



SUN TEKSTİL
EKOTEN

SUSTAINABILITY
REPORT SUMMARY
2023

SUN
TEKSTİL

ekoten

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ABOUT THE REPORT



About Our Report

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

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

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

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

Group Sustainability Committee
surdurulebilirlik@suntekstil.com.tr

MESSAGE FROM THE CHAIRPERSON

02



Elvan Ünlütürk

Sun Tekstil Chairperson
of the Board

Dear Stakeholders,

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

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

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

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

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

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

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

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

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

Kind regards,
Elvan Ünlütürk



Günkut Gürşen

Ekoten Chairperson
of the Board

Dear stakeholders,

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

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

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

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

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

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

Kind regards,

Günkut Gürşen

ABOUT US

03

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

2.5 Million +
Pieces Monthly
Export Figure

Design-oriented
and predicting
future trends

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

\$200 M +
Annual Turnover

1.500
New Designs
Each Month

One of the best
circular knit
fabric factories
in Türkiye

Strong in
design, graphic
design, and
fabric
development

6.000
Samples Each Month

SUN
TEKSTİL

Ranking 178

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

232

Knitting Machine

13.000 Tons +

Annual Production Capacity

40 Tons

Daily Knitting Capacity

30.000+

Clothing Library

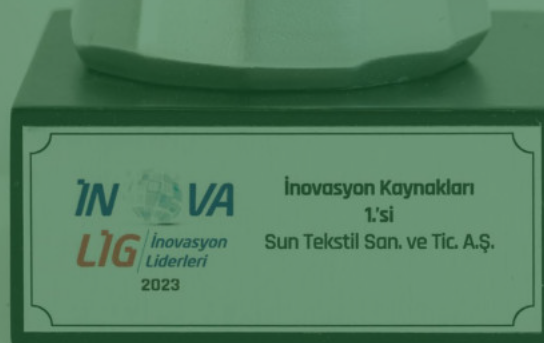
300 pieces

New Fabric Designs per Month

ekoten

2023 Achievements

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



SUSTAINABILITY JOURNEY



Holistic Sustainability Approach

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



Sustainability Journey

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

Sustainability Governance

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

Our Stakeholders

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

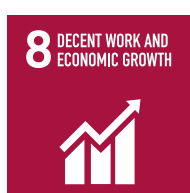
Materiality Matrix

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

In 2023, we updated our materiality matrix in order to act more effectively in combating the climate crisis and to increase rapid adaptation to evolving regulations. We consolidated our material issues under 9 main headings. Among these issues, we have identified Ethics, Decent Work and Economic Growth, Climate Change, Responsible Value Chain Management and Circular Economy as our 5 very high priority items. With these 5 items, we aim to make the highest contribution to our 4 priority SDGs - SDG 5, SDG 8, SDG 9 and SDG 12.





Working Groups

We continuously improve our sustainability governance approach. In 2018, we established 6 working groups to manage our sustainability strategies in our business processes: Product Design and Development, Human Resources, Sustainable Environment, Digitalisation, We Touch Society and Supply Chain Management.



Our Sustainability Targets



Human Resources

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

■ Completed ■ Continued ■ Future Goals

Our Sustainability Targets

Product Design and Development

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

■ Completed ■ Continued ■ Gelecek Hedefler

Our Sustainability Targets

Sustainable Environment

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

■ Tamamlanan ■ Devam Eden ■ Future Goals

Our Sustainability Targets

Digitalization

Supply Chain Management

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

CORPORATE GOVERNANCE

05

Corporate Governance Approach

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

You can access detailed information about our committees by clicking on the link. [👉](#)

For the sustainability of our corporate structure shaped by our values and corporate culture, we also carry out studies on ethics committee, anti-bribery and anti-corruption, internal audit and climate change management.

More information can be found by clicking on the link. [👉](#)

