

Penti

INTEGRATED REPORT



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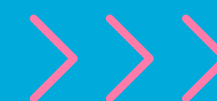
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01

ABOUT US

We continue our journey, which started in 1950, as one of the 3 largest manufacturers in Europe. With our 86 million pairs of production capacity, we manage our value chain spanning 74 countries under the roof of sustainable production.



ABOUT THE REPORT

Creating shared value is fundamental to how we do business at Penti. We are happy to present our performance in economic, environmental and social areas and our value creation model transparently to our valuable stakeholders by combining our Integrated Report with Sustainability Report which is published for the second consecutive year. We have prepared our Integrated Report in line with the International Integrated Reporting Council (IIRC) Integrated Reporting Framework. In this report, we proudly share our value creation which aligned with the UN Sustainable Development Goals (UN SDGs) and created by taking Global Reporting Initiative (GRI) standards into account with our valuable stakeholders.

To ensure our sustainability efforts keep up with a changing world, we continue our journey of value creation without slowing down and bringing new projects to life.

This report is prepared by Penti Çorap San. ve Tic. A.Ş and it is the very first Integrated Report covering value creation and sustainability performance covering the period between 1 January 2019 and 31 December 2019 fiscal and calendar year. This report, which is prepared in accordance with the principles of sustainability also includes Penti Çorap performance values. The topics of the report are determined according to stakeholder dialogues and materiality analysis. We would like to thank our stakeholders for their contribution to our work.

This report covers all of the activities of Penti Çorap subsidiaries, sales offices and production facilities in Turkey and abroad. Our contributions to the 17 Sustainable Development Goals determined by the United Nations are separately specified and presented as an index at the end of the report.



Chairman's Message



Beyond seeing growth only as an economic concept expressed in numbers, we take into account the economic, environmental, and social impacts of our activities, and we determine our values and strategies in line with our dream of a better future for our world and our people.

Dear Stakeholders,

As Penti, we achieved great success with the leg-wear store concept in the retail industry, where we took the first steps in 1999 as hosiery manufacturer. With this new business model, we have also made attempts in different product categories such as beachwear, lingerie, and home-wear. Today, we maintain our leadership position in these markets. We are proud to be the industry leader in the hosiery sector and we are among the top 3 manufacturers in Europe. We have achieved this leadership position by always following the global trends.

We need to address the present while keeping an eye on what is important down the track with an eye on mid and long term. From everything we have experienced past year, we keep on creating and adding value to Turkey's economy.

As Penti, we are striving to meet the objectives of the Paris Agreement to manage climate in the context of sustainable development and the United Nations Sustainable Development Goals that guide global actions to address social and environmental issues.

Today, our company continues its operations in 35 countries with a total of 577 stores with the target of sustainable growth for a sustainable future. In 2019, we have shown significant growth to our reach. We ranked up from 334 to 259 in the list of Turkey's the second top 500 Industrial Enterprises. Beyond seeing growth only as an economic concept expressed in numbers, we take into account the economic, environmental, and social impacts of our activities, and we determine our values and strategies in line with our dream of a better future for our world and our people.

Chairman's Message

While expanding, we have also brought a sustainability perspective to our business plans. We plan to continue our production and investments in line with the sustainability criteria, the expectations of our stakeholders and the contributions we can provide with UN SDGs.

In 2019, we decided to continue our report which we published for the first time in 2018, and shared our sustainability journey with you, with the perspective of "Integrated Reporting". In this context, we aim to make more efficient reports by adding a more holistic approach to our sustainability reports.

I would like to thank you, our precious stakeholders for your contribution and continuous support that helps us to be an important player locally and globally, and I am delighted to introduce this year's sustainability report. Our commitment to sustainable business practice remains as strong as ever - acting in line with our values, behaving as a responsible corporate citizen, and aligning our goals with wider national, regional, and international sustainable development ambitions.

Sincerely,

Sami KARIYO

CEO's Message



We believe that sustainable textile means producing garments with consideration of the environmental and social impact that they will have throughout its total life cycle.

Dear Stakeholders,

As we approach the 70th anniversary of Penti in 2021, we look ahead with a heightened sense of urgency and conviction that we must challenge ourselves, think bigger and do much more in partnership with others to take care of the planet we share.

At Penti Çorap, we recognise that sustainable textile is an important area with many interpretations. Some believe it can be defined by a no-waste, others by the use of organic or certified materials or a reduced carbon print production process. Others believe it is about a fair and humane treatment of manufacturers and a clear supply chain, or even recycling. For us, it is all of the above. We believe that sustainable textile means producing garments with consideration of the environmental and social impact that they will have throughout its total life cycle.

At Penti Çorap, we live our mission of improving our brand through continuous innovation to be one of the biggest players in the industry with our ethical, fair and responsible textile insights. Today, we produce 86 million pairs of hosiery a year in our energy-efficient, high-tech manufacturing facility that is capable of manufacturing to international standards. With our production capacity, we are among the 3 largest producers in Europe

As CEO, I am joined by a leadership team privileged to steward our company into the future, staying true to this enduring mission, sharing success with our partners and leading with environmental consciousness.

It was 2018, when we first created our corporate sustainability report according to GRI Standards, since then we aim to communicate our sustainability perspective to you, our valuable stakeholders.

CEO's Message

Today, we maintain the characteristics of being Turkey's most recognized and loved female brand in fashion industry. We continue building a great business that scales for good, focus on eco-friendly initiatives and making sustainable decisions. We know that sustainability takes commitment, investment, innovation, partnership and, time. As a brand that is aware of the effects of climate change, we continue to improve ourselves with sustainable textile insights. In order not to compromise our quality, we carry out our own internal audits by obtaining international auditor certificates.

Through our R&D works we aim to reduce the number of chemicals used in production. We exercise responsible purchasing procedures for managing the impact of our supply chain within the scope of the fight against climate change. In order to reduce our consumption of natural resources in our water and energy needs, we use rainwater collection systems and also solar energy panels in our premises. We also aim to decrease the environmental impact of our products by using FSC-certificated packaging, recycled nylon, and recycled polyester.

We continue to accelerate our actions to further our global commitment to sustainability and we are proud to present Integrated Report to you our valuable stakeholders.

Sincerely,
Ercan ÖZTÜRK

COO's Message



From an operational perspective, sustainability is complex and at times difficult, so we are particularly proud when our actions as Penti Çorap that brings us economic, social and environmental gains.

Dear Stakeholders,

As Penti Çorap, we are known for creating fashion trends in the industry and we have been working on the most important trend yet: "sustainability".

With acceleration, customers want to have a positive impact on the environment. Researches all around the world show that consumers want brands to help them to be more environmental- friendly. Yet, the textile industry is responsible for a significant percentage of water pollution and carbon emission.

As Chief Operating Officer of the company, I am inspired on a daily basis to turn this vision into action. From an operational perspective, sustainability is complex and at times difficult, so we are particularly proud when our actions as Penti Çorap that brings us economic, social and environmental gains.

Being a company with a total of 386 stores across Turkey, 191 stores in 35 different countries and have exports to 74 countries comes with great responsibilities. We take sustainability efforts for real. We're committed to challenge ourselves consistently to make a positive difference in all the countries we operate. As a globally known brand, we recognize our responsibility to educate our global community of customers and employees on how to make mindful choices in their own lives. There is still work to be done, but we are thrilled to act together and work toward a better future.

During the reporting year, we continued our projects without slowing down. We started our activities in our R&D Center which are approved by the Ministry of Industry and Technology. We have been awarded with the title of "Baby Friendly Supporting Organization". We have created employment opportunities for our trainees with our training activities. Thus, we continued to enrich 6 main capital titles offered by the integrated reporting framework including our financial, manufactured, intellectual, human, social / communication, and natural capital types.

COO's Message

As COO, I appreciate the daily challenges of turning a sustainability vision into a reality. I take great pride in being a part of a company that very much cares about the environment. Penti Çorap is one of the first brands in Turkey that started to manufacture hosiery using recycled fibres and accelerated its hosiery production using recycled nylon during the last 5 years. We have also achieved the sample hosiery production using polyester yarn produced from recycled plastic bottles. In the future, we will continue focusing on creating less environmental impacts and contributing to improvements in all over the health and well-being of the communities.

We remain in compliance with "Eco-Factory" status from M&S and ISO quality management systems; OEKO-TEX, SEDEX, BSCI certificates, and environmental norms such as REACH, Blue Sign and ZDHC. In this period, in which we have to face climate change, we are aware of not only economic growth but also of our environmental and social responsibilities, and as Penti Çorap, we are ready to do our part as best we can. It is among our targets to render our contribution to climate change measurable, not only through our impact by our operations but also by our supply and value chain.

This year, we are happy to share our activities regarding sustainability also the non-financial risks and the values we create with our resources along with the Integrated Reporting approach.

With no further ado we present our Integrated Report with our dear stakeholders.

Sincerely,

Mehmet KARACALI

ABOUT US

36,877,041

Domestic sales volume
with Penti brand

5,335,082

Overseas sales volume
with Penti brand

22,434,405

Private label sales volume

Our brand story has started with two separate companies founded by two brothers Mois and Yasef Kariyo in 1950. It has then united under the roof of Penti. Under Penti umbrella, we manage our operations that includes production, design, wholesale and retail sales of hosiery, underwear and textile products, and also the activities that are related to administration, foreign trade and customs clearance.

