



Integrated Report

2020

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About the Report

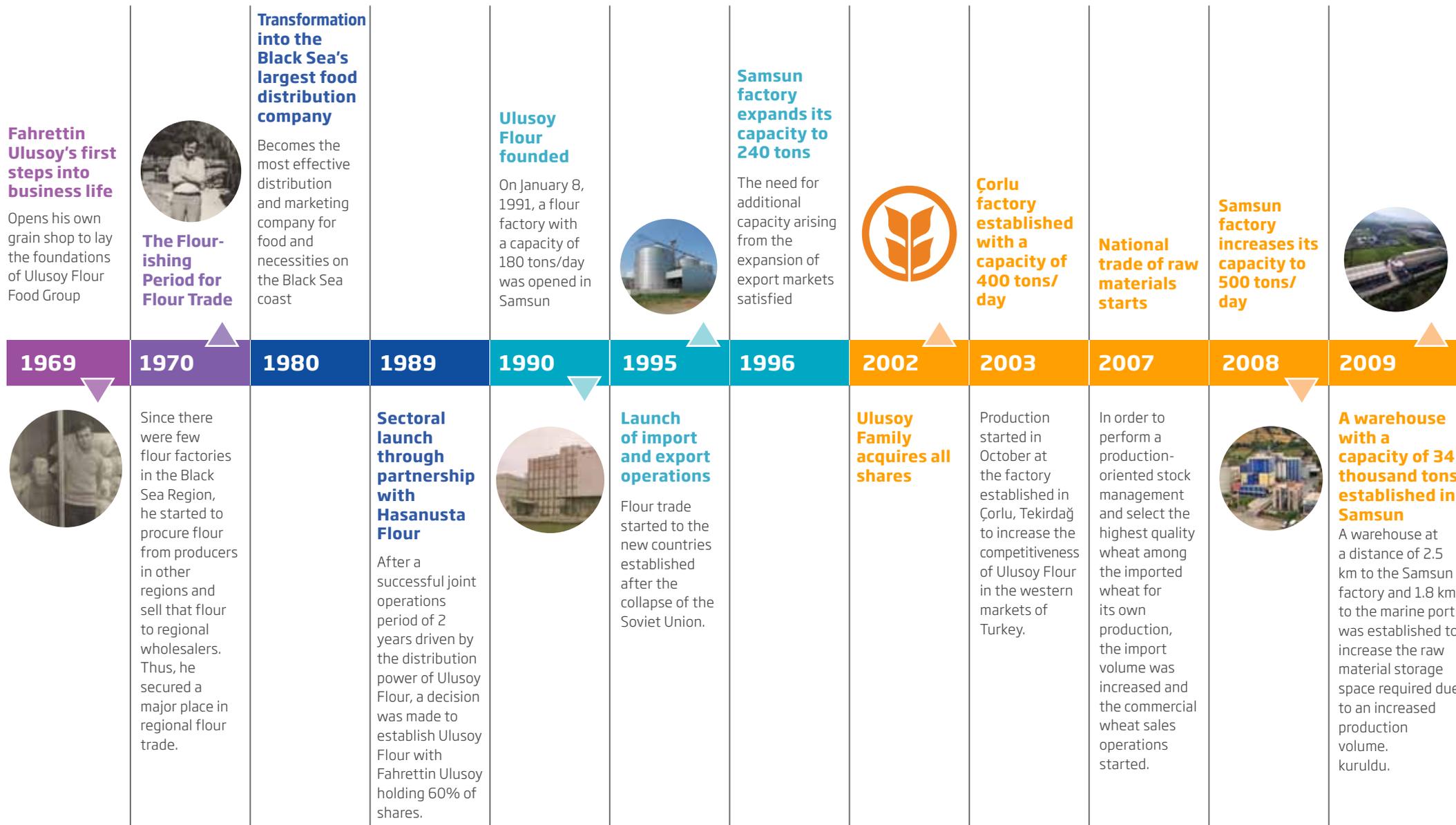
Issued for the first time, Ulusoy Flour 2020 Integrated Report adopts an integrated perspective to present the company's performance in the period from January 1, 2020 to December 31, 2020.

Data from previous years are also included in the report, when necessary.

The Integrated Reporting Framework of the International Integrated Reporting Council (IIRC) was adopted in drafting the report as well as the IIRC's proposed classification of capitals. While determining the material issues as part of the report, the IIRC's guiding principle of "Materiality" as well as the "Materiality" principles of the GRI Sustainability Reporting Standards were taken as a guide.

You can submit your opinions and suggestions about Ulusoy Flour's 2020 Integrated Report to yatirimci@ulusoyun.com.tr.

"From Tradition into the Future: Ulusoy Flour"



Launch of international transit trade operations

We started to export grains to Far East and Asia in addition to neighboring countries



Acquisition of 17% shares of SASBAŞ



The trading of Ulusoy Flour shares on Borsa Istanbul begins

Istanbul office opens

Start of investment in a Flour Factory with a daily production capacity of 1,800 tons at Samsun Food OIZ.

Licensed warehouse with a capacity of 42,000 tons started operations in Alaca, Çorum



"Alfaway Gıda Sanayi ve Ticaret A.Ş.", a wholly-owned subsidiary of Ulusoy Un Sanayi ve Ticaret A.Ş., was established.

Launch of the 2nd phase of the 50th Year Production Facility at a capacity of 600 tons/day



Goal: Being one of the world's top 10 agro-industrial companies in our 100th year

2011

2013

2014

2015

2016

2017

2018

2019

2020

2029

2069



As the rapidly-increasing transit trade volume required greater storage in non-bonded areas, 17% of shares in SASBAŞ, which has a grain storage capacity of 110,000 tons, are acquired to secure a role in the management of the company.

Following the increase in Turkey's credit rating in 2012, the Istanbul Stock Exchange starts to rise. The trading of Ulusoy Flour shares in Borsa Istanbul begins in 2014.

"Uludağ Tarım Ürünleri Lisanslı Depoculuk A.Ş.", a wholly-owned subsidiary of Ulusoy Un Sanayi ve Ticaret A.Ş., is established.



In addition, the construction of our grain storage facility having a capacity of 60,000 tons begins in Sorgun, Yozgat.

"ROLWEG SA", a wholly-owned subsidiary of Ulusoy Un Sanayi ve Ticaret A.Ş., is established in Switzerland.

Start of the 1st section at the 50th Year Production Facility at a capacity of 600 tons/day

Our licensed warehouse having a capacity of 60,000 tons starts its operations in Çerikli, Kırıkkale.

The goal to become Turkey's largest agro-industrial company





Samsun 50th Year Production Facility

Message from Senior Management

Dear Stakeholders,

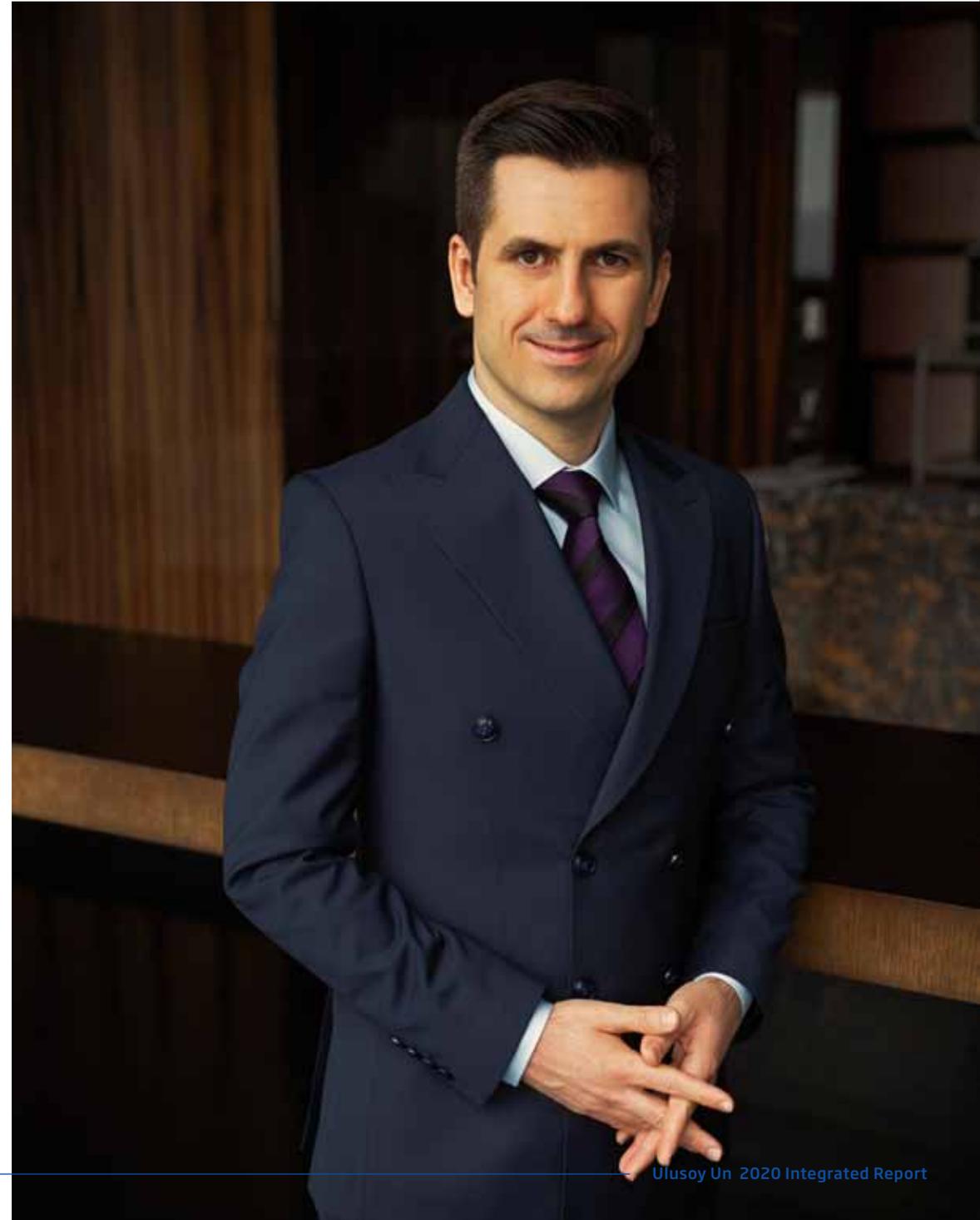
We are delighted to share with you our 2020 Integrated Report, which is a reflection of Ulusoy Flour's journey to create value.

We have been perceiving the impacts of the Covid-19 pandemic since the beginning of 2020. It continues to make significant negative effects on both human health and economic life.

Developments in the last year have once again highlighted the great significance of easy access to safe food.

Access to food and flexible supply chains will gradually gain increased importance as the effects of climate change, which have been significantly felt in our country, increase in the coming period.

In 2020, Ulusoy Flour left behind a year when we displayed a superior performance despite highly challenging conditions, with sales revenues amounting to TRY 4,345 million. Our company not only increased its sales revenues by 42% year on year but also generated a real operating profit of TRY 186 million. In addition, we increased our net income by 60% year on year.



In 2020, when we celebrated our 51st anniversary, we gradually commissioned a daily capacity increase of 1,200 tons in Samsun. Furthermore, we continued apace with our investments through the acquisition of a Licensed Warehousing company having a capacity of 60,000 tons by Ulidaş, our Licensed Warehousing affiliate.

2021 will be a year that will offer new opportunities as well as the risks carried over

from the previous year. In the coming period, our company's agenda will be mainly shaped by digital transformation and resource planning projects. In addition, we aim to top off all layers of our business model with an increased added value through our R&D studies.

In conducting our operations, we continue to evaluate both our financial and non-financial risks most effectively. In the coming period, we will continue to assess the climate and

sustainability risks and opportunities we face and to create value for our stakeholders.

Our goal is to derive strength from teamwork and unite our highly-experienced colleagues in attaining global standards in all fields of activity without compromising our principles, values and goals. We would like to thank all our stakeholders, particularly our employees, customers and suppliers, who have contributed to the sustainable success of our company.

