



SUSTAINABILITY PROGRESS REPORT 2022



#ForeverLoveofMilk



Contents

Following our comprehensive 2020 report, we are now presenting our progress report for 2022 to you, our stakeholders.

With this report, we share details on our activities, performance results, and progress toward our goals for 2025 related to our sustainability focus areas, summarized under the headings of the environment, people and society.

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Message to Our Stakeholders



**Dear Stakeholders,
Dear Friends of Sütaş,**

The consequences of disruptions in the supply chain due to the Russia-Ukraine War, rapidly climbing energy and food prices, and climate change were heavily stressed in 2022. As concerns about sustainability have increased this year, new legislative regulations that will directly impact activities in a range of sectors are just around the corner. Also in 2022, two important United Nations Conferences were held, emphasizing the importance of addressing the climate crisis and preserving biodiversity. These conferences called out once more to the business world, and primarily to the food and agriculture sector, to contribute to resolving these global challenges by transforming their business

models and supply chains into a more resilient and circular structure.

Türkiye is currently settling the actions towards the national “2053 Net-Zero Emission” target pursuant to the Paris Agreement. Following suit of the “Farm to Fork” and “Biodiversity” strategies and “Circular Economy Action Plan” acknowledged in line with the European Green Deal by the European Union, one of our largest trade partners, we are working on new regulations that will directly impact our country’s food and agriculture sector in enforcing sustainable and circular transformation of the food system from input to production, processing, distribution, consumption and waste.

We are working with our “Farm to Table” business model, which we believe contributes to the solution of all these global issues and allows us to manage the entire process from the feed that cows eat to the dairy and dairy products that reach the tables with full supply chain integration. Based on sustainability and circularity, this model helps us respond to customers’ expectations of natural and safe food in the most effective manner.

In line with this approach, I would like to share some highlights of the work we carried out in 2022. Fighting against climate change and carbon management continued to be our priority in 2022.

Through our work, we achieved a 7-percent reduction in greenhouse gas emissions compared to the previous year and a 10-percent decrease in our emission intensity.

- Our greatest instrument for reducing our impact on climate is our biogas plants, which generate electricity, steam, and hot water by processing the manure from our farms and the organic waste from all our facilities. So far, we have increased our electricity generation capacity in our four integrated plants to 18.1 MWh. We have reached a point where we can now meet 80% of our production facilities’ electricity consumption. This enabled us to capture 590,000 metric tons of carbon that corresponds to more of 252% in the amount of greenhouse gases generated as a result our activities.

- In 2020, we decided to diversify renewable energy production and set a target of 25 MWp for solar power plant (SPP) investments. Within this scope, we completed our 1 MWp and 4.9 MWp of SPP investments in the Bingöl Integrated Facilities and in the Tire Integrated Facilities, respectively. We are still working on the SPP feasibility and technical specifications for our other farms and production plants (dairy/feed).



Message to Our Stakeholders

We have increased the utilization of organic and organomineral fertilizers in agricultural production, obtained from the outputs of our biogas plants to enrich the soils where the feed for our cows is grown. We have increased the organic matter content of our soil by 43% from 2020 to 43,000 tons in 2022. Within this context, we are cooperating with the Provincial Directorates of Agriculture and Forestry in Bursa and Bingöl for trial studies aimed at determining the effects of organic and organomineral fertilizer usage on the quality and productivity of agricultural soils.

- In recent years, the world's attention has turned toward combating food waste and loss as well as plastic waste. We believe in the power of cooperation and we work with our stakeholders toward this end. We reduced the amount of plastic in our packaging by nearly 2,100 metric tons by 2022 thanks to our weight reduction efforts. We also succeeded in reducing our food loss below 1%.

- In addition to environmental sustainability, our business model allows us to contribute to our stakeholders socially and economically. Our investments in this regard not only stimulate growth in various subsectors of agriculture, industry, and the service sectors but also foster local development and enhance social welfare in areas where we do business. In that aspect, it is also a "Regional

Development Model."

- In 2022, we sourced milk from more than 18,000 dairy farmers and engaged contract growers to cultivate fodder crops on 33,200 decares of land. We provided comprehensive support to all contracted fodder crop growers, assisting them in various activities such as soil preparation, selecting suitable seeds, establishing efficient irrigation systems, procuring organic and organomineral fertilizers, and managing the harvesting process. We helped dairy farmers reach higher quality and productivity in production by offering training on sustainable dairy farming, and conducting on-site inspections.

Dear Stakeholders,

We are aware that corporate governance is the key to sustainability. In line with our values and universal corporate governance principles, we further strengthen our corporate structure by day. In 2022, for the eighth consecutive year, Sütaş received the "Company with the Highest Corporate Governance Rating Score" award in the "Non-Public Real Industry Company" category, organized by the Corporate Governance Association of Türkiye (CGAT).

In line with our corporate governance approach, we have been publishing sustainability reports since 2015 in compliance with international standards. We consider these reports important as they provide us

with an opportunity to share with you our progress toward our sustainability goals. We also hope that our practices, which we share openly, will set an example of how the business world can contribute more to the solution of global challenges.

We invite you to review our report where we discuss our actions towards our 2025 sustainability goals, including those on "environmental sustainability," "health and happiness of people" and "development and prosperity of society," and to share your opinions as well as your suggestions on potential areas for cooperation.

We'd like to thank everyone who contributed to our sustainability efforts, as well as to our business partners, consumers, and all Sütaş friends for all their support and united under our motto, "Forever Love of Milk."

Duygu Yılmaz

Head of the Sustainability Committee



About Sütaş

We were established in 1975. Since our establishment, we have been dedicated to dairy farming, specializing and flourishing in this field. We have integrated the entire milk value chain, extending from “Farm to Table,” and created a continuously evolving business model that ensures the naturality, quality, nutritional value, and traceability of our products. Each of our integrated facilities includes breeding farms, a feed plant, a dairy production plant, and energy and fertilizer facilities.

Sütaş in Numbers

Agriculture and Livestock Activities



Dairy farming training

Fodder crops and
fodder production



Compound feed
production



Dairy cattle breeding farms

Livestock health and breeding center



172,000 tons
fodder,

Our feed plants produced
404,000 tons of
compound feed.

There are
21,251
cattle on our farms.

Milk and Dairy Production



Milk and dairy production

Distribution services



e-Commerce

Our **1,850** delivery vehicles
reach **198,000** sales points.



Energy and Fertilizer Production Activities



Biogas production

Electricity generation



Steam and hot water generation

Fertilizer production



We processed
729,388 tons
of organic waste.



We applied
50,380 tons
of fertilizer
to the soil.

We generated
89,665 MWh of electricity and
91,528 MWh of hot water and
steam at our power plants within the year.



We generated

80%

of the electricity needed by our
production facilities with manure from our farms
and organic wastes from all our facilities.



Consolidated net revenue

TRY 15 billion

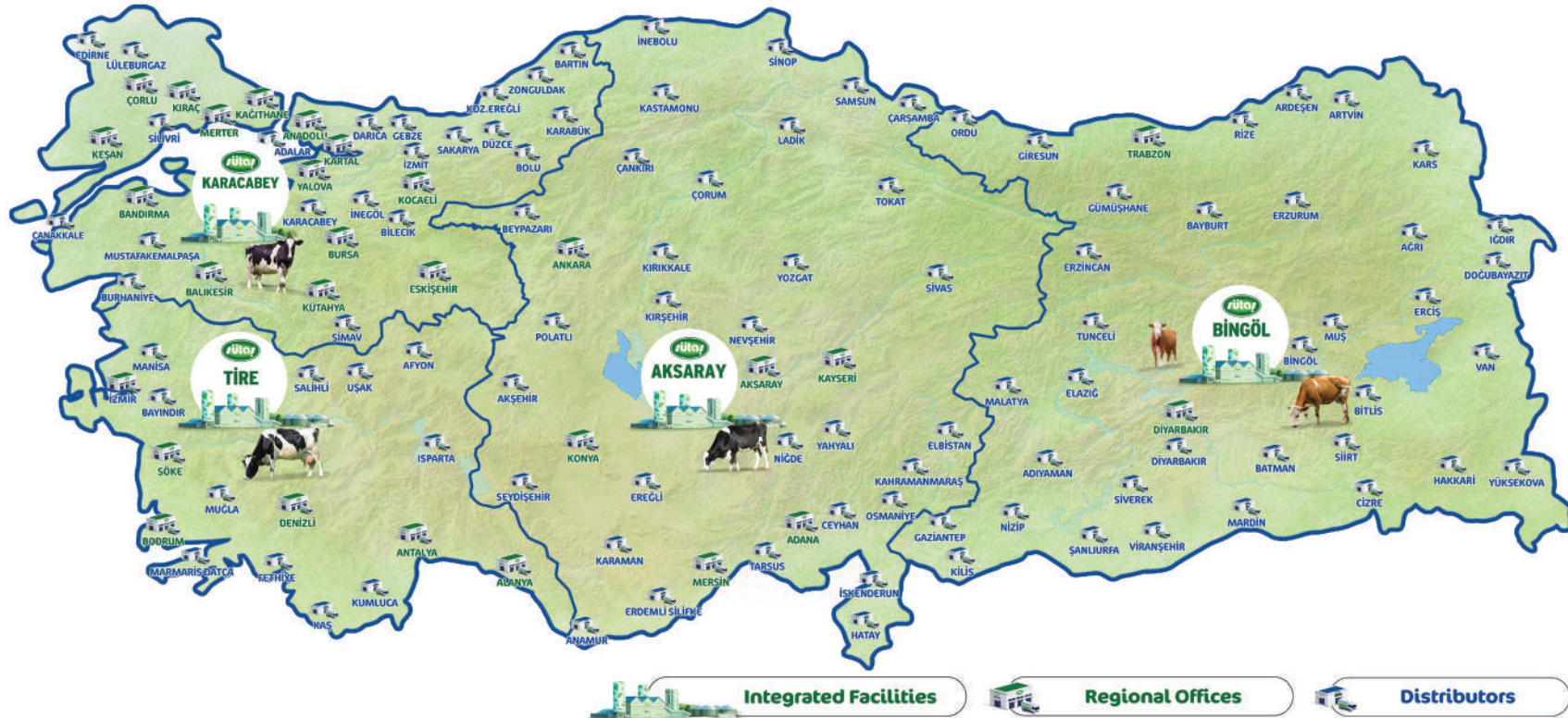


We exported to

47 countries.



About Sütaş



In 2013, we launched our production operations abroad with our EuroDairy facilities in Skopje, Macedonia.

In 2019, we partnered up with Nishat Group in Pakistan and established Nishat Sütaş Dairy Limited (NSDL). In 2021, we launched our milk brand Milk Fields. The Pakistan investment, scheduled to be completed in 2023, will further strengthen our production operations abroad.

SÜTAŞ MACEDONIA
SKOPJE INTEGRATED
FACILITIES
EURO DAIRY
MACEDONIA



SÜTAŞ PAKİSTAN
NISHAT SÜTAŞ DAIRY
NSDL



OUR MAIN EXPORT MARKETS

AFGHANISTAN	THE UNITED KINGDOM	NAKHCHIVAN
GERMANY	JAPAN	RUSSIA
USA	QATAR	THE SEYCHELLES
AZERBAIJAN	KYRGYZSTAN	SIERRA LEONE
THE UAE	TRNC	SOMALIA
BAHRAIN	KOSOVO	SRI LANKA
BANGLADESH	KUWAIT	TAJIKISTAN
CHINA	LIBYA	TURKMENISTAN
PALESTINE	MACEDONIA	OMAN
GEORGIA	EGYPT	
INDIA	MAURITANIA	
IRAQ		



Sustainability Management



Our circular business model, which encompasses feed crop production to fertilizer production and energy generation, is based on the efficient use of natural resources and recycling. It is a unique sustainability model with environmental, social, and economic aspects.



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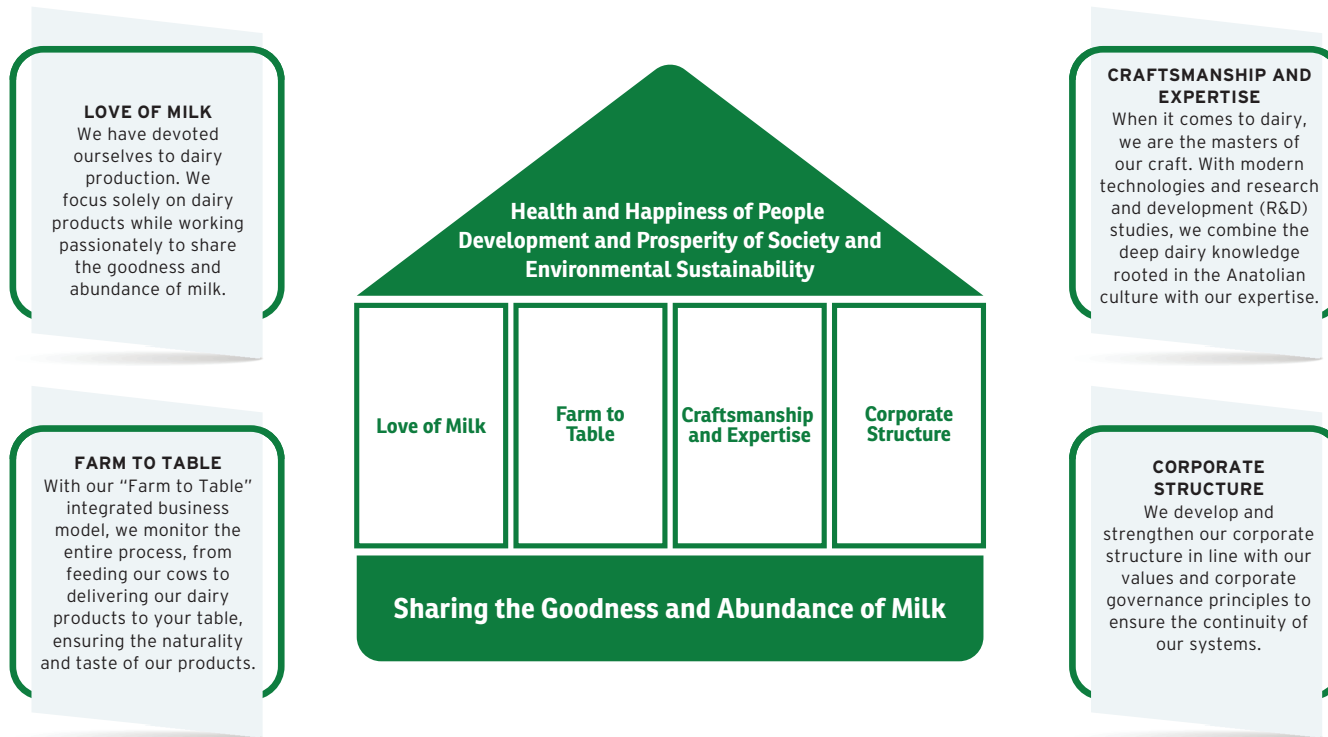


Sustainability Approach

Milk is the most fundamental, balanced and nutritious food, as it contains nutrients necessary for a healthy life. Consuming milk for nutritional purposes becomes more important each day as the global population grows. Expectations of food safety rise continuously in correlation with concerns over food security.

Dairy boosts people's quality of life and promotes health and happiness. As a flagship dairy company in Türkiye, our greatest responsibility is to efficiently manage and enhance the sources trusted in us and deliver these natural and delicious products to consumers of all ages.

At Sütaş, we are working with the mission of sharing the goodness and abundance of milk, and carry out our activities with our "Farm to Table" business model and our core strategies, which contribute strongly to all aspects of sustainability. With our "love of milk," we manage the milk value chain as efficiently as possible with our "Farm to Table" business model, produce natural flavors with our craftsmanship and expertise, and strengthen the "corporate structure" that ensures our future.





Sustainability Approach

Carried out in line with our sustainability approach, which is in turn, based on our four core strategies, our activities enable us to achieve significant results for the “environmental sustainability”, the “health and happiness of individuals” and the “development and prosperity of society”.

Focus Areas



Climate Change and
Carbon Management

Waste Management

Water Management

Sustainable and
Regenerative Agriculture

Sustainable Dairy Farming



Food Security

Food Safety

Consumer Health and Wellness



Contributions to the Local Economy

Contributions to the
Development of the Sector

Employment and Development



Sustainability Approach

The food and agriculture sector, along with its associated value chains, have a significant impact on a wide array of stakeholders in society. In 2015, the same year Sütaş initiated sustainability reporting, the United Nations declared the Sustainable Development Goals (SDGs). Sütaş aims to contribute to achieving these Goals by leaving no one behind, protecting our planet, and enhancing human welfare. Our focus points, set forth in line with our sustainability strategy, contribute to 10 out of 17 SDGs.

Our Contributions to Sustainable Development Goals



- Securing access to safe, nourishing, and sufficient food.
- Boosting productivity in agricultural and animal production.
- Implementing and promoting sustainable agricultural practices that are resilient against climate change and that improve land and soil quality



- Boosting the productivity of dairy and fodder farmers
- Creating a comfortable, happy, and peaceful working environment for all workers
- Ensuring equal pay for equal work
- Prioritizing employee health and safety



- Ensuring access to healthy and safe food for consumers
- Making it easier for consumers to make healthy and nutritious dietary choices



- Ensuring the sustainable and efficient use of natural resources, and the efficient use of energy and water
- Reducing food loss in the production
- Reducing waste generation, particularly from packaging
- Converting organic waste into energy and fertilizer in line with the circularity approach, thus boosting renewable energy production and productivity in agricultural lands



- Ensuring equal opportunity for men and women in the workforce and promoting diversity in the workplace
- Dairy farming training offered to dairy farmers, and consultancy services to entrepreneurs to enhance technical and professional skills



- Boosting climate resilience in dairy farmers and crop producers
- Reducing greenhouse gas emissions stemming from the value chain



- Reducing the impact of fodder, raw milk, milk, and dairy production on water ecosystems and quality
- Increasing water use efficiency



- Promoting animal health and welfare, soil health and quality, and biodiversity through sustainable agricultural practices
- Conserving freshwater ecosystems



- Increasing renewable energy generation and use
- Increasing energy efficiency



- Training dairy farmers and entrepreneurs on sustainable dairy farming through University and Public/Private Sector collaboration
- Initiating sector development actions and projects in cooperation with national and international organizations
- Supply chain collaborations to achieve sustainable food systems



Sustainability Approach

We classify our impact on our value chain sustainability into two groups: direct and indirect, and we update this review annually.

Sustainability Impact in the Sütaş Value Chain	Fodder Crops and Feed Production	Raw Milk Supply	Raw Milk Production	Product Development	Dairy Production	Product Marketing	Product Sales and Distribution	Product Consumption	Fertilizer and Energy Generation			
Individual												
Food Security	●	●	●	●	●	●	●	●	●	2 ZERO WASTE	13 CLEAN WATER AND SANITATION	15 LIFE ON LAND
Food Safety	●	●	●	●	●	●	●	●	●	2 ZERO WASTE	3 GOOD HEALTH AND WELL-BEING	
Consumer Health and Wellness	●	●	●	●	●	●	●	●	●	2 ZERO WASTE	3 GOOD HEALTH AND WELL-BEING	
Society												
Contributions to the Local Economy	●	●	●		●	●	●		●	2 ZERO WASTE	8 DECENT WORK AND ECONOMIC GROWTH	
Contributions to the Development of the Sector	●	●	●	●	●	●	●		●	4 QUALITY EDUCATION	17 PARTNERSHIPS FOR THE GOALS	
Employment and Development	●	●	●	●	●	●	●		●	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH	
Environment												
Climate Change and Carbon Management	●	●	●		●		●		●	1 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLEAN WATER AND SANITATION
Waste Management			●		●			●	●	6 CLEAN WATER AND SANITATION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
Water Management	●		●		●				●	6 CLEAN WATER AND SANITATION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
Sustainable and Regenerative Agriculture	●								●	2 ZERO WASTE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	15 LIFE ON LAND
Sustainable Dairy Farming	●	●	●							2 ZERO WASTE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	

● Direct Impact

● Indirect Impact



Sustainability Approach

TRENDS, RISKS, AND OPPORTUNITIES

Societal expectations, especially those of our consumers and customers, along with environmental concerns, structural shifts in the agricultural sector, and global developments all have an impact on Sütaş and influence its future decisions. While these may pose risks, they also create opportunities.

Changes in basic risks for Sütaş in 2022: Political and economic instability on a global level prompted by the Russia - Ukraine War, economic stagnation triggered by COVID-19, and rising prices in certain commodities, particularly in Europe, affected our Group's risk positioning as much as Türkiye's.

