



TALU TEKSTİL

SUSTAINABILITY REPORT 2023

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ABOUT THE REPORT

We are pleased to present our inaugural Sustainability Report to our esteemed stakeholders. This report provides a comprehensive assessment of our corporate activities from a sustainability perspective, considering environmental, social and corporate governance aspects. This report evidences our dedication to environmental responsibility, social contribution and ethical business practice. This report provides a transparent demonstration of our understanding of sustainability and our commitments, and represents a significant step towards shaping our future actions and building stronger relationships with our stakeholders.

This report covers Talu Tekstil's operations between 1 January 2023 and 31 December 2023, as well as our sustainability efforts at our facilities. Talu Tekstil's production and export activities are centred around two factories: Talu 1 in Geyve and Talu 2 in Malatya. The company is headquartered in Istanbul.

Following a materiality analysis involving both internal and external stakeholders, we have identified 20 material issues, 8 of which are of very high priority and 12 of which are high priority. These issues have been classified under the headings of environmental, social and governance, with comprehensive explanations provided for each.

This report has been prepared in accordance with GRI Standards, Core Compliance option, and is available in both Turkish and English. This report was prepared with the assistance of Orbit Consultancy. We will communicate our future plans through the publication of an annual sustainability report.

Should you have any queries or suggestions regarding our sustainability performance or the contents of our report, please do not hesitate to contact us at sustainability@taluteks.com.

MESSAGE FROM THE **CHAIRMAN OF THE BOARD**

Dear Talu Textile Stakeholders,

As a company exporting to more than 40 countries worldwide, we recognise the critical role of transparency, technology and sustainability at the heart of our operations. We are committed to ensuring our success is sustainable. It is vital that we embed sustainable practices into our enterprises model to build on our past successes and ensure the preservation of our planet's resources for future generations. Consequently, we are committed to creating a brighter future by integrating sustainability into our rapidly growing global enterprises.

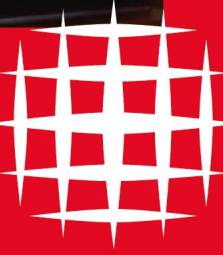
By raising awareness, we are able to adopt a enterprises model that considers not only profitability but also environmental and social factors. We are committed to reducing our negative impact on the planet by producing environmentally friendly products, improving our energy efficiency, investing in renewable energy and assessing our impacts. In terms of social responsibility, we respect human rights throughout our supply chain, develop social projects and engage in collaborative activities that benefit society. Furthermore, we adopt a transparent, responsible and trust-oriented approach to corporate governance, with due consideration for the needs of our employees. Our corporate policies and procedures clearly demonstrate this understanding. By assuming a pioneering role in our sector and working to achieve our sustainable development goals, we aim to improve not only our own performance but also that of the entire sector.

Furthermore, I would like to express my deepest sympathies to all those who lost their lives in the recent earthquake disaster in our country, as well as to their families and loved ones. I would like to extend my best wishes for a speedy recovery to those who have been injured and my condolences to their families. I am confident that we will overcome the material and moral damage caused by the disaster as soon as possible thanks to the culture of solidarity and mutual support that has always existed in these lands.



Mustafa **GÜLTEPE**

Chairman Of The Board



"People, earth, quality and timing will always be our priority."

ABOUT TALU TEKSTIL

Talu Tekstil is a ready-to-wear knitwear and apparel company, established in 1994 as a subsidiary of Taha Group. The company produces approximately 15 million garments annually, primarily for the European market. Talu Tekstil operates as a standalone entity, independent of the Taha Group in terms of its business processes.

Since our company's inception, we have experienced steady growth, gaining an important reputation for versatility and flexibility in the market. Our product range is extensive and encompasses a diverse array of knitted garments for both women and men. The marketing, purchasing, design, pattern room and planning departments of our supply chain are based at our Istanbul headquarters. The sewing, quality control, washing, printing, embroidery, ironing and packaging departments are located in our factories in Sakarya and Malatya.

Our position as market leaders in the knitted ready-to-wear sector is the result of three decades of experience, a commitment to continual technological advancement and the ability to incorporate modern solutions into our production processes. Thanks to the productive working environment and opportunities we have created, we are working towards continuous progress and growth in this journey we have embarked on together with all our employees.

With a workforce of over 2,500 and extensive experience across the entire knitwear production process, from design to production, packaging to logistics, we remain committed to our core values of social and environmental responsibility, with a focus on putting people at the heart of our operations.



1.5M Unit/
Month

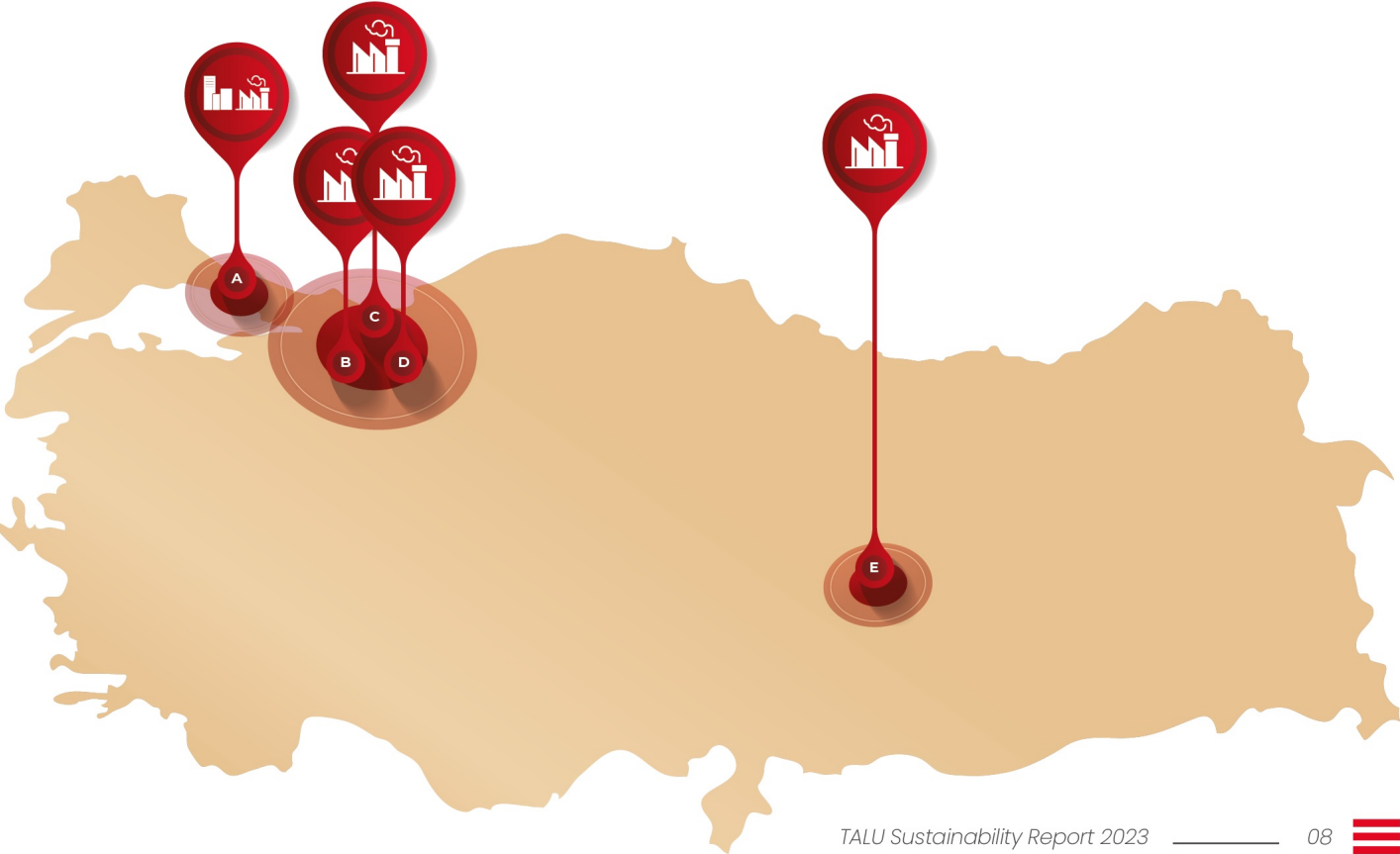
Production Capacity

99.700 m²

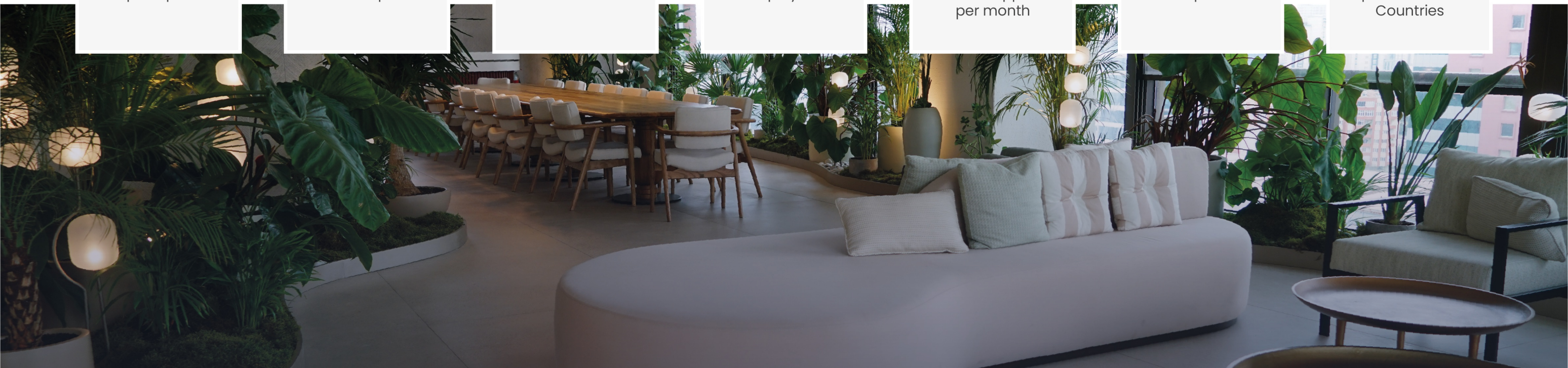
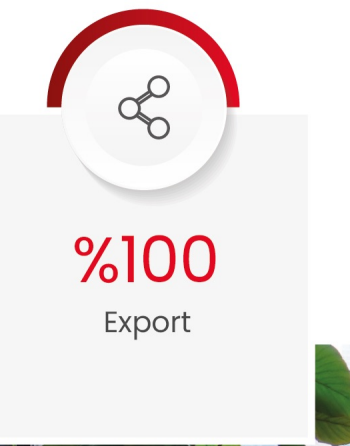
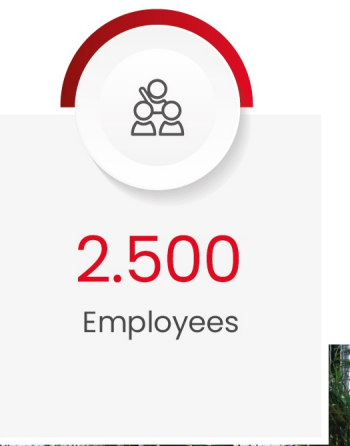
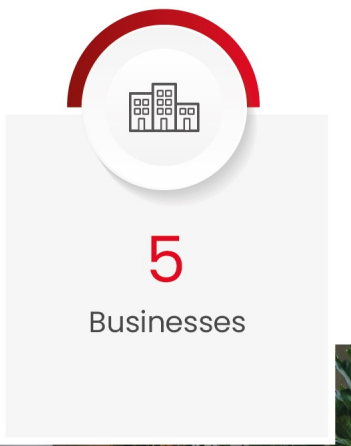
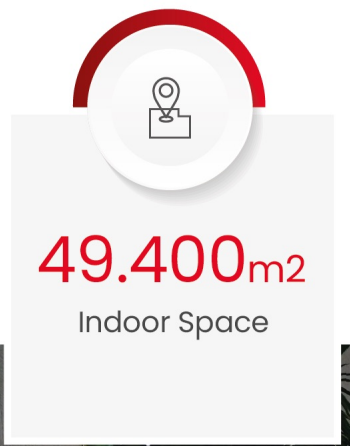
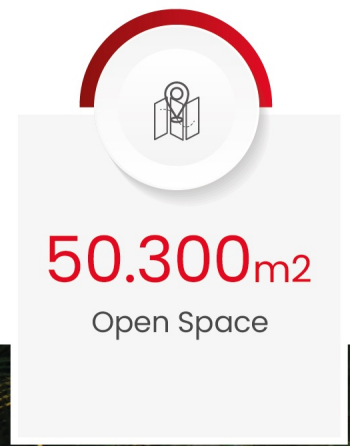
Total Closed And
Open Production Area

90M€

Turnover



TALU IN NUMBERS



OUR MILESTONES



VISION, MISSION AND VALUES

OUR VISION

Our goal is to become one of the top three apparel companies in Turkey by 2030.

OUR MISSION

As a market-leading company in the garment production and apparel industry, we are committed to offering our products and services at competitive prices, in a timely manner and to the highest quality standards, in line with the demands and expectations of our customers. Our objective is to become a pioneering company with exemplary practices in the sustainability ecosystem. We aim to provide our employees with a working environment that encourages continuous development, a sense of security and the retention of their loyalty. Furthermore, we aim to implement high-performance systems in our production processes in line with international standards.

OUR VALUES

RELIABILITY We conduct our business activities in accordance with the principles of integrity, transparency and accountability. We foster trust-based relationships with all our stakeholders, supported by our robust capital structure.

CUSTOMER SATISFACTION We deliver our products and services to our customers in accordance with the highest quality standards and respond to their demands and expectations in a timely manner.

EMPLOYEE SATISFACTION We recognise the value of our colleagues as key contributors to a culture of teamwork, sincerity, belonging, mutual respect, responsibility, solidarity and cooperation. We are committed to their ongoing professional development.

SUSTAINABILITY We design all our business processes with an environmentally-oriented, scientific, innovative and sustainable perspective, and we establish systems that are open to change and development, solution-oriented and function with collective wisdom.

LEADERSHIP We adopt a values-based leadership culture that enables employees at all levels to express themselves effectively and communicate in a clear and concise manner, in line with our commitment to open and transparent communication.



OUR SERVICES AND MARKETS

We are proud to serve more than 40 global brands, with over 30 years of experience in producing knitted and lightweight woven garments using innovative technologies. In these processes, we produce products that meet agreed specifications at realistic and marketable costs, and we ensure on-time delivery in the garment and apparel industry. Our commitment to quality is at the core of our quality policy, which encompasses the provision of a secure working environment for all employees, the assurance of customer safety and the ongoing monitoring of product safety levels with due consideration of the environmental impact of all processes and practices.

Talu Textile's fundamental principles are based on the following key values: adherence to quality system requirements, fostering a sense of team spirit across the entire workforce, embracing a philosophy of continuous improvement, and positioning the company as a market leader within its sector. Our goal is to provide reliable and high-quality service to ensure the effective and trouble-free use of our products. We are committed to maintaining and enhancing the effectiveness of our quality system in line with the requirements of the TS EN ISO 9001:2015 Standard. To this end, we ensure that the necessary resources are in place to support this.

Our company was established in 1994 at our headquarters in Istanbul. We have since expanded our operations to export 100% of our production to 40 countries in Europe and America. Our export destinations include the USA, Germany, Argentina, Australia, the UAE, Belgium, Bolivia, Brazil, the Czech Republic, China, Indonesia, the Philippines, France, South Africa, South Korea, Guam, India, the Netherlands, Hong Kong, Iraq, England, Spain, Italy, Japan, Canada, Qatar, Colombia, Korea, Malaysia, Mexico, Egypt, Pakistan, Panama, Peru, Singapore, Chile, Thailand, Taiwan, Uruguay, Jordan and Vietnam.

Facilities	Production Capacity
Istanbul	180 thousand units
Talu1	2 million 760 bin units
Talu2	1 million 650 bin units
Geyve	1 million 560 bin units
Malatya	7 million 500 bin units



WE ARE EXPORTING



ORGANIZATIONS

MEMBERSHIP IN ORGANIZATIONS

By working closely with our member organisations, we are making significant progress in the field of sustainability. Our active participation in events organised by these organisations allows us to gain access to the latest information on sustainability.

These events, seminars, training sessions and organisations enable us to remain up to date with industry developments and learn from best practice. In addition to expanding our knowledge of sustainability, these events facilitate interaction with other sector stakeholders, enabling the development of joint solutions. In addition, our Chairman of the Board serves as President of the Turkish Exporters Assembly (TİM) and Istanbul Apparel Exporters' Association (İHKİB).

Additionally, our Chairman serves on the Industry Advisory Board at the Fashion Institute of Technology in New York. These roles provide the opportunity to contribute to the activities of key stakeholders such as TİM and İHKİB, and to support the implementation of sustainability practices within the industry.



CERTIFICATES

CERTIFICATES



Environmental Management System



Quality Management System



Energy Management System



Occupational Health And Safety Management System

AWARDS

2002 Adapazarı Chamber of Commerce and Industry Employment Contribution Award

2006 İTKİB Golden Achievement Award

2009 İTKİB Golden Achievement Award

2011 İTKİB Silver Achievement Award

2012 İHKİB Silver Achievement Award

2013 İHKİB Golden Award

2014 Levis & Dockers Best in Class Wendor of the Year

2015 İHKİB Contribution Award

2016 İHKİB Golden Contribution Award

2017 İHKİB Platinum Award

2018 İHKİB Platinum Award

2019 İHKİB Platinum Award

2020 İHKİB Platinum Award

2021 Malatya Social Security Institution certificate of appreciation for the employer who pays the highest premium

2021 Malatya Social Security Institution certificate of appreciation for the employer providing the most insured employment

2021 Malatya Social Security Institution certificate of appreciation for the employer who employs the most disabled people

2021 Malatya Social Security Institution certificate of appreciation for the employer who employs the most women

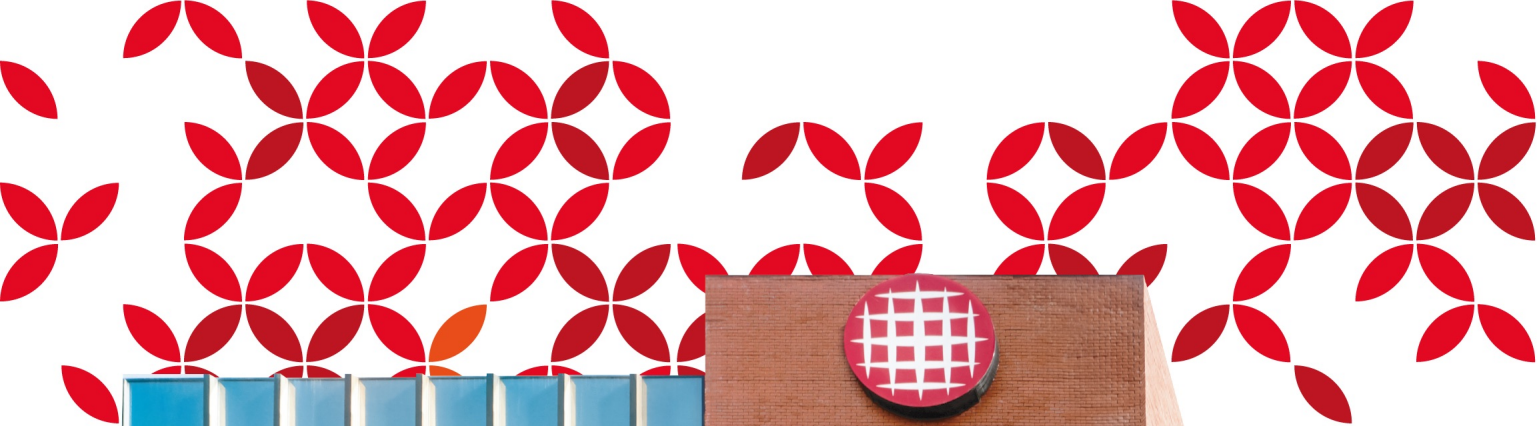
2021 İHKİB Platinum Award

2022 İHKİB Platinum Award

2023 İHKİB Platinum Award

2023 Superdry Best Performing Supplier (Best Quality)





TALU TEKSTIL

CORPORATE GOVERNANCE

- 01 ● OUR BOARD OF DIRECTORS
- 02 ● INTEGRATED MANAGEMENT SYSTEMS POLICY
- 03 ● RISK MANAGEMENT
- 04 ● BUSINESS ETHICS
- 05 ● REMUNERATION POLICY
- 06 ● SUSTAINABLE SUPPLY CHAIN



OUR BOARD OF DIRECTORS

Talu Textile's Board of Directors is structured in accordance with the principles of corporate governance. The Board of Directors, comprising three members, represents Talu Tekstil's highest-level management body. The Risk Assessment Committee and the Internal Audit Committee provide regular updates to the Board of Directors. It is essential that the roles of Chairman of the Board of Directors and General Manager are fulfilled by different individuals. The General Assembly convenes every two years, during which time the Board of Directors is elected.

