

Farm to Table

For a

**Sustainable
Future**



Sustainability Progress Report 2023

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This eighth sustainability report since 2015 highlights our progress toward our 2025 goals in three focus areas: the environment, people, and society.



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Message from the Chairman



Dear Stakeholders and Friends of Sütas,

2023 has been profoundly special and meaningful for all of us as we celebrated the 100th anniversary of our Republic. To witness this historic centennial is a profound privilege for our generation—one that flourished under the transformative legacy of Atatürk’s vision, from sweeping political and economic reforms to revolutionary advances in law, education, and culture that followed the foundation of the Republic. Yet 2023 also bore witness to devastating heartbreak, as twin earthquakes on February 6 ravaged 11 provinces in Türkiye, leaving cities in ruins. In the face of this tragedy, our nation’s unwavering solidarity emerged as a powerful testament to the bedrock principles of unity and collective strength that have defined our Republic for a century.

2023 was marked by significant economic and geopolitical challenges worldwide. These challenges can be overcome with time. However, we are also facing much broader challenges, including the climate crisis, biodiversity loss, and social inequalities.

The Intergovernmental Panel on Climate Change 2023 Assessment Report on Climate Change highlighted that countries’ pledges to cut greenhouse gas emissions fall short of the Paris Agreement targets. In 2023, global temperatures rose by 1.48 degrees, marking it as the hottest year since record-keeping began 173 years ago. This figure clearly shows our failure to limit the temperature rise to 1.5 degrees, as stipulated in the Paris Agreement.

The growing intensity of extreme climate events continues to threaten the resilience, economic stability, and social sustainability of the agriculture and food industries, which are at the core of our operations. Our industry was prominently featured at the 2023 Conference of Parties (COP28) on Climate Change, where the Declaration on Resilient Food Systems, Sustainable Agriculture, and Climate Action, backed by 160 countries including ours, emerged as the most widely endorsed declaration. The declaration underscores the escalating threat to our industry, driven by climate change industry and the potential of sustainable food systems to address it. The declaration calls for a shift to production methods that maximize climate and environmental benefits, protect, restore, and nurture land and natural ecosystems, and improve soil health and biodiversity. On the other hand, while ensuring food safety, it also aims to provide producers, whose numbers are decreasing daily, with necessary resources, knowledge, rural infrastructure, suitable working conditions and income, as well as empowering women who are the unsung heroes of agricultural production.

Dear Stakeholders,

Sustainability is not just a buzzword on our whiteboard; it is the bedrock of our dairy farming philosophy. With our mission to bring the essence of milk to our consumers and contribute to improving people’s quality of life, health and happiness, we produce natural and delicious dairy products; working with “our love of milk” to share the goodness of milk. Over the years, we have built 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 promotes sustainability and circularity, while preserving the essence of our natural taste. We continuously develop and strengthen the “corporate structure” that secures our future, in line with our values and corporate governance principles. In building our structure, we naturally contribute to “health and happiness of people,” “development and prosperity of society,” and “environmental sustainability.”

I am proud to present our **2023 Sustainability Progress Report**, detailing our efforts towards our goals within the scope of our “**Farm to Table, for a Sustainable Future**” approach. I would like to thank our valuable employees, stakeholders, and all friends of Sütas for their support and contributions to our journey of sustainable growth and development.

Muharrem Yilmaz
Chairman

Message from the Head of the Sustainability Committee



Dear Stakeholders,

We have successfully completed another reporting period in our commitment to our vision: [#FarmToTableForASustainableFuture](#). I am delighted to present our eighth Sustainability Report, inspired by the unwavering dedication of the Süttaş family to advancing “environmental sustainability,” “health and happiness of people,” and “development and prosperity of society.” This report provides an in-depth look at our efforts to promote environmental, social, and economic sustainability throughout the entire “Farm to Table” milk value chain, fueled by our passion for sharing the goodness and abundance of milk.

As we advance toward 2025 marking a half-century since our founding let me share the key milestones from 2023 that have propelled us closer to our ambitious sustainability goals.

- An increasingly pressing global priority, combating climate change is a strategic goal at Süttaş. At our biogas facilities, we process manure and organic waste from our farms to produce electricity, steam, and hot water, achieving remarkable outcomes. In 2023, we expanded the biogas electricity production capacity at our four integrated facilities to 20.2 MWh. This upgrade allowed us to generate 88% of the total energy requirement of our production facilities. As a result, we prevented greenhouse gas emissions exceeding three times those generated by our operations (Scope 1 and 2).

- By implementing efficiency projects, optimizing processes, and investing in renewable energy, we achieved a 9% reduction in emissions intensity compared to the previous year.

- The organic and organomineral fertilizers derived from our biogas outputs supplied over 51,000 metric tons of organic material back into the soils where feed for our cattle is grown, surpassing our 2025 target. This approach has boosted crop yields while improving the organic structure of the soil and enhancing its capacity to retain water and carbon. In 2023 alone, we enhanced soil health and productivity across 112 square kilometers of farmland, expanding our total land restoration efforts to 239 square kilometers since 2020.

- Aligned with our goal of utilizing farm rooftops to expand renewable energy production, we commissioned rooftop solar power plants with a total capacity of 10.38 MWp at our Aksaray and Tire Integrated Facilities, along with a 1 MWp solar power plant at our Bingöl Integrated Facilities in 2023. Efforts are progressing swiftly at other locations as we work toward our 2025 target of 25 MWp.

- Today, the risk of drought is escalating globally daily, making every drop of water increasingly valuable. Bearing that responsibility, we are committed to water efficiency and continually evaluate our processes in agricultural irrigation and dairy production.

- Since 2020, we have been actively working to reduce the amount of plastic used in our packaging. Through innovative technology and design, we have eliminated 1,262 metric tons of plastic from our packaging.

- We have a business model that drives sustainability across economic, social, and environmental dimensions. Through our integrated facilities in Karacabey in the Marmara Region, Aksaray in the Central Anatolia Region, Tire in the Aegean Region, and finally Bingöl in the Eastern-Southeastern Anatolia Region, we continue to make significant contributions to rural development in particular and create value for all segments of society in the regions where we operate.

- In parallel with global and national sustainability developments, we consider calculating scope 3 emissions and identifying the climate impact across our entire value chain and collaborating with our stakeholders to mitigate this impact a top priority. To this end, we have launched a comprehensive initiative to map our entire network of suppliers and customers.

Dear Stakeholders,

I invite you to explore this progress report, which charts our path toward our 2025 sustainability goals and embodies our [Farm to Table for a Sustainable Future](#) vision. My deepest gratitude goes to our stakeholders, and particularly to my colleagues, whose shared passion for sustainability continues to drive our mission forward.

Duygu Yılmaz
Head of the Sustainability Committee

About Sütaş

Our Business is Milk, Our Passion is Milk, Our Name is Milk

We were established in 1975. Since our founding, we have remained dedicated exclusively to dairy products, committed to giving back what we have earned and passionately sharing the goodness and abundance of milk.



Farm to Table
For a
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Future

Our Vision

To become the most loved brand, the most trusted corporation and the leading company in the dairy sector.

Our Mission

To provide natural and delicious dairy products that improve people's quality of life and bring them health and happiness, we manage and develop the dairy value chain in the most efficient and sustainable way, with the passion of sharing the goodness of milk.

Our values are

Respect: We have respect for humans, society and nature.

Responsibility: We act in a fair and transparent manner and we are accountable for our actions, we own up to our responsibilities.

Excellence: We constantly improve ourselves and seek excellence to become the masters of our business.

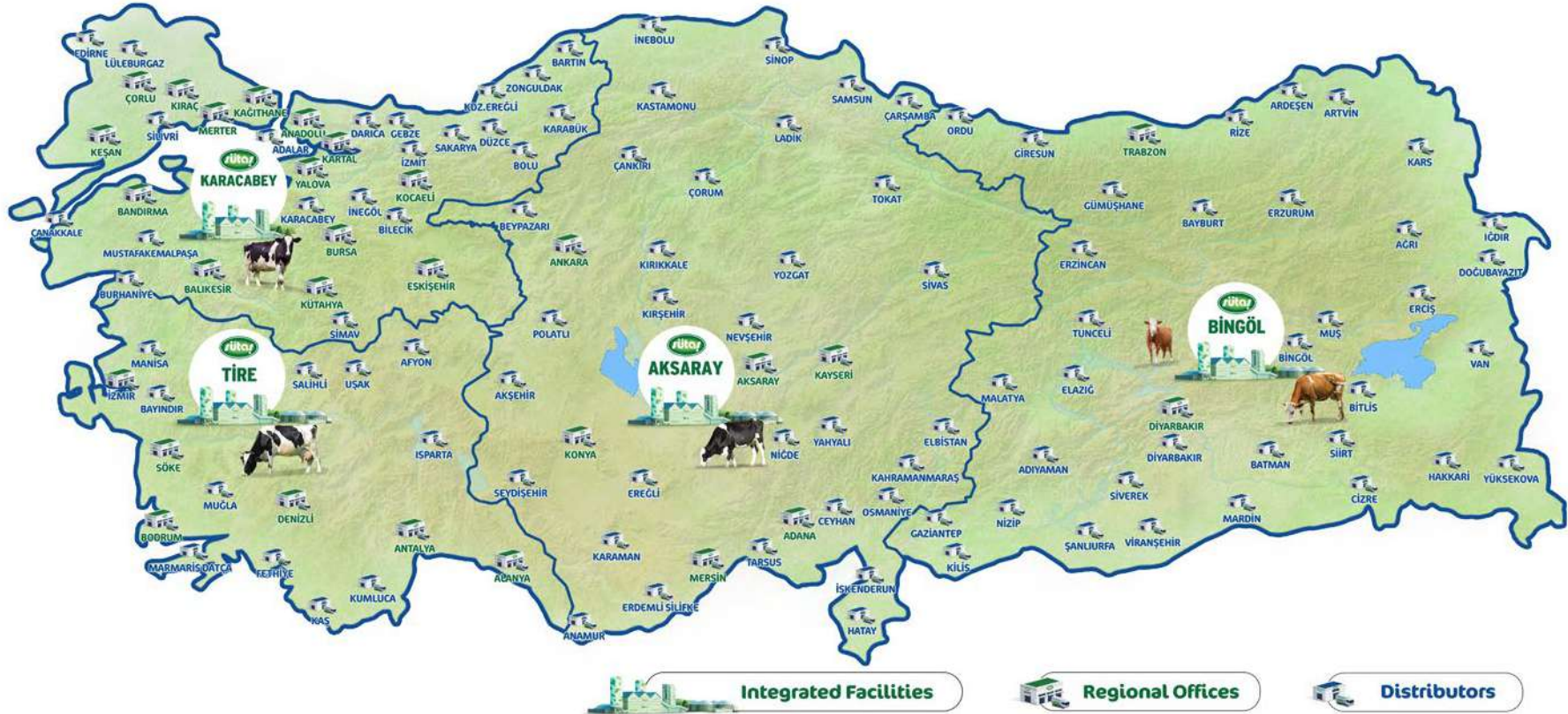
Passion: We passionately commit ourselves to the goodness and abundance of milk and to dairy.



About Sütaş

Sütaş spans all across Türkiye

From the Marmara shores to the Anatolian heartland, we serve every corner of Türkiye through our four integrated facilities Karacabey, Aksaray, Tire and Bingöl, supported by a robust network of 27 regional offices and 94 dealers and distributors.



About Süttaş

Süttaş in global markets

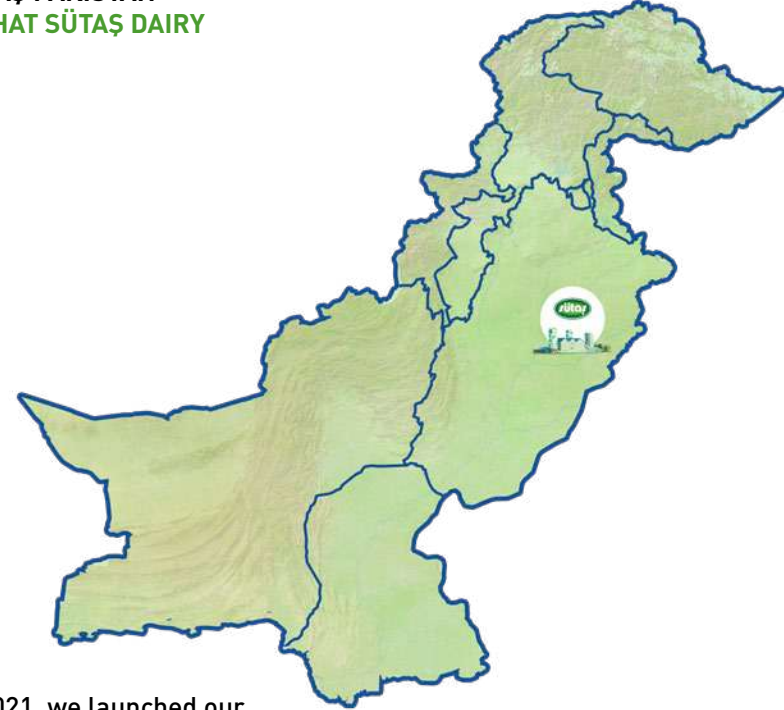
SÜTAŞ MACEDONIA SKOPJE
INTEGRATED FACILITIES
EURO DAIRY MACEDONIA



Since 2014, we have expanded our presence in the Balkans with our facility in Macedonia.

We currently export to 47 countries, including China, Egypt, various European nations, Azerbaijan, the United States, Japan, the United Arab Emirates, Qatar, Libya, Iraq, and Kuwait.

SÜTAŞ PAKISTAN
NISHAT SÜTAŞ DAIRY

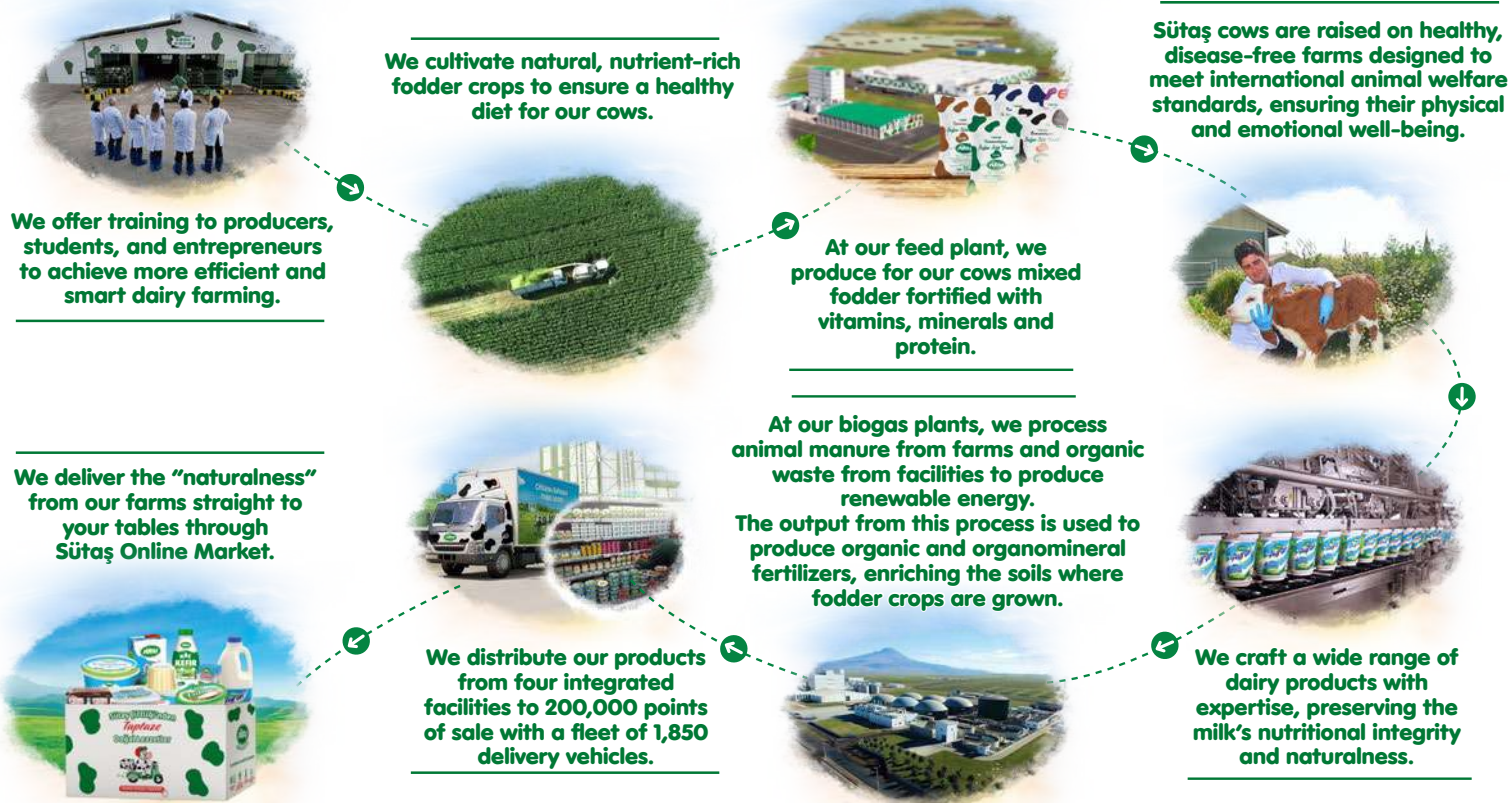


In 2021, we launched our milk brand, Milk Fields, in the Pakistani market.

About Sütaş

Our “Farm to Table” integrated business model

Since our establishment, we have been dedicated to dairy farming, thriving on expertise in the field. By integrating the entire milk value chain, from “Farm to Table,” we have developed a dynamic business model that ensures the naturalness, quality, nutritional value, and traceability of our products. Each of our integrated facilities includes breeding farms, a feed plant, a dairy production plant, as well as energy and fertilizer facilities.



About Sütaş

We manage all our activities through the following structure in line with our integrated business model.

Agriculture and Dairy Farming Activities

- Dairy farming trainings
- Fodder crops and fodder production
- Compound feed production
- Dairy cattle breeding farms
- Livestock health and breeding center



Milk and Dairy Production

- Dairy production
- Sales and distribution services
- e-Commerce



Biogas, Energy and Fertilizer Production

- Biogas production
- Electricity, steam and hot water generation
- Fertilizer production



About Süttaş

Süttaş by the Numbers

Agriculture and Dairy Farming Activities

Dairy farming training for **19,510** farmers, **35,000** entrepreneurs and students

180,000 metric tons of fodder production

390,000 metric tons of compound feed production

24,000 cows at our dairy cattle breeding farms

Livestock health and breeding center

Milk and Dairy Production

6.8 million packs of milk and dairy products per day

1,870 vehicles to distribute to **200,000** points of sale

Delivery to consumers' doorsteps through www.sutas.market e-Commerce

Energy and Fertilizer Production Activities

786,000 metric tons of organic waste processed at biogas facilities

98,000 MWh of electricity generation

102,000 MWh of steam and hot water generation

678,000 metric tons fertilizer production

88% of the electricity requirement of our production facilities generated by organic waste and manure from our farms.

Net consolidated revenue: **TRY 29.6 billion***

We export to **47** countries.

* Adjusted in accordance with inflation accounting principles.