Trends/Risks/Opportunities	Impact on Sütaş Activities	Section in the Report
COVID-19 and future possible pandemics	Vulnerabilities in supply and distribution chains, increasing demand for immunity-boosting products	Health and Happiness of People (Consumer Health and Wellness)
Climate change and other environmental sustainability issues	Decline in agricultural production due to land degradation, water stress and greenhouse gas emissions	Health and Happiness of People (Food Security) Environmental Sustainability (Climate Change and Carbon Management ; Waste Management ; Water Management ; Sustainable and Regenerative Agriculture)
Increasing population in Türkiye and around the world	Increasing demand, more export opportunities, particularly to developing countries	About Sütaş Health and Happiness of People (Food Safety)
Decline and aging of the agricultural population	Problems with the supply of milk and fodder crops, issues of productivity in agricultural production, the slow adoption of digital technologies in production	Development and Prosperity of Society (Contributions to the Local Economy ; Contributions to the Development of the Sector)
Healthy choices	Inclination towards products with low fat/sugar/salt content to promote a healthy lifestyle, and increased consumption of fermented foods	Corporate Governance (R&D and Innovation) Health and Happiness of People (Consumer Health and Wellness)
Food Safety	More regulations, effective monitoring in the supply chain, and greater collaboration and integration with stakeholders	Health and Happiness of People (Food Security)
The European Green Deal, Farm to Fork Strategy and other strategies	The obligation to comply with the new regulations to be introduced by the EU; changes in consumer dietary preferences; a global decrease in fodder crop production and an increase in feed costs; the widespread adoption of EU corporate governance principles, the transition to sustainable product and animal welfare labeling; and a growing demand for organic and organomineral fertilizers with the spread of circularity	Health and Happiness of People (Consumer Health and Wellness) Environmental Sustainability (Climate Change and Carbon Management ; Waste Management ; Water Management ; Sustainable and Regenerative Agriculture ; Sustainable Dairy Farming)
The spread of digitalization across the sector	Increased productivity in agricultural production	Corporate Governance (Digital Transformation)
Corporate Governance and Transparency	New standards in Sustainability Reporting and raised expectations in Environmental, Social, and Corporate Governance reporting	Corporate Governance



Sustainability Management Structure

Our Board of Directors is responsible for:

- Determining our sustainability strategy, policy, and goals;
- Developing and implementing due plans,
- Monitoring and supervising the performance;
- Defining and assessing the environmental, social, economic and corporate risks and opportunities faced by Group companies, and determining on necessary steps to be taken.

The Sustainability Committee is established to undertake these actions on behalf of the Board of Directors. The Committee carries out its activities in compliance with the Sustainability Committee Working Principles as approved by the Board of Directors.

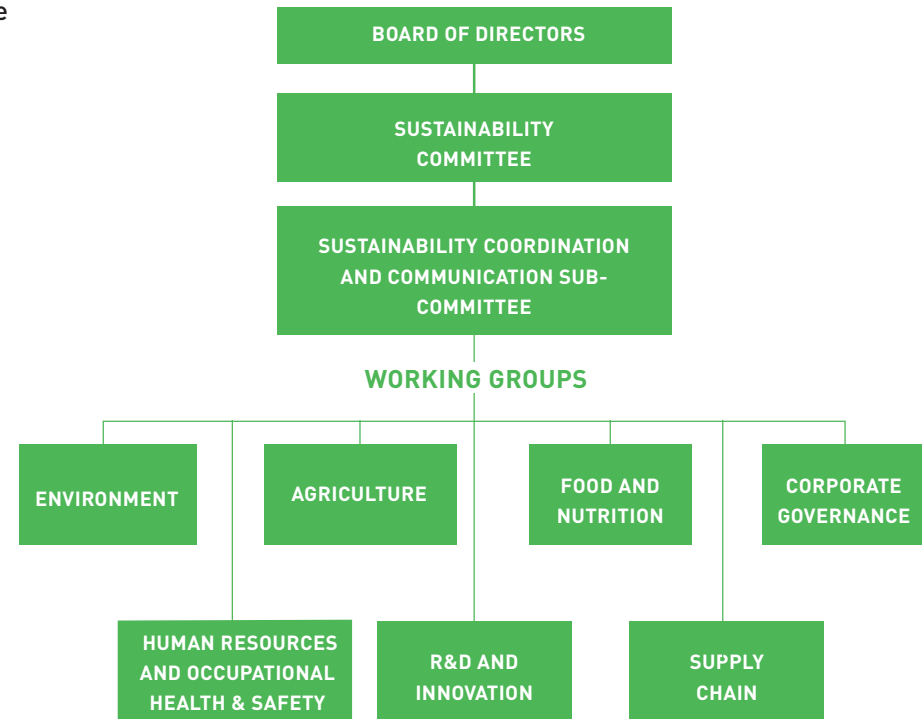
The Board of Directors chooses members for the Sustainability Committee based on experience in various aspects of sustainability.

The Sustainability Coordination and Communication Sub-Committee maintains communication with the Committee and Working Groups, coordinates and supervises the works, prepares and implements the communication plan, and prepares sustainability performance reports.

The seven “Working Groups” are responsible for implementing and reporting sustainability goals, and translating them into business plans.

The Sustainability Committee convened six times in 2022 to determine the scope and content of the progress report. The Committee particularly evaluated progress in renewable energy investment projects. It then revised the Solar Power investment target and submitted it for the approval of the Board of Directors alongside details of the 2021 Progress Report.

SUSTAINABILITY MANAGEMENT ORGANIZATION CHART



In 2022, the Sustainability Coordination and Communication Sub-Committee convened weekly to review the activities of the 30-person working group, and reviewed progress towards targets. The Committee also evaluated targets where little to no progress was registered. It also prepared, and implemented the 2021 Sustainability Progress Report and communication plan.



Stakeholder Engagement and Materiality Analysis

Since our first-ever Sustainability Report in 2015, we collect and evaluate stakeholder expectations regarding sustainability through a range of methods every two years. We shared the details of our materiality analysis process from 2015 to 2020 in our [2020 Sustainability Report](#).

We also shared the first comprehensive analysis of our direct and indirect impacts on the value chain in our 2020 Sustainability Report. [\[See: Our Sustainability Approach\]](#)

We reviewed this initial work in light of recent developments including our strategic priorities in line with the GRI 3: Material Topics 2021 standard and new sustainability frameworks in a series of workshops organized with the committee and working group members related to Sustainability Management.

Matters/documents considered besides our strategic priorities

- Stakeholder expectations collected during stakeholder engagement activities since 2015,
- Global and sectoral risks and opportunities,
- Positive and negative impacts of Sütaş activities in ensuring value chain sustainability,
- United Nations Sustainable Development Goals,
- GRI 13: Sector Standards for Agriculture, Aquaculture and Fishing,
- SASB (Sustainability Standards Accounting Board) Agriculture Standards, and Food and Beverage – Meat, Poultry & Dairy Standard,
- Potential impact on Sütaş of changes set forth in the Farm to Fork strategy by the European Union (EU) Green Deal that could be adjusted to the Turkish legislation, and possible correlated hindrances in trade with EU member countries,
- U.S. Dairy 2022 Materiality Guide*.

*[2022 Materiality Guide for U.S. Dairy](#)

We categorized the material topics in our activities under two headings.

Social and environmental impact areas throughout our value chain

- Employee development
- Economic contributions
- Energy consumption and greenhouse gas emissions
- Food security and safety
- Livestock manure and waste management
- Animal welfare
- Climate change
- Occupational health and safety
- Sustainable and regenerative agriculture
- Health and nutrition
- Water management
- Renewable energy

Potential sources of impact on our business and our way of business

- Packaging materials
- R&D and innovation
- Biodiversity
- Energy supply and security
- Business ethics
- Corporate governance
- Legislative regulations
- Development of the dairy sector

Topics are listed alphabetically, not by level of significance.

Concluding this study, we decided to keep the focus areas determined in our 2020 Report and to further mention in our Report other topics, such as biodiversity, that are material topics to our business. We are aware of the significance and correlation of these topics as well as their direct relation to the comprehensive strategy and priorities of Sütaş. Accordingly, we discussed each of these topics in our Report either under specific chapters or within the relevant titles (impact areas).



"Farm to Table" Business Model

Our 'From Farm to Table' integrated business model provides comprehensive integration spanning from energy production to organic fertilizer production, fodder crop cultivation to dairy farming, and the production of hundreds of dairy products all the way to reaching our consumers' tables. This is how we guarantee the naturalness, taste, and nutritional value of our products. Our integrated business model is a unique environmental, social, economic and corporate sustainability model.

We grow natural and healthy fodder crops so that our cows can be fed healthily.



Our cows live on disease-free farms designed in accordance with international animal welfare rules.



We produce the electrical energy needed by our facilities from the manure and organic wastes of our farms.

We enrich the lands where our fodder crops are grown with organic fertilizers processed in our biogas facilities.



We also deliver our "natural tastes" directly to your table from our farms through sutas.market.



We provide training to producers, students, and entrepreneurs in order to enable conscious and productive dairy farming.



We produce compound feed for our cows that is rich in vitamins, minerals, and protein at our feed plant.



We produce a wide range of milk and dairy products with craftsmanship and expertise while preserving the naturalness and intrinsic values of milk.



We distribute our products produced in our four integrated facilities to 198,000 sales points with our fleet of 1,850 refrigerated vehicles.



Sustainability Performance in 2022



ENVIRONMENTAL SUSTAINABILITY

Climate Change and Carbon Management

We meet **80%** of our production plants' energy needs through the renewable energy produced from our wastes.

2025 Goal: **100%**
renewable energy use

We resumed our energy efficiency efforts, which had fallen short of our goals due to the Bingöl investment.

We will further increase our renewable energy production with solar panels placed on the roofs of our plants and dairy factories.

2025 Goal: **25 MWp**



2025 Goal: **15% increase**

Sustainable and Regenerative Agriculture

We introduced **43,000 tons** of organic matter into our fields in 2022.

2025 Goal: **50,000 tons**



Waste Management

We reduced the amount of plastic in our packaging.

153.5 tons

2025 Goal: **1,500 tons**

Water Management

We stepped up our water efficiency efforts, which had fallen short of our goals due to the Bingöl investment.

2025 Goal: **15% increase**



Sustainable Dairy Farming

We maintain our agricultural R&D efforts to breed high-yield dairy cattle adapted to our country's conditions.

2025 Goal: **Completion**

We updated the Animal Health Certificates and EU Export Health Certificates for all Sütaş farms.

2025 Goal: **Follow up on and implement EU legislation on animal welfare**



HEALTH AND HAPPINESS OF PEOPLE

Consumer Health and Wellness

We developed Honey Milk and 1L Vitamin-D enriched Chocolate Milk to promote healthier dietary choices among our consumers.



2025 Goal: **15 new products**

The rate of our packaging content containing healthy nutrition and information **32%**



2025 Goal: **50%**

Food Security

Rate of suppliers holding a Global Food Safety certificate. **76%**



2025 Goal: **75%**



DEVELOPMENT AND PROSPERITY OF SOCIETY

Socioeconomic Contributions

Milk yield increase of dairy farmers who implemented our recommended practices **3%**

2025 Goal: **8%**

Contributions to the Development of the Sector

A total of **19,510** dairy farmers received sustainable dairy farming training.



2025 Goal: **23,000 dairy farmers**

Employment and Development

Number of suggestions focused on sustainability **3,358**



2025 Goal: **2,500**

Occupational Health and Safety

Lost-time Incident frequency rate **12.60%**



2025 Goal: **<5%**



Corporate Governance



Our corporate governance framework aims to generate long-term value for all stakeholders. To this end, we are guided by our corporate governance approach and acknowledge it as one of our four main strategies, which are the basis for our mission. Our corporate governance approach consists of a management system built around equity, transparency, accountability, and responsibility.



#ForeverLoveofMilk



Corporate Governance

We adhere to the principles of fairness, transparency, accountability and responsibility, and cooperate with regulatory and supervisory institutions to ensure that Corporate Governance principles form an integral part of our approach to business. The Corporate Governance Committee under the Board of Directors is responsible for the adoption, implementation and further development of these principles within the company.

We publish the annual Corporate Governance Principles Compliance Report to inform our stakeholders transparently on our performance, and publicly share the Report on our website along with our Annual Report.

Moreover, our adherence to corporate governance principles has been assessed by independent rating agencies since 2015. Through our efforts, we increased our Corporate Governance Rating from 93.4 in 2015 to 96 in 2022.

At the “Corporate Governance Awards” organized by the Corporate Governance Association of Türkiye (CGAT) based on corporate governance ratings, we received the “Non-Public Company with the Highest Corporate Governance Rating Score” award for the eighth consecutive year.

Key policies by the Board of Directors towards good corporate governance within our Group and supply chain that were shared with the public are listed on the following page.





Corporate Governance

Four councils/committees were established to assist the Board of Directors in conducting its duties and responsibilities principles effectively. These councils and committees, whose members are assigned by the Board of Directors, operate in line with principles approved by the Board. Key approved by the Board of Directors and shared with the public are also listed in the table below.

Committee Title	Duties and Responsibilities
Audit and Risk Committee	It aims to proactively identify various types of strategic, operational, financial, legal, and other risks that could jeopardize the company's existence, growth, and continuity. Subsequently, it facilitates the implementation of necessary measures to address identified risks and effectively manage them. This committee is also responsible for auditing the accuracy, transparency, and compliance of the annual financial statements and other financial information with the legislation and international accounting standards.
Corporate Governance Committee	It ensures the development, adoption, and implementation of the corporate governance principles within the company and makes suggestions to the Board of Directors to improve the degree of compliance by working on issues where there is a lack of implementation.
Business Ethics Committee	The Committee is responsible for instilling and improving a culture of business ethics, announcing rules and principles, organizing periodic training sessions, and reviewing and resolving non-conformance violations submitted to the Committee.
Sustainability Committee	This committee is responsible for determining the sustainability strategy; setting targets; monitoring and supervising the implementation, approval, and supervising of the prepared report and communication plan and all related processes; and bringing important sustainability-related issues to the Board of Directors' attention.

Policy Title	Purpose
Disclosure Policy	The purpose of this policy is to provide accurate, complete, and understandable information on time to shareholders and stakeholders alike, and to set the basis for written and verbal communication.
Dividend Policy	The Policy determines how and when to distribute dividends between shareholders.
Human Resources Policy	The Policy determines the Human Resources principles for the Group concerning a range of matters including recruitment, equal opportunity, wages, training, performance, and promotion.
Information Security Policy	The Policy aims to ensure the security, integrity, accessibility, and privacy of the information processed throughout the supply chain from start (farm) to end (table) within the scope of our "Farm to Table" integrated business model, and to establish and allocate resources for information systems and required physical infrastructure to achieve this.
Donations and Sponsorship Policy	The Policy sets the framework regarding any donations and sponsorship by Sütaş.
Integrated Management System Policy	The Policy sets the framework for the creation, implementation, performance review, and continuous improvement of the integrated management system that covers quality, occupational health and safety, the environment, and energy management systems throughout the entire supply and distribution chain.



Code of Ethics

Compliance with the law, love, respect, sincerity, reliability and integrity define our way of doing business and form the basis of our relations with all our stakeholders, including our competitors. The Ethics Committee establishes and announces the [Code of Ethics](#), and monitors its implementation. Our Code of Ethics sets the framework for our responsibilities in relations with stakeholders and our activities inside or outside the company.

In addition to our Group employees, we also consider all of our business partners to be a part of the “Sütaş family.” We believe that compliance with our Code of Ethics is a major strength of the Sütaş family. We offer ethics training for all Sütaş family members to understand and embrace our ethical principles, while promoting and developing the ethical culture.

[The Sütaş Ethics Committee Website*](#)

Allows our stakeholders to submit anonymous notifications and track the status of their submissions. These notifications are collected in the systems of an independent company that has signed a non-disclosure agreement, and shared only with the members of the Ethics Committee. All notifications are evaluated by the Ethics Committee in weekly meetings, and the notifying party is informed accordingly. If the act or behavior subject to the notification is also a violation of the code of ethics, the notification will be referred to the Disciplinary Board after due investigation.

The Ethics Committee received 23 notifications in 2022, all of which were addressed.

* (Only Turkish version available)

Risk Management

To ensure effective corporate governance, the opportunities and the potential losses that may adversely affect the goals of Sütaş must be evaluated, whether they are caused by an event or a series of events.

The “Audit and Risk Committee,” under the Board of Directors, was established for proactively identifying various types of strategic, operational, financial, legal, and other risks that may endanger the existence, development, and continuation of Sütaş, and to facilitate the implementation of necessary measures to address identified risks and effectively manage them. The Committee carries out (ensures others carry out) the necessary studies to determine the company’s risk map and reviews them when necessary. It determines the risk management policies and implementation procedures, and oversees their compliance.

Auditing at the company is carried out by the Audit Department. The Department regularly reviews the company’s risk management and internal control systems in accordance with the risk-based annual audit plan and reports directly to the Audit and Risk Committee.





R&D and Innovation

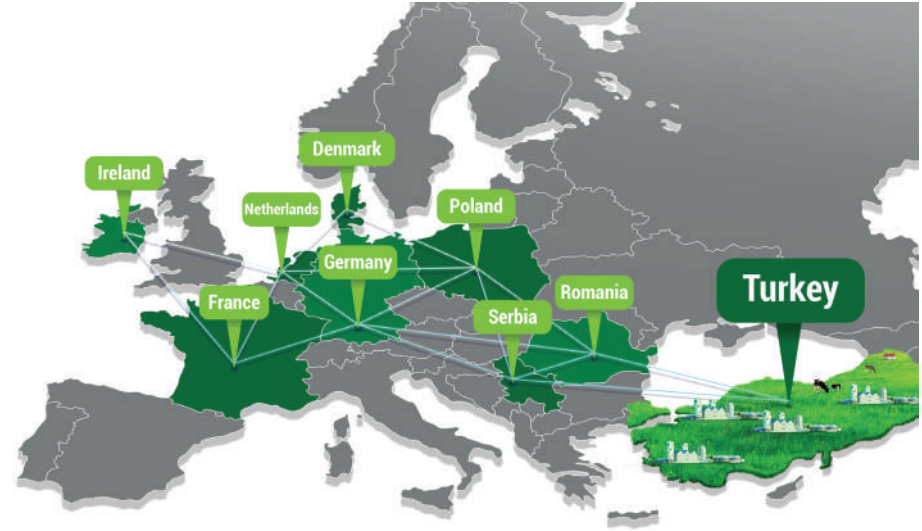
One of the four strategies that guide our operations, “Craftsmanship and Expertise,” also guides our R&D and innovation.

Our R&D center is the first in the dairy sector in Türkiye to be approved by the Ministry of Industry and Technology in 2016. The Center focuses on developing new products that also aim to address consumers’ healthy nutritional preferences, develop new production methods, improve current production methods, and boost efficiency in our facilities. We also carry out research, development, and implementation projects in relation to Industry 4.0 and digital transformation such as robot design and automation systems in the production line.

The R&D Center applied for four patents, 13 utility patents, and two design patents in 2022. 5 patent documents and 35 utility model application certificates, which were previously filed in past years, also granted registration.

Türkiye’s Patent Report 2022 listed Sütaş, which has a total of **78** patent applications, as the highest patent applicant in the Milk and Dairy Products sector and the third in the Food and Beverage category.

Our R&D Center completed 253 projects since its establishment and has been working on 29 projects, including those under national and/or international cooperation actions. Two of our running projects are European Union Horizon Projects (Erasmus+ and Marie Skłodowska-Curie Actions).



In 2022, we became the sector representative in Türkiye for the European Excellence in Dairy Learning (AEDIL-dairy-CoVE) project, supported by the EU’s Erasmus+ program. The project aims to establish a Center of Vocational Excellence for the Turkish Dairy Sector, close the gap in research and development personnel required by the sector, and increase the knowledge and skills of the existing workforce.

Further details on this particular project and other national and international cooperation projects are given in the chapter, **Our Contributions to the Development of the Sector**.

We design our facilities ourselves and lead the design and production of most of our software, machinery, and equipment in Türkiye. Subsequently, we are in close cooperation with our machinery and equipment suppliers.

With the initiatives we have undertaken, we have increased the utilization rate of domestic technology in investments from 30% in the early 2000s to the 80%.

The relevant units of our Group companies join our R&D team in running projects on reducing packaging materials, efficiency, and other similar matters. They conduct tests and then implement the projects that yield positive test results to support R&D and innovation.

