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# Anadolu Etap Sustainability Approach

## CEO's Message



Bahadır Açıık  
Anadolu Etap CEO

Dear Stakeholders,

We set off on our journey in 2010 with the motto “Healthy fruits for healthy generations” and a single fruit sapling. Today, we are proud to have pioneered our industry as Turkey’s largest fruit-growing and fruit-juice processing company and to have published **our second Sustainability Report**.

As the agriculture and food joint-venture of **Anadolu Group and Özgörkey Holding**, we meet the healthy nutrition and food needs of both our country and global markets extending from the USA to the Far East. Today, with our export volume reaching a rate of 65%, we represent quality Turkish fruit in global markets while contributing to Turkey’s economy, agriculture, rural development and employment. We invest in the economic, social and environmental future of our country in collaboration with our stakeholders.

As the first agricultural company to have published **Sustainable Agriculture Principles** and have committed to conducting its operations within the framework of these principles, we maintain this great ecosystem, which we have established with the values that we received from Anatolian lands, through practices in line with the **United Nations Sustainable Development Goals**. By signing the **United Nations Global Compact** this year, we have officially committed on an international platform to work in compliance with these principles. Our awareness of social responsibility and commitment to a sustainable future were increased by our annually-growing volume of harvest, the tonnage of fruit we processed, our focus on export activities and our expertise in fruits, our investments in agriculture and agricultural development in our country as well as the volume of employment we create.

We have once again understood the importance of our commitment to sustainability with the **Covid-19 pandemic**, which has affected the whole world since the end of 2019 and has already affected all countries of the world radically as of the date when we published our report. The sudden crisis caused by the pandemic in the world was felt mostly in the fields of agriculture and food. As a consequence of the problems caused by Covid-19, combined with the impact of problems on a global scale such as climate change, population growth, inefficient use of natural resources and rapid urbanization, we have found ourselves in the middle of a multifaceted crisis that we have not experienced throughout the history.

The slowdown in access to healthy food for a period due to the problems encountered in the supply chain and the specific

health measures and restrictions applied by countries, despite the increasing demand for healthy food with the pandemic, have once again highlighted the strategic importance of agriculture and agricultural production in all countries of the world.

At Anadolu Etap, we meet the healthy food needs of more than 60 countries. These global developments alongside the effect of the Covid-19 epidemic have therefore given us a greater responsibility than before: to continue to meet the healthy nutrition and food needs of society **without interruption**. Fortunately, we have proceeded with our production and business owing to the high-level Covid-19 health measures that we have taken in all our locations and in all rings of the supply chain, even before the first Covid-19 case was detected in our country, taking into account the health of both our employees and society. Thanks to the measures that we implemented, we were the first Turkish fruit company granted the **“TSE Covid-19 Safe Production Certificate”** issued by the Turkish Standards Institute. We continue our production and operations without interruption with our sustainable business model. Our investments in smart agricultural technologies and quality, ensuring continuity in employment and supply chain, and digitizing all our processes have a huge share in our success. Provided that you place sustainability at the heart of your business model, meet international quality standards and effectively take advantage of technological innovations, your structure will remain solid even in the most difficult crisis period.

At Anadolu Etap, we are aware of our responsibility to leave a more liveable world to future generations, which is of the utmost importance. Therefore, in our business processes, we work with the aim of producing healthy, quality products and creating a sustainable ecosystem with our responsibly grown and traceable agricultural practices, that focus on humanity and nature. We shall keep investing in our country’s economy, human resources, technology, soil and farmers. I am pleased to share with you our practices that we have developed on the grounds of this perspective in our second sustainability report, which we have prepared in compliance with the globally recognized **Global Reporting Initiative (GRI) reporting standards**. In this regard, I would like to express my gratitude to my valuable colleagues, our customers, suppliers and all other stakeholders who have supported us in all the steps we have taken for a better future.

Sincerely,

# About the Report

Anadolu Etap, Turkey's largest fruit growing company, prepared its first sustainability report in 2018 on the grounds of its responsibilities towards a sustainable future.

Anadolu Etap, which has been serving a global market from the USA to the Far East by expanding its field of production activities and operations every year since its establishment in 2010, is currently one of the pioneering agricultural companies representing Turkish fruit in the world, with its 65% export-oriented sales volume. The company carries out its activities with 8 farms established on 3000 HA of land located in 6 different regions of Turkey, 3 fruit juice processing plants, one packing house and a large number of producers with whom it cooperates, and continues its operations with the vision of providing social, economic and environmental benefits through its contributions to the local economy, rural development and employment in the regions where it operates.

Anadolu Etap is, furthermore, the first agricultural company that published and implemented "**Sustainable Agriculture Principles**" in Turkey in 2014, taking the views of academics and civil society organizations along with the wide market network it dominates, business partners it works with and its sustainability-oriented perspective on every issue. By signing the **United Nations Global Compact** in 2020, the company has officially committed to work in compliance with international principles.

This report which is the **second sustainability report of Anadolu Etap**, was prepared on the basis of being a pioneer in the industry in adherence to sustainable agriculture principles, and describes the sustainability strategy of the company, the practices it has implemented and its performance carried out between 01.01.2018 and 31.12.2019 based on these strategies.

The report also includes the measures taken and the practices executed, as well as the results of the Covid-19 surveys conducted by Anadolu Etap with its stakeholders, against the **Covid-19 pandemic**, which has influenced the whole world since the last quarter of 2019 and transformed the social and economic production and consumption habits of societies, especially in health.

The content of the report has been determined in line with the views and suggestions of all internal and external stakeholders, including employees and executives of the company. Stakeholders' views were acquired through an online survey conducted in 2018 and 2019. The results of the survey have been used to identify the issues that Anadolu Etap places emphasis on, and the sustainability priorities of the stakeholders. The report also describes Anadolu Etap's corporate identity, sustainability management and sustainability strategy, and related economic, environmental, social and industrial developments, in accordance with the principle of transparency.

This report has been prepared in compliance with the "Basic" standards stipulated in the globally recognized Global Reporting Initiative (GRI). The said compliance is included in the **GRI (Global Reporting Initiative) Standards Index** in the last section of the report. This report, which has not undergone any external audit, has been prepared in two languages; Turkish and English.

Views and suggestions set forth by the stakeholders with the aim to improve the sustainability performance of both Anadolu Etap and the industry are of great importance to Anadolu Etap.

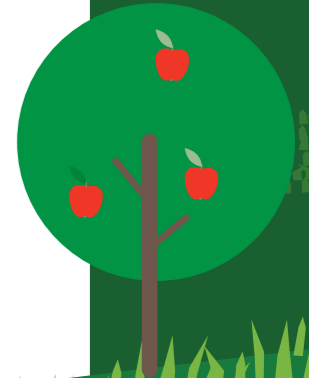
For all comments, opinions and further questions on the sustainability report, please do not hesitate to contact Anadolu Etap.

## Contact Anadolu Etap

E-mail: [surdurulebilirlik@anadoluetap.com](mailto:surdurulebilirlik@anadoluetap.com)

Telephone: +90 216 578 87 00

[www.anadoluetap.com](http://www.anadoluetap.com)



**“ We Carry the Values That We  
Have Acquired From Anatolia  
Throughout the World ,,**





### 3.1. “The Largest Fruit Growing and Fruit Juice Processing Company of Turkey”

Anadolu Etap was established in 2010 with the partnership of the Anadolu Group and Özgörkey Holding, envisioning the strategic importance of agriculture in Turkey’s future and the need for quality fruit and juice on the market.

Since April 23, 2011, the date when we planted our first fruit sapling, we have been steadily growing our operations each year and we are currently carrying out our activities with **8 farms** established on **3000 HA** of land located in 6 different regions of Turkey, **3 fruit juice processing plants, 1 fruit packing house and 2 R&D Centers**. With our **5 million planted fruit trees** and the 350,000 tons of fruit that we processed in 2019, we are Turkey’s largest producer of fresh fruit and fruit juice concentrate.

We support our product and production quality of international standards with a sustainable operation network and meet the needs of both Turkey’s healthy and fresh fruit juice international market. We exported 65% of the fruit that we produced and processed in 2019 to more than 60 countries including the USA, Latin America and Japan, Europe, the Middle East, Russia and India. We aim to represent Turkish fruit and fruit-juice concentrates with quality in the world, and thus we consistently expand our export figures every year; in this regard **we carry the values that we have acquired from Anatolia throughout the world.**

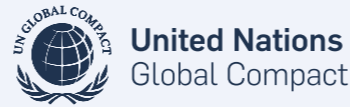
As the largest fruit growing and processing company in Turkey, we execute all our operations on the basis of the principles of environmental, economic and social sustainability, in line with our vision of **“Healthy Fruits for Healthy Generations”**. In 2014 we were the first agriculture and food company in Turkey to prepare and publish **“Sustainable Agricultural Policies”** together with our stakeholders, and integrate such principles in our business plans.

As the industry leader, we have worked to sustain the development of agriculture and agro-based industries

in Turkey; therefore we have allocated a significant portion of our 350 Million Dollars’ investment in the last 8 years to smart and sustainable agricultural practices by observing the principles of sustainable agriculture, use natural resources efficiently, and protect biodiversity with the help of technology. Combining the fresh fruits that we pack in our plants and facilities and the quality fruit juice concentrates that we produce with our expertise in the fresh fruit and fruit juice industry, we offer them for sale to our customers worldwide.

Thanks to the more than 4 thousand employees that we employ in the regions where our farms, plants and facilities are located, as well as the benefit to the local economy and employment we that create in the regions in which we operate, we are one of the leading employers in the agriculture and food industry of Turkey. We maintain our commitment to our social responsibilities with long-term projects focusing on sustainable agriculture, women’s employment in agriculture, and children.

By signing the United Nations Global Compact in 2020, we have carried our commitment to sustainability to the international platform.



8 farms



3000 HA land



5.000.000 fruit trees



3 fruit juice processing plants



1 packing house



350.000 tons/year  
Turkey’s largest fruit growing and fruit processing company



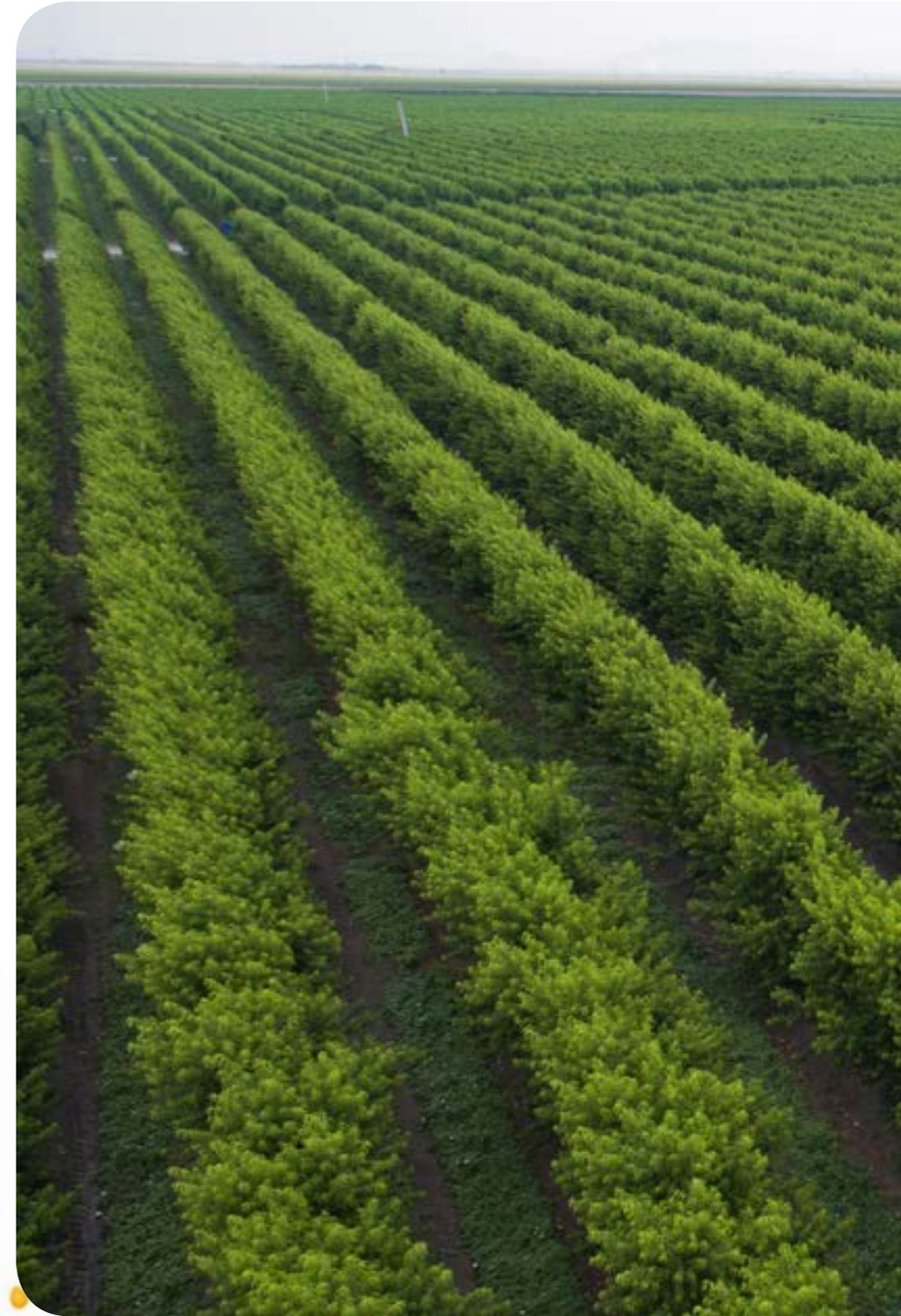
### 3.1. “The Largest Fruit Growing and Fruit Juice Processing Company of Turkey”

At Anadolu Etap we carry out our operations in two main business units: “**Fresh Fruit**” and “**Fruit Juice**”. We support these units with our “**Plantation**” business unit, which covers all agricultural processes from field work to planting plans, the planting of fruit trees, and the harvesting of products.

Our fruit juice business unit performs tasks, such as collecting or purchasing and processing fruits that meet our high quality criteria from our farms and approximately 4,000 villages throughout Turkey and offering them for sale to both our domestic and international customers in concentrated and fruit- puréed forms. Our fruits that we process and offer in fruit juice concentrate, fruitpurée, peel oil, direct-squeezed fruit juice and IQF (individual quick freezing) forms are further sold as raw materials for fruit juice, jam, confectionery, vinegar and sauce, pastry, ice cream, cosmetics, canned food, the pharmaceutical industry, as well as flavoring and coloring facilities.

In our farms, we also produce **organic fruits** and grow fruits of suitable quality for baby formulas. We offer some of these fruits as fresh fruits to consumers while processing some of them in our fruit juice plants and offering them to global markets in concentrated and fruit purée forms with a quality suitable for organic and baby food.

Our **fresh fruit** business unit carries out the sales and marketing operations of fresh fruits harvested from our farms and contracted orchards. We grow 150 different varieties of 9 different fruits in our farms and R&D facilities working on different fruit types. We offer our fresh fruits to the domestic consumers as well as the consumers abroad via export activities with the “**Taptazem**”, “**Solemio**” and “**Bolfrut**” brands. We provide sales & marketing services to our customers in different scales, most of which are chain retail markets and large-scale corporate suppliers, with the fresh fruits and chopped fruit that we call “fresh cut” and fruit salad groups.





## 3.1. “The Largest Fruit Growing and Fruit Juice Processing Company of Turkey”

### Anadolu Etap Highlights:



It is the first agriculture company in Turkey to publish “Sustainable Agriculture Principles” in 2014 and to commit to conducting its operations within the framework of these principles.



It is the first agriculture company in Turkey to publish a sustainability report in compliance with the globally recognized Global Reporting Initiative (GRI).



It signed the **UN Global Compact** in 2020.



**150 different varieties of 9 different fruit types** are grown based on the **Sustainable Agriculture Principles**.



It aims to spread its know-how and experience in the fruit sector to the world by developing and generalizing projects in the fruit juice plant in Mersin and the R&D center located in the farm in Balıkesir-Tahirova. The company has established R&D farms for cultivating fruit species brought to Turkey for the first time and R&D orchards allocated to organic production.



It provides employment opportunities to an average of **2,000** seasonal migrant workers each year, **70%** of whom are women farmers.



It has earned the title of the company making the biggest investment in the industry, with an investment amounting to **350 million dollars** for the development of agriculture and agriculture-based industries. This investment is dedicated to efforts towards bringing **Industry 4.0 and Farming 4.0** practices to Turkey as well as **smart agriculture & production technologies**.



It cultivates and processes its fruits with various innovative technologies such as agricultural frost control systems, remote-controlled irrigation systems, cultivation systems, biotechnical control methods, agricultural machines equipped with sensors, greenhouse installations and tracking systems from soil to table.



It has FSSC 22000, BRC, IFS, ISO 9001, ISO 27001, ISO45001, ISO 14001 Global G.A.P, Halal and Kosher,



Global G.A.P. and domestic Good Agricultural Practices certificates.



Every moment of the fruit growing process is monitored using information systems (ERP), and recorded fruits are subjected to 600 tests and analyses.



The company, with its commitment to international food safety and quality standards in production, introduces and exports Anadolu Etap quality Turkish fruits and fruit juice to the world. Anadolu Etap currently exports to more than 60 countries, thanks to the successful road it has taken since 2011.



It is a globally competitive fruit company that generates 65% of its turnover from exports to a wide market extending from Japan to America.





### 3.1. "The Largest Fruit Growing and Fruit Juice Processing Company of Turkey"

#### Source of Production: Farms and Plants

Our installed facilities that give us our title of "Turkey's largest fruit growing and fruit juice supplying orchard" comprises 8 farms established on 3000 HA of land located in different regions of Turkey, 3 fruit juice processing plants and 1 fruit packing house.



- Our farms where we produce fresh fruit and provide quality raw materials to our fruit juice operations, affiliated to our **plantation business unit**, are located in **Balıkesir-Tahirova, Çanakkale-Kumkale, Denizli, Konya-Karapınar and Karaman**.
- In **Adana and Şanlıurfa**, we have R&D orchards established on a total of over 3,500 decars of land where we cultivate fruit species that were brought to Turkey for the first time.
- Our **largest farm with an area of 10.000 decars** is located in **Balıkesir-Tahirova**. On this land, we grow stone-core fruits such as apricot, peach, nectarine, cherry, plum as well as apple and pear varieties belonging to the soft-core category.
- Peach, nectarine and apricot are grown in our **6,000-decars Çanakkale-Kumkale** farm; We grow sour cherry and cherry varieties in our **1.200 decars Denizli** farm. We grow organic apples and cherries on approximately **3.500 decars of land in Konya and Karapınar**.





