2013 2014					15
Economic Value Generated	TL	USD	TL	USD	TL	USD
Revenues	1.788.116.24		1.981.703.930	904.144.178	1.807.952.885	664.684.601
Economic Value Distributed	TL	USD	TL	USD	TL	USD
Operating Costs	-1.682.008.1		-1.918.653.786	-875.377.812	-1.702.006.382	-625.733.912
Wages and fringe benefits	-174.921.63		-213.869.824	-97.577.218	-225.116.090	-82.762.775
Payments to providers of capital	-1.428.260	-749.572	-1.620.723	-739.448	0	0
Payments to Government	-27.714.069		-32.986.203	-15.049.818	-1.196.838	-440.011
Economic Value Retained	106.108.06		63.050.144	28.766.366	105.946.503	38.950.688
Social investments	-551.234	-289.296	-291.177	-132.848	-881.778	-324.181
Locally generated and distributed						
economic value (Karacabey)	TL	USD	TL	USD	TL	USD
Revenues	1.018.418.30	08 534.481.356	1.112.558.739	507.600.298	997.028.511	366.552.416
Operating Costs	-949.799.39	6 -498.469.112	-1.069.146.534	-487.793.660	-932.467.237	-342.816.795
Wages and fringe benefits	-98.879.80	1 -51.893.617	-117.486.741	-53.602.837	-122.864.731	-45.170.588
Payments to providers of capital	-1.370.747		-1.553.262	-708.669	0	0
Payments to Government	-17.028.678		-21.350.614	-9.741.129	-601.529	-221.149
Economic Value Retained	68.618.912		43.412.205	19.806.638	64.561.275	23.735.621
Community Investments	-311.060	-163.249	-158.453	-72.294	-482.830	-177.510
Locally generated and distributed						
economic value (Aksaray)	TL	USD	TL	USD	TL	USD
Revenues	769.697.93	9 403.949.139	869.145.192	396.543.880	810.924.374	298.132.185
Operating Costs	-732.208.78		-849.507.252	-387.584.152	-769.539.146	-282.917.118
Wages and fringe benefits	-76.041.83		-96.383.083	-43.974.381	-102.251.359	-37.592.187
Payments to providers of capital	-57.513	-30.183	-67.461	-30.779	0	0
Payments to Government	-10.685.391			-5.308.689	-595.309	-218.862
			-11.635.589			
Economic Value Retained	37.489.154		19.637.939	8.959.728	41.385.228	15.215.067
Community Investments	-240.173	-126.047	-132.724	-60.555	-398.948	-146.671
		2013		14	20	15
Financial aid from the government	TL	USD	TL	USD	TL	USD
Tax deductions						
(deductions on corporate	1.975.443	1.036.743	6.964.278	3.177.423	0	0
tax due to investment subsidies)					-	
Loans (credit from Halkbank						
	0	0	576.389	262.975	315.972	116.166
50% interest support)			576.389			
50% interest support) Subsidies (non-fat powdered	0 14.463.337		576.389 6.545.588	262.975 2.986.397	315.972 2.868.337	116.166 1.054.529
50% interest support) Subsidies (non-fat powdered milk support premium)						
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants	14.463.337	7.590.579	6.545.588	2.986.397	2.868.337	1.054.529
50% interest support) Subsidies (non-fat powdered milk support premium)						
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support)	14.463.337 48.060	7.590.579 25.223	6.545.588 49.208	2.986.397 22.451	2.868.337 374.746	1.054.529 137.77
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards	14.463.337	7.590.579	6.545.588	2.986.397	2.868.337	1.054.529
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant	14.463.337 48.060	7 7.590.579 25.223 0	6.545.588 49.208	2.986.397 22.451	2.868.337 374.746	1.054.529 137.77
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support)	14.463.337 48.060 0	7 7.590.579 25.223 0	6.545.588 49.208 0	2.986.397 22.451 0	2.868.337 374.746 0	1.054.529 137.77 0
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from	14.463.337 48.060 0	7 7.590.579 25.223 0	6.545.588 49.208 0 375.987	2.986.397 22.451 0 171.543	2.868.337 374.746 0	1.054.529 137.77 0
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies	14.463.337 48.060 0 1.753.555	7 7.590.579 25.223 0 920.292	6.545.588 49.208 0	2.986.397 22.451 0	2.868.337 374.746 0 0	1.054.529 137.77 0 0
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment	14.463.337 48.060 0 1.753.555 0	7 7.590.579 25.223 0 920.292 0	6.545.588 49.208 0 375.987 0	2.986.397 22.451 0 171.543 0	2.868.337 374.746 0 0 0	1.054.529 137.77 0 0 0