Sütaş and Sustainability

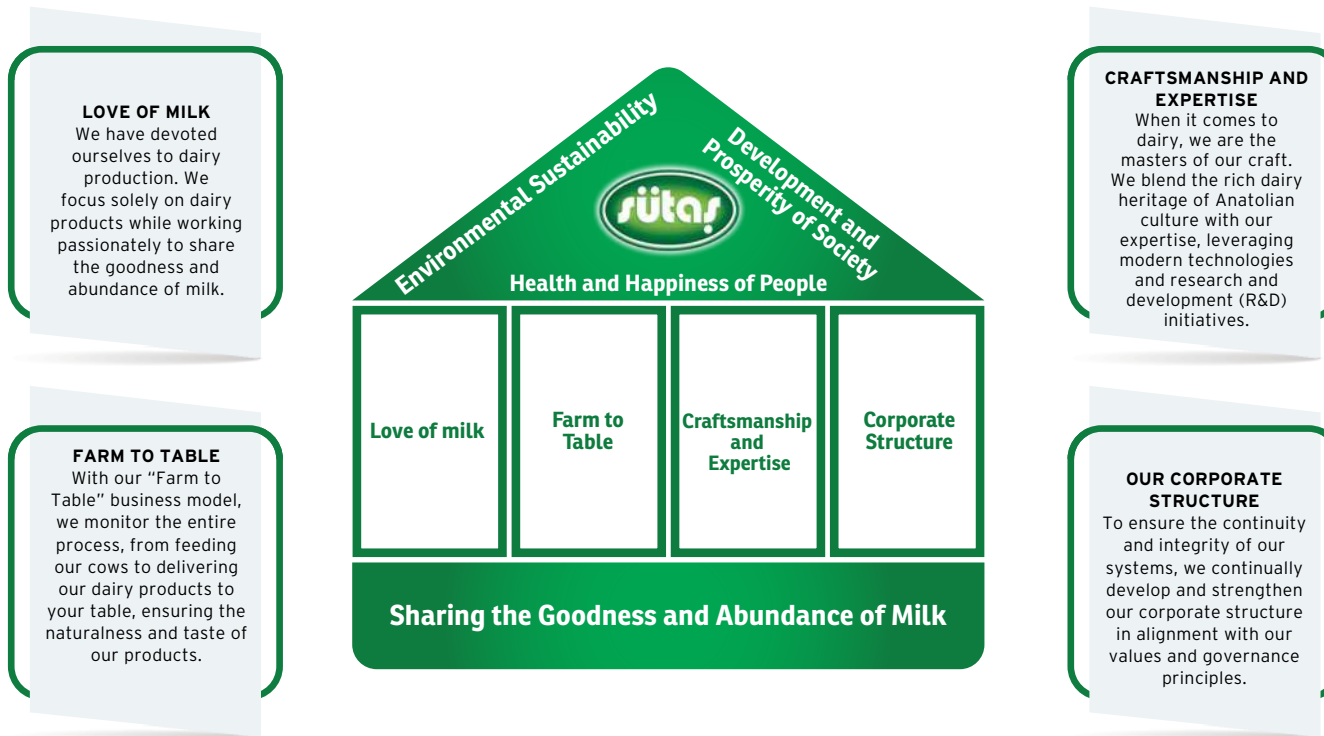
Our circular business model, encompassing crop production, fertilizer production, and energy production, is driven by efficient resource utilization and recycling. This holistic approach to sustainability integrates environmental, social, and economic dimensions.



Our Sustainability Strategy

Sustainability is at the core of who we are

From day one, we have been working with our mission to share the goodness and abundance of milk. Four fundamental strategies guide our mission to produce natural, delicious dairy products that promote health, enhance the quality of life, and bring happiness, all while responsibly managing and optimizing our entrusted resources with maximum efficiency. Our core strategies—centered on dairy, mastering the “Farm to Table” value chain, building expertise, and establishing a robust corporate structure to ensure sustainability—combined with our sustainability-driven integrated business model, play a vital role in promoting the “health and happiness of people,” fostering the “development and prosperity of society,” and advancing “environmental sustainability.”



Focus Areas

ENVIRONMENTAL SUSTAINABILITY

We take responsibility for taking care of natural resources. Guided by this belief, we manage the milk value chain through our circular “Farm to Table” business model. To achieve this, we adhere to the principles of regenerative agriculture and sustainable dairy farming, protect the soil, optimize water and energy use, expand renewable energy production, and aim for zero waste.



HEALTH AND HAPPINESS OF PEOPLE

We work passionately to share the goodness of milk with everyone. Our “Farm to Table” business model preserves the naturalness, taste, and nutritional value of our products. We continuously enhance this model by leveraging the opportunities and innovations offered by technology.

DEVELOPMENT AND PROSPERITY OF SOCIETY

Our “Farm to Table” business model, with its socio-economic impact and inclusiveness, serves as a “Regional Development Model.” This model creates employment for thousands by mobilizing various sub-sectors in agriculture, industry, and services. It provides an exemplary income distribution model, ensuring the generated income is shared across different segments of society, and supports social development. We support the development of our colleagues and hence supports to provide them with a healthy, safe, and happy work environment.

Farm to Table
for a
Sustainable
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OUR MESSAGE TO OUR STAKEHOLDERS

ABOUT SÜTAS

SÜTAS AND SUSTAINABILITY

CORPORATE GOVERNANCE

ENVIRONMENTAL SUSTAINABILITY

HEALTH AND HAPPINESS OF PEOPLE

DEVELOPMENT AND PROSPERITY OF SOCIETY

ANNEXES

Our Sustainability Performance in 2023

ENVIRONMENTAL SUSTAINABILITY

Climate Change and Carbon Management

We met **88%** of our production plants' energy needs with renewable energy generated from organic waste.



In 2023, our solar power plants achieved an installed capacity of **11,38 MWp**



2025 Goal: **100%** renewable energy

2025 Goal: **25 MWp**

In 2023, our energy efficiency reached **4%**



2025 Goal: **15% increase**

Sustainable and Regenerative Agriculture

We added **51,000 tons** of organic matter to restore soil, surpassing our 2025 goal ahead of schedule.



2025 Goal: **50,000 metric tons**

Waste Management

Since 2020, we have reduced our plastic waste by **1,262 tons**



2025 Goal: **1,500 metric tons**

Water Management

In 2023, we achieved water efficiency at our facilities by **8%**, excluding farm operations.



2025 Goal: **15% increase**

Sustainable Dairy Farming

We continue to pursue agricultural R&D to breed high-yield dairy cattle suited to our country's

2025 Goal: **Completion of efforts**

HEALTH AND HAPPINESS OF PEOPLE

Consumer Health and Well-being

We have developed a new product to help consumers maintain a healthy diet.

2025 Goal: **15 new products**

Ratio of packaging that includes informative content on healthy nutrition: **36%**



2025 Goal: **50%**

Food Security

Ratio of suppliers certified by Global Food Safety Initiative: **78%**



2025 Goal: **75%**

DEVELOPMENT AND PROSPERITY OF SOCIETY

Our Socio-economic Contributions

Efficiency increase in partner farms **3%**

2025 Goal: **8%**

Our Contributions to Sector Development

19,510 dairy farmers completed sustainable dairy farming training.



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

Employment and Development

Number of sustainability suggestions: **4,705**



2025 Goal: **2,500**

Occupational Health and Safety

Lost-time injury frequency rate: **13.2**



2025 Goal: **<5**

Our Sustainability Management

A strong team driving the recipe for success

All our employees, including members of our Board of Directors, embrace sustainability as the essence of their way of doing business. The Board of Directors is responsible for Sustainability Management at Sütas. Board members (see Annex – Board Members) take ownership of our sustainability goals, contribute to their advancement with a strategic perspective, and collaborate closely with the Sustainability Committee to track progress.

The Sustainability Committee acts on behalf of the Board of Directors to:

- Determine our sustainability strategy, policy, and goals;
- Develop and execute plans and timelines;
- Monitor and evaluate performance; and
- Identify and assess the environmental, social, economic and corporate risks and opportunities faced by Group companies, while determining the necessary actions to address them.

The Committee functions in alignment with the Sustainability Committee Working Principles, as approved by the Board of Directors. The Board of Directors selects Sustainability Committee members based on their experience in various aspects of sustainability.

The Sustainability Coordination and Communication Sub-Committee facilitates communication with the Committee and Working Groups, coordinates and oversees activities, develops and executes the communication plan, and compiles sustainability performance reports.

The seven “Working Groups” are responsible for translating our sustainability goals into actionable business plans, implementation of plans and reporting on progress.

The Sustainability Committee convened six times in 2023 to define the scope and content of the 2022 Progress Report, which was then submitted to the Board of Directors for approval. The Committee convened with the working groups, one-to-one and collectively, to evaluate the actions required to meet the 2025 goals and to set new targets for the period beyond 2025.



Our Sustainability Management

The Sustainability Coordination and Communication Sub-Committee held weekly meetings to review the activities of the 30-member working groups. The Committee evaluated progress toward achieving targets, reviewed areas of insufficient progress and presented its findings to the Sustainability Committee. Subsequently, it developed and executed the 2022 Sustainability Progress Report and its accompanying communication plan.

- Our “Farm to Table” integrated business model earned recognition in the “Supply Chain Management” category at the Sustainable Business Awards, a leading global benchmark for corporate sustainability excellence.
- After extensive consultations with the strategic Environment and Agriculture working groups, new targets were set for the relevant departments, aligning with both global and local sustainability trends.
- Sustainability training programs were carefully crafted with customized content tailored to each target employee group.
- We actively participated in industry-specific sustainability initiatives in collaboration with the working groups of the non-governmental organizations (NGOs) we are affiliated with.
- Under the leadership of Duygu Yılmaz, Head of the Sustainability Committee, we participated in several summits to showcase our initiatives and sustainability performance, which stand as key examples for the agriculture and food industries.
- We communicated our sustainability messages and performance in social media and by incorporating them into the Süttaş Farm Comic Strips. The comic strips played a key role in raising awareness of our initiatives.



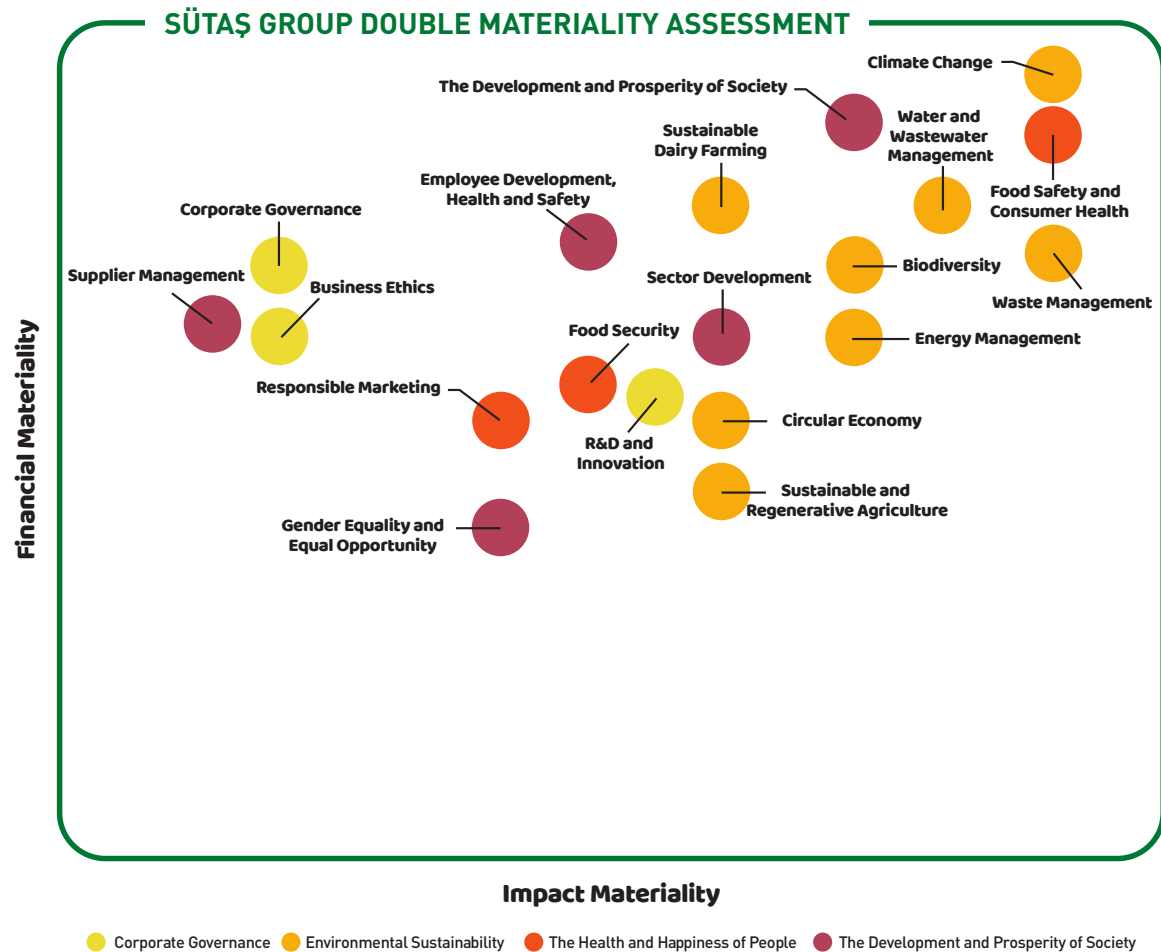
Double Materiality Assessment

We comply with the new global reporting standards

Since the start of our sustainability reporting in 2015, we have been identifying our strategic priorities and focus areas through a materiality analysis aligned with Global Reporting Initiative (GRI) standards, incorporating stakeholder perspectives. In this report, we sought to update our analytical approach to align with the latest developments in global reporting standards for 2023. We reviewed our analysis and priority topics through workshops held with our Sustainability Committee and working groups, incorporating the “Double Materiality” framework outlined by the European Sustainability Reporting Standards (ESRS) and aligning our approach with the guidelines established by the European Financial Reporting Advisory Group (EFRAG). Our analysis encompassed 32 key topics and 86 sub-topics, focusing on standards, global trends, stakeholder expectations, and sectoral benchmarks. These topics were subsequently categorized and scored based on their impact materiality and financial materiality.

- As part of the impact materiality (inside-out) assessment, we evaluated the potential positive and negative impacts of relevant topics across Sütaş Group’s value chain, considering their short-, medium-, and long-term effects, factoring in the scale and scope of the impacts and, in cases of negative outcomes, irreversibility.
- In the financial materiality (outside-in) assessment, we analyzed the risks and opportunities of these topics could present to Sütaş Group’s financial performance, taking into account their probability and potential impact.

Our analysis identified 19 priority topics approved by the Sütaş Board of Directors were incorporated into our materiality matrix. Since our analysis indicated no need to revise our focus areas at then this report is grounded in the previously established focus areas.



Double Materiality Assessment

Relevant Strategies	Main Topics	Sub-Topics	Section in the Report
Corporate Governance	Business Ethics	Business Ethics, Competition, Conflicts of Interest, Anti-Corruption, Intracompany Relations	<u>Code of Ethics</u>
	Corporate Governance	Compliance with Corporate Governance Principles, Risk Management, Audit, Stakeholder Engagement, Corporate Relations, Data Security, Compliance with Regulations and Laws	<u>Risk Management and Auditing</u>
	R&D and Innovation	Improvement of Production Processes	<u>R&D and Innovation</u>
Environmental Sustainability	Waste Management	Management of Manure and Organic Waste, Management of Other Waste, Resource Utilization	<u>Circular Economy</u>
	Biodiversity	Biological Structure of Soil, Ecosystem Conservation, Species Conservation, Biodiversity Loss	<u>Biodiversity Conservation and Restoration</u>
	Circular Economy	Biological Cycles, Technical Cycles	Circular Economy
	Energy Management	Energy Use, Energy Efficiency, Logistics Efficiency	<u>Combatting Climate Change and Ensuring Compliance</u>
	Climate Change	Emissions and Carbon Management, Renewable Energy Production, Climate Change Induced Risks and Opportunities	<u>Combatting Climate Change and Ensuring Compliance</u>
	Water and Effluents Management	Water Use, Water Recovery, Water Efficiency, Waste Water Treatment and Discharge	<u>Water Management</u>
	Sustainable Dairy Farming	Animal Health and Welfare	<u>Sustainable Dairy Farming</u>
	Sustainable and Regenerative Agriculture	Regenerative Agricultural Practices, Soil Health	<u>Sustainable and Regenerative Agriculture</u>
Health and Happiness of People	Food Safety and Consumer Health	Feed and Raw Milk Hygiene/Quality, Milk and Dairy Hygiene/Quality, Product Storage under and Their Proper Storage, Healthy and Sufficient Nutrition	<u>Food Safety</u>
	Food Security	Yeterli ve Besleyici Gıdaya Erişim, Gıda Arzının Devamlılığının Sağlanması	<u>Consumer Health and Wellness</u>
	Responsible Marketing	Access to Sufficient and Nourishing Food, Ensuring the Continuity of Food Supply	<u>Food Security</u>
Development and Prosperity of Society	Employee Development, Health and Safety	Employee Development and Satisfaction, Training, Employee Benefits, Employee Engagement, Occupational Health and Safety	<u>Employment and Development</u>
	Sector Development	Farmer Training, University-Industry Cooperations, Education Scholarships	<u>Our Contributions to Sector Development</u>
	Supplier Management	Supplier Audits, Ensuring Due Diligence Across the Supply Chain	<u>Food Safety</u>
	Gender Equality and Equal Opportunity	Gender Equality, Training and Skill Development, Diversity	<u>Employment and Development</u>
	The Development and Prosperity of Society	Employment, Regional Development, Improving Stakeholder Welfare and Income	<u>Our Contributions to the Local Economy</u>

Stakeholder Engagement

We maintain a diverse stakeholder ecosystem

Our business model, encompassing every stage from fodder crop production for our cows to the collection, transportation, processing, and distribution of raw milk, is bolstered by a vast stakeholder ecosystem. We fully recognize the vital role our strong communication network and stakeholder partnerships play in driving our success. We regard our stakeholders as individuals and organizations directly impacted by our decisions and capable of influencing our business objectives through their own actions, while bearing legal, financial, or operational responsibilities toward our company. We, therefore, actively engage with each of our stakeholders through diverse communication channels and cultivate strong partnerships.

Our Stakeholder	Common Issues
Our Colleagues	<ul style="list-style-type: none"> Diversity and inclusion Employee development and satisfaction Occupational health and safety
Dairy Producers and Farmers	<ul style="list-style-type: none"> Animal health and welfare Sustainable dairy farming Sustainable and regenerative agriculture Biodiversity conservation Contribution to the local economy
Distributors	<ul style="list-style-type: none"> Product and service quality Food safety and security Marketing and sales management Employee development and training
Public Institutions	<ul style="list-style-type: none"> Legislative regulations Food safety and security and auditing Sustainable dairy farmer training Climate change Sustainable Food Systems Transformation R&D and innovation Responsible marketing and fair competition
Financial Institutions	<ul style="list-style-type: none"> Financial performance Corporate governance Social and environmental sustainability
Media	<ul style="list-style-type: none"> Health and nutrition Marketing activities Transparency and accessibility

Our Stakeholder	Common Issues
Customers and Consumers	<ul style="list-style-type: none"> Product and service quality Food safety and security R&D and innovation Consumer/customer notifications Collaborations
Suppliers	<ul style="list-style-type: none"> Quality, hygiene, and good manufacturing practices Food safety and security Environmental sustainability Employee rights, development, and satisfaction Occupational health and safety Business ethics and responsible commerce
Academy	<ul style="list-style-type: none"> Sustainable dairy farmer training R&D and innovation Strategic impact analyses Sector development Scholarship opportunities
NGOs	<ul style="list-style-type: none"> Sustainable and regenerative agriculture Sustainable dairy farming Food safety and security Transparency and traceability Sector development Corporate governance Waste management Water management Global trends and compliance Human resources management and employee development Business ethics and responsible commerce

Our Impact Through

We actively contribute to 12 Sustainable Development Goals

We operate across all activities in the dairy value chain. We regularly analyze our sustainability impacts on the operational components of our value chain annually, in two groups: direct and indirect impacts. We, at Sütaş, are committed to supporting the United Nations Sustainable Development Goals (SDGs) ensuring no one is left out, and helping to protect our planet, and improve the well-being of people.

Our Sustainability Impact through the Sütaş Value Chain	Fodder Crops and Feed Production	Raw Milk Supply	Raw Milk Production	Ürün Geliştirme	Product Development	Dairy Production	Product Sales and Distribution	Product Consumption	Energy and Fertilizer Production	SDG Icons
Environment										
Climate Change Mitigation and Adaption	●	●	●		●		●		●	7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
Waste Management			●		●			●	●	6 CLEAN WATER AND SANITATION, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Water Management	●		●		●				●	6 CLEAN WATER AND SANITATION, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Sustainable and Regenerative Agriculture	●								●	2 ZERO WASTE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 15 LIFE ON LAND
Sustainable Dairy Farming	●	●	●							2 ZERO WASTE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Individuals										
Food Safety	●	●	●	●	●	●	●	●	●	2 ZERO WASTE, 13 CLIMATE ACTION, 15 LIFE ON LAND
Food Security	●	●	●	●	●	●	●	●		2 ZERO WASTE, 3 GOOD HEALTH AND WELL-BEING
Consumer Health and Wellness	●	●	●	●	●	●	●	●	●	2 ZERO WASTE, 3 GOOD HEALTH AND WELL-BEING, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Society										
Our Contributions to Local Economy	●	●	●		●	●	●		●	2 ZERO WASTE, 8 DECENT WORK AND ECONOMIC GROWTH
Our Contributions to Sector Development	●	●	●	●	●	●	●		●	4 QUALY EDUCATION, 17 PARTNERSHIPS FOR THE GOALS
Employment and Development	●	●	●	●	●	●	●		●	4 QUALY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH

● Direct Impact ● Indirect Impact

Trends, Risks, and Opportunities

We are ready for EU Green Deal with our “Farm to Table” business model

Each year, we thoroughly analyze emerging trends that could affect Süttaş’s operations and future priorities, considering national and global developments, stakeholder expectations, and industry dynamics.