### 3.1. “The Largest Fruit Growing and Fruit Juice Processing Company of Turkey”

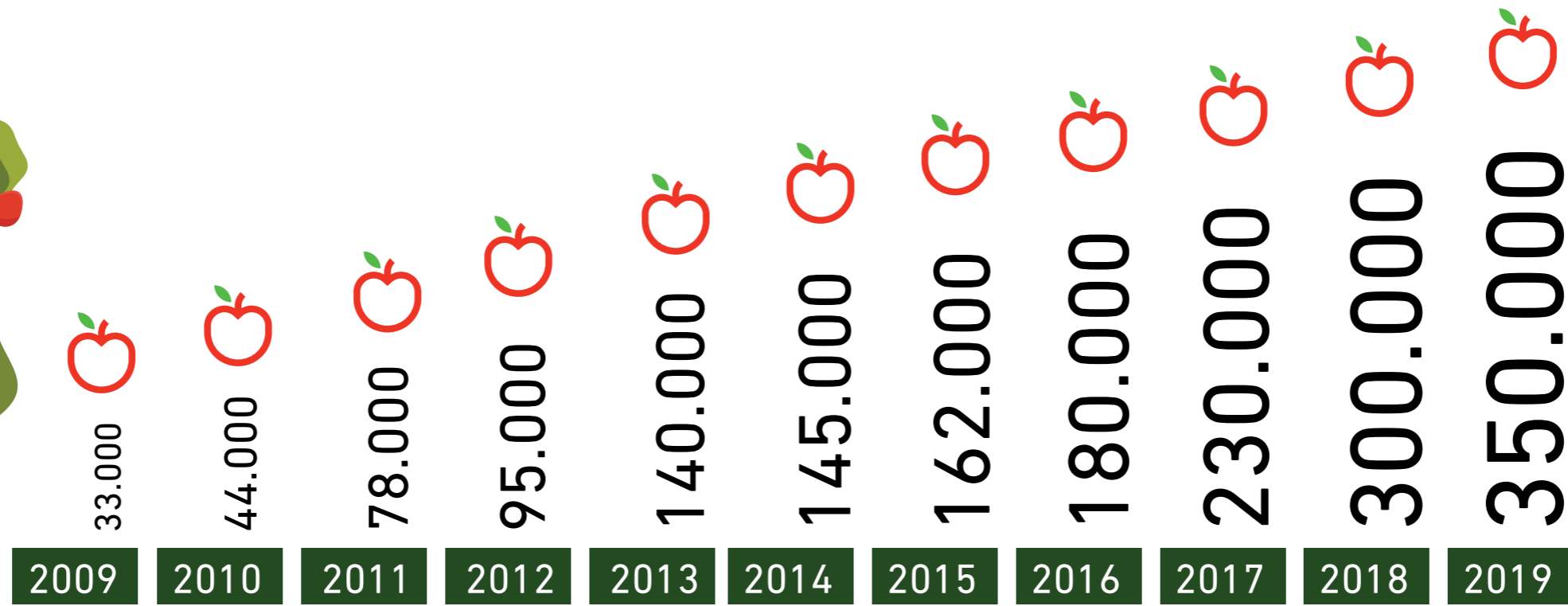
In addition to our farms, we also work with orchards that comply with our production quality criteria and where we can perform sustainable agricultural practices. We supply different types of fruits such as citrus fruits, grapes, figs and pomegranates from these contracted orchards.

In our fruit juice plants located in **Isparta, Denizli and Mersin**, we produce fruit juice concentrate and purée. All of our plants operate in line with global quality criteria and use automation and smart systems. The equipment and analysis of our laboratory installed in our Mersin plant are at the level of accredited laboratories. In 2017, we invested in a new breakthrough for both our country and our company, and established our factory in Isparta that takes the advantage of the highest level of automation in all stages of production. It is cited as an example in the agriculture industry in Turkey and Europe with this feature. Located at the center of raw material resources such as apple, sour cherry and pomegranate, this factory continues its activities with state-of-the-art equipment and automation systems. We aimed to take advantage of technology rather than natural resources in the design of our facility, and we introduced to the industry a fruit processing facility with flexible production features that makes a difference in its quality.

We carry out fresh-fruit packing operations in our facility with a closed area of 17,000 square meters established on a 44,500 land in **Balıkesir Gönen**. The packing house, with a cold storage area of 4,500 and 30 active cold stores, is allocated the packing of all stone and pome fruits that we procure from our farms and contracted villages in the region by preserving the cold chain criteria. Our facility, which has an annual fruit packaging capacity of 30,000 tons, also allows packing chopped and pre-washed green leafy vegetable products and mixes for our fresh cut operations.



The amount of fruit processed in Anadolu Etap plants has recently exceeded 350,000 tons.



## 3.2. Administrative Structure at Anadolu Etap

The highest strategic decision making and controlling body of our company is the Anadolu Etap Board of Directors. The Anadolu Etap Board of Directors is obliged to serve for a certain period from the moment they are elected.

The Board of Directors is responsible for fulfilling its duties and obligations in a **transparent, accountable, fair and responsible manner**, in line with corporate governance principles, taking into account the risk and return balance, growth policies and the company's interests.

**Anadolu Etap Board of Directors** consist of seven member:

### Chairman of the Board:

Tuncay ÖZİLHAN

### Vice Chairman of the Board:

Ahmet Cemal ÖZGÖRKEY

### Board Members:

Kamilhan Süleyman YAZICI

Armağan ÖZGÖRKEY

Mehmet Hurşit ZORLU

Tuğban İzzet AKSOY

Rasih Engin AKÇAKOCA

### Advisory Members:

Yılmaz ARGÜDEN

Ömer BOZER

**The Anadolu Etap Board of Directors** convenes every 2 months, 6 times a year, determining and evaluating the financial structure and strategic priorities of the company. In addition to the Anadolu Etap Board Members, 2 advisory members also participate in all board meetings.

**The company executive management** consists of the General Manager, Fresh Products Business Unit Director, Plantation Business Unit Director, Fruit Juice Business Unit Director, CFO and Human Resources Director.



### 3.3. Corporate Values and Principles

Anadolu Etap, thanks to sustainable agriculture principles applied, continues its business activities in a way that meets the needs of future generations and allows regional development with the aim of becoming one of Turkey's, and the world's, leading companies in the agriculture industry, by maintaining the balance between mankind and nature and without consuming natural resources unconsciously.

Anadolu Etap, which began its activities in the agriculture industry by planting a single sapling, is currently Turkey's largest orchard and fruit juice supplier, and pursues growth supporting its vision of "Healthy Fruits for Healthy Generations" with concrete steps and business models.

It continues its commercial activities in order to offer the products requested by its customers **at the right time, in the targeted quality** and in the **most efficient way**, while at the same time offering **value-added and innovative** products to its customers owing to its **expertise**.

Anadolu Etap bases all its operations on the international **standards and principles** it has adopted and works towards developing and transforming each of its stakeholders, socially and economically.

Anadolu Etap begins its production and operations by focusing on humanity and nature.

It cooperates with all its stakeholders, from production to supply chain, maintaining quality values and customer relations in accordance with the **principle of reliability and honesty**. It acts with awareness of the **social responsibilities** it undertakes in order to leave a more viable future for subsequent generations.

Acting as a company focused on people and labor, it actively contributes to employment and takes steps to make this employment sustainable. It attaches importance to **gender equality** and works towards increasing social welfare, particularly by implementing projects that will increase **women's participation in the economy**.

Believing that all these core values should be maintained with a **sustainable** philosophy, Anadolu Etap is an agriculture and food company that aims to spread this value chain to the whole world with its innovative and entrepreneurial genes.

Anadolu Etap considers all these values as an integral part of the work flow; all principles are implemented in accordance with the pre-determined procedures and business processes.



#### PEOPLE ORIENTED

Anadolu Etap puts "people" at the heart of all its activities, from farms to plants, from employees to customers. Anadolu Etap undertakes sustainable projects carrying social benefits, particularly by supporting women's participation in the workforce and the education of children with the purpose of growing healthy fruits for healthy generations and leaving a more liveable world for future generations.



#### RELIABILITY & HONESTY

Anadolu Etap tracks and records the production stages of the fruits it grows by applying sustainable, controlled and traceable agricultural methods with information systems (ERP systems). Anadolu Etap, which cultivates its fruits in accordance with health and food quality criteria valid both in Turkey and worldwide, holds an internationally recognized GLOBAL G.A.P and national certificates of good agricultural practices. In addition, it holds an Organic Farming certificate for organic fruits.

Fruit juice concentrates and purées are produced in Anadolu Etap plants on a lot basis, and samples representing each lot produced are further delivered to the customers. The lots of the approved samples are shipped to customers to ensure that the sample and the products delivered are the same. In addition, Anadolu Etap sends samples of each product to internationally recognized laboratories in order to have them analyzed and to receive quality approvals. In addition to these quality criteria, it establishes safe and honest relationships considering ethical values with its customers and all stakeholders with whom it cooperates in all business processes.



### 3.3. Corporate Values and Principles



#### SOCIAL RESPONSIBILITY

Anadolu Etap is aware that leaving a more viable world for future generations is a social responsibility. With this sense of responsibility, it conducts sustainable agriculture, and works to produce healthy, quality and accessible healthy products by using natural resources efficiently in order to create a sustainable ecosystem. For this purpose, it contributes to agricultural development, production, the people of the region and the development of human resources with the local economic opportunities and employment it creates in the regions where it operates; it also creates sustainable projects that have social benefits.



#### SUSTAINABILITY

Being the first agriculture company in Turkey to publish 'Sustainable Agriculture Principles', Anadolu Etap prioritizes social, economic and environmental sustainability as the most important value in all of its activities. It maintains the ecological balance by investing in agriculture and agriculture-based industries, and supports the needs of future generations and the development of the regions where it operates without consuming natural resources unconsciously. Anadolu Etap, which has been investing since its establishment in smart agricultural technologies, to ensure efficient use of natural resources, and in soil and farmers to leave a good mark on the future, supports the education of farmers and their children in line with a respect for labor, and continues to work with the mission of returning what it earned from these areas back to them.



#### GENDER EQUALITY & CONTRIBUTION TO WOMEN'S EMPLOYMENT

As agriculture is one of the leading industries allowing the participation of women in the workforce, Anadolu Etap pays attention to ensure that an average of 70 percent of seasonal agricultural workers are women in order to ensure that women take a more active role in business as well as to contribute to the reduction of female unemployment. The "Anadolu Etap AgroAcademy", established in 2012 with the aim of increasing the number of qualified farmers in our country, periodically offers training, especially to women farmers, and extends modern fruit growing techniques and sustainable agriculture principles through "Fruit Growing and Sustainable Agriculture Practices" training, contributing to the economic and social development of all the regions they operate in as well as the female farmers of these regions. Anadolu Etap works to ensure that 50% of the students who receive scholarships are women. Also, 22 percent of white-collar employees at Anadolu Etap are women.



#### ENTREPRENEURSHIP & INNOVATION

Anadolu Etap has worked hard to earn the title of "Turkey's largest orchard" throughout its successful journey beginning with a single sapling planted in the soil, owing to an entrepreneurial and innovative spirit, always looking for the better and the newest. Anadolu Etap focuses on efficient processes that add value to its business and maximize customer satisfaction. It explores industrial opportunities and incorporates good practices and technologies into its processes. It supports studies that will improve and develop operations and production. It aims to provide its employees in R&D centers with the knowledge, experience and tools they need for their personal development. From this perspective, Anadolu Etap works towards marketing Turkey's different types of fresh fruit and juice potential and quality products to new markets discovered, hence promoting the fact that Turkey is one of world's the most important countries in the field of agriculture.

### 3.4 Business Model at Anadolu Etap: From Products to Services and Stakeholder Management

#### “Anadolu Etap Quality from the Farm to the Table”

##### TURKEY’S LARGEST FRUIT ORCHARD

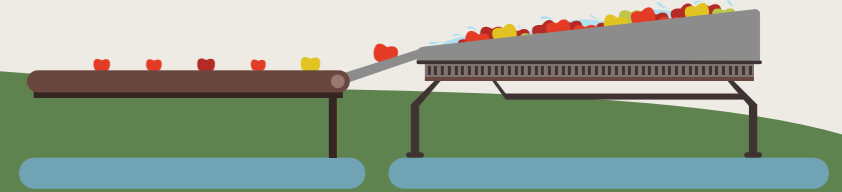
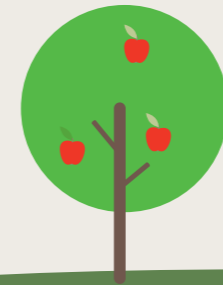
Some of our fruits, which we grow in our farms with an understanding of sustainable agriculture, are on their way to our packaging house and others to our plants, to be processed into fruit juice concentrate.

##### PROCESS CONTROL

We track and monitor all stages from harvest to production, from loading to shipping, with information systems.

##### HIGH QUALITY

Our fruit juices, which we produce from the fruits we grow with our innovative agricultural practices, always maintain the same high quality.



##### SUSTAINABILITY

We follow sustainable production that is sensitive to people and the environment, and we protect the purity of both our fruits and nature.

##### EXPERTISE AND KNOW HOW

Our engineers combine the best practices and modern techniques in the world with their expertise.



### 3.4 Business Model at Anadolu Etap: From Products to Services and Stakeholder Management

Anadolu Etap incorporates a wide business network that extends from product to service and to stakeholder management in its large ecosystem. The business model comprises of a business unit structure including **plantation, fresh fruit and fruit juice operations**.

These units work by supporting each other as the basic rings of the Anadolu Etap ecosystem. With these business units, Anadolu Etap extends its focus on sustainability to all points of its operational and managerial processes.

The chain of activities managed end-to-end in Anadolu Etap covers all processes from field studies to relations with public institutions and organizations, human resources to suppliers, facility management to the management of domestic & foreign customers and sales-marketing operations.

Before beginning fruit cultivation in 8 farms located in 6 different regions of Turkey, Anadolu Etap carries out the necessary infrastructure research on its farms and land via its expert staff and consultants and conducts product development

studies. Farming begins by either producing or purchasing saplings in accordance with domestic market demands and export planning, and the company further undertakes and monitors the procurement of suitable pesticides, fertilizers, irrigation, pruning, dilution hardware and equipment, software and the recruitment processes until harvest.

Anadolu Etap finalizes harvest, procurement of the commercial raw materials, packing, storage, fruit juice concentrate and puree production operations within its own organization and in collaboration with the contracted producers and delivers its products to its customers through different logistics channels. It applies quality management principles at every step of these processes until the products reach their customers.





### 3.5. International Standards, Certifications and Memberships

Anadolu Etap acts with the awareness of high quality, sustainable and safe food production by using state of art production technologies at every stage of the production process. It predicates upon international standards in all processes.

In addition to FSSC 22000, BRC, IFRS, ISO 9001, ISO 27001, ISO 45001, ISO14001, Good Agriculture Practices and Global G.A.P quality certifications, the company holds Halal Certificate, Organic Farming Certification and Kosher Approval for all its products. Anadolu Etap produces all of its products in concentrated fruit juice operations in accordance with AIJN Codes of Practice; in this regard, it continues its works in contact with SGF (Schutzgemeinschaft der Fruchtsaft Industrie), MEYED (Turkish Fruit Juice Industry Association) and IFU (International Fruit and Vegetable Juice Association).

#### INTERNATIONAL STANDARDS AND CERTIFICATIONS

Certifications	Field of Certification	Plants	Packing House	Farms
ISO 9001	International Organization for Standardization - Quality Management Standard	✓	✓	
Global G.A.P	Global Partnership for Good Agriculture Practices- Global Good Agriculture Practices		✓	✓
Good Agricultural Practices	National Good Agriculture Practices		✓	✓
Halal	Halal Certificate of Conformity	✓		
Kosher	Kosher Certificate of Conformity	✓		
FDA	Food and Drug Administration - Certificate of Conformity	✓		
Organic Agriculture and Production Certificate	Organic Production Certificate	✓		✓
FSSC 22000	Food Safety System Certification	✓	✓	
BRC	British Retail Consortium - British Global Food Standard		✓	
ISO 14001	Environmental Management System	✓	✓	✓
ISO 45001	International Organization for Standardization - Occupational Health and Safety Management System	✓	✓	✓
ISO 27001	Information Security Management System	✓	✓	✓





## 3.5. International Standards, Certifications and Memberships

### Memberships and Supported Initiatives

- DEIK - Foreign Economic Relations Board
- MEYED - Turkish Fruit Juice Industry Association
- IFU - International Fruit and Vegetable Juice Association
- SGF - Schutzgemeinschaft der Fruchtsaft Industrie
- TÜSİAD- Turkish Industry and Business Association
- FÜAB - Sapling Producers' Association
- Fruit Growers' Association Membership
- Sustainable Development Association
- Membership of Çanakkale and Balıkesir Chamber of Commerce and Industry
- Mediterranean Fresh Fruit and Vegetable Exporters' Associations
- Istanbul Fresh Fruit and Vegetable Exporters' Association
- Uludağ Fruit and Vegetable Products Exporters' Association
- SAI Platform - Sustainable Agruculture Initiative

### Awards

#### 2016

- 2016 Game Changers – Brand Award 2016 / Game Changer of the Year Award
- Felis 2016 – Marketing Impact, Market Developers' Big "Felis" Award.

#### 2017

- Felis 2017 Awards Social Responsibility and Sustainability Section - Big "FELIS" Award in the category of Projects for Children and Youth
- 4 Achievement Awards in Felis 2017 under Education, PR categories and Media and Corporate Social Responsibility Sub-Categories of PR title
- 2017 Bi-Fikir Winner of the Inventors category, Sugar from the Fruit Project
- 2017 UMSMİB- Stars of Exporters - Silver Exporter Award
- 2017 UMSMİB- Stars of Exporters - Bronze Exporter Award
- 2017 UMSMİB- Stars of Exporters - Bronze Exporter Award

#### 2018

- 2018 Sustainable Business Awards - Social Impact Award with MİÇO Project

#### 2020

- 2020 MİÇO- Carriers of the Agriculture into the Future Award



# Sustainability at Anadolu Etap





Owing to its vision that pioneers agriculture and the development of agro-industry, Anadolu Etap, Turkey's largest fresh fruit and concentrated fruit juice producer, conducts all of its activities in line with globally accepted sustainability principles and the United Nations Global Development Goals (UN SDGs). Believing that the path to leaving a liveable and healthy future for subsequent generations passes through establishing a "sustainable business and life cycle", Anadolu Etap has put the vision of sustainability at the heart of its entire ecosystem.

Anadolu Etap's sustainability strategy has been developed as a consequence of detailed studies conducted by taking into account all social, economic and environmental factors associated with its operational and corporate activities. The relationship and interaction between the sustainability understanding of Anadolu Etap and the UN Sustainable Development Goals has been analyzed and detailed within the framework of these studies.

Besides complying with the United Nations Sustainable Development Goals, Anadolu Etap works in line with the Sustainable Agriculture Principles prepared and published together with academics and stakeholders to fulfill the commitments set forth as a responsible corporate citizen towards protecting the ecological balance, providing a sustainable working system from farmers to producers, supporting regional development and contributing to the lives of future generations.

["You can read Anadolu Etap's Sustainable Agriculture Principles here"](#)





## 4.1. Sustainability Priorities

Anadolu Etap has determined its sustainability priorities together with its internal and external stakeholders. The content of the first sustainability report published in 2018 was determined in 2017 in accordance with the sustainability issues addressed with internal and external stakeholders. The opinions and suggestions of a total of 170 stakeholders, including 132 Anadolu Etap employees, and 38 national and international external stakeholders, were acquired using the online survey method and evaluated in order to determine 16 main sustainability goals, and the first sustainability report was prepared accordingly.

### ANADOLU ETAP MAIN SUSTAINABILITY GOALS

**Customer Satisfaction**

**Sustainable Supply Chain**

**Energy Efficiency**

**Emissions - Emission Reducing Efforts**

**Reducing Water Use**

**Waste Management**

**Combatting With Climate Change**

**Anti-Corruption, Prevention of Unfair Competition**



**Business Ethics**

**Community Investments**

**Raw Material Continuity and Efficiency Traceability**

**Occupational Health and Security**

**İş Sağlığı ve Güvenliği**

**Employee Engagement and Satisfaction**

**Food Safety and Quality**

**Compliance with International Standards and Laws**



16 main sustainability goals were reviewed with the participation of Anadolu Etap's Sustainability Team members in the meetings held in 2018. Factors that closely affect Anadolu Etap's activities were re-evaluated together with external stakeholders through online surveys and face-to-face interviews in 2019. An additional online survey was conducted in 2020 in order to determine the impact of the Covid-19 pandemic, which has affected the whole world since the last quarter of 2019, on the business processes in the eyes of stakeholders and to learn about changing sustainability expectations. A total of 200 domestic and foreign stakeholders participated in these surveys conducted in 2019 and 2020.

**As a result of these interviews and surveys, the "Anadolu Etap Sustainability Priorities Map" was revised and updated upon reviewing the priority goals taking into consideration all economic, social and environmental activities.**

### ANADOLU ETAP SUSTAINABILITY PRIORITIES MAP 2018-2019

An online impact assessment survey was conducted with both internal and external stakeholders in order to identify which issues have the most impact on sustainability performance and which issues should be of high priority within the framework of updated sustainability goals.

