



# sustainability report 2022



# about our report

TYH Tekstil's Sustainability Report, which provides our internal and external shareholders with a detailed description of our sustainable goals, vision, and projects, includes our sustainability practices from January 1st, 2022, to December 31st, 2022. The report has been prepared in accordance with the GRI Standards as core option, and aligns the efforts we carry out as a signatory of the Women Empowerment Principles. We aim to continue publishing annual sustainability reports in the next years.

We value your feedback, considering it an essential driver of our growth. For any suggestions, requests, or complaints related to sustainability, please reach out to us through our website, [www.tyh.com.tr](http://www.tyh.com.tr), or our email address, [sustainability@tyh.com.tr](mailto:sustainability@tyh.com.tr).

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Dear Stakeholders,

Since its establishment in 2000, TYH Tekstil has remained committed to its pursuit of excellence, focusing on its core values of quality, innovation, and sustainability. Our dedication to sustainability is a driver for our evolving endeavors, placing it at the forefront of our ever-developing work, aimed at generating societal value.

Sustainability is an urgent and complex agenda, which cannot be delayed. The year 2022, by a rise of unprecedented climatic events, marked the significance and urgency of the issue. The floods in Asia, droughts and various other natural disasters in other regions have shown the importance of addressing and adapting to the pressing climate crisis.

Meanwhile, the Ukraine-Russia conflict showed us how fragile the economies were for energy sources and how quickly the energy supply crises could unfold. The disturbance of the supply-demand equilibrium had a direct impact on energy pricing dynamics. In addition to the economic hardships, these developments have also reiterated the importance of attaining self-reliance in energy and transitioning towards renewable energy sources.

During this year, the textile industry has experienced profound socio-economic and environmental shifts towards sustainable development. The supply of raw materials and accessing cost-efficient, low-emission energy sources have gained significant prominence. Ensuring workforce continuity and establishing decent work environments have grown progressively crucial. Furthermore, the expansion of digital transformation across the entire value chain has become essential and pushed the demand for transparency and control within both production and consumption cycles. The advancement of eco-friendly raw materials and production techniques has become a key focus for the textile industry, in response to heightened consumer demand for sustainable products.

Moreover, the devastating earthquake that hit our country at the time of this report serves as a bitter reminder of the necessity of resilient living spaces in harmony with nature. It also revealed the value for the society and public agencies to work in harmony, driven by a philosophy of active citizenship. We were also fully aware of our responsibility in this regard and made every effort necessary to contribute.

During 2022, TYH Tekstil set its sustainability targets for 2030. We established long-term plans towards our goals and a sustainability management system to monitor our progress.

We set our sustainability vision as "producing worth-wearing garment". With the motto "Our products are produced by people who respect each other and the planet", we mean to state that our efforts will be towards fostering value for our teammates, the environment, our industry, and society as a whole.

In our facilities in fourteen different regions and locations throughout Turkey and with our Ministry of Industry And Technology-approved R&D centers, we work on innovative methods to make our production process digital and efficient.

Our pursuit for improvement extends to collaborative efforts with our suppliers in order to foster innovation in design and fabric development. We produce value-oriented service to our customers with sustainable design.

We are aware that the transformation towards circular textile is a cultural change as well as a systemic one. The cornerstone of our success, and our greatest leverage, is our proficient and happy workforce who are aware of the significance of their roles within the chain. We believe that our success on this journey is assured through the dedication of our teammates, who demonstrate profound respect for nature and all stakeholders involved.

As a dynamic company for over two decades of history and an uncompromised commitment to its values, TYH proudly presents its Sustainability Report - an account of our recent activities - for your thoughtful consideration.

Chairman of the Board  
S. Mehmet Kaya



# our story

TYH Tekstil commenced its management and production operations in 2000 at its head office in İzmir. Today, with our head offices in İzmir and İstanbul, production facilities in İzmir, Manisa, Kırklareli, Edirne, Ordu, and Sivas, our logistics centers in Kırklareli, Manisa, and Sivas, and sales offices in the US, the Netherlands, and the UK, we are one of Türkiye's leading apparel manufacturers. Our Sustainable Growth Strategy guided us to organize our operations in four distinct regions, namely Marmara, Aegean, Central Anatolia, and Black Sea, supported by our operations centers.

From our inception, our consistent focus on quality and development has propelled our annual production capacity to almost 20 million units, supported by a workforce of nearly 5,000 teammates. Our company boasts a pivotal presence, serving to 25 diverse customer groups across 20 countries in the apparel industry.

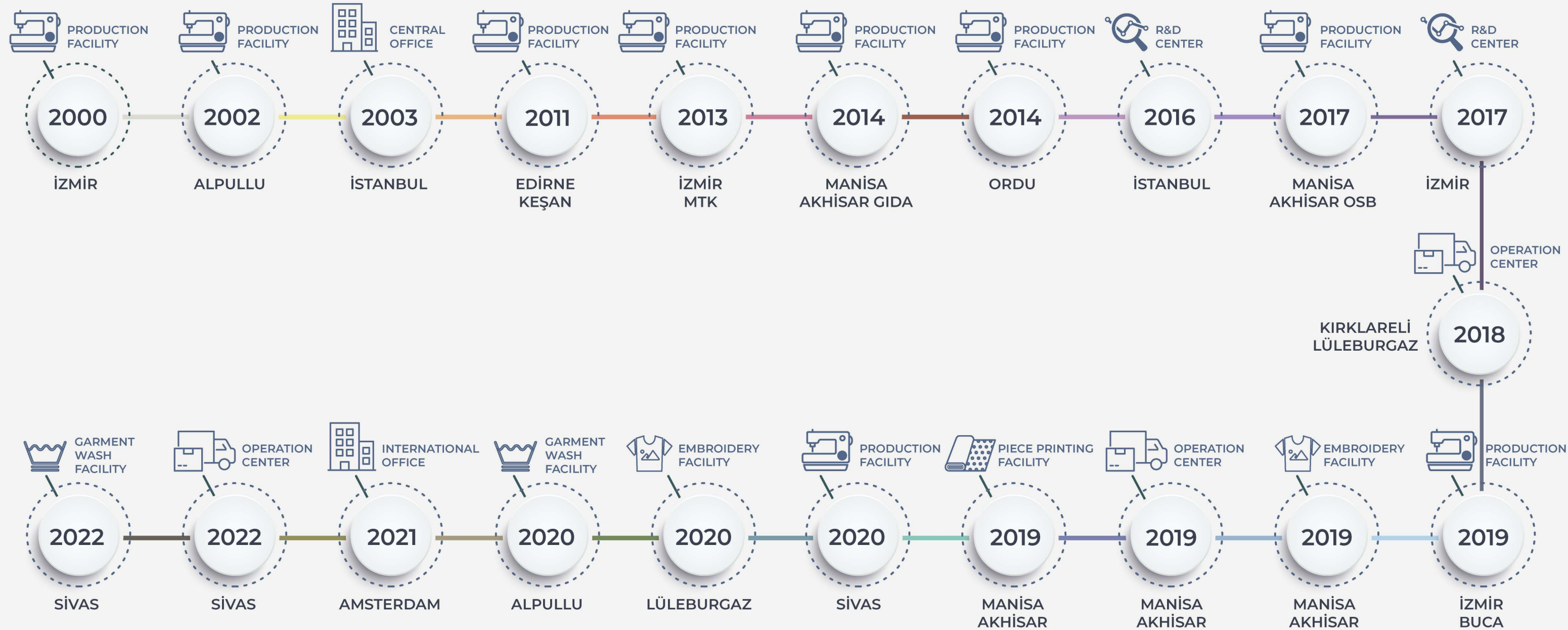
Our customers include globally renowned brands such as Lacoste, Ralph Lauren, Calvin Klein, Tommy Hilfiger, Gant, Armani, Massimo Dutti, Banana Republic, Bestseller, and Varner-Gruppen. Reflecting our strong performance, our efforts resulted in the delivery of over 16 million products to our customers in 2022, contributing to an export value of US\$ 150 million.

Since our inception, we have attached great importance to innovation through dedicated R&D activities. Our commitment to innovation has led to the establishment of two separate R&D centers at our dual head offices, which were crowned by the coveted "R&D Center Certificates" issued by the Ministry of Industry and Technology. Encompassing skilled professionals and endorsed projects approved by the Ministry of Industry and Technology, our R&D centers diligently engage in raw material development, process refinement, and digitalization initiatives that align seamlessly with customer demands, industry trends, and our overarching sustainability objectives.

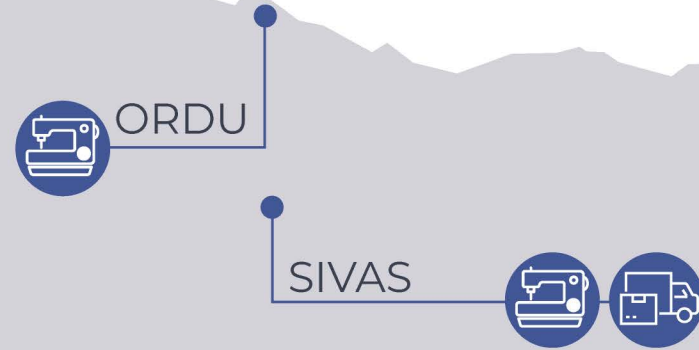




# milestones



facilities





# values

Since our establishment, we have been committed to creating socio-economic value while protecting the integrity of the environment. We gave importance to quality and regional development by developing production in-house. From the beginning, we have prioritized employee social rights, a comfortable work environment and focused on female employment and gender equality throughout our processes. Our positive relationships with customers and collaborative partnerships with suppliers and stakeholders have increased our position in the industry.

As a company that recognizes the importance of investing in people and knowledge, we are pioneering the efforts to transform our industry into one that is supported by production and management systems. As we draw upon our collective experience to shape TYH's sustainability and circular economy roadmap, we acknowledge the need for adaptable and innovative thinking.

Our motto "Our products are produced by people who respect each other and the environment" highlights our commitment to environmentally responsible manufacturing that nurtures and protects the environment as we continue to produce, develop, and improve to benefit our society. This principle improves our perspective as a corporation and shows the values we prioritize.



Collaboration Ethics Compliance  
 Efficiency **Circularity**  
 Creativity **Textile** Fashion  
 Leadership Quality  
 Process Management Digitalization  
 Sustainability Future Quality Management System  
 Product Excellence Development Teamwork  
 Design **Apparel** Talent Management  
 Society Social Responsibility  
 Environment Research and Development Innovation  
 Resilience **Sustainability** Future  
 Industrial Reputation Change Collaboration Design  
 Collaboration Ethics Compliance  
 Efficiency **Circularity**  
 Creativity **Textile** Fashion  
 Leadership Quality  
 Process Management Digitalization  
 Sustainability Future Quality Management System  
 Product Excellence Development Teamwork  
 Design **Apparel** Talent Management  
 Society Social Responsibility  
 Environment Research and Development Innovation  
 Resilience **Sustainability** Future  
 Industrial Reputation Change Collaboration Design  
 Collaboration Ethics Compliance  
 Efficiency **Circularity**  
 Creativity **Textile** Fashion  
 Leadership Quality



# ethics and compliance

“TYH Tekstil Code of Ethics” forms the core of the work we do. We expect all employees of our company to follow these general principles in their interactions with customers, suppliers, and other stakeholders.

Effective implementation of these rules is the responsibility of the entire company, including senior management, managers, and all employees. New recruits are required to agree to abide by the Code of Ethics. Our management team aims to promote these principles and create work environment to support their implementation.

Our Social Compliance department conducts frequent internal audits in line with annual plans, reporting the outcomes to our Managing Director. These audits evaluate compliance with local laws and regulations, company ethical and compliance standards, and customer expectations.

Employees can report ethical violations they encounter through suggestion-complaint boxes, worker representatives, or directly, thanks to our “Open Door” policy. The “Senior Management” and the “Discipline Committee” collaborate in the investigation and resolution phases of ethical violations.



PRINCIPLE OF  
TRANSPARENCY



SAFE WORKING  
CONDITIONS AND  
HYGIENE



WORKING  
HOURS



CHILD LABOR PROHIBITION  
AND YOUNG LABOR  
WORKING CONDITIONS



PROHIBITION FOR  
FORCED LABOR



FEES AND  
PAYMENT OF FEES



NON-DISCRIMINATION



PROTECTION OF THE  
ENVIRONMENT



SUPPLIER EVALUATION  
AND IMPROVEMENT



FREEDOM OF COMBINATION  
AND RIGHT TO COLLECTIVE  
BARGAINING



RULES  
ON EMPLOYMENT



CRUEL AND INHUMAN  
TREATMENT NOT ALLOWED



APPLICATION  
OF THE RULES



# corporate structure

TYH Tekstil is a subsidiary of TYH Holding, with Selçuk Mehmet Kaya serving as the Managing Director.

Various units operate in coordination in the organizational structure of TYH Tekstil, including logistic (operations) centers, production, sales & marketing, planning, R&D, design, business development, import/export and financial departments. Additionally, our sales departments in the United States, the Netherlands, and the United Kingdom are integral parts of our organization.

Our network of contacts is maintained by the industry expertise of our company executives and departments and the active roles they play in their respective fields



R&D, DESIGN AND  
PROTOTYPE  
DEVELOPMENT /  
SAMPLING



CUSTOMER  
OPERATION



PLANNING



PRODUCTION



LOGISTICS



# risk management

We believe that recognizing risks is the first step in managing them effectively. Through our risk management approach, we identify existing and potential risks. Appropriate actions are taken to mitigate these risks or minimize their negative impacts.

As an exporting company, we are naturally exposed to foreign exchange rate risks. To mitigate these risks, we manage our finances and accounting effectively within legal frameworks, shaping our decisions through close collaboration with our financial stakeholders.

Prioritizing advanced planning in production processes, we strive to guarantee product quality at all stages through active operations and thorough inspection, and we develop improvement projects to reduce reprocessing.

We carry out our work to adopt to changes and innovations in local and international laws and customer needs in our facilities and our entire supply chain. We focus on keeping under control the risks that may arise during the process by closely monitoring compliance issues such as social, environmental and security.

By supporting our order management processes with digital technologies, we aim to maintain agility in case of potential delays and continuously keep our customers updated.

In terms of raw material access, we try to use an efficient supply chain structure for both import and domestic purchases. We recognize the need to diversify our supply chain to enhance product quality.

We carry out financial analyses to forecast changes in raw material prices, and engage in pre-purchasing or order-based purchasing in situations where we identify risks.

