

**45.**  
*Anniversary*

**SUSTAINABILITY REPORT 2022**





**TAYPA**

**SUSTAINABILITY  
REPORT  
2022**



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# ABOUT THE REPORT

As Taypa, with our sustainability report which we published for the sixth time this year, we aim to present our approach to manage the value and impact we created through our activities in 2022, our sustainability priorities, our activities and performance results supporting the United Nations (UN) Sustainable Development Goals.

All of the data referred to as Taypa in the report are consolidated data of our companies TAYEKS DIŞ TİC. VE TEKSTİL SAN. A.Ş. and TAYPA TEKSTİL GİYİM SAN. VE TİC. A.Ş. Along with Taypa, social and environmental performance data of EUROTAY D.O.O. (Serbia), one of our subsidiaries, are also included in the report. The data of our other subsidiaries T&C GARMENTS (Egypt) and TAYAL S.P.A. (Algeria), Four Seasons Hotels in the tourism sector and Astay Gayrimenkul İnşaat in the real estate sector are not included in the scope of reporting unless otherwise stated.

This report has been prepared according to the “GRI Universal Standards: Content Index in Essentials”, 2021. The material topics that form the basis of the report content have been obtained as a result of the processes carried out in accordance with the reporting principles set out in the GRI Standards. The scope of the report consists of the activities carried out within Taypa Tekstil (Taypa) between January 1, 2022 and December 31, 2022.

In the coming years, we aim to carry out our reporting activities annually by following the existing standards and methodology. You can access our sustainability reports of previous years from the QR codes on the right.

You can send us any comments and suggestions regarding our sustainability activities and reporting via [csr@taypa.com.tr](mailto:csr@taypa.com.tr).

2017



2018



2019



2020



2021





## MESSAGE FROM THE CHAIRPERSON OF THE BOARD



**M. Mesut TOPRAK**

Chairperson of the Board

As we celebrate our 45<sup>th</sup> anniversary, I am proud to present our sustainability performance to our stakeholders.

Distinguished stakeholders,

We have been sharing our sustainability reports with you for the last 6 years. In this 6-year period, we have seen very clearly that nature shows its reaction to the damage caused by human beings in one way or another. The Covid-19 pandemic that started in 2020, the mucilage crises of 2021, the floods we experienced in 2022, the forest fires that scorched our lungs and finally the earthquake disaster we experienced on February 6 of 2023 showed us very painfully what it means to go against nature...

While every 6 seconds, forests the size of a football field disappear and 1 million animal and plant species are under the threat of extinction, this may be our last chance to stop irreversible disasters and end the climate crisis...

The report published by the Intergovernmental Panel on Climate Change (IPCC) last March as a 'final warning' on the climate crisis emphasized that the world will suffer 'irreversible damage' due to increasing greenhouse gas emissions over the next 10 years if action is not taken. According to the report, if greenhouse gas emissions continue at this rate, global warming will exceed 1.5 degrees Celsius between 2030 and 2052 and unfortunately, if we do not take action now, it will be too

late. While the world is on the brink of such an important transformation, we, as Taypa, have been aware of the climate change movement from the very beginning. As the pioneer of our sector, we are already ready for this transformation.

It is the responsibility of all of us to leave a livable world for future generations... With this awareness, we care to respect nature in every step we take. Because we know that if each of us does not fulfill our duty, we will not have a livable world tomorrow...

In order to solve the world's biggest problem, we have changed our way of doing business completely in the last 6 years and put sustainability at the core of our business. Every year we make new investments to be more environmentally friendly and we will continue to do so.

With our investments, we reduced our carbon emissions per product by 14% in 2022 compared to 2021 and 48% compared to 2018. We started to meet 80% of our energy needs from renewable energy. With our investment in solar energy, we protect approximately 20 thousand trees every year and at the same time prevent 3 thousand tons of carbon emissions.

We achieved a 25% reduction in the total amount of water used per product and a 38% reduction in the amount of water used per product in the washing process compared to 2018.

In the coming period, we are preparing collections with recycled fabrics from our own waste.

As we change the way we do business, we encourage our employees to adopt a more sustainable lifestyle in their own lives. During the reporting period, we provided 5,360 hours of training to our employees on sustainability and the environment. We know that even one person with more awareness is very valuable. The dedication of a single employee multiplies like a snowball effect, affecting his/her own family and environment.

As we celebrate our 45<sup>th</sup> anniversary with the awareness of our responsibility, we would like to share our pride in increasing our sustainability performance and exceeding our targets day by day. We would like to thank everyone who contributed to the preparation of this report and hope you enjoy reading it.



## MESSAGE FROM THE GENERAL MANAGER



**Burak KARAARSLAN**

General Manager

**We increased our renewable energy installed capacity from 1.7 MW to 6.2 MW with a total of 14,207 solar panels on the roofs of all our factories.**

Distinguished Stakeholders,

We feel the pain of losing many of our citizens due to the earthquake that hit our country on February 6th. We wish God's mercy and grace to all the citizens we have lost and our condolences to their relatives and our country.

As Taypa, our journey, which started 45 years ago with the supply of fabric to exporter companies, continues today with value-added exports to more than 50 countries. In addition to our production in 7 locations in 3 different continents of the world without compromising on quality, we are on our way to becoming a pioneer in our sector by taking sustainability and digital transformation to our center.

2022 became a year in which we have undertaken important works on sustainability. During the period, we updated our OCS, RCS, GOTS, GRS certificates which are supporting documents for sustainable cotton production and received a RegenagriCS certificate. With the BCI (Better Cotton Initiative) system, we increased the proportion of fabric we supply by 500% and the

proportion of fabric we supply with OCS certificate by 100%, compared to 2021.

With the aim of reducing our emissions in line with the requirements of the Paris Agreement, we have started our preparations for the Science Based Targets Initiative (SBTi). Accordingly, we will determine the medium and long-term target years and reduction amounts in the coming period.

We increased our renewable energy installed capacity from 1.7 MW to 6.2 MW with a total of 14,207 solar panels on the roofs of all our factories. We completed the first phase of the Hydrogen Project, which aims to reduce the use of natural gas. We started feasibility studies for our Wind Turbine project, which will be commissioned at our Ergene plant in 2023. We continued to reduce the amount of water use per product by implementing projects for the efficient use and recycling of water. We will continue to reduce our environmental impact with our sustainable Piece-Dyeing Plant investment that we will commission in the coming period.

Within the scope of digital transformation, which is at the center of our sustainability strategies, we started to benefit from 3D design technologies. We created a 4-piece NFT collection using this technology.

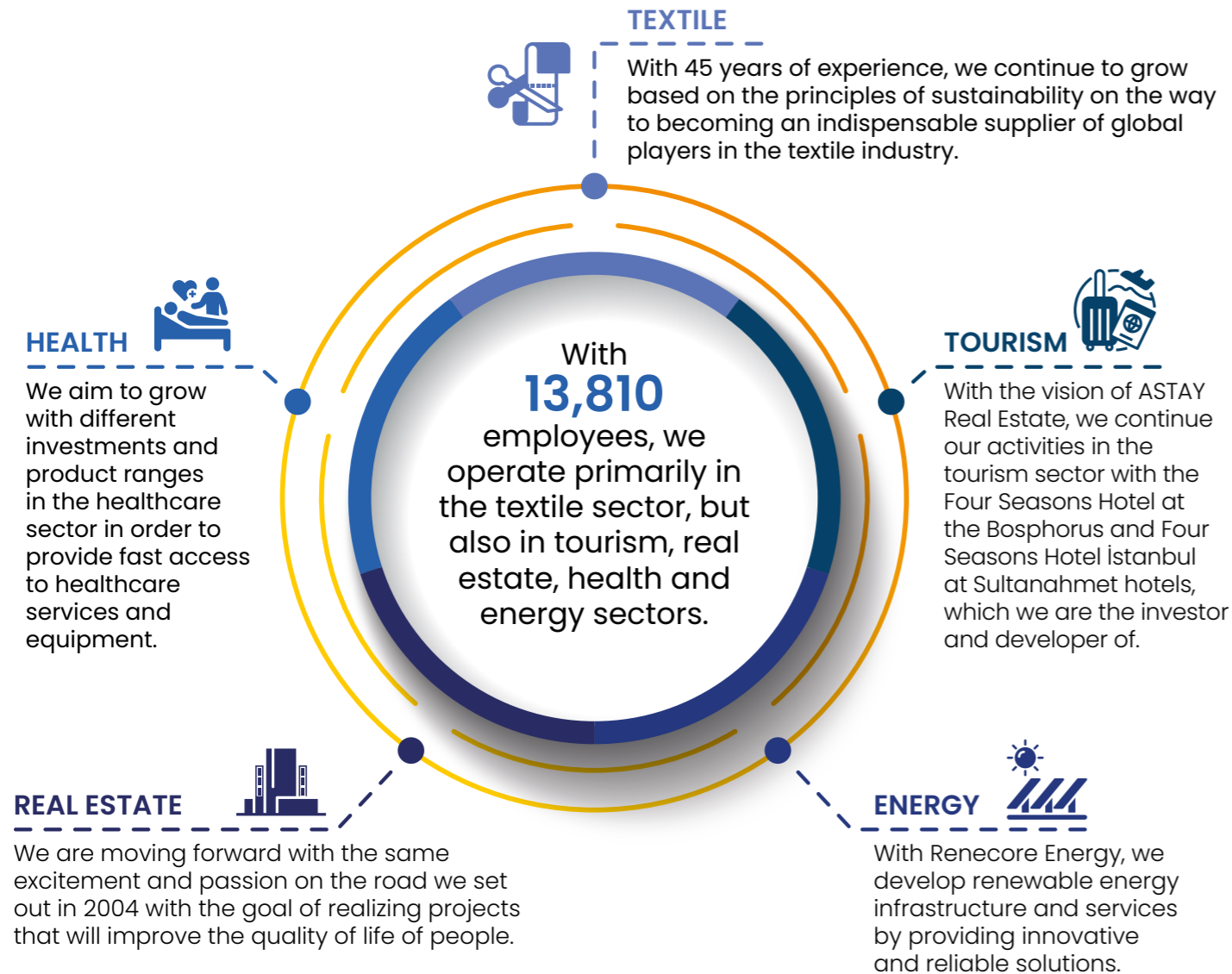
During the year, we were awarded the Women Friendly Company Award by Dünya Newspaper, proving once again that we are a pioneer in our sector where women employment is high. In the reporting period, our female employee ratio was 70%, while the number of senior female managers increased by 20%.

On the 45<sup>th</sup> anniversary of our establishment, we will continue to be the reliable and essential supplier of our business partners by providing quality and fast service with a focus on sustainability, with the strength we receive from our employees. I would like to sincerely thank all my Taypa colleagues and our stakeholders who have always encouraged us to do better in this process.