The European Green Deal and Green Transformation

The European Green Deal, the EU’s new growth strategy, seeks to achieve carbon neutrality and foster green transformation across Europe by 2050. Aligned actions have been incorporated into national frameworks, including the 12th Development Plan and the Medium-Term Program. A wide range of strategies and action plans under the Green Deal have far-reaching implications for the agriculture and food industries. Just as they did in 2023, these documented measures will continue to guide Süttaş’s future initiatives.

The three cornerstone documents of the Green Deal that most significantly impact the agriculture and food industries are the “Farm to Fork” and “Biodiversity” strategies, as well as the “Circular Economy Action Plan,” which promotes circularity across all sectors. At Süttaş, our sustainability-driven business model—encompassing everything from producing feed for our cows to the production, collection, processing, and distribution of raw milk—stands as a micro-scale embodiment of the “Farm to Fork Strategy.” We place a strong emphasis on aligning our operations with the principles of the “Biodiversity Strategy” and the “Circular Economy Action Plan.”

Climate Change Mitigation

The escalating impacts of climate change, coupled with 2023 being recorded as the hottest year on record, have heightened climate-related expectations among our stakeholders. As a company operating in an industry that both contributes to and is deeply affected by the climate crisis, we are dedicated to taking responsibility and amplifying our climate-focused initiatives. In addition to implementing energy efficiency projects to minimize our impact, we are also accelerating our investments in renewable energy.

Greenwashing

In 2023, the EU Sustainability Reporting Regulations and Türkiye’s Sustainability Reporting Standards were introduced as part of the Green Deal framework. These standards place a strong emphasis on staying clear of greenwashing. We transparently and accurately report our sustainability efforts in line with international reporting standards, ensuring we avoid greenwashing practices. Harnessing digital transformation to monitor our performance more effectively, we are developing an integrated sustainability data management system to facilitate the collection, analysis, and reporting of data through digital platforms, while ensuring its accuracy and validation.

Strong Supply Chains and Food Safety

The wars in neighboring regions and the COVID-19 pandemic have underscored the critical importance of safeguarding the food supply chain. In this context, ensuring a consistent supply of milk and dairy products—key essential nutrients—remains paramount. With its comprehensive integration of agriculture and food management, our business model spans the entire milk value chain, meeting consumer expectations for naturalness, reliable food while exemplifying a resilient supply chain.

Transformation of the Workforce

Human capital is the cornerstone of a strong economy and prosperous societies. Building human capital requires a focus on employee satisfaction, fostering growth and engagement, and embedding sustainability into the company culture. At Süttaş, we are dedicated to cultivating a culture of sustainability that resonates with all our employees, both direct and indirect. Our initiatives include offering sustainability training for our employees and “Sustainable Dairy Farming Training” programs for dairy farmers. In 2023, we further demonstrated our commitment to gender equality by signing to the United Nations Women’s Empowerment Principles (WEPs).

Corporate Governance

Our corporate governance philosophy, founded on the principles of fairness, transparency, accountability, and responsibility, is a cornerstone of our four core strategies.

Corporate Governance

Corporate Governance is integral to how we do business

Our approach centers on creating long-term value for all stakeholders, recognizing that effective governance is essential for managing risk and achieving sustainable growth.

We are committed to the principles of fairness, transparency, accountability, and responsibility, working closely with regulatory and supervisory institutions to embed these principles into our business practices.

To ensure the continuity and integrity of our systems, we continually develop and strengthen our corporate structure in alignment with our values and governance principles. Our governance framework includes clearly defined policies and processes that establish the roles and responsibilities of the Board of Directors and all employees.

In line with our commitment to transparency, we publicly disclose our Corporate Governance Principles Compliance Report and annual rating report on our website, alongside our Annual Report.

Since 2015, we have consistently published our Corporate Governance Principles Compliance Report and subjected our adherence to these principles to evaluation by independent rating agencies.

We raised our Corporate Governance Rating to 96 from 93.4 in 2015. At the 14th Corporate Governance Awards, organized by the Corporate Governance Association of Türkiye, we were honored with the “Highest Corporate Governance Rating for a Non-Public Company” award for the 9th consecutive year, maintaining our leadership in this category since 2015.



Corporate Governance

The Board of Directors is responsible for overseeing all aspects of governance. To support the Board in fulfilling its duties and responsibilities, the following councils/committees have been established. These councils/committees regularly report their activities to the Board and offer recommendations for necessary actions.

Committee Title	Duties and Responsibilities
Audit and Risk Committee	It seeks to proactively identify social, environmental, governance-related, strategic, operational, financial, legal, and other risks that could threaten the company’s existence, growth, and continuity. It also facilitates the implementation of measures to address and manage these risks effectively. The Committee is also tasked with auditing the accuracy, transparency, and compliance of annual financial statements and other financial information with relevant legislation and international accounting standards.
Corporate Governance Committee	The Corporate Governance Committee oversees the development, adoption, and implementation of Corporate Governance Principles within the company. For areas where full compliance has not yet been achieved, the Committee evaluates the situation and submits improvement recommendations to the Board of Directors. The Committee also serves as the “Nomination Committee” and the “Remuneration Committee.”
Business Ethics Committee	The Committee is tasked with upholding and advancing business ethics and principles, fostering an ethical culture, establishing rules and guidelines, conducting regular training sessions, and reviewing and resolving reported instances of non-compliance.
Sustainability Committee	This committee is responsible for defining the sustainability strategy, setting targets, overseeing the implementation, approval, and auditing of the report and communication plan, managing all related processes, and bringing key sustainability-related issues to the attention of the Board of Directors.

Our Policies



Code of Ethics

We are committed to ethical principles

Compliance with laws, combined with values such as love, respect, sincerity, reliability, and integrity, forms the foundation of our relationships with our stakeholders.

To foster understanding and adherence to our ethical principles, we provide ethics training to all Sütas employees, nurturing and advancing an ethical culture within our organization. We regard all our business partners as integral members of the “Sütas family.” We firmly believe that adherence to our Code of Ethics is one of the greatest strengths of the Sütas family.

Sütas Business Ethics Committee Website

It enables stakeholders to submit anonymous reports and track the status of their submissions. These reports are securely stored in the systems of an independent company bound by a non-disclosure agreement and are shared exclusively with members of the Ethics Committee. The Ethics Committee reviews all notifications during weekly meetings and provides feedback to the notifying party. If the reported act or behavior is found to violate the code of ethics, the matter is thoroughly investigated and referred to the Disciplinary Board for further action.

“**14**”

Potential Ethics Violation Reports Reviewed and Resolved by the Ethics Committee in 2023



Risk Management and Auditing

Sustainability related risks and opportunities are our top priority

Effective risk management is a cornerstone of business continuity. It is focused on identifying and mitigating risks and uncertainties, minimizing their impact, and capitalizing on potential opportunities.

The “Audit and Risk Committee” plays a pivotal role in this process. It conducts studies to define the company’s risk map, reviews it as necessary, establishes risk management policies and implementation procedures, and ensures compliance with these measures.

To address sustainability-related risks and opportunities, a member of the Sustainability Committee also serves on the Audit and Risk Committee.

Auditing within the company is overseen by the Audit Department, which regularly evaluates the risk management and internal control systems. These evaluations are conducted in line with the risk-based annual audit plan, and findings are reported directly to the Board of Directors.



R&D and Innovation

We are the masters of our craft

“Craftsmanship and Expertise,” one of the four core strategies guiding our operations, also shapes our approach to R&D and innovation.

In 2016, we established the first R&D Center in Türkiye’s dairy industry to receive approved by the Ministry of Industry and Technology. Our R&D Center focuses on product development, advancing new production techniques, optimizing existing processes, and enhancing operational efficiency across our facilities. Since its inception, the center has successfully completed 260 projects.

We take pride in designing our facilities in-house and leading the design and production of much of our software, machinery, and equipment domestically in Türkiye. Over the years, we have significantly increased the utilization rate of domestic technology in our investments— from 30 percent in the early 2000s to approximately 80 percent today—through close collaboration with our machinery and equipment suppliers.

Our Group companies’ relevant units actively collaborate with the R&D team on initiatives aimed at reducing packaging materials, improving efficiency, and other innovation-focused efforts. Successful projects undergo rigorous testing and implementation, reinforcing our commitment to R&D and innovation.

In line with our R&D efforts in 2023, we accomplished:



Farm to Table
For a
Sustainable
Future



Internal Stakeholder Feedback

Özlem Kaner

R&D Center Coordinator, Sütaş Group

We take pride in being a leading R&D center in our industry. In 2023, we ranked first across all sectors for Utility Model registrations. By the end of the year, we had submitted 146 Utility Model applications and 61 patent applications, including 42 domestic and 19 international patents. As of 2023, we hold registrations for 110 Utility Models, 20 Patents, and two designs.

Our achievements extend beyond registrations; our university-industry collaborations have resulted in numerous academic publications. In addition to product development, our R&D Center collaborates with interdisciplinary production engineers to create new production techniques, refine existing ones, and ensure their successful implementation.

We also prioritize research aligned with the Sustainable Development Goals and the European Union Green Deal, focusing on biogas, renewable energy, organic and organomineral fertilizer production, and their environmental impact.

As part of the EU Horizon Europe Program, we participate in an Erasmus+ project to establish a center of vocational excellence in the dairy sector. Additionally, we are a partner in the Marie S. Curie NMR-IMPROVE international project, which focuses on “NMR Relaxation Tools for Improving and Protecting the Quality of Dairy Products.” To further enrich our R&D endeavors, we actively engage in international project markets and work to strengthen and sustain collaborations with the academic community.

Environmental Sustainability

To reduce our climate impact, we adhere to our circular “Farm to Table” integrated business model, increase renewable energy production, implement regenerative agriculture and sustainable dairy farming principles, optimize water and energy usage, and strive to achieve zero waste.

Farm to Table
For a
Sustainable
Future



OUR MESSAGE TO OUR
STAKEHOLDERS

ABOUT
SÜTAS

SÜTAS AND
SUSTAINABILITY

CORPORATE
GOVERNANCE

ENVIRONMENTAL
SUSTAINABILITY

HEALTH AND
HAPPINESS OF PEOPLE

DEVELOPMENT AND
PROSPERITY OF SOCIETY

ANNEXES

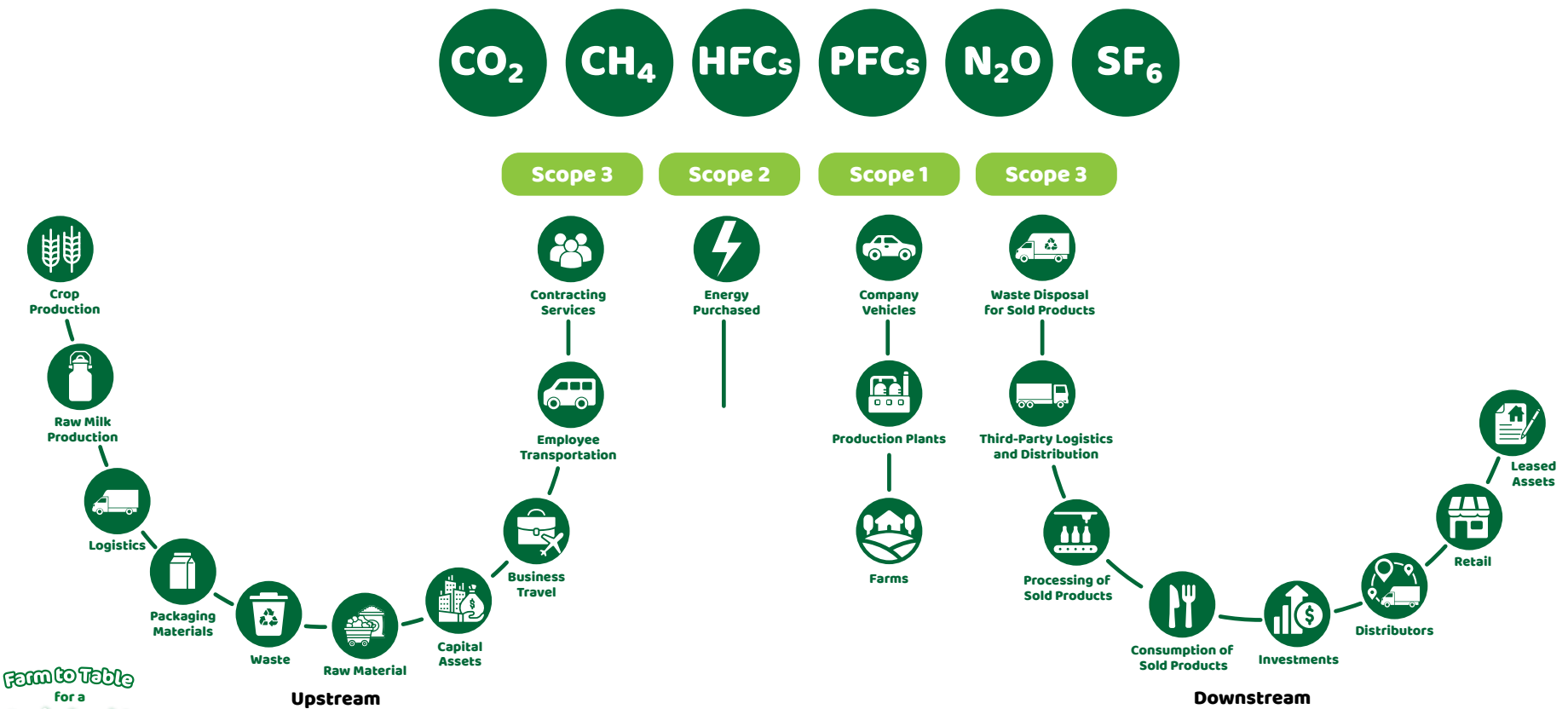
Climate Change Mitigation and Adaptation

We track our impact on climate

Operating in a sector deeply dependent on natural resources like soil, water, and air, we recognize our responsibility to address our impact on climate change and resource utilization. We actively implement measures to reduce emissions and take proactive steps to adapt to the challenges posed by climate change.

As a sustainability pioneer in our industry, we have been consistently calculating our Scope 1 and Scope 2 emissions since 2012. In 2023, we collaborated with our Environment, Supply Chain, and Agriculture Working Groups to develop a roadmap for calculating Scope 3 emissions, which encompass our entire value chain and extend beyond our direct control.

OUR EMISSION SOURCES



Farm to Table
For a
Sustainable Future

Climate Change Mitigation and Adaptation

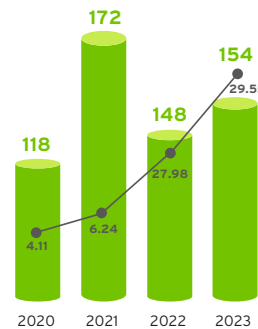
We reduced our emissions intensity by 9%

Our commitment to a sustainable future drives us to combat climate change through environmentally friendly production practices. In 2023, while our total greenhouse gas emissions increased by 4 percent compared to the previous year, our emissions intensity declined by 9 percent.

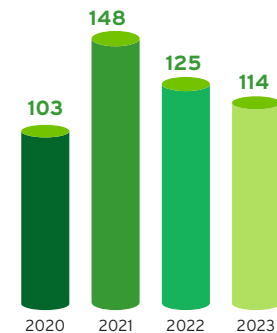
The rise in emissions was primarily due to the establishment of new farms at our Bingöl Integrated Facilities, which increased livestock numbers, as well as higher energy consumption in newly operational units. However, through the implementation of efficiency projects, process optimizations, conservation measures, and investments in renewable energy—spearheaded by our dedicated working groups—the reduction in emissions intensity remained on track throughout 2023.

Greenhouse Gas Emissions (thousand metric tons CO ₂ e)	2020	2021	2022	2023
Scope 1	61	109	83	88
Scope 2	56	63	65	66
Total	118	172	148	154

REVENUE AND GREENHOUSE GAS EMISSIONS

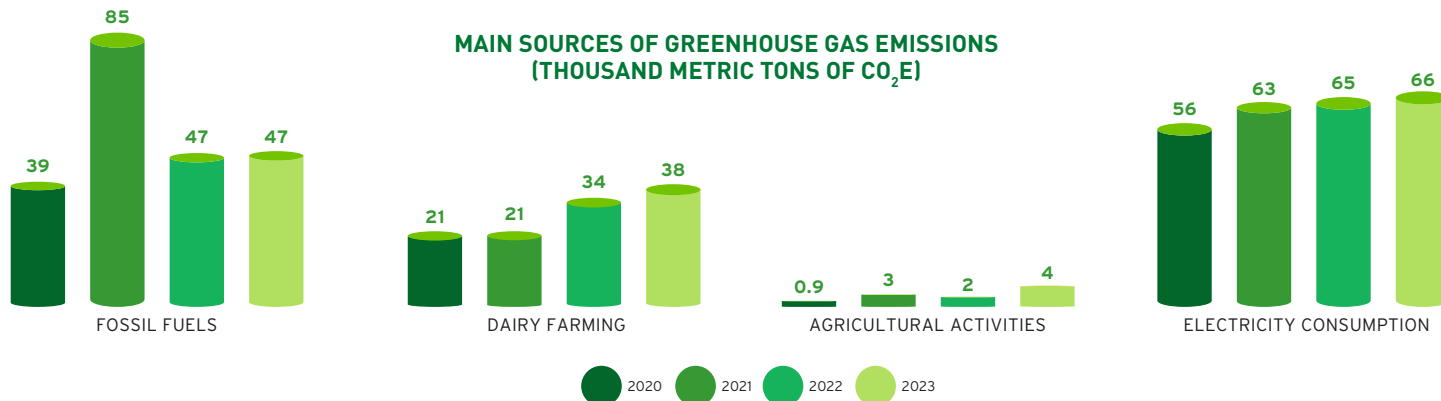


GREENHOUSE GAS EMISSIONS PER UNIT OF PROCESSED MILK [KG CO₂e/METRIC TONS]



GREENHOUSE GAS EMISSIONS (BIN TON CO₂e)
 REVENUE (TRY BILLION)

MAIN SOURCES OF GREENHOUSE GAS EMISSIONS (THOUSAND METRIC TONS OF CO₂e)



Climate Change Mitigation and Adaptation

We prevent greenhouse gas emissions through our biogas facilities

Recognizing the critical role of renewable energy in mitigating and adapting to climate change, we channel all our efforts into its development. Since 2013, in line with the principles of responsible production and circular economy, we have been utilizing animal manure from our farms and organic waste from our production processes to generate electricity, hot water, and steam in our biogas facilities equipped with cogeneration technology. This approach reduces our reliance on fossil fuels and helps prevent greenhouse gas emissions from these sources.

Additionally, the greenhouse gas emissions prevented by processing animal waste in our biogas facilities are verified and certified by Gold Standard®, an internationally recognized certification body operating under the Kyoto Protocol. This certification enables us to participate in voluntary carbon markets.

In 2016, our Aksaray Facility became the first biogas plant in Türkiye to receive Gold Standard certification for producing biogas from animal waste. Certification processes are ongoing for our Karacabey, Tire, and Bingöl Biogas Facilities.

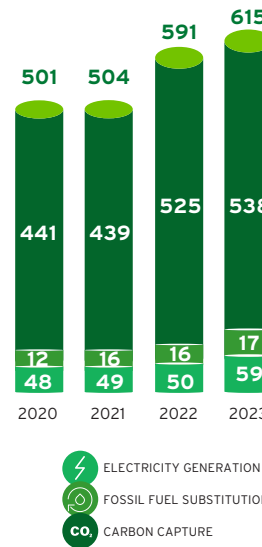


The high-organic-content outputs from the energy recovery process in our biogas facilities are repurposed into organic and organomineral fertilizers. These fertilizers enhance the organic structure of soils, improving crop production and contributing to bio-circularity (see: Circular Economy and Sustainable and Regenerative Agriculture).

