



SUN TEKSTİL  
EKOTEN

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SUSTAINABILITY  
REPORT  
2023

**SUN**  
TEKSTİL

**ekoten**



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# ABOUT THE REPORT



## About Our Report

As Sun Tekstil and Ekoten, we are happy to share our report, which includes our strategies and highlights of our activities in 2023, within the scope of our corporate group's holistic sustainability approach. We are very excited to bring the impact of our work to the attention of our stakeholders and to magnify this impact together to "Design a Sustainable Future" through our sustainability reports, which are very valuable to us and which we aim to publish every year.

This is our fourth Sustainability Report and covers activities we carried out at Sun Tekstil and its subsidiary Ekoten Tekstil between 1 January 2023 and 31 December 2023. We have prepared our report considering the 10 principles and basic reporting principles of the United Nations Global Compact, of which we are a signatory and a stakeholder since 2014, World Economic Forum (WEF) key sustainability metrics, industry-specific standards and prioritization approaches set by the Sustainability Accounting Standards Board (SASB), the criteria of the World Business Council for Sustainable Development (WBCSD) Reporting Matters methodology, Corporate Sustainability Reporting Directive (CSRD) and IFRS S1 (General Requirements for Disclosure of Sustainability-Related Financial Information) and IFRS S2 (Climate-related Disclosures) standards prepared by the International Sustainability Standards Board (ISSB).

As can be seen in the content of our report, in addition to our group sustainability targets within the scope of our holistic sustainability approach, we have also emphasised and shared the activities in line with the targets we have set for Sun Tekstil and Ekoten Tekstil in line with the different fields of activity and needs of our companies.

We are aware of the importance of partnerships for the goals in this journey, which we set out with the heartfelt belief that it is possible to design a sustainable future, and we welcome you to send your valuable comments, suggestions, and contributions to our e-mail address below.

You can access the summary of our 2023 Sustainability Report by clicking on the link.

You can access the highlights of our 2023 Sustainability Report by clicking on the link.

You can access detailed information about the abbreviations in the report by clicking on the link.

Group Sustainability Committee  
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# MESSAGE FROM THE CHAIRPERSON

02





**Elvan Ünlütürk**

Sun Tekstil Chairperson  
of the Board

Dear Stakeholders,

In the past few years of global crisis, we have gone through a process of better understanding, as stakeholders, the importance of building resilient societies and supply chains, and the importance of managing global risks and opportunities at the corporate level and cascading them through the value chain. As we have gone through processes in which we have begun to feel the effects of the climate crisis deeply, the concept of sustainability for a livable world has become much more meaningful to each of us. At a time when society's values and lifestyles are being challenged and reshaped, the business world has also become more focused on a major shift in values that goes beyond changing the way we do business.

Fortunately, in the journey we started many years ago with the goal of "Designing a Sustainable Future Together", we are continuously strengthening our activities that create value for society and the world through better practices.

We are increasing the resilience of our supply chain on a daily basis with Sustainability Performance Scorecards, a key output of our holistic approach to sustainability, which we have started to implement for our suppliers in 2020. We conduct regular audits of our stakeholders' production facilities, which account for 80% of our production from around 230 suppliers in five regions of Türkiye, and assess them against our eight different performance scorecards, which have been developed to cover international standards and our stakeholders' priorities. We provide them with feedback in line with the audit results and mentor them in their improvement efforts.

To ensure that our values, which are at the heart of our corporate culture, are memorable, understandable, attractive and meaningful, we have carried out various promotional activities, in particular "Our Values and Beyond" training sessions. We aimed to increase retention by using gamification applications in our training, which consisted of our Values, Code of Conduct, Corporate Culture and Social Compliance. We brought together our Code of Conduct and Ethical Principles booklets, which we created on the basis of our Solar Route, and our Human Resources Policy, allowing our colleagues to access all our documents at once. At the same time, we turned our Values and Code of Conduct into an animated video narrated by our colleagues and published it on Sun Academy, our digital training platform, making it fun and easy to watch, regardless of time or place.

We continue to develop qualified human resources within the framework of the talents we have and the programmes we have structured for young talents. In 2023, we continued to create new training groups with MEGEM, which we launched in 2022 and established within our own organisation to provide vocational training to women who have never received any training or who have had no opportunity to learn a trade or who have dropped out of school, and to support their economic freedom by bringing them into working life. In line with our Sustainable Development Goals, we touch not only our colleagues, but also our producers and suppliers. In 2023, we achieved 100% participation in training among our manufacturers and suppliers, providing a total of 3,326 hours of training. This year, we supported a total of 153 students in their development, including 35 university students through our Future is in Sun, Sun Design Project and Digitalise the Next programmes for young talent, and 37 university students and 81 high school students through our other internship support programmes.

We are committed to delivering high impact corporate social responsibility projects that create value for society together with our stakeholders. In this direction, we have created benefits by establishing partnerships for causes with 17 social responsibility projects with high social impact, 4 scholarship programmes, 16 NGO memberships and 8 sponsorships that we carried out in 2023.

With our circular by design approach, based on understanding circular fashion from the design stage, we develop designs that also cover the after-life of our products with our applications that make a difference in our material choices and design techniques. In line with our goal to use certified and traceable sustainable raw materials in all our production processes, by 2023, 63% of all our products will be made from sustainable raw materials. We are carrying out the innovation studies required by our industry to achieve 100% sustainable raw materials by 2040, led by our R&D Centre with the valuable collaboration of our stakeholders. We have guaranteed the use of environmentally friendly production methods in all processes up to the next life of the products on behalf of all our stakeholders by ensuring transparency and traceability. In order to increase the rate of value-added recycling of textile waste from textile to textile, which is one of the main issues facing our resource-intensive sector, we have launched an industrial symbiosis project in the field of mechanical recycling and are conducting R&D studies to develop chemical recycling techniques.

We believe that sustainable transformation cannot be separated from digital transformation, and we are implementing our strategies with significant investments in this direction. Thanks to our transformation activities in the design and collection processes, we have become a partner that makes a difference in providing services to our customers through digital platforms. From 2021, we will offer our customers whose infrastructure is compatible with us fitting samples of our designs in a digital environment using three-dimensional shape preparation software, and in 2023 we will reduce the production of physical samples by 70% for models whose final shape is decided on the digital platform. This has saved raw materials, energy, labour and time. We significantly improved our decision support infrastructure based on data analysis with software solutions developed in-house by our expert teams.

Taking all of this into account, our digital transformation processes, our environmental practices, our people-focused approach and our strategies become very important indicators that our company will continue its sustainability journey with decisive steps, gaining momentum. I would like to express my sincere gratitude to all our employees and stakeholders who contribute to our efforts to be the best we can be every day on our journey to bring fashion to the world and the future to fashion.

Kind regards,  
Elvan Ünlütürk





**Günkut Gürşen**

Ekoten Chairperson  
of the Board

Dear stakeholders,

The environmental and social problems caused by climate change and extreme weather events, which are increasing in frequency and impact around the world, have made change and transformation inevitable in the textile industry, as in all sectors. Today, when the climate crisis has reached alarming proportions and our country is facing a high risk of drought, our vulnerability is increasing. As an institution that prioritises the fight against these impacts, we continue to implement our ambitious goals, which we have set in line with the framework established by the Paris Agreement and science-based approaches.

In 2022, we invested in and completed the installation of an advanced treatment plant with innovative technology that will achieve 95% water recovery, an important milestone for our company and our industry. Based on our experience from the field studies we conducted in 2023, we aim to commission the plant in 2025 with a 95% recovery rate.

We started in 2012 to report our greenhouse gas emissions according to international standards. Thanks to our greenhouse gas emissions management efforts, we have reduced our emissions per unit product by 11% compared to 2022 and we continue our efforts to achieve further reductions. Thanks to our strengthened governance mechanisms, commitments and approaches to risk and opportunity analysis, we received an A-/Leadership rating in the Carbon Disclosure Project's (CDP) 2023 Climate Change Programme, the world's largest environmental reporting platform, which we began voluntarily reporting on in 2012. This puts us one level above the textile industry, which has a global average score of 'B'.

Thanks to the best practices we have implemented to build partnerships with all stakeholders in our supply chain to effectively tackle the climate crisis, we received an A rating in CDP's Supplier Engagement Rating Programme in 2023 and have been included in the Global Leaders List for three consecutive years. We are committed to maintaining these achievements in CDP's Climate Change and Supplier Engagement Rating Programmes.

In 2022, we were one of the few textile companies in Türkiye to commit to submitting our science-based targets to the Science Based Targets Initiative Platform. We are proud to announce that in 2023, we set our science-based emission reduction targets and submitted them to the platform for evaluation and verification. By the end of 2024, we aim to announce our roadmap for transitioning to a low-carbon economy and establish a governance mechanism to assess and monitor the impact of our value chain on biodiversity. We recognise the importance of digitalisation in the transition to a low-carbon economy. We have made many investments in this direction, particularly in three-dimensional design software, artificial intelligence-based automated quality control systems, production execution systems and ERP software transformation.

With a holistic perspective, we want to make a difference together with all stakeholders in our supply chain by setting more ambitious targets in the fight against climate change and inspiring by setting successful examples in our industry. I would like to express my sincere thanks to all our employees and stakeholders who have contributed wholeheartedly to this important journey.

Kind regards,

Günkut Gürşen



CREATED  
BY SUN

SUN

SUNTEKSTIL

Handwritten notes on the cardboard hanger:  
- 100% Cotton  
- 100% Organic  
- 100% Eco-friendly  
- 100% Sustainable  
- 100% Natural  
- 100% Safe  
- 100% Healthy  
- 100% Clean  
- 100% Green  
- 100% Blue  
- 100% Red  
- 100% Yellow  
- 100% Purple  
- 100% Pink  
- 100% Brown  
- 100% Grey  
- 100% Black  
- 100% White



ABOUT US

03

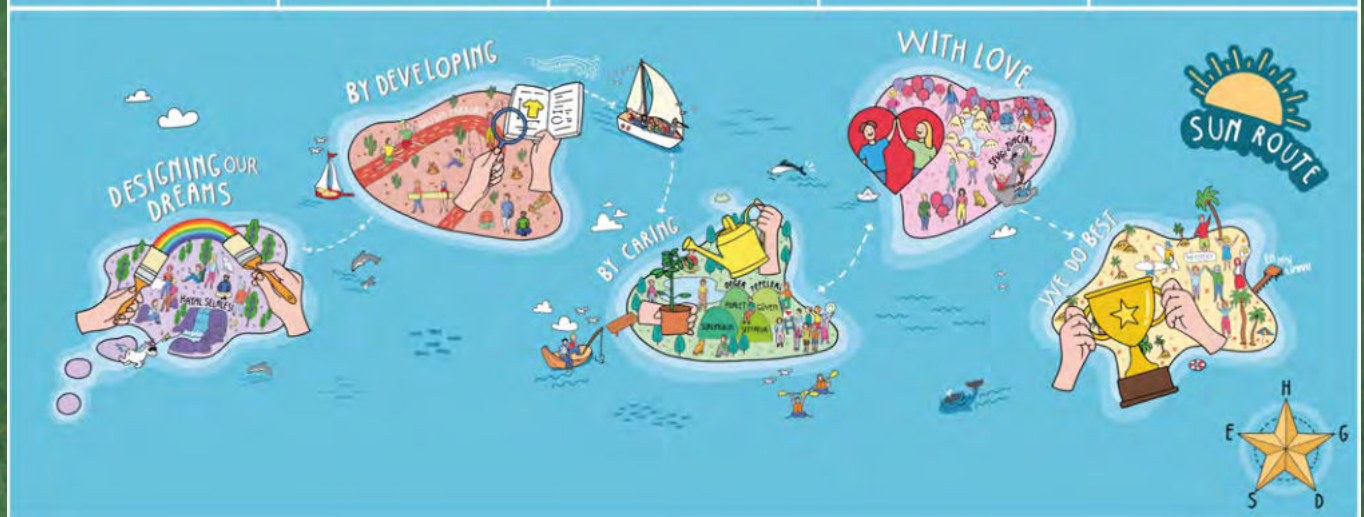
## The Values That Shape Us

We have created and visualized our values with a sea voyage and islands to ensure that our five values, which we have found together, are involved in the lives of our colleagues, newcomers, and young talents.

We have been operating in the Aegean Region for 35 years, so we have created our compass and route by using the Sun Route metaphor, which has always reflected our desire to keep the spirit of the Aegean Region alive and our goal-oriented approach.

We have adopted the design of value islands and their symbols with meaningful and memorable messages.

DESIGNING OUR DREAMS	BY DEVELOPING	BY CARING	WITH LOVE	WE DO BEST
 <p>With our value of "by designing our dreams", we tried to convey to our target audience the messages that we are different thanks to our values, original, innovative, creative, courageously hanging, and versatile.</p>	 <p>With our value, we tried to convey to our target audience the messages that we developed and produced creative solutions, that we believe in lifelong learning, that we develop together with all our stakeholders, and that we have a culture of appreciation.</p>	 <p>With our value "by dignifying", we tried to convey to our target audience our messages that we are reliable, fair, transparent, and responsible with our values, that we invest in a sustainable future, and that we offer equal opportunities.</p>	 <p>With our value of "with love", we tried to convey to our target audience the messages that we work with team spirit and pleasure, that we communicate sincerely and openly, and that we work with fun.</p>	 <p>With our value of "we do the best", we tried to convey to our target audience the messages that we constantly improve, that we are target oriented, and that we are fast, flexible, and agile.</p>





## Milestones

- 
- 1987** Sun Tekstil was founded in Izmir.
  - 1989** First export.
  - 1991** Knitting Department was established.
  - 1994** Dyeing Department was established.
  - 2000** Sun Tekstil becomes the majority shareholder of Ekoten Fabrics.
  - 2010** The R&D Center was established with the approval of the Ministry of Industry and Technology.
  - 2012** Sun Textile UK Ltd was founded.
  - 2012** London and Leicester design offices were opened in the UK.
  - 2012** La Coruna design office was established in Spain.
  - 2016** Garment manufacturing facility established in Manisa.
  - 2018** Investment in new knitting factory for Ekoten Fabrics.
  - 2022** Sun Tekstil has started to be traded at BIST.
  - 2023** Sun Tekstil Barcelona office established in Spain.



# Sun Tekstil

Sun Tekstil Sanayi ve Ticaret Anonim Sirketi was founded and became operational in 1987 to manufacture, export, and make domestic trade of woven, knitted, textile, and apparel products. The company carries out its production operations in its facilities in the Torbalı district of İzmir province and Manisa province. The company currently designs, manufactures, and sells women's clothing collections for brands operating in the global ready-made clothing retail sector.

The company, which has a total monthly production capacity of 250 thousand garments in its Torbalı and Manisa facilities, supplies approximately 8% of its total garment sales from these facilities. Approximately 90% of its products are supplied from apparel suppliers that produce exclusively for Sun Tekstil. In the value chain, Sun Tekstil manages its processes with optimum efficiency with approximately 230 stakeholders operating in the fields of fabric, accessories, apparel, packaging and logistics from different regions of Türkiye. In 2023, 92% of Sun Tekstil's solo sales consisted of international sales to more than 10 countries. In addition, according to the data announced by the Türkiye Exporters Assembly (TIM), Sun Tekstil is among the top three companies with the highest exports in the Aegean Region Ready-to-Wear and Apparel sector.

The company's strategic geographical location and its ability to produce value-added products compared to its peers provide a competitive advantage. The Company's main markets are Spain, Sweden, UK and France. The Company's largest customer is a Spanish retail group. The second largest customer group is located in Sweden, followed by the UK and France. In order to respond quickly to customer demands and to maintain close contact with the customer, the company has a total of 5 design offices: one office in Türkiye and two offices in Spain that belong to the company itself, and two offices in the UK that belong to the subsidiary company, Sun Textile UK LTD.



**Ranking 381**  
Türkiye's Top 500  
Industrial Enterprises by  
Istanbul Chamber  
of Industry (2022)

Design-oriented  
and predicting  
future trends

**2.5 Million +**  
Pieces Monthly  
Export Figure

With over  
**1,900+**  
employees,  
operating in  
three countries

**\$200 M +**  
Annual Turnover

**1.500**  
New Designs  
Each Month

One of the best  
circular knit  
fabric factories  
in Türkiye

Strong in  
design, graphic  
design, and  
fabric  
development

**6.000**  
Samples Each Month

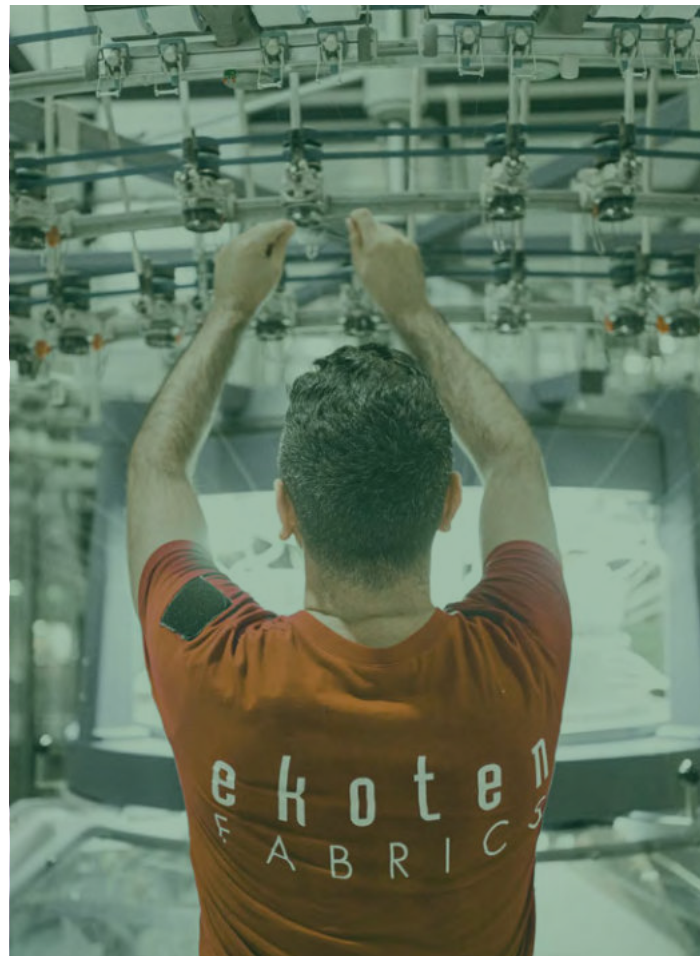
## Sun Textile UK



Sun Textile UK Limited continues its activities in the international arena with the ability to keep its competitive power by being close to the customers in the global market, using the power of advanced design and product development together with the design team based in the UK, and providing flexible and fast service to customers. Strategically positioned Sun Textile UK does not engage in any textile production activities, but only offers design services.

## Ekoten

Ekoten Tekstil, founded in 1994, has been operating under Sun Tekstil since 2000 and has two production facilities in Torbalı. With a total of 232 circular knitting machines in an area of 20 thousand square meters in its facility located in the Torbalı Organized Industrial Zone, it produces various high-quality knitted fabrics and sells its fabric collections. Ekoten has a production capacity of 1,200 tons per month and designs around 300 new fabrics per month. Dyeing, finishing, and quality control processes are carried out in Ekoten's facility in Torbalı. Ekoten sells 20-25% of its fabric products to Sun Tekstil. In addition to the fast fashion market, Ekoten produces fabrics for technical textiles as well as medical and activewear textiles, which have had a significant part in its strategy for the last 3 years. The target markets and customers of the company are the suppliers of domestic and American brands and internationally registered brands operating especially in the active clothing and global ready-made clothing retail market in Europe. It manages its processes with optimum efficiency with approximately 135 stakeholders operating in the fields of yarn, dyestuff, chemicals, packaging and logistics from different parts of the world in the value chain.





## **Ranking 178**

Türkiye's Second 500  
Industrial Enterprises  
by Istanbul Chamber  
of Industry (2022)

## **232**

Knitting  
Machine

## **13.000 Tons +**

Annual  
Production  
Capacity

## **40 Tons**

Daily Knitting  
Capacity

## **30.000+**

Clothing Library

## **300 pieces**

New Fabric Designs  
per Month

**ekoten**



## Sun Tekstil R&D Center

As the Sun Tekstil R&D Center, we prioritize research and development and innovation to develop value-added, high-impact, and sustainable products and technologies in the fields we operate.

Conducting our R&D activities, we draw upon various internal and external sources within the Sun Tekstil Innovation Cycle which is our primary methodology. Opportunities gathered via our collaborations, platform memberships, event participations are evaluated with experts from different disciplines, in accordance with our uniquely designed system. This approach allows us to progress more efficiently through streamlined processes, shape and manage our project portfolio in line with corporate priorities, and flexibly adapt our processes to target markets based on the projects we conceptualize. Identifying key stakeholders in our business plan and involving them in our processes as soon as possible enhances our work efficiency and project success rates, resulting in a more sustainable business model. As a result of these efforts and applications, we proudly hold the title of the 121st company in Türkiye with the highest R&D expenditures. The knowledge accumulated through our R&D Center activities and the innovation infrastructure we have built enabled us to become the 2023 champion in the "Enabling Factors-Resources" category of the Türkiye Innovation League organized by TİM.

We prioritize sustainability in our work and carry out our R&D activities comprehensively considering materials, processes, and the environment, aligning with Sustainable Development Goals; SDG 5, SDG 8, SDG 9, and SDG 12. With this perspective, in 2023, we focused on sustainable materials and circular process designs within the European Union Horizon Europe Program, submitting five project proposals with a total budget of 24 million Euros. In these applications focusing on Cluster 4 and Cluster 6 areas such as biobased chemicals and textile materials, recycling methods from textile to textile, traceability tools, sustainable and circular economy models, and greener textile processes, we closely collaborated with 90 organizations from 17 countries, including universities, research institutes, and private sector companies.



## R&D CENTER

**144**

National  
Partners

**251**

International  
Partners

**34**

Partner  
Countries

**6**

Internationally  
Supported Projects

**28**

Nationally  
Supported Projects

**385**

Completed  
Project

**35**

On - going  
Project

**30**

Researcher

**23**

Patent Portfolio

**13**

Design Portfolio

**71**

Scientific  
Publications

**35**

International Project  
Applicatio with  
Different Consortium

**12**

Awards

**35**

Employment

We recognize the supportive role of digital transformation in sustainable development and are aware of the positive effects of digitization on the textile industry. In 2023, we applied for a digitalization project with a total budget of 8 million Euros within the European Union Horizon Europe Program. In collaboration with 15 partners from 7 countries, our focus in this process is on the digitization of our fabric production processes, the enhancement of workforce skills for more efficient production with lower energy and resource consumption, and the development and integration of artificial intelligence-supported robotic systems into industrial production environments.

Addressing the reality that only 20% of total plastics produced are recycled, we are actively involved in the PLASTICE Project, which aims to recycle plastic waste with four different chemical recycling technologies. Currently, we have successfully separated polyester content from polyester-cotton blend fabric waste and are continuing our efforts to scale up. The project, led by a consortium consisting of 25 strong partners from Austria, Belgium, France, Greece, Italy, Spain, the Netherlands, and Türkiye, represents Sun Tekstil R&D Center's commitment to value addition through recycling in the textile sector.

"We emphasize the transition to a secure circular economy in line with our strategic objectives, considering the entire process of design, production, use, and end-of-life. As part of the HORIZON Europe Project TORNADO, conducted with 14 partners from 5 countries, we focus on functional raw materials that meet the 'Safe and Sustainable Design Criteria.' We work on the development and application of bio-based, environmentally friendly, and easily recyclable water and oil repellent chemicals. In the project that started on January 1, 2023, at Sun Tekstil R&D Center, we continue our efforts to develop new textile processes and design final products suitable for these new chemicals.

In collaborations with entrepreneurs and in determining the ventures we invest in, we value the impact of the initiative and include it among our corporate evaluation criteria. In 2023, we encountered 71 ventures with impact hypotheses. We brought together experts from relevant departments with 28 of these ventures. At the end of this process, we initiated collaborations with 7 ventures.

To assess the potential of nano-crystal materials in increasing the efficiency of our Solar Energy Systems (SES), we continue our concept verification study with an Izmir-based venture, contributing to knowledge and enabling ongoing efforts.

Through our support for a bio-technology venture based in Van, founded by a female entrepreneur, we contribute to the ongoing research on environmentally friendly methods of obtaining natural dyes through bio-technology.

In collaboration with an Istanbul-based venture, we research the mechanical processing of textile waste that is difficult to recycle, transforming it into insulation material for buildings, ensuring the reintegration of our industrial waste into the production cycle.



With a focus on sustainability, we follow and incorporate developments in sustainable printing techniques into our processes. We continue our R&D activities with leading textile chemical manufacturers and fast-fashion brands in our country. Similarly, we research zero-chemical fabric dyeing methods to minimize the environmental impact of chemicals used in the dyeing process. In this regard, we conduct studies to meet the technical specifications for specific purposes with natural materials and increase the use of new-generation materials with low environmental impact.

We continue our work on sustainable fibers, striving to use local resources. In 2023, a consortium was formed with the participation of 30 companies, 8 universities, 2 research institutes, and 1 technology transfer office for the 'Green Transformation Call' prepared by TÜBİTAK based on the European Green Deal. This project, using local resources, will produce new products without creating any waste in the process from the field to the end-user, serving 7 different sectors.

For the fashion sector, we design fabric constructions that provide user comfort and are suitable for use in different body sizes with a single product. We aim to minimize fabric waste in the confection stage by developing garments that expand the size range. We have filed a patent application for one of our studies in this field.

To apply our sustainability focus to all processes, we focus on energy efficiency and digital transformation in our R&D activities. In 2023, we continued our collaboration with the Ege University Computer Engineering Department on machine learning. Within this framework, we are conducting a project with our own resources. The development of a machine learning-based maintenance planning system will improve our processes incrementally and cyclically.



Another focus of digital transformation is the digitization of fashion. In this context, we continue our work with the artificial intelligence pattern design tool, which we invested in, 2022. Utilizing the learning algorithms and data analysis capabilities of artificial intelligence, we analyze the input of the designer, facilitate the determination of parameters that will make repetitive processes more efficient, and highlight its advantages over traditional pattern creation methods. We support these efforts through university-industry collaborations, contributing to national knowledge.

In line with the digitization of fashion, we support our work with 3D pattern and design programs and continue our efforts to reduce the burden of inefficient steps and technical challenges in physical sample production using 3D design and pattern programs.

Research on textile-to-textile recycling, one of the issues the fashion sector is trying to solve, continued in 2023. We advanced our collaboration with European and US-based start-ups specializing in the chemical recycling of fabrics made from synthetic fibers and plan to continue in 2024. With our efforts, we aim to make a significant contribution to the circular economy and become a pioneer in our country's textile sector.

At Sun Tekstil R&D Center, we have a mission to primarily develop the innovation ecosystem in our region. In this context, we focus on technology transfer, collaboration, and mentorship activities by meeting with entrepreneurs. In 2023, we continued our efforts to establish mutually beneficial collaborations with young entrepreneurs developing new technologies at the Stakeholders Office within İzmir Bilimpark A.Ş., one of the leading technoparks in our region. With the Sun Tekstil R&D office opened at the 'IzQ Innovation Center,' established in 2022 to enhance entrepreneurship, R&D, and innovation awareness in İzmir, we increased our activities to expand the horizons of R&D center researchers by interacting with start-up companies under the same roof. In 2023, we actively participated in Here2Next, bringing together corporate companies aiming to improve collaboration processes with ventures, and the Entrepreneurial Institutions Platform, aiming to develop the entrepreneurship ecosystem in Türkiye with institutions transformed by innovation and entrepreneurship culture. Through these access points, networks we joined, and national/international events we participated in, we had the chance to directly contact 570 ventures in 2023.

We continue to provide capital support to technology ventures by joining a venture capital investment fund focused on early-stage initiatives based in Türkiye, whose investment portfolio consisting of 40% of start-ups with impact hypothesis. This strategic move reflects our vision to emphasize the potential in Türkiye's dynamic entrepreneurial ecosystem and sustainably support innovative technology ventures. Our focus on early-stage initiatives allows us to offer a unique value proposition, aiming to encourage innovation and support local entrepreneurs. Throughout this process, we remain committed to contributing to the entrepreneurship ecosystem and maintaining our strategic investments in future successful technology projects.



With the increasing awareness of the importance of reusing, recycling, and using recycled materials as raw materials in the textile industry, Sun Tekstil R&D center continues to increase its research and collaborations in this direction. In 2023, studies on this issue were highlighted at textile fairs.

By closely monitoring the sustainability efforts of textile chemical companies, studies contributing to the circular economy for long-term value creation, such as the use of bio-based or recycled materials (silicone, oil, etc.) equivalent to standard productions, have been started to be used in the R&D center laboratory. Also, with the formation of a consumer base encouraging changes in consumption habits and fashion understanding, the way has been opened for the growth of the market for washable, reusable products instead of single-use products. In line with this perspective, studies on reusable products with similar performance to disposable products are ongoing at Sun Tekstil R&D Center.

Different solutions to reduce the environmental burdens of disposable products were developed by researchers at Sun Tekstil R&D Center. Fabric structures with different constructions are developed using special fibers to prevent the passage of different liquids. Within the scope of the project for our reusable product group, patent applications were made locally and internationally.

Under the project to develop reusable sanitary pads, studies were carried out in collaboration with Izmir Metropolitan Municipality Vocational Factory Branch Directorate, Sun Tekstil R&D Center, and Ege University Microbiology Department Prof. Dr. Mustafa Ateş. In this context, training sessions were attended to draw attention to menstrual poverty with increased prices and difficulties in economic-physical access. Presentation materials for training on the production of reusable sanitary pads for use in workshops were prepared, and fabric support was provided for the project. Studies on reusable sanitary pads made from natural ingredients instead of tampons or disposable sanitary pads made almost entirely of plastic materials are ongoing within the Sun Tekstil R&D center.

