



#FOREVER LOVE OF MILK

2020
SUSTAINABILITY
REPORT





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About the Report



This report covers our progress towards our goals until 2020 and our sustainability goals for 2025.

Our first sustainability report was published in 2016, and we are pleased to present you hereby with the fourth iteration. With this report, we aim to share with you our activities, performance results and goals for 2025 related to our sustainability impact areas, summarized under the headings of people, society and the environment.

COMPLIANCE WITH INTERNATIONAL STANDARDS

We published our Sustainability Report, which we prepared in accordance with the Global Reporting Initiative - GRI Standards "core" option, as GRI approved. Since our first report, we have been conducting our operations based on the sustainability elements specified in the GRI-G4 Food Processing Sector Supplement.

During the review of our material issues, in addition to the GRI standards, we have also considered the expectations in the "European Green Deal - Farm to Fork Strategy" and the Sustainability Standards Accounting Board's (SASB) Meat and Dairy Industry Sustainability Standards". Our greenhouse gas emissions were calculated by an independent organization in accordance with WRI/WBCSD's

Greenhouse Gas Protocol and IPCC 2006 methodologies.

SCOPE OF THE REPORT

Unless otherwise stated, the information in the report covers the two fiscal years between January 1, 2019 and December 31, 2020. We have also included data from the years 2015 and 2018 to provide a more thorough evaluation of our performance over the years. The sustainability performances of our three integrated facilities in Karacabey, Bursa; Aksaray; and Tire, Izmir are also evaluated in our 2020 report. We have been applying this scope since our 2017 report. The 2020 report also includes investment information regarding our Integrated Facilities in Bingöl, which is planned to become operational in 2021.

In this report, "Sütaş Group," "our company" and "we" refer to the three Sütaş Group companies operating in Turkey. Therefore, unless otherwise stated, the report includes consolidated data from Sütaş Dairy Products (SÜTAŞ), Sütaş Agricultural Activities (TARFAŞ) and Sütaş Energy and Environmental Activities (ENFAŞ).

Message from the Chairman

Our Business is Milk
OUR PASSION IS MILK



Dear Stakeholders, and Friends of Süttaş,

Global threats such as global warming, rapid depletion and contamination of natural resources, climate change, food security, and famine were exacerbated with the onset of the pandemic in 2020, emphasizing the significance of sustainability to governments, companies, nongovernmental organizations and people. When the pandemic forced us to stay at home and lockdowns, the balance of nature was partially restored, demonstrating the level of destruction caused by humanity and the environmental impacts of our lifestyles.

The UN's "Shared Responsibility, Global Solidarity" report underlines that all efforts to be made during and after the COVID-19 pandemic for a more sustainable, carbon-neutral future must be with a strong focus on building more equitable, inclusive and sustainable economies and societies to overcome global challenges. We participate in the UN's collective efforts carried out in line with the Sustainable Development Goals, which serve as a global guide and develop our sustainability approach

accordingly at the core of our business strategies.

Our company is solely focused on dairy and the dairy value chain. We produce natural and delicious dairy products while driven by the desire to improve the health, quality of life and happiness of our customers. We achieve this by conveying the values in the essence of milk and working with the "Love of Milk" to spread the goodness and abundance of our product. Over the years, we have managed to build a strong and integrated supply chain by gaining "Craftsmanship and Expertise" in dairy. This strategy, which we call "Farm to Table," has become a business and production model that facilitates sustainability and the recycling of natural resources, while maintaining the essence of our natural flavors. We continuously develop and strengthen the "Corporate Structure" that ensures our future in line with our values and corporate governance principles.

Our sustainability-oriented integrated business model and strategies enable us to contribute to the "health and happiness of

¹ Source: A new normal: The UN lays out a roadmap to lift economies and save jobs after COVID-19 /The UN in Turkey

Message from the Chairman

people” “the development and prosperity of society,” and “environmental sustainability.”

Our “Farm to Table” business model is the best integrated example in Turkey of the “European Green Deal - Farm to Fork Strategy,” which aims to ensure sustainability across the entire food chain. We employ all the processes defined in this strategy at our facilities.

In 2013, we added a new phase to our “Farm to Table” business model and started producing energy from biomass. Today, Şütaş is the largest company in Turkey to produce renewable energy from agricultural biomass. Thus, we are reducing greenhouse gas emissions by utilizing the waste from our factories and the manure from our farms at our biogas plants. In the last eight years, we have prevented greenhouse gas emissions equivalent to the amount captured by 31.3 million trees. The electricity we generate at our biogas plants is equivalent to 92 percent of the electricity needs of our dairy factories, and 84 percent of the electricity needs of all our production facilities.

We also utilize the output from our biogas plants as organic and organomineral fertilizers. This stage is particularly important for us since the continuity of our activities depends on sustainability in agriculture, and sustainable agricultural production depends on the soil having a good organic structure. Unfortunately, we are aware that the organic structure of soil is deteriorating both in Turkey and the entire world. Obtained from our own facilities, these fertilizers improve the organic structure of the soil as well as the crop yield in the process. By using these fertilizers, we aim to add 50,000 metric tons of organic matter per year to the soil on which fodder crops are grown.

In today’s world, the risk of drought increases day by day across the world, as we better understand just how valuable water is. Using water efficiently is not only a responsibility, but a priority. We treat and recycle all of the water we use at our facilities.

Our business model contributes to the economic, social and environmental aspects of sustainability. Operating with

this model in Karacabey in Marmara, Aksaray in Central Anatolia, and Tire in the Aegean Regions, our integrated facilities have made significant contributions to the development of their regions with their economic and social impact.

Our “Eastern-Southeastern Anatolia Dairy Project - Bingöl Integrated Facilities” investment, which is a major development for both Şütaş and Turkey, continues at full speed despite the pandemic. According to the experts assessing the project’s economic and social impact on Bingöl and the surrounding region, the commissioning of these facilities will result in developments that will significantly change the region. The investment will lead to changes in production technology, an increase in innovation capacity, the development of organizational capacity, a decrease in unemployment, improvements in workforce quality, an increase in household income, the prevention of migration from rural areas, the return of qualified nationals, better income equality and accelerated social and cultural transformation.

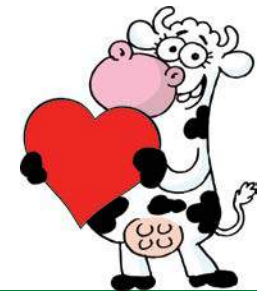
I am very happy to present hereby to you our 2020 Sustainability Report, which consolidates the results of the sustainability approach that forms the core of our business model and our goals for the future, and to announce our commitments for 2025, the 50th anniversary of Şütaş.

I would like to conclude by saying #FOREVERLOVEOFMILK for the health and happiness of people, development and prosperity of society and environmental sustainability and expressing my gratitude and appreciation to all colleagues who contributed to our sustainability efforts, all our supporting and encouraging stakeholders, all our consumers and all friends of Şütaş.

Best regards,

Muharrem Yılmaz

Chairman of the Board of Directors



Message from the Head of Sustainability Committee



Dear Stakeholders,

Despite the pandemic raging around the world, 2020 was a year of action for sustainability commitments. The “European Green Deal,” the new sustainability-oriented growth strategy announced by the European Union (EU) in December 2019, targeting tackling climate change in particular brought along various strategies with concrete actions, and climate target plans for 2030 and 2050. The Farm to Fork Strategy, the Biodiversity Strategy and the Circular Economy Action Plan are among the strategies adopted that may directly affect the agriculture and food systems of not only the EU countries but also EU’s trading partners.

Meanwhile, 2021 is expected to be a year full of even greater comprehensive action across the world, as concrete actions will be identified for the transformation of global food systems; the conservation of biodiversity; the prevention of desertification, land degradation and climate change; and restoration of ecosystems.

Governments cannot tackle global challenges alone. Issues that affect societies across the world can only be resolved with joint action. In this context, we believe that the companies’ most significant contribution is making the solution of these problems an integral part of their business models and plans, and adopting them across their organizations.

At Sütaş, we are working with the mission of sharing the goodness and abundance of milk, and carry out our activities with four basic strategies that contribute strongly to all aspects of sustainability. Consisting of “love of milk,” “Farm to Table,” “craftsmanship and expertise” and “corporate structure,” these strategies enable us to achieve significant results for the “health and happiness of people,” the “development and prosperity of society” and “environmental sustainability.”

This year, we have reviewed our sustainability strategy and analyzed future risks and trends in accordance with international frameworks and standards, such as the European Green Deal, the United Nations Sustainable Development



Message from the Head of Sustainability Committee

Goals, the GRI Sustainability Reporting Standards and the Sustainability Standards Accounting Board (SASB).

In line with our updated strategy, we have also set our goals for 2025. While maintaining some of our goals for 2020, we took some of them even further. For instance, we strengthened our goal of meeting all of our electricity needs via renewable energy obtained from our own organic waste with production of solar energy, in line with global trends. While our water and energy efficiency goals had covered only our production activities before, we have incorporated efficiency targets for administrative buildings and buildings for sales operations.

The food systems of the future require the soil to be healthy and rich in organic matter. To serve this end, we have updated all of our environmental goals to support regenerative agricultural practices.

The private sector also has a significant impact on ensuring social and economic sustainability with its investments, impact area and employment opportunities. We have further strengthened our goals to

contribute to our employees, suppliers, consumers and our society.

In 2020, we continued to focus on our sustainability goals while protecting the health of our employees and ensuring that consumers have access to healthy, safe and sufficient food. Thanks to our integrated business model "Farm to Table," we now meet 69 percent (up from 31 percent) of our energy needs from the renewable energy produced from our own waste. We have also improved the organic structure of soil on 50,000 decares of land. We have made sure that all our facilities receive the Basic Level Zero Waste Certificate. As part of the Business Plastics Initiative (IPG), we have reduced our use of plastic packaging by 344 metric tons. All these developments were made possible by our board-level Sustainability Committee, and our working groups and employees, who have made the achievement of our goals a part of their daily operations.

We work with the responsibility of contributing to the health and happiness of people, and the development and prosperity of society and environmental sustainability. With a sustainability-

oriented business model that covers the entire value chain Farm to Table, we say #FOREVERLOVEOFMILK.

In our 2020 report, you will find our activities aimed towards building a better and more sustainable future for all, and the goals we have set for 2025, our 50th anniversary, to create more value for our stakeholders with a focus on people, society and the environment.

We would like to thank all our stakeholders who share our passion for sustainability, and we invite you to review our achievements and join us on this journey of sustainability with your comments and suggestions.

Duygu Yılmaz

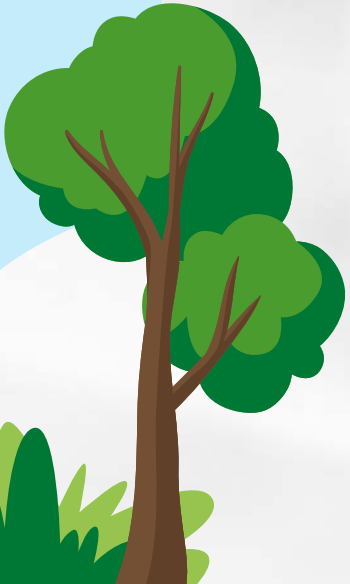
Head of the Sustainability Committee



SÜTAŞ AT A GLANCE

#FOREVER LOVE OF MILK

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 in Brief

While gaining expertise and growing in dairy products with full focus, we have adopted the sustainability-oriented “Farm to Table” business model.

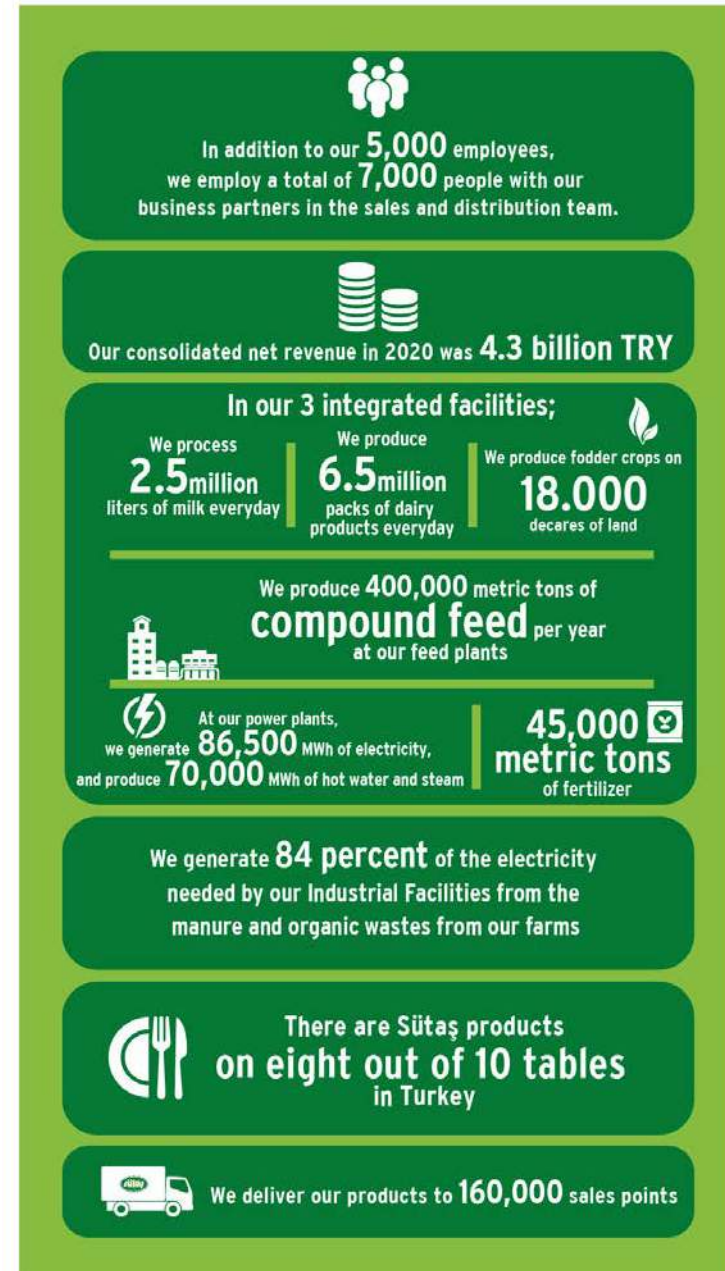
Sütaş was established in 1975 in Karacabey, Bursa. As we gained expertise in dairy, we adopted the “Farm to Table” strategy and achieved a strong supply chain.

All of our facilities are examples of integration, ranging from forage crops to dairy farming, energy production to organic fertilizers, and to the production of hundreds of dairy products and delivery to our consumers’ tables. In line with this unique business model, we establish milk and dairy factories as well as training

centers, practice farms, breeding farms, feed plants, and recycling and power plants in every region we invest in. We have three integrated facilities in Turkey that were established with this model: in Karacabey in Marmara, Aksaray in Central Anatolia, and Tire in the Aegean. Ranging from crop production to fertilizer and energy production, our business model also serves as a unique sustainability model with its environmental, social, economic and corporate aspects.

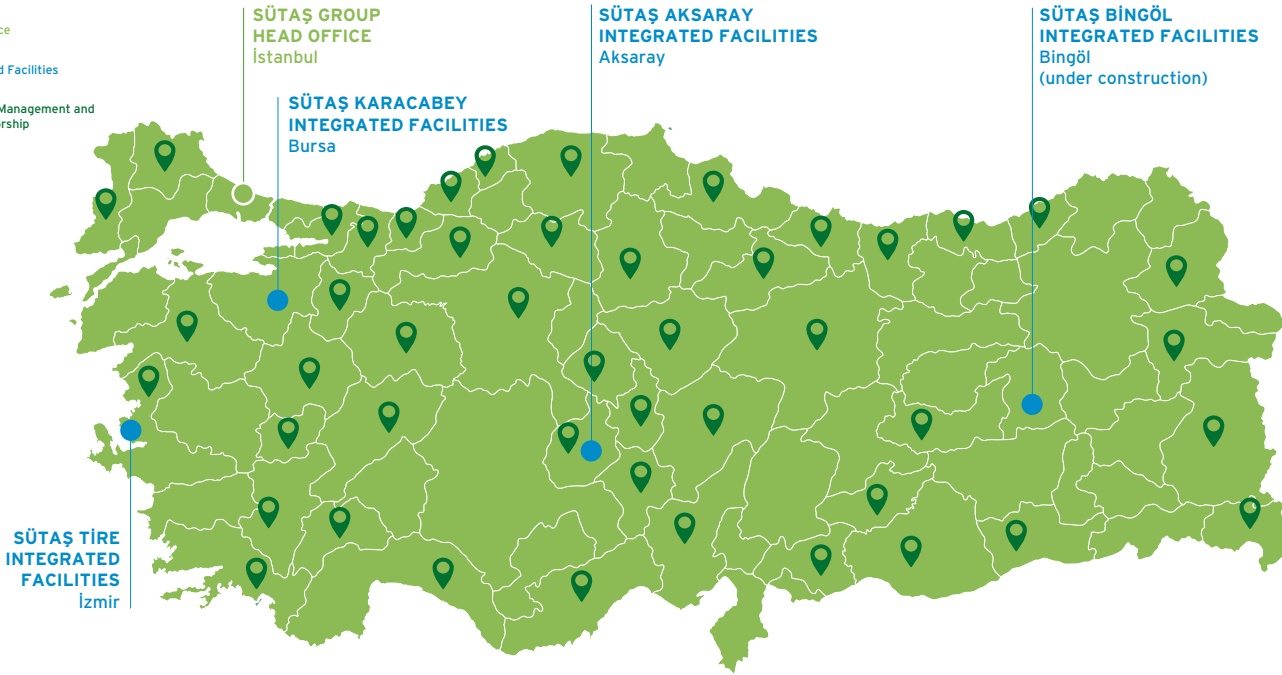
THE SCOPE OF OUR “FARM TO TABLE” MODEL

Agriculture and Livestock Activities	Production of Milk and Dairy Products	Energy, Fertilizer and Treatment Activities
<ul style="list-style-type: none"> Dairy farming trainings fodder crop production Compound feed production Breeding farms Livestock health and breeding center 	<ul style="list-style-type: none"> Production of milk and dairy products Sales points and delivery to consumers’ doorsteps 	<ul style="list-style-type: none"> Biogas production Electricity generation Fertilizer production Treatment activities



Products and Markets

- Head Office
- Integrated Facilities
- 📍 Regional Management and Distributorship



SÜTAŞ GERMANY
EURO DAIRY GMBH



SÜTAŞ MACEDONIA SKOPJE
INTEGRATED EURO DAIRY MACEDONIA



SÜTAŞ KOSOVO
EURO DAIRY KOSOVO



SÜTAŞ ALBANIA
EURO DAIRY ALBANIA



SÜTAŞ ROMANIA BUCHAREST
INTEGRATED FACILITIES EURO DAIRY ROMANIA



OUR PRODUCTS



OUR EXPORT MARKETS

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

SÜTAŞ WAY

#FOREVER LOVE OF MILK

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.





