



#FOREVERLOVEOFMILK

**SUSTAINABILITY
PROGRESS REPORT
2021**





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Following our comprehensive 2020 report, we are now presenting our progress report for 2021 to 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 people, society, and the environment.

REPORTING PERIOD

Unless otherwise stated, the information in the Sütaş Sustainability Progress Report covers the fiscal year between January 1, 2021, and December 31, 2021. We have also included data from 2019 and 2020 to provide a more thorough evaluation of our performance.

SCOPE AND LIMITS OF THE REPORT

Unless otherwise stated, the report includes consolidated data from Sütaş Dairy Products (SÜTAŞ), Sütaş Agricultural Activities (TARFAŞ), and Sütaş Energy and Environmental Activities (ENFAŞ). In addition to the three integrated facilities in Bursa-Karacabey, Aksaray, and İzmir-Tire, we also included the sustainability performance of our Bingöl Integrated Facilities, commissioned in 2021.



Message to Our Stakeholders



Dear Stakeholders,

Dear Friends of Süttaş,

2021 has been a year in which the effects of the COVID-19 pandemic on our daily lives were brought under control to a certain extent. Yet, we are still experiencing the irreversible consequences of this period. The uncertainty of the pandemic, combined with the war that developed right next to us, it became clearer how fragile the energy and food supply is. As a result, the transformation of agriculture and food systems began to take a stronger place in the world's sustainability agenda alongside climate change.

We are glad that our "Farm to Table" business model, which provides security of supply and integration of supply chain, allows us to maintain our operations without interruption among all these prevailing uncertainties and changes. We continuously contribute to the environment, society, and people through our business model built on sustainability.

I would like to share with you some of our sustainability highlights.

The amount of greenhouse gas emissions resulting from our production activities decreased by 11 percent to 133,000 metric tons of CO2 equivalent compared to the previous year. The amount of greenhouse gases we prevented through renewable energy production from manure from

our farms and organic waste from our factories exceeded the amount of greenhouse gases emitted by our production operations by 117 percent.

In 2021, we met 80 percent of the total electricity need of our production facilities with the renewable energy we produced at our biogas facilities. As we announced last year, by 2025, we will be generating 100 percent of our electricity from the manure from our farms and the organic wastes of our factories.

We also decided to expand our solar power plant (SPP) capacity to 25 MW from the previously planned 10 MW. This will allow us to produce about 50 percent of our thermal energy need through renewable sources. We are currently working on installing SPPs on the roofs of our dairy factories and farms in our facilities in Tire, Aksaray, and Bingöl.

We believe that regenerative agriculture is the mean to ensure future generations' access to adequate, healthy, and quality food and make agriculture sustainable. We use the organic and organomineral fertilizers that we produce to improve the organic structure of soil of the land on which we plant fodder crops to boost the yield efficiency and to increase the carbon sequestration potential of the soil. The amount of organic material we introduced to our fields rose to 42,000 metric tons in 2021 from 33,000 metric tons in 2020. Our goal is to increase this figure to 50,000 metric tons per year by 2025.

Combatting plastic pollution is a top priority all over the world. Thanks to our weight reduction efforts over the last six years, we reduced our plastic use in our packaging by 1,950 metric tons.

Our business model is a "Regional Development Model" regarding its socioeconomic impacts and inclusivity, and it mobilizes numerous sub-sectors in agriculture, industry, and service.

We support our contracted fodder crop producers in many areas, from soil preparation to proper seed selection, from development of efficient irrigation systems to supplying organic and organomineral fertilizers, and harvesting to boost their productivity. In 2021, we produced fodder crops

on approximately 34,000 decares of land by contract with 593 producers, paid 61 million Turkish lira, and obtained 170,000 metric tons of fodder.

We also collaborate with our dairy farmers through providing information, site supervision, and guidance for right feeding practices. This resulted in a 6.3 percent milk yield increase on a year-on-year basis. Our producers gained 2.6 billion Turkish lira in regular income in exchange for 802 million liters of milk in 2021.

We prioritize contribution to our sector's development and training of a quality workforce, which is much needed in the industry. We provide free training to dairy farmers at our Dairy Training Center, though it slowed down during the pandemic.

We believe in the goodness and abundance of milk and dedicate ourselves to sharing it with everyone. We develop and strengthen our corporate structure in line with our values and universal corporate governance principles. We are proud to have received the Corporate Governance Award for the highest rating in the non-public company category for the seventh year in a row.

The previous year, we announced our sustainability goals for 2025, when we will mark the 50th anniversary of our establishment. This report contains our activities in the focus areas of people, society, and the environment toward our goals for 2025 and our sustainability performance in 2021.

Reiterating #FOREVERLOVEOFMILK for the "health and happiness of people," "development and prosperity of society," and "environmental sustainability," I would like to express my gratitude to all our colleagues who contributed to our sustainability efforts, our supporting and encouraging stakeholders, our consumers, and our inspiring Süttaş friends.

Duygu Yilmaz
Head of the Sustainability Committee

Our Business is Milk
OUR PASSION IS MILK

SÜTAŞ AT A GLANCE

#FOREVERLOVEOFMILK

Dairy has been our sole passion since the very first day. We aim to expand our business and increase integration while growing and gaining comprehensive expertise in the field. By adopting the “Farm to Table” strategy, we have achieved a strong supply chain.



Sütaş at a Glance

We are working to bolster the dairy products market, deliver healthy dairy products to the farthest corners of Turkey, and spread and strengthen the dairy consumption culture that has been rooted in these lands for thousands years. While gaining expertise and focusing solely on the growth of dairy products, we have adopted the sustainability-oriented “Farm to Table” integrated business model.

Agriculture and Livestock Activities

Dairy farming training
Fodder crops production
Compound feed production
Breeding farms
Livestock health and breeding center

We are producing fodder crops on **34,000 decares** of land in cooperation with **593** contract producers and harvest **170,460 metric tons** of fodder.

We are manufacturing **389,000 metric tons** of compound feed at our feed factories.

There are **20,347 cattle** on our farms.

Production of Milk and Dairy Products

Production of milk and dairy products
Distribution services
e-Commerce

We are processing **2.5 million liters** of milk and produce **6.5 million packs** of dairy products at our four integrated facilities, and deliver to **190,000** sales points via **1,800** delivery vehicles daily.

We launched our milk brand, **Milk Fields**, in Pakistan in 2021.

Energy, Fertilizer and Treatment Activities

Biogas production
Energy, steam, and hot water production
Fertilizer production
Treatment activities

We are processing **611,486 metric tons** of organic waste.

We are generating **87,558 MWh** of electricity and producing **66,518 MWh** of hot water and steam at our power plants annually.

We are treating **3.1 million cubic meters** of waste water.

We are producing **45,223 metric tons** of fertilizer.

We export to **41 countries**.

There are Sütaş products **on eight out of 10 tables** in Turkey.

We generate **80 percent** of the electricity needed by our production facilities from manure from our farms and our organic wastes.

Direct employment: **4,962**
Indirect employment: **2,496 (business partners)**
Total employment: **7,458**

Net consolidated turnover: **6.2 billion TRY**

We reach out to the Balkans through our facility in the Republic of North Macedonia.

SÜTAŞ WAY

#FOREVERLOVEOFMILK

We work passionately to share the goodness and abundance of milk and to fulfill our mission of offering natural and delicious dairy products that contribute to people's health, quality of life, and happiness while managing and developing the milk value chain, "Farm to Table," and the resources entrusted to us in the most efficient way possible.





Sütaş Way

We continue to work with the mission of sharing the goodness and abundance of milk since the very first day, and four main strategies guide us in our operations.

Our main strategies include focusing on dairy, controlling the “Farm to Table” value chain, gaining expertise, and establishing the corporate structure required to ensure sustainability thereof.

LOVE OF MILK

We have devoted ourselves to dairy production and focus solely on dairy products while working passionately to share the goodness and abundance of milk.

FARM TO TABLE

With our “Farm to Table” integrated business model, we monitor and inspect the entire process from the feeding of our cows to the delivery of our dairy products to your table, ensuring the purity and taste of our products.