The governance structure is chaired by Mustafa Gültepe, who also serves as Chairman of the Board of Directors. The Board of Directors is responsible for approving critical decisions. In instances where financial impact and risk are significant, the Board assumes a regulatory and supervisory role in management processes.

The Board of Directors is the highest management body responsible for setting strategic goals, shaping corporate governance, determining all the resources needed, and monitoring and auditing the performance of the management team. Furthermore, it ensures that the company's activities comply with all relevant legislation, bylaws and policies, and monitors the company's sustainability performance.

The performance of the Board of Directors is evaluated based on the extent to which the primary business objectives are accomplished in alignment with the corporate objectives and the effectiveness of the implemented strategies. As the performance indicators of the core business objectives are a result of the key performance indicators of all processes,

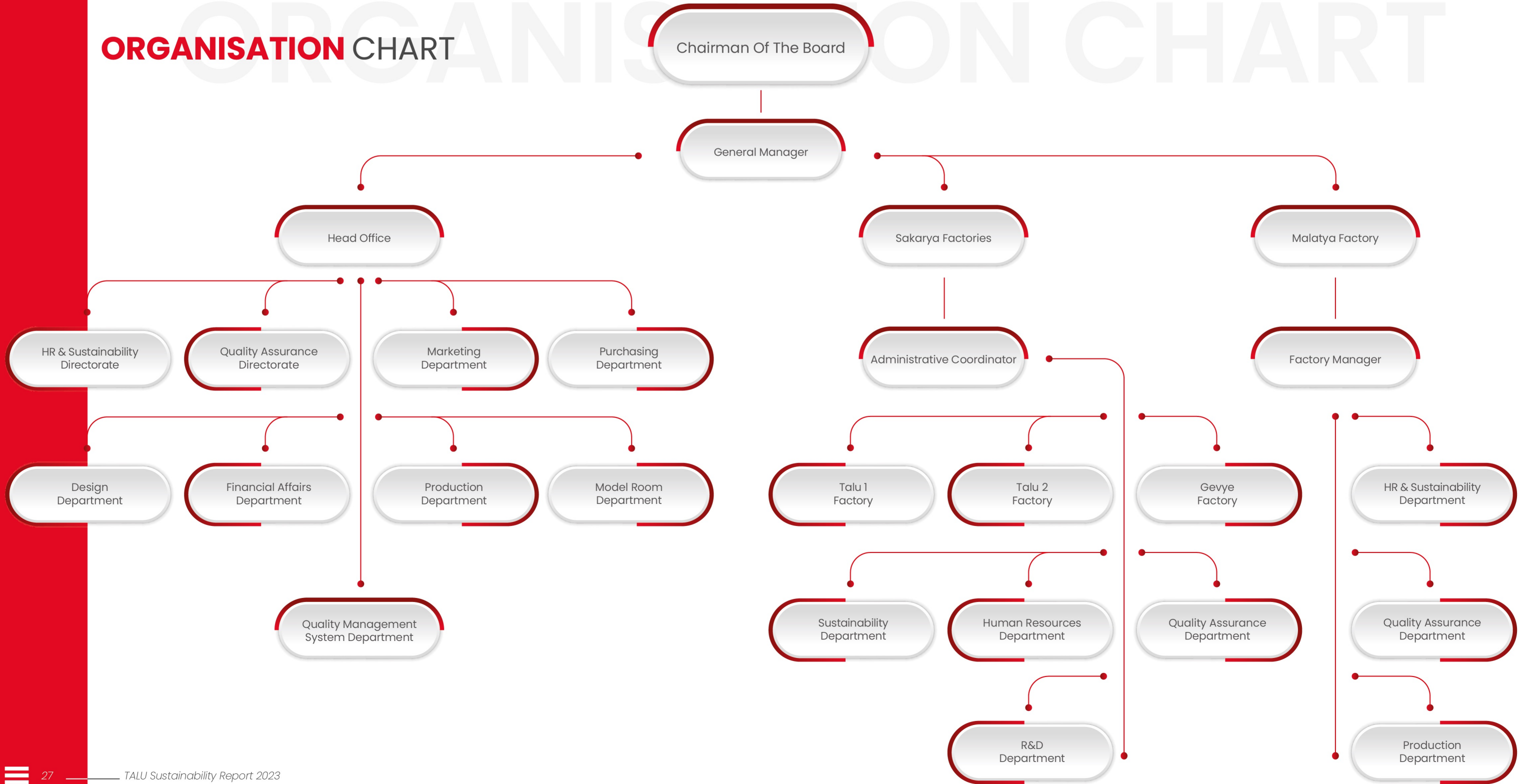
including the sustainability management process, the highest governance body also assesses its own performance, particularly in relation to economic, environmental, social and governance performance. Our organisational structure is designed to facilitate collaboration across a diverse range of departments, including marketing, purchasing, design, the model shop, financial affairs, planning, quality assurance, sustainability and social compliance, IT, administrative affairs, human resources, production, R&D, and quality management systems.

The external audit process involves the board of directors, relevant departments and the officers or managers reporting to these departments. The duties and responsibilities determined in the audit processes are clearly communicated to the relevant personnel.

During the audit, the relevant personnel or department employees are included in the audit process and accompany the auditor. Once the audit is complete, the results are shared with the Chairman of the Board of Directors. In the event that the audit uncovers any issues, a root cause analysis is conducted and corrective and preventive measures are implemented to address the identified concern. These processes are conducted under the responsibility and process execution authority of the relevant department. In the event that a finding is identified and requires closure, the audit processes are re-conducted as a follow-up audit or the relevant periodic or instantaneous audit processes are initiated and the finding is resolved. All of these processes are communicated to the Chairman of the Board of Directors and conducted with their knowledge.



ORGANISATION CHART



INTEGRATED MANAGEMENT SYSTEMS POLICY

Talu Textile is aware that in order to be a sustainable organisation, it is necessary to develop systematic processes. In order to guarantee the smooth running of all management processes, an Integrated Management Systems Policy has been established. All activities are conducted in accordance with this policy.

Our company is certified to ISO 9001 Quality, ISO 14001 Environment, ISO 45001 Occupational Health and Safety Management Systems and ISO 50001 Energy Management Systems. Our objective is to guarantee the highest quality standards across all our business operations and to achieve sustainable production.

At Talu Tekstil, we attach great importance to total quality management. Our aim is to meet the expectations of our customers and all shareholders in the best way possible. We provide services to our customers in line with their expectations and needs, ensuring their satisfaction. We also increase their awareness through training all employees and ensure their participation in the development of the quality management system. We continuously improve the effectiveness of all business processes to support the development of our company, as well as our R&D studies. We also create awareness of the importance of doing things right the first time in production, using resources efficiently, and working in a participatory manner with

employees who learn and work. Finally, we determine the risk acceptance criteria and risks of the Quality Management System. We develop and implement controls, and fulfil all applicable requirements. All business processes are designed to ensure the development of our company, support R&D studies, create awareness of the importance of 'doing it right the first time' in production by using resources efficiently, and encourage a participatory approach to work and learning among employees. They also determine the criteria for accepting risks and risks associated with the Quality Management System, develop and implement controls, and fulfil all applicable requirements. We are committed to ensuring compliance with all relevant national, sectoral and legislative regulations, as well as legal requirements and conditions. We aim to fulfil all obligations arising from agreements, minimise the impact of potential threats to product and service continuity and contribute to business continuity.



In line with our continuous improvement approach, data management and digital tools and solutions, we are committed to increasing the efficiency of our business processes to a level that can compete at an international level.

We are committed to ensuring that all employees are treated equally and fairly, without discrimination on the grounds of language, religion, race, gender, culture or any other factor. We are also committed to ensuring that we do not employ forced or coerced labour. We have put in place procedures to enable all employees to communicate their complaints and suggestions to management easily.

To raise awareness of all employees on occupational health and safety issues, to create an OHS culture and make it a lifestyle, to increase their awareness of social responsibility by encouraging them to take and implement all measures related to Occupational Health and Safety in cooperation with business partners, subcontractors and visitors, to comply with the determined rules, to work respectfully to society and the environment, to create a healthy and safe working environment and to minimise accidents and occupational diseases, To ensure, continuously review and improve the environmental impacts and occupational health and safety risks arising from our field of activity, to provide a safe and healthy working environment by considering Occupational Health and Safety as the first priority in all our activities, to comply with all

relevant national and international legal regulations and requirements on OHS issues, to reduce waste, to prevent pollution as a result of disposal by recycling, To comply with all national and international legal regulations and conditions related to our environmental dimensions, to carry out our activities with the awareness of our responsibilities towards the environment and society and with the belief in a sustainable environment and to ensure the continuity of this, to work for the transfer of a clean and healthy environment that is sensitive to climate change to future generations, to use energy and natural resources at an optimum level and to prevent unnecessary use of resources, To purchase products, services and technologies that provide energy efficiency, to support high performance designs, to produce and develop environmentally friendly and sustainable technologies, to take into account the suggestions received on environment, OHS, social compliance issues with the participation of the employee representative, to create and develop sustainable environmental awareness in our employees through the trainings provided, and to ensure that our business partners disseminate the concept of environmental responsibility.

The quality management system provides for extensive monitoring of all processes. In this context, we obtained our ISO 9001 Quality Management System certificate in 2005, and the existing structure is improved and developed through annual audits carried out by independent organisations.

RISK MANAGEMENT

At Talu Tekstil, we adopt a proactive approach to risk management, with a focus on early detection and effective mitigation strategies to maintain our financial and operational integrity. Once the risks faced by each department have been identified, based on their significance and likelihood, they are then ranked according to their magnitude. In addition to assessing operational and financial risks, we also evaluate environmental and social risks and implement the necessary precautions.

In accordance with our Risk Management procedure, we identify risks and opportunities with a view to enhancing positive effects, preventing or mitigating unwanted effects, and implementing improvements to achieve the desired results. This enables us to identify potential obstacles to our sustainability efforts in advance, minimise risks that may arise on the path to achieving our goals, and contribute to a sustainable future.

The main processes and subprocesses involved in risk management are as follows:

RISK ASSESSMENT

In the assessment process, risks are considered in accordance with the cause-and-effect relationship between events. The levels of all risks are determined by evaluating their impact and likelihood of occurrence, with all risks transparently defined and classified.

The risk management and internal control systems, as determined and managed by the Risk Management Committee, are conducted in compliance with national and international regulations, including ILO standards, BSCI (Business Social Compliance Initiative) principles, the Universal Declaration of Human Rights, Law No. 4857 on Labor, the Turkish Commercial Code, the Corporate Tax Law, the Income Tax Law, the VAT Law, the Customs Law, Foreign Exchange Legislation, the Law on the Protection of the Value of Turkish Currency, the Personal Data Protection Law, the Zoning Law, Foreign Trade Regimes, and the Processing of Goods under Customs Control Regime. In this context, risk management strategies and policies are implemented transparently in accordance with the specified legislation and standards, and business processes and activities are carried out in full compliance with the relevant laws and regulation.



UNIDENTIFIED RISKS

IDENTIFIED RISKS

01

Acceptable Risk
Risk Acceptance

02

Significant Risk
Risk Monitoring

03

High Risk
Risk Reduction

04

Very High Risk
Risk Aversion

BUSINESS ETHICS

At Talu Tekstil, we fulfil our obligations to all stakeholders in our value chain, beginning with our employees, in accordance with ethical principles. In line with our commitment to responsible business practices, we adhere to the Code of Business Ethics and are firmly opposed to discrimination, corruption and bribery.

The Talu Tekstil Code of Business Ethics addresses a number of key areas, including ethical conduct, the protection of company assets and information, anti-bribery and anti-corruption measures, acceptance of gifts, discrimination and harassment, employee rights, social responsibility, remuneration, and occupational health and safety. These rules are communicated to new employees during the orientation process. It is expected that all employees and stakeholders will adhere to our ethical principles and act in accordance with the standards of professional conduct. It is the responsibility of senior and mid-level managers to ensure compliance with these rules. Furthermore, we require our suppliers, who represent a key stakeholder in our value chain, to adhere to our ethical principles and policies. I am pleased to confirm that there have been no instances of non-compliance with our ethical rules and policies during the course of 2023.

The Talu Tekstil Code of Ethics and all related policies are subject to periodic review, update and documentation by the Human Resources and Sustainability Directorate.

The Human Resources department is responsible for disseminating these documents throughout the entire company. The Code of Business Ethics is subject to an annual review.

The Talu Tekstil Ethics Board operates in accordance with the following principles: The identity of individuals making notifications or complaints is kept strictly confidential. Investigations related to notifications and complaints are conducted with the utmost confidentiality.

Our company is firmly committed to upholding the highest ethical standards as an integral part of our sustainable business model. Our business is guided by a set of principles that include honesty, transparency, respect, fair treatment, respect for human rights and environmental sensitivity. These principles provide guidance on all our activities.

It is the responsibility of all employees and managers, as well as all partners in the supply chain, to adopt and uphold these values. By prioritising transparency and integrity in our relationships with stakeholders, we aim to make a positive contribution to a sustainable future.

REMUNERATION POLICY

In determining remuneration, a number of factors are taken into account, including the performance of employees and their fulfilment of job responsibilities. In addition to the performance evaluation criteria set out in departmental guidelines, job performance is assessed in accordance with the criteria and performance standards set out in the compensation policy. This approach enables a cost analysis to be conducted, which reveals both positive and negative aspects of economic performance.

Furthermore, our company conducts a Fair Living Wage Survey to determine the human subsistence wage, and our Compensation and Benefits Procedure is implemented with the utmost diligence. Salaries are adjusted on an annual basis, in January, based on company and individual performance, inflation, and market positioning goals. In addition to the base increase rate set by the Board of Directors, all production unit managers are required to provide feedback on performance criteria related to their teams. In the case of employees with outstanding performance, salary increases are implemented as a percentage increase. Administrative staff may discuss additional salary requests directly with the Board of Directors, and increases may be granted with the approval of the Board Chairman.



SUSTAINABLE SUPPLY CHAIN

At Talu Tekstil, we recognise the vital role our supply chain plays in our sustainability transformation. We believe that the foundation of our robust sustainability objectives for the future will be realised through the value we create in our supply chain. Consequently, our objective is to transform and develop our supply chain in accordance with the principles of sustainability. We assess all our current suppliers within our supply chain based on criteria such as quality, environmental impact and occupational health and safety. We hold them to account for our code of conduct, policies and procedures. Traceability and transparency have always been key priorities for us, and we conduct all our evaluations within the supply chain with a focus on sustainability in line with these principles.

All suppliers must provide certifications related to sustainable raw materials (such as Oeko-Tex, GOTS, etc.) and certifications for environmental and ethical compliance in order to be included on our approved supplier list. In the event that a supplier is unable to present the required documentation during an on-site audit, this will be considered a significant deficiency. In such cases, the relationship with that supplier may be terminated immediately. Furthermore, the Supplier Audit Evaluation Form gives priority to topics related to environmental management, and relationships with suppliers working on these issues are given preference. Furthermore, we monitor the environmental and social compliance performance of all our suppliers through various platforms, including Higg FEM and SLCP.

In the coming period, our objective is to reinforce our sustainable supply chain by improving both our environmental and social supplier standards.

As of 2023, Talu Tekstil has 140 accessory suppliers, 100 fabric suppliers, and at least 50 service providers.

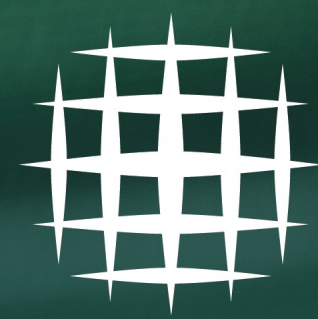




SUSTAINABILITY AT

TALU TEXTILE

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OUR SUSTAINABILITY STRATEGY

At Talu Tekstil, we recognise our position as a leading company in the textile industry and consider meeting sustainability requirements as a central aspect of our business processes. We believe that integrating our business practices with our sustainability goals will ensure long-term success. In this regard, we are committed to minimising our environmental footprint through the conservation of natural resources and energy, providing a safe and healthy working environment for employees, creating an ethical and transparent supply chain with fair business practices, and ensuring sustainable growth through efficiency and cost savings in production.

Our sustainability strategy is founded on three core principles: environmental responsibility, social sensitivity, and economic sustainability. In collaboration with our stakeholders, we are committed to continuous improvement of our business processes, promotion of innovation, and prioritisation of research and development. At the same time, we ensure efficient use of natural resources and energy. Our objective is to minimise environmental impacts and ensure the health and safety of our employees by adopting a business model that is respectful of society, ethical and transparent. We are committed to maintaining the highest level of customer satisfaction by delivering products that meet the highest quality standards. We conduct an annual review of our sustainability approach, updating our policy and strategy as necessary.

We recognise our responsibility to address global issues such as climate change, poverty, inequality, desertification and the loss of biodiversity, and to contribute to the United Nations Sustainable Development Goals. Consequently, we align our corporate strategies with the United Nations Sustainable Development Goals, sustainability priorities and circular economy principles, and we continue our efforts as an organisation committed to both national and global values.

SUSTAINABLE DEVELOPMENTS GOALS

- 1 NO POVERTY
- 2 ZERO HUNGER
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 14 LIFE BELOW WATER
- 15 LIFE ON LAND
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
- 17 PARTNERSHIPS FOR THE GOALS

THE GLOBAL GOALS
For Sustainable Development

SUSTAINABILITY GOVERNANCE

In the early months of 2021, Talu Tekstil initiated a corporate transformation process with a focus on sustainability priorities. As a result of this transformation, we have identified our key sustainability priorities and developed a corresponding sustainability strategy. In light of the pivotal role of corporate governance structure and processes in sustainability, and the necessity to integrate this approach into corporate governance processes, we have commenced a new organisational restructuring process with the objective of embedding sustainability into our governance framework. We are also continuing our corporate restructuring process.

At Talu Tekstil, sustainability is managed by the Sustainability Committee, which operates independently of the Board of Directors and the General Manager. The committee is chaired by a member of the senior management team and includes representatives from across the company's departments. These representatives evaluate all processes at Talu Tekstil in accordance with risk management protocols and oversee the company's sustainability initiatives.