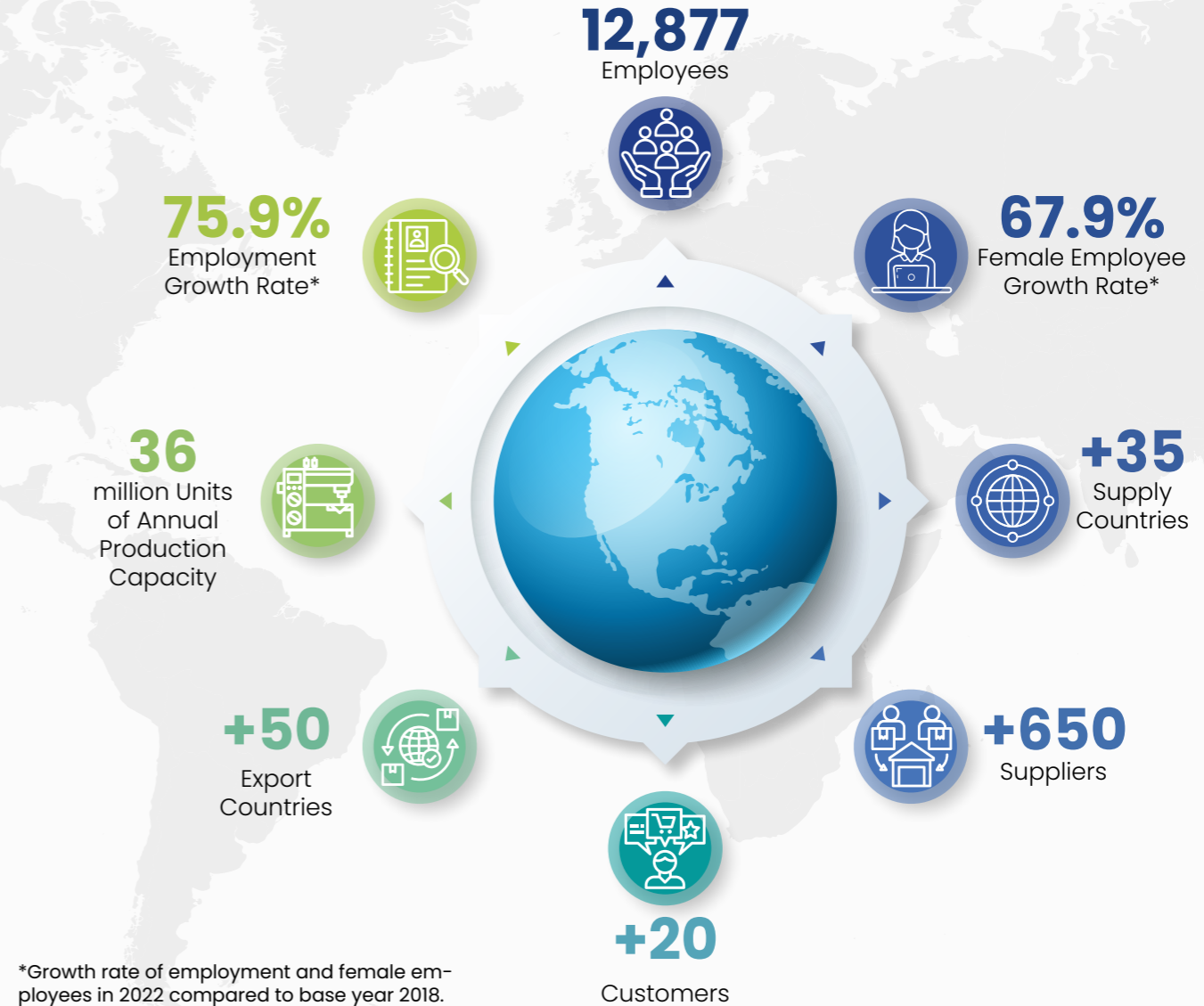


# ABOUT TAY GROUP

## THE SECTORS WE OPERATE



## TEXTILE GROUP IN GLOBAL





## MILESTONES



**1977**

The foundations of TAY Group were laid and fabric supply for the domestic market and exports began.



**1993**

Silivri TAYEKS Garment Manufacturing Plant was opened.



**2001**

Bolu TAYEKS Garment Manufacturing Plant was opened.



**2011**

A Garment Manufacturing and Laundry Plant, T&C, was established in Egypt through the cooperation of TAYPA TEKSTİL and C.C.C.



**2015**

TAYEKS Ergene moved to its new Laundry Facility with a 1,000 m<sup>2</sup> R&D center.



**2019**

EUROTAY, one of the Group companies, completed its Garment Manufacturing and Laundry Plant investment in Serbia and started production.



**2022**

Solar energy investments were completed in all factories.

**1989**  
The export of ready-to-wear and garment was initiated with TAYEKS.



**1995**

Foreign trade company TAYPA TEKSTİL was put into operation.



**2008**

Ergene TAYEKS Laundry Plant was opened.



**2014**

CREATAY Istanbul Design Office was opened.



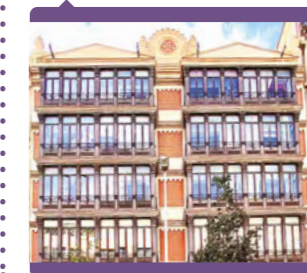
**2018**

TAYAL SPA, one of the Group companies, completed its integrated textile industrial zone investment in Algeria and started production.



**2021**

CREATAY Barcelona Design Office was opened.



**2023 ...**

Wind Turbine and Sustainable Piece-Dyeing Plant Investment is being planned.



**50**

MILLION

PER YEAR

IN 2025

In terms of Production Capacity, We Will Become Europe's Largest Manufacturer Attaching Importance to Sustainability



Design/  
Marketing  
Office



Manufacturing  
Plant





2 3 1 4



## TÜRKİYE

1

### İSTANBUL / HEADQUARTERS

**Total Capacity**  
600,000 piece/month

**Total Indoor Area**  
19,000 m<sup>2</sup>

**Operation**  
Management  
Sales & Marketing  
Design  
Finance  
HR&Sustainability  
Purchasing  
Subcontracting

**Total Employee Number**  
301

2

### ERGENE

**Total Capacity**  
600,000 piece/month

**Total Indoor Area**  
13,500 m<sup>2</sup>

**Operation**  
Washing & R&D

**Total Employee Number**  
391

3

### SİLİVRİ

**Total Capacity**  
350,000 piece/month

**Total Indoor Area**  
22,000 m<sup>2</sup>

**Operation**  
Cutting - Sewing  
Packaging - Embroidery  
Printing

**Total Employee Number**  
1,183

4

### BOLU

**Total Capacity**  
200,000 piece/month

**Total Indoor Area**  
20,000 m<sup>2</sup>

**Operation**  
Cutting - Sewing  
Packaging - Washing  
Embroidery - Printing

**Total Employee Number**  
1,334



## SERBIA

1

### KRALJEVO

**Total Capacity**  
150,000 piece/month

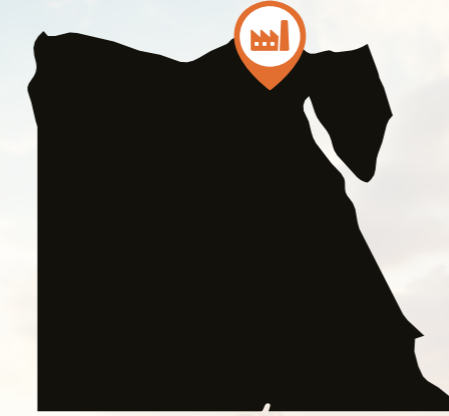
**Targeted Production Capacity**  
500,000 piece/month

**Total Indoor Area**  
35,000 m<sup>2</sup>

**Operation**  
Cutting - Sewing  
Packaging - Washing  
Embroidery - Printing

**Total Employee Number**  
1,090

**Targeted Employee Number**  
2,000



## EGYPT

1

### CAIRO / AL OBOUR

**Total Capacity**  
1,250,000 piece/month

**Total Indoor Area**  
78,500 m<sup>2</sup>

**Operation**  
Cutting - Sewing  
Packaging - Washing  
Embroidery - Printing

**Total Employee Number**  
5,421



## ALGERIA

1

### RELIZANE / SIDI KHETTAB

**Yarn Production Capacity**  
25,000 ton/year

**Fabric Production Capacity**  
**Denim & Non-Denim**  
45,000,000 meter/year

**Shirt**  
6,000,000 meter/year

**Knitted**  
4,700 ton/year

**Targeted Garment Production Capacity**

**Pants**  
12,000,000 piece/year

**Shirt**  
6,000,000 piece/year

**Knitted**  
12,000,000 piece/year

**Total Indoor Area: 330,000 m<sup>2</sup> Total Employee Number: 3,157**  
**Targeted Employee Number : 10,000**



# TAYPA AT A GLANCE



## ABOUT TAYPA

Started 45 years ago with the supply of fabric to exporter companies, Taypa has increased its foreign volume with ready-to-wear and apparel exports over the years and expanded its field of activity with different companies established within its structure. Today, Taypa is a ready-to-wear garment manufacturer and exporter in Türkiye, Serbia, Egypt and Algeria and produces men's and women's denim and non-denim pants, shorts, skirts, dresses, coats and jackets and conducts design, product development and production activities for the world's leading denim brands.