It was 1970 when we first established our production facility in İstanbul with the name of "Öğretmen Çorap". When we came to 80s, we focused on the needs of urban women and produced a wide range of the best quality products in different colors, patterns and variety. In 1984, we completed our branding process and that year "Penti" was born. We have constantly created new job opportunities and brought added value to our country's economy. It was 1994, when we have opened the doors of our production facility in Çorlu, Turkey. Since then, we continued growing. We have reached to the capacity of 86 million pair of hosiery a year in our factory. We strengthened our brand image with our partnership with the Carlyle Group, when we joined forces in 2012.

Since 1999, we manufacture all of our products under the roof of Penti and reach consumers all around the world through our chain stores. In 2019, we have increased the number of our stores to 386 Turkey alone. We have also expanded our footprint abroad with 191 stores in 35 countries. Apart from that, we continue increasing our reach by delivering our products in many countries such as England, New Zealand and Mexico with a private label. This year, we have achieved 36,877,041 domestic sales volume with Penti brand, whereas our overseas sales volume has reached 5,335,082 and private label sales number was up to 22,434,405. In addition, the turnover for the reporting year is 300,085,549 ₺.



With our production capacity and operational power, **we stand as one of the top 3 manufacturers in Europe in the industry.**

In Turkey alone, we maintain our leadership position with a market share above 40% as we continuously grow and improve.



Milestones

- ▶ **1950** We were established as two separate companies
- ▶ **1984** The name "Penti" was registered
- ▶ **1994** The manufacturing plant in Çorlu was established
- ▶ **1995** The first slim-look stocking was produced
- ▶ **1999** The first Penti chain store was opened in Istanbul
- ▶ **2006** We ranked among the top 1000 large industrial enterprises of Turkey
- ▶ **2006** BSCI: Social Compliance Standard was obtained
- ▶ **2006** We joined SEDEX: Supplier Ethical Data Exchange
- ▶ **2008** Standard 100 by OEKO-TEX® certification received
- ▶ **2011** We received the "Award for Support to the Domestic Violence Helpline"
- ▶ **2011** "We received the Energy Efficiency Application Project Special Award"
- ▶ **2012** ISO/IEC 27001 Information Security Management System Certificate was received
- ▶ **2012** We became partners with Carlyle Group
- ▶ **2012** M&S Eco-Factory Standard Certificate was received
- ▶ **2013** We began to make use of solar energy
- ▶ **2013** We made our first paint machine with Penti brand.
- ▶ **2014** TURQUALITY Certificate was received
- ▶ **2015** TPM kick-off
- ▶ **2016** We became the "2nd in InovaLIG Innovation Life Cycle Category"
- ▶ **2016** We made our first boarding machine with Penti brand.
- ▶ **2017** ISO 9001 Quality Management System Certificate was received
- ▶ **2018** We received the Authorized Economic Operator Certificate (YYS) from T.C Ministry of Commerce
- ▶ **2018** ISO 14001 Environmental Management System Certificate was received
- ▶ **2018** ISO 13485 Medical Devices Quality Management Systems

Achievements in 2019

R&D Center

We obtained the R&D Center document approved by the Ministry of Industry and Technology

B

We received a BSCI rating of "B" (higher than our previous rating)

Baby Friendly

We received the title "Baby Friendly Supportive Business"

51% New Job Opportunities

We created new job opportunities by employing 51% of our course attendees

334 → **259**

We ranked 259th among the ISO Second Top 500 Industrial Enterprises

Certificates

We develop practices and projects to improve our product quality and value creation model. **We have third-party institutions audit our existing practices and obtain relevant certificates in order to present our output to our stakeholders transparently.** In accordance with our management policy, we apply for relevant certification concerning our projects and go through comprehensive audits, through which we aim at achieving a manufacturing policy constantly creating value.

Laboratory Accreditation Certificates

We periodically renew our accreditation certificates documenting that our laboratory procedures are carried out in accordance with the standards. Experiments for physical and color tests are conducted by our related staff using internationally specified test methods.



BSCI

With the BSCI Social Compliance Standard, we are improving our work environment as a member of a global cooperation adopting a sustainable manufacturing approach. Our many social compliance policies such as those concerning working hours, work compensations, prevention of child labor, freedom of union membership and environmental safety have been inspected and approved by impartial organizations within the scope of the standard. At the end of the reporting period, we managed to receive a BSCI rating of B, higher than our previous rating.



Sedex

We are reinforcing the ethical and fair competition policy we pursue in our value chain through the SEDEX platform. During the SEDEX audits, criteria such as working conditions, employee rights and freedoms, product and production line compliance are regularly being inspected.



ISO 9001, ISO 14001 and ISO 27001

Our integrated management system complies with the international norms set in the ISO standard series of ISO 9001 – Quality Management System, ISO 14001 – Environmental Management System and ISO 27001 – Information Security Management System.



13485:2016

ISO 13485:2016 – Medical Devices Quality Management System

This standard with specific conditions for medical devices enables us to meet existing legal obligations, ensure customer satisfaction and increase our internal efficiency. With the certificate we have provided for functional support hosiery within the scope of ISO 13485 Medical Devices Quality Management System, we are pleased to present to our stakeholders that our design, production and sales steps are carried out in accordance with customer health.

Brand-specific Certificates

We are extending our network through the brand-specific certificates obtained upon the demand of the brands in our value chain. We work in interaction with brands such as Lindex, Marks&Spencer, Primark, Tesco, H&M go through audits, at the end of which we are entitled to certificates.

M&S Quality Management System Auditor

We pass through periodical audits of brands that we are suppliers of, and we regularly improve our system. We obtained the M&S Quality Management System Auditor certificate upon staff training aimed at the internalization of auditing criteria and the management of our internal audits.



OEKO-TEX Certificate

We prioritize the quality of our products in terms of human health and our STANDARD 100 by OEKO-TEX® certificate internationally proves our efforts. We guarantee that no hazardous raw material listed among the standard criteria is used in our products. Our stakeholders can easily access detailed information about the certificate through the label on our products.

02

CORPORATE PROFILE

We strengthen our leadership position in our areas of operation, and maintain our presence at international markets, on our way to becoming a global brand. We endeavor to be a source of trust, admiration and happiness for our customers through our desire to make a difference and our passion to offer service.



CORPORATE PROFILE

We are among the **top 3 producers of Europe** with our production capacity of **86 million pairs of hosiery in 2019**. We are still the leader in Turkey with our **market share over 40%**. With our **70 years of experience** and know-how, we are glad to receive the intense interest of our customers. With a **brand recognition of 99.6%** and a **brand loyalty of 78%** revealed through feedback, we maintain our manufacturing activities with the same enthusiasm we had at the beginning of our business. We present our products under Penti brand in our **577 stores in total (386 in Turkey, and 191 abroad) in 35 countries**. In addition, with our private label manufacturing, we reach many parts of the world, from Mexico to Vietnam.

To achieve continuity in our sensitive and high-quality manufacturing activities, we attach utmost importance to the policies and procedures defined in our corporate structure. In line with this, we continuously review and improve our quality, information security, breast-feeding, metal and social compliance policies. Through audits by third-parties, we try to improve ourselves in areas pointed out by outsiders. We have certified our responsible approach to manufacturing with certificates and documents such as **ISO 9001, ISO 14001, ISO 13485, ISO 27001, SEDEX, BSCI, OEKO-TEX® and Eco-factory**

86 MILLION
PAIRS OF HOSIERY

TOP 3
PRODUCERS IN EUROPE

40%
MARKET SHARE

Quality Policy

We maintain the quality of our products at the highest level

Breast-feeding Policy

We support breast-feeding as the main infant nutrition policy, offer training to our working mothers and provide them flexibility as required

Social Compliance Policy

We prevent all anti-compliance approaches such as discrimination and forced labor and we care about our employees

Information Security Policy

We ensure the security of our customers and our information assets

Metal Policy

To protect the health of our customers, we have banned the in-house use of all metal components

Corporate Profile

Considering the fact that resources in the world are limited, we have adopted a sustainable manufacturing approach. In our company, at every level of our corporate governance structure, sustainability is at the core. We develop projects on the three pillars of sustainability, namely economy, environment and social issues and aim at leaving future generations a world where human rights and environment are valued more.



Our Mission and Corporate Philosophy

With our customized products and services, we enrich and facilitate women's lives, offering them experiences that make them feel special. Going beyond expectations, we aim to give our customers extraordinary satisfaction. We endeavor to be a source of trust, admiration and happiness for our customers through our desire to make a difference and our passion to offer service



Our Vision and Business Principles

We strengthen our leadership position in our areas of operation, and maintain our presence at international markets, on our way to becoming a global brand. Being the supplier of many worldwide prestigious brands and one of the top three hosiery manufacturers in Europe assures our universal quality, which offers us a position we try to retain and consolidate. We strive to be a leader in all our major product groups as well as maintaining our leadership position in "Hosiery" products.