Love of Milk

We continue to work with the mission of sharing the goodness and abundance of milk since the very first day. In line with our goal of producing delicious dairy products that deliver the values in the essence of milk and contribute to people's health, quality of life and happiness, we carry out all our activities with four basic strategies.

Our main strategies consist of focusing on dairy, controlling the "Farm to Table" value chain, gaining expertise and establishing the corporate structure required to ensure sustainability. Carried out in line with our sustainability approach, which is, in turn, based on these four basic strategies, our activities enable us to achieve significant results for the "health and happiness of people," the "development and prosperity of society" and "environmental sustainability."

Our performance results in the three impact areas, "People," "Society," and "Environment" are available in full detail in the, *Sustainability Management* section.

LOVE OF MILK

We have devoted ourselves to dairy production. We 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.



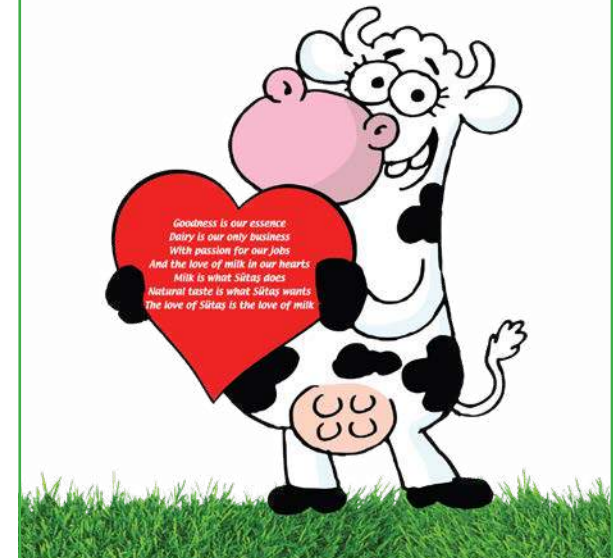
CRAFTSMANSHIP AND EXPERTISE

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.

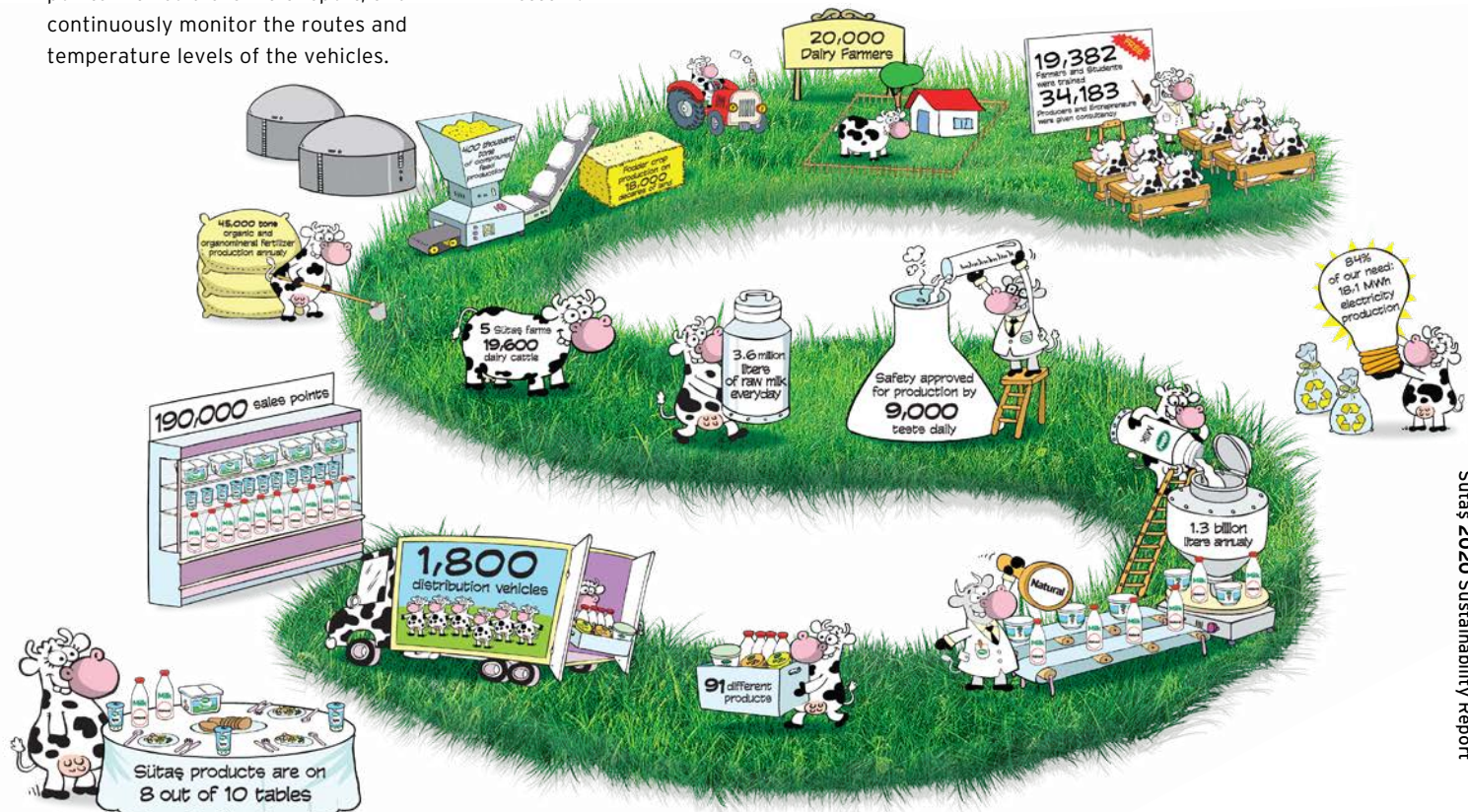
Milk is the most fundamental, balanced and nutritious food, as it contains nutrients necessary for a healthy life. We fully believe in the miracle of milk, and we have devoted ourselves to dairy. We focus solely on dairy, while giving back what we have gained and working passionately to share the goodness and abundance of milk.



“Farm to Table” Integrated Business Model

As part of our “Farm to Table” business model, we monitor and inspect all stages of the process from the feed, farms and output of our cows to the dairy products delivered to your table.

- Our farmers produce fodder crops for our cows by way of contract farming. We support and train our farmers in every stage from the selection of fodder crops suitable for the soil to the efficient irrigation and supply of organic matter and fertilizers.
- Since 1998, we have been providing free training and consultancy services to producers, students and entrepreneurs at our training centers for healthier and more efficient dairy farming in Turkey.
- Our cows live on farms built in line with the Universal Declaration on Animal Welfare, and are fed with our own high-quality and natural feeds.
- At these farms, which are managed using advanced technologies, we obtain high-quality milk with high nutritional value from healthy and happy cows, while relocating the calves to our farmers for breeding.
- We produce hundreds of milk and dairy products from milk that meets our high standards for hygiene, protein, mineral and fat content, while preserving their purity and essential values.
- We deliver our products to sales points with cold chain transport, and continuously monitor the routes and temperature levels of the vehicles.
- The production of energy from biomass is another significant step in the “Farm to Table” model. Animal manures from farms and organic waste from facilities are processed at biogas plants and converted into renewable energy, providing electricity, hot water and steam.
- We also utilize the output of our biogas plants as organic and organomineral fertilizers.



Craftsmanship and Expertise

When it comes to dairy, we are the masters of our craft. With our own technologies and R&D studies, we combine broad dairy knowledge rooted in the Anatolian culture with our international expertise. We design our facilities ourselves, while leading the design and development of most of our software, machinery and equipment in Turkey.

Thanks to our continuous efforts over the last 20 years, we have increased our use of national technology from 30 percent to 80 percent.

Our goal in the product development process is to meet the health and nutritional needs of our consumers and their expectations. We monitor global consumer trends, and emphasize the use of the consumer feedback provided through our customer line to improve our products and services.

In addition to our product development efforts, we carry out research, development and application projects to explore new production techniques and the development of existing ones, to increase efficiency across the organization, and develop Industry 4.0 and digital transformation applications (robots for use on production lines, automation systems, etc.).

According to the data in the “Patent Report of Turkey 2020,” Süttaş ranks first in Milk and Dairy Products and third in Food and Beverage with a total of 41 patent applications.



In 2016, we established the first R&D center of the Turkish dairy industry approved by the Ministry of Industry and Technology.



With a team of 34 researchers, our center ensures the effective coordination of all Süttaş Group units.



We encourage corporate innovation by asking our employees for their ideas and experiences.



As of the end of 2020, we have completed 205 projects at our center while currently 29 are ongoing.

Projects for water efficiency are detailed in the relevant section.



Craftsmanship and Expertise

Research for Microbiota of Traditional Cheese

In the project supported by the Ministry of Agriculture and Forestry, we collected Ezine and Mihaliç cheese samples produced with local and traditional methods in the Marmara and Aegean regions, and conducted a microbiota analysis. We isolated a total of 256 bacterial strains, 144 for Mihaliç cheese and 112 for Ezine cheese, which create the flavor difference between these cheeses and have not previously been registered in the gene bank. Ten of these strains were selected and their reproduction is still in progress. The selected strains have also been registered in the gene bank.

Calf Milk Replacer Development Project

We have developed a nutritionally rich product that is yet to be produced in Turkey with the minerals and vitamins essential for calf development. Additionally, we have started feeding it to the calves in our farms.



A SELECTION OF THE PRODUCTS WE HAVE DEVELOPED AND OFFERED TO OUR CUSTOMERS FROM 2018 TO 2020



Izgarella

Bringing the taste of cheese to the grill and the thrill of grilling to cheese, Izgarella is a product we offered to our consumers in 2020 as a result of our hard work. Easily cooked on a pan or grill, Izgarella appeals to cheese and grilling enthusiasts with its perfect salt ratio and single-use packaging.



Cream

We have expanded the Sütaş Cream portfolio with the "low-fat cream for meals and sauces" to offer a low-fat variety to consumers who use cream only in meals and sauces.



UHT Chocolate and Fruit Milk

In 2020, the Sütaş chocolate and fruit milk family expanded with a major innovation that will reduce children's sugar consumption. Hitting store shelves in November 2020, our sugar-free milk meets the taste expectations of children at the highest level, making drinking milk fun for children while giving parents the peace of mind they seek. Available in children's favorite chocolate and strawberry varieties, these sugar-free milks are also lactose-free.



The development efforts aimed at empowering consumers to choose healthier products are detailed in the "Consumer Health and Wellness" section.



Corporate Structure

We develop and strengthen our corporate structure in line with our values of respect, responsibility, excellence and passion, and other universal corporate governance principles. We ensure the continuity of this structure through our competent employees and our continuously improved management systems.

CORPORATE GOVERNANCE

For the future success, we regulate the values, priorities, processes and rules for the management of our organization, the powers and responsibilities of our managers, and the rights of all our stakeholders, especially those of our employees, in line with *Corporate Governance Principles*.

We work with 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 way of doing business. To adopt, implement and further develop these principles within the company, we established the Corporate

Governance Committee under the Board of Directors in 2015.

Our compliance with corporate governance principles has been evaluated by independent rating agencies since 2015. Through our efforts, we increased our Corporate Governance Rating from 93.4 in 2015 to 95.9 in 2020.

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

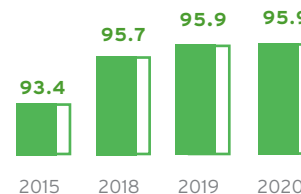
 [Operating Principles of the Committee can be found here.](#)



“CORPORATE GOVERNANCE AWARDS”

We received the “Non-Public Company with the Highest Corporate Governance Rating Score” award for the sixth consecutive year.

OUR CORPORATE GOVERNANCE RATING





External Stakeholder Feedback

Looking at the priorities set by Sütaş, I can see that they are on the right path. As a person involved in an NGO, I would like to emphasize the importance of Stakeholder Capitalism, which is one of the key areas of focus in the Davos Manifesto. It is essential for an organization to measure its impact on its stakeholders. Climate change is important, but measuring the impact on society is even more important. I recently reviewed the impact analysis report of Sütaş and can say that social impact analysis is the kind of effort we want to see, even in lawmaking. I found the report to be very useful, and hope to see more in this vein. It is not often that we receive the opportunity to collectively examine the pros and cons of an investment. The fact that it was evaluated by an economist (Prof. A. Erinċ Yeldan) is also very important.

Significance of Sütaş Impact Analysis Studies

I think regulatory pressure may be amplified in the coming period. Developments such as international agreements on climate change and the European Green Deal may shape the company's future activities. In a sense, impact analysis is a risk measurement tool, one I see as useful since it helps prepare the company for these global regulations. The European Green Deal is a legal mechanism that also supports Sustainable Development Goals. It is very important for an international company to be prepared for the adaptation process.

Contributions by Sütaş to the Corporate Governance Association of Turkey

In NGOs, the members are the driving force. However, this may not be the case for all members. Our purpose is to lead the discussion of corporate governance in our country and to ensure the implementation of the best practices, and that the members who excel in this area support our leading role. Sütaş is the secret voice of the Corporate Governance Association of Turkey. Its receipt of a corporate governance rating and the responsibility

Betül Aygensu
Former Secretary General of the
Corporate Governance Association of Turkey



it takes by reporting its own performance, despite being a non-public company and despite not being included in any sustainability indices, sets an example for other organizations.

The easiest way to explain corporate governance is by giving examples, and Sütaş sets a perfect example by doing things right. With Chairman Muharrem Yılmaz in the past and with Board Member Duygu Yılmaz in the present, Sütaş has always been a member that supports the development of our operations. I hope Sütaş continues to lead the industry in the coming years.

Food safety will soon become one of the most critical items on the global agenda. With its strong supply chain, Sütaş is a major food producer of our country. Sütaş continues to carry out its activities in a sustainable corporate structure, which is beneficial for both Turkey and the whole world. I hope Sütaş continues this path without compromising on its values. I also look forward to seeing the annual sustainability reports, and eventually the transition to a reporting method that will detail all activities of the organization in an integrated manner.

“With its strong supply chain, Sütaş is a major food producer of our country. Sütaş continues to carry out its activities in a sustainable corporate structure, which is beneficial for both Turkey and the whole world.”



Corporate Structure

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 employees to understand and adopt our ethical principles, while promoting and developing the ethical culture. The Ethics Committee operates according to Corporate Governance principles. This process is carried out with channels that are only accessible to the Committee Members.

Management of Notifications

The Sütaş Ethics Committee Website allows our stakeholders to make anonymous

notifications and monitor their application status. 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 notification concerns a violation of ethical rules, such as corruption and bribery, the matter is referred to the Disciplinary Committee after the investigation.

Our Ethical Performance in 2020

The Ethics Committee received 49 notifications in 2020.

During the reporting period, there were no legal actions pending or completed regarding anti-competitive behavior and violations of anti-trust and monopoly.

RISK ASSESSMENT AND AUDITING

To ensure effective corporate governance, it is essential to evaluate the opportunities and the potential losses that may adversely affect the goals of Sütaş, whether they are caused by an event or a series of events.

To define and manage these risks, the “Audit and Risk Committee” under the Board of Directors establishes the systems necessary for the accounting, internal control, risk management and financial planning units; ensures the functioning, compliance and adequacy of these systems; and determines the relevant internal powers and responsibilities.

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 in line with the following objectives:

- Accuracy and reliability of financial and operational information;
- Efficiency and effectiveness of operations;
- Protection of company assets;
- Ensuring compliance with laws, regulations and contracts.

The Audit Department determines the functioning of internal control systems,

and makes recommendations regarding the improvement of existing systems or the establishment of new systems if needed.



[Operating Principles of the Ethics Committee can be found here.](#)



[Our Code of Ethics can be found here.](#)



[Operating Principles of the Audit and Risk Committee can be found here.](#)

ETHICS COMMITTEE CONTACT CHANNELS
0224 688 52 00
P.K. 68 16159 Organize San. PTT Bursa
etiksutas.com





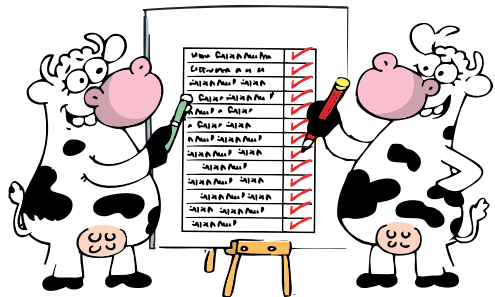
Corporate Structure

TRENDS, RISKS, AND OPPORTUNITIES

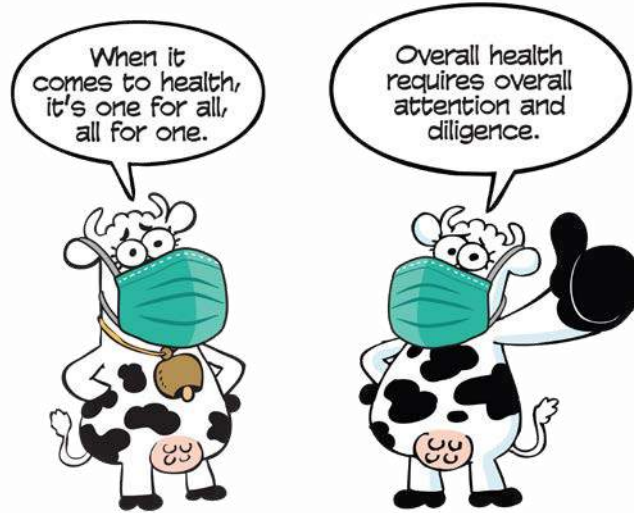
The expectations of our society, particularly those of our consumers; the environments where we carry out our operations; the structural changes in the agricultural industry and global developments all affect Sütaş and its decisions for the future.

While these may pose risks, they also create business opportunities for Sütaş.

