C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Ekoten Textile is one of the biggest knitted fabric manufacturers in Turkey&in Europe and it is one of the biggest exporters of circular knitted fabrics in Turkey. The main markets of the company are US, Spain, France and Germany. With an installation of 222 modern knitting machines, Ekoten reaches 55 tonnes per day capacity with 40 tonnes/day capable of knitting. The company develops and sells a truly comprehensive range of fabrics based on viscose, cotton, polyamide, polyester, acrylic and wool yarns and their mixtures, using knitting machine for fashion wear, sportswear and technical textile industries. Ekoten has an excellent and unique fabric library. There are more than 30,000 fabrics registered, with their complete specifications & performance histories. We offer many sustainable products including organic cotton fibers, sustainable cotton fibers, man-made cellulosic fibers, recycled fibers, biobased fibers and many other innovative and eco friendly fibers. Ekoten has 33 dyeing machines, including 9 for those all-important sample orders. There is an automatic dyeing and chemical distribution system, which together with parallel equipment in the matching lab, makes a complete system which only a very small number of companies have. All the dyeing machines are monitored and controlled online by a central computer system. Additionally, all the phases from grey materials coming in the factory and the finished products going out of the company are monitored with a barcode system, followed in real time inside the company and visible externally to customers. Instrumental color measurements using Datacolor spectrophotometer are made after pre-conditioning for light and moisture to strict parameters. In new refitted quality control laboratory, which is certified by global fashion brands. All tests relevant to fabric fastness and physical tests are applied to each batch including sample fabrics as well as bulk production according to customer requirement. It is possible for customers to monitor all test results instantly on the Ekoten online platform.

Ekoten has a very powerful finishing capacity with 8 stenters, 2 chain/pinfeed relax dryers for open width fabrics, 3 open width compactors, 1 tubular compactor, 1 effect machine, 1 brushing, 6 raising machines, 1 tumbler, 1 shaering, 1 sueding, 3 weightex, and 10 final quality control machines for open width fabrics. Several of these machines are equipped with the latest automated course counters, pyrometers, humidity control devices. All finished goods are controlled according to 4 points system or customer choice, and packaged using the automatic packing machine. With its waste water treatment plant on site, Ekoten achieves an environment-friendly production.

Ekoten is certified on ISO 9001:2015 Quality, ISO 14001:2015 Environment, ISO 45001:2018 Health and Safety, ISO 50001:2018 Energy and ISO 14064:2018 GHG Inventory Management Systems, Global Recycled Standard (GRS) together with certifications on GOTS & OCS for Organic Cotton, Oekotex, Better Cotton and FairTrade.

Sun Tekstil and its subsidiary Ekoten (will be referred to as Sun Group) have become one of the leading companies in the industry with the principle of continuous improvement. Sun Group turnover is around 220 Million EUR. Sun Tekstil is amongst the largest 500 industrial companies in Turkey and exports 3 millions pieces of womenswear garments per month. All of these designs are created by Sun Tekstil's designers. Sun Tekstil has a strong emphasis on design and development, driven by its Spanish and English graphic and garment designers based in UK and Spain. Sun Tekstil have a specialised Fabric Development team and a Sourcing Team in Turkey. Most of the fabrics used in production are supplied from Turkey. The most important factor in the success we have achieved as Sun Group is the effective participation of employees in decision-making mechanisms and the distribution of decision-making responsibility to department managers. Thanks to social compliance approach in Sun Group, we are involved in specific projects to improve the working conditions for our workers and subcontractors. We carry out regular internal, second and third party social, chemical, environmental, health and safety management audits. In addition we are working closely with our customers on specific projects to improve environmental awareness.

We have been reporting our GHG emissions in accordance with ISO14064-1 since 2012, and our report is verified by a prestigious third party verifier, BSI Certification Company, each year. We are constantly working on reducing our GHG emissions/ ton of fabric we produce. Our base year, Scope 1+Scope 2 emissions per ton of fabric produced was reduced from 3.30 ton CO2e to 1.70 ton CO2e in 2022. We have included domestic and hazardous waste categories in our scope 3 calculations beginning from 2015. In July 2022, we submitted our commitment letter to the SBTi platform.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
January 1 2022

End date
December 31 2022

Indicate if you are providing emissions data for past reporting years
No

Select the number of past reporting years you will be providing Scope 1 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for
<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for
<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.
Turkey

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
No	<Not Applicable>

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?
Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board Chair	The Chairperson of our Board of Directors has the ultimate responsibility regarding climate change related issues. The climate-related responsibilities of our Board Chair include, but not limited to: • Coordinating and empowering the Board and relevant departments in final decision making, climate-related strategy development, planning and assessing climate change related risks and opportunities. • Contributing as a member of the Sun Group Sustainability Committee, which includes senior executives from Group Companies. • Delegating climate-related tasks in line with company procedures to the Sun Group Risk committee and Sustainability committee, which includes Group CEO's and related department managers. • Allocation of resources to implement climate-related strategies A major decision led by our Board Chair in late 2021 was committing to SBTi by 2023 the latest and revision of our targets to be in line with SBTi. Another decision led by our Board Chair was to invest in a waste water recovery plant to recycle 95% of the wastewater. This decision was triggered by our climate-related risk assessment results. This is an important decision to manage the water scarcity in very near future in our factory location.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Reviewing innovation/R&D priorities Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Monitoring progress towards corporate targets Overseeing and guiding public policy engagement Overseeing value chain engagement Reviewing and guiding the risk management process	<Not Applicable>	Sun Group's focus on sustainability is evidenced by a high-level sustainability committee comprising of Board members, independent board members, general managers and deputy general managers of the group companies, human resources manager, corporate communication executive, sustainability executive, environmental executive and other relevant company officials. The sustainability committee provides oversight and is the strategic and decision-making body for all sustainability related matters. Climate related issues and strategies, including risk assessments, are formulated and discussed during the sustainability committee meetings which are conducted every three months. The sustainability executive briefs the Sustainability Committee about climate performance of the company. All of the actions of the Sustainability Committee are supervised by Board Members who are also members of the SC, and these Board Members are responsible to report to the Board Chair during scheduled Board meetings.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	Climate change and water management is an important subject for Ekoten which is ambitiously managed in the Board Level for many years. The competence of our Board Members are assessed using their prior experience and their active memberships and/or management positions in certain initiatives like UNGC, BSCD Turkey, TUSIAD etc. that actively work on issues like climate change.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee
Chief Executive Officer (CEO)

Climate-related responsibilities of this position
Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Developing a climate transition plan

Implementing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing public policy engagement that may impact the climate
Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The CEO level Manager in Ekoten is the General Manager. Our General Manager is member of the Sustainability Committee (SC), Risk Committee (RC)&the Board of Directors (BoD). S/He reports directly to the Board. Her/His main task regarding climate change is to ensure that the decisions taken by the BoD in line with the recommendations of the SC&RC are implemented throughout the company. In addition, it is among the important responsibilities of the General Manager to give opinions to the RC,SC and BoD, taking into account global risks as well as our company strategies&global trends in the sector.

Position or committee
Sustainability committee

Climate-related responsibilities of this position
Providing climate-related employee incentives
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing public policy engagement that may impact the climate
Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
The SC comprising of Board members, independent board members, general managers&deputy general managers of the group companies, human resources manager, corporate communication executive, sustainability executive, environmental executive and other relevant company officials.
SC meets every two months to review the risks, opportunities, strategies&developments related to energy, environment and climate change. SC is also responsible for determining the company strategy, scenarios, and possible courses of action related to climate change. SC is also responsible for determining climate change related targets, presenting these targets to the Board, and once the targets are approved, the Energy Manager and Energy Management Team and Technical Deputy General Manager is responsible in the leadership of the CEO, to make sure that these targets are implemented by the related departments.
To better align company goals and contributions to the SDGs, the company instituted five Sustainability Working Groups (SWGs) each led by members of the SC. Integrating sustainability into the core business and governance and embedding Sustainable Development Targets across all functions within the company is the key focus of these working groups. These groups are working to set company goals for short-term, medium term and long term. All Sun Group employees are invited to participate in these working group.
For all of our group companies, as well as Ekoten, climate change and sustainability is one of the most important issues that is why our SC consists of the top management of our group companies. This structure enables us to easily take important decisions, and to ensure that these strategic decisions are applied throughout the group companies.

Position or committee
Environment/ Sustainability manager

Climate-related responsibilities of this position
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing public policy engagement that may impact the climate
Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities
Other, please specify (Reporting and Disclosing Climate Related Strategies and Activities on Pucblic Reports such as CDP Climate Change Program, Company Sustainability Reports, National/International Sustainability Indexes etc.)

Coverage of responsibilities
<Not Applicable>

Reporting line
Corporate Sustainability/CSR reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
S/he reports directly to the CEO and is a member of the SC and risk committee. The Environment and Sustainability Manager follows the new regulations and trends, stakeholders' expectations and sustainability approaches, new technologies and good practices that are developing in the world, does a feasibility study of technologies suitable for our company and presents them to the management. S/He ensures that the subjects that are decided to be implemented are carried out&coordinated with the relevant units in the field. S/he is responsible for the execution, efficient use&maintenance of the developed systems.

Position or committee
Risk committee

Climate-related responsibilities of this position
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Risk - CRO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
In our company, corporate risks are managed by RC which directly reports to the BoD. This committee is responsible to identify, define, measure, prioritize, manage, control and monitor the risks and opportunities that may be exposed during the Sun Group activities. Therefore, all risks&opportunities as well as the climate change related issues are evaluated&decided in that Board managing committee. It is ensured that all departments are represented in the committee.

RC consists of the following members;
· Chairperson of the Committee (Independent Board Member)
· Vice Chairperson of the Committee (Independent Consultant)
· Secretary (Internal Audit Department Manager)
· Ekoten Managing Director
· Ekoten Operational Excellence Deputy General Manager and Technical Deputy General Manager
· Sun Tekstil Managing Director
· Sun Tekstil Operational Excellence Deputy General Manager and Production Deputy General Manager
· Finance Group Manager
· Human Resources Group Manager
· IT Group Manager
· Export Import Group Manager
· Sun Group R&D Manager
· Sun Group Sustainability Manager
· Other related specialists invited by the Committee

RC meets every two months to review the risks, opportunities, strategies and developments that may be exposed during the Sun Group activities. Under the RC, there is a sub-working group (Safety, Health, Environment & Quality Team) that manages the risks of each business in detail affiliated to the Sun Group.

Position or committee
Safety, Health, Environment and Quality committee

Climate-related responsibilities of this position
Integrating climate-related issues into the strategy
Managing public policy engagement that may impact the climate
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
In our company, SHEQ are managed as a part of an integrated management system. Each quarter, SHEQ team determines and reports company risks and opportunities with respect to SHEQ related issues, to the Risk Committee.

This Team consists of the following members;
· Ekoten General Manager
· Ekoten Operational Excellence Deputy General Manager and Technical Deputy General Manager
· Ekoten Production Director
· Ekoten Quality Executive
· Ekoten Environmental Executive
· Ekoten Safety Responsible
· Sun Group Health Unit Responsible
· Ekoten Energy Manager

Position or committee
Energy manager

Climate-related responsibilities of this position
Implementing a climate transition plan
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
<Not Applicable>

Reporting line
Operations - COO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
In line with our company's climate transition plan, s/he undertakes the tasks of planning the necessary energy initiatives to reach the targets, realizing the energy efficiency projects, realizing the feasibility of important investment plans and calculating, measuring, monitoring the effects of all these elements by following spesific KPIs and reporting them to the COO on a monthly basis. S/he evaluates the risks related to climate change and conducts feasibility and plans to implement the necessary initiatives in line with the current situation analysis reports and present these plans to the approval of the COO, SHEQ and CEO. In addition, s/he implements low-carbon practices by conducting R&D and feasibility studies on areas that our company will make a difference and identify as opportunities in line with company climate transition plan.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Ekoten uses a top to bottom balanced scorecard system to measure the performance of board, managers, white-collar employees and departments. We have a suggestion system for all employees. As of 2018, we moved our suggestion system to the digital platform we named MES 4.0. Thanks to this system, all employees can enter their suggestions in different categories into the system in a practical way through computers and kiosks, and the management and reporting of suggestions are carried out much more effectively.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive
Corporate executive team

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Salary increase

Performance indicator(s)
Achievement of climate transition plan KPI
Achievement of a climate-related target
Reduction in total energy consumption

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
Emission reduction and Energy consumption are among our company priority KPI's. Every year the board of directors assigns targets to the corporate executive team to reduce company emissions and energy consumption per unit production. They are also given GHG emission reduction targets in line with these energy targets. The energy targets are monitored monthly via balance score cards. Achieving the annual 4.2% emission reduction target, which we set according to science-based targets and its sub-targets are followed as KPIs. When the performance of the corporate executive team is reviewed, the achievements of these targets play an important role in their raise amounts. Also, if the corporate executive team achieves these targets, they are given monetary rewards.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
As a result of the financial incentives provided, it has been observed that the performance of reaching the annual targets developed in line with the climate transition plan has increased. Rewarding the performance of the Corporate Management Team with the monetary incentive system increased individual and team motivation.