Sustainability Committee

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

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

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

All Corporate Memberships

UNGC

WEPEs

TÜSİAD

Family Business Network International

30 Percent Club Türkiye

TİM Women Assembly

KALDER

TAİDER

ESİAD

İPUD

EGSD

TEİD

WTECH

SKD TÜRKİYE

TEXTILE EXCHANGE

TKYD

TMM

BADV

HUMAN RESOURCES



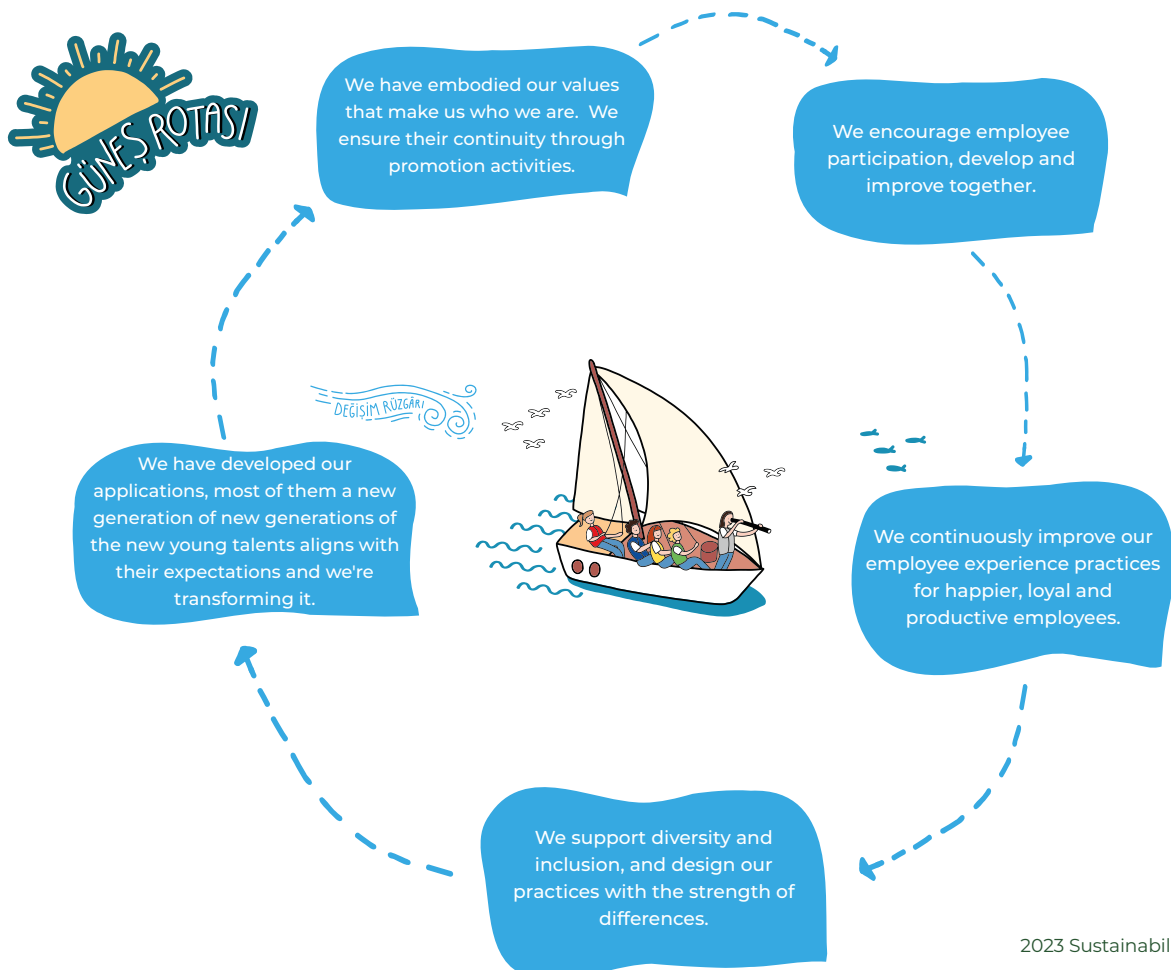
Our Company Culture

As Sun Tekstil and Ekoten, we continue to work in a manner that respects human rights as stated in the UN Universal Declaration of Human Rights and the basic conventions of the International Labour Organization (ILO). We offer equal opportunities at all stages such as recruitment, working conditions, remuneration, performance management, promotion, continuous learning and retirement.

We support diversity, inclusion and participation, stand against harassment and discrimination, and are committed to fair treatment of everyone by protecting the health, safety and dignity of our colleagues.

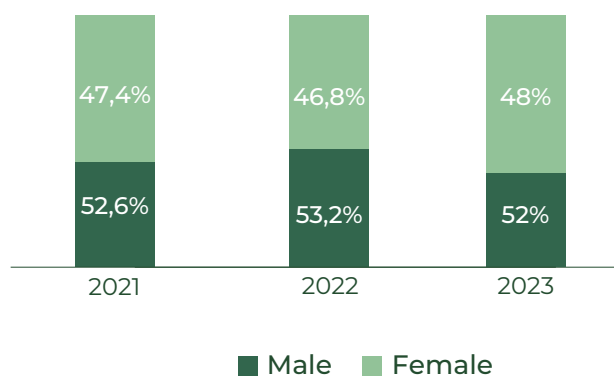
We encourage our colleagues to express their ideas freely, encourage the emergence of new ideas and support them to realise their ideas. We believe in the success that differences will bring, and we act with the desire and endeavour to always do the best in the light of our ethical rules and values.

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



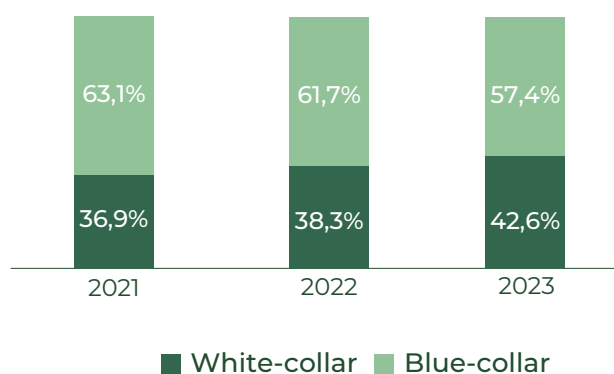
Employee Profile

Breakdown by Gender



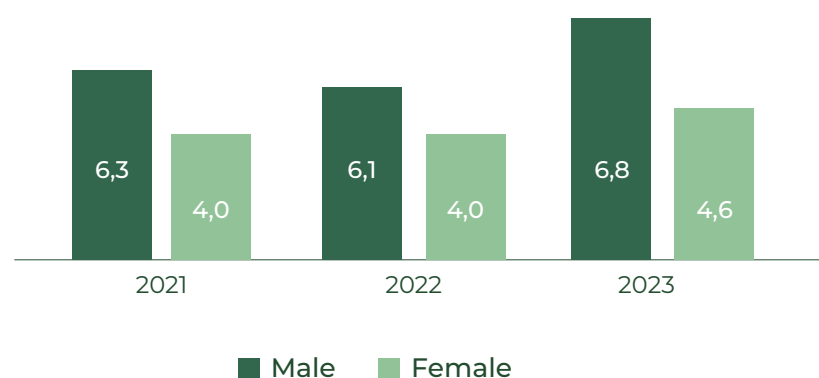
Gender	2021	2022	2023
Male	935	1.021	994
Female	842	899	918
Grand Total	1.777	1.920	1.912

Breakdown by Position



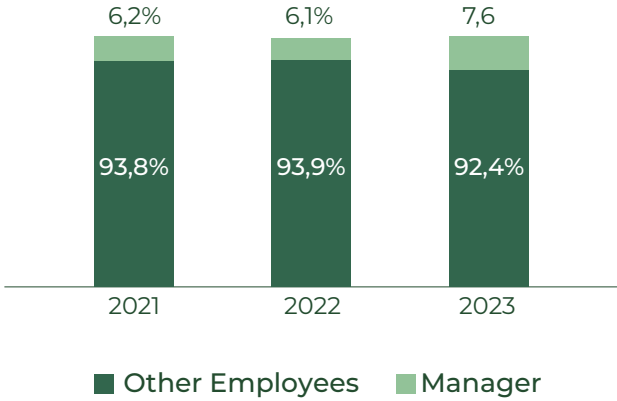
Position	2021	2022	2023
White-collar	656	736	814
Blue-collar	1.121	1.184	1.098
Grand Total	1.777	1.920	1.912