Trends/Risks/Opportunities	Impact on Sütaş Activities	Actions Taken by Sütaş/Relevant Section in the Report
COVID-19 and future pandemics	Vulnerabilities in supply and distribution chains, increasing demand for immunity-boosting products	Our Management Approach (<i>Trends, Risks and Opportunities</i>) People (<i>Consumer Health and Wellness</i>)
Climate change and other environmental sustainability issues	Decline in agricultural production due to land degradation, water stress and greenhouse gas emissions	Environment (<i>Climate Change; Soil, Water, Energy Efficiency; Waste Management</i>)
Increasing population in Turkey and in the world	Increasing demand, more export opportunities, particularly to developing countries	Our Organizational Profile (<i>Products and Markets</i>)
Decline and ageing of the agricultural population	Problems with the supply of milk and fodder crops, issues of productivity in agricultural production, slow adoption of digital technologies in production	Society (<i>Our Contributions to the Development of the sector</i>)
Healthy choices	Inclination towards products with low fat/sugar/salt content to promote a healthy lifestyle, and increased consumption of fermented foods	Management Approach (<i>R&D and Innovation</i>) People (<i>Food Safety</i>)
Food safety	More regulations, effective monitoring in the supply chain, and greater collaboration and integration with stakeholders	Food Safety
The European Green Deal, Farm to Fork strategy and other strategies	The obligation to comply with the new rules introduced by the EU, decrease in the production of fodder crops and increase in feed costs all around the world, promotion of the EU's corporate governance principles, transition to sustainable product and animal welfare labeling, promotion of circularity, more demand for organic and organomineral fertilizers	People (<i>Consumer Health and Wellness</i>) Environment (<i>Climate Change; Soil, Water, Energy Efficiency; Waste Management; Sustainable Dairy Farming</i>)
The spread of digitalization across the sector	Increased productivity in agricultural production	Environment (<i>Sustainable Dairy Farming</i>)



Corporate Structure



COVID-19 DEVELOPMENTS AND OUR RESPONSE

Due to the COVID-19 pandemic, 2020 has been a year of immense psychological pressure for our employees, customers, suppliers and our society with various health and job concerns in mind. Since the first COVID-19 case in Turkey was confirmed on March 11, 2020, we have taken all the necessary measures to protect the health of our employees and the public. To serve this end, we strictly implemented the pandemic measures put in place by the Republic of Turkey Ministry of Health and

other institutions, including travel bans, basic health and hygiene practices and more.

We organized training sessions where Public Health Directorate Officials, our workplace physicians and our skilled staff informed the employees about COVID-19, determined the guidelines for remote work to ensure business continuity, quickly completed our preparations for the relevant digital infrastructure, and prepared rotational schedules for the remote work of employees outside of those in production and sales teams.

The health of our employees has always been our top priority. To that end, our greatest support mechanism has been the Food Safety Management System standards, which we have been implementing for years and for which we have set conditions in addition to the legislation. The pandemic has given us a much better understanding of the significance of the “bare minimum” measures (masks, gloves, HEPA filters, etc.), which were already an integral part of our operations for ensuring food safety. Through these standards, we have determined that there is no need to implement additional hygiene measures at our production facilities. We began conducting temperature screening for employees at the entrances of all facilities, and placed hand sanitizer dispensers at specific points in the buildings. Starting with office areas, cafeterias, meeting rooms and employee shuttles, we have reorganized all areas according to social distancing rules, and took measures for additional sanitation. We have taken all hygiene measures by providing fully equipped special coveralls to our sales personnel, who are in direct contact with customers.

During the pandemic, we stood by all the stakeholders in our value chain, and worked with the responsibility of ensuring that consumers have access to healthy, safe and adequate food.

During the pandemic, we stood by all the stakeholders in our value chain, and worked with the responsibility of ensuring that consumers have access to adequate, safe and healthy food.

To achieve this, we worked tirelessly with all our suppliers and employees for the collection, processing and distribution of milk. By supplying our consumers with the right amount of products at the right time, we did our best to meet their expectations to the fullest extent.

Corporate Structure

During the pandemic, we strove not to compromise on our sustainability goals for 2020. However, the changes in customer demands caused by the additional measures taken throughout the year and the demand fluctuations observed primarily in out-of-home consumption made it necessary to switch to a more flexible production model. This flexibility made it impossible to achieve the desired efficiency in the use of resources, especially energy and water. On occasion, we were also forced to suspend some of the measures. For instance, we had made a decision to remove single-use plastic water bottles in all of our operations long before the pandemic. However, in line with the additional hygiene rules implemented in response to the pandemic, we decided to restart using these bottles for a short while. While the effects of the pandemic are felt all around the world, we believe that these days will soon be over, and we will move forward with stronger and healthier steps towards a sustainable future.



SÜTAŞ ONLINE MARKET

With the Süttaş Online Store (<https://sutas.market/>) we deliver the natural taste of Süttaş Farms to our consumers with cold chain transport, preserving their freshness along the way. We have developed the Süttaş Online Market and expanded our distribution activities to ensure access to Süttaş products, especially for our consumers who cannot or are unwilling to shop in physical stores during the COVID-19 pandemic. Orders are prepared fresh at our factories and shipped in special insulated and impact-resistant packaging with ice packs. The packages come with labels stating the date and time of preparation, and specify the personnel who prepared the package. We deliver the packages to our customers' doorsteps within the selected date and time range with our own vehicles and delivery teams, and without breaking the cold chain. We did not forget about Consumers of Süttaş who have no experience with online shopping, as our **444 4 788 (SÜT)** Süttaş Customer Line is available six days a week between 8:30 a.m. and 10:30 p.m.

SUSTAINABILITY APPROACH

#FOREVER LOVE OF MILK

Ranging from fodder crop production to fertilizer production and energy generation, 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

We work with our *"Love of Milk"* to share the goodness and abundance of milk, manage the milk value chain in the most efficient way possible with our *"Farm to Table"* business model, produce natural dairy products with *"Craftsmanship and Expertise,"* and strengthen the *"Corporate Structure"* that ensures our future.

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."



We work passionately to share the goodness of milk. With our "Farm to Table" business model, we preserve the naturalness, taste and nutritional value of our products, while continuing to improve the model day by day with the opportunities and innovations brought by technology.

Our large family is passionate about sharing the goodness and abundance of milk. We support the development of our colleagues and aim to provide them a healthy, safe and happy work environment.



With its socio-economic impact and inclusiveness, our "Farm to Table" business model serves as a "Regional Development Model." This model provides employment to thousands of people by mobilizing various sub-sectors in agriculture, industry and service; offers an exemplary income distribution model where the income created is shared by different segments of society; and supports social development.



As part of our circular economy-based "Farm to Table" business model, we believe that natural resources, such as soil, water and air, have been entrusted to us by nature. To serve this end, we operate in accordance with the principles of regenerative agriculture and sustainable dairy farming, protect our soil, use water and energy efficiently, increase our renewable energy production and work towards achieving zero waste.



Sustainability Strategy

PEOPLE



1999

We became the first company in Turkey to be certified to the 13001 HACCP Food Safety Management System.



2014

We received the FSSC 22000 Food Safety System Certification certificate.

2015

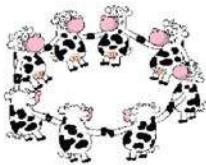
We received the OHSAS 18001 Occupational Health and Safety Management System certificate.

2016

We established the first R&D center in our sector in Turkey.



SOCIETY



1996

We signed Vocational Education Cooperation Protocol with Uludağ University. We have commenced training vocational high school students.



2000

We commenced free producer training with the protocol signed with the Ministry of Agriculture and Forestry.



2005

We commissioned our first dairy cattle farm and established Süttaş Agricultural Activities.

2010

We opened the Aksaray Integrated Facilities.



2016

We opened the Tire Integrated Facilities.

ENVIRONMENT



2008

We started producing biogas from waste.



2011

We established Süttaş Energy and Environmental Activities.

2012

We received the ISO 50001 Energy Management System certificate.

2013

We started generating electricity from biogas. We received the ISO 14001 Environmental Management System certificate.



2016

We opened Turkey's largest agricultural biogas and energy production facility in Aksaray.

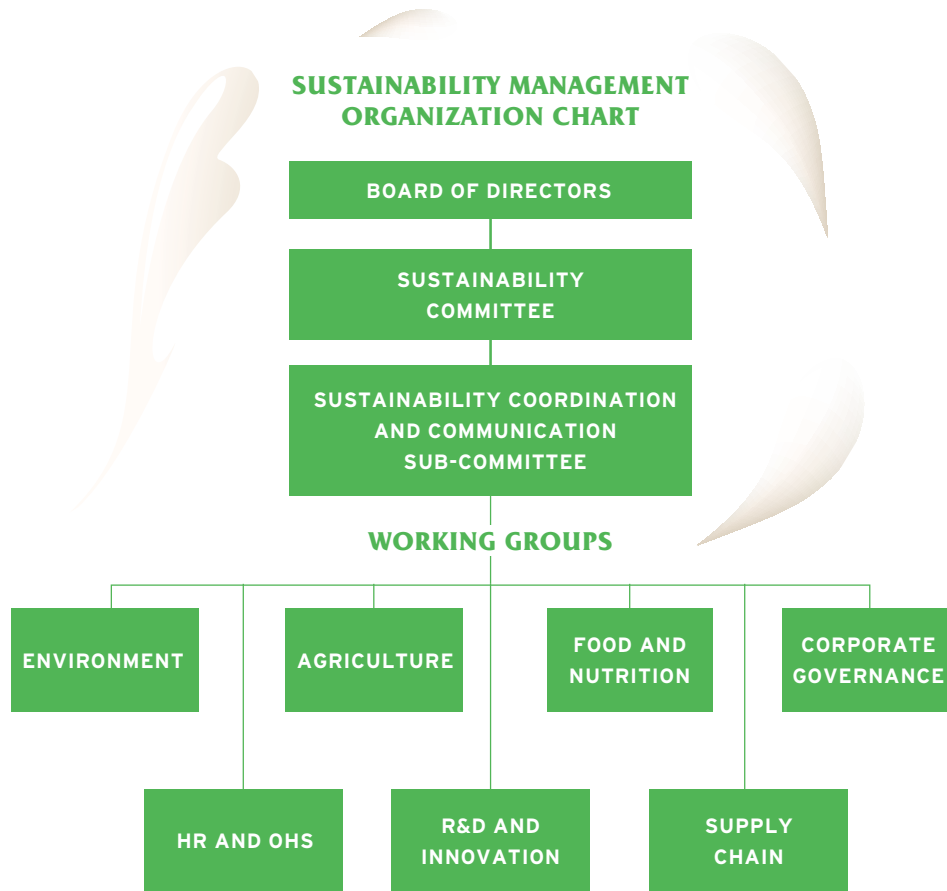
2020

We received Zero Waste Certificates for all of our integrated facilities.





Sustainability Governance



Established under the Board of Directors, the Sustainability Committee is responsible for determining, planning and implementing the Sütaş Group's sustainability strategy; policy and goals; monitoring and supervising performance; defining and assessing the environmental, social, economic and organizational risks faced by group companies; and determining the steps to be taken.



Consisting of Board Members, the Committee carries out its activities in accordance with the **Operating Principles of the Sustainability Committee**.

The Committee is supported by the Sustainability Coordination and Communication Sub-Committee, and the Working Groups formed to carry out detailed studies for the achievement of the Group's goals in line with its sustainability strategy and policy.

The Sustainability Coordination and Communication Sub-Committee liaise between the Sustainability Committee and Working Groups, coordinates and supervises the efforts in line with the determined strategies and targets, and prepares and implements the communication plan. The sub-committee is also responsible for preparing sustainability performance reports.

Working Groups are responsible for achieving sustainability goals, reporting the progress and translating them into business plans. No significant changes have occurred in the Sustainability Management Structure, Responsibilities and Operating Principles since the previous reporting period.

Our first Sustainability Report, published in 2016 for the 2014-2015 period, was included in the list of "Top Reports Worldwide" and won the "Platinum Award" in the Consumer Consumables - Food/Beverages/Tobacco category at the LACP 2015 Vision Awards Annual Report Competition, the biggest annual report competition in the world. In the following years, we published one comprehensive report and two progress reports. Our comprehensive sustainability reports in 2016 and 2018 were evaluated by the Business Council for Sustainable Development Turkey (BCSD Turkey) as part of the "Reporting Matters" program developed by the World Business Council for Sustainable Development (WBCSD). With our second report published in 2018, we increased our score by 12.5 percentage points. Additionally, our report issued in the newspaper format was selected as one of the best practices in Impressive Design.



Stakeholder Engagement

At Sütaş, we see our key stakeholders as people 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. In line with these criteria, we reviewed our stakeholders in two groups at the sustainability review meetings held with our Sustainability Committee in 2020. All of our stakeholders in these two groups are also our consumers.

Key Stakeholders

- Employees
- Distributors
- Milk Producers
- Suppliers
- Customers

Other Stakeholders

- Public Institutions
- Non-governmental Organizations
- Industry Organizations
- Media
- Financial Institutions
- Universities

We carry out our activities with the engagement of all our stakeholders, and the awareness that we interact with all segments of society. The table of *Stakeholder Engagement Platforms* can be found in the Annexes section of this report.

External Stakeholder Feedback

GRI 102-40, 102-42, 102-43



Konca Çalkivik

Executive Director, the Business Council for Sustainable Development Turkey (BCSD Turkey)

At BCSD Turkey, we have been working with the vision of making sustainability one of the main strategies of companies since 2004.

Sütaş has been a member of our Council since 2013, and plays an active role in our Council's administrative affairs. Having previously served as Board Members, Vice Chairs and Accountants, Sütaş executives continue to serve as Accountant in our Board of Directors for the 2021-2024 term.

First of all, we would like to thank Sütaş for its leading role in our Council in promoting sustainable agriculture principles and incorporating them into the legislation, while chairing our Sustainable Agriculture and Access to Food working group.

Today, all organizations are expected to share their environmental and social impact as well as their financial indicators in a transparent manner. The "Farm to Table" business model, which forms the

basis of its sustainability strategy, and its sustainability reporting carried out in line with the United Nations Sustainable Development Goals reinforce the leading role of Sütaş in our Council.

We would also like to congratulate Sütaş on the Eastern-Southeastern Anatolia Dairy Project - Bingöl Integrated Facilities, which will generate an economic activity of 3 billion Turkish liras despite the many challenges brought by the COVID-19 pandemic, create jobs for over 1,000 people, and provide regular income to 8,000 families. In the coming period, we expect Sütaş to reorganize its materiality analysis in line with the "European Green Deal Farm to Fork Strategy," set a net zero target for 2050, and further detail its innovative product and service strategy on sustainable agriculture, the circular economy and the reduction of plastic use in its Sustainability Reports with a comprehensive roadmap and measurable goals.



Materiality Analysis

We have been carrying out stakeholder engagement activities since we prepared our first sustainability report in 2015, with the awareness that different stakeholder groups' assessment of our company may vary depending on their interests.

Determined through stakeholder engagement activities, our impact areas play a major role in identifying the report content and scope.

The stakeholder engagement activities that helped us set our priorities and the featured topics are summarized in the table on the right.

Moreover, the table on the following page shows which of our impact areas are prominent in the Sütaş's operating cycle.

YEAR	STAKEHOLDER GROUP	ENGAGEMENT PLATFORM	FEATURED TOPICS
2015	Consumers, the public, public institutions, employees, milk producers, distributors, customers, suppliers, media, opinion leaders, non-governmental organizations, financial institutions, universities, international and industrial organizations	Stakeholder Priorities Field Analysis We have carried out materiality analysis studies with groups selected from among the stakeholders, using methods such as focus group meetings, in-depth interviews, and online/print surveys.	Common Issues: Food Safety/Animal Health and Welfare/Training of Producers and Suppliers/Raising Conscious Farmers/Happy, Safe and Productive Work Environment Consumer-Specific Issues: Healthy Nutrition and Accurate Information, Recycling
2017	All key stakeholders	Sustainability Coordination and Communication Sub-Committee Review Meeting 2015 We re-evaluated our priority issues in line with field analysis, industry priorities and benchmarking studies.	Food Safety/Animal Health, Welfare and Productivity/Dairy Producer Productivity and Awareness/Happy, Safe and Productive Work Environment/Nutrition/R&D and Innovation/Climate Change and Energy/Water Management/Waste Management
2019	Sütaş employees, the public, customers, opinion leaders, producers, sales representatives, health professionals, university students	Corporate Reputation Survey The research was conducted with 800 milk and dairy consumers in 12 provinces, aged 18-65, in the ABC1C2D SES group, representing the urban population of Turkey.	According to the Frequency of Mention by Stakeholder Groups; Training farmers for healthy milk production/Developing and using environmentally friendly packaging/Raising consumer awareness about healthy and balanced nutrition/Considering the health and living conditions of animals/Protecting arable land and natural resources/Climate change/Providing a happy, safe and productive work environment
2020	All key stakeholders	Sustainability Coordination and Communication Sub-Committee Review Meetings We re-evaluated our priority issues by considering the results of the field analysis, industry priorities and benchmarking studies in 2015, and the corporate reputation survey in 2019.	We reviewed all our stakeholders and re-prioritized our key stakeholders during the review meetings, which lasted approximately four weeks. We discussed all the issues commonly mentioned by our stakeholders. Considering our entire operational value chain from feed production to product delivery, we analyzed the chains directly and indirectly affected by these issues.
	TKYD, FAO, BCSD Turkey, Kadir Has University Representatives	One-on-One Meetings	The feedback we received during these meetings can be found in the Corporate Governance, Trends, Risks and Opportunities , Sustainability Management and Socio-Economic Contributions sections of our report, respectively.



Our Sustainability Impact Across the Value Chain

GRI 102-44, 102-46, 102-47

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

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."*

Climate change

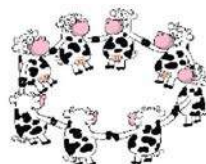
Although climate change was stated as a priority only by our employees and university students, we have included this issue among our priorities to ensure we do our part in combating this global problem.



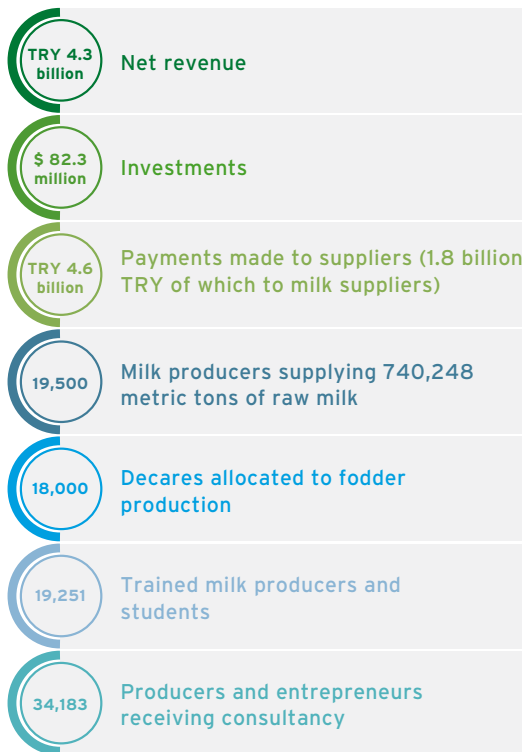
Our Performance in 2020



PEOPLE



SOCIETY



ENVIRONMENT





Our 2025 Sustainability Goals

We achieved most of our sustainability goals set for 2020. Considering future projects and studies, we scaled up many of our goals further.