In 2023:

- We reduced our carbon emissions by **615,000 metric tons**
- We have prevented greenhouse gas emissions amounting to **three times** our total greenhouse gas emissions.

AMOUNT OF GREENHOUSE GAS PREVENTED (THOUSAND TONS CO₂E)



ANKARA

Over the past 11 years, our renewable energy initiatives have prevented 3.3 million metric tons of greenhouse gas emissions— equivalent to the annual carbon sequestration of a black pine forest covering an area the size of Ankara province (approximately 2.3 million hectares).



Climate Change Mitigation and Adaptation

Internal Stakeholder Feedback

Şenol Kocapınar
Livestock Nutrition Manager

Since 2019, we have implemented various projects aimed at improving animal health, enhancing milk yield and reducing methane emissions by increasing feed digestibility through advanced ration management. To achieve these goals, we incorporate highly digestible raw materials into all our feed formulations, maximizing nutritional benefits per unit volume.

Among thousands of marine algae species worldwide, *Asparagopsis taxiformis*, a calcified red algae known as “susu,” is particularly beneficial for ruminant feeding. Rich in easily accessible cellulose and minerals like calcium and magnesium, and free from lignin, these algae acts as an excellent acid buffer, supporting rumen health and improving digestion. Recent studies have shown that using these algae as a feed additive can reduce methane emissions from ruminants by at least 25 percent. Since 2021, we have included supplements derived from this raw material in our mixed feeds

In late 2023, we further optimized our feeding rations by reducing the proportion of protein-based raw materials and replacing them with amino acids—the building blocks of proteins. This adjustment aims to lower free nitrogen levels produced during metabolism, thereby significantly reducing methane emissions.



Climate Change Mitigation and Adaptation

Our goal: 100% renewable energy

Recognizing renewable energy as vital to reducing our climate impact, adapting to climate change, and enhancing the resilience of our business model, we are accelerating our investments and initiatives in this critical area.

As part of our 2025 Sustainability Goals, we set two key renewable energy targets.

Meeting 100% of the Group's electricity needs using fertilizer and organic waste from our farms.

Our biogas facilities play a central role in achieving circularity and industrial symbiosis by processing manure and organic waste from our farms. The hot water and steam generated are utilized in our production plants, significantly reducing fossil fuel consumption.



We aim to increase our solar power installed capacity to 25 MWp. Our Solar Power Plant (SPP) investments began in 2022 with the installation of a 1 MWp solar power plant at our Bingöl Integrated Facilities, which became operational in 2023. To further advance our renewable energy goals, we initiated self-consumption solar panel projects at our farms and production facilities, supporting sustainable energy use. The first projects were completed in 2023, with the launch of self-consumption solar plants boasting capacities of 4.9 MWp at our Tire Integrated Facilities and 5.48 MWp at our Aksaray Integrated Facilities. We continue to evaluate the feasibility and technical specifications for additional SPP installations across our other farms and production plants.



At our biogas plants



In 2023, we disposed of **786,474 metric tons** of organic waste.



A total of **98,394 MWh** of electricity



56,759 metric tons of steam



58,142 MWh of hot water is generated.

Energy we produced corresponds to

88%

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



98%

of the electricity needs of our dairy plants



20%

of the thermal energy needs of our dairy factories.



This number is also equivalent to the annual electricity consumption of

37,549

households.



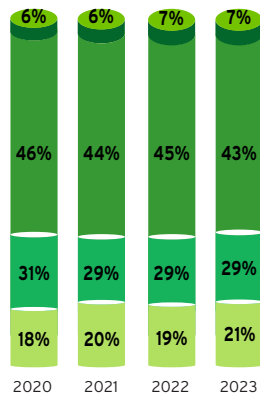
The Chamber of Electrical Engineers assumes the residential consumption to be 2,760 kWh in 2022.

Climate Change Mitigation and Adaptation

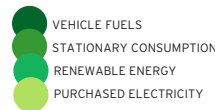
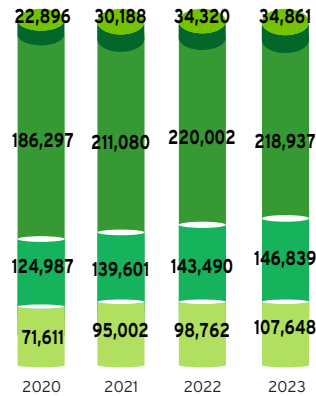
Energy management plays a crucial role in combatting climate change. Guided by our Integrated Governance System Policy and the ISO 50001 Energy Management Standard, we manage and monitor our energy use sustainably while conducting R&D activities to drive continuous optimization.

In 2023, our total net energy consumption stood at 508,225 MWh. All operational units, with the exception of our farms, demonstrated improvements in energy efficiency compared to the previous year. By optimizing energy use at the farms within our Bingöl Integrated Facilities, we expect further advancements in energy efficiency across our farming operations.

ENERGY CONSUMPTION BY SOURCE (%)



ENERGY CONSUMPTION BY SOURCE (MWH)



Energy Efficiency



Our Farms: **14%**
Dairy Production Facilities: **4%**
Regional Sales Offices: **14%**
Head Office: **2%**

Climate Change Mitigation and Adaptation

Operating in a logistics-intensive sector we prioritize improving operational efficiency to save time and fuel while reducing greenhouse gas emissions from logistics activities.

The most effective tools for improving logistics efficiency include shortening supply chains and optimizing routes through new investments. Accordingly, starting operations in our Izmir Tire Integrated Facility in 2016 and our Bingöl Integrated Facility in 2021, helped shorten our supply chains across Türkiye. Since the Bingöl Integrated Facility was commissioned, we have improved logistics efficiency by 6.3 percent.

We also collaborate with partners to implement backhaul initiatives, which reduced Distance travelled by 950.000 kilometers in 2023 alone.



In our raw milk and finished product logistics and distribution operations, we work with numerous business partners and use an efficient monitoring system to track fuel consumption. Additionally, we have been calculating and monitoring the greenhouse gas emissions generated by our logistics partners. However, as these emissions fall under Scope 3, they are not yet included in our reports. Once we complete our efforts to measure emissions across our entire value chain, we will include this data in future reports.

Circular Economy

We work toward zero waste

In line with our mission, we are committed to efficiently managing and developing the resources entrusted to us. We firmly believe that ensuring the sustainability of raw materials and natural resources is only possible through effective waste management and the implementation of circular systems.

Contribution to Industrial Symbiosis: Biogas Facilities

In 2023, our biogas facilities processed and recovered 786,000 metric tons of organic waste, including waste generated at our facilities, manure from our farms, and waste sent by nearby businesses through agreements with our integrated facilities. Processing organic waste from neighboring businesses not only fostered industrial symbiosis and strengthened the circular economy in the region but also prevented significant environmental harm from these waste materials.

97%
of our waste is organic,
and
ALL
of it is recovered
for energy production.

99,6%
of our non-organic
waste was
recycled.

Tackling Food Loss and Waste

Food loss and waste remain among the most pressing challenges to achieving sustainable food and agricultural systems. Every piece of wasted or lost food represents a loss of the water, land, energy, labor, and capital invested in its production.

According to the United Nations, 13% of all food produced globally is lost between harvest and sale, while 17% is wasted in households, food services, and retail. This waste accounts for the loss of 38 percent of the energy consumed by the global food system.

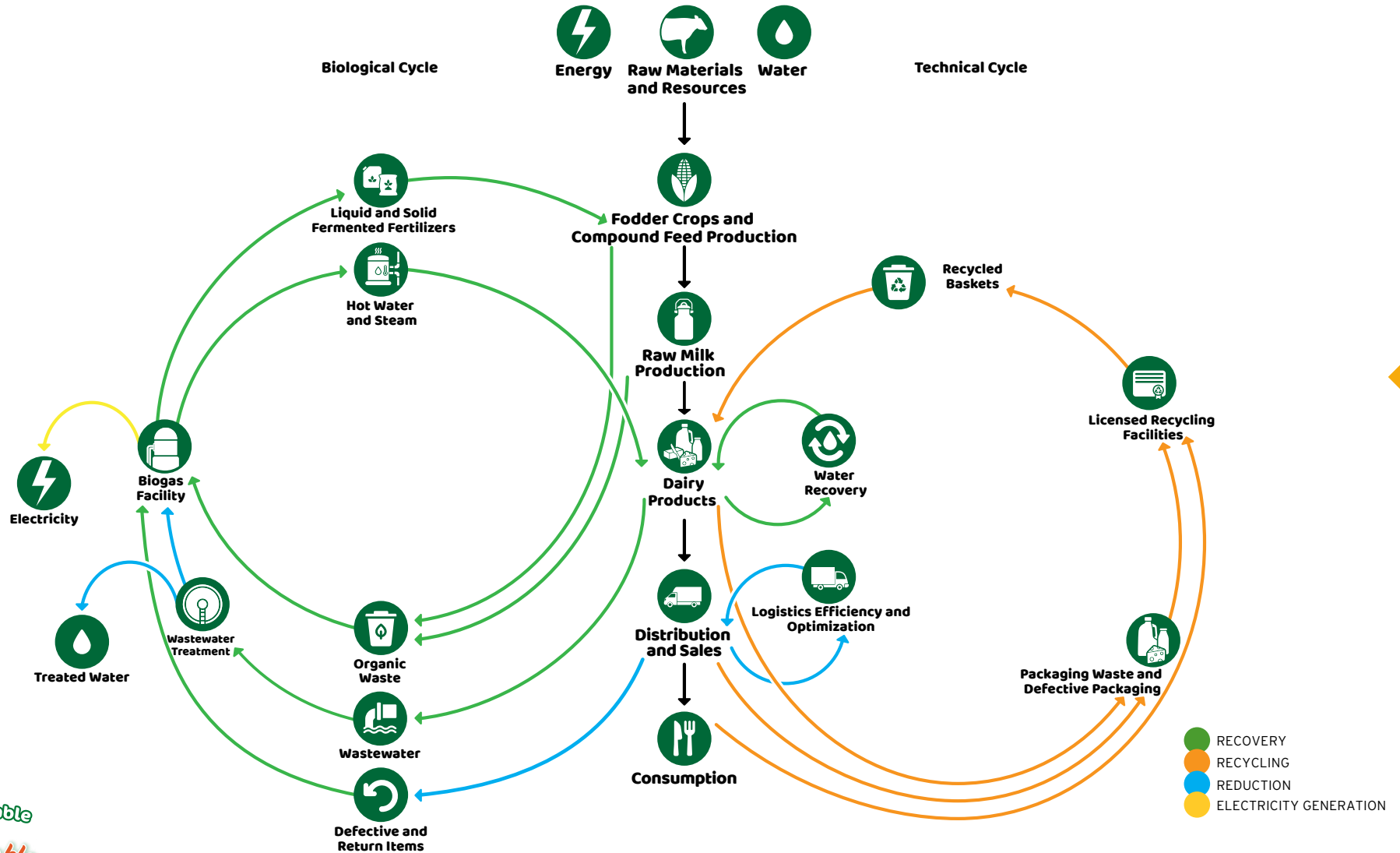
Achieving Sustainable Development Goal 12.3, “Responsible Consumption and Production,” requires the collective efforts of all stakeholders in the food system, including producers, processors, retailers, and consumers. To support this goal, we and our supply chain stakeholders are actively participating in the “10x20x30 | Champions 12.3” initiative, a multinational effort aiming to reduce food loss by 50 percent by 2030 compared to 2019 levels.



Circular Economy

Sütaş Circular Economy Butterfly Diagram

Through our sustainability-driven “Farm to Table” business model, we are committed to integrating circular economy principles into every aspect of our operations. The Sütaş Circular Economy Butterfly Diagram below illustrates the biological and technical cycles across the diverse activities of Sütaş Group companies.



Circular Economy

Biological Cycle

At our biogas facilities, we recover organic waste from our plants and manure from our farms. The hot water, steam, and electricity generated from the biogas are recaptured and reused in our production facilities. Additionally, the organic and organomineral fertilizers produced from biogas outputs enrich the soils where we grow fodder for our cows, enhancing their organic structure.

These processes reduce our reliance on fossil fuels, decrease greenhouse gas emissions, and minimize waste generation within the biological cycle.

Technical Cycle

We recover a portion of the evaporated water used for cleaning in our production processes during production processes, as well as wastewater from reverse osmosis systems, for reuse in operations. This contributes to the sustainability of our water resources.

We also use recyclable plastic packaging. However, current regulations limit the use of recycled materials in certain areas. Since 2015, we have been working to reduce plastic packaging material usage, leveraging technological advancements while meeting consumer expectations for quality and hygiene.

“
we have saved
1,262
metric tons
of plastic
”
From
2020 onward

Business World Plastics Initiative

Since 2019, we have been part of the Business World Plastics Initiative (İPG), a collaboration between Global Compact Türkiye, BCSD Türkiye, and the Turkish Industry and Business Association (TÜSİAD). This initiative encourages private sector organizations to address the plastic problem, aligns efforts with the Sustainable Development Goals, and promotes awareness and cooperation. In 2023, we reduced the weight of plastic materials used in our packaging by 337.5 metric tons under the initiative. To date, we have reduced 918 metric tons of plastic—204 percent more than our original commitment of 450 metric tons.

We firmly believe in the importance of Sustainable Development Goal 17: Partnerships for the Goals, and we actively engage in collaborations to support a sustainable future.



Water Management

We ensure efficient water use

Water is a precious and finite resource under growing pressure from agricultural and industrial demand. Climate change has further exacerbated water scarcity, leading to an increasing number of water-stressed regions globally and in Türkiye. Recognizing that many of our facilities are located in water-stressed areas, we make it a priority to ensure the sustainability of water resources, treating every drop as a responsibility to future generations.

Water, a fundamental and indispensable resource, is utilized across our operations for agricultural irrigation, cleaning processes at our production facilities, livestock care at our farms, and human consumption at our sales and administrative offices. In 2023, our total water consumption increased by 3 percent compared to the previous year, reaching 5.48 million cubic meters.

We treat all wastewater before discharging it to nature. As part of our integrated facilities, we operate anaerobic wastewater treatment plants at all locations, which reduce energy and chemical use. The biogas generated during treatment is converted into electricity, hot water, and steam at our biogas facilities, further supporting our commitment to sustainability.

Water Efficiency

Optimizing water use is a shared effort among our employees and stakeholders. All departments work on projects to protect water resources, reduce consumption, and improve efficiency, while continuously reviewing operations. On all crop production lands, we utilize drip irrigation systems, which save up to 40 percent more water compared to other irrigation methods. Despite these efforts, progress toward our 2025 water efficiency targets has fallen short of expectations, with year-to-year variations in efficiency. Relevant units are closely monitoring developments and taking necessary actions to ensure we meet our goals.



Water Recovery

As highlighted in our Circular Economy section, we recover portion of the water used for washing and evaporated during production processes, as well as wastewater from reverse osmosis systems, for reuse in operations at our facilities.

In 2023, we recovered 592,000 metric tons of water, bringing our total recovered water since 2020 to 2.2 million cubic meters.

Biodiversity Conservation and Restoration

Biodiversity is the cornerstone of all life, ensuring the balance of natural ecosystems. Healthy, biodiverse ecosystems naturally purify air and water, regulate climate, convert waste into resources, and enable pollination for agricultural production. Agricultural and food systems fundamentally depend on biodiversity and its services. However, biodiversity, shaped over 4.5 billion years of evolution, is under severe threat due to human activities. Rising global temperatures further strain ecosystems, reducing their resilience and accelerating biodiversity loss. Biodiversity is essential for combatting climate change and mitigating natural disasters. Fully aware that disruptions to ecosystems could directly affect Süttaş Group’s value chain, we strive to minimize our impact on biodiversity and healthy ecosystems while working to restore degraded ones. To this end, we prioritize sustainable and regenerative agriculture—a farming approach that aligns climate and biodiversity goals, with a particular focus on healthy soil ([see: Sustainable and Regenerative Agriculture](#)).

None of our integrated facilities are located within National Parks, Nature Parks, Nature Reserves, or IUCN Protected Areas. However, our Karacabey Integrated Facility is situated within the buffer zone of the Uluabat Lake Wetland, protected under The Convention on Wetlands, also known as the Ramsar Convention. We ensure that our activities in this area align with the Wetland Protection Plan. Additionally, our operations do not directly affect endangered flora or fauna species in the regions where we operate.

Planetary Boundaries

Approximately half of the world’s gross domestic product depends moderately or highly on nature and its services. Businesses, therefore, play a crucial role in managing nature-related risks and safeguarding water resources, biodiversity, and natural capital. Recognizing this responsibility, we take a holistic approach that extends beyond the boundaries of our company, embracing the concept of planetary boundaries. To support a nature-positive business approach, we have begun assessing the impacts of our operations and the entire value chain, including nature-related risks. Once this analysis is complete, we will share our findings and collaborate with stakeholders to determine the necessary actions to protect and restore natural ecosystems.



Biodiversity Conservation and Restoration

Where Environmental and Social Sustainability Meet: Honey Milk

Bingöl Honey, a product with a geographical indication, is a treasured outcome of the beekeeping industry and a vital contributor to the local economy in the region where our Bingöl Integrated Facilities located. To preserve and enhance this invaluable local product and its supporting ecosystem, we use plant protection products approved by the Ministry of Agriculture and Forestry in our fodder crop production. These applications are conducted exclusively in the early morning hours, when wind conditions are minimum, to protect bees and other local wildlife. These rigorous practices contribute to the sustainability of pollinator activity in the region.

In addition, our recently launched “Honey Milk” product highlights our commitment to promoting consumer health and happiness while supporting the local economy and beekeeping activities. By incorporating Bingöl Honey into this product, we create an example of how environmental sustainability can align with local economic development.



Sustainable and Regenerative Agriculture

We expand regenerative agriculture practices

Ensuring the health, high organic matter content, and quality of the soil used to grow fodder crops for our animals is essential for achieving sustainability in agricultural production. This approach addresses critical areas such as food safety, security, and strengthening the resilience of our farmers. Regenerative agriculture—a growing focus in today’s agriculture and food industries—also emerged as a key priority in our materiality assessment conducted with stakeholders.

We implement regenerative agriculture principles across our agricultural operations. We conduct periodic soil analyses to assess its structure. Tiling is done only when necessary to avoid disrupting the soil’s natural ecological balance, with a focus on enhancing its health and functionality. To enrich the organic matter content of our fields, we use organic and organomineral fertilizers derived from the outputs of our energy facilities. Plant stems are cut at the base, leaving roots in the soil to preserve organic content. Practices like cover cropping reduce nitrogen loss and soil erosion, while crop rotation helps sustain and enhance soil nutrients, contributing to biodiversity.

We optimize harvest times to maximize crop yield and minimize product loss. Drip irrigation systems are utilized with precise timing to ensure efficient use of limited water resources. To further reduce greenhouse gas emissions from our crop production activities, we invest in energy-efficient machinery and equipment, maintaining them regularly to ensure optimal performance.

We also encourage our contracted fodder crop producers to adopt these regenerative practices, sharing our expertise and supporting them throughout the implementation process.



Sustainable and Regenerative Agriculture

Our fertilizers enrich the soil

The EU Green Deal’s Farm to Fork and Biodiversity Strategies have introduced numerous measures to drive the sustainable transformation of agricultural and food production. At the farm level, specific actions directly affecting our fodder production include reducing chemical fertilizer and pesticide use, minimizing soil nutrient loss. Additionally, promoting practices that improve soil health and organic matter content, thereby increasing the soil’s carbon sequestration potential through carbon farming, has become a priority.

Sütaş’s regenerative agriculture practices, applied both within our operations and by our contracted fodder crop producers, align with the measures outlined in EU strategies. We ensure compliance with these standards through a comprehensive input monitoring program specifically designed for this purpose.

To showcase the benefits of our organic and organomineral fertilizers on soil health and productivity, we collaborate with universities and public institutions to conduct trial studies. These trials assess the effects of our solid-liquid organic and organomineral fertilizers on soil health, crop yield, and quality, comparing them to other fertilizer types. The findings are shared with farmers, producers, and stakeholders during “Field Days,” interactive events where we exchange knowledge and promote sustainable and regenerative agricultural practices. The 2023 Field Day was held in Bingöl.