Average Years of Seniority



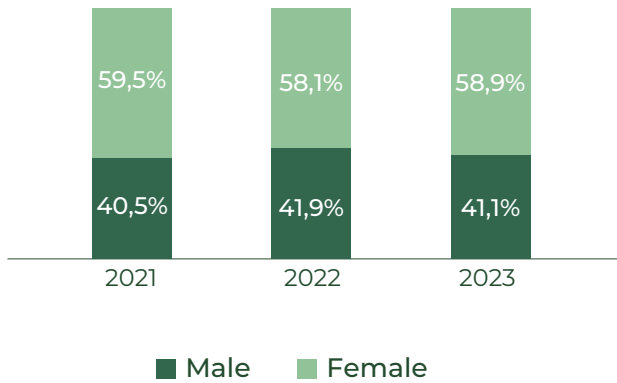
Year	Average for All Employees
2021	5,2
2022	5,1
2023	5,8

Ratio of Managers



Ratio of Managers	2021	2022	2023
Other Employees	1.666	1.803	1.766
Manager	111	117	146
Genel Toplam	1.777	1.920	1.912

Break by Gender of Managers



Female	2021	2022	2023
Other Employees	776	831	832
Manager	66	68	86
Grand Total	842	899	918

Male	2021	2022	2023
Other Employees	890	972	934
Manager	45	49	69
Grand Total	935	1.021	994



Human Resources Strategy and Roadmap

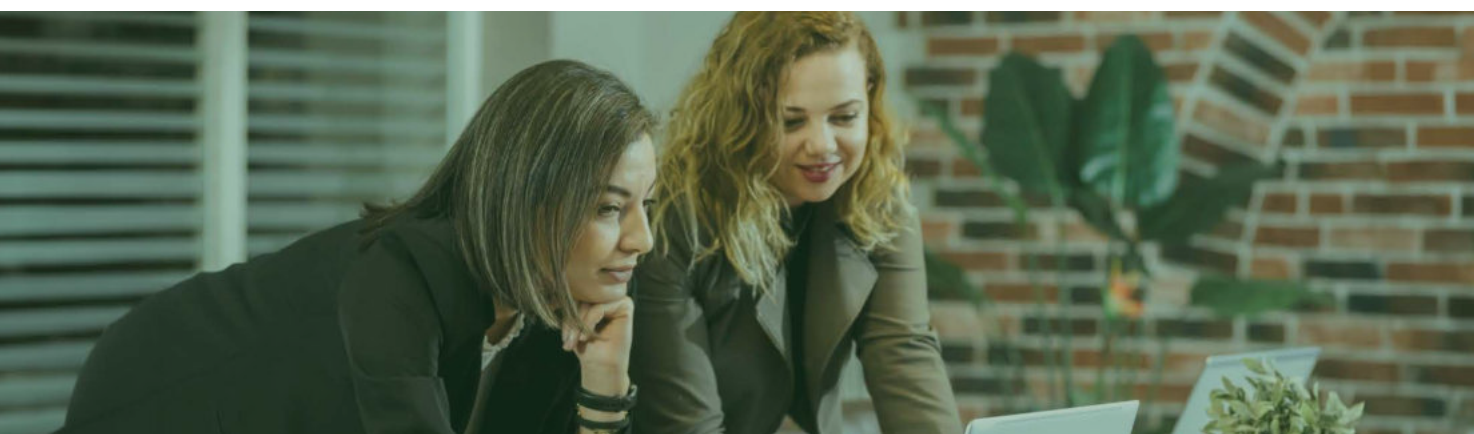
Always mindful that we have come this far with our employees, customers and business partners, we will continue to evolve with our people and all our stakeholders in ways that make our corporate values sustainable.

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

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

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

For detailed information about our activities, you can review our [2023 Sustainability Report](#). 



Sustainable Human Resources Activities

1- Company Culture and Sustainability of Values

-We have completed the "Our Values that Make Us Who We Are and Beyond" training.

-We brought together our Working Principles and Ethical Principles booklets and our Human Resources Policy, enabling our colleagues to access all our documents at once.

-We published our Working Principles and Values video.

-We were entitled to receive the "ETIKA Award" for the 9th time in a row as Sun Tekstil.

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

-We continued our Open Door Meetings this year, where our employees and our general manager came together.

-We continued our seniority award ceremonies.

2- Sustainability of the Organisation and Business Model

-We launched our hybrid working model, which we started as a pilot application with the departments determined in January 23, in June, so that it will continue continuously.

-We switched to an appointment system in inspection with the Revision Module.

-We facilitated access to Sun Academy trainings with SunİK Platform.

-We digitised our 2nd and 6th month evaluation forms.

-We facilitated the follow-up of legal processes with daily reports.

-With the "Lean Transformation" and "SolutionSUN" programmes, our colleagues continued to share their ideas and suggestions freely.



Source: From our Lean Transformation Programme

3-Sustainability of Talents and Learning Organisation

- We determine employee loyalty and satisfaction with the Life in Sun Survey.
- We reshaped our Career Architecture.
- We conduct Value-Based Promotion Interviews with our employees.
- We prepared a "Social Compliance and Audit Processes Roadmap".

4- Sustainability of HR Processes and Systems

- We organised 31,908 training hours for our colleagues and suppliers.
- We organised "Safe Harbour of the Team", "Communication to the Future and Coaching", "Teams Connected by the Chain of Love" and "Communication to the Future" training.
- We designed our "Team Leader Sun Route" and "Production Engineer Development Programme".
- We employed a total of 14 trainees in 2 different training groups within Sun Tekstil MEGEM in 2023.
- We created an internal advertisement system for our colleagues.
- We develop together with the relatives of our colleagues with the One Language One Life Project.
- We shape the future with our "Future is at Sun", "Sun Design Project" and "Digitalise the Next" young talent programmes.
- We carried out the Digitalising with SAP! Programme.
- We organise Talent Development Meetings with our trainees.



Source: From our 'Sun Design Project' event

Sun Tekstil Lean Management Practices

In line with our company's sustainability strategies and quality targets, we established our Lean Production Management unit in 2021 in order to carry forward our lean management practices that we have adopted for many years. Thanks to our lean management practices, we use our resources more efficiently by preventing inefficiencies where they occur, reduce waste, save energy and labor, comply with our customers' quality criteria, increase efficiency throughout our supply chain, and continuously improve our holistic sustainability strategies by optimizing our occupational safety efforts. In 2023, we provided a total of 372 hours of lean management training to 632 employees.