Chairman of the Board
Dr. Eren Günhan Ulusoy

Chairman of the
Executive Board
Kamil Adem



About Ulusoy Flour



About Ulusoy Flour

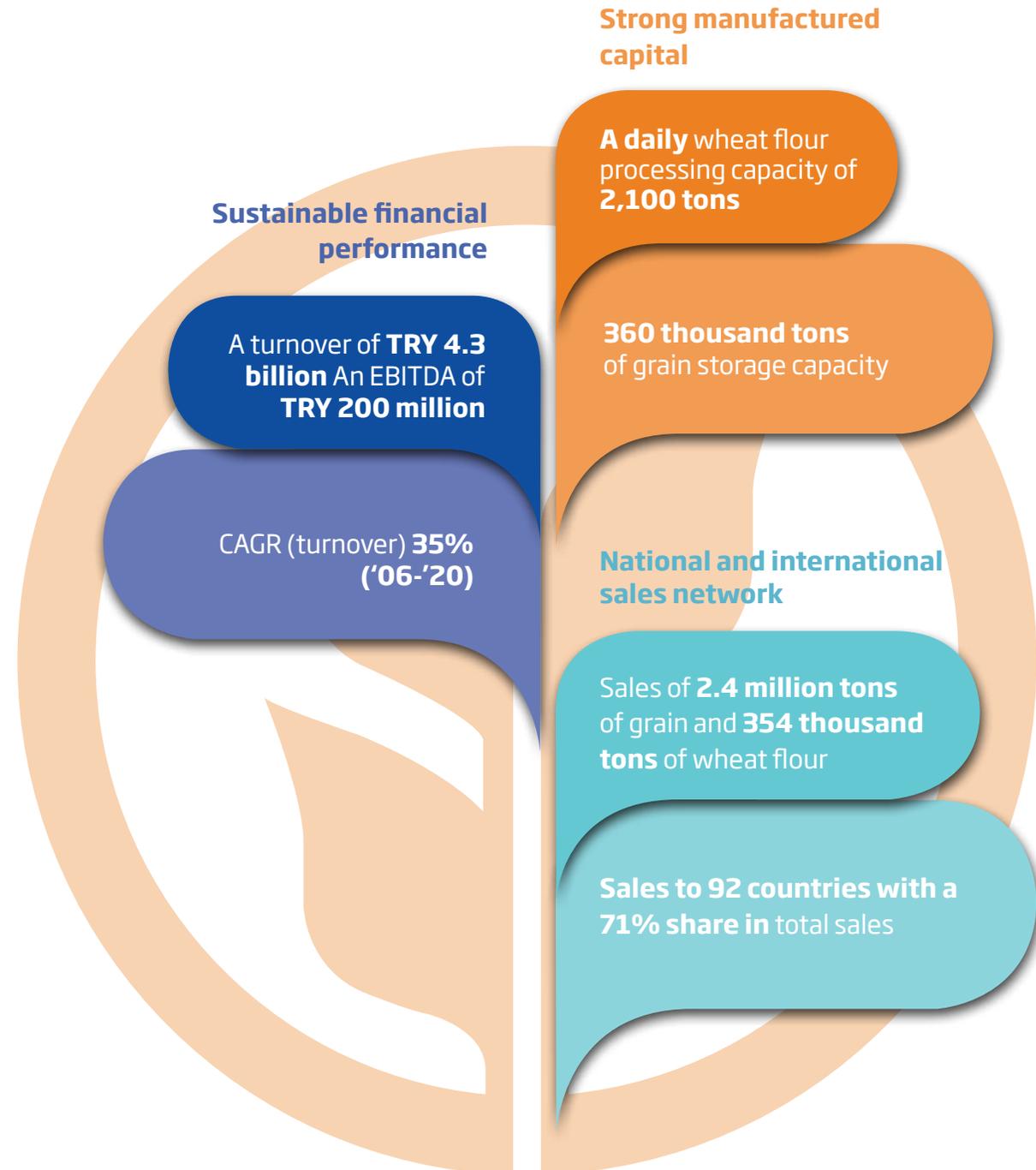
Founded in 1989, Ulusoy Flour is one of the largest and fastest-growing agriculture and food industry companies in Turkey.

Ulusoy Flour operates in the processing and trading of corn, barley and soybean in addition to wheat and aims to make its way into the global top 10 in its sector.

71% of Ulusoy Flour's sales in the following three main business lines are performed abroad, particularly in developed and developing grain and flour markets.

Wheat flour processing (55% of gross profit)
International grain trade (44% of gross profit)
Licensed warehousing (1% of gross profit)

Ulusoy Flour has 393 employees who are experts in their fields, three flour processing facilities with a daily wheat flour processing capacity of 2,100 tons and warehouses with a grain storage capacity of 360 thousand tons. The company generated sales revenues worth TRY 4.3 billion in international trade transactions in 2020. 34.02% of Ulusoy Flour's shares have been traded on Borsa Istanbul since 2014.



**Corporate
Governance and
Ethical Business-
Oriented
Management
Processes**

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Corporate Governance and Ethical Business-Oriented Management Processes

Ulusoy Flour shares have been traded on Borsa Istanbul since 2014. The company has focused on doing business transparently and ethically since its establishment.

As a management principle, Ulusoy Flour complies with and implements the Corporate Governance Principles by the Capital Markets Board. The company has adopted the concepts of 'Equality, Transparency, Accountability and Responsibility', which are the main pillars of the Corporate Governance Principles published by the CMB, and carries out all required work for their implementation.

Ulusoy Flour's Corporate Governance Principles Compliance Report, **Annual Report** and Investor Relations are available on the Corporate Governance tab of the corporate website.

Ulusoy Flour management is responsible for the accuracy of all information contained in Ulusoy Flour's 2020 Integrated Report.



Sustainability Approach

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Sustainability Approach

Sustainability Workshop

The stakeholder analysis and prioritization study for Ulusoy Flour Integrated Report was conducted to determine the priorities of the senior management and internal stakeholders in the first integrated report of Ulusoy Flour.

The starting point for the study is to examine the sustainability policies and priorities of global players in the flour sector and the leading companies in various food sectors.

A workshop was held for Ulusoy Flour management and employees to share their insights regarding the ten issues. The workshop was attended by 23 managers from all departments including but not limited to Production, Purchasing, Logistics, Human Resources and Institutional Development, Investor Relations, Senior Management, Investment and Technical, and Legal Department. The attendees were asked to put the issues in an order of priority in

consideration of the expectations of those external stakeholders they have contact with.

Furthermore, the participants were asked to share additional matters that they deemed appropriate to integrate into the issue list in addition to the previously-set issue universe.

Ulusoy Flour materiality matrix was created according to the results of the survey conducted as part of the workshop. In the biaxial matrix developed in line with the survey results, X axis represents the order of priority for Senior Management at Ulusoy Flour and Y axis represents the order of priority for all employees. While the top priorities for Ulusoy Flour's Senior Management included "Financial performance and risk management" and "Sustainability and risk management in the value creation chain", other stakeholders prioritized "conducting/maintaining studies on product quality and safety" and "Financial performance and risk management".



According to the survey results, Ulusoy Flour Senior Management and all other internal stakeholders shared a close order of priority in terms of expectations and prioritized sustainability issues.

In addition to the below issues covered by the survey, "Sustainability in agricultural products - Recording all processes from field to factory" and "Innovation and R&D studies" were two subjects recommended by internal stakeholders as a priority.

The order of priority for Ulusoy Flour Senior Management and internal stakeholders are provided in the table below:

Priority Order for the Board of Directors / Senior Management:

Financial performance and risk management

Sustainability and risk management in value creation chain

Customer satisfaction studies

Conducting/maintaining studies on product quality and safety

Occupational health and safety

Corporate governance and ethical business-oriented management processes

Employee rights and benefits and the continuous improvement of the working environment

Social responsibility projects

Food supply security, support for public access to food

Overseeing the environmental impacts (energy consumption, waste management, greenhouse gas emissions, etc.) from corporate operations

Emphasis on natural and organic products

Enrichment of communication channels with stakeholders

Organizing awareness-raising and training activities for the society and customers

Priority Order for Employees / Internal Stakeholders:

Conducting/maintaining studies on product quality and safety

Financial performance and risk management

Food supply security, support for public access to food

Occupational health and safety

Customer satisfaction studies

Sustainability and risk management in value creation chain

Employee rights and benefits and the continuous improvement of the working environment

Corporate governance and ethical business-oriented management processes

Emphasis on natural and organic products

Overseeing the environmental impacts (energy consumption, waste management, greenhouse gas emissions, etc.) from corporate operations

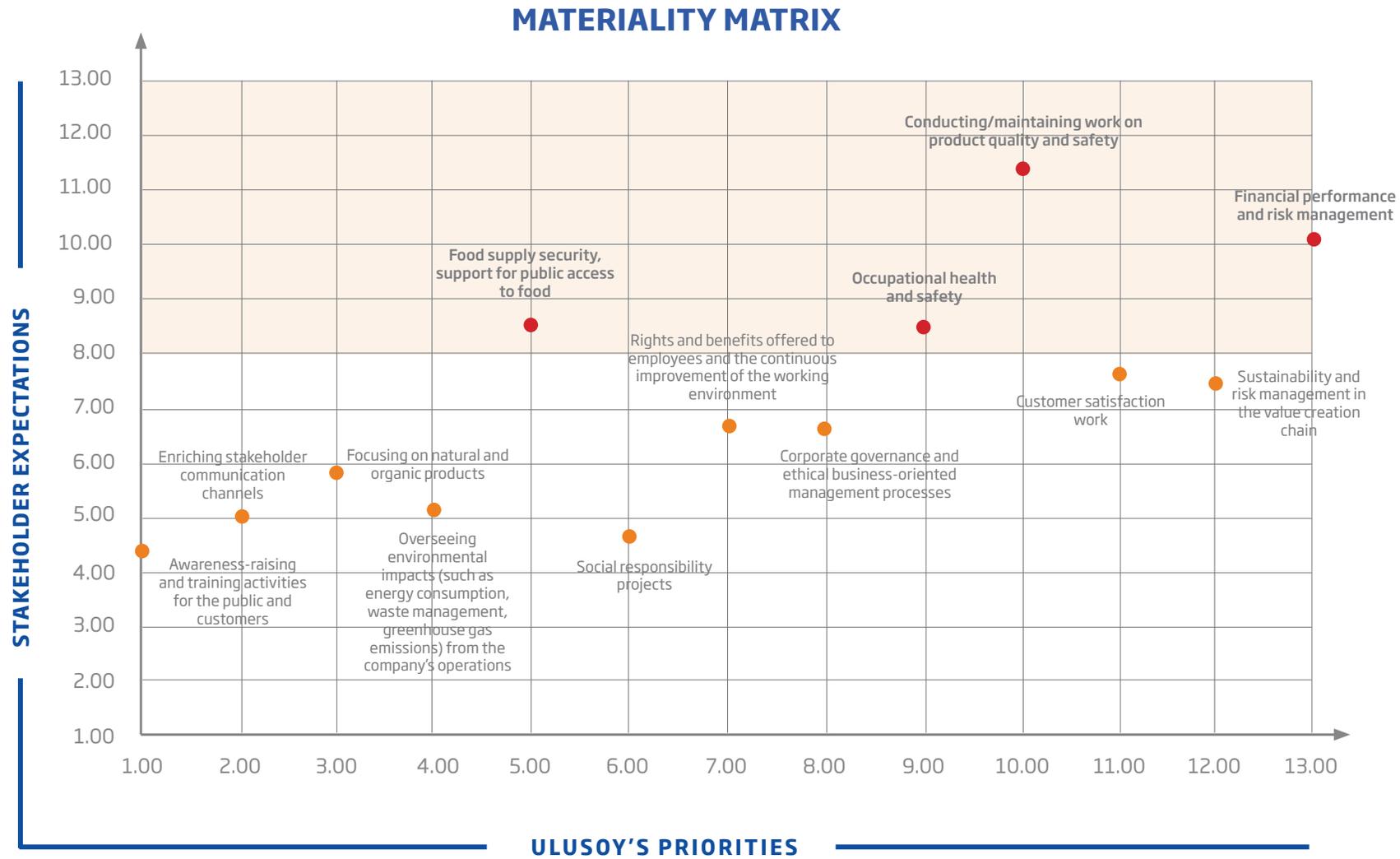
Enrichment of communication channels with stakeholders

Social responsibility projects

Organizing awareness-raising and training activities for the society and customers

Materiality Analysis

The Materiality Matrix for Ulusoy Flour is provided below. The top priority issues are indicated at the top right of the matrix while the lowest priority issues are shown at bottom left.