Health and Happiness of People
Development and Prosperity of Society and
Environmental Sustainability

Love of Milk

Farm to
Table

Craftsmanship
and Expertise

Corporate
Structure

Sharing the Goodness and Abundance of Milk

CRAFTSMANSHIP AND EXPERTISE

When it comes to dairy, we are the masters of our craft. With modern technologies and R&D studies, we combine the broad dairy knowledge rooted in the Anatolian culture with our expertise.

CORPORATE STRUCTURE

We develop and strengthen our corporate structure in line with our values and corporate governance principles to ensure the continuity of our systems.

SUSTAINABILITY APPROACH

#FOREVERLOVEOFMILK

Ranging from fodder crop production to fertilizer and energy production, our circular business model is based on the efficient use of natural resources and recycling, and serves as a unique sustainability model with its environmental, social and economic aspects.





Sustainability Strategy

With our values of respect, responsibility, excellence, and passion, we ensure that all our investments and activities contribute to the health and happiness of people, the development and prosperity of society, and environmental sustainability.

Focus Areas



HEALTH AND HAPPINESS OF PEOPLE

- Food Safety
- Consumer Health and Wellness
- Employment and Development
- Occupational Health and Safety



DEVELOPMENT AND PROSPERITY OF SOCIETY

- Socio-Economic Contributions
 - Contributions to the Development of the Sector



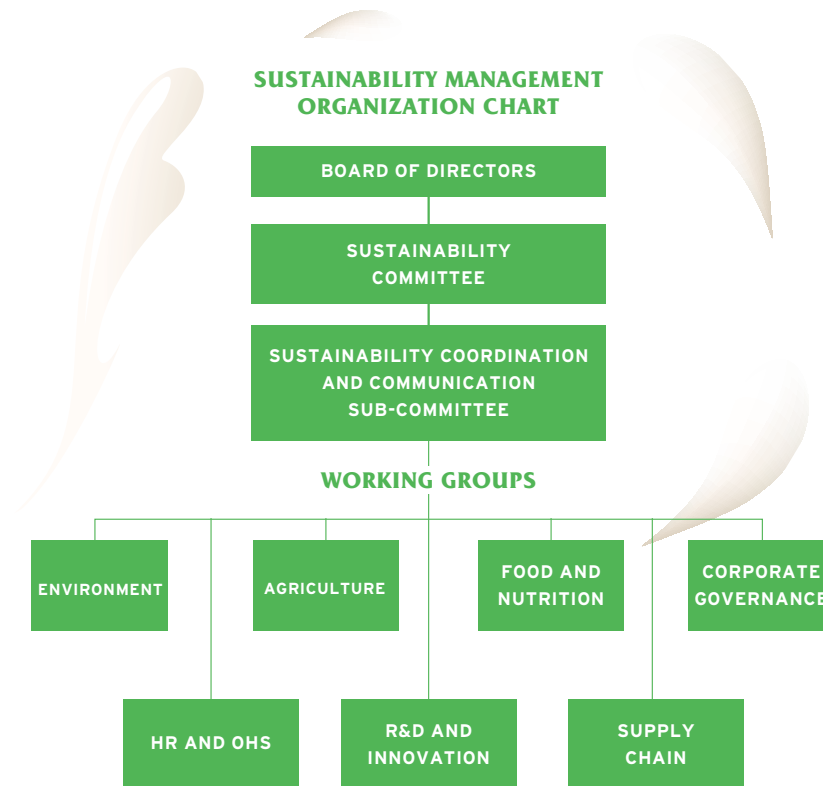
ENVIRONMENTAL SUSTAINABILITY

- Climate Change
- Soil, Water, Energy Efficiency
 - Waste Management
- Sustainable Dairy Farming



Sustainability Management Structure

The Sustainability Coordination and Communication Sub-Committee convened weekly to review the activities of the 30-person working groups and drafted the 2020 Sustainability Report and Sustainability Communication Plan. The Sustainability Committee convened six times in 2021 and discussed sustainability goals for 2025, determined the details regarding the scope and communication of the 2020 Sustainability Report, reviewed the renewable energy investment projects, and assessed the potential impacts of the European Green Deal and its Farm to Fork strategy on group companies, and outlined steps to be taken. Report contents, goals for 2025, and renewable energy investment projects were submitted to the Board of Directors for approval.





Our Sustainability Impact Across the Value Chain

While managing our sustainability efforts, we consider the impact of our operations on our value chain, and we continuously improve our operations in a way that will make the most contribution to our sustainability efforts.

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
People									
Food Safety									
Consumer Health and Wellness									
Employment and Development									
Occupational Health and Safety									
Society									
Socio-Economic Contributions									
Contributions to the Development of the Sector									
Environment									
Climate Change									
Soil, Water, Energy Efficiency									
Waste Management									
Sustainable Dairy Farming									
								Direct Impact	Indirect Impact

Notes on Some of the Featured Topics in Stakeholder Engagement Activities

Developing environmentally friendly packaging

Although this issue was stated as a priority by most of the stakeholders, it is beyond the control of our company due to certain standards in food packaging and the inability to use recycled materials. Nevertheless, our efforts to use less plastic in our packaging are detailed under ["Waste Management."](#)



2025 Sustainability Goals

In our 2020 Report, we included our 2025 Sustainability Goals, which we set by taking into account the new projects and studies for the future, as well as the issues and priorities addressed in international frameworks such as the United Nations Sustainable Development Goals (SDGs) and the European Green Deal.

This section contains information about our progress towards our goals, the work we carried out, and our contribution to the Sustainable Development Goals.

In line with our corporate mission and responsible governance approach, we based our sustainability approach on people, society and environment focus areas. As part of the goals we have determined, we serve almost all of the UN Sustainable Development Goals indirectly, and five of them directly.

SKA	SDG Description
	Goal 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
	Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
	Goal 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all
	Goal 12: Ensure sustainable consumption and production patterns
	Goal 15: Protect, restore, and promote the sustainable use of terrestrial ecosystems





2025 Sustainability Goals



HEALTH AND HAPPINESS OF PEOPLE					
Consumer Health and Wellness	Performance Criteria	Achieved (2020; reference year)	Targeted (2021)	Achieved (2021)	Targeted (2025)
We will develop new products that will further contribute to help consumers make healthier food choices.	Number of products developed	3	3	1	15 (total)
We developed a selection of probiotic-added kefir varieties to help consumers make healthier food choices. We also developed aromatized varieties of our products (kefir with berries, cheddar and other flavored cream cheeses) and new varieties for new marketing channels (fresh cheese, premium classic white cheese, and more) to meet consumer expectations in dairy, the most fundamental, balanced, and nutritious food of all.					
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%	50%
Food Safety	Performance Criteria	Achieved (2020; reference year)	Targeted (2021)	Achieved (2021)	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%	75%
COVID-19 caused disruptions in the certification and certificate renewal processes of our suppliers.					
Occupational Health and Safety	Performance Criteria	Achieved (2020; reference year)	Targeted (2021)	Achieved (2021)	Targeted (2025)
We will further develop our Occupational Health and Safety systems in line with our goal of zero accidents.	Lost time accident frequency rate	10,87	<5	12,05 (including Bingöl)	<5
The data on our Bingöl Integrated Facilities, which began operations this year, is included in our report for 2021. The lost time accident frequency rate is relatively high due to new facilities and employees, ongoing assembly and preparatory works. Our colleagues at our Bingöl Integrated Facilities also received the standard OHS training, which is implemented at all our facilities. Excluding the Bingöl Integrated Facilities, lost time accident frequency rate is 8.76.					
Employment and Development	Performance Criteria	Achieved (2020; reference year)	Targeted (2021)	Achieved (2021)	Targeted (2025)
We will increase our employees' engagement and contributions to sustainability by providing sustainability training to all of them.	Number of suggestions for sustainability	1.296	1.500	1.452	2.500
In line with the 2025 Goals, efforts were initiated to provide comprehensive sustainability training to all employees in 2022, and to revise the suggestion and recognition system.					