Entitled to incentive
Board/Executive board

Type of incentive
Non-monetary reward

Incentive(s)
Internal company award

Performance indicator(s)
Board approval of climate transition plan

Achievement of climate transition plan KPI
Achievement of a climate-related target
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
The board of directors performance scorecard includes sustainability governance/management criteria, including activities against climate change. As a result of the performance indicators reviewed at monthly board meetings, activity plans are revised and developed at strategic planning meetings held twice a year, every six months.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
With the Internal Company Award given as a result of achieving the targets set within the scope of the company's sustainability performance scorecard, the performance of the Board of Directors can be evaluated based on data.

Entitled to incentive
Chief Executive Officer (CEO)

Type of incentive
Non-monetary reward

Incentive(s)
Internal company award

Performance indicator(s)
Board approval of climate transition plan
Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Energy efficiency improvement
Increased share of low-carbon energy in total energy consumption
Increased share of renewable energy in total energy consumption
Reduction in total energy consumption
Increased investment in low-carbon R&D
Increased share of revenue from low-carbon products or services in product or service portfolio
Increased engagement with suppliers on climate-related issues
Increased engagement with customers on climate-related issues
Increased supplier compliance with a climate-related requirement
Increased value chain visibility (traceability, mapping, transparency)
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
The CEO performance scorecard includes sustainability management criteria, including activities against climate change. As a result of the performance indicators reviewed at monthly board meetings, activity plans are revised and developed at strategic planning meetings held twice a year, every six months.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
With the Internal Company Award given as a result of achieving the targets set within the scope of the company's sustainability performance scorecard, the performance of the CEO can be evaluated based on data.

Entitled to incentive
Environment/Sustainability manager

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Promotion
Salary increase

Performance indicator(s)
Board approval of climate transition plan
Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Increased engagement with suppliers on climate-related issues
Increased engagement with customers on climate-related issues
Increased supplier compliance with a climate-related requirement
Increased value chain visibility (traceability, mapping, transparency)
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
As a customer-oriented manufacturing company, we set our goals for climate change in line with the goals of our customers. Our performance towards the sustainability criteria determined by our customers is measured by customer environmental compliance audits, third party audit firms audits, Higg Index, Istanbul Stock Exchange

Sustainability Index (Refinitiv Contributor Tool), CDP Climate Change Program etc. Sustainability Manager, Quality Systems Executive, Environmental Executive, Production Director, Technical Deputy General Manager, Operational Excellence Deputy General Manager and Energy Manager are responsible for carrying out the necessary activities in order to reach customer targets, filling in performance measurement tools and reports in accordance with the calendar, and fulfilling the requirements of audits performed by independent audit institutions and customers. Ensuring the Ekoten sustainability index score at the targeted level is an important evaluation criteria in bonuses, annual salary raise and promotion decisions.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Sustainability Management department and Sustainability Manager performance score card is directly linked to above mentioned indicators and other sustainability related indicators. As a result of the financial incentives provided for these indicators, it has been observed that the performance of reaching the annual targets developed in line with the climate transition plan has increased, national and international sustainability index scores have been increased. Rewarding the performance of the Sustainability Manager with the monetary incentive system increased individual and team motivation.

Entitled to incentive
Energy manager

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Promotion
Salary increase

Performance indicator(s)
Board approval of climate transition plan
Achievement of climate transition plan KPI
Progress towards a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Energy efficiency improvement
Increased share of low-carbon energy in total energy consumption
Increased share of renewable energy in total energy consumption
Reduction in total energy consumption
Increased investment in low-carbon R&D
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
As a customer-oriented manufacturing company, we set our goals for climate change in line with the goals of our customers. Our performance towards the sustainability criteria determined by our customers is measured by customer environmental compliance audits, third party audit firms audits, Higg Index, Istanbul Stock Exchange Sustainability Index (Refinitiv Contributor Tool), CDP Climate Change Program etc. Sustainability Manager, Quality Systems Executive, Environmental Executive, Production Director, Technical Deputy General Manager, Operational Excellence Deputy General Manager and Energy Manager are responsible for carrying out the necessary activities in order to reach customer targets, filling in performance measurement tools and reports in accordance with the calendar, and fulfilling the requirements of audits performed by independent audit institutions and customers. Ensuring the Ekoten sustainability index score at the targeted level is an important evaluation criteria in bonuses, annual salary raise and promotion decisions.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Energy and Machinery Maintenance Department and Energy Manager performance score card is directly linked to above mentioned indicators and other sustainability related indicators. As a result of the financial incentives provided for these indicators, it has been observed that the performance of reaching the annual targets developed in line with the climate transition plan has increased, national and international sustainability index scores have been increased. Rewarding the performance of the Energy Manager with the monetary incentive system increased individual and team motivation.

Entitled to incentive
Environmental, health, and safety manager

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Promotion
Salary increase

Performance indicator(s)
Board approval of climate transition plan
Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Increased engagement with customers on climate-related issues
Increased supplier compliance with a climate-related requirement
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
As a customer-oriented manufacturing company, we set our goals for climate change in line with the goals of our customers. Our performance towards the sustainability criteria determined by our customers is measured by customer environmental compliance audits, third party audit firms audits, Higg Index, Istanbul Stock Exchange

Sustainability Index (Refinitiv Contributor Tool), CDP Climate Change Program etc. Sustainability Manager, Quality Systems Executive, Environmental Executive, Production Director, Technical Deputy General Manager, Operational Excellence Deputy General Manager and Energy Manager are responsible for carrying out the necessary activities in order to reach customer targets, filling in performance measurement tools and reports in accordance with the calendar, and fulfilling the requirements of audits performed by independent audit institutions and customers. Ensuring the Ekoten sustainability index score at the targeted level is an important evaluation criteria in bonuses, annual salary raise and promotion decisions.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Environmental, Health, Safety and Quality (SHEQ) Department and SHEQ Manager performance score card is directly linked to above mentioned indicators and other sustainability related indicators. As a result of the financial incentives provided for these indicators, it has been observed that the performance of reaching the annual targets developed in line with the climate transition plan has increased, national and international sustainability index scores have been increased. Rewarding the performance of the SHEQ Manager with the monetary incentive system increased individual and team motivation.

Entitled to incentive
Facilities manager

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Promotion
Salary increase

Performance indicator(s)
Board approval of climate transition plan
Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Energy efficiency improvement
Reduction in total energy consumption
Increased investment in low-carbon R&D
Increased share of revenue from low-carbon products or services in product or service portfolio
Increased engagement with suppliers on climate-related issues
Increased engagement with customers on climate-related issues
Increased supplier compliance with a climate-related requirement
Increased value chain visibility (traceability, mapping, transparency)
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
As a customer-oriented manufacturing company, we set our goals for climate change in line with the goals of our customers. Our performance towards the sustainability criteria determined by our customers is measured by customer environmental compliance audits, third party audit firms audits, Higg Index, Istanbul Stock Exchange Sustainability Index (Refinitiv Contributor Tool), CDP Climate Change Program etc. Sustainability Manager, Quality Systems Executive, Environmental Executive, Production Director, Technical Deputy General Manager, Operational Excellence Deputy General Manager and Energy Manager are responsible for carrying out the necessary activities in order to reach customer targets, filling in performance measurement tools and reports in accordance with the calendar, and fulfilling the requirements of audits performed by independent audit institutions and customers. Ensuring the Ekoten sustainability index score at the targeted level is an important evaluation criteria in bonuses, annual salary raise and promotion decisions.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Facility Managers performance score card is directly linked to above mentioned indicators, other sustainability and production related indicators. As a result of the financial incentives provided for these indicators, it has been observed that the performance of reaching the annual targets developed in line with the climate transition plan has increased.Rewarding the performance of the Facility Manager with the monetary incentive system increased individual and team motivation.

Entitled to incentive
Business unit manager

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Promotion
Salary increase

Performance indicator(s)
Board approval of climate transition plan
Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Energy efficiency improvement
Reduction in total energy consumption
Increased investment in low-carbon R&D
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

Unit managers and all white-collars performance scorecard includes sustainability management criteria, including activities against climate change. Performance scorecards are shared with individuals on a monthly basis and are an important evaluation tool in annual raise and promotion decisions.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Business Unit Managers performance score card is directly linked to above mentioned indicators, other sustainability and production related indicators. As a result of the financial incentives provided for these indicators, it has been observed that the performance of reaching the annual targets developed in line with the climate transition plan has increased. Rewarding the performance of the Business Unit Managers with the monetary incentive system increased individual and team motivation.

Entitled to incentive
Other, please specify (Technical Assistant General Manager and Operational Excellence Assistant General Manager - COO)

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Promotion
Salary increase

Performance indicator(s)
Board approval of climate transition plan
Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Energy efficiency improvement
Increased share of low-carbon energy in total energy consumption
Reduction in total energy consumption
Increased investment in low-carbon R&D
Increased engagement with suppliers on climate-related issues
Increased engagement with customers on climate-related issues
Increased supplier compliance with a climate-related requirement
Increased value chain visibility (traceability, mapping, transparency)
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
As a customer-oriented manufacturing company, we set our goals for climate change in line with the goals of our customers. Our performance towards the sustainability criteria determined by our customers is measured by customer environmental compliance audits, third party audit firms audits, Higg Index, Istanbul Stock Exchange Sustainability Index (Refinitiv Contributor Tool), CDP Climate Change Program etc. Sustainability Manager, Quality Systems Executive, Environmental Executive, Production Director, Technical Deputy General Manager, Operational Excellence Deputy General Manager and Energy Manager are responsible for carrying out the necessary activities in order to reach customer targets, filling in performance measurement tools and reports in accordance with the calendar, and fulfilling the requirements of audits performed by independent audit institutions and customers. Ensuring the Ekoten sustainability index score at the targeted level is an important evaluation criteria in bonuses, annual salary raise and promotion decisions.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Technical Assistant General Manager and Operational Excellence Assistant General Manager - COO's performance score card is directly linked to above mentioned indicators, other sustainability (Social, Economic etc.) and production related indicators. As a result of the financial incentives provided for these indicators, it has been observed that the performance of reaching the annual targets developed in line with the climate transition plan has increased, national and international sustainability index scores have been increased. Rewarding the performance of the COO's with the monetary incentive system increased individual and team motivation.

Entitled to incentive
Procurement manager

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Promotion
Salary increase

Performance indicator(s)
Achievement of climate transition plan KPI
Achievement of a climate-related target
Increased engagement with suppliers on climate-related issues
Increased supplier compliance with a climate-related requirement
Increased value chain visibility (traceability, mapping, transparency)

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
We prioritize energy and environment-oriented requirements in our entire supply chain with the framework of our ISO 9001 Quality, ISO 14001 Environment and ISO 50001 Energy Management Systems. In the execution of this systems, our suppliers are evaluated in many different criteria, for example energyenvironmental impact and life cycle of the products that we buy from our suppliers is evaluated at the beginning of the buying process. If one of the suppliers can not get the enough points according to our criteria, this situation results in termination of the trade business between us and the supplier. Therefore, our suppliers evaluation criteria including sustainability concerns are very crucial. Besides this, our customer's climate change strategies are critical for those evaluation criteria also have several requirements for our suppliers. For example, one of our international big customer demand from us that all yarn suppliers must be certified and approved according to their sustainability requirements. Therefore, we are evaluating our suppliers according to some approvals, certificates also. If they are not capable of our sustainability criteria, they cannot get enough points

in our Supplier Evaluation system, which results in termination of the trade relationship.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
Procurement Department and Procurement Manager performance score card is directly linked to above mentioned indicators and other sustainability related indicators. As a result of the financial incentives provided for these indicators, it has been observed that the performance of reaching the annual targets developed in line with the climate transition plan has increased, national and international sustainability index scores have been increased. Rewarding the performance of the Procurement Manager with the monetary incentive system increased individual and team motivation.

Entitled to incentive
All employees

Type of incentive
Monetary reward

Incentive(s)
Other, please specify (Personal Goods/Household Goods Rewards as a Suggestion System Reward)

Performance indicator(s)
Board approval of climate transition plan
Implementation of an emissions reduction initiative
Energy efficiency improvement
Reduction in total energy consumption
Increased investment in low-carbon R&D
Increased share of revenue from low-carbon products or services in product or service portfolio

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
We have a suggestion system. According to this system, the suggestion forms that are filled by the employees are dropped into suggestion boxes that are present in numerous places in the company. The management representative collects and presents the suggestions to Suggestion Board. The suggestions are evaluated and scored by the suggestion board twice per month. Every month, the suggestion board selects the suggestion with the highest score and announces it as "the suggestion of the month" (to be selected as the suggestion of the month a suggestion must score higher than 50 points). If the application of the suggestion requires an investment, a feasibility report is prepared and presented to the senior management. The applicable suggestions are scored according to a pre-determined scoring system. Suggestions regarding environmental improvements and energy savings have one of the highest scores. All of the employees are entitled for rewards from the rewards catalogue equal to the amount of their achieved scores.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The company sustainability performance score card is directly linked to above mentioned indicators, other sustainability (Social, Economic etc.) and production related indicators. As a result of ensuring the participation of all employees in the sustainability performance development and as a result of financial incentives provided for indicators, it has been observed that the performance of reaching the annual targets developed in line with the climate transition plan has increased. In addition company national and international sustainability index scores have been increased. Rewarding the performance of the All Employees with the monetary incentive system increased individual and team motivation.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?
Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Our short-term horizon is defined as 1 year which is the period that covers our detailed OPEX and CAPEX plan for both corporate management, risk management and sustainability budget
Medium-term	1	5	Time horizon identified for medium term is in line with our other business practices, especially when deciding on the payback periods of energy reduction investments, we usually try to accept with a payback period according to project with a reasonable time.
Long-term	5	30	Any time horizon over 5 years is considered as long-term for Ekoten. We determine all our strategies based on sustainable development principles in line with the Sustainable Development Goals, Paris Agreement, European Green Deal, Carbon Border Adjustment Mechanism and scenario analysis requirements. While determining our long-term strategic activities, we prepare plans based on the standards, customers' guides of sustainability that are important guides regarding climate change.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

In Ekoten, the impact of climate-related risk is assessed in 3 categories.