Studies on isolation coveralls with a membrane-laminated, layered structure designed to be more comfortable and not allow the passage of various liquids compared to their disposable counterparts continued in 2023. The tests of the product developed within the R&D center were carried out, and its sales started. Field trials for the use of these reusable isolation overalls by tobacco producers in the Aegean Region have begun through collaborations with sustainability departments of companies. Designed to protect individuals from liquids and solid chemicals, oils, non-toxic liquids, airborne substances, dust, and fibers used for spraying, these reusable isolation overalls have been developed to offer the possibility of being worn by individuals of different sizes with various accessory and design details. Collaboration with companies in the food sector continued in 2023 for new product designs.

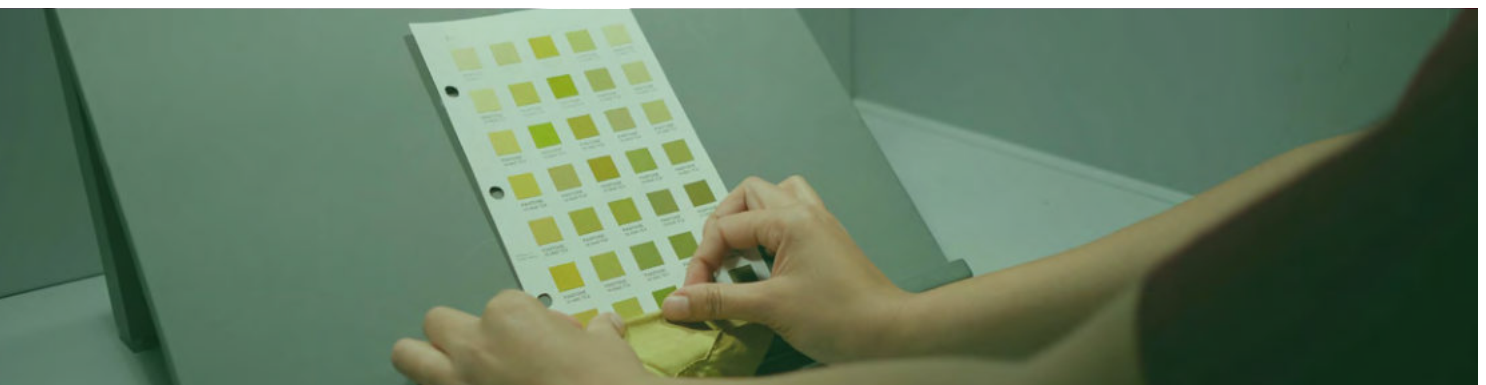
We always support projects aimed at preserving water and attach great importance to wastewater and treatment methods. In 2023, we hosted a workshop on 'Management of Reused Industrial Wastewaters' within the scope of the EU TRUST project we are a partner in.

At Sun Tekstil R&D Center, we also support the sustainability-focused efforts of Sun Tekstil and its affiliated company Ekoten Tekstil. In 2023, our patent application on a warning system preventing leaks in the plumbing systems of jet dyeing machines within Ekoten Tekstil, which prevents both water usage reduction and energy savings, received its registration certificate.

We are happy to support the development of scientific research in our country by making our more than 50 devices and equipment available in the strong laboratory infrastructure of our R&D Centre available to students and researchers within the scope of our university collaborations.

**You can access the Promotional Brochure on Devices and Equipment of Sun Tekstil R&D Center Laboratory through this link.**

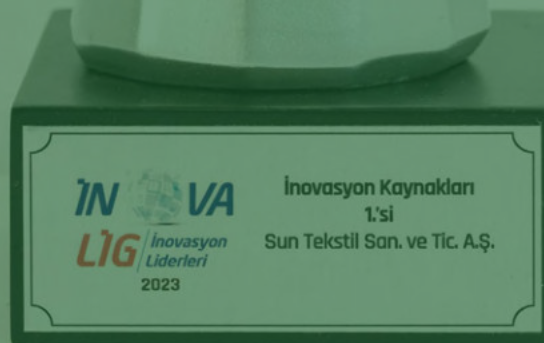
**For more information and collaborations, you can visit our R&D Center page on our website.**





## 2023 Achievements

- Included in the Borsa Istanbul Sustainability Index
- Corporate Governance Rating 9.3\*(Max: 10) (SAHA Corporate Governance and Credit Rating Services Inc.)
- Aegean Ready-to-Wear and Apparel Exporters' Association 2023 Export Platinum Award (Sun Tekstil)
- Aegean Ready-to-Wear and Apparel Exporters' Association 2nd Company with the Highest Export Award (2023 - Sun Tekstil)
- Türkiye Champion in the INNOVALIG-Innovation Resources category
- ETIKA 2023 Türkiye Ethics Award (9th time)
- 30% Club for outstanding achievement and level of leadership in the category of Women Empowered Boards of Directors in Newly Listed Companies
- We have been rated A- (Leadership Level) in the Carbon Disclosure Project 2023 Climate Change Programme (Ekoten)
- We have been awarded an A rating in the Carbon Disclosure Project 2023 Supplier Engagement Rating (SER) programme (Ekoten)
- We were among the organisations that contributed to the WBCSD - World Business Council for Sustainable Development Circular Transition Indicators (CTI) Sector guidance - Fashion and Textiles" guide









SUSTAINABILITY JOURNEY



## Holistic Sustainability Approach

In line with our holistic sustainability approach based on all dimensions of sustainable development, we believe that we create value together with our stakeholders by reflecting the concepts that are an important and integral part of our corporate culture to all our activities.



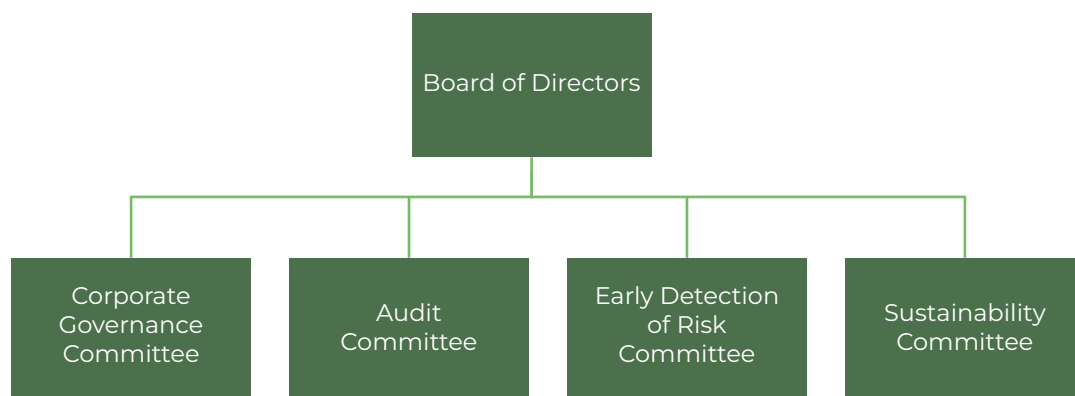


## Sustainability Journey

- 2001** Ekoten Water Management Program was started, and water consumption has been reduced.
- 2002** Ekoten ISO 9001 Quality Management System was established.
- 2012** Ekoten joined the CDP Climate Change Program.
- 2014** Sun Tekstil became a member of the United Nations Global Compact (UN Global Compact-UNGC) and began reporting the progress.
- 2015** Sun Tekstil became a signatory of the Women's Empowerment Principles (WEPs).
- 2018** Sun Tekstil Sustainability Committee was established. Priority SDGs were identified and working groups were established.
- 2018** Solar power plant became operational in our Ekoten knitting facility.
- 2019** Sun Tekstil's first Sustainability Report was published.
- 2022** An advanced treatment system that provides 95% waste water recovery was installed in our central operation in Ekoten Torbali.
- 2023** Ekoten Science Based Greenhouse Gas Emission Reduction Targets were submitted to the Science Based Targets Initiative (SBTi) Platform.

## Sustainability Governance

With the leadership of our Group Sustainability Committee established in 2018, we established our governance mechanism for the management of sustainability topics of high importance for our companies by following the roadmap of conducting stakeholder analysis, preparing a materiality matrix, identifying material SDGs and establishing working groups.



## Our Stakeholders

We strongly believe that sustainable transformation is only possible together with all stakeholders and that partnerships are essential for achieving our goals. In our sustainability journey, we focused on identifying all our key stakeholders and developing strategies to communicate with them in the most effective way. Within the scope of our analysis, we categorised our stakeholders according to their relevance and impact and developed specific communication strategies.





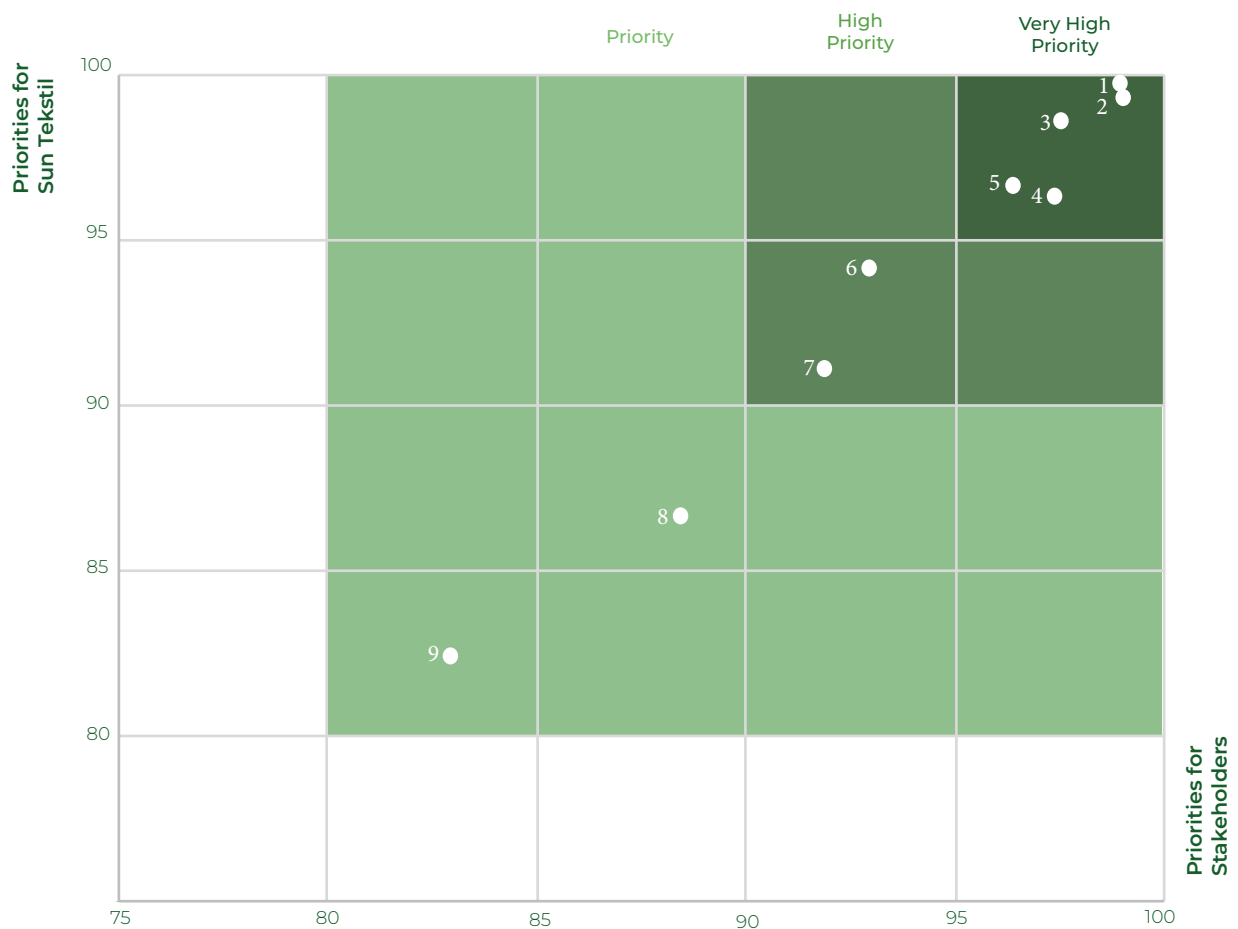
## Stakeholder Communication Strategy

Stakeholder	Communication Tool	Content	Communication Platform	Frequency
Employees	Life in Sun Survey	Measuring awareness and maturity through sustainability questions included in the survey	Online survey platform and manually filled forms	Once a year
	Sun Academy Sustainability Training Programs	Increasing awareness and knowledge through sustainability training programs consisting of various modules	Sun Academy	Once a year
	In-Class Sustainability Training Programs	Increasing awareness and knowledge through sustainability training programs consisting of various modules	In-class training	Once a year
	Launch of the Sustainability Report	Information about the publication and content of our sustainability report of the relevant year and sharing motivation for reviewing it	In-house e-mail Presentation and event Video sharing through common area televisions and Sun Academy	Once a year
	Senior Management Message	Sharing the senior management's message specific for that year about our sustainability strategies and vision	In-house e-mail Sun Academy SunIK Announcement System Sun Cloud	Once a year
	Events Attended by Our Executives	Information about participated events, summaries or citations from our executives' posts, and sharing the records of the participated session	In-house e-mail Sun Academy SunIK Announcement Video sharing from Sun Academy	Periodically
Customers	Launch of the Sustainability Report	Information about the publication and content of our sustainability report for the relevant year	Company website	Once a year
	Sustainability Presentations	Sharing customer-oriented sustainability presentations that cover our current sustainability activities	Online meetings Physical meetings and events	Once a year
Suppliers	Launch of the Sustainability Report	Information about the publication and content of our sustainability report for the relevant year	Company website Sharing e-mail with the letter from the CEO	Once a year
	Sustainability Presentations	Sharing customer-oriented sustainability presentations that cover our current sustainability activities	Online meetings In-class training	Once a year
	Supplier Sustainability Training Programs	Increasing awareness and knowledge through sustainability training programs consisting of various modules for the needs identified in line with the scorecards and strategies	Online meetings In-class training	Once a year
Shareholders / Investors	Launch of the Sustainability Report	Information about the publication and content of our sustainability report for the relevant year	Company website Sharing e-mail with the letter from the CEO	Once a year
Regulatory Bodies and Local Administrations	Sustainability Presentations	Sharing customer-oriented sustainability presentations that cover our current sustainability activities	Online meetings Physical meetings and events Social media posts	Once a year
All Stakeholders	Sustainability Presentations	Sharing customer-oriented sustainability presentations that cover our current sustainability activities	Online meetings Physical meetings and events Social media posts	Periodically

## Materiality Matrix

At the core of our sustainability strategies, which we have prepared to create value for all our stakeholders and the world, are the issues that all our internal and external stakeholders consider a priority. With inclusive communication approaches, we identify our risks and opportunities, common goals, and roadmaps from a holistic perspective by classifying together the issues that our stakeholders consider as a priority, particularly global and sectoral trends. We review the issues we have determined and classified using qualitative and quantitative methods every year and update our materiality analysis every two years.

In 2023, we updated our materiality matrix in order to act more effectively in combating the climate crisis and to increase rapid adaptation to evolving regulations. We consolidated our material issues under 9 main topics and identified 5 items as high priority among these issues.





## Identifying Material SDGs

	No	Main Topic	Subtopic	Related SDG
Very High Priority	1	Ethics	Ethics Anti-Bribery and Anti-Corruption	8 - 16 - 17 - 5 - 10 8 - 16 - 10
	2	Decent Work and Economic Growth	Human Rights Strategy Occupational Health and Safety Management Systems Inclusion, Equality and Diversity Health and Well-Being Talent Management	5 - 8 - 10 - 17 - 16 8 - 3 - 10 - 4 5 - 8 - 10 - 17 - 16 3 - 8 4 - 5 - 8 - 10
	3	Climate Change	Water Management Waste Management Energy Management Combating Climate Change Greenhouse Gas Emissions Management Decarbonisation Chemical Management and Zero Discharge of Hazardous Chemicals to Nature Biodiversity	6 - 12 - 13 - 9 12 - 13 - 15 - 9 7 - 9 - 13 5 - 8 - 10 - 17 - 16 7 - 9 - 13 - 12 7 - 9 - 13 - 12 6 - 12 - 13 - 14 - 15 - 9 15 - 14 - 13
	4	Responsible Value Chain Management	Social Compliance in Supply Chain Traceability of Production Processes Supplier Interaction and Cooperation Responsible Purchasing Training and Commitments Transparency Financial Performance Environmental Compliance in Supply Chain Raw Material Traceability Value Created for Society Socio-Economic Impact on Society Contribution to Sustainable Development Goals	4 - 5 - 8 - 10 - 16 - 17 3 - 5 - 8 - 12 - 13 - 9 3 - 5 - 8 - 10 - 12 - 13 - 1 4 - 5 - 8 - 10 - 12 - 17 3 - 5 - 8 - 10 - 12 - 17 8 - 9 - 10 4 - 6 - 12 - 13 - 14 - 15 - 17 3 - 5 - 8 - 15 - 12 - 13 - 9 8 - 9 - 10 - 11 - 16 - 17 11 - 8 - 10 - 3 - 5 8 - 9 - 10 - 11 - 16 - 17
	5	Circular Economy	Sustainable Raw Material Utilisation Circular Economy Ecodesign Recycling Packaging and Use of Packaging	6 - 9 - 12 - 13 - 15 12 - 3 - 9 - 15 - 6 12 - 13 - 9 - 15 - 6 12 - 15 - 8 - 9 - 6 12 - 13 - 9 - 15 - 6
High Priority	6	Innovation	Digitalisation Production Process Innovation Innovation for Sustainability Technologies	3 - 6 - 9 - 12 - 15 3 - 6 - 9 - 12 - 15 3 - 9 - 12 - 15 - 17
	7	Stakeholder Engagement	Stakeholder Commitments Transparency and Continuous Dialogue with Stakeholders Partnerships for Goals	17 - 16 - 8 - 12 - 13 - 10 17 - 16 - 8 - 12 - 13 - 10 16 - 17
Priority	8	Governance	Suggestion and feedback mechanisms Effective Governance	8 - 16 - 10 8 - 16
	9	Risk Management and Control Systems	Management of Climate Change Risks and Opportunities Non-Financial Risk Management and Control Systems Financial Risk Management and Control Systems Cyber Security	13 - 14 - 15 - 9 16 - 13 - 10 - 8 16 - 8 - 9 16 - 9

## Working Groups

We constantly improve our sustainability governance approach. We established in 2018 a structure of working groups that support the sustainability strategies and activities of Sun Tekstil and Ekoten. At the end of 2021, we changed this structure and adopted a task force mechanism. In this way, we aim to manage our material topics in line with the specific needs of our companies, as well as to empower decision-making mechanisms in the sustainability strategies and activities of our companies.

### Task Forces

### Material Topics

### Sustainable Development Goals



- 3. Ethics and Governance
- 7. Risk Management and Control Systems



- 1. Decent Work and Economic Growth



- 5. Circular Economy



- 2. Responsible Value Chain Management





## Task Forces



## Material Topics

8. Stakeholders Engagement

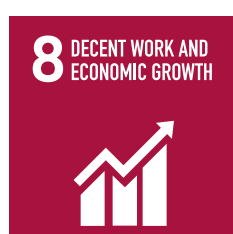
4. Climate Change

6. Innovation

## Sustainable Development Goals





## Our Material Sustainable Development Goals



## Our Sustainability Targets

### Human Resources



	<ul style="list-style-type: none"> <li>■ In 2023, we provided our managers with training to improve their ability to give feedback to employees according to their performance and potential. We will continue to provide training to support our development journey in the coming years.</li> <li>■ In 2023, we will continue our workplace ergonomics studies, which we have implemented as part of our OHS practices, by supporting them with the integration of artificial intelligence.</li> <li>■ In 2024, we aim to increase the number of colleagues working in this way by ensuring the roll-out of our hybrid working system, which we launched in 2023.</li> <li>■ In 2024, we aim to provide a roadmap for all our leaders to act with the "Leader's Ethical Hat" in the dissemination and promotion of ethical principles with our Leader's Logbook study.</li> <li>■ In 2024, we aim to digitalise all human resources functions such as Talent Management, Recruitment, Dismissal, Promotion, Change of Position by making them end-to-end traceable, and to increase the efficiency of our business processes and our positive impact on the environment.</li> <li>■ In 2024, we aim to digitalise our career architecture processes, which we focus on continuously monitoring the potential of our "Measuring and Evaluating the Effectiveness of Work" system.</li> <li>■ We aim to maximise the safety of our colleagues by updating our OHS training with on-site-applied content as of 2024.</li> <li>■ Within the scope of our OHS studies, we started our studies on the evaluation of workplace psycho-social risk factors in 2023 and we continue our researches. As a result of these researches, we aim to implement our practices in Sun Tekstil in 2025 and Ekoten in 2024.</li> <li>■ We aim to complete our efforts to facilitate work accident notifications and near-miss notifications through digital platforms in 2024.</li> <li>■ As of 2024, we aim to publish our Department-based PPE matrices and PPE Usage guide and continue our work in this context.</li> </ul>
	<h3>Community</h3> <ul style="list-style-type: none"> <li>■ In 2024, we aim to provide personal development and competency training to 20 scholarship holders who participated in our "Talent Meetings" programme in 2023.</li> <li>■ We completed the 2023/2024 academic year with 55 scholarship recipients. We aim to continue our scholarship programmes in the 2024/2025 academic year.</li> <li>■ For 2024, we aim to open a "Sun Textile Classroom" at Torbalı Cumhuriyet Vocational and Technical Anatolian High School in our region and support both the school and the students in various areas such as materials, training and mechanical maintenance.</li> </ul>

■ Completed
■ Continued
■ Future Goals



## Our Sustainability Targets

### Product Design and Development

	<ul style="list-style-type: none"> <li>■ In 2023, one of the most important steps in the project, the transformation of recycled waste into new raw materials, was digitally tracked.</li> <li>■ From 2023, we aim to develop our sustainable capsule collections using innovative raw materials in order to make progress towards our 2040 goal of innovative solutions. In 2023, we will have developed 2 capsule collections using sustainable innovative raw materials. In 2024, we aim to develop 3 capsule collections under these conditions.</li> <li>■ In 2023, we designed and presented our collections in the digital environment and converted them into orders without producing any physical samples for these collections. In 2024, we aim to ensure the continuity of this goal by developing 3D collections consisting of 20 pieces per month.</li> <li>■ By 2030, we aim to manufacture at least 90% of our production with sustainable materials.</li> <li>■ By 2040, we aim to develop innovative solutions that will enable us to manufacture 100% of our products with sustainable materials.</li> </ul>
	<ul style="list-style-type: none"> <li>■ We aim to increase our 1000 fabrics currently registered in our digital fabric library by 100% by the end of 2024 and to increase our collaborations with our customers through digital collections.</li> <li>■ In 2023, more than 60% of all collections we developed were produced using sustainable raw materials. We aim to increase this rate to a minimum of 70% in 2024.</li> <li>■ By 2025, we aim to announce our roadmap for low-carbon product manufacturing.</li> <li>■ By 2025, we aim to announce our roadmap for low-carbon product manufacturing.</li> </ul>

■ Completed
■ Continued
■ Future Goals

## Our Sustainability Targets

### Sustainable Environment

	<ul style="list-style-type: none"> <li>■ In 2023, we completed the ISO 14001 Environmental Management System compliance studies for our Sun Tekstil production facilities and received our ISO 14001 certificate for our Sun Tekstil Torbalı headquarters and Manisa branch production facilities.</li> <li>■ In 2023, we received Higg FEM verification from independent institutions for our Sun Tekstil production facilities and we continue our efforts to make it continuous.</li> <li>■ In 2023, we initiated Higg FEM compliance studies in our supply chain and implemented our Higg FEM-compliant environmental performance scorecards.</li> <li>■ In 2023, we received the Oeko-Tex certificate, which shows that textile products do not contain any substances hazardous to human health. We aim to ensure the continuity of our certificate with 3-year periods.</li> <li>■ In 2023, we started the 14064 Greenhouse Gas Calculation and Verification Management System compliance processes for our Sun Tekstil production facilities. We aim to ensure the continuity of these studies with Microsoft Sustainability Manager.</li> <li>■ In 2024, we aim to initiate Carbon Disclosure Project Climate Change reporting compliance processes.</li> <li>■ In 2024, we aim to initiate ISO 14001 Environmental Management System compliance studies for our producers identified in our supply chain and to support our identified suppliers to obtain ISO 14001 certification in 2025.</li> <li>■ In 2024, we aim to regulate energy efficiency studies with the establishment of ISO 50001 Energy Management Systems Standard.</li> <li>■ In 2025, we aim to have our GHG calculations for 2024 verified by third parties under the ISO 14064 standard.</li> </ul>
	<ul style="list-style-type: none"> <li>■ We submitted our science-based greenhouse gas emission reduction targets to the Science Based Targets Initiative Platform for evaluation.</li> <li>■ In 2023, we have offset our grid electricity use with the I-REC certificate. We are committed to offsetting all our grid electricity use with I-REC every year until 2030.</li> <li>■ In 2022, we invested in our advanced treatment plant, and in 2025, we achieved 95% recovery, the ratio we aim to operate.</li> <li>■ We aim to publish our roadmap for the transition to a low-carbon economy by the end of 2024.</li> <li>■ By the end of 2024, we aim to have a governance mechanism in place to measure and monitor the impact of our value chain on biodiversity.</li> </ul>



■ Completed
■ Continued
■ Future Goals



## Our Sustainability Targets

### Digitalization

### Supply Chain Management

	<ul style="list-style-type: none"> <li>■ In 2024, we aim to make quality control processes traceable in digital environment.</li> <li>■ In 2024, we aim to increase the intensity of the use of artificial intelligence technology and initiate projects such as calculating production losses, reducing inventory costs, creating model risk maps and selecting supplies according to the model.</li> <li>■ In 2024, we aim to digitise career architecture, performance management and training needs assessment processes with HR 360.</li> <li>■ In 2024, we will continue our efforts to capture shipping and delivery note processes in ERP and digitise processes that require work order requests and approvals.</li> </ul>	<ul style="list-style-type: none"> <li>■ In 2024, we aim to gradually expand our work, which we started with 6 pilot suppliers providing data entry to our Sustainability Manager and supplier portal, which we completed in 2023, by increasing the number of suppliers.</li> <li>■ By the end of 2025, we aim to complete our efforts to direct our main fabric suppliers to establish an evaluation mechanism to measure the sustainability performance of their sub-suppliers, which we started in 2023, for all our suppliers.</li> <li>■ By 2024, we aim to have sustainability teams in place at all of our suppliers that manage and monitor customer sustainability criteria and are competent to audit their sub-suppliers and appoint responsible persons.</li> </ul>
	<ul style="list-style-type: none"> <li>■ In 2023, we expanded the artificial intelligence-based automatic quality control systems used in our knitting machines and continued our work with 24 machines.</li> <li>■ We aim to expand the artificial intelligence-supported quality control system, which we have trialled in the final quality control phase.</li> </ul>	<ul style="list-style-type: none"> <li>■ In 2023, we piloted our Sustainability Performance Scorecard practices for our suppliers with a sample of our material suppliers.</li> <li>■ With the experience we gained in 2023, we will work on a system where we will generalise our Sustainable Performance Scorecard application in 2024.</li> </ul>

■ Completed 
 ■ Continued 
 ■ Future Goals





CORPORATE GOVERNANCE

05



## Corporate Governance Approach

We believe that the resilience of an organization that creates value for society and all stakeholders depends on effective corporate governance approaches. Our long-standing committees established for the institutionalization and sustainability of our company form the basis of our corporate governance approach. The Audit Committee, the Early Detection of Risk Committee, and the Corporate Governance Committee have been established in 2018 in accordance with the "Corporate Governance Communiqué" published by the Capital Markets Board (CMB). The Sustainability Committee, which would undertake the constant development of our sustainability governance mechanism and activities, was established in the same year. Our working groups, task forces, and departments continue to work under the leadership of our committee, which undertakes the task of aligning sustainability, which forms the basis of our company strategies and is an integral part of our corporate culture, with all our activities and coordinating specific areas.

Our Corporate Governance Working Group, which is affiliated with our Sustainability Committee, carries out activities, especially those for the development of our company's governance mechanisms, and the creation and improvement of policies and procedures, by focusing more on employee engagement, involvement, and dissemination of knowledge. The work carried out by the task forces of Sun Tekstil and Ekoten under 6 categories that we have determined in line with the priorities of all our stakeholders and our company is performed under the guidance and supervision of the Sustainability Committee and our Board of Directors. Therefore, we constantly improve our governance mechanism and improve our practices in the fight against climate change, which is one of our most important issues.

As a result of our effective practices, we received 9.3 out of 10 points in the Corporate Governance Compliance Rating conducted by SAHA Independent Audit in 2023 and were included in the Borsa Istanbul Corporate Governance Index.

You can access detailed information about the rating report via the link. 



Our internal audit mechanism, which has been used for many years to maintain the resilience of our company, is carried out by our Internal Audit Department, which adopts methods based on international standards in its applications, and under the supervision of our Board of Directors. We develop our practices within the scope of the 10 principles of the United Nations Global Compact, which we have been a member of since 2014, and publish a Communication on Progress report open to the public every year, and we are committed to supporting it with a letter written by our Chairperson of the Board of Directors.

We aim to ensure compliance with ethical principles in all our activities by empowering our long-standing social compliance and ethical compliance practices with the Ethics Committee we established in 2021.

We constantly improve our information security management practices by being aware of the importance of information security against the dangers of developing technology. We aim to reach the international level of good practices by complying with the ISO 27001 Information Security Management System Standard, which we began applying in 2021. We ensure the information security of our own processes and stakeholders with the most effective management systems using our applications that we will be certified by independent audit organizations.

No environmental, social and governance (ESG) litigation has been commenced and/or concluded against us that is material in terms of ESG policy and/or could have a material impact on our operations.