POWER

We create opportunities for women to gain power in every area in the society

CONFIDENCE

We hold our customers in the focus of all our organization and processes

COOPERATION

We enjoy what we do, accomplish our goals through collaboration and team work

COURAGE

We encourage taking initiative, clear the way for in-house entrepreneurship

COMPETITION

Our power for leadership and competition comes from continuous improvement

Governance Structure and Risk Management








We address issues concerning value creation at the level of Board of Directors within an integrated management system. Environmental, social and economic risks are regularly assessed through our Sustainability Committee and reported to our Board of Directors. Our Board of Directors, the top decision-maker for all the strategies and goals, reviews the reports submitted by our Sustainability Committee to our CEO and determines the company's goals and strategies accordingly. The Sustainability Committee comprises of the CEO, COO, System Process Development and IT Director, Factory Production Director and System Process Development Manager.

- Chairman and Board Members** Setting out strategies, assessing risks and opportunities, and managing sustainability-related risks
- Risk Committee** Assessing risks and opportunities
- Sustainability Committee** Managing sustainability- related risks and opportunities

To assess the risks regarding Sustainability and Climate Change, we define our long-term risks and opportunities for a period of at least 5 years. Medium- and long-term goals, analysis of the current situation and management processes such as performance criteria are monitored by our Risk Management Procedure and Sustainability Committee.



The risks and management mechanisms we consider in our risk assessments regarding Climate Change:

Risk Type	Risk Definition	Risk Management
 <p>Current Regulations</p>	We are subject to "The Regulation on the Monitoring of Greenhouse Gas Emissions"	It is not considered a medium-term risk as our installed power is under 20 MW.
 <p>Future Regulations</p>	Turkey signed the Paris Agreement on 22.04.2016. Turkey's goal is to ensure a decrease of up to 21% in greenhouse gas emissions by 2030.	Although Turkey has signed the Paris Agreement and announced commitment to it, it has not yet allocated sector-based emissions. Our Board of Directors expects an Emission Trade System to be established in Turkey within a 5-year time period.
 <p>Technology</p>	We observe that our company may be affected by technological developments and transition to a low-carbon economy.	We put into practice projects on energy efficiency and ideas aimed at increasing efficiency
 <p>Legal Obligations</p>	The possible implementation of "Carbon Tax" or "Emission Trade System" program in Turkey will bring about changes in energy input for Penti Çorap.	Legal risks in Turkey may lead to an increase in carbon prices, and accordingly in product prices. To cope with the effects of climate change, we develop strategies to adapt to climate change, focusing on flexibility not only in the company but also with our suppliers and service providers.
 <p>Market Requirements</p>	Our customers' expectation of low carbon or zero-carbon products constitutes our major market risk. There will be increase in manufacturing costs owing to other financial effects of the market risks and changing input prices.	The Sustainability Committee carries out impact assessment for the new market tendencies to evaluate the financial results. Customer and supply chain management strategies are developed to see the new expectations.
 <p>Reputation</p>	In Penti Çorap, changes in consumer preferences, increasing stakeholder concerns or negative stakeholder feedback are considered reputational risks.	During the impact assessment of the new market tendencies to evaluate the financial markets, investor relationships and customer relationships of Penti Çorap are continuously monitored.
 <p>Supply Chain</p>	We predict that our customers will start to request information on the environmental impacts of our products during the processes of raw material procurement, intermediate product manufacturing and shipment, as required by the principle of transparency.	A serious water shortage is expected in raw material procurement, particularly in the textile sector, in 2050s when the effects of the climate change will start to be more clearly seen. This in turn might cause increase in raw material prices, and serious troubles regarding turnovers and market share for Penti Çorap. For this reason, in Penti Çorap, we recycle and reuse water to reduce water consumption in washing baths, and we aim to reduce the number of chemicals used by 50%.





03

VALUE CREATION MODEL

We continued to enrich 6 main capital titles offered by the integrated reporting framework including our financial, manufactured, intellectual, human, social / communication, and natural capital types. We aim to maintain the leader position in the sector via our value creation model.



VALUE CREATION MODEL

-  Financial Capital
-  Manufactured Capital
-  Intellectual Capital
-  Human Capital
-  Social and Relationship Capital
-  Natural Capital

ENVIRONMENTAL
SOCIAL
ECONOMIC



35
Country

577
Stores

694 Employment opportunities in total

86 Million manufacturing capacity of hosiery

70 Years of experience

Among top **3** in Europe

36,877,041
The number of domestic sales under Penti Brand

5,355,082
Number of international sales under Penti Brand

22,434,405
The number of exported Private Labels

60% Female employment ratio

Baby-friendly Business

259. Among the ISO Second Top 500 Industrial Enterprises

5 GENDER EQUALITY	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	13 CLIMATE ACTION
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Our Capital Types



Financial Capital

The value-added products we manufacture constitute our financial capital. As in the previous years, with a turnover of 300,085,549 ₺ within the reporting year, we were among the ISO Second Top 500 Industrial Enterprises.



Manufactured Capital

We have reached to the capacity of 86 million pair of hosiery a year in our factory. As we manufacture in full capacity, we continue leading the sector and generating innovative ideas through our ministry-approved R&D center.



Intellectual Capital

We continue sharing and expanding our intellectual experience. In 2019, with a budget of 2.5 million ₺, we carried out 14 projects with the 47 employees in our R&D center and applied for patents for 2 products. Upon our market analysis, we develop new ideas and put them into practice together. We applied to TÜBİTAK for a product.



Human Capital

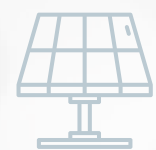
We organize trainings to improve the quality and competence of our employees. We offered 17,579 hours of training to our employees in 2019, with an 85% increase from the year 2018. In the reporting year, the number of training hours per person was 25.3. Furthermore, we offered 1,238 hours of OHS training.

Our analysis of employee satisfaction with the model "Great Place to Work" revealed a satisfaction rate of 73%, which is a result above the average in Turkey.



Social and Relationship Capital

We employed 51% of our trainees within the scope of the "Vocational Education and Skills Development Cooperation Protocol" between İŞKUR & TOBB and provided them with new job opportunities. Continuing the prioritization analysis we started last year, we decided on the subject headings of our Integrated Report together with our stakeholders. We are engaged in activities towards a sustainable work model in consideration of the results of our survey that had a high participation rate.



Natural Capital

With the solar panels we put into use in 2013, we are still oriented towards renewable energy. In the year 2019, we minimized our harm to environment by meeting our need for 12,230 kWh of electric power from the Sun, a renewable energy source. We aim reductions with our other energy efficiency projects we have developed. Besides, with our integrated water, wastewater and waste management, we keep our impact on environment and nature under control.

04

STAKEHOLDER ENGAGEMENT

We have grouped our stakeholders as internal and external stakeholders. While our internal stakeholders consist of employees and company management, our external stakeholders are non-governmental organizations, public institutions, certification organizations, the society, suppliers, customers, shareholders and investors.



STAKEHOLDER ENGAGEMENT

We define the groups that may have impact on our manufacturing process or may be impacted by the processes as our stakeholders. We work in collaboration with all our stakeholders during our journey towards value creation. **Our communication with our stakeholders continues transparently through different means of communication. We have grouped our stakeholders as internal and external stakeholders.** While our internal stakeholders consist of employees and company management, our external stakeholders are non-governmental organizations, public institutions, certification organizations, the society, suppliers, customers, shareholders and investors.

We communicate with our stakeholders periodically, which enables us to be informed of the concerns, suggestions and expectations of every single stakeholder. Throughout the reporting period, we conducted surveys with our stakeholders in order to determine what sustainability-related topics should be prioritized. The topics chosen in line with the priorities of our customers and company are presented in our Integrated Report.

STAKEHOLDERS	COMMUNICATION PLATFORM	FREQUENCY OF COMMUNICATION
Customers	Meetings, e-mail, Telephone, Text	Instant
Suppliers	Meetings, e-mail, Telephone, Text	Instant
Government Organizations	Conferences, projects, face-to-face meetings	Monthly
Society	Workshops, projects	Regularly
Certification Organizations	Audits, face-to-face meetings	Regularly
Non-governmental Organizations	Workshops, projects	Regularly
Employees	Surveys, trainings	Instant
Company Management	Regular management meetings	Instant
Shareholders and Investors	Meetings, PDP (Public Disclosure Platform) notifications, Operating Reports	Regularly

Memberships in Associations

Valuing collective development, we care about being in contact with our stakeholders in the sector. Through our membership to various associations in the sector, we closely follow the sectoral approaches and tendencies. We are a member of the following associations:

- Çorlu Chamber of Commerce and Industry
- Istanbul Chamber of Commerce
- Istanbul Chamber of Industry
- Turkish Clothing Manufacturers Association
- GS1 Turkey Foundation
- Istanbul Textile and Apparel Exporter Associations
- Central Anatolian Exporters Association



05

MATERIALITY ANALYSIS

We care about the contribution of our stakeholders to our sustainability journey. We determine our material topics by taking into account the opinions of our stakeholders.