In addition, the sustainability performance of Anadolu Etap and the measures taken during the Covid-19 outbreak were also measured and evaluated via this impact survey.

**This survey has allowed the following to be assessed:**

- the awareness and sustainability performance created by Anadolu Etap among its stakeholders regarding sustainability activities,
- the impact of Anadolu Etap's sustainability efforts on the corporate success of its stakeholders in the industry,
- the success of Anadolu Etap's efforts to combat the effects of the Covid-19 pandemic.

Following these surveys, the issues affecting the activities of Anadolu Etap in the eyes of internal and external stakeholders were updated and 15 main sustainability goals were established. Anadolu Etap categorized sustainability goals as "very high priority", "high priority" and "priority" in line with these issues.



# 4.1. Sustainability Priorities

## VERY HIGH PRIORITY GOALS

- Compliance with International Standards and Laws
- Food Safety and Quality
- Raw Material Continuity, Efficiency and Traceability
- Sustainable Supply Chain
- Combating Climate Change
- Reducing Water Use
- Community Investments

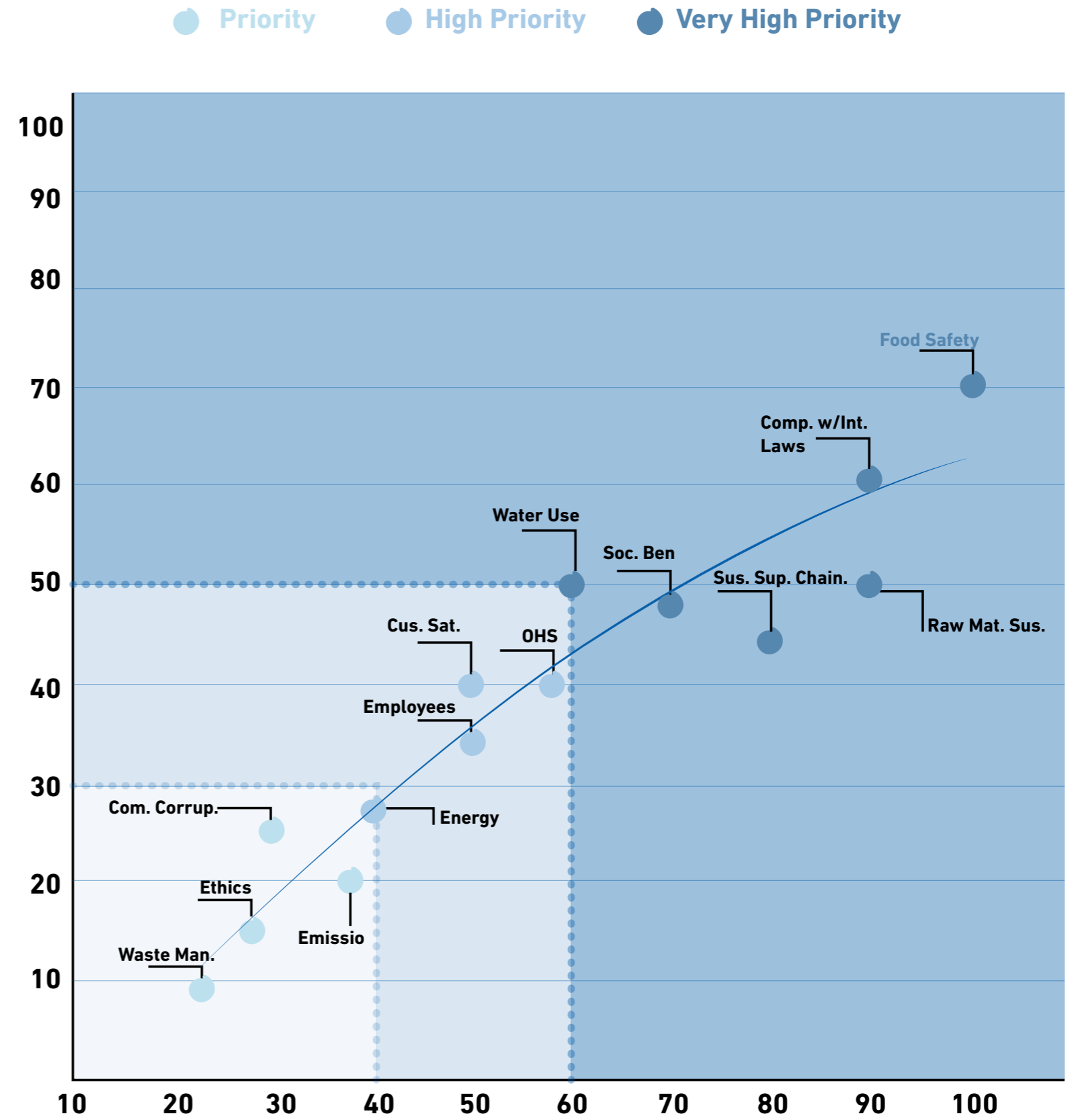
## HIGH PRIORITY GOALS

- Occupational Health and Safety
- Employee Engagement40
- Customer Satisfaction

## PRIORITY GOALS

- Energy Efficiency
- Efforts to Reduce Emission
- Waste Management
- Prevention of Anti-Corruption and Unfair Competition
- Business Ethics

SIGNIFICANCE FOR EXTERNAL STAKEHOLDERS



SIGNIFICANCE FOR INTERNAL STAKEHOLDERS



## 4.1. Sustainability Priorities



	Economic Sustainability	Environmental Sustainability	Social Sustainability
<b>VERY HIGH PRIORITY GOALS</b>	<ul style="list-style-type: none"> <li>Compliance with International Standards and Laws</li> <li>Food Safety and Quality</li> <li>Raw Material Continuity and Efficiency &amp; Traceability</li> <li>Sustainable Supply Chain</li> </ul>	<ul style="list-style-type: none"> <li>Combating Climate Change</li> <li>Reducing Water Use</li> </ul>	<ul style="list-style-type: none"> <li>Community Investments</li> </ul>
<b>HIGH PRIORITY GOALS</b>	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Prevention of Anti-Corruption and Unfair Competition</li> </ul>		<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Employee Engagement</li> </ul>
<b>PRIORITY GOALS</b>	<ul style="list-style-type: none"> <li>Business Ethics</li> </ul>	<ul style="list-style-type: none"> <li>Efforts to Reduce Emission</li> <li>Waste Management</li> <li>Energy Efficiency</li> </ul>	



## 4.2. Sustainability Management

Anadolu Etap carries out its sustainability studies with the “**Sustainability Team**”. This team consists of representatives elected from all departments under the leadership of the CEO in the executive committee. The Sustainability Team is responsible for determining the sustainability goals, identifying the necessary investments for the realization of these goals, implementing the relevant practices, ensuring the regular publication of the sustainability report and providing information to stakeholders. In addition, it reports to the Board of Directors, which holds its meetings periodically throughout the year, on strategic goals.

Expert technical teams and executives working in farms, plants and facilities are assigned in this working group in order to realize sustainability efforts, and work in coordination for the execution, inspection and reporting of these efforts.

Anadolu Etap, which carries out its sustainability efforts by adhering to the sustainability priorities determined with all its stakeholders, works in harmony with the **United Nations Sustainable Development Goals (UN SDG)**, in accordance with the United Nations Global Compact to which it is a signatory.

The UN suggested that companies adhere to the following priorities in their sustainability efforts for achieving the Sustainable Development Goals between 2015 and 2030. Anadolu Etap focuses on the following recommendations in all sustainability efforts performed in compliance with the UN Sustainable Development Goals:

### The UN requests companies

- to internalize the Sustainable Development Goals (SDG) and determine their priorities regarding Sustainable Development Goals (SDGs),
- to define their own key performance indicators (KPI),
- to compare their KPIs with SDGs,
- to define and implement a sustainability strategy and
- to report their success stories to the world.

At the end of 2014, United Nations declared the following 17 sustainability goals which are planned to be achieved worldwide until 2030.

Anadolu Etap, with the sustainability priorities determined as an institution, has directly contributed to the following United Nations Global Development Goals with the projects it has implemented between 2015- 2019.



**Zero Hunger**



**Responsible Consumption and Production**



**Decent Work and Economic Growth**



**Reduced Inequalities**



**Industry, Innovation and Infrastructure**







## 4.2. Sustainability Management

As of 2019, Anadolu Etap has implemented a total of 20 projects that comply with the following UN Sustainable Development Goals



The projects implemented by Anadolu Etap between 2015 and 2019 are as follows

1. Good Agricultural Practices -Global GAP
2. Good Agricultural Practices - Drip Irrigation
3. Good Agricultural Practices- Biodiversity Practices
4. Organic Farming Practices and Certification
5. Re-evaluation of fruit waste in alternative uses
6. MİÇO (Children of Seasonal Workers)
7. AgroAcademy Training
8. Waste Management and Water Conservation
9. Women's Employment
10. Internship and Scholarship Programs
11. SMTEA compliance audit in Isparta Fruit Juice Plant
12. SMTEA compliance audit in Denizli Fruit Juice Plant
13. SMTEA compliance audit in Mersin Fruit Juice Plant
14. Reducing the use of chemical pesticides in weed control
15. Maximizing irrigation efficiency with lateral correction
16. Saving water with clean case application in Balıkesir Packing House
17. Recycling the fruit washing water in Isparta Fruit Juice Factory
18. Improvements for Fruit washing water system in Mersin and Denizli Fruit Juice Factories
19. Installation of water recovery washing system in Mersin Plant
20. Producing by-products from fruit pulp in fruit juice plants

Please click here to access Anadolu Group Sustainable Development Goals Alignment Analysis



## 4.3. Sustainability Strategy and Stakeholder Relations

Anadolu Etap, which carries out all its activities in accordance with globally recognized sustainability principles, incorporates a huge stakeholder ecosystem with its domestic market volume, export volume to different parts of the world and generated employment.

Anadolu Etap's corporate communication and stakeholder relations are based on the goal of achieving the aforementioned economic, environmental and social sustainability. Any individual, institution and communities that affect and that are affected by the activities of Anadolu Etap and their way of doing business are considered as stakeholders of Anadolu Etap. Anadolu Etap ensures that its stakeholders adopt the sustainability strategy in line with the UN SDGs and cooperates with institutions that act in accordance with this strategy.

In order to communicate effectively with stakeholders that closely affect sustainability strategies, dialogue platforms with stakeholders have been revised and the establishment of a more efficient and effective communication environment has been attempted.

The stakeholders list of Anadolu Etap and the platforms to establish dialogue with stakeholders are summarized in the table below:

OUR STAKEHOLDERS	Dialog Platforms	Dialog Frequency
 <b>EMPLOYEES</b>	AG Academy, Employee Satisfaction Surveys, Internal Communication Platforms, Training, Performance System, Online Interviews	Periodically/Frequently
 <b>CUSTOMERS</b>	Newsletters, Face to Face Interviews, Conventions, Meetings and Panels, Online Surveys, Online Interviews	Periodically/Frequently
 <b>FARMERS</b>	Face to Face Interviews, AgroAcademy Trainings	Periodically
 <b>SUPPLIERS</b>	Supplier Meetings & Visits, Supplier Evaluation, Telephone and Mail Communication, Online Interviews	Periodically
 <b>SOCIETY&amp;MEDIA</b>	Social Media Channels, Newspapers, Magazines, Conferences, Panels, Webinars and Brochures	Periodically
 <b>SHAREHOLDERS</b>	Board of Directors Meetings, Annual Reports, Performance Reports, General Assembly Meetings, Online Interviews	Periodically/Frequently
 <b>UNIVERSITIES</b>	Career Day Meetings, University Club Events, Virtual Career Fairs, Online Interviews	Periodically
 <b>PUBLIC INSTITUTIONS</b>	Visits, Industrial Meetings & Reports, Face to Face Interviews, Brochures	Periodically/Frequently

### 4.3 Economic Sustainability

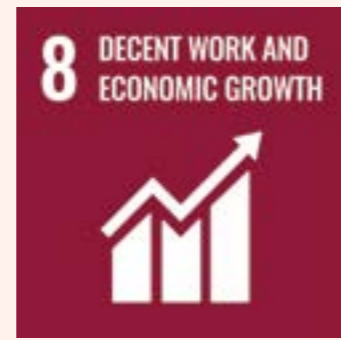




Economic sustainability goals and efforts of Anadolu Etap are in line with the United Nation's 2, 8, 9, 12 and 16th Sustainable Development Goals. These goals include:



**No Poverty**  
(SDG 2)



**Industry, Innovation and Infrastructure**  
(SDG 8)



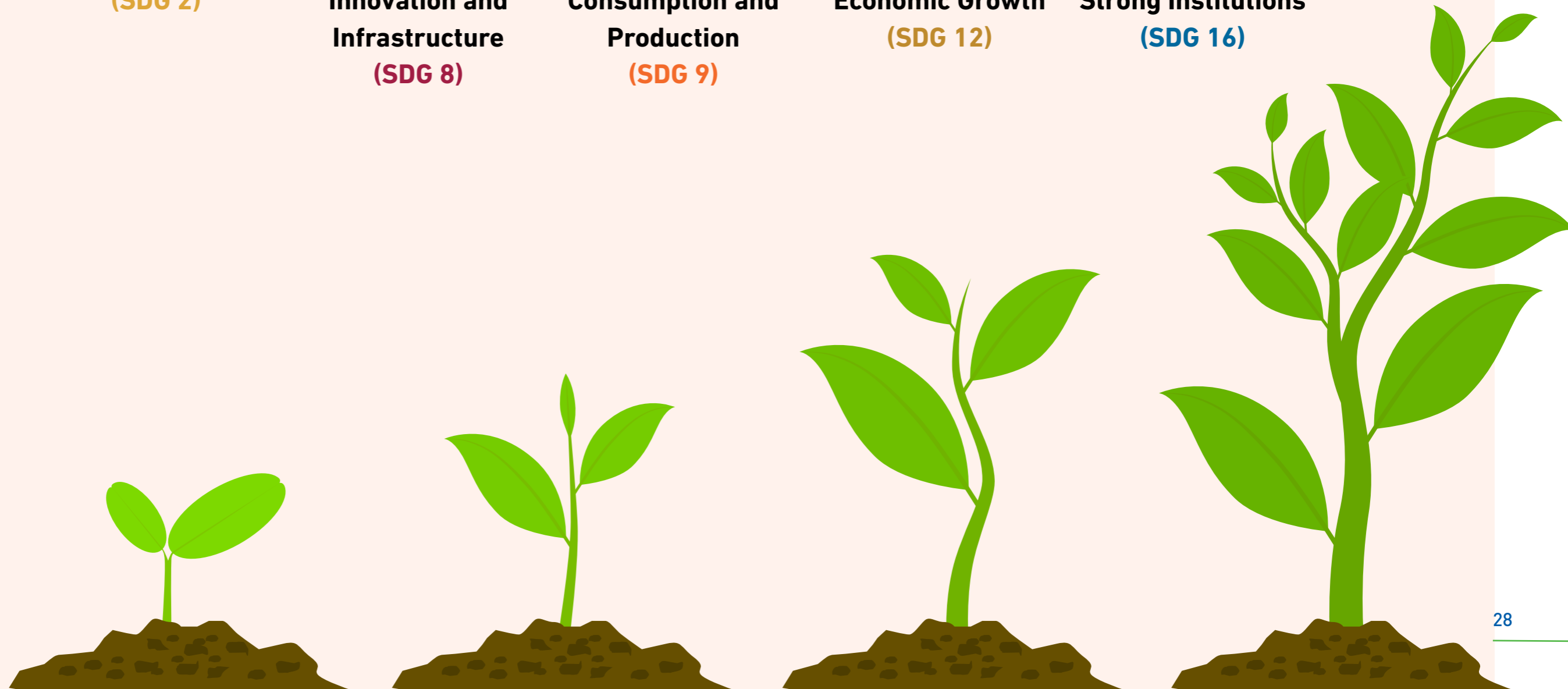
**Responsible Consumption and Production**  
(SDG 9)



**Decent Work and Economic Growth**  
(SDG 12)



**Peace, Justice and Strong Institutions**  
(SDG 16)





### SDG 2: NO POVERTY

The UN's Zero Hunger target covers the objectives of "ensuring food safety and better nutrition assurance and supporting sustainable agriculture". Sustainability studies of Anadolu Etap that stand out for this purpose are executed via:

- 1- "Sustainable Agriculture Principles"
- 2- "Quality and Food Safety Policy"
- 3- "Raw Material Continuity, Efficiency and
- 4- "Sustainable Supply Chain and Traceability".

With the vision of "Healthy Fruits for Healthy Generations", Anadolu Etap works towards developing and generalizing healthy food production with sustainable agricultural practices and to make healthy food accessible to everyone. The products grown in line with the Sustainable Agriculture Principles are delivered to more than 60 countries in the world in order to ensure large numbers reach these products and to meet the healthy eating needs of society. It carefully **implements its quality and food safety policy** in order to fulfill the responsibility of making healthy and safe food accessible to everyone. It prioritizes **raw material continuity, efficiency, traceability, and a sustainable supply chain** in order to continue production in line with sustainable quality and food safety principles. It works in compliance with **international standards and laws** while performing all these activities.



### 4.3.1. Quality and Food Safety Policy in Anadolu Etap

Anadolu Etap has built its commitment to quality and food safety policy on people and nature oriented, reliable, sustainable and entrepreneurial grounds. In addition to **FSSC 22000, BRC, IFRS, ISO 9001, ISO 27001, ISO 45001, Good Agriculture Practices and Global G.A.P quality certifications, the Company holds organic farming certification and Kosher approval for all its products.** Anadolu Etap produces all its products in accordance with **AIJN** standards and continues its business in close contact with **SGF** (Schutzgemeinschaft der Fruchtsaft Industrie), **IFU** (International Fruit and Vegetable Juice Association) and **MEYED** (Turkish Fruit Juice Industry Association), of which it is a member. The mission of producing safe and high quality fresh fruit, fruit concentrate and fruit purée is achieved through following the guiding principles of our commitment to quality and food safety.

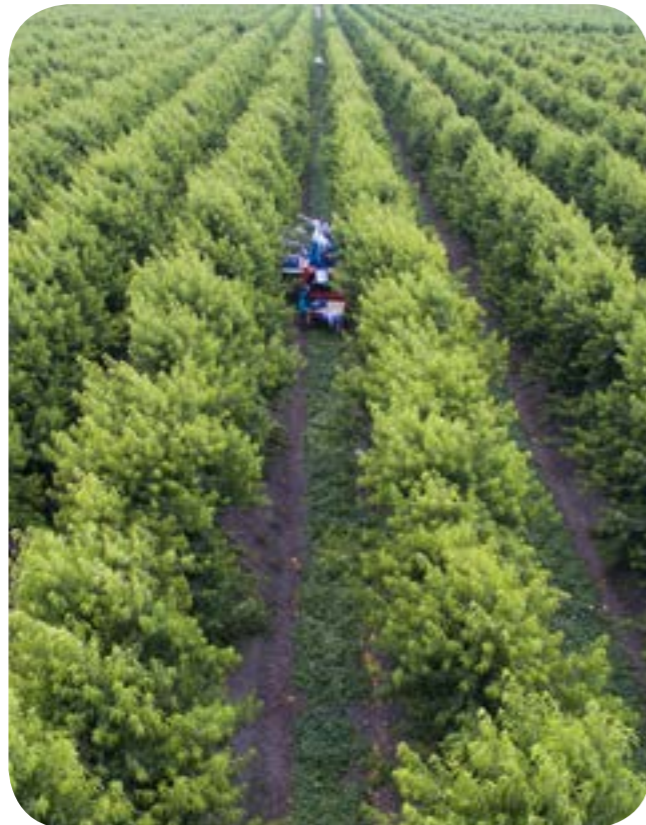
Anadolu Etap, which takes advantage of sustainable agriculture techniques that are sensitive to people, nature and soil and that can be monitored at every stage in addition to the quality standards followed throughout its production process, keeps track of every moment of the production process via information systems (ERP Systems).