## Audit Committee

The Audit Committee is responsible for assessing the activity and adequacy of the internal control, risk management and internal auditing systems, overseeing the flow of information between these systems and the accounting and reporting systems and their overall integrity, conducting assessments on independent auditing companies to be presented to the Board of Directors prior to choosing them, regularly overseeing the independent auditing companies chosen by the Board of Directors and approved by the general assembly. The Audit Committee convenes every three months, a total of four times annually.

You can access the working principles of the committee through the link. 

## Early Detection of Risk Committee

The Early Detection of Risk Committee is responsible for detecting risks that have the potential to jeopardize the company's existence, development, and continuation, taking preemptive measures for such risks and managing these risks. The Committee meets six times a year, once every two months and keeps a written record of all activities. They present their activities and findings to the Board of Directors.

You can access the working principles of the committee through the link. 

## Corporate Governance Committee

The Corporate Governance Committee is responsible for checking whether or not the corporate governance principles are being implemented, if not understanding why and detecting the resulting conflicts of interest, advising the Board of Directors on ways to improve corporate governance applications, and overseeing the activities of the Investor Relations department. The committee is also responsible for internal nominations and wage determination. The Committee meets least three times a year, at least once every four months and keeps a written record of all activities.

You can access the working principles of the committee through the link. 

You can access our policies and procedures through the link. 

## Sustainability Committee

We established our Sustainability Committee in 2018 to develop strategies in line with our holistic sustainability approach and to align our activities with the Sustainable Development Goals. Our committee, which continues its activities under the coordination of the Chairperson of the Sustainability Committee and the Sustainability Management Department, under the Board of Directors, consists of members with competencies that contribute to the development of strategies for all dimensions of sustainability. Its members include all relevant representatives, especially our board members, independent board members, general managers, environmental engineers, human resources specialists, corporate communication specialists etc. Thus, our committee focuses on inclusion and engagement.

**Click on the link to access detailed information about the competences of our members.** [👉](#)

The Sustainability Committee convenes as often as necessary, but not less than three times a year and keeps a written record of all activities. The working principles of the Committee have been shared within the organisation exclusively for our members.

The Board of Directors supervises the effective execution of the activities of the Sustainability Committee. To this end, it receives information from the Chairman of the Sustainability Committee as often as it deems necessary, at least once a year. In addition, the Company's Assistant General Manager of Operational Excellence ensures that the sustainability task forces are carried out effectively.

We have established our sustainability task forces in order for our company and our stakeholders to add value to our world and society, to determine our priority targets, global risks, opportunities, climate change strategies, and all necessary governance mechanisms within the scope of sustainability in line with the studies of our committee, which leads our companies.





## Sustainability Task Forces

We have established task forces for the effective management of the goals, which we have set in line with our materiality analysis studies, and for disseminating them to all our departments with the participation of our colleagues. Sub-working groups operating with the participation of almost 100 employees as permanent members enable employees to participate in decision mechanisms throughout our company.

Each task force convenes at least four times a year, at least once every three months and keeps a written record of all activities and reports to the Sustainability Committee. Our working principles regarding the task forces are shared with our members privately within the organization.



### Product Design and Development

Design and development of environmentally friendly products in line with customer needs and new trends.



### Supply Chain Management

Improving our work to implement the competencies and activities of our suppliers in line with Sun Tekstil's goals, determining strategies in line with the laws and action plans that will affect the supply chain.



### Digitalization

Development project in order to make business models more efficient by using sustainable technologies.



### Sustainable Environment

Projects to ensure sustainable management and efficient use of natural resources: waste prevention, recycling and reuse.



### Human Resources

Developing projects to increase the implementation of our strategies for training planning, leadership development, internalization of values, talent management and gender equality.



### Resilient Communities

Developing work, projects, and strategies that create value for society, determining corporate social responsibility projects and organizations to cooperate.

## Ethics Committee

Our ethical principles are at the core of our corporate structure shaped by our values and corporate culture. We have implemented our principles, which have been internalized by Sun Tekstil, Ekoten and supply chain stakeholders for many years, under the supervision of our Human Resources Departments, Social Compliance Departments and Internal Audit Departments and under the leadership of our Board of Directors.

We empowered our governance mechanism thanks to our Ethics Committee established in 2021. We included the implementation processes of our Ethical Principles in our Working Principles and made them accessible to our employees and suppliers. Our Ethics Committee carefully examines the notifications sent to our Ethics Hotline and e-mail address by keeping confidentiality and managing the required investigation process.

## Anti-Corruption and Anti-Bribery

Since the establishment of our company, we have been carrying out ethical, transparent and principled business processes with our stakeholders. In this direction, our governance mechanism was established many years ago in order to be among the exemplary institutions that advocate anti-bribery in the business world. We have presented our policies and procedures on anti-bribery and anti-corruption in all processes in our supply chain to all our stakeholders. We are happy to share the same values with our partner suppliers. In this context, our commitment to our principles is also legally accountable through contracts and commitments. We are always improving our practices, using the expertise of our company lawyers and consultants. With our commitments to UN Global Compact and other platforms, we aim to maintain the advocacy of these essential principles and anti-corruption, anti-bribery by cooperating with all business representatives.

## Internal Audit Department

The Internal Audit Department aims to evaluate and improve the effectiveness of risk management, internal control, corporate management, and operational management processes. The department supervises and evaluates the way to be a safe, peaceful, transparent, and democratic organization in accordance with Sun Tekstil's basic quality policy, continuity, and profitability targets by introducing a systematic and disciplined approach. It provides consultancy and suggestions and contributes to the improvement of the processes in line with the results of its activities. In addition, the Internal Audit Department accompanies the company's rapid progress in the digitalization process, expands its internal audit activities to effectively manage the risks arising in this context, and increases the assurance rate by finding digital solutions.

While carrying out these activities, the department adheres to the principles of honesty, responsibility, accuracy, objectivity, and confidentiality, attaches utmost importance to impartiality and independence, and creates a transparent and interactive environment with its stakeholders. It evaluates all opinions and feedback and supports sustainability and development goals within the framework of mutual trust, expertise and efficiency.

## Climate Change Management

With the commitments of our senior management, we set out on our journey for water management in 2001 and combating climate change in 2012. We continue our activities aiming at being among the leading organizations that emphasize the importance of combating climate change in the business world and advocate for the issue. Our activities, which have been led and supervised by our Board of Directors, Chairperson of the Board of Directors, and General Managers, are supported by a strong climate change management mechanism. Sustainability Committee handles all elements related to climate change and coordinates our strategies and roadmap.

With the knowledge provided by the experts who are members of our Sustainability Committee, external consultants, and the organizations and platforms of which we are stakeholders, we analyze all aspects of the fight against climate change, especially the risks and opportunities, and global action plans. Analyses are presented to our Board of Directors and Risk Committee, ensuring continuous improvement and systematic management of our strategies. We improve our strategies and governance mechanism with voluntary Carbon Disclosure Project (CDP) reporting and disseminate our practices throughout our entire supply chain.

## Information Security Management System Committee

We have been carrying out our activities with the coordination of our committee established in 2021 as part of our Information Security Management System structuring process in accordance with the ISO 27001 Standard.

Our committee is responsible for creating the necessary documentation for our company's Information Security Management System (ISMS), disseminating it to the relevant offices and keeping the documentation up-to-date by making revisions when necessary, keeping up-to-dateness of the asset lists, and taking required actions for the identification and evaluation of ISMS risks.

Information security, privacy and cyber security are of strategic importance to us. The confidentiality and integrity of customer data is one of our primary business objectives. Accordingly, we strictly comply with the legal requirements for the protection of personal data. We have established the necessary network security infrastructure and take effective measures to protect customer information. In this regard, we have established an Information Security Policy and we continually strive to raise security awareness through regular training of our employees.

In an environment where cyber threats are growing by the day, we take a proactive approach, identifying potential security risks and taking effective action. By strictly adhering to international information security standards such as ISO 27001, we aim to protect information assets and ensure business continuity. In addition, we use continuous monitoring and security testing to identify security vulnerabilities and establish rapid response capabilities. We continually update and improve the protection of customer, stakeholder and employee information and adapt to the latest technologies.

Our corporate information security and privacy policies are designed to enhance not only our internal processes, but also the reliability of the services we provide to our customers. As the security and integrity of data is one of the cornerstones of our business strategy, we continue to invest in this area.



## Corporate Memberships

In our journey with the goal of designing a sustainable future, we aim to contribute beyond corporate memberships and support to create value for society and the business world, with the awareness of the importance of partnerships for the purpose. Accordingly, our company officials, especially our board members, play an active role in many platforms and non-governmental organizations.

As part of our strategic objectives, which we have set in line with our priority Sustainable Development Goals, we are working to strengthen our corporate governance at senior management level, in particular our Board members. In the context of ethical work and economic growth, we are committed to building collaborations and taking on roles that contribute to a skilled workforce. We participate in platforms where we can advocate for gender equality and women's empowerment. In the context of responsible production and consumption, we actively contribute to the work of organisations that facilitate and lead the transition of the business world to circular economic models.



Günseli Ünlütürk is a Member of the Board of Directors of Sun Tekstil, supports the development of activities for the resilience and sustainability of family businesses as a Member of the Board of Directors at Family Business Network International. Between 2020-2021, she contributed to the development of the Sustainability Indicators for Family Business platform, which will facilitate the efforts of family businesses to adapt the Sustainable Development Goals indicators to their strategies.

Melis Vekiloğlu, General Manager of Sun Tekstil, is an active member of many platforms that support sustainable development such as the Business Council for Sustainable Development Türkiye (BCSD Türkiye), 30 Percent Club Türkiye, and Türkiye Exporters Association Women Council. She contributes to the activities that support the transformation of our industry by taking on the role of the Leader of the Sustainability Working Group in addition to her duty as a Board Member of the Aegean Garment and Apparel Exporters' Association.



With the voluntary representation of our Board Members as well as other officials, we contribute to sustainable development on many important platforms. With our Textile Exchange Roundtable memberships, we are involved in the processes to improve the traceability of sustainable textile raw materials and materials throughout the supply chain. With the membership of the TÜSİAD Circular Economy and Waste Management Sub-Working Group, we support efforts focused on the adaptation of our business world to circular economy action plans and business models and increasing resource efficiency.

We contribute BCSD Türkiye's collective efforts with our representatives in Transition to Low Carbon Economy and Efficiency, Sustainable Industry and Circular Economy, Social Inclusion, Sustainable Finance and Risk Management working groups. With the membership of the Türkiye Clothing Manufacturers Association (TGSD) Sustainability Working Group, we support the activities carried out for the transition of our industry to sustainable business models.

## UN Global Compact

We have been a signatory of the UN Global Compact (UN GC), the largest corporate sustainability platform in the world, since 2014. We publish our Communication on Progress Report on the 10 principles of UN GC publicly every year. We are among the active members of the local network of Global Compact Türkiye and contribute to the mission "to support the achievement of a sustainable and inclusive global economy by cooperating with the private sector and other social stakeholders in Türkiye and abroad."

You can access our Communication on Progress Reports which we have published since 2015 and our commitment to comply with the 10 principles that we update and our Chairperson of the Board of Directors sign each year via the [link](#). 🖱️

In 2022, we joined the Early Adopters Programme developed by the UN GC, which requires all signatories to comply with the New Progress Reporting Platform in 2023. We continue to report using the new methodology.

As a member of the platform, which helps companies around the world align their strategies and operations with 10 principles in the areas of human rights, labour standards, the environment and anti-corruption, we have also set ambitious targets for the SDGs as part of the business community's goal to achieve the Sustainable Development Goals.

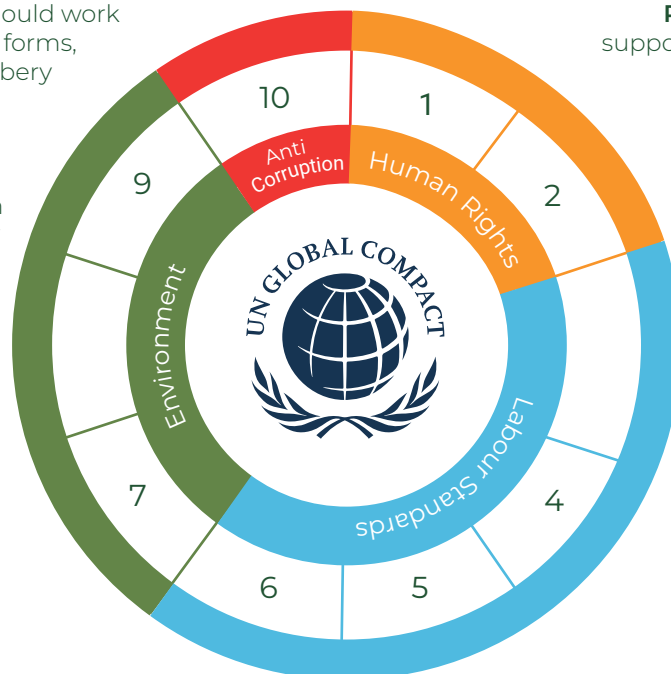
**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery

**Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly

**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility

**Principle 7:** Businesses should support a precautionary approach to environmental challenges

**Principle 6:** The elimination of discrimination in respect of employment and occupation



**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights

**Principle 2:** Business should make sure that they are not complicit in human rights abuses

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

**Principle 4:** The elimination of all forms of forced and compulsory labour

**Principle 5:** The effective abolition of child labour



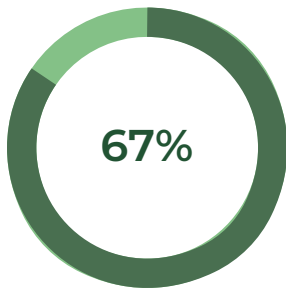
## Women's Empowerment Principles (WEPs)

With its female co-founders and managers, our company has made gender equality a corporate culture since it was founded in 1987. Our company has been constantly improving its activities within the framework of the Women's Empowerment Principles (WEPs), which it signed in 2015.

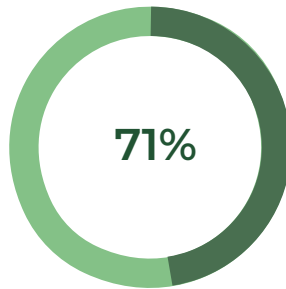
You can access the details of the signatory organizations of WEPs in the world through the [link](#). 🖱️

Being among the active members of the WEPs Izmir Committee, we contribute to the following mission of the WEPs Platform, which was established in partnership with the UN Global Compact and UN Women: "It aims to guide private sector institutions in their activities to promote gender equality and women's empowerment in their workplaces and areas of activity."

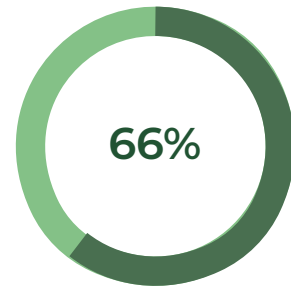
We work to continuously improve our work in line with the WEPs principles with the implementation guide prepared by the Executive Committee of the UN Global Compact Türkiye Women's Empowerment Working Group. In 2023, we updated our analysis through the self-assessment tool and prepared our strategic action plans based on our gap analysis. We will implement our improvement plans in this direction and update our analysis at the end of 2024.



Sun Tekstil Women on the Board of Directors



Sun Tekstil of Women in All Employment



Sun Tekstil Women in Management Roles



**Principle 1** Establish high-level corporate leadership for gender equality

**Principle 2** Treat all women and men fairly at work - respect and support human rights and nondiscrimination, and promote such principles

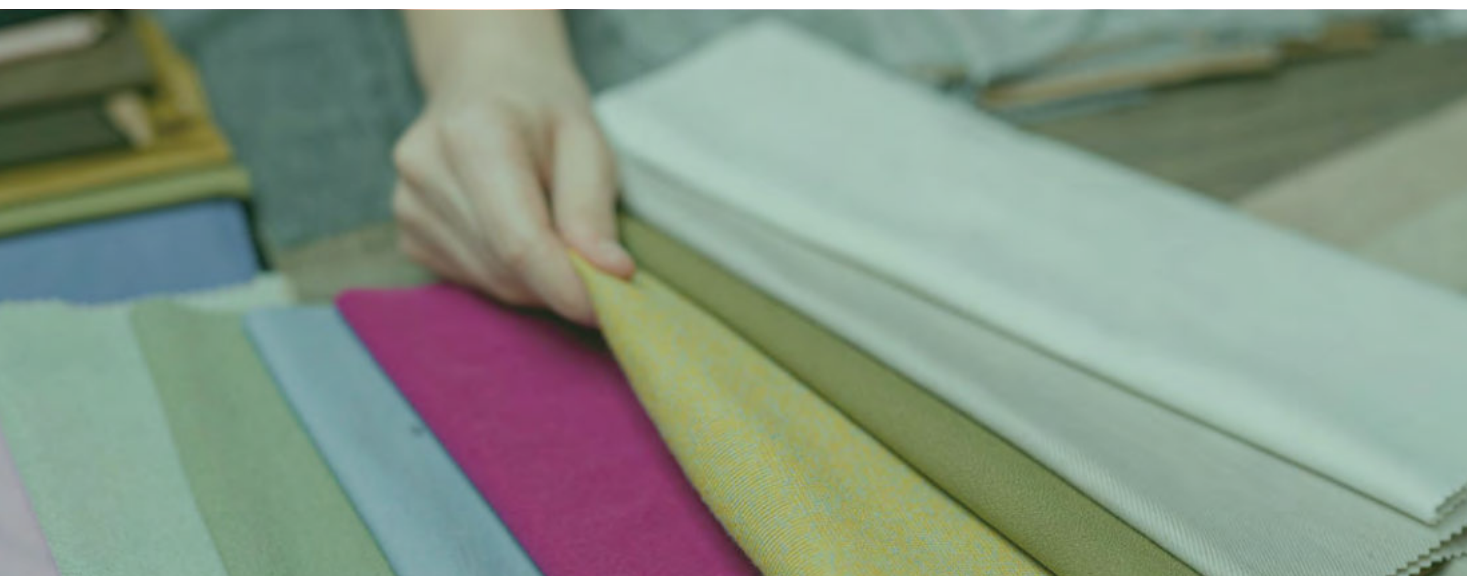
**Principle 3** Ensure the health, safety, and well-being of all female and male workers

**Principle 4** Promote education, training, and professional development for women

**Principle 5** Implement enterprise development, supply chain, and marketing practices that empower women

**Principle 6** Promote equality through community initiatives and advocacy

**Principle 7** Measure and publicly report on progress to achieve gender equality



## All Corporate Memberships

KALDER	Türkiye Quality Association
TAİDER	Family Business Association
ESİAD	Aegean Industry and Business Association
İPUD	Good Cotton Practices Association
EGSD	Aegean Clothing Manufacturers Association
TEİD	Ethics and Reputation Society
WTECH	Women in Technology Association
SKD TÜRKİYE	Business Council for Sustainable Development Türkiye
TEXTILE EXCHANGE	Textile Exchange Membership
TKYD	Corporate Governance Association of Türkiye
TMM	Türkiye Materials Marketplace
BADV	Business Against Domestic Violence Network





HUMAN RESOURCES

06

## Our Company Culture

As Sun Tekstil and Ekoten, we continue to work in a manner that respects human rights as stated in the UN Universal Declaration of Human Rights and the basic conventions of the International Labour Organization (ILO). We offer equal opportunities at all stages such as recruitment, working conditions, remuneration, performance management, promotion, continuous learning and retirement. We support diversity, inclusion and participation, stand against harassment and discrimination, and are committed to fair treatment of everyone by protecting the health, safety and dignity of our colleagues.

We encourage our colleagues to express their ideas freely, encourage the emergence of new ideas and support them to realise their ideas. We believe in the success that differences will bring, and we act with the desire and endeavour to always do the best in the light of our ethical rules and values.

We shape our future with our innovation and solution-oriented approach by growing steadily together with our colleagues, suppliers, customers and all our stakeholders. With our vision of being a lifelong learning institution that values people, society and the environment, we are working together to realise our goals with excitement for what the future will bring.



Inspired by this vision to make our way of doing business sustainable, we have redesigned our culture.



We have embodied our values that make us who we are. We ensure their continuity through promotion activities.

We encourage employee participation, develop and improve together.

We have developed our applications, most of them a new generation of new generations of the new young talents aligns with their expectations and we're transforming it.

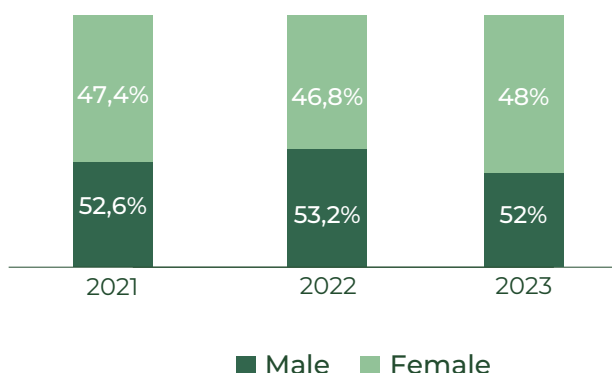
We continuously improve our employee experience practices for happier, loyal and productive employees.

We support diversity and inclusion, and design our practices with the strength of differences.



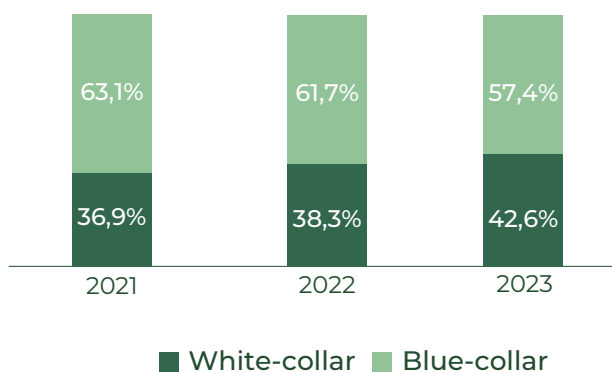
## Employee Profile

### Breakdown by Gender



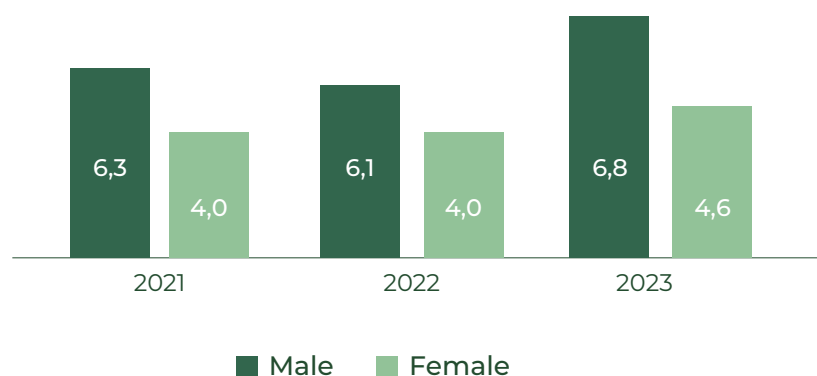
Gender	2021	2022	2023
Male	935	1.021	994
Female	842	899	918
<b>Grand Total</b>	<b>1.777</b>	<b>1.920</b>	<b>1.912</b>

### Breakdown by Position



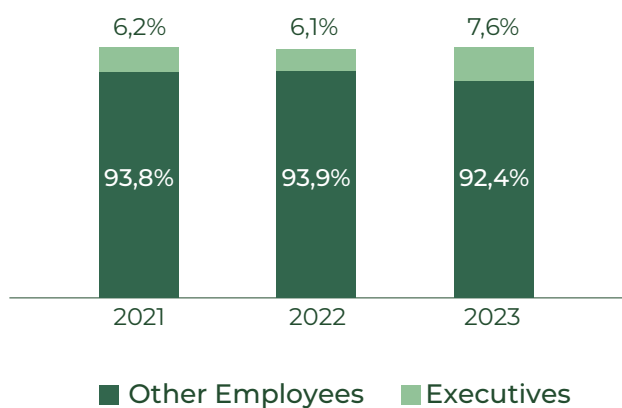
Position	2021	2022	2023
White-collar	656	736	814
Blue-collar	1.121	1.184	1.098
<b>Grand Total</b>	<b>1.777</b>	<b>1.920</b>	<b>1.912</b>

### Average Years of Seniority



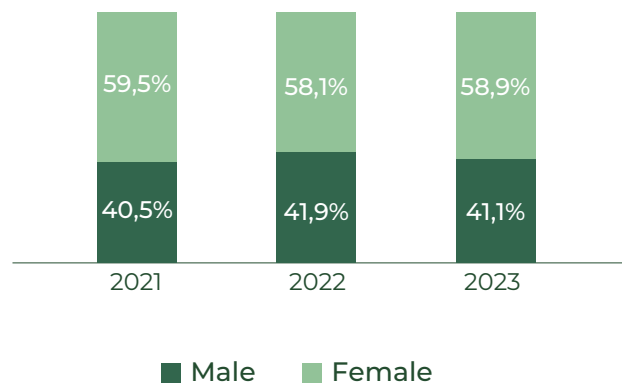
Year	Average for All Employees
2021	5,2
2022	5,1
2023	5,8

## Ratio of Executives



Ratio of Executives	2021	2022	2023
Other Employees	1.666	1.803	1.766
Executives	111	117	146
<b>Grand Total</b>	<b>1.777</b>	<b>1.920</b>	<b>1.912</b>

## Break by Gender of Executives



Female	2021	2022	2023
Other Employees	776	831	832
Executives	66	68	86
<b>Grand Total</b>	<b>842</b>	<b>899</b>	<b>918</b>
Male	2021	2022	2023
Other Employees	890	972	934
Executives	45	49	69
<b>Grand Total</b>	<b>935</b>	<b>1.021</b>	<b>994</b>





# Human Resources Strategy and Roadmap

Always mindful that we have come this far with our employees, customers and business partners, we will continue to evolve with our people and all our stakeholders in ways that make our corporate values sustainable. In line with our company's strategic goals and sustainability objectives, we want to pass on from generation to generation the way of doing business, the values in our DNA and the formula for working that we have adopted since our foundation. To this end, we are building a shared corporate culture based on long-term, mutual trust and cooperation with our employees, which can hold differences together and benefit from their richness. We are designing practices to create more productive, happier and committed employees and to meet the expectations of young talent.

We plan and recruit qualified personnel for the development and future of the company, develop the knowledge, skills and competencies of our talents to ensure their permanence and continuity, carry out activities to increase their motivation, create open communication environments for them to express themselves, and promote a culture of appreciation and feedback.

In our business life, we offer equal opportunities at all stages such as recruitment, working conditions, remuneration, performance management, promotion, continuous learning, etc. At Sun Tekstil and Ekoten, we do not allow discrimination based on factors such as race, gender, colour, religion, marital status, sexual orientation, political opinion, affiliation, ethnic identity, health status, family responsibilities, union activity, membership, disability or age. While realising our strategies, we carry out our activities under 4 headings. These headings are Sustainability of Company Culture and Values, Sustainability of Organisation and Business Model, Sustainability of Talents and Learning Organisation, Sustainability of Human Resources Processes and Systems.

# Sustainable Human Resources Activities

## 1- Company Culture and Sustainability of Values

Together with our colleagues, we completed the **"Our Values and Beyond"** training by adding new ones in 2023 to the promotion activities we carried out in order to make our 5 values, which we revealed in 2020, memorable, understandable, attractive and meaningful until 2022.

We aimed to increase permanence by using gamification applications in our training consisting of our Values, Code of Conduct, Corporate Culture and Social Compliance. We brought together our Code of Conduct and Ethical Principles booklets, which we created based on our Solar Route, and our Human Resources Policy, enabling our colleagues to access all our documents at once. At the same time, we turned our Values and Code of Conduct into animated videos with the voiceover of our colleagues and published them on Sun Academy, our digital training platform, making them enjoyable and fun to watch regardless of time and place.

You can access our working principles by clicking on the link.

You can access our Working Principles and Values video by clicking on the link.

## For the 9th time, Sun Tekstil won the Ethical Companies Award

We have increased the dissemination of our ethical principles, values and working principles. At the same time, with our **"Ethics Line"** where our colleagues can freely express their problems, we have contributed to solving the problems they experience by meeting their need for trust and understanding. As Sun Tekstil, we were entitled to receive the ETIKA award given by the Ethical Values Centre Association, to which we applied for our work and where companies that attach importance to ethics are awarded every year, for the 9th time in a row.

In 2024, we aim to provide a roadmap for all our leaders to act with the **"Leader's Ethical Hat"** in the dissemination and promotion of ethical principles with our Leader's Logbook study.



Source: "Our Values That Make Us Who We Are and Beyond" training

### We included not only our colleagues but also our stakeholders in the dissemination of our values!

We included our interns participating in our Young Talent Programmes, which we organise every year, in the **"Our Values That Make Us Who We Are and Beyond"** training on the first day of their internship. With our training, which we made fun with the gamification method, we ensured the adaptation of all our interns, who are our potential candidates, to our corporate culture.

## We continued to be self-managing teams with our It's Your Turn the Talk Programme.

Starting from 2021, we have created an environment where our colleagues can share their expectations, suggestions and talk freely on the question of how we can do better. With this programme, we used communication methods that enable teams to solve their own problems in line with our values based on our solar route. At the same time, we designed processes where our actions will be monitored and everyone will be involved in the solution by establishing a tracking mechanism on the digital platform in order to track the solution of the problems. This year, we processed 196 of the 249 improvement suggestions opened this year and completed 66% of them. 34% of the suggestions continue to be improved within the action plans.



This year, as every year, we held "Open Door Meetings", where our colleagues can meet our General Manager in one-on-one meetings and express themselves in a comfortable and free environment. With this event, which we organise once a month, we bring together our General Manager and our colleagues who request an interview.

### **We Use Appreciation and Rewarding Systems Focusing on Employee Happiness**

We share all the practices and awards that our colleagues have achieved success by participating with their individual talents and efforts throughout our company, and we aim to inspire each other.