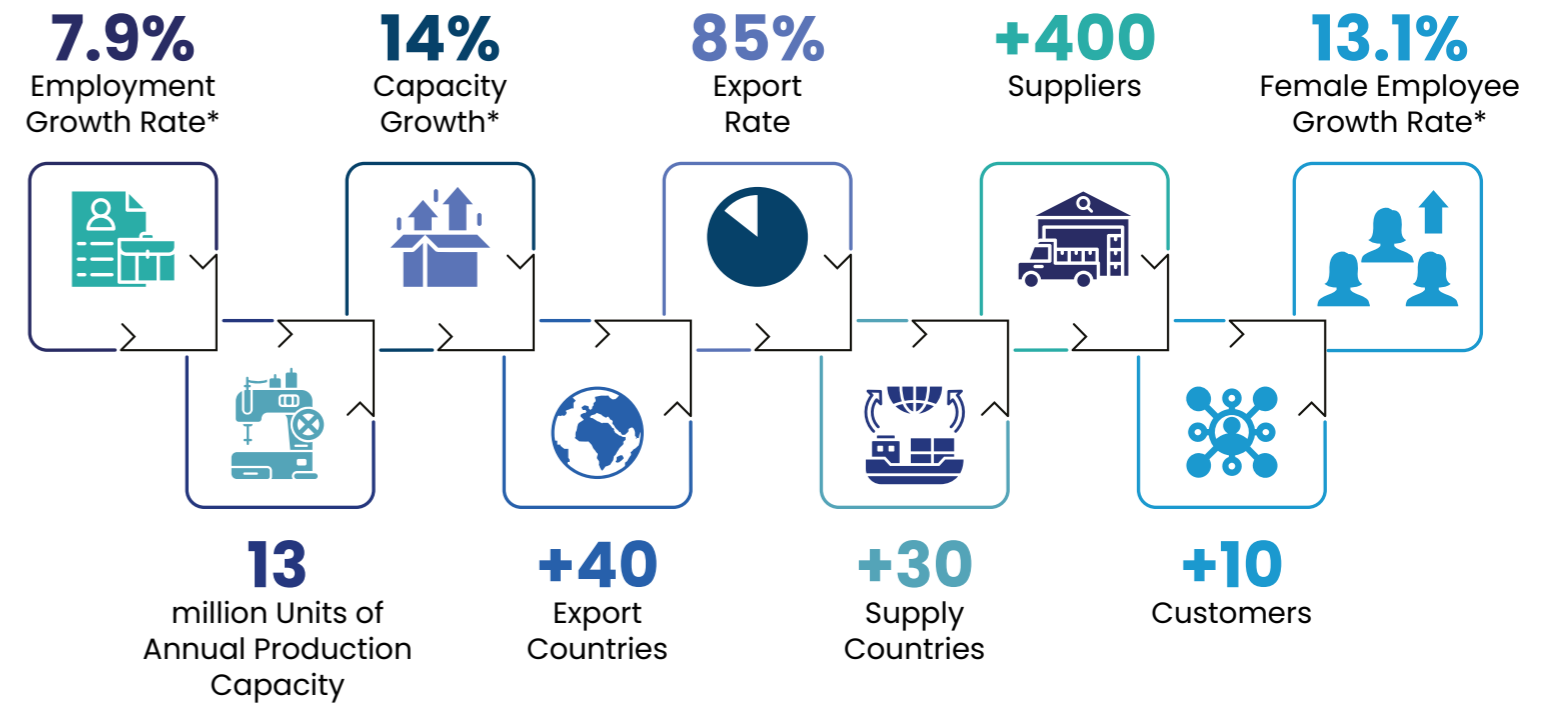
Exporting 85% of its production in the ready-to-wear and garment sector, with a total closed area of 100 thousand m<sup>2</sup>, with more than 3,000 employees, Taypa is among Türkiye's ISO 500 Largest Industrial Organizations.

Management, purchasing, design, marketing, customer relations, financial affairs, in-

formation technologies, sustainability and human resources activities are carried out at TAYPA Headquarters in İstanbul Büyükçekmece; Garment production is carried out in its plants in Silivri and Bolu and washing production is carried out in Ergene.



Tayeks Bolu Garment Manufacturing Plant



\* 2022 employment, capacity and female employee growth rate compared to the base year 2018. Note: The data has been calculated and reported via SAP and Uyumsoft ERP Program.

# HIGHLIGHTS

of 2022

The ratio of female employees was realized as **70%**.

We became **the first Turkish Company** to share a case study on the **SLCP** website.

**OCS & RCS & GOTS & GRS** certificates were updated.

**Hydrogen reactor** was installed.

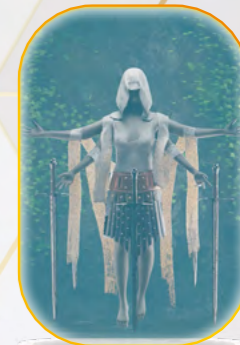
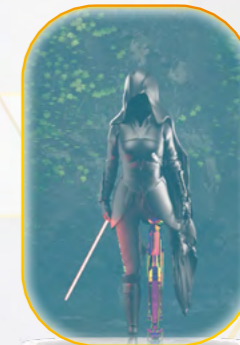
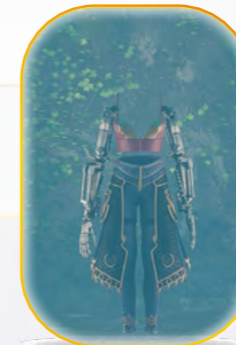
**Solar panel** installations were completed in all plants.

Feasibility studies for **wind turbine** has started.

**RegenagriCS** certificate was received.

**SBTi** preparations have started.

**3D and NFT** studies were completed.





*For 45 years,  
we have been  
operating with  
a responsible  
management  
approach.*

# CORPORATE GOVERNANCE

- Corporate Governance Approach
- Compliance with Ethical Principles
- Risk Management
- Sustainability Management
- Stakeholder Engagement
- Corporate Memberships and Supported Initiatives
- Our Awards & Successes





# CORPORATE GOVERNANCE APPROACH

Taypa has a management structure in compliance with corporate governance principles. The highest level management body of Taypa is the Board of Directors consisting of 3 members, and the Risk Assessment Committee and Internal Audit Committee serve under the Board of Directors. It is essential that the duties of Chairperson of the Board of Directors and General Manager are carried out by different persons. The General Assembly convenes once every 3 years and the delegation of duties is made.

## OUR VISIONARY MISSION

To be an innovative, agile, reliable and indispensable supplier of global clothing brands based on sustainability.



### Honesty

Our high moral values and honesty are our greatest virtues. Honesty is at the core of our business.



### Positive Approach

We see the good in every difficulty. Every challenge we overcome makes us stronger.



### Flexibility

We are open to every idea with our flexible thinking and fast adaptability.



### Confidentiality

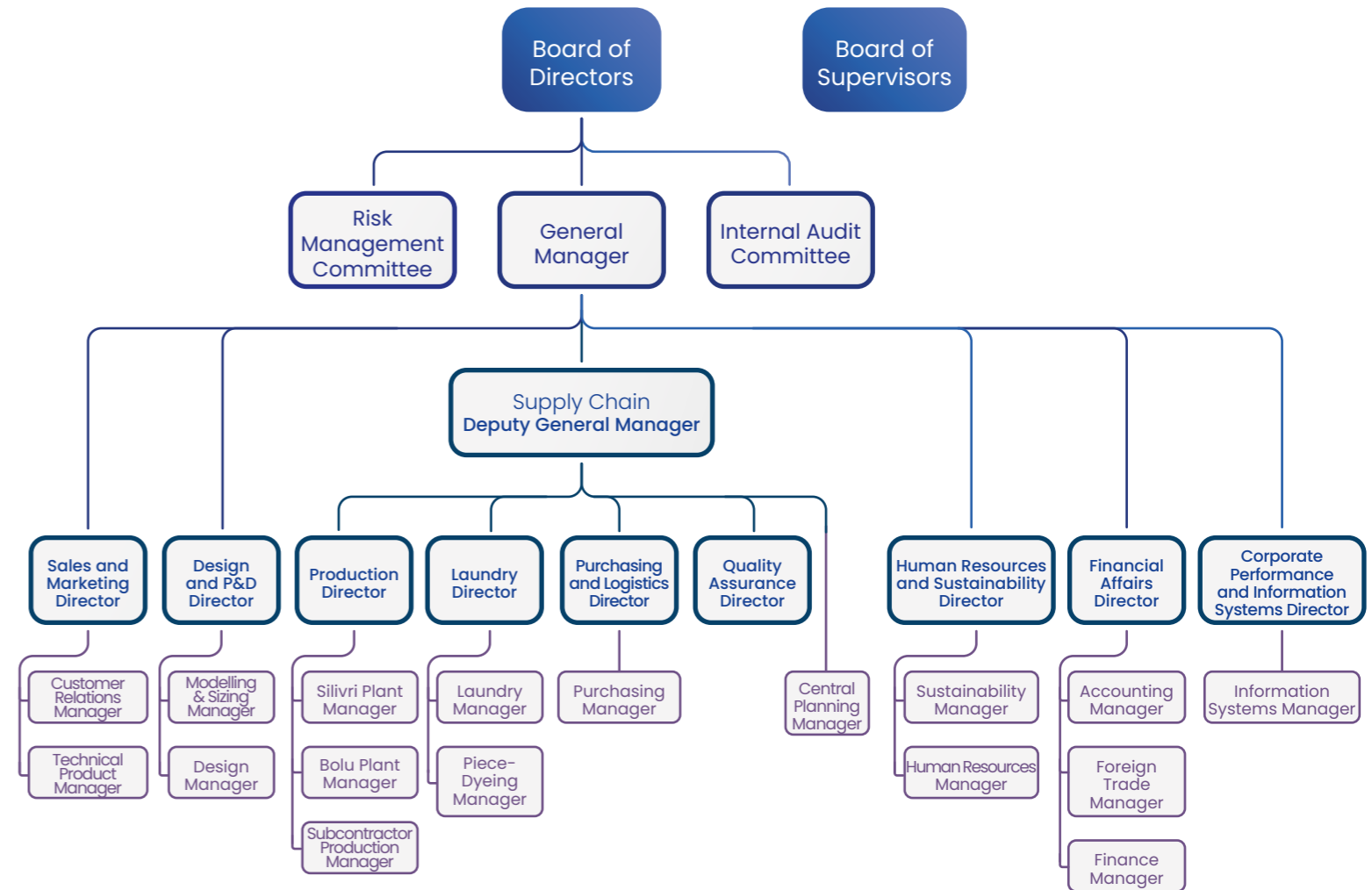
The information of our employees, customers, suppliers and business partners is valuable to us. We take the utmost care to protect it.



### Being Fair

We are fair and respectful to our employees, customers, suppliers, the environment, the law and all living things.

## ORGANIZATIONAL CHART





## COMPLIANCE TO ETHICAL PRINCIPLES

As Taypa, we fulfill our responsibilities towards all our stakeholders, especially our employees, in line with our code of ethics. In this context, adherence to business ethics rules and stance against corruption and bribery are among our most fundamental principles.

Taypa "Ethical Principles Procedure" addresses issues such as acting in accordance with business ethics, protection of all kinds of company assets and information, anti-bribery and anti-corruption, acceptance of gifts, discrimination and harassment, employee rights and occupational safety. This Procedure is communicated to our new employees during the orientation process. All employees are expected to protect our values and ethical principles and act in accordance with the Procedure, and all senior and mid-level managers are responsible for ensuring compliance with these rules. In ad-

dition to our employees, our suppliers, one of the most important stakeholders in our value chain, are also expected to fully comply with our rules and policies that include ethical principles. In 2022, there were no incidents of non-compliance with our ethical rules and policies.



In 2022, we provided **1,980** hours of training to our employees on ethical principles, anti-bribery and anti-corruption.

At Taypa, "Communication and Feedback Procedure" serves as the framework for the processes of evaluating and finalizing the suggestions and feedback made by our internal and external stakeholders. Suggestion and feedback topics include Administrative Issues, Bribery and Corruption, Harassment, Mobbing, Abuse and Discrimination, Practices Contributing to the Environment and Society, Practices Providing Employee Motivation and Engagement, Working Environment and Physical Environment, Payments and Personal Rights.