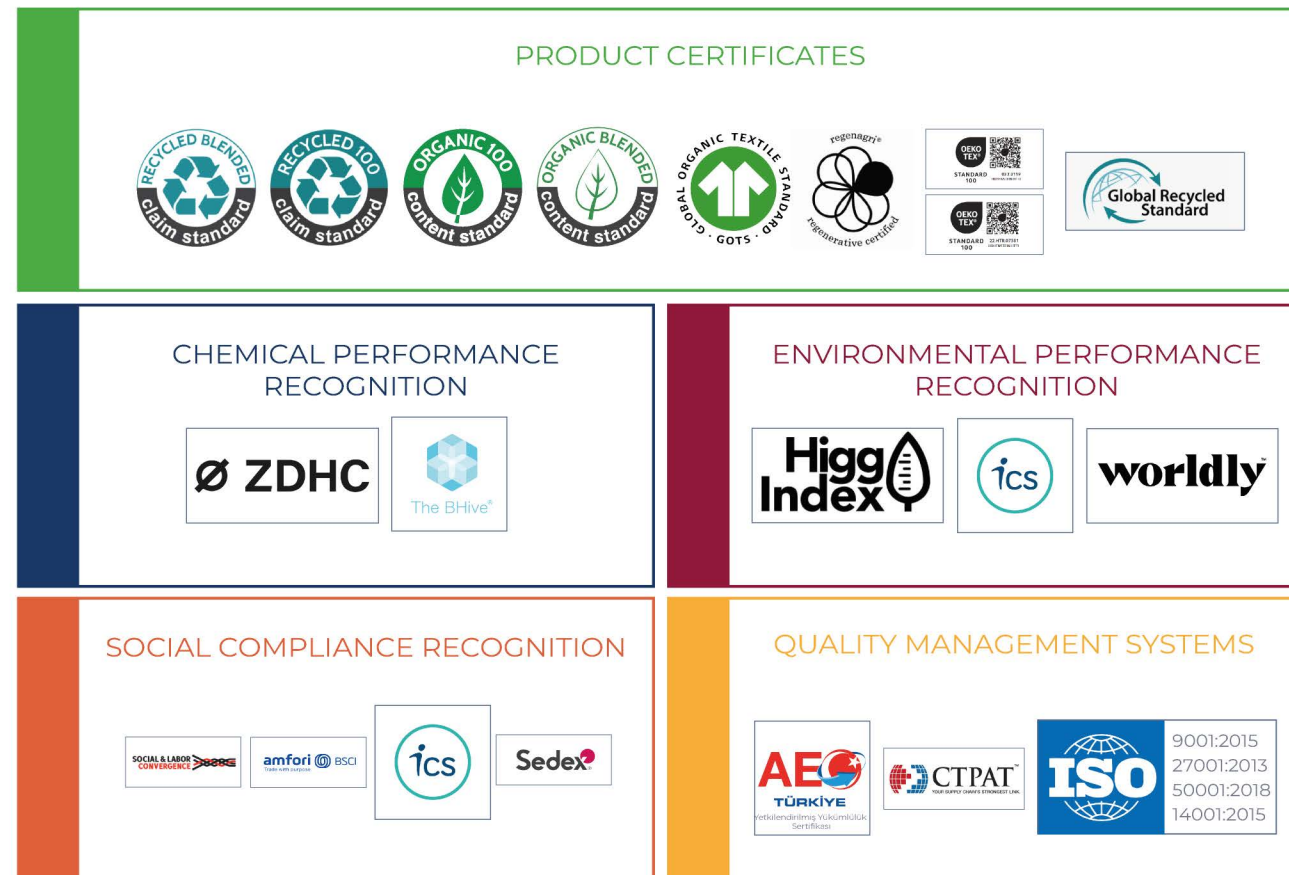
Our renewable energy investments continue to manage the change in energy prices and the carbon footprint of energy use.

To efficiently manage critical roles and positions, and optimize our existing human resources, we established a talent management unit in 2022.

Our sustainability activities follow the framework of our "Sustainability Plan," which we formulated in 2021. This plan encompasses our 2030 goals and establishes the foundation of our measurement and review system aligned with these objectives.



# certificates, recognitions and awards



Our responsible production approach, emphasis on the quality of our production and management systems, the economic value we generate for our country and company through exports, are endorsed by various certificates, documents, and awards from different institutions and organizations. In accordance with our vision, we consistently strive to adhere to international standards. We employ our certificates and documents as proof of our commitment to high-quality products and production in our communications with our customers. Furthermore, we use our certificates and documents to support our sustainability approach, sharing them with our customers as indicators of TYH's values.

We place great importance on the use of certified raw materials. We collaborate with management platforms that supervise the standardization and legal compliance of our chemical management. We regularly measure and certify our environmental performance. Our commitment to social compliance aligns with our respect for people and the environment, and we ensure compliance across all our factories, with third parties assessing our performance. Our quality management certificates serve as proof of our dedication to our work. Additionally, we hold authorized economic operator status, which authorizes us in customs import and export procedures.

In 2022, our company's foreign trade company, Fore Uluslararası Paz. ve Tic. A.Ş., ranked 11th in the sector and 192nd overall in the "Türkiye's Top 1000 Exporters" study by the Türkiye Exporters Assembly (TIM).

192.

GENERAL RANKING  
FORE ULUSLARARASI  
PAZ. ve TİC. A.Ş.

11.

SECTORAL RANKING  
FORE ULUSLARARASI  
PAZ. ve TİC. A.Ş.

**TÜRKİYE'NİN İLK**  
**1000**  
**İHRACATÇISI**  
**TİM** TÜRKİYE İHRACATÇILAR MECLİSİ **30** yıl

We ranked 438th in the 2022 edition of "Türkiye's Top 500 Industrial Enterprises" study conducted by the Istanbul Chamber of Industry (ICI). We participated in the RDCONF 2022 - II. International Research and Development Conference on engineering, architecture, planning, design, and natural sciences, organized by the Orcler Science & Research Group in collaboration with ARGEMIP (R&D and Design Centers Communication and Collaboration Platform). Our presentation "Investigation on the Fastness and Dimensional Stability of the Knitted Fabrics Made of the New Generation Regenerated Cellulose Fibers" won third prize in the Textile Industry Projects category at the event held on December 14-17, 2022.



214.

GENERAL RANKING

42.

NUMBER OF R&amp;D PROJECTS

23.

NUMBER OF WOMEN  
WORKING IN R&D

75.

NUMBER OF R&D CENTER  
EMPLOYMENT

16.

NUMBER OF DESIGN  
REGISTRATIONS IN  
R&D CENTERS

**Turkishtime**  
**AR-GE 250**  
**2021**  
Turkey's Top 250 Companies with the Highest R&D Expenditures

Turkishtime Magazine  
"Turkey's Top R&D  
Spending Companies"  
- 2021

In 2021, we were ranked 214th in the "R&D 250 Report" published by Turkishtime Magazine, which features the companies with the highest R&D expenditures in Türkiye. Our two R&D centers in Istanbul and Izmir helped us reach rank 42nd in the number of projects conducted, and we also ranked 23rd for the number of female personnel working in R&D centers. Additionally, our design patent count for 2021 placed us at the 16th spot, and we hold the 75th rank for the number of employees in our R&D centers.



## sustainability organization

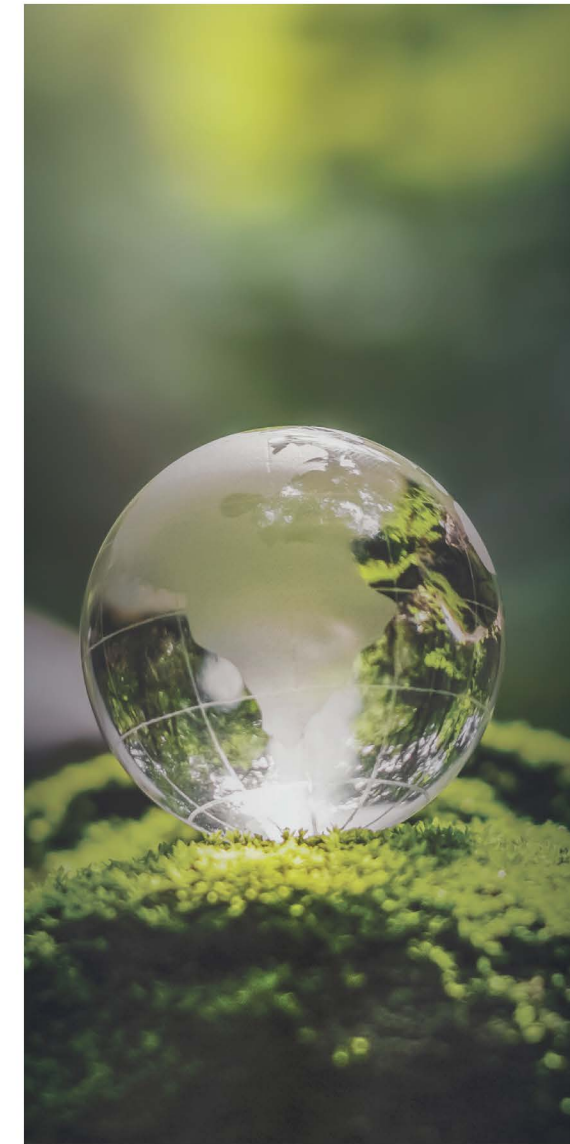
Our Managing Director serves as the sponsor of our Sustainability Plan. Beyond supervising corporate development, he has provided guidance during the planning and integration phases, leveraging his sectoral expertise and business experience.

During the creation phase of our plan, we engaged our sustainability project team, which includes experienced managers representing various departments of our company, as well as junior team members bringing in fresh perspectives. While forming the project team, we ensured representation from different regional and functional operations.

As one of the outcomes of our Sustainability Plan, we are aiming to expand our efforts in innovation and sustainability by involving a broader team to be led by our team members.

Thanks to the professional consulting we employed throughout the creation of the plan, we learned more about the general sustainability agenda and sustainability trends in our industry. Through this collaboration, we conducted a unique study for TYH.

We consider it important that our plan is embraced by all our employees and that we work together towards our objectives. In this context, in 2022, we organized informative meetings at production facilities in various cities, involving our managers and relevant team members. Additionally, to ensure that our sustainability plan reaches its goals, we held an online meeting with all our managers.



# our sustainability vision

We recognize that the existing production and consumption patterns brought about by the concept of fast fashion are not sustainable. Clothing is a basic human need. As humanity, our resources are limited. We believe that we need to work by using resources in the most efficient and innovative way, and without harming the environment. Our teammates who create value for us are important. It is also valuable to give trust and appreciate our teammates. Therefore, one of guiding principles is to offer responsibly produced garments while respecting people is among our principles. We continuously develop our business model to meet the needs of future generations.

With an approach that does not undermine environmental integrity and social equality and can provide prosperity for all stakeholders, we have defined our motto as “Our products are produced by people who respect each other and the environment.” Our vision is to “produce worth-wearing garments”.

Leadership

EFFICIENCY

Recycle

DIGITALIZATION

ENVIRONMENT

WATER

REUSE

Products

SUSTAINABILITY

CIRCULARITY

Industry

Zero Waste

Process

INNOVATION

ECONOMY

RENEWABLE

Supply Chain

NET ZERO

Raw Material

IDEAS

SOCIETY

FUTURE

PROGRESS

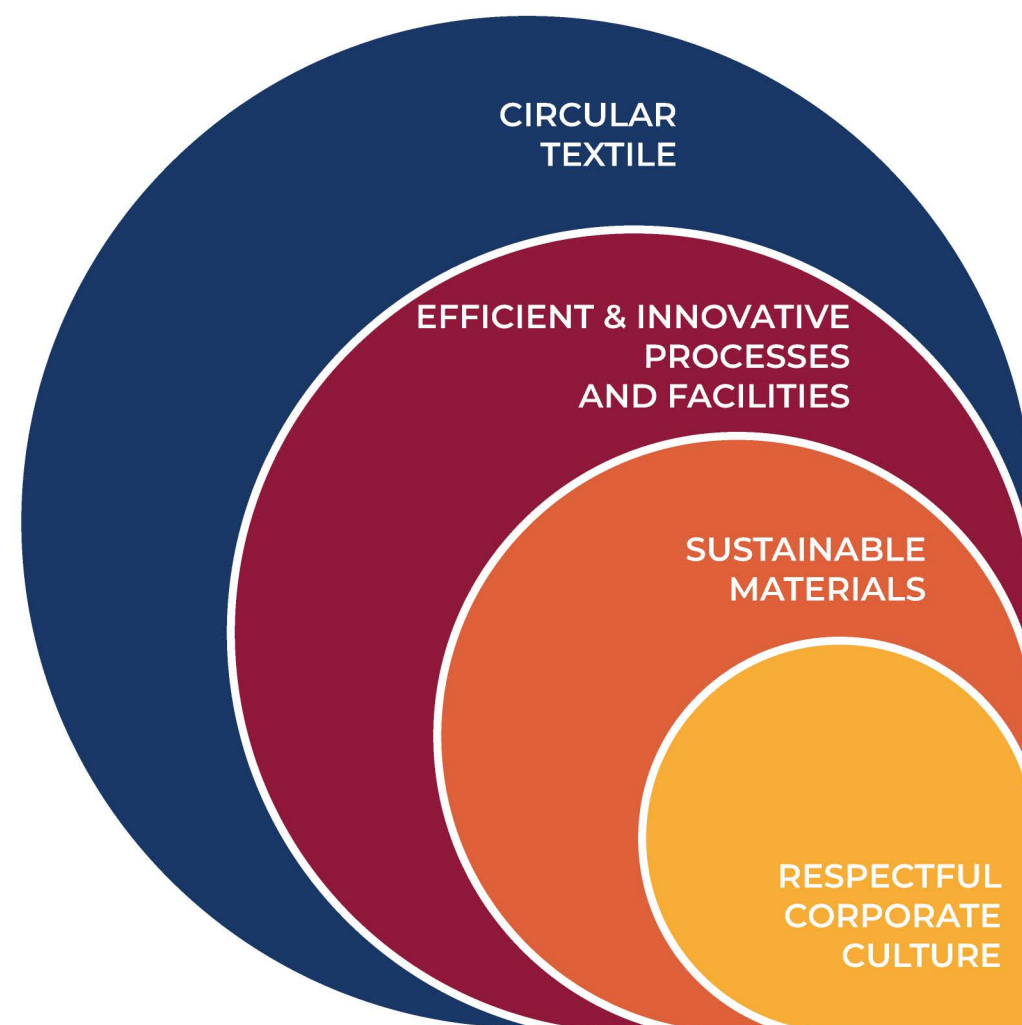
“producing  
worth-wearing  
garment”



# our sustainability framework

As part of our 2030 Sustainability Plan, we have defined our sustainability vision and goals with a team representing the functions of the organization, our consultants, and with the contributions of our managing director.

A respectful corporate culture, sustainable materials, efficient and innovative processes and facilities, and circular fashion are the cornerstones of our company, and these serve as the pillars of our sustainability framework.