It is the responsibility of senior management to validate information. Information is gathered from the relevant departments and employees and then shared with the Sustainability Manager.

The Sustainability Manager reviews the information and, if revisions are necessary, reconvenes with the relevant department to discuss and make the required changes. Communication with senior management is established for the dissemination of information, which is shared upon approval of the Chairman of the Board. Furthermore, information is disseminated to the team during sustainability meetings, and any information requiring revision is conveyed to the sustainability manager for correction. When sharing information within the company, the necessary external reliability criteria are reviewed and an agreement is reached with the recipient.



SUSTAINABILITY COMMITTEE

The Sustainability Committee, representing Talu Tekstil, convenes annually to conduct a periodic review of strategies and processes. The timeframes for achieving the sustainability goals, based on the ongoing work, are determined and their impacts measured. All the monitored and reported strategies and targets are presented to the Board of Directors by the Sustainability Committee. The Talu Tekstil Sustainability Committee is responsible for expanding the implementation of practices, involving stakeholders, making and implementing the necessary investment decisions to achieve sustainability goals, and ensuring the flow of information with stakeholders.

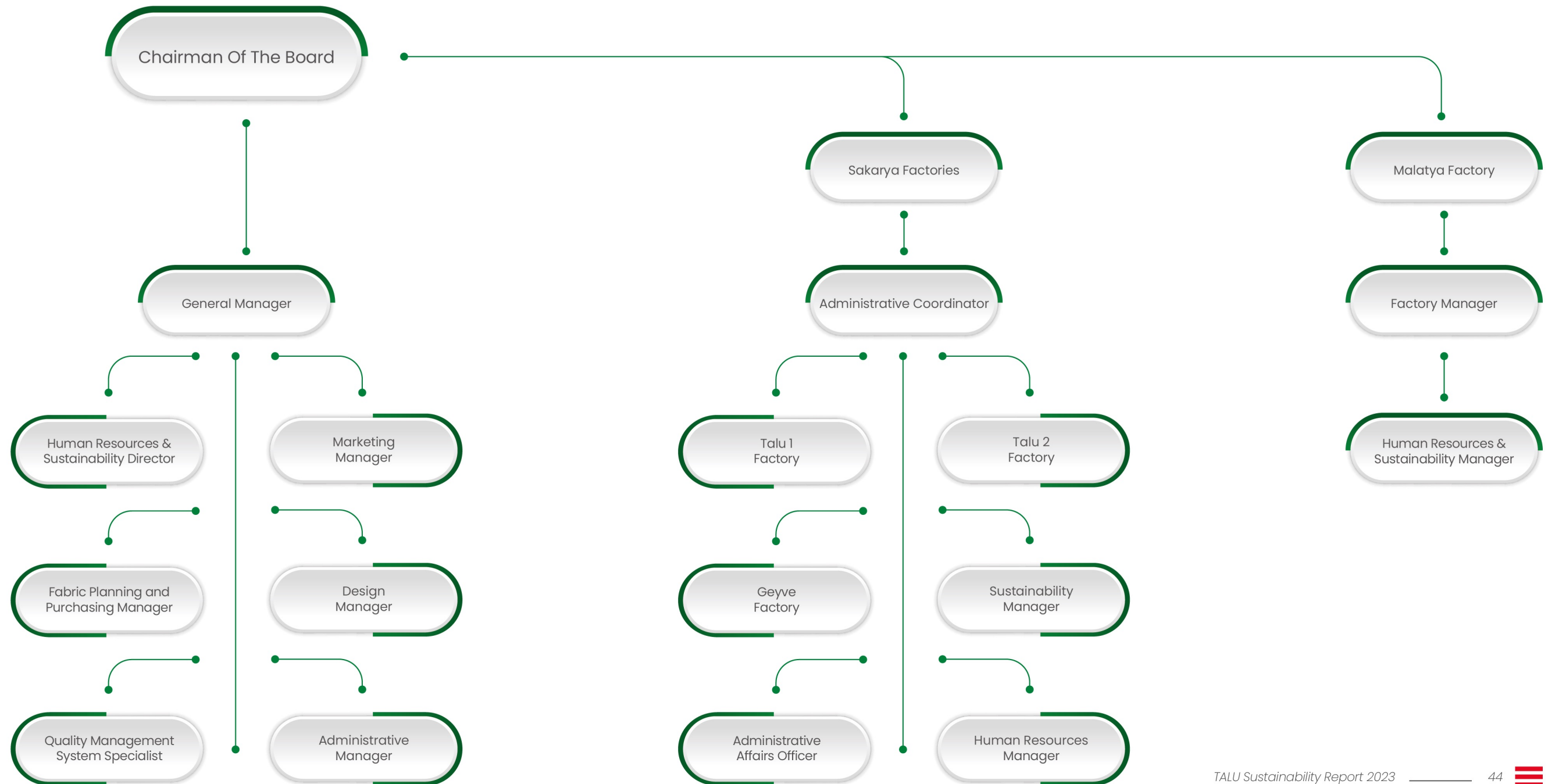
The objective of these meetings is to facilitate the exchange of information and ideas with other senior managers in order to provide support for necessary improvements and updates. Other senior executives may also be invited to participate in these discussions. The Sustainability Officer, in collaboration with other departments when necessary, assesses the company's impact on the economy, the environment and society. The departments investigate the root causes of these impacts and develop action plans. The results of these processes are shared with the Board of Directors, who then hold discussions on the necessary next steps. Feasibility and action plans also take into account the impact on stakeholders.

They are kept informed about the matter and participate in discussions to exchange ideas about the processes and necessary actions..

During these meetings, information and ideas are exchanged with other senior managers to facilitate the implementation of necessary improvements and updates. Other senior executives may also be present and contribute to the discussions. The Sustainability Officer, in collaboration with other departments when necessary, assesses the company's impact on the economy, the environment and society. The relevant departments investigate the root causes of these impacts and develop action plans. The results of these processes are shared with the Board of Directors, and the required actions are discussed. The input of stakeholders is also taken into account when assessing the feasibility of action plans. Topics are communicated to them, and discussions are held on the processes and required actions.

Talu Tekstil's Sustainability Committee consists of representatives from the Human Resources and Sustainability Directorate, Marketing, Fabric Planning and Purchasing, Design, Quality Management System, Administration Manager, Sakarya Plants (Talu 1, Talu 2, Geyve Plants, Sustainability Manager, Administration Manager and Human Resources Manager) and Malatya Plant (Human Resources and Sustainability Manager).

SUSTAINABILITY COMMITTEE ORGANIZATIONAL CHART



STAKEHOLDER COMMUNICATION ON SUSTAINABILITY

Communication with stakeholders is conducted via social media, physical or online meetings, email, or telephone. All processes are communicated to stakeholders and progress is monitored. The sustainability manager and relevant departments oversee the monitoring of these processes. The outcomes of the processes are evaluated in collaboration with the input of the departments and the Chairman of the Board. It is the responsibility of the departments to carry out work in a way that allows them to clearly see the effects of the results. These results must then be reported to the Sustainability Manager, who will share them with the Chairman of the Board.

The Chairman of the Board has delegated the responsibility for managing environmental, economic, and social impacts to the Sustainability Manager. This responsibility is assigned to employees who are considered to have comprehensive knowledge of the subject. The employee taking over must be well-versed in the topic, have received the necessary training, and be capable of managing the process. This employee assumes responsibility for further researching, developing, and managing the topic and collaborates with the Sustainability Manager. Additionally, the employee is responsible for reporting the situation to the Chairman of the Board and transferring management processes.



MATERIALITY ANALYSIS

Our corporate sustainability strategy is designed to meet the expectations of our stakeholder groups through a prioritisation study involving these stakeholders. Talu Tekstil is acutely aware of the importance of robust engagement with stakeholders for the development of a sustainable business model. To this end, it has conducted a comprehensive prioritisation analysis, with the objective of identifying the priority issues of the stakeholders with whom it communicates and of shaping future business processes in accordance with these expectations.

This study involved the creation of a list of priority issues based on a number of factors, including stakeholder expectations, sectoral best practices, global and regional risks, trends affecting the industries, and the United Nations Sustainable Development Goals.

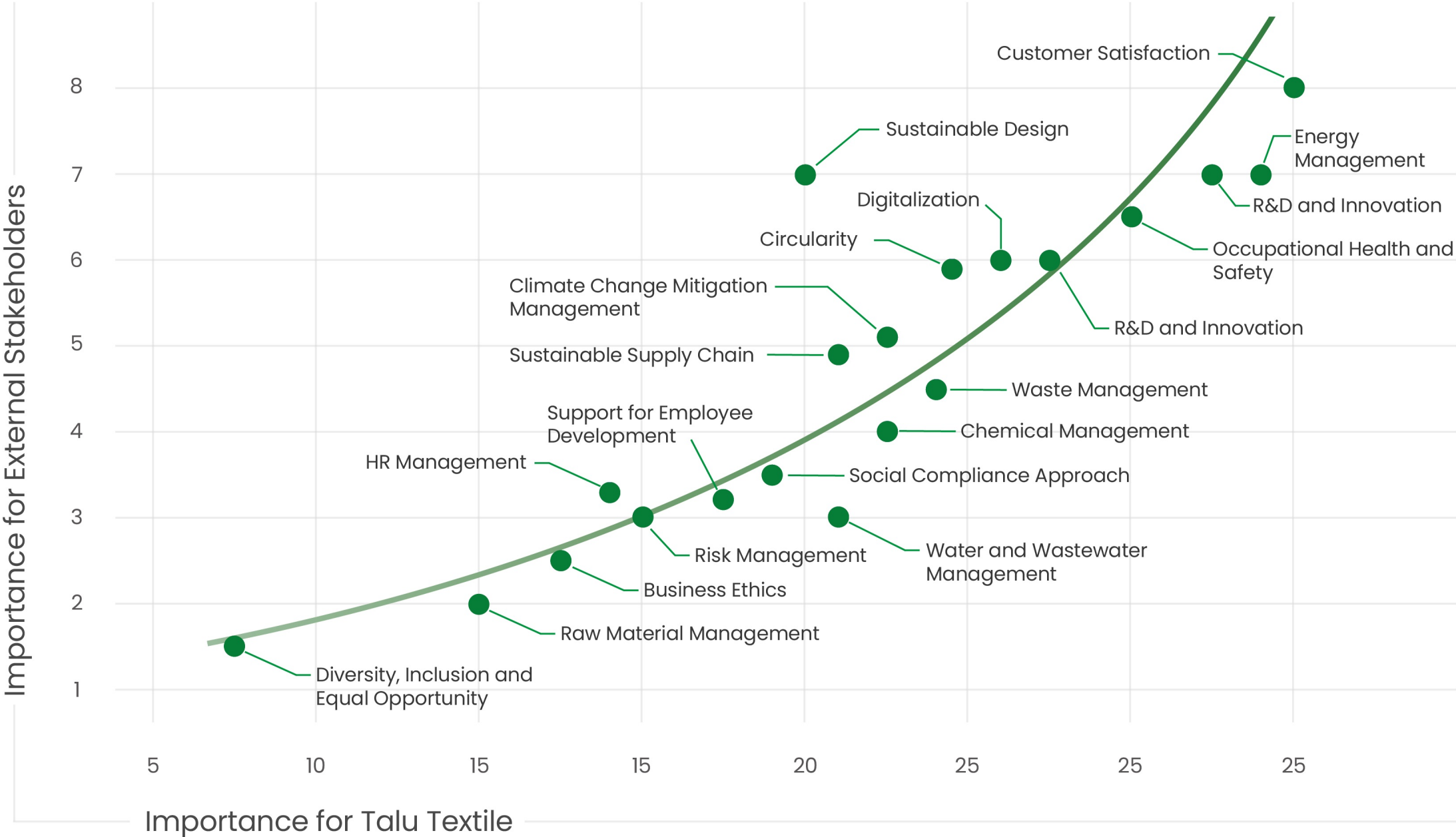
Once the priority issues had been determined, surveys were prepared for both internal and external stakeholders. The surveys were shared with internal stakeholders and key external stakeholders from the Stakeholder Analysis List in order to obtain ratings. As a result of these interactions with internal and external stakeholders, very high-priority issues, priority issues and medium-priority issues were identified in collaboration with the Board of Directors and the Sustainability Committee. The evaluation results were consolidated and our prioritisation analysis was completed.

MATERIALITY TOPICS

Very High Priority	High Priority	Medium Priority
Customer Satisfaction	Sustainable Supply Chain	Biodiversity
Energy Management	Waste Management	Microplastic Pollution
Employee Engagement and Satisfaction	Chemical Management	Traceability
Occupational Health and Safety	Water and Wastewater Management	International Standards and Legal Compliance
R&D and Innovation	Sustainable Design	
Digitalization	Social Compliance Approach	
Circularity	Support for Employee Development	
Mitigation Management for Climate Change	Risk Management	
	HR Management	
	Business Ethics	
	Raw Material Management	
	Diversity, Inclusion and Equal Opportunity	

MATERIALITY MATRIX

Following the evaluations and stakeholder participation, we have created the Talu Tekstil Materiality Matrix, which covers very high, high and medium priority issues. The Talu Tekstil Materiality Matrix is a two-dimensional representation of the relative impact of material issues on external and internal stakeholders. The vertical axis depicts the impact on external stakeholders, while the horizontal axis represents the impact on internal stakeholders (Talu Tekstil). The results of the materiality analysis informed the development of our sustainability goals and strategy.



SUSTAINABILITY GOALS

At Talu Tekstil, we have established targets in alignment with our sustainability strategy. To ensure optimal stakeholder satisfaction, we conduct thorough evaluations of all feedback and comments. In accordance with the feedback received, we are committed to implementing the necessary corrections, improvements and innovative steps in our business processes. Our objective is to guarantee continuous improvement by incorporating customer feedback into our operational procedures.

By 2024, we will have reshaped our strategic roadmap to align it with our goals and the actions we have taken. We will proceed in a more systematic manner and develop projects with the aim of achieving our environmental, social and governance goals.

Our environmental sustainability goals are to increase energy efficiency, reduce water use, minimise waste, reduce our carbon footprint and reduce the environmental footprint of our products. To achieve these goals, we are developing various projects, including switching to new generation machines, switching to hybrid company vehicles and conducting LCA studies. Our social and governance goals include supporting employee development, empowering women in production and integrating our supply chain with sustainability principles. To achieve these goals, we have set the following projects as priorities: becoming a WEPS signatory and establishing a sustainable supply chain.

Increasing energy efficiency	The objective is to achieve an energy efficiency increase of 20% or above.	2027
Increasing energy efficiency	The company will transition to new generation machines and change company vehicles to hybrid models.	2030
Increasing energy efficiency	By 2023, the company aims to reduce its water consumption by 15%.	2030
Minimising water consumption and ensuring circular water use.	The objective is to reduce the amount of waste by 15% by 2023.	2027
Reducing the amount of waste.	By 2023, we aim to reduce our emissions by 10%.	2027
Measuring our Carbon Footprint in 5 categories	Conduct Life Cycle Assessments for specific products.	2027
Reducing the environmental footprint of our products	Increase the number of employees participating in the Employee Development Programmes.	2027
Supporting employee development	Sign up to the WEPS.	2026
To ensure the empowerment of women in production	Raise the level of education of our female employees in production.	2027
To ensure the empowerment of women in production	Provide breast cancer screening for female employees.	2027
To ensure the empowerment of women in production	Create a sustainable supply chain map.	2028
Integrating the Supply Chain with sustainability principles	The objective is to achieve an energy efficiency increase of 20% or above.	2028

STAKEHOLDER ENGAGEMENT

At Talu Tekstil, we place a high value on the input and perspectives of our stakeholders in achieving our sustainability objectives. We maintain regular and transparent communication with our employees, customers, suppliers, local communities and other relevant parties, and take their expectations and feedback into consideration. Our stakeholders play an integral role in enhancing the efficacy of our sustainability strategies and enabling us to fulfil our social and environmental responsibilities. In this regard, we engage in ongoing communication with our stakeholders through surveys and meetings.

In order to prepare our Stakeholder Analysis List, we first identified our stakeholder groups. The stakeholder groups, whose opinions were also sought during the process of determining our material issues, were identified based on the groups with which Talu Tekstil interacts in its products, services, projects and other processes. We evaluated our Stakeholder Analysis List according to the following criteria: type and stakeholder group, as well as the degree of influence on company activities and the importance given to stakeholder demands. Furthermore, we have identified key issues related to our stakeholders, including the sustainability reporting process, and outlined our responsibilities regarding these issues.

Our Stakeholders	Purpose/Subject Of Communication	Frequency Of Contact
Customers	The transfer of developments in the company, sector and technology	Continuously
	The transfer of developments and news about the products is to be facilitated	Continuously
	Contact with existing and new customers	Continuously
	Sharing developments about the company	When necessary
Suppliers	Discussion of commercial issues	Continuously
	Audit	Several times a year
	The dissemination of pertinent information	Continuously
Local Society and Governments	Announcement of important developments related to the company	Continuously
Group Companies	Announcement of important developments related to the company	Continuously
Public and Regulatory Institutions, Organisations and NGO's	Announcement of important developments related to the company	Continuously
Financial Organisations	Announcement of important developments related to the company	Continuously





ENVIRONMENTAL

SUSTAINABILITY

- 01 ● ENVIRONMENTAL MANAGEMENT
- 02 ● RAW MATERIAL MANAGEMENT
- 03 ● WATER AND WASTEWATER MANAGEMENT
- 04 ● ENERGY MANAGEMENT
- 05 ● CHEMICAL MANAGEMENT
- 06 ● WASTE MANAGEMENT
- 07 ● CLIMATE CHANGE MITIGATION MANAGEMENT



ENVIRONMENTAL MANAGEMENT

At Talu Tekstil, we are committed to monitoring and reducing our environmental impact. Our Environmental Management Team oversees this process, guided by our Environmental Policy. Our objective is to enhance our environmental performance across all our processes and to make a positive contribution to a sustainable future.

At our ISO 14001-certified facilities, we conduct comprehensive monitoring, measurement, and reporting of our environmental impact. Based on the data we collect, we develop and implement projects aimed at preventing environmental pollution and contributing to the protection of natural resources.

Furthermore, we have been utilising the HIGG FEM module since 2022 to gauge our environmental performance, ensuring the accuracy of our data and disseminating it to all relevant stakeholders. Our objective is to minimise the environmental impact of our production activities and to contribute to the creation of a healthier world for future generations.

In line with our commitment to environmental sustainability, Talu Tekstil has established an environmental management system that is representative of our global operations and comprises environmental responsible persons from each location, who report to this representative. In line with this approach, an environmental impact assessment report has been prepared.

This has involved discussing the potential effects of our production processes and the end use of our products, as well as any associated hazards and the measures we intend to take to minimise our environmental footprint. Our aim is to leave a cleaner environment for future generations.

Verification of Higg FEM, creation of a water management plan, verification of greenhouse gas calculations and work to reduce the amount completed with renewable energy (IREC) at the energy consumption stage have all made a significant positive impact on the environment through the control of natural resources and the importance of renewable energy used in production.

Our Environmental Policy and Procedure are aligned with the ISO 14001 Management System.

We undertake regular sampling and wastewater quality control at our facility, where we utilise ZDHC level 3 chemicals.

We guarantee that any hazardous waste is discharged to the appropriate licensed company without delay, in accordance with the relevant regulations.

Environmental training is provided to employees on a regular basis. We facilitate this through training programmes that emphasise the importance of taking small steps to drive transformation.