2025 Sustainability Goals



DEVELOPMENT AND PROSPERITY OF SOCIETY

Socio-Economic Contributions	Performance Criteria	Achieved (2020; reference year)	Targeted (2021)	Achieved (2021)	Targeted (2025)
We will contribute to increasing the productivity, income, and prosperity of our regions we operate.	Increasing the milk yield of the producers working with Sütaş	3%	4%	6,3%	8%
Thanks to the information provided, the inspections carried out, and the feed supplied according to the needs of the animals, an increase of 6.3 percent was achieved in the milk yield per animal of the producers supplying milk to Sütaş in 2021 compared to 2020.					
Contributions to the Development of the Sector	Performance Criteria	Achieved (2020; reference year)	Targeted (2021)	Achieved (2021)	Targeted (2025)
We will increase the number of producers receiving training to improve the professional knowledge and sustainability awareness of dairy producers.	Number of milk producers we have trained	19.251	22.000	19.460	23.000
Due to the COVID-19 measures, we were able to conduct a very limited number of face-to-face training in 2021.					



ENVIRONMENTAL SUSTAINABILITY

Climate Change	Performance Criteria	Achieved (2020; reference year)	Targeted (2021)	Achieved (2021)	Targeted (2025)
We will meet 100 percent 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%	100%
As Bingöl Integrated Facilities were recently launched, the group's energy self-sufficiency rate dropped compared to the previous year.					
We will increase our renewable energy production by 25 MW with solar panels placed on the roofs of our farms and production facilities.	Solar power generation capacity	-	-	-	25 MW
We have raised our investment target for the 10 MW Solar Power Plant (SPP) to 25 MW. The ongoing installation of an approximately 1 MW SPP in our Bingöl facilities will be completed in the final quarter of 2022. We also initiated official procedures to install rooftop SPP on all our facilities.					
Soil, Water, Energy Efficiency	Performance Criteria	Achieved (2020; reference year)	Targeted (2021)	Achieved (2021)	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 introduced to our fields	30.000 metric tons/ year	34.000 metric tons/ year	41.515 metric tons/ year	50.000 metric tons/ year
We will increase water efficiency each year by 3 percent in our farms, production facilities, and sales and administrative units.	Change in water efficiency (%)	5%	3%	6%	15%
We achieved 6 percent efficiency in water consumption in 2021 compared to 2020.					
We will increase energy efficiency each year by 3 percent in our farms, production facilities, and sales and administrative units.	Change in energy efficiency (%)	3%	3%	-3,6%	15%
We failed to achieve our energy efficiency target due to the pandemic measures and Bingöl investment. See the section on Energy Efficiency for more details.					
Waste Management	Performance Criteria	Achieved (2020; reference year)	Targeted (2021)	Achieved (2021)	Targeted (2025)
We will reduce the amount of plastic used in our packaging by improving our packaging designs.	Amount of plastic reduced (metric tons)	344	420	427	1.500 (total)
The figures show only reductions made during that year and are not included cumulatively in the figures for other years (no carry over). We aim to reduce our packaging plastic use by 1,500 metric tons between 2021 and 2025.					
Sustainable Dairy Farming	Performance Criteria	Achieved (2020; reference year)	Targeted (2021)	Achieved (2021)	Targeted (2025)
We will intensify our efforts to create resilient animal breeds that can adapt to local conditions and provide more milk and meat.	Rate of completion	-	-	-	100%
The Agricultural R&D Center we plan to build at our Bingöl Integrated Facilities will be completed by 2024.					
We will improve the health and quality of life of our animals through efforts carried out in line with EU Animal Welfare principles.	Maintaining our "Free from Disease" and "EU-approved" farm certificates and, ensuring compliance with the updated legislation by following the developments in the EU	The certificates were renewed on August 12, 2020.*	Renewal of documents	*The certificates for all farms, including the one in Bingöl, were renewed on July 9, 2021.	Renewal of documents

For the Health and Happiness of People

FOREVERLOVEOFMILK

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" integrated business model, we monitor the entire process, from feeding our cows to delivering our dairy products to your table, ensuring the purity and taste of our products.

We believe in the good in people and the good in milk. Our family of "good people" is passionate about sharing the goodness and abundance of milk.





Food Safety

We produce hundreds of dairy products from milk that conforms to Sütaş Natural Taste standards, preserving its naturalness and intrinsic values.

We ensure traceability and safety as well as the purity of our products by tracking the entire process, from the feed our cows eat to the delivery of our products to the tables, with our “Sütaş’s Farm to Table Food Safety” system.

Inspection of Dairy Farmers	Inspection of Material and Service Suppliers	Inspection of Dairy Production
<p>We request all producers who supply raw milk to comply with the legislation and the quality, hygiene, animal health, and animal welfare rules, which are the requirements of the FSSC 22000 Food Safety Management System, as well.</p> <p>To ensure these conditions are met, our Milk Quality Improvement Teams regularly inspect the farms and milk collection centers with whom we work.</p> <p>The milk we have purchased is inspected at farms and milk collection centers before it arrives at our production facilities. Once the milk arrives at our production facility, it is subjected to physical, microbiological, and chemical tests before going into production.</p>	<p>We select our suppliers systematically and fairly and establish long-term relationships based on trust and cooperation.</p> <p>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.</p> <p>In our inspections, we consult AIB International’s Consolidated Standards for Inspection of Prerequisite and Food Safety Programs with some of the most well-established guidelines on food safety.</p>	<p>In addition to the legislation, we consult the following accreditation and certification in our production activities.</p> <p>Good manufacturing practices (GMP) guarantee that the products meet food safety, Sütaş quality, and legal requirements.</p> <p>The FSSC 22000 Food Safety Management System is an internationally accepted food safety management standard recognized by the Global Food Security Initiative (GFSI).</p> <p>The GFSI, Global Food Safety Initiative, is an improved version of the FSSC 22000 Food Safety Management System and aims to provide better GMP management.</p>



Inspection of Food Contact Material Suppliers

Of the 123 suppliers, accounting for 80 percent of our purchasing turnover:

<p>30%</p> <p>implement one of the three Food Safety Management Systems recognized by the GFSI*.</p>	<p>90%</p> <p>implement at least one of the International Quality Management Systems.</p>
<p>50%</p> <p>implement an Environmental Management System.</p>	<p>50%</p> <p>implement an OHS Management System.</p>

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

Sütaş Stories by Stakeholders

İdris GOLGİYAS

Dairy Farmer, Bingöl

A lot has changed in our lives after the arrival of Sütaş in Bingöl. I am a farmer's son. I am engaged in dairy farming. We used a variety of feeds before Sütaş arrived in Bingöl. Acting on a recommendation, I became one of the first customers of the feed plant. I'm very pleased with this feed. Whatever you feed your animal with, it will give it back to you in the evening. The feed is, therefore, the key.

Sütaş uses the same feed. It manufactures the feed at its own plant, then delivers the feed to its farm for its own animals. Most importantly, Sütaş manufactures the feed for its animals at its own plant. The fact that these aspects are so intertwined is the first step of trust. That is why we purchase the feed and hand it to our animals with ease of mind. We work on contract. They purchase milk from us, process it at their plants, then deliver it all across Turkey.

We would previously use phosphorus and nitrogenous chemical-based fertilizers as root fertilizers. Now, we are planting maize where we use the fertilizer that Sütaş produces from natural waste at its own facilities, that is, animal waste. It protects the soil; it also protects the animal. Most importantly, it protects human health.

Ersin ÖZER

Bingöl Integrated Facilities
Manager, Dairy Cattle Breeding Farm

Our cows should be healthy and happy for their milk to be of good quality. The most important assurance of Sütaş's natural taste is the fresh and high-quality milk of our cows, and we feed our cows with healthy feeds that we plant ourselves. We ensure that all conditions in animal quarters, from the places where they sleep, to the ventilation of their shelters, to the water they drink, comply with international animal welfare standards. We employ digital technologies in our farms to monitor our cows round the clock, and we prioritize their health. Our farms, designed by our own in-house veterinarians and engineers, ensure maximum daylight for our cows. All our farms hold Holdings Free From Disease and EU Approved Dairy Farm certificates issued by the Ministry of Agriculture and Forestry proving that our production complies with the European Union standards.