Our employees can express opinions or report issues via Taypa VOW Voice of Workers Application, Suggestion and Feedback Boxes, Employee Representatives, HR Portal and Open Door Meetings. No negative sanctions are imposed on employees and employee representatives for making anonymous or non-anonymous notifications. Our external stakeholders can send their suggestions and feedback to the Human Resources Department, the Plant Manager or the relevant persons via e-mail using [info@tayeks.com.tr](mailto:info@tayeks.com.tr) or [csr@taypa.com.tr](mailto:csr@taypa.com.tr) or directly in writing.

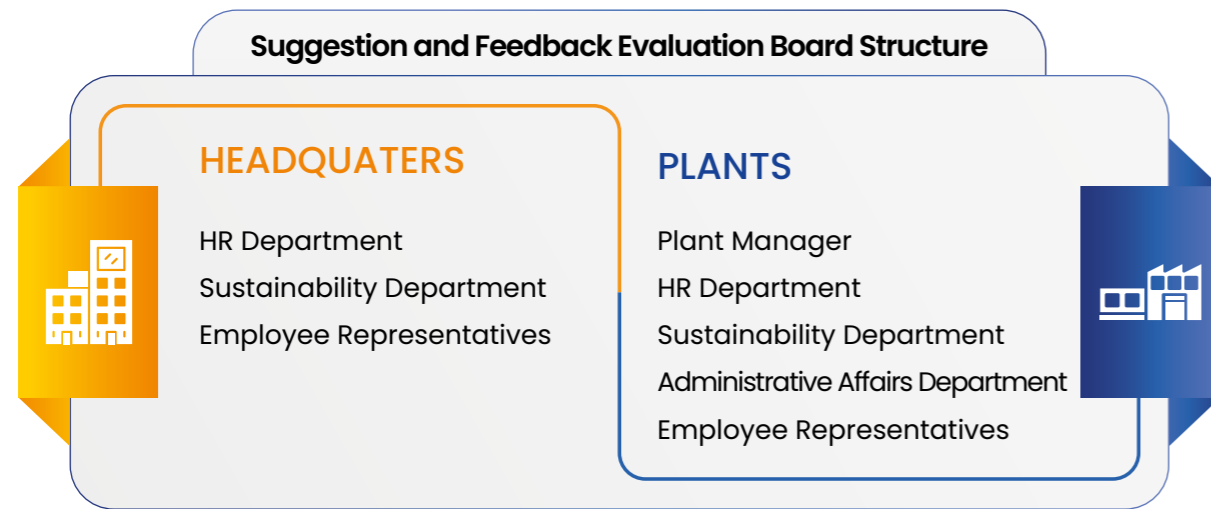
### Taypa VOW Voice of Workers Application

Suggestions and feedbacks submitted via Taypa VOW Voice of Workers Application within the framework of the confidentiality principle are instantly viewed by authorized managers. Action is taken according to the importance of the notification. In 2022, 958 suggestions and feedbacks were submitted via Taypa VOW Voice of Workers Application.





The notifications are collected by the Human Resources Department and presented to the Suggestion and Feedback Evaluation Board on a monthly basis. The issues are prioritized and evaluated according to their importance and solution suggestions are announced to those in the form of a written notification. A monthly and annual evaluation report is prepared by the Suggestion and Feedback Evaluation Board and submitted to senior management.

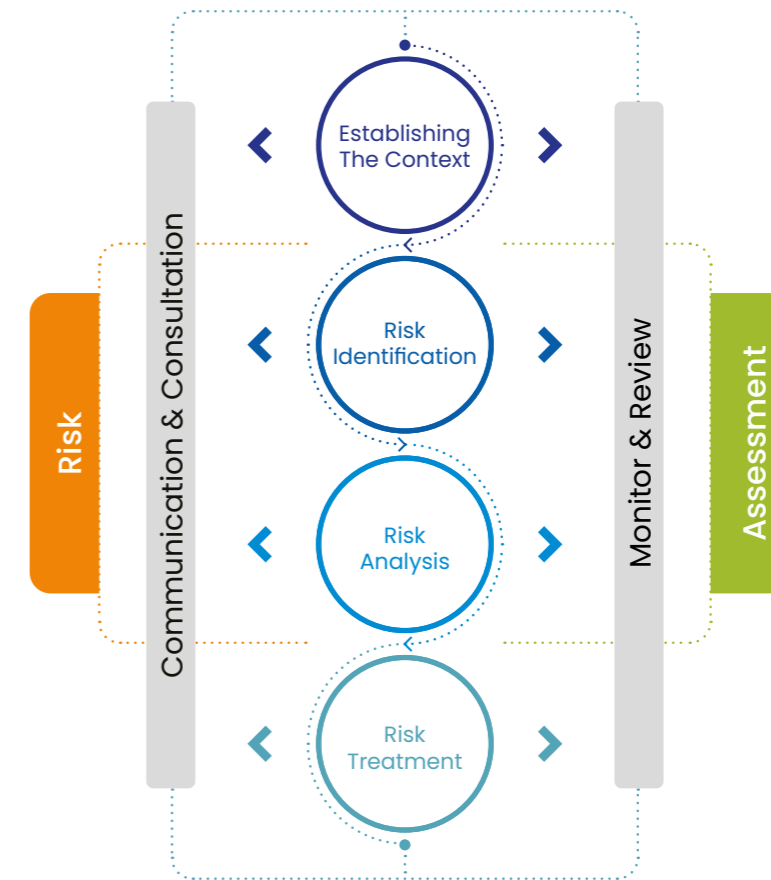


Internal audit and control activities at Taypa are implemented in 4 areas: financial audit, social audit, environmental audit and certification audit. Financial audits are carried out under 3 headings: compliance audit of ERP physical processes with generally accepted accounting principles, audit of the assets and liabilities of the enterprise, and income and expense audit subject to operational profit and loss arising from the activities of the enterprise. The findings of the risks that are identified within the scope of audit activities are transferred to the relevant units and suggestions for improvement are presented.



## RISK MANAGEMENT

At Taypa, we ensure financial and operational integrity by implementing actions for early detection of risk and effective management of risk immediately. After determining the importance and probability values of all risks on a departmental basis, we define the degree of risk according to the risk size. In addition to operational and financial risks, we also evaluate environmental and social risks and take necessary measures.





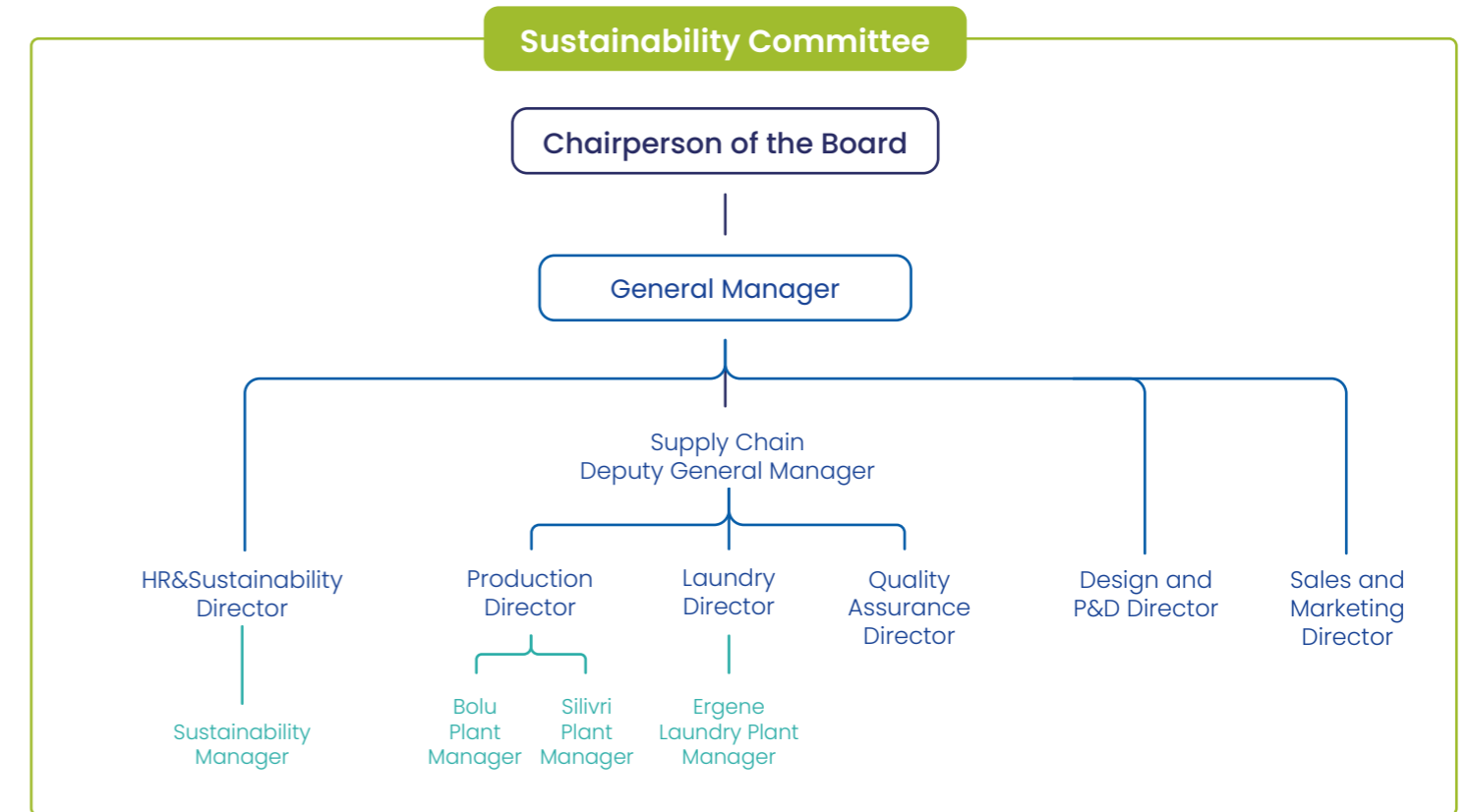
# SUSTAINABILITY MANAGEMENT

As Taypa, while taking firm steps towards becoming a global player in the textile industry, we consider placing sustainability requirements at the center of all our activities among our primary goals and shape our work in this direction. In this context, we have determined our sustainability strategy as *“renewable, reusable and recyclable resource management and digital transformation investment”*. In line with this strategy, we have determined our 2022, 2025 and 2030 sustainability targets.

While setting our sustainability targets, we also take into account the United Nations Sustainable Development Goals, aiming to demonstrate our level of progress on the path set by our customers in this area and to contribute to the development of our supply chain.