RAW MATERIAL MANAGEMENT

We are committed to exceeding our customers' expectations by prioritising the principles of sustainability in raw material selection. In line with this commitment, we are transforming our supply chain and adapting our production processes to ensure the use of sustainable materials. We maintain a constant watch on the use of sustainable materials, with a view to increasing the proportion of products incorporating organic, recycled and certified cotton. By doing so, we are reducing our environmental impact and contributing to the creation of a healthier world for future generations.

We offer a range of certified products throughout our supply chain, with our organic and recycled ingredients bearing international certifications such as OCS, GRS, RCS, GOTS and OEKO-TEX 100. We guarantee transparency by making our production processes fully traceable and measurable. Our policies and procedures are subject to regular third-party audits to ensure compliance with the relevant standards.



WATER AND WASTEWATER MANAGEMENT

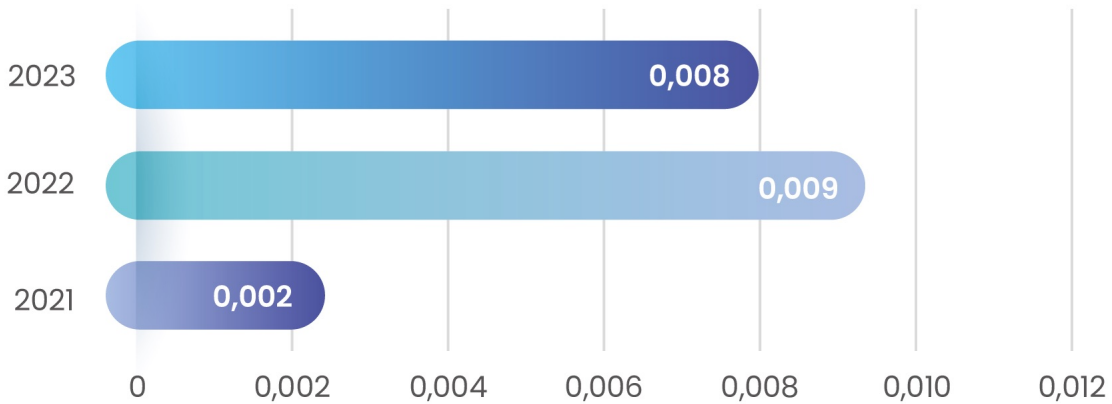
As a business operating in a water-intensive sector, we recognise our responsibility to manage our water usage effectively. In light of this awareness, we have been investing in technologies with the objective of reducing water consumption in our washing activities for a number of years.

The Malatya and Talu 1 plants utilise industrial water, while other plants employ domestic water sources. Thanks to our investment in innovative solutions such as E Flow and dry washing, we have achieved a 30% reduction in the total amount of water used during the reporting period in 2023 compared to the base year of 2021.

In line with our environmental sustainability goals, which include a 15% reduction in water use, we will prioritise projects that will strengthen our Water Use Policy in 2024.

Despite the lack of wet processes due to water shortages in our country and globally, we place significant emphasis on wastewater management. Only the Talu 1 plant has a packaged wastewater treatment plant. We conduct regular checks of the treatment of domestic wastewater at our other plants in an off-site wastewater treatment plant. Periodic ZDHC analyses are conducted by independent audit institutions at our plants with wet processes (Malatya and Talu 1). Test results and reports are made available to customers via the relevant online platforms. This ensures that all our stakeholders can be confident that the water used in the production of our products is treated in an environmentally responsible way.

The Water Amount per Product for All Locations (m3)



ENERGY MANAGEMENT

At Talu Tekstil, we adhere to an energy policy that requires us to monitor and evaluate our energy use, consumption, and efficiency. Our objective is to enhance our energy performance across all our processes, thereby contributing to a sustainable future. In our ISO 50001 Energy Management System-certified facilities, we conduct routine monitoring and reporting of energy consumption on a daily, monthly, and annual basis. Based on the data we collect, we develop and implement projects with the aim of reducing our energy consumption.

In 2023, we commenced monitoring and recording our greenhouse gas emissions. All of our facilities in Istanbul, as well as our headquarters, are supplied with electricity from renewable sources. Due to the fact that 100% of the electricity used in our four factories (Talu 1, Talu 2, Malatya and Geyve) is renewable, we have been able to eliminate our Scope 2 emission value over the past year.

Furthermore, we are working to reduce our carbon footprint in line with the Sustainable Development Goals. In line with our commitment to sustainability, we are investing in renewable energy sources, implementing energy-saving technologies and raising awareness of energy efficiency among our employees.

Our objective is to enhance awareness of the importance of protecting natural resources

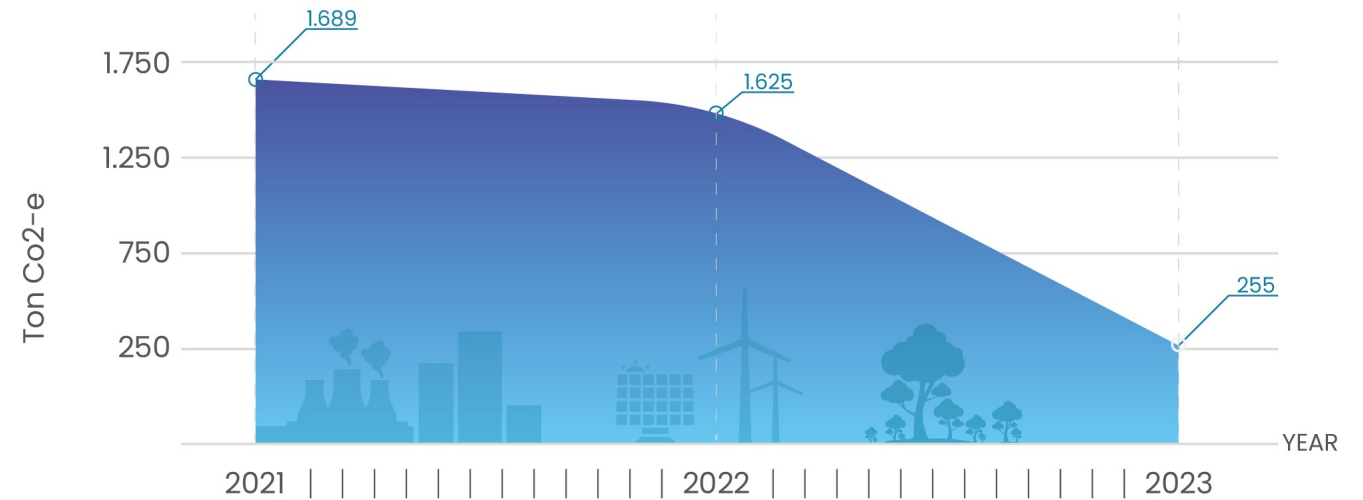
and conserving energy within our corporate culture by adopting a responsible consumption and production-oriented approach.

These projects include our SPP investments, the use of IREC-certified electricity, cost-efficient machine replacements, equipment upgrades and increased use of renewable energies. Our objective is to make a significant reduction in energy use and greenhouse gas emissions through the implementation of technical and managerial measures.



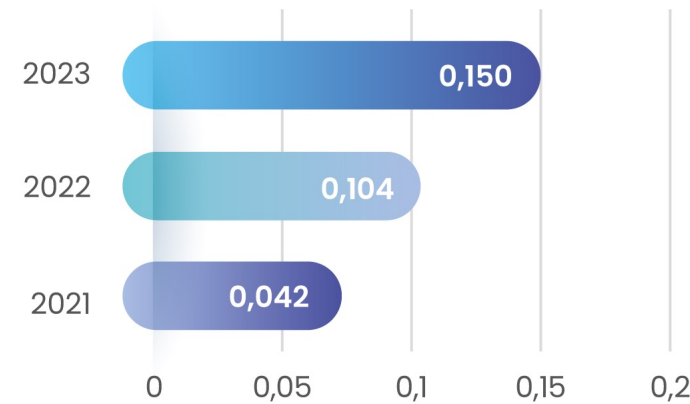
Due to the fact that 100% of the electrical energy used in our four factories (Talu 1, Talu 2, Malatya and Geyve) is renewable, we have been able to reduce our Scope 2 emission value to almost zero over the past year.

Talu Textile Scope 2 Greenhouse Gas Emissions

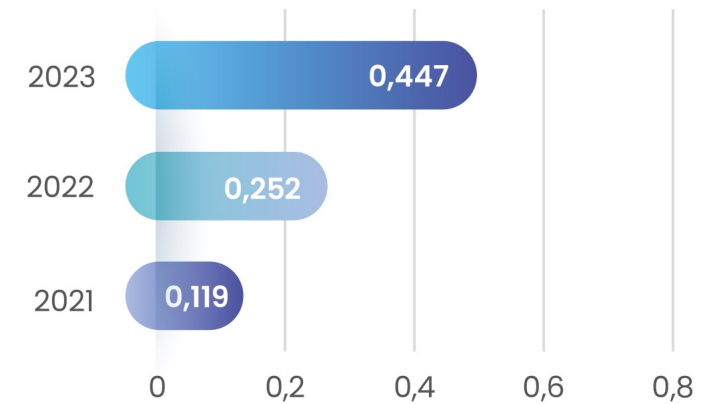


In 2023, our Istanbul headquarters recorded Scope 2 emissions of 255 tonnes of CO₂-e, reflecting the fact that a portion of our electrical energy supply is met from the grid.

Natural Gas per Product (m3)



Electricity per Product (kwh)



CHEMICAL MANAGEMENT

The use of chemicals in the textile industry represents a significant environmental concern for all stakeholders, with a particular focus on the potential negative effects on human health. In 2023, we continued our efforts to reduce the amount of chemicals used in our production processes and to use chemicals with a lower environmental impact. In this context, the amount of paint and chemicals used in 2023 was reduced.

In line with our Chemical Management System, we monitor all chemicals used in accordance with our customers' chemical compatibility lists and ensure that all chemicals used or planned for use comply with the ZDHC MRSL 2.0 standard. We provide our customers with a monthly Incheck report via the ZDHC platform, which details the chemicals we use and our consumption. We are pleased to report that our compliance rate reached 100% in 2023. We provide our monthly usage data for paint and chemicals, as well as our water consumption and production volumes, via the InCheck evaluation report on the ZDHC Gateway portal. Our OEKO-TEX 100 certificate demonstrates that the chemicals and raw materials we utilise are not harmful to human health.



WASTE MANAGEMENT

At Talu Tekstil, we are committed to the sustainable and efficient use of resources, including water, energy, raw materials and chemicals, throughout our operations. In line with our Environmental Management System, we apply zero-waste principles. In this context, our objective is to reduce our consumption, prevent waste generation and implement clean production technologies and the best available techniques in line with the principles of the circular economy.

We implement our Waste Management Procedure with the utmost care in order to make a sustainable contribution to the future. This procedure encompasses the management of both hazardous and non-hazardous waste generated across the entirety of Talu Textile's operational activities. It ensures that all waste is managed and disposed of in a manner that is both appropriate and compliant with all relevant regulations.

We implement practices such as reusing used hangers and reducing packaging material production with the objective of reducing waste generation and adopting an environmentally friendly approach.

We have made a contribution to the recycling of our waste materials through the Unisex Garment Design Project, in which fabrics obtained by recycling from Talu Tekstil Cutting Wastes are used. (Please refer to the section on "Circularity" for further details.)

Since March 2022, our company has been working with a licensed recycling company to collect and process textile waste. Prior to cutting, coloured fabric is separated, and automation technologies are used to recycle the yarn.

Of the total 816,823 kg of textile waste collected from Talu Textile Enterprises, 640,557 kg was transformed into recycled fibre with a 20% waste rate, and then into 915,082 kg of yarn with a 30% polyester fibre blend.

CLIMATE CHANGE MITIGATION MANAGEMENT

At Talu Tekstil, we have initiated our sustainability programme with a commitment to addressing the impact of the climate crisis since 2021. We have consistently adopted a clean and responsible production approach, which we apply across all our operations.

In 2021, the Turkish Grand National Assembly adopted the Paris Agreement, which sets a target to halt the climate crisis and limit the temperature increase to 2°C (below 1.5°C if possible). In order to achieve this objective, Turkey has established the Green Deal Action Plan. The objective of this plan is to facilitate the transition to a sustainable economy by adapting to changes in international trade and economics. The most significant component of the Green Deal is the Border Carbon Scheme (BCS), which will play a pivotal role in reducing carbon emissions by levying a charge on imported products from selected sectors based on their carbon content. While the textile sector is not currently included in the CCA, significant measures are being implemented to reduce carbon emissions. In line with this approach, we are conducting studies across the sector on key areas such as the utilisation of the most advanced techniques, energy-saving initiatives and sustainable production methodologies.

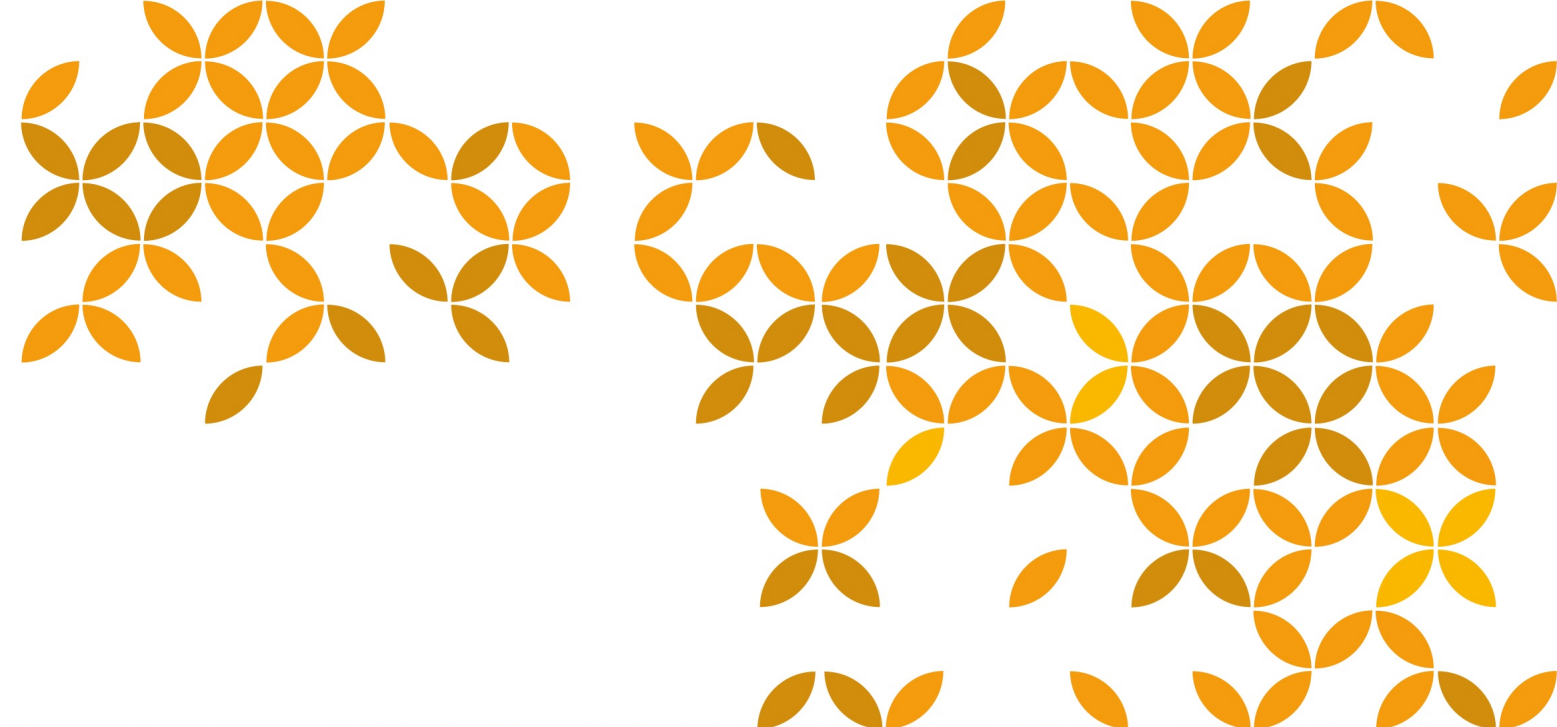
At Talu Tekstil, we are acutely aware of the impact that the textile industry has on the climate and place great importance on the effective management of emissions. In light of the above, we have been prioritising GES investments since 2022 with a view to reducing our corporate greenhouse gas emissions. Our objective is to reduce greenhouse gas emissions by utilising renewable energy sources in our production facilities. We calculate our corporate carbon footprint by carrying out ISO 14064 studies with the objective of combating climate change, adopting a sustainable production model and ensuring a cleaner world for future generations.

In addition to our emission reduction efforts, we endeavour to minimise the environmental impact of raw material production by selecting recycled, organic and biodegradable materials, recycling our waste and developing innovative solutions to reduce the amount of waste. We collaborate with other companies in the sector and academic institutions to recycle and reuse textile waste. We provide training for our employees on climate change and sustainability, and utilise special labelling and certification systems for our sustainable products.



We are dedicated to reducing the impact of climate change and playing our part in developing a more sustainable textile industry. It is imperative that we collaborate to ensure a sustainable future. We would like to extend an invitation to our customers, suppliers and all our stakeholders to join us in this endeavour. By working together, we can create a more sustainable and liveable world.





RESPONSIBLE PRODUCTION

- 01 ● SUSTAINABLE DESIGN
- 02 ● CIRCULARITY
- 03 ● DIGITISATION
- 04 ● R&D AND INNOVATION
- 05 ● CUSTOMER SATISFACTION APPROACH



SUSTAINABLE DESIGN

At Talu Tekstil, we recognise the importance of sustainable design in breaking consumption and waste cycles through the adoption of circular economy principles, particularly in the selection of raw materials. In light of this awareness, our objective is to achieve harmony with nature and integrate circular economy principles at every stage of the process, from raw material selection to production, and from consumption to recycling.

Talu Tekstil has in-house design teams based in Istanbul and London. Talu Tekstil provides its customers with sustainable alternatives, enabling them to spearhead evolving trends and meet the demands of end consumers.

Talu Tekstil places significant emphasis on sustainable trends and is dedicated to developing its collections in a more environmentally conscious manner. Furthermore, as a leading manufacturing partner, Talu Tekstil is dedicated to providing innovative fabric technologies and new designs that align with customers' budgetary requirements. We believe that our eco-friendly processes, including regenerated, recycled materials and natural dyeing, raise awareness among our customers. Our design team is committed to staying abreast of the latest sustainable innovations, fabrics, accessories, printing and embroidery techniques, washing and dyeing methods, and offers new design options to our customers.

The use of 3D technology allows us to streamline the design process, enhance product quality, minimise waste and reduce our carbon footprint. The design and development department utilises the following software programmes: Browzwear, Clo 3D and AutoCAD.



CIRCULARITY

At Talu Tekstil, we align our approach with the principles of the Circular Economy Action Plan, developed within the framework of the European Green Deal process. Our strategy encompasses a comprehensive view of circularity, considering every stage of the process.

We are pleased to announce that our sustainable waste management practices at our four plants have been certified with the Zero Waste Certificate. We provide training to our employees and suppliers on the principles of the circular economy. In our product design and manufacturing processes, we prioritise the use of recycled and recyclable materials.

Since March 2022, our company has been working with a licensed recycling company to collect and process textile waste. Prior to cutting, coloured fabric is separated, and automation technologies are used to recycle the yarn.

Of the total 816,823 kg of textile waste collected from Talu Textile Enterprises, 640,557 kg was transformed into recycled fibre with a 20% waste rate, and then into 915,082 kg of yarn with a 30% polyester fibre blend.