MATERIALITY ANALYSIS

In order to material sustainability-related topics with our stakeholders, we carried out a detailed analysis in which we placed the topics on a materiality matrix upon feedback from both our internal and external stakeholders. **At the end of our analysis, we grouped these topics in 3 main categories: very high priority, high priority and priority.** With the report, we transparently share our strategies and projects to address these topics.

We have already developed projects for the outputs of the analysis, which we had also conducted in the reporting period of the year 2018. The topics categorized as “very high priority” upon our stakeholder analysis for the reporting year are, in a random order, financial performance and sustainable growth, green energy, energy efficiency, water management, occupational health and safety, equality, no child labor, customer health and satisfaction and product quality. Considering this year’s outcomes as well, we will continue our efforts and keep working towards our goal of an integrated sustainable production.

Priority

- Socioeconomic Compliance
 - Biodiversity
 - Anti-corruption
- Fight against Unfair Competition
 - Indirect Economic Benefit
 - Economic Benefit

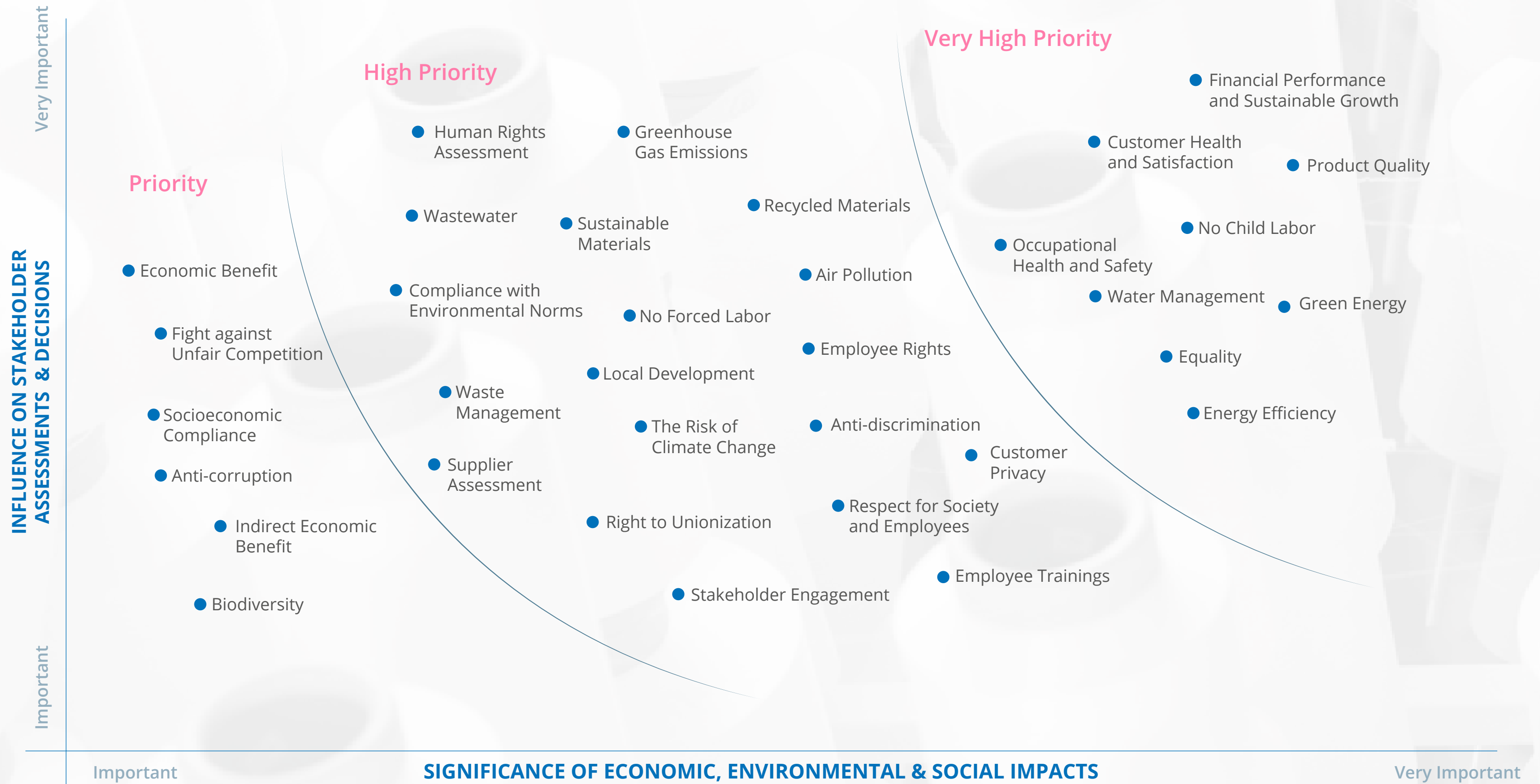
High Priority

- The Risk of Climate Change
 - Local Development
 - Sustainable Materials
 - Recycled Materials
 - Wastewater
 - Greenhouse Gas Emissions
 - Air Pollution
 - Waste Management
- Compliance with Environmental Norms
 - Supplier Assessment
 - Employee Rights
 - Employee Trainings
 - Stakeholder Engagement
 - Anti-discrimination
 - Right to Unionization
 - No Forced Labor
 - Customer Privacy
 - Human Rights Assessment
- Respect for Society and Employees

Very High Priority

- Financial Performance and Sustainable Growth
 - Green Energy
 - Energy Efficiency
 - Water Management
- Occupational Health and Safety
 - Equality
 - No Child Labor
- Customer Health and Satisfaction
 - Product Quality

MATERIALITY ANALYSIS



06

VALUE CHAIN

Our value chain is composed of 4 main steps, namely procurement, manufacturing, transportation and delivery to customers, and we carry out detailed inspections throughout all processes.

Within the scope of value chain assessment, we categorize our suppliers in 5 main groups: Yarn, Accessories, Packaging, Dye/Chemicals and Indirect Purchase.

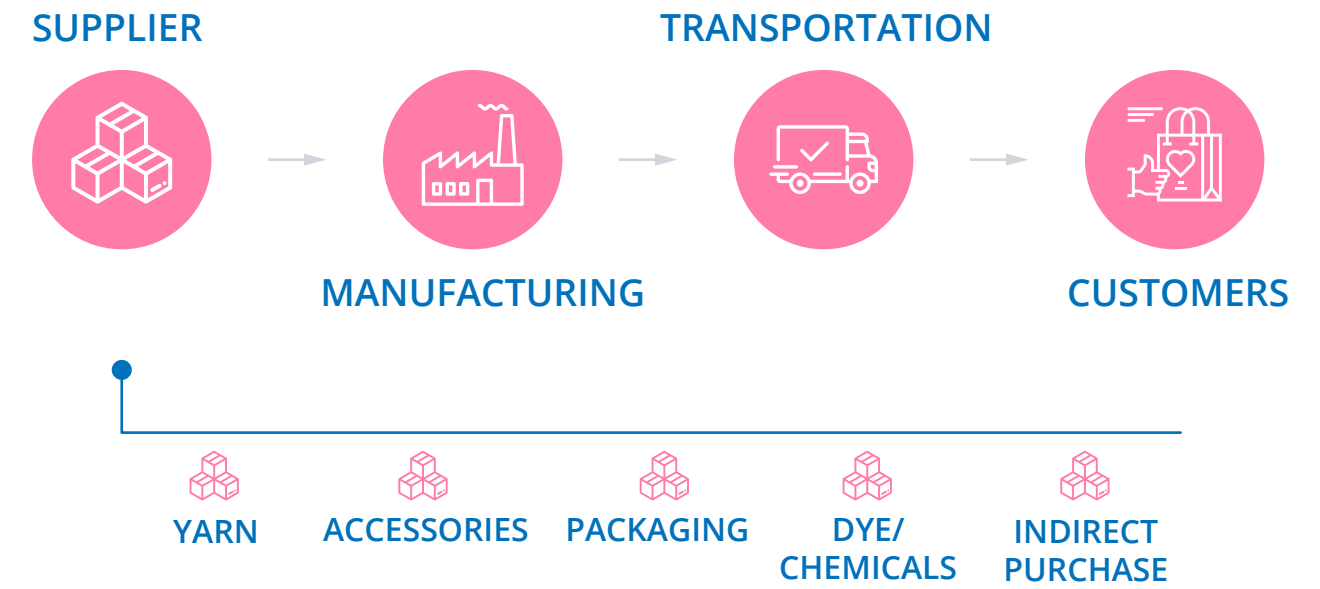


VALUE CHAIN

We handle all our operational processes, starting from raw material procurement, within our value chain assessment. For a more sustainable production, we inspect the compliance of not only activities under our control but also those of our suppliers, aiming at directing the sector towards a more environment-friendly and socially compliant strategy. **We subject our suppliers to pre-assessment and operational risk assessment at least once a year, and rapidly apply the necessary sanctions in cases against our quality and environmental and social compliance policies.**

We have made it a priority to work always with local companies in our supplier chain. We try to support local production for equivalent products and define our purchasing procedures accordingly. This is our contribution to local people and local production, a crucial element of social compliance. Our local suppliers are based in and around Çorlu, where our manufacturing facility is located. We supply 3% of packaging products, 17% of dye/chemicals and 7% of yarn products from local companies.