Continuous improvement and development is ensured in production facilities based on customer satisfaction, legal requirements, food safety and quality management systems. In all Anadolu Etap factories, pesticide and microbiology analysis, as well as sensory and similar tests, are performed by competent experts.



#### GUIDING PRINCIPLES IN ENSURING QUALITY AND FOOD SAFETY

- We produce high quality and safe products that meet national and international legal requirements, in accordance with quality, food safety requirements and customer expectations.
- We plan our processes to ensure a quality and safe fruit source / supply, and we carefully select the source of our products with our supplier development programs. We verify the adequacy of our suppliers through effective monitoring and quality-control processes in our production.
- We focus on efficient processes that add value to our business and increase customer satisfaction in our production and procurement operations. We search for industrial opportunities and incorporate good practices and technologies into our processes. We periodically make comparisons to ensure the sustainability of our competitive advantage and success. We support practices that will improve and develop operations and production. We provide our employees with the know-how, experience and tools they need for their development.



#### R&D Centers and R&D Farms

Anadolu Etap has 2 R&D centers, one in Mersin Fruit Juice Plant and the other in Balıkesir Tahirova Farm. These centers, which were licensed by the Ministry of Industry and Technology in 2019, allow research to be conducted not only on fruit breeding but also on every process from production to the end consumer. Hundreds of fruits and fruit species as well as varieties that were brought to Turkey for the first time are cultivated in the research farms located in Adana and Şanlıurfa.

Anadolu Etap's factories, which currently hold internationally recognized indicators of food safety such as Halal, Kosher and FSSC 22000 certificates of compliance are also periodically audited and certified by independent international institutions.

In 2019, the **QDMS** system - known as the Quality Document Management System- was introduced in order to ensure digital transformation and management of the documents and activities required by food safety, quality, occupational safety, environment and information security management systems. Following the transition to this system, quality and food safety procedures are monitored and guaranteed owing to traceable and predictable comprehensive data analysis.

Anadolu Etap maintains its traceability up to the final stage with the analysis it performs before harvest and the controls performed in the warehouse and packing processes. Fruits grown in Anadolu Etap farms and entitled Global G.A.P and Good Agricultural Practices certificates are checked against 600 different active ingredients. As the fruits cultivated by Anadolu Etap undergo these examinations, they do not contain any residues harmful to health.



## 4.3.2. Raw Material Continuity and Efficiency in Anadolu Etap

**“We Work Close to the Sources of the Fruit and Convey International Quality Standards to all Regions in which we do Business in Turkey”**

Anadolu Etap, which serves more than 60 countries with fresh fruit and fruit juice concentrates, prioritizes the continuity, efficiency and traceability of raw material among the most important sustainability goals. Anadolu Etap, which meets the healthy food requirements of the society with international quality standards, adopts a planned, traceable and predictable business model in all its processes, including production, supply chain and logistics operations, with the purpose of making this quality sustainable and ensuring the efficiency of the supplied and processed raw materials.

Anadolu Etap supplies the raw materials for its fresh fruit and fruit juice operations from **8 farms** located in 6 different regions of Turkey and the **contracted farms** that meet the quality criteria and apply sustainable farming. Anadolu Etap procures commercial raw materials from the contracted farms as well as close to 4 thousand villages in Turkey that comply with its quality criteria upon conducting audits via its employed agricultural experts. Anadolu Etap, which protects the contracted farmers and ensures continuity with its commercial procurement process carried out in line with quality and food safety criteria, also provides support for the local economy and farmers via trustworthy producer-farmer relationships.

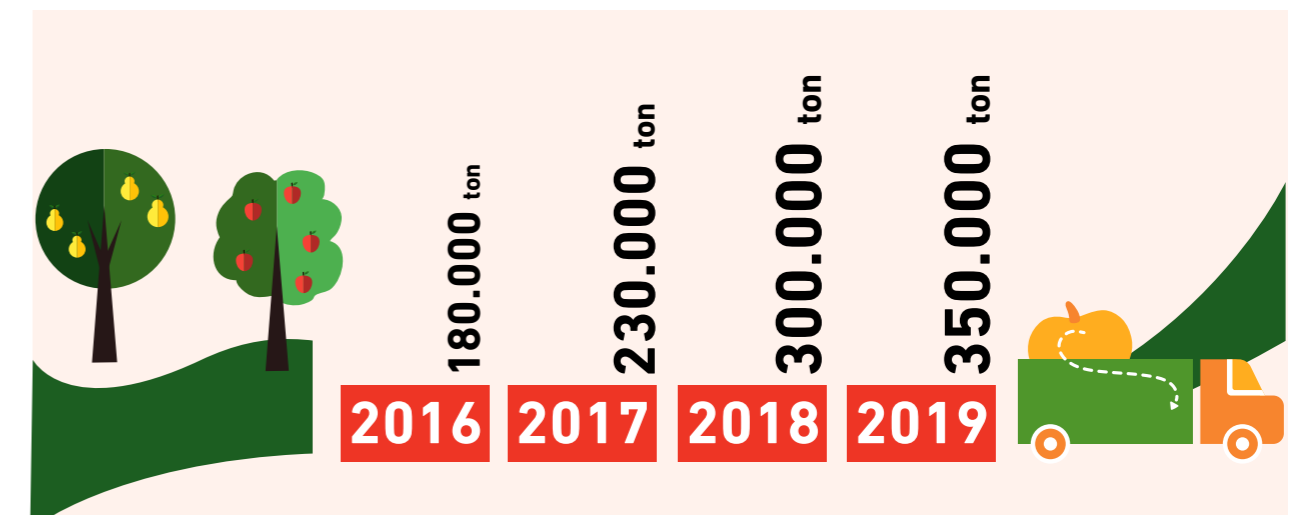
Anadolu Etap, which supplies its raw materials from its own farms, contracted orchards and through commercial procurements, has been contracting packing jobs to many fruit packing houses in Turkey in line with its principle of **“Working close to the source of Fruits”**. Aiming to preserve Anadolu Etap quality and freshness in both fruit procurement and production and packaging operations, Anadolu Etap has also positioned its own fruit juice plants, fresh fruit packing houses and contracted packing facilities in close proximity to the source of the raw material. It minimizes fruit loss in the transportation of raw materials from the orchard to the plants and to the packing house by delivering all the raw materials it procures to the closest packing facility and plant in the region without breaking the cold chain. With this business model, Anadolu Etap also contributes to rural development as well as the development of farmers by bringing international standards in quality, storage, production, processing, employment and logistics to the regions in which it operates.

Anadolu Etap ensures its raw materials are subject to quality control procedures and analysis at every step of its fruit production and supply process. Raw materials are tested for compliance with international standards and certification criteria; the Anadolu Etap supply chain is maintained and the raw materials are delivered to customers with high quality standards.

Anadolu Etap, which makes use of natural methods to ensure the sustainability of the ecosystem in addition to the sustainability of raw materials, has planted thousands of leyland cypress and paulownia trees in order to protect its fruit trees from high winds and has set up pheromone traps to protect its fruit trees against pests. Bird nests and thousands of beehives use nature’s resources to protect the ecosystem while preserving the quality and efficiency of raw materials.

Anadolu Etap, working in close proximity to the source of fruit in every region of Turkey owing to its emphasis on raw material continuity and productivity, bears the title of Turkey’s largest fruit-growing and processing company with its fruit processing and supply volume exceeding 350.000 tons as of the year 2019.

Anadolu Etap supplied and processed fruit in the following tonnages for fresh fruit and juice operations in the 2016-2019 budget years\*. These tonnages cover Anadolu Etap’s own farms, contracted orchards and commercial purchases.





### 4.3.3. Sustainable Supply Chain Management and Traceability in Anadolu Etap

Business processes are defined and executed in accordance with the sustainability policy within the scope of the supply chain, which is one of the major focuses of economic sustainability in Anadolu Etap. Suppliers are regularly audited and evaluated in line with the procurement and purchasing processes defined separately for the fresh fruit and plantation business units and fruit juice operations. In line with the outputs of these audits and evaluations, all processes are reviewed again, and appropriate improvements and planning are implemented. Market research is carried out in order to find out whether different supply items have updated alternatives, to follow global trends in the industry and to integrate such developments within the company. Furthermore, projects that will not compromise quality criteria and provide cost advantage are continuously being developed.

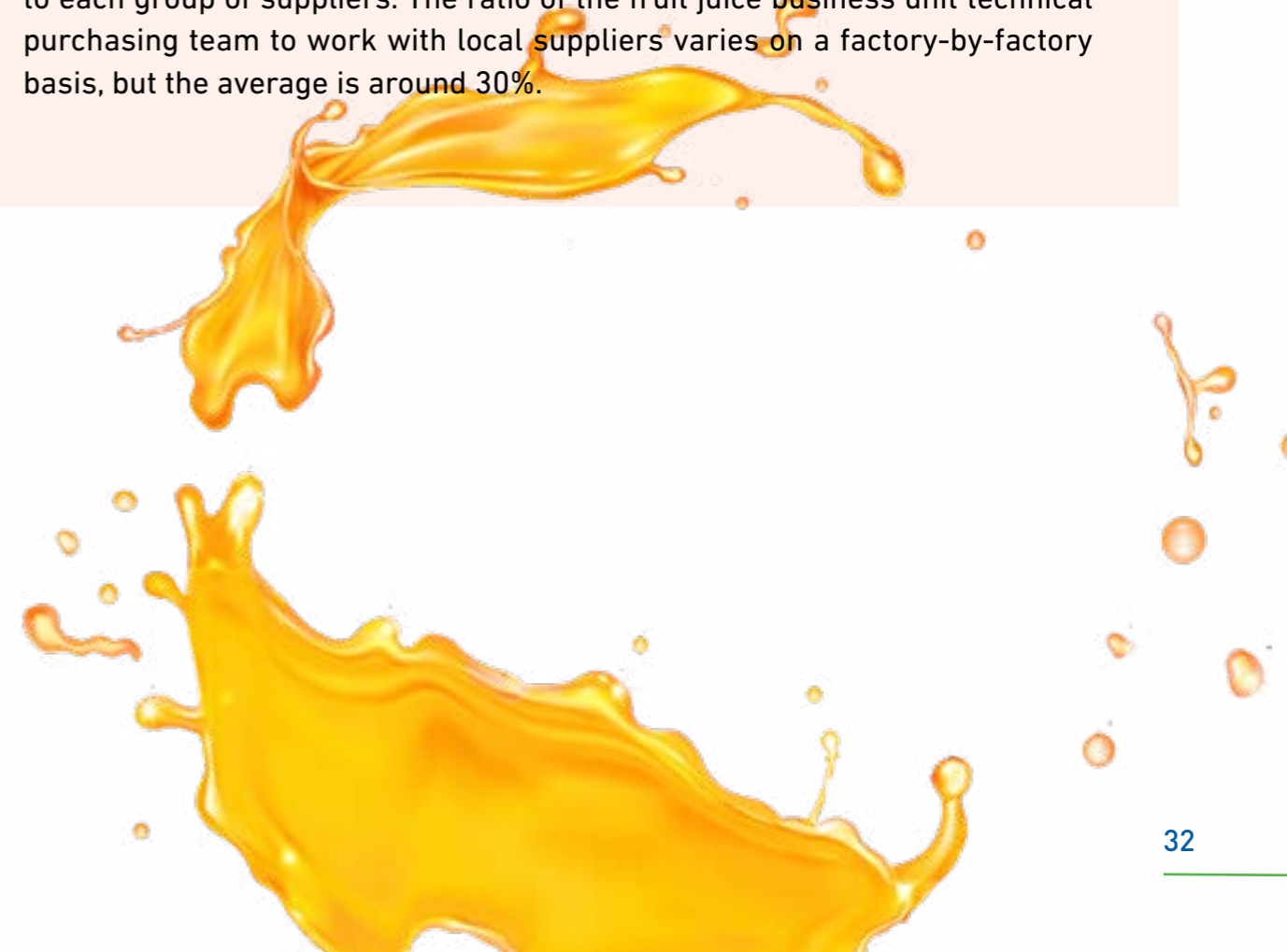


#### Fresh Fruit and Plantation Business Unit

The procurement processes of fresh fruit and plantation business units in Anadolu Etap are managed by a joint technical purchasing unit. Suppliers in a technical purchasing process are divided into two main categories. **Core Suppliers** are referred to as a supplier group where agreements, price, and supplier performance assessments are evaluated by a central purchasing team, regarding the highest cost advantage. **Local Suppliers** are referred to as a supplier group in the regions providing the services for smaller and instantaneous operational needs. Performance, quality, service level, and cost advantage are assessed. As supplying and using local resources is considered a strategy aiming to support the local economy, local suppliers constitute 31% of the technical procurement

#### Fruit Juice Business Unit

Technical purchasing processes regarding the supply of fruit juice are carried out with the same business approach in all three plants of Anadolu Etap. It is ensured that all the materials entering the plants with defined specifications comply with the desired parameters in terms of quality, price, delivery time, payment method and similar criteria. The fruit juice technical procurement unit, which categorizes its suppliers in four main groups as Group A (suppliers of direct inputs and critical spare parts), Group B (providers of critical services), Group C (all suppliers except those grouped in A and B) and Group D (fruit suppliers), evaluates its suppliers with different parameters specific to each group of suppliers. The ratio of the fruit juice business unit technical purchasing team to work with local suppliers varies on a factory-by-factory basis, but the average is around 30%.







### 4.3.3. Sustainable Supply Chain Management and Traceability at Anadolu Etap



#### SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

The 9th of the UN SDGs, on Industry, Innovation and Infrastructure, has a target requiring “Each country to take action in accordance with its respective capacity by 2030, to increase the efficient use of resources, to adopt cleaner and environmentally sound technological and industrial processes and to upgrade infrastructure and retrofit industries in a sustainable manner”.

Anadolu Etap is aware of the importance of benefiting from all technological opportunities for the development of the agricultural industry, which has significant importance in ensuring the sustainability of the the future of the planet and humanity on a global scale by working in compliance with this UN SDG. Since the day it was incorporated, the company has built its entire infrastructure from farms to the operations of the plants, using smart agricultural practices and modern technology.

Anadolu Etap, which cultivates 150 different varieties of 9 different fruit species at its farms and R&D facilities, pioneers the fruit growing industry with its sustainable agriculture principles, efficient use of resources, smart agriculture practices and industry 4.0 investments. It has established its infrastructure in a way to ensure an end-to-end management in all processes from planting to harvest and supply chain.

Anadolu Etap plans all its farms, even in the installation stage, in line with the structure of the soil, the slope of the land, the light and water required by the fruit trees to grow and the goal of efficient use of natural resources, and uses modern & efficient technologies and smart agricultural practices that support these plans and business processes. The company has production facilities and packing houses incorporating the automation systems that make a difference in terms of food safety and quality, by increasing efficiency, using fewer natural resources and targeting minimum waste production. The Mersin factory and two R&D centers at the Balıkesir-Tahirova farm, which are licensed by the Ministry of Industry

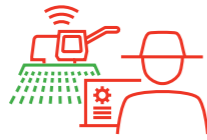


and Technology and execute R&D practices not only on breeding but also in every field from production to the end consumer, continuously improve the Company's production and quality processes.

The use of technology and smart agricultural practices in agriculture is of great importance to ensuring the compatibility of the whole process with the ecological balance from beginning to end. Technological integration is important to agricultural production not only for increasing production efficiency, but also for the sustainable preservation of soil and water, two extremely limited resources. Anadolu Etap has invested 350 Million Dollars in the development of agriculture and agro-based industries in Turkey since its incorporation, in line with the goal of producing quality and safe food using natural resources, and efficiently provides access to quality food and economic sustainability by using smart agriculture and production technologies in all locations with its human and nature-friendly production.

Ensuring the efficient use of natural resources at Anadolu Etap is also one of the annual performance targets of each business unit. Each business unit is responsible for developing and implementing long and/or short term specific projects aimed at reducing and saving natural resources in areas where they are needed.

## DIGITAL AND SMART FARMING PRACTICES AT ANADOLU ETAP



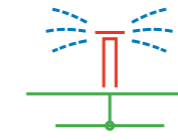
Early warning systems - agricultural meteorological station technologies



Digital pheromone trap technologies



Soil preparation machines working on the defined land



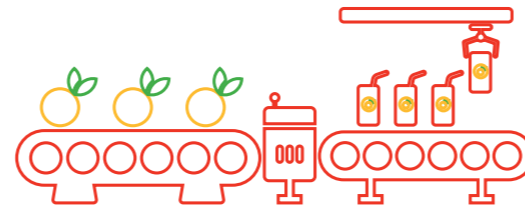
Smart irrigation and fertilization systems



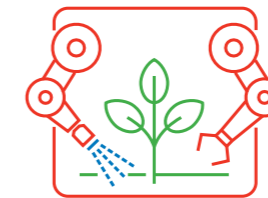
IOT-based heat, humidity, and temperature measuring equipment



Smart chlorophyll measuring devices for detecting harvest maturity



Automated fruit selecting/sorting machines



Tracking systems from soil to table



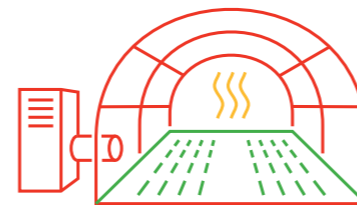
Remote controlled irrigation systems



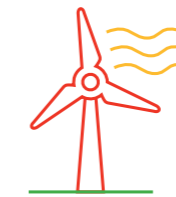
Biotechnical control methods



Agricultural machinery equipped with sensors



Greenhouse installations



Automatic anti-freeze propeller systems



ERP software systems





### 4.3.3. Sustainable Supply Chain Management and Traceability at Anadolu Etap

Having completed the infrastructure investment and regularly improving the modernization required in line with technology in its farms, plants and facilities with the smart farming applications, business intelligence solutions and digital technologies, Anadolu Etap contributes to **Responsible Consumption and Production** and ensures that it uses the latest technology in projects that will lead the industry in its new investments.

Anadolu Etap started to manage all its processes through a **cloud-based ERP system** in 2019 in order to ensure the **end-to-end traceability** of the business process, from irrigation, pruning, sapling planting, and fertilization operations to production, packaging, supply chain and logistics operations. With this system, every stage of production, quality checking and the supply chain are recorded. Thus, end-to-end digital traceability is ensured in all processes from the farm to the customer. All managerial decisions, economic initiatives and sustainability actions are performed by analyzing the huge digital data of this system. With this system, all processes have become traceable, predictable and measurable. This system also tracks the general needs of the soil as well as the customized needs of each tree, the efficient use of production resources in a way that does not disturb the ecological balance and delivers the products from the farm to the customer with high quality standards.



#### SDG 8: DECENT WORK AND ECONOMIC GROWTH

Anadolu Etap plans and performs its investments and human resources management aiming to conduct agricultural production and provide employment within the framework of a decent work and economic growth model, using the management tools and principles that are based on ethics and human rights. Anadolu Etap, which employs more than 4 thousand people including seasonal agricultural workers and their sub-employers in all locations, undertakes many long-term social and economic projects in order to make the agricultural workforce in Turkey qualified and to develop the local economy and local residents in the regions where it operates.

Anadolu Etap, acts in cooperation with many government agencies as well as independent organizations both in Turkey and the world with the employment it creates, occupational health and safety practices, working environments and ethical conditions that comply with international standards, and ensures the sustainability of the participation of the agricultural workforce in the economy.

Anadolu Etap, in line with its people-oriented corporate values, is audited by both in-house and international independent organizations in order to ensure the certification and sustainability of the decent work conditions it creates in its farms, plants and packing houses. In this regard, Anadolu Etap has joined a globally recognized online platform as of 2018, the Supplier Ethics Data Exchange (SEDEX), through which it ensured its practices were transparent and provided detailed information for its customers and stakeholders about their social and ethical performance in work environments. The company has conducted SEDEX Members Trade Ethics Audit (SMTEA), an audit on ethical compliance, in fruit juice factories located in Mersin, Denizli and Isparta, and certified that it works in accordance with human rights and laws. Issues such as labor, occupational health and safety, environment and business ethics are audited within the scope of this certification.



### SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

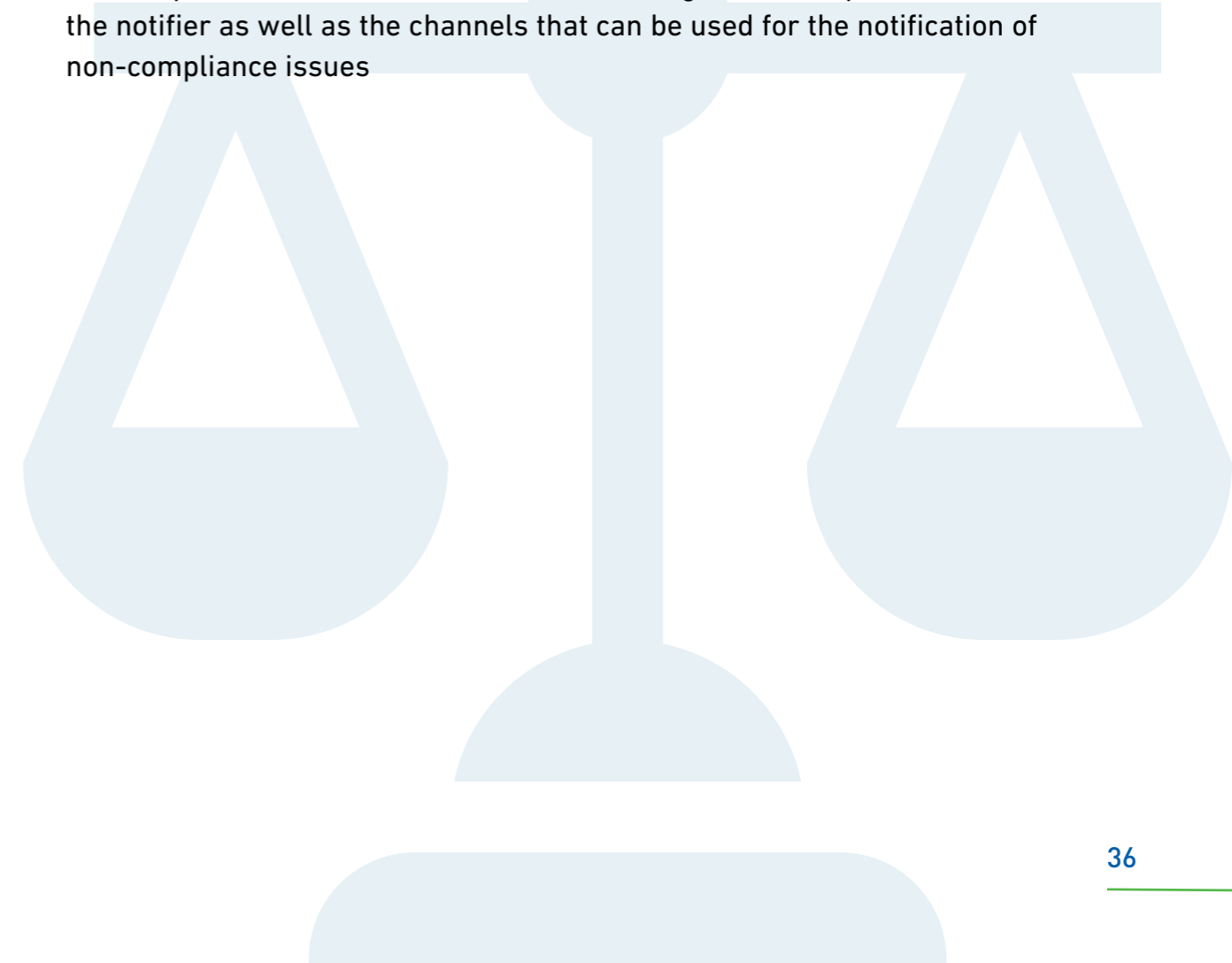
In accordance with **SDG 16**, which is referred to as the principle of “**Peace, Justice and Strong Institutions**”, an industrial environment suitable for fair competition is only achieved through the establishment of a transparent social structure. This goal incorporates targets “to substantially reduce corruption and bribery in all their forms, to develop effective, accountable and transparent institutions at all levels” and “to ensure responsive, inclusive, participatory and representative decision-making at all levels”.

Anadolu Etap carries out its activities in line with the **Procedure of Governing Basic Working Policies and Labor Relations** of the Anadolu Group to which it is affiliated. This policy and procedure covers the principles of anti-bribery, compliance with the relevant legislation and transparency of company activities, with which all Anadolu Group companies agree and undertake to comply as their basic philosophy. Anadolu Etap makes the necessary announcements, provides training and ensures continuous follow-up by allowing employees to share suggestions and complaints while executing these rules so that all stakeholders, primarily those in the internal structure, can adopt the necessary rules of business ethics in accordance with these policies.

Anadolu Etap, which clearly discusses what should be done to achieve a fair business environment in the agriculture industry in the “business ethics” and “responsibility” chapters included in the “Sustainable Agriculture Principles” document published in 2014, applies the **Anadolu**

**Group Regulation Governing Business Ethics and the Notification of the Nonconformities in all business units** in addition to these policies.

This regulation is executed with the aim of increasing transparency in the Anadolu Group, supporting compliance with current working principles and protecting the reputation of the Group throughout society. All these regulations and laws as well as general ethics and moral rules also aim to ensure that behaviors contrary to the current written Anadolu Group regulations are known and internalized by all employees and other stakeholders, and non-compliances should be reported to the competent authorities within the Group. The definition of the functions and rules required for reviewing these notifications is also within the scope of the regulation. The regulation is binding for all Anadolu Group companies, and defines the structure of the Anadolu Group Ethics Committee and the Company Ethics Committees, the business ethics principles, the non-compliance issues that they are obliged to review and the responsibilities of the Anadolu Group Ethics Committee and the Company Ethics Committees with respect to each other. It also reveals the rights and responsibilities of the notifier as well as the channels that can be used for the notification of non-compliance issues



## 4.4 Environmental Sustainability





## 4.4.1. Environmental Policy and Environmental Protection Approach

Agriculture, which enabled societies to settle down in world history and initiated the dawn of civilization, is a significant industry that is mostly affected by climate change and demographic movements and has the closest relationship with these factors. Agriculture, which constitutes the primary resource for meeting the food-needs of today's societies, has faced the prospect of being insufficient to meet the food demand of the increasing population, due to using natural resources unaccountably. In addition to food consumption, which increases in proportion with global population growth, climate change, which increases its impact every year due to increasing carbon emissions, unconscious irrigation, fertilization and methane emissions, makes its effect felt on agriculture as in all other industries.

As agriculture provides the raw materials for many other industries, such as food, livestock, textiles, energy etc., ensuring the sustainability of agriculture and creating a circular economy has become the common goal of many industries. Unconscious agricultural practices are one of the many factors that accelerate climate change, but they also seriously endanger human health and many other industries. In addition, unconscious agricultural practices damage the structure and quality of the soil, reduce biodiversity and cause inefficient use of water resources.

Today, sustainable agricultural practices and environmental policies are on the agenda as issues that should be worked on collectively all over the world in order to ensure the continuity of natural resources and food safety. The sustainable use of natural resources in production has become a necessity, rather than a project that should be carried out voluntarily by companies, in order to adapt to the effects that may be caused by climate change and to reduce the effects of this change. Being aware of this responsibility, Anadolu Etap continuously improves its efforts to preserve sustainable natural resources and ensure environmental management in all its operations.

Being aware of the threats towards natural resources in the world, Anadolu Etap carries out its environmental protection and management policy in accordance with the requirements of sustainability principles and undertakes to pursue them in the future. Anadolu Etap, which works hard to consume water efficiently in its business activities based on the awareness of the **scarcity of water resources**, carries out **research** in the areas of **energy use and waste management** within the framework of **climate change** sensitivity, undertakes **projects and contributes to the protection of both the environment and natural resources**.

Anadolu Etap, being the first company serving in the agricultural sector to prepare and publish "Sustainable Agriculture Principles", has reserved the most detailed and comprehensive chapter in this document to environmental sustainability. Anadolu Etap carries out all its business processes in



## 4.4.1. Environmental Policy and Environmental Protection Approach

Activities at Anadolu Etap aiming for Environmental sustainability are carried out in accordance with the principles of the following UN SDGs.



**Clean Water, Sanitation and Public Health**



**Affordable and Clean Energy**



**Life Below Water**



**Life on Land**

Anadolu Etap, which carries out its environmental sustainability studies in accordance with the United Nations Sustainable Development Goals, also creates company policies regarding environmental management within the scope of the ISO 14001 Environmental Management System. Factors affecting the consumption of natural resources such as energy, wastewater and water are monitored through daily reports and treated as performance data within the company in order to achieve the basic targets.

Anadolu Etap tries to continuously improve and develop environmental policy related issues via the following environmental investments made between 2017-2019, in order to implement projects in accordance with its environmental policy in all locations.

Environmental and system related improvements made throughout the company and the expenditure costs of specific projects implemented are also included in these investments.



## 4.4.2 Energy Management at Anadolu Etap



### AFFORDABLE AND CLEAN ENERGY

As per SDG 7, the target is “to increase substantially the share of renewable energy in the global energy mix”.

Anadolu Etap gives priority to the use of renewable energy resources at its farms and plants. Agricultural equipment used in production processes are evaluated at the purchasing stage by taking energy efficiency values into consideration. Regular maintenance of the equipment is ensured and the consistency of these values is checked. In order to achieve high efficiency from agricultural tools and vehicles, attention is paid to reducing emissions via management systems built with the support of technology.

Different energy sources are used in agricultural enterprises in accordance with different production and facility requirements. The amount of energy needed can vary depending on the type of activity and the capacity of the facility. In this sense, farms, plants and packing houses within Anadolu Etap differ in terms of the type and amount of energy used with respect to their capacities. Plants are managed with an understanding of optimum efficiency and energy saving, taking this difference into consideration. In order to save fuel, logistical activities are also optimized together with the facilities.

Specific projects and studies are implemented within the company and an increasing rate of energy efficiency is targeted every year in order to reduce energy consumption in Anadolu Etap plants and the packing house. As part of these efforts, the compressors at the Mersin and Denizli plants were replaced with inverter turbo compressors in 2015 and 2016 respectively. As a result of this change, approximately 30% of electrical energy was saved. In 2017, the old type of fixtures and projectors used in the Denizli Plant were gradually replaced with LED technology. Throughout 2017, an energy saving of approximately 37,000 kWh has been achieved depending on these changes. In 2018, LED transformation was carried out at the Mersin Plant. Incandescent and fluorescent lamps and halogen projectors were replaced with LED lighting systems in some parts of the plant where there was a constant need for lighting. The lighting requirement of the plant was provided with less energy within the scope of the project, and 63% energy savings were achieved during the year.

The energy consumption and energy saving policy at Anadolu Etap is managed by considering all energy types used. In this regard, Anadolu Etap has achieved gradual energy savings over the years thanks to the exclusive projects and improvements aimed at saving energy in its locations, and it saved annually 85% more energy than the previous year based on the improvements realized in the steam condensate used in its Isparta plant as of 2019.

### ENERGY SAVING PROJECTS AT ANADOLU ETAP IN 2019

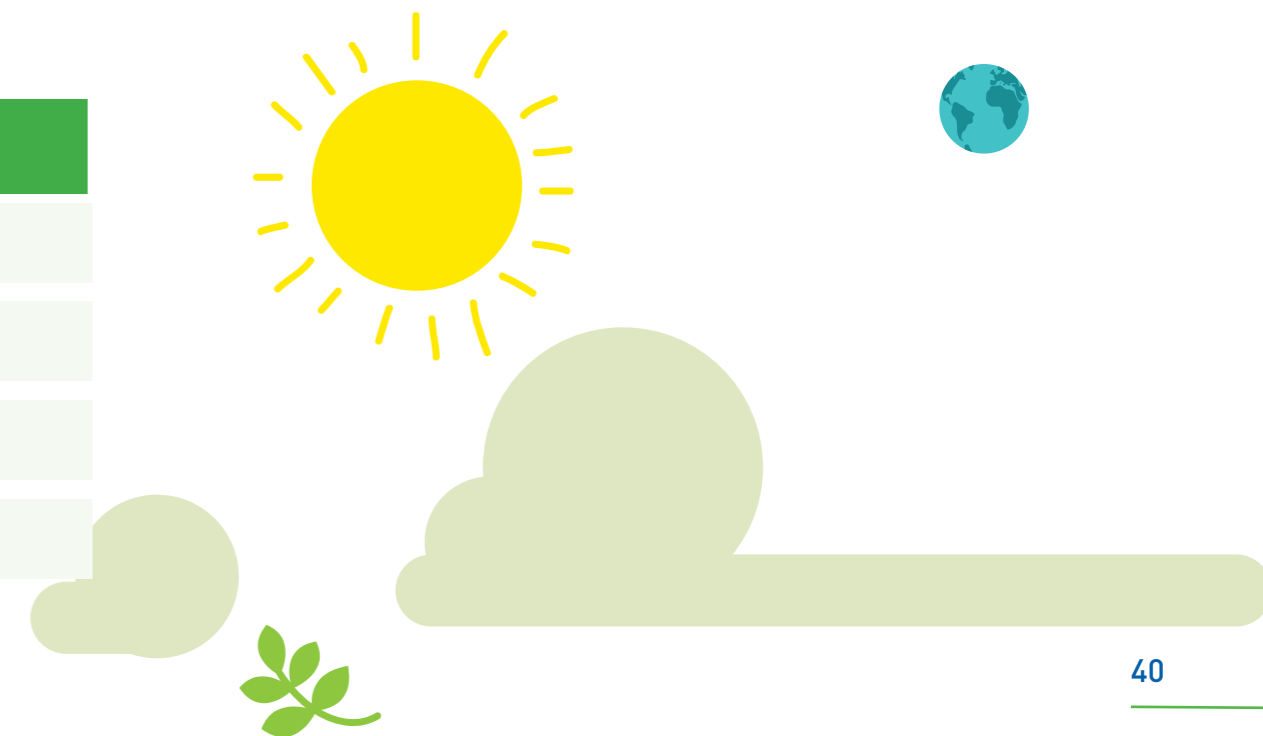
#### Project name and description

Denizli Plant - Insulation Of Hot And Cold Surfaces

Denizli Plant - Improvement In Fresh Air Intake In Compressed Air Compressors

Isparta Plant - Steam Condensate Recovery Project

Mersin Plant - Apple - Citrus Front Line Optimization





### 4.4.3 Water Management at Anadolu Etap



#### SDG 6: CLEAN WATER, SANITATION AND PUBLIC HEALTH

SDG 6 incorporates targets “to substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity by 2030” and “to protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes by 2020”.

The supply and use of water at Anadolu Etap farms and plants are strictly regulated by transparent and protective rules. The supply and use of water is carried out within a clear planning scheme, which is not open to any interpretation.

The water needs of soil and trees are measured and monitored with tensiometers, and irrigation is planned by following climatic conditions and forecasts. For efficient and minimum water use in farms, irrigation is usually planned at night, hence preventing evaporation of water due to daytime sunlight, and a drip irrigation method is favored.

At Anadolu Etap factories, water-saving and recycling projects are carried out in line with the goal of reducing water consumption. Wastewater treatment facilities installed at the plants are used effectively. Water analyses are performed over the samples collected, recycling possibilities are assessed and thus operational efficiency and water use are kept at an optimum level.

Anadolu Etap is sensitive to irrigation, which is the basic need of agricultural activities, and carries out exclusive projects in all locations for ensuring the sustainability of water resources. As per the Sustainable Agriculture Principles, Anadolu Etap, having committed to use water resources effectively and efficiently and to monitor soil moisture and plant needs, provides as much water and fertilizer as required by the soil and trees through irrigation stations, using a drip irrigation technique over an automated system, and uses water efficiently by continuously controlling the soil moisture and water balance with measuring devices. The data collected from these stations are checked twice within a working day and irrigation is carried out in accordance with reference intervals.



#### PROJECTS UNDERTAKEN BY ANADOLU ETAP IN 2018 AND 2019 IN ORDER TO SAVE WATER

Project Name and Location	Water Saved (m <sup>3</sup> )
Denizli Plant / Waste Water Treatment Facility Through Iron (III) Chloride Pump Optimization to Save Water	114.000 m <sup>3</sup>
Isparta Plant/Recycling of bed cooling water	
Mersin Plant/Apple - Citrus Front Line optimizatio	
Mersin Plant/ Addition of Closed Circuit Water Cooling System to Aseptic Sterilizer Units - 2018	



Anadolu Etap, which implemented projects in 2018 and 2019 to reduce water consumption at its plants, saved a total of 114,000 m<sup>3</sup> of water at its facilities.



## 4.4.3 Water Management at Anadolu Etap

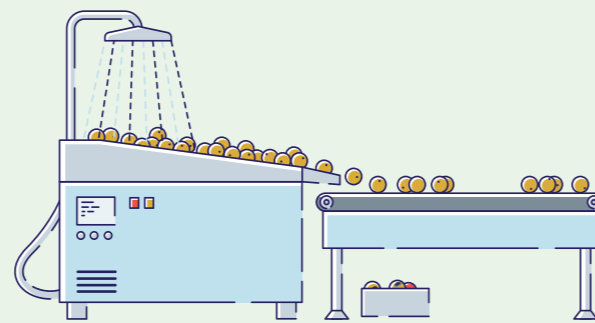
Some of the projects realized at Anadolu Etap in 2018 and 2019 in order to save water are as follows:

### MAXIMIZING IRRIGATION EFFICIENCY WITH LATERAL CORRECTION

Fertigation (fertilization through irrigation) is carried out in all Anadolu Etap farms. In this process, the fertigated water provided to the tree should be collected in a place where the plant roots can reach and benefit from, since the plant takes up the water lost due to transpiration by the high osmotic pressure in its roots. If the water is not available at the point where the plant can absorb it, the plant cannot benefit from the water source and hence the water is wasted. Just as the water provided outside of the absorption area of the plant evaporates directly, some of the nutrients contained in the fertilizer will be filtered out and go deep into the soil, while other nutrients undergo a chemical reaction with other elements in the soil and remain in a form from which that plants cannot benefit. Anadolu Etap has installed a lateral correction system and uses it to enhance the efficiency of the fertigated irrigation system and to save water. The absorption of the plant from the water was kept at an appropriate level, and thus the cost, and use of water and fertilizers, were reduced. Thanks to this project, the structure of the soil and the plant were preserved, the cost of lateral correction was reduced by 30%, irrigation efficiency was increased and water savings were achieved.

### FRUIT WASHING WATER RECYCLING PROJECT

Anadolu Etap manages the use of water in all farms, plants and facilities in accordance with the internal rules regulated in line with the production characteristics of the relevant locations.



In addition, various projects are implemented to ensure the efficient use of water and to facilitate recycling. For this purpose, the water used in fruit washing has been recycled and reused within the facility with the improvements made in the fruit washing stations of the Isparta, Denizli and Mersin fruit juice plants and the till basket washing systems of the packing facility in Balıkesir Gönen. With this project, a 30% saving in water use has been achieved in all plants.



### MERSİN R&D CENTER- WATER RECYCLING FRUIT WASHING SYSTEM PROJECT

Developed in 2018-2019 and submitted to TSI (Turkish Standards Institution) for a design registration in 2020, a new system has been created to prevent high water consumption throughout the process of fruit washing and residue removal in fruit juice plants, and to reveal an innovative and efficient washing line at the end of the

project. The waste water is cleaned with a recycling system and reused in the plant in the new system. In the system, designed by Anadolu Etap experts, washing and selection processes, which were formerly performed in 5 stages, will be finalized with a single platform; via;

**Less water consumption**

**Lower electricity consumption**

**Less downtime and malfunctioning time**

**A modern waste collection system**

**A more innovative and more efficient system**

In the designed project:

- 63% savings in water consumption
- Decrease in food safety risks
- A fruit washing system that can save 30% in electricity consumption has been achieved.