Talu Textile Unisex Garment Design Project Using Fabrics Recycled from Cutting Wastes

The 'Recycling Unisex Clothing Collection' comprises a total of 33 items. The collection has been divided into various categories for planning purposes. The collection comprises the following items: one jacket, one vest, one short-sleeved hoodie, six long-sleeved hoodies, two zip-up hoodies, one full-length zip-up high-collar sweatshirt, two half-length zip-up high-collar sweatshirts, three bicycle collar sweatshirts, two rugby polos, seven trousers and six t-shirts. The recycling collection was prepared for the 2023 Autumn-Winter season using fabric structures created from transforming black and white jersey fabric cutting wastes within the company. The collection was designed with continuity of the sustainability principle in mind and comprises unisex items suitable for wear by both women and men in the younger and middle age groups. Please refer to the attached figure, which illustrates the design of some of the collection's models.



Talu Design Centre has developed an eco-friendly unisex garment collection by repurposing textile waste from Talu Textile Enterprise and cutting waste into reusable raw materials. This initiative aims to reduce the environmental impact of cotton production.

The project resulted in the creation of a unisex clothing collection, crafted with environmentally friendly fabrics and yarns sourced from Talu Tekstil's recycling of cutting waste.

In the recycling process, 20% of Talu Tekstil's cutting waste, comprising 100% cotton, was blended with 80% raw cotton to create Ne 20/1 ecru yarns. The Grey Melange yarns were created by combining 20% of Talu Tekstil's 100% cotton black cutting waste with 80% of raw coloured conventional cotton. The colour compositions of the mélangé yarns were obtained by blending raw conventional cotton fibres with the existing black and white recycled fibre group.

The performance of the project was evaluated by Talu Design Centre using the Benchmark method, which assessed the benefits obtained by recycling the cutting waste. The Benchmark technique is used to evaluate the user experience of a product using specific metrics, or to compare it with similar products on the market.



DIGITISATION

At Talu Tekstil, we are preparing for the future by integrating digitalisation, one of the most important transformation areas of today, into all our operations. Our objective is to leverage digital technologies as an effective tool to achieve optimal productivity and performance levels, minimise our environmental impact, maintain and further enhance our competitiveness, and enable our sustainable product management. We develop and implement innovative digital solutions to enhance our competitive advantage. We integrate technologies such as artificial intelligence, robotics and the Internet of Things into our business processes. Data analysis enables us to make more informed decisions. We foster stronger customer relationships through online platforms and mobile applications. We encourage our employees to play an active role in the digital transformation process. We leverage digital technologies to facilitate sustainable product management.

In 2021, we continued to invest in our digitalisation project, implementing new technology across all our processes. Following the digitalisation of the sewing belts, the number of reports prepared by personnel has been reduced, paper waste has been prevented and belt efficiency is now monitored and controlled instantly.

The digital transformation of storage processes has enabled us to track data instantaneously, control stock and streamline operational processes. In 2023, we initiated investments in the digitalisation of machine inventory and machine fault tracking processes. These investments are ongoing, with the aim of detecting machine malfunctions instantaneously, thereby shortening processes, increasing productivity and achieving energy savings. Our current digital transformation projects include the conversion of the factory lighting system to a remote-controlled and time-adjustable smart panel system, the design and deployment of the RFID tag counting machine (tunnel station) used for parcel closing and parcel counting in the finished goods warehouse-delivery department, the digitalisation of human resources processes and the ability to monitor the system via Talu Portal, and the design and printing of apparatus moulds or some parts used in the enterprises on 3D printers.

R&D AND INNOVATION

At Talu Tekstil, our objective is to make a positive impact through the development of innovative and sustainable products, to expand our reach into new markets, and to become a market leader in our sector. To achieve these goals, we have developed a comprehensive R&D strategy.

In line with this visionary perspective, Talu Tekstil established the Talu Textile R&D Centre in 2023 and opened the R&D Centre Technical Office at Sakarya University Teknopark on 26 September 2024. This investment will enable us to undertake projects in university-industry collaboration, conduct further scientific research and direct our sustainability studies based on scientific evidence, thanks to our well-equipped technical team. The R&D Centre is staffed by six engineers. The Design Centre is staffed by a team of 13 professionals. We collaborate with the Marmara University Design Centre and Sakarya University.



CUSTOMER SATISFACTION APPROACH

One of our key priorities is to meet customer needs and demands in the most efficient and reliable way possible. Talu Tekstil is committed to proactively developing solutions that anticipate and meet the evolving needs of its customers. This approach has enabled the company to achieve innovative and sustainable growth while maximising customer satisfaction. Talu Tekstil places great importance on the development of new products and services, as well as the continuous improvement of existing products and services. As a company with an environmentally and socially sensitive approach, Talu Tekstil utilises sustainable methods in its production processes and strives to minimise its impact on the environment.

Talu Tekstil serves over 30 customers in more than 40 countries worldwide, with customer satisfaction a top priority at every stage of the process. Talu Tekstil gauges customer expectations and satisfaction through annual online surveys, which also assess service quality, product quality and competitors.

All suggestions, requests and complaints from domestic and foreign customers are meticulously followed up. Customer feedback is used to improve products and services. Any errors are thoroughly investigated and appropriate measures are taken to prevent a recurrence. The principle of continuous improvement is applied to optimise processes and maintain the highest level of customer satisfaction.

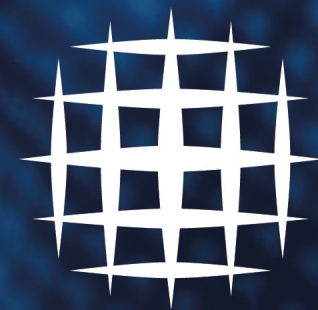




SOCIAL

SUSTAINABILITY

- 01 ● SOCIAL SUSTAINABILITY APPROACH
- 02 ● HUMAN RESOURCES MANAGEMENT
- 03 ● EMPLOYEE LOYALTY AND SATISFACTION
- 04 ● SOCIAL COMPLIANCE APPROACH
- 05 ● DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY
- 06 ● SUPPORT FOR EMPLOYEE DEVELOPMENT
- 07 ● SOCIAL RESPONSIBILITY AND INVESTMENTS
- 08 ● OCCUPATIONAL HEALTH AND SAFETY



SOCIAL SUSTAINABILITY APPROACH

At Talu Tekstil, our objective is to become a socially responsible organisation that makes a positive contribution to society, rather than simply focusing on economic growth. In this context, we conduct our operations in accordance with a social sustainability approach, implementing a range of social responsibility projects.

All employees are required to comply with the Code of Business Ethics, regardless of their job scope or qualifications. The Code is published in publicly accessible areas and through the Human Resources and Sustainability Department. The Code of Ethics, which includes measures to prevent bribery and corruption, ensure equal opportunities, prevent child labour, regulate working hours, set remuneration levels, prohibit discrimination, maintain internal confidentiality, protect customer personal data, ensure occupational health and safety, has been developed in line with global best practice, customer expectations and Turkish legislation and legal order.

HUMAN RESOURCES MANAGEMENT

At Talu Tekstil, we are dedicated to ensuring that our commitment to human rights and fundamental freedoms is upheld in a concrete manner for all our employees and stakeholders. In this context, we are committed to supporting the United Nations Sustainable Development Goals (SDGs) and actively contributing to addressing global challenges such as poverty, hunger, gender inequality, climate change and discrimination.

The objective of our Human Resources Policy is to position Talu Tekstil as a preferred company that achieves success in collaboration with its employees, in alignment with its corporate strategies, vision and mission. To achieve these objectives, we have adopted the following strategies, based on the principles of continuous development: ensuring organisational development that will increase the company's competitiveness; ensuring the continuity of employee learning and development; strengthening the leadership competencies of managerial staff; and ensuring the spread of a corporate culture that will encourage employee loyalty. Our human resources management system is based on a systematic approach to recruitment and placement, learning and development, career and talent management processes. Talu Textile offers its employees the opportunity to be represented by serving on the Occupational Health and Safety Board, Disciplinary Board and Annual Leave Board.

In line with our Human Resources Policy and Code of Business Ethics, we fulfil our commitments on child labour, recruitment, voluntary work, prevention of harassment and ill-treatment, discrimination, bribery and corruption, freedom of association, corporate sustainability, recruitment of migrant workers and training.

EMPLOYEE LOYALTY AND SATISFACTION

At Talu Textile, our employees are the foundation of our corporate culture and the driving force behind our success. We consider active listening to the voices of our employees and receiving their feedback to be among our core responsibilities.

The happiness and motivation of our employees positively impact their individual performance and contribute to the overall success of our business. Consequently, we place significant emphasis on matters pertaining to occupational health and safety, equitable working conditions, and career advancement. Our human resources policies are designed to include flexible working models, training and development opportunities, and other support measures to facilitate a healthy work-life balance for our employees. Furthermore, we guarantee that each employee feels appreciated by fostering a business culture based on diversity and inclusiveness within our company. To enhance our employees' sense of belonging, we facilitate participation in social responsibility projects and organise activities that foster teamwork. By adopting these strategies, we are able to guarantee our sustainable growth, fostering a strong company culture and high levels of employee satisfaction.



SOCIAL COMPLIANCE APPROACH

At Talu Tekstil, we consider social compliance to be a fundamental aspect of doing business, one that is essential for all exporting companies. We believe that our commitment to social responsibility and ethical trade principles is fundamental to our commercial success. Consequently, we adopt social compliance not only as a legal obligation but also as a core value. In this context, we implement our Social Compliance Audit Procedure to ensure that Talu Tekstil enterprises are prepared for social compliance audits, report social non-conformities and implement necessary controls and follow-ups in this direction.

The social compliance officer liaises with the Occupational Health and Safety Specialist, the Administrative Affairs team, the Human Resources Manager and the Occupational Physician during social compliance audits. The Human Resources Manager is responsible for ensuring compliance with all relevant legislation pertaining to personnel matters. The Administrative Affairs department oversees the processing of documents such as the Environmental Impact Assessment (EIA) report, the Operation Certificate, the GSM licence and the Discharge Permit. The Occupational Health and Safety Specialist oversees a range of studies, including grounding measurements, lightning rod inspections, compressor and steam boiler maintenance, drinking water analysis, and occupational health and safety training.

The plan is to hold at least one fire drill per year, and this will be implemented. The occupational physician oversees the scheduling and administration of health examinations and necessary periodic tests.

In advance of the audit, the social compliance officer will undertake the requisite preparations, conduct a review of past audit records and make any necessary additions to the audit questionnaire. The decision as to whether the audit will be announced or unannounced is at the client's discretion. On the day of the audit, the sustainability manager will hold an opening meeting with the company official and the auditor, conduct a company tour and examine the documentation.

Any non-conformities identified at the conclusion of the audit are promptly communicated to the company manager, documented, and the company is contacted to develop an action plan. Follow-up audits are conducted on specified dates, and non-conforming situations that remain unresolved are reported to senior managers. A decision is then made regarding the continuation or cessation of production.

%92 SUCCESS

From 2021 to 2023, 92% of our enterprises that underwent social compliance audits were successful.

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

At Talu Textile, we are committed to fostering a culture of respect for diversity and equal opportunity. Our objective is to foster a strong team spirit and a successful work environment by placing diversity, inclusion and equal opportunities at the core of our business strategy.

To achieve this goal, we proactively promote diversity within our workforce and business partnerships. Our human resources policies and practices are designed to provide equal opportunities to individuals on the basis of gender, ethnic origin, age, disability status and other diverse identities. Embracing the diverse talents and perspectives of our employees helps us foster an innovative working environment and drive improved business results.

At Talu Textile, we adhere to the principle of equal opportunities and equal pay for equal work, in alignment with the Sustainable Development Goals. In line with our commitment to fairness and equality, we ensure that all our employees, including those with disabilities, receive equal pay for equal work. Our wage policy is implemented without discrimination on the grounds of age, gender, religion, language, race, ethnic origin, disability or other similar differences. The determination of remuneration is based on a number of factors, including the prevailing conditions in the country and sector in question, the level of the position in question, the company's wage policy, the employee's performance and competence. We guarantee that our employees are fairly compensated by regularly updating our remuneration policy.

The current ratio of female employees in white-collar roles is 54%. We will continue to make every effort to maintain and further increase this ratio in the coming years.

At Talu Textile, we recognise the value of diversity and are committed to providing an inclusive environment where each individual can reach their full potential. The principle of equal pay for equal work is a key tool in achieving this goal.

SUPPORT FOR EMPLOYEE DEVELOPMENT

At Talu Textile, we recognise the importance of investing in our human resources to ensure the continued growth and success of our business. We are committed to providing our employees with the necessary support and development opportunities to reach their full potential. In light of this awareness, we place significant emphasis on developing and implementing training programmes that will facilitate the professional and personal development of our employees.

We are confident that our training programmes will enhance the performance and motivation of our employees. Our objective is to foster a more productive, creative and committed workforce. Over the past year, 11,549 hours of training have been provided. A total of 14,658 hours of training was provided on occupational health and safety in the last year. These figures provide concrete evidence of our commitment to human development.

At Talu Tekstil, we provide our employees with opportunities for professional development that extend beyond the scope of our in-house training programmes. In line with their job descriptions, our employees have the opportunity to participate in outsourced training and certification programmes in areas where they wish to develop their skills. Furthermore, individual orientation programmes are devised for each new employee with the objective of accelerating their adaptation to the working environment.

As part of these programmes, employees receive information about the company's culture, detailed information about the business and its processes, and training on the company's ethical values, as set out in the Code of Business Ethics.

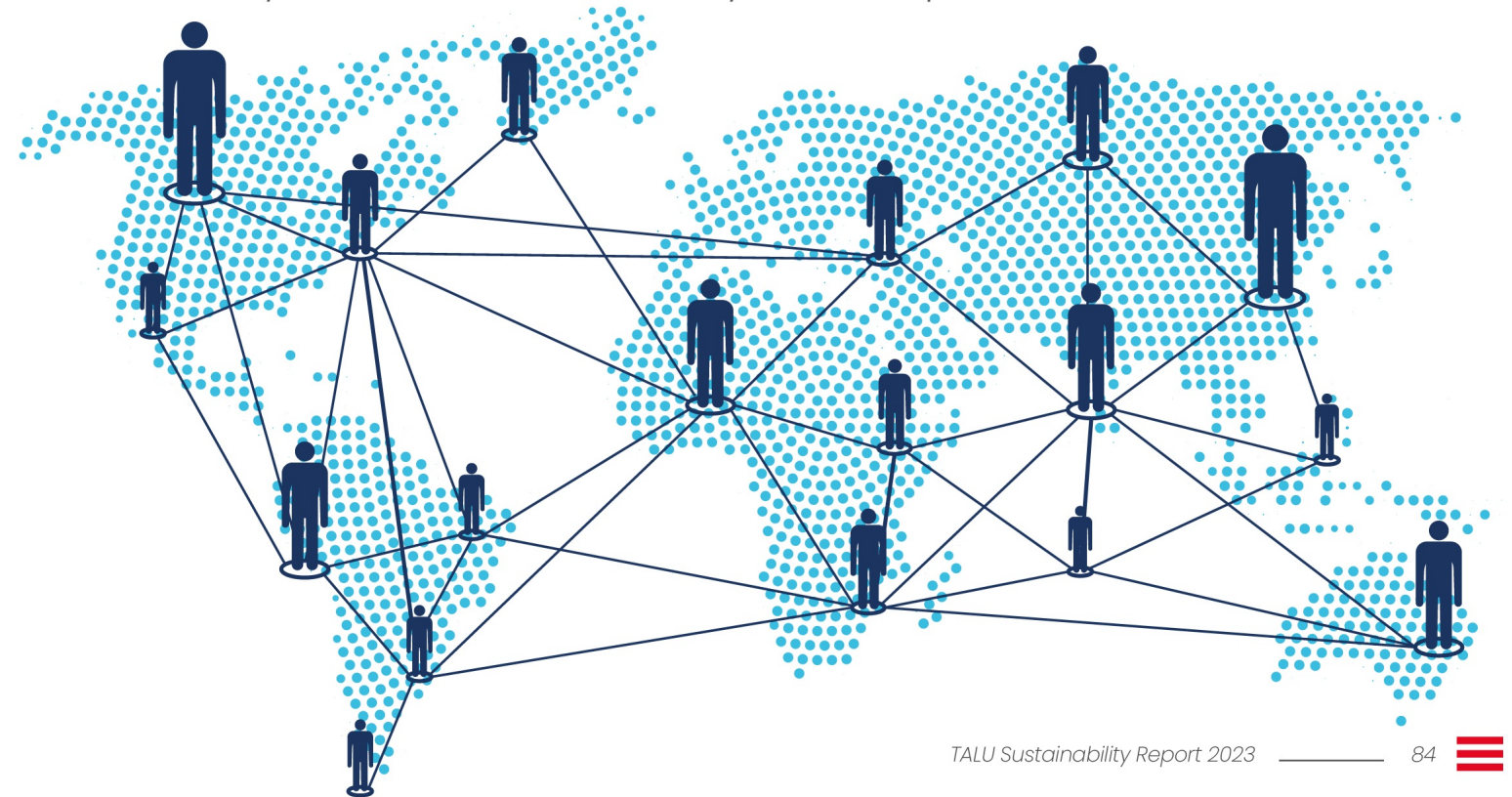
Furthermore, our company has provided support for the postgraduate education of four individuals at our design centre, which has been operational since 2018. Furthermore, the Human Resources department provided training support to personnel from the modelling centre who wished to receive foreign language training and visited the department.

Simultaneously, our managers participated in leadership training in collaboration with the Fourth Dimension Academy, as part of our ongoing consultancy project with the Ministry of Trade, which commenced in May 2023. Individual coaching programmes were devised and delivered in line with the career development needs of the manager candidates.

SOCIAL RESPONSIBILITY AND INVESTMENTS

In a gesture of corporate social responsibility, our company opened its Malatya factory to provide relief to earthquake victims in the wake of the 2023 earthquakes. In the aftermath of the earthquake, we took prompt action to establish secure accommodation facilities within our factory and provide essential infrastructure to meet basic needs. In this process, we collaborated with local governments and non-governmental organisations to provide support to hundreds of earthquake victims in meeting their basic needs, including the provision of temporary shelter and food. This initiative, which our company has implemented in order to reinforce social solidarity, will inform our future projects and demonstrate our commitment to social responsibility.

During the period following the earthquake, 5,000 people were provided with two meals a day at our factory, one in the morning and one in the evening. In our catering department, we provided shelter for 700 people. Furthermore, 100-person tents were erected in the unused areas of our factory grounds, providing additional shelter. Over the following days, 20 prefabricated and 10 container units were constructed in the factory's backyard, offering temporary accommodation to our affected employees. The factory ensured that all their needs were met during this period, providing clothes, dry rations and two hot meals a day to the earthquake victims.



OCCUPATIONAL HEALTH AND SAFETY

At Talu Tekstil, our objective is to prevent accidents and minimise possible injuries by prioritising the safety and health of our employees. To this end, we have implemented a comprehensive Occupational Health and Safety (OHS) programme. As part of this programme, all potential risks in the workplace are carefully evaluated and appropriate measures are taken in a proactive manner.

We adhere to the highest standards of occupational health and safety, in compliance with the requirements set forth in Law No. 6331 and all relevant national and international legislation. As evidence of our commitment to this standard, we are proud to hold ISO 45001 Occupational Safety Management System certification. In line with the requirements of this certificate, we have implemented a comprehensive OHS management system and undertake regular reviews and improvements to this system..