Our value chain is composed of 4 main steps, namely procurement, manufacturing, transportation and delivery to customers, and we carry out detailed inspections throughout all processes. Within the scope of value chain assessment, we categorize our suppliers in 5 main groups: Yarn, Accessories, Packaging, Dye/Chemicals and Indirect Purchase.



577

STORES

35

IN COUNTRIES

74

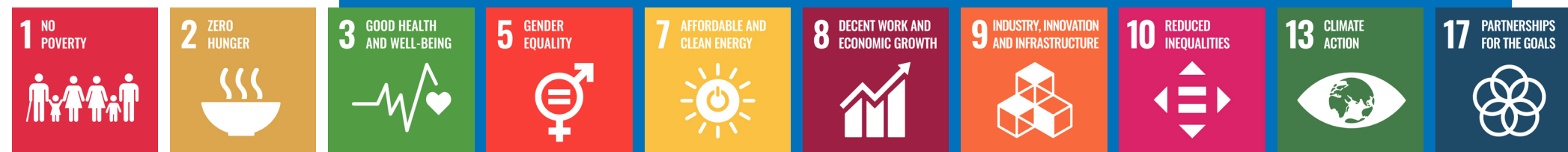
COUNTRIES EXPORTED

At the steps of transportation and delivery to customers, our products reach our customers safely in our 577 stores: 386 stores in Turkey and 191 abroad. There are Penti stores in 35 countries and we plan to open new stores in more countries in the year 2020. In addition, as Private Label, we export products to 74 countries, including England, France, Sweden etc. All these processes are smoothly carried out by our competent employees.



Authorized Economic Operator Certificate

We have the Authorized Economic Operator Certificate issued by the Ministry of Trade, ensuring faster customs clearance processes for products.





07

FINANCIAL PERFORMANCE

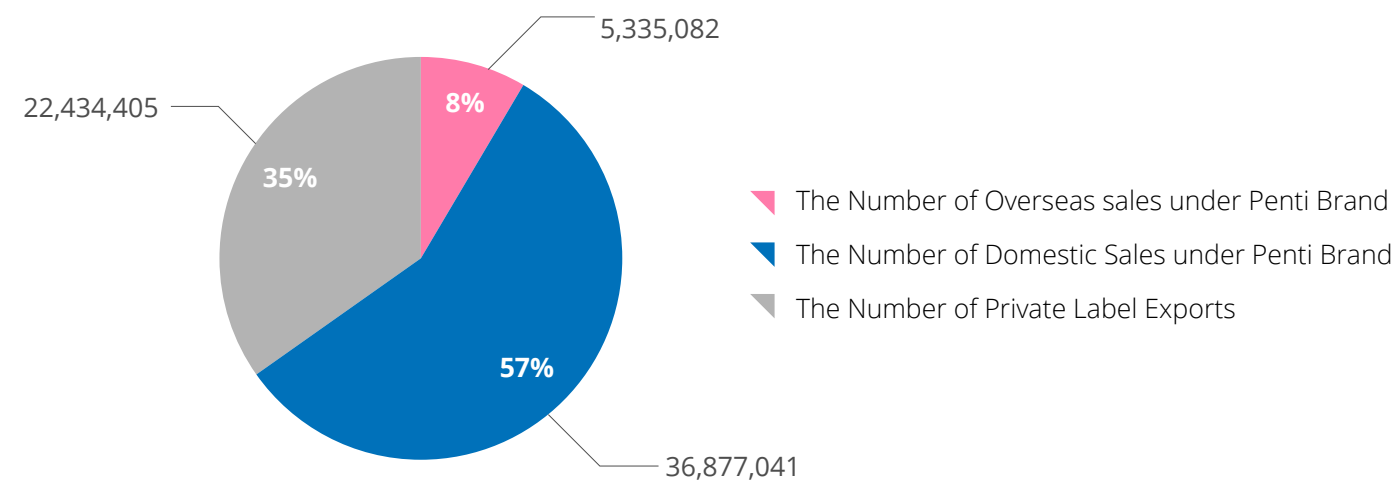
Our products reach end-users under Penti brand in our 577 stores in total (386 in Turkey and 191 abroad) in 35 countries. We ranked up from 334 to 259 in the list of Turkey's the second top 500 Industrial Enterprises via 300,085,549 ₺ revenue



FINANCIAL PERFORMANCE

Our products reach end-users under Penti brand in our 577 stores in total (386 in Turkey and 191 abroad) in 35 countries. We also provide products to many brands through our private label and expand our value chain. With our manufacturing capacity of 86 million pairs of hosiery, we are the biggest hosiery producer in Turkey and **among the top 3 producers of Europe.** With our manufacturing power, we contribute to national economy, through local people in particular, and carry out exports as well. Most of our employees are local people, which helps us address the unemployment problem. At every stage of our value chain processes, we stay away from unethical approaches like corruption and bribery and abide by the conditions of fair competition. We handle each case of corruption, bribery and unfair competition in line with our internal regulations and within the framework of national laws.

2019 Sales Volume



Our Products

Hosiery	Slimmer	Garters	Fishnet
Knee High Hosiery	No Show Hosiery	Padded Hosiery	Toeless Tights
Slimmer and Shaper Corset Tights	Aloe Vera Hosiery	Maternity	Thermal Tights
Hosiery with Thermal Effect	Corset	Kids Hosiery	Babies Hosiery



R&D Center

We are continuously engaged in research and development activities to keep up with global innovative approaches and lead the sector. **To carry out these activities within a corporate structure, we established Penti Çorap San. Tic. A.Ş. R&D Center upon the approval of the Ministry of Industry and Technology in 2019.** The staff in the center that operates under our COO is composed of 47 employees. 23 of them have an undergraduate/postgraduate degree, 20 work as technical personnel and 4 as support personnel. The center has developed short-, medium- and long-term R&D/Design strategies.

Short-term Strategies

- ▶ To develop products that are competitive in terms of quality and prices and with a high added value, and to obtain patents for them
- ▶ To develop a sustainable production and products that are sensitive to humans and the environment


Medium-term Strategies

- ▶ To develop projects with universities and institutes
- ▶ To participate in innovation awareness activities
- ▶ To encourage R&D staff towards master's and PhD degrees
- ▶ To allocate a budget for seminars, fairs and trainings in order to follow international innovations closely
- ▶ To apply for related certificates for our products manufactured from recycled yarn in line with our sustainability policy
- ▶ To continue publishing Sustainability Reports annually (the first one was published in 2018)

Long-term Strategies

- ▶ To turn project outputs creating added value into products
- ▶ To make the whole system sustainable through environmentally-friendly and resource-saving methods
- ▶ To increase the number of staff at the R&D Center

Our center has been developing projects with various universities and private organizations since it was founded. **While some of these projects are state-funded (e.g. TÜBİTAK), some are private-based, as in the areas of chemistry and textile. In 2019, with a budget of about 2.5 million ₺, we have conducted 14 projects, some of which are still ongoing.** To provide our R&D staff with easy access to national and international scientific libraries and databases, we subscribed to many journals, publications and databases, which enables our employees to reach the relevant literature whenever they want. To motivate our staff members who develop successful projects, we have set up several award systems. We offer incentives for those who own ideas; those who help us receive patents, and those who enroll in MBA programs. Within the reporting period, 28 employees of our R&D Center have participated in educational activities.



08

SOCIAL VALUES

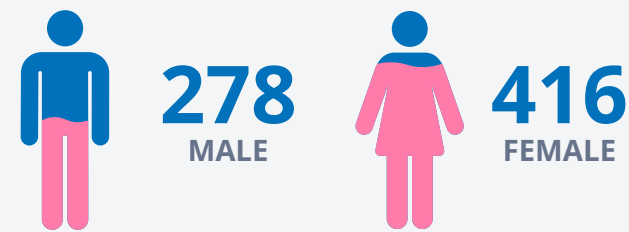
We have numerous social compliance practices and projects concerning employee rights, occupational health and safety, trainings, equality and anti-discrimination, right to collective bargaining, prevention of child labor and forced labor, protection of individual rights, freedoms and privacy, support to local people, assessment of suppliers' social compliance and customer health and safety.



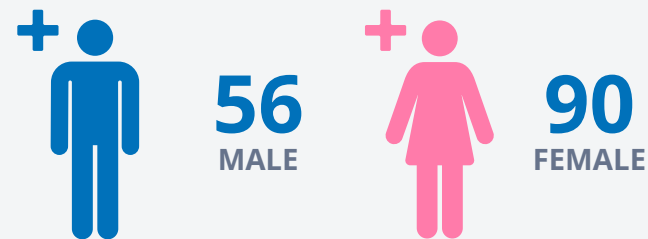
SOCIAL VALUES

We attach a lot of importance to social compliance for a sustainable and value-creating manufacturing model. We have numerous social compliance practices and projects concerning employee rights, occupational health and safety, trainings, equality and anti-discrimination, right to collective bargaining, prevention of child labor and forced labor, protection of individual rights, freedoms and privacy, support to local people, assessment of suppliers' social compliance and customer health and safety.