Mustafa EKTİRİCİ

Dairy Production Factory Manager,
Aksaray Integrated Facilities

Milk is one of our most valuable and fundamental foods. It is equally important to process this valuable food by protecting it well during the production process. We ensure traceability and safety of the entire journey of milk through our "Sütaş Farm to Table Food Safety" system and preserve the naturalness of milk. We check and analyze the milk delivered to our facilities at our laboratories, and we only admit milk up to our standards.

We manage our facilities with digital technologies and advanced automation systems, monitor and record all stages of milk production in the factory with smart systems. We ensure sterile air quality and positive air pressure to prevent inward airflow to eliminate airborne contamination risk for the milk.



Consumer Health and Wellness

We continuously develop our products through R&D to help consumers make healthy choices. Compared to 2020, we reduced our products' salt content by 16 percent and the sugar content by 1.6 percent without compromising on the natural taste.

We place labels stating the nutritional content and production date of our products on the packaging in addition to the label information stipulated by the legislation, ensuring that our consumers and costumers are better informed about the products they purchase and their freshness.

CONSUMER CUSTOMER LINE

Our main inspectors are our consumers, who purchase 6.5 million Sütaş products every day.

The Sütaş Consumer Line is responsible for the management of consumer and customer feedback. To guarantee "stakeholder satisfaction," it evaluates all feedback effectively and within 24 hours at the latest while managing the use of feedback for improvements and documenting its systematic activities.

Feedback can be provided via email, the **444 4 788** hotline, telephone numbers, the Sütaş website (opinions and suggestions form), fax, mail, and other websites and social media accounts.

IN 2021

38.091

FEEDBACKS RECEIVED

1,28 PPM

Ratio of product complaints to total sales:

0,04 PPM

Ratio of service complaints to total sales:

97,2%

We responded to 97.2 percent of the product complaints made to the hotline within 24 hours.

100%

We responded to 100 percent of the service complaints made to the hotline within 24 hours.





Employment and Development

At Sütaş, we prioritize the happiness and satisfaction of every Sütaş employee and ensure a fair, transparent, safe, peaceful, and productive working environment as part of our corporate governance principles and ethical values.

We employ 4,962 people who share the same mission. We measure the satisfaction of our colleagues through a variety of methods, and contribute to both their work and family lives through various activities. In 2021, we planned our events mainly online due to pandemic measures. Thus we organized our events for special days in the form of online meetings where our employees can participate with their family members. We also launched a series of webinars focused on mothers, fathers, and children to help with their family lives. We organized our Tree Planting Festival, requiring physical participation, with the participation of all our employees at our Bingöl Integrated Facilities, in accordance with the pandemic measures. We reached out to 60,955 employees in 371 events throughout the year.

Local Employment

We give priority to selecting our colleagues and business partners from the regions where we operate and thus contributing to local employment.

Suggestion System

In 2021, we received **1,452** suggestions from our employees; 452 were submitted in the Kaizen System, and 1,000 were in the Suggestion System.

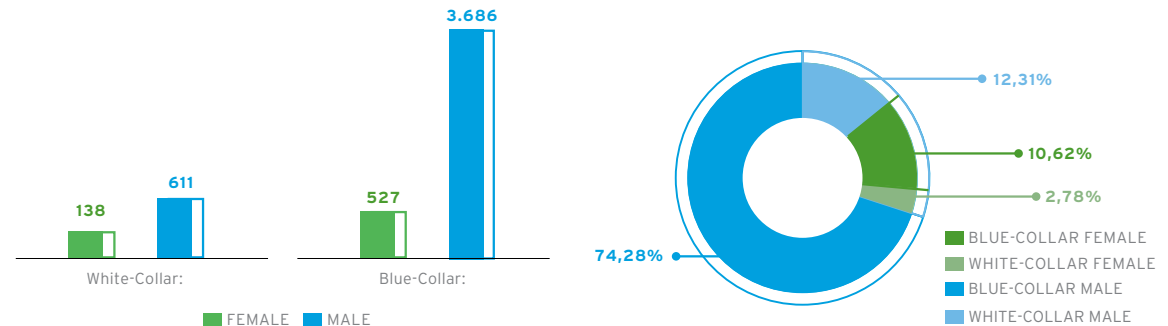
Recognition and Rewards System

We reward the outstanding contributions of our employees with the **"Thank You for Your Efforts and Bright Idea"** awards and celebrate the fifth anniversary of their employment with the **"Seniority Awards."**

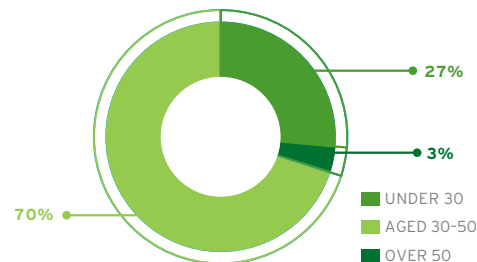


The Love of Milk Band, composed of volunteering Sütaş employees, organizes in-house events, hobby clubs, and competitions to boost employee motivation through entertainment and encourage socialization of families through cultural tours outside the company.

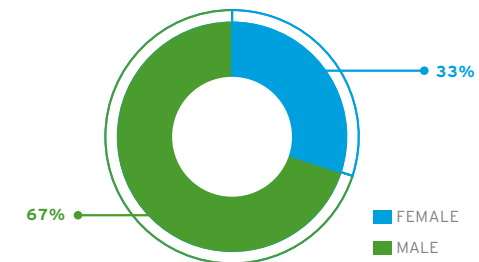
EMPLOYEES BY TYPE OF EMPLOYMENT AND GENDER (2021)



DISTRIBUTION OF EMPLOYEES
BY AGE GROUP



GENDER EQUALITY IN
THE BOARD ROOM (2021)





Employment and Development

TRAINING, TALENT, AND PERFORMANCE MANAGEMENT

We provide a fair, transparent, safe, peaceful, and productive working environment for our employees and support them with personal development and professional training to improve their position-specific expertise and way of doing business. In 2021, we organized 79,584 hours of training for our employees.

We implement a goal-oriented and competency-based performance management system to guide our employees toward common goals, enhancing productivity and rewarding success. In 2021, we subjected 35 percent of our employees to performance management evaluation.

[Our HR Policy can be found here.](#)

EDUCATION SCHOLARSHIP

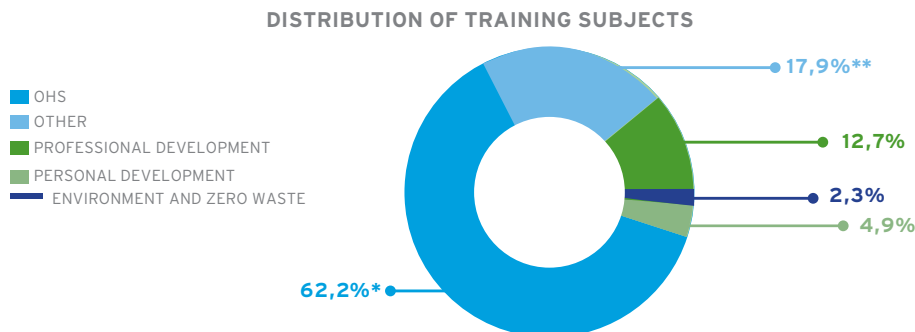
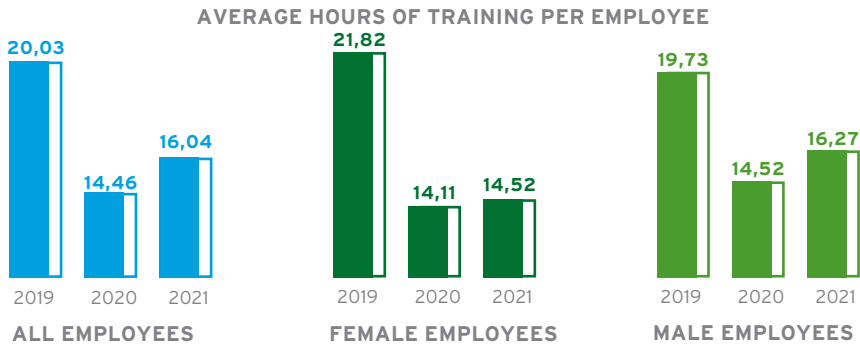
We have been offering Sütaş Education Scholarships since 2015 to successful undergraduates without adequate financial resources.