**With the water recycling fruit washing system developed by Anadolu Etap;**

- More than one product can be processed at the same time in the juice line.
- Production and food losses that may be caused by malfunctions were reduced by 50%.
- A process design in accordance with Anadolu Etap Sustainable Agriculture Principles has been implemented.

### 4.4.3 Water Management at Anadolu Etap

#### WASTE WATER MANAGEMENT AT ANADOLU ETAP

100% of the industrial and domestic waste water used in fruit juice production and environmental washing activities at Anadolu Etap's Denizli and Mersin plants is recycled in the in-house waste water treatment facility within the plants. Waste water from the plants is treated in the physical, chemical and biological treatment facilities, in accordance with its characteristics in a way to ensure that the waste water discharged in the plants remain below the legal wastewater discharge limits, and compliance with the standards is periodically monitored. Recycling is carried out in the waste water treatment facility within the Organized Industrial Zone (OIZ) where the Anadolu Etap Plant is located in Isparta.

- Although the amount of processed fruit increased by 17%, the total rate of water use was reduced by 14%.  
2018: 300.000 tons  
2019: 350.000 tons
- The amount of water used to process 1 ton of fruit was reduced by 45%.



#### 4.4.4. Waste Management at Anadolu Etap

Anadolu Etap has developed a waste management plan as a requirement of its compliance with Sustainable Agriculture Principles. The company cooperates with related organizations to establish the waste management infrastructure required for the recycling and disposal of solid wastes and waste water, causing the minimum damage to the environment. Efforts are made to use recyclable materials as raw materials and packaging. In addition, a material reuse policy is implemented; materials suitable for reuse are collected and used again.

100% of the packaging materials (barrels, pallets, etc.) used in fruit juice operations at Anadolu Etap are either reusable or recyclable products. 100% of the packages that can be collected from the customer, such as barrels and pallets, are reused until their shelf life is over. All packaging waste that has expired is delivered to licensed companies for discarding or recycling.

Organic waste generated during Anadolu Etap's production and packaging process is used as animal feed; plastic, wood, cardboard-paper and metal waste is recycled. Waste generated from the production process and classified as hazardous is recycled by licensed companies.

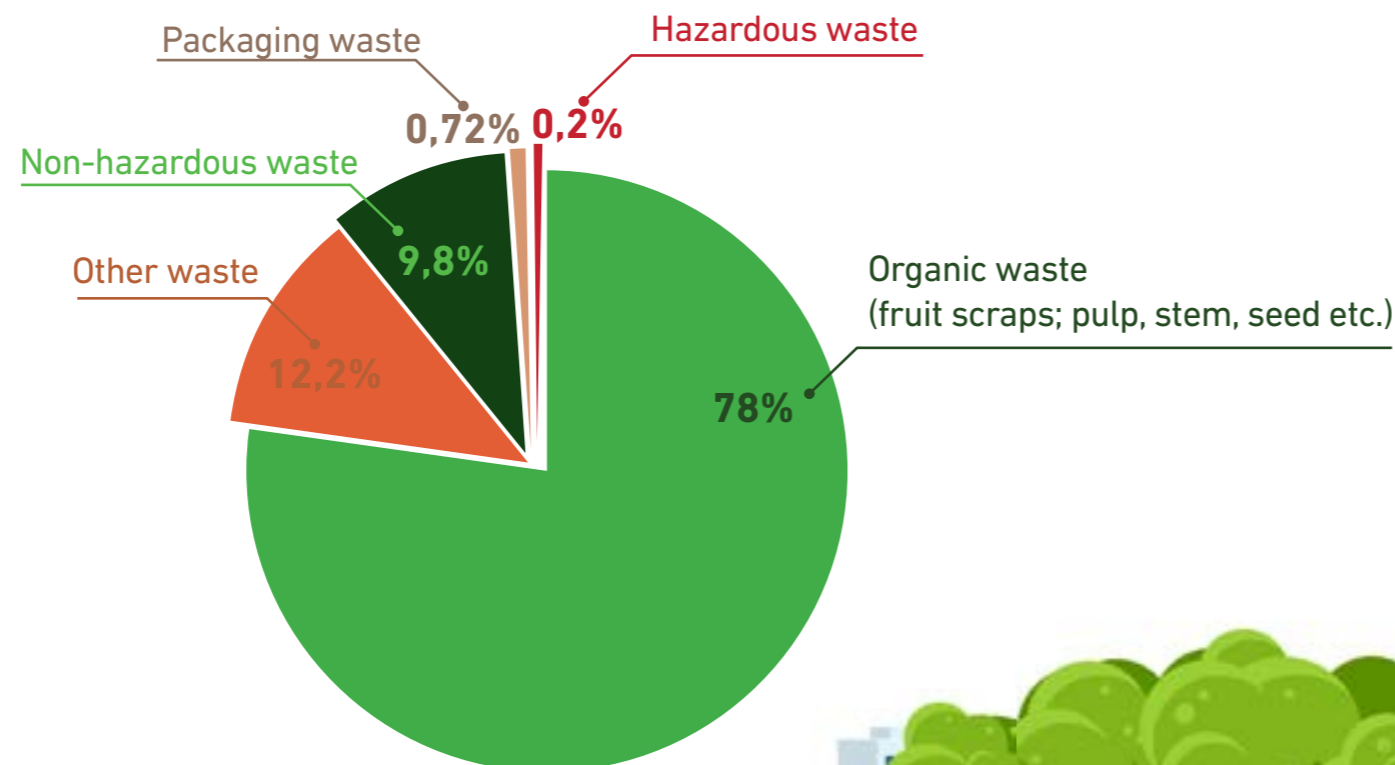
Hazardous wastes are high risk wastes with negative environmental effects, such as the packaging of chemical inputs, emissions, packaging waste, domestic waste, kitchen waste, machinery & equipment maintenance waste, medical waste, herbal waste and waste oil. Hazardous waste classified in these categories arising from the general processes within Anadolu Etap plants is disposed of by the contracted licensed disposal companies; the waste is monitored through MoTAT (Mobile Waste Tracking System) in order to keep the possible environmental effects it may have under control until it reaches these institutions.

100% of fruit scraps (pulp, stalk, seed) that can be considered as organic waste are used as animal feed within the scope of waste management policy, in accordance with the feed materials catalog of the European Union Commission issued 68/2013. Waste such as straw and seeds can be used in the food, cosmetics and energy sectors.

50% of the non-hazardous waste arising from the production process is the treatment sludge generated as a result of the operations carried out at the waste water treatment plant. Treatment sludge, on the other hand, is recycled in industries such as cement and energy (biogas production). Improvement studies are also carried out to reduce the amount of waste generated from such production. As a result of the improvements performed to prevent waste sludge formed in the waste water treatment plant, the formation of approximately 500 tons of sewage sludge is prevented every year.

The vast majority of waste generated from production procedures at Anadolu Etap is organic waste that can be completely reused.

**WASTE RATES AT ANADOLU ETAP:**



## 4.4.4. Waste Management at Anadolu Etap

Anadolu Etap reduced waste generation thanks to the following projects implemented in 2018 and 2019 in the field of waste management, increased recycling rates and the development of new products from organic waste:

### WASTE MANAGEMENT PROJECTS AT ANADOLU ETAP

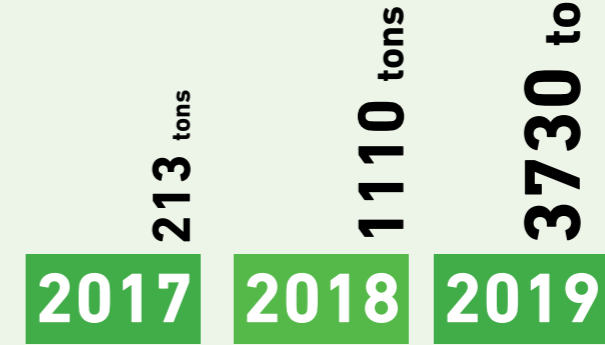
**Use of Treatment Sludge in Soil:** This project is referred to as the use of sludge from the waste water treatment plant as a regulator or fertilizer in the soil. Within the scope of the project, treatment sludge is removed from the scope of waste and turned into usable products

**Using Ash Slag Waste as an Alternative Raw Material:** Ash slag, which is the output of the heating system, is evaluated within the scope of waste and sent to licensed recycling companies by paying the disposal cost. Thanks to this project, Anadolu Etap obtained legal permission as a result of negotiations with cement companies to use the waste generated herein as an alternative raw material in a different industry without the need for disposal, thus contributing to the efficient use of natural resources.

**Producing by-products from Fruit Pulp:** Anadolu Etap sends the fruit pulp generated from fruit juice plants to subsidiaries to be used as animal feed and in biogas production. In addition, an export by-product that is completely generated from the pulp of citrus fruits is produced in the production line established at the Mersin Plant.

### RECYCLING AT ANADOLU ETAP

The unit of recycled waste (glass, plastic, paper etc.) at Anadolu Etap in tons



1 ton of paper saves 17 trees from being cut down. Anadolu Etap saved 219 trees from being cut down in 2018 and 2019 with recycled wastes.

As per the waste management hierarchy, the first step is to avoid waste generation. If this is not possible, other steps are to reduce the amount of waste, reuse the waste, recycle the waste and generate energy from waste, respectively. While Anadolu Etap pays close attention to managing the waste generated from its production process in accordance with this hierarchy, it also opts to use renewable and recyclable materials as much as possible. Plastic crates and cardboard boxes used for placing the products on the market shelves at the Balıkesir-Gönen packing house are selected from recyclable materials. Packing materials delivered to the domestic market are collected back. The recollected amounts of packages used in 2018 and 2019 are as follows:



### 4.4.5. Biodiversity at Anadolu Etap

Biodiversity studies at Anadolu Etap are based on reducing the effects of climate change, protecting the ecosystem, terrestrial life, fauna and flora, and improving the conditions that will adversely affect biodiversity in all fields of activity. Considering these priorities, priority is given to creating lands with different crop patterns on farms, thus preventing the risk of permeative harmful organisms and diseases, degradation of the ecosystem and ensuring biodiversity; in this way the natural life in the regions where the facilities and plants are located is preserved.

More than 60 types of fruits varieties are cultivated in the R&D plots of Anadolu Etap's Şanlıurfa, Adana and Çanakkale farms and studies are carried out to ensure the adaptation of these varieties to the climate and soil of the region. With these agricultural experiments, a variety of products are grown and more different and quality tastes are offered to consumers, while at the same time contributing to the biodiversity of the region. Dozens of fruit sapling species grown and over a hundred fruit varieties are selected with respect to the climatic conditions in 7 different regions of Turkey are grafted on rootstocks (root systems) suitable for cultivation in different soil structures. Thus, fruit species that can be more productive and yield higher product returns are added to the ecology of the region and contribute to biological diversity.

Thousands of leyland cypress and paulownia trees planted around the fruit trees in Balıkesir and Çanakkale farms protect the fruit trees from the wind through natural methods. In addition, the plane trees and Trojan oaks found in these farms are also preserved by Anadolu Etap and the heritage of nature is protected. The natural ecosystem is maintained with more than 100 bird nests and over 4,000 beehives installed in farms.

Samples are collected from water with added nutrients flowing from water sources and drippers at least three times in each season, simultaneously with the blend of nutrient-containing water reaching the plant roots and the fertilizers in the soil as well as plant leaves in order to be analyzed in exclusive laboratories. In line with the outputs derived from these analysis, healthy plants and fruits are grown by providing water and nutritional supplements as much as required by the plant without tiring the soil, depending on the plant's species, variety and age.

Cultivation areas have very different climate and soil characteristics. Thanks to the smart agricultural technologies used (anti-frost systems, wind blades, water- saving sprinkler systems and similar technologies), the adverse conditions of the climate for trees and fruits are transformed into more favorable conditions.

In this way, loss of yield and quality in fruit is minimized. While these technologies are beneficial in preparing the land, monitoring the weather, early warning against diseases and pests, they also enable reducing the water used, agricultural inputs and energy.

Smart and innovative agricultural practices, which are also important in terms of minimizing environmental pollution, not only contribute to the positive development of both the farmer and the national economy but also create benefits in terms of healthy food production and consumption.



### 4.4.5. Biodiversity at Anadolu Etap

SDG 15.8 incorporates the targets as “to introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species by 2020”.



Pheromone traps are used at Anadolu Etap farms, and pests are struggled with natural methods with biotechnical methods. It is aimed to eliminate the insects that are harmful to plant species and increase the number of beneficial insects. In addition to biotechnical control methods, weed control is performed quickly and reliably in large areas with agricultural machines equipped with sensitive sensors. Weeds and pruning wastes that damage plants are broken down in their places and recycled to the soil by means of methods that will return what is taken from the soil to the soil. At the same time, the “mulch cover” used at Anadolu Etap farms ensures that fruit trees and fruits benefit from soil and sunlight in the most efficient way. Mulch cover also reduces the use of additives by preventing the growth of weeds; it also enriches the color and quality of the fruits by reflecting the sunlight.

Anadolu Etap indicates and protects the wildlife and natural habitats in and around the farm boundaries. For this purpose, ponds and forest areas in and around the farms are determined and protected. Necessary legal measures have been taken and monitored to prevent the hunting, catching or trafficking of wild species living in these regions.

Anadolu Etap identifies wildlife and natural habitats, ponds, forest areas and species under threat of extinction within and around the borders of its farms in the regions where it operates, and takes them under protection. Necessary legal precautions have been taken to prevent wild species living in these regions from being hunted, caught or smuggled, and strict monitoring is ensured accordingly. One of the species protected by Anadolu Etap in this context is the Anatolian ground squirrel, which is on the Red List of the International Union for Conservation of Nature (IUCN) and is categorized under the category of species close to extinction. Anatolian ground squirrels, which are frequently encountered in Konya Karapınar farm and the surrounding areas and are an indicator of the biological diversity of our country, assume the role of “natural afforestation” for the life cycle of many trees and contributes to the spread of trees to different regions owing to their reputation for feeding with fruit seeds and forgetting their fruit seeds in nature. Anadolu Etap contributes to the sustainable biological diversity by protecting Anatolian ground squirrels in the regions where it operates.



#### SDG 13. CLIMATE ACTION

For a company like Anadolu Etap whose main field of activity is agricultural production, all studies on climate change are of vital importance. Securing the local and global food supply in a sustainable way depends on improving the production in this area in accordance with the changing climate conditions. Remedial studies implemented on climate action and new technologies in the agriculture sector are closely followed at Anadolu Etap and actively included in the field of activity.



#### SDG 14. LIFE BELOW WATER

SDG 14 incorporates the targets as “to prevent and to significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution by 2025”.

Anadolu Etap, within the scope of Sustainable Agriculture Principles, takes and implements all necessary measures to prevent wastes generated from agricultural, administrative and humanitarian activities from being discarded into places such as rivers, water channels and ditches around its farms and business entities. The pruned tree branches and leaves are mixed into the soil or used as ground cover material with the aim of reducing and recycling waste generated from pruning. When selecting suppliers, stakeholders that have effective waste management policies or have zero waste management practices are preferred.



#### SDG 15. LIFE ON LAND

SDG 15 incorporates the targets as “to ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements by 2020” and “to ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development by 2030”.



## 4.5 Social Sustainability





## 4.5.1 Community Investments

Anadolu Etap meets society's need for healthy food and nutrition, while on the other hand it carries out sustainable projects aimed at rural development, the qualification of the agricultural workforce with qualified education, increasing women's participation in the economy with gender equality, and contributing to the education of children. Community investments of Anadolu Etap that have pioneered the development of agriculture and agro-industry in Turkey, together with its global operations and projects, are in compliance with the following principles of the UN Sustainable Development Goals.



**Quality Education**  
(SDG 4)



**Gender Equality**  
(SDG 5)



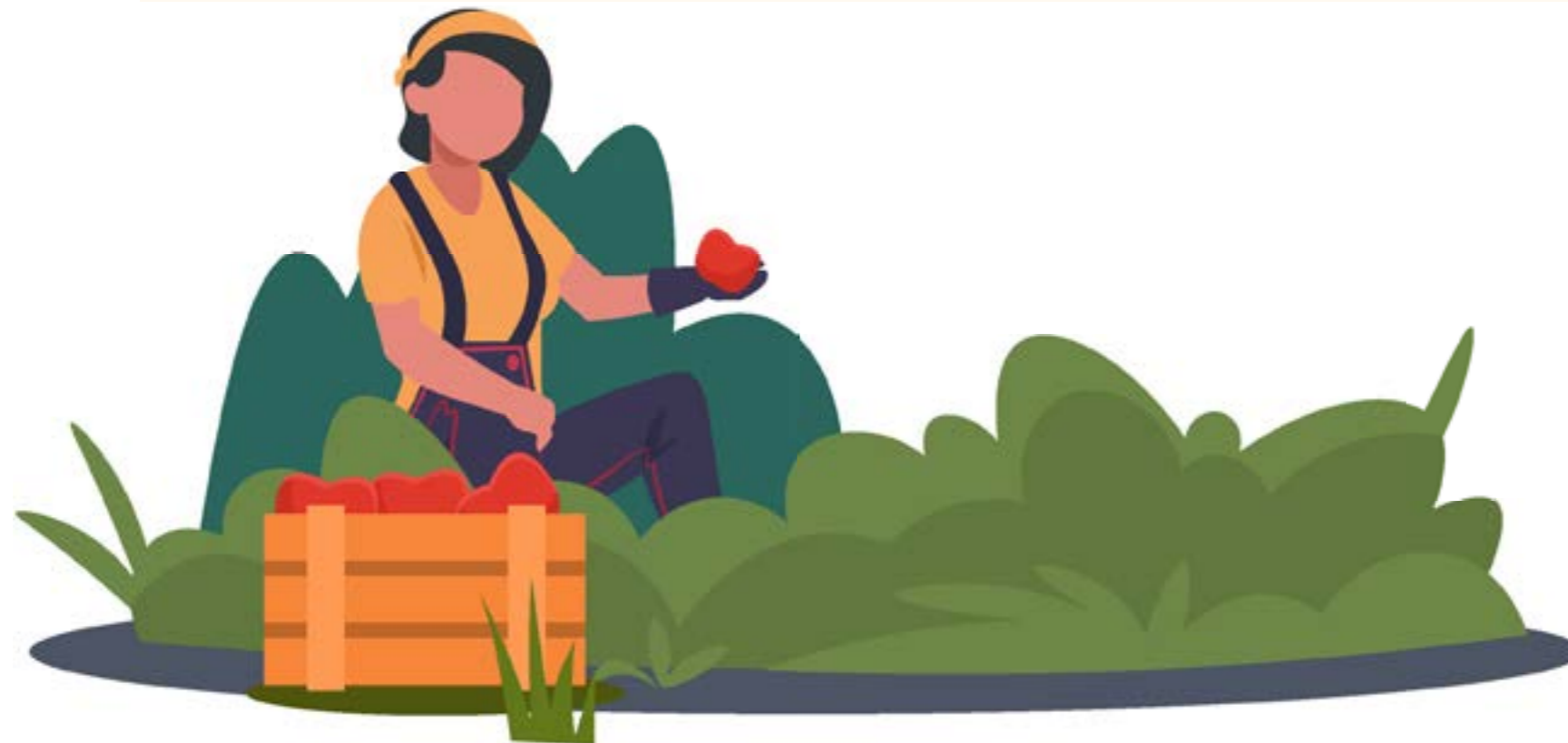
**Decent Work and Economic Growth**  
(SDG 8)



**Reduced Inequalities**  
(SDG 10)



**Sustainable Cities and Communities**  
(SDG 11)



### 4.5.2.1. AgroAcademy



#### SDG 4: QUALITY EDUCATION

Qualified Education, which is among the Sustainable Development Goals of the United Nations, includes the target “to substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship by 2030”. Anadolu Etap implements sustainable social projects compatible with this article, considering in particular the female workforce and children.