With our Lean Production Management unit, we aimed to prioritise the implementation of Kaizen projects, which are the basis of the Lean philosophy, as a major profitability and cost reduction in 2023. Under the guidance of Lean Production Management, 75 employees in 15 project teams formed in our departments and trained in the analysis and creation of Kaizen projects carried out detailed analysis and improvement studies. A total of 661 suggestions were evaluated through the system in two five-month project development periods, in which people from different roles and positions worked together, and 435 of these problems were approved and improvement work initiated. Within this framework, 24 of these suggestions were implemented as before-and-after kaizen studies. In this way, we achieved an annual financial gain of approximately TL 773,914 through resource savings and productivity increases. One of our high impact before-and-after kaizen projects; With the top liner paper elimination project, we prevented the felling of 67 trees with an annual greenhouse gas emission reduction of 13,767 kg CO₂. This project also generated an annual profit of approximately TL 387,833.

In the logistics unit, we saved labor costs and consumables consumption by reusing the returned coils, and we achieved an annual gain of 133,276 TL with the reduction of purchasing costs. For the first time in 2023, we successfully completed 3 kobetsu kaizen projects that were identified by our senior management through Hoshin Kanri meetings and had an impact on our key performance indicators. As a result of the work of the project team, which included colleagues from the sampling, customer communication, product management and process improvement departments, we reduced our annual sample waste by 30%.

Ekoten Lean Management Practices

In our journey, which we started in 2018, we have created a strong lean management culture in which we aim for continuous improvement in our operations through our approaches based on lean management philosophy, technical training and the contributions of our employees. We increased our number of leaders by 16% in 2023 compared to the previous year with 42 lean leaders we trained within the scope of our "Lean Leader Development Program" managed by our Lean Management and Technical Training unit. In addition to the training and mentoring we provide to our employees, we increased the number of qualified suggestions by 8% thanks to the improvement projects we implemented. We have increased the number of actualized kazien by 5 compared to the previous year and realized 135 kazien this year.

Occupational Health and Safety

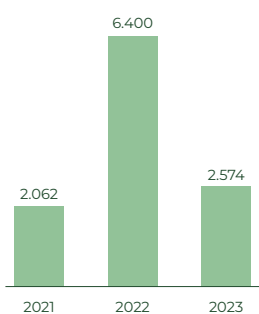
Our Occupational Health and Safety Units continue to work diligently to monitor occupational health and safety practices in Sun Tekstil and Ekoten. The units meet regularly to ensure the interaction of labor and disciplinary processes. We constantly improve our processes as well as provide training sessions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

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

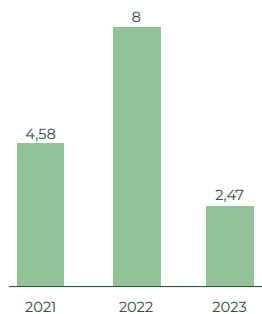
We constantly monitor the periodic examinations of all our employees with our expert doctor and nurse staff. We go beyond legal obligations and repeat the health examinations of our personnel every year and always prioritize the health of our employees. The health screenings we conduct show that we continue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

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

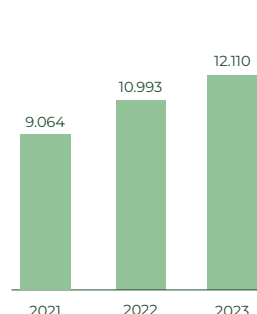
Total OHS Training Hours at Sun Tekstil



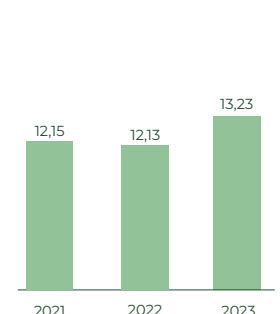
Average Training Hours per Employee at Sun Tekstil



Total OHS Training Hours at Ekoten



Average Training Hours per Employee at Ekoten



COMMUNITY ENPOWERMENT



Our Community Oriented Activities

Resilient Communities for Sustainable Development

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

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

In our country's new century, we are continuing our sustainability journey with decisive steps, embracing new achievements and rapidly implementing sustainable technologies. Aware of the value of our natural resources and unique heritage, we are working with all our might to contribute to the sustainable development of our country, reflecting the traces of republican values in everything we do. We have celebrated our Republic as a festival to create an enthusiastic spirit that will encourage us to rethink and appreciate what it has brought to the country, to remind us of the common values that bind us together, and to draw inspiration and strength.

For detailed information about our activities, you can review our [2023 Sustainability Report](#). 📖



Source: 100th Anniversary Special Visit to Anıtkabir

Our Strategic Activities for Community

Programs for Our Employees

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

- We celebrated the 100th anniversary of our Republic with enthusiasm.
- We organised "Brain Friendly Workplace Workshop", an interactive workshop.
- We organised Breast Cancer Awareness Activities and World First Aid Day.
- We organised Pregnancy Training.
- We continued to provide scholarship support to the children of our employees in cooperation with EÇEV.
- We organised environmental awareness training.
- We organised Parent 2.0 training and Best Narcotics Police Mother training.
- We organised "Disaster Situation Awareness Training" and a training open to general participation.
- We organised "Managing Post-Earthquake Anxiety Webinar".

Programs Conducted with Our Supply Chain Stakeholders

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

- We continued our Back to School programme this year.
- We launched the "Women's Career Development Programme".
- We participated in the "Women's Empowerment - Best Practices Sharing" session as a speaker.
- We launched the "Together We Are Stronger" gender training programme at one of our suppliers in cooperation with our customer.

Programs for Our Region

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

-We visited Yedi Eylül Primary School in our region on 5 June World Environment Day.

-We provided material and moral support to our cultural heritage with "Metropolis Ancient City and Key Museum Trips".

-We participated in the Mentoring Programme Implementation Guide of the "Izmir is Looking for Equality Stars" Project.

-We came together with 15 mentees and 20 mentors from 3 universities within the scope of "My Mentor ESIAD" project.

-As Sun Tekstil R&D Centre, we supported the "We Produce as Adetendir Üretiyoruz Workshop" reusable sanitary napkins.