## CIRCULAR TEXTILE

Establishing a new ecosystem in which we integrate different business models with a sustainability perspective

## EFFICIENT & INNOVATIVE PROCESSES AND FACILITIES

Digitized, instantly traceable, transparent and efficient production processes that quality is at the forefront

Facilities with the lowest carbon footprint

## SUSTAINABLE MATERIALS

Traceable, biodegradable, little or no environmental footprint

## RESPECTFUL CORPORATE CULTURE

Environment-friendly, happy, qualified, competent, self-managed employees

# materiality analysis

To ensure that our efforts towards our goals are sustainable, we believe they should be linked to clear business cases. Given that sustainability is a journey that requires resources and investments, we have positioned it as a method for ensuring long-term success. Furthermore, engaging with stakeholders will provide us with fresh perspectives beyond the mainstream, and enable us to gain insights into their needs as they relate to changing lifestyles, ecological requirements, and prosperity. Accordingly, after forming our sustainability vision and framework, we reviewed both our financial and stakeholder priorities.

In our financial materiality analysis, we considered the question, “In which impact areas included our own finances can we make progress, and how can we create benefit or reduce our risks?” We examined global trends, experiences of various institutions, and the priorities of our customers. In our stakeholder materiality analysis, we carried out a “stakeholder engagement” study with our sustainability team representing all the main functions of TYH, and assessed the following:

Where do we stand in terms of environment, prosperity, social benefit, and economic value?

How do we define our stakeholders, and what are our business priorities?

What can we expect from stakeholder engagement? What financial opportunities and risks might be possible to identify?

What should be our strategic goals for stakeholder engagement and our priority issues for this period?

As a result of these studies, at TYH, which has multi-purpose stakeholders, we determined our stakeholder engagement expectations as below:



TO LEARN AND UNDERSTAND ABOUT CHANGING CONSUMPTION PATTERNS (IN THE MAINSTREAM) IN NEW MARKETS AND WITH NEW SEGMENTS



TO BE AN AGILE PRODUCER TO RESPOND TO CHANGING MARKET DYNAMICS



TO MAINTAIN AND IMPROVE OUR CONTROL OVER THE SUPPLY CHAIN



TO INFLUENCE THE TEXTILE INDUSTRY FOR SUSTAINABILITY TRANSFORMATION



TO INNOVATE FOR NEW MATERIALS & PRODUCTION METHODS & PROCESSES



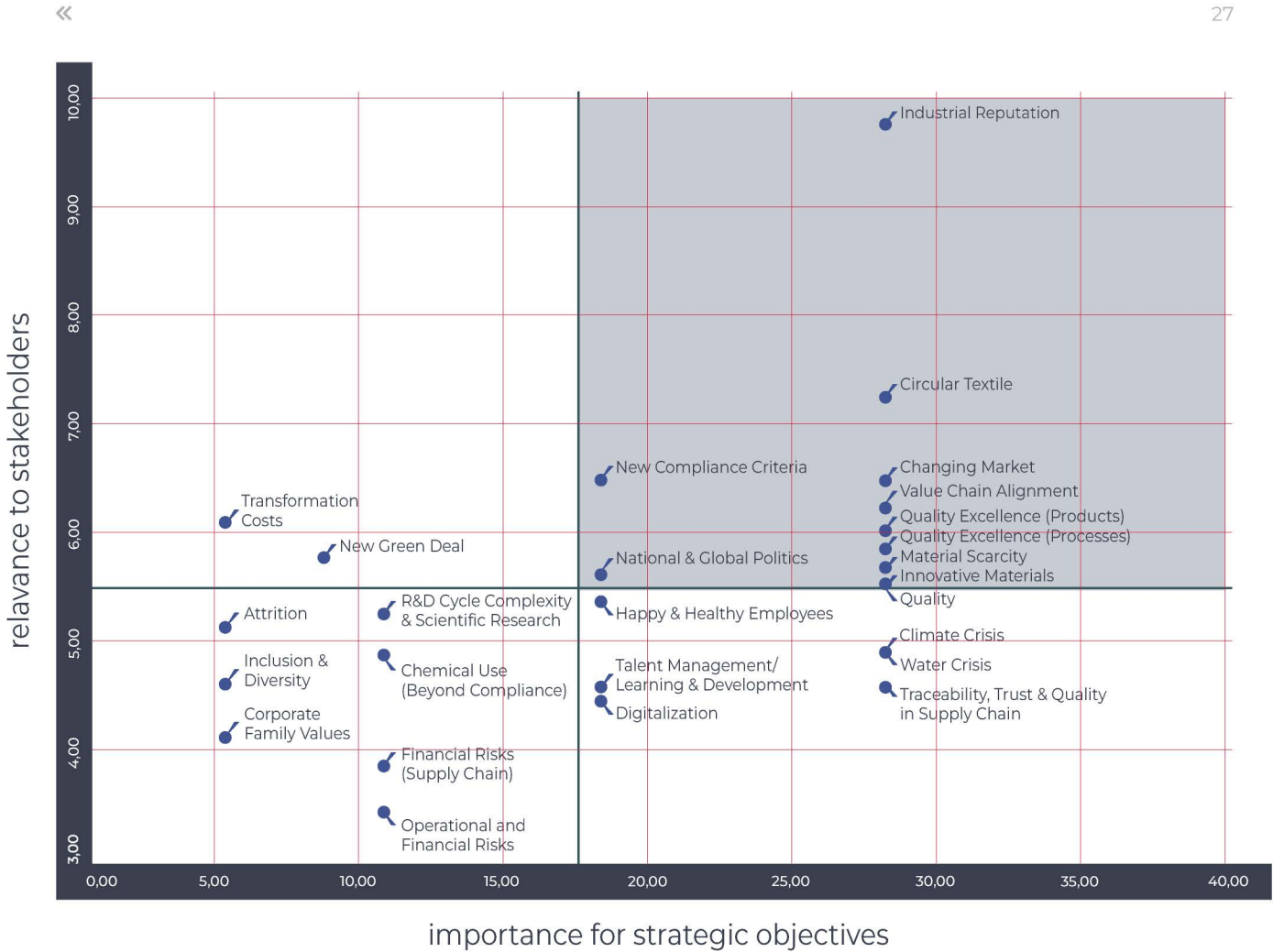
TO ASSESS AND MANAGE BUSINESS RISKS BETTER (MORE RESILIENT)



TO HAVE SKILLED, MOTIVATED, AND HAPPY PEOPLE FOR SUSTAINABILITY CULTURE (HIGH LEVEL OF SERVICE, QUALITY, LOYALTY, FUTURE OF WORK)



TO BETTER MANAGE REPUTATION



After this process, which helped us determine our stakeholder groups and priority issue list, we created our priority issue matrix through our teammates representing the views of the relevant stakeholder group. We aim to directly receive more comprehensive opinions from our stakeholders in our upcoming reporting periods.

While certain issues are more important to different stakeholder groups, their impact on us varies strategically. The most important issues that have the greatest impact on both our stakeholders and our company are defined as follows:



INDUSTRIAL REPUTATION



QUALITY EXCELLENCE (PRODUCTS)



CIRCULAR TEXTILE



NEW COMPLIANCE CRITERIA



MATERIAL SCARCITY



QUALITY EXCELLENCE (PROCESSES)



CHANGING MARKET DYNAMICS



VALUE CHAIN ALIGNMENT



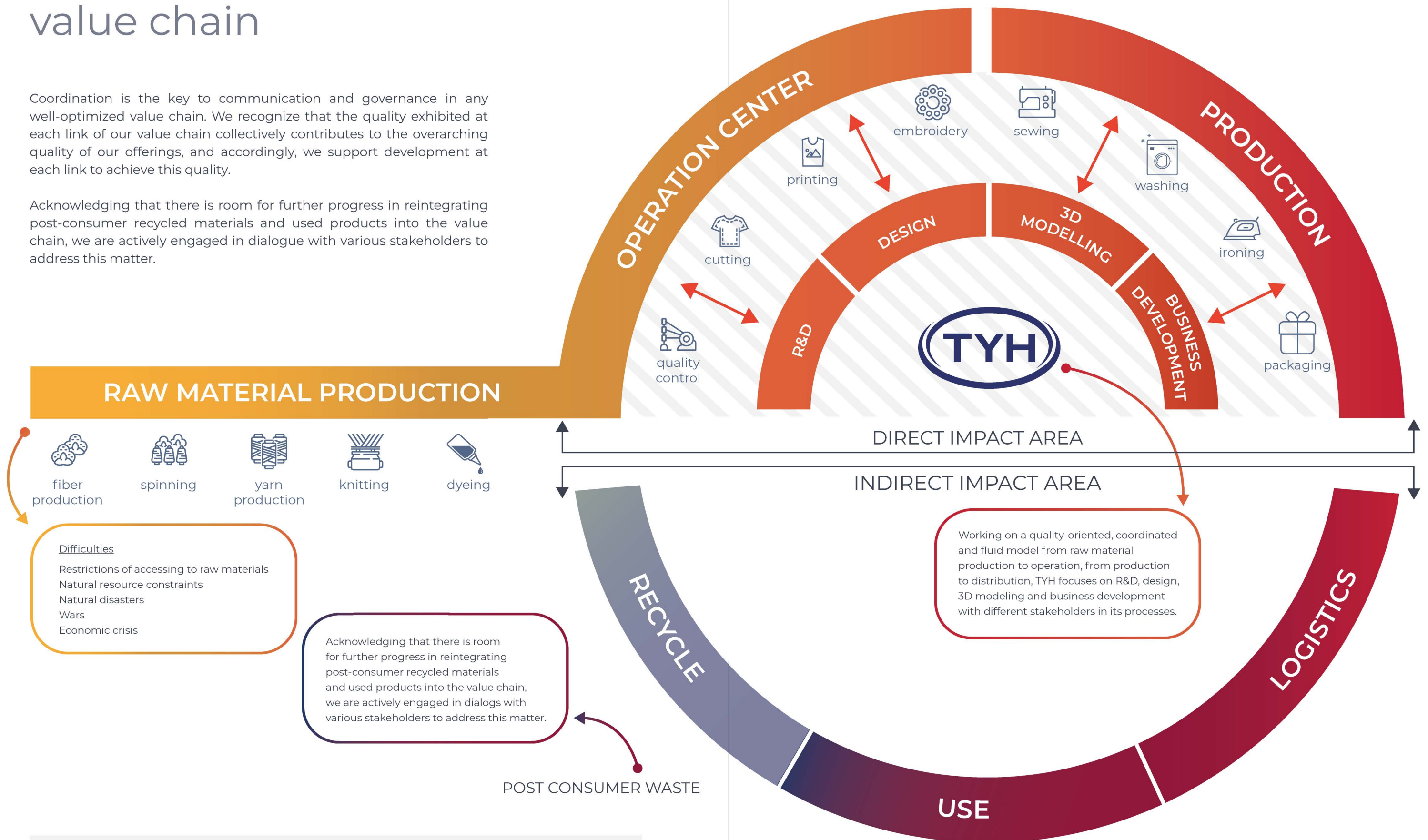
INNOVATIVE MATERIALS



# value chain

Coordination is the key to communication and governance in any well-optimized value chain. We recognize that the quality exhibited at each link of our value chain collectively contributes to the overarching quality of our offerings, and accordingly, we support development at each link to achieve this quality.

Acknowledging that there is room for further progress in reintegrating post-consumer recycled materials and used products into the value chain, we are actively engaged in dialogue with various stakeholders to address this matter.





# TYH 2030 sustainability targets

We completed our company's sustainability planning by following a methodology with our consultant company. First, we carried out the current situation assessment and trend analysis. Next, after defining the relative importance of our stakeholders to us, we defined the external factors, benefits and risks of the stakeholder relationship. These steps enabled the determination of our company's strategic goals for stakeholder engagement.

The issues that our company needs to focus on in order to achieve its strategic participation goals have been identified. Then we performed a materiality analysis. After completing all these, we determined the sustainability vision of our company.

When we determined our vision, we conducted an impact analysis study. We examined the areas where our company is likely to create impact and defined 9 areas of impact. We identified our 2030 targets for each impact area. Achieving our goals requires measurability, which is why we defined our metrics.

Our 2030 sustainability targets are as follows:



ENERGY	PRODUCTS & SERVICES
<b>ENERGY EFFICIENCY</b> Decrease energy use in production by 55% Elimination of diesel use	<b>CIRCULAR PRODUCTS &amp; SERVICES</b> Generate revenue from new, sustainable business models by 2030 Improve profitability from sustainability by 10%
<b>NET ZERO</b> Enhancing the use of renewable energy in production and facilities Electrification and carbon offsetting for operations	
FACILITIES	MATERIALS & WATER
<b>SUSTAINABLE FACILITIES</b> %100 renewable energy for all facilities Reduce water use from grid by 50% Zero landfill from sites Eliminate organic waste	<b>USE OF SUSTAINABLE PRODUCTION MATERIALS</b> Increase the use of biodegreable or recycleable materials in our products Produce with 100% traceable and / or certified materials Reduce packaging by 50% for input materials
PROCESSES	<b>CIRCULAR PRODUCTS &amp; SERVICES</b> Increase the life cycle of our products
<b>EFFICIENT &amp; DIGITALISED PROCESSES</b> Eliminate re-processing by reducing second-quality and waste in production Eliminate operational waste 100% digital tracing of production	INDUSTRY
<b>COMMUNITY WELFARE DEVELOPMENT</b> Develop 85% of employment from the local community Increasing the graduation rate of local vocational schools and local universities in employment Develop at least one circular textile project per year in every community TYH operates	<b>INDUSTRIAL LEADERSHIP</b> Develop sustainability criteria for all supply chain by 2023 Work with industry players / organisations to develop above criteria Make CO <sub>2</sub> reporting mandatory for 100% of suppliers by 2025 Carrying out LCA studies for the most used raw materials with at least 5 suppliers
COMMUNITY	WASTE
<b>EMPOWERMENT OF EMPLOYEES</b> Define core skill areas Develop core skill areas by improve critical competencies Improve employee satisfaction over 85% Decrease employee turnover in order to retain skilled labourforce Develop sustainability, resilience and initiative related education and mentoring programs per employee	<b>ZERO WASTE</b> Eliminate textile waste for circular use 100% compliance and regular dispatching of hazardous waste Eliminate waste by %50 - Eliminate non-recycleable packaging Eliminate waste water
EMPLOYEES	





# circular textile

Circular clothing is a model that complements the sustainability approach in the textile and apparel industry with material usage cycles, textile production and consumption methods. In other words, for circular clothing, we need to establish a system where we consume the least amount of resources possible, produce products with the longest life, create the least waste while doing so, and try to reintegrate post-consumer materials back into the cycle. For us, this is a challenge, as this system requires new business models that are not currently part of our operations.

While we have achieved certain levels of efficiency in operations, material usage, quality production, and waste reduction, reintegrating the final product into the cycle as an input remains a significant challenge, not only in the textile industry but also in other sectors. We have set our eyes on overcoming this challenge, and are already making progress. To measure our impact on a product, we now conduct a Life Cycle Assessment (LCA), analyze our waste, create waste management projects, collaborate, and conduct studies on consumables.