Ulusoy Flour Business Model

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21 Wheat Flour Processing

24 Licensed Warehousing

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27 Value Creation Model

28 Ulusoy Flour Capitals, Related
Elements and Related Material Issues



Ulusoy Flour Business Model

Ulusoy Flour provides both processed and unprocessed raw materials to sectors in need of raw materials at certain standards such as pasta, biscuits, flour and malt.

One of the key elements of obtaining a product that meets these quality requirements is the quality of the raw material. Therefore, the sustainable supply of quality wheat is one of the most important factors for Ulusoy Flour's business and value creation model. For Ulusoy Flour, supply literally starts the moment

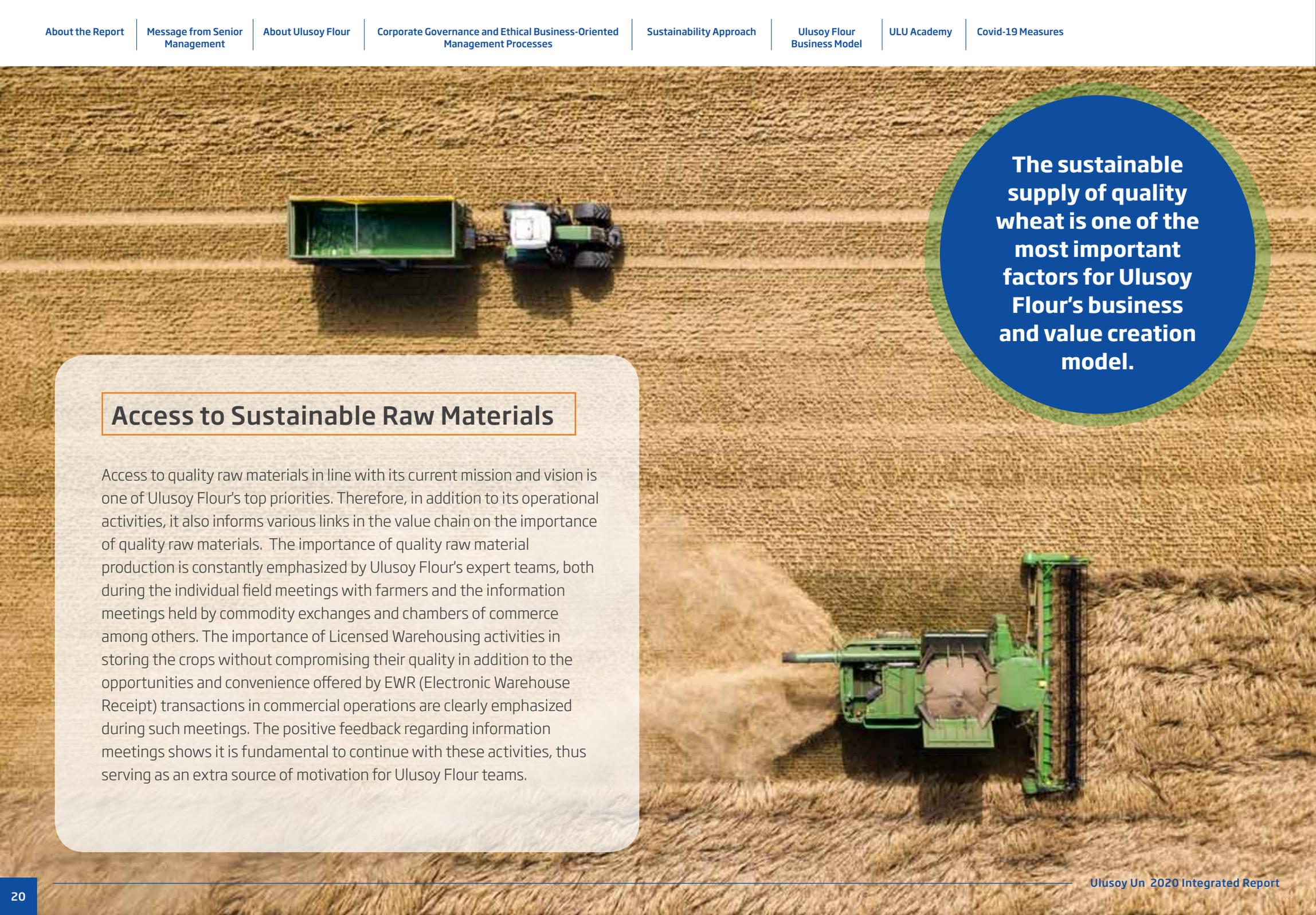
the wheat germinates in the field and continues until it is broken in rollers. The links of this chain includes farmers, logistics channels and Ulusoy Flour's Domestic and International Procurement and Operations teams as well as industrialists. Each link in this chain is critically important per se and should be regarded as an inseparable whole.

All steps of the business model are of utmost importance for a high-quality and sustainable supply. The expert teams responsible for the supply chain

perform on-site inspections and analyses in the supply countries, develop a regional quality map and create procurement strategies.

The largest exporting countries in the world, particularly for imported wheat, are located on the Black Sea coast, which also forms the basis of Ulusoy Flour's operations. Almost 50% of the total 186 million tons of wheat traded in the world is produced in and around the Black Sea coast.





The sustainable supply of quality wheat is one of the most important factors for Ulusoy Flour's business and value creation model.

Access to Sustainable Raw Materials

Access to quality raw materials in line with its current mission and vision is one of Ulusoy Flour's top priorities. Therefore, in addition to its operational activities, it also informs various links in the value chain on the importance of quality raw materials. The importance of quality raw material production is constantly emphasized by Ulusoy Flour's expert teams, both during the individual field meetings with farmers and the information meetings held by commodity exchanges and chambers of commerce among others. The importance of Licensed Warehousing activities in storing the crops without compromising their quality in addition to the opportunities and convenience offered by EWR (Electronic Warehouse Receipt) transactions in commercial operations are clearly emphasized during such meetings. The positive feedback regarding information meetings shows it is fundamental to continue with these activities, thus serving as an extra source of motivation for Ulusoy Flour teams.

Wheat Flour Processing

Wheat flour processing is one of Ulusoy Flour's three main business lines and is the starting point for the company. The journey started with a wheat processing capacity of 180 tons per day in Samsun in 1989 and continues through sustainable growth with 56 different product types (SKUs) in modern facilities having a daily processing capacity of 2,100 tons as of 2020.



53% of sales in wheat flour processing operations are from exports. The share of these operations in gross profit is around 52%. Ulusoy Flour exported 179 thousand tons of wheat flour in 2020 and is responsible for approximately 6% of Turkey's flour exports. As a primary goal, Ulusoy Flour aims to increase its export volume and share through a capacity increase.

Ulusoy Flour plays an active role in food purchases as part of the United Nations World Food Program (WFP) and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), in which Turkey is a leading player. 27% of flour exports take place through WFP and UNRWA tenders. In its growth strategy for flour exports, Ulusoy Flour targets Africa, Far East, Middle East and North Africa regions for their regular growth and high demand in flour products.

Ulusoy Flour plans to increase its presence in WFP tenders in the coming period and use that experience as a means to improve its penetration in the existing

markets. The African Continent is regarded as a priority growth market for Ulusoy Flour, as the African diet is mostly based on carbohydrates and the continent presents a significant export potential.

Turkey is a major global flour market and has a significant place in the growth strategy of Ulusoy Flour, which displays a high performance in domestic sales channels thanks to its production processes that never compromise on quality and the focus on customer satisfaction. Turkey is the leading country in consumption with 110 kilograms per person per year. The consumption of packaged products is also on the rise in connection with the increase in women's labor force participation in recent years.

47% of wheat flour is sold in the domestic market. The Group has a high market share particularly in the Marmara, Black Sea and Central Anatolia regions where population and consumption are high. The production facilities in Çorlu and Samsun offer a logistics advantage in these regions.

Turkey's leading bakery producers are among the customers of the Group, which has sales operations in all 81 provinces of Turkey. A team of 42 sales experts operates in bakeries, industrial flour, consumer/retail and by-product sales channels.



Licensed Warehousing

Licensed warehousing operations in Turkey have been carried out under the supervision of the Ministry of Agriculture and Forestry since 2005 to store commercial grains under good health and safety conditions, ensure price stability, prevent informal trade, increase grain quality, support and finance stakeholders. 99% of the total licensed warehouse capacity of 7 million tons in Turkey is used for grain storage. Licensed warehouse operations are subject to government subsidies and incentives.

Ulusoy Flour has three licensed warehouses operating in Yozgat, Çorum and Kırıkkale. As of the end of 2020, the licensed warehouse capacity stands at 169 thousand tons. Ulusoy Flour's strategically-located licensed warehouse operations cover the major grain production areas in Turkey.

Ulusoy Flour has a special position as a production company that conducts licensed warehousing operations.

60% of the company's sales revenues from licensed warehousing operations comes from third parties while 40% comes from internal operations of Ulusoy Flour. This allows Ulusoy Flour to create highly-efficient storage services for its own operations.

Ulusoy Flour has a special position as a production company that conducts licensed warehousing operations.