Source: From our trip to the "Key Museum"

Programs for the Community

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

-We took part in mentoring and business life guidance support for 1000 women affected by the 6 February earthquake within the scope of the "We Again" Employment Mobilisation for 1000 Women in the 100th anniversary of the Republic.

-We took part in the Young Women Building Their Future Project.

-We participated in the earthquake mobilisation and opened an earthquake employment mobilisation advertisement.

-We set up the stands of the LÖSEV Dükkan with products in our company and provided support with two bazaars.

-We supported the Every Step is Valuable Because Our Daughter Will Read Campaign with our colleagues.

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

-We donated the necessary machinery and materials for the establishment of the " Mor Makas" Garment Training Workshop.

-We presented the first products carefully produced by our teammates trained under the Megem Programme to our elders in Torbalı and Buca Nursing Homes.

-Within the scope of the Anatolian Scholars Programme, we support one student in 2021 and two students in 2022 throughout their education life.

-We support 10 students who are entitled to receive Full Support Scholarship from TED.

-Within the framework of the scholarship protocol we signed with Izmir University of Economics Textile and Fashion Design Department in 2019, we continue to support talented young people who will shape our industry.

Sponsorships

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

-We sponsored the 36th International Izmir Festival.

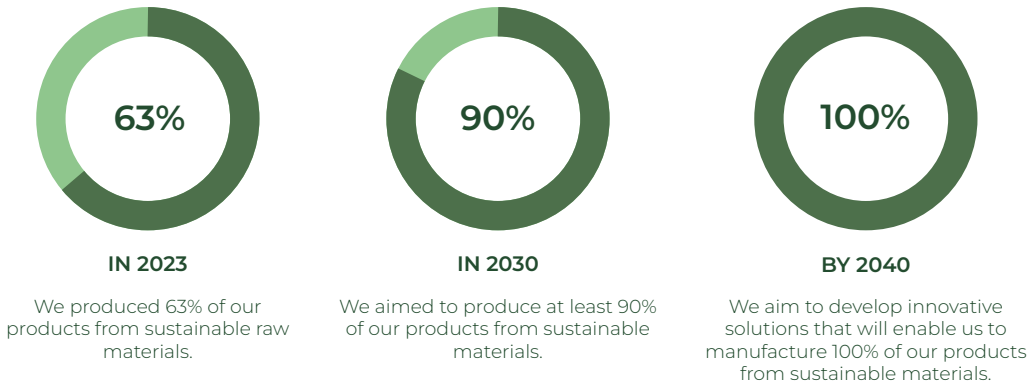
-As Sun Tekstil, we undertook the mobile application sponsorship at the Sustainability Talks 2023 event. We were also among the keynote speakers of this valuable event.

SUSTAINABLE DESIGN



Sun Tekstil Design Approach

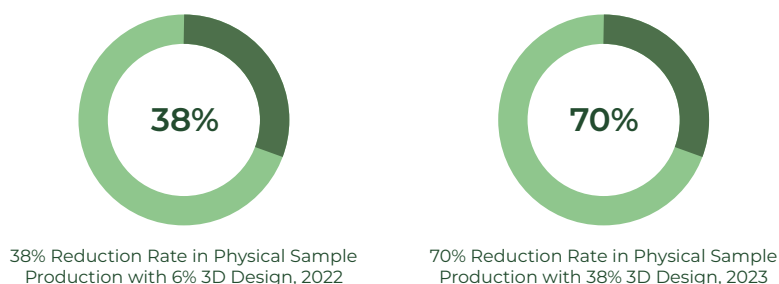
We are continually improving our practices to increase the use of low-carbon products in our material choices. In 2023, 63% of our products will be made from sustainable raw materials.



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



In 2023, we increased the designs we presented in the digital environment by approximately 6 times compared to 2022 and achieved 38%. Among these designs, we finalised the models selected by our customers in the digital environment and produced physical samples, thus reducing the physical sample production in this product group by 70%.



Ekoten's Design Approach

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

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

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

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



ENVIRONMENTAL SUSTAINABILITY



Our Environmental Sustainability Approach

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

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

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



Sun Tekstil Environmental Sustainability Roadmap

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

Sun Tekstil Environmental Sustainability Approach

In December 2023, we received our ISO 14001 Environmental Management System certificate for our Sun Tekstil Manisa factory. We also renewed our ISO 14001 Environmental Management System certificate covering our Sun Tekstil Torbalı headquarters factory and offices.

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

In 2023, we organized interactive waste separation training for our employees and raised awareness on waste separation through video shares in the "Sustainable Information" series.

We increased the ratio of suppliers registered on the Higg FEM Platform from 31% in 2022 to 53% in 2023.

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

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

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

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

In 2022, we were among the sponsors and steering committee members of the "Forest Ecosystems and Catchment Area Management Report in Combating Climate Crisis in Türkiye", a multi-stakeholder study conducted by the Nature Conservation Centre under the leadership and coordination of TÜSİAD. The report was launched in May 2023.

You can access the Report on Forest Ecosystems and Catchment Area Management in Combating Climate Crisis in Türkiye by clicking on the link.

Ekoten Environmental Sustainability Approach

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

Greenhouse Gas Emission Management

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

In 2023, as in 2022, we were rated at the Leadership level in the CDP Climate Change category with an A- score, and with an "A-" score, we were ranked one level above the global textile industry with an average score of "B". In addition, in the same year, we received an "A/Leadership" score within the scope of the "CDP Supplier Engagement Rating (SER)", which evaluates a company's ability to cooperate with its supply chain in combating climate change, and we were included in the CDP SER Global Leaders List for three consecutive years!



A- Ekoten CDP Climate Change Score



B Textile Sector World Average



C All Sectors World Average

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

In 2023, we set our science-based emissions reduction targets and submitted them to the Science Based Targets Initiative (SBTi) platform for assessment and verification.