Therefore, our definition of substantive impact, changes according to the category as follows:

1. Reputation: an incident that has a potential to harm the reputation of the company (i.e. exposure in a local newspaper)

2. Financial: an impact higher than 0.1% of our revenue (90,000 EUR for the reporting period).

3. Social: a violation of human rights, labor rights, child labor

If the impact of any climate-related risk is assessed to exceeds the above-mentioned figures, it is classified as having a substantive impact independent of its classification of probability of occurrence.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Climate-change related risk assesments are an integrated part of our multi-disciplinary company-wide risk assessment and management process in Ekoten.

We have a company-wide risk management procedure, objective of which is to provide a simple and practical methodology to identify, assess, classify and manage risks and opportunities to ensure business continuity. This methodology is based on the COSO enterprise risk management framework.

We perform risk assessments according to this procedure at least six times per annum. Especially climate-related risks are assessed on short-medium and long-term time horizons, whereas other risks are assessed on short and medium time horizons.

The steps performed according to our risk assessment procedure are as follows:

1. Identification of risks and opportunities:
During the risk identification all value chain stages are covered to ensure business continuity. Our downstream value chain (our clients) and our upstream value chain (our suppliers) are as important as our direct operations.
Risks and opportunities are identified during Sustainability Committee meetings performed every two months. All functions, departments and facilities of Ekoten is represented in the Risk Committee (RC) on management level.
These individuals are responsible to perform the climate change related risk and opportunity assessments on the facility/department level. The identified risks and opportunities on the facility/department level are first reported to the RC.
We also have an internal suggestion system which enables our employees to make suggestions if they think there is a risk and/or opportunity. The suggestions of the employees are evaluated by the Sustainability Executive together with related department manager/director and the relevant suggestions are presented to the RC.

2. Assessment and classification of identified risks and opportunities:
Once a risk is identified, it is scored on possible impact and probability of occurrence.
We use a 5 Level impact and probability scale from 1 (Very Low) to 5 (Very High)
The final score of the risk is then identified by multiplying the propbability and impact score. Risks that score High (Final score between 15-19) and Very High (Final score between 20-25) are assessed as risks with substantive financial or strategic impact.
Independent of the probability score, if the impact is Very high [more than 0.1% of Ekoten's annual revenue (€90,000 for the reporting period)], the risk is assessed to have a substantive impact as defined in section 2.1b of this report.

3. Management of classified risks and opportunities:
There are several actions taken depending on the overall risk score of the identified risk.
• If the risk or opportunity has a high risk/opp score (risks/opps with substantive impact), it is prioritized and management plans are prepared and implemented immediately.
• If the risk or opportunity has a medium risk/opp score mitigation/realization action plans are prepared, possibilities of transferring the risk (insurance) is investigated (only for risks)
• If the risk or opportunity has a low risk/opp score, no immediate action is planned but the risk/opp is monitored regulary during RC meetings

The identified management actions, for risks and opportunities with high score, are implemented by the relevant departments under the supervision of the RC and CEO.

The risk assessment procedure is also a part of the internal audits, because we perform a risk based internal audit approach. A risk based internal audit approach enables us to determine the Company's activities related to the identified risk factors, measurement of the level of risks, evaluate the effectiveness and adequacy of controls applied for the identified risks and granting priority to high-risk areas. The purpose of risk-based audits is to ensure the effective use of audit resources and to maximize the contribution to management by focusing on risky areas and enhancing the effectiveness of risk management and control processes.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	RELEVANCE: The current regulations are very crucial for our business, because failure to comply with an environmental regulation may result in cancellation of our environmental permits. Current regulations are monitored periodically with the help of several digital official publishing platforms. Our compliance is constantly assessed by our Internal Control Department, third party auditors, customer auditors and auditors from Ministry of Environment, Urbanization and Climate Change (MoEUCC). In addition, at the asset level, compliance with legal requirements are also taken into consideration at the unit-specific Environmental Impact Assessment Tables. EXAMPLE: Ekoten's GHG emissions are below the legal reporting obligation as part of "The Regulation on Monitoring of GHG Emissions" which came into force in Turkey in 2014. According to this regulation, facilities operating in emission-intensive sectors must monitor their emissions and annually report the verified emissions to the MoEUCC. Although this is not an obligatory requirement for Ekoten, this regulation is under our radar. As mentioned in the rationale, non-compliance with this regulation can result in increased operational costs and cancellation of legal permits. Our team is responsible for monitoring any changes in the total nominal heat power of the boilers in our facilities (if and when and investment is made in new equipment), and also any changes in the thresholds for the scope of facilities under this regulation. Our GHG emissions are also verified annually by a prestigious third party verifcation company, BSI Certification, UK. Beside this, this verification report brings us an opportunity which help us prove our transparency in data and our climate change related strategy.

	Relevance & inclusion	Please explain
Emerging regulation	Relevant, always included	RELEVANCE: We monitor the current and emerging regulations very closely, because non-compliance with any new regulation may result in cancellation of our environmental permits. Within the framework of the European Green Deal and Carbon Border Adjustment Mechanism, the New European Union Industrial Strategy and the European Union Circular Economy Strategy are the regulations that we follow closely because they may impact our export operations. EXAMPLE: According to TUSIAD (Turkish Industry and Business Association) New Climate Regime Report, as a result of the EU-Carbon Border Adjustment Mechanism, which will be implemented soon, Turkish textile exporters may be expected to pay an amount equal to approximately 1.4% of their export turnover as additional tax. Especially since the transparency and traceability of Tier 2 and Tier 3 suppliers in the Turkish textile industry is low, we foresee that some suppliers will not be able to meet the necessary production conditions. Textile industry is not a part of the pilot sectors of this regulation, but we are closely monitoring the developments. Our risk of paying additional carbon taxes or investing in production processes increases as some of our suppliers do not have the knowledge and investment resources to make improvements that will reduce their emissions soon.
Technology	Relevant, always included	RELEVANCE: Risks and opportunities related to technological developments are always evaluated in our risk management procedures. We monitor new fabrics and have R&D projects where we work with reputable universities in Turkey so that we can have an advantage against our competitors. We also monitor technological developments related to our equipment, so that we can reduce our energy consumption, water consumption and carbon emissions. We could find national and international funding opportunities and contribute by setting an example of good practice for our industry, especially for our projects on technology that will support sustainable resource management and circular economy, and for our projects on technologies that will ensure transparency and traceability of the supply chain. Technology is evaluated both as a risk and as an opportunity in our risk management procedures. As a risk, if we are unable to meet our clients' technological demands on producing fabrics we may lose some of our clients, which in turn will impact our revenue negatively. As an opportunity, our R&D collaborations and process improvements with state-of-the-art technologies takes us one step forward in the sector. EXAMPLE: In the past years, we have worked with a start-up on an IoT system that can instantly detect steam leaks in dyeing machines which helps us save energy by using steam more efficiently. Another Example: For our water recovery system investment, we are researching the latest technologies and developing technologies in the world, we are meeting with the prestigious companies in the world as well as the start-up companies that are developing innovative technologies. These types of initiatives present us with an opportunity to be more efficient and have a production process that has less impact on the climate than our competitors.
Legal	Relevant, always included	RELEVANCE: Legal risks are always evaluated in our risk management procedures. As climate change is a very hot topic among our clients, end-users and NGOs, our climate and water related performance will be under the radar of many. EXAMPLE: Although we are fully compliant with the current climate and environment related regulations, in the future we may face legal problems especially with climate-change triggered water stress as we use significant amounts of groundwater in our operations. According to WRI Aqueduct, we are located in a High water stress area, and with increasing stress in the long term other users in the basin may try to sue us in order to take away or limit our withdrawal rights. To mitigate this risk we are always working on measures to reduce our water withdrawals. We have ongoing plans to build a state-of-the-art waste water treatment plant which will increase our water efficiency.
Market	Relevant, always included	RELEVANCE: Textile industry is a very resource intensive sector. Each year more and more customers expect the manufacturers to increase their sustainability performance by using more sustainable processes and raw-materials. Although we are working on our sustainability for many years, our suppliers also need to change according to these expectations. The expected transformation of our suppliers poses many operational challenges, risks and extra compliance costs. The sustainable production criteria also brings many risks in terms of market competition. The limited capacity of raw material production from sustainable sources in the world will cause prices to increase due to increased demand. Our customer's and end-user's awareness on climate change is increasing exponentially in recent years. Parallel to this awareness, we are enhancing our sustainable fabric portfolio as well. EXAMPLE: Customers are reducing the use of conventional cotton, production process of which is harmful to the environment, and the prices of cotton fibers and other natural fibers grown with ecological methods are increasing and it is difficult to supply them in the desired capacities and reasonable prices. In addition to these problems, the shortage of raw materials that may arise due to extreme climatic events that are likely to be experienced in regions where this limited raw material is grown will directly affect the textile industry. Therefore, we also evaluate the risks of developing textile production processes from alternative raw materials and developing alternative technologies.
Reputation	Relevant, always included	RELEVANCE: Reputation risks are of extreme importance to our company. We have very big brands as customers all over the world and we are one of the biggest producers among the other fabric producers in Turkey. Our clients have very strict sustainability policies that they enforce on their supply chains. Therefore, if our reputation is damaged, we may fail to comply our clients' expectations and may lose our clients. In the current situation, we foresee that the greatest reputation risk may arise from monitoring the supply chain. Although we evaluate our supply chain in accordance with the sustainability principles and systems as best we can, we foresee that we may experience risks due to transparency and traceability issues in the supply chain, which is one of the biggest constraints in the textile industry. EXAMPLE: If one of our suppliers has a negative impact on the environment, the negative perception created by their actions may be reflected upon us. Although we don't have any control over our supplier's processes, their actions may impact our sales because our customers may hold us accountable for selecting a supplier that is not compliant with our customers' sustainability related requirements.
Acute physical	Relevant, always included	RELEVANCE: Climate-change driven acute physical events like increased severity of floods and draughts are relevant to our company. As we use natural fibers like cotton, any severe physical event affects our value chain, which in turn affects our ability to source sufficient amounts of raw materials for our production. Floods may also impact our own premises which may result in reduction of production capacity. EXAMPLE: The shortage of natural textile raw materials that may arise due to extreme climatic events that are likely to be experienced in regions where this limited raw material is grown will directly affect the textile industry. Besides, extreme weather events like floods and hailstorms may result disruption of our operations.
Chronic physical	Relevant, always included	RELEVANCE: We use natural fibers for the production, therefore chronic physical impacts of climate change like changes in precipitation patterns or sustained high-temperatures impose a risk on our supply chain. For our direct operations chronic physical impacts like water scarcity are also always included in our risk assessments as we have a water intensive production that requires approximately 2,000 m3 of water per day. EXAMPLE: Textile raw materials and ready-to-wear production are directly dependent on water resources. Failure to manage chronic physical risks such as water scarcity could disrupt our fabric production operations which are dependent on water; and impact the clients' orders which could dramatically damage sales and growth. According to our analysis with WRI Aqueduct Water Risk Atlas Tool, our facilities are in High water stress locations. Therefore, it is very crucial to use water sources in optimal level and to recycle the wastewater as much as possible. Our largest customers also demand their fabric manufacturers to become zero liquid discharge facilitiesThis water risk motivates us to decide on a great investment on a state-of-the-art advanced waste water treatment plant which can treat wastewater in the level that enables us to reuse to the water from production process.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Water scarcity

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Ekoten Tekstil is a fabric manufacturer with a daily dyeing capacity of 55 tons. Water is required for pre-treatment, dyeing and finishing processes. When we work at full capacity, we need to withdraw around 2,993 m3 of water per day including the water used in production and WASH services. Assuming 316 working days, our annual water withdrawal at full capacity would be 945,788 m3.