Total Employment



Employment in 2019



8

Female employees were entitled to parental leave

24

Male employees were entitled to parental leave

Employees

In our value creation model, our employees are considered among our key stakeholders. **The number of our employees in 2019 is 694 (416 females and 278 males). 78% of our employees are blue collar, 11% of them grey collar and 11% white collar.** Considering distribution by age, the majority (75%) is between 30-50 years of age.

We support the protection of our employees' rights through collective labor agreements. **All of our blue-collar employees (540 workers: 78% of the total) work under collective labor agreements.** All of our white collar employees benefit from "Private complementary health insurance".

We support local development by creating employment. **Throughout the reporting period, we employed 146 people (90 females, 56 males).** Our new employees are between the ages of 30-50, as in our overall employee distribution.

We share the happiness of our employees who have recently become parents and enable them to use their maternity/paternity leaves as they wish, which is also guaranteed by domestic laws. All of our female employees have the right to use their paid 16 weeks' maternity leave within periods they choose. They are also entitled to extending this 16-week period by taking unpaid leave under a guarantee of continued employment.

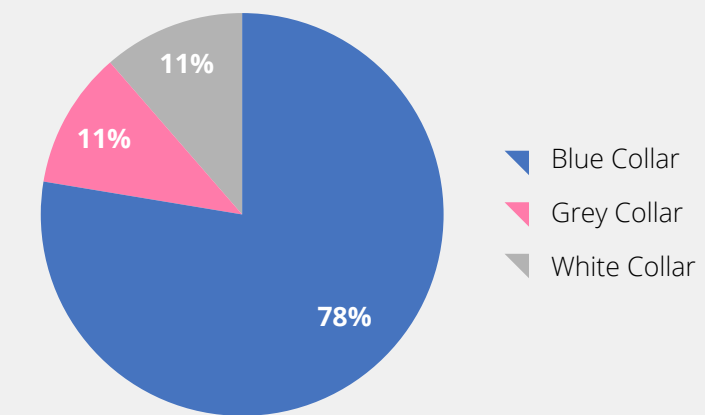
Our male employees have the right of a 5-day paid paternity leave. **Within the reporting year, 32 employees were entitled to parental leave (8 females, 24 males) and 29 employees (5 females, 24 males) returned to work after parental leave.** The number of employees returning to work after parental leave and still working with us 12 months later is 26. We offer our employees fringe benefits such as food and fuel allowance, support for day care service, children's education, religious holidays, education, birth, leave travel, death and marriage.

**We secure the rights of our employees with our internal regulations in accordance with national and international norms.
We guarantee that ;**

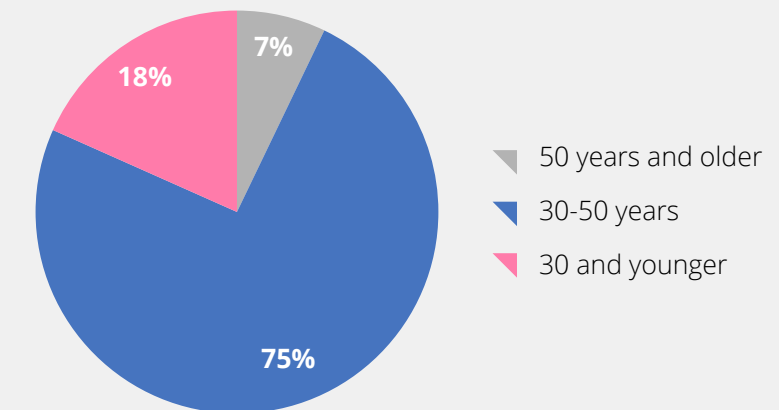
- ▶ There will be no forced labor in our company and it will not be tolerated under any circumstances,
- ▶ We will abide by the procedures and principles guiding child and youth employment and we will not employ workers under the age of 18,
- ▶ We will respect the personality and honor of every employee, we will not inflict corporate punishment, we will not allow verbal, physical or psychological harassment or coercion,
- ▶ We will comply with the current laws and regulations in the determination of the working hours and act upon the principle of voluntariness for overtime work,
- ▶ We will make the payments for regular and overtime work set by the laws and the collective labor agreement and provide employees with the fringe benefits included in the collective labor agreement,

- ▶ We will employ individuals based on their work-related capabilities, regardless of their race, language, religion, ethnicity, political views, color, pregnancy, age, marital status or gender and carry out salary, fringe benefit and promotion procedures accordingly,
- ▶ To adopt a proactive approach based on risk analysis, to ensure the participation of all employees in occupational health and safety practices and prioritize the overall health of employees in our work model,
- ▶ To respect the workers' right for collective bargaining with the authorized union,
- ▶ To assess the social compliance of our suppliers, act upon assessment results through action plans and gradually increase social compliance levels.

Employee Distribution



Employee Distribution by Age



Employee Satisfaction

Considering the satisfaction of our employees a priority, we are working towards creating a credible, impartial and just work environment where our employees respect each other and their job definitions, are proud of the job they do, and work with their colleagues in team spirit. To see the impacts of our work, we conduct satisfaction surveys annually.

Through the “Great Place to Work Model”, we compare the results of our satisfaction survey with the average of results in Turkey and the global average. The overall satisfaction rate of our employees in 2019 was found to be 73%, higher than Turkey average.

GREAT PLACE TO WORK MODEL

73%

Employee Satisfaction in 2019



Power of Women

60%

416 out of our 694 employees, namely 60% of our employees, were women..

Baby Friendly Supportive Business

by the program
"Breastfeeding Promotion and Baby-Friendly Health Facilities"



Our company, which manufactures products that make women feel better, also has a female employment percentage considerably above the average of Turkey. In 2019, 416 out of our 694 employees, namely 60% of our employees, were women. We are glad to lead the way in our women's active contribution to national economy.

We offer free day care service for the children of our employees and provide scholarships for our employees' daughters studying at university. Our employees are also entitled to maternity benefits.

Just as in 2018, also within the reporting year, **we were awarded the title "Baby Friendly Supportive Business" by the program "Breastfeeding Promotion and Baby-Friendly Health Facilities"**. We are working to increase the female employment rate. Supports positive female discrimination and develop projects on these issues

Within the scope of positive female discrimination, girls who go to University of all employees are given non-refundable scholarships for 9 months. 34 students benefited from scholarships in the reporting year. A special kindergarten service is provided for children of all female employees who do not attend school until the age of 7 They are taken from their homes and delivered back to their homes with free service. Nursery services were provided to 55 children in the reporting year.

Changemakers Award Ceremony



Every year, we hold “Changemakers Award Ceremonies” in order to increase the satisfaction of our employees and thank them for their contribution to us. In our award ceremonies, two separate categories are honored and rewarded. While seniority awards are given to our valuable employees who have worked with us for many years, our Those Who Make a Difference awards are given to honor our employees who provide added value to our company with the projects they have developed throughout the year.

We honored our 47 employees, with whom we have been together for 10, 15 and 20 years, in seniority awards.

Additionally, we honored a total of 28 employees, who made a difference with their projects and performances in 2019, in categories such as environmentally friendly suggestions, OHS employees of the year, the most creative suggestions, the most contributing project in our Changemakers Award.

We continue to hold the award ceremony every year to create a family culture with our employees and to encourage their success.



Training

17,579

Hours of training organized
in total - 2019

85%

Increase in comparison
to the previous year

We are aware of the fact that quality manufacturing can be achieved with knowledgeable and competent employees. Through personal and professional trainings, we offer our employees opportunities for technical, social and administrative development. We provide training in developmental, basic and operational areas.

In 2019, we organized 17,579 hours of training in total, with an 85% increase in comparison to the 9,508 hours in 2018. The average number of hours of training per employee was thus 25.3 hours in 2019.

In the same year, we continued our trainings and workshops aimed at personal and professional development such as English lessons, trainings on communication skills, innovation and culture, and new approaches in energy efficiency as well as our MBA sponsorship program.

Type of Training	Hours of Training
Developmental Training	9,440
Basic Training	4,119
Operational Training	4,020
TOTAL	17,579



COURSE PROGRAM	SECTION	NUMBER OF COURSE ATTENDEES	NUMBER OF EMPLOYED ATTENDEES
BOARDING OPERATOR	Boarding	60	33
	Pre-boarding	7	3
QUALITY CONTROLLER	Boarding Quality Control	3	1
	Sewing Quality Control	5	3
	Knit Quality Control	6	5
SEWING OPERATOR	Automatic Sewing	46	25
	Manual Sewing	23	10
KNITTING OPERATOR	Matec	5	3
	Lonati	7	3
WAREHOUSE WORKER	Returns	4	1
	Exports	5	4
	Packaging	1	1
PACKAGING WORKER	Packaging	32	12
GRAND TOTAL		204	104

“ With the courses we organize, we also contribute to the training of local people. In 2019, we organized 6 courses for the following professions: boarding operator, quality controller, sewing operator, knitting operator, warehouse worker and packaging worker. We not only train our course attendants but also employ those wishing to work in our vacant positions. In the reporting period, we employed 104 of our 204 course attendees. ”



Trainings

For our company, occupational health and safety constitutes a very high priority. **As the safety of all our employees is under the responsibility of our company, we care trainings to maintain a safe and healthy work environment with high priority.** In 2019, our company organized a total of 1,237.75 hours of training on occupational health and safety.