THE HEALTH AND HAPPINESS OF PEOPLE				
Consumer Health and Wellness	Performance Criteria	Targeted (2020)	Achieved (2020)	Targeted (2025)
We will develop new products that will further contribute to help consumers make healthier food choices.	Number of products developed	3	3	15
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 content on labels on the packaging	New Goal	17%	50%
Food Safety	Performance Criteria	Targeted (2020)	Achieved (2020)	Targeted (2025)
We will increase the number of products supplied by GFSI-certified suppliers.	Rate of GFSI-certified suppliers in the supply of food contact materials	New Goal	30%	75%
Occupational Health and Safety	Performance Criteria	Targeted (2020)	Achieved (2020)	Targeted (2025)
We will further develop our Occupational Health and Safety systems in line with our goal of zero accident.	Lost time accident frequency rate	0,00	10.14	<5
Employment and Development	Performance Criteria	Targeted (2020)	Achieved (2020)	Targeted (2025)
We will increase our employees' engagement and contributions to sustainability by providing sustainability training to all employees.	Rate of employees with suggestions for sustainability	New Goal	28%	50%



Our 2025 Sustainability Goals

THE DEVELOPMENT AND PROSPERITY OF SOCIETY

Our Socio-Economic Contributions	Performance Criteria	Targeted (2020)	Achieved (2020)	Targeted (2025)
We will contribute to increasing the productivity, income and prosperity of the producers in the regions we operate.	Increasing the milk yield of the producers working with Sütaş	Revised Goal	3%	8%

Our Contributions to the Development of the Dairy Sector	Performance Criteria	Targeted (2020)	Achieved (2020)	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	22,000	19,251	23,000



Our 2025 Sustainability Goals

ENVIRONMENTAL SUSTAINABILITY				
Climate Change	Performance Criteria	Targeted (2020)	Achieved (2020)	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 Sütaş Group	100%	69%	100%
We will increase our renewable energy production by 10 MW with solar panels placed on the roofs of our farms and production facilities.	Solar power generation capacity	New Goal	0	10 MW
Soil, Water, Energy Efficiency	Performance Criteria	Targeted (2020)	Achieved (2020)	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	Revised Goal	30,000 metric tons/year	50,000 metric tons/year
We will increase water efficiency each year by 3 percent in our farms, production facilities, sales and administrative units.	Change in water efficiency (%)	Revised Goal	5% at our production facilities	15%
We will increase energy efficiency each year by 3 percent in our farms, production facilities, sales and administrative units.	Change in energy efficiency (%)	Revised Goal	3% at our production facilities	15%
Waste Management	Performance Criteria	Targeted (2020)	Achieved (2020)	Targeted (2025)
We will reduce the amount of plastic used in our packaging by improving our packaging designs.	Amount of plastic reduced, metric tons	Revised Goal	344	450
Sustainable Dairy Farming	Performance Criteria	Targeted (2020)	Achieved (2020)	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	New Goal	0%	100%
We will improve the health and quality of life of our animals through efforts carried out in line with EU Animal Welfare principles.	All Sütaş farms having certificates of Holdings Free From Disease and Approved Farms ,and ensuring compliance with the updated legislation by following the developments in the EU	New Goal	The documents were renewed on August 12, 2020*	Renewal of documents

* Documents for all farms were renewed on July 9, 2021.



Our Contributions to Sustainable Development Goals

In line with our corporate mission and responsible governance approach, we have based our sustainability approach on “people”, “society” and “environment” impact 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.

SDG	Sustainable Development Goal 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





External Stakeholder Feedback

UNITED NATIONS SUSTAINABLE FOOD SYSTEMS AND THE EUROPEAN GREEN DEAL “FARM TO FORK STRATEGY”

The Sustainable Food Systems (SFS), which involves all actors, processes and stages in food production and the corresponding added value links, aims at economic, social and environmental sustainability as well as ensuring a balance between these sustainability pillars. Similarly, the European Green Deal and the “Farm to Fork Strategy” constitute the EU’s transformation program for achieving the goals in the Agenda 2030.

The UN Sustainable Development Goals (SDGs) are not -sector specific, but instead aim to achieve sustainability in a network of mutual support. The efforts carried out towards certain SDGs contribute to other SDGs in the process.

Sütaş focusing its efforts on Goal 2: Zero Hunger, Goal 3: Good Health and Well-Being, Goal 9: Industry, Innovation and Infrastructure, and Goal 12: Responsible Consumption and Production will create a chain reaction of support for other goals.

CLIMATE CHANGE IS THE MOST CRITICAL ISSUE FACING OUR PLANET!

Climate change and the increasing world population will further reduce the limited land and water resources, which will have significant effects on economic and social sustainability. Tackling this issue requires a holistic transformation and urgent behavioral changes.

Climate change affects every country and region differently and is now further beyond our control, which makes it the single biggest threat to our way of life and the sustainability of the entire planet.

AREAS OF INVESTMENT FOR SÜTAŞ

The Focus Areas identified in the 2020 Sustainability Report of Sütaş reflect Sustainable Food Systems (SFS) approach and the essence of the European Green Deal.

Ayşegül Selişik, Ph.D. Assistant FAO Representative in Turkey



I would like to underline a few points here: Milk and dairy products are critical in terms of food safety and healthy nutrition, and should be accessible to all consumer groups. With socio-economic interactions, the sector is an area of particular concern to many producers and millions of consumers.

The average age of dairy producers in the Turkish dairy sector is relatively high, and scales are small.

Dependence on imports of feed and raw materials has the potential to cause problems for small producers and the supply chain.

As a milk processor supplying milk from thousands of producers, Sütaş can continue supporting small producers and family businesses, and invest to ensure the greater participation of women and young people in agricultural production.

Investments to reduce the carbon footprint and environmental impact are also recommended as the priorities high in the list.

COOPERATION IS ESSENTIAL FOR BUILDING SUSTAINABLE FOOD SYSTEMS!

FAO, the Food and Agriculture Organization of the United Nations, is the custodian UN agency for 21 indicators of six out of 17 SDGs of Agenda 2030. It also helps to strengthen food systems by assisting countries in capacity building/development for the large-scale implementation of SDGs with a variety of financial resources, including those of FAO.

The 17 SDGs under Partnerships for the Goals are critical for FAO, both nationally and internationally. As FAO, we value cooperation with governments and with all stakeholders who are part of the food system. To that end, we believe that policy advocacy, communication and project partnerships in the dissemination of global information and technology play a key role in achieving the goals in the Agenda 2030.

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 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.

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

Sütaş products are enjoyed on eight out of 10 tables in Turkey. With this responsibility in mind, we aim to produce natural and delicious dairy products from the highest quality milk by using the most advanced production technology at the highest hygiene standards, and offer quality and safe products to our consumers.

We monitor, control and inspect the entire process from the feeding of our cows to the delivery of our dairy products to your tables to ensure the purity, taste and safety of our products with our "Farm to Table" integrated business model and additional certification that goes beyond the required legislation .

Inspection of Milk Producers	Inspection of Material and Service Suppliers	Inspection of Dairy Production
<p>We ask all our raw milk producers to comply with the quality, hygiene, animal health and welfare rules, and the relevant environmental measures in the legislation and the FSSC 22000 Food Safety System Certification Requirements.</p> <p>To ensure these conditions are met, our Milk Quality Improvement Teams regularly inspect the farms and milk collection centers we work with. 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. We evaluate our suppliers according to food safety risks. As part of the purchasing process, we perform our supplier inspections according to the Quality Assurance Plan. 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 schemes in our production activities.</p> <p>GMP Good Manufacturing Practices), which guarantees that the products meet food safety, Sütaş quality and legal requirements.</p> <p>FSSC 22000 (Food Safety System Certification), which is an international food safety management standard (www.mygfsi.com) recognized by the Global Food Safety Initiative.</p> <p>GFSI Global Food Safety Initiative, which is an improved version of the ISO 22000 Food Safety Management System aimed to provide better GMP Management.</p>



We expect our material and service suppliers to operate in accordance with food safety and sustainability criteria, and encourage them to obtain the relevant documentation.

Out of all our Food Contact Material Suppliers, which account for 80% of our purchase volume:	
<p>30% implement one of the three Food Safety Management Systems recognized by the GFSI. *</p>	<p>90% implement at least one of the International Quality Management Systems.</p>
<p>50% implement an Environmental Management System.</p>	<p>50% implement an Occupational Health and Safety Management System.</p>
<p>* These systems are: FSSC 22000 (Food Safety System Certification www.fssc22000.com), BRC (British Retail Consortium www.brc.org.uk) and IFS (International Featured Standards www.ifs-certification.com)</p>	



Consumer Health and Wellness

Compared to 2015, we reduced our products' salt and sugar content by 18 percent and 45 percent respectively without compromising on the natural taste.

Milk naturally contains many of the nutrients necessary for the healthy development of the human body. Our goal is to share the natural goodness of milk by transforming this valuable food into packaged dairy products without compromising on purity or nutritional value.

We strive to help consumers make healthy choices. In line with legislative

requirements, all of our products feature labels containing their quality and production information, which is essential for healthy nutrition and food safety.

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

Milk and dairy products are naturally rich in calcium. This is why our packages contain labels specifying the recommended daily calcium intake, which can be met by consuming 100 g, 100 ml, a portion or a single pack of a particular product.

Unlike other brands, the packages of Sütaş also include the production date information. This allows our customers to learn more about the freshness and durability of products with short shelf lives.

PRODUCT REFORMULATION

The World Health Organization (WHO) recommends reducing sugar, salt and fat intake to combat non-communicable diseases caused by dietary habits, such as obesity and cardiovascular diseases.

We support consumers who want to change their lifestyle to promote better health and wellbeing. To serve this end, we are reducing the salt, sugar and fat content in some of our products. We carry out extensive R&D activities to do so without changing the taste, structure and quality of our products.

Our Performance in 2018-2020

- We **reduced** both the fat and salt content of Süzme Form by **50 percent**.
- We **reduced** the sugar content of fruit and chocolate milks by **30 percent**.
- We **reduced** the sugar content of Sütaş Büyümix by **20 percent**.
- Chocolate and strawberry milks **no longer contain any added sugar**.
- We **reduced** the fat content of export cream by **12 percent**.
- We **reduced** the fat content of whipped cream by **30 percent**.
- We **reduced** both the **fat and salt** content of White Form cheese by **50 percent**.



Consumer Health and Wellness

CONSUMER CUSTOMER LINE

Our main inspectors are our consumers, who purchase 6.5 million Sütaş products every day. Sütaş Customer Line is responsible for the management of consumer and customer feedback. To guarantee "stakeholder satisfaction," the Customer Line 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 SÜT (788)** Customer Line, telephone exchange, the Sütaş website (opinions and suggestions section), fax, mail and/or other websites and social media accounts (www.sikayetvar.com, Facebook, Twitter, Instagram, etc.).



2020 IN NUMBERS

34,122

FEEDBACK RECEIVED.

2.12 PPM

Ratio of product complaints to total sales

0.33 PPM

Ratio of service complaints to total sales

97%

We responded to 97 percent of the product complaints made to the Customer Line within 24 hours.

100%

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





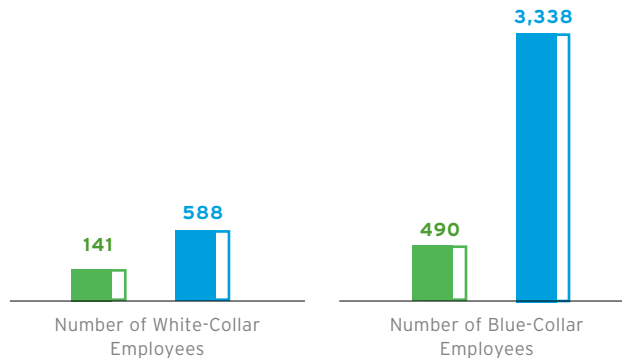
Employment and Development

Being a member of the Sütaş family means “being a good person, a good citizen, and a good employee.” Based on this philosophy, our human resources vision is to make Sütaş a strong employee brand with a respected mission by establishing a family of expert milk workers who embrace the values of Sütaş, and adopt the mission of sharing the goodness and abundance of milk.

We conduct our human resources activities in the light of Corporate Governance Principles and ethical values. We provide our employees with a fair, transparent, safe, peaceful and productive work environment, and carry out activities for continuous improvement with the belief that workforce practices form an integral part of our sustainability performance. We ensure to select our business partners, including Sütaş employees, from the regions where we operate to contribute to regional employment. We employ 4,557 people who share the same mission.

Almost all members of the Sütaş family are full-time employees.

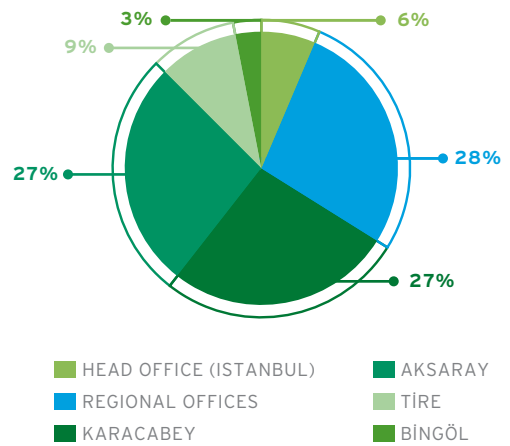
EMPLOYEES BY TYPE OF EMPLOYMENT AND GENDER (2020)



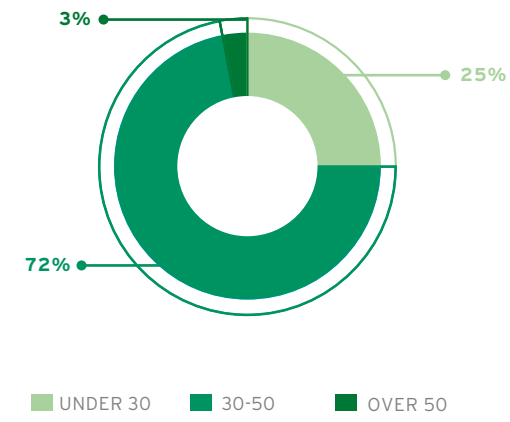
GENDER EQUALITY IN THE BOARD ROOM (2020)



DISTRIBUTION OF EMPLOYEES BY REGION (2020)



DISTRIBUTION OF EMPLOYEES BY AGE GROUP (2020)





Employment and Development

In light of corporate governance principles and ethical values, we at Sütaş provide our employees with a fair, transparent, safe, peaceful and productive work environment, and carry out activities for continuous improvement with the belief that workforce practices form an integral part of our sustainability performance.

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

EMPLOYEE SATISFACTION

We care about the happiness and satisfaction of our employees. We measure employee engagement with different methods, and improve our HR processes accordingly. We organize activities such as health seminars, health screenings, office yoga and breathing exercises as part of the “Wellness Activities” program, which was started to support our employees in getting healthier, fitter and happier. As part of these programs, which allow us to improve our employees’ lives at home and in the workplace, we spent time with 54,055 employees at 370 events in 2020.

EMPLOYEE REWARDS AND RECOGNITION PROGRAM

We believe in the value of internal innovation, and strive to involve all of our employees in this process. We evaluate the ideas and 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 present “Thank You for Your Efforts and Bright Idea” awards to employees who make a difference through their contributions.

We also honor our employees with “Seniority Awards” every five years, beginning with their five-year anniversary at the workplace.

In 2020, a total of 1,296 suggestions were put into practice, with 659 suggestions for the Kaizen Approach and 637 for the Suggestion System. Categories of these suggestions can be seen below.

	Number of Suggestions
PEOPLE	
Food Safety	71
Consumer Health and Wellness	109
Occupational Health and Safety	336
Employment and Development	17
SOCIETY	
Our Socio-Economic Contributions	0
Our Contributions to the Development of the Sector	2
ENVIRONMENT	
Climate Change	1
Soil, Water, Energy Efficiency	138
Waste Management	21
Sustainable Dairy Farming	42
OTHER	
Other (quality, process improvement, material savings, etc.)	559
TOTAL	1,296

Organizing our social activities inside and outside the company, the Love of Milk Group consists of volunteers who aim to boost the motivation of our employees. The Group aims to have the employees take short breaks and have fun during their busy work schedules with activities, hobby clubs and contests planned inside the company, while also providing opportunities for families to socialize with cultural tours planned outside the company.





Employment and Development

DEVELOPMENT AND TRAINING

Training our employees is essential for development. In 2020, we provided our employees with 65,914 hours of training.

We support our employees with personal development training, job-/position-specific expertise training and vocational training aimed at improving their way of doing business to sustain their high level of motivation and performance. We organize our training and talent development activities under the "Academy Love of Milk." All programs designed by Academy Love of Milk are driven by the goal of "training good people, good citizens and good employees."

In addition to our employees, our training and development activities also involve employees' families, distributors, subcontractors, interns and scholars.

Our Training Programs

Sütaş Family Orientation Program

This program consists of our development activities for supporting the adoption and dissemination of the corporate culture, common goals, general strategic approach and corporate values in line with our company's goals and strategies. The program includes Sütaş Values Training, Sütaş Business Ethics Training, onboarding coaching and Dairy Center Visits.

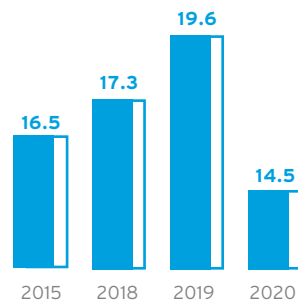
Professional Skills and Competency Development Programs

We offer the Sütaş Sales School, Sütaş Production School and Functional Development Programs to improve the professional and technical competencies of our employees. We support the individual competency development of our employees with the Sütaş Expert Program, Competency Training and Sütaş Development Seminars.

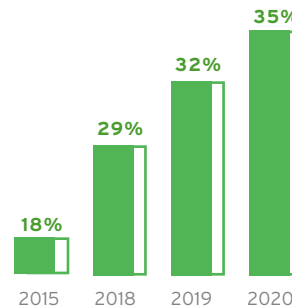
Leadership Development Programs

We offer the Sütaş Management School Program (Executive, Manager, Senior Manager) and Team Leader Development Program to develop and support the leadership competencies of Sütaş managers.

AVERAGE HOURS OF TRAINING PER EMPLOYEE



RATIO OF EMPLOYEES EVALUATED (%)



TALENT AND PERFORMANCE MANAGEMENT

We believe in the necessity of a goal-oriented and competency-based performance management system for guiding our employees towards common goals, increasing productivity and rewarding success.

Our annual performance management system involves our expert and higher-level employees as well as the team leaders, technicians, operators and laboratory workers at our factories. Additionally, our sales teams have monthly, quarterly and annual meetings for progress evaluation. We offer competency-based feedback with the 360-degree Feedback System. This allows our employees to receive comprehensive feedback from their subordinates, superiors, internal customers and peers.

We organize Career and Development Committees on a functional basis to determine the critical human resources that will shape the future of our company, plan their development, and create an accurate succession and training plan. At annual Career and Development Committees, we evaluate the potential of our employees and decide on the relevant career guidance. These evaluations factor heavily in the promotion, assignment, compensation, training and development processes. Accordingly, 161 colleagues were promoted in 2020, while 309 were assigned to new positions.