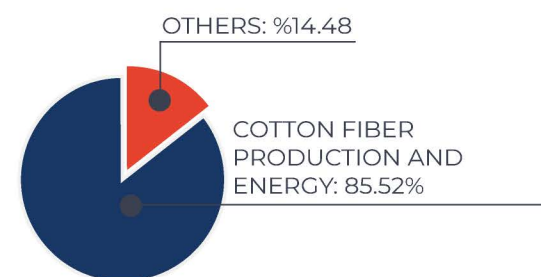


# our life cycle assessment (LCA) studies

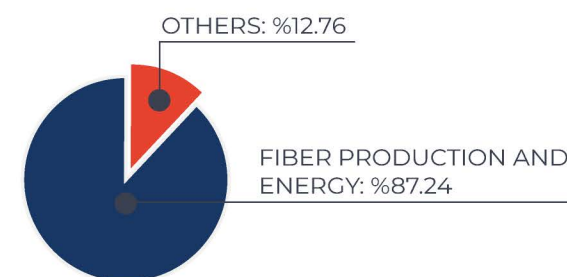
Life Cycle Assessment (LCA) is a systematic approach to assessing the environmental impact of a product or system from extraction of raw materials to its disposal. We believe that LCAs are a powerful tool to promote sustainability in the textile industry, supporting the development of more environmentally friendly and sustainable products. Through the LCAs we conducted in 2019 and 2021, we aimed to see the impact of our products and processes and plan for improvements in the long term.

Our first analysis in 2019 provided information about the carbon and water footprint of the polo shirt, which is one of most produced items. The analysis showed that energy used in production had the greatest impact on the carbon footprint of the product, regardless of color or content (100% cotton or 50% cotton-50% polyester mix). This result encouraged us to move towards using renewable energy. In the same year, we invested in installing solar energy panels on the roof of our Akhisar Logistics Center. You can find detailed information about our solar panel investment in the “Selected Projects” section of this report. Another topic we evaluated in our LCA was reprocessing due to color mismatch, a frequently encountered issue in our industry. The study also revealed potential improvements to our water footprint that can be achieved by using alternative raw materials. Our R&D efforts continue.

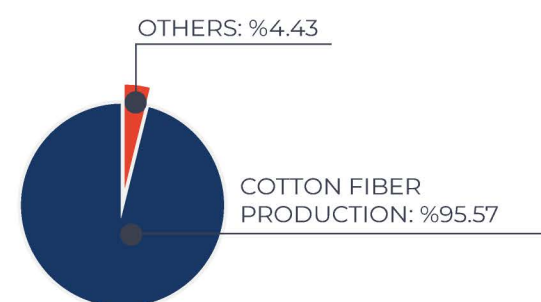
%100 Cotton Polo T-shirt Carbon Footprint



%50 Cotton %50 Polyester Polo T-shirt Carbon Footprint



%100 Cotton Polo T-shirt Water Footprint



%50 Cotton %50 Polyester Polo T-shirt Water Footprint



In a second analysis in 2021, we calculated the environmental impacts of our hoodie product that has composition of 94% organic cotton and 6% elastane. The results showed us that a significant portion of water consumption was due to the dyeing process. This led us to look into innovative and environmentally friendly washing methods that use less water and chemicals as an alternative to conventional washing processes, and develop good practices specific to our company. Thus, we started to invest in ozone washing, developing new recipes that consume much less water and chemicals. Additionally, we added innovative processes to our operations with the saltless washing method. You can find detailed information about ozone washing and saltless washing methods in the “Operational Excellence” section of our report.

We added the results of both our carbon footprint due to reprocesses and the impacts due to dyeing to our customer communications. In doing so, we are targeting to raise awareness among our customers to make more sustainable decisions, and review the negative impacts of our own production processes.



## business models and collaborations in waste recycling

The shifts in our living conditions brought about by the pandemic compelled humanity to embrace new habits, fostering an evolution for the better. These habits enabled us to reduce carbon emissions and air pollution, and triggered an awakening towards a more sustainable life. While these changes were taking place, we also began to generate projects to test and develop circular economy models. As we work towards turning cutting waste back into yarn, we also develop projects to ensure the traceability and digitalization of waste at every stage.



## our zero waste certifications

As TYH Tekstil, we recognize our responsibility of preventing the depletion of natural resources for the sake of future generations, and we do our best to reduce our waste. We attach importance to the on-site separation of all waste that we cannot completely eliminate, and we ensure that our waste is recycled by working with licensed companies that specialize in handling hazardous and non-hazardous waste.

By accelerating our strategies and projects for waste disposal, we completed our waste declarations for 2022 and initiated work to make our facilities compliant with the Zero Waste Regulation as published by the Ministry of Environment, Urbanization, and Climate Change. We applied for Zero Waste Certificates for our facilities in the Thrace and Aegean Regions. In the course of the year, our Babaeski and Lüleburgaz facilities earned Zero Waste certification. We aim to complete the system installation and application processes of our other facilities by the end of 2023, aiming to extend this process to all our facilities by the end of the year.



## TYH bags

One of the projects we engaged in line with our 2030 Sustainability Goals was to produce bags from recycled materials. In 2022, we recycled our polyester-based idle stocks that were stored in our accessory warehouse by collaborating with an external service provider. As a result, we transformed the TYH-branded bags we use into products with 100% recycled content. We produced approximately 8,000 bags by recycling 8,468 kg of polyester in 2021, and a further 1,177 kg of polyester in 2022.



TYH Tekstil values sustainability efforts. We develop strategies and carry out projects in line with ESG standards. One of the sample projects is the production of bags using recycled materials.



## material safety

Material safety is a prerequisite for ensuring economic sustainability in the textile and apparel industries. As these industries rely heavily on natural resources such as cotton, wool, and leather to continue their operations, ensuring the security of supply chains and making material procurement sustainable are essential. The production of these key materials is directly dependent on significant amounts of land, water, and other natural resources. The vulnerability of these natural resources to factors such as climate change, geopolitical tensions, and trade policies poses a direct threat to material security. Additionally, polyester, another key raw material in our production, is a synthetic fabric generally produced from petroleum. Considering the environmental and social negative impacts of petroleum, as well as its limited supply, the importance of ensuring material security becomes evident once again.

In response to these challenges, we believe that the textile and apparel industry must develop new methods and innovative raw materials to reduce dependence on existing materials and support sustainability, adopt the principles of circular economy by focusing on material conservation and reuse, and promote transparency and collaboration throughout the value chain. At TYH Tekstil, we work to ensure our material security through supporting the transformation of our supply chain.

In 2022, 11% of our export on a unit basis consisted of certified cotton known as "transition cotton." We also supported Turkish farmers by supplying our raw material needs from local sources.

You can find detailed information about other initiatives contributing to our material security in the "Innovative Materials" section of our report.





## new compliance criteria

Like any other industry, textile and apparel see regulations being updated and compliance criteria revised due to the impact of the climate crisis. As a company striving to minimize its negative environmental, social, and socio-economic impact, we closely monitor both sustainability-related and sector-specific regulatory and compliance criteria. We shape our operations according to needs, prioritizing customer satisfaction and compliance with expectations.

In 2022, we began using the Bhive inventory system in our facilities with wet processes to digitally track our chemical management, and we started using the Zero Discharge of Hazardous Chemicals (ZDHC) platform to monitor the environmental impact levels of the chemicals we use. In terms of social compliance, we obtained the Social and Labor Convergence Program (SLCP) certificate in three of our facilities.



## Green Deal

The European Union's Green Deal is a comprehensive strategy aimed at making the EU climate-neutral by 2050 while promoting sustainable economic growth and increasing citizens' well-being. The apparel and textile industries play an important role in achieving the EU's sustainability goals due to their contribution to environmental pollution and social inequality.

To promote sustainability in the apparel and textile industries, the EU has developed various initiatives and policies under the Green Deal. These initiatives aim to promote material circularity, reduce waste, and improve the transparency and sustainability of supply chains. As TYH Tekstil, we have significant trade relations with EU countries. By complying with the requirements of the EU Green Deal, we are working to transform not only our operations but also our value chain to minimize negative environmental and social impacts.

## Higg FEM

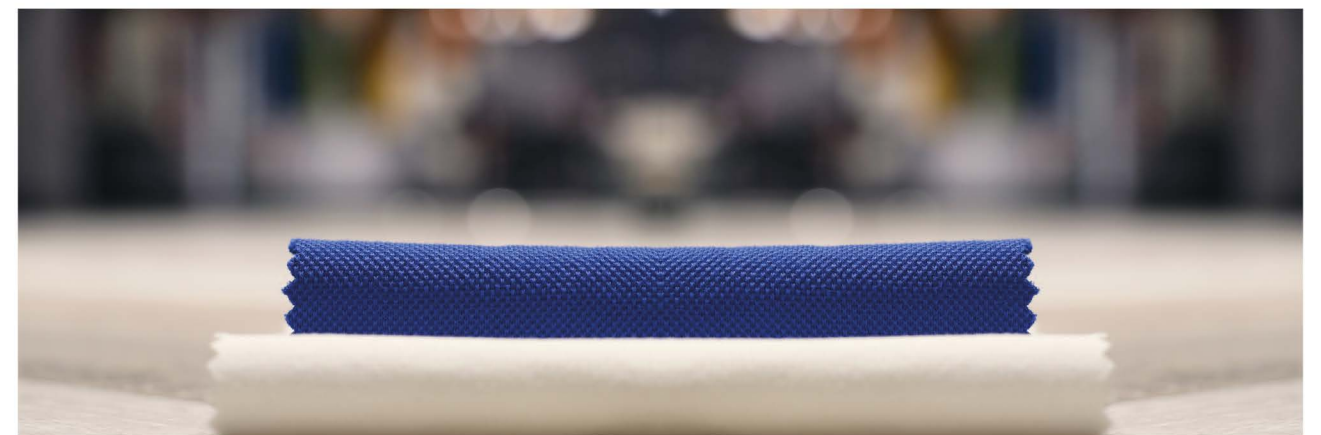
The Higg Facility Environmental Module (Higg FEM) is a sustainable assessment tool that standardizes how facilities measure and evaluate their environmental performance annually. We obtain our annual results by undergoing verification each year. By being part of the Higg Index, which promotes transparency and accountability in the fashion industry, we are working to make our facilities more sustainable. We have been conducting Higg FEM verifications in our facilities since 2017 and aim to increase the number of participating facilities each year.



## CRIFT



Synesgy is a sustainability platform developed by CRIFT Türkiye, a Fortune 500-accredited assessment and consulting company, which is implemented simultaneously in 15 countries around the globe. Synesgy offers companies a digital environment to conduct ESG assessments for themselves and their suppliers. In 2022, we completed the question sets on the Synesgy platform, obtained our ESG Score, and received a participation certificate valid for one year.





# efficient & innovative processes and facilities

Efficient use of resources and the transformation of our processes and facilities into the most efficient and innovative business models contribute to the sustainability of our business, in line with the role we want to assume as a sustainable company. We aim to maintain and advance our industrial reputation while contributing to our export volume by creating value-added products since our foundation.

To achieve sustainable economic growth, we know we need to make our economic growth independent from raw material consumption. Through our R&D processes and collaborations, we prioritize innovative material usage and more efficient resource utilization to achieve quality excellence and sustainability in our products.

We closely follow digital innovations in our industry, and integrate them into our processes and facilities to achieve excellence in quality as guided by our digitalization targets.



## operational excellence



In the context of the textile and apparel industries, operational excellence means optimization of an enterprise's production processes, higher production efficiency, higher quality, and higher customer satisfaction.

Quality excellence in product and processes is an essential component of our efforts to meet customer expectations, ensure product longevity, and use natural resources effectively.

Digitalization is a key area of improvement to ensure operational excellence. Digital technologies are poised to enhance efficiency in a variety of areas such as production, supply chain management, inventory management, customer service, and marketing. This can provide the way for a more efficient, competitive, and sustainable industry.

As TYH Tekstil, we place importance on achieving quality excellence in our products and processes while efficiently using resources and maximizing customer satisfaction to contribute to our economic sustainability. Through R&D activities and collaborations, we aim to maintain the highest level of quality and explore new methods.

## auxiliary businesses and R&D centers

In line with our vision and mission, we have been investing in research and development since our establishment. At the end of 2016 and the beginning of 2017, we established two separate R&D centers in our two central offices, and crowned this achievement by obtaining "R&D Center certification" from the Ministry of Industry and Technology.



Our R&D team at our centers develops projects in line with customer needs, trends, and the sustainability goals of our company, focusing on raw material development, process improvement, and digitalization projects.

Since our establishment, our goal has been to contribute to exports by producing value-added products. Therefore, we establish auxiliary businesses and invest in them to increase the value per product by means of design and various operations, thus contributing to the economy.

To mitigate the risks identified in our risk assessment, such as "disruptions in production processes" and "delays in product delivery," we integrated externally sourced services by establishing auxiliary businesses. This helped us guarantee the high-quality production and on-time delivery. We invested in various departments in our production facilities, including a piece-printing production facility, embroidery workshops, and washing facilities. Currently, we have achieved our goal successfully with two logistics centers, two embroidery workshops, three product washing facilities, and one piece printing facility.





## ozone garment wash

Conventional washing effects can utilize various methods such as enzymes, stone washing, and special chemicals. These processes result in extra time, cost, material, and chemical consumption. Furthermore, conventional washing processes often use significant levels of chemicals, which can be harmful to environment and employee health. Due to these reasons, there is a growing trend toward alternative, new, and eco-friendly washing methods to minimize harm to the environment and humans.

Ozone, a natural molecule, is known as “Active Oxygen.” The ozone ( $O_3$ ) molecule is formed by the combination of three oxygen atoms. Ozone is an effective disinfectant and undoubtedly the most significant source of sustainability in the textile sector due to its ability to bleach without leaving harmful chemicals in the fabric. The ozone process is environmentally friendly. The SMART FLOW Nano bubble spraying technology achieves savings of up to 95% in conventional water consumption, up to 90% in chemical consumption, and 100% in heating energy consumption.

In this context, while meeting our customers' increasing demands for wash effects, we conducted research and invested in innovative and eco-friendly washing methods to set an example for the sector. As of 2022, we are providing ozone washing to our customers with our 3 garment washing facilities in our Alpullu, Akhisar and Sivas factories.