High volume of our current water need is provided only from renewable groundwater and according to a recent analysis we have performed using WRI Aqueduct Water Risk Atlas Tool, our production facility is located in a high (40-80%) baseline water stress region. In the future 2030-2040 scenarios, even in the optimistic scenarios, the water stress increases to Extremely High (>80%).
This means water, which is vital for our operations will be scarce. The local and national authorities would need to impose new laws on the use of groundwater resources. Some of the risks we may encounter include:
• Introduction of a taxation or a pricing system for groundwater which is currently free of charge (most plausible scenario until 2030s)
• Restriction/limits on withdrawal volumes (possible after 2030s)
• Cancellation of withdrawal permits either permanently or for dry seasons only as the priority usage rights would be given to community and agricultural use (possible worst case scenario after 2030s)

As the most substantive impact would be cancellation of withdrawal permits, primary impact is assessed to be closure of operations, because in the absence of good quality water we will not be able to continue production. Likelihood of this impact is assessed to be more likely than not and the time horizon is Long-term, as according to WRI Aqueduct analysis the water stress levels are expected to increase 2030 onwards.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
7500000

Potential financial impact figure – maximum (currency)
22400000

Explanation of financial impact figure
In the event of cancellation of withdrawal permits either permanently or for dry seasons only as the priority usage rights would be given to community and agricultural use, we will not be able to manufacture. Currently, the Torbalı region, where Ekoten production is located, experiences more drought in June, July and August compared to the rest of the year. Therefore, there is a risk of interruption of production for one to three months.

The impact of this risk would be loss of revenue for one month. The loss figures given below are calculated using 2022 revenue.

The min. financial (closure of operations for 1 month) impact is calculated as: 7,500,000 €
The max. financial impact (closure of operations for 3 months) is calculated as: 22,400,00 €

Cost of response to risk
1500000

Description of response and explanation of cost calculation
As a response to this risk, in 2021 our Board has approved the installation of a state-of-the art water treatment plant which will provide 85-97% water recovery.

Plant installation has been completed in December 2022. In 2023, system will be able to recover 85-97% wastewater to use it in production and thus reduce our annual water consumption from approximately 945,000 m3 to 50,000 m3 when we operate at full capacity. This will enable us to use the same amount of water in our manufacturing plant over and over, which will also enable us to continue production (with reduced capacity) with less amount of water withdrawal.

The cost of response is the investment amount in this treatment plant which was realized with an investment of approximately 1.500.000 Euros.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Ekoten Tekstil's main customers are prestigious global brands and the main markets of the company are US, Spain, France and Germany. All of these brands are very demanding about sustainability related issues. And all of them have already committed to SBTi. The Scope 3 targets of our customers which are listed below, directly impact us.

• Customer 1 has committed to reduce scope 3 emissions from purchased raw materials, fabric and garments by 59% per piece by 2030 from a 2017 base-year.
• Customer 2 has committed that 90% of its suppliers by emissions covering purchased goods and services, will have science-based targets by 2026.
• Customer 3 has committed to to reduce absolute scope 3 GHG emissions 20% by 2030 from a 2018 base year.
• Customer 4 has committed to reduce scope 3 GHG emissions by 13.3 MtCO2e between 2017 and 2030.
• Customer 5 has committed to reduce its scope 3 GHG emissions 17% by 2030, using a 2015 base-year.

On top of the above-mentioned targets, the majority of global brands that are customers of Ekoten make commitments to reduce their suppliers' water consumption and increase water recovery rates beyond the legal regulations, in order to demonstrate their determination in sustainability efforts for the future of the world and society.

To achieve their own targets, brands ask their suppliers for commitments, give mandatory energy, water and emission management targets and state that they will only purchase from suppliers that meet their eligibility conditions in the future.

Failure to meet all those supplier demands may reduce the demand for our products as we may lose key customers which will in turn reduce our revenues.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
1300000

Potential financial impact figure – maximum (currency)
14500000

Explanation of financial impact figure
The customers mentioned above make up 70-80 % of our annual revenues.

To calculate the impact of this risk we made two assumptions:
1- We lose one of the key customers that have the least share in our revenues (minimum impact scenario), financial impact of which would be: 1,300,000 €
2- We lose one of the key customers that have the biggest share in our revenues (max. impact scenario), financial impact of which would be: 14,500,000 €

The financial impact figures given above are calculated using the share of two key customers in our 2022 revenues.

The maximum financial impact can even be higher because it is very likely that if we fail to meet demands of one customer, we would also fail to meet the demands of others. While some may give us time to implement corrective actions, others may suspend relations until all sustainability related issues are resolved.

Cost of response to risk
2224608

Description of response and explanation of cost calculation
As Ekoten, we need to comply with our customers climate-related requirements to be able to work with them.

As a response to climate-related requirements of our customers; we have been reporting our climate-related performance through CDP for a very long time.

Our Board of directors have also approved setting a Science Based Target and submitting this target to SBTi.

The cost of climate change management activities including consultation expenses and fees paid to reporting initiatives like CDP are around 19,500 € per annum.

As a response to water-related requirements of our clients, in 2021 our Board has approved the installation of a state-of-the art water treatment plant which will provide 85-97% water recovery. Plant installation has been completed in December 2022. In 2023, system will be able to recover 85-97% wastewater to use it in production and thus reduce our annual water consumption from approximately 945,000 m3 to 50,000 m3 when we operate at full capacity. The cost of this treatment plant was of approximately 1.500.000 €.

In 2021, we completely stopped the use of coal, which we used at some stages of our production processes, and switched to natural gas, which is a more environmentally friendly alternative.

The amount of increase in annual fuel expenditures due to the use of natural gas instead of coal: 410,000 € per annum.

Amount of investment for biomass in 2022: 236,358 €

Fees of extra certification schemes (Higgs, GOTS, ISO etc.) and analysis made as per the request of our customers: 58,000 € per annum.

In 2022, we used 100% renewable electricity via unbundled renewable energy certificates (i-Recs) which cost 750 € per annum

Total cost of response for 2022 is calculated as the sum of above mentioned figures as 19,500+1,500,000+410,000+236,358+58,000+750= 2,224,608 €.

Some of these costs will continue as annual payments as seen above and it is anticipated that an annual amount of at least 488,250 Euros will be paid each year.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
As consumers become more and more conscious about climate change and other environmental challenges. They are also starting to demand more sustainable products. All of our clients have collections that are labelled as sustainable products. In the not-so distant future these products will be much more in-demand.

In order for a product to be labelled as sustainable, all the value chain stages shall be taken into consideration, starting from yarn production to fabric production up to knitting and turning the product into a final garment. Environmental sustainability requires less resource consumption including water and energy and also use of recycled fabrics if possible.

Due to the changing consumer preferences, textile industry is being re-structured, and our major clients are pioneers of this restructuring process. They have SBTi commitments and also commitments to reduce water withdrawals which they will also impose on their suppliers.
We have been working for a long time to improve our efficiency, reduce our resource consumption and waste production. We have many realized and planned investments that reduce our energy and water consumption. With our ongoing projects and already established awareness levels in Ekoten, we have an opportunity to increase the demand for our products.

This opportunity is in fact a risk turned into an opportunity thanks to Ekoten's commitment on sustainability related issues. As a partner that fully meets the sustainability commitments and criteria of our customers, and as a manufacturer that stands out with its sustainability practices in the sector, we anticipate that global brands that want to produce with a focus on sustainability will join our customers, thus increasing the demand for our existing products.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
14500000

Potential financial impact figure – maximum (currency)
32000000

Explanation of financial impact figure
As a result of the projection studies carried out by our marketing experts and finance experts based on global trends and the trends of our company;

• It is expected that 4 to 6 new global brands with sustainability commitments mentioned in the company-specific disclosure section will join our customers in the next 5 years.
• These customers are expected to increase in revenues between 17% and 35%.
• Accordingly, our increase in turnover is expected to be min 14,500,000 € and max 32,000,000 €

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
All investments and additional costs for sustainability specified for Risk 2 also provide significant opportunities when effectively integrated into operational processes. As a manufacturer that stands out with our sustainability practices, we become an important partner for our stakeholders and many global brands prefer to work with us.

As a response to climate-related requirements of our clients; we have been reporting our climate-related performance through CDP for a very long time.

Our Board of directors have also approved setting a Science Based Target and submitting this target to SBTi.

The cost of climate change management activities including consultation expenses and fees paid to reporting initiatives like CDP are around 19,500 € per annum.

As a response to water-related requirements of our clients, in 2021 our Board has approved the installation of a state-of-the art water treatment plant which will provide 85-97% water recovery. Plant installation has been completed in December 2022. In 2023, system will be able to recover 85-97% wastewater to use it in production and thus reduce our annual water consumption from approximately 945,000 m3 to 50,000 m3 when we operate at full capacity. The cost of this treatment plant was of approximately 1.500.000 €.

In 2021, we completely stopped the use of coal, which we used at some stages of our production processes, and switched to natural gas, which is a more environmentally friendly alternative.

The amount of increase in annual fuel expenditures due to the use of natural gas instead of coal: 410,000 € per annum.

Amount of investment for biomass in 2022: 236,358 €

Fees of extra certification schemes (Higgs, GOTS, ISO etc.) and analysis made as per the request of our customers: 58,000 € per annum.

In 2022, we used 100% renewable electricity via unbundled renewable energy certificates (i-Recs) which cost 750 € per annum

Total cost of response for 2022 is calculated as the sum of above mentioned figures as 19,500+1,500,000+410,000+236,358+58,000+750= 2,224,608 €.

Some of these costs will continue as annual payments as seen above and it is anticipated that an annual amount of at least 488,250 Euros will be paid each year.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of new products or services through R&D and innovation

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
One of the most important focus targets of global brands that make commitments to combat climate change is the transition to low-carbon products. When the targets of the brands in this topic are evaluated, it is observed that they set high targets for increasing the sustainable product sales rates until 2030. Manufacturers that have the ability to produce products with these certificates are required to regularly undergo special audits by independent audit firms according to criteria regulated within the framework of international standards and obtain approval to produce certified products. In this process, it is necessary to provide the certain production standards, to become an approved factory as a result of the inspections and to issue sustainable product certificates for each production batch and shipment.

As a manufacturer that fully meets the sustainability product standards;
• In order to ensure that the necessary production conditions for sustainable product production are met, we monitor all our production processes instantly and improve them with digital transformation projects.
• Every year, we are audited by independent audit institutions and we receive approval and certification that we can produce sustainable products. This certificates are defined as “Scope Certificate”.
• Since we are responsible for the processes of our suppliers as well as our own production processes, we pay additional fees for our suppliers to be registered for our Scope Certificates.
• We obtain sustainable product certificates from authorized companies for all sustainable product batches and shipments.

We are a reliable partner for our customers in terms of sustainable product production by constantly providing the above-mentioned conditions and certifications, as well as competencies. In line with our customers' sustainable product targets, we anticipate that our revenues will significantly increase within 5 years with the increasing demand for sustainable products.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
8000000

Potential financial impact figure – maximum (currency)
17500000

Explanation of financial impact figure
As a result of the projection studies carried out by our marketing experts and finance experts based on global trends and the trends of our company;

• Certified Sustainable Products sales are expected to increase in revenues between 30% and 60%.
• Accordingly, our increase in turnover is expected to be min 8,000,000 € and max 17,500,000 €

Cost to realize opportunity
77500

Strategy to realize opportunity and explanation of cost calculation
We continue to work to ensure the necessary standards in our production processes in order to achieve the goals of producing low-carbon products of both our company and our customers by producing certified sustainable products. We aim to get approval from audits with the best performance in order to qualify for scope certificates every year.

Every year, payments will be made for scope certificate audit fees, certificate fees, and registration fees of sub-suppliers for scope certificates.

The cost of realizing the opportunity (77,500 € based on 2022) includes all the fees paid for certification schemes and related consultation and auditing services mentioned above over 5 years.