Occupational Health and Safety Trainings

Hours of Training

Occupational Health and Safety Trainings	Hours of Training
Chemical Dye Weighing & PPE Use	25
Stopping the Machine and Cutting off Power during Cleaning	16.5
The European Agreement concerning the International Carriage of Hazardous Goods by Road	16
Safety Switch Protective Cover Control	14.5
Chemical Spill Drill	10
Chemical Leakage Response Procedure	7.25
Safe Use of Sharp Blades and Scissors	5
Anti-bacterial	2.5
Safe Use of Machinery	21.5
Occupational Health and Safety	723.5
Basic First Aid	299
Fire Fighting	91.5
Environment and Waste Management and 14001 EMS	5.5

Occupational Health and Safety

It is the responsibility of our company to provide a healthy and safe work environment to each of our employees. To this end, we take all kinds of preventive measures and train our employees periodically. We make sure each of our employees always stays alert in terms of occupational health and safety with the help of warning and caution signs in our factory and administrative building. Every accident leads to several negative effects on employee health and on working days and reputation. **Therefore, our priority in terms of OHS is to prevent the risk before an incident and to take necessary precautions.** We manage incidents through our internal regulations and policies formed in accordance with national and international norms.

We regularly record the numbers of near-misses and work accidents, the impact rate of incidents, the number of lost days and absenteeism and the total risk score of the factory. We also observe the progress we make towards the goals we have set. We are happy to announce that there was no accident involving death in 2019, as in 2018.

Incidents and Their Impacts in 2019

Total number of accidents involving injury	13
Total number of cases of occupational disease	0
Total number of lost days	170
Total number of accidents involving death	0

2019 Data

The Number of Near-misses	25	Work Accidents	38
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To reach our goals of **“Zero Breakdown”** and **“Zero Error”** we apply TPM (Total Productive Maintenance) in our factory, which helps us prevent risks before incidents take place. **In the year 2019, we managed to decrease our OHS score to 115,454 from the 2015 score of 469,944.** This means an improvement in OHS risk score at the rate of 75% when compared to 2015, and 4% when compared to the previous year. In our machinery, the parts that could lead to accidents have been designed for non-manual use, switches have been installed, caution and warning labels have been placed and one point lessons have been offered to operators. **For general OHS precautions, a total of 1,237.75 hours of employee training have been organized in our company in 2019.**

2019 Data Within The Scope Of TPM Activities In The Factory

The Number of Kaizens	1,595
The Number of Suggestions Received	5,773
The Rate of Fuguai Tags	99%
The Number of One Point Lessons (OPL)	371
OHS Risk Score	115,454



Customer Satisfaction

All our employees, those in Top Management and Sales & Marketing Department in particular, prioritize customer satisfaction. We meet the expectations and needs of our customers and materialize optimum solutions. We conduct our internal audits through our periodical customer satisfaction assessments.

Our Customer Satisfaction and Complaint Management Procedure enables us to manage the processes in integration to our management system. In addition to these, the privacy of our customers is of utmost importance to us, which has a legal basis through our privacy agreements. We are glad to announce that there were no cases related to customer privacy during the reporting period.



"The privacy of our customers is of utmost importance to us, which has a legal basis through our privacy agreements."



"We meet the expectations and needs of our customers and materialize optimum solutions. We conduct our internal audits through our periodical customer satisfaction assessments."



09

ENVIRONMENTAL VALUES

We handle and manage all environmental issues in our integrated management system with our Environment Policy and Environment Management System Handbook. All our environmental activities are carried out in accordance with ISO 14001:2015



ENVIRONMENTAL VALUES

We handle and manage all environmental issues in our integrated management system with our Environment Policy and Environment Management System Handbook. All our environmental activities are carried out in accordance with ISO 14001:2015 Environment Management System. **Penti Çorap Environment Management System covers all the activities, services/products and suppliers involved in the manufacturing, design, wholesale and retail sale, foreign trade, customs clearance, management and administrative organization of hosiery, underwear and textile products.**

Main Environmental Values



Waste Management



Water and Wastewater
Management



Energy Management



Source Management

Waste Management

We manage the waste generated during all our activities inside the company with our Waste Management Procedure.

We develop systems to achieve minimum waste through our “Zero Waste” policy. Evaluating each process output, we include valuable ones in circular economy through recycling or recovery.

We send the sources we cannot recover within the company to related organizations and closely follow up their processes. We send non-recyclable waste to authorized institutions and organizations for disposal. It is the responsibility of all our employees, particularly our management staff, to check whether the conditions of organizations comply with our waste management procedure.

36 TONS

Hazardous Waste

1,210 TONS

Non-hazardous Waste

58 TONS

Recycling

To group the waste properly, we temporarily store all types of waste by separating them inside the company. Our main categories of waste are: hazardous, non-hazardous, and recyclable waste. In 2019, in comparison to previous years, there was a decrease in the amount of our waste and an increase in the amount of plastic waste sent to recycling. In the reporting period, we had 36 tons of hazardous waste and 1,210 tons of non-hazardous waste while our plastic waste sent to recycling amounted to 58 tons.

Hazardous Waste	Amount
2016	53,936 kg
2017	47,319 kg
2018	41,211 kg
2019	36,017 kg

Non-hazardous Waste	Amount
2016	1,351,200 kg
2017	1,492,614 kg
2018	1,310,353 kg
2019	1,210,889 kg

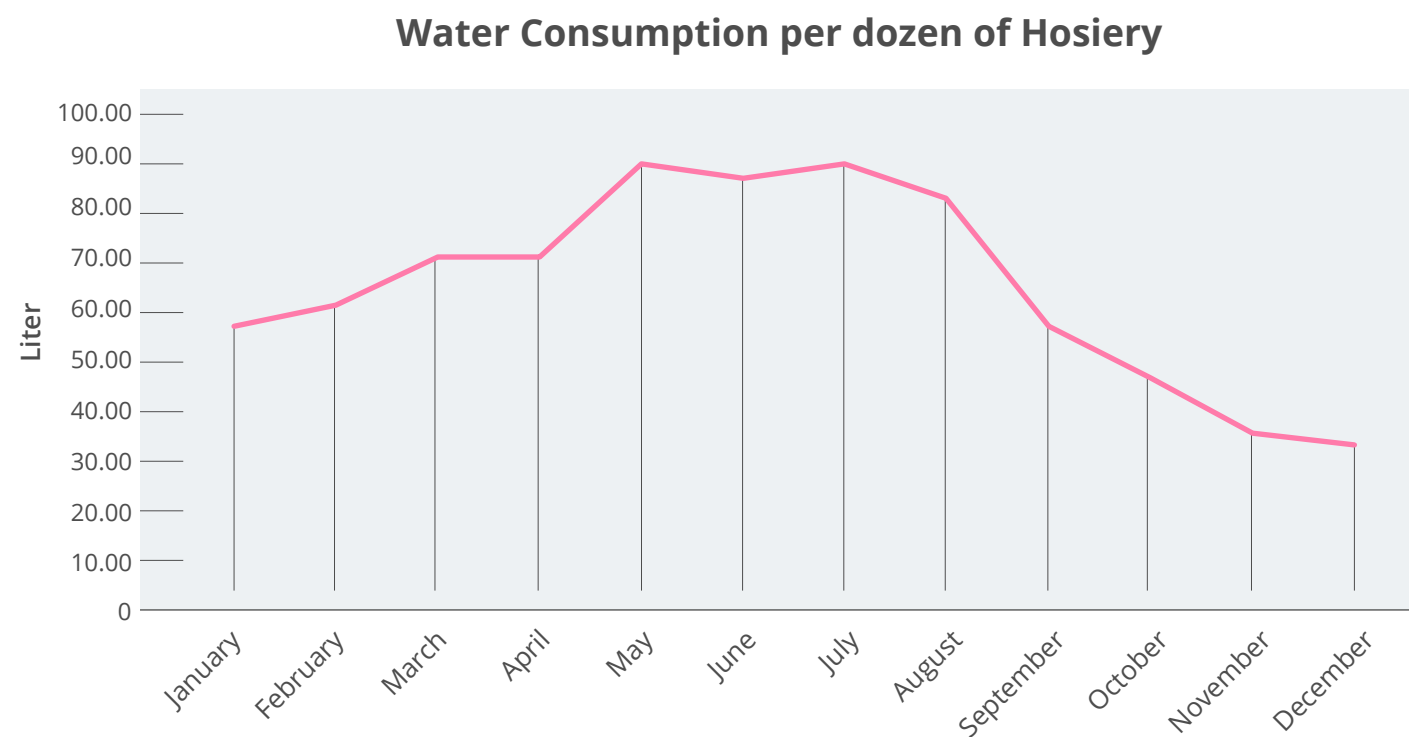
Plastic Waste sent to Recycling	Amount
2016	71,990 kg
2017	61,800 kg
2018	55,665 kg
2019	58,370 kg



Water and Wastewater Management

Just as it is for life, water is also a basic input for all industrial organizations and our company. We extract the water used in our processes and our manufacturing facility in the form of freshwater from underground. The extracted water is mostly used in our dye-house. We treat the water contaminated during our processes in the chemical and biological wastewater treatment plant situated inside the location in accordance with national standards and discharge. The efficiency and output values of our treatment plant are periodically controlled by our relevant staff and accredited laboratories and reported to the Ministry of Environment and Urbanization throughout the year. **While our water consumption in 2019 amounted to 296,505 m³, the average annual water consumption per dozen of hosiery is 64.83 L. Although, thanks to the efficiency measures taken during the year, we managed to decrease this amount to the level of 33.38 L towards the end of the year.**

▼ Total Water consumption in 2019: **296,505 m³**



We developed and put into practice new projects on water efficiency and water saving in 2019. We are planning and putting into practice projects to:

- Build a rainwater collection facility,
- Ensure savings in machinery,
- Achieve updates in washing processes,
- Actively use recycling tanks.