Anadolu Etap strives to increase the know-how and competencies of the regional producers in all places in which it operates, including the produce of local producers and farmers in the product portfolio it offers to its customers as well as its own products.

With this sense of responsibility, it works with the vision of ensuring the sustainability of the ecosystem it has created domestically and abroad and to introduce new and improved standards in fruit growing both to our country and globally. Thanks to this vision, Anadolu Etap aims to spread modern fruit growing techniques and principles of sustainable agriculture in our country and to contribute to the economic and social development of the regions where its plantations are located. It supports the participation of women in the economy, and increases the quality of the female labor force by giving priority to the education of female farmers who have a high rate of participation in the agricultural labor force. The “**Anadolu Etap AgroAcademy**” training center was established in 2012 for this purpose.

Following the cooperation agreement with the University of Florida in 2012, Anadolu Etap has been providing AgroAcademy executive training since 2013, in cooperation with the Bilgi University Executive Development Center and technical trainings in cooperation with the Ege University Department of Horticulture. The training subjects cover sustainable agricultural practices and modern fruit growing techniques, and they are enriched by theoretical and practical applications.

Taking into consideration the added value created by women, especially, participating in the agricultural workforce, Anadolu Etap organizes periodic training with the AgroAcademy addressing female farmers in order to increase the number of qualified women employees.



**As of 2019, a total of 875 farmers who attended the AgroAcademy were provided “Modern Fruit Growing Techniques and Sustainable Agriculture Principles” training through Farmer Module trainings.**

The fact that 75% of the farmers participating in this training consists of women is one of the 50 significant indicators of the importance that Anadolu Etap places on women’s employment and development.



## 4.5.2.2 MiÇO



Anadolu Etap meets society's need for healthy food and nutrition, while on the other hand it carries out sustainable projects aimed at rural development, employment, the qualification of the agricultural workforce with qualified education and contributing to the education of children with the principle of equal opportunity in education. In this regard Anadolu Etap launched the MiÇO (Children of Seasonal Agricultural Workers) project in 2015 and is the first institution to offer free and continuous education support for the children of seasonal workers.

Thousands of families in Turkey migrate periodically to different regions within the country, to work as a seasonal agricultural workers. Seasonal agricultural workers, who have an important share in the total agricultural workforce of our country, are deprived of healthy living conditions in the places to which they migrate; their children cannot attend school and their education is interrupted. Having identified this social problem, Anadolu Etap has initiated the MiÇO (Children of Seasonal Agricultural Workers) project with the aim of offering a solution to this problem in their farms.

Anadolu Etap hosts more than 2 thousand seasonal agricultural workers visiting their farms with their families and children, from various regions of Turkey, each year during the harvest

season, in lodgings prepared by considering all their needs and in accordance with decent working and living conditions.

To ensure children who have had to migrate with their families can continue their education without interruption, Anadolu Etap works in cooperation with the Provincial Directorates of the Ministry of National Education and Directorates of Public Education and provides assistance for these MiÇOs who stay in their farms to be enrolled in the nearest regional school during the school year, and provides them transportation assistance to the school. When the school year ends, these children are provided education in different branches, such as painting, handicrafts, music, physical education and Turkish, in the schools that are opened by Anadolu Etap in the farms via the teachers appointed by the Directorates of Public Education. In addition, MiÇOs are regularly screened for health; they also receive training on oral and dental health and personal hygiene.

Anadolu Etap, which pays attention to agriculture, agricultural production and equality of opportunity in education for the future of our country, aims for seasonal agricultural workers to attend school in the regions they migrate to, and further serve the agriculture of the country as a qualified technician, engineer, manager or entrepreneur in the future upon continuing their education and development.



## 4.5.2.2 MiÇO



Anadolu Etap is the first agricultural company in Turkey to provide free and continuous education to **150** children in 2015, **155** children in 2016, **160** children in 2017, **190** children in 2018 and **221** children in 2019 by opening schools for the children of seasonal agricultural workers (MiÇOs) at their farms.

**NUMBER OF MİÇOS TRAINED IN ANADOLU ETAP FARMS BETWEEN 2015-2019**



**STAKEHOLDERS OF MİÇO**

Balıkesir Provincial Directorate of National Education

Çanakkale Provincial Directorate of National Education

Balıkesir Directorate of Public Education

Çanakkale Directorate of Public Education

Balıkesir Provincial Directorate of Health

Çanakkale Provincial Directorate of Health

Principals and administrators of the relevant regional schools

Anadolu Etap employees



### INTERN, SCHOLARSHIP AND MENTORSHIP PROGRAMS

Believing that Turkey's progress in developing agriculture is possible only by creating a qualified work force in this area and to ensure equal opportunities in education, Anadolu Etap considers that supporting the education and development of future engineers, managers and entrepreneurs is among its duties, in addition to the MIÇO.

There is a remarkable decline in the number of young people interested in the agriculture industry globally and especially in Turkey, and the younger population seems to perceive agriculture as a traditional area closed to development. In this sense, executing the correct employment, education and social policies that will motivate and direct the younger generation to agricultural production is crucial in terms of the development of the regions and rural areas where young people live, and these policies will further contribute to employment figures in these regions. It seems that there will be an increasing need for a qualified workforce in the agriculture industry as Turkey develops and finds new opportunities for opening up to world markets. For this purpose, Anadolu Etap aims to increase the interest of young

people and new talents in the agriculture industry by transferring its industrial know-how and experience that is required to meet the needs of our country and to compete in agriculture and global markets.

It provides scholarship, mentorship and internship opportunities to many students every year with the aim of supporting agricultural production and contributing to the future of our country, and further employs successful students within the company.

In addition, child labor, which is an inevitable fact of the agricultural sector, is one of the issues that Anadolu Etap puts emphasis on within the scope of this goal. The "Prohibition of Child Labor and Forced Labor" article of the Sustainable Agriculture Principles document is applied in all Anadolu Etap facilities without any exceptions.





## SDG 10: REDUCED INEQUALITIES

SDG 10 incorporates the target “to empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status by 2030”.

Unfortunately, the issue of discrimination in employment is one of the major problems in the world, including some regions of developed countries. Anadolu Etap puts great emphasis on eliminating all kinds of discrimination, protecting the welfare of everyone included in its workforce and ensuring their social rights. Anadolu Etap manages its human resources in accordance with the **Equality of Opportunity Policy** of the Anadolu Group, to which it is affiliated:

- Anadolu Etap believes that the implementation and adoption of the equality of opportunity principle is essential for social development and competitive advantage. It does not discriminate against its employees based on **age, gender, race, religion, language, ethnic origin, sexual orientation, belief, marital, social or economic status, disability, political opinion, participation and membership in trade union activities, pregnancy or military service status**, neither at the recruitment stage nor during their working life.
- Recruitment and promotion decisions are taken in accordance with the **experience, knowledge, ability** of the employee and **qualifications** required by the position and **organizational needs**.
- It tries to offer flexible working opportunities and hours so that employees can **balance their work and private lives** in the prenatal and postnatal period.
- It endeavors to create a suitable working environment by considering the **needs and responsibilities** of its disabled employees.
- It applies a wage and performance system to all its employees based on transparent and objective criteria, and offers equal training and development opportunities.
- It encourages its employees to be sensitive and respectful against **age, gender, race, religion, language, ethnic origin, sexual orientation, belief, disability, political view, cultural and social differences** in their relations with colleagues, customers, suppliers and society.
- The **“Anadolu Etap Ethics Committee”** is responsible for the implementation of the aforementioned principles and commitments.



## SDG 8: DECENT WORK AND ECONOMIC GROWTH

For Anadolu Etap, the elimination of discrimination constitutes the basis of business understanding and employment policy. To ensure that employment is free from all types of discrimination, particularly gender, a specific section entitled “ending discrimination” is reserved in the content of the “Sustainable Agriculture Principles” document.

### Anadolu Etap

- does not give credit to any form of discrimination and does not engage in activities supporting discrimination in accordance with the provisions of national and international legislations on equality.
- Executives refrain from any written or verbal action that would suggest discrimination.
- does not discriminate against its employees based on age, gender, race, religion, language, ethnic origin, sexual orientation, belief, marital, social or economic status, disability, political opinion, participation and membership in trade union activities, pregnancy or military service status neither at the promotion stage nor regarding training, compensation, layoffs, wages and retirement issues
- Executives provide equal wages, training opportunities, promotions and additional rights/ allowances to people working in similar jobs/titles without any discrimination, taking into account the performance, seniority and competence of the employee
- allows positive discrimination for “disadvantaged people” within the measures supporting positive discrimination with laws.



## SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

Although Anadolu Etap’s fields of activity are usually located outside of the urban area, the fundamental rights of the local people living around these fields of activity are of primary importance for Anadolu Etap.

While planning for Anadolu Etap farms and production facilities, utmost attention is given to ensuring that the daily life of the local people is not obstructed and natural passageways are not blocked. Likewise, maximum attention is given to ensuring that farms and production facilities do not constitute an obstacle for social, cultural, historical, biological, environmental and religious areas and activities that are important for social culture.

### 4.5.3. Human Resources Policy

Anadolu Group “Equal Opportunity Policy” constitutes the basis of Anadolu Etap human resources policies and all practices are implemented in accordance with the following targets of the UN SDGs.



**Quality Education**  
(SDG 4)



**Gender Equality**  
(SDG 5)



**Decent Work and Economic Growth**  
(SDG 8)



**Reduced Inequalities**  
(SDG 10)

Being one of the largest employers in Turkey, with more than 4 thousand employees comprising its own staff and subcontractors, Anadolu Etap has built its human resources strategy on an open and transparent attitude that focuses on employee satisfaction, supports the development of employees, and is open to new ideas.

While making the plans to carry the company into the future, the feedback and suggestions obtained from the “Employee Engagement and Satisfaction” surveys in which all employees participate every year are also considered. Anadolu Group continues its activities by incorporating the ideas and suggestions of all its employees into business processes through the Common Mind project launched in December 2018 based on its founding principles with the aim of achieving operational excellence.

In Anadolu Etap, all employees can also present their individual and/or joint suggestions and projects through the “Bi Fikir” platform, which has been implemented jointly in Anadolu Group companies. The owners of the proposals that are decided to be implemented or projected are rewarded. The project which was awarded first place within Anadolu Etap in 2017 also received the best project award in the Bi-Fikir final held throughout the Anadolu Group.

Employee engagement was adopted as one of the company’s main strategic focus areas in 2018 and 2019. Performance management has been rearranged in line with all company goals prioritizing employee loyalty, operational excellence and efficiency. Career, succession plans and recruitment processes have been put into practice with plans that will support both the business growth and operational functioning of the company.

Employee engagement is measured at Anadolu Etap through surveys conducted annually by the human resources department; necessary actions are taken considering the survey results.

- An equitable and fair approach is applied for all employees in all business processes and locations of Anadolu Etap. Fatigue work, forced labor and child labor are prohibited, both as required by law and within the framework of human resources policies.
- Anadolu Etap attaches importance to the employment of the disabled at workplaces and there are 11 disabled employees in all workplaces as of the end of 2019.



#### ANADOLU ETAP EMPLOYEE ENGAGEMENT SCORES



### 4.5.3. Human Resources Policy

#### 4.5.3.1. Anadolu Etap Employment Profile

	2017		2018		2019	
	Women	Male	Women	Male	Women	Male
Total number of employees	66	447	84	452	452	469
White-Collar Employees	58	184	61	195	195	175
Blue-Collar Employees	8	263	23	257	257	294



#### GENDER DISTRIBUTION/# of EMPLOYEES\*

EXECUTIVE LEVEL	Women	Male	Women%	Male%	TOTAL	TOTAL%
Senior Executives	6	24	20%	80%	30	5,49 %
Mid-Level Executives	6	17	26,08%	73,91%	23	4,21 %
Specialist	42	140	23,08%	76,92%	182	33,33%
Supervisor/Foremen/Head	0	17	0%	100%	17	3,11%
Worker	23	271	7,82%	92,18%	294	53,85%
<b>Total</b>	<b>77</b>	<b>469</b>	<b>14,10%</b>	<b>85,90%</b>	<b>546</b>	<b>100%</b>





### 4.5.3. Human Resources Policy



#### AGE DISTRIBUTION of WOMEN EMPLOYEES\*

EXECUTIVE LEVEL	Below 20	21-30	31-40	41-50	51-60	Over 61	TOTAL	TOTAL%
Senior Executives	0	0	2	3	3	0	6	%7,79
Mid-Level Executives	0	0	5	1	0	0	6	%7,79
Specialist	0	23	17	2	0	0	42	%54,55
Supervisor/Formen/Head	0	0	0	0	0	0	0	0
Worker	0	3	7	10	1	0	23	%29,87
<b>Total</b>	<b>0</b>	<b>26</b>	<b>31</b>	<b>16</b>	<b>4</b>	<b>0</b>	<b>77</b>	






#### AGE DISTRIBUTION of MALE EMPLOYEES\*

EXECUTIVE LEVEL	Below 20	21-30	31-40	41-50	51-60	Over 61	TOTAL	TOTAL%
Senior Executives	0	0	7	11	6	0	24	%51,2
Mid-Level Executives	0	1	12	2	2	0	17	%3,62
Specialist	0	48	79	11	2	0	140	%29,85
Supervisor/Formen/Head	0	1	7	9	0	0	17	%3,62
Worker	0	55	108	101	7	0	271	%57,78
<b>Total</b>	<b>0</b>	<b>105</b>	<b>213</b>	<b>134</b>	<b>17</b>	<b>0</b>	<b>469</b>	








### 4.5.3. Human Resources Policy

#### SENIORITY






EXECUTIVE LEVEL	TOTAL	TOTAL%
 Senior Executives	30	%5,49
 Mid-Level Executives	23	%4,21
 Specialist	182	%33,33
 Supervisor/Formen/Head	17	%3,11
 Worker	294	%53,85
<b>Total</b>	<b>546</b>	



#### WOMEN STAFF SENIORITY

EXECUTIVE LEVEL	<1 YEARS	1-5 YEARS	6-10 YEARS	11-15 YEARS	16-20 YEARS	>16-20 YEARS	TOTAL	TOTAL%
 Senior Executives	0	3	1	2	3	0	6	%7,79
 Mid-Level Executives	0	1	4	1	0	0	6	%7,79
 Specialist	7	25	10	0	0	0	42	%54,55
 Supervisor/Formen/Head	0	0	0	0	0	0	0	%0
 Worker	0	23	0	0	1	0	23	%29,87
<b>Total</b>	<b>7</b>	<b>52</b>	<b>15</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>77</b>	

#### MALE STAFF SENIORITY

EXECUTIVE LEVEL	<1 YEARS	1-5 YEARS	6-10 YEARS	11-15 YEARS	16-20 YEARS	>16-20 YEARS	TOTAL	TOTAL%
 Senior Executives	0	3	8	5	3	5	24	%5,12
 Mid-Level Executives	1	10	2	3	0	1	17	%3,62
 Specialist	13	83	29	10	1	4	140	%29,85
 Supervisor/Formen/Head	0	5	1	3	8	0	17	%3,62
 Worker	20	156	58	14	16	7	271	%57,78
<b>Total</b>	<b>34</b>	<b>257</b>	<b>98</b>	<b>35</b>	<b>28</b>	<b>17</b>	<b>469</b>	

### 4.5.3.2. Equality And Combating Discrimination

Anadolu Etap adopts and implements the “Equality of Opportunity Principle”, which is common to Anadolu Group companies. Believing that equality of opportunity is a prerequisite for social development, Anadolu Etap regularly reviews this policy and makes necessary improvements. The equal opportunity policy covers all employees and is applied meticulously for all business processes starting from recruitment. It does not discriminate against its employees based on **age, gender, race, religion, language, ethnic origin, sexual orientation, belief, marital, social or economic status, disability, political opinion, participation and membership in trade union activities, pregnancy or military service status**, neither at the recruitment stage nor during their working life.

Anadolu Etap offers flexible working opportunities and hours so that employees can balance their work and private lives in the prenatal and postnatal period. Thanks to this policy, all female and male employees who benefited from maternity leave in 2018-2019 returned to their jobs after leave.

	Total number of employees eligible for maternity leave		Total number of employees using maternity leave		Total number of employees returning to work after maternity leave	
	Women	Men	Women	Men	Women	Men
2016-2017	6	61	6	61	6	61
2018	5	23	5	23	5	23
2019	3	30	3	30	3	30

While making decisions in the recruitment and promotion processes of the employees, the experience, knowledge and skills required by the position are objectively considered. In addition to competency-based interviews consisting of multiple stages, various position-specific inventories and tests are applied in the recruitment process. While making career decisions, multiple data are integrated with inventories and assessment center applications aimed at measuring potential, as well as performance levels and executive opinions, and equal opportunity is ensured by increasing decision quality. A work assessment, wage and performance system is applied to all employees based on transparent and objective criteria, and they are offered equal training and development opportunities. In addition, annual targeting and performance-evaluation processes for white-collar employees throughout the company are carried out based on competencies and targets.

Due to operational excellence and efficiency priorities in Anadolu Etap in 2019, performance management was rearranged to comply with all company targets. Training and information are provided for managers and employees to make interim and event-related feedback interviews.



### 4.5.3.3. Women's Employment

Female participation in the labor force in the agricultural sector of developing countries is around 43%, while this figure is 51% in Turkey according to Turkish Statistical Institute data. Believing that the rate of female participation in business life in both agriculture and non-agricultural industries should be increased, 70% of the workforce working in the orchards of Anadolu Etap consists of women.

As of 2019, 70% of the workers employed on Anadolu Etap farms and 22% of the white-collar employees in the company are women.

75% of the 875 farmers who participated in the "Anadolu Etap AgroAcademy" training, which was created to ensure the sustainability of the ecosystem and to offer new and much more advanced standards of fruit growing, are women.

### 4.5.3.4. Combating Child Labor

In accordance with 2019 4th Q. data of Turkish Statistical Institute, 720,000 child workers between 5-17 years are working in Turkey. 30.8% of these children work in the agriculture sector. The number of child laborers working in the agriculture industry is around 220,000 and they have been working under worse conditions compared to other industries. These children are employed in severe working conditions in jobs such as hoeing and harvesting agricultural products, particularly cotton, nuts, citrus, rice, sugar beet and tobacco, in different regions of Turkey. These children, who are deprived of educational opportunities, live especially in the South Eastern and Eastern Anatolia Regions; they live 4-7 months of the year in tents without basic necessities outside of their location.

Anadolu Etap does not employ workers under the age of 18 at its farms and launched the MİÇÖ (Children of Seasonal Workers) project in 2015 with the purpose of ensuring children of seasonal workers get free and continuous education. Detailed information about this project can be found in the "Community Relations, MİÇÖ" section.



### 4.5.3.5. In-House Training

Anadolu Etap believes that the most important element of sustainability is the employment of qualified workers. Therefore, all employees are included in the training and development processes and trained throughout their working period in line with their positions and needs. The training provided is planned within the framework of Anadolu Group competence model and based on core values. Training and development is knowledge-based, people- and action-oriented. Emphasis is placed on training that aims to increase the behavioral, managerial, and technical knowledge and skills of the employees.

**Training Offered at Anadolu Etap:**

- Occupational diseases and causes, First aid,
- Principles of disease prevention and application of prevention techniques: sanitation and hygiene-biological and psychosocial risk factors
- On-the-Job Training, OHS training,
- Fire and Earthquake drills



Anadolu Etap training and development activities are carried out in line with defined goals. The scope of education is specified, organized and recorded in accordance with the needs determined in line with these purposes. The effectiveness and efficiency of the training is assessed both during and after the training.