The Education Scholarship is a highly popular program that admits recipients following rigorous evaluations. The recipients are awarded non-refundable grants requiring no obligatory service or payback. Through our scholarship program, we offer a number of opportunities to assist in the personal development of our bursars, such as mentoring, training programs and project-based internships.

We have awarded scholarships to

134 successful undergraduates

at selected universities and
departments.



* While the share of OHS training in total training was 30 percent in the past years, the rate increased to 44 percent in 2020 and 62 percent in 2021 with the gradual commissioning of Bingöl Integrated Facilities.

** The "other" category includes orientation and compulsory trainings such as GMP, HACCP, food allergens, and hygiene.

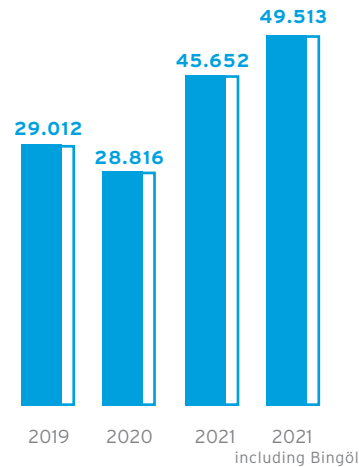
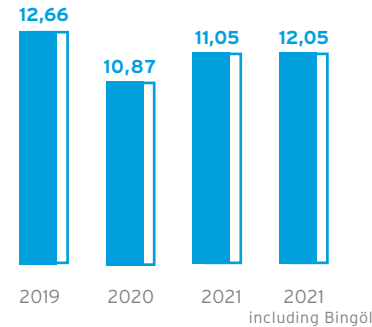
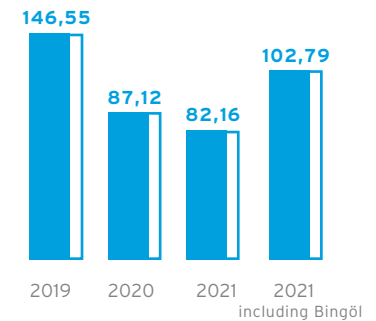


Occupational Health and Safety

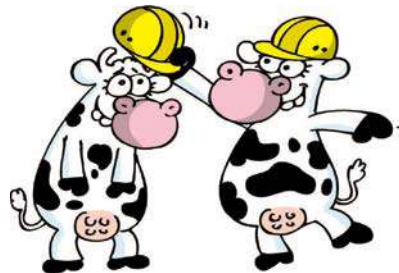
Creating a safe and healthy working environment for our colleagues and protecting them against accidents and occupational diseases is a priority business goal.

OHS is integral to our **Integrated Management System Policy**. We implement ISO 45001 Occupational Health and Safety Management System standard at our facilities.

TOTAL OHS TRAINING HOURS

LOST-TIME ACCIDENT FREQUENCY
RATE (LTFR)*ACCIDENT SEVERITY
RATE (ASR)**

**Our Goal is
Zero Accidents**



***LTFR:**

The LTFR refers to the number of lost time injuries per 1 million hours worked.

****ASR:**

The ASR refers to the number of days lost due to injuries per 1 million hours worked.



Sütaş Stories by Stakeholders



Mehmet Can AĞCA

Production Engineer,
Tire Integrated Facilities

I graduated from the Food Engineering Department of Ege University. My Sütaş journey began in 2016 when I qualified to receive a scholarship at the university. Being a Sütaş scholarship recipient means a lot more than financial assistance. Participating in thesis and industry-backed projects and practicing what I learned at school during the internship in factory boosted my interest in my profession. All my experiences as a student and scholarship student shaped my current professional life. I believe that the key to success for each scholarship holder is to explore their own identities and continuously improve themselves, discover their true desires and draw a path, and always channel inexhaustible energy to their work. The Sütaş "Farm to Table" integrated business model started supporting me in my undergraduate days and continues to do so in my career as well.



Duygu KESEROĞLU TUNCA

Production Supply Planning Executive,
Karacabey Integrated Facilities

Mutually learning and growing through brainstorming with our mentors while we were receiving the Sütaş scholarship helped us become questioning individuals who value research. We had the opportunity to closely observe and apply the knowledge we learned at school. During this period, we took responsibility by preparing projects as well as receiving personal development training. Once I was done with my scholarship, I began to work at Sütaş as the production and supply planning manager at the Planning and Logistics Group Directorate.



Socio-Economic Contributions

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.

In 2021, our net revenue reached **6.24 billion Turkish lira**, while our payments to suppliers, including investment expenditures, rose to **5.31 billion Turkish lira**.

To achieve a better overview of our dairy facilities' impact, we have been assessing the impact of our facilities on the regions we operate with scientific methods 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 January 2021.

The report outlines that the commissioning of the Sütaş facilities in Bingöl will result in developments that will significantly change the region, such as changes in production technology, a decrease in unemployment, improvements in workforce quality, higher household incomes, the prevention of rural migration, 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 project is expected to create a striking boom with its ecosystem and welfare improvements, as \$1.3 billion (61 percent) of Bingöl's GDP in 2033 will consist of direct and indirect contributions by 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 percent. 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.

Sütaş Stories by Stakeholders



Erdoğan YENER

Bingöl Integrated Facilities
Sütaş Crop Production Manager

For our cows to be fed with healthy feed and to produce quality milk, fodder must be controlled. That is why we produce our own fodder. We provide consultancy from seed to fertilizer and even to harvest workers. We have developed and built a contract farming model to control all of these processes. I am from Bingöl. I used to work as an agricultural engineer in Bingöl. At the time, most of the fields in Bingöl were idle. They would harvest once a year, and most of them were laid fallow. Farmers were hesitant to grow crops as there weren't any corresponding markets. But now, we give farmers a purchase guarantee from day one. Subsequently, farmers work confidently and enthusiastically, knowing how much their crops will be purchased and by whom, and they are glad to cooperate with us.



Mahmut GEREKSAR

Fodder Crops Producer,
Bingöl Integrated Facilities

I heard Sütaş had a contract to purchase crops in Bingöl. So, I figured, "Why waste my time in another city when I could earn my own bread on my own land?" I returned to my homeland. Now, I'm at home, in my hometown, and I earn my bread on my own land. I feel confident working on the contract model. Our crops were hit by the frost last year, but I had ease of mind. Sütaş came, harvested my crops, and transported them. This is not limited to a single village or city. This is a whole project for the entire Eastern-Southeastern Anatolia region. Everybody wins. Those in Elazığ, Muş, Erzurum... everyone wins. So, we are happy.



Nurettin BÜDÜŞ

Fodder Crops Producer,
Bingöl Integrated Facilities

I worked in other cities for almost two decades. I returned to my hometown to cultivate my land once the Sütaş Dairy Project came to Bingöl. In the past, we would cultivate our crops but wouldn't know whom to sell them to. So, we would only harvest once every two years. Now, we harvest the same field twice a year. For instance, we used to plant only watermelons. Now, we harvest wheat first, then plant maize. This is highly profitable for us. Our young people are also returning to their homeland, just like me. Because here they can plant crops, even cultivate two different crops, and earn very well. If you don't have sufficient funds to plant, then Sütaş offers to provide seeds and fertilizers. It also helps with sowing and harvesting. They undertake transportation as well. There are no middlemen, either. We're getting information from Sütaş. They guide us on what to do. Sütaş's expanding the project to Bingöl is a great investment for the whole of Eastern-Southeastern Anatolia.



Contributions to the Development of the Sector

Sütaş supports local suppliers. We offer training opportunities to dairy producers and entrepreneurs through various collaborations with public institutions, industrial organizations, and universities.