We organise seniority award ceremonies for our colleagues who have completed their 10th, 15th, 20th and 25th years in our companies. At these ceremonies, we congratulate the efforts of our colleagues with plaques and material awards and celebrate our unity.



## 2- Sustainability of the Organisation and Business Model

We develop practices for the development of our corporate culture in order to ensure the sustainability of our way of doing business and transfer it to future generations. We continue our "Orientation" processes with the support of Buddies in order to facilitate the adaptation of our new colleagues to the corporate culture, working life and their positions.

### DIFFERENT APPROACHES TO DIFFERENT WORK RHYTHMS



Source: Sun Tekstil in-house mailing

### We Changed Our Work Rhythm with Hybrid Working Model

In line with the changing world and working conditions, we launched our hybrid working model, which we started as a pilot application with the departments determined in January 2023, to continue continuously in June. We aim to increase the number of colleagues who will work in this working model by ensuring the spread of our hybrid working system in 2024.

### We switched to Appointment System in Examination with Infirmary Module

With the Infirmary Module, which we have developed to be accessible via our SunİK digital platform and mobile application, we have designed a new system where our colleagues can be examined by the workplace physician by making an appointment without waiting in line. With this module, we have eliminated the queuing process, while at the same time making our health services uninterrupted, efficient and improving our processes by making statistical analyses easier.

### We Facilitated Access to Sun Academy Training with SunİK Platform

By integrating our SunİK platform and Sun Academy, our digital training platform, we have made our training easily traceable by providing our colleagues access to our digital training platform with a single password. At the same time, we have made it easier for our colleagues to follow the training with an interface where they can more easily follow their completed and incomplete training.

### We Digitalised Our 2nd Month and 6th Month Evaluation Forms

With our SunİK platform, which is used by all our colleagues, we have developed a new evaluation module where our colleagues' 2nd month and 6th month evaluation forms can be filled in digitally by our leaders. With this module, we have ensured that evaluations are made in a timely and complete manner, as well as having a positive impact on the environment by preventing paper waste.

In 2024, we aim to digitalise all human resources functions such as Talent Management, Recruitment, Dismissal, Promotion, Change of Position by making them end-to-end traceable, increasing the efficiency of our business processes and our positive impact on the environment.

## We Facilitated the Follow-up of Legal Processes with Daily Reports

In order to facilitate the monitoring of legal working hours, we have prepared working hours and overtime work reports that are automatically transmitted to our leaders through the system. With this system, we have facilitated the protection and monitoring of legal limits such as 11 hours, 7 consecutive days of work and 270 hours of overtime work per year.

## We Continue to Share Our Ideas and Suggestions Freely

This year, our colleagues continued to freely share their ideas and suggestions through the "Lean Transformation" and "SolutionSUN" programmes we implemented in our companies. In 2023, 15 of the 41 suggestions submitted under our ÇözümünüSUN programme were processed. Our teammates who shared their new ideas and projects on business processes, working environment, sustainability and development through our "SolutionSUN" programme were specially congratulated by our General Manager, OPEX Assistant General Manager and relevant department managers.



Source: From the SolutionSUN Congratulatory Celebration



Source: From our Lean Transformation Programme



### 3- Sustainability of Talents and Learning Organisation

In 2023, we published a total of 29 new training in the categories of **"Personal Development and Competency Training"**, **"Computer Programmes and Software Training"**, **"Operational Process Training"**, **"Sustainability Training"** and **"Corporate Governance and Development Training"** through our digital training platform Sun Academy. Together with the training we published in previous years, we reached a training completion rate of 76.3%.

Adhering to the same categories, we organised in-class training for our colleagues and suppliers. In these training, we reached a training participation rate of 93.1%, and we have realised 31,908 training hours in total.



Source: Sun Academy

Within the scope of our Personal Development and Competency Training, we organised **"Team Safe Harbour"**, **"Communication to the Future and Coaching"**, **"Teams Connected by the Chain of Love"** and **"Communication to the Future"** training by focusing on our values. With our Team Safe Harbour training, we focused on the power of being a team by focusing on topics such as team management, team motivation, creating synergistic teams and building harmonious teams for our leaders. We aimed to facilitate the feedback processes of our leaders, to manage their teams with a coaching hat, and to ensure sustainability with constructive and developmental feedback with the Future Feedback and Coaching training we conducted with our leaders.

While we aimed to establish synergistic, harmonious, highly trusting and self-managing teams with our Teams Connected by the Chain of Love training, we aimed to strengthen our feedback culture and increase feedback both within and between teams with our Feedback to the Future training. At the same time, we included appreciation and thank you titles in all our training contents to make the culture of appreciation sustainable.



Source: Teams Connected by a Chain of Love From Our Training

## We reached not only our colleagues but also our producers and suppliers with our Operational Process Training and Sustainability Training

In order to ensure the sustainability of our business processes, we organised our operational process training with our colleagues for our suppliers and producers. At the same time, we reached our suppliers and producers with our sustainability training, where we focused on our Sustainability Development Goals. In 2023, we achieved a 100% training participation rate in our producers and suppliers, reaching a total of 3,326 training hours. In addition to our suppliers, we also held training with 58 newly recruited colleagues in 2023, where we explained our sustainability perspective.

## We went on a Solar Route Journey for our Team Leaders and Team Leader Candidates

We designed the "Team Leader Sun Route" training journey in order to strengthen the leadership competencies of our Team Leaders and to train new Team Leaders among our colleagues. Within the scope of the programme, which was attended by 4 female colleagues, we aimed to ensure the sustainability of our business processes by providing personal and leadership development training as well as technical and applied training. In addition to the **33 training** session carried out within the scope of the programme, we designed measurable systems to monitor the effectiveness of the process and the progress of our colleagues through the evaluation studies we carried out. At the same time, we monitored the feedback on our development journey in practice with the evaluation centre that we established.



Source: From our "Team Leader Sun Route" training

[Click here to watch the Team Leader Sun Route Training video](#) 🖱️



Source: Production Engineer Development Programme

[Click here to watch the Production Engineers Development Programme Video](#). 🖱️

## We Prepared Our Engineers to Become the Leaders of the Future with our Production Engineer Development Programme

To ensure the sustainability of our production processes and to develop our engineers from day one, we have developed our **Production Engineer Development Programme**. As part of this programme, we provided a total of **10 training** sessions to **4 Production Engineers**, including technical and operational process training. At the end of the training sessions, our production engineers sewed products from scratch to put the technical knowledge they had learned into practice and present it to their colleagues.

## We Continued to Include Women in Business Life with Sun Tekstil Vocational Training and Development Centre (MEGEM)

In 2023, we continued to create new training groups with **MEGEM**, which we started in 2022, which we established within our own structure in order to provide a profession for women who have never received any education or have not had the opportunity to acquire a profession or who have dropped out of their education, and to support their economic freedom by bringing them into working life. With this training programme, which we aim to provide employment especially for women, we provide all the basic and technical training required as a sewing machine operator to our trainees for a period of 3 months.

During the training period, we ensure that they have the same rights as all our colleagues, and we assign our trainees who successfully complete the training to the tasks appropriate to their skills.

At the end of the training, we provide employment opportunities in different positions to our trainees who we cannot utilise in sewing machine operations. In 2023, we employed a total of 14 trainees in 2 different training groups.

Within the scope of the MEGEM programme, we presented the products sewn by our trainees to our elders residing in the Elderly Care and Rehabilitation Centres in Torbalı and Buca.



Source: Sun Tekstil Megem certificate ceremony



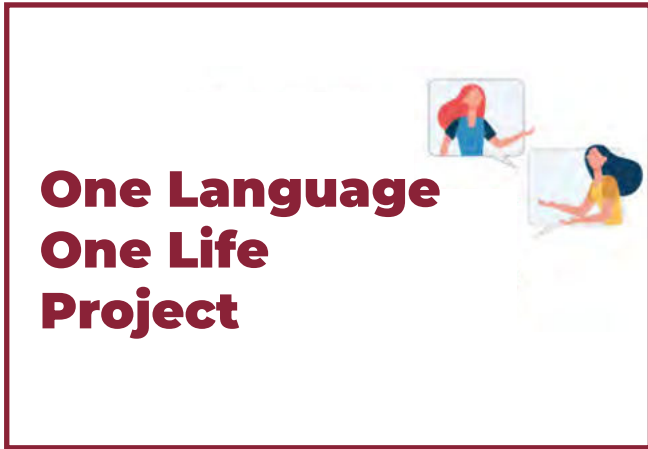
## We Created an Internal Announcement System for Our Colleagues to Design Their Career Paths Independently

In 2023, we launched the **"You Design Your Career Path Programme"**, which we prepared in order to retain talent and offer our colleagues the opportunity to progress in different fields with alternative career paths by nurturing the leaders who will carry our Company into the future from within. Within the scope of this programme, we announce career opportunities within the company to all our colleagues through our internal announcement system, allowing them to shape their careers in line with their expectations. At the same time, we discover talents whose performance and potential we measure in the career architecture and encourage them to apply for our open positions. Thus, we ensure that our colleagues take ownership of their own development and career responsibility.

In this process, together with our leaders, we support the development of our colleagues, offer them opportunities and create an environment where they can freely set career goals and nominate themselves.

We place **"wish and request"** boxes in every accessible working area, where our colleagues who are hesitant to share their suggestions and ideas can share them anonymously.





Source: Sun Tekstil in-house mailing

### **We are developing together with the relatives of our colleagues with One Language One Life Project**

We launched the "One Language One Life Project" where our colleagues and their relatives can benefit from free foreign language speaking lessons with foreign instructors. Within the scope of the programme, 341 colleagues and their relatives participated in English lessons, 121 in German lessons and 26 in French lessons, contributing to our development journey.

### **We Shape the Future with our Young Talent Programmes!**

Through our collaborations with Universities, High Schools, Vocational Training Institutions and student communities, we continue to build the career paths of young talent who will take their first step into business life together and shed light on them on this path.

In 2023, we had the chance to contact academics and young talent by visiting university campuses and new graduates by participating in 11 major career fairs. With these visits and fair participation, we created strong candidate pools for our "Young Talent Programmes".



Source: Izmir Metropolitan Municipality Career Fair Event

We completed our internship programmes, which we positioned the values of " **Designing our Dreams, Developing, Valuing, Loving , We Do the Best**" within our companies, with great interest and succesfull outcomes this year.

With our "Future is in Sun", "Sun Design Project" and "Digitalise the Next" young talent programmes, we provided students and graduates in different departments with the opportunity to create and implement projects within the company on the subjects they have targeted before their first step into business life. During our internship programmes, we supported all participants with "Value-Oriented Communication, Teams Connected by a Chain of Love, Notification to the Future, Sustainability Training" in our development track.





Source: From our "Digitalise the Next" programme

### The Future at Sun 2023 🖱️

We have completed our fifth programme of the Future at Sun, which was attended by **15 young talent** studying in the departments of Textile Engineering, Industrial Engineering, Computer Engineering, Software Engineering and Statistics. Our young students completed their projects for the needs of the business or to improve the existing processes with the support of their mentors.



Source: From our "The Future at Sun" programme



Source: From our "Sun Design Project" event

### Sun Design Project 2023 🖱️

We continue to inspire young talent, by sharing our 36 years of experience in the industry with students and help them transform their academic knowledge into practice with Sun Design Project, which we have been organising since 2018 and selected as the "Best Talent Programme of the Textile Industry" in the "Top 100 Talent Programmes" evaluation in 2019. **10 Textile and Fashion Design students**, who started our programme, which we organised for the fifth time this year, with 50 hours of '3D Drawing' training, completed the programme with an exhibition where they independently designed their styles in the themes presented to them.





Source: From our 'Digitalising with SAP!' training programme

### You are Digitalising with SAP! 🖱️

In 2023, we carried out our "You are Digitalising with SAP!" development programme prepared in cooperation with the Women in Technology Association (Wtech) and SAP. During the programme, we offered 3 Sun Tekstil, 3 Ekoten employees and 10 students the opportunity to build a career in line with the requirements of the age combined with technology, and at the end of the project, we provided employment to **60% of the participants**.

Kadınların özellikle teknoloji alanında istihdamına destek olmak amacıyla hayata geçirdiğimiz bu programın yarattığı etkiden büyük mutluluk duyuyoruz.

### We Organise Talent Development Meetings with Our Scholars

We organise "Talent Development Meetings" in order to prepare our company's scholarship holders for the future and to make them feel that we are always with them. Within the scope of these meetings, we host our scholarship holders in our company and organise technical trips, personality inventories and group case studies in order to get to know our company closely and to contribute to their development. After the personality inventory and group case studies, we conduct one-to-one feedback interviews by revealing their development needs. In 2024, we aim to provide personal development and competency training for the development needs of **24 scholarship** holders who participated in our programme in 2023.



Source: "Talent Development Meetings" event

## 4- Sustainability of HR Processes and Systems

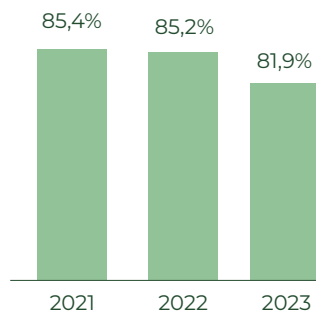
We Measured Employee Satisfaction and Loyalty with the Life at Sun Survey.

We continue to focus on our values, sustainability and working principles with the "Life at Sun Survey" that we carry out regularly every year.

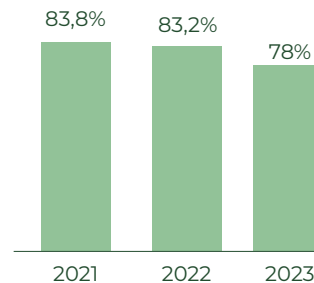
From 2018 to 2022, we have observed that our **"Passion"**, **"Commitment"** and **"Satisfaction"** rates have increased. We know that when the Employee Engagement and Satisfaction survey results show an upward trend for three years or more in a row, it will switch to a downward curve again.

As of 2023, minor decreases were observed in the categories of "Passion", "Commitment" and "Satisfaction" in our survey results, which had an upward trend for 5 consecutive years. Based on the results we obtained, we have created action plans to redesign our human resources practices in 2024.

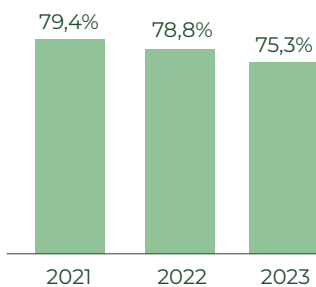
### Passion



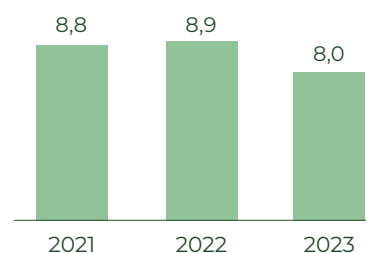
### Commitment



### Satisfaction



### Group NPS Score



## We Reshaped Our Career Architecture

Together with our leaders, we reviewed our career architecture, where we can evaluate all groups independently from each other by putting talent at the centre and aiming to prioritise the right development needs for each group. Within the scope of this project, we re-evaluated all our colleagues by creating a unique career map that focuses on the roles and leaders needed by the company, where personalised talent is important, and where performance and potential are prioritised. We designed new leadership and career paths for 39% of our Star Employees and realised promotions.

At the same time, we revised our job evaluation processes by re-evaluating 572 positions in total. In 2024, we aim to digitalise our career architecture processes, which we focus on continuously monitoring potential with our **"Measuring and Evaluating the Effectiveness of Work"** system.

## Value Based Promotion Conversations

Since 2022, we have been conducting **"Employee Experience Interviews"** to ensure the loyalty of our new colleagues, to understand their needs and to listen to their suggestions. In order to provide a positive and participatory employee experience, we aim to create employees who are wholeheartedly committed to our company by organising one-to-one interviews in the 2nd and 6th month of new recruits. Our new recruits and new graduates make presentations about the gains of being a member of the Sun Tekstil family and their suggestions in this direction. In 2023, we are developing together with our talent management and development journey projects that we have implemented with the suggestions of our colleagues we have interviewed.

In 2023, we conducted 2nd month interviews with 146 people and 6th month interviews with 78 people.

As in the past year, we aim to shape our action plans with the suggestions of our colleagues in 2024.

## We Created Roadmaps to Align Our Social Compliance and Audit Processes

We have prepared a **"Social Compliance and Audit Processes Roadmap"** in order to ensure alignment between departments that are in constant contact with social compliance and audit processes, to accelerate the adaptation of our new colleagues who will start working in these departments to the processes and to increase the efficiency of the process.

We organised training and workshops on this roadmap for a total of 36 colleagues working in the Human Resources, Occupational Health and Safety, Environment, Administrative Affairs, Sustainability, Social Compliance and Quality Management Systems departments, and carried out process improvement and alignment through experienced examples.

At the same time, we facilitated accessibility by creating a new portal on our intranet system in order to provide quick access to our roadmap and the documents required for the processes.



## Sun Tekstil Lean Management Practices

In line with our company's sustainability strategies and quality targets, we established our Lean Production Management unit in 2021 in order to carry forward our lean management practices that we have adopted for many years. Our unit, which reports to the Process Improvement Directorate under the Assistant General Manager of Operational Excellence, has increased the speed of improvement in all our processes with the contributions of our experts with more than ten years of experience in their fields. Thanks to our lean management practices, we use our resources more efficiently by preventing inefficiencies where they occur, reduce waste, save energy and labor, comply with our customers' quality criteria, increase efficiency throughout our supply chain, and continuously improve our holistic sustainability strategies by optimizing our occupational safety efforts.

In 2023, we provided a total of 372 hours of lean management training to 632 employees, thanks to our inclusive management approach that ensures the participation of our senior management through Hoshin Kanri activities and all our colleagues through suggestion systems. Our teams, who received training on before-after kaizen, standard kaizen, A3, kobetsu kaizen, engineering approaches and project management, gained awareness and competencies in line with the analysis of the points where losses such as setup time (preparation time required for model/product type change), machine/production downtime, unnecessary transportation, unplanned/high costs.



Source: Lean Transformation Award Ceremony

With our Lean Production Management unit, we aimed to prioritise the implementation of Kaizen projects, which are the basis of the Lean philosophy, as a major profitability and cost reduction in 2023. Under the guidance of Lean Production Management, 75 employees in 15 project teams formed in our departments and trained in the analysis and creation of Kaizen projects carried out detailed analysis and improvement studies. A total of 661 suggestions were evaluated through the system in two five-month project development periods, in which people from different roles and positions worked together, and 435 of these problems were approved and improvement work initiated. Within this framework, 24 of these suggestions were implemented as before-and-after kaizen studies. In this way, we achieved an annual financial gain of approximately TL 773,914 through resource savings and productivity increases.

One of our high impact before-after kaizen projects;

With the top liner paper elimination project, we prevented the felling of 67 trees with an annual greenhouse gas emission reduction of 13,767 kg CO<sub>2</sub>. This project also generated an annual profit of approximately TL 387,833.

In the logistics unit, we saved labor costs and consumables consumption by reusing the returned coils, and we achieved an annual gain of 133,276 TL with the reduction of purchasing costs.

For the first time in 2023, we successfully completed 3 kobetsu kaizen projects that were identified by our senior management through Hoshin Kanri meetings and had an impact on our key performance indicators. As a result of the work of the project team, which included colleagues from the sampling, customer communication, product management and process improvement departments, we reduced our annual sample waste by 30%.

The project team, made up of colleagues from the Survey, Quality Assurance and Planning departments, has helped to improve production times and operational efficiency for products that need to be replicated in our supply chain.

In 2023 we started A3 projects by providing A3 training to our engineers and employees for their individual lean goals. Sun Tekstil completed theoretical and practical technical lean management training for our band leader colleagues working in the internal production unit, and all participants were successful and entitled to receive certificates. To increase the participation of all our colleagues in kaizen studies, we moved our suggestion collection and management process to the digital platform and provided instant access to data and reports related to lean processes by ensuring the traceability of data from all departments. By creating our digital corporate memory of our lean projects, we have established a reportable structure by recording our project-based achievements with details in the system. We have created a traceable and reportable structure by recording our implemented lean projects in our digital memory.

In 2023, we have spread the 5S culture to all Sun Tekstil offices with field teams. We ensure the sustainability of 5S with the ownership and awareness of all our company's employees. To make 5S a part of daily life, we started our practices by providing the necessary training to all our departments. We ensure the continuity of our practices through regular monthly audits.

We restructured our Lean Leader Training Programme system for our employees who are nominated by our production managers and meet our evaluation criteria, and re-planned it by adding different dimensions to technical and personal development training. In 2024, we will be able to achieve our goal of preparing our road map in order to extend our lean management system to our suppliers in 2023.

In addition, we aim to increase the number of A3 projects in 2024 and to successfully complete our related kobetsu kaizen projects in order to complete the actions we have identified after our Hoshin Kanri studies. We aim to contribute to the continuous development and learning journey of our employees in 2024 by providing them with various training based on the lean management philosophy.

We will continue our effort to achieve sustainable production by introducing lean production and the 5S mentality to the stakeholder factories we work with, and by increasing productivity.



Source: From Our Lean Transformation Programme



## Ekoten Lean Management Practices

In our journey, which we started in 2018, we have created a strong lean management culture in which we aim for continuous improvement in our operations through our approaches based on lean management philosophy, technical training and the contributions of our employees.

We ensure that our new colleagues have a culture of continuous improvement by planning their development journey from day one through our technical training team. Our colleagues, who receive training on topics such as lean management, problem solving, 5S, autonomous maintenance and apply them in the field, contribute to improving product quality and cost savings with the projects they develop.

We develop our teams of blue and grey collar colleagues with periodic training through our Lean Leader Development Program. We design high-impact projects by analyzing the current situation and root causes for all losses in the production area. We monitor our key performance indicators with department-based Lean Performance and Lean Leader Scorecard Management through regularly shared monthly reports. We identify our focus points and evaluate and improve the results through one-to-one mentoring meetings with the relevant teams and leaders.




In our traditional "Kaizen Festival" events, we share our projects and achievements with all our colleagues and managers with the presentations of the project teams. After the presentations at the end of each quarter, our project teams are rewarded and receive feedback as a result of all participants sharing their scores on the digital platform.

We started to measure the effectiveness of the kaizen more systematically in the digital environment by adding problem solving methodology with A3 this year to our Lean Management and suggestion systems infrastructure, which we have digitized in previous years. All work orders related to approved suggestions and kaizens are transmitted to the relevant units via the digital platform, and completion rates, times and achievements are systematically measured, reported and accessible by all our employees.

We increased our number of leaders by 16% in 2023 compared to the previous year with 42 lean leaders we trained within the scope of our "Lean Leader Development Program" managed by our Lean Management and Technical Training unit. In addition to the training and mentoring we provide to our employees, we increased the number of qualified suggestions by 8% thanks to the improvement projects we implemented. We have increased the number of actualized kaizens by 5 compared to the previous year and realized 135 kaizens this year.



Source: Traditional Kaizen Festivities Award Ceremony



# Occupational Health and Safety Strategy

Our Occupational Health and Safety Units continue to work diligently to monitor occupational health and safety practices in Sun Tekstil and Ekoten. The units meet regularly to ensure the interaction of labor and disciplinary processes. We constantly improve our processes as well as provide training sessions required by the regulation and awareness training in order for the employees to adopt the occupational health and safety culture. In all our activities, we adopt the focus of "zero occupational accidents and zero occupational diseases".

We are continuing our work by expanding our health and safety teams to spread a proactive approach, corrective actions and field observation processes to all areas. We support our practices with 5S, Kaizen and Lean Production studies to make them more effective.

We constantly monitor the periodic examinations of all our employees with our expert doctor and nurse staff. We go beyond legal obligations and repeat the health examinations of our personnel every year and always prioritize the health of our employees. The health screenings we conduct show that we continue to achieve our goal of zero occupational diseases.

We aim to ensure to comply with national legislation, international legislation, and business processes, follow our occupational health and safety policy by implementing it in our actions, and regularly share our key performance indicators with our management. We implement our activities with reference to ISO 45001 Occupational Health and Safety Management Systems, ISO 14001 Environmental Management System and ISO 9001 Quality Management Systems. In addition, all our activities are audited for social compliance through audits conducted by global brands that are our customers, audits conducted by international independent audit firms directed by our customers, and platforms that measure the maturity of our working conditions such as Social & Labor Convergence Program (SLCP) and Higg Facility Social & Labor Module (FSLM). We benefit from these audits, which we have achieved successful results thanks to the good practices we have implemented, in order to continuously improve our roadmaps. We organize detailed training for our employees that are prepared specifically for the work performed. We prepare training with a perspective that goes beyond the scope of workplace health and embraces the concept of public health.





# Sun Tekstil Occupational Health and Safety Approach

Our team consisting of Occupational Safety Specialists and Occupational Safety Technicians carry out field inspections on a weekly basis on a department and process basis with the prepared checklists. We have expanded our investments in technology in the field of Occupational Health and Safety as Sun Tekstil and developed a mobile application to make field inspections more effective and faster. Thanks to this application we have developed, we provide faster reporting and work follow-up. In addition, the audits and reports of the audits prepared through the application can be easily accessed by the senior management.

Through our OHS scorecard application, we ensure the active participation of our colleagues in all our units in OHS activities and increase their perspective and performance development. We are able to identify areas open to improvement and development more effectively and take quick action as a result of OHS performance scorecards.

We carried out a situation analysis survey to improve our crisis response teams and to identify the areas where there is a risk of an emergency. With this survey, we collected the requests of our friends who were motivated to join the crisis response teams on a voluntary basis and conducted a risk analysis on a departmental basis. By supporting our volunteer friends whose applications we received with detailed training, we improved the more effective response capabilities of our firefighting, search and rescue, protection and first aid teams.

We provided first aid awareness training to our employees during the first aid week. In this way, we raised awareness about how we should approach the most basic first aid problems.

We attach as much importance to the safety of the suppliers and subcontractors we work with as our own teammates. In this direction, we developed our subcontractor management system with the support of software systems.

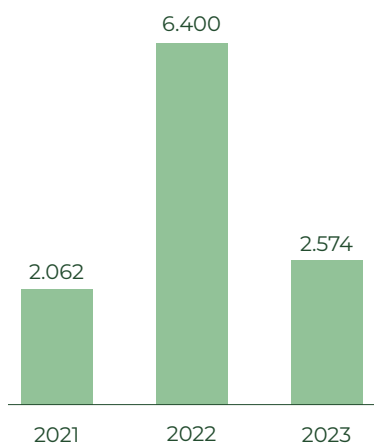
We established an integrated system and ensured that all units manage the document process through the software and realised controlled passage through the security point with the approval of the OHS unit.

We continue our ergonomics studies within the scope of our human-oriented working approach. We are researching ergonomic equipment for our standing personnel, making demo applications and constantly working to provide the most compatible ones to our employees.

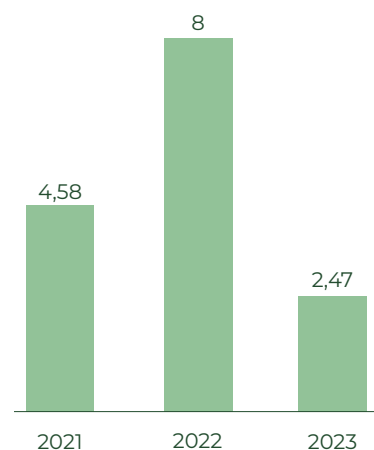
In all our fields of activity that require Vocational Qualification, we ensure that all of our colleagues obtain a Vocational Qualification Certificate.

In line with our continuous improvement goal, we will continue to identify the psycho-social risk factors in our companies in 2024 and we will implement our roadmap for 2025 with this data. We aim to complete the facilitation of occupational accident notifications and near-miss notifications through digital platforms in 2024.

**Total OHS Training Hours at Sun Tekstil**



**Average Training Hours per Employee at Sun Tekstil**



# Ekoten Occupational Health and Safety Approach

As in all our processes, we continue our occupational health and safety activities by Valuing and Developing. We are aware that the most important step for the development and continuity of the culture in our production areas is training, and we keep our training methods and contents open to innovation and up-to-date. In our training management processes, we repeat the mandatory occupational health and safety training every year. As of 2024, we aim to maximize the safety of our colleagues by including on-site and applied training contents in our lives. We plan to start this goal with our colleagues who will start work in 2024. In addition, we will continue to work by developing and valuing to increase our awareness by starting on-the-job / toolbox training specific to the work performed in each shift.

As an organization with 70 percent female employees, we touch the lives of our employees with awareness training such as breast cancer and pregnancy processes. In line with our continuous improvement goal, our work to identify psycho-social risk factors in our companies, which we started in 2023, continues. Thus, we aim to systematically implement our roadmap in the second half of 2024 with the power of the data we will reach at the end of the application.

In an evolving and changing world, we are making great efforts to utilise advanced technology tools and ensure that they are effectively integrated into all areas of our life, such as our field observations and inspections. Recognising the importance of access to accurate information, we are digitising our processes with our internal and external solution partners. It is important to us that all our colleagues are involved in this process. We want all our colleagues to be able to track instantly changing data, situations and risks. We plan to support our zero-accident goal by digitising the process management of our OHS team.



We have started to set up advanced evacuation processes applicable to all our campuses. We are moving towards our goals by utilizing artificial intelligence technologies in our occupational health and safety processes as in all our processes. At the same time, we continue our efforts to support our training management process with VR technology and strengthen our skill-oriented technical training aspect.

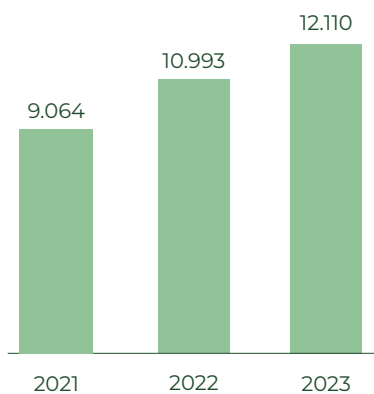
We develop our perspective on occupational health and safety, value it and carry it out with love. In this context, we aim to continue our work with the managerial occupational safety development program and behavior-oriented occupational safety project in 2024.