The cost is calculated over 5 years as the opportunity is expected to be realized within 5 years.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan
Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan
No

Mechanism by which feedback is collected from shareholders on your climate transition plan
We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

Description of feedback mechanism
<Not Applicable>

Frequency of feedback collection
<Not Applicable>

Attach any relevant documents which detail your climate transition plan (optional)

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios: IEA NZE 2050	Company-wide	<Not Applicable>	We chose IEA's NZE 2050 scenario which portrays the necessary steps to reach the Paris Agreement's 1.5°C goal, as a transitional scenario because this scenario lays out the dramatic changes that need to take place in our business models. This is a qualitative scenario. The scenario assumes that advanced economies will reach net zero in advance of 2050 and sets out an emissions trajectory consistent with a 50% chance of limiting the global temperature rise to 1.5°C without a temperature overshoot. The time horizon of our scenario analysis is similar to risk management and considered on short (0-1 year)-medium (1-5 year) and long-term (5-30) time horizons. All of our operations are included in the scenario analysis covering the delivery of the goods and supply chain operations. As an outcome of the IEA NZE 2050 Scenario it is evident that business models need to change drastically in order to limit the global warming to 1.5C which means there will be many regulatory changes.
Physical climate scenarios: RCP 8.5	Company-wide	<Not Applicable>	We choose IPCC RCP 8.5 scenario to get a deeper understanding of the worst possible impacts of climate change on our business.This scenario describes the combination of negative factors,like high population growth or high economic growth etc. This is a quantitative scenario. With the help of the WRI Aqueduct Tool, the water stress projection of Torbali region where Ekoten Dyeing Factory is located,was examined for future water stress (2030&2040) using the pessimistic scenario, which is based on RCP 8.5 scenario projections. It was seen that the water stress level was above 80% in mid term time horizon at the extremely high level of the scale. Other projections related to the RCP8.5 scenario were examined based on the report prepared by the Turkish Meteorology General Directorate for Turkey by using IPCC climate scenarios.According to the RCP8.5 scenario from the MPI-ESM-MR global climate model data, according to the RegCM4.3.4 regional climate model dynamic downscaling method, according to the temperature&precipitation projections at 20 km resolution; -In the Aegean region, where Ekoten is located, it is estimated that there will be a warming of 0.5°C-1.5°C in general between 2016-2040,& a warming close to 2°C in most of Turkey during the summer months. - In the Aegean region where Ekoten is located,it is predicted that precipitation will decrease in general between 2016-2040.Precipitation will decrease by 30%-40% in the spring&by 50%-70% in the summer. Therefore, the water scarcity risk is a substantial risk for our operations.We focus on the acute&chronic physical risks gathering several indicators categorized in increased severity of the extreme weather events like droughts, storms, floods, change in precipitation patterns, water scarcity&rising mean temperatures. The scenario analysis with WRI Aqueduct was performed for the time horizons 2030&2040. All of our operations are included in the scenario analysis. The outcomes of the scenario analysis showed us that being decisive on our water treatment plant investment is very crucial.Our waste water advanced treatment system investment will provide 95% reuse of wastewater with its new state of the art technology.The advanced waste water treatment technologies are usually capable of achieving a 70% reuse ratio, whereas our Ozone- O4 treatment technology, approved by TUBITAK Marmara Research Center, can reach an impressive 95% reuse.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

1. What are the global climate & social risks and what are the possible effects on our operations?
2. What are the physical risks that we are most exposed to?
3. What are our transition risks that our businesses are mostly exposed to?

Results of the climate-related scenario analysis with respect to the focal questions

1. According to World Economic Forum's 2022 Global Risks Report, the biggest global risk is the lack of climate action. In 2021, we reached record temperatures all around the world, experienced extreme weather, and felt the effects of drought, especially in the agricultural industry. The urgency of climate action was demonstrated once again in COP26, and all countries and organizations were asked to create concrete action plans to achieve "net zero" target. Even though a certain level of climate action has been taken by initiatives with wide influence, such as the European Green Deal and the Paris Agreement, fossil fuel-based industries continue their growing trend. Green transformation does not show an equal progress in all regions across the world.
Countries and organization that fall behind the transformation are having difficulty accessing financing sources, losing their competitive advantage and cannot meet customer and employee demands.
We are committed to fulfilling our responsibilities regarding green future. Our circular economy studies and supports, risk management systems, green machine/ process investments, our R&D projects and being in line with our big brand clients' sustainability visions are our main concerns on this issue.
As an example of how the results have informed at least one decision or action in relation to the focal questions including associated timelines in Ekoten, in 2021 our Board has approved the installation of a state-of-the art water treatment plant which will provide 85-97% water recovery. Plant installation has been completed in December 2022. In 2023, system will be able to recover 85-97% wastewater to use it in production and reduce our annual water consumption from approximately 945,000 m3 to 50,000 m3 when we operate at full capacity.

2. Our physical risks are mainly classified as acute and chronic physical risks on our products, categorized in increased severity of the extreme weather events like droughts, storms, floods, change in precipitation patterns, water scarcity, and rising mean temperatures.
According to our scenario analysis the most prominent physical risk that we are facing is water scarcity, and this outcome showed us that being decisive on our water treatment plant investment is very crucial. Our advanced waste water treatment system investment will provide 95% reuse of wastewater with its new state of the art technology.

3. The transition risks are EU Green Deal, Circular Economy Plans, CBAM applications, ETS systems, policies, policies related to water scarcity, changes in consumer behaviour, renewable energy subsidies, increasing environment-related demands from investors and customers. As an outcome of the IEA NZE 2050 Scenario analysis it is evident that business models need to change drastically in order to limit the global warming to 1.5C which means there will be many regulatory changes.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Extreme climate events due to climate change, especially drought, will affect our products and services, raw materials in the short and medium term. In particular, our raw material, yarn is made up of cotton. The cultivation of cotton, requires a high amount of water. This will make it necessary to use alternative raw materials to conventional cotton due to drought. In addition, the textile industry, which uses high amounts of water in its production processes, is expected to be highly affected by these problems. In the previous sections, the results of the analyses prepared using the WRI Aqueduct Water Risk Atlas Tool were shared and it was emphasized that the region where Ekoten is located will be exposed to extremely high water stress by 2030-2040. Even these main constraints will directly affect production capacities, the location of the supply chain and product prices. In order to be prepared for these risks in advance, as Ekoten, we have already started to offer our fabrics, which we produce using most of the alternative sustainable textile raw materials other than cotton, to our customers at optimum prices and capacities.
Supply chain and/or value chain	Yes	We anticipate that all our supply chain stakeholders, starting with farmers, will be severely affected in the short to medium term due to water stress and extreme climate events due to climate change. As one of the companies that believe that the textile industry, which has intensive resource use, can reduce its environmental impacts with circular economy models, we have started to cooperate with our suppliers, recycling companies, especially in order to use recycled products more efficiently in the textile industry. We must improve the carbon footprint of our entire supply chain in order to minimize the impacts of emerging international regulations like EU-CBAM. However, since the level of transparency and traceability is low, especially throughout the textile industry supply chain, there are limitations in the carbon footprint measurement and improvement processes. For this reason, we will first increase the awareness of our supply chain and then apply the carbon footprint assessment scorecard we have created by dividing it into phases and develop the competencies of our stakeholders in our supply chain. Thus, we will be affected by carbon taxes as little as possible, and we will continue to serve our customers at competitive prices without losing our sales volume.
Investment in R&D	Yes	As Ekoten, we have a successful and prestigious R&D center in Turkey that has been deemed worthy of many awards. Our R&D center, which includes 50 experts consisting of engineers and chemists, is especially experienced in new product development. Disruptive innovation solutions are needed due to the many constraints experienced in sustainable textile applications, but even for laboratory-scale applications of these solutions, there is a high investment requirement. As Ekoten, we allocate a fixed part of our turnover to our R&D center only for innovative R&D studies. We also discover and invest in start-ups that offer disruptive innovation solutions for agile R&D solutions. We believe that we can overcome our limitations on funding the destructive R&D ideas we developed during these processes, by taking advantage of global funds that support sustainable transformation and by being involved in international cooperation projects.
Operations	Yes	In order to achieve sustainable transformation against climate change, we need to reduce the carbon footprint of our products and production processes. If we cannot achieve this transformation in our operations in the short term, we will face the risk of experiencing high financial losses due to carbon taxes within the framework of the European Green Deal and Carbon Border Adjustment Mechanism. For this reason, in order to dramatically reduce our scope 1 and 2 emissions in the short term; It was decided to stop the use of coal and to make the investment needed for the necessary transformation as soon as possible. In addition, it was decided to replace our company vehicles with hybrid models. In addition, it was decided to start investment feasibility studies for water recovery, which will dramatically reduce our water use, which has a critical impact on climate change. In addition, it was decided to start investment feasibility studies for water recovery, which will dramatically reduce our water use, which has a critical impact on climate change. In this way, we will reduce our carbon footprint in our operations, minimize our risk of being affected by carbon taxes, provide competitive advantage and contribute to the sustainable future of our company.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation	In order to produce products with a low carbon footprint in the short and medium term, we will have to bear the costs of changing our supply chain, the additional costs of sustainable raw material sourcing, and the investment costs to reduce the carbon footprint of our operations. All the investment we will make and the additional expenses we will bear in this transformation period will directly influence our revenue, direct and indirect costs. As an example of how our indirect costs (operational expenses) have been influenced bu climate-related risks and opportunities: we have started using energy attribute certificates for the electricity that we use from the grid and for the last 3 years 100% of the electricity we use from the grid is from renewable resources. Climate-change related risks and opportunities have also influenced our capital expenditures and capital allocation, as an example in 2021 our Board has approved the installation of a state-of-the art water treatment plant which will provide 85-97% water recovery. Plant installation has been completed in December 2022. In 2023, system will be able to recover 85-97% wastewater to use it in production and thus reduce our annual water consumption from approximately 945,000 m3 to 50,000 m3 when we operate at full capacity. Another example is the decision to phase out from coal by switching to natural gas which is a more environmentally friendly alternative. We have also replaced the diesel powered company vehicles with hybrid versions.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, but we plan to in the next two years	<Not Applicable>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition
1.5°C aligned

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
18852.26

Base year Scope 2 emissions covered by target (metric tons CO2e)
2818.24

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
21670.5

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
46.2

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
14148

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
0

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
14148

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
This is a new target we have set in 2021, using the SBTi target setting tool. We are aiming to achieve 46.2% reduction in our Scope 1+Scope 2 GHG emissions until 2030 from a 2019 base year. This translates to an annual emission reduction of 4.2% which is aligned with 1.5 degrees. There are no exclusions regarding this target.

Plan for achieving target, and progress made to the end of the reporting year
- Grid electricity consumption from 100% renewable sources.
- Inclusion of bio-energy in the energy mix
- Energy efficiency projects and increasing digital maturity in production optimization
- Hybrid company cars
- Improving employee engagement and inclusion

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number

Abs 2

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition
1.5°C aligned

Year target was set
2022

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
18852.26

Base year Scope 2 emissions covered by target (metric tons CO2e)
2818.24

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
21670.5

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2040

Targeted reduction from base year (%)
80

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
14148

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
0

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
14148

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
New

Please explain target coverage and identify any exclusions
This is a new target we have set in 2022. We are aiming to achieve 80% reduction in our Scope 1+Scope 2 GHG emissions until 2040 from a 2019 base year. This translates to an annual emission reduction of 3.8%.

Plan for achieving target, and progress made to the end of the reporting year
- Grid electricity consumption from 100% renewable sources.
- Inclusion of bio-energy in the energy mix
- Energy efficiency projects and increasing digital maturity in production optimization
- Hybrid company cars
- Improving employee engagement and inclusion
- Less fossil energy dependent new production technology infrastructure investments
- Less water dependent new production technology infrastructure investments

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2019

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Production

Target type: energy source
Renewable energy source(s) only

Base year
2018

Consumption or production of selected energy carrier in base year (MWh)
0

% share of low-carbon or renewable energy in base year
0

Target year
2023

% share of low-carbon or renewable energy in target year
20

% share of low-carbon or renewable energy in reporting year
14.4

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Revised

Is this target part of an emissions target?
Abs 1- Abs2;
Our target for electricity generation from renewable energy sources is planned to support our absolute targets for emission reduction.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
This target covers Ekoten all electricity production processes including electricity production with co-generation system, solar power plant and generators. We report percentages of renewable energy production % in respect to total electricity production in Ekoten.
There are no exclusions regarding this target. In 2022, we revised this targets coverage from Site/Facility to Company-wide.

Plan for achieving target, and progress made to the end of the reporting year
We have installed Solar Power Plant (1,200 kWp) to our knitting plant in 2019. The given percentages of renewable energy production target % is the total electricity generated/produced from our solar power plant in respect to total electricity production in Ekoten. In 2022 we have generated 1,442.55 MWh of renewable energy some of which was fed to the grid and the rest was used by Ekoten and it is equal to 14,4% of total electricity.
We have planned renewable energy investments and we completed feasibility studies in 2022. Draft investment plans will be presented by the CEO to the Board of Directors for evaluation and planning will be carried out in line with current conditions.

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Low 2

Year target was set
2021

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2019

Consumption or production of selected energy carrier in base year (MWh)

0

% share of low-carbon or renewable energy in base year
0

Target year
2030

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
100

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
Underway

Is this target part of an emissions target?
Abs 1- Abs2;
Our target for electricity consumption from renewable energy sources is planned to support our absolute targets for emission reduction.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
The target covers the electricity purchases from the grid only.
The target seems to be achieved in the CDP reporting system, but for us to consider this target achieved we will need to purchase 100% renewable electricity from the grid, each year until 2030. There are no exclusions regarding this target. In 2022, we revised this targets coverage from Site/Facility to Company-wide.

Plan for achieving target, and progress made to the end of the reporting year
We have a target to purchase 100% of our grid electricity from renewable sources every year until 2030. In 2020, 2021 and 2022 we have purchased 100% renewable electricity.

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Low 3

Year target was set
2022

Target coverage
Company-wide

Target type: energy carrier
Steam

Target type: activity
Production

Target type: energy source
Renewable energy source(s) only

Base year
2021

Consumption or production of selected energy carrier in base year (MWh)
0

% share of low-carbon or renewable energy in base year
0

Target year
2023

% share of low-carbon or renewable energy in target year
60

% share of low-carbon or renewable energy in reporting year
37

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
New

Is this target part of an emissions target?
Abs 1- Abs2;
Our target for steam production from renewable energy sources is planned to support our absolute targets for emission reduction.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
The target covers the company wide steam production percentage from renewable sources in respect to total steam production sources. Ekoten aims to produce at least 60% of its total steam production from renewable sources in 2023.