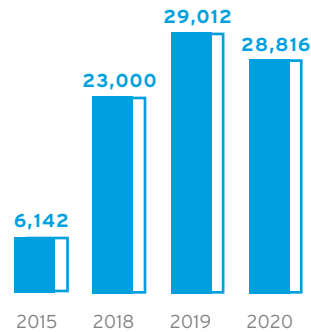
Occupational Health and Safety

We consider our people to be our most valuable asset in all our activities, and prioritize protecting our employees from all kinds of occupational accidents and occupational diseases by creating a safe and healthy work environment. We adhere to the ISO 45001 Occupational Health and Safety Management System standard at our facilities.

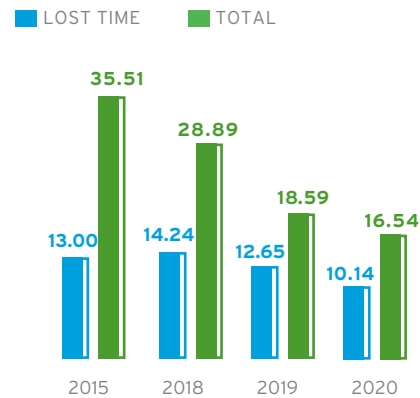
Our goal is to achieve zero accidents in all Sütaş activities. To accomplish this goal, we identify our risks by conducting all-around risk analyses in accordance with OHS regulations, and take action to eliminate these risks.

The works of subcontractors and business partners at our facilities are subject to work permit and preliminary risk assessment. Focusing on the identified OHS risks, we improve our processes with records and inspections, and ensure the adoption and implementation of the relevant measures through training.

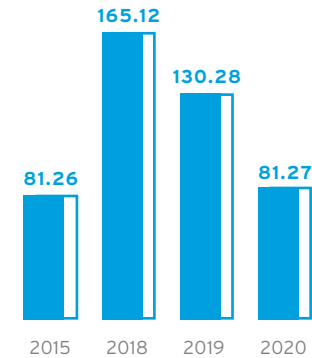
TOTAL OHS TRAINING HOURS



LOST TIME ACCIDENT FREQUENCY RATE (LTAFR)



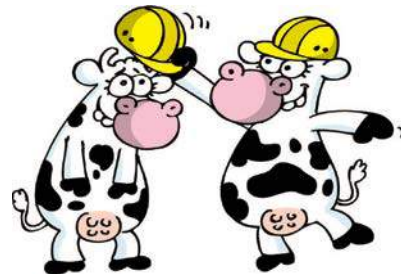
ACCIDENT SEVERITY RATE



Note: While data on OHS indicators were previously calculated on the basis of 225,000 hours worked, the records of calculations made over 1 million hours worked are kept in 2019 and onwards. Therefore data from previous years has been adapted to the new calculation methodology for comparison purposes.

Additionally, through our Suggestion System, we allow our employees to submit their suggestions on OHS issues, and reward the employees whose suggestions are successfully implemented.

Our Goal is Zero Accidents



Lost Time Accident Frequency Rate (LTAFR):

Lost time accident frequency rate refers to the number of lost time injuries per 1 million hours worked.

Total Accident Frequency Rate (TAFR):

Total accident frequency rate refers to the number of total injuries per 1 million hours worked.

Accident Severity Rate (ASR):

Accident severity rate refers to the number of days lost due to injuries per 1 million hours worked.

For the Development and Prosperity of Society

#FOREVERLOVEOFMILK

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



Socio-Economic Contributions

Milk is the most fundamental, balanced and nutritious food on the market, as it contains nutrients necessary for a healthy life.

The production of this valuable food also has economic effects on a wide variety of sectors, and presents a strong inclusive aspect.

Considering fodder crop farmers, milk producers, feed and milk transporters, dairy producers, those delivering dairy products to sales points and retailers, the whole process of supplying these products from farm to table mobilizes various sub-sectors in agriculture, industry and service; supports rural production and thus prevents migration from rural areas and creates employment for millions of people. It also offers an exemplary income distribution model where the income created is shared by different segments of society.

With our understanding of creating common value, we strive to improve economic and social welfare with investments across the country and the stakeholders in our value chain. We are aware that the greatest contribution we can make to our country and prosperity of the community is the economic value generated by increasing production and investments.

In 2020, our net revenue reached 4.3 billion Turkish liras, while our payments to suppliers, including investment expenditures, reached 4.6 billion Turkish liras.

The economic value we generated in 2020 increased by 10.4 percent and reached 4.3 billion Turkish liras, while the distributed economic value increased by 9.2 percent to 4 billion Turkish liras compared to those in 2019.



Aksaray Impact Analysis

To achieve a better overview of the impact of dairy farming, we have been measuring the impact of our facilities on their regions with scientific methods since 2012.

The "Süttaş Aksaray Integrated Facilities Economic Impact Analysis" report prepared in 2012 revealed that our investment here increased the region's per capita income (PCI) by 1,400 Turkish liras in 2011 and would offer a contribution of 20 percent for Aksaray's GDP from 2015 to 2020.

According to the impact analysis in 2020, Süttaş made a direct and indirect net contribution of \$637.7 million to Aksaray's economy from when the company first started its production activities in 2008 to 2019. This contribution is expected to exceed \$1 billion in 2027, and reach \$1.86 billion by 2033. The report shows that Aksaray's PCI in 2033 would have been \$7,561 if Süttaş had not made its investment; its PCI is now predicted to reach \$10,814. By 2023, 24 percent of Aksaray's GDP is projected to consist of direct and indirect contributions by Süttaş. This rate is expected to reach 26.7 percent in 2027, and approach to 33 percent in 2033.



Socio-Economic Contributions

Bingöl Regional Impact Assessment

The “*Bingöl Regional Impact Assessment Report*”, prepared in 2020 shows that the start of operations at the Sütaş facilities in Bingöl will result in developments that will significantly change the region, i.e. 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 an economic jump with its ecosystem and welfare improvements, as \$1.3 billion (61%) of Bingöl's GDP in 2033 will consist of direct and indirect contributions by Sütaş. The report shows that Bingöl's PCI in 2033 would be \$7,322 without the investment of Sütaş, and would now reach \$10,221 with an increase of 40 percent. This will allow Bingöl to rise from 73rd to 38th place in the ranking of Turkish provinces by PCI.

With the growth and revival in Bingöl's economy, which will be ensured with the investment of Sütaş, the tax revenue generated in the province will reach \$404 million by 2033. For each unit of tax paid by Sütaş, the accrued tax in Bingöl will be 2.5 times higher with the stimulating effect of investment and production activities. The investment will provide direct and indirect employment for 8,611 people. In other words, Sütaş will create employment opportunities for eight times as many people as it will employ therein.

The investment, which will play a major role in the development of agriculture and livestock activities in Bingöl and the surrounding six provinces, is expected to spark activity in many other different fields, such as machinery equipment production, packaging materials production, construction, logistics, agricultural technologies and support services as well.

According to the studies carried out as of the publishing of the report, the following developments are expected to take place after Bingöl's integrated facilities commence operating at full capacity:

Sütaş investment will create an annual direct economic activity of **2.94 billion Turkish liras** in the region, which consist of annual values of milk production output of **1.02 billion Turkish liras**, livestock output **1.55 billion Turkish liras**, and plant production output of **905 million Turkish liras**, together with salaries, transportation, distribution expenses and procurement of other goods and services.



External Stakeholder Feedback

SÜTAŞ ON THE SUSTAINABLE DEVELOPMENT AXIS

Sütaş Group advances in the milk and dairy products sector as the pioneer of a development perspective and design that goes beyond the borders of our country. With its "Farm to Table" business strategy, and afforestation efforts, environmental protection investments and nature-friendly animal waste management initiatives that aim to "reduce the greenhouse gases that cause climate change," Sütaş Group is a pioneering organization that opens new horizons for the sustainable and nature-friendly development perspective of our national economy.

Sütaş Group has shown it is capable of solving Turkey's chronic development problem with an economic boom created thanks to the ecosystem and welfare improvements incurred by the production

and investment activities carried out in Karacabey, Bursa; Tire, İzmir; Aksaray; and Bingöl.

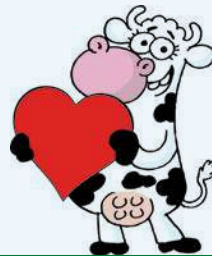
The experiences with these facilities show that investments focused on boosting productivity, production levels, employment and knowledge and improving the ecosystem, even in relatively "backward" small regions, can create a dynamic development model with the development of local production in our low-income regions.

Sütaş Group's production and investment efforts are carried out with the awareness that regional development is essentially a project of creating a local development ecosystem, and are among the "best practices" in sustainable development as a Development and Socio-Economic Transformation practice carried out in cooperation with the public and private sectors.

Prof. Dr. A. Erinç YELDAN
Department of Economics, Kadir Has University



"Sütaş Group is a pioneering organization creating new horizons for the sustainable and nature-friendly development perspective of our national economy."



Socio-Economic Contributions

BUZU GENERATES MORE INCOME FOR WOMEN!

While introducing children Buzu, the adorable star of our 45th anniversary commercial, we aimed to carry out a project that provides additional income to women who are not actively or regularly participating in the workforce.

Receiving the materials necessary from Süttaş, 2,045 women who love to knit contributed to their family budgets during the pandemic with the Buzus they have knitted. With the handiwork of women all around Turkey, Buzu came to life and brought joy to children.

"Thanks to Süttaş, I can offer people the products of my hard work, and receive timely returns on my efforts. As homemakers, we are not easy to reach out to. I would like to thank Süttaş for reaching out to us, hearing our silent cries and making our voices heard."

[Mine Gülnar](#)

"It is very important for homemakers to actively participate in the workforce. In addition to generating income, taking part in the Buzu campaign of Süttaş has allowed me to improve my self-confidence."

[Hatice Erdem](#)



BUZU: MORE FUN FOR CHILDREN AND MORE INCOME FOR WOMEN

Carried out with this motto, the project involved the participation of 2,045 women from all over Turkey who were not actively participating in the workforce

By knitting
40,000

Buzus, women contributed to their family budget under the challenging conditions of the pandemic through their hard work.

Contributions to the Development of the Sector

WE SUPPORT LOCAL SUPPLIERS!

Our most important raw materials are milk and fodder crops. By meeting these needs from local suppliers, we do our part in contributing to the local economy. We made 98.5 percent of our purchases in 2020 from local suppliers. In doing so, we ensured that most of our supplier payments, which amount to over 4.6 billion Turkish liras, were made to local suppliers.

By providing regular income to tens of thousands of milk producers, who are among our most important suppliers, we contribute to their inclusion in the social security system. We also support our producers in development and increasing their income through increasing the amount and quality of milk they produce with systematic training and information.

We engage in the contract production of crops to ensure that all of our animal feed meets the same quality standards. In 2020, we had 211 contracted farmers producing fodder crops on 16,460 decares of land. 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 CONTRIBUTE TO THE DEVELOPMENT OF THE DAIRY SECTOR!

As part of our social investments, we emphasize contributing to the development of our sector and supporting the training of qualified workforce needed by our sector. We achieve this through the power of public, industry and university collaborations. We offer training opportunities to dairy producers, students and entrepreneurs through our various collaborations.

We understand that making dairy farming sustainable requires producers to become economically stronger 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 milk producers, we convey the information, knowledge and experience necessary for the producers to obtain milk at high standards and efficiently.

The number of people trained at our Training Centers since their establishment: **19,251**

Number of students and entrepreneurs who have received our consultancy services: **34,183**



WE SIGN UNIVERSITY-INDUSTRY COOPERATION PROTOCOLS!

We share knowledge and experience with the universities that we collaborate in dairy farming and technology, and guarantee scholarships and jobs to students of the relevant departments. With the Protocol signed with the Ministry of Agriculture and Forestry in 2000, we enabled farmers to receive Ministry-approved certificates at the end of their training. By including the public in this collaboration, we have created one of the finest examples of Public-University-Industry collaboration. We signed Cooperation Protocols with Bursa Uludağ University in 2011, Aksaray University in 2014, and Bingöl University in 2018.

As part of the protocols, we provide applied courses, workplace training and internship

IN 2011
Bursa Uludağ University

IN 2014
Aksaray University

IN 2018
Bingöl University

*Universities collaborated in Vocational
Education Scholarship Protocols.*

opportunities at Sütaş for students in departments that train workforce for the dairy value chain at Karacabey Vocational High School and Aksaray Technical Sciences Vocational School.

In addition to cooperation protocols, we offer Education Scholarships to successful undergraduates without adequate financial resources. All these scholarships are non-refundable and do not impose any compulsory service or repayment obligations.

As part of University-Industry collaboration, we emphasize contributing to the training and employment of doctoral-level personnel specialized in their fields. To serve this end, we joined the TÜBİTAK 2244 - Industrial PhD Program with Uludağ University to provide scholarships for three students.



Contributions to the Development of the Sector

As part of Vocational Education

COOPERATION PROTOCOLS



170

students have been awarded scholarships.



We **guarantee**

jobs for graduating scholars.



We have awarded scholarships to **150 successful undergraduates** studying at the selected universities.



For Environmental Sustainability

#FOREVERLOVEOFMILK

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.



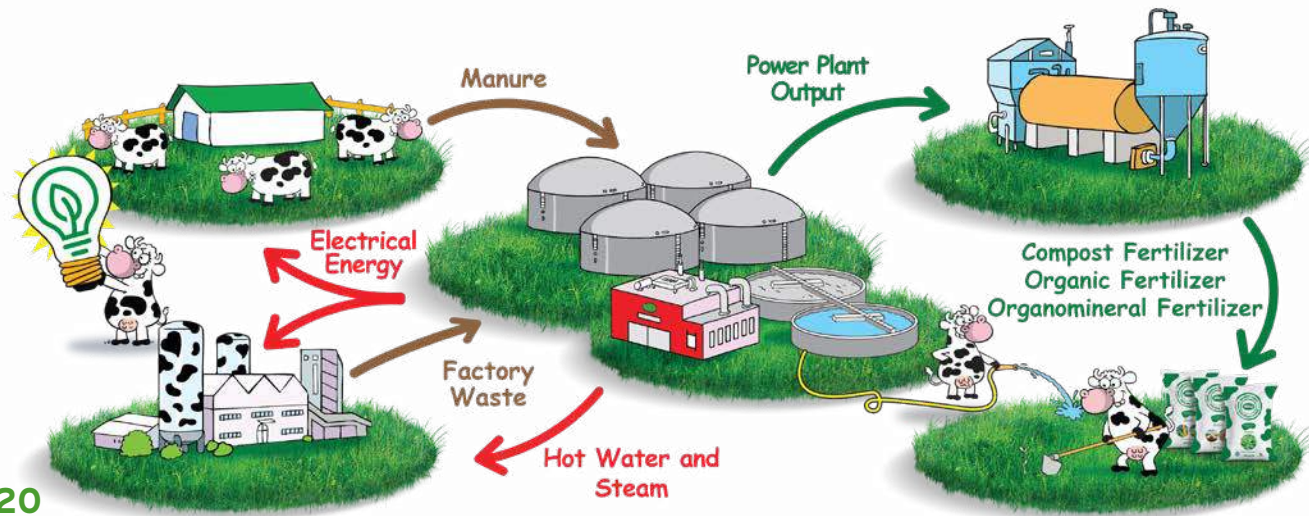
Environmental Management Approach

We believe that natural resources, such as soil, water and air, are entrusted to us by nature and operate with the principle of “giving what we get from nature back to nature.”

Other key elements of our policy include circular economy-based waste reduction and recycling, the development of all new products and operational processes to achieve the minimum environmental impact, and raising the awareness of our suppliers and employees accordingly.

For the management of our environmental impact, our dairy factories and power plants operate at the standards of the ISO 14001 Environmental Management System, while our dairy factories additionally operate at the standards of the ISO 50001 Energy Management System. We focus on continuous improvement by monitoring our environmental performance with management systems.

To ensure that our employees adopt our environmental strategy and approach, we organize training on subjects such as conservation of the environment and natural resources, waste management, energy management and energy efficiency.



2018-2020 IN NUMBERS



Total **environmental training** given to our employees:

5,152 hours



Number of producers given “Environment and Fertilizer Management” training at our Dairy Training Centers:

515



Amount of organic waste converted into energy and fertilizer:

1.8 million metric tons



Savings in logistics

38.7 million km



Emissions avoided by renewable energy production

841,373 metric tons of CO₂e



Packaging material reduction

1,071 metric



Climate Change

Climate change is the biggest crisis facing the world today, and it is accelerating much faster than expected. The global sea levels are rising, glaciers are melting, and forests are burning. Increasing temperatures trigger environmental degradation, biodiversity loss, natural disasters, and extreme weather events such as floods, tornadoes, droughts, while simultaneously threatening food and water security. This is a global crisis that can only be resolved if the whole world takes action.

We believe that the most significant contribution companies can make against climate change is integrating the solution to these problems into the core of their business models and plans, and adopting them across their organizations.

With our “Farm to Table” business model, we use energy, water and natural resources more efficiently in the value chain rings under our control, ensure circularity by obtaining electricity, thermal energy and organic-organomineral fertilizers from animal manures and organic wastes, reduce greenhouse gas emissions by minimizing the use of natural resources in supply-distribution processes, and contribute to the solution with our investments in renewable energy generation.

GREENHOUSE GAS EMISSIONS FROM LIVESTOCK PRODUCTION

Sütaş manages a large herd. As our herd size increases, our greenhouse gas emissions increase proportionately from enteric fermentation.

We know that the most effective way to reduce these emissions is to improve the health, productivity and nutrition of our animals. We also prevent the formation of more greenhouse gas emissions by using manure at biogas plants for production of renewable energy.

We emphasize genetic selection for high-yield and energy-efficient animals is effective in reducing methane emissions from dairy cattle. To serve this end, we select, from each herd, the most productive animals and use the best-quality sperm, as they are more efficient than the previous generation. Currently, these selections are based on the data we collect on our farms using digital tools and the pedigree information of the animals.

With the Livestock Research Center we will establish in Bingöl, we will achieve faster results in breeding studies by making this selection based on genomic selection tests. We will both improve the genetic potential of our own herds and make significant contributions to the genetic progress of the country’s livestock by transferring to surrogate mothers the embryos we will obtain from the high-producing calves selected with these tests, and ensuring that the animals are inseminated with the sperm we will obtain from the high-quality bulls selected with the same tests.

We also conduct research for breeds with lower methane emissions and update our livestock strategy accordingly.

The dietary diversity in livestock affects the formation of methane gases, which is why we endeavor to maintain the fodder-compound feed balance in the nutrition of our animals.

The addition of essential oils to animal feeds is one of the key components of our enteric methane reduction strategy. Additionally, we have been actively using secondary plant extracts (saponin, red seaweed, etc.) in animal feeds since the beginning of 2020.

All of these practices have been scientifically proven to reduce methane formation from enteric fermentation by 60 to 80 percent. As Sütaş, we aim to measure the impact of these practices more effectively in the coming period.