Thanks to the organic and organomineral fertilizers we produced in 2023:

We reabsorbed
51,000
metric tons
of organic matter into our soils

We improved productivity on
112,000
decares
of land



Sustainable and Regenerative Agriculture

External Stakeholder Feedback

Elvan Ay
Fodder Crop Producer
Taşpınar - Aksaray

“I lived abroad for 17 years before returning to my homeland, where I began farming on my own land. For the past 20 years, we have been collaborating with Süttaş under the contract farming model, producing fodder crops such as corn silage and alfalfa.

The soil on our lands was initially very poor. However, 10 years ago, we started using the liquid and solid organic fertilizers provided by Süttaş. These fertilizers have rehabilitated 500 decares of land, significantly boosting productivity. In addition to fodder crops, we also cultivate a variety of other crops, including barley, potatoes, and wheat. The use of Süttaş’s liquid and solid organic fertilizers has enhanced the yields of these crops as well, further improving our overall agricultural output.”



External Stakeholder Feedback

İsmail Kaya
Fodder Crop Producer
Karacabey - Bursa

“We have been engaged in contract farming with Süttaş for many years. Süttaş’s Field Technical Experts regularly visit our fields, monitoring crops and providing technical support to promote efficient and sustainable farming practices.

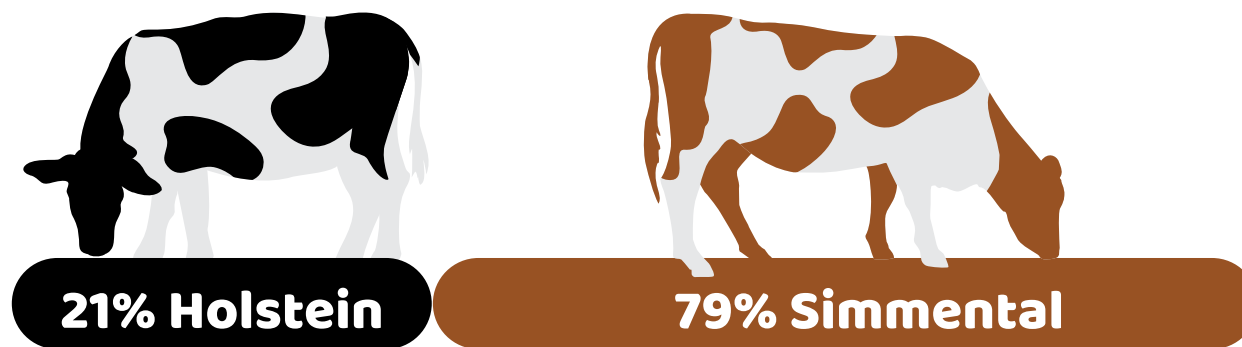
We rely on Süttaş’s organic and organomineral fertilizers, which not only fulfill the nutrient needs of our crops but also rejuvenate and improve the quality of our soil.”



Sustainable Dairy Farming

Dairy farming plays a crucial role in providing a healthy, adequate, and nutritious diet for the growing global population and future generations. We recognize our responsibility to ensure the sustainability of dairy farming. Starting with feed production for our cows, we focus on preserving natural resources across the entire dairy value chain, reducing greenhouse gas emissions associated with dairy farming, and upholding the highest standards of animal welfare and health. Additionally, improving productivity and profitability to enhance farmers' livelihoods and resilience remains a key priority.

HERD COMPOSITION



Total Herd Size: **23,490** Animals

Bingöl Feed Center: Türkiye and Europe's Largest Total Mixed Ration (TMR) Facility

Our Feed Center, commissioned in 2023, has a daily TMR capacity of 700 metric tons. It efficiently prepares and distributes feed for the cows and calves at our Bingöl farms in a short time with 100 percent accuracy and 99.5 percent precision, and with a consistent and homogeneous feed structure.

Equipped with cutting-edge digital tools for real-time monitoring and reporting, the center exemplifies sustainability by optimizing energy efficiency, supporting animal welfare, and minimizing waste and losses, including inputs and feed waste.

Sustainable Dairy Farming

Happy Cows, Healthy Milk

At our farms, we follow international animal welfare principles and the “Five Freedoms” established by the World Organization for Animal Health (OIE). To uphold these standards, we equip all employees with comprehensive training, supported by detailed procedures, guidelines, and manuals. Our commitment to animal welfare extends beyond our own farms. We actively promote these practices among the dairy producers who supply us with milk. Inspection teams regularly visit these farms to evaluate their animal welfare and health practices, offering tailored recommendations and sharing best practices from our own operations.



5 FREEDOMS



All our farms hold Animal Health certificates issued by the Ministry of Agriculture and Forestry under the “European Union Cattle Accreditation Scheme (EUCAS).” This accreditation confirms that we have implemented all required protective measures to ensure disease-free production in full compliance with European Union standards. The Ministry of Agriculture and Forestry, during their annual inspections, also assesses our farms for compliance with EU Animal Welfare Standards.

In line with the EU Green Deal’s Farm to Fork Strategy, we actively monitor evolving regulations related to animal welfare in the EU and proactively implement necessary adjustments across our own farms.

Sustainable Dairy Farming

Moo-howdy!



Internal Stakeholder Feedback Sarıkız

“Moo-howdy! Our farms are our homes and the source of our natural, delicious milk. Life here is truly a delight! We have automatic scratching brushes, cleaning equipment, cooling systems for the summer, heating systems for the winter, comfortable rubber bedding, and spacious roaming areas—all specially designed with our well-being in mind. We always have access to clean, plentiful water, and our menu is thoughtfully prepared by our veterinary chefs. They digitally track and record every detail about us, from our weight to our step count. I must say, our health is always their top priority!”



Farm to Table
For a
Sustainable
Future



Health and Happiness of People

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

Our “Farm to Table” integrated business model guarantees naturalness, taste and nutritional value of our products. This model allows us to seamlessly integrate, monitor, and control every step of the process—from the feed our cows consume to the dairy products delivered to your table.



Farm to Table
For a
Sustainable
Future



Food Security

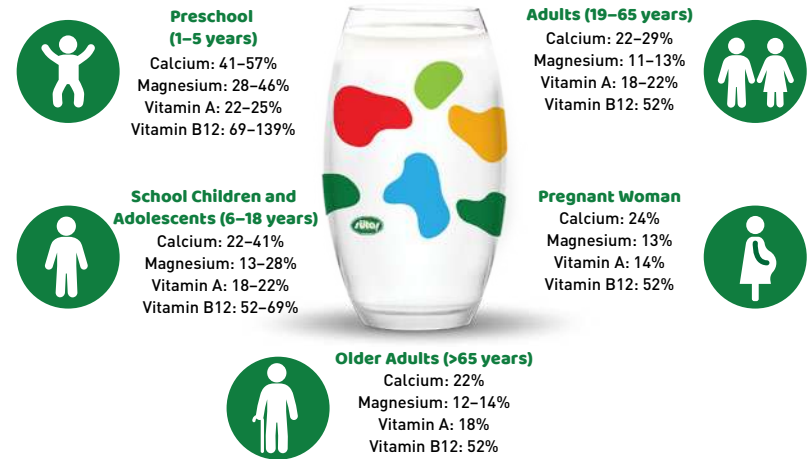
Milk: A Fundamental, Nutritious, and Accessible Food

The increasing frequency and intensity of extreme climate events threaten the resilience, economic stability, and social sustainability of the agriculture and food industries—sectors central to our operations. Food security, which became an even more pressing issue during the pandemic, remains critical in the face of ongoing geopolitical conflicts. As global concerns about food sufficiency grow, the role of milk and dairy products—our most fundamental source of balanced, essential nutrition—becomes even more vital in feeding the expanding world population.

Our sustainability-focused “Farm to Table” business model, which integrates the entire supply chain, enables us to meet public expectations for food security.

At our four integrated facilities across Türkiye, we produce healthy, safe, and nutritious dairy products, which are distributed to 200,000 points of sale nationwide through our extensive network, supported by a sales team of 3,115 people.

Benefits of a glass of milk a day*:



* Source: Food and Agriculture Organization (FAO).

Transformation of Food Systems

The global population is projected to reach 10 billion by 2050. To meet this demand, food production would need to increase by 50 percent if current production and consumption rates continue. However, today’s food systems—including production, trade, and consumption—are responsible for one-third of the greenhouse gas emissions driving climate change, 80 percent of biodiversity loss, and 70 percent of freshwater use.

Over the past five years, global efforts to transform food systems have accelerated, aiming to meet the demand for healthy, safe, and sufficient food while addressing these critical challenges.

Accordingly, we recognize the need to transform food production, processing, transportation, consumption, and waste disposal processes. Together with our stakeholders, we are taking steps to transform our own value chain.



We are rethinking our agricultural production methods.

By adopting sustainable and regenerative agriculture practices, we protect ecosystems, enhance productivity, and improve soil health, thereby increasing its carbon capture potential.



We actively support local development by improving farmers’ income and welfare, contributing to stronger, more resilient communities.

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



We are decarbonizing our food system.

We are obtaining energy and organic fertilizer from organic waste, using them in the fields, reducing our reliance on fossil fuels, investing more in renewable energy, and improving efficiency at every stage of our value chain.

Food Safety

With our business model, we fulfill our consumers' food safety expectations

We produce a wide variety of dairy products while preserving the nutritional value and naturalness of the milk. We strive to provide natural, delicious, and safe dairy products that enhance health, quality of life, and happiness.

Our “Farm to Table” business model integrates the entire milk value chain, ensuring the naturalness, quality, and nutritional value of our products with full traceability. This approach allows us to manage, monitor, inspect, and continuously improve every stage of production—from the feed our cows consume, the farms they live on, and the milk they produce to the dairy products delivered to your table. We thereby meet the highest expectations for food safety.

Fodder and Raw Milk Production

To ensure the quality of our milk, we make sure our cows are fed natural and healthy feed. To support this, we promote fodder crop production through a contract model. We collaborate closely with producers throughout the process, guided by regenerative agricultural principles.

Before production begins, we perform rigorous quality, food safety, and animal health checks on the feed materials used in compound feed production. These checks include assessments of moisture, starch, protein, fiber structure, fat, toxins, and pesticide residues. We adhere to Good Manufacturing Practices (GMP) and follow the Hazard Analysis and Critical Control Points (HACCP) system to ensure feed safety, supported by comprehensive employee training. Our feed production plants at each integrated facility are designed to produce sufficient compound feed to meet the needs for milk processing at the same location. To maintain the desired quality and reliability of our milk, we restrict compound feed production to the requirements of our own farms and contracted dairy farmers.

At our farms, built to meet international animal welfare standards, we provide high-quality, natural, and nutritious feed produced in-house. We ensure that our farms comply with the requirements of Food Safety Management Systems (FSMS). By employing preventive veterinary medicine, we minimize disease and medication use. When treatment is necessary, we carefully monitor the use of antibiotics and antimicrobial agents, discarding milk from treated animals until all medication is cleared from their systems.

Our Milk Quality Improvement teams conduct regular inspections of dairy farms to ensure compliance with our stringent standards. During procurement, initial inspections of raw milk include checks for antibiotic residue, organoleptic properties, pH, and acidity. For raw milk sourced directly from farms, we trace products to the cooling tank at the respective farm. For milk obtained from collection centers, we trace products to the cooling tank at the relevant center and also monitor the producers delivering milk to each location, along with the quantities provided.



OUR MESSAGE TO OUR STAKEHOLDERS

ABOUT SÜTAS

SÜTAS AND SUSTAINABILITY

CORPORATE GOVERNANCE

ENVIRONMENTAL SUSTAINABILITY

HEALTH AND HAPPINESS OF PEOPLE

DEVELOPMENT AND PROSPERITY OF SOCIETY

ANNEXES

Food Security

Dairy Production

All milk collected from our farms and producers undergoes rigorous physical, microbiological, and chemical testing before being accepted into our facilities. At each facility where raw milk is processed into dairy products, we implement the Hazard Analysis and Critical Control Points (HACCP) system to identify, evaluate, and mitigate potential food safety risks, ensuring issues are addressed proactively and do not recur.

We adhere to Good Manufacturing Practices (GMP) and the FSSC 22000 Food Safety Management System across all our facilities, with certification provided by accredited certification bodies. Regular training on GMP, food hygiene, food defense, allergen management, and HACCP is conducted for all employees involved in production, reinforcing our commitment to food safety. We assess suppliers based on food safety risks and conduct inspections as part of the purchasing process in line with our Supplier Inspection Plan. These inspections are guided by the AIB International Consolidated Standards for Inspection of Prerequisite and Food Safety Programs, a globally recognized food safety benchmark. Our audit protocols include environmental management considerations as well as social issues such as human rights, the prevention of forced and child labor, and occupational health and safety. We encourage suppliers of food-contact materials to comply with internationally recognized standards and certifications, recognizing the critical role these materials play in ensuring food safety.

Inspection rate of all our suppliers, which account for 80% of our purchase volume



Inspection rate out of all our food-contact material suppliers, which account for 80% of our purchase volume



Of Our Food-Contact Material Suppliers

<p>78% implement at least one of the Food Safety Systems* recognized by the Global Food Security Initiative (GFSI).</p>	<p>95% implement at least one of the International Quality Management Systems.</p>
<p>86% implement an Environmental Management System.</p>	<p>86% implement an OHS Management System.</p>

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

Product Storage, Transportation, and Distribution

Dairy products are highly perishable, requiring careful transportation and distribution using temperature-controlled vehicles. Both temperature levels and routes are continuously monitored and managed remotely to ensure product integrity. Maintaining an unbroken cold chain is critical during plant acceptance, transportation, and distribution stages. These processes are rigorously monitored, audited, and documented in compliance with GMP and HACCP standards.

Consumer Health and Wellness

Today, more consumers are prioritizing healthier, more balanced diets and seeking greater transparency regarding the production process, nutritional value, and reliability of the food they purchase. The COVID-19 pandemic has further fueled demand for foods that strengthen the immune system.

Our primary goal is to improve the nutritional well-being of our consumers while empowering them to make informed choices. To achieve this, we continually innovate and develop new products through our dedicated research and development (R&D) efforts. In 2023, we launched a new product designed to meet consumer expectations and promote healthy nutrition.

Reducing Salt and Sugar

Through our R&D efforts, we achieved a 14 percent reduction in the salt content of our White Cheese compared to 2020. Additionally, we reduced the sugar content in our Minimix and Hüpatrik products by 22 percent, all while preserving their natural, delicious taste.

Additional Information on Labels

To keep consumers informed and confident in the quality of their purchases, we include detailed labels on our packaging that go beyond legal requirements. These labels feature information on nutritional elements, production dates, and the production process, ensuring transparency and clarity.

In 2023, we increased the percentage of products with informative labels to 36 percent, providing our consumers with accurate, transparent details about the products they choose.



Consumer Health and Wellness

We deliver 6.8 million packs of products to our consumers every day

We actively listen to suggestions and feedback from our consumers and customers, ensuring they are promptly reviewed and integrated into our product development processes.

To maintain stakeholder satisfaction, our hotline evaluates all feedback within 24 hours, implements necessary improvements, and systematically documents all activities.

Consumers can provide feedback through multiple channels, including email, the 444 4788 hotline, telephone exchange, the Sütas website ("Contact Us/Opinions and Suggestions" form), fax, mail, and various social media platforms such as Facebook, X, Instagram, sikayetvar.com, and so on.

In 2023,
36,640

1.39 PPM

Ratio of product complaints to total

0.03 PPM

Ratio of service complaints to total

Out of all product complaints,

98.83%

Out of all service complaints,

100%

RESPONDED WITHIN 24 HOURS

Our Website

In 2023, we revamped our website to provide stakeholders with seamless access to information about our company, activities, and products. Leveraging modern technologies, we enhanced the user experience and ensured compatibility across all devices. As part of this update:

- We provided detailed content explaining our "Farm to Table" business model, easily accessible from the main menu.
- We included comprehensive information about our "Sustainability" activities, also accessible from the main menu.

To ensure that our consumers can easily access detailed information and learn more about us, we expanded the "Frequently Asked Questions" page on our website to include more detailed information about our products and production processes.



Farm to Table
For a
Sustainable
Future



OUR MESSAGE TO OUR STAKEHOLDERS

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SÜTAS AND SUSTAINABILITY

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HEALTH AND HAPPINESS OF PEOPLE

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ANNEXES

Development and Prosperity of Society

With its significant economic and social impact, our “Farm to Table” integrated business model functions as a “Regional Development Model.” This model employs thousands of people by mobilizing various sub-sectors in agriculture, industry, and services, and offers different segments of society the opportunity to share the wealth generated in an exemplary income distribution model.



Farm to Table
For a
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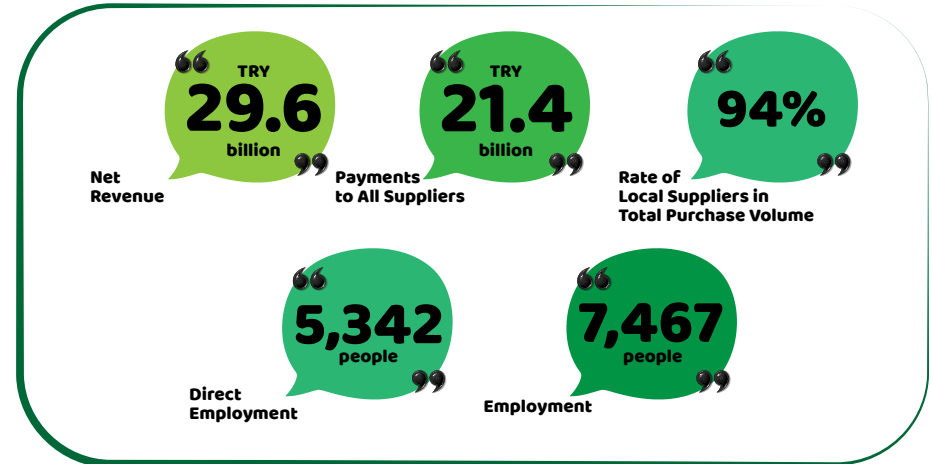
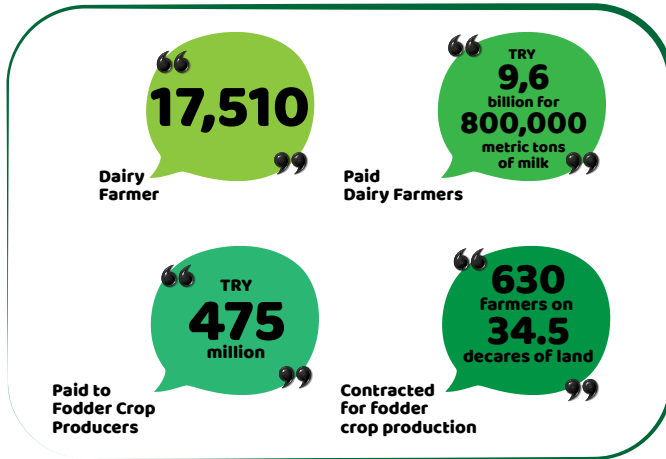
HEALTH AND HAPPINESS OF PEOPLE

DEVELOPMENT AND PROSPERITY OF SOCIETY

A NEXES

Our Contributions to the Local Economy

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



Our teams collaborate closely with dairy farmers, sharing expertise on sustainable dairy farming practices with a focus on animal health, nutrition, productivity improvement, and quality enhancement. Regular on-site inspections enable us to closely monitor farmers’ progress and provide tailored guidance. We choose contract crop farming to ensure that the feed for our animals is natural and healthy. As part of this approach, we offer support, training, and opportunities to all the growers we collaborate with. This helps them specialize in soil preparation, seed selection, efficient irrigation systems, and the use of organic and organomineral fertilizers to enhance soil health and productivity, as well as harvesting.

The earthquakes centered in Kahramanmaraş on February 6, 2024, claimed thousands of lives and left countless others injured, causing devastation across various sectors, including agriculture and dairy farming. While the affected region was not part of Sütaş’s initial raw milk procurement area, we stepped in to support the hardest-hit provinces—Kahramanmaraş, Hatay, Adıyaman, and Malatya—by purchasing raw milk to help utilize local production and safeguard farmers’ incomes. The milk was transported to our Aksaray and Bingöl facilities for processing. This arrangement, which lasted approximately three months, concluded as local operations gradually resumed. Additionally, we provided feed support to livestock farmers in the region.