We established our Sustainability Committee to ensure the integration of sustainability into our business processes and to effectively monitor our sustainability performance. The Committee monitors our impact on the management of social, economic and environmental issues on a semi-annual basis and plays a role in determining our sustainability strategy and related targets.







# OUR SUSTAINABILITY TARGETS

✔ Achieved    ▶ Continuing

## Main Target : Reducing Water Use

Main Project Name	2022 Targets and Achievement Status	2025 Targets	2030 Targets
Reducing pumice stone in our washing processes	50% 90%	75%	100%
Recycling of Water Used in Ergene Laundry Plant	55% 18%	75%	90%
Transitioning to Next Generation Machines	70% 67%	80%	100%
Reducing Domestic Water Consumption	3% 8%	N/A	N/A

## Main Target : Reducing Carbon Emission

Main Project Name	2022 Targets and Achievement Status	2025 Targets	2030 Targets
Generating Energy from Hydrogen	10%	40%	100%
Producing Renewable Energy	42% 37%	100%	100%
Buying Certified Renewable Energy	100%	N/A	N/A
Reducing Electricity Consumption in Lighting	2%	N/A	N/A
Ensuring Energy Efficiency with Economizer Project	11% 11%	N/A	N/A
Transitioning to Next Generation Machines	20%	40%	100%
Ensuring Change in Vehicle Fleet	N/A	40%	50%

## Main Target : Improving Waste Management

Main Project Name	2022 Targets and Achievement Status	2025 Targets	2030 Targets
Recycling Fabric Waste	100% 100%	N/A	N/A
Producing our Designs from Recycled Raw Materials	40% 37%	70%	90%
Recovering Non-Hazardous Waste	100% 100%	N/A	N/A
Obtaining Zero Waste Certificate	100% 100%	N/A	N/A
Reducing Paper Consumption	20% 2%	N/A	N/A
Reducing Pumice Stone in our Washing Processes	50%	75%	100%
Realizing NGO Cooperation	50%	100%	N/A
Conducting LCA Analysis and Obtaining EPD Certificate (quantity)	10 10	20	25

## Main Target : Improving Chemical Management

Main Project Name	2022 Targets and Achievement Status	2025 Targets	2030 Targets
Transition to Environmentally Friendly Chemicals	50% 42%	70%	90%
Reducing Permanganate in Our Washing Processes	N/A	75%	100%
Reducing Bleach in Our Washing Processes	N/A	20%	50%



Main Target : Empowering Female Employees

✔ Achieved    ▶ Continuing

Main Project Name	2022 Targets and Achievement Status	2025 Targets	2030 Targets
Raising the Education Level of Our Female Employees in Production (person)	20/20 ✔	50	50
Providing Psychological Support to Female Employees (hours)	2.5/3.3 ✔	3	4
Breast Cancer Screening for Female Employees (person)	600/453 ▶	2,400	5,400

Main Target : Creating Sustainable Human Resources

Main Project Name	2022 Targets and Achievement Status	2025 Targets	2030 Targets
Increasing Employee Engagement and Satisfaction	65%/59% ▶	67%	70%
Increasing Employee Development Programs (hours)	9/19.6 ✔	12	15
Increasing the Number of Taypa Academy Graduates (person)	N/A	30	200

Main Target : Creating Sustainable Supply Chain Management

Main Project Name	2022 Targets and Achievement Status	2025 Targets	2030 Targets
Establishing a Supplier Evaluation System	100%/100% ✔	N/A	N/A
Mainstreaming Environmental Targets into the Supply Chain	N/A	50%	75%
Mainstreaming Social Goals into the Supply Chain	N/A	50%	75%





## PRIORITIZATION ANALYSIS

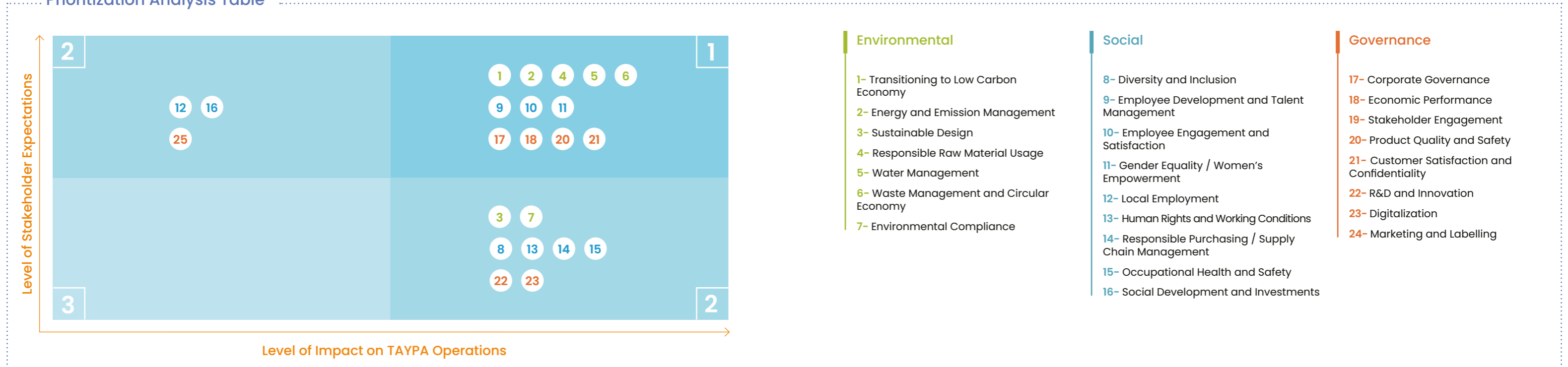
As part of our sustainability efforts, we conducted a prioritization analysis study to identify our material issues in line with our business strategy. Within the scope of the study, prioritized issue lists were developed

by examining stakeholder expectations, sectoral best practices, global mega risk trends and the UN Sustainable Development Goals. On the other hand, the Sustainability Committee conducted a broad

stakeholder identification study across the value chain. These two studies were combined with the questionnaires developed and we asked our primary stakeholders to rate the important topics we identified.

We consolidated these evaluation results and completed our prioritization analysis. The topics were rated as very high priority, high priority and priority.

Prioritization Analysis Table





# STAKEHOLDER ENGAGEMENT

Taypa's sustainability approach is based on regular and effective communication with its stakeholders. Communication methods with all our stakeholders, especially our key stakeholders such as employees, customers, suppliers and shareholders, have been determined, and the feedback, suggestions and ideas obtained through these methods are used as input when evaluating our long-term strategies as well as product and service development.

Stakeholders	Communication Purpose/Subject	Frequency of Communication
Customers	Sustainability strategy	Once a year
	Sustainability performance	Once a year
	Announcing developments in the company, sector and technology	Once a year
	Evaluation of the previous year	Once a year
	Announcing news about the company through announcement boards and interviews added to the website in Turkish and foreign publications	Continuously
	Communicating developments and news about products	Continuously
	Sharing collaborations and company developments specific to the large customer segment	Quarterly
	Contacting existing and new customers	Continuously
Employees	Priorities and performance	Once a year
	Sustainability performance	Once a year
	Announcing important developments related to the company	Several times a year
	Providing information about the company	Continuously
	Increasing employee communication with the CEO & sharing the developments with employees	Continuously
	Communicating CEO messages to employees	Continuously
	Selecting the best projects and successful works within the company	Once a year
	Evaluating the previous year and conveying the vision for the next year	Once a year
Communicating developments and news about products	Continuously	

In 2022, we continued to hold face-to-face or online meetings with our stakeholders covering promotion, audit and information processes in order to improve our service and product quality by understanding the needs and expectations of our customers and to improve our supplier management practices.

Stakeholders	Communication Purpose/Subject	Frequency of Communication
Suppliers	Discussing commercial issues	Continuously
	Audits	Several times a year
	Communicating developments and news about the company and products	Continuously
Shareholders	Announcement of monthly results	Twelve times a year
	Announcement of annual results	Once a year
Local Communities and Administrations	Announcing important developments related to the company	Continuously
Group Companies	Communicating developments and news about the company and products	Several times a year
Public and Regulatory Institutions / Organizations and NGOs	Announcement of important information about the company	Continuously
Media	Announcement of important information about the company	Continuously
Financial Institutions	Announcement of important information about the company	Continuously



## CORPORATE MEMBERSHIPS AND SUPPORTED INITIATIVES

We aim to contribute to sustainability on a global scale through the sustainability initiatives we are a member of in the areas of social compliance, environment, chemicals, raw materials and quality management, and we support non-governmental organizations, associations and unions that carry out activities related to our field of activity.

### SOCIAL COMPLIANCE MANAGEMENT



1 Apart from our customers' social compliance audits, we regularly go through ICS audits and SLCP verification.



### RAW MATERIAL MANAGEMENT



4 With our OCS (Organic Content Standard), RCS (Recycled Claim Standard), GRS (Global Recycled Standard), GOTS (Global Organic Textile Standard), RegenagriCS (Regenagri Content Standard) certificates and BCI (Better Cotton Initiative) membership we trace the raw material from its source to the final product.



### ENVIRONMENTAL MANAGEMENT



2 We measure our sustainability performance with the Higg FEM (Facility Environmental Module) and share our verified results with our customers.



### QUALITY MANAGEMENT

5 Our T&C Plant in Egypt has WRAP Gold and ISO 9001 and Tayeks Ergene Laundry Plant has ISO 50001 certificates.



### CHEMICAL MANAGEMENT



3 We have our wastewater tested according to ZDHC parameters twice a year and upload the results to ZDHC and IPE. We also report our monthly chemical usage on the Clean Chain platform.



### ASSOCIATIONS



## AWARDS & SUCCESSES

We received the **"2022 Women Friendly Company Award"** by *Dünya Newspaper*.



We won the **"Efficiency"** award at the **"1st Energy Efficiency Awards"** at the *Energy Producing Factories Summit*.





*For 45 years,  
we draw our  
strength from  
our employees.*

# RESPONSIBLE EMPLOYER

- Employee Rights, Diversity and Inclusion
- Employee Development and Talent Management
- Employee Satisfaction
- Occupational Health and Safety





We understand, listen and reveal the value of employees to make TAYPA a global supplier and a preferred employer brand in the world. We act in accordance with the principles of "Right person for the right job", "Equal pay for equal work", "Merit based on success" and "Equal opportunity for all" in all human resources processes from recruitment to remuneration.

Scan or click here for Taypa Human Resources Policy.