All employees at Talu Tekstil undergo occupational health and safety training. Furthermore, these training sessions are conducted in accordance with the stipulations set forth in the pertinent legislation and regulations. Health services are provided by appropriately qualified personnel who work in the health facility in accordance with national laws and regulations and for an adequate duration. We ensure a sufficient stock of medical supplies at all times. We conduct occupational health and safety risk analyses in all our facilities and update these analyses in accordance with the relevant legislation.

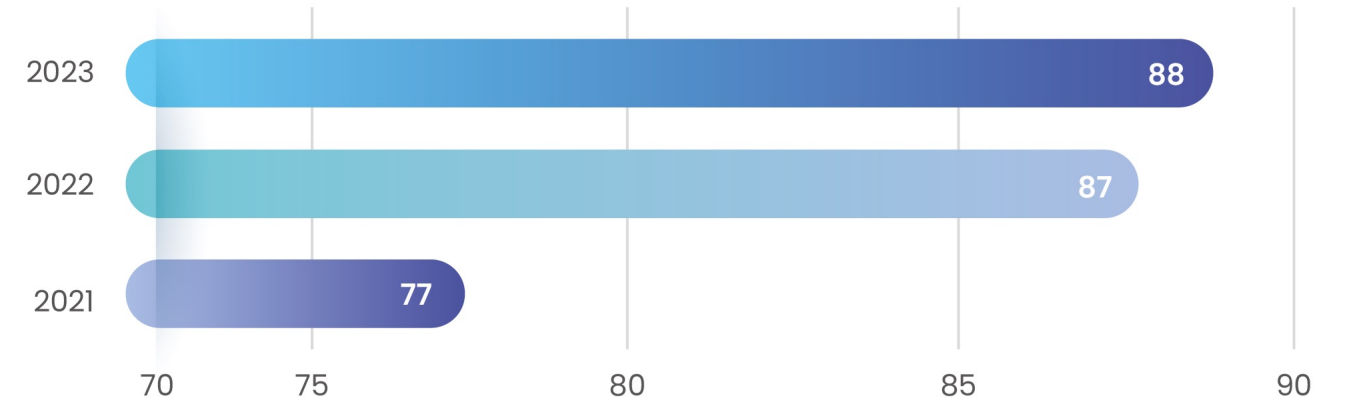
The employer is responsible for providing and delivering personal protective equipment free of charge in accordance with the specific environment in which the personnel work and the nature of their work. This equipment is subject to periodic replacement.

The occupational health and safety unit's annual workload is determined at the start of each year and the results are recorded in the annual evaluation report. The workplace health unit is responsible for conducting periodic examinations of employees in accordance with the specified periods outlined in relevant legislation.

The periodic examinations of employees requiring special policies are repeated at the intervals determined by the Workplace Health Unit.

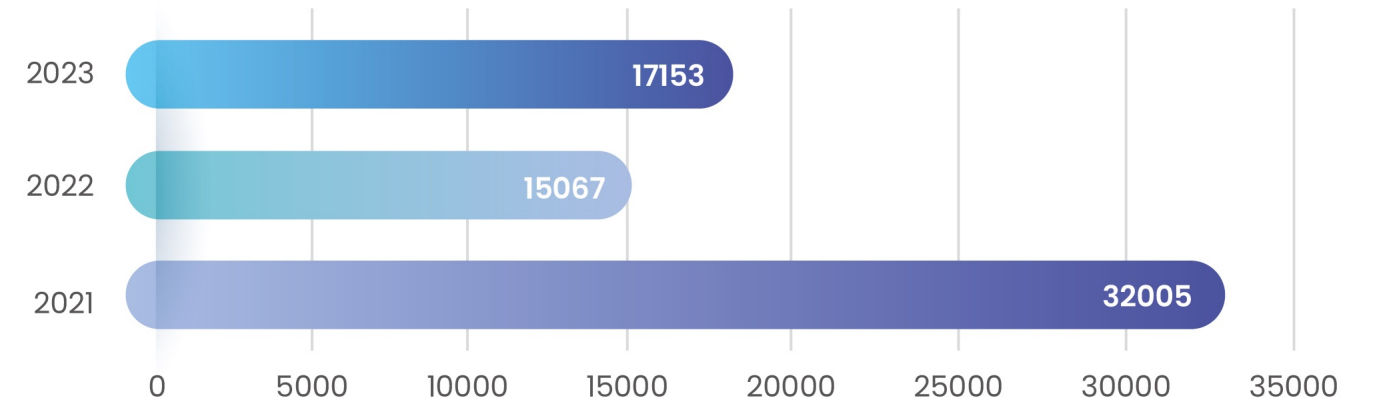
The workplace health unit carries out regular health checks of personnel employed in the cafeteria at specified intervals. The health unit is responsible for ensuring that the cafeteria is in compliance with all relevant hygiene standards and for recording this compliance.

OCCUPATIONAL ACCIDENT



The average number of hours spent on education per person has increased by **58%** compared to 2021.

OHS TRAINING HOURS



The number of personnel trained in first aid and fire safety is in line with the requirements set out in the relevant legislation. It is ensured that there is a sufficient number of first aid and fire-trained personnel on each shift to respond to potential emergencies.

Emergency evacuation drills are conducted on a regular basis, on an annual basis. The drills are observed, recorded and reported by the relevant units. The objective is to avoid negative outcomes in the drills by implementing corrective and preventive measures.

All work-related accidents are recorded. The objective is to prevent similar accidents by investigating the cause of each work accident that occurs and implementing corrective and preventive actions to avoid a recurrence.

Dust, lighting, thermal comfort, vibration and noise measurements are taken and action plans are developed for work areas where values exceed the limits set out in relevant legislation.

Fire safety installations, including hydrants and cylinders, are subject to regular inspection.

All machinery grounding values, lightning rod measurements and general electrical installation controls are subject to regular, annual inspection and recording.

In the event of an epidemic, such as a pandemic, we ensure that all necessary measures to protect the health of our employees in the workplace are fully in place, in line with the guidance provided by national and local authorities.





PERFORMANCE

INDICATORS

01 ● ENVIRONMENTAL PERFORMANCE INDICATORS

02 ● SOCIAL PERFORMANCE INDICATORS



ENVIRONMENTAL PERFORMANCE INDICATORS

GREENHOUSE GAS EMISSIONS (SCOPE 2)

YEAR	TONNE CO2-eq
2021	1689
2022	1625
2023	255

LOCATION BASED SCOPE 2 GREENHOUSE GAS EMISSIONS IN 2023

LOCATION	TONNE CO2-eq
İSTANBUL	255
TALU 1	0
TALU 2	0
GEYVE	0
MALATYA	0

All Locations Energy Consumption

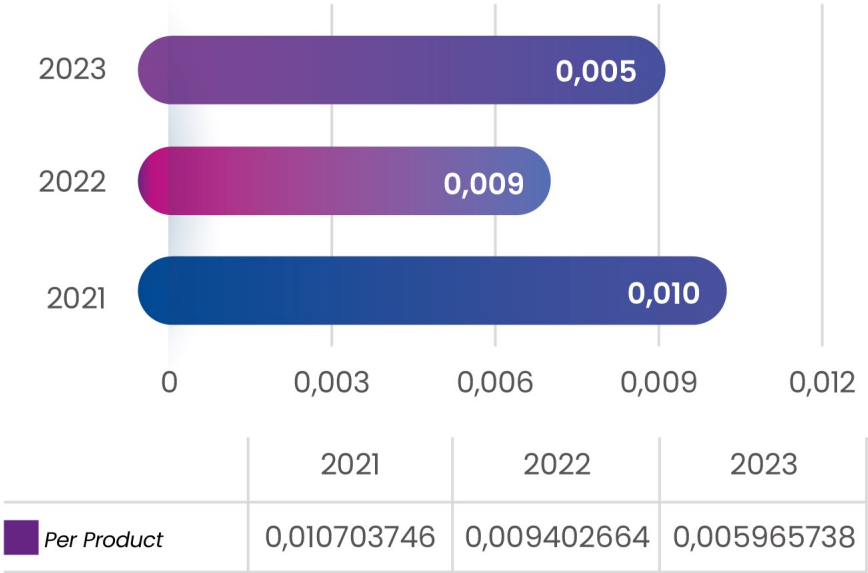
	2021	2022	2023
Non-renewable Resources			
Natural Gas (M3)	1.588.679	1.102.913	1.332.801
Diesel (L)	8.209	9.865	58.688
Gasoline (L)	174.218	149.644	122.489
Electricity (KWH)	4.467.956	4.515.526	2.557.610
Renewable Resources (KWH)			
Elektric (SPP)	0	1.103.316	1.812.618
Elektric (IREC)	620.000	814.000	2.288.000

AMOUNT OF NATURAL GAS PER UNIT (m3)

TALU 1



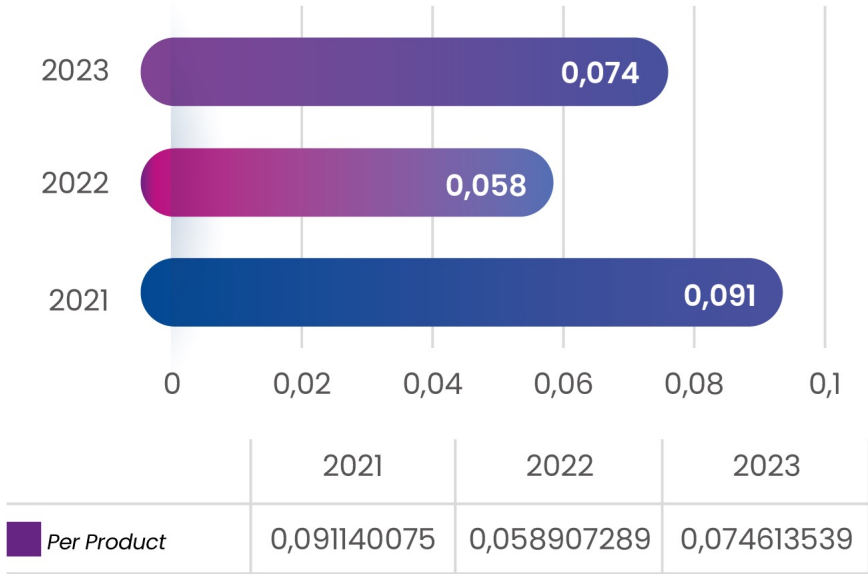
GEYVE



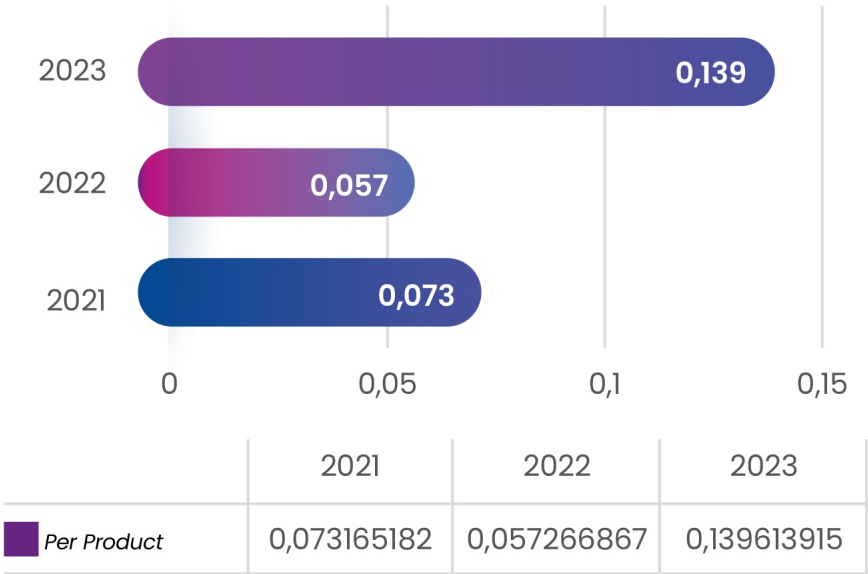
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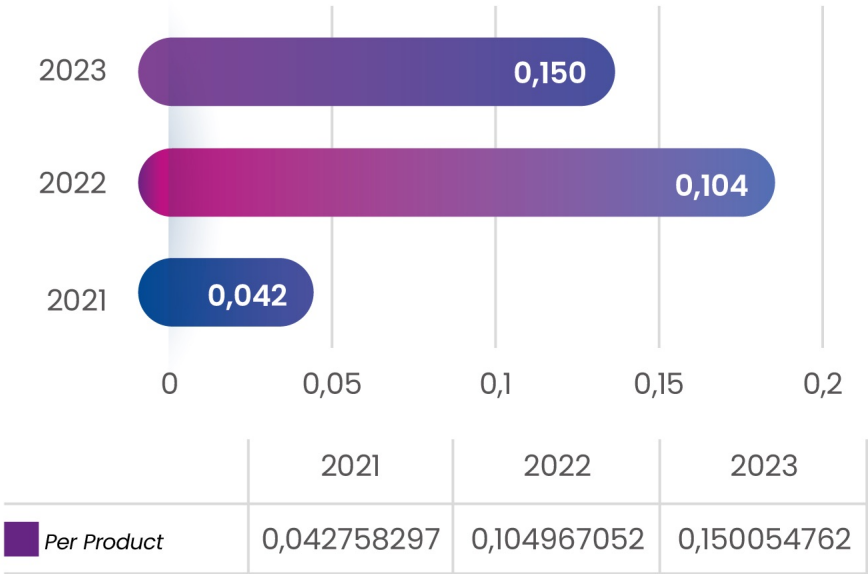
TALU 2



MALATYA



ALL LOCATIONS

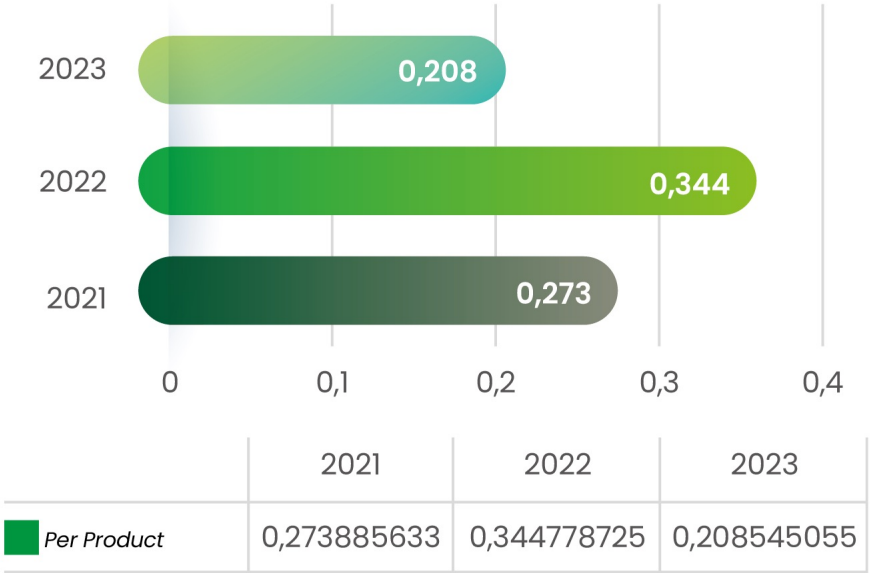


AMOUNT OF ELECTRICITY PER UNIT (kWh)

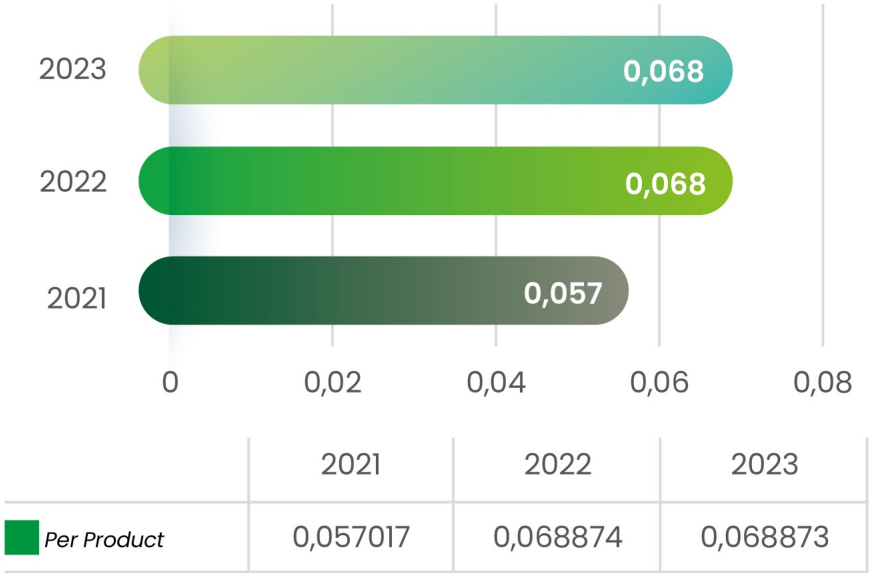
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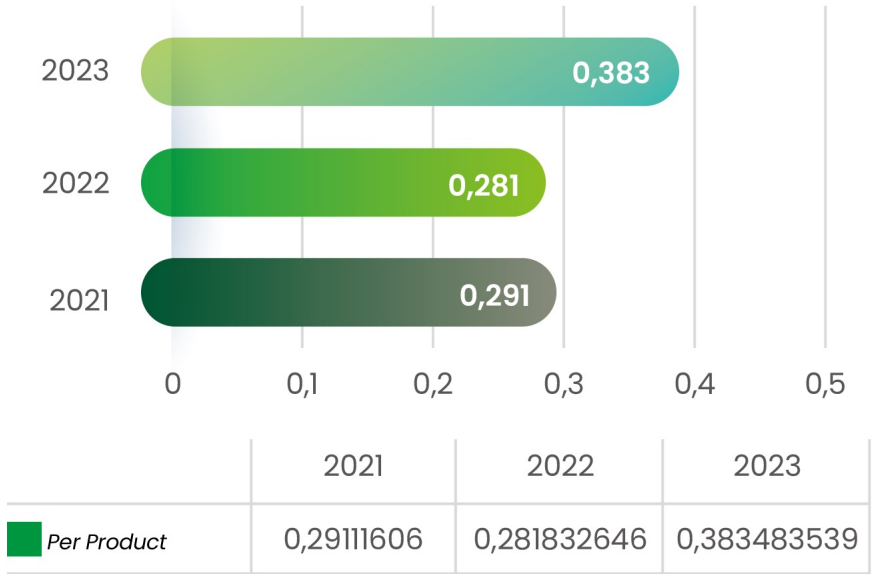
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İSTANBUL