Our Contributions to the Local Economy

External Stakeholder Feedback

İbrahim Aslantekin
Raw Milk Producer
Bigadiç - Balıkesir

Sütaş tankers arrive daily to collect our milk and make payments as per our agreement. Our journey with Sütaş began in 2011 when we were producing only 350 liters of milk daily. Thanks to their unwavering support, we had access to professionals whenever challenges arose. Today, we produce up to 3,200 liters of milk a day. Our business is a family operation involving my wife, brother, and me. Sütaş has been a reliable partner, always ready to help whenever we face obstacles, and we strive to reciprocate by delivering high-quality milk.

Since 2010, Sütaş has significantly improved farming standards in our region. My wife and I learned about their training programs through their field representative and decided to attend together. The training covered essential topics such as producing and selecting high-quality fodder, hoof care for cows, and maintaining hygiene in the milking parlor.

We came to realize just how basic and inefficient our previous livestock farming methods were. By applying the knowledge we gained, we significantly improved animal welfare, which in turn led to increased milk yields. We also discovered the vital role of feed quality—without high-quality feed, producing high-quality milk is simply impossible. Even small details, like the condition of corn silage kernels, can have a significant impact on yield. Sütaş’s expertise in corn silage production taught us this invaluable lesson.



External Stakeholder Feedback

Aşır Elçi
Raw Milk Transporter
Aksaray Integrated Facilities

I began working with Sütaş as a driver and, after six months, purchased my own vehicle, becoming a contracted milk transportation driver. Initially, I was the only family member in this job, but my positive experience and the trust Sütaş fostered encouraged my brother, children, and son-in-law to join. Today, we operate with three vehicles.

Over the past 15 years, I’ve had the privilege of working with all of Sütaş’s integrated facilities. It’s a source of pride and happiness to witness the significant benefits Sütaş brings to our country and region.



Our Contributions to Sector Development

Milk requires endeavour, but dairying knowledge and training

We view our operations as a social responsibility, focusing on enhancing the production processes and efficiency of all producers—whether they work with us or not. To drive advancements in our industry, we actively collaborate with public institutions, private sector organizations, universities, and NGOs.

Sustainable Dairy Farmer Training

We understand that sustainable dairy farming requires producers to become economically stronger by increasing the quality and efficiency of their production. The first link in our “Farm to Table” integrated business model, the Dairy Farmer Training Centers, serves this exact purpose.

At these centers, we offer free training sessions for dairy farmers and students from relevant university departments. These sessions provide essential knowledge and practical experience for producing high-quality, high-yield milk. The training also covers critical topics such as environmental protection, efficient fertilizer use, and financial sustainability.

Under a protocol signed with the Ministry of Agriculture and Forestry, farmers who complete our training programs receive ministry-approved certificates, further validating their skills.

Our training centers are also open to anyone interested in investing in the dairy industry or learning about dairy farming, providing them with the resources and information they need to succeed.



19,510
people
Number of dairy farmers and students trained*

35,058
people
Number of students and entrepreneurs who have received our consultancy services*

*Cumulative number since the launch of our training centers.

Our Contributions to Sector Development

University-Industry Collaboration Protocols

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

Through these partnerships, we offer university students from relevant departments in the dairy value chain hands-on courses, workplace training, and internship opportunities at Sütaş.

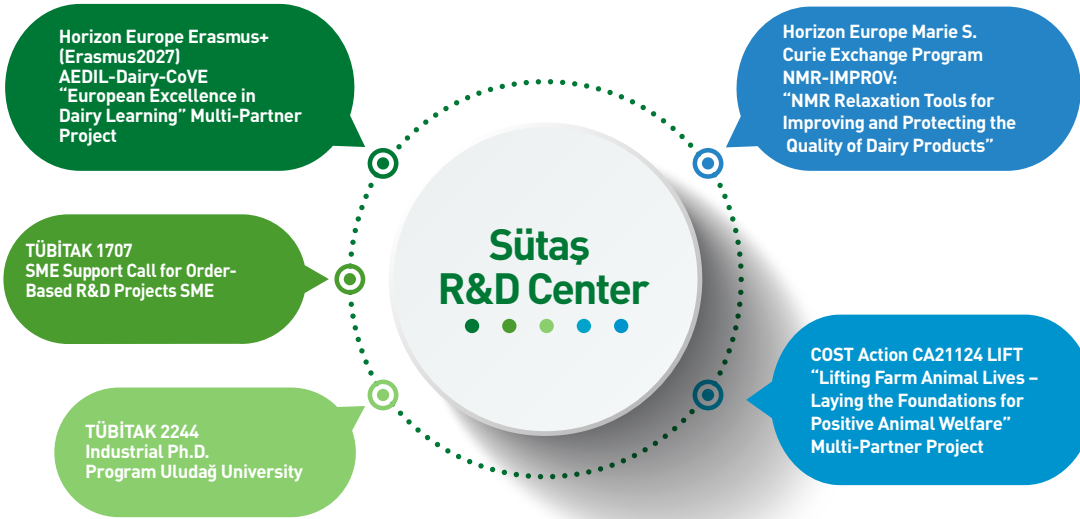
Education Scholarships

We proudly provide non-refundable Sütaş Education Scholarships to high-achieving undergraduates with limited financial resources. Our scholarship program also offers a range of opportunities to support the personal development of our scholars, including mentoring, specialized training programs, and project-based internships.

In 2023,
21
new students

Total of
227 students provided
with scholarship
91%
vocational school students

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



Sectoral Collaborations

We see the advancement of agriculture, food, and renewable energy industries as essential to securing sufficient and nutritious food for future generations, while fostering a safer, cleaner, and more sustainable world. To serve this purpose, we contribute to and participate in joint efforts with public institutions, non-governmental organizations, and universities.

Our Contributions to Sector Development

“European Excellence in Dairy Learning” Project

The first-year activities of the “European Excellence in Dairy Learning” project, supported by Erasmus+, the EU program for education, youth, and sports, have been successfully completed. This project is scheduled to conclude in 2026.

As the industry representative for Türkiye, we worked with our project partners to establish the Türkiye Dairy Centre of Vocational Excellence (Türkiye Dairy CoVE) as part of the project aimed at increasing the number of qualified R&D personnel and raising the skills and knowledge of the workforce in the dairy industry to EU standards. We developed educational programs and materials for vocational school and university students. In the upcoming phases of the project, the focus will shift to sector-specific training. These programs will prioritize personnel working in R&D and design centers within the dairy industry, with additional opportunities for new graduates interested in entering the field, subject to availability. The training aims to nurture a pipeline of skilled professionals for the dairy industry. Training sessions will be offered free of charge and conducted both online and face-to-face by a team of experts, including university faculty specializing in their respective fields and senior managers from our R&D Center.



External Stakeholder Feedback

Prof. Metin Gültaş, Ph.D.

Vice Dean, Faculty of Health Sciences, Uludağ University

Academic education often struggles to keep pace with the rapid advancements in the dairy industry, leaving a gap between industry needs and academic training. This creates a gap between industry requirements and academic training. The primary objective of the Erasmus+ European Excellence in Dairy Learning project is to address this disconnect by fostering a dynamic, innovative, and inclusive European ecosystem for dairy education. The project aims to enhance the dairy industry by addressing identified skill gaps and needs through vocational excellence training and work-based learning, all within the framework of social, environmental, and Industry 4.0 principles. One critical challenge is the lack of direct R&D-focused training in many Bachelor’s, Master’s, and PhD programs in dairy technology departments at universities, which creates significant skill gaps in the workforce. To address this, the scheduled training sessions within the program aim to equip individuals working or aspiring to work in R&D, production, and quality control divisions with the skills and knowledge required to excel in the dairy industry.



Our Contributions to Sector Development

Projects We Support

Water Risks Project

As a member of the Business and Sustainable Development Council Türkiye (BCSD Türkiye), we continued to support the second phase of the “Water Risks R&D Project.” This initiative, conducted in collaboration with Ankara University Water Management Institute, aims to analyze the impact of climate change on water resources and develop efficient irrigation strategies for agriculture.

One of the key achievements of the project was the introduction of drip irrigation, a method still uncommon in Türkiye’s wheat production, alongside sprinkler irrigation.

The findings demonstrated that: Drip and sprinkler irrigation methods increased wheat yield by 30 percent while reducing the water footprint by 21 percent. Sprinkler irrigation used 30 percent less water than conventional practices, while drip irrigation achieved a remarkable 60 percent reduction in water usage. Quality analyses revealed that wheat grown in the project fields produced the highest flour yield, underscoring the effectiveness of these modern irrigation techniques.



**KENTSEL
DÖNÜŞÜM,
DEPREM VE OLASI
DİĞER AFETLER
SONUCUNDA
OLUŞAN YIKINTI
ATIKLARININ
YÖNETİMİ
REHBERİ**

Debris Management Project

Following the devastating February 6 Kahramanmaraş earthquakes, the Business and Sustainable Development Council (BCSD Türkiye)’s Sustainable Industry and Circular Economy Working Group, along with the Sustainable Agriculture and Food Access Working Group, launched a project to evaluate and mitigate the potential negative impacts of earthquake debris on local water resources and agricultural production. Given the accelerated pace of urban transformation during this period, the scope of the project evolved into a Guide for Managing Debris from Urban Transformation, Earthquakes, and Other Disasters.

The guide provides a detailed explanation of technologies and best practices for debris management, while also outlining the technical infrastructure, governance strategies, and legislative reforms needed to prevent similar challenges in the future. The project was successfully completed, and the guide was made publicly available in 2024.

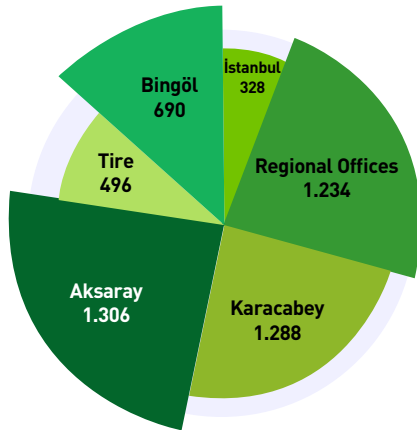
Employment and Development

We are a big family spreading the goodness and abundance of milk

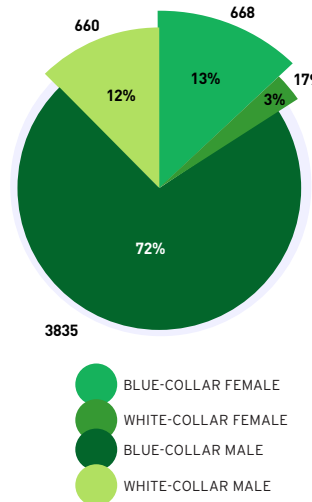
With the knowledge, skills, and dedication of our employees, we produce naturally delicious, healthy, and reliable products and deliver them to our customers and consumers. We are committed to providing a fair, transparent, safe, and productive work environment for our employees, guided by our corporate governance principles and ethical values.

Across our four integrated facilities in Türkiye, our Istanbul Head Office, and our Regional Offices, we provide direct employment to 5,342 people. Additionally, we provide indirect employment to 2,500 individuals, primarily through our 94 dealers and distributors, including contracted employees in our distribution network. In 2023, our total workforce grew by 8 percent compared to 2022. The most significant growth occurred at our Bingöl Integrated Facility, where ongoing investments led to a 28 percent increase in employment. This was followed by an 11 percent increase at our Tire Integrated Facility and an 8 percent increase at our Aksaray Integrated Facility.

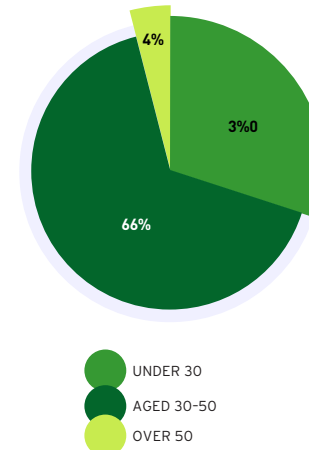
EMPLOYEES BY LOCATION (DIRECT EMPLOYMENT)



EMPLOYEES BY TYPE OF EMPLOYMENT AND GENDER



DISTRIBUTION OF EMPLOYEES BY AGE GROUP 2022



Employment and Development

We have signed WEPs in 2023

Equal opportunity is the foundation of our code of ethics and HR policies, guiding our practices in recruitment, promotion, and remuneration. Our dedicated efforts led to an increase in the percentage of women in our workforce, rising from 14 percent in 2022 to 16 percent in 2023. The most significant increase was recorded at our Aksaray locations, where our production plants and farms are situated. Here, the ratio of female employees grew by 64 percent among blue-collar workers and 29 percent among white-collar workers. These achievements highlight our dedication to enhancing female employment in production roles.

Gender Representation in the Board of Directors
 Women represent 30 percent of our Boards of Directors across all group companies, significantly exceeding Türkiye’s national average of 17.9 percent, as highlighted in the Corporate Governance Forum 2023 Report¹.

¹Women’s Representation on the Board of Directors: 11th Annual Report

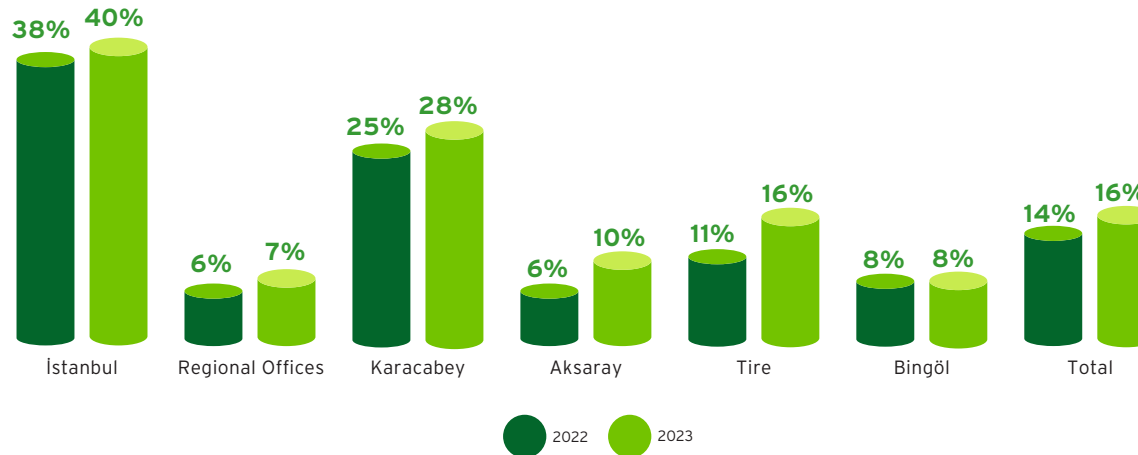
In 2023, we reinforced our commitment to gender equality by becoming a signatory to the United Nations Women’s Empowerment Principles (WEPs), further supporting the empowerment of women in the workplace and society.

In support of

WOMEN’S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

RATIO OF WOMEN EMPLOYEES BY LOCATION



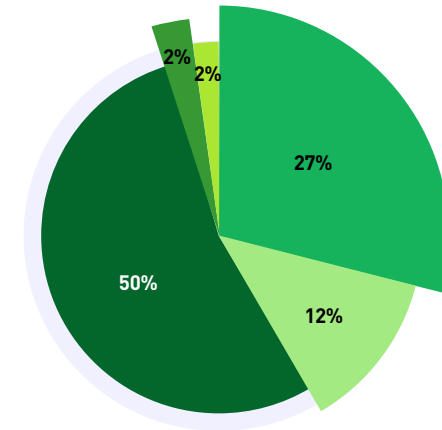
Employment and Development

Training Efforts

To help our employees reach their full potential, we provide vocational training programs focused on personal development, role-specific expertise, and process improvement.

In 2023, we saw notable growth across all employee development training categories offered through “The Love of Milk Academy”. Personal development training experienced the most significant increase, with an 86 percent rise. driven by personalized competency development initiatives identified by our Career Development Committees. Occupational Health and Safety (OHS) training maintained its position as the most widely provided training category.

DISTRIBUTION OF TRAINING SUBJECTS IN 2023



- PROFESSIONAL DEVELOPMENT
- PERSONAL DEVELOPMENT
- OHS
- OTHER (CORPORATE DEVELOPMENT, LEADERSHIP DEVELOPMENT)
- ENVIRONMENT AND ZERO WASTE

Training provided to employees

in 2023:
128,307 hours

“ compared to 2020;
95%
increase ”

Training per employee

in 2023:
24 hours

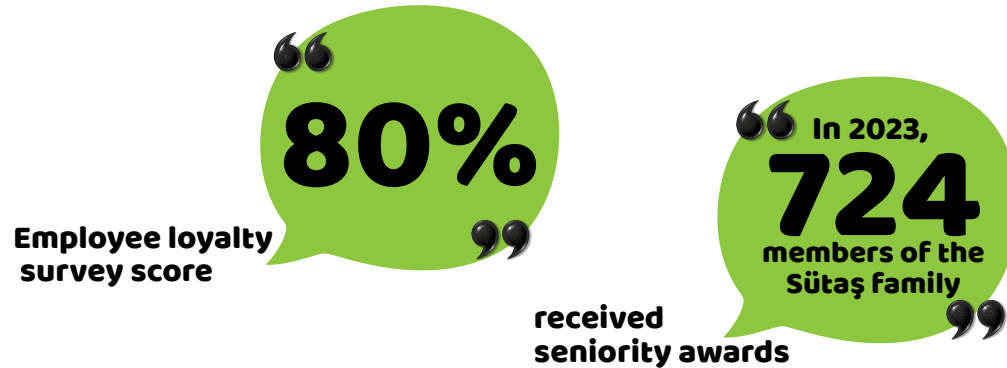
“ compared to 2020;
66%
increase ”

Sustainability Training

Since 2020, we have delivered Zero Waste Training to all employees. Building on this foundation, in 2023, we launched a plan to roll out Sustainability Training across the organization, beginning with a train-the-trainer program. This training program is designed to: Raise overall awareness of sustainability among employees, provide insights into sustainability practices across departments, and share updates on relevant sustainability developments. To ensure effectiveness, the program categorizes employees into three groups: white-collar, blue-collar, and senior management. The content is carefully tailored to each group in collaboration with our Sustainability Committee.

Employee Engagement and Satisfaction

We care about the happiness and satisfaction of our colleagues. To measure employee satisfaction, we utilize various methods, including an employee loyalty survey. Our most recent survey, conducted at the end of 2022 and thoroughly evaluated in 2023, resulted in an loyalty score of 80 percent.



To strengthen team spirit and camaraderie, we organize events that bring colleagues together, combining collaboration with fun. Starting from their fifth year, employees are honored with a “Seniority Award” every five years, celebrating their dedication and contributions. We implement a goal-oriented and competency-based performance management system for guiding our colleagues toward common goals, enhancing productivity, and rewarding success. This system encompasses all white-collar employees, as well as team leaders, operator analysts, and operator technicians among blue-collar employees. In 2023, 34 percent of our workforce was evaluated through this performance management system.

The Love of Milk Group, formed by volunteer Sütas employees, organizes various in-house events, hobby clubs, and competitions to boost motivation and encourage social interaction. Cultural tours and activities outside the company promote the socialization of employees’ families. Key events in 2023 included celebrations for June 1 World Milk Day, National Holidays, and New Year Festivities, which stood out as highlights.



EMPLOYEE BENEFITS	
<p>Partner daycare services at production plant locations are determined based on the proportion of female employees</p>	<p>Private health insurance is provided for all employees and extends to their family</p>
<p>Employer-employee contributory individual pension plan</p>	<p>Sütas Education Scholarship to first-degree relatives of employees</p>
<p>Periodic informational seminars conducted by experts (on child development, exam psychology, etc.)</p>	<p>Gym memberships, sports tournaments, hobby clubs, and workshops, etc., for employees</p>

Employee Engagement and Satisfaction

We foster employee engagement

We value the contributions and teamwork of our employees, recognizing their pivotal role in driving internal innovation and achieving operational excellence. To ensure their involvement in all aspects of our operations, we actively seek their ideas and suggestions, particularly in areas such as occupational safety, quality, optimization, energy and water efficiency, and animal welfare.