We engage in the contract production of crops to ensure that our animals are fed with natural and healthy animal feed. For this, we ensure the use of our fertilizers and the seeds that we select, constantly inspect the production fields of farmers and provide on-farm training on subjects such as sustainable agricultural practices.

SUPPORT TO LOCAL SUPPLIERS

In 2021, we made **94.8** percent of our purchases from local suppliers. In doing so, we ensured that most of our supplier payments, which amount to approximately **5.3 billion Turkish lira**, were made to local suppliers.

We cooperated with our dairy farmers and achieved a **6.3 percent** productivity increase on a year-on-year basis. Our producers gained **2.57 billion Turkish lira** regular income in exchange for **802 million liters** of milk in 2021.

On **34,000 decares** of land,
593 farmers
producing fodder crops
on contract

Paid
2.57 billion TRY
to **19,531** milk suppliers.



SUSTAINABLE DAIRY FARMING TRAINING

We understand that making dairy farming sustainable requires producers to become economically stronger by increasing the quality and efficiency of their production. Thus, 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, management of fertilizer use, and financial sustainability.

19.460
trained dairy farmers
and students*

34.743
students and
entrepreneurs who have
received our consultancy
services* (*To date)

UNIVERSITY-INDUSTRY COOPERATION PROTOCOLS

We signed Vocational Education Scholarship Protocols with
Bursa Uludağ University **in 2011**,
Aksaray University **in 2014**,
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 2021, we reached 16 more students and thus granted scholarships to **186 students in total**.

We also contribute to the training and employment of doctoral-level personnel specialized in their fields. To serve this end, we joined the TÜBİTAK 2244 Industrial Ph.D. program with Uludağ University to provide scholarships for three students.



Sütaş Stories by Stakeholders



Talha SÜT

Bingöl Integrated Facilities
Milk Intake and Preliminary Processing and CIP Team Leader

I met Sütaş in 2014. My career in this line of business began when I chose to study “Milk and Dairy Products Technology” at the vocational school in Karacabey. It was a deliberate and enthusiastic choice of profession. The rumors about the project arrived in Bingöl long before the actual plant. I figured I'd be proud to be a part of this project from scratch. I joined Sütaş as a scholarship student. Then, I studied Dairy Products at Karacabey Vocational School at Uludağ University. I would also frequent the plant while I studied. I continued to receive the necessary training during summer internships. Then, I began my career at Sütaş. I worked at the plants in Bursa and Aksaray. Now, I'm a team leader in Bingöl. It makes me so proud to return home like this. I feel so happy to see how much I have improved myself.



Gökçe KESER

Scholarship Student,
Karacabey Integrated Facilities

I joined the Sütaş- and Bursa Uludağ University-backed TÜBİTAK 2244 Industry Doctorate program three years ago as a scholarship student. This helped me pursue my academic career while also gaining experience in the private sector. I carried out applied studies in cooperation with the experienced employees in the Sütaş laboratories and production areas. Subsequently, my doctorate thesis advanced readily. The support I received from the scholarship allowed me to focus on my personal development, and I could contribute to more articles than I could have otherwise.



For Environmental Sustainability

FOREVER LOVE OF MILK

The effects of climate change are becoming more visible with each day and require action from every segment of society. With our circular economy-based “Farm to Table” business model, we increase our renewable energy production, operate in accordance with the principles of regenerative agriculture and sustainable dairy farming, use water and energy efficiently, and work towards achieving zero waste.



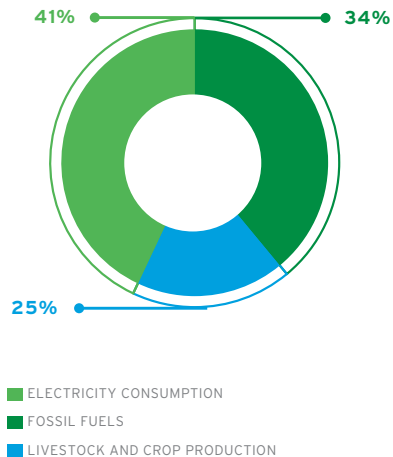


Climate Change

We use energy efficiently, increase the use of renewable energy sources, and keep our greenhouse gas emissions from livestock production under control.

Our dairy factories and power plants operate at the ISO 14001 Environmental Management System and the ISO 50001 Energy Management System standards to manage our environmental impact. We analyze the greenhouse gas emissions from our operations in three categories and plan our reduction efforts accordingly.

DISTRIBUTION OF GREENHOUSE
GAS EMISSION SOURCES (2021)



**Greenhouse gas emissions studied hereby are Scope 1 and Scope 2 emissions.*

ELECTRICITY CONSUMPTION

Our electricity consumption accounts for the highest source of our emissions at 41 percent.

To reduce this figure, we invest in renewable energy and develop projects to boost energy efficiency alongside.

FOSSIL FUEL CONSUMPTION

Our fossil fuel consumption ranks second, with its share of 34%, in the sources of our emissions.

We use natural gas and diesel in our facilities and petrol and diesel in our generators. We also use diesel in logistics operations under our control.

In 2021, we reduced our natural gas and diesel consumption by 2.8 percent on a year-on-year basis.

You can see the details of energy efficiency in logistics under [Soil, Water, Energy Efficiency.](#)

DAIRY FARMING

Sütaş manages considerably big herd. As our herd size increases, our greenhouse gas emissions increase proportionately due to enteric fermentation.

We emphasize genomic selection, as selecting animals with high-yield and high-feed efficiency reduce methane emissions from dairy cattle.

The variety in animals' diets also affects methane generation. Therefore, we optimize the fodder and mixed fodder balance for rumen health in our animals and minimize methane generation due to enteric fermentation.

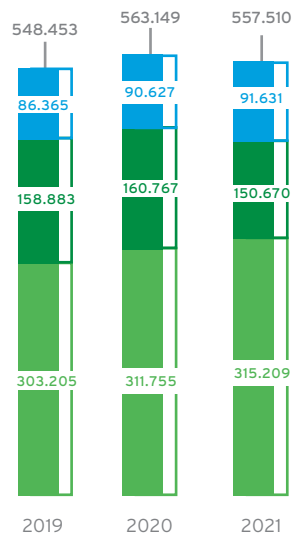


Climate Change

The Sütaş Group's greenhouse gas emissions in 2021 decreased by 11 percent year-on-year, totaling 133,000 metric tons.

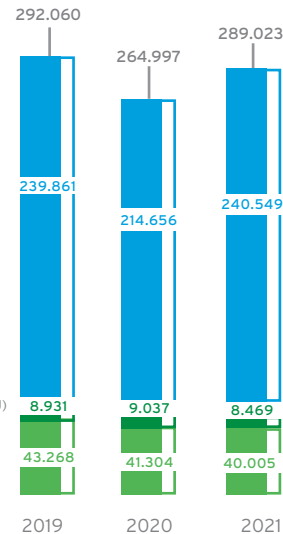


RENEWABLE ENERGY PRODUCTION
(THOUSAND GJ)



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

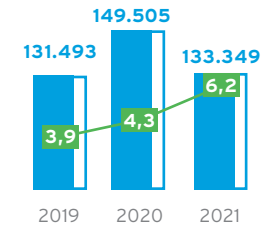
**GREENHOUSE GAS REDUCTION WITH
RENEWABLE ENERGY (THOUSAND METRIC TONS CO₂)**



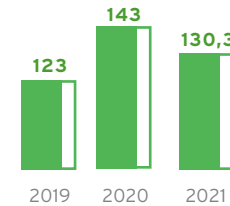
■ TOTAL GREENHOUSE GAS REDUCTION
■ ELECTRICITY GENERATION
■ FOSSIL FUEL SUBSTITUTION
■ CARBON CAPTURE

TOTAL GREENHOUSE GAS EMISSIONS

■ GREENHOUSE GAS EMISSIONS (METRIC TONS CO₂)
■ REVENUE (BILLION TRY)



GREENHOUSE GAS EMISSIONS
(KG CO₂E/METRIC TON RAW MILK)



Electricity generation:
Electrical energy obtained from renewable sources.



Fossil fuel substitution:
Other forms of energy obtained from sources other than fossil fuel.