Plan for achieving target, and progress made to the end of the reporting year

We have a target to produce at least 60% of our steam from renewable sources starting from 2023. As a base year, in 2021 we didn't produce any steam from renewable sources. With the biomass steam production initiative implementation in October 2022 we have produced 37% of steam from biomass renewable sources in 2022. We have plans to increase the percentage of biomass use in steam production in 2023 and achieve at least 60% renewable resource use. There are no exclusions regarding this target.

List the actions which contributed most to achieving this target
<Not Applicable>

Target reference number
Low 4

Year target was set
2022

Target coverage
Company-wide

Target type: energy carrier
Steam

Target type: activity
Production

Target type: energy source
Renewable energy source(s) only

Base year
2021

Consumption or production of selected energy carrier in base year (MWh)
0

% share of low-carbon or renewable energy in base year
0

Target year
2030

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
37

% of target achieved relative to base year [auto-calculated]

Target status in reporting year
New

Is this target part of an emissions target?
Abs 1- Abs2;
Our target for steam production from renewable energy sources is planned to support our absolute targets for emission reduction.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
The target covers the company wide steam production percentage from renewable sources in respect to total steam production sources. Ekoten aims to produce 100% of its total steam production from renewable sources in 2030.

Plan for achieving target, and progress made to the end of the reporting year
We have a target to produce at least 60% of our steam from renewable sources starting from 2023. With the biomass steam production initiative implementation in October 2022 we have produced 37% of steam from biomass renewable sources in 2022. We have plans to increase the percentage of biomass use in steam production in 2023 and achieve at least 60% renewable resource use. In addition we are researching new biomass resources with higher calorific values and researching efficiency improvement opportunities in using biomass in steam production. In order to find opportunities with lower emissions in biomass steam production, we conduct research studies for industrial symbiosis cooperation opportunities with different companies and participate in regional and national industrial symbiosis projects and workshops.

On the other hand, in order to increase the use of renewable energy in steam generation, we are constantly conducting feasibility studies with suppliers that offer the latest technology solutions, and we are exploring collaborations with global companies, startups, universities and R&D centers for the development of new technologies and looking for consortium opportunities in national and international funded projects.

There are no exclusions regarding this target.

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs1
Abs2

Target year for achieving net zero
2050

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Please explain target coverage and identify any exclusions
This target covers all of our Scope 1+Scope2 GHG emissions and there are no exclusions.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Unsure

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	3	0
To be implemented*	4	2687.18
Implementation commenced*	1	200
Implemented*	2	7143.88
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption	Small hydropower (<25 MW)

Estimated annual CO2e savings (metric tonnes CO2e)
2165

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
750

Payback period
No payback

Estimated lifetime of the initiative
<1 year

Comment
We have purchased 5,302 MWh of I-RECs for our energy consumption from the grid. The estimated amount of emission reductions is calculated using our electricity consumption figure which is lower for the reporting period (4,999 MWh).
As this investment doesn't cause us any monetary savings the payback period is given as "No payback"

Initiative category & Initiative type

Low-carbon energy generation	Solid biofuels

Estimated annual CO2e savings (metric tonnes CO2e)
4978.9

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1
Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
708971

Investment required (unit currency – as specified in C0.4)
236359

Payback period
<1 year

Estimated lifetime of the initiative
11-15 years

Comment
In 2021, when we stopped using coal and switched to natural gas, we put our solid fuel-fired steam boiler on standby without decommissioning it in order to be able to burn biomass in the coming years. For this reason, we started to produce steam with biomass without the need to invest in a boiler. On the other hand, our approximate investment budget for the purchase of biomass for one year amounted to EUR 236,359.
In 2022, we saved approximately 708,971 Euros per year by using sustainable biomass fuel, which is cheaper than natural gas, with a price increase of only 28% instead of natural gas, which experienced a price increase of approximately 126% in Turkey. Regarding above mentioned calculation payback period is less than 1 year.
In addition, by using biomass instead of natural gas, an annual reduction of 4,044 tCO2e in Scope 1 emissions is achieved, while in Scope 3 Fuel-and-energy-related activities (not included in Scope 1 or 2), an annual emission reduction of 934.9 tCO2e is achieved due to Fuel-and-energy-related activities. Total emission is 4,044 tCO2e + 934.9 tCO2e = 4,978.9

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	We have an active ISO 50001:2011 energy management system in place, which enables us to continuously assess and improve our energy use. We are working according to continuous improvement principles. We determine the project types and areas according to the energy intensity of the procedures. When we want to apply an energy efficiency project, we first analyze the potential savings and prepare a report to be submitted to the top management for approval. If the project is approved by the top management, we finance the projects from our energy efficiency budget.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

No

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	There has been a change in the methodology for calculating Scope 3 emissions category 1: purchased goods and services. Environmentally-extended input output (EEIO) models specified in the GHG Protocol have been adopted to extend the calculation of purchased goods, which account for a large share of Ekoten Scope 3 emissions. The EEIO model and United States Environmental Protection Agency emission factors were used in the category of purchased goods and services. Thus, all purchased yarn, chemical and fabric emissions were calculated. For 2021 which is the Scope 3 emission reduction base year, this method change was made and ISO 14064 verification was certified.

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	Yes	Scope 3	For 2021 which is the base year emissions for Scope 3 targets, emissions were recalculated using adopting EEIO model and US EPA emission factors for only Scope 3 emissions category 1: purchased goods and services. Calculation made purchased goods spending information based on primary data from the invoices and are calculated by using US EPA emission factors.	Yes

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1 2012

Base year end
December 31 2012

Base year emissions (metric tons CO2e)
21332.77

Comment

Scope 2 (location-based)

Base year start
January 1 2012

Base year end
December 31 2012

Base year emissions (metric tons CO2e)
4156.99

Comment

Scope 2 (market-based)

Base year start
January 1 2012

Base year end
December 31 2012

Base year emissions (metric tons CO2e)
4156.99

Comment
Market based emissions are calculated using location-based emission factors as a proxy.

Scope 3 category 1: Purchased goods and services

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
40848.62

Comment
In 2021 we have revised our Scope 3 GHG emissions to include all the relevant categories. As we were not able to find past year data, the Scope 3 base -year is also revised as 2021.

With the method change in 2022, we have revised our Scope 3 GHG category 1: purchased goods and services emissions to include all the material purchased goods. We also revised calculation for 2021 Scope 3 GHG category 1: purchased goods and services emissions.

This category includes the GHG emissions of our yarn, chemical and fabric purchases which make up at least 90% of our expenses related to purchased goods. Since method changes were made in the calculations of our Scope 3 emissions with a base year of 2021, there were changes in the emission values and the verification report was revised by the independent organization. You may find the revised verification report in the C-FI section.

Scope 3 category 2: Capital goods

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
575

Comment
In 2021 we have revised our Scope 3 GHG emissions to include all the relevant categories. As we were not able to find past year data, the Scope 3 base -year is also revised as 2021.
This category includes the GHG emissions of our machinery purchases in 2021..

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
3058

Comment
In 2021 we have revised our Scope 3 GHG emissions to include all the relevant categories. As we were not able to find past year data, the Scope 3 base -year is also revised as 2021.
This category includes the well to tank GHG emissions of the fuel and electricity purchased in 2021.

Scope 3 category 4: Upstream transportation and distribution

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
7759.44

Comment
In 2021 we have revised our Scope 3 GHG emissions to include all the relevant categories. As we were not able to find past year data, the Scope 3 base -year is also revised as 2021.
This category includes the transportation of purchased raw materials from our Tier 1 suppliers to our facilities and also the GHG emissions from the transportation services that we purchased in 2021. Since minor changes were made in the calculations of our Scope 3 emissions with a base year of 2021, there were changes in the emission values and the verification report was revised by the independent organization. You may find the revised verification report in the C-FI section.

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
258.52

Comment
In 2021 we have revised our Scope 3 GHG emissions to include all the relevant categories. As we were not able to find past year data, the Scope 3 base -year is also revised as 2021.
This category includes the GHG emissions of our all waste categories in 2021.

Scope 3 category 6: Business travel

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
35.02

Comment
In 2021 we have revised our Scope 3 GHG emissions to include all the relevant categories. As we were not able to find past year data, the Scope 3 base -year is also revised as 2021.
This category includes the business travels by plane and hotel stays of our employees. Since minor changes were made in the calculations of our Scope 3 emissions with a base year of 2021, there were changes in the emission values and the verification report was revised by the independent organization. You may find the revised verification report in the C-FI section.

Scope 3 category 7: Employee commuting

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
822

Comment
In 2021 we have revised our Scope 3 GHG emissions to include all the relevant categories. As we were not able to find past year data, the Scope 3 base -year is also revised as 2021.
This category includes the GHG emissions of our employee shuttles.

Scope 3 category 8: Upstream leased assets

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment
GHG emissions from upstream leased assets are reported under Scope 1 and Scope 2 as we use operational control approach.

Scope 3 category 9: Downstream transportation and distribution

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
997.29

Comment
In 2021 we have revised our Scope 3 GHG emissions to include all the relevant categories. As we were not able to find past year data, the Scope 3 base -year is also revised as 2021.
This category includes the transportation of our products to our customers.

Scope 3 category 10: Processing of sold products

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
8629.16

Comment
In 2021 we have revised our Scope 3 GHG emissions to include all the relevant categories. As we were not able to find past year data, the Scope 3 base -year is also revised as 2021.

This category includes the processing (cutting-sewing-packaging) of our product (fabric) to produce final textile products (garments). Since minor changes were made in the calculations of our Scope 3 emissions with a base year of 2021, there were changes in the emission values and the verification report was revised by the independent organization. You may find the revised verification report in the C-FI section.

Scope 3 category 11: Use of sold products

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment
The products we sell (mainly fabric) have indirect use phase emissions according to GHG Protocol Scope 3 Guidance documents. This category is optional for our products. It is very difficult for us to obtain a typical use-phase profile over the lifetime of the products we produce, because we produce an intermediate product (fabric) and it is not possible to assume what type of garments will be produced from the fabrics we sell. Therefore Scope 3 emissions from this category is not included in our GHG inventory.

Scope 3 category 12: End of life treatment of sold products

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment
The products we sell (mainly fabric) have indirect use phase emissions according to GHG Protocol Scope 3 Guidance documents. This category is optional for our products. It is very difficult for us to obtain a typical use-phase profile over the lifetime s and end of life treatment methodology of the product we produce, because we produce an intermediate product (fabric) and it is not possible to assume what type of garments will be produced from the fabrics we sell. Therefore Scope 3 emissions from this category is not included in our GHG inventory. Since minor changes were made in the calculations of our Scope 3 emissions with a base year of 2021, there were changes in the emission values and the verification report was revised by the independent organization. You may find the revised verification report in the C-FI section.

Scope 3 category 13: Downstream leased assets

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
1273.1

Comment
In 2021 we have revised our Scope 3 GHG emissions to include all the relevant categories. As we were not able to find past year data, the Scope 3 base -year is also revised as 2021.
This category includes the Scope 1&2 GHG emissions of the assets leased to Sun Tekstil.

Scope 3 category 14: Franchises

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment
Ekoten doesn't have any franchises.

Scope 3 category 15: Investments

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment
No investments that should be reported under this category were made in 2021.

Scope 3: Other (upstream)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment
No other upstream Scope 3 emissions.

Scope 3: Other (downstream)

Base year start
January 1 2021

Base year end
December 31 2021

Base year emissions (metric tons CO2e)
0

Comment
No other upstream Scope 3 emissions.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
14148

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Scope 1 emissions are from stationary combustion units, mobile combustion units, company vehicles and fugitive emissions.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
2165

Scope 2, market-based (if applicable)
0

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
We use renewable energy via energy attribute certificates. In the reporting year we have purchased more than we have consumed, therefore our market-based emissions are zero.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
32302.35

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Yarn, chemical and fabric purchases make up at least 90% of our purchased goods expenditures and these are our major raw material.

Activity Data: The data of the yarn, chemical and fabric purchases in 2022 was obtained from our SAP database and cross-checked by comparing with the invoices. In order to calculate the approximate emissions, we used spend-based EEIO model.

Emission Factors: We used US EPA spend-based emission database and we include specific emission factors US dollars spend on yarn, fabric and chemical by using kgCO2/USD.

The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard by using Environmentally-extended input output (EEIO) models and GHG emissions in this category have been verified by a third party.

Capital goods

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
309.44

Emissions calculation methodology
Supplier-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
We initially made a materiality analysis to see the share of our capital goods purchases in our operational spent. The purchases that make up more than 2% is included in our calculations. For 2022 we have included the machinery purchases that make up more than 2% of our operational expenses.

Activity data:
We have used the weight of the machinery purchases as activity data. The activity data is taken from suppliers, therefore, 100% of emissions calculated using data obtained from our supplier.

Emission factors:
Emission factor is taken from DEFRA (Conversion Factors 2022 Full Set for Advanced Users). database, Material use tab. Since most of the purchased capital goods are made of metal, we assumed total weight of the purchased goods as 100% metal and use Metal emission factor.

The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. GHG emissions in this category have been verified by a third party.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
2998.29

Emissions calculation methodology
Supplier-specific method
Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
60

Please explain
Activity Data: The data of the electricity and fossil fuel purchased in 2022 were obtained from our SAP database and cross-checked by comparing them with the invoices. The fuel data for mobile sources are recieved from suppliers.