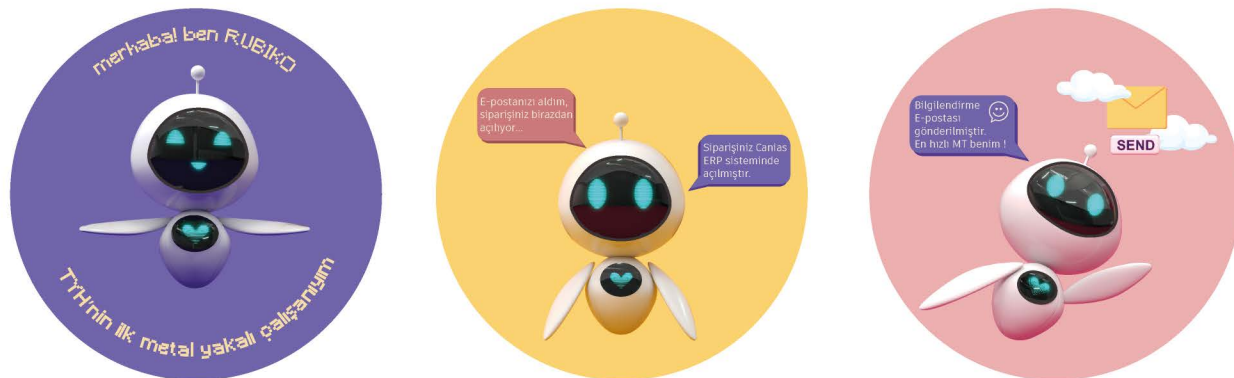
## efficient and digital processes

In 2023, we plan to begin a project to create a scale for each process or operation that affects the product's lifespan. In the first phase of the project, we aim to list the criteria that affect the product's lifespan, determine the tests for the products, and establish test standards.

We believe that the steps we take in the field of digitalization will help our business become more efficient, flexible, sustainable, and customer-oriented. The use of digital technologies allows for reduced errors in production processes, decreased production time and costs, and improved product quality. This enables the production of higher quality products in a shorter time, leading to increased customer satisfaction.

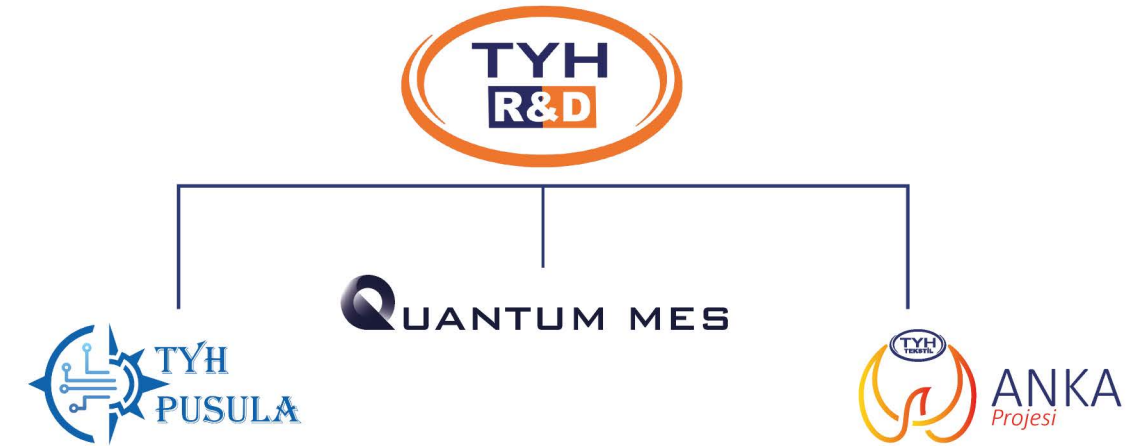
### TYH's metal-collar worker: RUBIKO

TYH's metal-collar employee is now at work. Our Robotic Process Automation (RPA) initiatives, which we started as an R&D project in 2020, were piloted in 2022. Our metal-collar colleague, named "Rubiko," was created through these efforts. Initially, we taught Rubiko to automatically input customer orders received as email attachments in Excel format into our ERP program. Since its implementation, Rubiko has processed 348 orders. Our development and improvement efforts for Rubiko are ongoing. In the future, we plan to automate a greater number and variety of tasks through further developments.



## digitalization in production

As part of the real-time monitoring and digitalization of production, we have initiated R&D projects with different models in three separate production regions. Due to regional differences and the diversity in products and production methods, the methods and technologies of each project continue to differ from each other.



## intellectual property rights

At TYH Tekstil, we attach great importance to Intellectual Property Rights Management. We manage patent processes in collaboration with patent offices, a task that was handled by our Information Technology department before the establishment of our R&D Centers, and by our R&D Centers since. Some of the intellectual property rights that our company held as of December 31, 2022, are listed below:

-  5 PATENT APPLICATIONS FOR PRODUCTION DIGITALIZATION PROJECTS
-  1 PATENT APPLICATION FOR ECO-FRIENDLY OZONE WASHING
-  1 PATENT AND 1 UTILITY MODEL FOR INCREASING PRODUCTION EFFICIENCY AND PERFORMANCE
-  66 DESIGN APPLICATIONS, 47 OF WHICH ARE REGISTERED AS OF DECEMBER 31, 2022
-  NUMEROUS BRAND REGISTRATIONS



## 3D modelling



Since 2019, we have been investing in 3D modeling. While our design team creates designs suitable for fashion and trends, our 3D team uses Clo and Browzwear 3D modeling programs for modeling. Additionally, we use the E-Shot 360 program to take 360-degree photos of our products.

Through 3D modeling, we achieve time, resource, and cost savings. Instead of allocating time, resources, and money to sample production, we use 3D modeling to obtain digital sample approvals for production and only produce physical samples that are necessary.

We calculated the savings achieved through 3D modeling in a pilot study. Based on this study, while sample production takes only a single day of 3D modeling work, processes like cutting, embroidery, sewing, quality control, ironing-packaging, and logistics for the same product take three days. Even when only the logistics of the sample is taken into account, a sample traveling a distance of approximately 2,000 km (the distance covered by a sample sent from Türkiye to Europe) has a CO<sub>2</sub> footprint of about 300 kg CO<sub>2</sub>e according to DEFRA. It is also possible to make separate calculations for natural resources and energy used in physical sample production.







# sustainable materials

Sustainable materials in the textile and apparel industry are those produced and used in a way that minimizes environmental and social impacts and supports long-term sustainability.

The use of sustainable materials in the textile sector has positive and wide-reaching results. For instance, the use of natural fibers such as cotton, linen, and wool, which use renewable resources and minimize the use of non-renewable synthetic fibers produced from fossil sources, can reduce the environmental impact of textile production. Furthermore, the development of synthetic fibers made from biodegradable materials can help reduce waste and preserve the environment by minimizing textile waste's impact on landfills and the natural environment.

Moreover, due to its size and economic benefits, the textile value chain is one of the most critical intervention points for the transformation towards a sustainable textile industry. Traceability in the supply chain serves to enhance trust and quality by transparently reflecting the source and processing of inputs.



## traceability, trust, and quality in the supply chain

Traceability in the supply chain ensures the monitoring of where and how products are produced throughout the entire production process. This allows industry players to better manage working conditions, material resources, and production processes. Trust, collaboration, and communication are improved between businesses in the supply chain. Quality management reduces errors in the production process, leading to lower costs for businesses.

As a result, traceability, trust and quality in the supply chain are very important for the sustainability of the apparel industry. Businesses in the sector should ensure traceability in the production process, increase trust among businesses and prioritize quality management. In this way, the apparel industry can develop sustainably and the demands of consumers can be met.



## innovative materials



Innovative materials offer the possibility of transforming the textile and apparel industries by providing new features, functions, and benefits. Additionally, innovative materials serve as a key focus of innovation in these industries due to their potential to reduce the environmental impact of garment production and consumption compared to traditional materials. These materials include recycled polyester, organic cotton, bamboo, and hemp, among others.



TYH's first  
biodegradable  
product



TYH's first  
hemp fabric  
collection



TYH's first  
traceable  
product



ozone garment  
wash



## TYH's first biodegradable product



In line with our 2030 Sustainability Goals, our R&D centers are working on projects to develop innovative new materials. These projects are carried out in collaboration with yarn, fabric, or product development and design stages. Following our sustainability plan, our biodegradable product development project initiated as an R&D project concluded in 2022. As part of this project, we produced TYH's first biodegradable hoodie.

Biodegradability refers to the eco-friendly biological decomposition capacity of a material by microorganisms over time. The chemical transformation of biodegradability can occur in the air, soil, or water. In our project, this transformation took place in soil.

Inspired by the transformation of a caterpillar emerging from its cocoon as a butterfly, our project involved experimentation through 3D modeling during the design phase. We chose our raw material as 100% polyester, a synthetic-based knitted fabric. By incorporating polymers during fiber extraction, we created a knitted fabric that can dissolve three times faster than conventional polyesters. In our product, we replaced polyester fabric, which normally takes 300 years to decompose in nature, with an alternative that dissolves in soil three to five times faster. Furthermore, we prioritized environmentally-conscious accessories made from recycled materials.



## TYH's first hemp fabric collection



There are significant differences in water requirements between hemp and cotton fiber production. Cotton is a plant that grows especially in hot and dry climates and requires a large amount of water for the maturation of its seeds. Furthermore, the irrigation methods used in cotton cultivation can often lead to excessive use of water resources, although they vary depending on the region of cultivation.

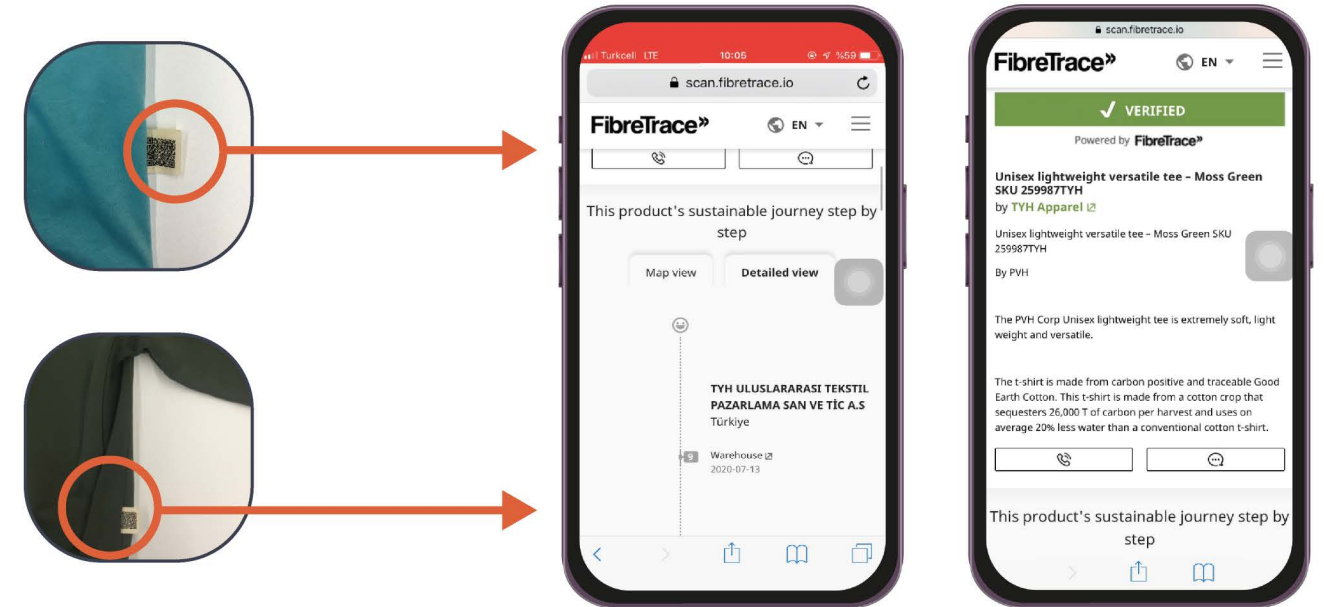
The production of hemp fiber requires one-third less water compared to cotton fiber. In other words, hemp fiber has a water footprint that is one-third smaller than cotton. Thanks to its root systems that improve soil and prevent erosion, the hemp plant also contributes to soil conservation. Additionally, due to its fiber characteristics, hemp offers high strength, resistance to abrasion, breathability, high moisture absorption, natural antibacterial properties, and UV resistance. These properties contribute to the durability of the resulting product over many years.

Given the characteristics of hemp fiber, which makes it suitable for both our customer groups and our sustainability goals thanks to its eco-friendly nature, we have initiated a new R&D project to develop special fabrics with suitable durability and performance using hemp fiber, and to create a collection of clothing products made using these newly developed fabrics.

To address the challenges of hemp usage in the industry and to leverage its technical properties, we conducted several experiments, technical improvements, and specialized fabric development, resulting in a unique collection that uses a blend of hemp fiber with cotton and/or polyester.



TYH's first traceable product used in knitting for the first time in Türkiye: Fibretrace



The use of traceable products and processes at TYH Tekstil is directly proportional to our vision for quality production and our sustainability approach. We view traceability as a valuable tool to verify our claims of sustainability about products. We believe that we can only determine if a product is sustainable to the extent that it is traceable. Therefore, in our raw material procurement, we pursued the search for traceable fibers and, in 2021, sourced an organic type of cotton fiber named "Fibretrace." We became the representative for this cotton fiber in the knitting segment in Türkiye. The most significant feature of this cotton fiber is that, thanks to the substances added during the carding stage, we can track all stages of the fiber's journey from its raw form to the final product. This means that we can monitor every step of the raw material process, down to the country, city, and company level, through both a platform and a website. The scanners that form part of this technology also allow us to determine whether a fabric is made from Fibretrace or another fiber.

By using traceable products and processes, we not only ensure product quality products but also offer our customers a safe and informed product experience, enhancing their awareness about the sustainability characteristics of our products. TYH Tekstil will continue to offer high-quality, reliable, and sustainable products to our customers by using traceable products and processes.



## chemical usage

At TYH Tekstil, the use of environmentally harmful chemicals is strictly prohibited. Our production facilities and offices are equipped with Material Safety Data Sheets (MSDS) for all chemicals used. We ensure that we only utilize products with proper safety documentation in our operations, and we also require our suppliers to adhere to the same criteria. By encouraging our suppliers to assess the environmental and social impacts of their chemicals, we aim to foster increased awareness.


Furthermore, we use the B-Hive platform for managing the chemicals utilized in our product washing facilities, and the ZDHC platform to monitor the classification of these chemicals. While we primarily prioritize Level 3 chemicals under the ZDHC standards, which denote minimal environmental impact, for those chemicals that do not fall within this category and are indispensable, we conduct periodic tests to verify the absence of harmful substances, subsequently documenting and tracking the results. For chemicals that do not meet the Level 3 criteria according to the ZDHC standards, we actively seek alternatives and remain open to collaborative efforts in this pursuit.

## TYH Smartscore

We measure the environmental impact of all our wash processes within TYH Smartwash using a calculation method named TYH Smartscore. This method involves processing information such as the quantity of chemicals used on a product, the temperature and duration of the production process, the production volume, and the weight of raw materials used to manufacture the product. Through these calculations, we determine the product's environmental impact, referred to as its 'smartscore.' We categorize the smartscore into three levels: low, medium, and high. Each level corresponds to a separate scoring system. With Smartwash facilities, we can individually assess and report the environmental impact of products for each recipe.