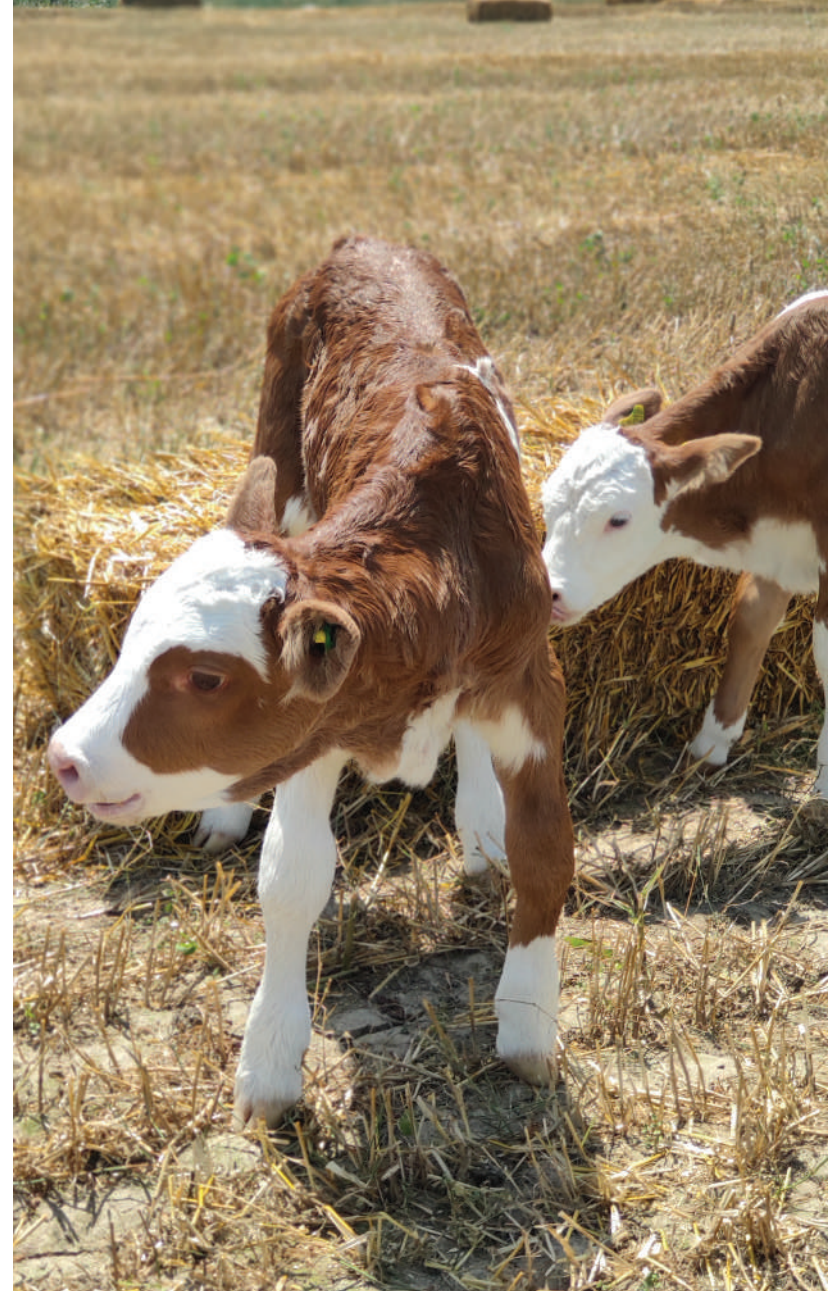


Agricultural R&D

We are maintaining university and public cooperations on agricultural research and development to boost productivity in fodder crop production and dairy farming, and to conserve natural resources.

We are currently running a project backed by the Ministry of Agriculture and Forestry and in cooperation with the Lalahan Veterinary Research Institute of the Directorate General of Agricultural Research to obtain disease-resistant hybrid breeds with high meat yield in males and high milk yield and quality in females. The hybrid animals were born in 2022 and some of the performance reports have been recorded. The project is expected to be completed in 2023 with the results shared with the public.

The investments for a Dairy Farming R&D Center are ongoing at the Bingöl Integrated Facilities. The Center will further strengthen our R&D work on livestock and focus on projects to identify high-yield animals through breeding, rapidly multiply these high-yield animals through embryo transfer, and raising new cattle breeds that are highly resilient against diseases. As the R&D Center investment is on the way, our farms in Karacabey are currently working on obtaining embryos from the livestock in the herd with the strongest genetics.





Digital Transformation

We wield the power of the ever-changing and improving technology to benefit from digital technologies to the highest level, and we continuously improve our business models and processes.

Our R&D Center cooperates with other colleagues to work on the research, development and implementation of Industry 4.0 and digital transformation throughout our areas of activity.

FARM MANAGEMENT

We use digital tools efficiently at our farms. We apply electronic identification tags to all of our cattle from birth, and a transponder or pedometer when they reach puberty. We take the necessary measures by monitoring all their behaviors, movements, and overall health and welfare.

e-Commerce

We continue to improve our e-commerce website **Sütaş Market** to facilitate consumers' access to Sütaş products.

MILK YIELD

We measure our animals' milk yield in each milking process by utilizing milk meters installed in the milking system.



MOVEMENT OF COWS

We collect data such as the distance traveled by our cows throughout the day and their sleeping and feeding times, which are automatically transferred to the database.

ANIMALS' WEIGHT

We weigh the animals after each milking process and monitor the change in the body condition score using the scales at the milking area's exit point. We ensure animals experiencing weight loss receive special nutrition and monitor their development.

EARLY DIAGNOSIS AND TREATMENT OF DISEASES

Our Herd Management System analyzes various datasets and issues alerts for animals exhibiting a higher susceptibility to illness. We quickly separate these animals from the herd and treat them accordingly.



Digital

RAW MILK SUPPLY MANAGEMENT

Raw milk supply management is a comprehensive and complex organization that includes quality processes as well as logistics. We receive instant data from the field through our proprietary mobile software uploaded on each of the tablets allocated to our milk tankers to monitor in real-time the quality assessments at the milk collection points. We use the incoming data in our quality and production planning and decision processes as well. Furthermore, we integrate our vehicle-tracking system with the instant data from the field to trace the status at the milk collection points and monitor the amount of milk loaded on the truck at any given moment to optimize our routes.

CUSTOMER AND SUPPLIER PORTAL (B2B)

We have launched B2B platforms to enable stronger communication with both our customers and our suppliers. This platform enables us to manage our sales and purchasing processes in real-time with our customers and suppliers.

FIELD SALES SYSTEMS (e-FIELD)

The e-FIELD project collects accurate and real data from the field using mobile devices in real-time. We designed the software within the company building on feedback from field teams. This system maximized the efficiency of our field operations.

BUSINESS PROCESS MANAGEMENT

We use the Electronic Information Flow (eIF) to eliminate paper forms in exchange for electronic alternatives, to automate the required data flow from operational systems during any process, to check and prevent errors in newly entered data, to monitor the entire process on the system, to have more control and analysis options over the processes, to avoid delaying the work through warning mechanisms, and to identify any blind spots that are causing delays. In line with our digital transformation strategy, we increased the number of our forms to boost the efficiency in Sales, Marketing, Human Resources, and Production. Over a hundred processes are now managed by this system.

ROBOTIC PROCESS AUTOMATION (RPA)

We accelerate our processes through robotic process automation and minimize risk at zero errors. We are currently introducing robotic process automation (RPA) and document processing systems, particularly in sales and finance processes where multiple repetitive actions occur. The entire document process with our distributors is currently run by robots.

DIGITAL FINANCE

We offer our customers fast payment channels, including Collection Portal and Virtual POS Payment systems. Furthermore, our field teams can retrieve entire sets of customer data while on the field through their mobile applications and quickly complete collection processes. We are closely following any developments and regulations in payment systems. Our system is integrated with all the banks with whom we have working relationships, and we are importing banking transactions on our ERP systems as data backup. Learning algorithms record these transactions without any input from the user.





Environmental Sustainability



The effects of climate change become more visible with each passing day and require action from every segment of society. With our circular “Farm to Table” business model, we increase our renewable energy production, operate under regenerative agriculture and sustainable dairy farming principles, use water and energy efficiently, and work toward achieving zero waste.

#ForeverLoveofMilk



Climate Change and Carbon Management

We are determined to assume a leading role in the fight against climate change, and we take the necessary steps to do so. In this process, we aim to leave a more livable world to future generations by protecting our natural resources, while offering sustainable, quality and healthy products to our customers. To serve this end, since 2012, we have been calculating and monitoring the Scope 1 and Scope 2 greenhouse gas emissions (GHG) resulting from our operations.

In 2022, we aligned our methodology for calculating GHG emissions with developments on international platforms. We also recalculated our 2020 and 2021 emissions using the same methodology.

Our GHG emissions in 2022 decreased by 7% year-on-year to 167,600 tons.

Greenhouse Gas Emissions (CO ₂ e/year)	2020	2021	2022
Scope 1	68,960	116,238	102,801
Scope 2	56,369	63,000	64,756
TOTAL (Scope 1+2)	124,329	179,238	167,558

We operate in a long value chain and collaborate with many stakeholders. In addition to the Scope 1 and Scope 2 emissions arising from our operations, we aim to calculate the Scope 3 emissions arising from our entire value chain and collaborate with all our stakeholders to reduce them. Accordingly, we commenced work to create the necessary infrastructure to calculate our Scope 3 emissions.

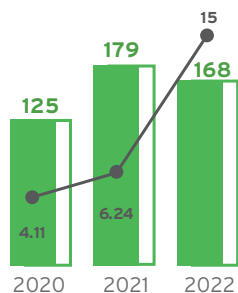


Climate Change and Carbon Management

As shown in the table, while a year-on-year reduction occurred in 2022, our GHG emissions were higher in 2021 and 2022 compared to 2020 due to the gradual commissioning of our Bingöl Integrated Facilities.

The change in GHG emissions was also observed in our emission intensity. The 7-percent year-on-year reduction in emissions in 2022 enabled our emission intensity to decrease by 10%.

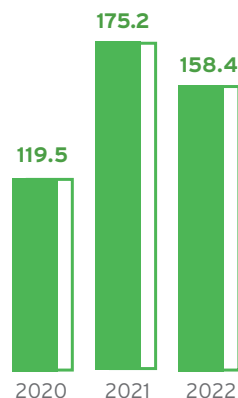
GREENHOUSE GAS EMISSIONS



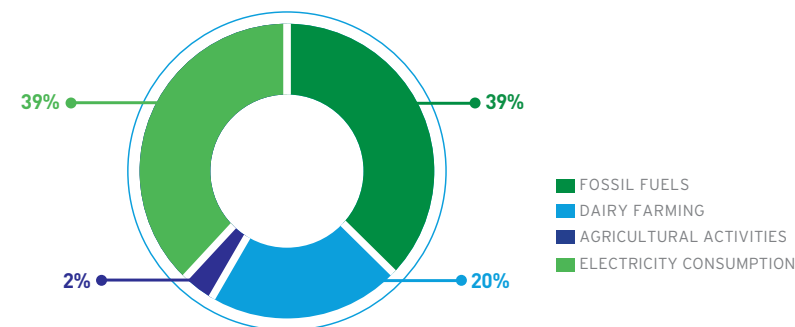
■ GREENHOUSE GAS EMISSIONS
(THOUSAND TONS CO2)

■ REVENUE (BILLION TRY)

**GREENHOUSE GAS EMISSION INTENSITY
[KG CO2/TON RAW MILK]**

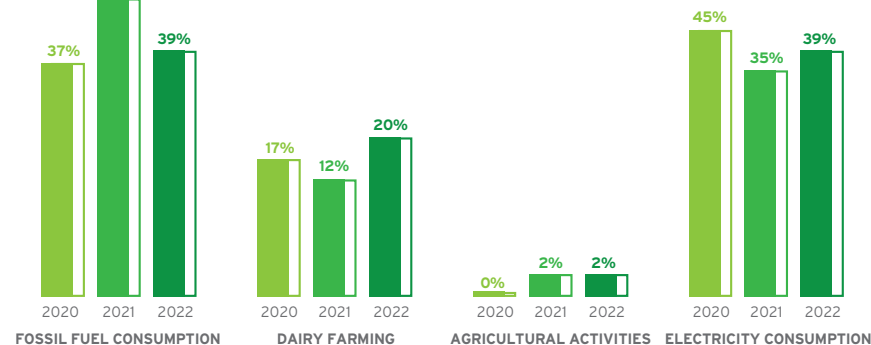


Below is the breakdown of our Scope 1 and Scope 2 GHG emissions by source in 2022.



In addition to the fodder production on facility lands, the new farms established in our Bingöl Integrated Facilities and the increase in animal population have been effective in the breakdown of emission sources.

ANNUAL CHANGE IN GREENHOUSE GAS EMISSION SOURCES





Climate Change and Carbon Management

RENEWABLE ENERGY GENERATION

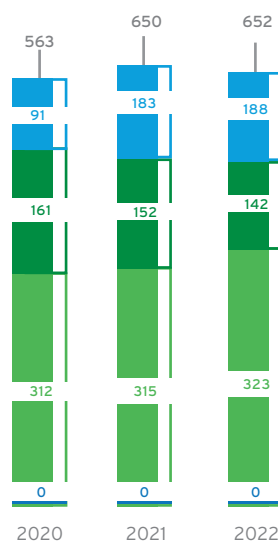
Our goal is to contribute to the fight against climate change through nature-friendly production for a sustainable future. We are aware of the importance of renewable energy sources in achieving our goal, and we are considering it as a material topic.

Since 2008, we have been treating the wastewater resulting from our production processes in anaerobic wastewater treatment plants, which reduces the use of energy and chemicals. We established our first biogas plant in 2013 to utilize animal manure, sludge from wastewater treatment plants, and organic waste from our plants. We generate electricity, hot water and steam from organic waste by using cogeneration technology. So far, our investments have allowed us to increase our electricity generation capacity at our four integrated facilities to 18.1 MWh and our thermal energy capacity to 17 MWh.

We also increased our renewable energy production from biogas by a remarkable ninefold since 2013. This enabled us to capture 590,000 tons of carbon. This figure corresponds to 252% of the greenhouse gas generated by our activities.

RENEWABLE ENERGY PRODUCTION (THOUSAND GJ)

■ TOTAL RENEWABLE ENERGY PRODUCTION
(THOUSAND GJ)
■ BIOGAS COGENERATION PLANT (ELECTRICITY)
■ BIOGAS COGENERATION PLANT (STEAM)
■ BIOGAS COGENERATION PLANT (HOT WATER)
■ WASTEWATER TREATMENT PLANT BIOGAS

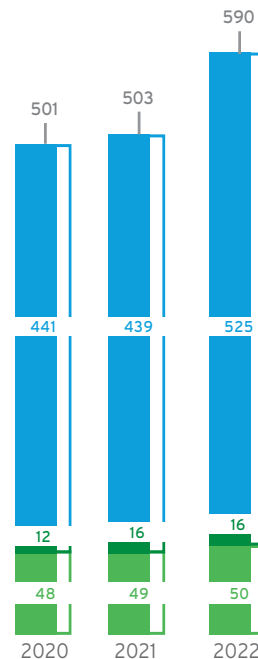


We use the output from our biogas plants as organic and organomineral fertilizer to improve the organic structure of the lands where we grow feed for our animals.

Thanks to these operations, we prevent the release of methane gas, which is a major source of GHG emissions resulting from animal and organic waste, while also stopping these nutrient-rich products from reaching and polluting underground and surface waters.

We ensure that GHG emissions prevented in our biogas plants is verified and certified by the Gold Standard®, an internationally recognized certification program.

GREENHOUSE GAS REDUCTION WITH RENEWABLE ENERGY (THOUSAND TONS CO2)



Electricity generation:
Electrical energy obtained from renewable sources



Fossil fuel substitution:
Other energy types produced by substitution for fossil fuels.



Carbon capture:
Capture of the methane obtained with waste recycling and released into the atmosphere in the natural environment



Climate Change and Carbon Management

Diversifying our investments in renewable energy sources, we completed our work for hybrid (Biogas and Solar) renewable energy production in our Bingöl Integrated Facilities in 2021, and finalized our efforts for the licensing of our 1 MWp solar power plant (SPP) in 2022. We expect the renewable energy produced here to cover 10% of the annual electricity consumption of our Bingöl Integrated Facilities.

In 2022, we continued to take steps to increase the use of sustainable energy resources by completing our Solar Power Feasibility studies and technical specifications for the roofs of our farms and production facilities (dairy-feed) across all our locations. We commenced work establishing a self-consumption solar power plant with a total installed capacity of approximately 4.9 MW by equipping the roofs of certain units in our Tire Integrated Facilities with solar panels. With this investment, we aim to meet approximately 30% of the electricity needs of our Tire Integrated Facilities with solar power.

We planned to complete the project design and legal processes for rooftop solar power systems at our Aksaray and Bingöl Integrated Facilities, and start the investment in 2023.



In our biogas plants



In 2022, we disposed of
729,388 tons of organic waste.



A total of
89,665 MWh of electricity is generated



51,019 tons of steam is produced

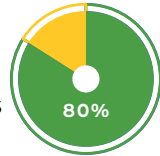


52,131 MWh of hot water is produced

Energy produced corresponds to

80%

of the electricity needs of the production facilities, (63% of the Sütaş Group's electricity requirements)



85%

of the electricity needs of our dairy plants,



18%

of the thermal energy needs of our dairy factories.



This is also equivalent to the annual electricity consumption of **32,487** subscribers



(The Chamber of Electrical Engineers assumes the residential consumption to be 2,760 kWh in 2022.)



Climate Change and Carbon Management

ENERGY CONSUMPTION AND ENERGY EFFICIENCY

Energy consumption is one of the biggest contributors to climate change. Accordingly, we closely monitor our energy consumption and continuously carry out R&D activities to ensure optimum levels are maintained.

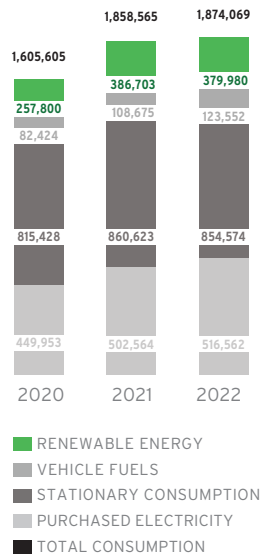
Thanks to our energy efficiency efforts, we achieved 26 million kWh in energy savings from 2015 to 2022. This amount is equivalent to the annual electricity consumption of 9,400 households

Below is the breakdown of our energy consumption by source. Although our energy consumption and its intensity have risen over the past two years, we anticipate a decline once our Bingöl Integrated Facilities reach their optimal capacity.

ENERGY CONSUMPTION INTENSITY

	2020	2021	2022
Total Net Energy Consumption (MWh/year)	446,001	503,853	508,953
Energy Consumption Intensity at Production Plants (MWh/tons of raw milk)	0.31	0.32	0.32
Energy Consumption Intensity at Farms (MWh/LSU)	0.10	0.10	0.08
Energy Consumption Intensity at Sales and Administrative Units (MWh/Employee)	2.49	2.51	2.52

ENERGY CONSUMPTION BY SOURCE, GJ





Climate Change and Carbon Management

LOGISTICS EFFICIENCY

Milk and dairy is a logistics-intensive sector. We carry out a significant portion of our logistics operations with our business partners. Every day, we buy raw milk from dairy farmers and deliver it to our integrated facilities. We transport our products to our regional directorates and distributors, and then deliver them to each sales point. In doing so, we travel more than 70 million kilometers per year.

We aim to reduce the GHG emissions arising from this key ring in our value chain. We consider logistics efficiency to be the most effective tool in achieving this goal. This ensures cost-effectiveness while also minimizing other environmental impacts resulting from fuels.

We work closely with our business partners in this regard. With our special software, we ensure that raw milk and dairy products transported customers at the shortest distance and at the maximum capacity while simultaneously minimizing fuel usage (see [Digital Transformation](#)). We have also commenced work on calculating our precise logistics-related Scope 3 emissions.

The most effective tools for logistics efficiency include shortening supply chains with new investments and making route optimizations. Accordingly, we commissioned our İzmir Tire facility in 2016 and our Bingöl Integrated Facility in 2021, and shortened our supply chains all around Türkiye. Thanks to route optimizations and other projects involving our business partners, we have reduced the distance traveled by 82 million kilometers since 2015. Despite all the inefficiencies incurred by the pandemic measures, our savings in the last three years alone amount to 34 million kilometers. That's 850 fewer trips around the world.



We primarily supply the other materials (packaging, etc.) used in our facilities from the local suppliers in these locations. In doing so, we support local producers while also minimizing our emissions from materials logistics. If these materials must be transported over longer distances, we transport them with our backhaul projects in collaboration with our suppliers, and contribute to the reduction of the GHG emissions arising from our suppliers' operations.

While we do not include emissions from the logistics operations conducted by our business partners in our reporting (Scope 3), we do actively calculate and monitor these emissions. Looking at our logistics-related emissions and Scope 1 and Scope 2 emissions in 2022, we see that logistics-related emissions comprise 16% of our total emissions.



Waste

We aim for net-zero waste. While we recover our organic waste for energy purposes, we also ensure that recyclable waste, including that which arises from defective packaging materials and the packaging of returned products, are recycled by licensed companies.

With our efforts aimed at reducing, sorting and recycling waste, we achieved a recycling rate of 98% in 2020, and increased this rate to 99.3% in 2022. Our total waste in 2022 was 210,000 tons.

In 2022, we began carrying out informative and awareness-raising activities with the slogan “Take Action for Zero Waste” with the goal of raising zero-waste awareness in our employees. By this, we informed our employees and their families about zero waste, different types of waste, the relevant bins each waste type should be put into, and the benefits of this practice.

97% of the waste we produce is organic, and all of it is converted into energy at our biogas plants. We obtain energy at our biogas plants by processing the non-disposable organic waste from our stakeholders in addition to the organic waste from our own farms and plants, and we contribute to the waste management efforts of our other stakeholders

In 2022, we converted 729,000 tons of organic waste into energy. Animal manure from our own farms and the organic waste arising from our facilities amounted to 28% of the organic waste we recovered.

Food loss and waste is one of the most significant threats to the sustainability of food systems. This also means the water, land, energy, labor and capital used in food production is wasted.