We continue our field inspections with field observation teams in our facilities. Our teams, consisting of different people responsible for each unit, work under the mentorship of the OHS team with the principle of observe, detect, report, improve, and make significant contributions to our proactive management of risks. These teams, whose working methods are standardized by procedures, share their reports directly with our senior management and ensure the active participation of our employees in our management processes. In this way, we implement the best practices recommended by international occupational health and safety standards.

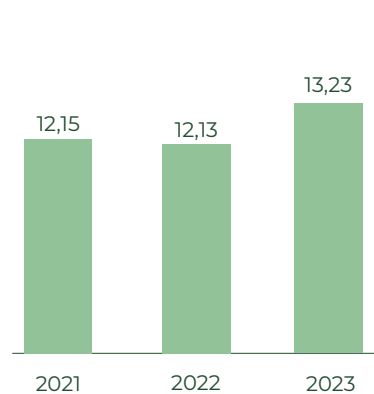
Within the scope of our management system, we instantly monitor data such as accident frequency rate, accident severity rate, occupational health and safety training hours, periodic controls, all scenario drills, legal legislation measurement values, indicators of occupational hygiene reports. In 2023, as Ekoten OHS Unit, we are proud to have closed these processes without any findings.

While renewing ourselves every day, we do our job with love without deviating from our values. In this context, together with our colleagues, we evaluate and analyze their workplaces and define their processes. We prepare guidelines to guide them. As of 2024, we aim to publish our first work, our Department-based PPE matrices and PPE Usage guide, and to continue our work in this context.

**Total OHS Training Hours at Ekoten**



**Average Training Hours per Employee at Ekoten**





COMMUNITY EMPOWERMENT

07



## Resilient Communities for Sustainable Development

In all our activities and strategies, we aim to create value for society and our world. Accordingly, we plan our activities for the priority areas under the coordination of our "Touching the Community" task force, with the recommendations of our Sustainability Committee, and carry out studies in line with our annual targets. We design all our social responsibility strategies within the framework of our Sun Tekstil Donation and Aid Policy based on the areas that our stakeholders consider important.

In 2022, we developed our 'Sun Tekstil Community Oriented Activities' strategy based on our key stakeholders and priority areas. We prepared our activity plans by examining academic literature on corporate social responsibility approaches as well as research on the business world and benchmarking studies among companies. Accordingly, we structured our strategy under four headings: Programs for Our Employees, Programs with Our Supply Chain Stakeholders, Programs for Our Region and Programs for the Community.

# 100th Year of Our Republic

As our republic closes a century, we are moving forward boldly and resolutely towards our sustainability goals, drawing inspiration from our century-old republic, which was founded by overcoming obstacles that were considered insurmountable despite great difficulties.

In our country's new century, we are continuing our sustainability journey with decisive steps, embracing new achievements and rapidly implementing sustainable technologies. Aware of the value of our natural resources and unique heritage, we are working with all our might to contribute to the sustainable development of our country, reflecting the traces of republican values in everything we do. We will continue to proudly represent our country around the world with our environmentally and socially responsible production and people-oriented business ethics.

We have celebrated our Republic as a festival to create an enthusiastic spirit that will encourage us to rethink and appreciate what it has brought to the country, to remind us of the common values that bind us together, and to draw inspiration and strength.

We remember with gratitude and respect our martyrs and veterans who fought for independence, especially the great leader Atatürk, who believed that our people deserved to live independently and established a secular order based on freedom and equality.



Source: 100th Anniversary Atatürk Photograph Exhibition



As our Republic turns 100 years old, we wanted to visit our ancestor at Anıtkabir to express our love, respect and gratitude. During the visit we realized with 65 colleagues, we experienced emotional moments with the letter written to our ancestor by Sabri Ünlütürk, our Vice Chairman of the Board of Directors and one of our Founding Partners, who left flowers at the mausoleum on behalf of Sun Tekstil.

We exhibited a selection of 20 photographs of Atatürk, specially compiled for the 100th anniversary, at Sun Tekstil Torbalı Headquarters. At the opening of our event, the Trio team from the Olten Orchestra took the stage. The visitors' comments and thoughts about Atatürk were recorded in the Memory Book placed in the exhibition area.

We transformed the Republic Street, which we set up in the open area at the entrance of our factory, into a festival area by decorating it. In the event we organised to increase the enthusiasm of the celebrations, the marching band increased the fire of the Republic in all of us. We celebrated with fun activities such as photo shooting areas, wheel of fortune, folklore performance.

During the emotion-filled speech of our General Manager, we felt that our company takes its strength from its tight bond to the Republic. After the speech, we watched the video we prepared specially for the 100th year together with all our colleagues. In the video, which we prepared as a tribute to our alsancağ, which we look at every day and carry in our hearts at all times, from which we take our courage and strength, and our republic, which was founded with love for the homeland, we said, **"In us, love touches hearts, not fabrics"**.

You can access the video we prepared for the 100th anniversary of our Republic by clicking on the link. [👉](#)



Source: 100th Anniversary Festival





## Programs for Our Employees

Within the framework of the importance we attach to the social and emotional needs and health of our employees, we organise events and activities that will improve internal communication, provide social benefits, and meet the need for awareness and information. We strengthen our motivation by taking short sweet breaks with our colleagues.



**ecev**  
Ege Çağdaş Eğitim Vakfı

Within the scope of the valuable cooperation we started in 2018 with the Aegean Contemporary Education Foundation - EÇEV, we provide educational scholarships to the children of our employees. With the processes carefully carried out by EÇEV experts, we supported 40 students in the spring semester of the 2022-2023 academic year and 41 students in the autumn semester of the 2023-2024 academic year. Thanks to the activities, education and social responsibility experiences offered by EÇEV within the scope of our valuable cooperation, our students have more development opportunities.

Source: EÇEV



Source: Breast Cancer Awareness Event

Ensuring that our colleagues lead a healthy life is one of our top priorities. Throughout October, we organised many activities within the scope of Breast Cancer Awareness Month. As a company with a high proportion of female employees, we draw attention to breast cancer, emphasise the importance of awareness and say '**Early Diagnosis Saves Lives**'. In this context, we raised awareness about breast cancer with **228** colleagues who participated in the "**Breast Cancer Awareness Training**" given by our workplace physician. We learnt the examination and early diagnosis methods from our company physician with the Breast Cancer Training we organised in two sessions. **103** colleagues participated in the training we shared through Sun Academy.

We inform our female colleagues and their leaders with "**Pregnancy Training**". We provide training on both working conditions and healthy working conditions to our colleagues whose pregnancy process is clear. In this way, we offer our pregnant employees a supportive, safe and healthy working environment.

We also inform our leaders about the processes of our pregnant colleague through our Sun Academy training platform.



Source: From a photo shoot of our company employees



Source: From our Brain Friendly Workplace event

We continue our activities to raise awareness by considering the health integrity of our colleagues. In this context, based on the vision of "**Take care of your brain, keep your body healthy**", we organised a "Brain Friendly Workplace Workshop" with the participation of Prof. Dr. Derya Uludüz, President of BEYİNDER. This interactive workshop contributed to our employees to have an experience full of information to protect and improve their brain health. With such activities, we not only support the general health of our employees, but also contribute to increasing productivity and satisfaction in the workplace.

As a company, we continue to organise various training and events to increase the environmental awareness of our employees. In this context, we organised Environmental Awareness Training with the active participation of **318 participants**. In our training, we addressed issues such as sustainability principles, energy efficiency, waste management, environmentally friendly practices and protection of natural resources. By increasing the environmental awareness of our employees, we have taken a step towards raising the general level of environmental awareness of our society.



Source: From our waste separation training





Source: From our Parent 2.0 training

We organised **Parent 2.0 Training** with the participation of **425** colleagues from various departments. Within the scope of this training, we aimed to support our colleagues in conscious parenting and provided them with the opportunity to develop their skills to balance work and family life more effectively. We provided participants with up-to-date information on children's developmental stages, effective communication strategies, education and discipline. At the same time, we shared practical information on topics such as establishing a healthy balance between work and family life, coping with stress and family communication skills.

To emphasise the critical role of first aid in saving lives, we raised awareness through training sessions organised as part of **World First Aid Day**. The aim of this special event was to provide our employees with basic first aid information and to enable them to take effective action in emergencies. This event is important in strengthening our employees' ability to cope with emergencies, and thanks to this training, we have ensured that they are better prepared for possible risk situations in the workplace.



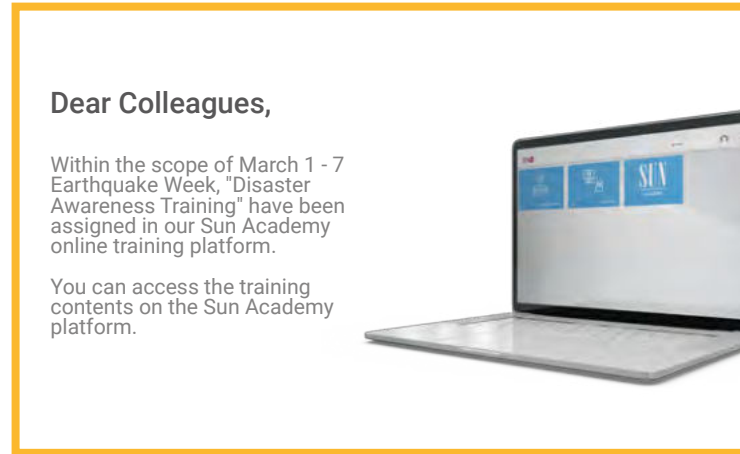
Source: World First Aid Day event



Source: From our "Best Narcotics Police: Mother" training

In 2023, we organised a joint project with Torbalı District Police Department Anti-Narcotics Crimes Group Chief with a total of 170 participants, including male and female colleagues, and organised the **"Best Narcotics Police Mother"** training: As part of the project organised by the Ministry of Interior of the Republic of Türkiye, awareness-raising activities are carried out to raise awareness about drug addiction and the fight against drugs and to prevent drug use among young people.

After the 6 February earthquakes we experienced in 2023, which was sad for all of us, **"Disaster Situation Awareness Training"** was shared with all our employees through our Sun Academy training platform, as our region is also an earthquake zone. In addition, we supported our colleagues for the management of negative emotions caused by the earthquake with the **"Managing Post-Earthquake Anxiety Webinar"**, which we organised open to general participation.



Source: Sun Academy Platform

## Programs Conducted with Our Supply Chain Stakeholders

We also value the development of our supply chain stakeholders with whom we work together. We care about diversity and inclusiveness, one of the main factors in our DNA. In this context, we come together with our producers in different parts of Anatolia to raise awareness on **"Gender Equality"**. With over 1000 participants and a total of over 2000 hours of training, we share our motto **"Gender Equality is in our 100"** with all our stakeholders in the 100th anniversary of our Republic.

In order to empower women in business life, we implement the **"Women's Career Development Programme"** in our supply chain stakeholders and support the education life of our colleagues with our **"Back to School"** project, which we continue in cooperation with our UK-based customer.

We guide our supply chain stakeholders with the **"Supplier Handbook"** to share our culture, ethical principles, values and way of doing business and to ensure sustainable development together.

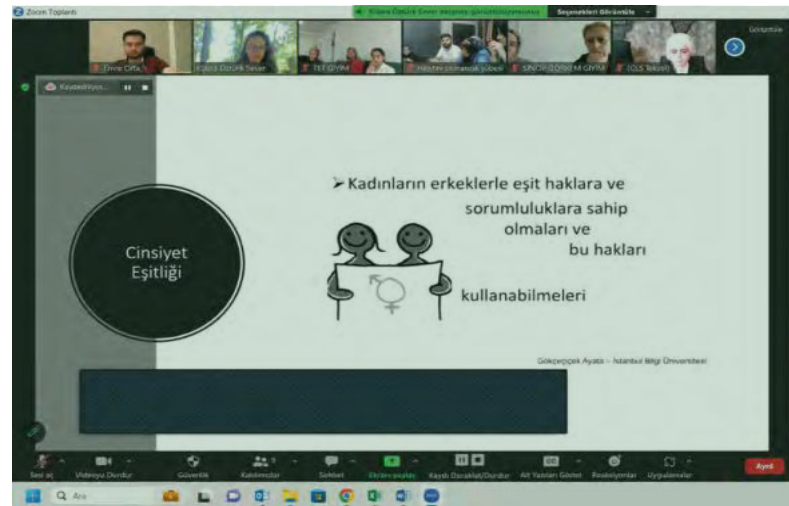




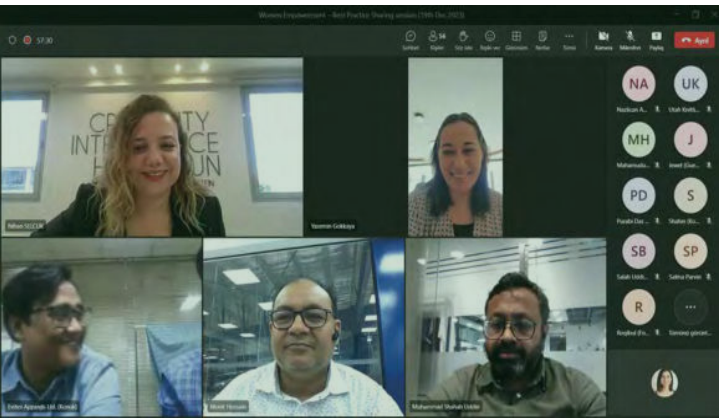
Source: From our "Back To School" training programme

As Sun Tekstil, within the scope of the **Back to School Programme**, which we started in 2019 in cooperation with our customer, a global brand operating in the UK, we provide motivation by wholeheartedly supporting our employees who had to interrupt their education to complete their education and graduate, and contribute to their journey with scholarships and stationery aids. In the 2023-2024 autumn semester, with the participation of our suppliers in Afyon and Düzce, a total of 28 employees, 27 women and 1 man, actively participated in our programme and shared their valuable success stories with us.

At the Altınordu branch of CİS Tekstil, which is in cooperation with our Swedish customer, we launched a **"Women's Career Development Programme"** to raise awareness of gender equality and increase the proportion of female employees in leadership positions. Within the scope of this project, one of the five female leader candidates started their new positions as foreman and one as assistant foreman. The other three candidates were evaluated for new positions.



Source: "Women's Career Development Programme" meeting



Source: "Women's Empowerment - Sharing Best Practices"

We participated as a speaker in the **"Women's Empowerment - Best Practices Sharing"** session organised by our UK-based customer for all its global stakeholders.

In line with our **"Women's Empowerment"** and **"Gender Equality"** goals, we gave information about our efforts to increase the ratio of female employees in management and shared our programmes, best practices and achievements with the global stakeholders of our UK-based customer.

We are pleased to set an example for our stakeholders with our ratio of female employees in management and our practices in line with the Women's Empowerment Principles (WEPs).

In cooperation with Sun Tekstil, our Spanish customer and AÇEV, we implemented the **"Together We Are Stronger"** project at Tercanlı Tekstil, our supplier, with the aim of raising awareness on gender equality, promoting equality, supporting egalitarian masculinity, empowering women by developing basic life skills, and contributing to the change of egalitarian attitudes and behaviours in the business environment. Within the scope of the project, 15 male employees received **"Equality Workshop with Men"** training, 196 employees received **"Gender Equality"** training, and 120 female employees received **"Life Filled Meetings"** training. During the nine-week **"Life-Full Meetings"** training, 93 female participants successfully completed the programme.



Source: "Stronger Together" project



## Programs for Our Region

We consider supporting the development of our region and our city among our important priority areas and we carry out activities within the framework of our priority objectives as required by sustainable development.



Source: From our visit to Yedi Eylül Primary School

We visited the Yedi Eylül Primary School in our region on **5 June World Environment Day** with the aim of protecting our environment and providing social benefit. In this meaningful event, we emphasised to the students why waste sorting is important for the environment and gave information on how the sorting process can be carried out. We aimed to raise awareness for a sustainable life from an early age by explaining their environmental responsibilities to the students, who are the leaders of the future.





Source: From our trip to "Key Museum

We protect the culture, art and historical elements of our region. We provide material and moral support to our cultural heritage with "**Metropolis Ancient City and Key Museum Trips**". With the Metropolis Ancient City trip, we enabled our employees to discover the historical riches and trace the traces of our past, while with our Key Museum visit, we provided them with a cultural experience by offering them the opportunity to explore Türkiye's most comprehensive classic car and motorbike museum.

We are pleased to participate in the Mentoring Programme Implementation Guide of the "**Izmir is Looking for Equality Stars**" Project, which we carry out under the coordination of Izmir Commodity Exchange (ITB) and in cooperation with the Union of Chambers and Commodity Exchanges of Türkiye (TOBB) Izmir Women Entrepreneurs Board. By taking part in this valuable project supported by UNWOMEN, we continue to strengthen the principle of equality and contribute to gender equality.



Source: From our "Izmir is Looking for Equality Stars" Programme



Source: From our "My Mentor ESIAD" project

Within the scope of the **My Mentor ESIAD** project, we came together with 15 mentees and 20 mentors from 3 universities to provide support and guidance to increase the mentees' awareness of business life and to provide them with deeper knowledge about the business environment.

Within the scope of the project, we emphasised the importance of creating various perspectives and a strong professional network in the business world by supporting the leaders of the future.

We continue to contribute to efforts for public health and environmental sustainability. As Sun Tekstil R&D Center, we are pleased to support the **"We Produce as Adettendir Üretiyoruz Workshop"** initiated under the leadership of Izmir Metropolitan Municipality. Within the scope of the workshop, reusable hygiene pad design developed by our R&D Center and reusable pads that 100 women will need for a year were produced using fabrics with technical features and presented to women as gifts. The garments were made by people trained in the Izmir Metropolitan Municipality Vocational Factory garment workshop.



Source: Program Promotion Poster



## Programs for the Community

We attach great importance to realising high impact corporate social responsibility projects that create value for society together with our stakeholders. We develop projects based on our prioritised sustainable development goals and establish strategic partnerships.



Source: YenidenBiz project

We participated in the mentoring and business guidance support for 1000 women affected by the 6 February earthquake as part of the **"YenidenBiz"** project "Employment Mobilisation for 1000 Women in the 100th Year of the Republic". We supported employment by posting our job vacancies on the YenidenBiz platform. We participated in a one-on-one job interview simulation. We aim to contribute to the rebuilding of the lives of the earthquake victims through these activities in which we participate with a sense of social responsibility.





Source: From the project "Young Women Building Their Future"

We participated in the Sabancı Foundation's **Young Women Building Their Future Project**, which offers training, internship and job opportunities in companies and various training to young women who are not in education and employment.

Within the scope of the project, young women are empowered, start their careers with firm steps, shape their future, and contribute to their personal and professional development.

We joined the earthquake mobilisation led by a recruitment platform to support the lives of our citizens affected by the earthquake and provide them with job opportunities to continue their lives. As part of this effort, we offered job opportunities and employed a total of 15 earthquake victims, 7 people at Sun Tekstil and 8 people at Ekoten.



Source: Sun Tekstil in-house mailing



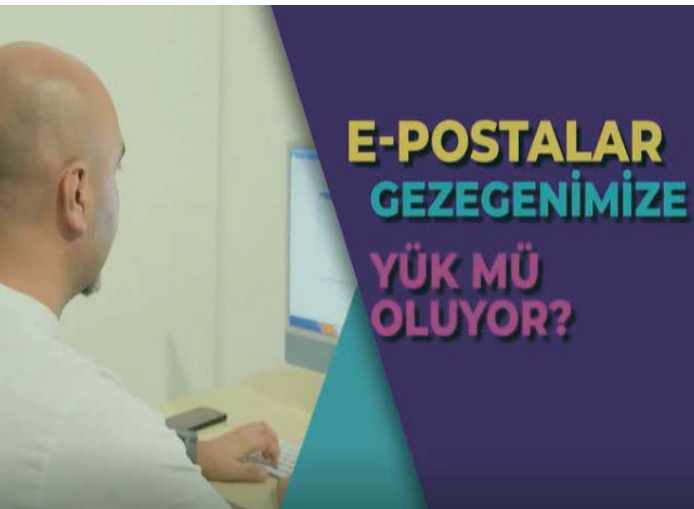
Source: From our LÖSEV Shop bazaar event

We supported the campaign organised by the Buldan Foundation, **Every Step is Valuable Because Our Girl Will Study**, with our colleagues. We participated in the campaign to support our female students to take more confident steps into the future and to provide scholarships for their university education.

We support the activities of LÖSEV, whose aim is to help children and adults with leukemia and blood diseases and to meet their needs during the disease process. In this context, in 2023, we set up LÖSEV Dükkan's stands with carefully prepared products in our company and supported the organization with two bazaars organized with great interest of our employees.



Source: From the photo shoot of our colleagues who supported the campaign

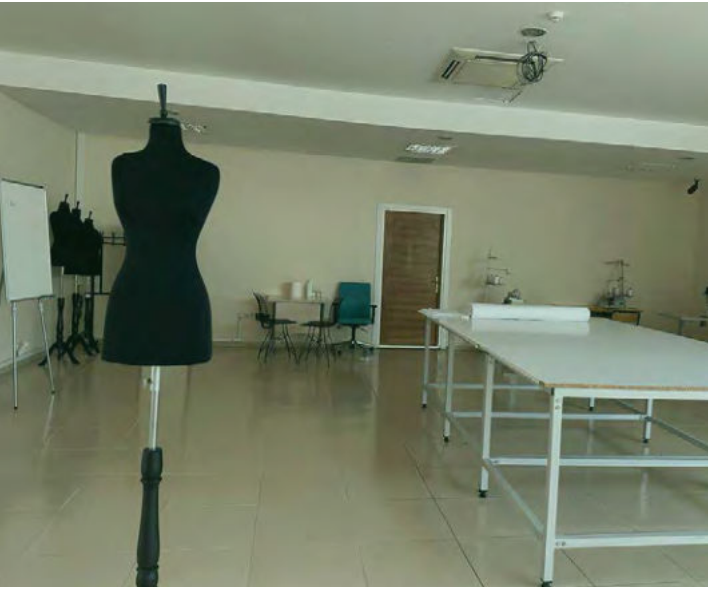


Source: From our social media image

We launched the **Sustainable Information Video Series**, which we publish through our social media accounts.

With the videos we share, we aim to increase the level of knowledge of all stakeholders we interact with in the field of sustainability and contribute to a livable world together.

You can access our Sustainable Information video series by clicking on the link. 



Source: IBB Purple Scissors Apparel Training Workshop

We continue our efforts in line with our strategic goals of empowering women and increasing their employment. We have collaborated with the "Key Women's Studies Holistic Services Centre" established by Izmir Metropolitan Municipality Women's Studies Branch Directorate and donated the necessary machinery and materials for the establishment of the "**Mor Makas (Purple Scissors)**" Garment Training Workshop in the Centre.

We visited the elders in Torbalı and Buca Nursing Homes and presented the first products carefully produced by our teammates trained within the scope of the MEGEM Programme.

The motivation and care shown by our teammates during the production process reflected their desire to not only develop their own skills, but also to contribute to their society by combining with social responsibility awareness. Our elders, to whom we paid a motivational visit, were sincerely happy and shared this special moment with us.



Source: From our "Sun Tekstil MEGEM" Nursing Home Visit programme





Source: Koç University Anatolian Scholars Programme Logo

In 2021, we signed a scholarship protocol and became one of the corporate supporters of Koç University Anatolian Scholars Programme. This programme offers a second opportunity to scholarship candidates who are preparing for university in disadvantaged regions of our country with limited educational opportunities and who are in the top 1% of the placement exam, but who cannot get the right to study at Koç University with a scholarship. Within the scope of the Anatolian Scholars Programme, we support one student in 2021 and two students in 2022 throughout their education life.

Within the scope of the Turkish Education Association Full Support Scholarship, scholarships are provided to successful but financially limited students studying in public high schools. In addition to academic and psycho-social follow-up of students, activities are organised to support their social and cultural development.

In the 2022-2023 academic year, we contribute to the right to equal access to education by supporting 10 students who are entitled to receive the Full Support Scholarship from TED in the 2022-2023 academic year, by supporting their book-stationery, clothing expenses, pocket money needs, as well as supporting their participation in activities that will ensure their social and cultural development under the follow-up of experts within the scope of the scholarship.



Source: TED (Turkish Education Association) logo



**İZMİR EKONOMİ  
ÜNİVERSİTESİ**

In 2019, within the framework of the scholarship protocol we signed with Izmir University of Economics Textile and Fashion Design Department, we continue to support talented young people who will shape our industry. Within the scope of this protocol, we support two students with educational scholarships and contribute to their goals of becoming leading designers in the industry. We help these young students make a strong start in their careers by supporting them with internship opportunities, mentoring and a wide professional network.

Source: Izmir University of Economics logo





## Sponsorships

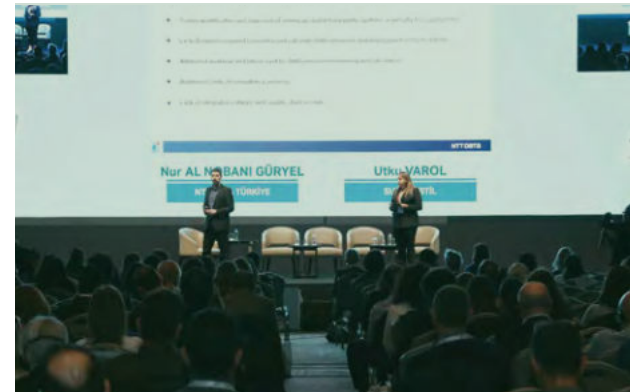
As Sun Tekstil and Ekoten, we aim to provide sponsorship support in many areas where we can contribute to the development of our society in line with our priority goals.



Source: 36th International Izmir Festival poster

As one of the sponsors of the 36th International Izmir Festival, which will be organised in 2023 with the contributions of valuable stakeholders, we continue our cooperation with İKSEV, which has become a culture of our company for many years. Izmir Festival, a prestigious member of the European Festivals Association, with its high quality programmes and events that bring art to historical places, brings world famous names to the special atmospheric stages of our city and keeps the slogan "Izmir, City of Culture and Art" alive.

As Sun Tekstil, we undertook the mobile application sponsorship at the **Sustainability Talks 2023** event, which brought together important speakers in the field of sustainability. At the same time, we were among the keynote speakers of this valuable event. In our presentation, we shared information about our "Microsoft Sustainability Manager Supplier Portal" software module, which we developed with our digital transformation partner to contribute to the 1.5°C target of our industry.



Source: From our Sustainability Talks 2023 Presentation





# SUSTAINABLE DESIGN

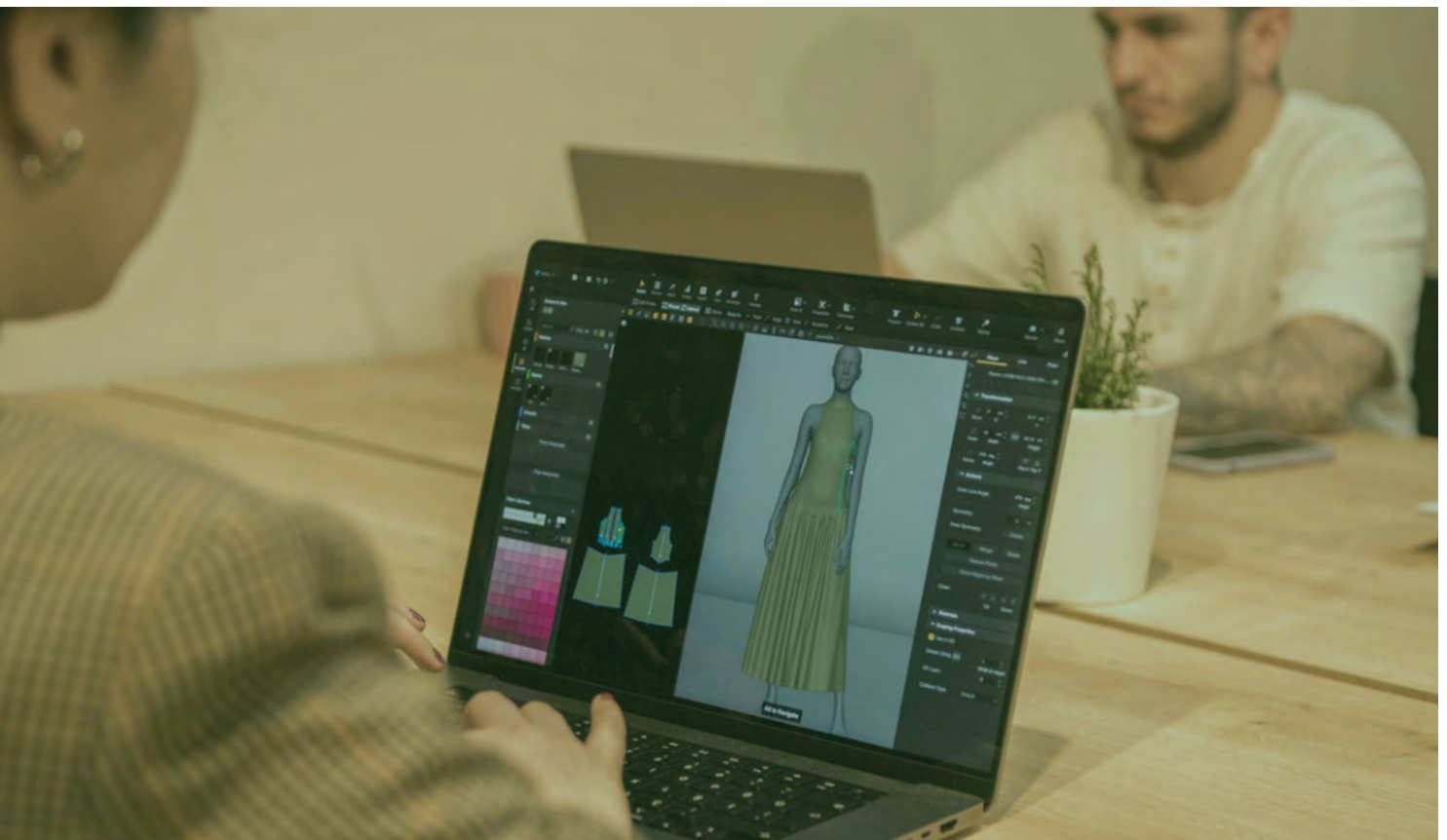


## Circular by Design

We have a holistic sustainability approach based on circular economy models. We develop processes that will cover from the design of our products to the end of their lifecycle and even the next lifecycle with the Product as a Service approach.