TYH Smartwash and Smartscore allow us to measure the effects of wash recipes, providing an opportunity to refine our processes and offer improved solutions to our customers. By identifying high-impact practices, we perform improvement and continue progressing toward our sustainability objectives.

Furthermore, we are pleased to announce the official registration of TYH Smartwash as a brand and the completion of patent applications for ozone washing initiatives launched since its establishment.

		<b>smartscore</b>		
<b>Sipariş / Model No:</b>	TSHIRT	<b>Sipariş Adedi:</b>	2 / 2	<b>Tarih</b>
<b>Proses İsmi:</b>	OZON	<b>Sari Adedi:</b>	1	<b>Başlangıç:</b> 8.02.2021
<b>Ar-Ge Reçete No:</b>	210101	<b>Makine No:</b>	1	<b>Bitiş:</b> 8.02.2021
<b>1 Ozonlama</b>	<b>2 Durulama</b>	<b>3 Nötralizasyon</b>	<b>4 Durulama</b>	<b>5 Yumuşatma</b>
<b>Washing Machine (F-Load)</b>	<b>Washing Machine (F-Load)</b>	<b>Washing Machine (F-Load)</b>	<b>Washing Machine (F-Load)</b>	<b>Washing Machine (F-Load)</b>
Süre: 10 dk Sıcaklık: 25 °C Flotte: 1 : 3	Süre: 2 dk Sıcaklık: 25 °C Flotte: 1 : 3	Süre: 10 dk Sıcaklık: 55 °C Flotte: 1 : 3	Süre: 2 dk Sıcaklık: 25 °C Flotte: 1 : 3	Süre: 5 dk Sıcaklık: 25 °C Flotte: 1 : 3
Kimyasallar	Kimyasallar	Kimyasallar	Kimyasallar	Kimyasallar
1 2 3 4 5 6	1 2 3 4 5 6	1 2 3 4 5 6	1 2 3 4 5 6	1 2 3 4 5 6
Lava Wash PDT 2,0 g / l				Evo Soft UCL 3,0 g / l
6	6	6	6	6
<b>6 Sıkma</b>	<b>7 Kurutma</b>	<b>8 #YOK</b>	<b>9 #YOK</b>	<b>10 #YOK</b>
<b>Washing Machine (F-Load)</b>	<b>Tumbler Dryer</b>	<b>#YOK</b>	<b>#YOK</b>	<b>#YOK</b>
Süre: 4 dk Sıcaklık: Flotte:	Süre: 30 dk Sıcaklık: 75 °C Flotte:	Süre: Sıcaklık: Flotte:	Süre: Sıcaklık: Flotte:	Süre: Sıcaklık: Flotte:
Kimyasallar	Kimyasallar	Kimyasallar	Kimyasallar	Kimyasallar
1 2 3 4 5 6	1 2 3 4 5 6	1 2 3 4 5 6	1 2 3 4 5 6	1 2 3 4 5 6
Ürün Ağırlığı: 500 g	Proses Süresi: 63 dk	Ürün Sayısı: 2		
<b>Smart Score</b>	<b>Su Etkisi (l / Ürün)</b>	<b>Enerji Etkisi (kwh / Ürün)</b>	<b>Kimyasal Etkisi (Ürün)</b>	<b>Çalışan Etkisi (Ürün)</b>
<b>12</b>	<b>7,5</b>	<b>2,025</b>	<b>2,0</b>	<b>2,0</b>
Düşük Etki				
Düşük Etki :0-33	Orta Etki: 34-66	Yüksek Etki: 66+		



# smartwash score



## water usage

The textile and apparel industries are among the fastest-growing and most water-intensive sectors globally. The sustainability of these industries is directly related to the quantity and quality of water used during production and post-production stages. Issues such as water scarcity and pollution make necessary a review of water usage practices within these sectors.

In light of the diminishing water resources in today's world, TYH Tekstil is committed to managing and reducing our impact on water resources. We design projects to maximize water efficiency in our operations and consider ourselves responsible for preserving water resources for current and future generations.

A significant portion of our water demand arises from raw material production. TYH Tekstil has taken the following steps towards more sustainable water usage:

### Rain Water Harvesting System

Our Akhisar OIZ and Logistics facilities are equipped with systems to collect rainwater. In this system, rainwater is collected from building roofs, filtered, and stored in underground reservoirs. In 2022, we sourced 3% of our total water consumption from rainwater.

### Grey Water Usage

Our Akhisar Logistics facility has a greywater collection system, which collects and filters water collected from sinks before storing it in underground reservoirs. We maintain a total storage capacity of 1,300 m<sup>3</sup> for both systems. In 2022, we sourced 1% of our total water consumption from greywater.



# %3

RATIO OF WATER CONSUMPTION FROM RAINWATER  
TO TOTAL WATER CONSUMPTION IN 2022



# %1

RATIO OF WATER CONSUMPTION FROM GRAY  
WATER TO TOTAL WATER CONSUMPTION IN 2022







# respectful corporate culture

We support our employees in becoming environmentally respectful, happy, skilled, and competent individuals. Recognizing that happy and healthy employees are essential to our journey towards greater sustainability, we prioritize their well-being. We actively engage in talent management efforts to identify and retain talents that will shape our future. We adopt an innovative approach to learning and development. We collaborate with our customers to design and implement projects concerning professional training and employee development.

Our focus on social benefit extends not only to our employees but also to society at large, and accordingly, we prioritize initiatives that promote social benefit and emphasize stakeholder engagement in the regions where we operate. We track the progress and impact of our initiatives in these areas as we move towards to our 2030 goals



# industrial reputation

We collaborate closely with various public institutions, associations, and organizations to enhance the development of the apparel industry and boost the international representation of the Turkish apparel sector. Our support, memberships, and involvement in events contribute to the structuring of the sector.

- We have provided insights on industrial symbiosis to the Ministry of Industry, and our opinions on circular economy to the Ministry of Environment.
- We have contributed as an exporting company during the European Green Deal compliance processes carried out by the Ministry of Trade.
- We collaborate with the Young Platform of the Turkish Clothing Manufacturers' Association (Genç TGSD) to develop sustainability-focused projects that will contribute to the industry.
- We contributed to Istanbul Apparel Exporters Association's (IHKIB) Sustainability Strategy and Action Plan for compliance with the European Green Deal.
- We contribute to the Green Deal Compliance activities carried out by European Apparel and Textile Confederation (Euratex).
- We support transition cotton initiatives launched by TGSD in collaboration with the Ministry of Agriculture to assist Turkish farmers.



sectoral unions and associations	areas we work together
Istanbul Apparel Exporters Association (IHKIB)	Board Member Sustainability Committee Chairman Euratex-Sustainable Business Representative
Turkish Clothing Manufacturers' Association (TGSD)	Chairman of the Board Young TGSD Member
Aegean Exporters' Associations (EİB)	Member
Aegean Clothing Manufacturers Association (EGSD)	Board Member Vice President Education/Sustainability Committee Member
Turkish Industry & Business Association (TUSIAD)	Green Deal Task Force Roundtable Member Economics and Finance Roundtable Member (Banking and Finance)

# talent management

Our employees are provided with a work environment and human resources processes that prioritize equal opportunity, diversity, and inclusivity. As a signatory to the Women's Empowerment Principles (WEPs) since 2016, we commit to providing a fair and equitable workplace that respects human rights. We encourage women's participation in the workforce and support their increased presence through various initiatives, such as partnering with day nurseries in our production regions for the 0-6 year old children of our employees, therefore enabling our employees to participate more actively in their professional life.



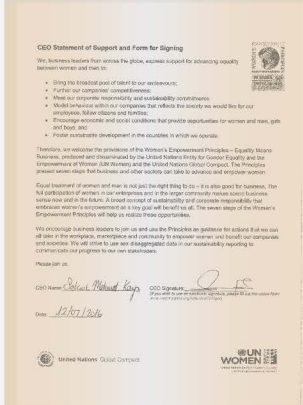
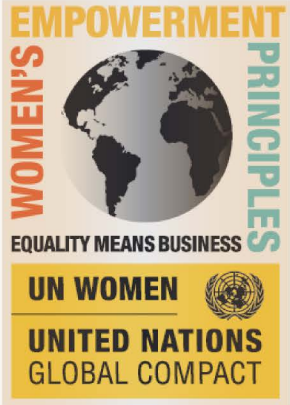
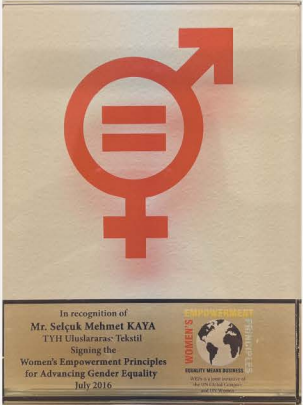
We are continuously digitalizing our HR processes, utilizing online tests, interviews, and assessments during the onboarding phase. After joining us, employees take part in orientation programs to familiarize themselves with the working environment and culture of TYH.



In 2022, we launched a new restructuring effort within our HR department in order to enhance the effectiveness of our talent management processes. This restructuring introduces a series of new, comprehensive talent management practices to complement our existing operations. It involves identifying fundamental competencies, skills, personalized competencies, and department-specific competencies, followed by implementation and measurement through assessment. We aim to track development based on core competencies and technical skills and provide training programs accordingly.

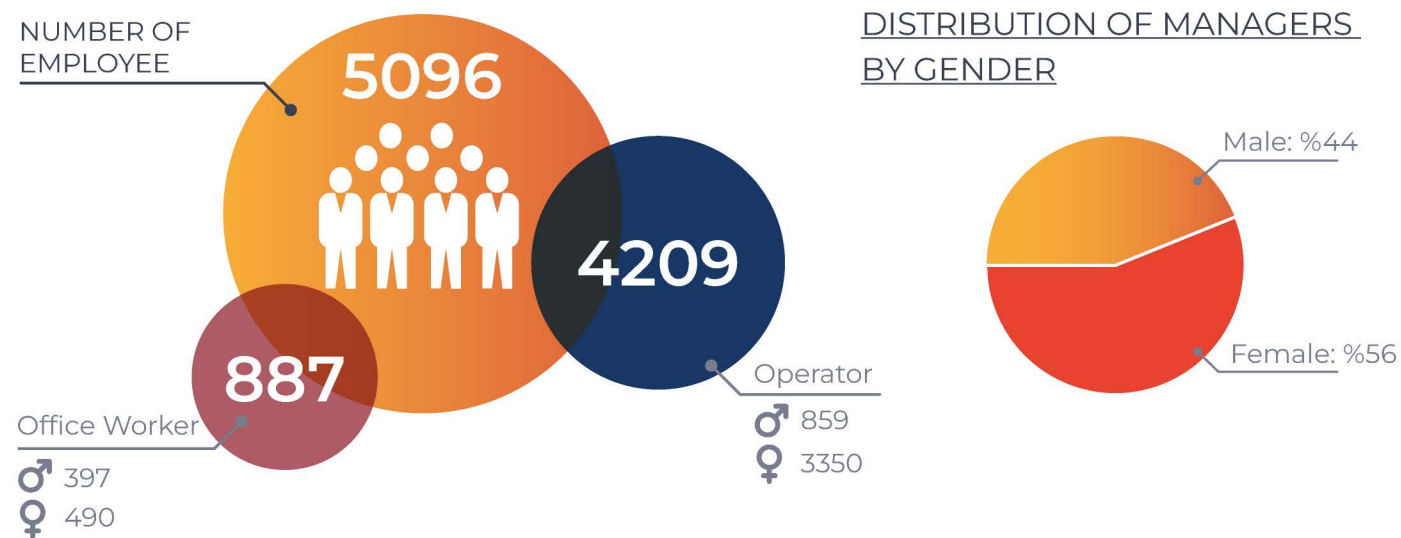


We encourage our employees to participate in project and initiative development and implementation processes. We are working to extend the project proposal and implementation system that we first introduced in our R&D centers to all our operations. We encourage all employees, regardless of their position or rank, to create of volunteer teams and projects that focus on our priority areas. We aim to implement successful practices across all our facilities.

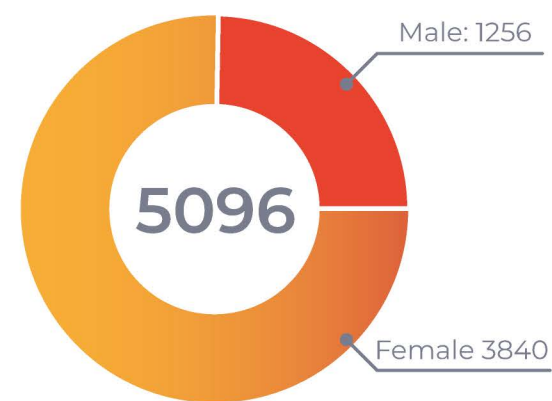




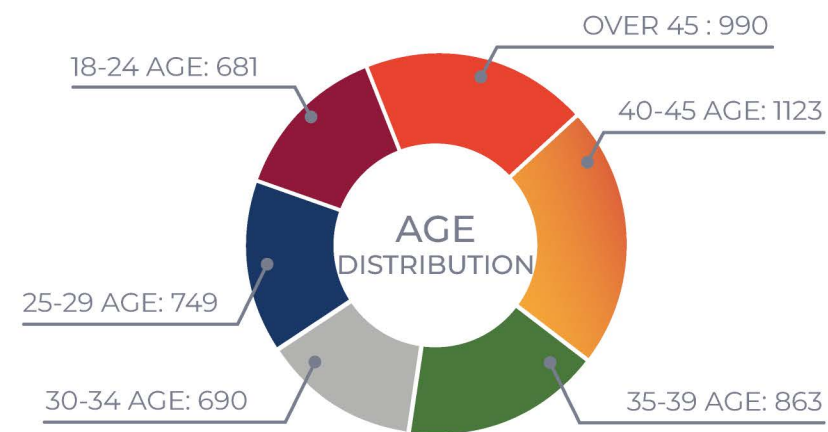
In 2022, we had a workforce of 5,067, including 4,184 operators and 883 office worker. Approximately 75% of our employees are female, with women making up 55% of our office worker. Women also constitute 56% of our managerial positions.



#### EMPLOYEE DISTRIBUTION BY GENDER



#### EMPLOYEE DISTRIBUTION BY AGE

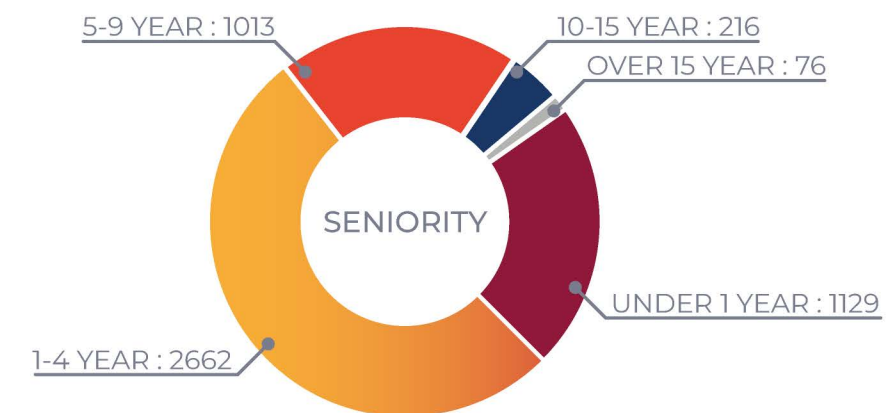


We contribute to local development through employment in the areas where our facilities are situated. In an effort to support local employment and regional prosperity, we prioritize selecting team members from local communities.