We believe in the importance of collaboration in dealing with this issue. We are participating in “10x20x30 I Champions 12.3,” a multinational initiative with the goal of reducing our food loss rate by 50% by 2030 compared to 2019. With the work we carried out in accordance with this goal, we reduced our net food loss to less than 1% in 2022, and reduced our loss by 51% compared to 2019.

10x20x30
CHAMPIONS 12.3

All of our facilities, including our recently commissioned Bingöl Integrated Facility, hold Basic Level Zero-Waste Certificates issued by the Ministry of Environment, Urbanization and Climate Change.



Waste

REDUCING PACKAGING MATERIALS

All plastic packaging materials we use are recyclable. However the legislation allows the use of recycled packaging materials only in limited areas.

We carry out lightweighting efforts in plastic packaging to the fullest extent allowed by technology without compromising on consumers' expectations for quality and hygiene. To serve this end, our R&D teams develop, test and implement ideas in collaboration with our suppliers of plastic packaging materials.

In 2022, we successfully reduced the weight of primary packaging for eight of our products. In doing so, we reduced our plastic use by 153.5 tons. This also enabled us to prevent 288 tons of CO₂ emissions.

With our lightweighting efforts until 2023, we have reduced the plastic use in our packaging by approximately 2,100 tons.

In 2019, we became a part of the Business World Plastics Initiative (IPG) started in cooperation with Global Compact Türkiye, BCSD Türkiye and the Turkish Industry and Business Association (TÜSİAD) to encourage private sector organizations to resolve the plastic problem, consolidate ongoing efforts in line with the Sustainable Development Goals, and increase awareness and cooperation. Within the scope of the IPG, we had committed to reduce our plastic use by 450 tons in 2021 and 2022. We exceeded our IPG targets by 30% over the last two years and reduced our plastic use by 509 tons.

İpg İŞ DÜNYASI
PLASTİK GİRİŞİMİ





Water Management

Water serves as a fundamental input in our operations. We use water for many purposes, including agricultural irrigation in the lands we cultivate to grow fodder crops, washing facilities, meeting the water needs of the animals in our farms, and cleaning these farms.

Most of our facilities are located in water-stressed areas. We shoulder a significant responsibility for the sustainability of water resources. Accordingly, we are working to use water effectively and efficiently by incorporating sustainable practices into the design of all our processes. For sustainable water management, our teams conceive projects on protecting water resources, reducing our water consumption and ensuring water efficiency, and they constantly review our operations.

We use drip irrigation systems in all of the lands we cultivate fodder crops, and we save up to 40% of water compared to other irrigation systems.

To use the water coming to our facilities more efficiently, we continue to work on and invest in the recovery of a portion of the evaporated water we use in washing and the wastewater from reverse osmosis systems. Since 2020, we have increased our water recovery by 50%, reaching 601,000 tons. This amount corresponds to 14% of the water consumed at our production facilities.

We treat and discharge the wastewater at all our facilities using effective methods.

You can see our Group's water consumption in the last three years and the water consumption intensities of our production facilities, farms and sales and administrative units in the table on the right. While our water consumption and its intensity have increased in the last two years, we anticipate a decline once our Bingöl Integrated Facilities reach their optimal capacity.

WATER CONSUMPTION INTENSITY

	2020	2021	2022
Water Consumption (m ³ /year)	4,554,089	4,762,790	5,330,756
Water Consumption Intensity at Production Plants (m ³ /tons of raw milk)	3.3	3.0	3.4
Water Consumption Intensity at Farms (m ³ /LSU*)	4.9	4.9	5.4
Water Consumption Intensity at Sales and Administrative Units (m ³ /Employee)	13.5	13.5	13.1

*LSU: Livestock Unit

Water Risks Project

As a member of the Business and Sustainable Development Council (BCSD Türkiye), we joined the other member companies in supporting the "Water Risks Project" carried out in collaboration with Ankara University Water Management Institute with the goal of analyzing the impact of climate change on water resources and developing efficient irrigation strategies in agriculture. The project promotes the use of drip irrigation systems, one of pressurized irrigation methods, in the cultivation of wheat and maize abundant in Central Anatolia, the increase of water and energy efficiency, the identification of water-production functions, the physical and economic evaluation of water efficiency, the identification of water risks, and explanations of correct practices to local farmers through various activities.

We continue to support the project, the second phase of which will be carried out in 2023.



Sustainable and Regenerative Agriculture

The health, structure and quality of the soil, which gives our livestock the fodder crops they need, is the key to ensuring food safety and security, helping producers build resilience and making them stronger, and increasing productivity in agricultural production. It is therefore the key to sustainable and regenerative agriculture.

As the leading company of the sector, we believe that sustainable and regenerative agriculture is the key to food security and the agricultural production of the future. To serve this end, we ensure that the soil used for fodder crops is healthy. We also utilize regenerative agricultural practices to conserve and improve the soil structure.

To achieve the goals defined in the European Green Deal -From Farm to Fork and Biodiversity Strategies in our raw milk and fodder crop production, we refer to the agricultural practices* recommended as part of the environment, climate and animal welfare actions, and we inform and encourage our raw milk suppliers and contracted fodder crop producers to adopt the same practices.

To prevent the manure at our farms from coming into direct contact with the soil and their nutrients from polluting underground water resources, we convert this manure into energy and organic/organomineral fertilizer **(see Renewable energy production)**.

*List of potential agricultural practices that eco-schemes could support

Türkiye's agricultural soils are low in organic matter content. We aim to make agricultural soils healthier, higher quality and more productive by increasing its organic matter. To serve this end, we are carrying out trials for the use of organic and organomineral fertilizers:

- In the trials carried out for growing fodder and vegetables in collaboration with Uludağ University, Bursa Provincial Directorate of Agriculture and Forestry and Bursa Provincial Directorate of Environment, Urbanization and Climate Change, we attained a yield increase of up to 15%, and a 40-percent increase in the organic matter content of the soil compared to the other types of fertilizers.
- We also cooperate with Bingöl Provincial Directorate of Agriculture and Forestry, Bingöl Provincial Directorate of Environment, Urbanization and Climate Change, and Bingöl University Faculty of Agriculture, on identifying the impact on quality and productivity in the agricultural lands in Bingöl and the surrounding region. We plan on repeating the trials performed on maize in 2022 on wheat in 2023, and sharing the results by 2024.

We place significant emphasis on disseminating the findings derived from these trials to producers and sharing our experiences during Field Days. In 2022, we organized two Field Days—one in Aksaray and another in Bingöl.



Sustainable and Regenerative Agriculture

We use the plant protection products authorized by the Ministry of Agriculture and Forestry solely for weed control in fodder crop production. To ensure we do not harm other living creatures, particularly bees, we carry out this operation in the early morning or evening hours when wind conditions are minimal.

Healthy soils with high organic content also feature high biodiversity, increasing their inherent fertility. Since such soils have high atmospheric carbon and water capture potential, they are among the key tools for combating climate change and adapting to its effects.

With 50,380 tons of organic and organomineral fertilizer, we increased the amount of organic materials incorporated in our soil by 43% from 2020 to 43,000 tons in 2022.

We adjust the harvest time to achieve maximum yield from the crop and prevent product loss. To ensure the efficient use of our limited water resources, we irrigate at the right time and use drip irrigation systems, while taking measures for the energy-efficient operation of machinery and equipment to reduce greenhouse gas emissions from agricultural activities.

Our efforts cover the environmental, economic and social aspects of sustainable agricultural practices. We guide our farmers in sustainable and regenerative agriculture with our training activities and programs for contract producers, and we focus on the adoption and dissemination of these practices by all our stakeholders.





Sustainable Dairy Farming

We consider sustainable dairy farming to be essential for ensuring access to plentiful, healthy and quality food for future generations, and supporting the sustainable management of soil, water and natural resources.

With this understanding, we cover all bases from the production of livestock feed to the efficient use, protection and further development of natural resources such as soil and water; ensuring high animal welfare standards; reducing greenhouse gas emissions and waste arising from dairy farming; and improving the conditions for producers by increasing yield and profitability in production.

We manage a large herd consisting of 21,250 head. At our farms, 76% of the animals are Simmental cattle, while 24% are Holstein cattle.

We prioritize the health and wellbeing of our animals. Our cows are raised on farms meticulously designed by our veterinarians and engineers in accordance with internationally recognized animal welfare standards. These farms are equipped with digital technologies and advanced automation systems, enabling us to monitor our cows 24/7 and assure their health and wellbeing.

We manage the basic needs of our farm animals in line with international animal welfare principles and the “Five Freedoms” recognized internationally and adopted by the World Organisation for Animal Health (OIE).

All our farms are accredited by the Animal Health certificates issued by the Ministry of Agriculture and Forestry “European Union Cattle Accreditation Scheme (EUCAS),” proving that we have taken all kinds of protective measures to carry out disease-free production in compliance with the European Union standards.



We issued a set of procedures, manuals and instructions according to international standards to operationalize the five freedoms on the field and ensure that they are adopted by all employees. These are among the most essential:

- Dairy Cattle Breeding Farms Good Agricultural Practices (Animal Welfare) Handbook
- Livestock Control Points and Compliance Criteria
- Animal Foot Bath Instructions
- Animal Care Procedures
- Animal Movements Procedures
- Animal Nutrition Quality Plan.

We actively participate in various programs and partnerships aimed at enhancing our commitment to animal welfare. We are delighted to have been certified as a “Sustainable Milk Supplier” by a global customer in 2022.

We emphasize the significance of prioritizing animal welfare practices among the dairy producers from whom we procure milk, extending our commitment beyond our own farms. Our inspection teams examine the animal welfare practices of the farms they visit, provide suggestions to farmers on combating animal diseases and ensuring good nutrition and welfare, and share the experiences from our own farms.



Sustainable Dairy Farming

The “Five Freedoms” in Animal Welfare



Freedom from hunger, thirst and malnutrition

- We feed our newborn calves with colostrum.
- High-quality drinking water is essential for cows. We ensure that they have access to plenty of clean and potable water.
- We pay utmost attention to cleanness and hygiene of feeders and place all times clean and plenty feed before our cows.
- We feed all animals on our farms according to their age, weight, and behavioral and physiological needs to improve their overall health and wellbeing and meet their specific needs. We feed our animals the natural and healthy feed we produce ourselves and ensure a digestible feed rich in protein, fat, and energy.

Freedom from discomfort and exposure

- We build our farms in sufficient size to allow each cow a living space that complies with international standards.
- The design of our farms ensures that each cow receives the maximum benefits from sunshine.
- We periodically clean the shelters with special equipment and ensure a hygienic, dry and clean environment for our cows.
- We also furnish our cows' sleeping and resting areas with special rubber mats.
- We install the highest-efficiency ventilation in the shelters, bathe our cows to cool them off in hot weather, and blow-dry them to ensure they are not wet for extended periods.

Freedom from pain, injury, and disease

- Our farms are managed by biosafety procedures aimed at minimizing the risk of disease transmission.
- We continuously monitor the health status of our animals under the supervision of experienced veterinarians.
- We use preventive veterinary medicine to minimize diseases and the use of medications, and we take maximum care to check the use of antimicrobial agents when treatment is required. We destroy and do not, under any circumstances, use the milk produced by an animal under treatment until the medication is entirely discharged from its body.

Freedom from fear and distress

- When transporting all our animals, we assess their health and fitness for the journey, and we take care to transport them using vehicles with animal transport certificates. We always take breaks and ensure that our animals rest on trips longer than eight hours.
- We refrain from restraining our animals except when necessary for medical treatment. Our animals are restrained only under the supervision of a veterinarian.
- We do not engage in practices that could harm our animals, such as branding, tail docking, or teeth clipping.
- To prevent our animals from experiencing any pain, we use anesthetics and nonsteroidal anti-inflammatory agents in all surgical procedures at our farms, and we record and monitor post-operative processes.

Freedom to express normal behavior

- We house our cows in separate paddocks and provide them with clean, hygienic, convenient, and comfortable areas where they can roam freely. Considerations are also made for the age groups and conditions of the animals in our dairy farms.
- We ensure the circulation of fresh air with ventilation fans in semi-open and tie-stall barns and utilize an automatic cooling system to reduce inefficiencies arising from heat stress.



Health And Happiness Of People

We strive to offer natural and delicious dairy products that contribute to people's health, quality of life, and happiness.

With our "Farm to Table" business model, which ensures the naturality, taste, and nutritional value of our products, we integrate, monitor, and oversee the entire process from the feed our cows consume to the dairy products that reach your tables.



#ForeverLoveofMilk



Food Security

To feed the world population, which is expected to reach 10 billion in 2050, we need to increase production by 50%, and ensure that everyone has access to healthy and sufficient nutrients.

Milk is our fundamental source of nutrition, providing a harmonious blend of essential nutrients crucial for a healthy life. Accordingly, its role in feeding the growing world population is becoming increasingly important day by day. In this period where concerns regarding food sufficiency and sustainable agriculture are mounting, milk and dairy products play an even more important role in the nutrition of the growing world population.

We offer our consumers easy access to the healthy, safe and nutritious dairy products we produce at four integrated facilities at 198,000 sales points with our 27 regional directorates, 93 dealers/distributors, and our sales team of 3,086 people.

Our goal is to contribute to food security, ensuring its continuity for both the present and future. Accordingly, we work with the awareness that food production, processing, transportation, consumption and waste disposal processes need to be transformed, and we take steps to transform our own value chain.



We are reconsidering our agricultural production methods.

We implement sustainable/regenerative agriculture methods, protect the ecosystem, and enhance productivity and carbon capture potential by increasing the healthy properties in the soil.



We increase the income and welfare of farmers, and support local development.

In doing so, we aim to reduce food insecurity and inequalities in the future.



We are decarbonizing our food system.

We are obtaining energy and organic fertilizer from organic waste, utilizing them in the fields, reducing our use of fossil, investing more in renewable energy, and making every stage of our value chain more efficient.

Drinking two glasses of milk a day meets:

28% of your protein needs,
62% of your calcium needs,
72% of your B12 needs,
52% of your B2 (riboflavin) needs,
32% of your iodine needs,
56% of your phosphorus needs,
32% of your potassium needs.



Essential for a healthy and balanced diet

Milk is essential for a healthy and balanced diet as it consists of high-calorie bioactive proteins, essential amino acids, essential fatty acids, calcium, phosphorus, magnesium, potassium, iodine, zinc, lactose and vitamin B. These nutrients create a synergistic effect and increase the nutritional value of milk.

We work with the mission of sharing the goodness and abundance of milk by transforming this valuable nutritional source into packaged dairy products without compromising on naturality and safety, and delivering them to the tables of our consumers.

- With our “Farm to Table” integrated business model, we manage and control the entire process from our cows’ feed to our customers’ tables. The pandemic showed us the importance of a reliable supply chain once again. With our business model, we ensure supply reliability and meet our consumers’ food safety expectations.
- On a micro-scale, Sütaş stands out as a key example with this supply chain integration, as it has integrated the entire dairy value chain with its business model while managing agriculture and food together to improve its competitiveness and meeting the naturality and food safety expectations of consumers.



Food Safety

We manufacture a wide range of dairy products while maintaining the nutritional integrity and naturality of the milk. The safety of our products depends on maintaining safety at stages of production: starting from the production of feed used, health and welfare of dairy cows producing milk, which is our most important raw material of all, farm hygiene, the collection and transportation of raw milk, its processing and distribution. That is why we consider feed and food safety together.

Our “Farm to Table” business model enables us to control the entire process from our cattle’s feed to the delivery of our products to consumers’ tables, while ensuring the traceability, safety and naturality of our products.

For raw milk obtained directly from farms, we trace our products to the cooling tank of the relevant farm. For raw milk obtained from collection centers, we trace our products to the cooling tank of the relevant collection center. We also monitor the producers delivering raw milk to each milk collection center, and the amount of delivery.

CONTROLS AND AUDITS

Raw materials	Dairy Product and Feed Production	Transportation and Distribution of Dairy Products
<ul style="list-style-type: none"> With our contract production model, we monitor the entire production process (from cultivation to harvest) for the fodder crops fed to our cattle, meticulously carry out the necessary quality controls, and share all our knowledge and experience regarding the production of quality and nutritious fodder crops with our farmers. We perform quality and safety controls on the feedstuff used in compound feed production (moisture, starch, protein, fiber structure, fat, toxin, pesticide residues, etc.). We require all the producers from whom we source raw milk to adhere to the quality, hygiene, animal health, and animal welfare regulations stipulated by Food Safety Management Systems. Our Milk Quality Improvement Teams regularly inspect the farms and milk collection centers with whom we work. The first check of raw milk (antibiotic residue, smell, pH and acidity) is carried out during collection. Once the milk delivered to our production facility, it is subjected to physical, microbiological, and chemical tests before being accepted for production. The milk collected is cooled under the conditions required by the legislation, and transported to the factories as soon as possible. 	<ul style="list-style-type: none"> At our facilities, we operate in compliance with the following certificates by third parties in addition to the relevant legislation. (Certification studies for our newly commissioned Bingöl Integrated Facilities were completed in 2022, and certification was received in 2023.) <ul style="list-style-type: none"> Good Manufacturing Practices (GMPs) FSSC 22000 Food Safety Management System* We provide food safety training, such as GMP, food hygiene and HACCP to all employees involved in production on a regular basis. We evaluate our suppliers according to food safety risks. As part of the purchasing process, we perform supplier inspections according to the Quality Assurance Plan. In our inspections, we refer to the AIB International Consolidated Standards for Inspection of Prerequisite and Food Safety Programs, considered a leading food safety guideline. The control forms we use in inspections include aspects related to environmental management as well as social issues such as human rights, the prevention of forced and child labor, and occupational health and safety. In compound feed production, we refer to Good Manufacturing Practices (GMPs) to maximize feed safety, and train our employees accordingly <p><small>* FSSC 22000 Food Safety System Certification Scheme is an internationally recognized management system recognized by the Global Food Safety Initiative (GFSI) combining the ISO 22000 Food Safety Management System and ISO 22002-1 Food Safety Prerequisite Programs standards. ** The GFSI is a global Food Safety initiative that acknowledges the British Retail Consortium (BRC) and the International Food Standard (IFS) food safety systems.</small></p>	<p>After production, it is imperative that the cold chain is not disrupted in the storage acceptance, transportation and distribution stages of our products. All of these processes are continuously controlled, audited and recorded according to GMP and HACCP rules. Our products are transported and distributed with vehicles the temperature levels of which are subject to continuous remote monitoring and control.</p>



Food Safety

We encourage food-contact material suppliers, which are of great importance for food safety, to have internationally recognized standards and certifications.

Of Our Food-Contact Material Suppliers,

76%

implement one of the three Food Safety Management Systems recognized by the GFSI*.

94%

implement at least one of the International Quality Management Systems.

84%

implement an Environmental Management System.

84%

implement an OHS Management System.

*These systems are: Food Safety System Certification (FSSC) 22000, the British Retail Consortium (BRC), and the International Featured Standards (IFS).

While the rate of certificates held by suppliers decreased in 2020 and 2021 due to the pandemic measures, this rate has recovered to pre-pandemic levels in 2022.





Consumer Health and Wellness

Today, an increasing number of consumers aim for healthier and balanced diets and also seek their purchased food to be healthier, expecting more information about its production process, nutritional value, and safety. The demand for foods that strengthen the immune system has also increased due to the COVID-19 pandemic.

Our foremost objective is to promote the nutritional well-being of our consumers and empower them to make informed choices.

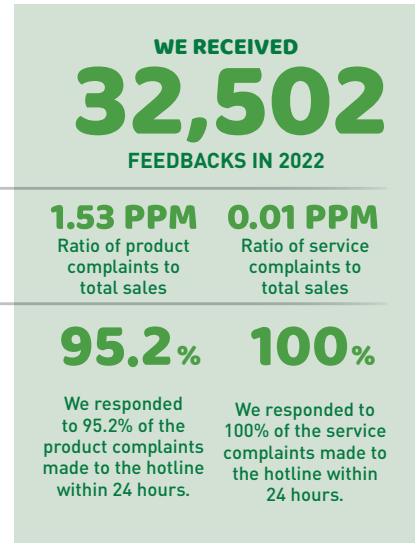
To serve this end, we are developing new products by conducting R&D activities. In 2022, we developed fruit varieties of our probiotic yogurts to support healthy nutrition and meet the expectations of our consumers.

Compared to 2020, we reduced the salt content in our products by 25% without compromising on the natural taste. However, the sugar content increased by 2% because of the recently developed products.

ADDITIONAL LABELING INFORMATION

We place labels stating the nutritional elements and production date of our products on the packaging in addition to the labeling requirements stipulated by the legislation to ensure that our consumers are better-informed about the products they purchase and are assured of their freshness.

To further inform our consumers about the nutritional values and safety of our products, we increased the rate of our products with “content information intended to inform consumers and raise awareness” to 32%, exceeding our goal of 30%.



CONSUMER HOTLINE

We keep track of the suggestions and feedback provided by our consumers and customers, and strive to review them as soon as possible to incorporate them into our product development processes. Our most significant responsibility is towards our consumers, who collectively purchase 6.5 million Sütaş products daily.