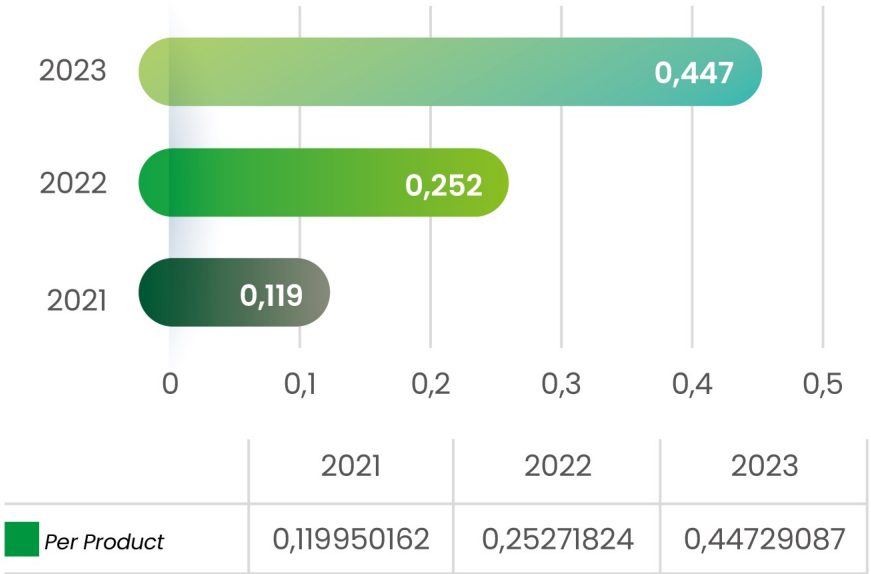
TALU 2



MALATYA

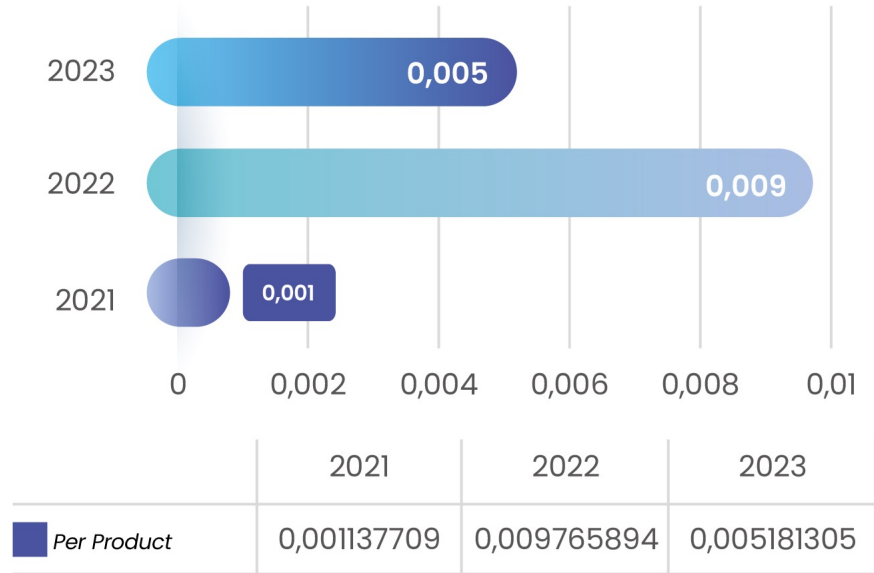


ALL LOCATIONS

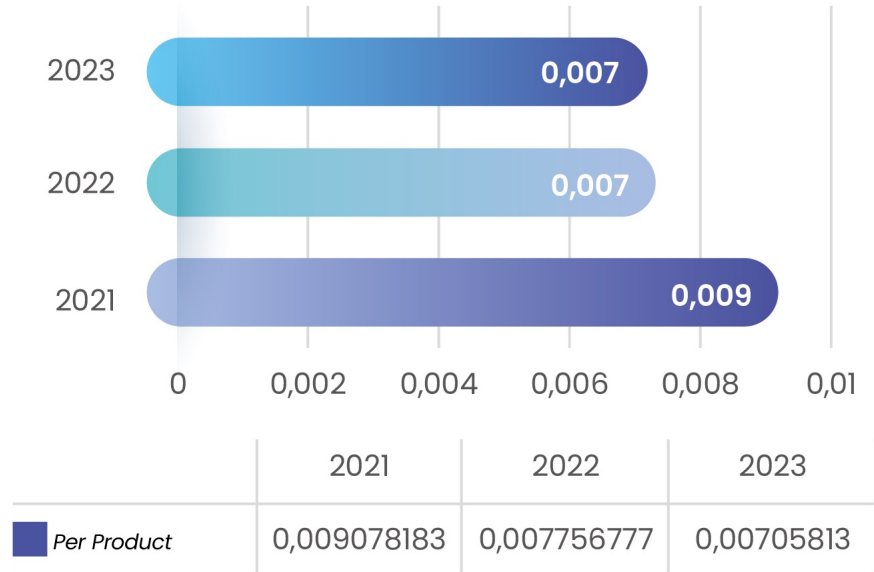


AMOUNT OF WATER PER UNIT (m3)

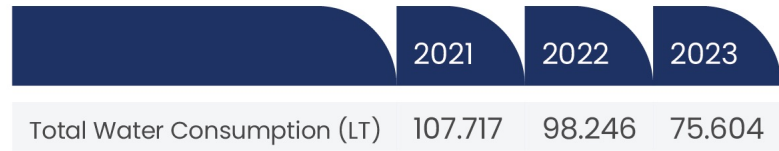
TALU 1



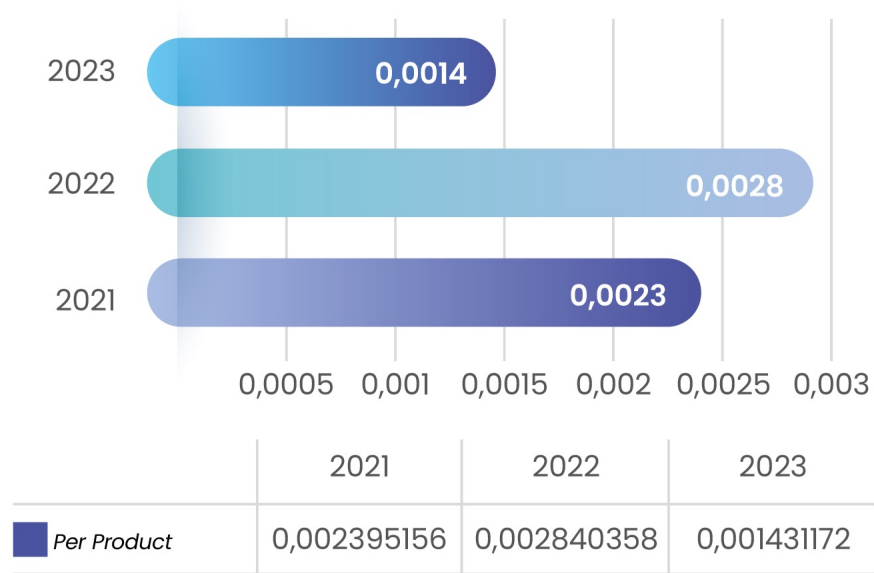
TALU 2



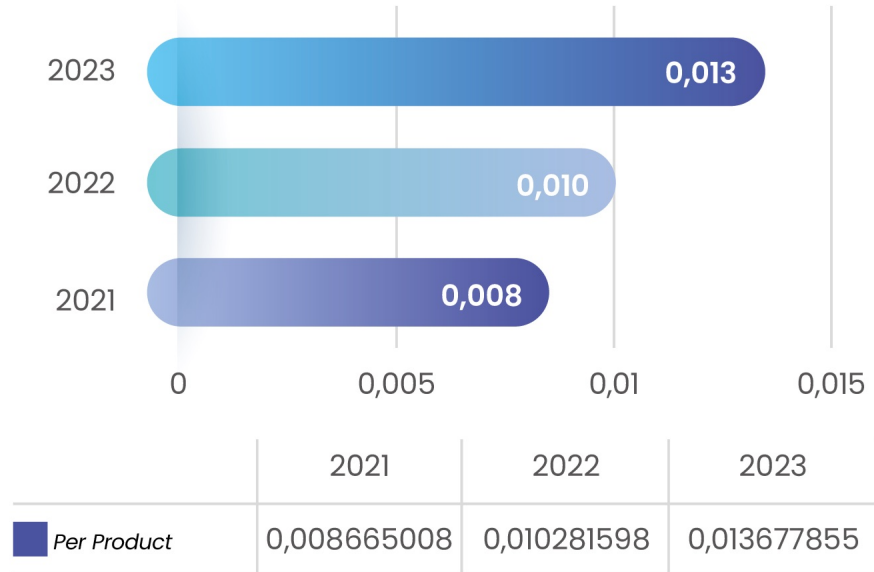
Water



GEYVE



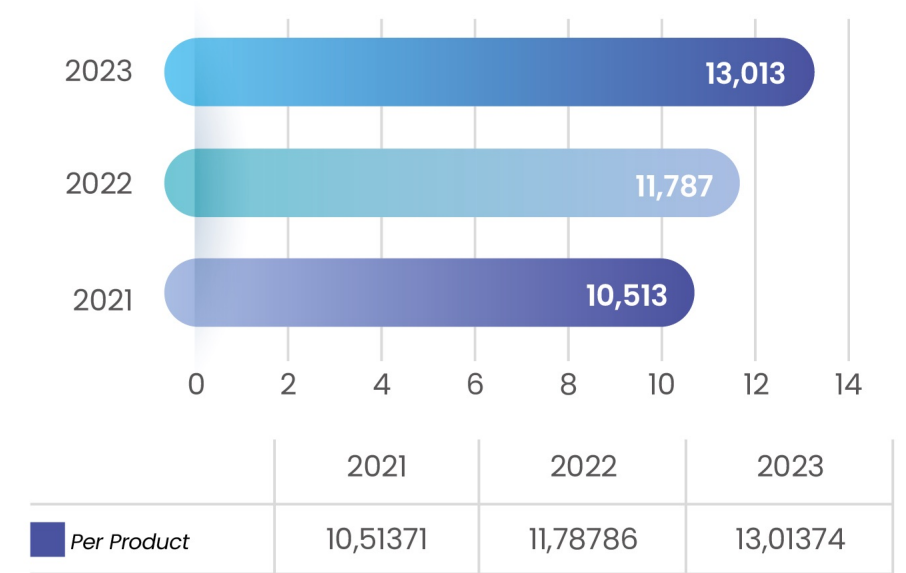
MALATYA



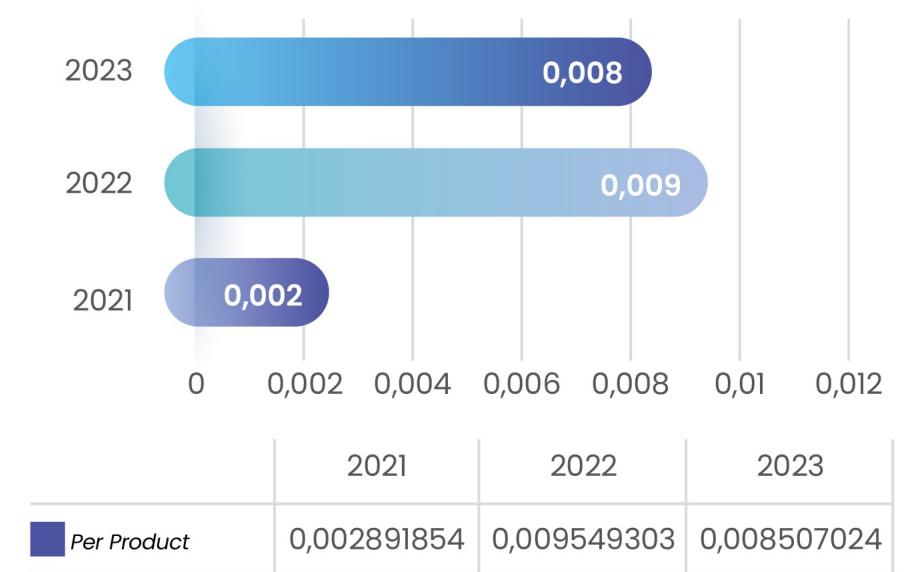
WASTE WATER



İSTANBUL



ALL LOCATIONS



SOCIAL PERFORMANCE INDICATORS

Number of Employees by Location

	2021	2022	2023
Main Office (Istanbul)	310	317	268
Talu 1	829	684	654
Talu 2	594	579	538
Geyve	281	240	192
Malatya	1306	1313	887
Total	3320	3133	2539

Note: Board members are not included.

Breakdown of Employees by Gender (%)

	2021	2022	2023
Female	71,50%	67,84%	68,22%
Male	28,50%	32,16%	31,78%

Distribution of the Board of Directors by Gender and Age

	2021	2022	2023
Female	0	0	0
Male	3	3	3
Under 30 Years Old	0	0	0
Between 30-50 Years Old	1	1	1
50 Years and Over	2	2	2

Gender Distribution According to Staff

	2021		2022		2023	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
	%	Number	%	Number	%	Number
Top Management		3		1		3
Middle Management		7		4		10
Non-Management White-Collar		136		160		195
Operational Level		340		1379		1221
Total	23,94%	486	76,06%	1544	25,21%	479
					74,79%	1421
					22,42%	383
					77,58%	1325

Number of Employees within the Scope of External Service Procurement

	2021	2022	2023
Total	45	37	38
Labour Turnover Rate	%	%	%
Total	37,06	52,56	66,97

Number of Newly Recruited Employees

	2021	2022	2023
White Collar Employment	115	172	140
Blue Collar Employment	1569	1552	853
Total	1684	1724	993

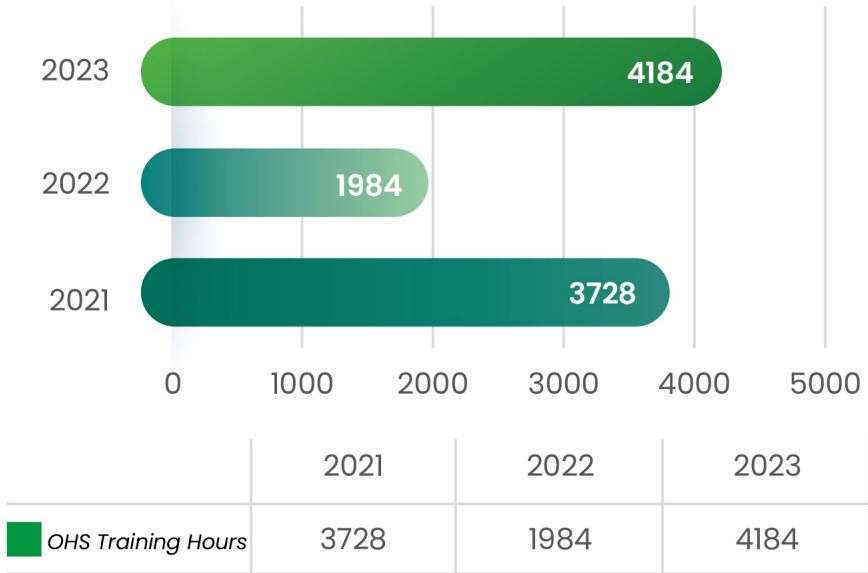
Education Statistics

	2021	2022	2023
Senior and Middle Management	3	3	73
Non-Management White Collar	809	908	1486
Operational Level	6227	3970	7058
Total	7.039	4.881	11.549

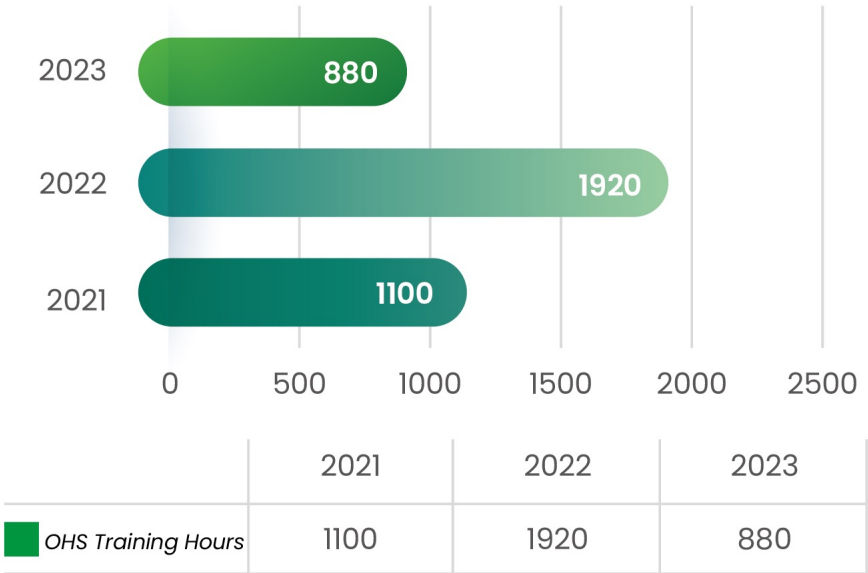
Board members are not included.