Emission Factors: The GHG emissions resulting from the fuel and energy related activities are calculated using emission factors published by DEFRA (Conversion Factors 2021 Full Set for Advanced Users). WTT-Fuels and WTT-UK&Overseas Electricity tabs.

The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard by using electricity emission data and fuel emission data. GHG emissions in this category have been verified by a third party.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
2826.43

Emissions calculation methodology
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Activity Data: The data of the upstream transportation and distribution purchased in 2022 were obtained from our SAP database and cross-checked by comparing them with the invoices. This category includes transportation of the goods that we have purchased and transportation services that are purchased by Ekoten. The activity data is collected as ton.km.

Emission Factors: The GHG emissions resulting from the upstream transportation and distribution related activities are calculated using emission factors published by DEFRA (Conversion Factors 2022 Full Set for Advanced Users)-Freighting Goods tab. Since there are no vehicle type records for each transport activity carried out in 2022, we assumed all goods are transported using diesel powered Heavy Ground Vehicles (HGVs) and they are all average laden.

The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard by using upstream transportation and distribution emission data. GHG emissions in this category have been verified by a third party.

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
164.94

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Activity Data: The data of the waste generated in operations in 2022 were obtained from our SAP database and cross-checked by amount and type of waste declared to the Ministry of Environment, Urbanization and Climate Change (MoEUCC). The data is also controlled from the invoices of our waste collection service supplier who is licenced from MoEUCC. As the information is cross-checked from data obtained from/submitted to various value-chain partners, it is accepted as 100% calculated using data from these partners.

Emission Factors: The GHG emissions resulting from the waste generated in operations are calculated using emission factors published by DEFRA (Conversion Factors 2022 Full Set for Advanced Users) according to waste type and method of disposal.

The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard by using waste generated in operations data. GHG emissions in this category have been verified by a third party.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
64.62

Emissions calculation methodology
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Activity Data: The data of the business travels in 2022 were obtained from our travel agency with all necessary details (including destinations, flight class details, accomodation details) and cross-checked by comparing them with the invoices. This category includes business flight data and accomodations of Ekoten employees and no other means of transport is used for business travel. Some employees use company cars for travel and these figures are reported under Scope 1 emissions.

Emission Factors: The GHG emissions resulting from the waste generated in operations are calculated using International Civil Aviation Organisation (ICAO) website. The GHG emissions resulting from the accomodations are calculated using emission factors published by DEFRA (Conversion Factors 2022 Full Set for Advanced Users) under the hotel stay tab by country.

The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard by using business travel emission data. GHG emissions in this category have been verified by a third party.

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
724.65

Emissions calculation methodology
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Employee commuting includes the shuttle services provided for our employees.

Activity Data: The data of the employee commuting in 2022 were obtained from our commuting supplier and cross-checked by comparing them with the invoices.

Emission Factors: The GHG emissions resulting from the employee commuting are calculated using emission factors published by DEFRA (Conversion Factors 2022 Full Set for Advanced Users).

The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard by using employee commuting data. GHG emissions in this category have been verified by a third party.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As we are compiling our GHG inventory data using operational control approach, all the GHG emissions that belong to our leased assets (i.e. company cars) are reported under Scope 1 and Scope 2 GHG emissions.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
968.93

Emissions calculation methodology
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Activity Data: The data for the downstream transportation and distribution activities in 2022 were obtained from our SAP database and cross-checked by comparing them with the invoices. This category includes the transportation of our goods to our customers, transportation services of which are purchased by our customers. The activity data is collected as ton.km.

Emission Factors: The GHG emissions resulting from the down transportation and distribution related activities are calculated using emission factors published by DEFRA (Conversion Factors 2022 Full Set for Advanced Users)-Freighting Goods tab. For road transport, since there are no vehicle type records for each transport activity carried out in 2022, we assumed all goods are transported using diesel powered Heavy Ground Vehicles HGVs and they are all average laden. For air transport, since there are no aircraft type records for each transport activity carried out in 2022, we assumed and used Freight flights table International, to/from non-UK type flights without refrigerated aircraft tab. For sea transport, since there are no vessel type records for each transport activity carried out in 2022, we assumed and used Cargo Ship table Container Ship type vessels average size tab.

The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard by using downstream transportation and distribution emission data. GHG emissions in this category have been verified by a third party.

Processing of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
8384.93

Emissions calculation methodology
Site-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
As there were no specific methodologies for this category, we collected data from one of our customers to calculate the GHG emission related to this category.

We used site-specific consumption figures (electricity and natural gas) of one of our customers to calculate the GHG emissions from processing of our fabrics. Using their consumption data we have made a calculation that gives us GHG emissions/processing of ton of fabric sold.

Using this site-specific emission factor, we made an extrapolation and multiplied this emission factor with the ton of fabric produced in 2022.

The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard by using customer-specific data. GHG emissions in this category have been verified by a third party.

Use of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The products we sell (mainly fabric) have indirect use phase emissions according to GHG Protocol Scope 3 Guidance documents. This category is optional for our products. It is very difficult for us to obtain a typical use-phase profile over the lifetime of the products we produce, because we produce an intermediate product (fabric) and it is not possible to assume what type of garments will be produced from the fabrics we sell. Therefore Scope 3 emissions from this category is not included in our GHG inventory.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The products we sell (mainly fabric) have indirect end of life treatment phase emissions according to GHG Protocol Scope 3 Guidance documents. This category is optional for our products. It is very difficult for us to obtain an end of life treatment phase profile over the lifetime of the products we produce, because we produce an intermediate product (fabric) and it is not possible to assume what type of garments will be produced from the fabrics we sell and there are no end of life treatment emission factors for fabrics. Therefore Scope 3 emissions from this category is not included in our GHG inventory.

Downstream leased assets

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1221.2

Emissions calculation methodology
Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Activity Data: The data of the downstream leased assets in 2022 were obtained from our lessee's electricity and natural gas invoices.

Emission Factors: The GHG emissions resulting from the downstream leased assets are calculated using emission factors published by DEFRA (Conversion Factors 2022 Full Set for Advanced Users)-Fuels tab for natural gas, and IEA Emission factors database for electricity.

The calculation was conducted according to the methodology outlined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard by using downstream leased assets data. GHG emissions in this category have been verified by a third party.

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Ekoten does not have any franchises.

Investments

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We didn't have any investments that needs to be included under this category. The GHG emissions that are related to the new equipment investments (i.e. electricity consumption of new machinery) are reported under Scope1 and Scope 2.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We don't have any other upstream Scope 3 emissions.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We don't have any other downstream Scope 3 emissions.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	4296	Biogenic emissions are calculated for the chemical oxygen demand for the waste water treated in our WWTP.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.00015779

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
14148

Metric denominator
unit total revenue

Metric denominator: Unit total
89664157

Scope 2 figure used
Market-based

% change from previous year
15.7

Direction of change
Decreased

Reason(s) for change
Change in renewable energy consumption
Change in output
Change in revenue

Please explain
The reason for change is the energy efficiency measures, use of biomass and IREC certificate purchase that we have implemented throughout the reporting period.
We have implemented 2 projects that reduce 4,044 tons CO2e of Scope 1 emissions. Scope 2 emissions.
We have purchased IREC certificates for our grid energy consumption and balanced and decreased 2,165 tons CO2e of Scope 2 emissions with renewable energy sources.
Our revenue has also increased by 16% due to the 5.9% increase in production.

Intensity figure
1.7

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
14148

Metric denominator
metric ton of product

Metric denominator: Unit total
8306.94

Scope 2 figure used
Market-based

% change from previous year
5.6

Direction of change
Decreased

Reason(s) for change
Change in renewable energy consumption
Change in output
Change in revenue

Please explain
The reason for change is the energy efficiency measures, use of biomass and IREC certificate purchase that we have implemented throughout the reporting period.
We have implemented 2 projects that reduce 4,044 tons CO2e of Scope 1 emissions. Scope 2 emissions.
We have purchased IREC certificates for our grid energy consumption and balanced and decreased 2,165 tons CO2e of Scope 2 emissions with renewable energy sources.
Our revenue has also increased by 16% due to the 5.9% increase in production.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	13946.47	IPCC Second Assessment Report (SAR - 100 year)
CH4	45	IPCC Second Assessment Report (SAR - 100 year)
N2O	51	IPCC Second Assessment Report (SAR - 100 year)
HFCs	104.53	IPCC Second Assessment Report (SAR - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Turkey	14148

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

By activity

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Ekoten Torbalı Plant	14099	38.17	27.37
Ekoten Ahmetli	49.12	38.15	27.21

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Natural gas consumption (production)	9702.16
Natural gas consumption (co generation)	4028.53
Diesel oil consumption (generators, boiler, fire pump)	16.73
Diesel oil consumption (Heavy Duty Vehicles)	9.67
Diesel oil consumption (company cars)	189.06
Gasoline consumption (lawn moving machine)	0.05
Fire extinguishers	0.03
Fugitive gases from A/C Units	104.53
Natural gas consumption (Ekoten Ahmetli kitchen)	22.94
Sustainable Biomass Consumption (production)	74.03

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Turkey	2165	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

By activity

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Ekoten Torbalı Plant	1460.9	0
Ekoten Ahmetli Plant	703.49	0

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Electricity consumption	2165	0

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	24.94	Decreased	0.18	The consumption of renewable energy from solar panel increased in 2022. In 2021, we have consumed 934,504 kWh of renewable energy from our solar panels. In 2022, we have consumed 992,091 kWh of renewable energy from our solar panels. Therefore the change in renewable energy consumption is: 992,091 kWh - 934,504 kWh = 57,587 kWh which is equal 24.94 tCO2e reduction in 2022. In 2021 our total Scope 1 and Scope 2 emissions were 14,110 tCO2e. The emissions value, % is calculated as: (24.94 / 14,110)*100 = 0.18%
Other emissions reduction activities	1610	Decreased	11.41	In 2021 our total Scope 1 and Scope 2 emissions were 14,110 tCO2e. We have implemented the steam generation with biomass project in 2022 and reduced total of 1,610 tCO2e. The emissions value, % is calculated as: (1,610 / 14,110)*100 = 11,41%
Divestment	0	No change	0	No divestments in 2022.
Acquisitions	0	No change	0	No acquisitions in 2022.
Mergers	0	No change	0	No mergers in 2022.
Change in output	1672	Increased	11.85	Although our production volume has increased by 5.9 %. Thanks to all our emission reduction initiatives we were able to reduce the substantial increase of our GHG emissions. In 2022, our emissions increased by 1,672 tons CO2e because of the increase in production volume however we were able to reduce it with biomass project by 1,610 tCO2e and increase in renewable electricity consumption from solar pwer panels by 24.94 tCO2e. In 2021 our total Scope 1 and Scope 2 emissions were 14,110 tCO2e. The emissions value, % is calculated as: (1,672 / 14,110)*100 = 11.85%
Change in methodology	0	No change	0	We didn't make any changes in methodology.
Change in boundary	0	No change	0	We didn't make any changes in boundary.
Change in physical operating conditions	0	No change	0	There were no changes in physical operating conditions.
Unidentified	0	No change	0	There were no unidentified changes.
Other	0	No change	0	There were no other changes.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	10823.05	68858.11	79681.16
Consumption of purchased or acquired electricity	<Not Applicable>	4998.6	0	4998.6
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	992.19	<Not Applicable>	992.19
Total energy consumption	<Not Applicable>	16813.83	68858.11	85671.94

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value
LHV

Total fuel MWh consumed by the organization
10823.05

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
10823.05

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment
Sustainable biomass that is used in:
- Steam production

Other biomass

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment
We do not use other biomass.

Other renewable fuels (e.g. renewable hydrogen)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment
We don't use other renewable fuels in our operations.

Coal

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment
We don't use coal in our operations.