The Sütaş Hotline is responsible for the management of consumer feedback. To guarantee “stakeholder satisfaction,” the hotline evaluates all feedback effectively and within 24 hours at the latest while managing feedback for improvements and documenting its systematic activities.

OUR WEBSITE

To ensure that our consumers can easily access detailed information such as the energy and nutritional content of our products, we expanded the [“Questions about Our Products and Production Processes”](#) page on our new website.

In addition to our “Farm to Table” Integrated Business Model, we share comprehensive content regarding our sustainability efforts on our website.



Consumer Health and Wellness

WELL NUTRITION CAMPAIGN

Diet and nutrition habits undergo significant changes during Ramadan. That's why we initiated a campaign, supported by experts, to train our consumers on achieving a healthier and more balanced diet during this month. We also emphasize the essential role of dairy products in their diet.

As part of our collaboration with Nutritionist Müge Özyurt, we published informative content and recipes about good and healthy nutrition during Ramadan on the Sütaş YouTube channel and on our social media accounts.

In addition to conveying the importance of milk and dairy products through communications that aim to raise awareness about healthy nutrition during the school period, we offered practical recipes that will give mothers ideas on how to prepare a healthy lunch box for school and healthy snacks for the trip back home.

TALES FROM THE FARM

We came up with the "Tales from the Farm" series as part of our efforts to educate children about milk and dairy products.

Recounting the experiences and lessons learned by Sütaş Farm's beloved character Buzu on the farm. 'Tales from the Farm' informs children about important contemporary topics such as naturality, sustainability, recycling, and energy conservation, it also conveys messages related to life concepts like friendship, kindness and curiosity.

As part of the "Tales from the Farm" series for children aged 2-7 and their parents, we touched on the following subjects using fun and clear language:

- Farm life and the importance of milk with the stories "Buzu's Dream" and "Buzu Goes Treasure Hunting,"
- Our "Farm to Table" integrated business model with the story "The Adventures of the Milk Drop"
- With the tale "Buzu's Wish" we conveyed Sütaş's sustainability efforts in a language that children can understand, with an entertaining narration.



SÜTAŞ FARM CARTOONS

In addition to the natural tastes of the Sütaş Farm, our cartoons, which are celebrating their 20th anniversary, help our consumers start the day with a smile every morning. The colorful characters of our farm have been enjoyed by readers for 7,418 consecutive days since day one.

In addition to sharing a compilation of our cartoons on our website, we expanded our reach to a broader audience by including them in the digital magazines of telecommunication companies.

We opened our 20th-anniversary exhibition in Istanbul in December with the goal of meeting the fans of our cartoons in various locations across Türkiye throughout 2023.

We turned the joyful characters in "Sütaş Farm" cartoons into stickers that can be sent on the messaging platforms we use daily.





Development And Prosperity Of Society



With its economic and social impact and inclusiveness, our “Farm to Table” integrated business model serves as a “Regional Development Model.” This model employs thousands of people by mobilizing various sub-sectors in agriculture, industry and service, and offers different segments of society the ability to share an exemplary income distribution model from the income created.



#ForeverLoveofMilk



Contributions to the Local Economy

With its economic and social impact and inclusiveness, our “Farm to Table” business model serves as a “Regional Development Model.” The “Sütaş South Marmara Dairy Project – Karacabey Integrated Facilities,” “Sütaş Central Anatolia Dairy Project – Aksaray Integrated Facilities,” “Sütaş Aegean-Mediterranean Dairy Project – Tire Integrated Facilities,” and “Sütaş Eastern-Southeastern Dairy Project – Bingöl Integrated Facilities” were all established based on this model and are successful examples contributing to regional development with their economic and social impacts.

We create direct and indirect employment in our locations, improve local capacity and talent, and contribute to resilient rural economies and the social development of societies. In 2022, our net revenue reached 15 billion Turkish lira, while our payments to suppliers, including investment expenditures, reached 10.4 billion Turkish lira.

In 2022, we made 94% of our purchases from local suppliers. We purchased milk from 18,096 dairy farmers and had contract growers harvest fodder crops on 33,200 decares of land. We procured feed ingredients from a wide range of producers. In our regions, we also enable various activities such as the production of machinery and equipment, the production of packaging materials, construction, logistics, agricultural technologies and support services.

Our teams work closely with our producers to make agricultural production more efficient, increase the quality of the products, and bring in more income.

We make fodder crop production contracts to obtain natural and healthy animal feed for dairy cows. In addition to ensuring the use of our own fertilizers and the seeds that we select, we constantly inspect the production areas of farmers and provide on-farm training on subjects such as sustainable agricultural practices. We cooperated with our dairy farmers in 2021 and gained a 6.3% productivity increase on a year-on-year basis. Due to the challenges faced by the sector, we observed a 3% decline in the efficiency of our producers in 2022.

The payment made for the production of 172,000 tons of contracted fodder crops with 520 farmers on a 33,261-decare land amounted to 168 million Turkish Lira.

18,096 dairy farmers earned a regular income of 5.4 billion Turkish lira in exchange for supplying 740 million liters of milk.



Contributions to the Local Economy

SOCIO-ECONOMIC IMPACT STUDIES


We have been working to scientifically measure the socio-economic impacts of our integrated facilities and operations on the relevant regions since 2012.

Bingöl Regional Impact Analysis

The “Regional Impact Analysis Report” is the culmination of two years of intense research and study focusing on the comprehensive impacts of the Bingöl Integrated Facility Investment by the Eastern-Southeastern Anatolia Dairy Project. The report was introduced in 2021.

The report shows that commissioning Sütaş facilities in Bingöl will lead to developments that will significantly change the region, such as improvements in production technology, a decrease in unemployment, improvements in workforce quality, higher household incomes, the cessation of rural exodus, the return of qualified nationals, better income equality, and the acceleration of social and cultural transformation. The report defines the Sütaş Bingöl Integrated Facilities as a regional development project that ensures convergence between underdeveloped and developed regions.

The expected ecosystem and increased welfare generated by the project are anticipated to have a significant multiplier effect. By 2033, the projected figure of 1.3 billion dollars, equivalent to 61% of Bingöl’s GDP, will be realized through the direct and indirect impacts of Sütaş. The report shows that Bingöl’s income per capita in 2033 would be \$7,322 without the investment of Sütaş and would now reach \$10,221 with an increase of 40%. This increase will allow Bingöl to rise from 73rd to 38th place in the ranking of Turkish provinces by income per capita. Another estimation suggests that one job created by Sütaş will generate eight additional jobs in the region.

 View the complete Bingöl Regional Impact Analysis report here.





Contributions to the Development of the Sector

We play a key role in Türkiye's milk and dairy products sector. We work with thousands of producers and make our way to the tables of millions of households.

We view our operation as a social responsibility rather than merely a conventional "business". Accordingly, we prioritize taking steps and getting involved in a variety of activities to further develop our sector together with the public and private sector, universities, and non-governmental organizations.

SUSTAINABLE DAIRY FARMING TRAINING

We understand that sustainable dairy farming requires producers to become economically more robust by increasing the quality and efficiency of their production.

The first stage of our "Farm to Table" integrated business model, the Dairy Training Centers, serves this exact purpose. In the free training sessions organized at our centers for dairy farmers, we convey the information, knowledge, and experience necessary for the producers to obtain milk at high standards and efficiency. We also provide training on environmental protection, efficient fertilizer use, and financial sustainability.

19,510 People

Trained dairy farmers
and students*

35,058 People

Number of students and
entrepreneurs who have
received our consultancy
services*

(*So far)





Contributions to the Development of the Sector

UNIVERSITY-INDUSTRY COOPERATION PROTOCOLS

We signed Vocational Education Scholarship Protocols with Bursa Uludağ University in 2011, Aksaray University in 2014, and Bingöl University in 2018.

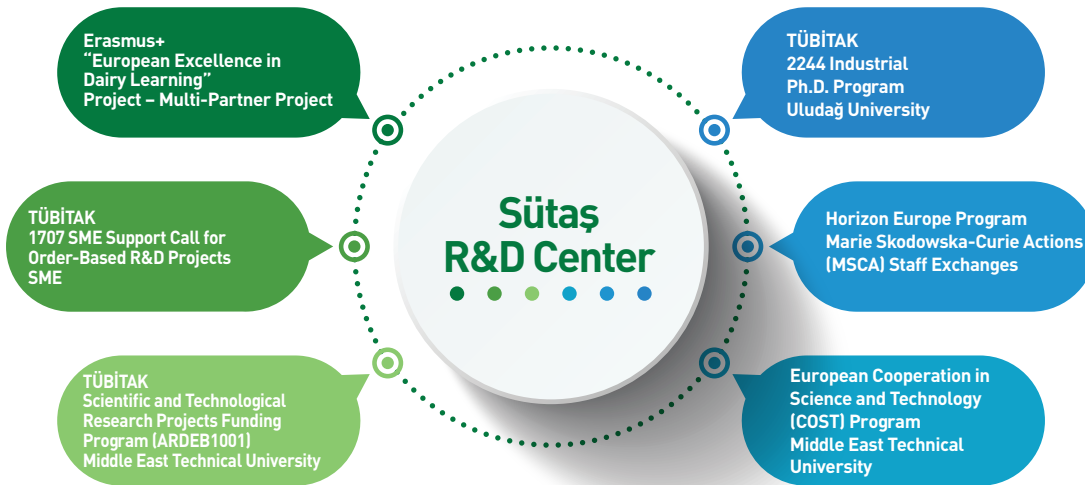
We provide hands-on courses, workplace training, and internship opportunities at Sütaş for students of these universities in the departments related to the milk value chain.

In 2022, we reached 21 more students and offered scholarships to 206 students..

SECTOR COLLABORATIONS

We prioritize the development of the sector. To serve this purpose, we participate in joint efforts with public institutions, non-governmental organizations, and universities.

Projects involving our R&D center aimed at the development of the sector:



EDUCATION SCHOLARSHIP

We have been offering free Sütaş Education Scholarships to successful undergraduates who lack adequate financial resources. Through our scholarship program, we offer a number of opportunities to assist in the personal development of our scholarship students, such as mentoring, training programs and project-based internships. In 2022, we included 20 new students in our scholarship program. In doing so, we have supported a total of 154 students from selected universities and departments since 2015.

Erasmus+ "the European Excellence in Dairy Learning"

We became the sector representative in Türkiye with the "European Excellence in Dairy Learning" selected in 2022 as part of Erasmus +, the EU's grant program in the fields of education, youth and sports.

The project studies in Türkiye aim to establish a Center of Vocational Excellence for the Turkish dairy sector, increase the number of qualified R&D personnel, and raise the knowledge and skills of the workforce in the sector to EU standards. These studies are also aimed at developing effective and sustainable programs as part of lifelong vocational training and work-based learning models to train the existing workforce and future professionals.

TÜBİTAK 2244 Industrial Ph.D. Program

As part of the Protocol signed with Uludağ University, we provide scholarships to three students to contribute to the training and employment of doctoral-level personnel specialized in their fields. Our students continue their thesis studies.



Employment and Development

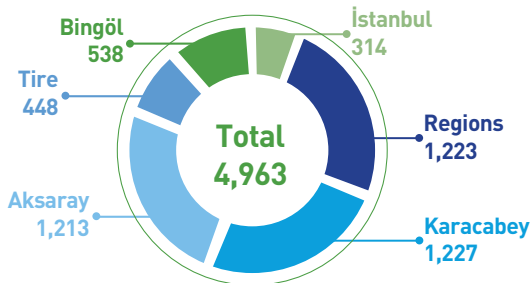
Our employees are the essence of our business. We prioritize ensuring the happiness, health, safety and satisfaction of all our employees. We provide a fair, transparent, safe and productive work environment for our employees in accordance with our corporate governance principles and ethical values.

We provide direct employment to 4,963 people, and indirect employment to 2,500 people, especially to our contracted employees in the distribution group. There was no significant change in our number of employees compared to 2021. However, the number of employees in our Istanbul Head Office increased by 9.4%, and the number of employees in our Bingöl Integrated Facilities increased by 43% in accordance with the completion rate of our investments. In other locations, we observed decreases of 2% to 9% in our number of employees.

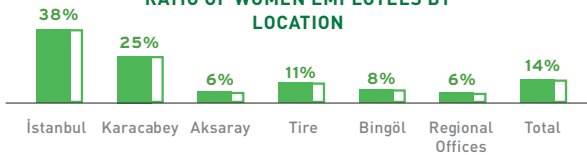
Equal opportunity forms the basis of our code of ethics and HR policies and practices, especially in recruitment, promotion, and remuneration processes. Our female employment rate matches the FMCG sector average, and we continue to work on further improving it.*

Meanwhile, our rate of women on the Board of Directors stands at 33%, which is well above the rate of 17.5% announced by the Corporate Governance Forum for 2022.**

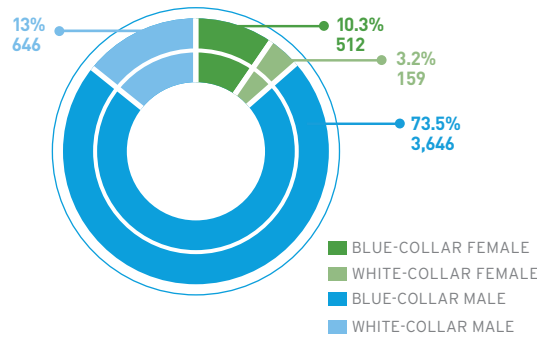
EMPLOYEES BY
LOCATION



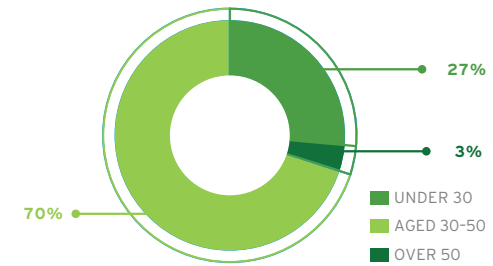
RATIO OF WOMEN EMPLOYEES BY
LOCATION



EMPLOYEES BY TYPE OF
EMPLOYMENT AND GENDER



DISTRIBUTION OF
EMPLOYEES BY AGE GROUP
2022



*Sales Network <https://salesnetwork.net/the-source/satista-cinsiyet-dengesi-arastirmasi-sonuclandi>

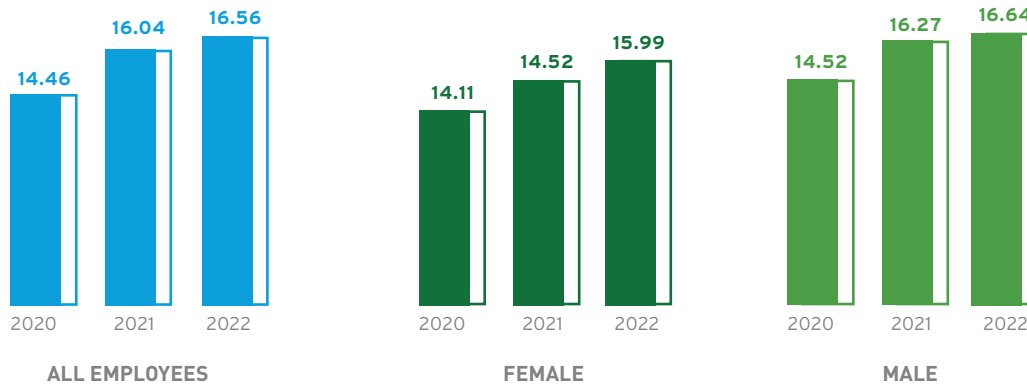
**Sabancı Üniversitesi Kurumsal Yönetim Forumu "Yönetim Kurulunda Kadın Türkiye Raporu-2022"



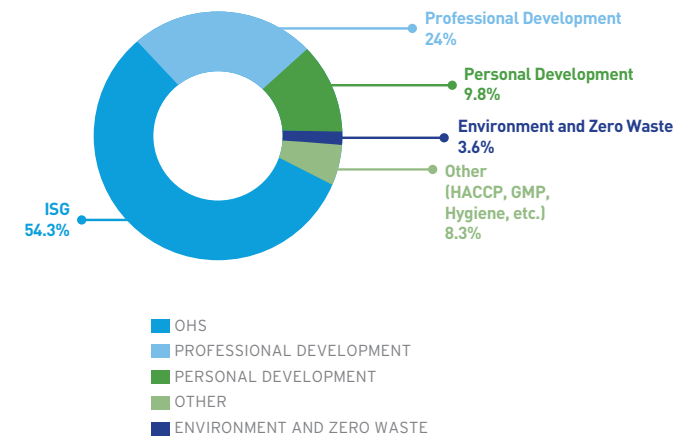
Employment and Development

To encourage our employees to utilize their full potential we support them with personal development, job/position-specific expertise and professional training aimed at improving their way of doing business. We provided a total of 82,164 hours of training to our employees in 2022.

AVERAGE HOURS OF TRAINING PER EMPLOYEE



DISTRIBUTION OF TRAINING SUBJECTS



As Bingöl Integrated Facilities's operations being phased in and new staff employed, the share of OHS in the distribution of training subjects decreased from 62.2% in 2021 to 54.3% in 2022. The share of personal and professional development, which decreased due to the impact of pandemic measures, has recovered to pre-pandemic levels in 2022.



Employment and Development

EMPLOYEE SATISFACTION AND MOTIVATION

We care about the happiness and satisfaction of our employees. We measure employee engagement with different methods, and improve our HR processes accordingly.

The employee engagement survey we conducted at the end of 2022 yielded a score of 80%. This proved that we were on the right track, while also highlighting our need to keep working to maintain and improve employee engagement.

We host events aimed at enhancing the well-being of our employees both at home and in the workplace, fostering unity among all our staff members. In 2022, we engaged with 66,725 employees across 630 events.

We implement a goal-oriented and competency-based performance management system to guide our employees toward common goals, enhancing productivity and rewarding success. In 2022, 34% of our employees, which included all of our white-collar employees and team leaders, operators, laboratory workers and technicians from our blue-collar employees, were evaluated as part of the performance management system.





Employment and Development

EMPLOYEE ENGAGEMENT AND DEVELOPMENT

We believe in the importance of our employees' contributions and teamwork in ensuring internal innovation and operational excellence, and include them in all our processes. Accordingly, we ask for our employees' ideas and suggestions in relation to all our activities, especially those concerning efficiency, occupational safety, quality, optimization, energy savings, and animal welfare.

We evaluate the suggestions of our employees with Kaizen practices carried out as part of the Suggestion System and continuous improvement activities, implement those applicable, and reward the employees who have made the suggestions.

We evaluated 604 suggestions submitted by our employees in 2022 to the "Kaizen System" as part of the "Lean Management Project" that we have been implementing since 2014 to manage the value chain in the most effective and safest way possible, and we obtain the most efficient outputs with the fewest resources. While 317 employees received lean management training, 577 employees took part in lean management projects.

In 2022, we achieved an annual income of 58 million Turkish lira, approximately 11,000 machine hours and 85,000 labor hours with Lean Management Projects. We presented Kaizen Awards to 360 colleagues.

We care deeply about the development of sustainability awareness in all our employees. In 2020, we aimed to have at least 2,500 sustainability-related suggestions in the "Suggestions and Kaizen Systems" by 2025.

The number of suggestions submitted by the employees increased from 1,452 in 2021 to 3,358 in 2022. We identified that approximately half of these suggestions were directly related to our 2025 sustainability goals. We continue our training efforts to increase the number of suggestions related to our goals with the target of ensuring that all our employees understand sustainability better and contribute more.

To enhance employee motivation, we reward individuals who make a significant impact through their contributions. We presented "Thank You for Your Efforts and Bright Idea" awards to 171 employees in 2022.





Employment and Development

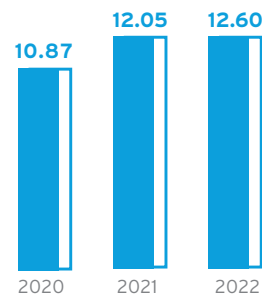
OCCUPATIONAL HEALTH AND SAFETY

Creating a safe and healthy working environment for our colleagues and protecting them against accidents and occupational diseases is a high-priority business goal.

Occupational Health and Safety is an important component of our Integrated Management System Policy. To further strengthen our approach, we implement and obtain certification for ISO 45001 Occupational Health and Safety Management Systems standard at our facilities.

Since the commissioning of our Bingöl Integrated Facilities in 2021, we have witnessed a rise in both lost-time accident frequency (LTIFR) and accident severity rates (ASR). Injuries experienced by some employees during work hours, but outside their assigned duties have also been effective in this increase.

LOST-TIME INJURY FREQUENCY RATE (LTIFR)



Figures for 2021 and 2022 include data from Bingöl Integrated Facilities.





Annexes



#ForeverLoveofMilk



About the Report

Sütaş Group has been disclosing annual Sustainability Reports since 2016, in which we transparently communicate our activities conducted throughout the year within our sphere of influence. We address the issues our stakeholders expect us to prioritize and present the performance results related to our Sustainability Goals.

Marking our seventh sustainability report, the Sustainability Progress Report 2022 was prepared in accordance with the “Core” option of the Global Reporting Initiative (GRI) Standards and GRI 13: Sector Standards for Agriculture, Aquaculture, and Fishing.