Energy Management

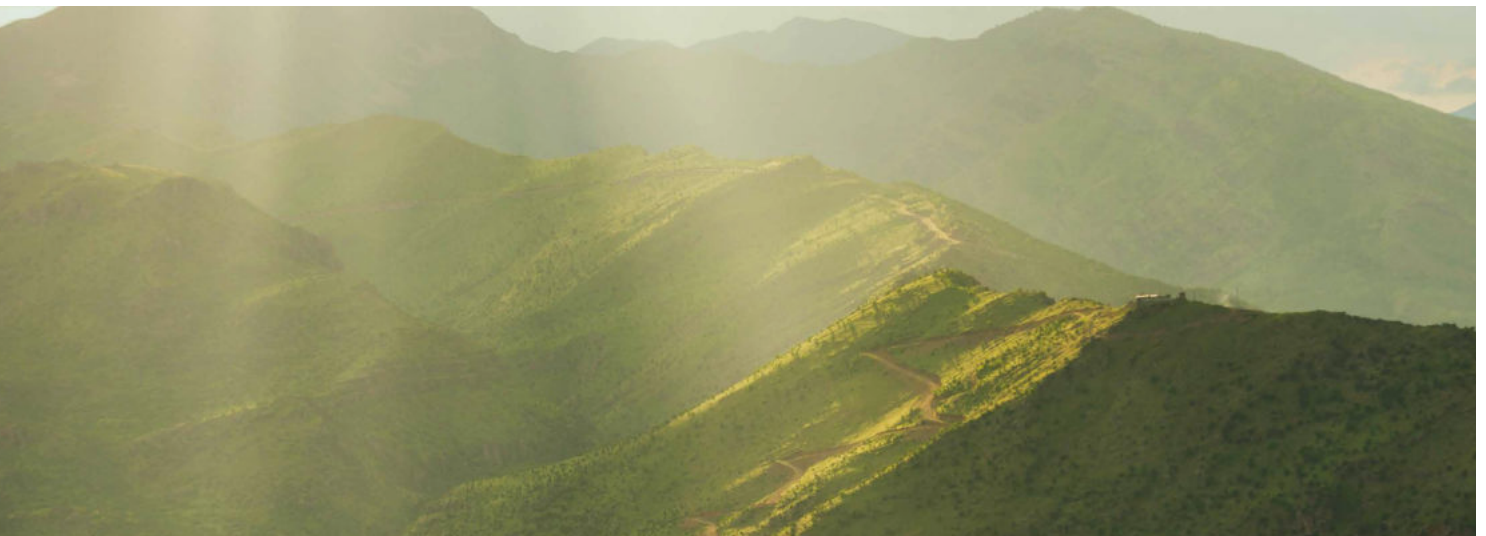
We carry out all our energy management activities within the framework of ISO 50001 Energy Management System. In 2023, we achieved 19% greenhouse gas emission reduction by starting to use biofuels for energy generation.

Renewable Energy Generation by the Solar Power Plant

-With the investments we have made in line with the capacity increase in 2018, according to our consumption data for 2023, we almost meet 40% of the annual electricity needs of our knitting factory constructed in Torbalı (Izmir) by the 1.200 kWh solar power plant in our facility. Our SPP system has been generating almost 1.200.000 kWh of electricity annually since 2019. Thus, we reduced our annual greenhouse gas emissions by about 690 tons of CO₂e.

Use of Renewable Energy

We balanced our mains electricity consumption in 2020 and 2023 by using 100% renewable energy sources with an I-REC certificate. As Ekoten, we are committed to offset all our grid electricity use with I-REC certification by 2030.



Water Management

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

Chemical Management

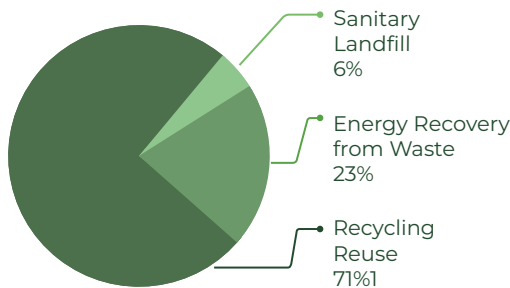
We realized 13% of our production in 2022 and 8,2% of it in 2023 using the Cold Pad Batch method and reduced the environmental loads of our products in this group due to the dyeing processes.

Zero Waste Management

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

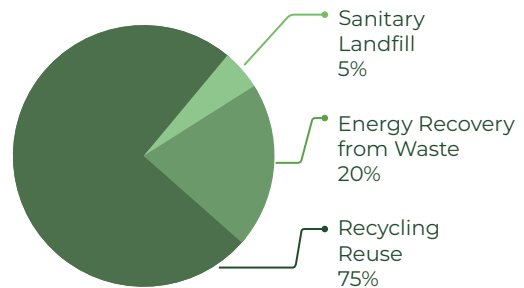
Hierarchy Breakdown of Our Waste Management