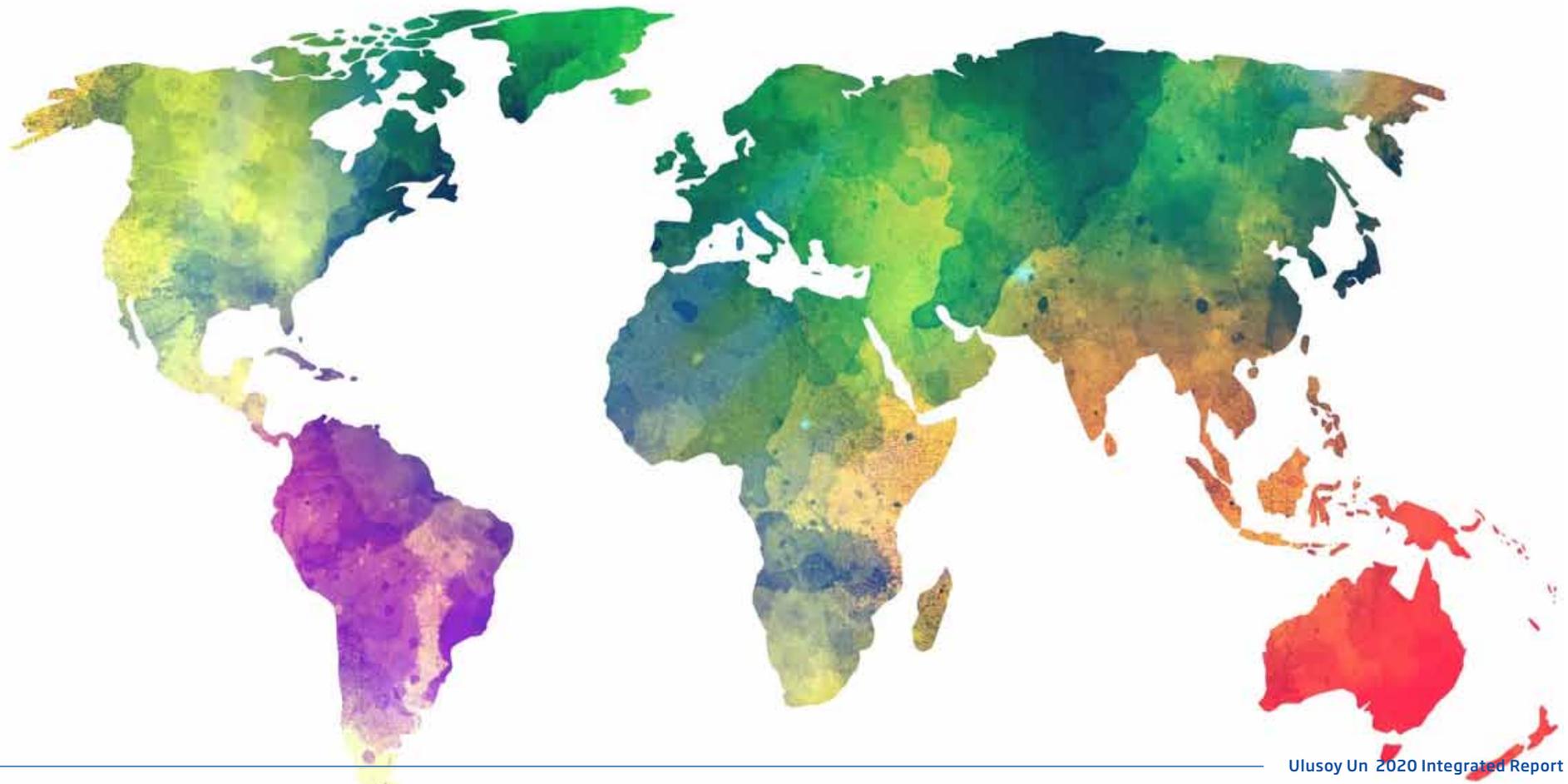
International Grain Trade

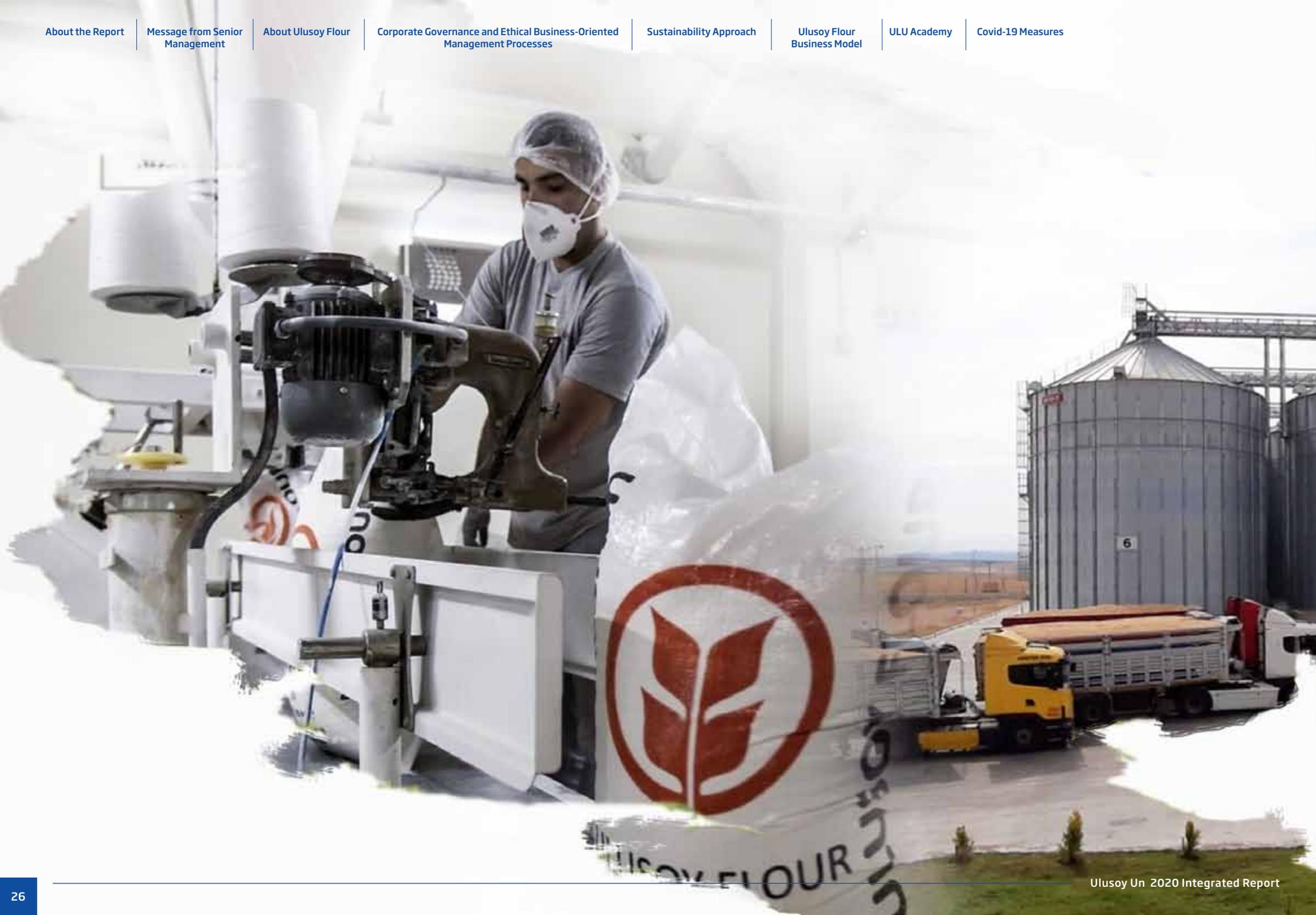
Ulusoy Flour has access to a diverse set of markets and customers as well as strong relations and uses them as an opportunity to get ahead of its rivals, the multinational grain traders. The share of revenues from international and national grain trade in the gross profit of the company is around 44%. Among these

transactions, international trade transactions have a share of 81%.

Trading various grains, particularly wheat, corn and soybean, Ulusoy Flour established Rolweg SA, an affiliate based in Switzerland, the center of international commodity trade, in 2018. Rolweg

SA enjoys advantages such as access to financial institutions, experience in commodity trade finance, and close relations with multinational grain traders. The affiliate delivered over 1.1 million tons of grain directly to customers, generating sales revenues over TRY 2 billion in 2020.





ULUSOY FLOUR

Value Creation Model



a mission to offer healthy, premium quality and popular products



CAPITALS



EXTERNAL FACTORS

- Economic conditions
- Volatile market conditions
- Environmental issues (climate change)
- Social issues (demand for healthy products, epidemics, war, hunger crises, etc.)

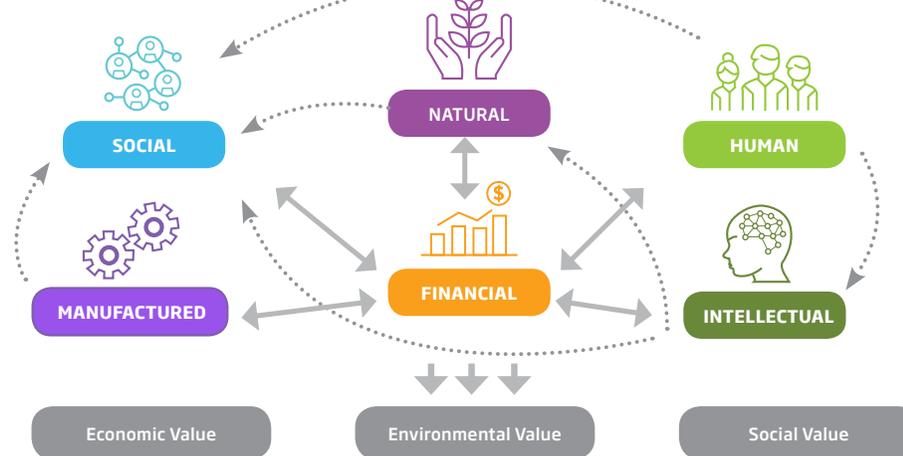
STAKEHOLDER PRIORITIES AND EXPECTATIONS



ULUSOY FLOUR BUSINESS STRATEGY

PRODUCTS AND SERVICES

OUTPUTS



Ulusoy Flour Capitals, Related Elements and Related Materiality Issues

All company elements related to Ulusoy Flour's capitals and the relations of materiality issues with these capitals are summarized in the table below.

Each capital, its related element, and the value and outputs created as part of that capital indeed serve multiple capitals.

These relations are available for review in the table on relations between the capitals as provided in the following sections of the report, where the activities under each capital are explained.



Capital	Description	Related Capital Elements for Ulusoy Flour	Material Issues Related to the Capital
Financial Capital	The sum of financial resources provided by shareholders and financial institutions or resulting from operations and investments	<ul style="list-style-type: none"> • Effective and active financial risk management • Becoming a preferred institution for international financial institutions • Access to various sources of finance 	<ul style="list-style-type: none"> • Financial performance and risk management • Sustainability and risk management in value creation chain
Human Capital	Competence, experience and abilities of employees and the human resources development processes	<ul style="list-style-type: none"> • A competent, flexible and young employee profile having sectoral expertise • Team spirit and advanced communication among employees (a corporate profile with an amateur spirit) • Employee rights and benefits and a safe working environment • An HR policy of honesty, integrity, equality and fairness 	<ul style="list-style-type: none"> • Employee rights and benefits and the continuous improvement of the working environment • Occupational health and safety • Corporate governance and ethical business-oriented management processes
Natural Capital	Natural resources at the heart of operations	<ul style="list-style-type: none"> • Raw materials used in production (wheat, corn) • Traded products/raw materials (wheat, corn) • Energy sources (natural gas, diesel, gasoline and others) • Water 	<ul style="list-style-type: none"> • Şirket faaliyetlerinden kaynaklanan çevresel gözetilmesi • Doğal, organik ürünlere ağırlık verilmesi
Intellectual Capital	Intellectual property and corporate reputation, which are the most important elements of competitive advantage	<ul style="list-style-type: none"> • Technology and R&D investments • The power to improve processes and products through an intellectual background that exceeds the sectoral average 	<ul style="list-style-type: none"> • Sustainability and risk management in value creation chain • Conducting/maintaining studies on product quality and safety
Social Capital	Ulusoy Flour's relations with internal and external stakeholders, which are the source of licenses and permits (including social licenses) for its operations	<ul style="list-style-type: none"> • Customer reputation, customer trust and long-term relations • Close relations with trade unions, chambers and NGOs • Strong public communication, accessibility by the society 	<ul style="list-style-type: none"> • Food supply security, support for public access to food • Studies on product quality and safety • Executing/maintaining corporate governance and ethical business-oriented management processes • Organizing awareness-raising and training activities for the society and customers • Enrichment of communication channels with stakeholders • Customer satisfaction studies
Manufactured Capital	Production plants and infrastructure facilities owned or controlled by Ulusoy Flour, where products and services are formed	<ul style="list-style-type: none"> • A production plant location offering an advantage in terms of access to raw materials (infrastructure and production plants) • Efficient facilities with a high production capacity • Licensed warehouses 	<ul style="list-style-type: none"> • Sustainability and risk management in value creation chain • Conducting/maintaining studies on product quality and safety

Financial Capital

- 32 Financial Risk Management
- 33 Value Created Through Financial Capital
- 34 Financial Capital Relation Chart



CTMX	▲	+1.00	▲
CSTO	▲	+1.00	▲
FTR	▲	+1.00	▲
CHK	▲	+1.00	▲
AVIO	▲	+1.00	▲
DEX	▲	+1.00	▲
NKY	▲	+1.00	▲
THLD	▲	+1.00	▲
OLP	▲	+1.00	▲
JIB	▲	+1.00	▲

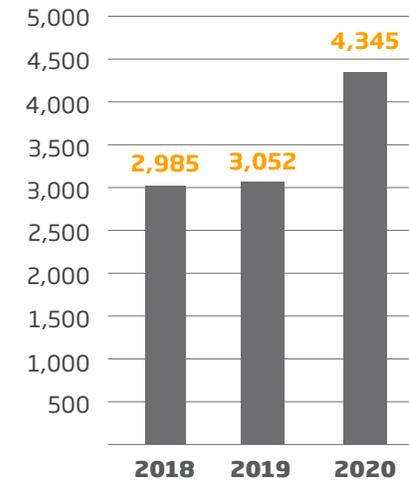
Financial Capital

Ulusoy Flour's strong financial capital which makes a direct impact on all capitals of the company, coupled with its industry leadership, high corporate reputation and competitiveness, creates sustainable value for Ulusoy Flour and all its stakeholders through an effective and active financial risk management, the company's status as a preferred customer for leading financial institutions and its access to a wide range of financial resources.

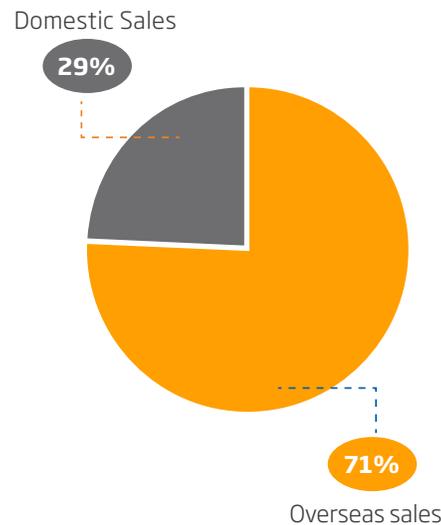
The Company cares to make transparent disclosures regarding financial resources and adopts corporate governance principles. The shares of the company have been traded on Borsa Istanbul since 2014. The summary tables reflecting the high performance Ulusoy Flour has achieved as a result of its operations are provided below.