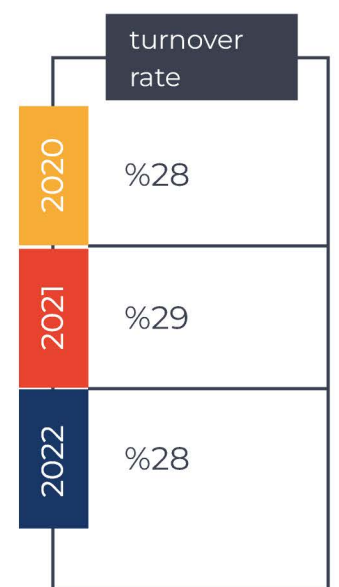
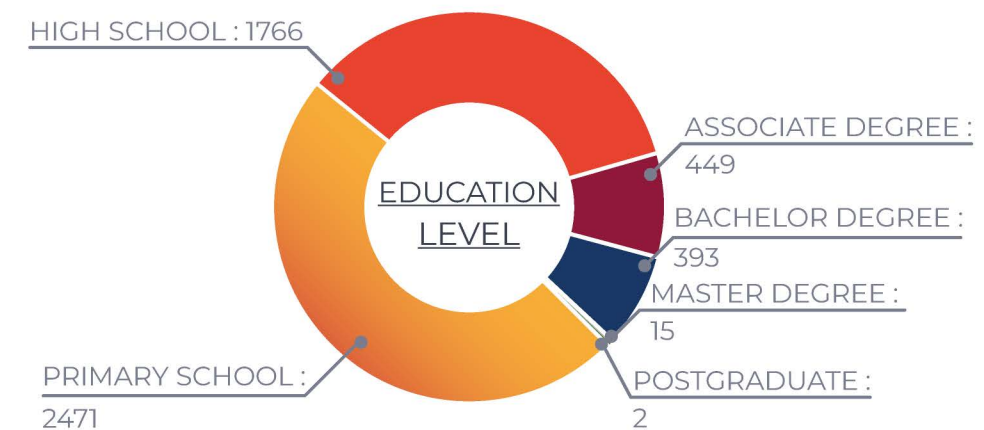
#### OUR EMPLOYMENT RATE OF REGIONAL ACROSS TYH



#### EMPLOYEE DISTRIBUTION ACCORDING TO SENIORITY



#### EMPLOYEE DISTRIBUTION BY EDUCATION LEVEL



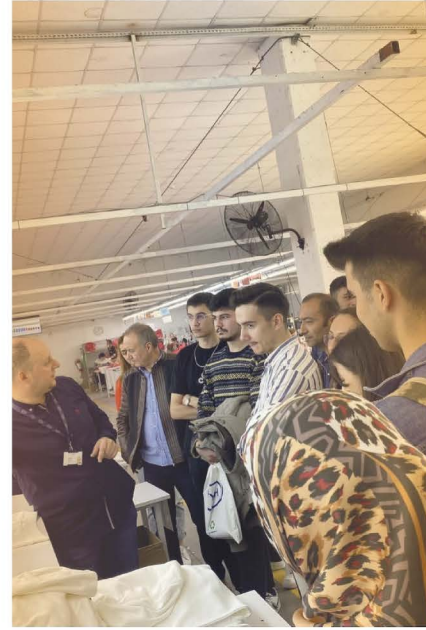


## happy and healthy employees

We are committed to enhancing the well-being of our employees and creating a working environment that contributes to their happiness and overall health. In 2022, we initiated efforts to measure employee satisfaction and designed an employee satisfaction survey. Moving forward, we plan to conduct regular satisfaction measurements and develop projects based on the results obtained.

In October 2022, we celebrated the arrival of fall with our colleagues at our Akhisar factories with an event held at the Akhisar Municipality Hüsnü Kahraman Culture Park.

Over the years, our volunteer running team has actively participated in the Istanbul Marathon, channeling their efforts to raise donations for education-centric campaigns facilitated by the Buldan Foundation and the Turkish Education Association.



We are focused on enhancing our sectors' appeal as reasonable career options for the younger generation, and accordingly, we foster engagement by facilitating career days, school visits, and internship initiatives, thus forming connections between young people and our industry.

Yearly, we host various university and high school students at our factories. In 2022, we welcomed preschool students to our Ordu facility.

Ordu facility hosted students from Giresun University's Technical Sciences Program, Textile Technology Department, while our Akhisar Facility was visited by students from Celal Bayar University and Ege University.

We were also invited by Ordu University's School of Social Sciences Vocational College. We participated in an event focused on industry collaboration and engaged with students.





## education collaborations

We are engaged in various collaborations with the Zeynep Gülin Öngör Vocational and Technical Anatolian High School's Fashion Design Technologies Department located in Manisa-Akhisar. Through this collaboration, we conduct various activities and provide opportunities for school graduates to work within our company. Furthermore, we established an Embroidery Workshop for the students of this school, where they can gain hands-on experience using embroidery machines used in the industry. This workshop aims to enhance their skills and develop them into skilled candidates after graduation.

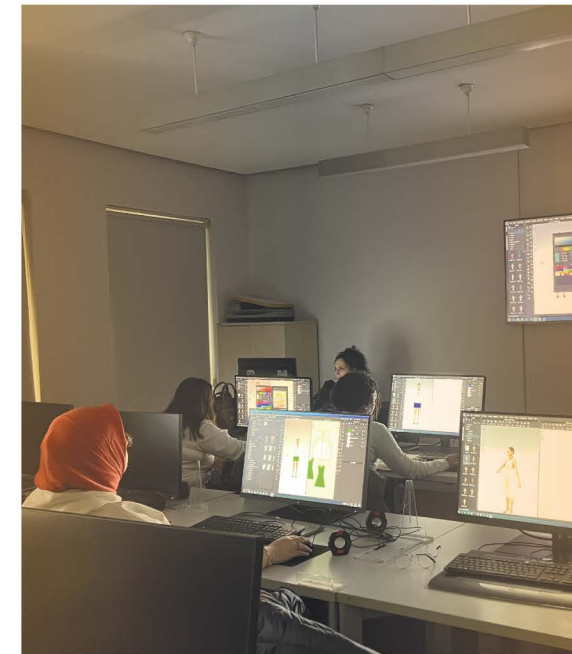
We sponsor the ITU Solar Car Team while also participating in the dual major program called the Suny program, a collaboration between the ITU Textile Development and Marketing Department and the "Fashion Institute of Technology" University in New York. In this program, students take their first and second years at ITU and the third and fourth years at FIT, earning dual major diplomas. Since 2017, TYH Tekstil has been supporting the "Career Development Applications" course coded as PAZ 208 within this program.



We support projects in place to enhance university-industry collaboration. We support students working in the field of textiles.

We believe that the familiarity of educators with new trends and developments is a key factor in introducing aspiring young designers to 3D technologies. Therefore, we initiated a program focusing on teachers. In 2022, we organized a two-day, 12-hour training program at the Istanbul Fashion Academy (IMA) for four instructors from the Fashion Design Technologies Department, covering topics such as fashion trends and research processes, 3D patterns, model development, and CLO 3D.

Since its establishment at our Akhisar OIZ facility, our "School at the Workplace, Workplace at the School" project has been providing students the opportunity to receive hands-on training on sewing machines in a dedicated classroom within our factory premises, and develop their own projects under the guidance of teachers and our experts.





## internship programs

To accelerate the adaptation of our new team members and enhance their sense of belonging to our company, our HR Department implements an orientation program.

In collaboration with ITU, we developed an orientation plan covering TYH Tekstil's entire supply chain for three of our final-year Textile Engineering students. Starting in September 2021 and lasting until July 2022, this 10-month program allowed our engineer colleagues to gain a comprehensive understanding of all our main processes. At the end of the program, a detailed discussion is held with project engineers to decide the departments they would like to join. Two such participants have already joined the TYH Tekstil family.

Our focus is not only on creating employment but also on expanding our teams by matching the right person with the right job, thereby growing our teams according to their competencies. In 2022, we aim to develop this project into a more expansive, more inclusive process involving more participants.

### IAESTE international intern exchange program

In 2022, we signed a protocol with the IAESTE International Intern Exchange Program and conducted applications for recruiting interns from abroad. We aim to offer suitable candidates the opportunity to spend their summer internships in our company.



## professional competence

Equipping our employees with competencies and enhancing their skills is crucial for both their personal development and operational excellence. Therefore, we emphasize the importance of employees obtaining vocational qualification certificates by participating in vocational qualification courses. In 2022, a total of 587 team members received vocational qualification certificates, and plans were made for team members who have not yet received their certificates.

We engage in various community efforts to support economic development and create jobs that will benefit communities.

In collaboration with Kirklareli Employment Agency, Alpullu Municipality, and Babaeski Public Education Center, we implemented a two-month employment course that offered all participants employment at our company. All 21 participants of the first period of our course, which began in January 2022, started working at TYH Tekstil's Alpullu Production Facility. In 2022, 47 participants graduated from our course in Thrace region and were employed. In Sivas, we provided training to a total of 55 individuals across three course periods and employed all graduates.



## learning and development

Within the scope of our human resources policy, we value high employee commitment. To achieve this, we support our employees through our training programs and demonstrate our responsibility to society and our industry through projects implemented via employee participation. Aligned with our company culture and strategy, we aim for continuous learning to foster growth-oriented high performance.

Through the training programs we offer to our employees, we support their career and personal development in line with changing global trends, industry standards, and 21st-century skills. This approach enables us to create continuous learning opportunities that contribute to their expertise and competencies. In 2022, we provided approximately 20,000 person×hours of training support.

In 2022, we initiated steps toward talent management and began working on the establishment of the TYH Academy. We are set to commence pilot projects in 2023 to plan internal training sessions, identify needs, and deliver training programs. These pilot programs encompass communication training, trainer training sessions, corporate development programs, and more.





## social compliance training

To enhance awareness among factory employees regarding social compliance-related matters and to reinforce company policies and practices, we conduct annual social compliance rules training courses. Furthermore, we have incorporated this training module into the onboarding process for new employees to increase awareness and highlight the importance we place on this topic.



## environmental training

We are fully aware of our responsibilities towards nature and future generations. Our aim is to foster a culture of respect for the environment among our employees and external stakeholders. Accordingly, we provide annual environmental training sessions. By focusing on resource efficiency and waste separation, we intend for employees to make positive contributions to both their personal lives and the company's resources and waste management in both their personal and professional lives.



## gender equality training

In our approximately two-hour training sessions, we aim to raise awareness among our employees about stereotypical behaviors and practices based on gender. We organized training sessions on Gender Equality and Zero Tolerance for Violence, conducted by expert trainers, for a total of 1,623 employees.



## line supervisor training program

In collaboration with Ege University, we designed four-month programs facilitated by Emel Akin Vocational School instructors. We developed 10 different training modules, each comprising eight hours, totaling a year-long program for 19 participants. With 21 students, we executed this program and employed five students upon the program's completion.







### enhancing workplace collaboration committee training

Through these training sessions, we aim to enhance workplace communication and take steps towards a happier, more peaceful, and productive work environment. To strengthen our workplace collaboration committees, we provide committee members with a three-day training program. With selected trainers from our committee members, we continue to organize practical training sessions to improve the committee's functionality. As of now, 108 hours of this program have been completed in 11 of our facilities, with groups of 10 individuals, and the implementation process is ongoing.



### occupational health and safety training

Providing a healthy and safe working environment for our employees is one of our key responsibilities. In 2022, we provided a total of 10,229.5 person×hours of training to increase awareness and knowledge in occupational health and safety for our employees.







# UN women's empowerment principles (UN WEPs) index

		related section
principle 1	Establish high-level corporate leadership for gender equality	Values
principle 2	Treat all women and men fairly at work – respect and support human rights and nondiscrimination	Talent Management Happy and Healthy Employees Learning and Development
principle 3	Ensure the health, safety and well-being of all women and men workers	Talent Management Happy and Healthy Employees Learning and Development
principle 4	Promote education, training and professional development for women	Learning and Development
principle 5	Promote equality through community initiatives and advocacy	Memberships and Collaborations
principle 6	Promote equality through community initiatives and advocacy	Talent Management Happy and Healthy Employees
principle 7	Measure and publicly report on progress to achieve gender equality	Certificates, Recognitions, and Awards



# stakeholder relations

Stakeholder engagement is of key importance for a company's success. Involving stakeholders in a company's processes can provide significant benefits by offering different perspectives on decisions, which can contribute to the company's sustainability and success. Interacting with stakeholders, understanding their expectations, concerns, and suggestions are crucial factors to consider when developing strategic plans for the company.

Stakeholder engagement should be seen not only as a risk management tool but also as an opportunity. Collaborating with stakeholders, companies can formulate more sustainable business strategies. Engaging with stakeholders can reduce a company's risks while simultaneously increasing opportunities.