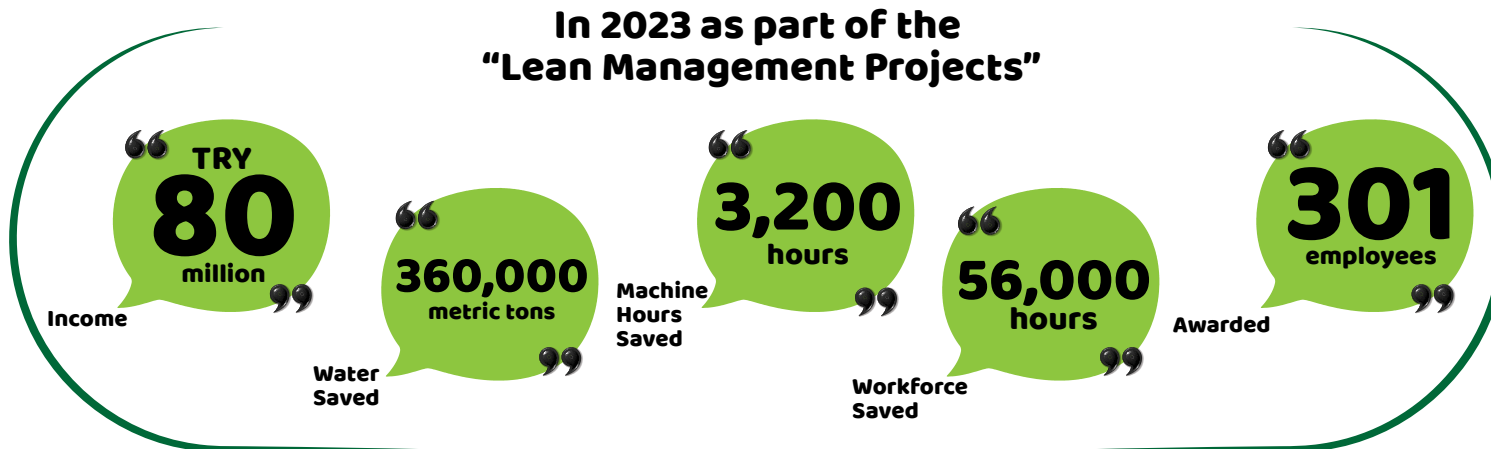
Employee suggestions are reviewed and evaluated using Kaizen practices within the scope of our Suggestion System and continuous improvement initiatives. Implementable suggestions are put into action, and employees who provide groundbreaking ideas are rewarded for their contributions.

In 2023, we assessed 540 employee suggestions submitted to the “Kaizen System” as part of our ongoing “Lean Management Project,” which has been in place since 2014. This project aims to manage the value chain in the most effective and safest way possible, achieving maximum efficiency with minimal resource use. Over the year, 990 employees received lean management training, and 592 actively participated in lean management projects.

The Suggestion and Kaizen systems received a total of 4,705 employee submissions in 2023. Approximately half focused on quality, process improvement, and material savings. 20% of the suggestions related to Occupational Health and Safety (OHS), while 11% focused on animal welfare.



As part of the Suggestion and Kaizen systems in 2023



Occupational Health and Safety

We increased our training towards our zero-accident goal

Creating a safe and healthy working environment for our colleagues and protecting them from accidents and occupational diseases remain top priorities for our business. Guided by our Integrated Management Policy, we implement all applicable regulations and adhere to the ISO 45001 Occupational Health and Safety Management System standard across all our facilities. These practices are independently audited and certified annually. Since 2020, we have more than doubled the training provided to our employees. However, the upward trend in lost-time injury frequency rate (LTIFR) at our Bingöl Integrated Facilities, which began after its commissioning in 2021, persisted through 2023. This increase was primarily driven by workplace accidents on farms, linked to the growing livestock population and the varying experience levels of employees.



HAZARD PREVENTION

To prevent accidents, injuries, and diseases, we conduct regular risk assessments to identify and eliminate workplace hazards. Additionally, we implement periodic controls to mitigate or remove these risks, ensuring a safer work environment.



INCIDENT REPORTING AND INVESTIGATION

All workplace incidents are promptly reported and thoroughly investigated to determine their root causes. Corrective actions are then implemented to prevent similar incidents from occurring in the future.



EMPLOYEE TRAINING AND ENGAGEMENT

We understand that employee training and active engagement are critical to maintaining a safe and healthy workplace. We provide regular OHS training, encouraging employees to identify and report hazards and contribute to improving the OHS Management System. Recurring causes of workplace accidents are addressed in our standard training programs to reinforce prevention strategies.



CONTINUOUS IMPROVEMENT

We continuously review our OHS performance, set targets, monitor progress, and update our OHS management system to improve efficiency.

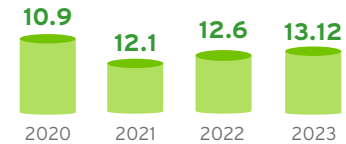
In 2023 compared to 2020



Key Causes of Workplace

- In dairy production: Squeezing between two objects
- In agricultural practices: Injuries caused by animal behavior
- In renewable energy production: Slips and falls

Lost-Time Injury Frequency Rate



Annexes



Farm to Table
For a
Sustainable
Future



OUR MESSAGE TO OUR
STAKEHOLDERS

ABOUT
SÜTAS

SÜTAS AND
SUSTAINABILITY

CORPORATE
GOVERNANCE

ENVIRONMENTAL
SUSTAINABILITY

HEALTH AND
HAPPINESS OF PEOPLE

DEVELOPMENT AND
PROSPERITY OF SOCIETY

ANNEXES

About the Report

Since 2016, we have detailed our efforts to create a sustainable dairy value chain in our Sustainability Reports. The 2023 Sustainability Progress Report, marking the eighth year, provides a transparent account of our performance and activities aligned with our 2025 Sustainability Goals. We remain committed to authenticity and avoiding greenwashing in our reporting. This year's report is prepared in accordance to the Global Reporting Initiative (GRI) Core option, the GRI 13: Agriculture, Aquaculture, and Fishing Standard, and the SASB Food and Beverage Standard. For the first time, it also includes content indices aligned with the European Sustainability Reporting Standards (ESRS).

The data presented in the report spans the fiscal year from January 1, 2023, to December 31, 2023 and includes comparative data from 2020, 2021, and 2022 in several tables. Unless otherwise stated, the terms "Sütaş Group," "our company," and "we" refer to Sütaş Group, comprising three companies. Sütaş Group covers the consolidated data and activities for Sütaş Süt Ürünleri A.Ş. (SÜTAŞ), Sütaş Tarımsal Faaliyetler A.Ş. (TARFAŞ), and Sütaş Enerji Faaliyetleri A.Ş. (ENFAŞ), operating through four integrated facilities in Bursa-Karacabey, İzmir-Tire, Aksaray, and Bingöl, the head office in Istanbul, and 27 regional offices. No external assurance statement was obtained for this report or the data it contains.

We welcome your questions and comments regarding the report. Please send them to surdurulebilirlik@sutas.com.tr.

You can access the GRI, ESRS, and SASB content indices via the [link](#).



Stakeholder Communication Channels

In the Stakeholder Engagement section, we have provided a detailed table outlining our collaboration topics with stakeholders. We engage with each stakeholder through specific communication platforms.

Our Stakeholder	Engagement Platforms
Our Colleagues	Employee Engagement Survey, one-on-one meetings, the Performance Evaluation System, the suggestion system, intranet, the Love of Milk Magazine, the Süttaş Ethics Committee website, emails, employee meetings, newsletters, announcements, office TVs, annual reports, training sessions, and seminars.
Dairy Producers and Farmers	One-on-one meetings, training sessions, Training Research, Süttaş Hotline, relations with cooperatives, regular inspections, communication on special occasions, and messaging.
Suppliers	One-on-one meetings, training sessions, the Süttaş Hotline, supplier audits, annual reports, relevant policies and documents, and joint projects.
Customers and Consumers	Consumer surveys, brand monitoring research, focus group interviews, the Süttaş Hotline, news, announcements, advertising campaigns, print and social media, and websites.
Distributors	One-on-one meetings, the Süttaş Hotline, surveys, websites, special days communication, events and gatherings, and training sessions.
Public Institutions	One-on-one meetings, collaboration protocols, meetings and collaborative efforts, annual reports, announcements, seminars, press conferences, and conferences.
NGOs	Professional affiliations and board memberships, meetings and collaborative endeavors, annual reports, trade shows, seminars and conferences, websites, news, and announcements.
Media	One-on-one meetings, press conferences, announcements and statements, newsletters, press releases, websites, and social media.
Academy	Vocational training and consultancy as part of the Vocational Education Cooperation Protocol, the Erasmus+ platform, internship and scholarship programs, websites, career days, and conferences.
Financial Institutions	One-on-one meetings, annual reports and sustainability reports, websites, and material event disclosures.

Our 2025 Sustainability Goals

ENVIRONMENTAL SUSTAINABILITY						
Climate Change and Carbon Management	Performance Criterion	2020	2021	2022	2023	Targeted (2025)
We will meet 100% of our electricity needs with the manure from our farms and organic wastes	Energy self-sufficiency rate of the Sütas Group:	69%	63%	63%	69%	100%
Evaluated across our production facilities, this figure corresponds to 88 percent of our electricity needs in 2023.						
We will increase our installed solar power capacity to 25 MWp.	Solar power generation capacity	-	-	-	11.38	25 MW
The installation and project development for solar power plants (SPP) at our Bingöl and Karacabey facilities are progressing rapidly.						
We will increase energy efficiency in our farms, production facilities, sales and administrative units.	Change in energy efficiency (%):	Reference Year	Our Farms: -5% Dairy Production Facilities: -2% Regional Sales Offices: 9% Head Office: -15%	Our Farms: 18% Dairy Production Facilities: -5% Regional Sales Offices: 5% Head Office: -1%	Our Farms: 14% Dairy Production Facilities: 4% Regional Sales Offices: 14% Head Office: 2%	15%
Excluding our Bingöl facility, we achieved a 9-percent energy-efficiency improvement in our most energy-intensive dairy production plants, meeting our 2023 targets. However, as production at the Bingöl Dairy Production Facility has not yet reached optimal levels, we were unable to meet our overall target.						
Waste Management	Performance Criterion	2020	2021	2022	2023	Targeted (2025)
We will reduce the amount of plastic used in our packaging by improving our packaging designs.	Amount of plastic reduced within the year (metric tons)	344.1	771.46	924.98	1,262.48	1,500
Water Management	Performance Criterion	2020	2021	2022	2023	Targeted (2025)
We will increase water efficiency in our farms, production facilities, sales and administrative unit.	Change in Water Efficiency (%):	Reference Year	Our Farms: 1% Dairy Production Facilities: 9% Regional Sales Offices: 6% Head Office: 24%	Our Farms: -9% Dairy Production Facilities: -4% Regional Sales Offices: 8% Head Office: 35%	Our Farms: -13% Dairy Production Facilities: 8% Regional Sales Offices: -1% Head Office: 14%	15%
Compared to 2020, we achieved satisfactory efficiency levels across most operations, excluding our farms. However, the farms at the Bingöl Integrated Facilities have not yet reached optimal capacity or livestock levels, resulting in a shortfall in meeting our targets. Additionally, technical malfunctions at our Regional Sales Offices and Head Office, which represent a minimal portion of total water consumption, further hindered efficiency efforts at these locations.						

Our 2025 Sustainability Goals

ENVIRONMENTAL SUSTAINABILITY						
Sustainable and Regenerative Agriculture	Performance Criterion	2020	2021	2022	2023	Targeted (2025)
We will improve the organic structure of the soil on which our fodder crops are grown with organic and organomineral fertilizers produced at our power plants.	Soil organic matter provided for our fields:	30,000 metric tons/year	41,515 metric tons/year	43,000 metric tons/year	51,097 metric tons/year	50,000 metric tons/year
Sustainable Dairy Farming	Performance Criterion	2020	2021	2022	2023	Targeted (2025)
We will intensify our efforts in generation breeding toward more resilient generations that can adapt to local conditions and produce more milk and meat.	Rate of completion (%)	-	-	-	-	100%
The establishment of the Agricultural R&D Center at our Bingöl Integrated Facilities is currently underway.						
We will improve our animals' health and quality of life through efforts carried out in line with EU Animal Welfare principles.	Obtaining Animal Health Certificates and EU Export Health Certificates for all Sütas farms, ensuring compliance with updated legislation by monitoring developments in the EU.	Documents are renewed in August 2020.	Documents are renewed in July 2021.	Documents are renewed in September 2022.	Documents are renewed in September 2023.	Renewal of documents

Our 2025 Sustainability Goals

THE HEALTH AND HAPPINESS OF PEOPLE						
Food Security	Performance Criterion	2020	2021	2022	2023	Targeted (2025)
We will increase the number of products supplied by GFSI (Global Food Security Initiative)-certified suppliers.	Rate of GFSI-certified suppliers in the supply of food contact materials	30%	30%	76%	78%	75%
Consumer Health and Wellness	Performance Criterion	2020	2021	2022	2023	Targeted (2025)
We will develop new products that will help consumers make healthier food choices.	Number of products developed:	3	4	6	7	15 (total)
We will share more information on the nutritional value and safety of our products and more content to raise the awareness of our consumers.	Rate of products with awareness and information labels on the packaging:	17%	25%	32%	36%	50%

Our 2025 Sustainability Goals

THE DEVELOPMENT AND PROSPERITY OF SOCIETY						
Our Socio-Economic Contributions	Performance Criterion	2020	2021	2022	2023	Targeted (2025)
We will contribute to increasing the productivity, income, and prosperity of producers in regions we operate	Rate of increase in the milk productivity of the producers working with Sütas:	Reference Year	6.3%	3%	3%	8%
Our Contributions to Sector Development	Performance Criterion	2020	2021	2022	2023	Targeted (2025)
We will increase the number of producers receiving training to enhance the professional knowledge and sustainability awareness of dairy producers.	Number of dairy farmers we have trained:	19,251	19,460	19,510	19,510	23,000
Employment and Development	Performance Criterion	2020	2021	2022	2023	Targeted (2025)
We will increase our employees' engagement and contributions to sustainability by providing them with sustainability training.	Number of suggestions for sustainability:	1,296	1,452	3,358	4,705	2,500
Occupational Health and Safety	Performance Criterion	2020	2021	2022	2023	Targeted (2025)
We will continue enhancing our Occupational Health and Safety systems to achieve our zero accident goal.	Lost time injury frequency rate	10.9	12.1	12.6	13.2	←5
The growing livestock population at our Bingöl Integrated Facility has contributed to an increase in workplace accidents. We are expanding OHS training across all operations.						

Our Sustainability Memberships

Collaboration and partnerships aligned with shared goals are essential for advancing sustainable development. Within this framework, we are proud members of several NGOs, actively participating in their working groups and initiatives. Below is a list of the NGOs we are affiliated with, reflecting our commitment to promoting sustainability within our industry and the broader business community.



TUSIAD



ÇEVKO
ÇEVRE KÖRÜHÜ VE AHBALAJ ATIKLARI
DEĞERLENDİRME YAKFI



KalDer
Türkiye Kalite Derneği



PERYÖN
TÜRKİYE İNSAN YÖNETİMİ DERNEĞİ



TEİD
Etik ve İtibar Derneği
Ethics & Reputation Society



Türkiye
Kurumsal
Yönetim
Derneği
Corporate
Governance
Association
of Turkey



Sürdürülebilir Gıda
platformu
daha iyi gıda için



skdTürkiye



argemip
AR-GE ve YATIRIM NİHAZİ, İLİŞKİLERİ VE İŞBİRLİĞİ PLATFORMU



TEDAR
TEDARİK ZİNCİRİ YÖNETİMİ DERNEĞİ



SETBİR

Members of the Board of Directors

Board Member	Executive/Independent/Non-Executive	Department	Committee Memberships	Companies
Muharrem Yılmaz	Executive/Non-Independent	Chairman		Sütaş A.Ş., Tarfaş A.Ş., Enfaş. A.Ş.
Serpil Veral	Executive/Non-Independent	Chief Human Resources and Management Systems Officer	Corporate Governance Committee, Business Ethics Committee	Sütaş A.Ş., Tarfaş A.Ş., Enfaş. A.Ş.
Selim Tarık Tezel	Executive/Non-Independent	Head of Agriculture		Sütaş A.Ş., Tarfaş A.Ş., Enfaş. A.Ş.
Murat Arat	Executive/Non-Independent	Chief R&D and Technology Officer	Sustainability Committee	Sütaş A.Ş., Tarfaş A.Ş., Enfaş. A.Ş.
Hüseyin Mustafa Çevik	Executive/Non-Independent	Chief Financial Officer		Sütaş A.Ş., Tarfaş A.Ş., Enfaş. A.Ş.
Ergun Ermutlu	Executive/Non-Independent	Chief Marketing Officer	Sustainability Committee	Sütaş A.Ş., Tarfaş A.Ş., Enfaş. A.Ş.
Esref Hamamcıoğlu	Non-Executive/Independent		Corporate Governance Committee, Audit and Risk Committee	Sütaş A.Ş.
Mürvet Tezel	Non-Executive/Non-Independent		Business Ethics Committee, Audit and Risk Committee	Sütaş A.Ş., Tarfaş A.Ş., Enfaş. A.Ş.
Aynur Duygu Yılmaz	Non-Executive/Non-Independent	Chief Audit Officer	Sustainability Committee, Audit and Risk Committee, Corporate Governance Committee, Business Ethics Committee	Sütaş A.Ş., Tarfaş A.Ş., Enfaş. A.Ş.
Haydar Yılmaz	Executive/Non-Independent			Sütaş A.Ş., Tarfaş A.Ş., Enfaş. A.Ş.
İlhan İl	Non-Executive/Independent		Audit and Risk Committee, Corporate Governance Committee	Tarfaş A.Ş., Enfaş. A.Ş.

Performance Indicators

Economic Performance Indicators*

Important Information	2020	2021	2022	2023
Total Net Revenue, TRY	4,289,834,778	6,242,329,704	27,980,705,745	29,558,333,152
Amount of Investment (million USD)	82,303,110	69,011,814	77,535,236	57,208,879
Total Payments, TRY	3,722,435,987	5,309,525,286	10,429,462,330	23,948,277,260
Payments to Milk Suppliers	1,758,295,527	2,565,012,459	5,358,006,903	9,590,663,571
Payments to Other Raw Material Suppliers	756,359,693	1,188,332,711	1,909,787,753	2,436,561,474
Payments to Other Suppliers	1,207,780,767	1,556,180,116	3,161,667,674	11,921,052,215
Amount of Milk Purchased (Liters)	740,248,502	802,044,822	740,230,931	799,859,161
Total Assets, TRY	4,252,466,498	5,748,520,898	18,181,916,246	19,488,718,509
Shareholders' equity, TRY	1,745,635,958	2,499,329,031	12,696,205,368	13,088,734,269

	2020	2021	2022	2023
Generated Economic Value – Revenues, TRY	4,289,834,778	6,242,329,704	27,980,705,745	29,558,333,152
Distributed Economic Value				
Operating expenses, TRY	3,496,823,674	5,107,960,833	12,008,185,125	18,836,363,393
Employee wages and benefits, TRY	408,535,857	584,524,323	1,122,465,974	2,605,970,690
Payments to capital providers, TRY	0	0	30,000,000	50,000,000
Payments to the government, TRY	96,721,696	138,600,647	212,380,453	739,366,063
Social Investments, TRY	851,222	998,625	576,565	12,450,187
Economic value retained, TRY	287,753,551	411,243,902	14,607,674,193	7,326,633,007

* Based on independently audited combined financial statements of Sütas Group Companies, adjusted for 2022 and 2023 data in compliance with inflation accounting principles.