2022 Waste Hierarchy Total
Amount of Waste: 4.873 tons



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

2023 Waste Hierarchy Total
Amount of Waste: 5.585 tons



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

DIGITALIZATION AND
INNOVATIVE TECHNOLOGIES

10

Our Digital Transformation Strategy

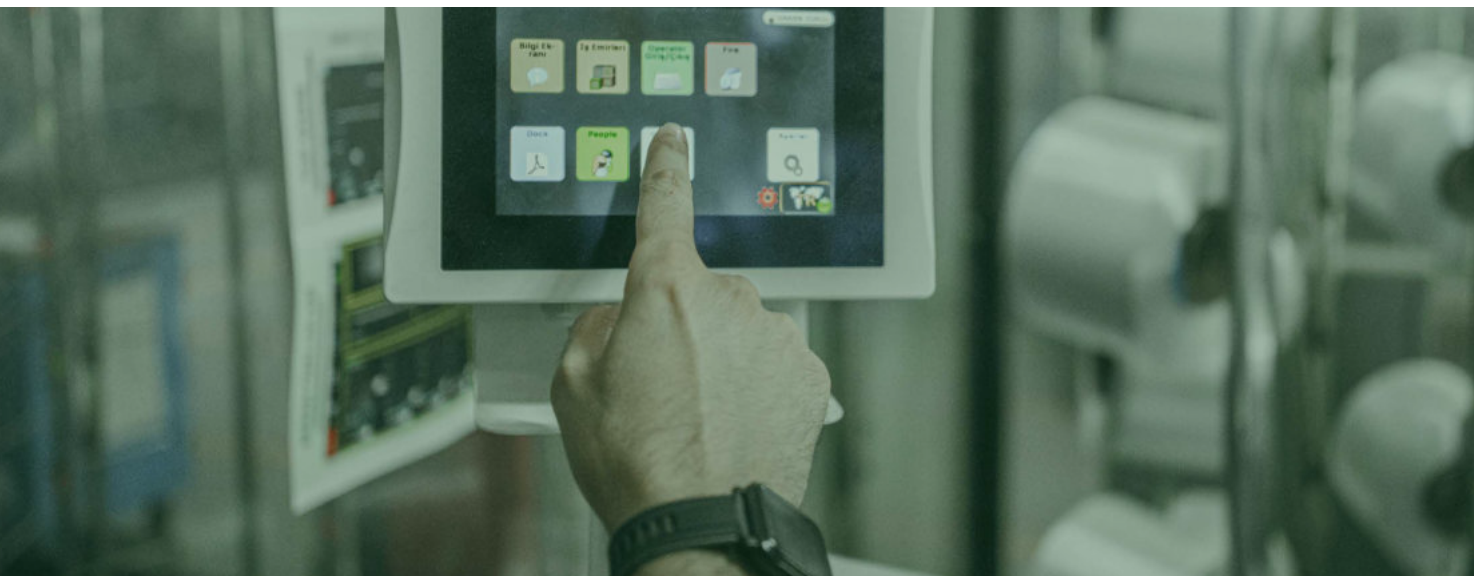
We carry out our digitalization and sustainable technologies management under the leadership of our Software Development and System Department and Technical Support Department, which serve all companies in our group, as well as our Business Analysis Department and Operational Excellence Department, which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

Software Development Department: To most effectively manage our digital transformation processes in the areas we need, we manage our software strategies under four headings; SAP software development, non-SAP software development, low-code development platforms, and robotics process automation (RPA).

Systems and Technical Support Department: Our team ensures the sustainability of our company's hardware, systems and network infrastructure and provides services to all departments.

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

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



Software Development Activities

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

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

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

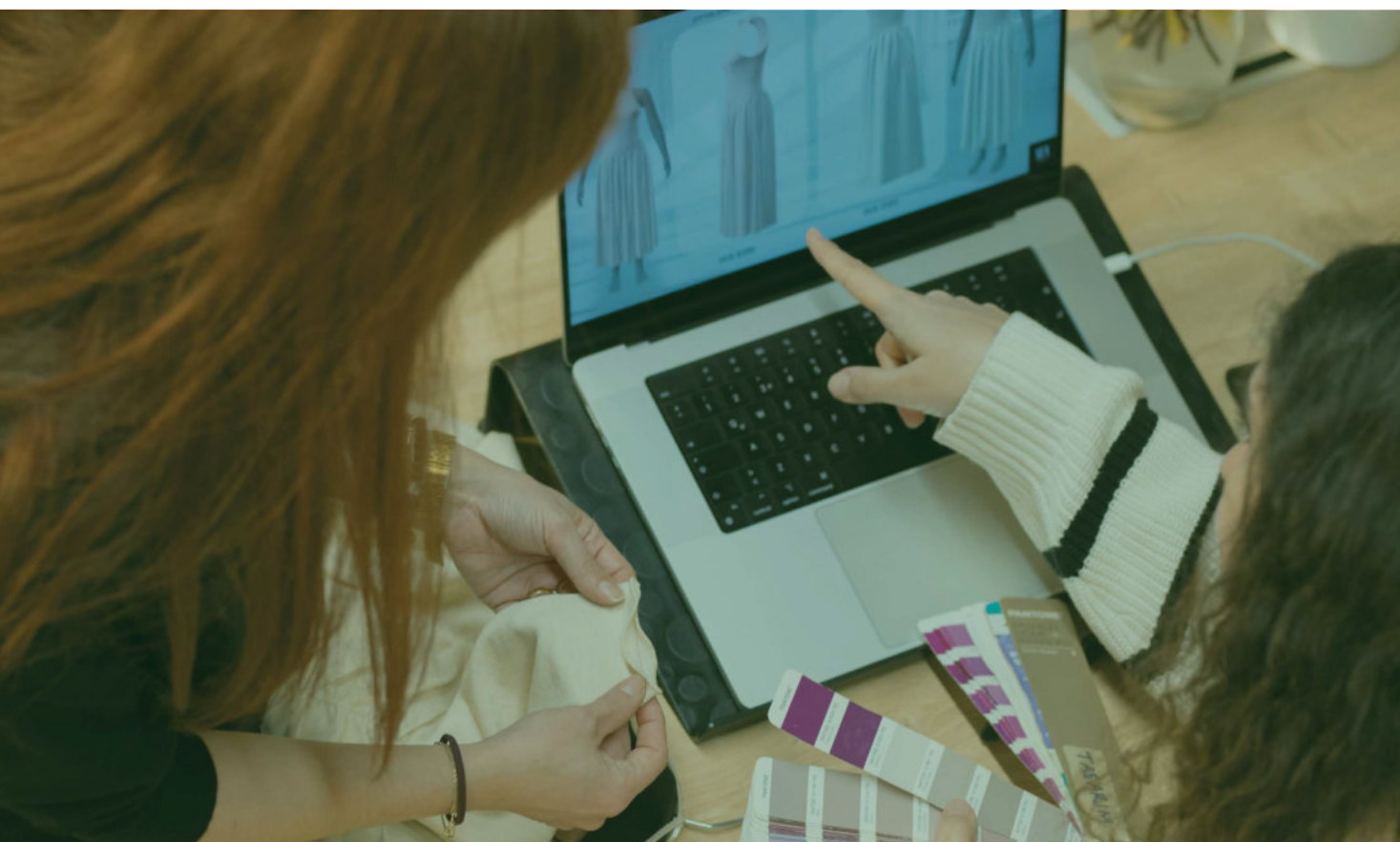
With the use of RPA in our repetitive business processes, we aim to use human resources more effectively and reduce systematic data entry errors. In this context, we reviewed our processes where we can apply RPA in 2023 and determined our priority issue as the provision of data entries in our customer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