We develop strategies based on international action plans. During the implementation phase, we take the circular economy hierarchy as a reference and carefully implement each step from reduction at source to recycling. We provide training to our teams and set targets based on the Circular by Design principle. We support sustainable transformation with digital transformation.

We prefer raw materials that respect nature by focusing on the protection of biodiversity in our sustainable fibre choices. We choose recycled and recyclable materials for our packaging materials, cardboard labels and accessories. Within the scope of our R&D studies, we carry out studies in cooperation with many different institutions, especially universities, institutes, start-ups and other R&D centres.



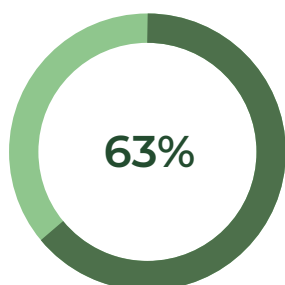


## Sun Tekstil Design Approach

With our "circular by design" approach, we develop designs considering the next life of our products thanks to our applications that make a difference in our material selection and design techniques.

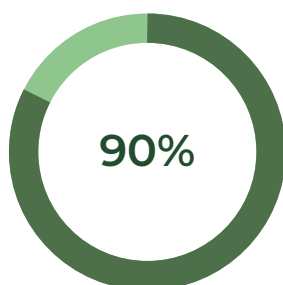
Click on the link to watch our Design Manifesto! [👉](#)

We are continually improving our practices to increase the use of low-carbon products in our material choices. In addition to organically grown raw materials, we use cellulose sources that are sourced from industrial forests and produced using environmentally friendly processes. We increase our use of recycled natural and synthetic fibers every year. By using raw materials with sustainability certificates, we guarantee traceability, the most important element of circularity. In 2023, 63% of our products will be made from sustainable raw materials.



**IN 2023**

We produced 63% of our products from sustainable raw materials.



**IN 2030**

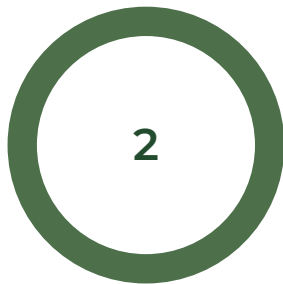
We aimed to produce at least 90% of our products from sustainable materials.



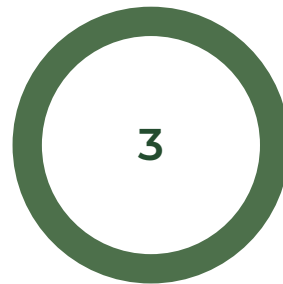
**BY 2040**

We aim to develop innovative solutions that will enable us to manufacture 100% of our products from sustainable materials.

We have updated our capsule collection targets, which we develop each year, in line with our goal to develop innovative solutions that will enable us to produce 100% of our products with sustainable raw materials by 2040. By 2023, in line with our customers' vision, we will prepare all our capsule collections using sustainable raw materials. From 2023, we aim to develop capsule collections using innovative raw materials to make progress towards our goal of developing innovative solutions that will enable us to manufacture 100% of our products with sustainable materials by 2040. In this direction, in 2023 we will develop 2 capsule collections using sustainable innovative raw materials. In 2024, we aim to develop 3 capsule collections under these conditions.



**SUSTAINABLE CAPSULE COLLECTION  
WITH INNOVATIVE FIBERS, 2023**



**SUSTAINABLE CAPSULE COLLECTION  
GOAL WITH INNOVATIVE FIBERS, 2024**

In line with our goal of developing innovative solutions that will enable us to manufacture 100% of our products with sustainable materials by 2040, we use the power of innovation and strengthen our fight against climate change with circular designs.



## Digitalisation for Circularity

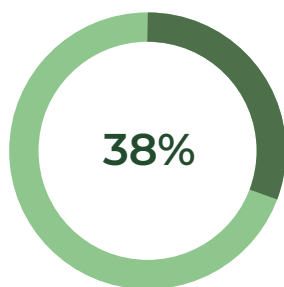
We reduce resource use and waste by digitalising our design processes. As of 2021, we started to present our designs we developed for our customers whose infrastructure is compatible with us in the digital environment using three-dimensional mould preparation software. In 2023, we increased the designs we presented in the digital environment by approximately 6 times compared to 2022 and achieved 38%.

Among these designs, we finalised the models selected by our customers in the digital environment and produced physical samples, thus reducing the physical sample production in this product group by 70%. Thus, we saved raw materials, energy, labour and time that would have been spent for the production of 5,002 products. We are constantly improving our targets in order to utilise this significant potential in the transformation of our design and sample processes.

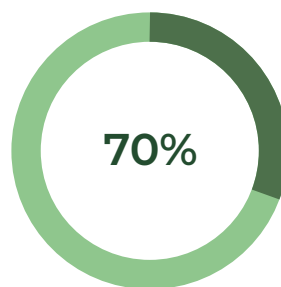
Thanks to the successful work we have carried out in the past years, our design department has gained competence in digital design and collection presentation. Our team, which actively uses the competences it has gained while improving our processes day by day, developed three-dimensional (3D) collections consisting of 20 pieces every month in 2023. In 2024, we aim to continue using our digital competences by continuing to develop three-dimensional collections.

We make our designs unique by creating a digital fabric library thanks to our surface scanner hardware that can digitise the fabric surfaces with all the details and features that an eye can perceive and our hardware that can digitise the physical properties of the fabric such as drape.

We realise our collection presentations in the most effective way without feeling the lack of physical presentations. In addition to presenting our designs in digital environment, we improve our business processes with our photo booth equipment that allows us to present our physical samples to our customers with high-resolution images that can be viewed 360 degrees and video conference rooms where we hold our collection meetings.



38% Reduction Rate in Physical Sample Production with 6% 3D Design, 2022



70% Reduction Rate in Physical Sample Production with 38% 3D Design, 2023

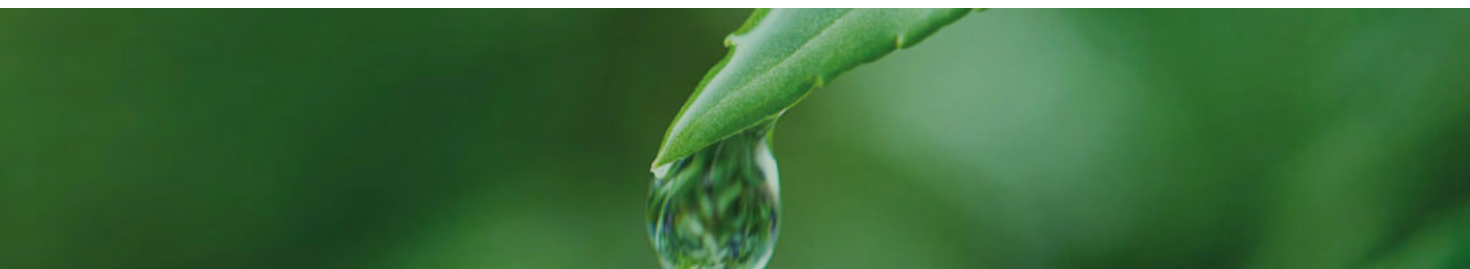


We follow all current developments by participating in yarn and raw material fairs and holding meetings with many stakeholders for sustainable fabric R&D studies. We regularly organise "What's New?" meetings every week with the participation of experts from all our departments in order to share new developments and develop new ideas. For improvements, we measure the results of the focus studies we carry out with targets and KPIs.

We share the information we obtain as a result of our researches with our suppliers, and we carry out product development and R&D studies with our suppliers at every stage throughout our entire supply chain. We benefit from the power of our prestigious R&D Centre in our innovative fibre development working group. We share their technical information on innovative fibre, material and process development studies and new raw materials carried out in different parts of the world with all our departments and ensure that they are put into practice.

We are working on developing new business models to increase the recycling rate from textile to textile and to include fabric waste in the cycle by preserving its added value. In 2021, after creating a successful model with the industrial symbiosis project we launched, we aim to turn this business model into a guideline and share this good practice example with our own sector and all sectors with global networks. Within the scope of our project to increase the closed-loop recycling rate of fabric waste, initiated under the leadership of our Sustainability Department and Cutting Audit Department, we aim to effectively implement circular economy business models. In our project, the pilot implementation of which has been completed, we have digitised the processes of sorting all our fabric trimmings and forwarding them to licensed waste companies. In 2023, we succeeded in making the transformation processes of recycled wastes into new raw materials, one of the most important steps of the project, digitally traceable.

In the current mechanical recycling processes of fabric wastes, wastes are collected mixed, transferred to licensed waste companies, and only 1% of them are transformed into textile-to-textile and 13% into products such as felt etc. at the end of inefficient processes. The remaining 70-80% of the waste is unfortunately incinerated for energy generation or sent to landfill facilities and we lose our resources of significant value. Within the scope of our project, fabric waste will be sorted at the source according to a matrix we have developed, and the sorting and subsequent production processes at licensed waste companies will be effectively managed by digitally monitoring. We are also conducting R&D studies with stakeholders from different sectors in order to use waste as more valuable raw materials in alternative sectors such as the composites sector. Thanks to the project, we aim to protect the added value of our resources.



## Our Circular Economy Collaborations

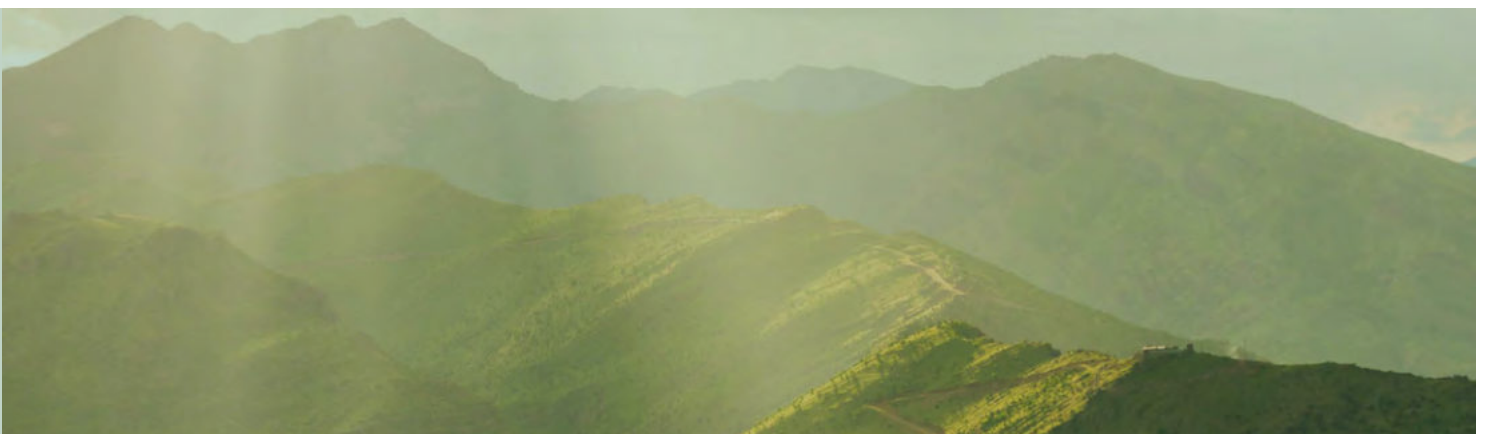
In 2022, we participated in a comprehensive three-month programme on the WBCSD Circular Transition Indicators (CTI) digital tool and methodology, a support programme offered exclusively to TDEP members. As part of the programme, we contributed to our decarbonisation roadmap by analysing our circularity performance. As a result of our effective communication with the programme officers during the programme, we had the opportunity to join the CTI Fashion Initiative working group set up by the WBCSD. With the contributions of this working group, we were among the organisations that contributed to the CTI Fashion and Textile Sector Guide, which will be an effective resource for our industry.

**You can access the CTI Fashion and Textile Sector Guide by clicking on the link.** [👉](#)

To support the use of our waste in value-added areas with industrial symbiosis, we are working with a start-up company on the use of textile waste from our construction business. The project, led by our R&D centre, aims to ensure that our type of waste, which cannot be recycled from textile to textile using existing technologies, remains in a value-added life cycle.

In the year under review, we continued our project development activities based on the same priority areas as our customers. In this context, we established collaborations to develop sustainable inks and printing technologies, led by our R&D Centre. In 2024, we will continue our research and development activities for innovative products and technologies, in addition to evaluating existing technologies with a focus on sustainability.

In the process of developing Türkiye's Circular Economy Action Plan, we have developed cooperation with the public, professional organisations and associations. With the experience we have gained from our strategic activities, we are trying to contribute to the Action Plan with our opinions and suggestions and be a pioneer in the transformation of our sector.



# Ekoten's Design Approach

## Eco-Friendly Choises

With the aim of developing low-carbon products, we start our design journey with our eco-friendly raw material choices. We use traceable, sustainability-certified fibers. We continue our responsible production processes by successfully completing our inspections for GOTS, GRS, OCS, RCS, and RWS certificates.

Click on the link to access our current certificates through our website. 

With our eco-friendly choices, we design original fabrics. Every year, we achieve our goal of developing sustainable collections, and we establish collaborations with our stakeholders for this goal.

We design our sophisticated fabrics that combine comfort and elegance by following the emerging trends. We present our fabric designs to fashion brands in 2 seasonal collections and 6 capsule collections per year. While the rate of compliance with the sustainable fabric certificate was 86% in our collections presented in 2022, we were able to develop 83% of our collection fabrics in accordance with the sustainable fabric certificate in 2023.

Our design team of more than 30 experts also collaborates with professional designers to produce fabrics suitable for the needs of our customers and specially designed fabrics on order. We closely follow fashion trends and design an average of 180 different fabrics per month by examining the next year's fashion colors, patterns and textures. With our new collection approach, in which we protect the environment by using our resources more effectively and prioritize circularity, we have reduced the number of fabrics in our collection compared to previous years. We have adopted the principle of developing fabrics that are more focused on our customers and respectful to nature. We design more than 60% of these fabrics using sustainable fibers and apply sustainable production processes.



We collaborate with both fiber brands and global retail brands to support the process development of new sustainable fibers being developed for the first time. We set targets to include new fibers in our collections.

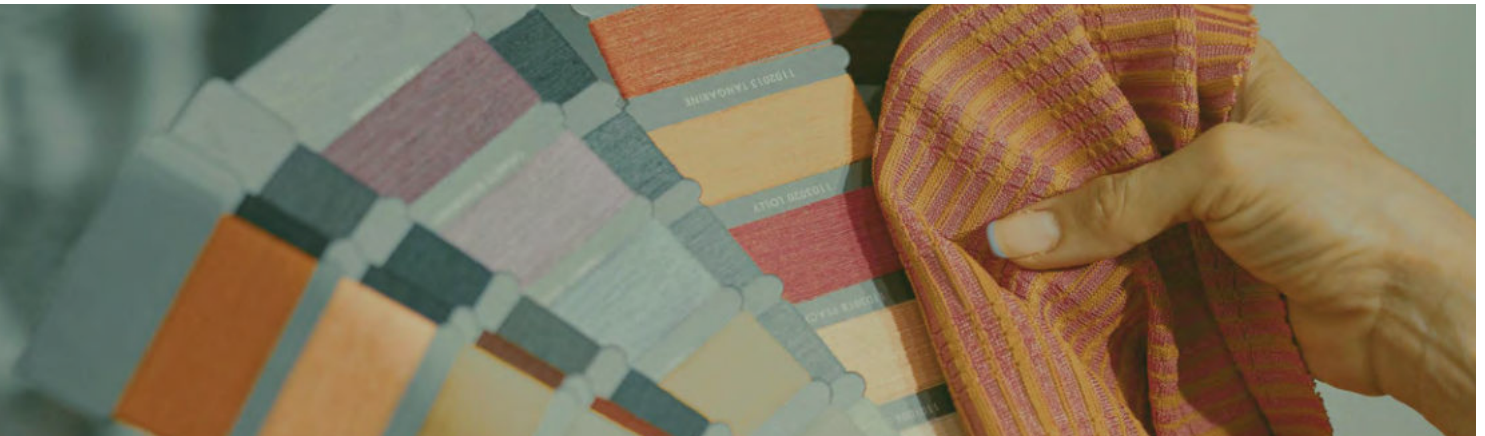
As Ekoten, we are aware that circularity is the key to the fashion industry's fight against climate change. We believe that the circularity of the fashion industry can be realized through timeless designs and sustainable material selection. In this direction, we care about the use of cellulosic raw materials obtained from secondary sources with low environmental impact. In this direction, we became a member of Circulose Sustainable Network in the last quarter of 2023. We are also very pleased to join the partners of Renewcell, which realizes disruptive innovation studies in this field.

The "Strengthening Environmental Sustainability in the Ready-to-Wear and Textile Sectors. Reducing Carbon Footprint Project", which was supported by "Innovative Istanbul Financial Support Programme", one of the financial support programmes of Istanbul Development Agency (ISTKA) for 2022 and implemented under the General Secretariat of ITKIB - Istanbul Textile and Apparel Exporters' Associations General Secretariat, has been completed: Reducing Carbon Footprint Project" has been completed.

As one of the manufacturing companies involved in the project, we completed the greenhouse gas emissions calculation in the first quarter of 2023 and the product life cycle analysis of a fabric model identified by our customer in the project at the end of the second quarter. Analysis, measurement and improvement studies were carried out with pilot applications involving 20 manufacturing companies selected from the supply chain stakeholders of the three brands identified in the project, and project results were reported.

**You can access the digital project book by clicking on the link.** [👉](#)

As part of the "Development of Sustainable Competitiveness in the Textile Sector - Development of International Competitiveness Project" carried out by the Aegean Textile and Raw Materials Exporters' Association under the URGE support of the Ministry of Trade of the Republic of Türkiye, we carried out life cycle analysis studies for a fabric quality we identified in the last quarter of 2023. We have had the opportunity to improve our skills in line with the advice and guidance we received within the project, which is scheduled to be completed in May 2024.



## Sustainable Digitalization in Design

We have started to set up advanced evacuation processes applicable to all our campuses. We are moving towards our goals by utilizing artificial intelligence technologies in our occupational health and safety processes as in all our processes. At the same time, we continue our efforts to support our training management process with VR technology and strengthen our skill-oriented technical training aspect.

We develop our perspective on occupational health and safety, value it and carry it out with love. In this context, we aim to continue our work with the managerial occupational safety development program and behavior-oriented occupational safety project in 2024.

We continue our field inspections with field observation teams in our facilities. Our teams, consisting of different people responsible for each unit, work under the mentorship of the OHS team with the principle of observe, detect, report, improve, and make significant contributions to our proactive management of risks. These teams, whose working methods are standardized by procedures, share their reports directly with our senior management and ensure the active participation of our employees in our management processes. In this way, we implement the best practices recommended by international occupational health and safety standards.

Within the scope of our management system, we instantly monitor data such as accident frequency rate, accident severity rate, occupational health and safety training hours, periodic controls, all scenario drills, legal legislation measurement values, indicators of occupational hygiene reports. In 2023, as Ekoten OHS Unit, we are proud to have closed these processes without any findings.

While renewing ourselves every day, we do our job with love without deviating from our values. In this context, together with our colleagues, we evaluate and analyze their workplaces and define their processes. We prepare guidelines to guide them. As of 2024, we aim to publish our first work, our Department-based PPE matrices and PPE Usage guide, and to continue our work in this context.





ENVIRONMENTAL SUSTAINABILITY



# Our Environmental Sustainability Approach

As Sun Tekstil, we monitor our processes starting from the design stage of our products, throughout the production and product life cycle in order to keep our environmental impact under control. We are taking the most effective steps both to prevent pollution through waste reduction and to protect natural resources in the process of harmonization with the European Green Deal. We always consider developing effective strategies and action plans in line with the fight against the climate crisis, which is our priority and aim to be among the organizations that advocate this issue in the business world.

Within the framework of our environmental policy, we follow processes in accordance with national and international laws and customer criteria. We develop projects and practices and take steps to improve our environmental performance in the areas of climate change, water, waste and biodiversity.

We identify environmental risks early and proactively take preventive actions, while complying with relevant laws and other legal regulations on the environment and disclosing them to the public. In 2023, there were no nonconformities, fines and sanctions within the scope of the relevant Environmental Law and related Regulations due to our company's activities.



# Sun Tekstil Environmental Sustainability Approach

In our processes carried out in line with our environmental policies, we carry out environmentally friendly activities throughout our entire supply chain. Being aware of our responsibility while managing a large supply chain in all regions of Türkiye, we closely inspect and continuously improve the environmental aspects of our supply chain activities. In this respect, we evaluate our partners using monthly environmental performance scorecards prepared in line with our criteria based on international standards and provide support at the mentoring/consultancy level to improve their performance.

**Click on the link to access our Environmental Policy.** 

As you can see in our roadmap (see page 126), we have grouped our commitments until 2040 for our Sun Tekstil facilities and for our supply chain stakeholders.



## Sun Tekstil Environmental Sustainability Roadmap

	SUN TEKSTİL FACILITIES	SUPPLY CHAIN
2023	<ul style="list-style-type: none"> <li>• HIGG FEM validation every year starting in 2023</li> <li>• Obtaining and maintaining ISO 14001 certification in 2023</li> <li>• ISO 14064 data set creation</li> <li>• I-REC for electricity consumption</li> <li>• Biomass for steam consumption</li> </ul>	<ul style="list-style-type: none"> <li>• HIGG FEM validation for 36% of the supply chain</li> <li>• ISO 14001 compliance</li> <li>• ISO 14064 data set creation</li> <li>• 35% of the supply chain using I-REC or renewable energy</li> <li>• Biomass for steam and heating</li> <li>• 100% ZDHC MRSL/RSL compliance</li> </ul>
2024	<ul style="list-style-type: none"> <li>• ISO 14064 data set creation and calculation</li> <li>• ISO 50001-Energy Management System data set creation</li> <li>• Carbon Disclosure Project (CDP) compliance</li> <li>• ISO 14046 - Water Footprint dataset creation</li> </ul>	<ul style="list-style-type: none"> <li>• HIGG FEM alignment</li> <li>• ISO 14001 compliance</li> <li>• ISO 14064 data set creation and calculation</li> <li>• Create a dataset for freshwater consumption</li> <li>• 45% of the supply chain using I-REC or renewable energy</li> <li>• 100% ZDHC MRSL/RSL compliance</li> </ul>
2025	<ul style="list-style-type: none"> <li>• ISO 14064 - GHG accounting and verification</li> <li>• ISO 50001 - Energy Management System certificate</li> <li>• Carbon Disclosure Project (CDP) reporting</li> <li>• Life Cycle Assessment Mechanism pilot implementation</li> <li>• ISO 14046 - Water Footprint data collection and reporting</li> </ul>	<ul style="list-style-type: none"> <li>• HIGG FEM alignment</li> <li>• ISO 14064 alignment</li> <li>• Mitigation efforts for absolute total freshwater consumption</li> <li>• 50% of the supply chain using I-REC or renewable energy</li> <li>• 100% ZDHC MRSL/RSL compliance</li> </ul>
2030	<ul style="list-style-type: none"> <li>• Reduce total greenhouse gas emissions by 60% (Base year 2025)</li> <li>• 70% use of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce total greenhouse gas emissions by 60% (Base year 2025)</li> <li>• Mitigation efforts for absolute total freshwater consumption</li> <li>• 70% use of renewable energy</li> </ul>
2040	<ul style="list-style-type: none"> <li>• Net zero emission</li> <li>• 100% use of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>• Net zero emission</li> <li>• Reducing absolute total freshwater use by 60%</li> <li>• 100% use of renewable energy</li> </ul>

In line with our roadmap and goals, we received our ISO 14001 Environmental Management System certificate for our Sun Tekstil Manisa factory in December 2023. We also renewed our ISO 14001 Environmental Management System certificate covering our Sun Tekstil Torbalı headquarters factory and offices. In 2023, we organized interactive waste separation training for our employees and raised awareness on waste separation through video shares in the "Sustainable Information" series.

We adapted our environmental performance audit scorecards to ISO 14001 and continued our successful performance in our supply chain.

**Click the link to access our ISO 14001 Certificate.** 

We continued our successful environmental management performance in our Higg Facility Environmental Management (FEM) environmental index verification processes and completed our independent organization audits for our Sun Tekstil Torbalı and Manisa production facilities with successful scores. Within the scope of our goals to ensure Higg FEM compliance in our supply chain, we increased the ratio of suppliers registered on the Higg FEM Platform from 31% in 2022 to 53% in 2023.

We digitized our greenhouse gas emission collection and calculation processes, which we carried out manually within the framework of the ISO 14064 Standard, with our Sustainability Manager project, which we developed in cooperation with NTT Data and Microsoft completed in 2023. Thanks to Sustainability Manager and the supplier portal, we can monitor the data of our suppliers in addition to our own data in a digital environment. As Sun Tekstil, we can perform the calculations and reports we want to make in all categories through Sustainability Manager. In 2023, we started our work with 6 pilot suppliers providing data entry to our portal, and we aim to gradually expand our work by increasing the number of suppliers in 2024.

In 2023, we have completed all preparations to carry out our compliance and schedule studies for our ISO 14064 verification processes through Microsoft Sustainability Manager. While realizing our environmental targets, we comply with ISO 14001 environmental management system requirements and continuously review our system. In 2024, we aim to organize energy efficiency studies with the installation of ISO 50001 Energy Management Systems Standard. In 2025, we aim to have our greenhouse gas emissions verified by independent organizations and publish the Carbon Disclosure Project (CDP) Climate Change Report.

We reduced Sun Tekstil Scope 1 emissions by 30% by providing approximately 65% of Sun Tekstil steam generation and general heating needs from biomass energy sources.

In 2023, we offset our electricity consumption from the grid in our Sun Tekstil production facilities and administrative offices with I-REC certified 100% renewable energy source. We are committed to balancing our electrical energy consumption with clean energy sources by 2027.

We have been awarded the Oeko-Tex standard 100 certificate as of 2023 to certify the efficient use of resources and materials, environmentally friendly production technologies and a transparent supply chain management by taking responsible chemical management at the center of our production processes and supply chain.

**Click the link to access our Oekotex Standard 100 certificate.** [👉](#)

We attach importance to the development of roadmaps based on scientific methods in line with our goals of combating the climate crisis and protecting biodiversity. In this direction, in 2022, we were among the sponsors and steering committee members of the "Forest Ecosystems and Catchment Area Management Report in Combating Climate Crisis in Türkiye", a multi-stakeholder study conducted by the Nature Conservation Centre under the leadership and coordination of TÜSİAD.

The launch of the report, which aims to provide important contributions to the determination of effective road maps within the scope of our country's 2053 targets for combating the climate crisis, was held in May 2023.

**You can access the Report on Forest Ecosystems and Catchment Area Management in Combating Climate Crisis in Türkiye by clicking on the link.** [👉](#)





# Ekoten Environmental Sustainability Approach

As Ekoten, we continue our efforts to minimize our environmental impact. We carry out our environmental sustainability activities in our production processes under 5 headings: greenhouse gas emissions, energy management, water management, chemical management and zero waste management.

## Greenhouse Gas Emission Management

Being among the leading companies in the field of combating climate crisis, we started measuring and verifying our greenhouse gas emissions in accordance with ISO 14064 Standard in 2012 to contribute to sustainable transformation in our industry and business world. With the determination and ownership of our senior management, we have established our effective governance mechanism on climate change in the first step of our journey. In order to develop this mechanism at the international level and to measure and improve its performance, we started our reporting as part of the Carbon Disclosure Project (CDP) Climate Change Program in 2012. In this respect, we have dramatically reduced our greenhouse gas emissions compared to 2012, our baseline.

Click the link to access our ISO 14064 Certificate. 

Greenhouse Gas Emission		Total	Greenhouse Gas Emission		Per Unit Product
2012	25.490 tons of CO2e	<b>55% Reduction</b>	2012	3,30 ton CO2e/tons of	<b>54% Reduction</b>
2023	11.446 tons of CO2e		2023	1,51 ton CO2e/tons of	

\*Method: Our Scope 1 and 2 emissions have been calculated in accordance with the GHG Protocol and the relevant emission values have been verified in accordance with ISO 14064 standard.

In 2023, as in 2022, we were rated at the Leadership level in the CDP Climate Change category with an A- score, and with an "A-" score, we were ranked one level above the global textile industry with an average score of "B".



Ekoten CDP Climate Change Score



Textile Sector World Average



All Sectors World Average

In addition, in the same year, we received an "A/Leadership" score within the scope of the "CDP Supplier Engagement Rating (SER)", which evaluates a company's ability to cooperate with its supply chain in combating climate change, and we were included in the CDP SER Global Leaders List for three consecutive years!

You can access our CDP reports of previous years by clicking on the link. [👉](#)

We launched our Sustainable Supply Chain Meetings events in the second half of 2021 with a focus on the European Green Deal and border carbon regulation compliance. In 2023, we continued our programme with the "Water and Energy Management" session in line with the areas where we identified the need for development.



We achieved an improvement in our greenhouse gas emissions, especially thanks to our SPP investment in 2018, our productivity-enhancing projects in which our employees participate with their valuable suggestions, and strategic transformation investments determined by our senior management.