	2018	2019	2020
Net sales (TRY million)	2,985	3,052	4,345
Gross profit (TRY million)	111	165	203
Gross profit margin (%)	3.7	5.4	4.67
EBITDA (TRY million)	212.4	160.0	199.8
EBITDA margin (%)	7.1	5.2	4.6

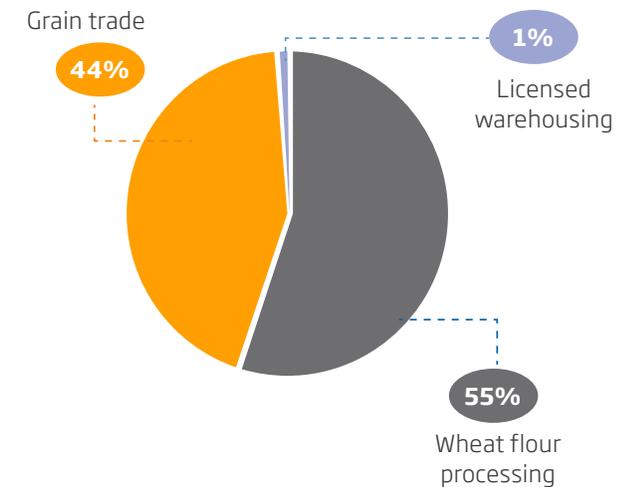
Net Sales
(TRY million)



Sales Breakdown



Contribution of Business Lines to Gross Profit



Financial Risk Management

Particularly after the 2008 crisis, volatility has increased both in Turkey and in the world. Effective risk management has become the most vital element of financial sustainability for companies to survive. The facts that companies manage risks effectively in order to survive, overcome possible financial crises with the least damage and make this management style a company policy also positively affect the perspective of lenders towards these companies. The one indicator that is critically important for lenders is the smooth return of the funds they extend and the best management of the risks in this process.

To that end, what lenders want to see in companies is that effective risk management processes have become an integral part of the organizational approach in companies. Ulusoy Flour ensures that these risks are managed most effectively through the policies and committees it has formed to identify and prevent the risks that it is exposed to.

In its annual report and other reports, the company shares its related processes with the relevant institutions, thus communicating the process in a transparent and powerful manner. All work to that end not only secures financial sustainability for Ulusoy Flour but also increases its credibility in the eyes of lenders.

Ulusoy Flour manages its financial risks effectively via its highly-experienced management team. The main financial risks that the company is exposed to include currency and interest risks as well as commodity risks. Ulusoy Flour realizes 71% of its sales in international markets and runs a natural hedging mechanism against fluctuations in TL exchange rates.

In the financial derivatives markets, Ulusoy Flour performs forward, future and option transactions with a maturity of up to one year in order to hedge its open foreign exchange positions. The Finance Department closely monitors the market and

considers alternative methods against the risk of an increase in the variable interest rate in using short and long-term foreign funds.

Ulusoy Flour's hedging strategy from financial risks is to protect all open positions. In commodity markets, futures contracts are concluded with customers through the support of intermediary institutions. In addition, partial hedging transactions are carried out on CBoT (Chicago Board of Trade) and Matif exchanges when necessary.

Value Created Through Financial Capital

Ulusoy Flour secures sustainable financial performance through its strong financial capital and effective financial risk management. The company creates long-term sustainable financial value for its shareholders and investors, while being a safe customer for its lenders.

Ulusoy Flour has produced a high growth performance for over ten years and has achieved an annual average turnover growth of 35% in TL terms since 2006. Ulusoy Flour increased its consolidated sales revenue by 42% in 2020 year on year. The company's net income rose by 60% to reach TRY 43 million.

Ulusoy Flour not only creates value for sustainable agriculture and farmers in its procurement transactions but also extends direct support to increase local employment and economic development.

Financial Capital Relationship Chart

<p>Related Capital Elements</p>	<ul style="list-style-type: none"> • Effective and active financial risk management • Becoming a preferred institution for international financial institutions • Access to various sources of finance 	
<p>Value Created (Ulusoy Flour)</p>	<ul style="list-style-type: none"> • Industry leadership • Lender confidence • Corporate reputation • Competitiveness 	
<p>Value Created for the External Environment and All Stakeholders</p>	<ul style="list-style-type: none"> • Long-term financial value for shareholders and investors / lenders • Sustainable agriculture and the value created for farmers • Increasing local employment and supporting economic development 	
<p>Risks / Opportunities</p>	<p>Risks</p> <ul style="list-style-type: none"> • Exchange rate and interest risks • Risks related to commodity prices 	<p>Opportunities</p> <ul style="list-style-type: none"> • High export share in sales • Access to international funds
<p>Performance Indicators and Targets</p>	<ul style="list-style-type: none"> • Net sales • Gross profit • Gross profit margin (%) 	<ul style="list-style-type: none"> • EBITDA • EBITDA margin
<p>Which capitals do the outputs of this capital serve?</p>	<p>Social Capital</p> <ul style="list-style-type: none"> • Brand image and reputation • The benefit created for the external environment and all stakeholders (farmers, suppliers, local community) <p>Financial Capital</p> <ul style="list-style-type: none"> • Increase in equity and assets <p>Intellectual Capital</p> <ul style="list-style-type: none"> • Creating and maintaining new, innovative and quality products and services 	<p>Human Capital</p> <ul style="list-style-type: none"> • Remuneration and fringe benefits for employees <p>Manufactured Capital</p> <ul style="list-style-type: none"> • Infrastructure investments and efficiency investments <p>Natural Capital</p> <ul style="list-style-type: none"> • Supporting sustainable agricultural practices through actual investments

Human Capital

- 38** Equal Opportunities Manifesto
- 39** Senior Management Commitment on Equal Opportunities
- 40** Ulu Academy
- 41** Covid-19 Measures
- 43** Human Capital Relation Chart



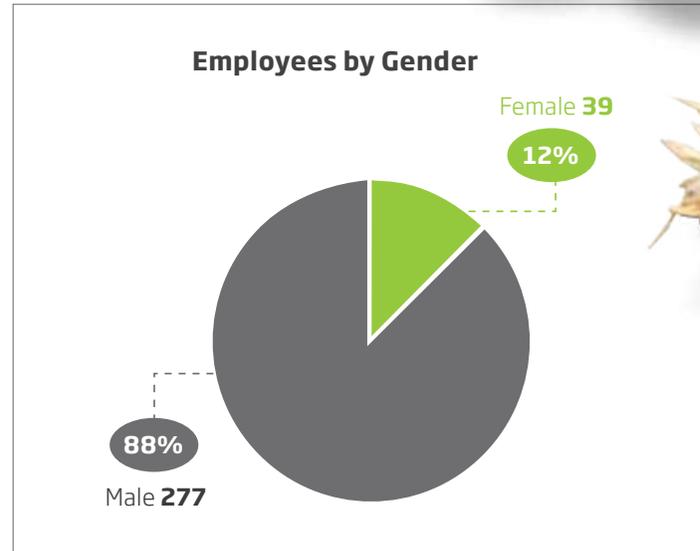
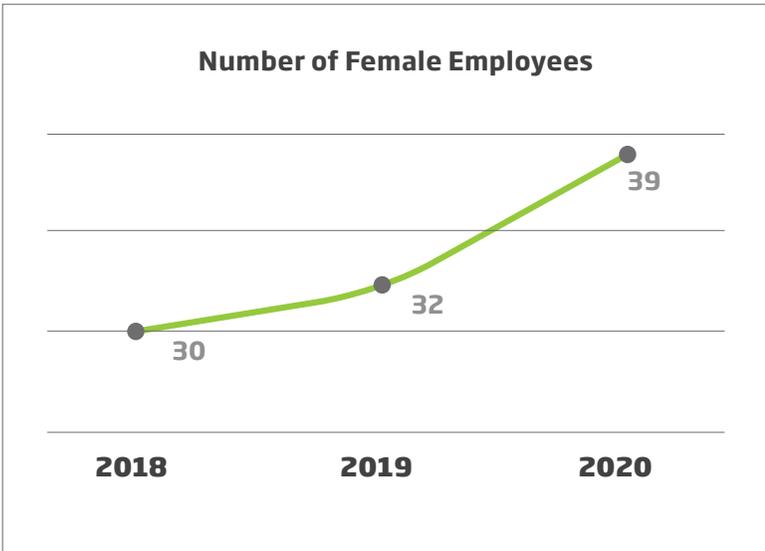
Human Capital

The Basic Human Resources Policy at Ulusoy Flour is based on selecting and recruiting - in line with the principle of equal opportunities - an employee profile that will contribute to a sustainable improvement in intellectual capital in order to maintain competitiveness under developing and constantly-changing market conditions, has sectoral expertise, is highly motivated in terms of teamwork and creates added value, and on being the preferred employer for such an employee profile. The performance of Ulusoy Flour employees is regularly evaluated through an effective performance measurement system. Additional training and career planning activities aim to retain and further develop human capital in the long run.

Ulusoy Flour attaches vital importance to the principle of equal opportunities and acts to constantly develop projects supporting women's employment. To cite an example, steps have been taken to support women's employment such as a lactation room and separate dressing rooms at the new Head Office in Samsun as well as the 50th Year Facility.

Ulusoy Flour is aware of the key contribution of diversity in terms of an exchange of ideas, decision-making abilities and an innovative approach and has thus increased the number of female employees by 30% in the last 3 years.





Ulusoy Flour aims to increase the number and rate of female employees in present and future efforts to that end. The company also signed a loan agreement worth EUR 6 million by international financial institutions under the theme of Women's Employment as a result of its actual and planned equal opportunities work and practices.

Ulusoy Flour considers human resources as its most important and largest capital and extensively cares for employees to fulfill their personal motivations and goals.

Various events and activities are held to ensure continued work motivation and develop the corporate

culture and a sense of belonging as well as social and sports events for personal motivation and work-life balance.

Equal Opportunities Manifesto

In our age, the world continues to transform rapidly and we are aware that science and technology contribute to reducing gender inequality. However, we are also aware that there are further steps to take.

We believe equal opportunities is a fundamental element for social and individual happiness, and we are resolved to reflect our determination even more effectively in every step we take into the future.

We fully believe in the need to work hard together for a happier future. We have laid the foundations of our "gender equality" vision in our social responsibility efforts to empower women in social life and now take this vision to the next level and embark on a new journey through the internal steps we will take at Ulusoy Flour.

We will work to implement the same decisions in all processes from communication to human resources and from promotions to employment.

We are readier than ever to 'say and do new things', not only in terms of our ways of doing business but also in our spoken language, our social media accounts and the visuals we will use on our digital channels.

We have declared the year 2021 as the "Year of Awareness for Equal Opportunities". In addition, increasing women's employment is now the priority policy for us. We will continue to work ceaselessly on the matter.

We know that eliminating all restrictive gender roles and being equal in the real sense are priority steps for a happier future.

On this journey, we issue the same call to not only the Ulusoy Flour family but also all our stakeholders:

#WeAreBeautifulTogether

Senior Management Commitment on Equal Opportunities

We are aware that equal opportunities from a social standpoint are a sine qua non for a fairer world, and we are happy to sensitively continue with our efforts to that end.

At our centenary, we take firm steps to secure a place among the major food players in the world, and we also bring in an added value to the country's economy through the social responsibility projects we implement. We adopt the same perspective in these projects, and we act with the same diligence in terms of the educational support we provide to students.

We know and believe that we can fully attain the development we desire only if the right to lead equal lives, one of the fundamental human rights, is exercised by all members of the society.

In our industry, we have seen the best examples of labor and hard work for hundreds of years, and we will continue on our way with the same determination in every step we take into the future.

Wheat grow shoulder to shoulder to offer mankind its essential food, and the teaching it has to offer sets an example for us to keep our hopes alive at all times. On that note, our aim is to make sure no social roles or perceptions set an obstacle to equality.

We are delighted to be among the companies with the highest female employment rate in our sector. Thus, we hereby declare the year 2021 as the 'Year of Awareness for Equal Opportunities'. We respectfully announce this to all our stakeholders and the public.



ULU AKADEMI

Ulusoy Flour considers it critical to improve the knowledge and skill levels of both its internal and external stakeholders to achieve joint success. The training and education unit called ULU Academy offers trainings under three main categories: Core Competencies, Technical Competencies and Leadership Competencies. The competencies of all employees are evaluated in line with the training and development calendar developed annually, and their development is supported with internal and external trainings. A diverse set of training tools including but not limited to physical in-class and out-of-class trainings, on-the-job and orientation trainings, e-learning

platforms and mobile applications are employed regularly.