Training may either be organized addressing the special needs of business units or centrally, based on needs such as talent management, corporate culture, corporate strategies and efficiency. The following training was organized in Anadolu Etap in 2018 and 2019:

Learn Every Day	All White Collar Employees
Workshop for Determining Strategic Focus Area	Management Team
Journey, Personal Learning Program	All White Collar Employees
“To be Us’: Achieving efficient results as a team	Fruit Juice Business Unit
Process Approach Training	All Company Engineers
Design Thinking	R&D Center Employees
Preparing a safe information sheet	Quality Engineers
Harvard Virtual Corporate Learning Prg.	Senior Executives
One World Cons. - Development Dialogues	Senior Executives

While a total of 7 hours of training per person was provided at Anadolu Etap in 2016, the average training per person increased to 17 hours in 2018-2019. The annual average hours of training provided for female and male employees are the same. Training in Anadolu Etap is carried out both as face-to-face courses and online. Anadolu Etap, which is a company that pursues its activities in various different locations, has increased its investments in digital individual learning applications and platforms in order to respond to the rapidly changing environment and

to offer its employees continuous training and development opportunities whenever they want.

TRAINING		2016	2017	2018	2019
Training Hours Per Person	 Blue Collar	5	10,5	11	11
	 White Collar	2	5,5	6	6



### 4.5.3.6. Anadolu Etap Internship and Scholarship Programs

Anadolu Etap offers vocational high school students and students studying in relevant departments of universities the opportunity to be an intern at the farms, plants, packing house and offices within Anadolu Etap. Scholarship students are prioritized in the internship quotas. When choosing an intern, applications are received online and decisions are finalized as a result of tests and interviews in order to give candidates equal opportunities and to bring new talent to the company.

- **Internship and Scholarship Programs:** AgroBurs Scholarship are non-refundable grants provided to Faculty of Agriculture students as cash payments for 12 months since 2014. 50% of students granted scholarships are male students and 50% are women
- As of 2019, 39,000 TL scholarships have been provided to scholarship students.

## 4.5.4. Occupational Health and Safety

### 4.5.4.1. Occupational Health and Safety Policy

Anadolu Etap has prepared occupational health and safety policies and practices that cover all its processes, from raw materials to delivering fresh fruit, concentrated fruit juice and fruit purées to its customers, and it constantly updates and improves them.

In this direction, Anadolu Etap carries out studies in order to comply fully with the relevant legal regulations regarding occupational health and safety practices. Occupational health and safety is a common understanding for all Anadolu Etap employees. All risks regarding occupational health and safety are evaluated with the participation of all employees. Ensuring that occupational diseases and occupational accidents do not occur or to minimize them has become a clear goal in creating this common understanding. In addition, Anadolu Etap supports all its employees through training and information in developing their talents and competencies in occupational safety fields and offering creative solutions.

#### Anadolu Etap, in 2019:

- has completed ISO 14001 certification regarding the environment and ISO 45001 certification regarding Occupational Health and Safety
- has provided the employees working at the farms and Gönen packing house with working at height fire drills by competent (1st. class fire trainer and working at height instructors) personnel, and the employees received their certificates.

### 4.5.4.2. Occupational Health and Safety Practices

#### HEALTH EXAMINATIONS

Anadolu Etap ensures its employees regularly and annually undergo periodic health examinations.

The personnel working on pesticide applications undergo cholinesterase enzyme tests each year and these people continue to work with the approval of the workplace doctor.

In 2018 and 2019, favorable results were obtained in studies conducted in areas with high occurrence of accident or occupational disease; the accidents occurring in orchards decreased by 32% in 2019.

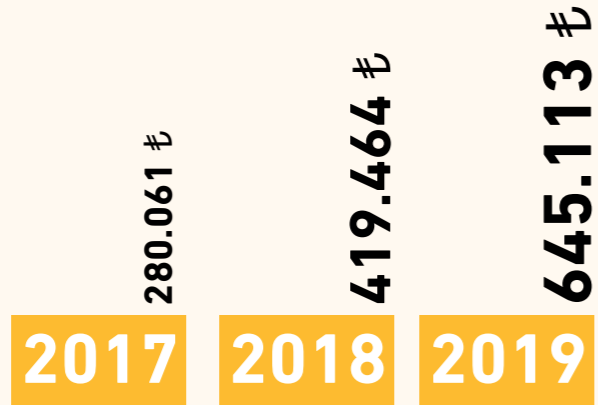


## 4.5.4. Occupational Health and Safety

### OHS Boards

OHS Boards have been established at the Denizli and Mersin Plants as well as the Balıkesir and Çanakkale Farms within Anadolu Etap. OHS Boards meet regularly with a participatory approach; they ensure the continuous improvement of standards by taking necessary action in all matters related to occupational health and safety.

### OHS RELATED EXPENDITURES IN ANADOLU ETAP



### OCCUPATIONAL HEALTH AND SAFETY TRAINING

Training provided in Anadolu Etap within the scope of occupational health and safety is categorized under four main headings; general OHS training, health training, technical issues and other subjects needed in operational processes. The training provided and the practices related to this training is carried out regularly; it is audited by both internal audits and independent institutions.

#### Other services procured in Anadolu Etap locations related to health and safety:

- Licensed waste transportation service
- OHSB workplace doctor service
- Periodic health check services, health equipment service
- Periodic machinery and equipment control service
- ISO 14001 & 45001 Processes Consultant Support

#### Fruit Juice Business Unit OHS training hours (person\*hour)

	2017	2018	2019
Hourly OHS training provided to employees of Anadolu Etap and sub-employers	4417	5113	5371,5

#### Plantation and Fresh Fruit Business Unit OHS training hours (person\*hour)

	2017	2018	2019
Hourly OHS training provided to employees of Anadolu Etap	2208	2820	4688





#ElleriniYıka





## Covid-19 Precautions and Practices at Anadolu Etap



The Covid-19 virus, which emerged in Wuhan, an important industrial zone of China in the last quarter of 2019, and affected the whole world in a very short time was declared a pandemic by the World Health Organization in the first quarter of 2020 and has turned into a global health crisis that has serious consequences. The Covid-19 outbreak, which continues to impact the whole world economically and socially, has infected more than 60 million people at the time of writing this report and has caused the death of over 1.5 million people worldwide.

Governments have been implementing different measures such as health policies, quarantine practices, travel restrictions and lock down orders from the beginning of the pandemic. However, the Covid-19 pandemic made its impact felt in many sectors, particularly agriculture and food but also in industry, tourism, transportation, logistics, and banking, and thus also triggered an unprecedented economic crisis in world history, in addition to being a health crisis.

The pre-existing commercial competition between the countries of the world has changed the priorities of the countries with the outbreak of the pandemic,

This need has led countries to review their agricultural strategies, drawing attention to the critical importance of agriculture and agriculture-related industries.

Anadolu Etap, which is referred to as the largest fruit growing and processing company in Turkey based on its export figures of fresh fruits and concentrated fruit juice to nearly 60 countries and different places around the world and its "Healthy fruits for healthy generations" mission, had foreseen these consequences of the Covid-19 crisis before the first case was detected in our country, owing to the experience gained from trading with world markets. The company has designed its strategic plans according to the pandemic and successfully implemented health measures in production and supply chain in January 2020. Thanks to the high order measures successfully implemented throughout the farms, plants and facilities, Anadolu Etap is the first Turkish fruit company to be granted the "TSE COVID-19 SAFE PRODUCTION CERTIFICATE" issued by the Turkish Standards Institute and has been continuing its domestic and international operations and to meet the healthy nutrition needs of society even during this pandemic outbreak.



### The first Turkish fruit company qualified with the "TSE COVID-19 SAFE PRODUCTION CERTIFICATE" issued by the Turkish Standards Institute

The studies carried out by Anadolu Etap in its farms, plants and facilities, has been evaluated by TSI on the grounds of "Growing, collecting, transportation, storage and packaging activities of soft or stone seed fruits". Having fulfilled and complied with all terms and conditions stipulated by Turkish Standards Institution (TSI) experts in the "Covid-19 Hygiene, Infection Prevention and Control Guide" for organizations, Anadolu Etap has been awarded the "COVID-19 Safe Production Certificate" as the first fruit growing company in Turkey.

## Anadolu Etap Covid-19 Stakeholder's Survey

Anadolu Etap, which has prioritized the health of its employees and has been operating healthily and safely in all its locations since the beginning of the pandemic outbreak with the high-order Covid-19 measures it has put into effect, conducted an online survey during this period with the purpose of evaluating its sustainability performance and to review its operations in the light of feedback from its stakeholders. With this survey, the changing expectations of the stakeholders with Covid-19, and their views and opinions about the future of the industry, were acquired.

In the questionnaire, stakeholders were asked to respond to open-ended, multiple-choice and scoring-system questions about the Covid-19 outbreak addressing basic issues such as the **communication and service quality of Anadolu Etap and pandemic measures besides the changing and prominent needs of the agriculture and food industry in the Covid-19 period.**

Have you cooperated / contacted with Anadolu Etap during the Covid-19 process?

	%
Yes	88
No	12
Total	100

Could you evaluate Anadolu Etap's communication and working model during this period?

	%
Very poor	0
Poor	0
Neither good nor poor; just as it should have been	3
Good	33
Very Good	63
Total	100

Could you evaluate Anadolu Etap's service quality during this period?

	%
Very poor	0
Poor	0
Neither good nor poor; just as it should have been	0
Good	37
Very Good	50
I did not get any service	13
Total	100



### Communication and Service Quality of Anadolu Etap throughout the Covid-19 Period

- Most of the stakeholders stated that they have continued to cooperate with Anadolu Etap during the epidemic process, .
- All stakeholders rated it as "good" or "very good".

Have you been informed about the health and hygiene measures executed by Anadolu Etap in its plants, farms and facilities during the Covid-19 outbreak?

	%
Yes	53
No	47
Total	100

How did you hear about these measures?

	%
Through interviews with employees	83
Through briefing mails of Anadolu Etap	33
Social Media	17
Internet news	11

Multiple choices are allowed.

What do you think about the measures executed by Anadolu Etap?

	%
Very poor	0
Poor	0
Neither good nor poor; just as it should have been	0
Good	44
Very Good	56
Total	100



### Pandemic Measures at Anadolu Etap

- Stakeholders who were informed about the health and hygiene measures implemented by Anadolu Etap in all business units during the Covid-19 outbreak evaluated these measures as "good" or "very good."
- One-to-one interviews and mailing activities with stakeholders regarding information were effective.





## Anadolu Etap Covid-19 Stakeholder's Survey

Issues that are thought to be prominent in the food and agriculture sector in the near future after Covid-19 and the voting rates by those who participated in the survey are:



Top priority areas that should be improved in agriculture and food companies after the Covid-19 outbreak and the voting rates by those who participated in the survey:



Other prominent results revealed in the Anadolu Etap Covid-19 Stakeholder Survey are:



The significance and priority of **hygiene/sanitation and food safety** in the industry shall be preserved.



Efforts towards improving the **supply chain** in the industry via **smart and digital agriculture practices** will gain more importance.



“**Supply Chain Management**” and “**Quality / Food Safety**” will be the most important issues requiring improvement.



## ANADOLU ETAP COVID-19 EMPLOYEE ENGAGEMENT SURVEY

Anadolu Etap has also put into effect additional supportive practices to help employees overcome this difficult process in addition to the high-order hygiene and health measures taken in all locations from the beginning of the pandemic process, taking into account the health of its employees and society. In this context, a consultancy service has been put into use where all employees can reach and receive support on a 24/7 basis together with all Anadolu Group companies, in cooperation with an independent consultancy firm allowing employees to receive consultancy in many different areas such as psychological counselling, crisis management, medical consultancy and information service, waist ,neck and backbone pain and office ergonomics, financial information, social life, healthy nutrition, newborn care and veterinary service.

In addition to providing a consultancy service; Anadolu Etap has been periodically offering employees who have switched to homeworking many social activities that employees can participate in and use online, such as training, book lists, movie suggestions, concerts, events, and museum visits, by sending weekly newsletters and bulletins with a hashtag #HayataEvdenKatil (#JoinLifeatHome).

Additional measures have been executed to enable the employees overcome the pandemic outbreak more easily by integrating a new training module called "Coping with Difficult Situations" into the online micro-learning program used by all employees.

Anadolu Etap has conducted an online "Covid-19 Employee Engagement" survey with its employees with the aim to measure the efficiency and impact of all these practices on employees, to make necessary improvements in line with the feedback received and to identify possible problems that employees may experience during the pandemic outbreak. The questionnaire, including 8 scoring and 2 open- ended questions, has revealed the two most common expressions of stakeholders: "I trust the policies that my company put into practice during and after the Covid-19 process", and "I think my company acts sensitively to society and the environment in this period", with 9.3 and 9.7 scores out of 10 respectively.



*"I trust my company during and after the Covid-19 outbreak"*

9,3

*"I think my company has acted responsive to society and the environment"*

9,1



## Covid-19 Precautions and Practices in Anadolu Etap



### Hygiene Measures

- Security
- Sanitation
- Lunch Halls
- Shuttle Buses



### Employee Health

- Transfer of Seasonal Workers
- Home Working, Administrative Permits
- Covid- 19 trainings
- Additional medical staff employment
- Quarantine and isolation
- Visitor entry restrictions



### Emergency Plans

- Emergency Committee



### 1- HYGENE MEASURES

- Temperatures of both employees and external suppliers and guests are measured daily and without exception at the entrances of all plants, packing houses and farms. Remote thermometers are available in every facility.
- Security personnel are provided training on hygiene and Covid-19 measures, and are equipped with compulsory Personal Protective Equipment (masks, gloves, etc.).
- Visitor admission to plants, facilities and farms is restricted. A mandatory Covid-19 questionnaire and appointment system is applied to visitors who are hosted. The entrance of guests to the facilities is permitted only by wearing a mask.
- Closed areas in all locations are frequently ventilated. Gates are left open to reduce contact.
- The occupancy rate of disinfectants hanging on the walls is regularly checked.
- Shuttles allocated to our employees are managed according to the instructions of our Ministry of Interior. They are allowed to carry half the number of passengers permitted as per the vehicle license.
- Shuttles are regularly disinfected. Service shuttles are ventilated and cleaned with alcohol or bleach after each journey.
- Every service shuttle is equipped with disinfectants; passengers are often reminded about use.

### 2- EMPLOYEE HEALTH

- Administrative leave is given to employees in the risk group (those with chronic diseases, pregnant women, those have close contact with people returning from abroad etc.).
- Information, training and awareness activities are provided to employees frequently.
- Digital platform use (for meetings, interviews, etc) and homeworking options are put into practice.
- Field employees undergo health checks everyday.





## Covid-19 Precautions and Practices in Anadolu Etap

### HEALTH MEASURES REGARDING SEASONAL AGRICULTURAL WORKERS

- a. Seasonal agricultural worker candidates and their families undergo health controls in the cities they live in carried out by workplace physicians at the health and safety units contracted by Anadolu Etap.
- b. Seasonal agriculture workers coming to the farms from the cities where they live are examined by Anadolu Etap's workplace physician after their travel and stay in the red isolated area for 14 days before entering the production area. Utility needs of these isolated areas such as electricity, water, shower, WC, and air conditioning are provided.
- c. The lodgings and shuttles allocated to seasonal agriculture workers are regularly disinfected.
- d. Quarantine areas have been reserved on farms for seasonal agriculture workers in case of possible incidents.
- e. Workers' health is screened regularly and their temperature measured daily.
- f. Nurses continue to conduct health checks and provide informative training every day on 3 farms where seasonal workers are assigned.
- g. Protective medical masks are regularly procured and distributed to employees.
- h. Hand sanitizers are placed in office buildings and meeting areas; workers and employees are often reminded to use it.
- i. The lunch hall is organized in a way so as to leave one row of spare seats, and information brochures are affixed to the tables and chairs.
- j. The workers are notified to leave a distance of at least 1.5 meters while waiting during the queue for meals and they are notified to sit crosswise at the tables.
- k. Cafeteria personnel have been trained in hygiene and Covid-19 measures, and they are regularly instructed to serve with hats, masks and gloves.
- l. Security personnel are provided training on hygiene and Covid-19 measures, and are equipped with compulsory Personal Protective Equipment (masks, gloves, etc.).



## Covid-19 Precautions and Practices in Anadolu Etap

### 3-EMERGENCY PLANNING

Facility-specific **Preparatory Teams and Emergency Committees** were assigned to enable the staff working at Anadolu Etap's 8 farms, 3 plants, packing house and R & D centers to recognize the Covid-19 pandemic, to ensure that they are prepared in the most appropriate way to fulfil their roles and responsibilities and provide the information and framework to help them act in coordination if positive cases are detected.

The **Preparatory Team** carries out the necessary work on the measures to be taken and the hygiene and sanitation in the workplace, coordinates internal and external communication and keeps the emergency plan up-to-date. This team consists of occupational safety experts, human resources representatives, workplace physicians, first aid personnel and employee representatives.










The **Emergency Committee**, on the other hand, works in coordination with the Preparedness Team to implement, control and follow the guidance instructed by the relevant government institutions in case any positive cases are detected. This team includes plant and farm managers, workplace physicians, occupational safety experts and executives.

Any symptoms of fever, shortness of breath and coughing will be considered as a suspected case in our offices and production facilities. In such cases, the relevant employee should be immediately directed to the workplace physician. The relevant employee may be suspended from our offices or production facilities or be kept in quarantine upon the instructions of the workplace physician. In locations where there is no workplace physician available, it is mandatory to apply to the nearest health institution.



## Covid-19 Precautions and MiÇO 2020



-  We have prepared more carefully than ever for MiÇO education and training activities due to the Covid-19 outbreak, which has affected our country as well as the rest of the world since March 2020.
-  We have prepared our kindergartens and training areas in accordance with the "Measures used in the School Setting to Mitigate Risks of COVID-19" issued by the Ministry of Health.
-  "Anadolu Etap Covid-19 Guide", which we prepared in-house, was distributed to the teachers in our kindergartens. We provided regular training for both teachers and students defining the health rules that should be followed.
-  We carefully implemented the high-order measures deemed suitable for our seasonal agriculture workers in the training areas of our MiÇOS.
-  Our education/training areas in kindergartens were inspected by the Public Education and Provincial Directorates of National Education before starting education activities.
-  Classroom layouts are altered, taking into account the number of students and social distance rules; a program has been prepared so as to allow students to receive a rotating education.
-  In addition to classrooms, open area training spaces have been established and our MiÇOS have been allowed to continue their education in the open air without being affected by the sun.
-  Classrooms in kindergartens are disinfected daily with a silver ion technology disinfection device; follow-up procedures after disinfection processes are recorded.
-  As of 2020, we contributed to the training of 361 MiÇOS in our farms with the support of our 25 teachers from the Public Education Directorate, provincial health directorates and employees.





## ANADOLU ETAP SUSTAINABILITY REPORT 2018-2019 GRI STANDARDS INDEX - CORE

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<b>GRI 102: GENERAL DISCLOSURE 2016</b>			
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102-1	Name of the Organization	AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri Sanayi ve Tic. A.Ş	-
102-2	Primary activities, brands, products, and services	Anadolu Etap At a Glance	6-8
102-3	Location of headquarters	Fatih Sultan Mehmet Mahallesi, Balkan Caddesi No:58 D:E, 34771 Ümraniye/İstanbul	-
102-4	Number of countries where the organization operates and the names of countries where the organization has significant activities or which are related to the sustainability topics covered in the report	Anadolu Etap At a Glance	9
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102-55	GRI Standards Index	GRI Index	75
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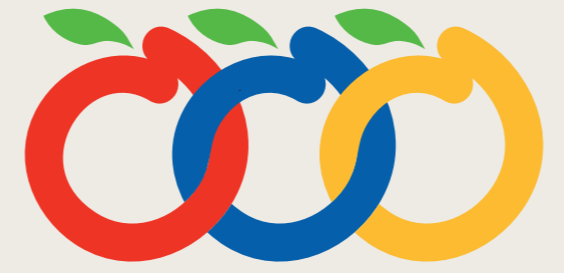




	GRI Standard		Topic/Definition	Page
<b>PRIORITY ISSUES</b>				
<b>GRI 200 ECONOMIC STANDARDS SERIES 2016</b>				
<b>GRI 201 Economic Performance 2016</b>				
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<b>GRI 303 Water 2016</b>				
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