	2021	2022	2023
Total Scope 1 and 2 (tonnes CO2e)	14.110	14.148	11.446
Ekoten's Total Production (tons)	7.845	8.307	7.565
Specific Consumption (tons of CO2e/tons of fabric)	1,8	1,7	1,5
Change compared to the previous year (%)	<b>-30%</b>	<b>-6%</b>	<b>-11%</b>
Scope 3 Emissions from Value Chain	<b>64.256</b>	<b>49.966</b>	<b>53.870</b>

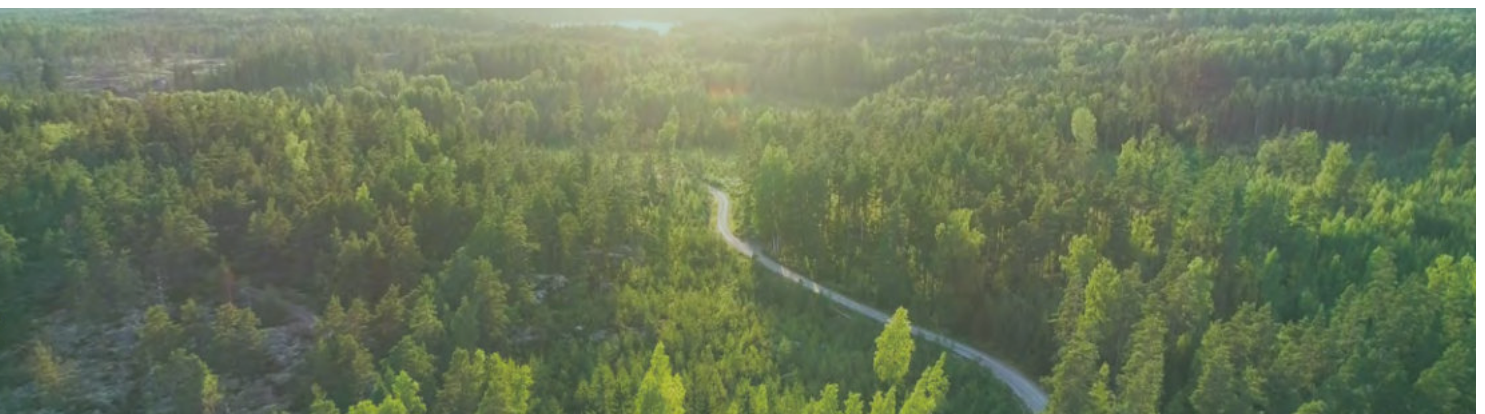
\*Method: Our Scope 1, 2 and 3 emissions are calculated in accordance with the GHG Protocol and the related emission values are verified in accordance with the ISO 14064 standard.

In 2022, with the support of our senior management, we were among the few textile companies in Türkiye to commit to the Science Based Targets Initiative (SBTi) platform to set our science-based targets.

**You can access our Ekoten commitment information on the SBTi website by clicking on the link.**



In 2023, we are proud to share that we have set our science-based emission reduction targets and submitted them to the platform for evaluation and verification. By the end of 2024, we aim to announce our roadmap for transition to a low carbon economy and establish a governance mechanism to assess and monitor the impact of our value chain on biodiversity.





## Energy Management

We carry out all our energy management activities within the framework of ISO 50001 Energy Management System. In 2023, we achieved 19% greenhouse gas emission reduction by starting to use biofuels for energy generation.

## Renewable Energy Generation by the Solar Power Plant

With the investments we have made in line with the capacity increase in 2018, according to our consumption data for 2023, we almost meet 40% of the annual electricity needs of our knitting factory constructed in Torbalı (İzmir) by the 1.200 kWh solar power plant in our facility. Our SPP system has been generating almost 1.200.000 kWh of electricity annually since 2019. Thus, we reduced our annual greenhouse gas emissions by about 690 tons of CO<sub>2</sub>e.

## Use of Renewable Energy

We balanced our mains electricity consumption in 2020 and 2023 by using 100% renewable energy sources with an I-REC certificate.

You can access our certificates by clicking on the link. 

In this way, we have zeroed our indirect greenhouse gas emissions from imported energy sources in accordance with the ISO 14064-3:2019 Standard.

As Ekoten, we are committed to offset all our grid electricity use with I-REC certification by 2030.



## Water Management

We are aware of the impact of the textile industry on the clean water resources in the world and have been carrying out significant activities for many years to ensure a radical transformation through disruptive innovation studies.

Our patent application, which we designed to prevent leaks in the installation systems of our jet dyeing machines, was entitled to receive a registration certificate in 2023. Thanks to our patented work on the warning system that provides both a reduction in water use and energy saving, we are one step closer to our goals of increasing environmental sustainability and becoming a pioneer in industry standards.

As of 2023, we have reduced our total water consumption by 53% compared to our base year and by 3.6% compared to 2022. We reduced our water consumption per unit product (kg fabric) by 68% compared to our base year, although it was similar to 2022.

Water Consumption		Total	Water Consumption		Per Unit Product
2001	1.007.000 m <sup>3</sup>	<b>53% Reduction</b>	2001	186 l/kg	<b>68% Reduction</b>
2023	473.290 m <sup>3</sup>		2023	59,5 l/kg	

\*Method: Consumption data were monitored and reported through counters and invoices.

We optimize our chemical and water consumption, reduce our error rate and ensure resource efficiency with our automated paint and finishing prescription solution and highly automated paint and chemical dosing system developed by our Operational Excellence Department within the scope of digitalization and big data studies.

In order to further protect our water resources that give life to our world, we invested in a wastewater recovery facility in 2022. The investment, which is planned to be completed in June 2023 based on the experience we have gained from field studies, will be commissioned at full capacity at the beginning of 2024. We aim to recover 80% of our wastewater in the first year of the investment and 95% in the second year thanks to the facility, which has innovative treatment technology and whose effectiveness has been approved by authorized independent organizations.

We aim to carry out our dyeing processes with recycled water in accordance with our target quality criteria. With the successful completion of the project, we aim to prevent the discharge of alkalinity, COD, BOD, suspended solids, nitrogen oil-grease pollution to nature with zero wastewater discharge.



## Chemical Management

Preventing the negative effects of our industry on nature and implementing the best practices accordingly are among our most significant priorities.

As part of our Zero Discharge of Hazardous Chemicals (ZDHC) activities, we only procure Level 3 chemicals with the minimum environmental load.

In order to ensure the traceability and transparency of our chemical inventory, we upload the details of our current inventory to the CleanChain Online Platform so that our stakeholders can view it instantly.

We optimize our chemical and water consumption, reduce our error rate and ensure resource efficiency with our automatic dye and finishing recipe, highly automated dye and chemical dosing system developed by our operational excellence department within the scope of big data studies. Thus, we reduce the environmental burden of our products and improve our product quality.

Cold Pad Batch Dyeing (CPB) is an alternative reactive dyeing method that uses less resources, and it is environmentally friendly. With this method, which is based on the cold impregnation method, there is no need to apply heat, salt, or auxiliary chemicals during the process, and a high level of water saving is achieved.

We realized 13% of our production in 2022 and 8,2% of it in 2023 using the Cold Pad Batch method and reduced the environmental loads of our products in this group due to the dyeing processes.





## Zero Waste Management

With our circular economy practices that we started in the design stage, we provide resource efficiency throughout the product life cycle. Moreover, we aim to preserve the values for as long as possible by re-introducing the products that have come to the end of their use in the processes we are responsible for. With our Zero Waste Management System established accordingly, we received our basic Zero Waste Certificate approved by the Provincial Directorate of Environment and Urbanization in 2021.

**You can access our certificate by clicking on the link.** [👉](#)

We moved our waste sorting training and exams to our Sun Academy digital platform and survey application with the content we developed in 2022. Thus, we started to practically analyze, measure and evaluate and create archives in a shorter time through our digital platforms that all our employees can easily access.

### Waste Separation Steps for a Sustainable Future Training



In 2023, we prepared waste separation video training including the types of waste generated in our facility and waste separation points in our facility. Thus, we aimed to ensure that our employees visually memorize them with the video training format.

**You can access our waste sorting video by clicking on the link.** [👉](#)

In 2023, we started the Sustainable Information video series, which raises environmental awareness by covering topics such as the protection of natural resources, waste separation and emission sources every month. We publish these educational and informative videos in common areas such as the cafeteria and make them available to all our employees.

**You can access our Sustainable Information video series by clicking on the link.** [👉](#)

## We Care About Our Resources!

Thanks to the technical studies of our Environmental Management and the investments made with the support of our Senior Management in 2021, we started to send all of our treatment sludge wastes that had been sent to the sanitary landfill facility before to the refuse-derived fuel plants for use by the energy recovery method. Thus, we ensure the recycling of non-recyclable wastes to fuel and contribute to reducing the consumption of fossil resources. Thanks to the fact that we stopped using coal as of 2021, we also prevented generating high amounts of ash waste. As our primary target, we constantly monitor and improve our waste management data in our production facilities where we carry out the production processes of Sun Tekstil's facility in Torbalı and Ekoten's facility.

### Waste Data of Our Facilities

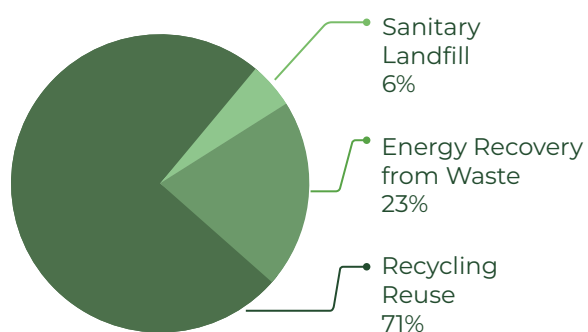
Waste (tons)/Year	2021	2022	2023
Paper	277	330	311
Plastic (Packaging)	26	19	19
Plastic (Nylon)	96	95	88
Metal	1,8	1,6	1,7
Glass	2	2,9	4,3
Domestic	153	184	192

\*Method: Within the scope of Zero Waste Management hierarchy, quantities were reported from weighbridge records.



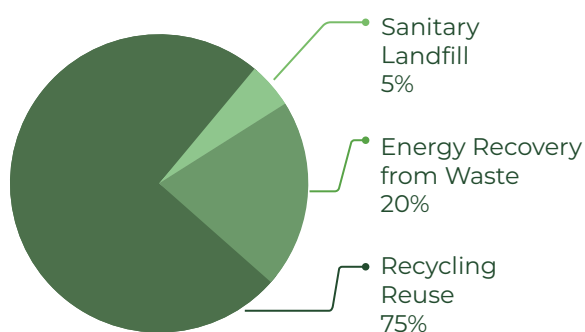
## Hierarchy Breakdown of Our Waste Management

**2022 Waste Hierarchy Total**  
Amount of Waste: 4.873 tons

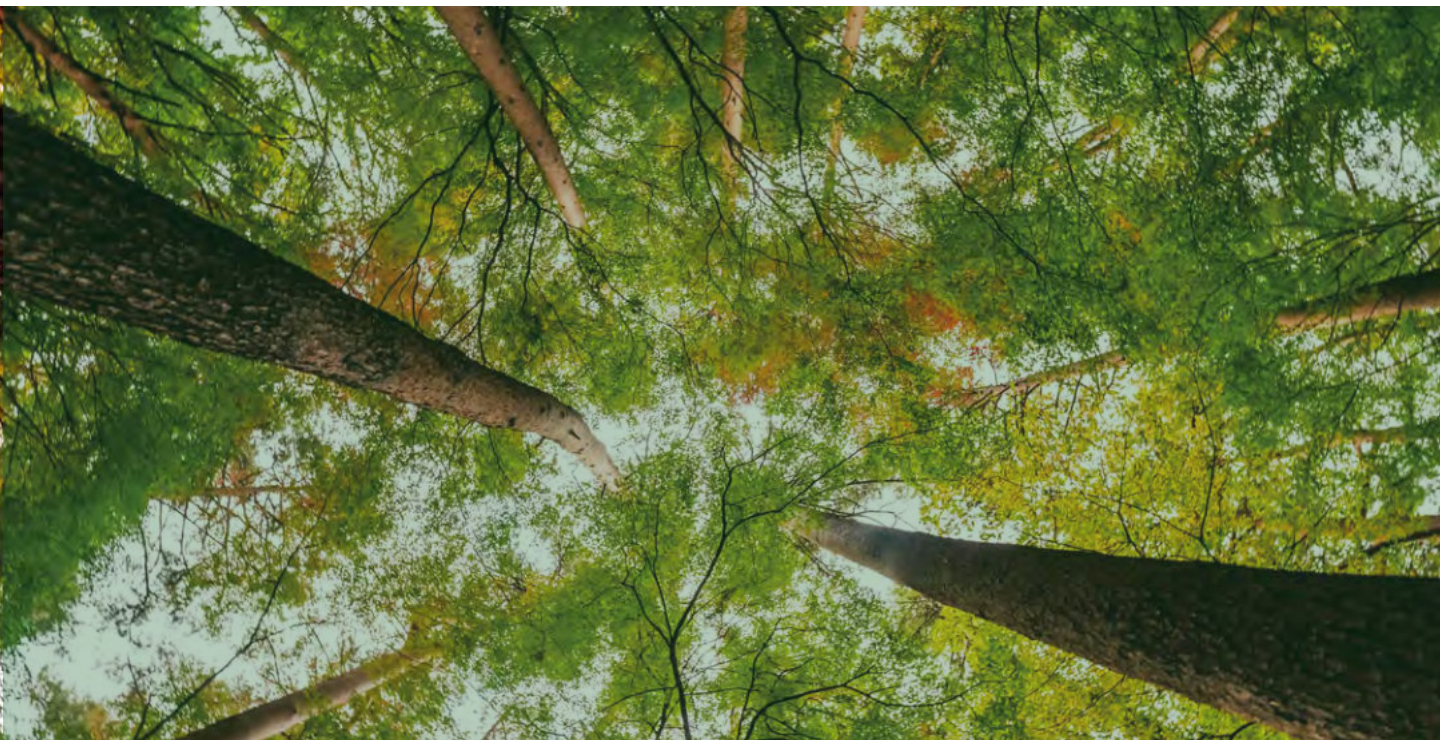


**Breakdown of Waste Sent to the Sanitary Landfill Facility in 2022**  
Total Amount: 278 tons

**2023 Waste Hierarchy Total**  
Amount of Waste: 5.585 tons



**Breakdown of Waste Sent to the Sanitary Landfill Facility in 2023**  
Total Amount: 286 tons





## Integrated Management and Sustainability Inspections

In 2002, we established ISO 9001 Quality Management System, based on international standards, in order to ensure the continuity, integrity, and systematic conduct of our environmental sustainability activities in the fields of greenhouse gas emissions, energy management, water management, chemical management, and zero waste management. We constantly improve the performance of our environmental sustainability activities by going through inspections carried out by specialized independent organizations and internationally valid certification processes. We continue to successfully pass audits by updating all our ISO certificates.

You can access our current certificates by clicking on the images below.



ISO 9001 Quality Management



ISO 14001 Environmental Management



ISO 45001 Occupational Health and Safety



ISO 50001 Energy Management



We continuously improve our governance mechanism within the scope of our integrated management systems and conduct internal audits at regular intervals with our certified internal auditors who are experts in their fields. We provide guidance to our colleagues who own the processes to improve the areas they are responsible for with a management system approach.

We improve our holistic sustainability perspective and practices every year thanks to the contributions of experts who carry out our inspections on behalf of independent inspection organizations and have the experience of inspecting several textile companies and companies from various industries.

Thanks to our integrated management experience, we are among the companies that are always considered successful and have good practices due to our performances in the inspections carried out by our customers and by independent inspection organizations on behalf of our customers in line with their criteria. In our production processes, we aim to measure our environmental sustainability performance objectively in accordance with the international common metrics. Therefore, we continue the Higg FEM validations that we started in 2019 every year.



# DIGITALIZATION AND INNOVATIVE TECHNOLOGIES







# Our Digital Transformation Strategy

We carry out our digitalization and sustainable technologies management under the leadership of our Software Development and System Department and Technical Support Department, which serve all companies in our group, as well as our Business Analysis Department and Operational Excellence Department, which are organized in line with the needs of our companies.

## Software Development Department

As of 2022, we have added Robotics Process Automation (RPA) Project Developments to our software development strategies, which we manage under three headings in order to manage our digital transformation processes in the most effective way in the areas we need.

**1- Developing the SAP software:** We are developing SAP S4/HANA software in-house with our ABAP and Fiori software developers and Adobe LiveCycle Designer teammates.

**2- Developing software except for the SAP platform:** In this direction, we have completed the installation of a software development and management portal. We develop and manage all our non-SAP software through this portal. In addition, we look for the prerequisite that the software we procure from third-party service providers that we manage must be open source. We prepare the ground for detailed analyses by providing integration with SAP on the Non-SAP platform, which we have developed with our own software team. We make improvements that reduce costs and increase production efficiency.

**3- Low Code Development Platforms:** Low code platform enables rapid application development with visual modelling and drag and drop structure, unlike traditional programming. With low code platforms, it is possible to develop applications without writing code or by people with competence in different fields. Thus, our experts who own the relevant production processes and need software solutions develop their own software more effectively. We also increase employment for qualified labour force in the field of information technologies.

**4- Development of Robotics Process Automation (RPA) Projects:** We develop RPA solutions specific to our departments together with our software team and infrastructure provider stakeholders in order to make repetitive non-value-added processes efficient.

## System and Technical Support Department

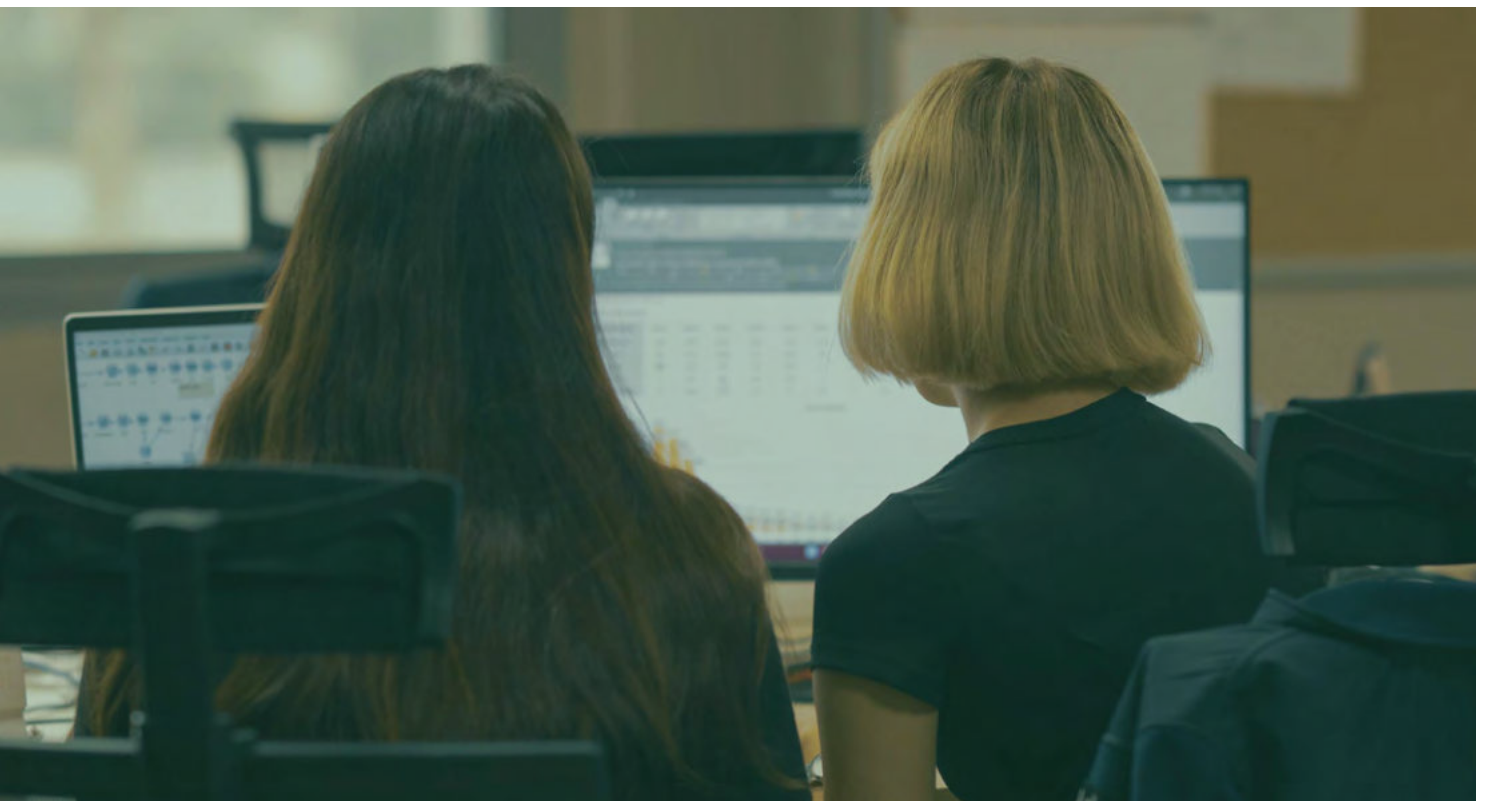
Our team, which ensures the sustainability of the hardware infrastructure as well as the system and network infrastructure of our company, extended the life of the devices by an average of 2 years with SSD disc replacement in 204 computers and RAM capacity increase in 100 computers in 2020-2021, preventing the emission of 7,920 kg CO<sub>2</sub>e that would occur with the production of 24 notebooks and 6,600 kg CO<sub>2</sub>e that would occur with the production of 8 desktop computers.

## Business Analysis Department

They prepare core business development documents by analysing business processes in detail. As a result, they contribute to the conceptual design that forms the first basis of the software and technology to be developed. The department creates a connection between the user and developer teams by organising the team that will develop the software.

## Operational Excellence Department

They work in partnership with all units such as sales, machine energy and production units to ensure that the business or technology is developed, analysed and reported.



## Software Development Activities

In 2023, in line with our software development strategies, we have completed the steps to minimise physical labour and the work to facilitate decision-making and improvement to increase efficiency. We continue to make improvement with the aim of making the corporate memory sustainable.

We have accelerated our software development processes with the support of ABAP experts in our software team, as well as consultant company experts and independent experts from outside the company in order to perform SAP S4/HANA System developments, custom screen designs and report developments.

We can use the KUIKA programme as a design archive and search engine. In addition, our field teams can also use this Non-SAP programme in work order management processes. We can develop report and simulation tools with the POWER BI programme, and we can instantly access the digital products required by the management. We started to use FLUTTER / DART software development tools for our web and mobile application developments.

With the use of RPA in our repetitive business processes, we aim to use human resources more effectively and reduce systematic data entry errors. In this context, we reviewed our processes where we can apply RPA in 2023 and determined our priority issue as the provision of data entries in our customer orders by RPA. In the process we implemented for two of our customers, we ensured that data entries to the platform are performed by RPA at stages that require multiple platform management.





## Digitalization in Design Processes

At Sun Tekstil and Ekoten, we continuously improve our software and hardware technology infrastructure, which contributes to the development of circular business models starting from the design phase and thus saves resources. In addition, we improve the content of our digital archives and increase the efficiency of our design processes day by day. Thanks to the transformation process we have implemented, we ensure the sustainability of our business and increase our corporate resilience by overcoming physical constraints and presenting collections to our customers on digital platforms.

As of 2021, we started to present our designs developed for our customers whose infrastructure is compatible with us in digital environment using three-dimensional mould preparation software. In 2023, we presented 38% of all our designs in digital environment. We produced physical samples by finalising the models selected by our customers among these designs in digital environment. In this way, we reduced the physical sample production in this product group by 70%. We are working with all our stakeholders to make more use of this important potential to ensure circularity starting from design.



## Equipment for Digital Libraries

We make our designs unique by creating a digital fabric library thanks to our surface scanner that can digitize fabric surfaces with all the details that can be seen by the naked eye and our hardware that can digitize the physical properties of the fabric such as drape.

We have improved our new business processes thanks to our photo booth equipment enabling us to present our physical samples to our customers with high-resolution images that can be viewed 360 degrees and our video conference rooms where we hold our collection meetings in addition to presenting our designs in the digital environment. In this way, we have adopted a digital, innovative design process that is in line with the times by reducing our resource consumption while saving time/work.



# Sun Tekstil Digitalization Approach

As Sun Tekstil, we carry out strategic studies on digitalization of processes in our Design, Production, Supply Management, HR and Process Improvement Departments in order to achieve our main goals of increasing digital maturity levels and digital culture formation.

## Digitalization of Design Processes

With the digitalisation of design processes, we are increasing our product presentation capabilities to customers. In addition, we can access data quickly in our design and collection processes, and we are working to ensure resource efficiency.

We are digitalising with the projects we have implemented and we act with the mission of leading the transformation journey.



## Digitalisation of Production Processes

With the digitalisation of production processes, we aim to ensure traceability in sub-processes of production and increase production efficiency by reducing production losses. In line with this goal, we have carried out many projects on our production, logistics, quality management, lean management and sustainability processes in 2023.

Within the scope of our efforts to digitalise production processes, we aimed to ensure traceability in sub-processes of production and increase production efficiency by reducing production losses. We standardised the model production methods and made them accessible and applicable in SAP for all manufacturers. In this direction, we aim to monitor the model-based productivity and performance of producers in a digital environment, to carry out producer-based minute cost and productivity analyses with instant reports, and to provide producer and model-based remedial and efficiency analyses as a result of the analyses.

We are progressing our processes smoothly with the sub-process analyses of the SAP processes that we designed two years ago and the improvements made on SAP, the main ERP programme as a result of this study: making stock management, purchasing processes and production management processes traceable and instantly reportable, taking actions to increase performance and efficiency as a result of the studies carried out, increasing control points with the improvements made in process designs.

We have ensured that the Machine Maintenance and Repair and Machine Inventory system is monitored through SAP, the main ERP, and fully integrated with the accounting department, that the performance of the machine maintenance department can be monitored thanks to the improvements made in the programme, that production performance is increased by shortening the intervention time to the malfunction, and that employee competencies are improved depending on training by analysing the types of malfunctions. We have increased our traceability by extending barcode stage tracking in internal production and sample production processes and ensuring barcode tracking in intermediate processes. We can perform break stock controls with instant performance follow-ups. We can instantly access and monitor 25% of the management reports published with the work of our software team and process improvement team with the developments made on Non-SAP and SAP. By moving the stock transfer processes to the digital platform, we shortened the goods in and out times, increased the efficiency of the logistics department and accelerated the shipments with the instant tracking of the processes that constitute a large part of the goods out and return entry processes on the system.

We archived the records of the model files and production samples used in past orders in digital environment with a shelving system and made them instantly requestable. Thus, we shortened the accessibility times of past model files and samples.

We improved our performance by digitally tracking processes such as pre-cutting preparation processes in our manufacturers and fabric resting time that affect fabric quality.

We continue to work on digital monitoring of the control results of the fabrics controlled by the fabric field teams in the field. We have taken steps to increase efficiency in production processes with the traceability of supplier performances and instant actions by storing the controlled data in digital environment.

With the follow-up of lean production projects on the digital platform, we made the lean developments of the departments traceable, increased our lean culture level and created our retrospective company memory.

In 2024, we aim to ensure the digital tracking and traceability of production stage process controls and end-of-production quality control AQL result entries in quality processes depending on customer quality standards, to ensure instant data entry into the system with the smart tape measure system in process controls, and to ensure the digital tracking of laboratory processes.

Furthermore, in 2024, we aim to develop projects such as calculating quality and model-based production losses with the more intensive use of artificial intelligence technology, reducing fabric stocks and reducing inventory costs accordingly, creating model-based risk maps and automatic identification of suppliers with appropriate model-based competence, establishing ideal production lines as a result of model and employee competence suggestions, and performing line balancing in a digital environment.

We will also continue our effort to automate production planning and process follow-up by the system, to create the Sun Tekstil Supplier Portal, to collect shipment and delivery note processes on ERP with SAP integration, and to digitalise processes that require work order requests and approvals.



## Digitalisation of Sun Tekstil HR Processes

We continued to develop our efforts to digitalise Sun Tekstil HR processes in 2023. We supported the work of our occupational health and safety teams by facilitating the work of our occupational health and safety teams by digitalising the process by processing the identity information of the people on the HR personnel cards. We facilitated the management of personnel training and competency development evaluations by moving them to the digital environment. With the digitalisation of our HR processes, we enabled our colleagues to easily track and manage their HR requests through the SUNİK mobile application.

In our internal production units, we carried out instant performance monitoring with the Non-SAP platform and ensured that the performance results of employees are fully integrated with their payrolls with Non SAP and SAP integration. In 2024, we aim to move the processes of career architecture, performance management and determination of training needs to the digital environment with İK 360. In OHS processes, we aim to move processes such as field audits, field report cards, finding closure status tracking, work accident and near-miss tracking, audit and drill reminders to digital environment in 2024.

## Increasing Digital Competences of Employees

We aim to expand the use of digital platforms, reduce user errors and contribute to the system development of users by increasing the digital competencies of employees. In line with this goal, we organised 1296 hours of training for a total of 519 colleagues under 47 different training titles in 2023 in order to use the system correctly and to improve the digital competencies of our colleagues.

We have increased the number of our employees in order to carry out our simple and medium level developments with our own module and software developer staff. We aim to increase knowledge sharing by making internal training plans for our new employees. In the journey we set out with this goal, we create our colleagues from the groups we train on Digitalisation and Project Implementation with our young talent internship programmes.

In the project we carried out in cooperation with WTECH, we provided a total of 637 hours of practical explanation of SAP modules with a total of 637 hours of programme that will enable young talents who care about data analysis and are eager to code the future to shape their careers with technology. 3 people working within our company also participated in this programme. As a result of the programme, we supported their career journey by employing 4 of the 10 students who participated from outside within Sun Tekstil.