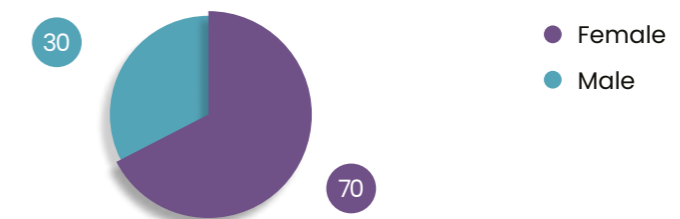


## EMPLOYEE RIGHTS, DIVERSITY AND INCLUSION

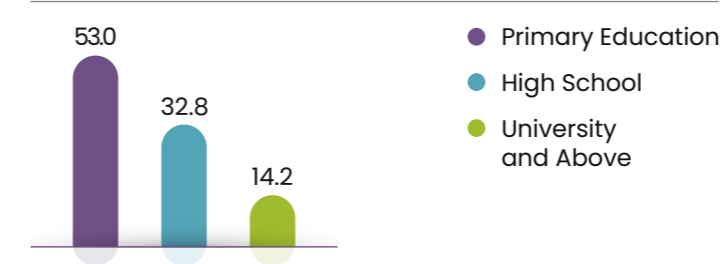
We aim to create a safe work environment that prioritizes employee and human rights, supports diversity and creates a safe work environment for our employees, who are the most important strength in Taypa's global success and achieving its sustainability targets.

In all human resources processes, we stand against any kind of discrimination based on religion, language, ethnic origin, gender, age, disability, political opinion, physical disability or similar reasons. We implement the policy of "equal pay for equal work" and prioritize justice and equity with a pay scale created in accordance with the levels of the roles. We do not allow child labor and forced labor under any circumstances.

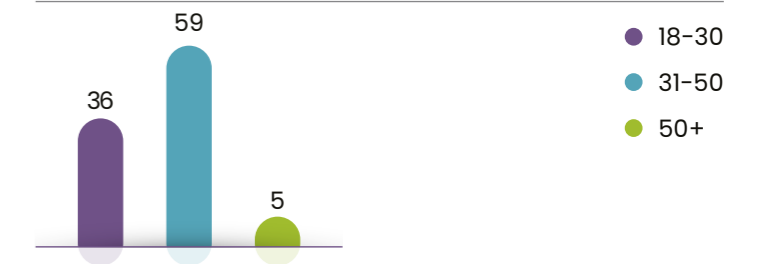
Employee Ratio by Gender (%)



Employee Ratio by Education Level (%)



Employee Ratio by Age (%)





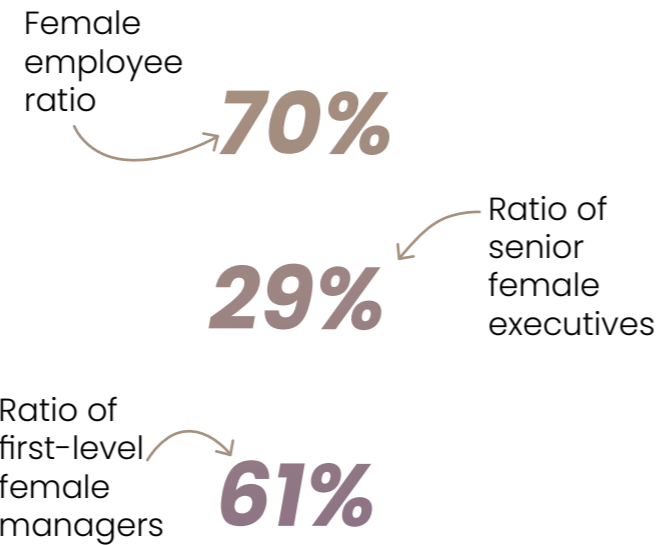
As Taypa, we also take gender equality into consideration. We prioritize empowering our female employees economically and increasing their knowledge and skill levels. While providing equal opportunities for male and female employees in the workplace, we also aim to increase the number of female managers. During the reporting period, we increased the number of senior female managers by 20%.

Within the scope of the Women’s Empowerment Project which is one of our long-term projects, we organized a Reading Workshop during the reporting period in cooperation with the Ministry of National Education and provided literacy training to 23 illiterate female employees. Similarly, we continued to provide free medical examinations, ultrasound and mammography support to our female employees over the age of 40 during the reporting period.

In addition to women’s employment, we also attach importance to youth employment. We participate in “Career Days” organized at Türkiye’s leading universities, organize trainings, seminars and webinars in our sector for undergraduate and graduate students, and conduct internship programs. With “Trainee Programs”, we offer career opportunities to talents who have recently graduated from university. In 2022, we provided internship opportunities to 13 students.



### Female Workers in 2022



## EMPLOYEE DEVELOPMENT AND TALENT MANAGEMENT

As Taypa, we aim for the sustainability of the employee profile that is proactive, result-oriented, talented, open to development and communication in order to ensure competitive advantage in the world; in this direction, we ensure continuous development by offering innovative training and practices to our employees.

We regularly support the career and social development of our employees with professional and personal development programs through Taypa Academy, which we have implemented to prepare the talents of our employees for the future. We create and implement training programs together with our employees and their managers according to the results of needs analysis and Career Management and Performance Evaluation System. With the “Executive Development Program”, we focus on the development of managerial skills of our managers and manager candidates.







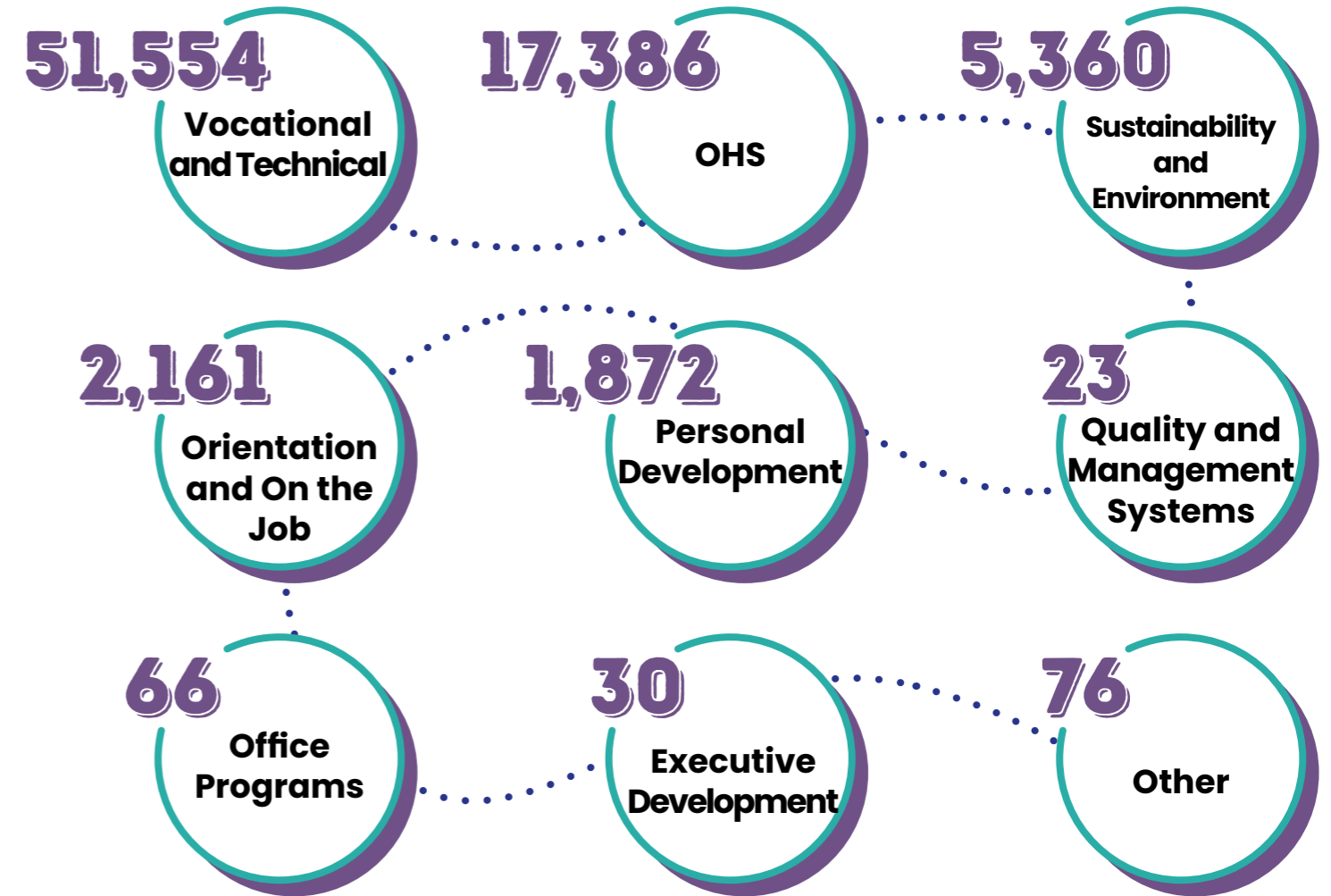
### Trainings in 2022

- » “Persuasion and Negotiation Techniques” training program was organized for our sales, marketing and purchasing teams. In the training titled “What do I say, what does the other person understand?”, our teams were provided with methods that they can actively use in negotiations with customers and suppliers.
- » In cooperation with our customer, “Communication in the Workplace Project” trainings were completed with the participation of HR and employee representatives selected from all our locations. In the second stage of the project, the members of the Communication and Feedback Committee in our three plants received three days of training on the topics of “Communication”, “Communication Committee” and “Communication Mechanism”.
- » In order to increase vocational skills, employees from 4 different locations participated in the “Mastery Compensation Program” launched in cooperation with the Ministry of National Education. While 700 employees were in the first group, 640 employees participated in the second group. Our employees who are successful in the exam to be held at the end of the program will be entitled to receive a mastership Europass certificate.
- » A vocational and technical training class was opened at the Bolu plant to prepare qualified employees for the garment manufacturing industry and to discover talented employees.



## TRAINING TYPES

# 78,528 HOURS





Focusing on our principle of “the right person for the right job”, we closely monitor the career and performance development of our employees and conduct performance evaluations by using various inventories and digital solutions in line with concrete and objective criteria.