To incorporate stakeholder management into our sustainability framework, we identified a list of 16 stakeholders and categorized them into three groups:



LEGAL, OPERATIONAL,  
AND FINANCIAL STAKEHOLDERS



STAKEHOLDERS LIKELY TO AFFECT  
COMPANY PERFORMANCE



STAKEHOLDERS DIRECTLY  
AFFECTED BY COMPANY ACTIVITIES

This categorization reflects our multidimensional relationships with our stakeholders. Customers, suppliers, employees, shareholders, and financial institutions constitute the stakeholder groups with the highest impact on our business.

stakeholder group		
<ul style="list-style-type: none"> <li>• Customers</li> <li>• Suppliers</li> <li>• Employees</li> <li>• Shareholders</li> <li>• Financial Institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Government Bodies (Local-National)</li> <li>• Service Providers</li> <li>• Competitors</li> <li>• Civil Society Organisations</li> <li>• Vocational Schools</li> <li>• Industrial Organisations</li> </ul>	<ul style="list-style-type: none"> <li>• Local Community</li> <li>• Suppliers</li> <li>• Auditors</li> <li>• Universities</li> <li>• Media</li> <li>• Group Companies</li> </ul>

# memberships and collaborations

As TYH Tekstil, we value representing ourselves in various associations and platforms to think of the future of our industry and generate added value. Please see the list below for a complete list of institutions we are members of:

kurum adı	üyelik pozisyonları
İstanbul Hazır Giyim Ve Konfeksiyon İhracatçıları Birliği (İHKİB)	<ul style="list-style-type: none"> <li>• Yönetim Kurulu Üyesi</li> <li>• Sürdürülebilirlik Komite Başkanı</li> <li>• Euratex-Sustainable Business Temsilcisi</li> </ul>
Türk Sanayicileri ve İş İnsanları Derneği (TÜSİAD)	<ul style="list-style-type: none"> <li>• Yeşil Mutabakat Görev Gücü Yuvarlak Masa Üyesi</li> <li>• Ekonomi ve Finans Yuvarlak Masa Üyesi (Bankacılık ve Finans)</li> </ul>
Ege İhracatçı Birlikleri (EİB)	Üye
Ege Giyim Sanayicileri Derneği (EGSD)	<ul style="list-style-type: none"> <li>• Yönetim Kurulu Üyesi</li> <li>• Başkan Yardımcısı</li> <li>• Eğitim/Sürdürülebilirlik Komite Üyesi</li> </ul>
Türkiye Giyim Sanayicileri Derneği (TGSD)	<ul style="list-style-type: none"> <li>• Yönetim Kurulu Başkanı</li> <li>• Genç TGSD Üyesi</li> </ul>
Ar-Ge Merkezleri İletişim ve İş Birliği Platformu (ARGEMİP)	Üye
İstanbul Sanayi Odası (İSO)	Üye
İstanbul Ticaret Odası (İTO)	Üye
Ege Bölgesi Sanayi Odası (EBSO)	Üye
Alman-Türk Ticaret ve Sanayi Odası (AHK)	Üye
Türkiye İngiliz Ticaret Odası (BCCT)	Üye





## ACHIEVING SAVINGS WITH CONSUMABLES

In 2022, we established a new department to centralize the procurement of consumables, aiming to optimize our consumable usage. The initiatives carried out within 2022 resulted in cost advantages by providing reduced consumption and procurement advantages in terms of natural resource utilization.



## MEASURING OUR CORPORATE CARBON FOOTPRINT

In 2021, we completed developing our Sustainability Plan and began measuring our carbon footprint. In 2022, we calculated our Scope 1, Scope 2, and Scope 3 emissions to be approximately 8,000 metric tons. Continuing on the path of reducing our carbon footprint, we are developing projects centered on increased efficiency, reduced resource utilization, and renewable energy investments. To gain a clearer picture of our impact, we are enhancing our Scope 3 emission inventory.



## ASSESSING OUR PRODUCTS' ENVIRONMENTAL IMPACT THROUGH LCA

Through the Life Cycle Assessment (LCA) conducted in 2019 and 2021, we aimed to understand the impact of our products and processes and plan long-term improvements. You can find detailed information about our life cycle assessment efforts in the "Circular Textile" section of this report.



## ESTABLISHING OUR ENVIRONMENTAL STRATEGY

Under ISO 14001 Environmental Management System, we formulated the environmental strategy for each of our factories and the company as a whole. We are developing various projects within the scope of this strategy.



## IMPLEMENTING A PILOT STUDY TO MONITOR PROCESS-BASED CONSUMPTION DATA

To perform more accurate analyses, we initiated a pilot project involving the installation of process-based consumption measurement and digital tracking systems. Investment planning is underway to fully integrate this system in all facilities and processes.



## INSTALLING A SOLAR POWER SYSTEM ON THE ROOF OF OUR AKHISAR OIZ FACILITY

Our first Life Cycle Assessment within the framework of R&D projects revealed that our largest impact area was electricity consumption. Therefore, in 2019, we decided to invest in solar energy and began generating green energy from solar panels installed at our Akhisar OIZ facility in 2020.

We reviewed our historical data on energy production and consumption, which led us to focus more heavily on our goal for Net Zero by 2030 within our Sustainability Goals. In 2022, in line with our aim to invest in new green energy sources, we engaged in discussions with various companies to provide solar or wind energy production, conducting preliminary feasibility studies and generating reports. We are waiting for the right opportunity to finalize our investment decisions aimed at increasing our green energy production capacity and meeting our entire consumption with green energy.

Through our installed solar energy system, we generated 1,111,840 kWh of electricity in 2022. As a result, we produced 14% of our total electricity consumption across all locations through renewable energy.



## BULGARIA IRONING MAT PROJECT

At one of our production facilities, we began using fabric spacers for our vacuum ironing tables. This change has led to increased efficiency and energy savings in steam ironing. Additionally, this modification provides a safer working environment for our team members.



## AKHISAR CONDENSATE TANK CONVERSION

We completed our condensate tank recycling project in our Akhisar production facility. In this way, we ensure the recycling of the steam we produce for use in production. This recycling increases energy efficiency.



# environmental indicators

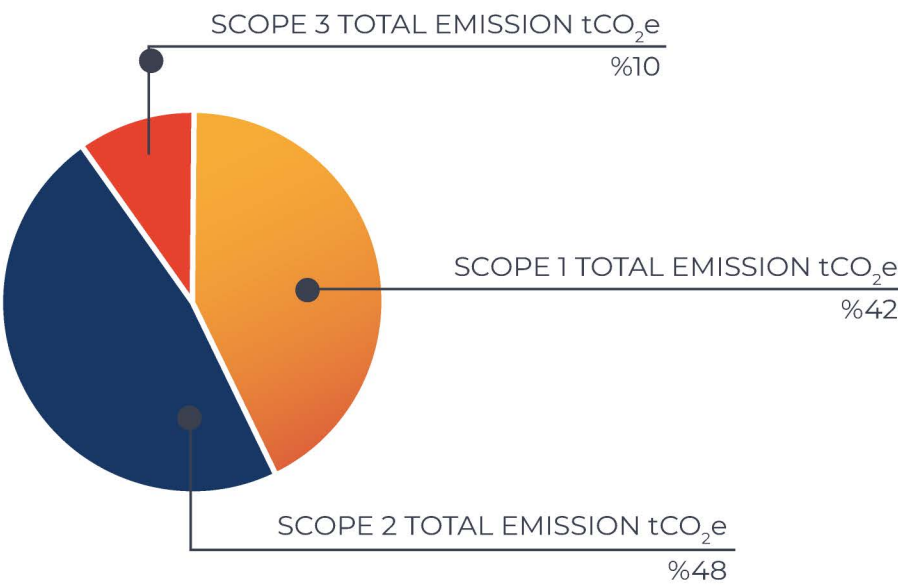
2022 was a year of great changes for TYH Tekstil. Due to our previously fragmented organization, lack of established measurement habits, and insufficient systematic measurement, we had not been able to successfully measure our environmental data. Therefore, we were not able to evaluate and measure the efficiency of many of our conducted projects to the extent we desired prior to creating a comprehensive data set.

With the establishment of our 2030 Sustainability Goals, we dedicated considerable effort and time in 2022 to create a comprehensive multi-indicator data set. Despite crises and challenging demands, we have paved the way for successful and consistent measurements in the years ahead through a systematic change.

Although we observe significant increases in some of our environmental indicators in 2022, we would like to emphasize that the transition to a comprehensive data set has significantly contributed to this progress. We are eagerly anticipating conducting healthy assessments in the upcoming years, based on the indicators we measure within this comprehensive system.

## TOTAL CARBON FOOTPRINT

8,279.70 TONS -EQUIVALENT CO<sub>2</sub>



2022		
CARBON FOOTPRINT	total carbon footprint (tCO <sub>2</sub> e)	8,279.70
ENERGY	natural gas (sm <sup>3</sup> )	849,606
	LPG (m <sup>3</sup> )	212,899
	LPG (mobile)(m <sup>3</sup> )	2,403
	LPG/Propane (m <sup>3</sup> )	4,041
	electricity (kwh-gird)	8,177,763
	coal (kg)	92,789
	gasoline (lt)	54,426
	diesel (lt)	343,085
	air conditioning gase (kg)	143
WATER	grid (m <sup>3</sup> )	77,851
	rainwater (m <sup>3</sup> )	2,950
	gray water (m <sup>3</sup> )	1,449
EMPLOYEES	number of employees (pieces)	5,096
	number of days worked (days)	252
SOLAR ELECTRICITY	solar electricity used in the factory (kwh)	641,510
	total solar electricity (kwh)	1,111,840
SALES	sales quantities (pieces)	17,460,651
WASTE	hazardous waste (kg)	9,441
	non-hazardous waste (kg)	1,531,586

	TYH's electricity consumption (purchased from the grid)	TYH's electricity consumption covered by renewable energy	
2020	6,213,102 kwh	721,187 kwh	%12
2021	8,000,969 kwh	1,107,139 kwh	%14
2022	8,205,285 kwh	1,111,840 kwh	%14



# social indicators

## DISTRIBUTION OF EMPLOYEE BY AGE

	45+ AGE	40-45 AGE	35-39 AGE	30-34 AGE	25-29 AGE	18-24 AGE
2022	990	1123	863	690	749	681

## EMPLOYEE DISTRIBUTION BY EDUCATION LEVEL

	PhD	MASTER	BACHELOR	ASSOCIATE	HIGH SCHOOL	PRIMARY SCHOOL
2022	2	14	393	449	1766	2471

## EMPLOYEE DISTRIBUTION ACCORDING TO SENIORITY

	15+ YEAR	10-15 YEAR	5-9 YEAR	1-4 YEAR	UNDER 1 YEAR
2022	76	215	1012	2644	1116

## EMPLOYEE TURNOVER RATE

	2022	2021	2020
turnover	%28	%29	%28

 **156**  
TRAINEE

## WORK ACCIDENT

accident frequency rate	2022 %1,71 total injury accidents x 200,000 / total working hours
occupational disease rate	0 total number of occupational disease cases x 200,000 / total working hours
number of fatal accidents	0

	total training received: 19.613,75 hours	training per employee: 3,85 hours
	total education (person x hour)	
covid	94,00	
environment	1.632,50	
security	15,00	
communication	258,00	
OHS	10.229,50	
quality	1.157,00	
chemical	12,00	
chemical / waste	420,25	
orientation	163,00	
social compliance	921,50	
zero tolerance for violence	1.010,00	
fire	3.701,00	

# GRI Standards Index

declaration of use		TYH Tekstil A.Ş. reported in accordance with the GRI standards Basic option for the period of January 1, 2022 - December 31, 2022.	
standard		explanation	page nm
GRI 2: General Disclosures 2021	1.the organization and its reporting practices	2.1 About Our Report / Our Story / Facilities / Corporate Structure	2, 6, 10, 11, 16
		2.2 About Our Report / Facilities	2, 10, 11
		2.3 About our Report / The reported data belongs to the period 1 January 2021 - 31 December 2022 and the report was published on 09.10.2023.	2
		2.4 This report is our first report prepared in accordance with GRI Standards.	
		2.5 No external audit was received for this report.	
	2.activities and workers	2.6 Our Story / Value Chain	6, 28, 29
		2.7 Talent Management / Happy and Healthy Employees / Social Indicators	67-71, 89, 90
		2.8 All of our employees are on TYH staff and we do not have subcontracted employees.	
	3.governance	2.9 Corporate Structure / Sustainability Organization	16, 21
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		2.12 Sustainability Organization	21
		2.14 Sustainability Organization	21
	4.strategy, policies and practices	2.22 Messages from Management	4
		2.23 Ethic and Compliance / About Our Report / Certificates, Recognitions, and Awards	14, 2, 18
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		2.28 Memberships and Collaborations	83
	5.stakeholder engagement	2.29 Stakeholder Relations	82
		2.30 We do not have any employees included in the collective bargaining agreement.	
GRI 3: Material Topics 2021	3.1	Priority (Materiality) Analysis	26
	3.2	Priority (Materiality) Analysis	26



		standard		explanation	page nm
GRI: 200: Economic Disclosure	economic performance	GRI 3: Material Topics 2021	3.3	Priority (Materiality) Analysis / Industrial Reputation	26, 66
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		GRI 201: Economic Performance 2016	201-2	Risk Management	17
	indirect economic impacts	GRI 3: Material Topics 2021	3-3	Respectful Corporate Culture	64
			203-1	Selected Projects	42
		GRI 201: Economic Performance 2016	203-2	Learning and Development	76, 78

		standard		explanation	page nm
GRI: 300: Environmental Disclosure	materials	GRI 3: Material Topics 2021	3.3	Priority (Materiality) Analysis / Innovative Materials/ Sustainable Materials	26, 53-59, 50
			301.2	Our Zero Waste Certifications / TYH Bags	36
	energy	GRI 3: Material Topics 2021	3.3	Selected Projects	84
		GRI 302: Energy 2016	302.1	Environmental Indicators	92, 93
			302.4	Selected Projects	84
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		GRI 303: Water 2018	303.1	Water Usage / Environmental Indicators	62, 92, 93
			303.2	New Compliance Criteria	38, 39
			303.3	Environmental Indicators	92, 93
			303.5	Environmental Indicators	92, 93
	emissions	GRI 3: Material Topics 2021	3.3	Selected Projects	84
		GRI 305: Emissions 2016	305.1	Environmental Indicators	92, 93
			305.2	Environmental Indicators	92, 93
			305.5	It is the first reporting period in which carbon footprint measurement is made.	
	waste	GRI 3: Material Topics 2021	3.3	Circular Textile	32
		GRI 305: Effluents and Waste 2016	306.1	New Compliance Criteria / Chemical Usage	38, 39, 60, 61
			306.3	Environmental Indicators	92, 93
			306.4	Environmental Indicators	92, 93

		standard		explanation	page nm
GRI: 400: Social Disclosures	employment	GRI 3: Material Topics 2021	3.3	Priority (Materiality) Analysis / Talent Management / Happy and Healthy Employees	26, 67-74
		GRI 401: Employment 2016	401.1	Social Indicators	89, 90
	occupational health and safety	GRI 3: Material Topics 2021	3.3	Learning and Development	78
		GRI 403: Occupational Health and Safety 2018	401.1	Learning and Development	75-78
			403.5	Learning and Development	75-78
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			403.10	Social Indicators	89, 90
	training and education	GRI 3: Material Topics 2021	3.3	Learning and Development	75-78
		GRI 404: Training and Education 2016	404.1	Social Indicators	89, 90
			404.2	Social Indicators	89, 90
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		GRI 405: Diversity and Equal Opportunity 2016	2.14	Talent Management / Happy and Healthy Employees	67-74

Legal Warning

TYH Tekstil Sustainability Report, in accordance with GRI reporting standards; considering the United Nations Sustainable Development Goals, has been prepared completely voluntarily for its stakeholders, without relying on any legal obligation.

The purpose of the report is to raise awareness about sustainability and to demonstrate TYH Tekstil's stance on this issue. The information that forms the basis of the report has been compiled from public information sources and has been provided by the relevant units of TYH Tekstil, specific to the company. Aside from the inherent uncertainty of future-looking information, no guarantee is given as to the accuracy or accuracy of current information. This report has been prepared for informational purposes only and does not constitute an offer, guarantee or commitment.

You can contact sustainability@tyh.com.tr for constructive criticism, suggestions and questions.

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