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment and employment Subsidy)	14.463.337 48.060 0 1.753.555	7 7.590.579 25.223 0 920.292 0	6.545.588 49.208 0 375.987	2.986.397 22.451 0 171.543	2.868.337 374.746 0 0	1.054.529 137.77 0 0
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment and employment Subsidy) Other financial support (brand	14.463.337 48.060 0 1.753.555 0 5.203.015	7 7.590.579 25.223 0 920.292 0 0 2.730.621	6.545.588 49.208 0 375.987 0 9.697.348	2.986.397 22.451 0 171.543 0 4.424.375	2.868.337 374.746 0 0 0 9.212.107	1.054.529 137.77 0 0 0 0 3.386.784
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment and employment Subsidy)	14.463.337 48.060 0 1.753.555 0	7 7.590.579 25.223 0 920.292 0	6.545.588 49.208 0 375.987 0	2.986.397 22.451 0 171.543 0	2.868.337 374.746 0 0 0	1.054.529 137.77 0 0 0
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment and employment Subsidy) Other financial support (brand support & wastewater treatment & energy)	14.463.337 48.060 0 1.753.555 0 5.203.015 273.040	7 7.590.579 25.223 0 920.292 0 0 2.730.621 143.295	6.545.588 49.208 0 375.987 0 9.697.348	2.986.397 22.451 0 171.543 0 4.424.375 187.408	2.868.337 374.746 0 0 0 9.212.107 332.143	1.054.529 137.77 0 0 0 3.386.784 122.111
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment and employment Subsidy) Other financial support (brand support & wastewater treatment & energy) Gender Equality in Minimum Wag	14.463.337 48.060 0 1.753.555 0 5.203.015 273.040	7 7.590.579 25.223 0 920.292 0 0 2.730.621	6.545.588 49.208 0 375.987 0 9.697.348	2.986.397 22.451 0 171.543 0 4.424.375	2.868.337 374.746 0 0 0 9.212.107 332.143	1.054.529 137.77 0 0 0 0 3.386.784
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment and employment Subsidy) Other financial support (brand support & wastewater treatment & energy)	14.463.337 48.060 0 1.753.555 0 5.203.015 273.040	7 7.590.579 25.223 0 920.292 0 0 2.730.621 143.295 2013	6.545.588 49.208 0 375.987 0 9.697.348 410.761	2.986.397 22.451 0 171.543 0 4.424.375 187.408 2014	2.868.337 374.746 0 0 0 9.212.107 332.143 2	1.054.529 137.77 0 0 0 3.386.784 122.111 015
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment and employment Subsidy) Other financial support (brand support& wastewater treatment & energy) Gender Equality in Minimum Wag to Locations of Operation	14.463.337 48.060 0 1.753.555 0 5.203.015 273.040 ge according	 7.590.579 25.223 0 920.292 0 2.730.621 143.295 2013 Entry level wage for 	6.545.588 49.208 0 375.987 0 9.697.348 410.761 r White Entry	2.986.397 22.451 0 171.543 0 4.424.375 187.408 2014 level wage for Wh	2.868.337 374.746 0 0 9.212.107 332.143 2 ite Entry level	1.054.529 137.77 0 0 0 3.386.784 122.111 015 wage for White
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment and employment Subsidy) Other financial support (brand support& wastewater treatment & energy) Gender Equality in Minimum Wag to Locations of Operation The ratio of entry level wage of mal	14.463.337 48.060 0 1.753.555 0 5.203.015 273.040 ge according	 7.590.579 25.223 0 920.292 0 2.730.621 143.295 2013 Entry level wage for Collar 2,400 Gr 	6.545.588 49.208 0 375.987 0 9.697.348 410.761 r White Entry oss Co	2.986.397 22.451 0 171.543 0 4.424.375 187.408 2014 level wage for Wh billar 2,600 Gross	2.868.337 374.746 0 0 9.212.107 332.143 2 10 10 10 10 10 10 10 10 10 10	1.054.529 137.77 0 0 0 3.386.784 122.111 015 wage for White 2,900 Gross
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment and employment Subsidy) Other financial support (brand support& wastewater treatment & energy) Gender Equality in Minimum Wag to Locations of Operation	14.463.337 48.060 0 1.753.555 0 5.203.015 273.040 ge according	 7.590.579 25.223 0 920.292 0 2.730.621 143.295 2013 Entry level wage for 	6.545.588 49.208 0 375.987 0 9.697.348 410.761 r White Entry oss Co	2.986.397 22.451 0 171.543 0 4.424.375 187.408 2014 level wage for Wh	2.868.337 374.746 0 0 9.212.107 332.143 2 10 10 10 10 10 10 10 10 10 10	1.054.529 137.77 0 0 0 3.386.784 122.111 015 wage for White