- No external assurance statement was received for this report.
- You can submit your questions and comments regarding the report to surdurulebilirlik@sutas.com.tr

THE SCOPE AND LIMITS OF THE REPORT

The data presented in the report spans the fiscal year from January 1, 2022, to December 31, 2022. We have also included data from 2020 and 2021 to provide a more thorough evaluation of our performance.

In this report, “Sütaş Group,” “our company” and “we” refer to the three Sütaş Group companies operating in Türkiye. Unless otherwise stated, the Report includes consolidated data from Sütaş Süt Ürünleri A.Ş. (SÜTAŞ), Tarfaş Tarımsal Faaliyetler Üretim Sanayi ve Ticaret A.Ş., (TARFAŞ) and Enfaş Enerji Elektrik Üretim A.Ş. (ENFAŞ). The report includes the sustainability performances of our Head Office and 27 Regional Directorates, as well as our four integrated facilities located in Bursa-Karacabey, Aksaray, İzmir-Tire and Bingöl.



Stakeholder Engagement and Communication

At Sütaş, we see our key stakeholders as individuals and organizations that are directly affected by our decisions and have the potential to affect our company's business goals with their own decisions, with legal, financial or operational responsibilities towards our company.

We evaluate our stakeholders every two years in accordance with these criteria. In 2022, we conducted a similar evaluation together with the Sustainability Coordination and Communication Sub-Committee Working Groups.

We evaluated our stakeholders in two groups and identified common issues to offer guidance for the Working Groups. All of our stakeholders in these two groups are both members of our society and our consumers.

KEY STAKEHOLDERS		
Our Stakeholder	Common Issues	Engagement Platforms
Our Colleagues	<ul style="list-style-type: none"> -Diversity and inclusion -Satisfaction -Health and safety -Development and training 	Employee Engagement Survey, one-on-one meetings, the Performance Evaluation System, the suggestion system, intranet, the Love of Milk Magazine, the Sütaş Ethics Committee website, emails, employee meetings, newsletters, announcements, office TVs, annual reports, training sessions, seminars
Dairy Producers and Farmers	<ul style="list-style-type: none"> -Animal health and welfare -Sustainable and regenerative agriculture -Sustainable dairy farming -Contribution to the local economy 	One-on-one meetings, training sessions, Training Research, Sütaş Hotline, relations with cooperatives, regular inspections, communication on special occasions and messaging
Suppliers	<ul style="list-style-type: none"> -Quality, hygiene and good manufacturing practices -Environmental management -Employee rights, health and development -Social responsibility and code of ethics -Strategic initiatives 	One-on-one meetings, training sessions, the Sütaş Hotline, Supplier Audits, annual reports, relevant policies and documents, joint projects
Customers and Consumers	<ul style="list-style-type: none"> -Product and service quality, safety and reliability -Product development -Consumer/customer notifications -Collaboration on sustainable production 	Consumer surveys, brand monitoring research, focus group interviews, the Sütaş Hotline, news, announcements, advertising campaigns, print and social media, websites
Distributors	<ul style="list-style-type: none"> - Product and service quality, safety, and security - Marketing and Sales Management - Training and development 	One-on-one meetings, the Sütaş Hotline, surveys, websites, communication on special occasions, events and gatherings, training sessions



Stakeholder Engagement and Communication

OTHER STAKEHOLDERS		
Our Stakeholder	Common Issues	Engagement Platforms
Public Institutions	<ul style="list-style-type: none"> -Establishing and enforcing legislation -Food safety and inspection -Sustainable dairy farming training -Climate change -Transformation of food systems -Responsible marketing and fair competition 	One-on-one meetings, collaboration protocols, meetings and collaborative efforts, annual reports, announcements, seminars, press conferences, conferences
Non-governmental Organizations	<ul style="list-style-type: none"> -Sustainable and regenerative agriculture, livestock and food practices -Access to healthy and quality food -Development of the dairy sector -Information on legislation and global trends -Good corporate governance practices -Human resources management and employee development -Waste reduction and management -Creating and implementing business ethics policies -Development of energy production from biomass -Establishing and developing quality awareness 	Professional affiliations and board memberships, meetings and collaborative endeavors, annual reports, trade shows, seminars and conferences, websites, news, announcements
Media	<ul style="list-style-type: none"> -Marketing activities -Transparency and accessibility 	One-on-one meetings, press conferences, announcements and statements, newsletters, press releases, websites, social media
Academy	<ul style="list-style-type: none"> -Sustainable dairy farming training -Research projects -Strategic impact analyses -Scholarship opportunities 	Vocational training and consultancy as part of the Vocational Education Cooperation Protocol, the Erasmus+ platform, internship and scholarship programs, websites, career days, conferences
Financial Institutions	<ul style="list-style-type: none"> -Financial performance -Corporate Governance -Social and environmental issues -Sustainability 	One-on-one meetings, annual reports and sustainability reports, websites, material event disclosures



ENVIRONMENTAL SUSTAINABILITY

Climate Change and Carbon Management	Performance Criterion	Achieved (2020: base year)	Targeted (2021)	Achieved (2021)	Targeted (2022)	Achieved (2022)	Targeted (2025)
We will meet 100% of our electricity needs with the manure from our farms and the organic waste from our factories.	Energy self-sufficiency rate of the Sütaş Group	69%	70%	63%	75%	63%	100%
Although electricity generated in our biogas plants increased, the Groups electricity self sufficiency rate didn't change.							
We will increase our renewable energy production by 25 MWp with solar panels placed on the roofs of our farms and dairy factories.	Solar power generation capacity	-	-	-	-	-	25 MWp
In 2022, we successfully completed the licensing process for a 1 MWp Solar Power Plant (SPP) at our Bingöl Integrated Facilities. We also initiated the formal procedures to install rooftop solar panels on all our facilities.							
We will increase energy efficiency each year by 3 percent in our farms, production facilities, sales and administrative units.	Change in energy efficiency (%)	Farms: -7.94% Production Plants: 0.5% Sales and Administrative Units: 0.3%	3%	Farms: -5.3% Production Plants: -1.9% Sales and Administrative Units: -0.62%	3%	Farms: 22% Production Plants: -1.6% Sales and Administrative Units: -0.6%	15%
Our recently commissioned Bingöl Integrated Facilities has not yet reached its optimal operating levels, which has resulted in reduced energy efficiency across our production facilities. Excluding the energy consumption of our Bingöl Integrated Facilities, we achieved an energy efficiency of 0.33% at our farms, and 3.31% at our production facilities. The winter months of 2022 were colder in our sales and administrative units on a year-on-year basis, leading to increased energy consumption for heating and a decrease in energy efficiency. See the section on "Energy Consumption and Energy Efficiency" for more details.							
Waste Management	Performance Criterion	Achieved (2020: base year)	Targeted (2021)	Achieved (2021)	Targeted (2022)	Achieved (2022)	Targeted (2025)
We will reduce the amount of plastic used in our packaging by improving our packaging designs.	Amount of plastic reduced within the year (tons)	344	420	427	50	153.52	1,500
The figures show only reductions made during that year and are not included cumulatively in the figures for current years. We aim to reduce our packaging plastic use by 1,500 tons between 2021 and 2025.							
Water Management	Performance Criterion	Achieved (2020: base year)	Targeted (2021)	Achieved (2021)	Targeted (2022)	Achieved (2022)	Targeted (2025)
We will increase water efficiency each year by 3 percent in our farms, production facilities, sales and administrative units.	Change in water efficiency (%)	Farms: 14% Production Plants: 5% Sales and Administrative Units: -24%	3%	Farms: 1% Production Plants: 9% Sales and Administrative Units: -0.002%	3%	Farms: -10% Production Plants: -12.4% Sales and Administrative Units: 3.1%	15%
Our recently commissioned Bingöl Integrated Facilities has not yet reached its optimal operating levels, which has resulted in reduced water efficiency across our farms and production facilities. Excluding the water consumption of our Bingöl Integrated Facilities, we achieved a water efficiency of 0.25% at our production facilities, and -2.35% at our farms. See the section on "Water Management" for more details.							
Sustainable and Regenerative Agriculture	Performance Criterion	Achieved (2020: base year)	Targeted (2021)	Achieved (2021)	Targeted (2022)	Achieved (2022)	Targeted (2025)
We will improve the organic structure of the soil on which our fodder crops are grown with organic and organomineral fertilizers produced at our power plants.	Soil organic matter provided for our fields	30,000 tons/year	34,000 tons/year	41,515 tons/year	38,000 tons/year	43,000 tons/year	50,000 tons/year
Sustainable Dairy Farming	Performance Criterion	Achieved (2020: base year)	Targeted (2021)	Achieved (2021)	Targeted (2022)	Achieved (2022)	Targeted (2025)
We will intensify our efforts to develop resilient generations that can adapt to local conditions and provide more milk and meat.	Rate of completion (%)	-	-	-	-	-	100%
Installation of the Agricultural R&D Center we plan to build at our Bingöl Integrated Facilities continued in 2022.							
We will improve our animals' health and quality of life through efforts carried out in line with EU Animal Welfare principles.	Obtaining Animal Health Certificates and EU Export Health Certificates for all Sütaş farms, ensuring compliance with the updated legislation by following the developments in the EU	Renewal of documents on August 12, 2020.	Renewal of documents.	The documents were renewed on July 9, 2021.	Renewal of documents	The certificates for all farms, including the one in Bingöl, were reissued between June and September 2022.	The certificates reissued renewed all farms, including the one in Bingöl, were reissued between June and September 2022.



Our 2025 Sustainability Goals

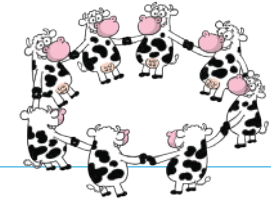


HEALTH AND HAPPINESS OF PEOPLE

Food Security	Performance Criterion	Achieved (2020: base year)	Targeted (2021)	Achieved (2021)	Targeted (2022)	Achieved (2022)	Targeted (2025)
We will increase the number of products supplied by Global Food Security Initiative (GFSI)-certified suppliers.	Rate of GFSI-certified suppliers in the supply of food contact materials	30%	40%	30%	50%	76%	75%
Consumer Health and Wellness	Performance Criterion	Achieved (2020: base year)	Targeted (2021)	Achieved (2021)	Targeted (2022)	Achieved (2022)	Targeted (2025)
We will develop new products that will help consumers make healthier food choices.	Number of products developed	3	3	1	3	2	15 (total)
We combined Sütaş Whole Milk, an important source of calcium for the healthy growth and development of children, and Bingöl honey, one of Anatolia's most treasured local honey varieties. In 2022, we also enriched our 1L Chocolate Milk with Vitamin D that can be consumed both hot and cold, which contributes to the immune system and helps calcium absorption in bones, to contribute to the healthy nutrition preferences of consumers of all ages.							
We will share more information on the nutritional value and safety of our products and more content to raise the awareness of our consumers.	Rate of products with awareness and information labels on the packaging	17%	25%	25%	30%	32%	50%



Our 2025 Sustainability Goals



DEVELOPMENT AND PROSPERITY OF SOCIETY

Our Socio-Economic Contributions	Performance Criterion	Achieved (2020: base year)	Targeted (2021)	Achieved (2021)	Targeted (2022)	Achieved (2022)	Targeted (2025)
We will contribute to increasing the productivity, income, and prosperity of our producers in the regions we operate.	Rate of increase in the milk productivity of the producers working with Sütaş	3%	4%	6,3%	5%	3%	8%

In 2021, we achieved a year-on-year increase of 6.3% in the milk yield per animal of the farmers supplying milk to Sütaş. However, some of our gains were lost in 2022 due to the animal nutrition issues experienced in the livestock sector.

Our Contributions to the Development of the Sector	Performance Criterion	Achieved (2020: base year)	Targeted (2021)	Achieved (2021)	Targeted (2022)	Achieved (2022)	Targeted (2025)
We will increase the number of producers receiving training to improve the professional knowledge and sustainability awareness of dairy producers.	Number of dairy farmers we have trained	19,251	22,000	19,460	20,500	19,510	23,000
Employment and Development	Performance Criterion	Achieved (2020: base year)	Targeted (2021)	Achieved (2021)	Targeted (2022)	Achieved (2022)	Targeted (2025)
We will increase our employees' engagement and contributions to sustainability by providing sustainability training to them.	Number of suggestions for sustainability	1,296	1,500	1,452	2,000	3,358	2,500

The number of suggestions has doubled. Half of the suggestions were related to our 2025 Sustainability Goals. To increase this rate, we came up with a program to provide comprehensive sustainability training to all employees.

Occupational Health and Safety	Performance Criterion	Achieved (2020: base year)	Targeted (2021)	Achieved (2021)	Targeted (2022)	Achieved (2022)	Targeted (2025)
We will further develop our Occupational Health and Safety systems in line with our goal of zero accidents.	Lost-Time Incident Frequency Rate (LTIFR)	10.87	←5	12.05 (including Bingöl Integrated Facilities)	←5	12,6	←5

The lost-time incident frequency rate has increased due to ongoing commissioning at our Bingöl Integrated Facility, such as preparatory and ongoing installation works.



NON-GOVERNMENTAL ORGANIZATIONS WE ARE ACTIVELY INVOLVED FOR SUSTAINABILITY IN PARTICULAR

We are members of various sector associations, business organizations and non-governmental organizations operating in the areas of dairy farming, food, energy and agricultural activities. Among these, our role as Vice Chairman of the Türkiye Dairy, Meat, Food Industry, and Producers Association (SETBİR) carries considerable significance. Additionally, as part of our efforts towards the sustainability of our sector, we have been leading the Business Council for Sustainable Development (BCSD) Sustainable Agriculture and Access to Food Working Group since 2015. We are also involved with the management of the Corporate Governance Association of Türkiye (CGAT).

YEŞİL NOKTA
ÇEVRE KORUMA VE ATILIM ATIKLARI
DEĞERLENDİRME YAKFI

KalDer
Türkiye Kalite Derneği

İPERYÖN
TÜRKİYE İNSAN YÖNETİMİ DERNEĞİ

TEİD
Etik ve İtibar Derneği
Ethics & Reputation Society

Türkiye Kurumsal Yönetim Derneği
Corporate Governance Association of Turkey

Sürdürülebilir Gıda
platformu
daha iyi gıda için

skdTürkiye

argemip
AR-GE ve TASARIM MERKEZLERİ, İNCELEME VE DEĞERLENDİRME PLATFORMU

BİYOenerji

SETBİR



Performance Indicators

Economic Performance Indicators*

Important Information	2020	2021	2022		2020	2021	2022
Total Net Revenue, TRY	4,289,834,778	6,242,329,704	15,000,907,653	Generated economic value – Revenues, TRY	4,289,834,778	6,242,329,704	15,225,316,048
Amount of Investment (million USD)	82,303,110	69,011,814	34,721,742				
Total Payments, TRY	3,722,435,987	5,309,525,286	10,429,46,330	Distributed Economic Value			
Payments to Milk Suppliers	1,758,295,527	2,565,012,459	5,358,006,903	Operating expenses, TRY	3,496,823,674	5,107,960,833	12,008,185,125
Payments to Other Raw Material Suppliers	756,359,693	1,188,332,711	1,909,787,753	Employee wages and benefits, TRY	408,535,857	584,524,323	1,122,465,974
Payments to Other Suppliers	1,207,780,767	1,556,180,116	3,161,667,674	Payments to providers of capital, TRY	0	0	30,000,000
Amount of Milk Purchased (Liters)	740,248,502	802,044,822	740,230,931	Payments to the government, TRY	96,721,696	138,600,647	212,380,453
Total assets, TRY	4,252,466,498	5,748,520,898	8,790,554,514	Community investments, TRY	851,222	998,625	576,565
Shareholders' equity, TRY	1,745,635,958	2,499,329,031	5,637,880,131	Economic value retained, TRY	287,753,551	411,243,902	1,852,284,496

* Based on the independently audited combined financial statements of Sütaş Group Companies.



Performance Indicators

Social Performance Indicators

Employees by Gender	2020	2021	2022
Female	631	665	671
Male	3,926	4,297	4,292
Total	4,557	4,962	4,963

Employees by Type of Employment and Gender	2020	2021	2022
Permanent Employees – Female	622	632	661
Permanent Employees – Male	3,825	4,215	4,284
Temporary Employees – Female	9	33	10
Temporary Employees – Male	101	82	8
Total	4,557	4,962	4,963

Employees by Type of Employment and Gender	2020	2021	2022
Full-Time Employees – Female	631	665	671
Full-Time Employees – Male	3,926	4,297	4,292
Total Full-Time Employees	4,557	4,962	4,963
Part-Time Employees – Female	0	0	0
Part-Time Employees – Male	0	0	0
Total Part-Time Employees	0	0	0
Total	4,557	4,962	4,963

Employees by Type of Employment and Region	2020	2021	2022
Permanent Employees – Istanbul (Head Office)	293	287	314
Temporary Employee – Istanbul (Head Office)	1	0	0
Istanbul Total	294	287	314
Permanent Employees – Regions	1,261	1,242	1,221
Temporary Employees – Regions	0	0	2
Regions Total	1,261	1,242	1,223
Permanent Employees – Karacabey (Bursa)	1,193	1,193	1,218
Temporary Employees – Karacabey (Bursa)	15	67	9
Karacabey Total	1,208	1,260	1,227
Permanent Employees – Aksaray	1,164	1,306	1,213
Temporary Employees – Aksaray	70	25	0
Aksaray Total	1,234	1,331	1,213
Permanent Employees – Tire (İzmir)	402	465	448
Temporary Employees – Tire (İzmir)	24	0	0
Tire Total	426	465	448
Permanent Employees – Bingöl	134	354	531
Temporary Employees – Bingöl	0	23	7
Tire Total	134	377	538
Total	4,557	4,962	4,963



Performance Indicators

Social Performance Indicators

Total Employees by Status and Gender	2020	2021	2022
White-Collar Employees – Female	141	138	159
White-Collar Employees – Male	588	611	646
Total White-Collar Employees	729	749	805
Blue-Collar Employees – Female	490	527	512
Blue-Collar Employees – Male	3,338	3,686	3,646
Total Blue-Collar Employees	3,828	4,213	4,158
Total	4,557	4,962	4,963

Employees by Age Group	2020	2021	2022
<30	1,126	1,355	1,356
30-50	3,268	3,449	3,430
>50	145	158	177
Total Number of Employees	4,557	4,962	4,963
Average Age of Company-Wide Employees	35.2	34.9	35.2

Employees by Location and Status	2020	2021	2022
Blue Collar – Istanbul	69	68	66
Blue Collar – Regions	1,036	1,013	998
Blue Collar – Karacabey	1,041	1,092	1,053
Blue Collar – Aksaray	1,182	1,271	1,154
Blue Collar – Tire	400	438	418
Blue Collar – Bingöl	100	331	469
Total Blue Collar	3,828	4,213	4,158
White Collar – Istanbul	225	219	248
White Collar – Regions	225	229	225
White Collar – Karacabey	167	168	174
White Collar – Aksaray	52	60	59
White Collar – Tire	26	27	30
White Collar – Bingöl	34	46	69
Total White Collar	729	749	805
Total	4,557	4,962	4,963



Performance Indicators

Social Performance Indicators

Employee Turnover	2020	2021	2022
Start of Year	4,489	4,465	4,836
New Hires	248	788	1,156
Dismissals	444	667	1,113
End of Year	4,447	4,845	4,945
Average Number of Employees	4,468	4,655	4,891
Turnover Rate	10%	14%	23%

Maternity/Paternity Leaves (2022)	Female	Male
Total number of employees that were entitled to Maternity/Paternity leave, by gender	42	512
Total number of employees that took Maternity/Paternity leave, by gender	42	512
Total number of employees that returned to work in the reporting period after Maternity/Paternity leave ended, by gender	36	512
Total number of employees that returned to work after Maternity/Paternity leave ended that were still employed 12 months after their return to work, by gender	32	433

Senior Managers by Gender

Distribution of Senior Management – By Group Company	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
SÜTAŞ GROUP	22	9	31	24	10	34	26	11	37
DAIRY PRODUCTS GROUP	8	1	9	8	1	9	9	1	10
SÜTAŞ A.Ş.	39	1	40	41	2	43	38	2	40
EN FAŞ A.Ş.	1	0	1	1	0	1	0	0	0
TARFAŞ A.Ş.	7	0	7	6	2	8	6	1	7
Grand Total	77	11	88	80	15	95	79	15	94

Equal Opportunity in Senior Management – By Gender	2020	2021	2022
Board of Directors – Female	30%	33%	33%
Board of Directors – Male	70%	67%	67%
Senior Management – Female	13%	16%	16%
Senior Management – Male	87%	84%	84%



Performance Indicators

Training Investments

Total Training	Total Training Hours		
	2020	2021	2022
Professional Development	22,352	10,142	19,770
Personal Development	8,533	3,916	8,074
OHS	28,816	49,513	44,592
Other	6,213	16,013	9,728
Total Training Hours	65,914	79,584	82,164

Training Investment – Average Training Hours Per Employee	2020	2021	2022
All Employees	14.46	16.04	16.56

Employees by Gender	2020	2021	2022
Male	14.52	16.27	16.64
Female	14.11	14.52	15.99

Occupational Health and Safety

Occupational Health and Safety Training (Employee/Hour)	2020	2021	2022
Male	25,366	43,624	39,042
Female	3,450	5,889	5,551
Total OHS Training Hours	28,816	49,513	44,592

Accident Rates *	2020	2021	2022
Lost-Time Injury Frequency Rate (LTIFR):	10.87	12.05	12.60

*Figures for 2021 and 2022 include data from Bingöl Integrated Facilities.