As part of the training program, 18 internal trainers equipped to provide active training at all facilities were trained in 2020. A total of 316 employees working at Ulusoy Flour and its subsidiaries were provided with 1,615 hours of Occupational Health and Safety training and 257 hours of Occupational, Technical, Personal Development and Management training in 2020.

During the pandemic, our trainings have been supported by the LMS system, and most of our training events has been delivered online.

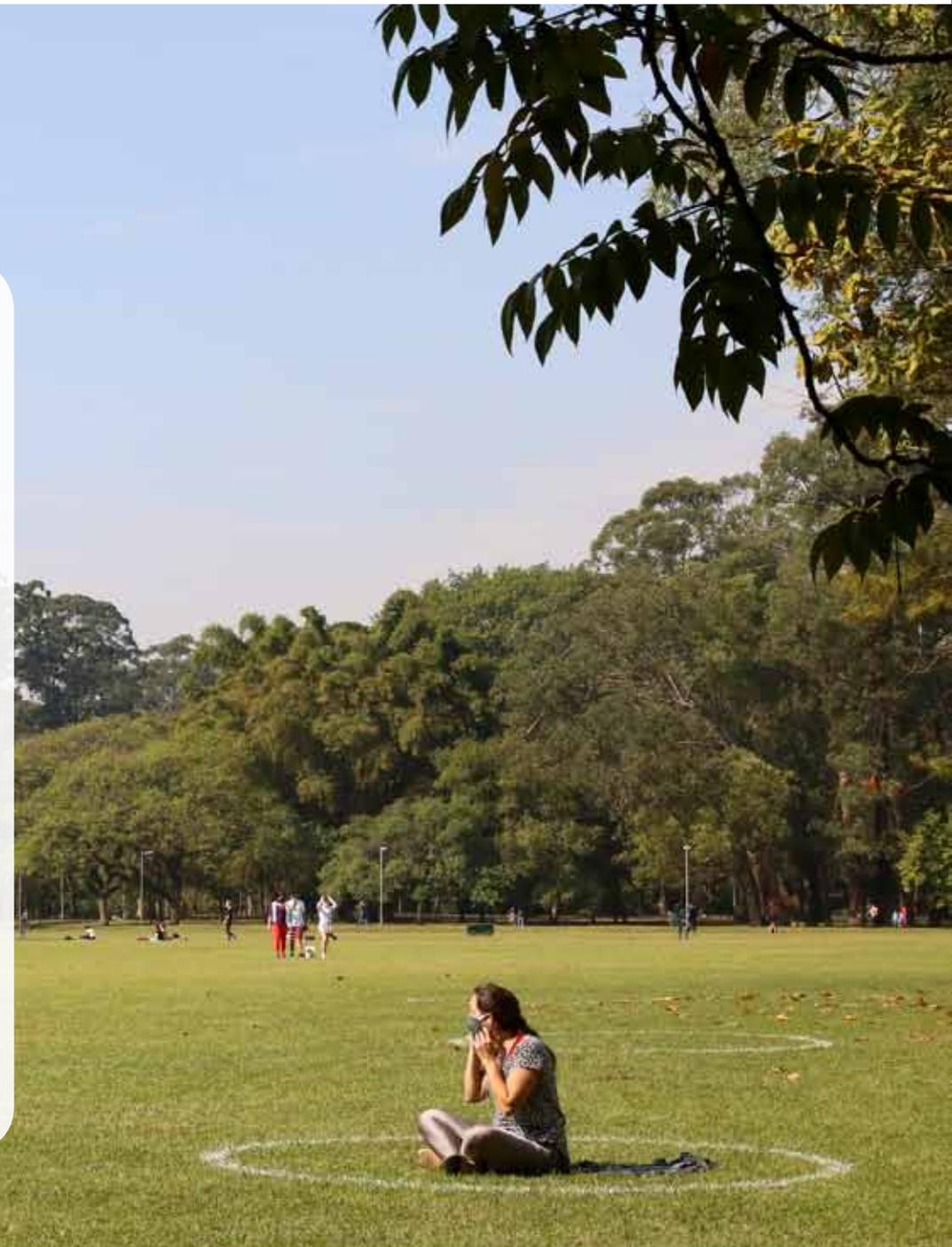


Covid-19 Measures

Ulusoy Flour has always prioritized product safety and equally cares about the health and safety of all its stakeholders. The Covid-19 pandemic has broken out in 2020 and continues to make an impact. Since the start of the pandemic, Ulusoy Flour has managed the process efficiently and diligently to make sure that all its stakeholders are as healthy and safe as possible.

Since March 2020, when the first Covid-19 case was reported in our country, the Covid-19 Preventive Action Plan has been in force, and all employees and their families have been informed. The reports from the Ministry of Health are always shared with the Covid-19 team comprising OHS consultants and doctors during instant and weekly evaluation meetings with the team. To that end, for the safety of all employees and their families,;

- Employees are regularly informed in writing and verbally about personal protective measures. Use of masks is mandatory for all employees and stakeholders throughout the facility. A sufficient number of masks for everyone is kept in stock regularly and delivered when needed.
- Domestic business trips are reviewed and non-essential trips are postponed. Business meetings are held through phone calls or teleconferencing systems.
- Apart from distance learning, mass training events are reviewed, and non-essential training events are postponed.



- The use of public transport for indispensable domestic trips is restricted, and it is not used at all when possible.
- All international trips for business, education and vacation are postponed.
- All facilities are disinfected with a product called Antimic, which was developed by

- Sabancı University and offers hygienic security against ambient bacteria and viruses for up to 3 months. Bacterial measurements are performed regularly, and disinfection processes are repeated where required.
- The number of personnel shuttles has been increased to maintain a social distance between employees. In areas such as cafeterias where employees gather, the number of employees present at any given moment has been restricted, and cross seating arrangements have been introduced.

In addition to all the information given to employees and the human resources practices in place, business processes are reviewed at all facilities, and all necessary protective measures are taken.

Reflecting the sensitivity of a food business, the required measures are taken at a maximum level in all our facilities.

In addition to these measures,

- Hygiene plans have been established in all work areas and in offices and production facilities. Accordingly, cleaning with disinfectants is improved, and ventilation filters are cleaned using special chemicals.

- The required personal protective materials such as masks, disinfectants and gloves are regularly supplied. These are available at all locations and work areas.
- At the entrance of facilities, all visitors, employees and drivers are issued with hygiene warnings by the security staff.
- Anyone entering the facility is subject to body temperature measurements. In case of a high body temperature, the relevant person is not admitted into the factory and is advised and referred to go to a hospital directly.
- All meetings with suppliers and guests are held online and via teleconferencing to the extent possible. Visitors are invited to the company in a controlled manner.
- In all cases that require domestic and international travels, the Personnel and Administrative Affairs unit and the Human Resources and Institutional Development unit are informed. These units have constant access to updated information from sources such as CDC (Centers for Disease Control and Prevention) or WHO (World Health Organization) regarding the status of the pandemic in the destination country.



Human Capital Relationship Chart

<p>Related Capital Elements</p>	<ul style="list-style-type: none"> • A competent employee profile with sectoral expertise • Team spirit and advanced communication among employees (a corporate profile with an amateur spirit) • Employee rights and benefits and a safe working environment • An HR policy of honesty, integrity, equality and fairness • A flexible and young employee profile 	
<p>Value Created (Ulusoy Flour)</p>	<ul style="list-style-type: none"> • Preserving the corporate culture and being the preferred employer in the sector • Effective identification of risks and evaluation of opportunities through the qualified human resources capacity • Production efficiency and high profitability • Maintaining sectoral leadership and market presence • Workforce diversity 	
<p>Value Created for the External Environment and All Stakeholders</p>	<ul style="list-style-type: none"> • Increasing local employment opportunities and supporting economic development • Raising awareness on gender equality in the society through internal practices 	
<p>Risks / Opportunities</p>	<p>Risks</p> <ul style="list-style-type: none"> • OHS risks • The risk of failure to secure a competent employee profile 	<p>Opportunities</p> <ul style="list-style-type: none"> • Know-how from the expert, competent and experienced human resources, an organizational memory
<p>Performance Indicators and Targets</p>	<ul style="list-style-type: none"> • "0" occupational accident • Increasing the rate of female employees 	
<p>Which capitals do the outputs of this capital serve?</p>	<p>Human Capital</p> <ul style="list-style-type: none"> • Maintaining an expert, effective and competent employee profile and sustaining the team spirit <p>Intellectual Capital</p> <ul style="list-style-type: none"> • Creating and maintaining new, innovative and quality products and services 	<p>Social Capital</p> <ul style="list-style-type: none"> • Brand image and reputation <p>Financial Capital</p> <ul style="list-style-type: none"> • High efficiency in production and processes • Maintaining sectoral leadership and market presence

Natural Capital

- 46 Energy Efficiency at Ulusoy Flour
- 46 Mobile Application for Operations
- 47 Climate Change and Its Effects on Agricultural Activities
- 49 Natural Capital Relation Chart



Natural Capital

Ulusoy Flour directly processes and trades wheat and also trades and stores other grains. Therefore, wheat and all grains are undoubtedly the key natural capital for Ulusoy Flour. In particular, wheat has an important place for the nutrition of the Turkish society for centuries in terms of both nourishment and product diversity. The most striking example is bread, which meets approximately 26% of the daily energy need in the Turkish diet. In addition to its importance in Turkish public health and nutrition culture, bread also represents economic, social, cultural, historical and archaeological values. These values prove their importance and worth in consideration of the value attached to bread as observed in traditional discourses from the first agricultural civilizations to the present generations as well as its place in Turkish motifs. At all its units, Ulusoy Flour assumes a major role in

the creation of this value as it uses wheat as the raw material to produce various products to meet the need and operates in almost all regions of Turkey with wheat emerging as the key commercial asset.

Ulusoy Flour is aware of the need to protect the environment and biodiversity regarding the raw materials and products, which are its most important natural capitals, in line with its approach that never compromises on quality. The main environmental impacts from the company's production processes include energy consumption for production and administrative processes, water consumption by employees for humanly needs, and fuel consumption in logistics operations. Ulusoy Flour is an organization with a high level of environmental awareness due to the effects of its own operations and indirect effects on natural

capital. In all operations, Ulusoy Flour attaches great importance to minimizing environmental impacts and ensuring energy efficiency. The company takes care to reduce impacts both in its own operations and throughout the value chain.



Ulusoy Flour has been managing its environmental risks and all its environmental processes through the ISO 14001:2005-certified Environmental Management System since 2010.

Energy Efficiency at Ulusoy Flour

Ulusoy Flour cares to select equipment with a high energy efficiency in its modern production facilities, thus reducing its direct and indirect impacts on the external environment and climate change as well as the potential risks due to the dependency on energy imports. The company has made state-of-the-art investments particularly for the new 50th Year Production Facility in Samsun and aims to maximize energy

efficiency in production processes. Energy consumption within the facility is monitored in real time via energy analyzers.

The targeted 2% increase in production efficiency thanks to the new plant investment will have a positive impact on both environmental impacts and energy consumption. In addition to flour production operations,

logistics operations make particular environmental impacts.

One of the biggest advantages of the 50th Year Production Facility in Samsun is its proximity to Samsunport and Yeşilyurt Port. This presents a significant advantage in terms of reducing both logistics costs and environmental impacts.

Mobile Application for Operations

The company has real time access to any data (such as production and efficiency data) and reports regarding the production processes thanks to the mobile application developed to monitor operational activities. The application makes it possible to track the following easily on a real time basis:

- Production quantity
- Quantity of raw materials consumed

- Semi-finished products produced
- Losses

It is also possible to generate and share reports easily for the parameters set and for the selected time and date ranges. It is also possible to track silo occupancy rates on a product basis as well as instant filling and emptying, amount of raw materials going through the washing and transfer processes and their humidity, operating

information of the fans connected to the units, and instant energy consumption.

Thanks to the close monitoring processes that will be enabled by this new application, it is planned to significantly improve the production efficiency and energy management throughout the Group.

Climate Change and Its Effects on Agricultural Activities

Triggered by greenhouse gas emissions from fossil fuel consumption and various industrial and agricultural processes, global climate change is one of the major problems that humanity must solve in the coming period. Climate change causes negative impacts such as changes in precipitation regimes, excessive precipitation and floods, extreme temperatures and general temperature increase, drought and various natural disasters. Today, particularly in our country, the frequency of these extraordinary weather events has started to increase considerably.