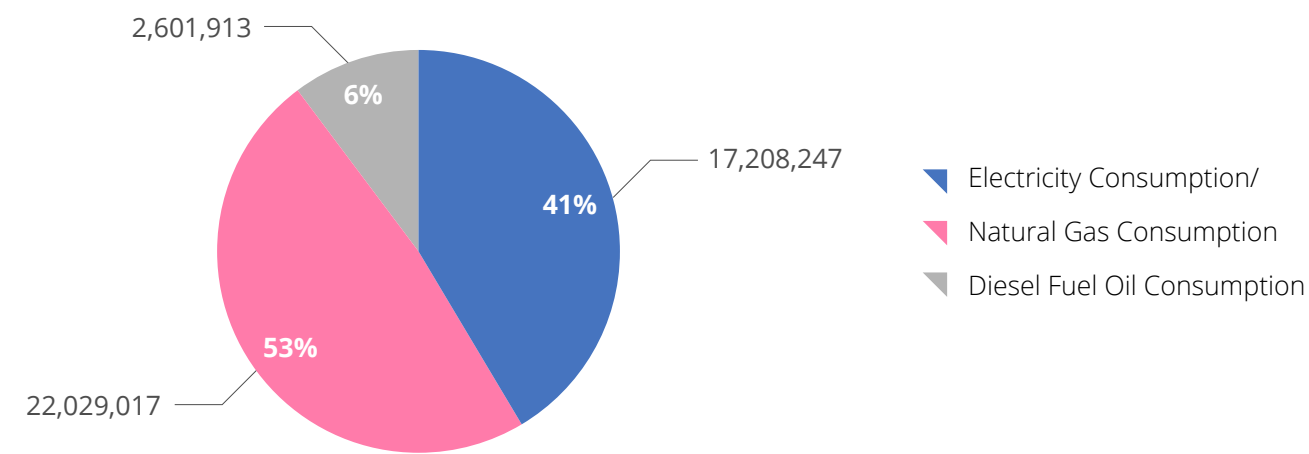
We did a detailed feasibility study with the Department of Environmental Engineering of Namik Kemal University on the treatment of wastewater with a different system and the increase of water recovery, which began with the characterization of untreated wastewater. With the chosen system, we aim to increase water recovery by using different technologies and filtration systems. During the pilot studies, we succeeded not only in treating wastewater from the facility in line with discharge standards, but also in water recovery. We are planning to conduct another feasibility study to research the impact of water recovery on product quality.

Within the reporting year, we put the rainwater collection system into use, which enables us to collect the rainwater inside our facility to be used as utility water, decreasing the amount of water extracted from nature.

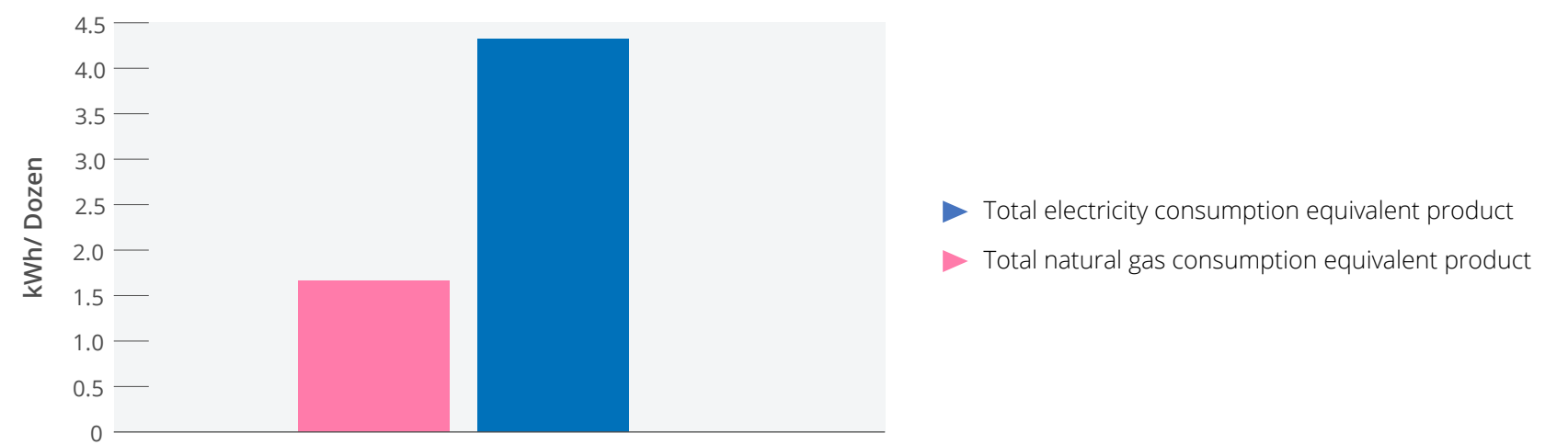
Energy Management

Energy, the most essential input for our production processes, is mostly imported and brings about extra costs, which makes energy management a key issue for our company. We are trying to use energy as efficiently as possible by following new technologies and efficient systems. In the reporting year, our total electricity consumption was 17,208,247 kWh, natural gas consumption was 22,029,918 kWh and diesel fuel oil consumption was 2,601,913 kWh, which amounted to an energy consumption of 41,840,078 kWh in total. Our consumption of electricity and natural gas per dozen of hosiery was 3.37 kWh/dozen and 4.27 kWh/dozen, respectively.

Our Total Energy Consumption In 2019 (kWh)

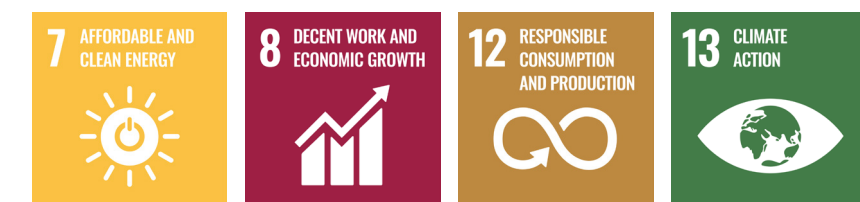


Energy Consumption per Dozen of Product



We developed projects for efficient energy use and we continue our efforts towards energy efficiency, the effects of which we are already observing. We are aware that any achievement towards efficiency will decrease our greenhouse gas impact. We have already reduced our resource use and taken steps against climate change.

Project	Rainwater collection facility	Changes in washing processes	Saving water during the stages of fixing and softening	Roof replacement	Repositioning of the condensing tank	Energy efficiency within the scope of TPM
Energy Efficiency Target	%2	%5	%2	%0.2	%0.8	%0.8



Energy Management

Conventional energy sources such as natural gas and coal are finite and getting more and more costly to access. Inevitably, sustainable and renewable sources like wind energy and solar energy will be preferred instead of conventional sources. With the risk analysis we have conducted, we foresee this and make long-term plans for the future. Firstly, we calculated the solar energy potential in our facility with the feasibility studies we conducted. Accordingly, we began to make use of solar energy with the solar energy panels we installed in 2013. In the reporting year, the solar electricity energy we obtained was 12,230 kWh. Thus, using renewable energy sources, we managed to decrease our greenhouse gas impact. We will continue our efforts to increase the share of renewable energy in our energy consumption.



Resource Management

For sustainable production, efficient use of sources is a must. Keeping this in mind, we evaluate each process output before labelling it as “waste” and we recover those with a potential within the context of circular economy. **Under our “Zero Waste” policy, we inform our employees and aim at generating no waste.**

In our raw material procurement chain, we are striving to choose suppliers who can provide us with recycled materials. **We procure 1.8% of our yarn, which is one of our most important raw materials, in the form of recycled yarn, and 14% of our packaging input is in the form of recycled paper.**

For packaging and the delivery of our products to our customers, we procure polyethylene, polypropylene and paper and board. **Within the reporting period, we purchased 1,193 tons of packaging raw material while we released 980 tons of packaging to the market.**

Packaging Data for 2019

Type of Packaging	Form of Packaging	The Procured Amount	The Amount Released to the Market
Plastic	Polyethylene/Polyamide	21 TONS	20 TONS
	Polypropylene	46 TONS	57 TONS
Paper and Board	Paper and board	1,126 TONS	902 TONS

Sustainable Development Goals Index

Sustainable Development Goals

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