Fatal work injuries	2020	2021	2022
Fatal work injuries	1*	0	0

The employee passed away due to a heart attack while on duty.



Performance Indicators

Environmental Performance Indicators

Energy Consumption (GJ)	2020	2021	2022
Energy Purchased	449,953	502,564	516,562
Energy Purchased	449,953	502,564	516,562
Stationary Combustion	815,428	860,122	854,574
Natural Gas & Fuel Oil	815,128	859,796	853,951
Generator (Diesel)	299	326	623
Vehicle Fuel	82,824	109,203	124,152
Diesel	82,824	109,203	124,152
Gasoline	0	0	0
Total	1,347,805	1,471,862	1,494,689
Renewable Energy Production	563,147	649,972	652,292
Biogas Cogeneration Plant (Electricity)	311,755	315,208	322,794
Biogas Cogeneration Plant (Steam)	160,0766	151,5030	141,828
Biogas Cogeneration Plant (Hot Water)	90,626	183,261	187,671
Wastewater Treatment Plant (Biogas)	0	0	0
Energy Sold	-305,348	-307,963	-314,752
Net Renewable Energy	257.800	342.010	337.541
TOTAL NET Energy Consumption	1.605.605	1.813.871	1.832.229

Our Greenhouse Gas Emissions

(CO ₂ e)	2020	2021	2022
Scope 1	68,960	116,238	102,801
Vehicles	5,885.8	7,691.3	8,743.0
F-gases	1,399.1	50.2	1,031.2
Fuels used at facilities	39,787.3	83,341.8	55,076.0
Generators (Diesel)	22.7	24.2	33.1
Enteric Fermentation	21,375.5	19,960.8	32,159.4
Fertilizer Management	0.0	1,478.0	2,016.0
Chemical Fertilizer Usage	489.7	3,691.8	3,742.8
Scope 2	56,369	63,000	64,756
Electricity Consumption	56,369.1	63,000.2	64,756.2
TOTAL	125,329	179,238	167,558
Emissions Prevented/Captured (Scope 4) (CO₂e)	2020	2021	2022
Electricity Generation	48,079	48,612	49,782
Fossil Fuel Substitution	11,922	15,874	15,564
Carbon Capture	440,901	438,726	524,714
TOTAL	500,902	503,212	590,120



Performance Indicators

Waste Management

Total Waste by Type (Metric Ton)	2020	2021	2022
Hazardous Waste	150	138	173
Non-Hazardous Waste	73,533	165,401	209,411
Total Waste	73,683	165,540	209,584

Total Waste by Method of Disposal (Metric Ton)	2020	2021	2022
Reuse – Non-Hazardous Waste	-	-	-
Energy Recovery – Non-Hazardous Waste	67,479	157,465	202,420
Recycle – Non-Hazardous Waste	4,575	6,106	5,712
Incineration – Non-Hazardous Waste	-	-	-
Landfill – Non-Hazardous Waste	1,479	1,830	1,279
Other – Non-Hazardous Waste	-	-	-
Total Non-Hazardous Waste Disposed	75,533	165,401	209,411
Reuse – Hazardous Waste	-	-	-
Energy Recovery – Hazardous Waste	-	-	-
Recycle – Hazardous Waste	137	136	146
Incineration – Hazardous Waste	-	-	-
Landfill – Hazardous Waste	13	2	27
Other – Hazardous Waste	-	-	-
Total Hazardous Waste Disposed	150	138	173
Total Waste Disposed	73,683	165,540	209,584

Water Management

Water Withdrawal (m³/Year)	2020	2021	2022
Surface Waters (Stream, etc.)	11,669	-	-
Sea Water	-	-	-
Groundwater – Renewable	3,205,645	3,384,063	3,953,540
Groundwater – Nonrenewable	-	-	-
Water Produced (on-site)	-	-	-

Received from third parties (water supply, organized industrial zones, etc.)	934,418	772,002	775,865
Total	4,151,732	4,156,065	4,729,405
Volume of water treated and reused in production facilities	402,357	611,770	601,351
Rate of water treated and reused in production facilities	11%	16%	14%

Water Discharge (m³/Year)	2020	2021	2022
Surface Waters	3,185,244	3,141,532	3,113,321
Sea	-	-	-
Groundwater	-	-	-
Total Water Discharge	3,185,244	3,141,532	3,113,321

Water Consumption (m³/Year)	2020	2021	2022
Total Water Consumption	4,554,089	4,762,790	5,330,756
Water used per liter of raw milk, m³/metric ton	3.39	3.00	3.41



Reporting Methodology

Reporting and Calculation Guideline

Total Number of Employees	Includes all employees on the payroll of Sütaş Group domestic operations as of December 31, 2022. Does not include subcontractors, interns, etc.
Female-Male Employees	Gender distribution refers to the distribution of female and male employees.
Casual Employee	Refers to the number of employees employed only for a certain period of time during the reporting period.
Employee Turnover	The number obtained by dividing the number of people employed during the reporting period by the average number of employees throughout the year.
Istanbul (Head Office)	Describes the Headquarters of Sütaş Group and Sütaş A.Ş.
Regions	Defines the 27 Regional Directorates under the sales organization of Sütaş A.Ş.
Number of Employees Entitled to Maternity/ Paternity Leave	Refers to the number of female employees entitled to/went on paid or unpaid maternity leave during the reporting period. It also refers to male employees who went on paternity leave.
Number of Employees Returning to Work After Maternity/Paternity Leave	Refers to the number of employees returning to work during the reporting period after going on maternity/paternity leave (paid or unpaid).
Paternity Leave	Refers to the five-day leave granted to male employees per Labor Law No. 4857.
Senior Manager	Refers to Sütaş employees with managerial titles (Group Manager and higher). (Group Manager and Higher include the titles of Group Manager, Regional Manager, Coordinator, Director, Plant Manager, Assistant General Manager, General Manager and Board Member.)
Number of Suggestions Submitted to the Suggestions and Kaizen Systems	Refers to the number of suggestions submitted by employees to the Suggestions System and Kaizen System and classified under certain topics. Suggestions submitted to the Suggestion System and directed to the Kaizen System are considered as a single suggestion.
Average Training Hours Per Employee	Refers to the average training hours per employee during the reporting period as monitored by the Love of Milk Academy. (Calculated based on the formula: Total Training Hours/Total Number of Employees) Panel or machinery training sessions for blue-collar employees are not included.
Average Training Hours by Gender	Refers to the average training hours per female and male employees during the reporting period as monitored by the Love of Milk Academy. (Calculated based on the formula: Total Training Hours for Female Employees/Total Number of Female Employees or Total Training Hours for Male Employees/Total Number of Male Employees). Panel or machinery training sessions for blue-collar employees are not included.
Lost-Day Incident Frequency Rate (LDIFR)	Refers to the number of lost time injuries per 1,000,000 hours worked (calculated based on the formula: Number of Lost-Day Injuries/Total Hours Worked x 1,000,000).
Total Energy Consumption (GJ)	<ul style="list-style-type: none"> -Based on the consumption amounts in the invoices received from service providers. -Electricity, natural gas, diesel, gasoline, fuel oil and LPG consumptions are included in the calculations. -Electricity consumption is specified in kWh and converted to GJ. Conversion factor: 1 kWh = 0.0036 GJ. -Consumption is calculated in m³ for natural gas, in L for diesel, fuel oil and gasoline, and in kg for LPG, which are then converted to GJ using the conversion factors.



Reporting Methodology

Reporting and Calculation Guideline

Water Data	Water consumption (m ³) is evaluated in three separate categories: surface water, groundwater, and water from third parties that includes municipalities and organized industrial zones (OIZs). Meter readings are factored in consumption.
Waste Data	Our waste such as paper, plastic, metal and glass packaging are treated as non-hazardous waste and sent to licensed recycling plants. Contaminated packaging, fluorescent/LED lamps, filters and other waste hazardous to human, animal and environmental health are sent to licensed recovery/disposal plants. Apart from packaging waste, animal and plant-based organic wastes from our farms and production activities are recovered in our biogas plants to obtain energy (electricity, steam, hot water and steam) and organic/organomineral fertilizer. The report cover wastes arising from all our all our businesses and operations in Türkiye. Waste data is calculated based on the receipts issued upon delivery to recycling/recovery/disposal plants, and the Mobile Waste Tracking System (MoTAT) entries in the Integrated Environmental Information System.
Consumption Intensity	Water and energy consumption intensity calculations are based on the values of "Livestock Unit (LSU)" for our Farms, "Processed Raw Milk (tons)" for our Production Facilities, and "Number of Employees" for our Sales and Administrative Units. Energy Consumption Intensity is calculated with the formula "Consumed Energy (MWh)/Basis Value" in the relevant categories, and Water Consumption Intensity is calculated with the formula "Consumed Water (m ³)/Basis Value" in the relevant categories.
Livestock Unit (LSU)	Livestock Unit (LSU) is a calculation method used to aggregate animals of different species and ages with different nutrition or feed needs under a single category. It is obtained by multiplying the number of animals of a certain age and type by the relevant coefficient specified in Article 6, paragraph 1(a) of the Regulation on Pastures. Click to see the latest version of the Regulation on Pastures. (Only Turkish version is available)



Reporting Methodology

Calculations of GHG Emissions

Sütaş Group has been calculating its GHG emissions since 2015. In 2022, we reviewed our emission sources and methodology. To better evaluate our performance, we recalculated our emissions in 2020 and 2021 in accordance with our new methodology. Changes from previous calculations:

- 1.The Emission Factor in enteric fermentation is now based on the Eastern European coefficient instead of the North American one (the Eastern European coefficient is more suitable for our country per the Intergovernmental Panel on Climate Change [IPCC] guidelines).
2. The calculation coefficient has been adjusted based on the nitrogen (N) content of Urea (46%), which is one of the fertilizers utilized in crop production.

The coefficients and methodology used in the calculations are provided in detail below.

Scope	Emission Group	Metric	Source	Tier	EF	Unit	Methodology
1	Manure Management	Manure (Lagoon)	DEFRA, Conversion Factors 2022.xlsx, "Waste Disposal"	Tier 1	446,224	kg CO2e/tons	GHG Protocol Guidelines Waste Disposal
1	Fugitive Emissions	CO ₂ fire extinguishing system	DEFRA, Conversion Factors 2022.xlsx, "Refrigerant & other"	Tier 1	1	kg CO2e/kg	GHG Protocol Guidelines Fugitive Emissions
1		HFC 227EA ea fire extinguishing system		Tier 1	3,220		
1		R22	2006 IPCC Guidelines for National Greenhouse Gas Inventories -Volume 4 - Chapter 4	Tier 1	1,500		
1		R23	DEFRA, Conversion Factors 2022.xlsx, "Refrigerant & other"	Tier 1	1,470		
1		R404	2006 IPCC Guidelines for National Greenhouse Gas Inventories -Volume 4 - Chapter 4	Tier 1	3,260		
1		R404a		Tier 1	3,260		
1		R410		Tier 1	1,725		
1		R410A		Tier 1	1,725		



Reporting Methodology

Scope	Emission Group	Metric	Source	Tier	Emission Factors	Unit	Methodology
1	Chemical Fertilizer Usage	Fertilizer Applied in Contract Production	Turkish Greenhouse Gas Inventory – 3.D.a Agricultural Soils Direct N ₂ O Emissions	Tier 1	0.01	kg N ₂ O-N / (kg N)	2006 IPCC Guidelines for National Greenhouse Gas Inventories -Volume 4 - Chapter 11 -Equation 11.1
1		Fertilizer Applied on Tarfaş Lands (Bingöl, Karacabey)		Tier 1	0.01		
1		Solid Organic Fermented Fertilizer, Produced		Tier 1	0.01		
1		Organomineral Fertilizer Produced		Tier 1	0.01		
1		Liquid Organic Fermented Fertilizer, Produced		Tier 1	0.01		

Scope	Emission Group	Metric	Source	Tier	Conversion Factors	Unit	Methodology
1	Mobile Combustion	Diesel	1) 2006 IPCC Guidelines for National Greenhouse Gas Inventories – Volume 2-Stationary Combustion 2) Communiqué on Monitoring and Reporting of Greenhouse Gas Emissions, Official Gazette, TUESDAY, July 22, 2014, No.: 29068	Tier 1	74,100 0.003 0.0006 43 0.83	kg CO ₂ e/lt	2006 IPCC Guidelines for National Greenhouse Gas Inventories -Volume 3 - Chapter 3 -Table 3.2.1
1	Stationary Combustion	Waste Fuel Oil		Tier 2	77,400 3 0.6 40.4 983	kg CO ₂ e/lt	2006 IPCC Guidelines for National Greenhouse Gas Inventories -Volume 2 - Chapter 2 -Table 2.5
1		Gasoline – Gen		Tier 3	69,300 3 0.6 44.3 0.75	kg CO ₂ e/lt	
1		Natural gas		Tier 4	17,813 1 0.1 48 0.67	kg CO ₂ e/lt	
1		Diesel (L)-Gen		Tier 5	74,100 0.003 0.0006 43 0.83	kg CO ₂ e/lt	
1		Propane/LPG		Tier 6	63,100 1 0.1 47.3 2.48	kg CO ₂ e/kg	



Reporting Methodology

Scope	Emission Group	Metric	Source	Tier	EF	Unit	Methodology
1	Enteric Fermentation	0-2 FEMALE CALVES	Turkish Greenhouse Gas Inventory – Enteric Fermentation Table 3.A	Tier 2	47.30	{kg CH ₄ head-1 yr-1	2006 IPCC Guidelines for National Greenhouse Gas Inventories -Volume 4 - Chapter 11 -Equation 11.1
1		0-2 MALE CALVES		Tier 2	47.30		
1		3-6 FEMALE		Tier 2	47.30		
1		3-6 MALE		Tier 2	47.30		
1		7-12 FEMALE		Tier 3	47.30	{kg CH ₄ head-1 yr-2	2011 IPCC Guidelines for National Greenhouse Gas Inventories -Volume 4 - Chapter 10 - Table 10.11
1		7-12 MALE		Tier 4	47.30	{kg CH ₄ head-1 yr-3	
1		13-18 FEMALE		Tier 5	47.30	{kg CH ₄ head-1 yr-4	
1		13-18 MALE		Tier 6	47.30	{kg CH ₄ head-1 yr-5	
1		19+ FEMALE		Tier 7	47.30	{kg CH ₄ head-1 yr-6	
1		19+ MALE		Tier 8	47.30	{kg CH ₄ head-1 yr-7	
1		DAIRY COWS		Tier 9	83.50	{kg CH ₄ head-1 yr-8	
2	Indirect emissions from imported energy	Electricity	IEA, Emission Factor for Türkiye, 2020 and beyond	Tier 2	0.451	kgCO ₂ e/kwh	GHG Protocol Guidelines Purchased Electricity



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	The Organization and Its Reporting Practices			
	2-1 Organizational details	About Sütaş (p.5–6) Annexes – About Our Report (p.56)	<p>The non-public private sector organization Sütaş Group owns three companies in Türkiye: Sütaş Süt Ürünleri A.Ş., Tarfaş Tarımsal Faaliyetler Üretim Sanayi ve Ticaret A.Ş., and Enfaş Enerji Elektrik Üretim A.Ş.</p> <p>Group Center and Headquarters of Sütaş A.Ş. are located in İstanbul while the Head Offices of Tarfaş A.Ş. and Enfaş A.Ş. are in Karacabey, Bursa.</p> <p>For the addresses of our Group companies' respective headquarters, please visit our website at https://www.sutas.com/contact-us.</p>	
	2-2 Entities included in the organization’s sustainability reporting	Annexes – About Our Report (p.56)		
	2-3 Reporting period, frequency and contact point	Annexes - About Our Report (p.56) Back Cover		
	2-4 Restatements of information	Environmental Sustainability – Climate Change and Carbon Management (p.25–28) Annexes – Reporting Methodology (p.70–74)		
	2-5 External assurance	Annexes – About Our Report (p.56)		
	Activities and workers			
	2-6 Activities, value chain, and other business relationships	About Sütaş (p.5–6) Sustainability Management Farm to Table Business Model (p.15) Annexes – Stakeholder Engagement and Communication (p. 57–58)	There have been no changes in business relations regarding operations in Türkiye.	



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
GENERAL DISCLOSURES				
The Organization and Its Reporting Practices				
	2-7 Employees	Development And Prosperity Of Society – Employment and Development (p.50) Annexes – Performance Indicators (p.63–69) Annexes – Reporting Methodology (p. 70–74)		
	2-8 Workers who are not employees		We employ 548 workers who are not employees in a range of areas including raw milk and product logistics, pest control, catering, construction, cleaning, and security (excluding personnel service drivers of which are self-employed)	
Governance				
	2-9 Governance Structure and Composition	Corporate Governance (p.17–19) Sustainability Management – Sustainability Management Structure (p.13) Annexes – Performance Indicators (p.63–69) Sütaş Annual Report (p.45)		
	2-10 Nomination and selection of the highest governance body	Sütaş Annual Report (p.45)		
	2-11 Chair of the highest governance body	Sütaş Annual Report (p.28–29 and 45)		



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
GENERAL DISCLOSURES				
The Organization and Its Reporting Practices				
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance (p.17–19) Sustainability Management – Sustainability Management Structure (p.13)		
2-13	Delegation of responsibility for managing impacts	Sustainability Management – Sustainability Management Structure (p.13)		
2-14	Role of the highest governance body in sustainability reporting	Sustainability Management – Sustainability Management Structure (p.13)		
2-15	Conflicts of interest	Corporate Governance – Code of Ethics (p.20) Sütaş Code of Ethics Sütaş Annual Report(p.30) Sütaş Annual Report (p.48) Sütaş Annual Report (p.48)		
2-16	Communication of critical concerns		The Corporate Governance Committee did not report to the Board of Directors on any critical issue in 2022.	
2-17	Collective knowledge of the highest governance body	Sustainability Management – Sustainability Management Structure (p.13) Sütaş Annual Report (p.45)		



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GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
GENERAL DISCLOSURES				
	The Organization and Its Reporting Practices			
	2-18 Evaluation of the performance of the highest governance body	Sütaş Annual Report (p.50)		
	2-19 Remuneration policies	Sütaş Annual Report (p.27) Sütaş Annual Report (p.51) Sütaş Code of Ethics		
	2-20 Process to determine remuneration	Sütaş Code of Ethics Sütaş Annual Report (p.51) Human Resources Policy		
	2-21 Annual total compensation ratio	Sütaş Annual Report (p.51) Sütaş Human Resources Policy		
	Strategy, Policy, and Practices			
	2-22 Statement on sustainable development strategy	Our Message to Stakeholders (p.3–4) Sustainability Management – Our Sustainability Approach (p.8–12)		
	2-23 Policy commitments	Our Message to Stakeholders (p.3–4) Sustainability Management – Our Sustainability Approach (p.8–12) Annexes – Our 2025 Sustainability Goals (p.59–61) Sütaş Code of Ethics Sütaş Annual Report (p.48)		
	2-24 Embedding policy commitments	Sustainability Management – Sustainability Management Structure (p.13) Sustainability Management – Our Sustainability Performance (p.16) Annexes – Our 2025 Sustainability Goals (p.59–61)		



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
GENERAL DISCLOSURES				
The Organization and Its Reporting Practices				
2-25	Processes to remediate negative impacts	Corporate Governance – Code of Ethics (p.20)		
2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance – Code of Ethics (p.20) Health and Happiness of People – Consumer Health and Wellness (p.43–44)		
2-27	Compliance with laws and regulations	Corporate Governance – Code of Ethics (p.20)	No judicial or administrative sanctions were imposed on the Group companies or management due to legislative violations during the reporting period.	
2-28	Membership associations	Non-Governmental Organizations We are Actively Involved for Sustainability in Particular (p.62)	Sütaş Group Companies and employees have memberships in certain business and professional organizations other than those mentioned in the Report (e.g. the Union of Chambers and Commodity Exchanges of Türkiye (TOBB), Chambers of Food-Agricultural Engineers, etc.).	
Stakeholder Engagement				
2-29	Approach to stakeholder engagement	Annexes – Stakeholder Engagement and Communication (p.57–58)		
2-30	Collective bargaining agreements		We do not have any employees covered by a collective labor agreement.	