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment and employment Subsidy) Other financial support (brand support& wastewater treatment & energy) Gender Equality in Minimum Wag to Locations of Operation The ratio of entry level wage of mal	14.463.337 48.060 0 1.753.555 0 5.203.015 273.040 ge according le vage	 7.590.579 25.223 0 920.292 0 2.730.621 143.295 2013 Entry level wage for Collar 2,400 Gr 	6.545.588 49.208 0 375.987 0 9.697.348 410.761 r White Entry ors CC Entry lev um wage is abo	2.986.397 22.451 0 171.543 0 4.424.375 187.408 2014 level wage for Wh ollar 2,600 Gross rel wage for Blue C	2.868.337 374.746 0 0 9.212.107 332.143 2 ite Entry level Collar 2 Entry level Collar 2	1.054.529 137.77 0 0 0 3.386.784 122.111 015 wage for White 2,900 Gross
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment and employment Subsidy) Other financial support (brand support& wastewater treatment & energy) Gender Equality in Minimum Wag to Locations of Operation The ratio of entry level wage of mal	14.463.337 48.060 0 1.753.555 0 5.203.015 273.040 ge according le vage	 7.590.579 25.223 0 920.292 0 2.730.621 143.295 2013 Entry level wage for Collar 2,400 Gr Entry level wage for 	6.545.588 49.208 0 375.987 0 9.697.348 410.761 r White Entry oss Co or Blue Entry lev is abo	2.986.397 22.451 0 171.543 0 4.424.375 187.408 2014 level wage for Wh ollar 2,600 Gross <i>r</i> el wage for Blue C	2.868.337 374.746 0 0 9.212.107 332.143 Entry level Collar 2 Entry level Collar 2	1.054.529 137.77 0 0 0 3.386.784 122.111 015 wage for White 2,900 Gross wage for Blue
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment and employment Subsidy) Other financial support (brand support& wastewater treatment & energy) Gender Equality in Minimum Wag to Locations of Operation The ratio of entry level wage of mal	14.463.337 48.060 0 1.753.555 0 5.203.015 273.040 ge according le vvage	7.590.579 25.223 0 920.292 0 2.730.621 143.295 2013 Entry level wage for Collar 2,400 Gr Entry level wage for Collar 2,400 Gr	6.545.588 49.208 0 375.987 0 9.697.348 410.761 r White Entry orss CC or Blue Entry leven um wage is abor r White Entry leven or White Entry le	2.986.397 22.451 0 171.543 0 4.424.375 187.408 2014 level wage for Wh ollar 2,600 Gross rel wage for Blue C	2.868.337 374.746 0 0 9.212.107 332.143 Entry level Collar 2 collar	1.054.529 137.77 0 0 0 3.386.784 122.111 015 wage for White 2,900 Gross wage for Blue e minimum wage
50% interest support) Subsidies (non-fat powdered milk support premium) Investment grantsand other grants (R&D, TUBITAK support) Awards Subsidies (Aksaray Plant energy support) Financial investments from export credit agencies Financial subsidies (SSI investment and employment Subsidy) Other financial support (brand support & wastewater treatment & energy) Gender Equality in Minimum Wag to Locations of Operation The ratio of entry level wage of mal employees compared to minimum variants	14.463.337 48.060 0 1.753.555 0 5.203.015 273.040 ge according le wage C	7.590.579 25.223 0 920.292 0 2.730.621 143.295 2013 Entry level wage for Collar 2,400 Gr Entry level wage for collar is above minim Entry level wage for	6.545.588 49.208 0 375.987 0 9.697.348 410.761 r White Entry level of the entry le	2.986.397 22.451 0 171.543 0 4.424.375 187.408 2014 level wage for Wh ollar 2,600 Gross rel wage for Blue C ove minimum wag evel wage for Wh	2.868.337 374.746 0 0 9.212.107 332.143 te Entry level Collar 2 collar is abov tite Entry level Collar is abov	1.054.529 137.77 0 0 0 3.386.784 122.111 015 wage for White 2,900 Gross wage for Blue e minimum wage wage for White