HEALTH & SAFETY TRAINING HOURS

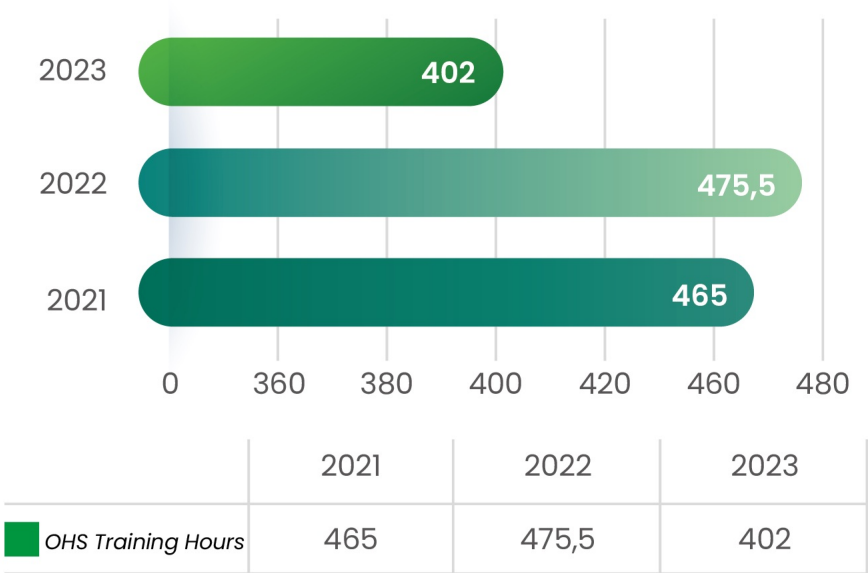
TALU 1



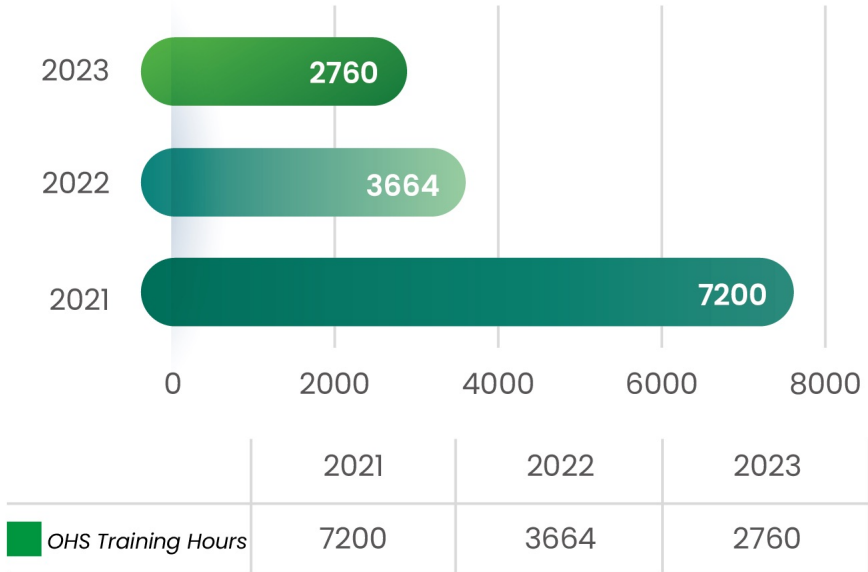
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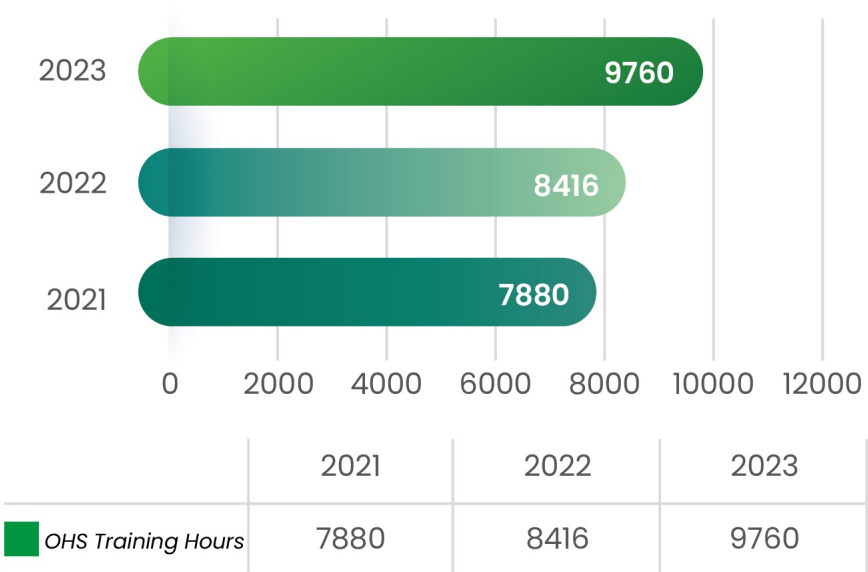
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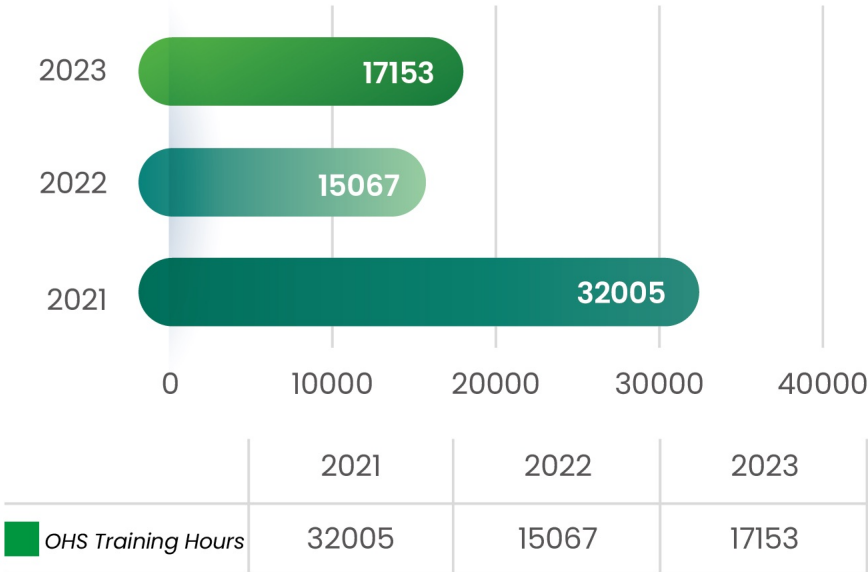
TALU 2



MALATYA

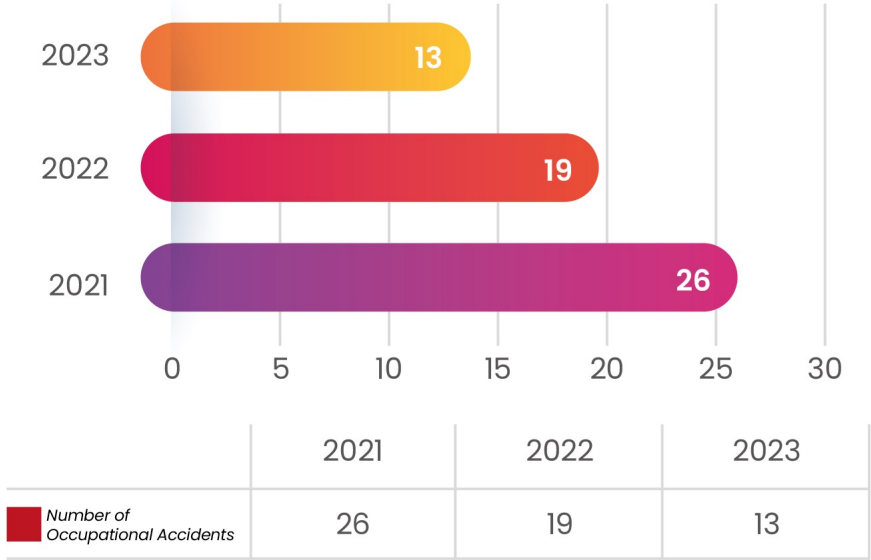


ALL LOCATIONS

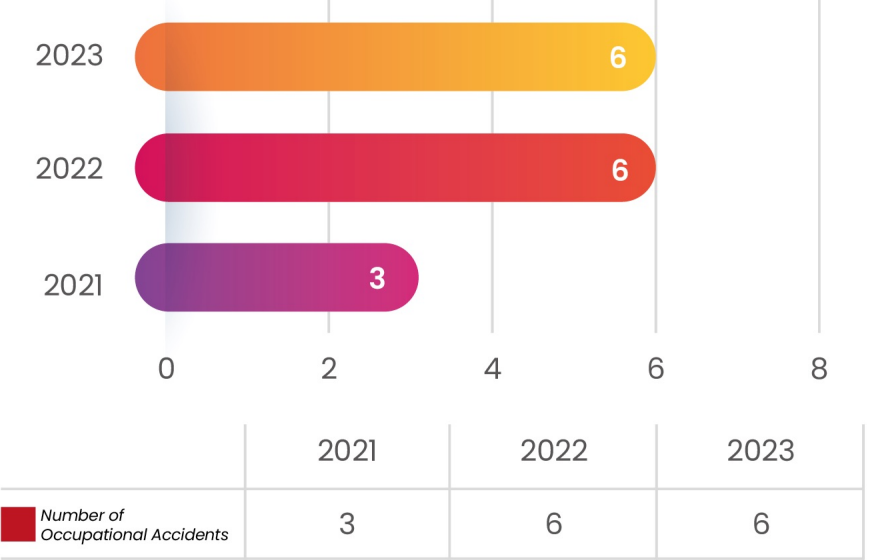


NUMBER OF OCCUPATIONAL ACCIDENTS

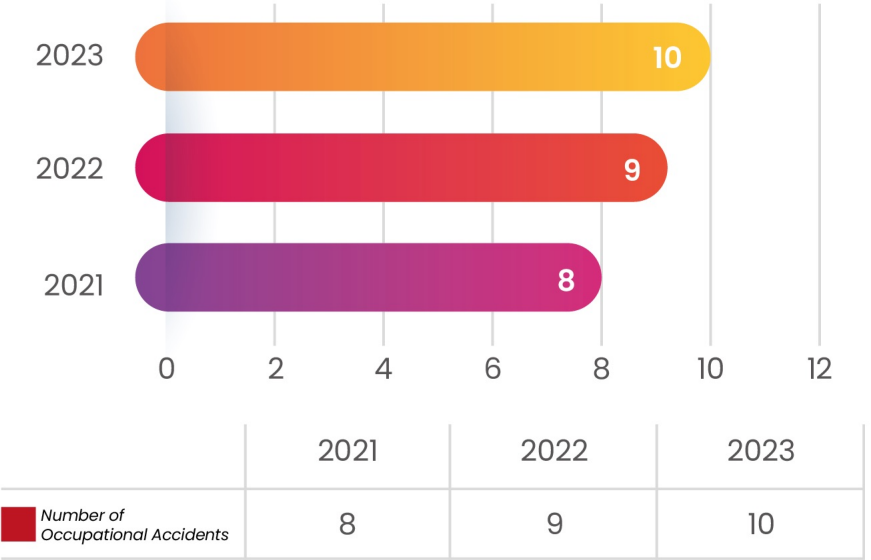
TALU 1



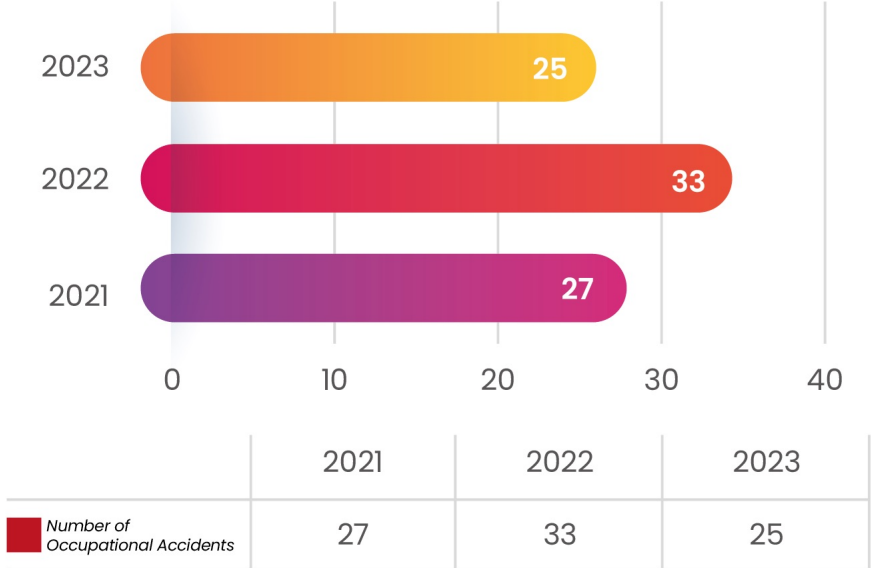
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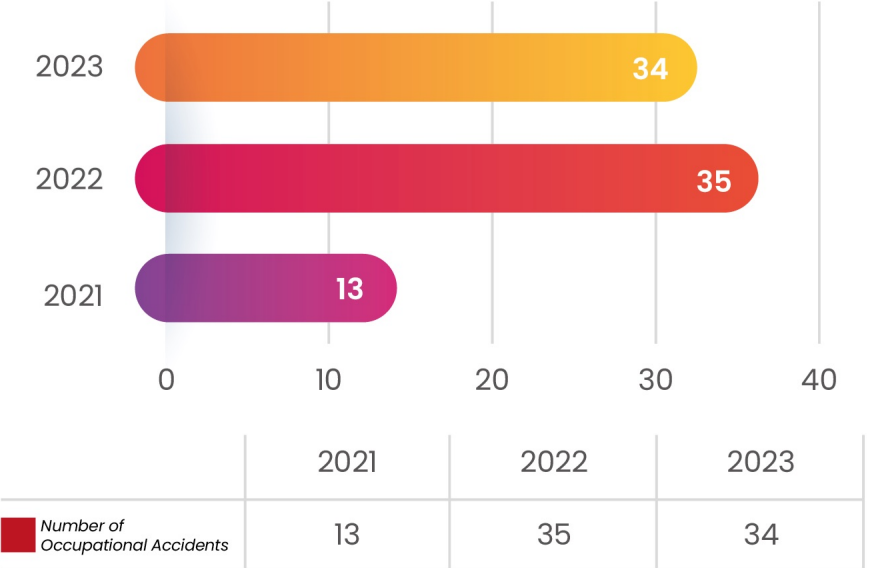
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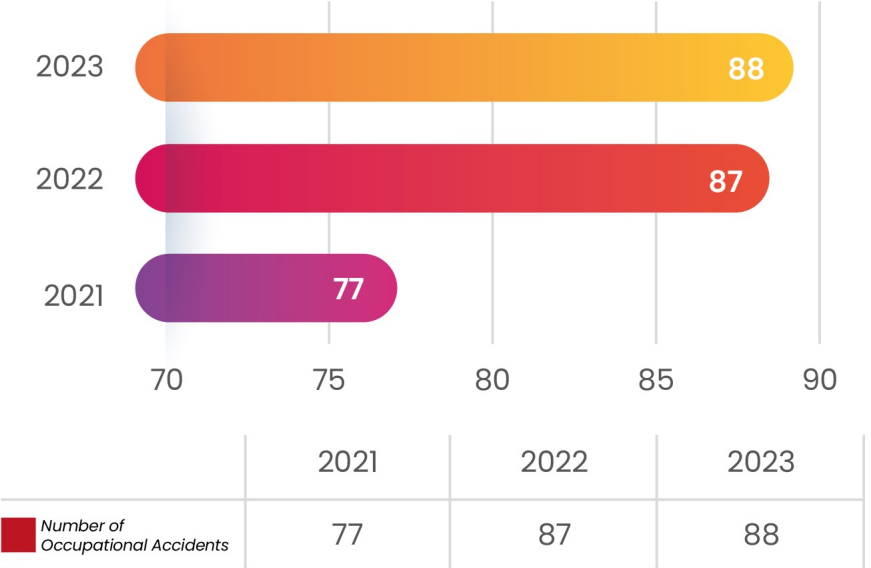
TALU 2



MALATYA



ALL LOCATIONS



GRI CONTENT INDEX

Statement of use

Talu Tekstil San. ve Tic. A.Ş. has reported in accordance with GRI Standards for the period 01.January.2023 - 31.December.2023.

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) /

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	EXPLANATIONS AND LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report, page 4			
	2-2 Entities included in the organization's sustainability reporting	About the Report, page 4			
	2-3 Reporting period, frequency and contact point	About the Report, page 4			
	2-4 Restatements of information	About the Report, page 4			
	2-5 External assurance	No external audit has been conducted.			
	2-6 Activities, value chain and other business relationships	About Talu Textile, page 7 Sustainable Supply Chain, page 35 Stakeholder Engagement, page 54			
	2-7 Employees	Employee Loyalty and Satisfaction, page 80 Diversity, Inclusion and Equal Opportunity, page 82 Support for Employee Development, page 83 Social Performance Indicators, page 99-104			
	2-8 Workers who are not employees	There are no subcontracted employees.			
	2-9 Governance structure and composition	Corporate Governance, page 25-27			
	2-10 Nomination and selection of the highest governance body	Our Board of Directors, page 25			
	2-11 Chair of the highest governance body	Our Board of Directors, page 25			
	2-12 Role of the highest governance body in overseeing the management of impacts	Our Board of Directors, page 25			
	2-13 Delegation of responsibility for managing impacts	Our Board of Directors, page 25			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, page 41			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	EXPLANATIONS AND LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	Business Ethics, page 33			
	2-16 Communication of critical concerns	Business Ethics, page 33 Stakeholder Engagement, page 53			
	2-17 Collective knowledge of the highest governance body	Our Board of Directors, page 25			
	2-18 Evaluation of the performance of the highest governance body	Our Board of Directors, page 25			
	2-19 Remuneration policies	Remuneration Policy, page 34			
	2-20 Process to determine remuneration	Remuneration Policy, page 34			
	2-21 Annual total compensation ratio	The information in question is not shared for confidentiality reasons.			
	2-22 Statement on sustainable development strategy	Our Sustainability Strategy, page 39			
	2-23 Policy commitments	Our Sustainability Strategy, page 39			
	2-24 Embedding policy commitments	Our Sustainability Strategy, page 39			
	2-25 Processes to remediate negative impacts	Risk Management, page 31			
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics, page 33 Stakeholder Engagement, page 53 Customer Satisfaction Approach, page 75			
	2-27 Compliance with laws and regulations	Risk Assessment, page 31			
	2-28 Membership associations	Membership in Organizations, page 19			
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, page 53-54			
2-30 Collective bargaining agreements	There is no Collective Labour Agreement.				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	EXPLANATIONS AND LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49			
	3-2 List of material topics	Materiality Topics, page 48			
Economic Performance					
GRI 3: Material Topics 2021	3-3 3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	About Talu Textile, page 7			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Management, page 61,62 Environmental Performance Indicators, page 92-96			
	302-4 Reduction of energy consumption	Energy Management, page 61,62 Environmental Performance Indicators, page 92-96			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	EXPLANATIONS AND LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Water and Effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49			
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	Water and Wastewater Management, page 59,60 Environmental Performance Indicators, page 97,98			
	303-2 Management of water discharge-related impacts	Water and Wastewater Management, page 59,60 Environmental Performance Indicators, page 97,98			
	303-3 Water withdrawal	Environmental Performance Indicators, page 59,60			
	303-4 Water discharge	Environmental Performance Indicators, page 59,60			
	303-5 Water consumption	Environmental Performance Indicators, page 59,60 Environmental Performance Indicators, page 97,98			
Emissions and Climate Change Mitigation Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49 Climate Change Mitigation Management, page 65,66			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy Management, page 61,62 Environmental Performance Indicators, page 91			
	305-2 Energy indirect (Scope 2) GHG emissions	Energy Management, page 61,62 Environmental Performance Indicators, page 91			
	305-5 Reduction of GHG emissions	Energy Management, page 61,62 Environmental Performance Indicators, page 91 Climate Change Mitigation Management, page 65,66			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	EXPLANATIONS AND LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Waste Management and Circularity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, page 64			
	306-2 Management of significant waste-related impacts	Waste Management, page 64			
	306-4 Waste diverted from disposal	Waste Management, page 64 Circularity, page 71,72			
Sustainable Supply Chain					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain, page 35			
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain, page 35			
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, page 85-88 Social Performance Indicators, page 101-104			
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, page 85-88 Social Performance Indicators, page 101-104			
	403-3 Occupational health services	Occupational Health and Safety, page 85-88 Social Performance Indicators, page 101-104			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	EXPLANATIONS AND LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, page 85-88 Social Performance Indicators, page 101-104			
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, page 85-88 Social Performance Indicators, page 101-104			
	403-6 Promotion of worker health	Occupational Health and Safety, page 85-88 Social Performance Indicators, page 101-104			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	Occupational Health and Safety, page 85-88 Social Performance Indicators, page 101-104			
Training and Education					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Support for Employee Development, page 83 Social Performance Indicators, page 100			
	404-2 Programs for upgrading employee skills and transition assistance programs	Support for Employee Development, page 83			
Diversity and Equal Opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity, Inclusion and Equal Opportunity, page 82			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	EXPLANATIONS AND LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Customer Satisfaction and Privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49			
GRI 405: Diversity and Equal Opportunity 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Satisfaction Approach, page 75 No non-conformity was experienced during the reporting period.			
Employee Loyalty and Satisfaction, Support for Employee Development					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49 Employee Loyalty and Satisfaction, page 80 Support for Employee Development, page 83			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Resources Management, page 79 Social Performance Indicators, page 100			
R&D and Innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49 R&D and Innovation, page 74			
Digitisation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49 Digitisation, page 73			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	EXPLANATIONS AND LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Chemical Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49 Chemical Management, page 63			
Sustainable Design					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49 Sustainable Design, page 69 Circularity, page 71,72			
Raw Material Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Analysis, page 47 Materiality Topics, page 48 Materiality Matrix, page 49 Sustainable Design, page 69 Raw Material Management			

LEGAL WARNING

The Talu Tekstil Sustainability Report ('Report') has been prepared in accordance with GRI reporting standards, taking into account the United Nations Sustainable Development Goals, for Talu Tekstil stakeholders on a voluntary basis. It is not intended to form the basis for investment decisions.

The objective of this report is to increase awareness of sustainability issues and to showcase Talu Tekstil's sustainability activities and approach between 1 January 2023 and 31 December 2023. All information included in the report, which is not intended to be exhaustive, has been provided by the relevant departments of the company. The information provided in this report is for general information purposes only and does not constitute a guarantee or commitment on the part of Talu Tekstil. Talu Tekstil, its Board of Directors, advisors, and employees shall not be held liable for any information or communication transmitted within the scope of this report, or for any direct or indirect loss or damage suffered by any person as a result of any information based on or not based on the information contained in this report.

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