Turkey has limited resources particularly in terms of fresh water. 70% of fresh water in Turkey is consumed in agricultural activities. In addition, agricultural activities and crop yields are highly dependent on climatic conditions. Therefore, all such negative effects pose a significant threat to agricultural productivity and growth rates. Conditions such as nutrient levels in soil, amount of water and temperature must be met as required in order to increase productivity. However, it is getting increasingly more difficult for farmers to meet these requirements due to extreme climate events such as drought and flood. These challenges also pose a risk in terms of food safety.



Main measures to take against the effects of climate change can be listed as follows:

- Developing climate adaptation practices against the effects of climate change,
- Adopting new and efficient technologies and developing new product types,
- Providing better storage conditions through integrated applications,
- Delivering improvement work to increase crop yield,
- Having risk management structures in place including marketing mechanisms and financial insurance services.

Ulusoy Flour offers Licensed Warehousing services to protect against climate risks, ensures that crops are protected from adverse climatic conditions, and holds on-site trainings for farmers to support to reach optimum yield.



Natural Capital Relationship Chart

<p>Related Capital Elements</p>	<ul style="list-style-type: none"> • Raw materials used in production (wheat, corn) • Traded products/raw materials (wheat, corn, soybean) • Energy resources (natural gas, diesel, gasoline and others) Water 	
<p>Value Created (Ulusoy Flour)</p>	<ul style="list-style-type: none"> • Ensuring the supply and sustainability of high-quality raw materials and products • Efficient consumption of natural resources and energy 	
<p>Value Created for the External Environment and All Stakeholders</p>	<ul style="list-style-type: none"> • Ensuring food quality and safety (supporting the supply of quality, safe food) • Supporting the prevention of hunger in places suffering from hunger and malnutrition • Supporting sustainable agriculture • Supporting energy and resource efficiency and reducing dependency on energy imports 	
<p>Risks / Opportunities</p>	<p>Risks</p> <ul style="list-style-type: none"> • Risks caused by climate change on agricultural production / decrease in yield • Effects of climate change on warehousing operations (increase in warehouse conditioning costs) • Foreign dependency in energy resources • Water scarcity 	<p>Opportunities</p> <ul style="list-style-type: none"> • Ensuring and increasing product traceability and reaching new markets and customers sensitive in this regard
<p>Performance Indicators and Targets</p>	<ul style="list-style-type: none"> • GHG emissions / intensity • Energy consumption / intensity • Water consumption / intensity 	<ul style="list-style-type: none"> • Raw material consumption • KPIs for product traceability
<p>Which capitals do the outputs of this capital serve?</p>	<p>Natural Capital</p> <ul style="list-style-type: none"> • Contribution to the protection of the ecosystem through sustainable agriculture, raw materials, energy and resource efficiency <p>Social Capital</p> <ul style="list-style-type: none"> • Ensuring customer satisfaction and strengthening the brand image through sustainable agriculture and the use of quality raw materials 	<p>Financial Capital</p> <ul style="list-style-type: none"> • Economic benefits from reducing resource consumption



Intellectual Capital

52 Intellectual Capital Relation Chart

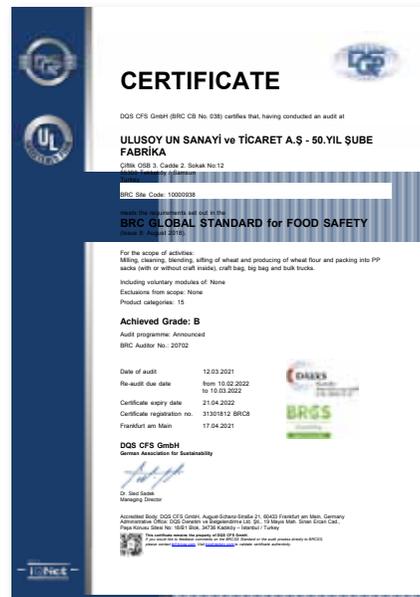
Intellectual Capital

Aiming to be the largest agricultural industry company in Turkey by 2029, Ulusoy Flour's intellectual know-how and the continuity of technology and R&D processes are critically important. Ulusoy Flour relies on its intellectual know-how, which is above the sector average, to manage all processes and products in line with the principle of continuous improvement.

The company is also aware of how important its intellectual capital is for its ability to lead the industry and maintain its leadership.

Ulusoy Flour's intellectual capital activities are mostly comprised of the strategy to create new products and brand them while ensuring the continuity of work on product quality and safety. Ulusoy Flour has an R&D furnace to develop new products within an R&D and innovation perspective and spends approximately TRY 100,000 on R&D annually.

At Ulusoy Flour, product development activities are also highly advanced and superior to the sectoral average. All operations at Ulusoy Flour are performed in line with management systems certified according to international standards.



The company has the following certificates:

- ✓ TSE 4500 Wheat Flour Standard,
- ✓ ISO 9001 Quality Management System,
- ✓ ISO 14001 Environmental Management System,
- ✓ ISO 22000 Food Safety Management System,
- ✓ ISO 27001 Information Security Management System,
- ✓ BRC Global Food Safety Standard,
- ✓ GSO 2055, HAS 23000 & 23021,
- ✓ MS 1500
- ✓ GIMDES Halal Food

Intellectual Capital Relationship Chart

<p>Related Capital Elements</p>	<ul style="list-style-type: none"> • Technology and R&D investments • The power to improve processes and products through an intellectual know-how that exceeds the sectoral average 	
<p>Value Created (Ulusoy Flour)</p>	<ul style="list-style-type: none"> • Competence to pioneer the sector and maintain leadership • Continuity of product quality • Efforts to increase production, logistics and packaging efficiency 	
<p>Value Created for the External Environment and All Stakeholders</p>	<ul style="list-style-type: none"> • Advantage of offering innovative products • Efforts to increase production, logistics, packaging efficiency (efficient processes provided for customers and other stakeholders, energy and resource efficiency) 	
<p>Risks / Opportunities</p>	<p>Risks</p> <ul style="list-style-type: none"> • Risk of adaptation to demand shocks that may be affected by external factors (such as climate change, legislation, war, epidemics, disasters) 	<p>Opportunities</p> <ul style="list-style-type: none"> • A high capacity of innovation thanks to an intellectual know-how that is above the sectoral average and the importance given to development at Ulusoy Flour
<p>Performance Indicators and Targets</p>	<ul style="list-style-type: none"> • Innovative/special products • R&D budget and investment amounts 	
<p>Which capitals do the outputs of this capital serve?</p>	<p>Financial Capital</p> <ul style="list-style-type: none"> • Increased revenues through the development of new/ competitive products • Efficiency increase through process improvements <p>Natural Capital</p> <ul style="list-style-type: none"> • Raw material and resource efficiency through process improvements 	<p>Social Capital</p> <ul style="list-style-type: none"> • Customer satisfaction • Support to awareness raising in society • Transparent sharing of information with stakeholders <p>Manufactured Capital</p> <ul style="list-style-type: none"> • Strengthening efficient production equipment/ infrastructure

Social Capital

- 54 Brand Reputation and Customer Trust
- 54 Strong Stakeholder Relations
- 57 Public Access to Quality Food
- 58 Corporate Social Responsibility
- 60 Social Capital Relation Chart



Social Capital

Social capital is a major component of the corporate culture at Ulusoy Flour. Since the day it was founded, Ulusoy Flour has always acted

within the awareness that companies have visible and invisible capitals.

The major elements of invisible capital are the corporate reputation and the relationships that the company has established over the years.

Brand Reputation and Customer Trust

Ulusoy Flour's long-term relationships with customers have relied upon the company's competence to offer high quality products at affordable prices since the day it was founded. Ulusoy Flour has a significant customer portfolio both in Turkey and abroad, including multinational companies. Ulusoy Flour ensures the continuity of this customer portfolio through effective relationship management practices.

Strong Stakeholder Relations

Since May 2015, the Board Chairman of Ulusoy Flour has also been the Board Chairman of the Turkish Flour Industrialists' Federation, the umbrella organization of the flour industry. In addition, he serves as the Vice Chairman of the Board at Black Sea Cereals, Pulses and Oilseeds Exporters' Association, Vice Chairman of the Board at Samsun Commodity Exchange, and a Board Member at Samsun Serbest Bölge İşletici A.Ş. (SASBAŞ). He is also the President of the Eurasian Management Council of the International Association of Operative Millers (IAOM), the global milling industry organization.



Investor Relations Communication Chart

Contacting Person	Investor Relations Manager, Accounting Manager
Frequency of Contact	Several times a week
Communication tools	Investor Relations Website, E-mails, Phone calls

Ulusoy Flour has a wide range of stakeholder communication activities. In particular, the key stakeholder communication tables for International Sales and Marketing and Investor Relations departments and of Alfaway A.Ş. are as follows:

Communication Table for International Sales and Marketing Department at Ulusoy Flour

MAIN COMMUNICATION CHANNELS	Customers	Suppliers	
		Ground Transport Supply	Maritime Transport Supply
Contacting Person	The procurement officials, if any, of flour importers or the company owners are contacted. Regional sales specialists and Sales Marketing Manager	Logistics unit officials are contacted. Operations chief and, where necessary, documentation officer	Marketing officials and regional managers are contacted depending on the region. Sales and Marketing mManager, Ooverseas sales specialists, operations chief, operations officer and documentation officer
Frequency of Contact	Regularly on a weekly basis, every day when necessary	Regularly if needed.	Regularly if needed.
Communication Tools	E-mails, Phone calls, Skype, WhatsApp, in-person visits	E-mails, Phone calls, Skype, WhatsApp, in-person visits	E-mails, Phone calls, Skype, WhatsApp, in-person visits

ALFAWAY A.Ş. Contact Chart

	Customers		Suppliers	
MAIN COMMUNICATION CHANNELS	Corporate Customers (All Industrial Production Customers)	Traditional channel customers (Bakeries, Wholesalers and Provision Stores)	Procurement of Commercial Products (Ulusoy Flour, Unay Flour)	Procurement of Consumables and Needs
	Corporate customers are contacted at the level of General Manager, Marketing Manager and Corporate Customers Sales Manager. The planning unit personnel and logistics unit officials establish regular contact for the management of operational processes.	Meetings with conventional channel customers are frequently held with their Regional Sales Managers, Regional Sales Chiefs and Regional Sales Specialists in addition to General Managers and Marketing Managers. Furthermore, the planning unit personnel and logistics unit officials establish regular contact for the management of operational processes.	Alfaway carries out its commercial procurement to realize its sales operations at the level of General Managers and Marketing Managers. The Planning, Financial Affairs and Credit Risk units also engage in contacts as required.	Alfaway carries out its procurement processes of consumables as needed during operations at the level of General Manager, Financial and Administrative Affairs and Marketing Manager.
	General Manager, Marketing Manager, Corporate Customers Sales Manager, Planning Chief and Logistics unit officials	Regional Sales Managers, Regional Sales Chiefs, Regional Sales Specialists, Planning and Logistics units, General Manager and Marketing Manager	General Manager, Marketing Manager, Planning Chief, Financial Affairs Manager, Credit Risk Unit Manager	General Manager, Financial and Administrative Affairs and Marketing Manager
	Takes place on a weekly basis	Regional Sales Managers, Regional Sales Chiefs, Regional Sales Specialists, Planning and Logistics units regularly on a daily and weekly basis; General Manager and Marketing Managers at certain intervals	Regularly on a weekly basis	Regularly if needed.
Frequency of Contact				
Communication Tools	E-mails, Phone calls, In-person visits	In-person visits, phone calls and seldom e-mails (almost no e-mails)	E-mails, phone calls and personal communication	E-mails, phone calls and personal communication



Public Access to Quality Food

Ulusoy Flour also extends support under the World Food Program (WFP) through the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for food supply security and public access to food in underdeveloped countries.



UNRWA
الونروا

Ulusoy Flour supplied food to communities in need in Syria, Iraq, Yemen, Palestine and Djibouti under the WFP. UNRWA provides health, education, food and social services support to Palestinian refugees. Ulusoy Flour is responsible for approximately 4% of Turkey's flour exports for WFP and UNRWA. 6% of the group's exports originate from sales to these programs.

Corporate Social Responsibility

Training & Education

Ulusoy Flour considers education as the most important step in social responsibility. To that end, a primary school with 24 classrooms constructed by Ulusoy Flour was donated to the Ministry of National Education in 2009.