Oil

Heating value
LHV

Total fuel MWh consumed by the organization
803

MWh fuel consumed for self-generation of electricity
61.9

MWh fuel consumed for self-generation of heat
741.1

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment
Diesel oil and gasoline that is used in:
- Company cars, forklifts and lawnmower (reported under consumed for self-generation of heat)
- Generators and fire pumps (reported under consumed for self-generation of electricity)

Gas

Heating value
LHV

Total fuel MWh consumed by the organization
68055.2

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
29318.5

MWh fuel consumed for self-generation of steam
18799.1

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
19937.6

Comment
Natural gas and CNG that is used in:
- Cooking (CNG),
- Heating the facility and the fabric (natural gas)
- Steam production (natural gas)
- Natural gas used in our co-generation plant to produce electricity, steam and heat

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment
We don't use any other non-renewable fuels

Total fuel

Heating value
LHV

Total fuel MWh consumed by the organization
79681.16

MWh fuel consumed for self-generation of electricity
61.89

MWh fuel consumed for self-generation of heat
30059.6

MWh fuel consumed for self-generation of steam
29622.1

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
19937.6

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	10041.91	9441.3	1442.55	992.19
Heat	29318.5	29318.5	0	0
Steam	29622.15	29622.15	10833.33	10833.33
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption
Turkey

Sourcing method
Unbundled procurement of energy attribute certificates (EACs)

Energy carrier
Electricity

Low-carbon technology type
Small hydropower (<25 MW)

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
4998.6

Tracking instrument used
I-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute
Turkey

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2008

Comment
We have purchased 4,998.6 MWh of I-REC's from Sarmaşık 2 Hydropower plant for our 2022 electricity consumption from the grid. Our IREC certificates are attached under section C-FI of this report.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
Turkey

Consumption of purchased electricity (MWh)
4998.6

Consumption of self-generated electricity (MWh)
992.19

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Reasonable assurance

Attach the statement
Ekoten CDP 2023-verification-letter2022_MK23062023.pdf
Ekoten_14064 VOS FINAL_for 2022.pdf

Page/ section reference
Page 2 on Ekoten_14064 VOS FINAL_for 2022
Page 3 on Ekoten CDP 2023-verification-letter2022_MK23062023

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Reasonable assurance

Attach the statement
Ekoten CDP 2023-verification-letter2022_MK23062023.pdf
Ekoten_14064 VOS FINAL_for 2022.pdf

Page/ section reference
Page 2 on Ekoten_14064 VOS FINAL_for 2022
Page 3 on Ekoten CDP 2023-verification-letter2022_MK23062023

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Reasonable assurance

Attach the statement
Ekoten CDP 2023-verification-letter2022_MK23062023.pdf
Ekoten_14064 VOS FINAL_for 2022.pdf

Page/ section reference
Page 2 on Ekoten_14064 VOS FINAL_for 2022
Page 3 on Ekoten CDP 2023-verification-letter2022_MK23062023

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting
Scope 3: Upstream leased assets
Scope 3: Investments
Scope 3: Downstream transportation and distribution
Scope 3: Processing of sold products
Scope 3: Use of sold products
Scope 3: End-of-life treatment of sold products
Scope 3: Downstream leased assets
Scope 3: Franchises

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Reasonable assurance

Attach the statement
Ekoten CDP 2023-verification-letter2022_MK23062023.pdf
Ekoten_14064 VOS FINAL_for 2022.pdf

Page/section reference
Page 2 on Ekoten_14064 VOS FINAL_for 2022
Page 3 on Ekoten CDP 2023-verification-letter2022_MK23062023

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
95

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year emissions intensity figure	ISO 14064-3	Our GHG emission intensity per ton of fabric is verified every year. Details can be seen in the attached verification report page 3. Yellow highlighted section. Ekoten_DogrulamaRaporu_2023_Rev01 Ekoten_DogrulamaRaporu_2023_Rev01.pdf
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISO 14064-3	Year on year change in our Scope 1 and Scope 2 GHG emissions are verified every year. Details can be seen in the attached verification report pages 20 (Yellow Highlighted table) Ekoten_DogrulamaRaporu_2023_Rev01 Ekoten_DogrulamaRaporu_2023_Rev01.pdf
C8. Energy	Energy consumption	ISO 14064-3	Our Energy consumptions and renewable energy generation figures in our Solar PV plant are verified. Energy consumption details can be seen in the attached verification report pages between 11-14 (Yellow highlighted tables). Renewable energy consumption details can be seen in the attached verification report pages between 14-15 (Green highlighted tables) Ekoten_DogrulamaRaporu_2023_Rev01 Ekoten_DogrulamaRaporu_2023_Rev01.pdf
C6. Emissions data	Waste data	ISO 14064-3	Our Waste generated in operations figures verified. Details can be seen in the attached verification report page 17 -18 (Red highlighted tables). Ekoten_DogrulamaRaporu_2023_Rev01.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Run an engagement campaign to educate suppliers about climate change

% of suppliers by number
60

% total procurement spend (direct and indirect)
85

% of supplier-related Scope 3 emissions as reported in C6.5
55

Rationale for the coverage of your engagement
In 2021 we have started a training&engagement program called Sustainable Supply Chain Program. The 9-module program consists of 13.5 hours of training as a start and it is designed as an on going engagement activity that develops & expands according to the needs of our suppliers.
For this engagement activity, our initial focus group was selected as our yarn suppliers, because yarn is our major raw material & makes up 70-90% of our raw materials. Either produced from natural sources like cotton or synthetic sources, the sustainability of yarn has a direct impact on the sustainability of our products.
Yarn suppliers are selected also because we are in close contact with them & we are able to motivate them to participate in these trainings. All of our yarn suppliers in Turkey are included in this training program, which means 85% of our yarn suppliers have joined this program. As majority of our suppliers are Turkish, this training program is designed in Turkish. In the upcoming years, we will evaluate extending this training to our international suppliers according to their needs. In addition, we also decided to include our logistics suppliers to this training program taking into consideration the share of logistics in our Scope 3 emissions&global emissions.
Total share of yarn and logistics related emissions in our Scope 3 profile is 46%.
Within the scope of this training program, we aim to provide trainings&organize practical workshops on climate change awareness, actions to combat climate change, action plans&emerging regulations in the world, GHG emissions management & best practice examples. The first four modules of the program, have been completed in 2021&2022. Program is extended to end of 2023 and targets to give mentorship.
Before starting the program we applied a standard survey to our yarn suppliers and we had interviews with logistics companies tailored to the maturity level of the companies. The first 4 modules of the training implemented in 2021 are as follows:
Module 1: Ekoten targets and criteria for combating climate change, examples of Ekoten best practices
Module 2: Emerging global regulation.
Module 3: GHG Management and Calculation
Module 4: Introduction of the GHG emission calculation portal, paid by Ekoten and offered free of charge to its suppliers
Other modules include energy efficiency, water management, waste management, CDP & SBTi

Impact of engagement, including measures of success
The following indicators related to the success of the program have been determined. Program outputs and impacts will continue to be monitored until the end of 2022 and will be reported to Ekoten senior management.
Indicator 1: At least 80% increase in knowledge and awareness by comparison of pre-assessment and post-assessment test results. (This indicator has been reached in 2022 with a 95% increase rate)
Indicator 2: At least 20% increase in the number of suppliers aiming to calculate greenhouse gas emissions within two years at the latest. (This indicator is underway with 40% increase rate in 2022)
Indicator 3: At least 10% increase in the number of suppliers aiming to have their greenhouse gas emission calculations verified according to the ISO 14064 standard within two years. (This indicator is underway with 25% increase rate in 2022)

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
40

Please explain the rationale for selecting this group of customers and scope of engagement
The textile industry is a very competitive and demanding industry. Our customers are multinational textile brands which have their own ambitious targets on climate-related issues and they also have the power to direct their suppliers in line with their targets.
Therefore, it is beneficial for us to engage and share information with our customers because they already expect us to do so. We do not select a group of customers to share this information, we share it with all of our customers. However, depending on the customers expectations, the shared information may be customized according to their needs.
We share our sustainability strategies including climate-related actions and performance with 100% of our customers annually or bi-annually via detailed reports.
We are audited by the customers and 3rd parties about the information we share on these reports.
We also collaborate with some of our customers according to their requests we report our GHG emissions monthly to those customers via an online portal, this portal enables them to monitor our performance monthly.

Impact of engagement, including measures of success
Im 2022, we were nominated in 3 different programs by our customers and in addition we also selected 2 different collaboration program by our customers, all programs were related climate change and low carbon transition in Textiles Industry.
In recent years, constantly developed targets and action plans have been published to combat climate change, and the importance of adapting to these developments together with all supply chain stakeholders is increasing day by day. These engagement activities support Ekoten to fully comply with the 2030 targets and criteria of its customers and to meet their KPIs at a rate of 100% every year. By constantly complying with the goals of our customers, we adapt to sustainable transformation with our partners and increase the resilience of the supply chain.
By working in regular communication with the customer, we meet their sustainability criteria more effectively, create an impact to make the entire supply chain more sustainable, and increase the rate of sustainable products in our sustainable turnover. We are motivated to calculate our emission values, which we can calculate for 14064 once a year, on a monthly basis, upon the request of our customers. In addition, as we all know, sustainable transformation is not possible without including the entire supply chain, and we can reduce emissions by making the entire product life cycle sustainable, including our customers.
We measure the success of these activities by the absence of any major findings from the audits of customers and third-party audit firms. This way, we are able to eliminate the risk of being out of the customer's supply chain for a certain period or long-term due to zero tolerance findings or major findings that many companies face, resulting in loss of revenues for that period.
Thanks to the results of the success, the rate of income from sustainable production in our turnover is increasing every year. In addition, due to our sustainable production capability and our reputation as a prestigious company in this field, the rate of global brands that attach importance to sustainability is increasing among our customers. By implementing all the engagement efforts in the most effective way, we will be well prepared for the effective management of the Scope 3 framework of SBTi and for regulations such as CBAM, EPR etc. by the EU and other countries.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

"Strengthening Environmental Sustainability in the Ready-to-Wear and Textile Sectors: Reducing Carbon Footprint Project" is among the financial support programs of the Istanbul Development Agency (ISTKA) for 2022 and is supported under the "Innovative Istanbul Financial Support Program". Within the scope of this project, which is carried out under the General Secretariat of ITKIB - Istanbul Textile and Apparel Exporters' Associations General Secretariat, analysis and emission reduction studies are ongoing. Within the scope of the project, three brands and 20 manufacturing companies from the supply chain stakeholders of these brands were identified. These companies included in the project will carry out analysis, measurement and improvement studies with pilot applications. With the reporting of the project achievements, sample case studies that will benefit the entire sector will be shared. As one of the manufacturing companies qualified to take part in the project, our sustainability maturity analysis carried out by expert consultancy firms serving within the scope of the project has been completed. The calculation of greenhouse gas emissions and the realization of the product life cycle analysis of a fabric model determined by our customer in the project are expected to be completed in the first quarter of 2023.

We participate as voluntary speakers in webinars on greenhouse gas emissions management organized by organizations such as Turkish Quality Association, Aegean Industrialists' Business People's Association, Istanbul Chamber of Industry, etc. and share our useful experiences for our sector and other sectors.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?
Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement
Complying with regulatory requirements

Description of this climate related requirement
All of our suppliers have to meet criteria set out by our purchasing department. These criteria are shaped through the request of our customers to meet their sustainable procurement practices. One of the most important criteria they have to meet is compliance with the regulatory requirements.
Along with this compliance, suppliers also need to give proof of certain certification schemes.
All of the raw-material suppliers need to comply with these requirements and their compliance is periodically controlled by our Purchasing Department. All of the related certificates are also double checked by our Quality Systems Manager.
If we detect any non-compliance the relations with the supplier is suspended and they are engaged to ensure that they have the means to improve their performance

% suppliers by procurement spend that have to comply with this climate-related requirement
100

% suppliers by procurement spend in compliance with this climate-related requirement
100

Mechanisms for monitoring compliance with this climate-related requirement
Certification
Supplier self-assessment
Second-party verification
Off-site third-party verification
On-site third-party verification

Response to supplier non-compliance with this climate-related requirement
Suspend and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
Yes

Attach commitment or position statement(s)
Ekoten Tekstil San. ve Tic. A.S. SBTi Commitment Letter.pdf
Sustainability Report 2022 - 230616.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan
To ensure that all of our activities that influence policy are consistent with our overall climate change strategy, our Sustainability Committee is given the responsibility to coordinate these activities. Also this Committee coordinates info meetings in trade associations regarding climate change strategies whenever it is deemed necessary. Company representatives authorized to provide information to the public in line with our company's climate policies are determined by company policies, and the database of the information to be shared by these representatives is compiled by the corporate communication department. If there is a non-compliance with our company departments or individuals regarding our climate change policies, the relevant case is analyzed by the sustainability committee. After the evaluation of the sustainability committee, suggestions are presented to the board of directors on this issue.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
Sustainability Report 2022 - 230616.pdf

Page/Section reference
Please find related information on Environmental Sustainability section (Page 116-125) of Sun Tekstil and Ekoten Sustainability Report 2022

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Business Ambition for 1.5C Race to Zero Campaign We Mean Business	Through our commitment to SBTi on 25.07.2022 we are also committed to We Mean Business, Business Ambition for 1.5C and Race to Zero Campaign.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	Biodiversity is one of the key focus areas of Ekoten. Our Board Chair has the highest level of responsibility on biodiversity related issues. The executive management-level responsibility lies on our CEO and our Sustainability Committee which consists of high-level executives of the group companies.	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have endorsed initiatives only	<Not Applicable>	Other, please specify (Iyi Pamuk Uygulamalari Dernegi (IPUD) - It is a non-profit association that works to expand sustainable cotton production in Turkey. Ekoten supports the conservation of biodiversity by being among the members of the association.)

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
No

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance Biodiversity strategy	Page 31 metariality analysis and matrix which includes biodiversity Page 37-38 design and environmental sustainability targets regarding biodiversity Page 148-149 our general strategy and approach protect biodiversity in supply chain Sustainability Report 2022 - 230616.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Our I-REC certificates issued by Socar is attached.

Revised 2021 Verification Letter is attached.
Ekoten CDP 2022-Revised verification-letter2021_MK23062023.pdf
Socar_Ekoten_5302_2022.pdf

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below
I have read and accept the applicable Terms