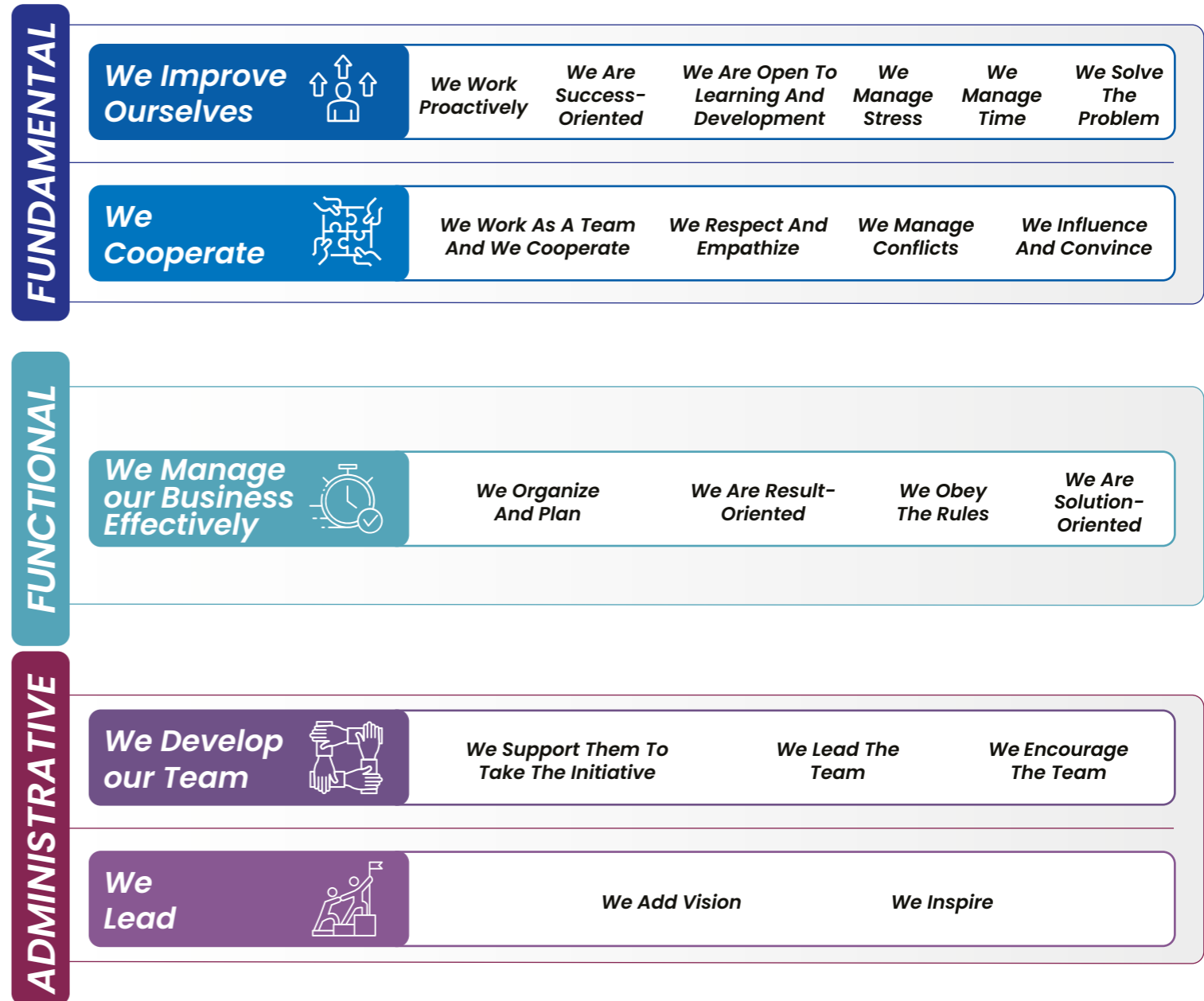
We support each employee in realizing their career goals by providing career planning and development in line with their expectations. We aim to ensure that senior management positions are filled by internal candidates. To this end, we regularly include our employees whom we want to prepare for leadership roles in 9Box Assessment Center practices every year and closely monitor their development. Since 2018, 60% of our first-level managers and 35% of our middle and senior managers have had the opportunity to be promoted in accordance with the Taypa Leadership Model.

We carry out the performance evaluation of our talented employees who will carry Tay-

pa into the future through the Taypa Global Leadership Profile under the frameworks of “We Improve Ourselves”, “We Collaborate”, “We Manage Our Business Efficiently”, “We Develop Our Team”, “We Lead” competencies. We evaluate the strengths of the competencies of each employee and include them in the development programs of Taypa Academy.

We apply the performance evaluation of our production employees, the locomotive of Taypa, through the Productivity Based Scorecard, monitor the performance of our employees instantly and daily, and reward the added value they create. We carry out the performance evaluation of senior management on a monthly basis through Key Performance Indicators (KPI).

In 2023, we plan to focus on the dissemination and development of talent and performance management systems. We aim to implement the same career and development plan in Serbia as in Türkiye.





# EMPLOYEE SATISFACTION

In order to increase the motivation and satisfaction of our employees, we implement practices aimed at employee welfare such as reward systems, fringe benefits and social activities, and take into account the balance between work and private life.

In order to improve communication and cooperation among our employees, we organize social, cultural and sports activities in which our employees can actively participate. We organize a painting contest, a poetry contest and a book donation campaign for our employee children on April 23rd; we organize innovation and productivity project competitions for our young talents.

We also care about the physical and mental health of our employees and provide psychological support and online pilates classes. Within the framework of the Employee Support Program, 697 employees benefited from psychological counseling services in 2022.

We also care about the physical and mental health of our employees and provide psychological support and online pilates classes. Within the framework of the Employee Support Program, 697 employees benefited from psychological counseling services in 2022.

## Bizce

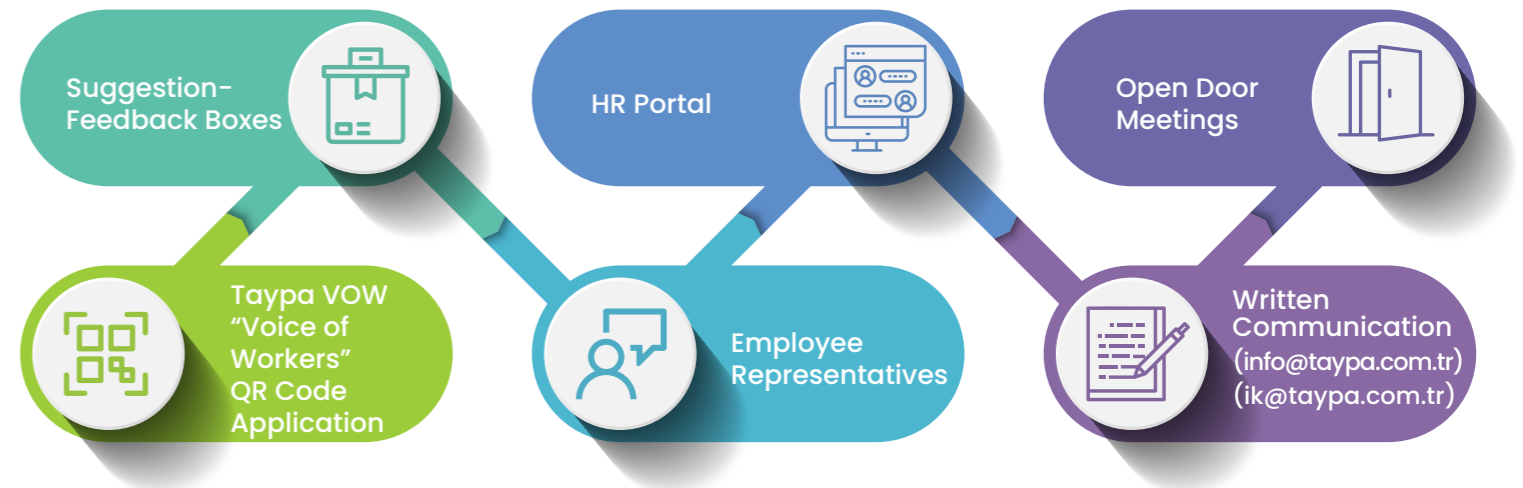
Through Bizce, Taypa's periodical corporate publication, we ensure that our employees are informed about the activities and social responsibility projects conducted by the Company, thereby increasing internal communication and spreading the corporate culture among our employees.



We strive to create a participatory and communicative corporate culture that allows our employees to express their ideas and suggestions in the best way possible. To this end, we utilize communication channels such as Taypa VOW Voice of Workers

Application, Suggestion-Feedback Boxes, Employee Representatives, HR Portal and monthly Open Door Meetings. We monitor and evaluate all feedbacks and continuously improve them by providing input to our action plans.

## Feedback Mechanisms

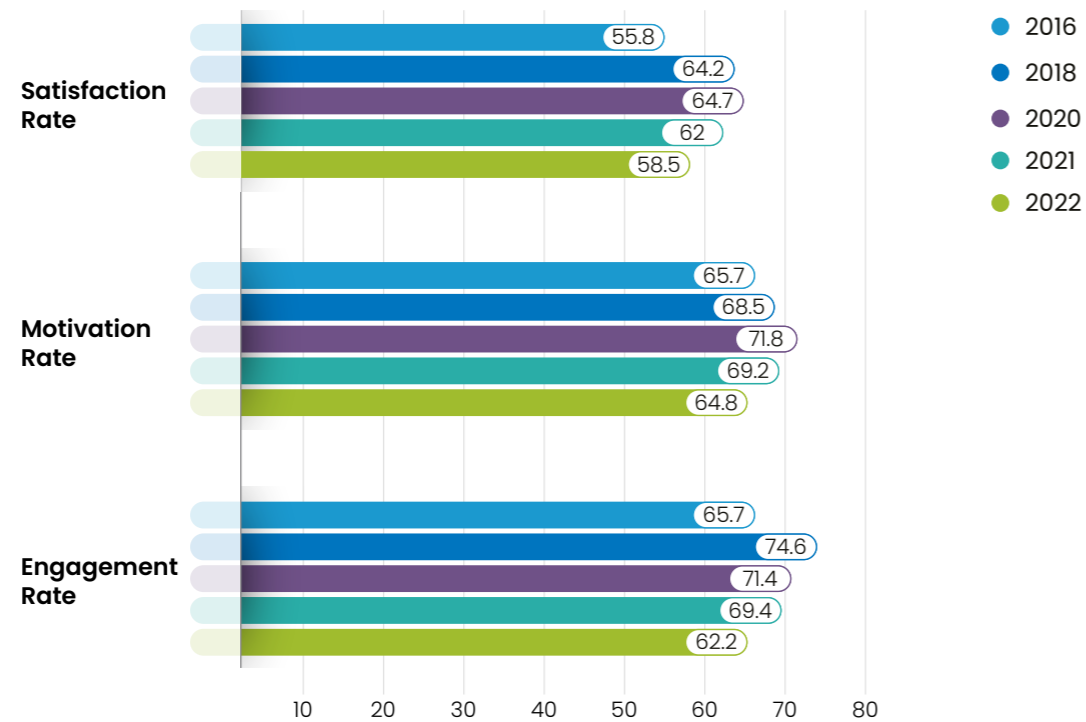


We provide shuttle and catering services for all our employees in our workplaces in accordance with shift hours. We also provide various social rights and benefits for protected groups (pregnant, disabled, etc.).