Digitalization in Design Processes

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

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



Sun Tekstil Digitalization Approach

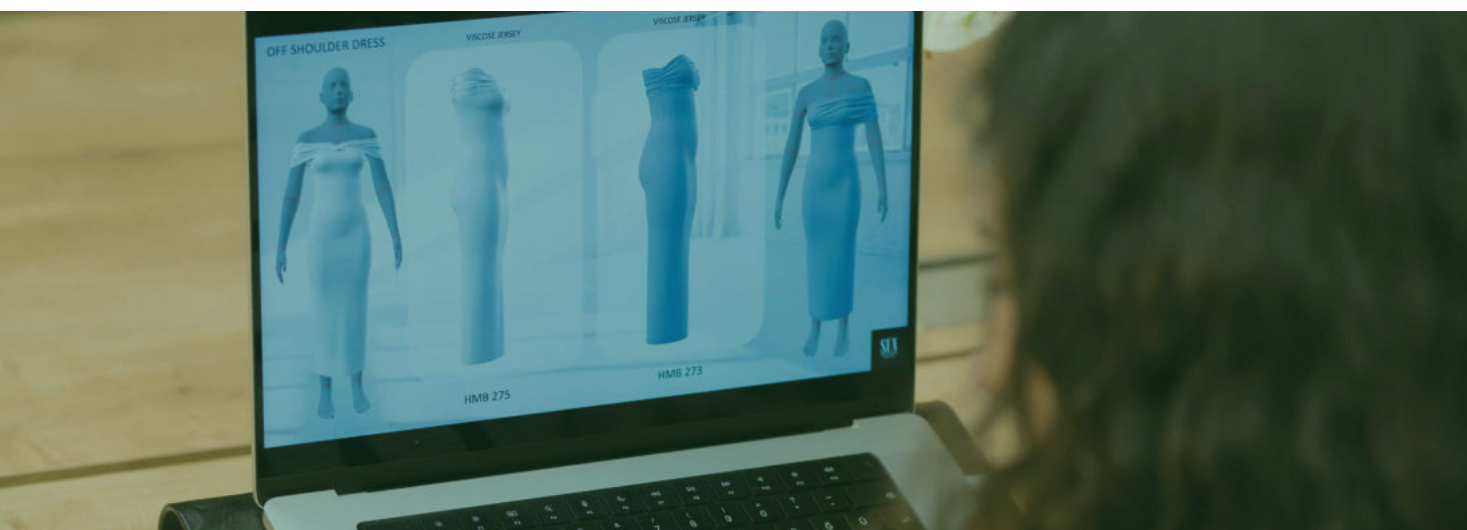
As Sun Tekstil, we carry out strategic studies on digitalization of processes in our Design, Production, Supply Management, HR and Process Improvement Departments in order to achieve our main goals of increasing digital maturity levels and digital culture formation.

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

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

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

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



Ekoten Digitalization Approach

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

We are creating Türkiye's first three-dimensional fabric library by pioneering innovative and sustainable textile solutions and thus we consume less natural resources. Thanks to our new technology, which aims to significantly improve our fabric production, we detect fabric defects in real time with an artificial intelligence database and increase our resource efficiency.

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

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

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

We launched our Ekoten Knitting Mobile Application, which we developed in 2022, with its latest version in 2023. We carried out usage tests and performance analyses of Ekoten Knitting Plant Automation New Type Smart Wristbands.

We increased the number of machines with Artificial Intelligence Based Knitting Quality Control System to 24.

In the analyses conducted in 2023, 1443 stops were made for error prevention in 17 knitting machines with a quality control system operating with artificial intelligence-based image processing technology. Thus, we prevented 770 hours of faulty production and saved € 92,352 by preventing 15392 kg of faulty fabric production. We also prevented the environmental impact of 1,723,904 litres of water consumption, 138,528 kWh electricity consumption and 34,493 kg CO₂e emissions. In 2023, 39 knitting operators and 5 lean leaders received theoretical and practical training on the use and improvement of the system and artificial intelligence for 14 days. Our colleagues, who developed new competencies in the field of information technologies, contributed to the development of a qualified workforce.

Ekoten Digitalization Approach

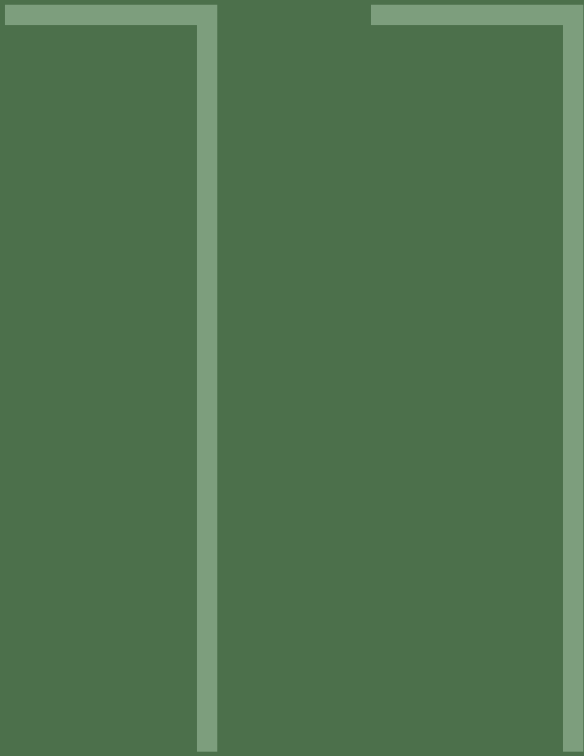
In 2023, we completed the integrated web service work with the human resources application used in the enterprise. With this work, we ensured that all employee information is transferred to MES systems up to date.

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

In 2023, we met at ITMA (Textile & Garment Technology Exhibition) and started the field trial process within the scope of cooperation with a company that performs artificial intelligence-supported quality control on the fabric surface, a device that performs global standard colour measurement and fabric ground control to be used in textile quality control processes.



SUPPLY CHAIN MANAGEMENT



Sustainable Supply Chain Management

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

Sun Tekstil Sustainable Supply Chain Management

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

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



Ekoten Supply Chain Management System

As part of our European Green Deal compliance strategies, we launched our Sustainable Supply Chain Meetings programme in the second half of 2021. In 2023, we continued our programme with the "Water and Energy Management" session in line with the areas where we identified the need for development.

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



Acknowledgment

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

Details

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