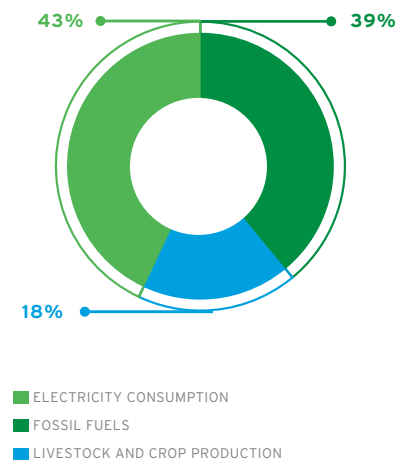
We follow the Farm to Fork and Methane Strategies set out by the European Green Deal to reduce the emissions from livestock, and rapidly integrate them into our daily operations by closely following the studies carried out in line with these strategies.



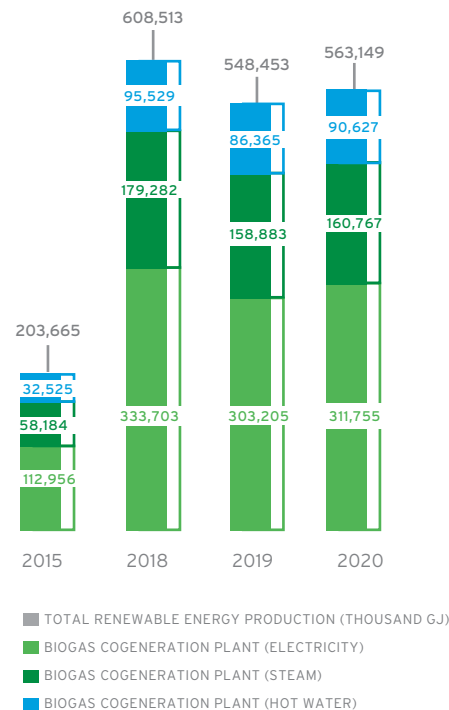
Climate Change

Sütaş Group's greenhouse gas emissions in 2020 increased by 14 percent, compared to the previous year, totaling to 149,000 metric tons. The increase was caused by the inability to apply the liquid manure from farms to agricultural lands and the accumulation of this fertilizer in the lagoons, resulting from certain agricultural activities coming to a standstill due to the pandemic restrictions imposed in 2020 during peak months of agricultural activity. These developments caused an additional 15,000 metric tons of greenhouse gas emissions.

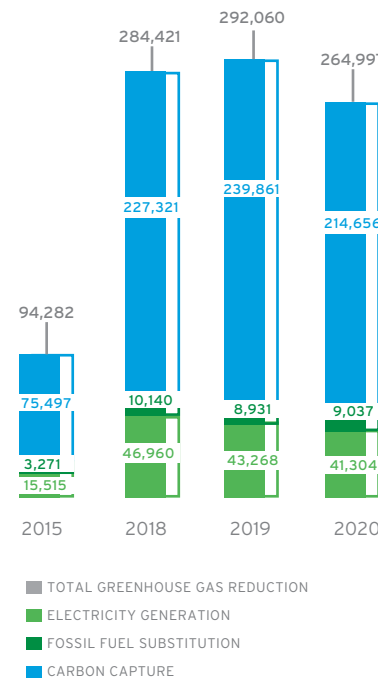
DISTRIBUTION OF GREENHOUSE GAS EMISSION SOURCES



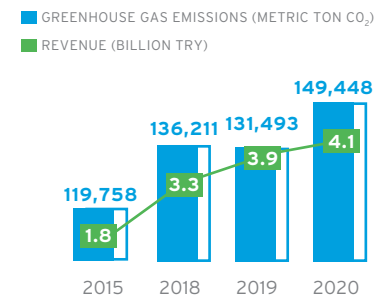
RENEWABLE ENERGY PRODUCTION (GJ)



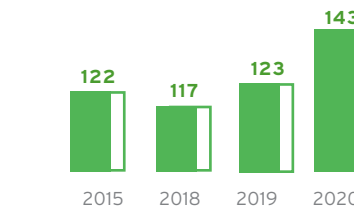
GREENHOUSE GAS REDUCTION WITH RENEWABLE ENERGY (THOUSAND METRIC TON CO₂)



GREENHOUSE GAS EMISSIONS



GREENHOUSE GAS EMISSION PER TON OF RAW MILK (KG CO₂E/METRIC TON)



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 the recycling of waste that otherwise released into the atmosphere in the natural environment



Climate Change

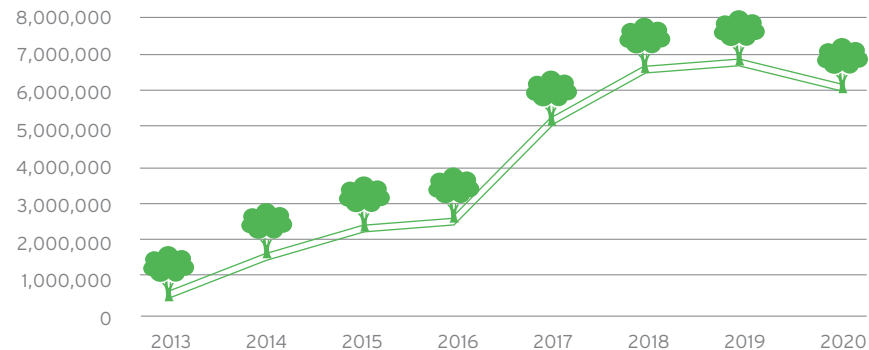
With a total investment of over \$51 million for energy and environmental activities, we increased our electricity generation capacity to 17 MWh and our thermal energy capacity to 16 MWh at our three integrated facilities.

At our biogas plants with cogeneration technology, we generate electricity, produce hot water and steam and organic and organomineral fertilizers to be used in plant production from the waste of our farms and all the organic waste generated during our production processes. In doing so, we prevent the emission of methane gas, which is a major source of greenhouse gas generated from animal waste, and repurpose the waste for the benefit of the environment.

The greenhouse gas emissions we prevent at Sütaş Aksaray Natural Power Plant, the first "agricultural solid waste disposal" facility to be certified by the Ministry of Environment and Urbanization, is certified by the Gold Standard (Gold Standard for the Global Goals), an internationally recognized certification program. In 2020, we sold voluntary carbon markets 41,536 metric tons of carbon captured and certified at this facility. The certification processes of our other facilities are still ongoing.

Since the establishment of our biogas plants in 2013, we have prevented greenhouse gas emissions equivalent to the amount that can be absorbed by 31.31 million trees.

TREE EQUIVALENT OF THE GREENHOUSE GAS REDUCTION ACHIEVED WITH RENEWABLE ENERGY GENERATION (ASSUMING A TREE COULD ABSORB 43 KG OF CO₂ PER YEAR)



Activities at our biogas plants:



In 2020, we disposed of **584,205 metric tons** of organic waste.



We generated **86,598 MWh** of electricity



Produced **57,865 metric tons** of steam and

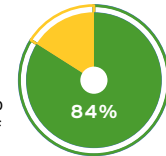


25,174 MWh of hot water

The Energy we produced meets:

84%

electricity needs of the production facilities, 69% of the electricity needs of the entire Sütaş Group



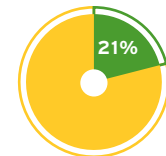
92%

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

56,715 households



Soil, Water, Energy Efficiency

Our main resources in milk production are soil, water and air. We work with the mission of using and developing these natural resources in the most efficient way possible.

SOIL QUALITY

We believe that ensuring access to adequate, healthy and quality food for future generations and making agriculture sustainable go through *regenerative agriculture*.

The health, structure and quality of the soil, where the feed for our livestock are grown, is the key to ensuring food safety, helping producers build resilience and making them stronger, and increasing productivity in agricultural production. It is therefore the key to regenerative agriculture. Because they capture atmospheric carbon, soils with high organic matter content are our most important tools in the fight against climate change.

By using the by-products of our biogas plant as organic and organomineral fertilizers in the production of fodder crops, we increase our soil's quality and carbon capture capacity. With 45,000 metric tons of organic fertilizers and 1,636 metric tons of organomineral fertilizers produced in 2020, we increased the productivity of approximately 50,000 decares of land.

Sütaş Organomineral Fertilizer Workshop Report

We believe that the collaboration of universities, the public and private sectors, and civil society will make major contributions to the solution of many global problems.

To serve this end, we organized a workshop on the use of organomineral fertilizers in agricultural areas and potential application areas in 2017 in cooperation with the Turkish Foundation for Combating Soil Erosion (TEMA). The workshop was attended by soil science and plant nutrition experts from 10 universities, the relevant General Directorates of the Ministry of Agriculture and Forestry, five research institutes affiliated with the Ministry and TEMA. We published the academic studies presented at the workshop in a book and shared them with the public.



We are conducting trial studies on organic and organomineral fertilizers in collaboration with Bursa Uludağ University, the Bursa Provincial Directorate of Agriculture and Forestry, and the Bursa Provincial Directorate of Environment and Urbanization.

In the trials carried out so far, we have recorded increases of up to 15 percent in production and up to 40 percent in the soil organic matter compared to the equivalent fertilizers.

Although the pandemic has caused some delays, our trials continue at full speed. We hope to share the results of these trials with the public as soon as possible and take the necessary steps together.

WATER EFFICIENCY

Our facilities are located in areas experiencing water stress. Using water efficiently and reintroducing wastewater to nature at high quality are among our material issues. In crop production, we determine the irrigation periods and the amount of water according to the crop type and soil moisture.

We began using drip irrigation system in 2015, and expanded the system across all of our crop production activities. This allowed us to achieve water savings of 25 to 40 percent and an increase in yields.

The processes consuming the most water in our farms and factories were cleaning, washing and sanitation.

With water efficiency projects, we recycle and reuse water vapor and some of the water we use in washing. This is equivalent to 10 percent of our total water use. We also introduce practices for efficiency in water consumption.



Soil, Water, Energy Efficiency

ENERGY EFFICIENCY EFFORTS

As our renewable energy activities increase rapidly, we also continue to carry out efforts for energy efficiency in all processes from production to distribution in order to reduce greenhouse gas emissions.

We have started using energy-efficient machinery, equipment and materials at our Tire facility, which was commissioned in 2016. In 2016 and 2017, we carried out four major projects for energy efficiency at our facilities in Karacabey and Aksaray:

- We replaced low-efficiency motors with high-efficiency electric motors.
- We replaced low-efficiency lighting equipment with high-efficiency ones.
- We began generating energy from the waste heat (economizer applications) resulting from boiler consumption.
- We replaced the low-efficiency iced water production system at the Karacabey facility with a high-efficiency system.

Our savings in 2020 alone amounted to 1.8 million kWh.

With the Kaizen and efficiency studies carried out since 2015, we have saved 26.09 million kWh of energy. Our savings amount to 7.72 percent of our total consumption.

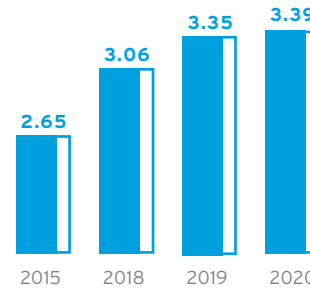
LOGISTICS EFFICIENCY

Dairy is a logistics-intensive sector. We emphasize efficiency in this essential ring of our value chain. With our Milk Collect and Backhaul Projects and route optimization efforts, we have been improving the processes of collecting and bringing raw milk to factories, transporting dairy products to distribution points and then to sales points, and supplying other materials such as packaging. This has allowed us to reduce both our fuel usage and greenhouse gas emissions.

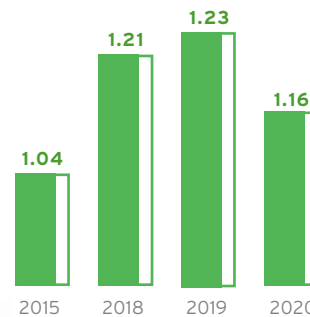
Our logistics savings in 2020 amounted to 11.68 million kilometers. We have traveled 58.9 million kilometers less with the logistics savings we have achieved since 2015. Compared to 2015, we have reduced our greenhouse gas emissions by 41,000 metric tons.



WATER CONSUMPTION PER METRIC TON OF RAW MILK



ENERGY CONSUMPTION PER METRIC TON OF RAW MILK



OUR WATER EFFICIENCY PROJECTS IN 2020

Water Recovery Project

We have carried out detailed studies on the recovery and reuse of wastewater obtained from the reverse osmosis (RO) system at our Tire facility. As part of the project, we have recovered and reused 5 percent of the RO wastewater.

We have been recovering 5,000 metric tons of water per month at our Tire facilities since October 2020.

We plan to implement the same system at our Karacabey facilities in 2021.

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

With the project supported by Bursa Eskişehir Bilecik Development Agency (BEBKA), 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 level of competence in water efficiency and carbon footprint reduction.

We completed the first phase of the project in 2020, and we will continue working on the relevant suggestions in 2021.



Soil, Water, Energy Efficiency

OUR SUSTAINABLE AND REGENERATIVE AGRICULTURE PRACTICES

As the leading company of the sector, we believe that sustainable and regenerative agriculture is the key to the agricultural production of the future. We walk on this journey together with non-governmental organizations and our farmers.

We carry out our agricultural activities in accordance with the "Sustainable

Agriculture Principles" established by the BCSD Turkey's Sustainable Agriculture and Access to Food Working Group.

We carry out efforts that will enable dairy and fodder crop producers to comply with the principles of sustainable agriculture, and provide training and guidance for farmers at our training centers.

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

With this understanding, we cover all stages from the production of the feed for livestock 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 consider the production of fodder crops and raw materials to be the basis for protecting and further improving the environment and natural resources. To serve this end, we make sure that the soil used for production of fodder crops is healthy and use regenerative agricultural practices to preserve and improve the soil structure.

We use organic and organomineral fertilizers on lands we cultivate and on lands used for contract farming, ensure crop rotation and carry out practices that increase the soil's carbon sequestration potential.

We use chemical fertilizers only when necessary and only to the extent necessary. With the awareness that plant protection product residues on or in the crops pass onto the livestock and the milk, we only use the approved plant protection products and only to the extent necessary. We adjust the harvest time for maximum yield but with minimum 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 not only the environmental, but also the economic and social aspects of sustainable agricultural practices. With our training activities and programs for contract producers, we focus on the adoption and dissemination of these practices by all our stakeholders.





Soil, Water, Energy Efficiency

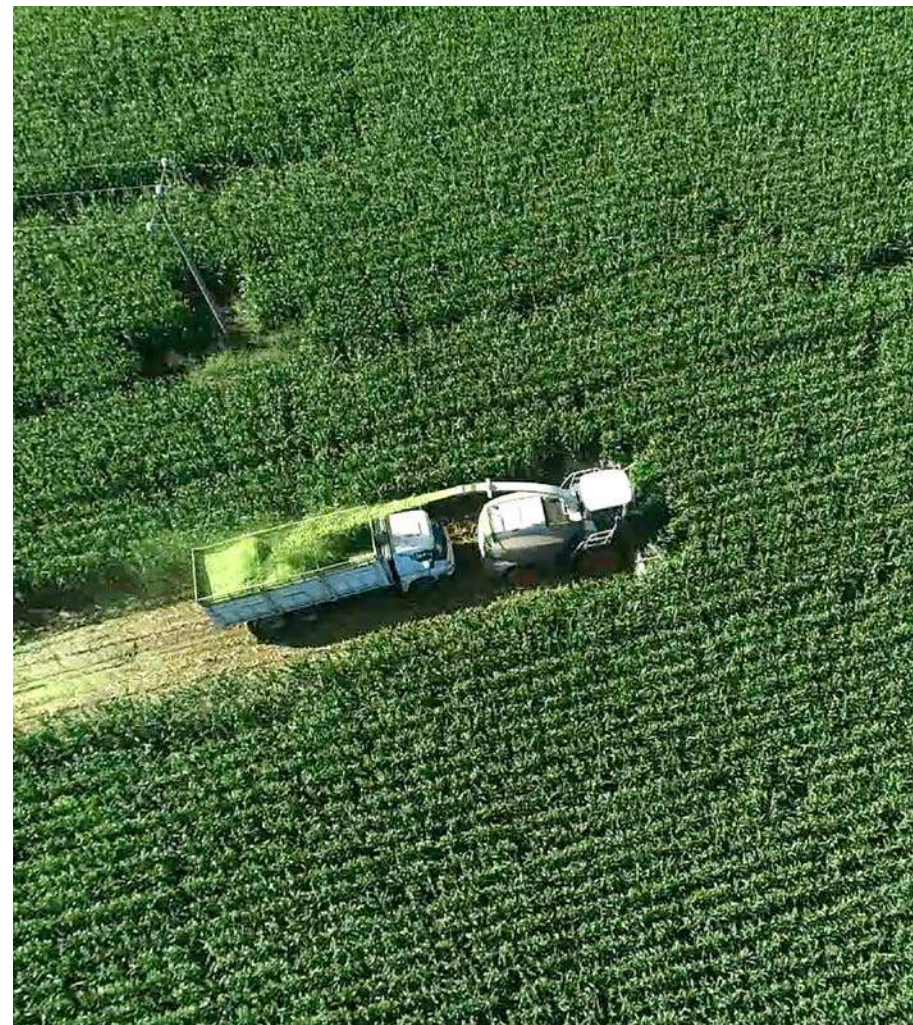
REGENERATIVE AGRICULTURE: THE FUTURE OF AGRICULTURE

Soil is the most important carbon sink in terrestrial ecosystems. Of the 3,170 metric gigatons of carbon in the world's terrestrial ecosystems, 80 percent is stored in soil, 62 percent of which consists of soil organic carbon. Soil organic matter contains approximately 58 percent carbon.

Soil organic carbon is also an indicator of soil quality, affecting the soil's water retention capacity and other nutrients necessary for the growth of crops and their root systems. Increasing soil organic carbon also helps to reduce the global

effects of climate change by capturing the carbon dioxide in the atmosphere and making the soil healthier and more productive. This increases the resilience of agricultural systems, farmers and societies.

Doubling the soil organic matter facilitates the storing of more than 2 metric tons of carbon per decare and more than 76 metric tons of water. Soils with increased water retention capacity allow crops being more resilient in times of drought, prevent the loss of nutrients in the soil due to heavy rainfall, while preventing soil erosion. Regenerative agriculture aims both to protect and develop natural resources and agricultural producers.



REGENERATIVE AGRICULTURE PRACTICES

Contribute to soil formation, fertility and health.	Improve the infiltration and retention of water in the soil.	Increase biodiversity and improve ecosystem health and resilience.	Ensure soil carbon sequestration and reverse the negative effects of climate change.
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Waste Management

We are aware of how significant the act of recycling is for the environment and the future. In line with our zero waste goal, we carry out extensive efforts to reduce, separate and transform waste in our daily operations. We use safe packaging that preserves the taste, while striving to reduce any associated environmental impact.

The Zero Waste Regulation, published in July 2019, requires all businesses and local authorities to establish a "Zero Waste Management System." To establish this system, we formed a large team of 75 people from our factories and facilities in three locations and the Head Office under the leadership of the Sustainability Committee with the guidance of our Environmental Working Group.