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



Climate Change

OUR PLANS

We invested a total of **\$63 million** in energy and environment operations.



We increased our electricity generation capacity at our four integrated facilities to **18.1 MWh** and our thermal energy capacity to **17 MWh**.

We put Bingöl Biogas facility into operation.



We generated 9,523 MWh/year of electricity in Bingöl.

We applied for a hybrid (biogas and solar) license to diversify and boost our renewable energy production at our Bingöl Facilities.



We completed the SPP licensing procedure for approximately 1 MWp.

We launched feasibility and technical specifications studies for a rooftop Solar Power Plant (SPP) on our farms and dairy factories in all locations.



We raised our SPP investment goal from the initially targeted 10 MW to 25 MW.

Since the establishment of our biogas plants in 2013, we have prevented greenhouse gas emissions equivalent to the amount captured by **38,035,475** trees.

At our biogas plants with cogeneration technology, we generate electricity and produce hot water, steam and, organic and organomineral fertilizers to be used in plant production from the waste of our farms and organic waste generated during our production processes.

In doing so, we prevent the emission of methane gas, a significant source of greenhouse gas generated from animal waste, and reduce our environmental impact.

RESULTS

Activities at our biogas plants:



In 2021, we disposed of **611.486 metric tons** of organic waste.



We generated **87.558 MWh** of electricity,



produced **54.499 metric tons of** steam and



25.453 MWh of hot water.

The Energy We Produce Meets:

80%

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



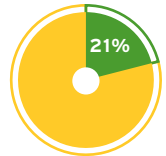
84%

of the electricity needs of our dairy factories



21%

of the thermal energy needs of our dairy factories.



This is also equivalent to the annual electricity consumption of **55,557** households.



According to the Energy Atlas, the residential consumption is assumed to be 1,576 kWh in 2021.)



Soil, Water, Energy Efficiency

We consider natural resources, such as soil, water, and air that are our main inputs as nature's gift to us. We aim at recovery of the natural resources used, we meet our energy needs from renewable energy produced from the manure of our farms and organic wastes. We contribute to regenerative agriculture by producing organic and organomineral fertilizers.

SOIL QUALITY

Because they capture atmospheric carbon, soils with high organic matter content are our most essential tools in the fight against climate change. We ensure that the soil is healthy and utilize regenerative agricultural practices to preserve and improve the soil structure. We use the byproducts of our biogas facilities as organic and organomineral fertilizers on the lands we cultivate and on the lands used for contract farming, practice crop rotation, and apply proven techniques to increase the soil sequestration potential. The amount of organic materials we introduced into fields through the organic-organomineral fertilizers we produce reached almost 42,000 metric tons in 2021 from 33,000 metric tons in 2020.

Regenerative Agricultural Practices

To improve the organic structure of soil and to contribute to sustainable agriculture practices, we are conducting field trials for peppers, wheat, maize, tomatoes, and sunflowers in cooperation with the Bursa Provincial Directorate of the Ministry of Agriculture and Forestry, Uludağ University Faculty of Agriculture, and Bursa Provincial Directorate of Ministry of Environment, Urbanization, and Climate Change.

We began our journey with maize in 2018 and expanded our field trials with sunflowers, maize, and peppers in 2021. In these fields, we measure the impact of fermented liquid and solid organic and organomineral fertilizers on the soil and crops.

We share the outcomes of our trials during the "In-field Demonstration Days" that we organize to spread sustainable agriculture practices, help farmers observe the impacts of organic and organomineral fertilizers on the soil and crops, and get further information from experts.

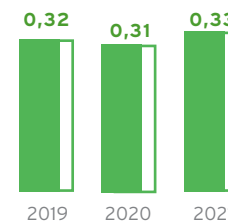
We determined the most efficient dosage based on the soil's needs during our trials, and we achieved an increase in productivity of up to 25 percent and an increase in the amount of organic content of the soil.

ENERGY EFFICIENCY

As our renewable energy activities increased rapidly in 2021, we continued to carry out efforts for energy efficiency in all processes, from production to distribution, to reduce greenhouse gas emissions.

However, the changes in customer demands caused by the additional measures taken due to the ongoing pandemic in 2021 and the demand fluctuations observed during the first half of the year, primarily in Horeca channel, made it necessary to switch to a more flexible production model. However, this flexibility resulted in failure to achieve the targeted efficiency in resources despite all the energy efficiency projects. Furthermore, the additional energy used while engaging our Bingöl plant also contributed to this outcome.

ENERGY USE INTENSITY* (MWH/METRIC TON RAW MILK)



* All intensity calculations throughout the report, takes into account the raw milk equivalent of processed products.

Efficiency Efforts

With over 50 reviews in Kaizen methodology
•We reduced heat loss in various equipment and units by replacing the water pumps in the cooling facilities of our plants with more energy-efficient pumps.
•We ensured higher efficiency in the process timing steps.

Our Results and Savings

In 2021, we saved 4.5 million kWh energy. Our savings correspond to 9.15 percent of our total consumption. In 2021, we reduced our total energy consumption by 7.5 per thousand compared to the previous year.



Soil, Water, Energy Efficiency

Project for Evaluation of R&D and Process Development & Improvement Opportunities Focused on Water Efficiency

With the Bursa Eskişehir Bilecik Development Agency (BEBKA) supporting the project, we have identified the current water efficiency situation and areas for improvement at our Karacabey factory. We have set a goal to reach a certain competence level in water efficiency and carbon footprint reduction.

We completed the first stage of the project in 2020. The team participating in the project in 2021 received training on water and carbon footprint calculation, eco-efficiency, and other related subjects.

The suggestions presented as a result of the project were evaluated. We initially adopted suggestions on boosting reverse osmosis (RO) efficiency and ensuring water efficiency in CIP systems.

Water Recovery Project

We have conducted detailed studies on the recovery and reuse of wastewater obtained from the RO system at our Tire facility.

In 2021, we established a separate resin softening system for RO wastewater. These two projects doubled the amount of recovered waste water from 5,000 metric tons per month in October 2020 to 10,000 metric tons per month in 2021.

We completed the necessary preliminary studies to establish a similar system in Karacabey, and we expect the system to be operational in 2022.

Water Efficiency Efforts

We reviewed the CIP cleaning steps in our Aksaray plant's production process and optimized the timing. This allowed us to recover 8,000 metric tons per month.

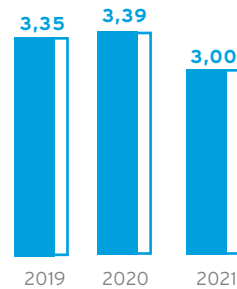
We switched landscape irrigation to once every other day, particularly during summer, and thus reduced water consumption in landscape irrigation by approximately 50 percent and saved 12,000 metric tons per month.

WATER EFFICIENCY

Our facilities are located in areas experiencing water stress. We see it as our responsibility to use water efficiently and to reintroduce waste water to nature with high quality.

We use a drip irrigation system in our entire crop production. A drip irrigation system ensures up to 40 percent water efficiency compared to other irrigation systems.

WATER USE INTENSITY* (M³/METRIC TON RAW MILK)



LOGISTICS EFFICIENCY

Our route optimizations in 2021 let us 475,823 km saving in logistics compared to 2020. Therefore, we progressed in our goal to reduce our carbon footprint from logistics, including in our operations with our business partners.





Waste Management

All Sütaş production plants hold Basic Level Zero Waste Certificates, becoming the first private sector company to receive certificates in their respective categories.

PACKAGING MATERIALS

We aim to reduce the amount of packaging we use to the extent the technology allows and carry out R&D activities to serve this purpose. In 2021, we mainly focused on reducing plastic in our packaging.

In 2021, we used 427 metric tons less plastic in our packaging.	Packaging that underwent lightweighting	Total Amount of Reduced Materials	Prevented CO ₂ emission*
	Bowls and caps for ayran and yogurt packaging, seedling trays, and shrinks	164 metric tons PP, 71 metric tons PET, and 192 metric tons PE	832 metric tons of CO ₂

*Emission factor taken as 1.54 for PET materials, 2.06 for PP and, 2.0 for PE.