is above minimum wage

The difference between the entry level

wage of male and female employees

used for CO2, CH4, N20, and HFCs (coolant gases) emissions. The global warming potential (GWP) coefficients were taken from the IPCC 4 Assessment Report. The network emission factor was calculated using TEİAŞ data from 2013.

The distribution according to sources causing greenhouse gas emissions are as follows: Scope 1: Emissions from rented vehicles, F-gases used in air conditioners, fuels used in our buildings and facilities and emergency diesel generators, enteric fermentation, animal manure management, and chemical fertilizer use. Biogas obtained from waste discharge and animal wastes is burned in the facilities to obtain steam and electricity. The carbon within the biogas is burned and released to the atmosphere, and is fixed again by plants in its natural cycle. The CO2 emitted during the combustion of biogas, CH4, and N20 is included. Scope 2: Electricity Consumption The emission factor for greenhouse gas emission calculations due to electrical energy was assumed to be 0.4946 kg CO2 -e/kWh. The electrical energy factor is calculated in an up-to-date manner using TEİAŞ data for every year.

In addition to the aforementioned scopes, the renewable energy production (electric) and fossil fuel substitution (natural gas/biogas) are separately reported as avoided emissions. The CH4 (methane) emission that is captured through the modern waste discharge treatment and animal manure management is separately reported under the Carbon Fixation heading as equivalent CO2.

The energy consumption from all buildings, facilities, company fleet and generators under Sütaş's control are monitored. The report includes all energy consumption data. The lower heat values of the energy sources that are used, and their TEP cycle coefficients were taken from Appendix 2: Lower Heat Values of Energy Sources and their Conversion Coefficients to Petroleum Equivalents tables of the "Regulation Concerning Increasing the Efficiency of Energy Resources and Energy Usage" published in the Official Gazette dated October 27, 2011 no. 28097. The values 1 kcal = 4,184 kJ, 1 GJ = 0,2777 MWh (1 MWh = 3,6 GJ) were used for energy conversion.

	2013		2014		2015	
General Information	Female	Male	Female	Male	Female	Male
White Collar Employees	104	449	118	486	131	518
Blue Collar Employees	684	2788	749	3132	731	3152
Total Number of Employees	788	3237	867	3618	862	3670

	White Collar	Blue Collar
Seniority	Percent	Percent
0-5 years	41,9	69,5
5-10 years	25,5	17,3
10-15 years	20,5	7,0
15-20 years	8,0	4,6
20-25 years	2,3	1,5
25 years and above	1,8	0,1

	2013		2014		2015	
Number of employees	Female	Male	Female	Male	Female	Male
Aksaray	141	883	155	1071	131	1019
Istanbul	107	477	158	622	193	646
Karacabey	421	988	455	1148	433	1090

Employee trainings	2013	2014	2015
Average hours of training per year per employee	13,2	21	16,5
Average hours of training per year per white collar	35	50,2	37,8
Average hours of training per year per blue collar	9,7	17,6	13,4



We promise to work for future generations, and lead our industry in all aspects of sustainability while spreading the goodness and abundance of milk.



We will satisfy 100% of our energy need from the manure and organic wastes from our farms.



We will produce 100% of the organic fertilizer necessary for our lands to produce forage for our cows from the discharge of our own energy and recycling facilities.



We will return 100% of our consumption back to nature as usable water.



We will reduce water consumption by 25% per liter of milk.

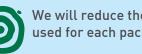


We will reduce our greenhouse gas emissions in all of our production and distribution processes by 50%.

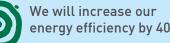


We will recycle 100% of our solid wastes.

We will produce all our fertilizer and feed packaging from recycled packages.



We will reduce the packaging material used for each package by 20%.



energy efficiency by 40%.

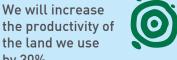
the productivity of the land we use by 30%.

workforce

JURE

We will increase

productivity by 25%.



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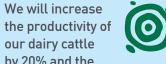
WE WILL STREESTRE

We will increase our asset turnover rate by 30%.

0

capacity utilization of our facilities to over 90%.

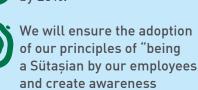
We will increase the



We will reduce our logistics expenses by 40% per sales/ton.

by 20% and the scale of our farms by 30%. 0

We will increase our distribution efficiency by 25%.



among our stakeholders



SAF ABOUT THAT 10



We will contribute to 25% increase of the per capita consumption of milk and dairy products in Turkey



We will organize events and trainings to promote healthy eating



We will increase the number of the producers we train to22,000 to increase the quality and efficiency of dairy business

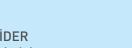


Initiative.

We will obtain KAGIDER Equal Opportunity Model

We will sign on the

UN Global Impact



ENHANCE

We will Increase our [0]

Corporate Governance rating score to 95.

0 We will expand lean management approach to all business processes.

accidents.

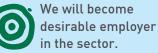
We will reduce our

accident ratio by

40% every year,

aiming for zero

occupational



We will initiate Sütaș Academy, and we will increase the training per year per employee by 10%



We will create awareness among our stakeholders and have our employees adopt our "Being a Sütașian"principles.

We will complete our corporate risk mapping studies to include all processes.