Our field personnel determined the details and requirements of the system for smooth operation at factories and offices without compromising on the hygiene and good manufacturing practices for production. Our procurement, corporate communication and training specialists have prepared communication and training materials, made purchases and organized training programs for the employees to easily understand, adopt and implement the system. At the beginning of 2020, we completed the establishment of a functioning Zero Waste Management System across all our companies and operations.

In 2020, all of our production facilities received the Basic Level Zero Waste Certificate, becoming the first private sector company to receive certificates in their respective categories.





Waste Management

PACKAGING MATERIALS

As required by law, we use recycled packaging material in very limited cases. We strive to choose recyclable packaging materials. Almost 80 percent of our packaging consists of completely recyclable materials, while the remainder consists of composite packaging made of paper and cardboard. Our composite packaging is FSC®-certified, documenting its compliance with responsible forest management practices.

We aim to reduce the amount of packaging we use to the extent allowed by the technology, and carry out R&D activities to serve this purpose. In 2020, we reduced the plastic used in our packaging by 344 metric tons and reduced the composite used in our packaging by 95 metric tons.

AYRAN PACKAGING

We have reduced the cup weight by 20 percent and **reduced** the amount of plastic in our 200 ml ayran cups, the most frequently used form of packaging at Sütaş, **by 280 metric tons** without compromising on the quality expectations of the consumers.

We have also made our ayran trays 8 percent lighter, allowing us to send **51 metric tons** less PET to recycling.

With these reductions in the 200 ml ayran cups, we have also prevented **655 metric tons of CO₂** emissions.



UHT MILK CARTON



We reduced the polyethylene content in 1 liter and 200 ml UHT milk cartons.

This amounts to **95 metric tons** per year.

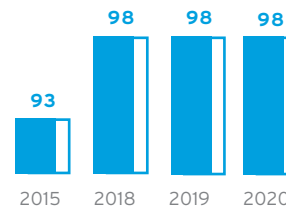
OUR ORGANIC WASTE

We transform the organic waste resulting from our agriculture, livestock and dairy production activities into energy and fertilizer at biogas plants, and minimize our waste.

The amount of waste going to the landfill **decreased by 72 percent** compared to 2015, representing 2 percent of our total waste.



WASTE RECYCLED (%)



CHAMPIONS 12.3

We took part in the “10x20x30” initiative of the World Resources Institute (WRI) Champions 12.3 Coalition. Together with other companies in the initiative, we took action to reduce food loss and waste by 50 percent by 2030 in line with Goal indicator 12.3 (Food Loss and Waste) of the United Nations Sustainable Development Goals.

İPG İŞ DÜNYASI PLASTİK GİRİŞİMİ

In 2019, we became a part of the Business Plastics Initiative started in cooperation with Global Compact Turkey, BCSD Turkey 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. We have already made our commitments for 2023.

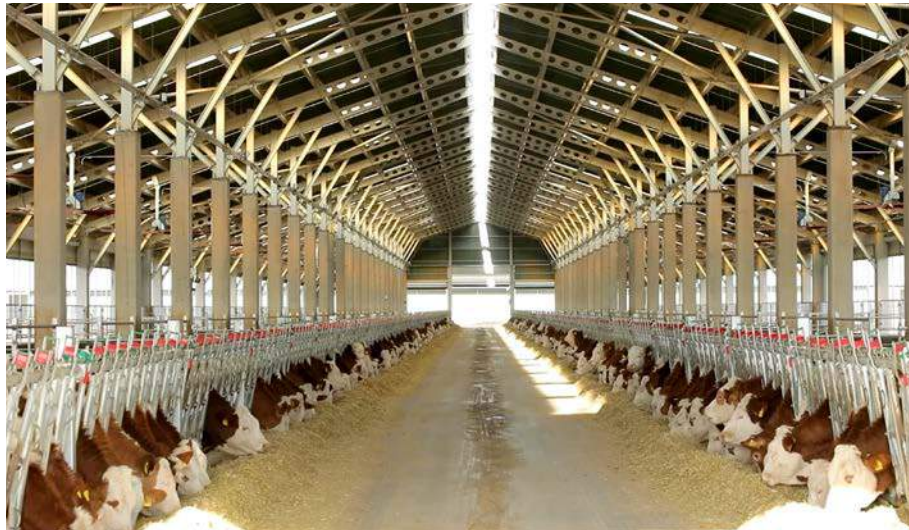


Sustainable Dairy Farming

We keep 16.000-head herd in our farms, which prominently use corporate governance systems and information technologies. 44 percent of our herd consists of Holstein cattle, while 56 percent Simmental breed cattle. We carry out our dairy farming activities in a total of five Dairy Cattle Breeding Farms (DCBF), three in Karacabey, Bursa, and two in Aksaray; a Calf Breeding Center (HBC) in Karacabey; and two training farms, one in Karacabey and one in Aksaray.

We provide our producers with the pregnant calves, they need, bred in our Dairy Cattle Breeding Farms and Calf Breeding Centers that are healthy, vaccinated against all kinds of diseases, and have high genetic potential. We ensure that our producers have a healthy herd that can produce more milk at higher quality. In doing so, we contribute to sustainable livestock farming.

The breeding conditions, health and welfare of dairy cattle are directly linked to productivity in milk production, milk quality, food safety and the sustainability of the dairy sector. We prioritize animal health and welfare in line with this awareness.



By improving animal welfare, carrying out selective breeding, using quality sperm and increasing feed quality, we increased the milk yield per animal from 27 liters in 2015 to 33 liters in 2020.

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 and disease
4. Freedom from fear and distress
5. Freedom to express normal patterns of behavior

We believe good animal care is one of the main factors for our success in dairy farming. To ensure the welfare of animals in our farms and during transport in line with our sustainable dairy farming policy, we refer to the "Animal Welfare" and "Good Dairy Farming" handbooks we have prepared in accordance with the relevant regulations of FAO, the International Dairy Federation (IDF), the World Organisation for Animal Health (OIE) and the Council of Europe.





Sustainable Dairy Farming

We care and protect our animals under four main headings.

ANIMAL WELFARE

Considering the age groups and conditions of the animals in our dairy farms, we keep them in separate paddocks and provide them with clean, hygienic, convenient and comfortable areas where they can walk freely.

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.

The manure on the ground is cleaned with automatic systems. We do not engage in practices that could harm our animals, such as branding, tail docking or tethering.

While transporting our animals, we determine their health status and transport them in vehicles that have received animal transport certification.

In long-distance transport, we ensure that our animals receive their necessary feed, water and rest during their transport.

ANIMAL HEALTH

We have created an up-to-date disease management plan for all our farms with a biosecurity procedure aimed at minimizing the risk of disease transmission for each farm. We constantly monitor the health status of our animals under the supervision of our experienced personnel and veterinarians.

All of our farms have “Disease-Free” certificates issued by the Ministry of Agriculture and Forestry, which confirms that the animals are free from bovine tuberculosis or brucellosis diseases and that all protective measures have been taken. Our farms also have certificates of “EU Approved Dairy Farm” proving that we carry out our production activities at the European Union standards.

We minimize the need for drug consumption by using preventive medicine. In treatments, we take the utmost care in terms of antimicrobial resistance and drug

residues, including antibiotics. We do not use the milk obtained from treated animals in production, and instead dispose of it until the drugs administered are eliminated. We do not send any animal to slaughter before the relevant drugs are eliminated.

ANIMAL NUTRITION

We feed all animals on our farms according to their age, weight, behavioral and physiological needs in a manner that will improve their health and wellbeing, meet their special needs and produce less enteric methane emissions. We use natural and healthy feeds that we produce ourselves.



You can review our best practices for reducing greenhouse gas emissions resulting from livestock activities in the Climate Change section of our report.

ANIMAL BREEDING

To ensure that the new generations are more productive, we carry out breeding studies and use the sperm of the animals suitable for this purpose. Through genomic selection and embryo transfers, we make the breeding process more reliable.





Sustainable Dairy Farming

We monitor the health and welfare of the animals on our farms with digital tools. We place electronic identification tags on 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 and movements.

MILK YIELD

We measure the milk yield of our animals in each milking process by means of 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. The data is automatically transferred to the database.

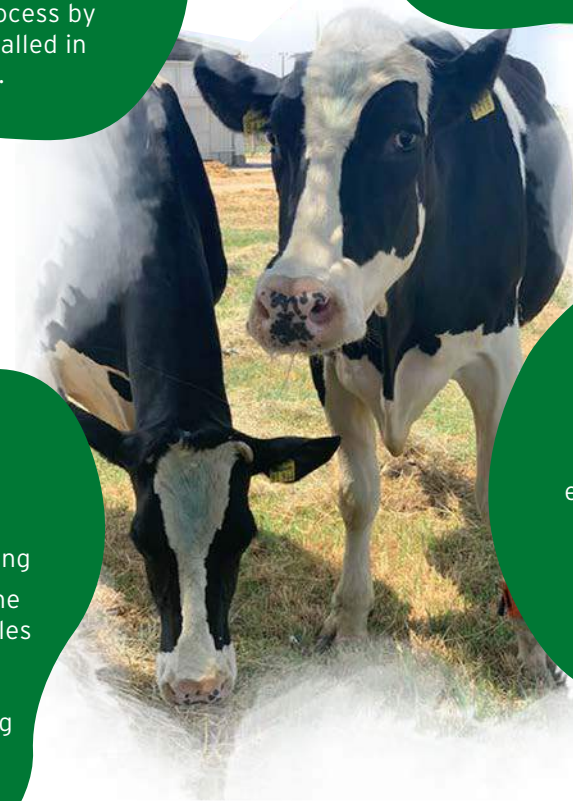
CATTLE WEIGHT

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

We ensure the special nutrition and development of animals experiencing weight loss.

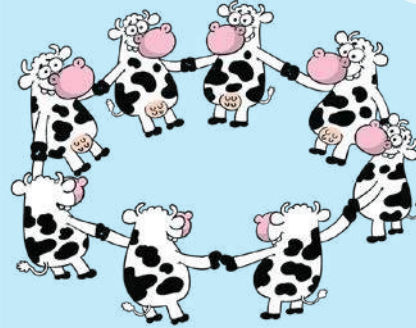
EARLY DIAGNOSIS AND TREATMENT OF DISEASES

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.





**For the health
and happiness
of people**



**For the
development
and prosperity
of society**



**For
environmental
sustainability**

#FOREVER LOVE OF MILK





MESSAGES TO OUR
STAKEHOLDERS

SÜTAŞ AT
A GLANCE

SÜTAŞ WAY

SUSTAINABILITY
APPROACH

HEALTH AND HAPPINESS
OF PEOPLE

DEVELOPMENT AND
PROSPERITY OF SOCIETY

ENVIRONMENTAL
SUSTAINABILITY

ANNEXES



ANNEXES

#FOREVER LOVE OF MILK



Association Memberships

NONGOVERNMENTAL ORGANIZATIONS WE ARE ACTIVELY INVOLVED FOR SUSTAINABILITY IN PARTICULAR

We are members of various industry associations, business organizations and nongovernmental organizations operating in the areas of dairy production, food, energy and agricultural activities. Among these, the Union of Dairy, Beef, Food Industrialists and Producers of Turkey (SETBİR) plays an important role, and we currently have a chairing role. As part of our efforts for sustainability in our sector, we have also been chairing the Sustainable Agriculture and Access to Food Working Group since 2015 under the auspices of BCSD Turkey. We are also involved with the management of the Corporate Governance Association of Turkey.

We also joined the Sustainable Food Platform in 2019.















Our Management System Certificates

<https://www.sutas.com.tr/en/about-us/sutas-at-a-glance/our-quality-policy>

2002: TS EN ISO 9001 Quality Management System Certification

2012: BS EN ISO 50001 Energy Management System Certification

2013: TS EN ISO 14001 Environmental Management System Certification

2014: FSSC 22000 Food Safety System Certification (originally it was TS EN ISO 22000 which is then converted to FSSC 22000)

2016: ISO/IEC 27001 Information Security Management System

ISO 9001 QUALITY MANAGEMENT SYSTEM:

The ISO 9001 certificate confirms that our company's products and services are produced based on an internationally recognized management system, assuring our product and service quality. It defines an effective quality management system.

FSSC 22000 FOOD SAFETY SYSTEM CERTIFICATION:

FSSC 22000 is a complete certification system based on the ISO 22000 Food Safety Management System. The FSSC 22000 system has been designed to facilitate implementation by food sector organizations of using existing ISO 22000, ISO 22002 and ISO technical standards for prerequisite program requirements.

ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM:

ISO 14001 is a management model based on risk analysis, developed to systematically reduce and potentially eliminate the harms our company causes/may cause for the environment.

ISO 50001 ENERGY MANAGEMENT SYSTEM:

The ISO 50001 Energy Management System ensures that our company creates, implements and maintains the processes and systems required to increase energy efficiency. It covers identification of energy policies, the management of energy consumption and the evaluation and improvement of the energy management system.under the energy management programs established in line with the objectives and goals.

ISO 45001 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM:

This standard defines the controls, policies and procedures required to ensure the best working conditions in line with international best practices in occupational health and safety management. With this system, employees more effectively determine and minimize OHS risks with the relevant measures, comply with the laws, achieve goals through management programs, monitor performance, use monitoring results to st improvements, and undergo supervising activities.



Our Stakeholder Engagement Platforms

Our regularly used engagement platforms for all stakeholder groups are listed below.

Our Key Stakeholder Engagement Platforms

Consumers	Consumer surveys, brand monitoring research, focus group interviews, Sütaş Customer Line, news, announcements, advertising campaigns, print and social media, websites
Employees	Employee Engagement Survey, one-on-one meetings, the Performance Appraisal System, the suggestion system, intranet, Love of Milk (Sütaşkı) Magazine, the Sütaş Ethics Committee website, emails, employee meetings, newsletters, announcements, office TVs, annual reports, training sessions, seminars
Milk Producers	One-on-one meetings, training sessions, Training Research, Sütaş Customer Line, relations with cooperatives, regular inspections, communication on special occasions and messaging
Suppliers	One-on-one meetings, training sessions, the Sütaş Customer Line, annual reports, relevant policies and documents
Customers	One-on-one meetings, the Sütaş Customer Line, surveys, websites, communication on special occasions
Distributors	One-on-one meetings, the Sütaş Customer Line, surveys, websites, communication on special occasions, events and gatherings, training sessions

Our Secondary Stakeholder Engagement Platforms

Public Institutions	One-on-one meetings, memberships and board memberships, meetings and collaborative efforts, annual reports, announcements, seminars, press conferences, conferences
Nongovernmental Organizations	Memberships and board memberships, meetings and collaborative efforts, annual reports, trade shows, seminars and conferences, websites, news, announcements
Media	One-on-one meetings, press conferences, announcements and statements, newsletters, press releases, websites, social media
Financial Institutions	One-on-one meetings, annual reports, websites, material event disclosures
Universities	Vocational training and consultancy as part of the Vocational Education Cooperation Protocol, the Erasmus+ platform, internship and scholarship programs, websites, career days, conferences
International and Industrial Organizations	Association memberships, joint projects, meetings and conferences



Performance Indicators

ECONOMIC PERFORMANCE INDICATORS

Important Information	2015	2018	2019	2020
Total Net Revenue, TRY	1,816,117,189	3,290,356,358	3,886,443,062	4,289,834,778
Amount of Investment (USD million)	41,6	38,21	34,21	82,30
Total Payments, TRY	1,771,154,686	3,290,431,850	3,625,619,683	4,639,631,119
<i>Payments to Milk Suppliers</i>	858,329,366	1,409,315,167	1,588,685,776	1,758,295,527
<i>Payments to Other Suppliers</i>	912,825,320	1,881,116,683	2,036,933,907	2,881,335,591
Amount of Milk Purchased (Liters)	717,213,684	831,804,595	757,867,080	740,248,502
Total Assets	1,180,456,466	2,128,523,940	3,378,050,690	4,252,466,498
Equities	459,853,082	859,190,744	1,201,847,164	1,745,635,958

GENERATED AND DISTRIBUTED ECONOMIC VALUE, TRY

	2015	2018	2019	2020
Economic Value Generated-Revenues	1,997,873,806	3,290,356,358	3,886,443,062	4,289,834,778
Economic Value Distributed				
Operating expenses	1,621,035,549	2,652,504,812	3,179,506,397	3,496,823,674
Employee wages and benefits	218,992,327	314,610,093	372,203,290	408,535,857
Payments to providers of capital	27,734,550	32,336,355	34,212,514	4
Payments to the government	52,546,921	65,098,796	79,957,036	96,721,696
Community investments	881,778	301,832	1,192,308	851,222
Economic value retained	77,564,460	225,806,303	220,563,826	287,753,546



Performance Indicators

SOCIAL PERFORMANCE INDICATORS

Employees				
Employees by Gender	2015	2018	2019	2020
Female	845	702	660	631
Male	3,595	4,000	3,871	3,926
Total	4,440	4702	4,531	4,557
Employees by Type of Employment and Gender				
	2015	2018	2019	2020
Permanent Employees - Female	845	699	653	622
Permanent Employees - Male	3,595	3,963	3,836	3,825
Temporary Employees - Female		3	7	9
Temporary Employees - Male		37	35	101
Total	4,440	4,702	4,531	4,557
Employees by Type of Employment and Region				
	2015	2018	2019	2020
Permanent Employees - Istanbul (Head Office)	357	309	313	293
Temporary Employees - Istanbul (Head Office)			1	1
Istanbul Total	357	309	314	294
Permanent Employees - Regions	1,395	1,338	1,299	1,261
Temporary Employees - Regions				
Regions Total	1,395	1,338	1,299	1,261
Permanent Employees - Karacabey (Bursa)	1,528	1,370	1,232	1,193
Temporary Employees - Karacabey (Bursa)		5	4	15
Karacabey Total	1,528	1,375	1,236	1,208
Permanent Employees - Aksaray	1,160	1,225	1,217	1,164
Temporary Employees - Aksaray		6	21	70
Aksaray Total	1,160	1,231	1,238	1,234
Permanent Employees - Tire (Izmir)	0	420	428	402
Temporary Employees - Tire (Izmir)		29	16	24



Performance Indicators

SOCIAL PERFORMANCE INDICATORS (CONTINUED)

Tire Total	0	449	444	426
Permanent Employees - Bingöl	0			134
Temporary Employees - Bingöl				
Bingöl Total	0	0	0	134
Total	4,440	4,702	4,531	4,557

Employees by Type of Employment and Region	2015	2018	2019	2020
Full-Time Employees - Female	845	702	660	631
Part-Time Employees - Female				
Full-Time Employees - Male	3,595	4,000	3,871	3,926
Part-Time Employees - Male				
Total	4,440	4,702	4,531	4,557

Employees by Age Group	2015	2018	2019	2020
Under 30	37%	31%	27%	25%
30-50	60%	67%	70%	72%
Over 50	3%	2%	3%	3%

Employee Turnover	2018	2019	2020
Start of Year	4,613	4,662	4,489
New Hires	767	619	248
Dismissals	1,141	770	444
End of Year	4,662	4,489	4,447
Average Number of Employees	4,638	4,576	4,468
Turnover rate	24.60%	16.83%	9.94%

Maternity Leave (2020)	Female
Number of employees entitled to maternity leave	43
Number of employees who went on maternity leave	37
Number of employees who returned from maternity leave	28
Number of employees who worked for 12 more months after returning from maternity leave	4
Ratio of employees who returned from maternity leave to employees who went on maternity leave	76%

No male employees took maternity leave in 2020.