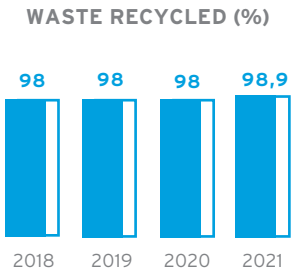
We overachieved our commitments to the Business Plastic Initiative, a cooperation platform on a volunteering basis founded by Global Compact Türkiye, BCSD Turkey, and the Turkish Industry & Business Association (TÜSIAD).

	2020	2021	
Business Plastics Initiative (IPG) Notifications		Committed	Achieved
Primary Plastics, metric ton	293	160	164
Secondary Plastics, metric ton	51	160	160
Total Plastics, metric ton	344	420	427

OUR ORGANIC WASTE

We transform the organic waste from our agriculture, livestock, and dairy production activities into energy and fertilizer at power plants and thus minimizing our waste streams.

The rate of waste sent to landfills accounted for **1.1 percent** of our total waste.





Sustainable Dairy Farming

Our farms are managed with digital technologies and advanced automation systems to obtain high-quality, nutrient-rich milk from our healthy and happy cows. Our products' natural and delicious quality comes from the fresh milk of our happy and healthy cows.

To ensure the welfare of animals in our farms in line with our sustainable dairy farming policy, we refer to the "Animal Welfare" and "Good Dairy Farming" handbooks we have prepared following the relevant regulations of FAO, the International Dairy Federation, the World Organisation for Animal Health (OIE), and the Council of Europe.

By further improving animal welfare, carrying out selective breeding, using quality sperm, and increasing feed quality, we increased the milk yield per animal to 29.02 liters in 2021.



We manage the basic needs of our farm animals in accordance with the "Five Freedoms" recognized internationally and adopted by the OIE.

"Five Freedoms" in Animal Welfare

1. Freedom from hunger, thirst and malnutrition
2. Freedom from physical and thermal discomfort
3. Freedom from pain, injury, or disease
4. Freedom from fear and distress
5. Freedom to express normal patterns of behavior



Sustainable Dairy Farming

We monitor the health and welfare of the animals on our farms with digital tools. We apply electronic identification ear tags just after birth and a transponder or pedometer when they reach puberty. We take the necessary measures by monitoring all their behaviors and movements.

MILK YIELD

We measure our animals' milk yield in each milking process by employing 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.

CATTLE WEIGHT

We weigh the animals after each milking process and monitor the change in the body condition score using the scales at the exit of the milking area.

We ensure the special nutrition and development of animals experiencing weight loss. In the "Climate Change" section of our report, you can review our best practices for reducing greenhouse gas emissions resulting from livestock activities.

EARLY DIAGNOSIS AND TREATMENT OF DISEASES

Our Herd Management System evaluates multiple sets of data and issues warnings for animals likely to be sick. We quickly separate these animals from the herd and treat them accordingly.

You can find our best practices for reducing the greenhouse gas emissions from dairy farming activities under the [Climate Change](#) section of our report.

Sütaş Stories by Stakeholders



Mehmet KONUKÇU
Dairy Farmer, Aksaray

I established a family farm five years ago. I have 45, perhaps 50, animals. The regional representatives of Sütaş informed me of farmer training programs. So, I came and joined the training. I did find the training very beneficial. We had no clue as to how to feed a calf, for instance, or the importance of colostrum. They told us all about these. Once we found out about it, we had the newly born calves drink colostrum in sufficient amounts to their weight. Subsequently, we prevented calf mortality by 80 percent. We filled in our lack of information during these training sessions. We learned more about livestock.



Tahsin ERGEN
Manager of Dairy Cattle Breeding
Farms, Aksaray Integrated
Facilities

Animal welfare is key to quality and healthy milk production. We prioritize our cow's welfare and take all necessary precautions for them to live comfortably and healthily. We use digital technologies at our farms to monitor our cows 24/7. We keep their shelters clean and hygienic for their comfort. They each have dedicated rubber beds.

They roam freely in the shelters and in the open areas in front of them. We install fans to ventilate our high-ceiling shelters with open sides to provide fresh air to our cows. We make sure that our cows drink abundant and clean water up to potable standards, and we always provide them with fresh fodder available at all times.



Fatih İLİK
Dairy Farmer, Aksaray

I graduated from agricultural engineering and received an associate degree in Animal Laboratory Assistance. When I heard about the training programs at Sütaş, I came to get training again. It is a whole different experience to do something with proper knowledge. We start this at the production stage. Whatever the animal eats, the milk comes out at the corresponding quality. We have very high-quality alfalfa in our region. We have maize. We grow these ourselves. When I first arrived here for training, they taught us what compound feed is, what fodder is, what energy is, and what protein is. I try to further improve myself in this business by building on the training I received at Sütaş and the education I received at school.

Because every single detail matters when it comes to milk yield of an animal. Where the animal sleeps, the fan over its head, the milking system in the plant, the caretaker of the animal... all these have immense impacts on milk yield. When Sütaş first came to this region, animal husbandry wasn't such a prevalent occupation in Aksaray. But they invested a significant amount in livestock. The number of farms increased. Training sessions organized. We learned a lot of useful things at these training sessions. We then implemented them in the field and boosted our milk yield. On my own farm, for instance, I registered a difference of 10 liters.



SÜTAŞ SUSTAINABILITY PERFORMANCE IN 2021

HEALTH AND HAPPINESS OF PEOPLE



Consumer Health and Wellness

We developed probiotic-added kefir to help consumers maintain a healthy diet.



Goal for 2025:
15 new products

Food Safety

Rate of suppliers with a Global Food Safety certificate:

30%



Goal for 2025:
75%

Occupational Health and Safety

The lost time injury frequency rate

12,05%



Goal for 2025:
<5%

Rate of our products with healthy diet and informative content on packaging:

25%



Goal for 2025:
50%

Employment and Development

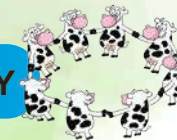
Number of suggestions focusing on sustainability:

1.452



Goal for 2025:
2.500

DEVELOPMENT AND PROSPERITY OF SOCIETY



Socio-economic Contributions

Increase in milk yield of cooperated farmers

6,3%

Goal for 2025:
8%

Contributions to the Development of the Sector

A total of
19.460
producers received sustainable dairy farming training.



Goal for 2025:
23.000
producers

SÜTAŞ SUSTAINABILITY PERFORMANCE IN 2021

ENVIRONMENTAL SUSTAINABILITY



Climate Change

We meet

80 percent,

of our production plants' energy needs through the renewable energy produced from our wastes.



Goal for 2025:
100%
renewable energy use

We will increase renewable energy production by raising SPP investment goal for our facilities from 10 MW to 25 MW.



Goal for 2025:
25 MW

Waste Management

We reduced the amount of plastic used in our packaging by

427 metric tons.



Goal for 2025:
1.500 metric tons.

Soil, Water, Energy Efficiency

We introduced

41,515 metric ton

of organic matter into our fields in 2021.



Goal for 2025:
50,000 metric tons

We improved our water use efficiency by **6 percent.**



Goal for 2025:
15% increase

We accelerated our energy efficiency efforts, which had fallen short of our goals given the pandemic measures and the Bingöl investment.



Goal for 2025:
15% increase

Sustainable Dairy Farming

We maintain our agricultural R&D efforts to raise productive animal breeds adapted to our country's conditions.

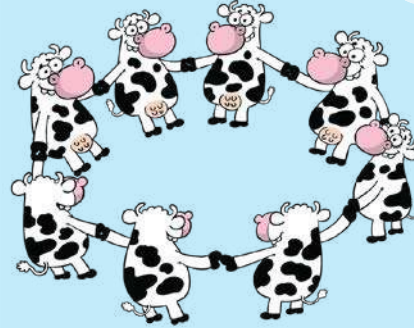
Goal for 2025:
Completion of efforts

We updated our "Free from Disease" and "EU-approved" farm certificates.

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



**For the health and
happiness of
people**



**For the
development and
prosperity of
society**



**For
environmental
sustainability**

#FOREVERLOVEOFMILK



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