Performance Indicators

Environmental Performance Indicators

Energy Consumption (GJ)	2020	2021	2022	2023
Energy Purchased	449,953	502,564	516,562	528,620
Energy Purchased	449,953	502,564	516,562	528,620
Stationary Combustion	670,670	759,708	792,006	788,172
Natural Gas & Fuel Oil	670,371	759,382	791,383	783,834
Generator (Diesel)	299	326	623	4,338
Vehicle Fuel	82,824	109,203	123,552	125,500
Diesel	82,824	109,203	123,552	117,573
Gasoline	0	0	0	7,927
Total	1,203,447	1,371,475	1,432,121	1,442,292
Renewable Energy Production	563,147	649,972	652,293	740,185
Biogas Cogeneration Plant (Electricity)	311,755	315,208	322,794	354,217
SPP	0	0	0	18,872
Biogas Cogeneration Plant (Steam)	160,766	151,502	141,829	157,785
Biogas Cogeneration Plant (Hot Water)	90,626	183,261	187,671	209,311
Wastewater Treatment Plant (Biogas)	0	0	0	0
Energy Sold	-305,347	-307,963	-314,752	-352,651
Net Renewable Energy	257,800	342,009	337,542	387,534
TOTAL NET Energy Consumption	1,461,248	1,713,484	1,769,662	1,829,826

Our Greenhouse Gas Emissions

(metric tons of CO ₂ e)	2020	2021	2022	2023
Scope 1	61,433	108,998	83,331	88,132
Vehicles	5,886	7,691	8,743	8,565
F-gases	1,399	50	1,031	510
Fuels used at facilities	31,860	77,037	36,986	37,067
Generators (Diesel)	23	24	33	303
Enteric Fermentation	21,376	19,961	32,159	35,923
Fertilizer Management	0	1,478	2,016	2,016
Chemical Fertilizer Usage	890	2,757	2,363	3,749
Scope 2	56,369	63,000	64,756	66,224
Electricity Consumption	56,369	63,000	64,756	66,224
Scope 3	0	0	0	0
Contractor Trucks	0	0	0	0
TOTAL	117,802	171,998	148,087	154,357

Emission Reduction (metric tons of CO ₂ e)	2020	2021	2022	2023
Electricity Generation	48,079	48,612	49,782	58,926
Fossil Fuel Substitution	11,922	15,874	15,624	17,422
Carbon Capture	440,901	438,726	524,714	538,328
Total Avoided Emissions (metric ton CO₂e)	500,902	503,212	590,120	614,676

Performance Indicators

Waste Management

Total Waste by Type (Metric Ton)	2020	2021	2022	2023
Hazardous Waste	150	138	173	190
Non-Hazardous Waste	73,533	165,401	209,411	323,449
Total Waste	73,683	165,540	209,584	323,639

Energy Intensity (Data)	2020	2021	2022	2023
Farms (MWh/LSU)	0.097	0.103	0.08	0.084
Dairy Production Facilities (MWh/Processed Milk)	0.274	0.28	0.289	0.263
Regional Offices (MWh/ Kg Sales)	0.013	0.012	0.013	0.011
Directorates-General (MWh/person)	2.593	2.978	2.621	2.548

Total Waste by Method of Disposal (Metric Ton)	2020	2021	2022	2023
Recovery – Hazardous Waste	0	0	0	0
Recovery – Non-Hazardous Waste	0	0	0	0
Incineration – Hazardous Waste	0	0	0	0
Incineration – Non-Hazardous Waste	0	0	0	0
Landfill – Hazardous Waste	13	2	27	35
Landfill – Non-Hazardous Waste	1,479	1,830	1,279	1,309
Recycle – Hazardous Waste	137	136	146	155
Recycle – Non-Hazardous Waste	4,575	6,106	5,712	6,654
Energy Recovery – Hazardous Waste	0	0	0	0
Energy Recovery – Non-Hazardous Waste	67,479	157,465	202,420	315,487
Other – Hazardous Waste	0	0	0	0
Other – Non-Hazardous Waste	0	0	0	0
Total Hazardous Waste Disposed	13	2	27	35
Total Non-Hazardous Waste Disposed	1,479	1,830	1,279	1,309
Total Waste Disposed	1,492	1,832	1,306	1,343

Performance Indicators

Water Management

Water Withdrawal (m ³ /Year) [GRI 303-3]	2020	2021	2022	2023
Surface Waters (Stream, etc.)	11669	0	0	0
Sea Water	0	0	0	0
Groundwater – Renewable	3,205,645	3,384,063	3,953,540	4,034,521
Groundwater – Nonrenewable	0	0	0	0
Water Produced (on-site)	0	0	0	0
Received from third parties (water supply, organized industrial zones, etc.)	934,418	772,002	775,865	856,342
Total	4,151,732	4,156,065	4,729,405	4,890,863
Volume of water treated and reused	402,357	611,770	601,351	592,087
Rate of water recycled and reused (%)	10%	15%	13%	12%

Water Discharge (m ³ /Year) (303-4)	2020	2021	2022	2023
Surface Waters	3,185,244	3,141,532	3,113,321	3,339,175
Sea	0	0	0	0
Groundwater	0	0	0	0
Directed to third parties (Sewage, organized industrial zones, etc.)	0	0	0	0
Total Water Discharge	3,185,244	3,141,532	3,113,321	3,339,175

Water Intensity Data	2020	2021	2022	2023
Farms (m ³ /LSU)	4.874	4.820	5.322	5.505
Dairy Production Facilities (m ³ /Processed Milk)	2.918	2.649	3.04	2.679
Regional Offices (m ³ /person)	15.7	14.746	14.419	15.748
Directorates-General (m ³ /person)	10.34	7.868	6.726	8.918

Water Consumption (m ³ /year)	2020	2021	2022	2023
Total Water Consumption	4,554,089	4,767,835	5,330,756	5,482,950
Water used per liter of processed milk, m ³ /metric ton	3.98	4.11	4.5	4.05

Performance Indicators

Social Performance Indicators

Toplumsal Cinsiyete Göre Çalışanlarımız	2020	2021	2022	2023
Female	631	665	671	847
Male	3,926	4,297	4,292	4,495
Total	4,557	4,962	4,963	5,342

Employees by Type of Employment and Gender	2020	2021	2022	2023
Permanent Employee – Female	622	632	661	828
Permanent Employee – Male	3,825	4,215	4,284	4,488
Temporary Employee – Female	9	33	10	19
Temporary Employee – Male	101	82	8	7
Total	4,557	4,962	4,963	5,342

Employees by Type of Employment and Gender	2020	2021	2022	2023
Full-Time Employee – Female	631	665	671	847
Full-Time Employee – Male	3,926	4,297	4,292	4,495
Total Full-Time		4,962	4,963	5,342
Part-Time Employee – Female	0	0	0	0
Part-Time Employee – Male	0	0	0	0
Total Part-Time Employee	0	0	0	0
Total	4,557	4,962	4,963	5,342

Employees by Type of Employment and Region	2020	2021	2022	2023
Permanent Employee – İstanbul (Head Office)	293	287	314	328
Temporary Employee – İstanbul (Head Office)	1	0	0	0
İstanbul Total	294	287	314	328
Permanent Employee – Regions	1,261	1,242	1,221	1,232
Temporary Employee – Regions	0	0	2	2
Regions Total	1,261	1,242	1,223	1,234
Permanent Employee – Karacabey (Bursa)	1,193	1,193	1,218	1,265
Temporary Employee – Karacabey (Bursa)	15	67	9	23
Karacabey Total	1,208	1,260	1,227	1,288
Permanent Employee – Aksaray	1,164	1,306	1,213	1,305
Temporary Employee – Aksaray	70	25	0	1
Aksaray Total	1,234	1,331	1,213	1,306
Permanent Employee – Tire (Izmir)	402	465	448	496
Temporary Employee – Tire (Izmir)	24	0	0	0
Tire Total	426	465	448	496
Permanent Employee – Bingöl	134	354	531	690
Temporary Employee – Bingöl	0	23	7	0
Bingöl Total	134	377	538	690
Total	4,557	4,962	4,963	5,342

Performance Indicators

Social Performance Indicators

Total Employees by Employment Status and Gender	2020	2021	2022	2023
White-Collar Employees – Female	141	138	159	179
White-Collar Employees – Male	588	611	646	660
Total White-Collar	729	749	805	839
Blue-Collar Employees – Female	490	527	512	668
Blue-Collar Employees – Male	3,338	3,686	3,646	3,835
Total Blue-Collar	3,828	4,213	4,158	4,503
Total	4,557	4,962	4,963	5,342

Employees by Age Group	2020	2021	2022	2023
<30	1,126	1,355	1,356	1,612
30-50	3,268	3,449	3,430	3,535
>50	145	158	177	195
Total Number of Employees	4,557	4,962	4,963	5,342
Average Age of Employees Across the Company	35.2	34.9	35.2	35

Employees by Location and Status	2020	2021	2022	2023
Blue Collar – Istanbul	69	68	66	72
Blue Collar – Regions	1,036	1,013	998	1,009
Blue Collar – Karacabey	1,041	1,092	1,053	1,094
Blue Collar – Aksaray	1,182	1,271	1,154	1,245
Blue Collar – Tire	400	438	418	471
Blue Collar – Bingöl	100	331	469	612
Total Blue Collar	3,828	4,213	4,158	4,503
White Collar – Istanbul	225	219	248	256
White Collar – Regions	225	229	225	225
White Collar – Karacabey	167	168	174	194
White Collar – Aksaray	52	60	59	61
White Collar – Tire	26	27	30	25
White Collar – Bingöl	34	46	69	78
Total White Collar	729	749	805	839
Total	4,557	4,962	4,963	5,342

Performance Indicators

Social Performance Indicators

Employee Turnover	2020	2021	2022	2023
Start of Year	4,489	4,465	4,836	4,926
New Hires	248	788	1,156	1,864
Employee Departures	444	667	1,113	1,508
End of Year	4,447	4,845	4,945	5,316
Average Number of Employees	4,468	4,655	4,891	5,121
Turnover	10%	14%	23%	29%

Maternity/Paternity Leave	2020	2021	2022	2023
Total Employees Entitled to Paternity Leave	0	0	512	269
Total Employees Who Took Paternity Leave	0	0	512	269
Employees Returning to Work During the Reporting Period After Paternity Leave	0	0	512	268
Employees Continuing Employment for 12 Months After Returning from Paternity Leave	0	0	433	255
Total Employees Entitled to Maternity Leave	43	9	42	28
Total Employees Who Took Maternity Leave	37	7	42	28
Employees Returning to Work During the Reporting Period After Maternity Leave	28	4	36	22
Employees Continuing Employment for 12 Months After Returning from Maternity Leave	4	7	32	19
Ratio of Employees Who Returned From Maternity Leave to Employees Who Took Maternity Leave	76%	%57	86%	79%

Senior Managers by Gender

Distribution of Senior Management - By Group Company	2020			2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
SÜTAŞ GROUP	22	9	31	24	10	34	26	11	37	28	14	42
DAIRY GROUP	8	1	9	8	1	9	9	1	10	8	1	9
SÜTAŞ A.Ş.	39	1	40	41	2	43	38	2	40	40	2	42
ENFAŞ A.Ş.	1	0	1	0	0	0	0	0	0	2	0	2
TARFAŞ A.Ş.	7	0	7	6	2	8	6	1	7	8	1	9
Grand Total	77	11	88	79	15	94	79	15	94	86	18	104

Equal Opportunity in Senior Management - By Gender	2020	2021	2022	2023
Board of Directors - Female	30%	30%	30%	30%
Board of Directors - Male	70%	70%	70%	70%
Senior Management - Female	13%	16%	16%	17%
Senior Management - Male	87%	84%	84%	83%

Performance Indicators

Training Investments

Total Training	Total Training Hours			
	2020	2021	2022	2023
Professional Development	22,352	10,142	19,770	34,117
Personal Development	8,533	3,916	8,074	15,022
OHS	28,816	49,513	44,592	64,006
Other	6,213	16,013	9,728	15,162
Total Training Hours	65,914	79,584	82,164	128,307

Occupational Health and Safety

Lost-Time Injury Frequency Rate	2020	2021	2022	2023
Sütaş Group	10.9	12	12.5	13.2

Average Training Hours Per Employee	2020	2021	2022	2023
All Employees	15	16	17	24
Employees by Gender	2020	2021	2022	2023
Male	15	16	16.64	24
Female	14	15	15.99	26

Training Hours by Training Type	2020	2021	2022	2023
Total Environmental Training Hours Provided to Employees	1,597	1,797	2,925	2,943
Total OHS Training Hours Provided to Employees	28,816	49,513	44,592	64,006
Total Vocational Training Hours Provided to Business Partners				33,576
Total Number of Employee Events and Participation per Event	370 Events: Reached 54,055 Employees	371 Events: Reached 60,955 Employees	630 Events: Reached 66,725 Employees	559 Events: Reached 55,524 Employees

Occupational Health and Safety Training (Employee/Hour)	2020	2021	2022	2023
Male	25,366	43,624	39,042	54,097
Female	3,450	5,889	5,551	9,909
Total OHS Training Hours	28,816	49,513	44,592	64,006

Fatal work injuries	2020	2021	2022	2023
Fatal work injuries	1*	0	0	1**

*Our employee passed away from a heart attack during working hours.

**Our employee lost his life in a traffic accident while on duty.

Reporting Methodology

Reporting and Calculation Guideline

Total Number of Employees	Includes all employees on the payroll of Sütas Group's domestic operations as of December 31, 2023. Excludes subcontractors, interns, and other non-payroll personnel.
Female–Male Employees	Gender distribution refers to the distribution of female and male employees.
Temporary Employee	Refers to the number of employees employed only for a certain period of time during the reporting period.
Employee Turnover	This figure is calculated by dividing the total number of individuals employed during the reporting period by the average number of employees for the year.
Istanbul (Head Office)	Describes the Head office of Sütas Group and Sütas A.Ş.
Regions	Defines the 27 Regional Directorates under the sales organization of Sütas A.Ş.
Number of Employees Entitled to Maternity/ Paternity Leave	This metric represents the number of female employees entitled to or who took paid or unpaid maternity leave during the reporting period. It also includes male employees who took maternity leave.
Number of Employees Returning to Work After Maternity/Paternity Leave	Refers to the number of employees returning to work during the reporting period after taking paid or unpaid maternity or paternity leave.
Paternity Leave	Refers to the five-day leave granted to male employees per Labor Law No. 4857.
Senior Manager	Includes Sütas employees holding managerial positions at the level of Group Manager and above. (Group Manager and above include the titles of Group Manager, Regional Manager, Coordinator, Director, Plant Manager, Assistant General Manager, General Manager and Board Member.)
Number of Suggestions Submitted to the Suggestions and Kaizen Systems	Refers to the number of suggestions submitted by employees to the Suggestions System and Kaizen System and classified under certain topics. Suggestions submitted to the Suggestion System and directed to the Kaizen System are considered as a single suggestion.
Average Training Hours Per Employee	Refers to the average training hours per employee during the reporting period as monitored by the Love of Milk Academy. (Calculated based on the formula: Total Training Hours/Total Number of Employees) Panel or machinery training sessions for blue-collar employees are not included.
Average Training Hours by Gender	Refers to the average training hours per female and male employees during the reporting period as monitored by the Love of Milk Academy. (Calculated based on the formula: Total Training Hours for Female Employees/Total Number of Female Employees or Total Training Hours for Male Employees/Total Number of Male Employees). Panel or machinery training sessions for blue-collar employees are not included.
Lost-Day Incident Frequency Rate (LDIFR)	Refers to the number of lost time injuries per 1 million hours worked (calculated based on the formula: Number of Lost-Day Injuries/Total Hours Worked x 1,000,000).
Days Lost per Accident	Calculated using the formula: Days Lost / Number of Accidents.
Total Energy Consumption (GJ)	<ul style="list-style-type: none"> -Based on the consumption amounts in the invoices received from service providers. -Electricity, natural gas, diesel, gasoline, fuel oil and LPG consumptions are included in the calculations. -Electricity consumption is specified in kWh and converted to GJ. Conversion factor: 1 kWh = 0.0036 GJ. -Consumption is measured in cubic meters (m³) for natural gas, liters (L) for diesel, fuel oil, and gasoline, and kilograms (kg) for LPG. These values are then converted to gigajoules (GJ) using appropriate conversion factors.

Reporting Methodology

Reporting and Calculation Guideline

Water Data	Water consumption (m ³) is evaluated in three separate categories: surface water, groundwater, and mains water. Mains water includes the water received from municipalities and organized industrial zones (OIZs). Meter readings are factored in consumption.
Waste Data	Our waste such as paper, plastic, metal and glass packaging are treated as non-hazardous waste and sent to licensed recycling plants. Contaminated packaging, fluorescent/LED lamps, filters and other waste hazardous to human, animal and environmental health are sent to licensed recovery/disposal plants. Apart from packaging waste, animal- and plant-based organic waste from our farms and production activities is recycled in our biogas plants to generate energy (electricity, steam, and hot water) and produce organic or organomineral fertilizer. The waste specified in the report covers all our businesses and operations in Türkiye. Waste data is calculated using receipts issued upon delivery to recycling, recovery, or disposal facilities and entries in the Mobile Waste Tracking System (MoTAT) within the Integrated Environmental Information System.
Organic Waste	Apart from packaging waste, animal- and plant-based organic waste from our farms and production activities is recycled in our biogas plants to generate energy (electricity, steam, and hot water) and produce organic or organomineral fertilizer.
Reporting	The waste specified in the report covers all our businesses and operations in Türkiye. Waste data is calculated using receipts issued upon delivery to recycling, recovery, or disposal facilities and entries in the Mobile Waste Tracking System (MoTAT) within the Integrated Environmental Information System.
Use Intensity	Water and energy use intensity calculations are based on the values of "Livestock Unit (LSU)" for our farms, "Processed Raw Milk (metric tons)" for our production facilities, and the "Number of Employees" for our sales and administrative units. Energy use intensity is calculated using the formula "Consumed Energy (MWh)/Basis Value" in the relevant categories, while water use intensity is calculated using the formula "Consumed Water (m ³)/Basis Value" in the relevant categories.
Emissions Intensity	Calculated by dividing the Scope 1 and Scope 2 emissions of Sütaş Group by the volume of milk processed.
Livestock Unit (LSU)	The Livestock Unit (LSU) is a calculation method used to group animals of different species and ages with varying nutritional or feed needs under a single category. It is obtained by multiplying the number of animals of a certain age and type by the relevant coefficient specified in Article 6, paragraph 1(a) of the Regulation on Pastures. Click to see the latest version of the Regulation on Pastures.
Greenhouse Gas Emissions	Sütaş Group maintains a digital record of its greenhouse gas emissions inventory, utilizing internationally recognized emission libraries and standards for accurate calculations.
Forest equivalent of greenhouse gas emissions prevented	Calculations are based on emission coefficients from the International Panel on Climate Change (IPCC) as outlined in the German Federal Forest Inventory. A baseline value of 1,433 kg CO ₂ per hectare for black pine forests was used.

Changes from Previous Reporting Periods

ESRS Compliance

In prior years, our reporting is in accordance with to the GRI Core, GRI 13: Agriculture, Aquaculture, and Fishing Standards, and SASB Standards. During this reporting period, we initiated alignment with the European Sustainability Reporting Standards (ESRS) process. To maintain consistency, we mapped and linked the GRI and ESRS content indices within the report.

Double Materiality

In 2023, alongside our ESRS alignment efforts, we revisited our prioritization analysis. Previously, we assessed key topics using a stakeholder-company matrix. This year, we adopted the double materiality methodology to re-evaluate our priorities. As part of this process, we applied financial prioritization (outside-in impact) to evaluate how each priority topic affects the company’s financial performance, and impact prioritization (inside-out impact) to assess the effects of these topics on the environment and society. During the impact materiality process, we analyzed the positive and negative effects of each topic on the environment and society. In the financial materiality process, we examined the risks and opportunities these topics pose to the company’s financial performance. These assessments were conducted in collaboration with our working groups and the Board of Directors, with each topic carefully evaluated and scored accordingly. The findings from the double materiality analysis are detailed in the relevant section of this report.

Energy and Water Intensities

In previous years, energy and water consumption intensities for our regional offices were calculated based on the number of employees at each location. Following discussions with our Environmental Working Group, we revised this methodology. Energy analyses are now based on total metric tons of sales and water analyses continue to be based on the number of employees. Historical data has been adjusted to reflect these changes, with detailed explanations provided in the relevant tables. Additionally, energy and water consumption intensities for production facilities are now categorized separately for dairy production and feed production facilities. For feed production facilities, the analysis is based on the total metric tons of feed produced.

Economic Performance Indicator Values

The economic performance indicators for 2022 and 2023 have been revised in accordance with inflation accounting practices. The updated values are reflected in the graphs.



REPORT CONTACT



Head Office

Department of Corporate Communications

Dudullu Organize Sanayi 1. Caddesi No:21, 34776 Dudullu OSB/Ümraniye İSTANBUL

E-mail: surdurulebilirlik@sutas.com.tr

Telephone: 444 4 788

www.sutas.com.tr