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
MATERIAL TOPICS				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Management – Stakeholder Engagement and Materiality Analysis (p.14)		
	3-2 List of material topics	Sustainability Management – Stakeholder Engagement and Materiality Analysis (p.14)		
	3-3 Management of material topics	Sustainability Management – Our Sustainability Approach (p.8–12) – Our 2025 Sustainability Goals (p.59–61)		
SPECIFIC STANDARD CONTENTS				
ECONOMIC PERFORMANCE				
GRI 3: Material Topics 2021	3-3 Management of material topics	Development and Prosperity of Society– Our Contributions to the Local Economy (p.46–47)		13.22.1 13.2.1
	201-1 Direct economic value generated and distributed	Development and Prosperity of Society – Our Contributions to the Local Economy (p.46–47)		13.22.2
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Management – Our Sustainability Approach (p.8–12)		13.2.2
	201-3 Defined benefit plan obligations and other retirement plans	Annexes – Performance Indicators (p.63–69)		
	201-4 Financial assistance received from government	Annexes – Performance Indicators (p.63–69)		



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
Economic Impacts				
GRI 3: Material Topics 2021	3-3 Management of material topics	Development And Prosperity Of Society – Our Contributions to the Local Economy (p.46–47)		13.22.1
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Development And Prosperity Of Society – Our Contributions to the Local Economy (p.46–47) Development and Prosperity of Society – Our Contributions to the Development of the Sector (p.48–49)		13.22.3
	203-2 Significant indirect economic impacts	Development And Prosperity Of Society – Our Contributions to the Local Economy (p.46–47) Development and Prosperity of Society – Our Contributions to the Development of the Sector (p.48–49)		13.22.4
Procurement Practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	Development And Prosperity Of Society – Our Contributions to the Local Economy (p.46–47)		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Development And Prosperity Of Society – Our Contributions to the Local Economy (p.46–47)	Local suppliers refer to any supplier that produces goods or services within the frontiers of the Republic of Türkiye.	
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Corporate Governance – Code of Ethics (p.20)		13.26.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Corporate Governance – Code of Ethics (p.20) Sütaş Code of Ethics		13.26.2
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance – Code of Ethics (p.20) Sütaş Code of Ethics		13.26.3
	205-3 Confirmed incidents of corruption and actions taken		No instances of corruption have been reported during the reporting period.	13.26.4



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
Anti-Competitive Behavior				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Corporate Governance – Code of Ethics (p.20)		13.25.1
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Governance – Code of Ethics (p.20)	During the reporting period, there were no legal actions pending or completed regarding anti-competitive behavior and violations of anti-trust and monopoly	13.25.2
ENVIRONMENTAL STANDARDS				
Materials				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Environmental Sustainability – Waste Management (p.32–33)		
	301-1 Materials used by weight or volume	Environmental Sustainability – Waste Management (p.32–33)		
GRI 301: Materials 2016	301-2 Recycled input materials used	Environmental Sustainability – Waste Management (p.32–33)	Per the legislation, it is not possible to use recycled materials in packaging that comes into direct contact with food. These materials can only be used in secondary and tertiary packaging.	
	301-3 Reclaimed products and their packaging materials	Environmental Sustainability – Waste Management (p.32–33)		



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
Energy				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Environmental Sustainability – Climate Change and Carbon Management (p.26–28)		
	302-1 Energy consumption within the organization	Climate Change and Carbon Management – Energy Consumption and Energy Efficiency (p.30) Annexes – Performance Indicators (p.63–69) Annexes – Reporting Methodology (p.70–74)		
	302-2 Energy consumption outside of the organization		We do not have data on this yet as we have only recently commenced determining Scope 3 emissions.	
GRI 302: Energy 2016	302-3 Energy intensity	Climate Change and Carbon Management – Energy Consumption and Energy Efficiency (p.30) Annexes – Reporting Methodology (p.70–74)		
	302-4 Reduction of energy consumption	Climate Change and Carbon Management – Energy Consumption and Energy Efficiency (p.30) Annexes – Reporting Methodology (p.70–74)		
	302-5 Reductions in energy requirements of products and services		We have not yet commenced working on carbon footprints of products.	



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
Water and Effluents				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Environmental Sustainability – Water Management (p.34)		13.7.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environmental Sustainability – Water Management (p.34) Annexes – Performance Indicators (p.63–69)		13.7.2
	303-2 Management of water discharge-related impacts	Environmental Sustainability – Water Management (p.34)		13.7.3
	303-3 Water withdrawal	Environmental Sustainability – Water Management (p.34) Annexes – Performance Indicators (p.63–69)		13.7.4
	303-4 Water discharge	Environmental Sustainability – Water Management (p.34) Annexes – Performance Indicators (p.63–69)		13.7.5
	303-5 Water consumption	Environmental Sustainability – Water Management (p.34) Annexes – Performance Indicators (p.63–69)		13.7.6



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
Biodiversity				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Sustainability Management – Our Sustainability Approach (p.8–12) Environmental Sustainability – Sustainable and Regenerative Agriculture (p.35–36)		13.3.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		None of our facilities are located in National Parks, Natural Parks, Nature Reserves or Wetlands protected under the Ramsar Convention. Only our Karacabey facility is 700 meters away from Lake Uluabat, which is on the List of Wetlands in Türkiye.	13.3.2
	304-2 Significant impacts of activities, products, and services on biodiversity	Climate Change and Carbon Management –Renewable Energy Production (p.28–29) Environmental Sustainability – Sustainable and Regenerative Agriculture (p.35–36)		13.3.3
	304-3 Habitats protected or restored		None of our integrated facilities are located within a protected area.	13.3.4
	304-4 International Union for the Conservation of Nature (IUCN) Red List species and national conservation list species with habitats in areas affected by operations		None of our integrated facilities are located within a protected area.	13.3.5



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
Emissions				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Environmental Sustainability – Climate Change and Carbon Management (p.26–31)		13.1.1
	305-1 Direct (Scope 1) GHG emissions	Environmental Sustainability – Climate Change and Carbon Management (p.26–31) Annexes – Performance Indicators (p.63–69)		13.1.2
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Sustainability – Climate Change and Carbon Management (p.26–31) Annexes – Performance Indicators (p.63–69)		13.1.3
	305-3 Other indirect (Scope 3) GHG emissions		We have not yet calculated greenhouse gas emissions outside of our organizations control. We have scheduled studies in that effect commencing on 2024 and onwards.	13.1.4
GRI 305: Emissions 2016	305-4 GHG emissions intensity	Environmental Sustainability – Climate Change and Carbon Management (p.26–31)		13.1.5
	305-5 Reduction of GHG emissions	Environmental Sustainability – Climate Change and Carbon Management (p.26–31) Climate Change and Carbon Management – Renewable Energy Production (p.28–29) Climate Change and Carbon Management – Energy Consumption and Energy Efficiency (p.30) Climate Change and Carbon Management – Logistics Efficiency (p.31)		13.1.6
	305-6 Emissions of ozone-depleting substances (ODS)		We do not produce any such substances.	13.1.7
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Nitrogen oxide emissions stemming from our operations are calculated in total emissions and not declared specifically (see Annexes – Performance Indicators p.67)	13.1.8



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
Waste				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Environmental Sustainability – Waste Management (p.32–33)		13.8.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste- related impacts	Environmental Sustainability – Waste Management (p.32–33) Annexes – Performance Indicators (p.63–69)		13.8.2
	306-2 Management of significant waste- related im-pacts	Environmental Sustainability – Waste Management (p.32–33) Annexes – Performance Indicators (p.63–69)		13.8.3
	306-3 Waste generated	Environmental Sustainability – Waste Management (p.32–33) Annexes – Performance Indicators (p.63–69)		13.8.4
	306-4 Waste diverted from disposal	Environmental Sustainability – Waste Management (p.32–33) Annexes – Performance Indicators (p.63–69)		13.8.5
	306-5 Waste directed to disposal	Environmental Sustainability – Waste Management (p.32–33) Annexes – Performance Indicators (p.63–69)		13.8.6



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Development And Prosperity Of Society – Employment and Development (p.54)		13.19.1
	403-1 Occupational health and safety management system	Development And Prosperity Of Society – Employment and Development (p.54)		13.19.2
	403-2 Hazard identification, risk assessment, and incident investigation		Risks are identified and evaluated in accordance with the ISO 45001 Occupational Health, Safety and Management System Standard as well as the ISO 31000 Risk Management Guidelines. Risk analysis is updated every four years within the determined periods according to the hazard class, and is also reviewed in case of every accident, near miss, machine installation or relocation, and capacity increase. Necessary mechanisms have been established for employees to report accidents and near misses.	13.19.3
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health and safety		At every location, a workplace physician is employed, and access to the health records of employees by individuals other than the workplace physician is not possible.	13.19.4
	403-4 Worker participation, consultation, and communication on occupational health and safety		Based on the hazard class of the workplace, opinions/suggestions are received from our employee representatives in the occupational health and safety committees established in each location, and employees are represented in the Occupational Health and Safety Committees that regularly convene to evaluate OHS issues. Furthermore, employees have the opportunity to submit improvement suggestions through both the Kaizen System and the Suggestions System, and they may be rewarded for ideas that are implemented.	13.19.5



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
Occupational Health and Safety				
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Development And Prosperity Of Society – Employment and Development (p.51) Annexes – Performance Indicators (p.63–69)		13.19.6
	403-6 Promotion of worker health		We provide private health insurance to all our blue- and white-collar employees, and we have independent organizations perform annual health screening on employees under the coordination of workplace physicians.	13.19.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relations		Employees, subcontractors working in Sütaş Group facilities/buildings, service providers and visitors are all subject to the Occupational Health and Safety Management System. Occupational Health and Safety principles are also prioritized in audits regarding supplier selection and maintenance of business relationships with suppliers.	13.19.8
	403-8 Workers covered by an occupational health and safety management system		Employees, subcontractors working in Sütaş Group facilities/buildings, service providers and visitors are all subject to the Occupational Health and Safety Management System.	13.19.9
	403-9 Work-related injuries	Development And Prosperity Of Society – Employment and Development (p.54) Annexes – Performance Indicators (p.63–69)	No colleagues lost their lives due to work accidents in 2022. Key identified causes of accidents based on our activities are as follows: - Dairy factories; Being trapped between two objects due to being hit by or left under the said objects, - Agricultural activities; Being kicked, squeezed, crushed or pressed by an animal, - Energy-related activities; Fall, trip, sprain, - Regions; Being hit by or left under objects.	13.19.10
	403-10 Work-related ill health		No work-related ill health observed within Sütaş Group or subcontractors.	13.19.11



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
Eğitim ve Öğrenim				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Development And Prosperity Of Society – Employment and Development (p.51)		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Development And Prosperity Of Society – Employment and Development (p.51) Annexes – Performance Indicators (p.63–69)		
	404-2 Programs for upgrading employee skills and transition assistance programs	Development And Prosperity Of Society – Employment and Development (p.51) Annexes – Performance Indicators (p.63–69) Development And Prosperity Of Society – Employment and Development (p.52–53)		
	404-3 The percentage of employees receiving regular performance and career development reviews	Development And Prosperity Of Society – Employment and Development (p.51) Development And Prosperity Of Society – Employment and Development (p.52–53)		
Diversity and Equal Opportunity				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Development And Prosperity Of Society – Employment and Development (p.50)		13.15.1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Development And Prosperity Of Society – Employment and Development (p.50)		13.15.2
	405-2 Ratio of Basic Salary and Remuneration of Women to Men		In line with our human resources policy female and male employees are equally paid for the equal work.	13.15.3



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
Diversity and Equal Opportunity				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Development And Prosperity Of Society – Employment and Development (p.50)		13.15.1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Development And Prosperity Of Society – Employment and Development (p.50)		13.15.2
	405-2 Ratio of Basic Salary and Remuneration of Women to Men		In line with our human resources policy female and male employees are equally paid for the equal work.	13.15.3
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Development And Prosperity Of Society – Employment and Development (p.50)		13.15.1
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken		No incidents of discrimination were reported during the reporting period.	1315.4
Freedom of Association and Collective Bargaining				
GRI 3: Material Topics 2021	3-3 Management of Material Topics		We do not have any employees covered by a collective labor agreement.	13.18.1
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		None.	13.18.2
Child Labor				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Corporate Governance – Code of Ethics (p.20)		13.17.1
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		Sütaş Group complies with legislation in all operations and child labor is prohibited and illegal.	13.17.2



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
Local Communities				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Development And Prosperity Of Society – Our Contributions to the Local Economy (p.46–47)		13.12.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Development And Prosperity Of Society – Our Contributions to the Local Economy (p.46–47)		13.12.2
	413-2 Operations with significant actual and potential negative impacts on local communities		None.	13.12.3
Supplier Social Assessment				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Corporate Governance – Code of Ethics (p.20) Sütaş Code of Ethics		
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria		Potential suppliers are first evaluated with Supplier Evaluation Forms that include ethical and social compliance criteria, and compliance is verified with on-site inspections. In 2022, we inspected five new suppliers for compliance with ethical and social compliance criteria.	
	414-2 Negative and social impacts in the supply chain and actions taken	Health and Happiness of People – Food Safety (p.40)		
Public Policy				
GRI 3: Material Topics 2021	3-3 Management of Material Topics		Conditions for donations and sponsorship are described in the donation and sponsorship policy. https://www.sutas.com/assets/uploads/hakkimizda/donation-and-sponsorship-policy.pdf	13.24.1
GRI 415: Public Policy 2016	415-1 Political contributions		No contributions made to any political figures or political parties.	13.24.2



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
Customer Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Health and Happiness of People – Food Security (p.41–42)		13.10.1
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Health and Happiness of People – Food Security (p.41–42)		13.10.2
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		No incidents of non-compliance occurred.	13.10.3
Marketing and Labeling				
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Health and Happiness of People – Consumer Health and Wellness (p.43–44)		
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	Health and Happiness of People – Consumer Health and Wellness (p.43–44)		
	417-2 Incidents of non-compliance concerning product and service information and labeling		No incidents of non-compliance with the regulations registered.	
	417-3 Incidents of non-compliance concerning marketing communications		No incidents of non-compliance with the regulations registered.	
Customer Privacy				
GRI 3: Material Topics 2021	3-3 Management of Material Topics		Sütaş Statement on the Protection of Personal Data	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		No notifications received during the reporting period.	



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
OTHER TOPICS ADDRESSED IN THE SECTOR STANDARD				
13.4	Natural ecosystem conversion	Environmental Sustainability – Sustainable and Regenerative Agriculture (p.35–36)	By ensuring that our own producers and contracted producers use organic fertilizers, we increase the organic matter content of soils and make them healthier.	13.4.1
13.5	Soil health	Environmental Sustainability – Sustainable and Regenerative Agriculture (p.35–36)		13.5.1
13.6	Pesticides use	Environmental Sustainability – Sustainable and Regenerative Agriculture (p.35–36)		13.6.1
13.9	Food safety	Health and Happiness of People – Food Safety (p.40)		13.9.1
		Environmental Sustainability – Waste Management (p.32–33)		13.9.2
13.10	Food security	Health and Happiness of People – Food Security (p.41–42)		13.10.4
			Our performance goal is to achieve zero recalls for reasons of food safety. There were no recalls for reasons of hygiene or safety during the reporting period.	13.10.5
13.11	Animal health and welfare	Environmental Sustainability – Sustainable Dairy Farming (p.37–38)		13.11.1
13.13	Land and resource rights		There are no shared lands with other segments of the community.	13.13



GRI Content Index

GRI STANDARD	DISCLOSURES	LOCATION	OTHER EXPLANATIONS/DIRECT RESPONSES	GRI SECTOR STANDARD REF. NO.
OTHER TOPICS ADDRESSED IN THE SECTOR STANDARD				
	13.14 Rights of indigenous peoples		There are no indigenous people as defined in the standard inhabiting the areas where we operate.	13.14
	13.15 Non-discrimination and equal opportunity		We do not engage in discrimination based on factors such as race, nationality, or immigration status in our employment and payment processes.	13.15.5
	13.20 Employment Practices		Temporary employees in agricultural production work only under the Service Procurement Contracts that include the provisions of the Labor Law and the Occupational Health and Safety Law. Service suppliers' compliance with these provisions is strictly monitored during the contract term.	
	13.21 Living income and living wage	Human Resources Policy	Sütaş Group employees are paid in accordance with our Human Resources Policy.	13.21
	13.23 Supply chain traceability	Health and Happiness of People – Food Safety (p.39)		13.23.1 13.23.2



SASB Content Index

Topic	Metric	Category	Unit of Measure	Code	Description
Greenhouse Gas Emissions	Gross Global Scope 1 Emissions	Quantitative	CO ₂ e	FB-MP-110a.1	Environmental Sustainability – Climate Change and Carbon Management (p.26–31) Annexes – Performance Indicators (p.63–69) Annexes – Reporting Methodology (p.70–74)
	Discussion of the long and short-term strategy or plan for managing Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	–	FB-MP-110a.2	Environmental Sustainability – Climate Change and Carbon Management (p.26–31) Annexes – Our 2025 Sustainability Goals (p.59–61)
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Giga Joule (GJ), Adjusted percentage (%)	FB-PF-130a.1	Environmental Sustainability – Climate Change and Carbon Management (p.26–31) Annexes – Performance Indicators (p.63–69)
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Cubic Meters (m ³), Adjusted percentage (%)	FB-PF-140a.1	Environmental Sustainability – Water Management (p.34) Annexes – Performance Indicators (p.63–69) Annexes – Reporting Methodology (p. 70–74)
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	–	FB-PF-140a.2	Environmental Sustainability – Water Management (p.34)
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Quantity	FB-PF-140a.3	No cases of non-compliance with wastewater quality registered in the reporting year of 2022.



SASB Content Index

Topic	Metric	Category	Unit of Measure	Code	Description
Food Safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-PF-250.a.1	Karacabey, Tire, and Aksaray plants were audited by the GFSI in 2022 and no nonconformities were observed. No minor and/or major non-conformities were identified during the audits and thus no corrective actions were taken occurred.
	Percentage of ingredients sourced from the facilities of Tier 1 suppliers certified to a Global Food Safety Initiative (GFSI) recognised food safety certification program	Quantitative	Percentage (%) by cost	FB-PF-250.a.2	Health and Happiness of People – Food Security (p.41-42)
	(1) Total number of notices of food safety violation received, (2) percentage corrected	Quantitative	Quantity, Adjusted percentage (%)	FB-PF-250.a.3	We have not received any food safety notifications.
	(1) Number of recalls issued and (2) total amount of food products recalled	Quantitative	Quantity, Metric ton (t)	FB-PF-250.a.4	We have not had any recalls for reasons of food safety.
Health and Nutrition	Revenue from products labelled and/or marketed to promote health and nutrition attributes	Quantitative	Reporting Currency	FB-PF-260.a.1	We present the nutritional values for one serving in all of our packaged products to help our consumers make healthier and more informed choices. We prioritize our customers' health and voluntarily provide additional information, such as the daily calcium content of our products and the production date, on our packaging, even though there is no legal requirement to do so. Annexes – Our 2025 Sustainability Goals (p.58-60)
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Discussion and analysis	-	FB-PF-260.a.2	Health and Happiness of People – Food Safety (p.40)



SASB Content Index

Topic	Metric	Category	Unit of Measure	Code	Description
Product Labeling and Marketing	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines	Quantitative	Adjusted percentage (%)	FB-PF-270.a.1	Of the 73 TV commercials in 2022, 18 were aired on children's channels. In other words, 25% of our TV commercials consisted of children's content in 2022. 7 % of the GRP (gross rating point) throughout the year was obtained from communications targeted to children. We have achieved a year-on-year growth of 17% in the viewing rate of these contents.
	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Quantitative	Reporting Currency	FB-PF-270.a.2	Not a case for Sütaş
	Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes	Quantitative	Quantity	FB-PF-270.a.3	We have not received any such notification.
	Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices	Quantitative	Reporting Currency	FB-PF-270.a.4	We have not faced any legal action in this regard.
Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	Quantitative	Tons (t), Adjusted percentage (%)	FB-PF-410.a.1	Environmental Sustainability – Waste Management (p.32–33)
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and analysis	–	FB-PF-410.a.2	Environmental Sustainability – Waste Management (p.32–33)



SASB Content Index

Topic	Metric	Category	Unit of Measure	Code	Description
Environmental and Social Impacts of the Ingredient Supply Chain	Percentage of food ingredients sourced that are certified to third-party environmental or social standards, and percentages by standard	Quantitative	Percentage (%) by cost	FB-PF-430.a.1	We are not carrying out any activities regarding the certification of our raw milk suppliers by environmental and social standards.
	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-PF-430.a.2	Health and Happiness of People – Food Security (p.41–42)
Ingredient Sourcing	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	FB-PF-440.a.1	Out of the 34 provinces where we sourced our milk in 2022, 19 were in the category of regions experiencing high or very high water stress, and the volumetric ratio of the weight of raw milk supplied from these regions to the total raw milk weight was 61%.
	List of priority food ingredients and discussion of sourcing risks related to environmental and social issues	Discussion and analysis	–	FB-PF-440.a.2	Health and Happiness of People – Food Security (p.41–42)
Occupational Health and Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate	Quantitative	Rate	FB-MP-320.a.1	A total of 290 work accidents occurred in 2022, none of which were fatal.
	Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions	Discussion and analysis	–	FB-MP-320.a.2	Acute and chronic respiratory health of our employees is monitored by our workplace physicians.
Activity Metrics	Total weight of products sold	Quantitative	Tons (t)	FB-PF-000.a	Sütaş Website
	Number of operating plants	Quantitative	Quantity	FB-PF-000.b	About Sütaş

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