Tens of students are provided with scholarships every year. Moreover, internship opportunities are also offered at Ulusoy Flour facilities to support the development of young generations. In addition, food engineering students are given the opportunity to visit the

facilities regularly. Ulusoy Flour undertook the construction of 20 of the 100 workshops to be established in Samsun for the "Design Skills Workshops" under the 2023 Education Vision Document published by the Ministry of National Education with the motto "Happy Children, Strong Turkey".

Ulusoy Flour is a regular donor of the Educational Volunteers Foundation of Turkey (TEGV).



Sports

Ulusoy Flour continues to contribute to sports activities. The company sponsored the Turkish Indoor Archery Cup, which was held in Samsun for the first time in Turkey. Ulusoy Flour offers regularly support to the women's basketball team of Samsun Canik Belediyespor, which competes in the Women's Basketball League.



Ulusoy Flour is among the regular donor of the Foundation for Children with Leukemia (LÖSEV).

Healthcare

Ulusoy Flour is among the regular donors of the Foundation for Children with Leukemia (LÖSEV). During the pandemic, we have supported the campaign launched by Samsun Metropolitan Municipality for low-income citizens.

Social Capital Relationship Chart

<p>Related Capital Elements</p>	<ul style="list-style-type: none"> • Customer reputation, customer trust and long-term relations • Close relations with trade unions, chambers and NGOs • Strong public communication, accessibility by the society 	
<p>Value Created (Ulusoy Flour)</p>	<ul style="list-style-type: none"> • High and continuous customer satisfaction • Brand reputation / awareness • Positive social image 	
<p>Value Created for the External Environment and All Stakeholders</p>	<ul style="list-style-type: none"> • Contribution to social development • Benefit provided by corporate social responsibility projects • Raising an awareness of healthy nutrition in the society 	
<p>Risks / Opportunities</p>	<p>Risks</p> <ul style="list-style-type: none"> • Potential negative effects of negative sectoral developments on corporate image 	<p>Opportunities</p> <ul style="list-style-type: none"> • Ulusoy Flour brand reputation
<p>Performance Indicators and Targets</p>	<ul style="list-style-type: none"> • Budget allocated to social responsibility projects • Number of people/families reached through social responsibility projects • Customer satisfaction survey results • Customer numbers / customer retention rates • Number of fairs / organizations attended 	
<p>Which capitals do the outputs of this capital serve?</p>	<p>Financial Capital</p> <ul style="list-style-type: none"> • Customer satisfaction and achievements, increased financial performance as a result of rising brand value 	<p>Social Capital</p> <ul style="list-style-type: none"> • Increased/retained number of customers thanks to the value offered to society as well as corporate image and trust • Customer satisfaction

Manufactured Capital

65 Manufactured Capital Relation Chart



Manufactured Capital

A strong manufactured capital is an important part of Ulusoy Flour's high performance in wheat flour processing and licensed warehousing, two of its three main business lines.

The Group has three flour processing plants comprising of two plants in Samsun and another in Çorlu as well as two grain warehouses in Samsun and three licensed warehouses in Yozgat, Çorum and Kırıkkale.

The current flour processing capacity of 2,100 tons/day will increase to 2,700 tons/day in 2021 after the full commissioning of Samsun 50th Year Production Facility.



Wheat Flour Processing Facilities

Facility	Information	Indoor Area	Capacity	Capacity Utilization Rate
 <p>Samsun 50th Year Production Facility (1/2)</p>	<ul style="list-style-type: none"> Operating since the end of 2019 Full ownership 	<ul style="list-style-type: none"> An indoor area of 5,000 m² A production area of 31,400 m² A total land area of 29,950 m² 	<ul style="list-style-type: none"> After the completion of the third phase, a milling capacity of 1,800 tons/day, including the current capacity of 600 tons/day A packaging capacity of 2,000 tons/day 	~ 90%
 <p>Samsun Central Production Facility (2/2)</p>	<ul style="list-style-type: none"> Operating since 1991 Fully-owned 9 silos 	<ul style="list-style-type: none"> A production area of 10,290 m² A total land area of 10,929 m² 	<ul style="list-style-type: none"> A milling capacity of 500 tons/day A total grain storage capacity of 72,800 tons, comprising of 22,800 tons in owned facilities and 50,000 tons in rented facilities 	~ 65%
 <p>Çorlu flour processing plant</p>	<ul style="list-style-type: none"> Operating since 2003 Fully-owned 10 silos 	<ul style="list-style-type: none"> A production area of 10,441 m² A total land area of 16,982 m² 	<ul style="list-style-type: none"> A milling capacity of 400 tons/day A grain storage capacity of 32,200 tons A packaging capacity of 500 tons/day A capacity increase of 600 tons/day, which is scheduled to take place in 2023, worth USD 8-10 million 	~ 90%
 <p>Samsun/Tekkeköy grain warehouse</p>	<ul style="list-style-type: none"> Operating since 2009 Partial ownership Fully-owned 3 silos 	<ul style="list-style-type: none"> A storage area of 4,934 m² A total land area of 10,686 m² 	<ul style="list-style-type: none"> A total grain storage capacity of 54,000 tons, comprising of 34,000 tons in owned facilities and 20,000 tons in rented facilities 	~ 80%
 <p>The new grain warehouse in Samsun</p>	<ul style="list-style-type: none"> Full ownership Fully-owned 20 silos 	<ul style="list-style-type: none"> A storage area of 5,000 m² A total land area of 29,950 m² 	<ul style="list-style-type: none"> A grain storage capacity of 70,000 tons 	~ 75%

Licensed Warehousing

Facility	Information	Indoor Area	Capacity	Capacity Utilization Rate
 <p>Yozgat/Sorgun licensed warehouse</p>	<ul style="list-style-type: none"> Operating since 2018 Full ownership 	<ul style="list-style-type: none"> A storage area of 5,951 m² A total land area of 30,222 m² 	<ul style="list-style-type: none"> A grain storage capacity of 67,000 tons An initial investment of USD 5 million 	~ 74%
 <p>Çorum/Alaca licensed warehouse</p>	<ul style="list-style-type: none"> Operating since 2016 Full ownership 	<ul style="list-style-type: none"> A storage area of 3,152 m² A total land area of 13,587 m² 	<ul style="list-style-type: none"> A grain storage capacity of 41,950 tons An initial investment of USD 3.7 million 	~ 90%
 <p>Kırıkkale licensed warehouse</p>	<ul style="list-style-type: none"> Acquired recently to support the local wheat supply chain Full ownership 	<ul style="list-style-type: none"> A storage area of 9,373 m² A total land area of 48,000 m² 	<ul style="list-style-type: none"> A grain storage capacity of 60,000 tons Acquired via an equity investment of USD 1.5 million 	Not available because it has been recently established

Ulusoy Flour regards food quality and safety as the most important components of its sustainable performance and manages all its facilities under its manufactured capital via an integrated quality management system. Ulusoy Flour production facilities have TSE 4500 Wheat Flour Standard, ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 22000 Food Safety Management, BRC Global Food Security and ISO 27001 Information Security certificates.

Manufactured Capital Relationship Chart

<p>Related Capital Elements</p>	<ul style="list-style-type: none"> • A production plant location offering an advantage in terms of access to raw materials (infrastructure and production plants) • Efficient facilities with a high production capacity • Licensed warehouses 	
<p>Value Created (Ulusoy Flour)</p>	<ul style="list-style-type: none"> • Opportunity to reach more customers through a broad service network • Continuity of production efficiency • Revenues from warehousing operations 	
<p>Value Created for the External Environment and All Stakeholders</p>	<ul style="list-style-type: none"> • Social benefit from infrastructure investments • Contribution of warehousing operations to agricultural production and farmers • Reducing the environmental impact as a result of efficiency activities 	
<p>Risks / Opportunities</p>	<p>Opportunities</p> <ul style="list-style-type: none"> • High production capacity and efficiency • Having production facilities close to ports is an important driver for imports. • Creating diversity in income sources through licensed warehousing operations 	
<p>Performance Indicators and Targets</p>	<ul style="list-style-type: none"> • Production capacity • Licensed warehouse capacity • Production efficiency (CUR well above the industry average) 	
<p>Which capitals do the outputs of this capital serve?</p>	<p>Financial Capital</p> <ul style="list-style-type: none"> • Reducing costs and increasing financial performance thanks to highly efficient facilities and logistically advantageous locations 	<p>Social Capital</p> <ul style="list-style-type: none"> • Customer satisfaction • Social benefit from infrastructure investments • Contributing to the local economy through the use of domestic machinery and equipment



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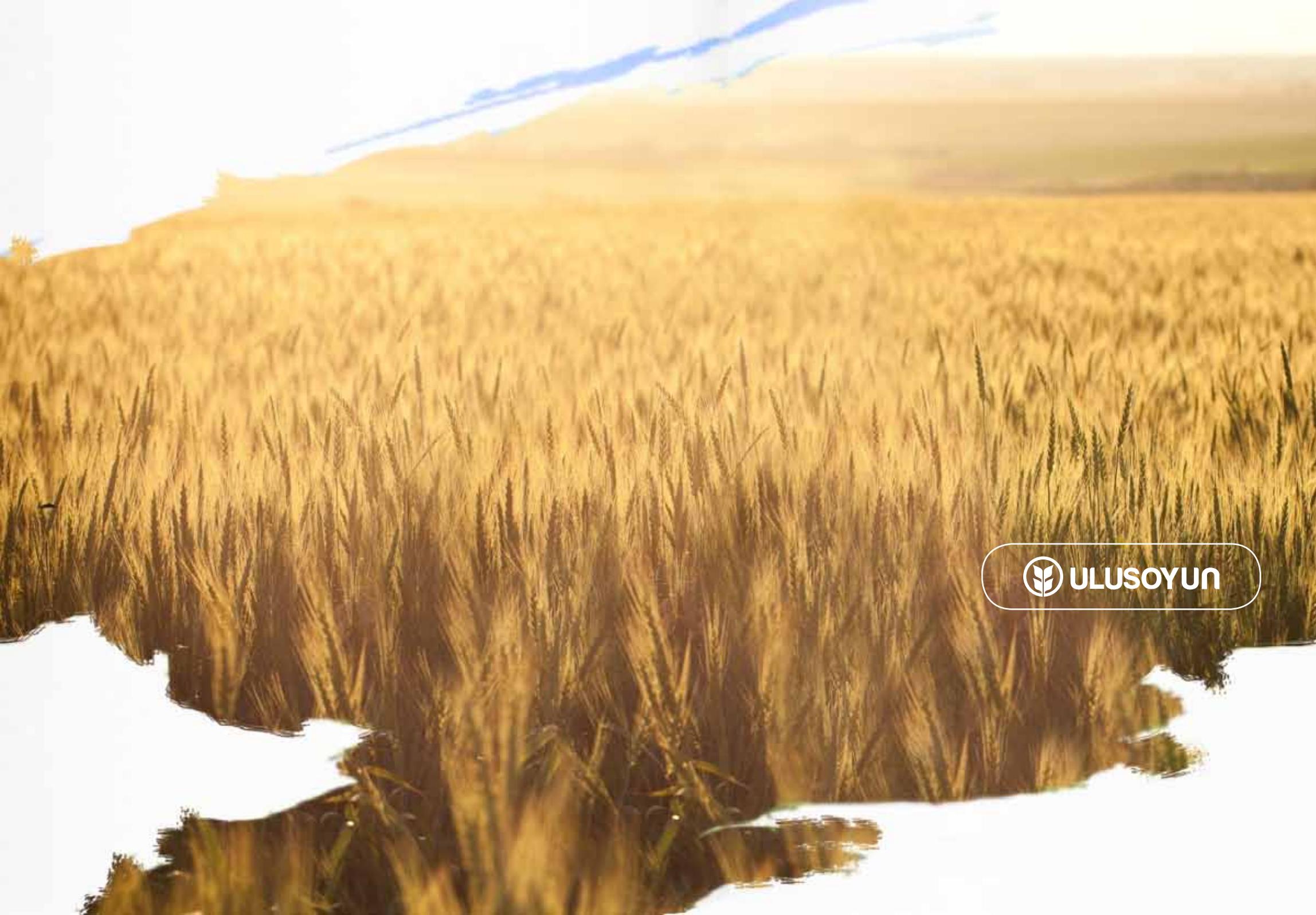
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