Performance Indicators

SENIOR STAFF BY GENDER

Employees by Gender	2018			2019			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
SÜTAŞ GROUP	15	6	21	20	7	27	22	9	31
DAIRY PRODUCTS GROUP	12	6	18	11	4	15	8	1	9
SÜTAŞ A.Ş.	29	1	30	36	1	37	39	1	40
ENFAŞ A.Ş.	1	0	1	1	0	1	1	0	1
TARFAŞ A.Ş.	7	0	7	6	0	6	7	0	7
Grand Total	64	13	77	74	12	86	77	11	88
Ratio	83.1%	16.9%		86%	14%		87.5%	12.5%	

Training Investments	Total Training Hours			
	2015	2018	2019	2020
All Trainings				
Professional Development		33,555	40,637	22,352
Personal Development		4,456	4,717	8,533
OHS	6,142	26,103	29,012	28,816
Other		13,786	16,394	6,213
Total Training Hours	73,260	77,900	90,760	65,914

Training Investments	Average Training Hours Per Employee			
	2015	2018	2019	2020
All Employees				
All Employees	16.5	17.3	19.6	14.5
Employees by Gender				
Male	8.4	5.41	6.52	7.1
Female	13.3	6.35	5.72	7



Performance Indicators

Occupational Health and Safety Training (Employee/Hour)	2015	2018	2019	2020
Male		21,719	25,264	25,366
Female		4,384	3,748	3,450
Total OHS Training Hours	6,142	26,103	29,012	28,816

Total OHS Training Hours	2015	2018	2019	2020
Lost Time Accident Frequency Rate (LTAFR)	13.00	14.24	12.65	10.14
Total Accident Frequency Rate (TAFR)	35.51	28.89	18.59	16.54
Accident Severity Rate (ASR)	81.26	165.12	130.28	81.27

Notes on OHS Data:

Lost Time Accident Frequency Rate (LTAFR) refers to the number of lost time injuries per 1 million hours worked.

Total Accident Frequency Rate (TAFR) refers to the number of total injuries per 1 million hours worked.

Accident Severity Rate (ASR) refers to the number of days lost due to injuries per 1 million hours worked.

Diseases	2018	2019	2020
Deaths Due to Occupational Disease	0	0	0
Registered Occupational Disease	0	0	0
Major Occupational Disease	Brucellosis / Tetanus / Hearing Loss / Welder's Lung / Occupational Asthma		
Potential Causes of Occupational Disease	Biological: Brucellosis / Tetanus Physical: Noise/Dust (Wood Dust) / Vibration Chemical: Welding Fumes		

1) Most serious accidents in 2020 (Including Regions):

- Tripping, falling, sprains
- Animal-caused squeezing, stepping on hands or toes, kicking
- Squeezing between two objects
- Hitting, falling, turning object
- Other (food poisoning, manual handling, compressed air, U.V, disease-induced, etc.)

2) Accidents that require first aid are included in the total accident frequency rate if there is lost time.

3) Lost time is calculated based on total working hours.

4) Lost time starts including the date of the accident.

5) Fatal accidents are not included in the total accident frequency rate.

Total Accident Frequency Rate: Number of accidents per million hours worked
 $\text{TAFR} = \frac{\text{Total Number of Accidents} * 1,000,000}{\text{Hours Worked}}$



Performance Indicators

ENVIRONMENTAL PERFORMANCE INDICATORS*

Energy Consumption (GJ)	2015	2018	2019	2020
Energy Purchased	322,156	426,232	399,264	420,833
Energy Purchased	322,156	426,232	399,264	420,833
Constant Volume Combustion	674,298	795,483	768,053	702,532
Natural Gas	673,342	794,797	767,770	702,233
Generator (Diesel)	956	686	283	299
Vehicle Fuel	114,384	96,136	86,310	78,738
Diesel	114,384	96,136	86,310	78,738
Gasoline	0	0	0	0
TOTAL	1,110,838	1,317,851	1,253,627	1,202,103
Renewable Energy	203,665	608,513	548,453	563,149
Biogas Cogeneration Plant (Electricity)	112,956	333,703	303,205	311,755
Biogas Cogeneration Plant (Steam)	58,184	179,282	158,883	160,767
Biogas Cogeneration Plant (Hot Water)	32,525	95,529	86,365	90,627
Wastewater Treatment Plant (Biogas)	0	0	0	0
Energy Sold	-111,884	-328,620	-297,095	-305,348
Net Renewable Energy	91,780	279,894	251,358	257,801
TOTAL NET Energy Consumption	1,202,618	1,597,745	1,504,984	1,459,904



Performance Indicators

GREENHOUSE GAS EMISSIONS*

Greenhouse Gas Emissions* (metric ton CO ₂ -equivalent)	2015/ Fiscal Year	2018/ Fiscal Year	2019/ Fiscal Year	2020/ Fiscal Year
Scope 1	75,510	76,229	74,517	93,692
Vehicles	8,606,6	7,233,5	6,494,2	5,924,5
F-gases	141,9	966,6	794,5	1,336,2
Fuels used at facilities	37,902,5	44,767,5	43,243,5	39,512,2
Generators (Diesel)	71,3	51,1	21,1	22,3
Enteric Fermentation	26,234,0	17,724,1	23,840,6	31,847,6
Fertilizer Management	0,0	4,711,6	0,0	15,049,7
Chemical Fertilizer Usage	2,553,5	775,0	123,6	0,0
Scope 2	44,249	59,981	56,976	55,755
Electricity Consumption	44,248,6	59,981,2	56,975,9	55,755,5
TOTAL	119,758,3	136,210,6	131,493,3	149,447,9

REDUCTION OF GREENHOUSE GAS EMISSIONS*

Avoided Emissions (metric ton CO ₂ -equivalent)	2015	2018	2019	2020
Electricity Generation	15,515	46,960	43,268	41,304
Fossil Fuel Substitution	3,271	10,140	8,931	9,037
Carbon Capture	75,497	227,321	239,861	214,656
Total Avoided Emissions (metric ton CO ₂ e)	94,282	284,421	292,060	264,997



Performance Indicators

REDUCTION OF GREENHOUSE GAS EMISSIONS (CONTINUED)

Emission Factors	CO ₂	CH ₄	N ₂ O	Total kg CO ₂ e
Natural Gas	1,9365	0,0048	0,0009	1,9422
Biogas	1,1422	0,0005	0,0006	1,1434
Diesel	2,6248	0,0039	0,0366	2,6652
Gasoline	2,2164	0,0034	0,0483	2,2681
Diesel (Stationary)	2,6248	0,0099	0,0056	2,6403
Gasoline (Stationary)	2,2164	0,0080	0,0057	2,2301
Refrigerants - R410A	1923,5	-	-	1923,5
Refrigerants - R407C	1624,2	-	-	1624,2
Refrigerants - R134A	1430,0	-	-	1430,0
Refrigerants - R404A	3942,8	-	-	3942,8
Fire extinguishers - HFC 227ea	3350,0	-	-	3350,0
Electricity (2014 grid)	0,4931	0,0002	0,0012	0,4945
Electricity (2016 grid)	0,4898	0,0002	0,0013	0,4913
Electricity (2017 grid)	0,5093	0,0002	0,0015	0,5109
Electricity (2018 grid)	0,5050	0,0002	0,0014	0,5066
Electricity (2019 grid)	0,5120	0,0002	0,0016	0,5137
Electricity (2020 grid)	0,4752	0,0002	0,0016	0,4770
Enteric Fermentation (Dairy Cattle)	0,0000	3584,0000	0,0000	3584,0
Enteric Fermentation (Other)	0,0000	1484,0000	0,0000	1484,0



Performance Indicators

WASTE MANAGEMENT

Total Waste by Type (Metric Ton)	2015	2018	2019	2020
Hazardous Waste	19	183	169	150
Non-Hazardous Waste	139,071	110,670	78,297	73,533
Total Waste	139,090	110,853	78,466	73,683

Total Waste by Method of Disposal (Metric Ton)	2015		2018		2019		2020	
	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous
Recovery								
Energy Recovery		129,071		102,932		72,147	137	67,479
Recycling		4,458	165	5,898	150	4,562		4,575
Incineration								
Landfill	19	10,000	18	1,840	19	1,588	13	1,479
Other								
Total Waste Disposed	19	139,071	183	110,670	169	78,297	150	73,533
		139,090		110,853		78,466		73,683



Performance Indicators

WATER MANAGEMENT

Water Withdrawal (m³/Year)	2015	2018	2019	2020
Surface Waters (Stream, etc.)	388,962	21,880	29,610	11,669
Sea Water	0			
Groundwater - Renewable	2,463,795	4,016,544	4,343,870	3,205,645
Received from third parties (water supply, organized industrial zones, etc.)	-	-	-	934,418
Total	2,852,757	4,038,424	4,373,480	4,151,732

Water Discharge (m³/Year)	2015	2018	2019	2020
Surface Waters	388,962	2,712,618	3,026,928	3,185,244
Groundwater	2,463,795			
Total Water Discharge	2,852,757	2,712,618	3,026,928	3,185,244

Water Consumption (m³/Year)	2015	2018	2019	2020
Total Water Consumption	3,162,757	4,594,879	4,816,897	4,554,089



Principles Of Reporting*

This section describes the principles of data collection and calculation methods used for obtaining the greenhouse gas emission data (GRI Standards 305-1, 305-2 and 305-4) and energy consumption data (GRI Standards 302-1) included in this report.

GREENHOUSE GAS

The reference year for greenhouse gas emissions was selected as 2014, as in 2014, complete and reliable data was accessible, and 2014 is a year reflecting the activities of today.

The greenhouse gas calculation method is based on “greenhouse gas emission or removal factors multiplied by greenhouse gas activity data”.

Greenhouse gas emissions were calculated according to the methodology of the Greenhouse Gas Protocol by WRI/WBCSD. The organization’s borders were handled using the control approach, and the greenhouse gas emissions from all buildings, production facilities, agriculture and livestock activities, generators, and coolant gases were included in the inventory. The activity borders were defined as scope 1 (direct) and scope 2 (indirect) emissions. In the calculations, the CO₂ equivalent values were used for CO₂, CH₄, N₂O, and HFCs (coolant gases)

emissions. The global warming potential (GWP) coefficients were taken from the IPCC 5 Assessment Report. The network emission factor was calculated using TEİAŞ data from 2016.

DISTRIBUTION OF THE ACTIVITIES ACCORDING TO SOURCES CAUSING GREENHOUSE GAS EMISSIONS ARE AS FOLLOWS:

Scope 1: Emissions from leased vehicles, F-gas used in air conditioners, fuels used in our buildings and facilities, emergency diesel generators, enteric fermentation, animal-origin fertilizer management and chemical fertilizer use.

Biogas obtained from waste discharge and animal manure is burned in the facilities to obtain steam and electricity. The carbon within the biogas is burned and released to the atmosphere and is fixed again by plants through photosynthesis in its natural cycle. The CO₂ emitted during the combustion of biogas, CH₄, and N₂O is included.

Scope 2: Electricity consumption.

The emission factor for greenhouse gas emission calculations due to electrical energy was assumed to be 0.5121 kg CO₂-e/kWh. The electrical energy factor is calculated in an up-to-date manner

using Turkish Electricity Transmission Corporation (TEİAŞ) data for every year.

In addition to the aforementioned scopes, the renewable energy production (electric) and fossil fuel substitution (natural gas \leftrightarrow biogas) are separately reported as avoided emissions. The CH₄ (Methane) emission that is captured through the modern waste discharge treatment and animal-origin fertilizer management technologies is separately reported under the Carbon Fixation heading as equivalent CO₂. The energy consumption from all buildings, facilities, company fleet and generators under the control of Sütaş are monitored.

The report includes all energy consumption data.

The lower heat values of the energy sources that are used, and their TEP cycle coefficients were taken from Appendix 2: Lower Heat Values of Energy Sources and their Conversion Coefficients to Petroleum Equivalents tables of the “Regulation Concerning Increasing the Efficiency of Energy Resources and Energy Usage” published in the Official Gazette dated October 27, 2011 no. 28097. The values 1 kcal = 4,184 kJ, 1 GJ = 0,2777 MWh (1 MWh = 3,6 GJ) were used for energy conversion.



GRI Content Index



The review carried out by the GRI Sustainability Reporting Services Department to provide the Materiality Disclosures Service has shown that the disclosure references between 102-40 and 102-49 are clearly presented in the GRI content index, and that the references are compatible with the relevant sections in the report. This service was provided for the Turkish version of the report.

GRI 101: FOUNDATION 2016		
GRI 102: GENERAL DISCLOSURES 2016		RELEVANT SECTION IN THE REPORT
	Organizational Profile	
102-1	Name of organization	Page 3
102-2	Activities, brands, products, and services	Page 9
102-3	Location of headquarters	Page 86
102-4	Location of operations	Page 10
102-5	Ownership and legal form	Joint-Stock Company
102-6	Markets served	Page 10
102-7	Scale of the organization	Page 9
102-8	Information on employees and other workers	Pages 39, 71-72
102-9	Supply chain	Page 48
102-10	Significant changes to the organization and its supply chain	No significant changes.
102-11	Precautionary Principle or approach	Page 51
102-12	External initiatives	Page 3
102-13	Association memberships	Page 66
	Strategy	
102-14	Statement from senior decision-maker	Pages 4-5
102-15	Key impacts, risks, and opportunities	Page 28
	Ethics and Integrity	
102-16	Values, principles, standards, and norms of behavior	Page 18
102-17	Mechanisms for advice and concerns about ethics	Page 18
	Governance	
102-18	Governance structure	Page 16



GRI Content Index

		RELEVANT SECTION IN THE REPORT
	Stakeholder Engagement	
102-40	List of stakeholder groups	Page 26
102-41	Collective bargaining agreements	We do not have any employees under collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Page 26
102-43	Approach to stakeholder engagement	Pages 26-27
102-44	Key topics and concerns raised	Pages 27-28
102-6	Reporting	
102-45	Entities included in the consolidated financial statements	Page 3
102-46	Defining report content and topic boundaries	Page 28
102-47	List of material topics	Page 28
102-48	Restatements of information	There are no restatements information.
102-49	Reporting changes	Page 3
102-50	Reporting period	Page 3
102-51	Date of most recent report	2017
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Page 86
102-54	Claims of reporting in accordance with the GRI Standards	Page 3
102-55	GRI Content Index	Page 80
102-56	External assurance	We did not receive external assurance service.



GRI Content Index

GRI 200-300-400 SPECIFIC STANDARD CONTENTS		
GRI 200 ECONOMIC TOPICS		RELEVANT SECTION IN THE REPORT
	GRI 201 Economic Performance 2016	
	103-1 Explanation of the material topic and its Boundary	Page 28
GRI 103 MANAGEMENT APPROACH 2016	103-2 The management approach and its components	Pages 44-48
	103-3 Evaluation of the management approach	Pages 44-48
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 69
	GRI 203 Indirect Economic Impacts 2016	
	103-1 Explanation of the material topic and its Boundary	Page 28
GRI 103 MANAGEMENT APPROACH 2016	103-2 The management approach and its components	Pages 44-48
	103-3 Evaluation of the management approach	Pages 44-48
GRI 203 Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Pages 44-48
	GRI 302 Energy 2016	
	103-1 Explanation of the material topic and its Boundary	Page 28
GRI 103 MANAGEMENT APPROACH 2016	103-2 The management approach and its components	Page 51
	103-3 Evaluation of the management approach	Pages 51, 56
GRI 302 Energy 2016	302-1 Energy consumption within the organization	Pages 56, 74
	302-3 Energy intensity	Pages 56, 74
	302-4 Reduction of energy consumption	Pages 56, 74
	GRI 303 Water and Effluents 2018	
	103-1 Explanation of the material topic and its Boundary	Page 28
GRI 103 MANAGEMENT APPROACH 2016	103-2 The management approach and its components	Page 55
	103-3 Evaluation of the management approach	Page 55
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 55
	303-2 Management of water discharge-related impacts	Page 59



GRI Content Index

GRI 303 Water and Effluents 2018	303-3 Water withdrawal	Page 78
	303-4 Water discharge	Page 78
	GRI 305 Emissions 2016	
GRI 103 MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	Page 28
	103-2 The management approach and its components	Pages 52-54
	103-3 Evaluation of the management approach	Pages 52-54
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 75
	305-2 Energy indirect (Scope 2) GHG emissions	Page 75
	305-5 Reduction of GHG emissions	Page 75
	GRI 304 Biodiversity 2016	
GRI 103 MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	Page 28
	103-2 The management approach and its components	Pages 51, 55
	103-3 Evaluation of the management approach	Pages 51, 55
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	Pages 51, 55
	304-2 Significant impacts of activities, products, and services on biodiversity	Pages 51, 55
	GRI 306 Waste 2020	
GRI 103 MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	Page 28
	103-2 The management approach and its components	Page 51
	103-3 Evaluation of the management approach	Page 51
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	Pages 59-60
	306-2 Management of significant waste-related impacts	Pages 59-60
	306-3 Waste generated	Page 77
	306-4 Waste diverted from disposal	Pages 60, 77
	306-5 Waste directed to disposal	Page 77



GRI Content Index

GRI 400 SOCIAL TOPICS		RELEVANT SECTION IN THE REPORT
	GRI 401 Employment 2016	
GRI 103 MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	Page 28
	103-2 The management approach and its components	Pages 40-41
	103-3 Evaluation of the management approach	Pages 40-41
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	Page 71
	401-3 Parental leave	Page 71
	GRI 403 Occupational Health and Safety 2018	
GRI 103 MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	Page 28
	103-2 The management approach and its components	Page 42
	103-3 Evaluation of the management approach	Page 42
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 42
	403-5 Worker training on occupational health and safety	Page 73
	403-9 Work-related injuries	Page 73
	403-10 Work-related ill health	Page 73
	GRI 404 Training and Education 2016	
GRI 103 MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	Page 28
	103-2 The management approach and its components	Page 41
	103-3 Evaluation of the management approach	Page 41
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	Page 72
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 72



GRI Content Index

	GRI 413 Local Communities 2016	
GRI 103 MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	Page 28
	103-2 The management approach and its components	Pages 44-46
	103-3 Evaluation of the management approach	Pages 44-46
GRI 413 Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 44-46
	GRI 416 Customer Health and Safety 2016	
GRI 103 MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	Page 28
	103-2 The management approach and its components	Pages 36-38
	103-3 Evaluation of the management approach	Pages 36-38
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Pages 36-38



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