Within the scope of our internship programme at the "Future at Sun", which aims to help young talents prepare for the business world, three of our part-time employees who were involved in digitalisation and project management continued their work full-time.

We also recruited a person who took part in Digitalise the Next, our workshop programme that brings together young software developers and analysts who will play a role in digital transformation.



## Ekoten Digitalization Approach

Our digitalisation processes are always based on the analysis of our needs and the goal of improving a process through digitalisation. At Ekoten, we base our strategies and needs on the results of our digital maturity index, which we have developed in accordance with our own dynamics and with reference to international methods. We measure all dimensions from design to the end of our production processes, and decide on the areas and projects we will develop and invest in based on our digital maturity index scores.

We are creating Türkiye's first three-dimensional fabric library by pioneering innovative and sustainable textile solutions and thus we consume less natural resources.

Thanks to our new technology, which aims to significantly improve our fabric production, we detect fabric defects in real time with an artificial intelligence database and increase our resource efficiency.

In our knitting facility, which has a state-of-the-art automation system, we can easily monitor production with smart watches integrated into the automation system and intervene immediately in any problem.

Thanks to our automated dye and finishing prescription infrastructure developed by our Operational Excellence department within the scope of digitalization and big data studies, and our highly automated dye and chemical dosing system integrated with this infrastructure, we optimize our chemical and water consumption, reduce our error rate and ensure resource efficiency.



## Rule Based End-to-End Planning Optimization

Using our own, in house commissioned planning system, work orders are assigned to workstations within the factory on a rule-based basis. The 70,000 planning rules defined within the system are instantly activated. It directs production resources to the most appropriate workstation by prioritizing customer deadline performance. 350 workstations and nearly 950 production routes are instantly optimized. Real-time rule-based planning optimization is provided by taking customer deadline priority into account.

We increased the efficiency of capacity planning to the maximum level by identifying instant bottlenecks within the enterprise with the planning optimisation system. We doubled the rule pool with the studies carried out in 2023 and added the machine rule copy feature for new machine investments. We also developed a new washing detection engine that automatically calculates the detection of washing steps from the total dye percentage and completed its integration into the planning optimisation system.

## Ekoten Knitting Mobile Application

Ekoten Operational Excellence Department continues to implement activities that will contribute to the development of both our dyehouse and knitting operations and facilitate the work of the personnel in the field. In 2022, we developed a mobile application to accelerate and facilitate the pre-production training, production preparation and production stages in our knitting factory. The information to be obtained before production, single point training documents prepared within the scope of lean management, improvements made in production and explanations of the points to be considered in production are included in our application. In this way, we can access information regardless of time and place, and manage our processes in the fastest and healthiest way.

We commissioned our application, which we developed in 2022, in 2023 with the most up-to-date version. Within the scope of information security, we have commissioned the device-based authorisation system and implemented the infrastructure that only our employees can log in. With the QR scanning system we have commissioned in the application, only ERP (SAP) work order QR cards in the factory can be accessed to the system.

By publishing our announcements such as the 5S score list on the application, we ensured that our employees can transparently follow the developments related to them. With our employees' easy access to critical reports such as machine performance and quality through their phones via the application, we enabled them to monitor their performance instantly and improve their working principles.



## Ekoten Knitting Factory Automation New Type Smart Wristbands

New versions of the smart wristbands used throughout the knitting business were implemented in 2022 and our operators started using the new type of smart wristbands as part of the knitting automation project. In the usage tests carried out in 2023, we determined that our employees can see the notifications more easily and react 25-30% faster to notifications from multiple machines due to the larger screen size of the new type smart wristbands compared to the old version. By reducing bluetooth disconnections by 50% and increasing the speed of notifications thanks to the higher pull power of the new type of smart wristbands, we shortened the intervention time of our operators in case of any error and increased the efficiency of our processes. According to the physical tests of our new smart wristbands, we have determined that the wear resistance of our new smart wristbands is twice as high compared to the old type of wristbands, so that the devices will remain in use for a longer period of time.

## Artificial Intelligence Based Knitting Quality Control System

Within the scope of our goals to increase our resource efficiency, we make our disruptive innovation efforts more agile with start-up collaborations. In 2020-2021, we developed the first integrated, automatic quality control system in the industry for circular knitting machines with a start-up company. With artificial intelligence-based image processing technology, we can even detect defects that are difficult to detect visually and cannot be detected before the dyeing process. Thus, we prevent material and energy loss by preventing the error at the source.

In 2022, we continued our work with 17 machines with 24 machines with our new investments in the last quarter of 2023. By replacing all monitoring tablets in our existing machines with industrial tablets, we aimed to reduce maintenance and failure rates by 10-15%. In 2023, we completed the study of a prototype system that can perform double-faced control for the first time with Smartex. After the analyses, we determined that the types of errors that cannot be caught with a single camera system can be caught with a double camera system. We have experienced that its use is very effective in detecting and preventing errors that are difficult to detect on the back face, especially in our fabric qualities such as double-faced interlock.

In 2023, we commissioned the Digital Factory web platform, which we developed after the requirements analyses we carried out in our knitting business. Through the "fabric ball map" created on this platform, we ensured that the types and locations of defects on each knitted fabric are located on a single screen. In this way, we achieved an increase in efficiency by approximately 60-70% in the process of examining and detecting the defects.

In the analyses conducted in 2023, 1443 stops were made for error prevention in 17 knitting machines with a quality control system operating with artificial intelligence-based image processing technology. Thus, we prevented 770 hours of faulty production and saved € 92,352 by preventing 15392 kg of faulty fabric production. We also prevented the environmental impact of 1,723,904 litres of water consumption, 138,528 kWh electricity consumption and 34,493 kg CO<sub>2</sub>e emissions. In 2023, 39 knitting operators and 5 lean leaders received theoretical and practical training on the use and improvement of the system and artificial intelligence for 14 days. Our colleagues, who developed new competencies in the field of information technologies, contributed to the development of a qualified workforce.

## SAP - MES Systems Integration Solutions

Today, when Industry 4.0 and traceability are very important, production tracking, management and standardisation of these stages are of great importance. With the Non-SAP systems we have developed within the company, we can monitor the processes in the production area from automation and production execution system software. We can also carry out integration works with SAP on these MES systems.

In 2023, we completed the integrated web service work with the human resources application used in the enterprise. With this work, we ensured that all employee information is transferred to MES systems up to date.

## MES Portal Project

Our Operational Excellence Department is constantly developing its own internal software in line with in-house processual needs analyses, in addition to in-house field applications, and is carrying out efforts to move it to the web version. As of June 2023, we continue to carry out projects to migrate Windows-based software to the web. In this direction, we use many processes such as Customer Complaints Management, Sample Chemical Trial Tracking process, Internal Audit activities process, Business Demand and Tracking Processes, Lean Production Unit processes live. In this way, we have achieved a significant increase in digitalisation.



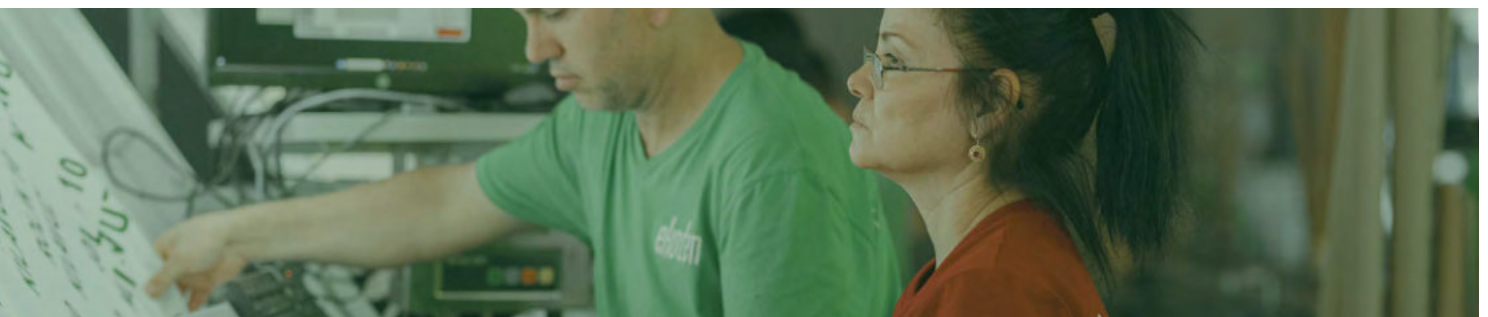
## Artificial Intelligence Supported Quality Control System

As Ekoten Operational Excellence unit, we participate in technology fairs around the world and follow the developments that will contribute to our company and improve our business processes. In 2023, we met at ITMA (Textile & Garment Technology Exhibition) and started the field trial process within the scope of cooperation with a company that performs artificial intelligence-supported quality control on the fabric surface, a device that performs global standard colour measurement and fabric ground control to be used in textile quality control processes. With the artificial intelligence-based quality control device, we will facilitate the work processes of our quality control employees and the detection of errors that are difficult to detect by eye through artificial intelligence algorithms, while we will gain advantages such as capacity increase in our quality control unit.

While we can measure the colour fluctuations on the fabric with the colour measurement system, the floor control system allows the errors that can be seen by eye, which can be noticed with the lower light and upper light, to be checked at a speed of 30 m / min and the errors can be recorded with the instant photography feature. Thanks to these systems, we aim to reduce the delivery of faulty products to our customers and increase our customer satisfaction rate by visually sharing the faults within the acceptance limits with our customers. In addition to all these advantages, by reducing the return of faulty products to our company, we will both prevent financial losses and reduce our carbon emissions, which will mainly arise from transport processes.

## Machine Learning Aware Process Development - META-R

We identified the machine learning-sensitive processes in our machine energy department within the enterprise and automatically transferred the raw data in the relational database of the application to the metadata repository application developed. We sampled three different machine learning tasks with machine learning methods using the data in the metadata repository and commissioned them by evaluating the success criteria. With the machine learning algorithms commissioned within the scope of this study, we achieved a 75% daily workload gain from the personnel work planning task. We aim to evolve different business processes into machine learning-aware systems with the use of META-R application.





## Development of Digital Culture

As part of our efforts to develop a digital culture, which is one of the most important elements of our transformation processes, we provide our employees with quality training programmes, share experiences on many platforms inside and outside the company, and participate in collaborative programmes. In our Digitalk seminars, we host experts in their field in our conference room and meet with all our colleagues in interactive panels on the topic of digital transformation.

In our Robotic Process Automation Seminar, with the participation of experts from our solution partner SabancıDx, we discovered the usage areas of robotic process automation in hundreds of sectors and shared which of our jobs can be automated to turn this use into efficiency in our processes and save time and speed for our teams.

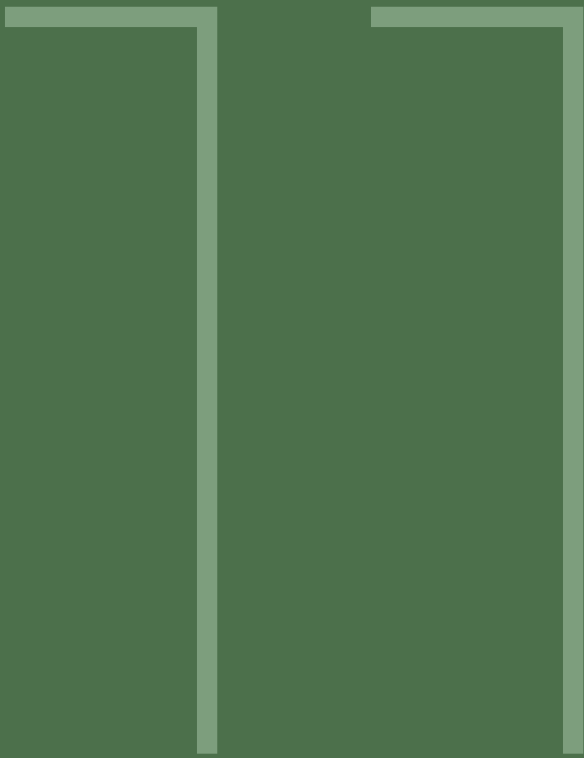
With the cooperation of Ekoten, Sun Tekstil and İzQ, "Smart RPA Meeting" was organised by Türkiye Artificial Intelligence Initiative. The event brought together experts from leading companies in the sector, especially Ekoten and Sun Tekstil.

We offered young talent the opportunity to build a career in accordance with the requirements of the age combined with technology within the scope of the "Digitalising with SAP!" training programme, which was completed in the first quarter of 2023, prepared in cooperation with Sun Tekstil, Ekoten, Women in Technology Association (Wtech) and SAP. Within the scope of the project, soft skills and SAP technical training were given to young talents from the Computer Engineering, Software Engineering, Industrial Engineering, Mathematics, Statistics and Management Information Systems departments of universities in Izmir who attach importance to data analysis and are eager to code the future. We employed 2 of the students who participated in the programme within Ekoten.





# SUPPLY CHAIN MANAGEMENT







# Sustainable Supply Chain Management

We are improving our Sustainable Supply Chain Performance Management Systems day by day in order to increase the resilience of the textile supply chain, which is very vulnerable to risks such as climate crisis, extreme climate events, economic crisis, energy crisis, logistics crisis and pandemic affecting the whole world, and for the sustainability of the environmental, social and economic dimensions of the value chain.

In the current situation, it becomes essential for all supply chain stakeholders to carry out compliance studies in cooperation within the scope of regulations such as Circular Economy Action Plans, Green Deal, Carbon Regulation at the Border, Extended Producer Responsibility, Digital Product Passport, etc., which were first implemented by the European Union and will become widespread all over the world in the near future.

We have holistic management processes based on international standards and the sustainability criteria of our stakeholders in order to proactively manage all risks in our supply chain together with our stakeholders, to identify opportunities and to strengthen and make our processes resilient.

## Sun Tekstil Supply Chain Management System

We ensure product traceability and environmentally friendly production processes throughout our entire supply chain with sustainability certificates. We guarantee the compliance of our suppliers in all dimensions of sustainability by implementing audit processes in line with our customers criteria and international standards. We improved our supply chain audit and evaluation mechanism, which we started to implement many years ago, and launched our Supply Chain Sustainability Performance Management system as of 2019. We continue to implement our system every year by improving our system according to global conditions and customer criteria.

Among our approximately 230 suppliers in five regions of Türkiye, we conduct periodic audits of the production facilities of our suppliers, which account for at least 80% of our total production. We score them with our performance scorecards, which we have developed in line with international standards and the needs of our stakeholders. We provide feedback on the areas for improvement identified in the assessments, and provide on-the-ground advice and mentoring to each supplier to help them improve in line with the findings.

In this way, we aim to ensure that stakeholders joining our network for the first time are included in our value chain as a result of the audits by meeting our sustainability criteria, and to ensure the competence and organisational resilience of existing stakeholders in all dimensions of sustainability. Being aware of our responsibility not only in Sun Tekstil's facilities but also in the entire supply chain, we work with the goals of ensuring the implementation of environmentally friendly processes based on global climate targets, circular economy and biodiversity conservation, realising labour standards that exceed legal requirements, ethical compliance and equality practices that aim for decent work and economic growth beyond basic human rights, and ensuring the continuous development and resilience of the organisation and all stakeholders after identifying all processes, risks and opportunities in economic and managerial dimensions.

Our expert audit team, within the scope of our management system, creates sustainability performance scorecards based on the operational findings identified through field visits and data captured through the ERP programme. Our expert teams provide consultancy-level mentoring to our suppliers in line with the findings of the audits, which include questions included in international sustainability indices and questions regarding the criteria of our customers.

We apply our scorecards under eight main headings: social compliance, technical assessment, environmental compliance, self-improvement, corporate governance, ethics, operational performance and financial management. We have developed digital forms to automatically generate our scorecards after applying the question sets, allowing us to more effectively apply the scoring done during field audits.

Each scorecard has sub-headings at different priority levels and coefficients determined according to the importance of the sub-headings. Scores are given for the information verified in field audits and the scores are multiplied by the materiality coefficient to reach the final performance scores. We ensure continuous improvement by giving each supplier score targets in line with its own development.





We overcome chronic problems thanks to our special projects applied to all suppliers in line with the findings. Suppliers achievement of their score targets enables us to measure their performance while the rate at which all suppliers achieve their target scores also enables us to measure the performance of our inspection team, which also provides mentoring and consultancy support. Thus, we proactively carry out the processes by strengthening our suppliers in all dimensions of sustainability. In this way, we ensure full compliance of our supply chain with our goals, moreover, we prevent the risks of being out of our supply chain due to critical findings in inspections performed by global brands and inspections performed by independent organizations.

Monthly improvement studies are carried out in line with the scores and findings are shared. We meet at performance review meetings quarterly with the participation of Sun Tekstil's senior management and performance management officials, and the management and sustainability officials of our supply chain stakeholders, and we determine our short-term and medium-term goals together.

In order to improve the sustainability performance of our suppliers, we organise training to increase their knowledge and awareness on sustainability issues. We provided 3,273 hours of training on social, technical and environmental issues to 2,445 people in 112 of our producers. Within these training session, we also organised sharing sessions tailored to the needs of each stakeholder and held in their own facilities. We determined that the level of knowledge and awareness reached the levels we targeted in the oral interviews we conducted at the end of these training session. Thus, we anticipate that the success of our suppliers in all audits will continue to increase and our supply chain resilience will also improve and we aim to regularly analyse this development.

In 2024, we aim to establish sustainability teams in all our suppliers that manage and monitor customer sustainability criteria and have the competence to audit their sub-suppliers in this context and to appoint responsible persons.

We continue our efforts to establish sustainability teams that manage and monitor customer sustainability criteria in all our suppliers and to identify those responsible. We have completed the process of establishing teams at 46% of our current suppliers. In 2023, we aim to complete this work at all suppliers that realize 80% of our total production. We also aim to ensure the effective dissemination of our sustainability practices throughout our supply chain within the framework of compliance with Extended Producer Responsibility-EPR regulations. In line with this goal, we have started our efforts to direct our main fabric suppliers to establish an evaluation mechanism to measure the sustainability performance of their sub-suppliers. We aim to complete this process for all our suppliers by the end of 2025.

We have started our effort to align our social compliance performance evaluation criteria in our supply chain with the scope of the Social Labor Convergence Program (SLCP) audit, which is internationally recognized and set as a criterion by many of our customers, and thus to increase the success scores of our suppliers in SLCP audits. In the same direction, we are rapidly continuing our work on Compliance with Environmental Compliance Standards. We continue our efforts to align our environmental compliance performance evaluation criteria with the Higg Index Facility Environmental Module (FEM) audit scope and thus increase the success scores of our suppliers in Higg FEM audits.

With the update of the HIGG FEM 3.0 module to HIGG FEM 4.0 in the last quarter of 2023, we ensure that changes in this area are identified and we carry out studies to meet the demands of the developed platform.

## Microsoft Sustainability Manager Supplier Portal

Ensuring traceability throughout our supply chain to continuously improve our environmental impact is one of our top priorities. We are rapidly implementing our digital transformation practices to measure and reduce greenhouse gas emissions throughout our supply chain, particularly in line with our climate change objectives and to comply with regulations developed under the EU Green Deal. In this context, we have digitised our measurement and reporting processes through our "Microsoft Sustainability Manager Supplier Portal" project, which we developed in collaboration with NTT Data Türkiye and Microsoft, and which will be completed in 2023. This allows us to monitor our suppliers' data as well as our own. In 2023, we started our work with 6 pilot suppliers entering data into our portal, and we aim to gradually expand our work by increasing the number of suppliers in 2024.

As an organisation that strongly believes in the power of partnerships to achieve goals, we shared the details of our project and our achievements with all participants at the project launch and stakeholder meetings in cooperation with NTT Data Türkiye, to ensure that the solution we have developed benefits the entire business community. At the Sustainability Talks Istanbul, we participated as a keynote speaker and shared the importance of effectively managing greenhouse gas emissions with digital traceability infrastructure and our experience in the project with thousands of textile industry participants in our presentation entitled "Digital Solutions for the Textile Industry's 1.5°C Target".



Source: From "Microsoft Sustainability Manager Supplier Portal" Project Launch



# Ekoten Supply Chain Management System

At Ekoten, our goal is to transform our supply chain into a sustainable, competitive, and successful structure that combines ethical and environmental practices. Accordingly, we constantly improve our supply chain management mechanisms thanks to our integrated quality systems management approach, which has become our culture for many years, and our sustainability goals, which are based on international standards and the criteria of our customers.

All our suppliers are included in our supply chain within the framework of our quality systems. Suppliers that have certificates in accordance with international standards or those approved by our customers, which are global brands, or by accredited independent inspection organizations appointed by our customers, are included among our stakeholders after performing preliminary interviews. In particular, we provide contractual commitments to comply with our sustainability criteria. We guarantee our prerequisites, which include criteria for our goals against the climate crisis, essential practices to protect biodiversity, human rights, and working standards by conducting inspections and signing contracts.

Our procurement teams manage the processes in the most effective way in accordance with the training they receive from accredited organizations. In addition to checking that our newly included suppliers and existing suppliers fulfill the requirements, we regularly measure the basic performance levels of our suppliers and give them scores. Our supplier inventory determined in this direction is regularly reviewed under the supervision of our managers, based on our company's risk management strategies.



As part of our Zero Discharge of Hazardous Chemicals (ZDHC) activities, we only procure Level 3 chemicals with the minimum environmental load. In order to ensure the traceability and transparency of our chemical inventory, we upload the details of our current consumption details to the Cleanchain Online Platform so that our stakeholders can view it instantly. Our chemical inventory created in the CleanChain system also runs integrated with the ZDHC Gateway Platform. Thus, our customers can instantly review our globally valid Incheck Report, which proves the suitability of our chemical inventory through the ZDHC Online Platform.

We started our Sustainable Supply Chain Meetings programme in the second half of 2021 within the scope of our European Green Deal compliance strategies. In the programme, where we discussed all the topics of the European Green Deal in detail, we first carried out our practical training on the Management of Greenhouse Gas Emissions and Preparation for the Carbon Regulation Process at the Border. In this process, we also focused on raising awareness on combating climate change. In 2023, we continued our programme with the "Water and Energy Management" session in line with the areas where we identified the need for development.

We aim to improve our Supply Chain Management System with Sustainability Performance Scorecards and to score the maturity levels of our suppliers in all dimensions of sustainability by analysing their processes in more detail. In this context, we have prepared our performance scorecards to include the topics of traceability, certification, management systems, environmental compliance and social compliance, and we started our studies with a sample group we identified among some of our priority suppliers in 2023. With the experience we have gained, we will work on a system that we will generalise in 2024.







ANNEXES

12



## References for UN Global Compact

Area	Principles	Related Section
Human Resources	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	-Corporate Governance -Human Resources
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	
Labour Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	-Corporate Governance -Human Resources
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	
	Principle 5: The effective abolition of child labour.	
Environment	Principle 6: The elimination of discrimination in respect of employment and occupation.	-Environment -Design -Digitalization
	Principle 7: Businesses should support a precautionary approach to environmental challenges.	
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	
Anti Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	-Corporate Governance

## References for Women's Empowerment Principles (WEPs)

Principles	Related Section
<b>Principle 1:</b> Establish high-level corporate leadership for gender equality	
<b>Principle 2:</b> Treat all women and men fairly at work - respect and support human rights and nondiscrimination, and promote such principles	
<b>Principle 3:</b> Ensure the health, safety, and well-being of all women and men workers	
<b>Principle 4:</b> Promote education, training, and professional development for women	-Corporate Governance -Human Resources -Community
<b>Principle 5:</b> Implement enterprise development, supply chain and marketing practices that empower women	
<b>Principle 6:</b> Promote equality through community initiatives and advocacy	
<b>Principle 7:</b> Measure and publicly report on progress to achieve gender equality	

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## References for World Economic Forum (WEF)

Pillar	Core Metrics and Disclosures	Description	References
Dignity and Equality	Diversity and inclusion (%)	Percentage of employees per employee category, by age group, gender and other indicators of diversity	-Human Resources
	Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	-Human Resources -Working Principles
	Wage level (%)	Ratios of standard entry level wage by gender compared to local minimum wage.	-Human Resources -Working Principles
		Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO	N/A (Wage Policy)
	Risk for incidents of child, forced or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	-Human Resources -Working Principles
Health and Wellbeing	Health and safety (%)	The number and rate of fatalities as a result of workrelated injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	-Human Resources -Sun Tekstil UNGC Progress Report
Skills for the future	Training provided	Average training hours per person received by the employees of the organisation by gender and employee category during the reporting period (total number of training given to employees divided by the number of employees)	-Human Resources
Climate Change	Greenhouse Gas (GHG) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO <sub>2</sub> e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	-N/A -Human Resources



## References for World Economic Forum (WEF)

Pillar	Core Metrics and Disclosures	Description	References
Climate Change	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above preindustrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	-Environment -CDP Reports -SBTi Commitment
Freshwater Availability	Water consumption and withdrawal in waterstressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool.  Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	-Environment -Corporate Governance Approach
Nature Loss	Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in/or adjacent to protected areas and/or key biodiversity areas (KBA).	-N/A
Community and social vitality	Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company by category of taxes.	-Annual Report
Employment and wealth generation	Absolute number and rate of employment	1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.	-Human Resources
		2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	-N/A
	Economic Contribution	1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organisation's global operations, ideally split out by:  <div> <div>– Revenues</div> <div>– Operating costs</div> <div>– Employee wages and benefits</div> </div> <div> <div>– Payments to providers of capital</div> <div>– Payments to government</div> <div>– Community investment</div> </div> 2. Financial assistance received from the government: total monetary value of financial assistance received by the organisation from any government during the reporting period.	-Annual Report

## References for World Economic Forum (WEF)

Pillar	Core Metrics and Disclosures	Description	References
Employment and wealth generation	Total R&D expenses (\$)	Total costs related to research and development.	-Annual Report
Innovation of better products and services	Financial investment contribution	1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. 2. Total share buy-back and dividend payments together with explanations on the company's capital return strategy for shareholders	-Annual Report
Ethical behaviour	Anti-Corruption	1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption	-Corporate Governance -Sun Tekstil UNGC Progress Report
	Protected ethics advice and reporting mechanisms	A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity	-Corporate Governance
Governing purpose	Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	-Corporate Governance Approach
Quality of governing body	Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or nonexecutive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of underrepresented social groups; stakeholder representation	-Our Journey -Corporate Governance Approach

## References for World Economic Forum (WEF)

Pillar	Core Metrics and Disclosures	Description	References
Risk and opportunity oversight	Integrating Risk and Opportunity into Business Process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	-Corporate Governance Approach
Stakeholder engagement	Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	-Our Journey



## References for Sustainability Accounting Standards Board (SASB)

Topic	Accounting Metric	Category	Unit of Measure	Code	References
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	n/a	CG-AA-250a.1	-Environment
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-AA-250a.2	
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	Quantitative	95%	CG-AA-430a.1	-Environment -Supply Chain
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	31%	CG-AA-430a.2	-Environment
Labor Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Quantitative	It is practiced but reported internally.	CG-AA-430b.1	-Supply Chain
	Priority non-conformance rate and associated corrective action rate for suppliers labor code of conduct audits	Quantitative	It is practiced but reported internally.	CG-AA-430b.2	
	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	100% compliance is ensured within the scope of supply chain social compliance scorecards.	CG-AA-430b.3	

## References for Sustainability Accounting Standards Board (SASB)

Topic	Accounting Metric	Category	Unit of Measure	Code	References
Raw Materials Sourcing	(1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities	Discussion and Analysis	Within the scope of the risk committee, corporate risks are evaluated and action plans are determined.	CG-AA-440a.3	-Corporate Governance Approach
	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard	Quantitative	Sun Tekstil 63% Ekoten 60%	CG-AA-440a.4	-Design -Environment -Supply Chain

## ABBREVIATIONS

ABBREVIATIONS	EXPANDED FORM
3D	3 Dimensional
BCSD Türkiye	Business Council for Sustainable Development Türkiye
BIST	Borsa İstanbul
BOD	Biological Oxygen Demand
CDP	Carbon Disclosure Project
CMB	Capital Markets Board
COD	Chemical Oxygen Demand
CSRD	Corporate Sustainability Reporting Directive
CTI	Circular Transition Indicators
ERP	Enterprise Resource Planning
EU Green Deal	European Green Deal
GOTS	Global Organic Textile Standard
GRS	Global Recycled Standard
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
I-REC	International Renewable Energy Certificate
ISMS	Information Security Management System
ISO	International Organisation for Standardisation
ISSB	International Sustainability Standards Board
MEGEM	Sun Tekstil Vocational Training and Development Centre
NGO	Non-Governmental Organizations
OCS	Organic Content Standard
OHS	Occupational Health and Safety
PPE	Personal Protective Equipment
R&D	Research and Development
RCS	Recycled Claim Standard
RWS	Responsible Wool Standard
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets Initiative Platform
SDG	Sustainable Development Goals
SPP	Solar Power Plant
TDEP	Türkiye Circular Economy Platform
TGSD	Türkiye Clothing Manufacturers Association
TİM	Türkiye Exporters Assembly
TUSIAD	Turkish Industry and Business Association
UN	United Nations
UNGC (UN Global Compact)	United Nations Global Compact
UNGC CoP	UNGC Communication on Progress
WBCSD	World Business Council for Sustainable Development
WEF	World Economic Forum
WEPS	Women's Empowerment Principles
ZDHC	Zero Discharge of Hazardous Chemicals



## Acknowledgment

We are very happy to share the strategies and activities that we have developed within the scope of our holistic sustainability approach with you through our 2023 report. All content of the report regarding the valuable performance achieved thanks to the efforts of the employees and stakeholders of Sun Tekstil was prepared by the Sun Tekstil Report Preparation Committee under the leadership of our Sustainability Management Department and Corporate Relations and Communication Department. With the leadership of our senior management, the dedication of our employees, and the contributions of all our stakeholders, we will continue to create value for society and our world and design a sustainable future together.

## Details

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