## EMPLOYEE ENGAGEMENT AND MOTIVATION SURVEY

We have been conducting a regular Employee Engagement and Motivation survey for 7 years in order to measure the engagement, motivation and satisfaction of our employees. In the survey, which was realized with a participation rate of 85% during the reporting period, the Satisfaction rate was reported as 59%, the Motivation rate as 65% and the Engagement rate as 62%. We will take the necessary actions to increase the engagement, motivation and satisfaction of our employees.



## OCCUPATIONAL HEALTH AND SAFETY

Our main goal in Occupational Health and Safety (OHS) is zero occupational accidents. To this end, we focus on raising the awareness of our employees and carry out activities to reduce hazards and risks.

As a result of the risk assessment studies conducted by the risk assessment team at the Headquarters (Istanbul) and plants (Silivri, Ergene and Bolu) hazards are identified and risks are determined. Risks are then minimized by taking necessary measures.

Suggestions and feedback regarding occupational safety, near misses and OHS are evaluated by OHS Committees. The results of the evaluation are announced to all employees via announcement boards.

There are 4 OHS Committees in total, one at the Headquarters and one in each plant. The total number of members of the committees is 42 and the number of employee representatives is 12. Committee meetings are held every 3 months at the Headquarters and once a month at the plants.



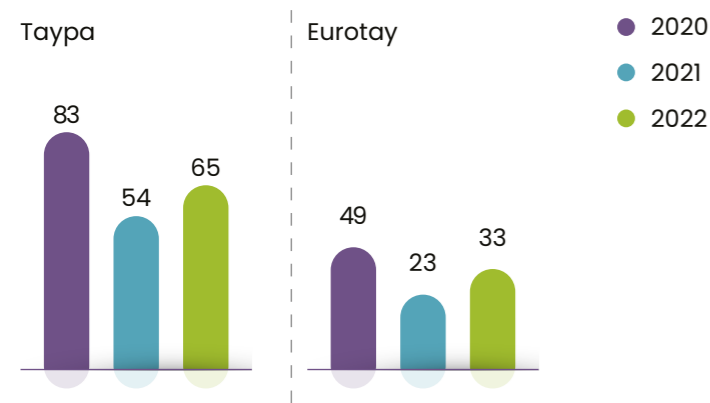
During the reporting period, we provided

**17,386**

hours of OHS training to our employees.

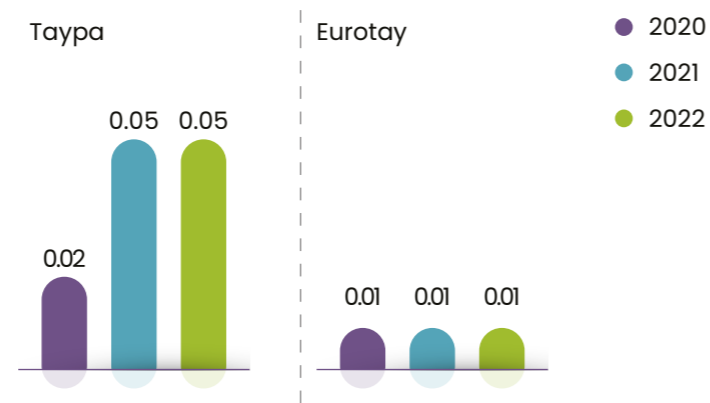


### Accident Frequency Rate



In all our locations workplace medical team is available, and we conduct periodic health screenings in addition to the health screening at the beginning of employment. In addition to the psychological counseling service we offer to all our employees, we also provide free breast ultrasound and mammography support for female employees over the age of 40.

### Injury Rate



In terms of office ergonomics, which is one of the important components of OHS, we make the necessary improvements and provide ergonomic working equipment in order to offer our office employees a more comfortable and healthier working environment.

## DISASTER AND EMERGENCY MANAGEMENT

We carry out activities to effectively respond to disasters and emergencies and minimize potential damages. We organize drills twice a year in areas such as fire, natural disasters, sabotage and chemical spillage in order to measure the competence and coordination of emergency teams and identify training needs.



During the reporting period, we provided a total of

**1,419**

hours of emergency training to our employees and subcontractor employees.



*For 45 years, we continue to be the indispensable supplier of our customers without compromising on quality.*

# RESPONSIBLE OPERATION

- Customer Satisfaction
- Supply Chain Management
- R&D and Innovation
- Digitalization and Information Security





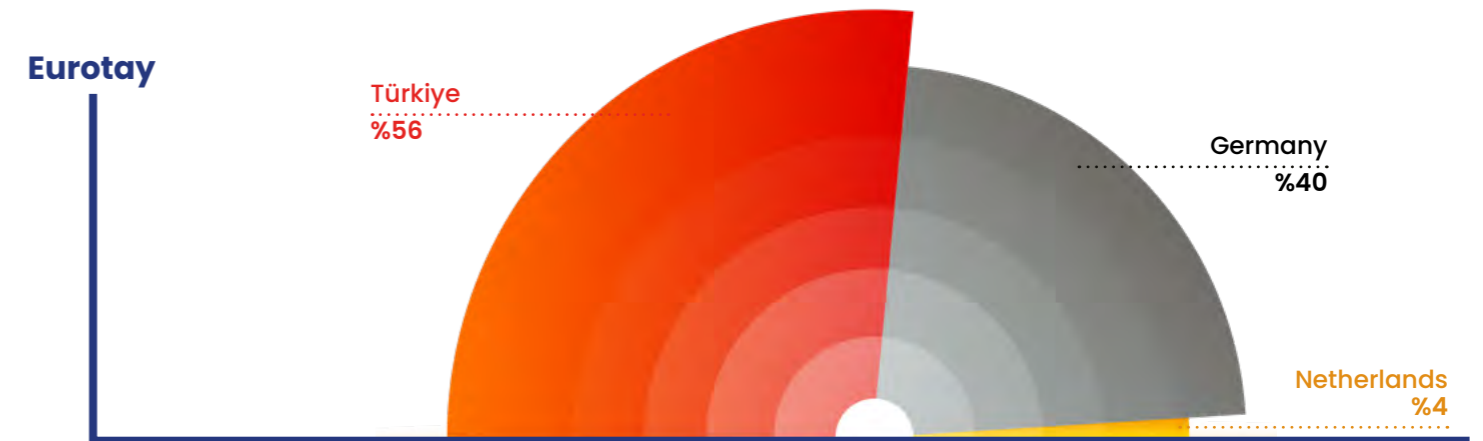
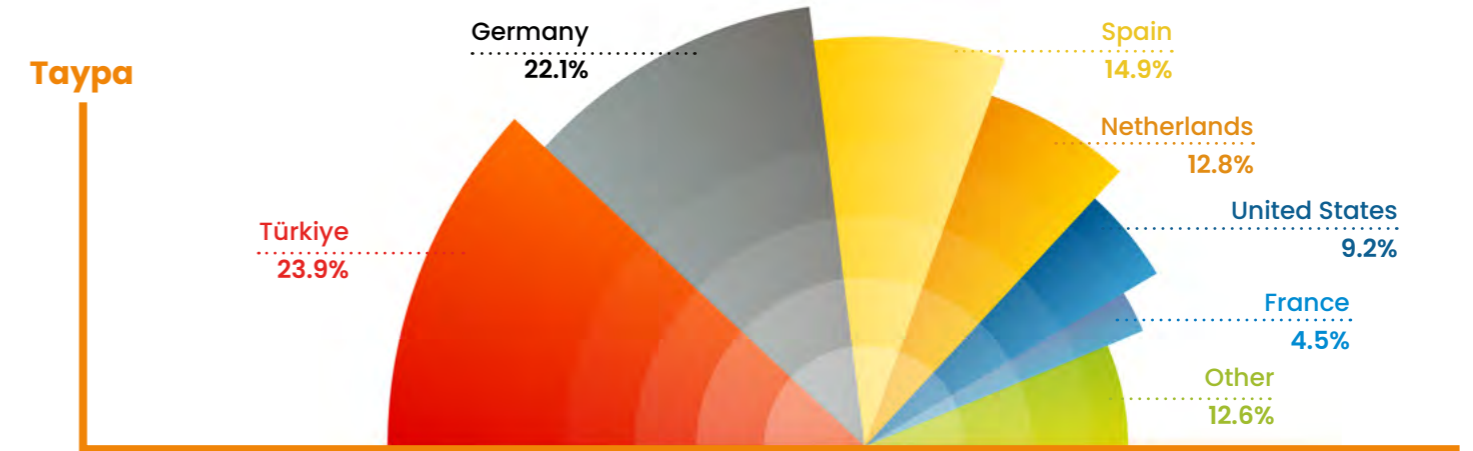
In line with our sustainability policy and practices, we see it as our responsibility to conduct our operations in a responsible manner, aiming to follow all the links of our value chain, and offer product and design services with an understanding that centers on the demands and needs of our customers.



## CUSTOMER SATISFACTION



As Taypa, while providing production and design services to the world's leading brands, we act with the vision of going beyond customer expectations without compromising on superior quality and reliable service.





# 5F

We take into account the expectations and needs of our customers with the 5F Philosophy we adopt in all design and production stages; we continue to be a value-adding strategic business partner of global brands by providing an environmentally sensitive, fast and flexible service.

## FOCUS

We say that every customer is special and we Focus on our business with all our departments while working on our product.

## FAST

We are determined to produce Fastly the best.

## FLEXIBLE

As a Fashion creator, we offer our customers exclusive designs beyond their expectations.

## FASHION

We offer Flexible design and product range, production methods and locations in line with the expectations of our customer profile.

## FRIENDLY

For a sustainable world, we prioritize environmentally and socially sensitive production, long-term partnership and Friendship with our stakeholders.

# CREATAY STUDIO

Together with our technology company "Digitay", we developed "Creatay Studio" project in 2020 in the light of the 5F Philosophy and we offer special designs and capsule collections to our customers with our expert design team and advanced technological equipment.

## 3D DESIGN PROTOTYPING

With the 3D design program, we design/create products in a three-dimensional and realistic way (without producing a physical product).

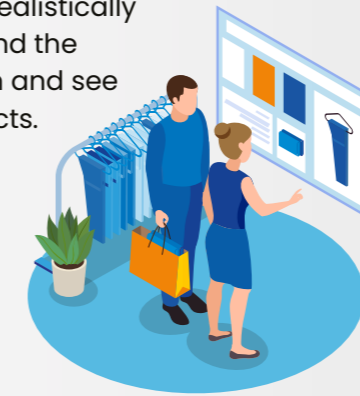
## 360° PHOTO SHOOTING

We eliminate the need for physical products of our customers with a 360° product photo by shooting every 10°.

## DIGITAL SHOWROOM

We offer our products, which we design in 3D and photograph 360°, to our customers online. We complete our sample approval processes with minimum labor and time.

In addition, we can create a "Virtual Showroom" for our customers who cannot physically come to our company, so that they can realistically walk around the showroom and see the products.





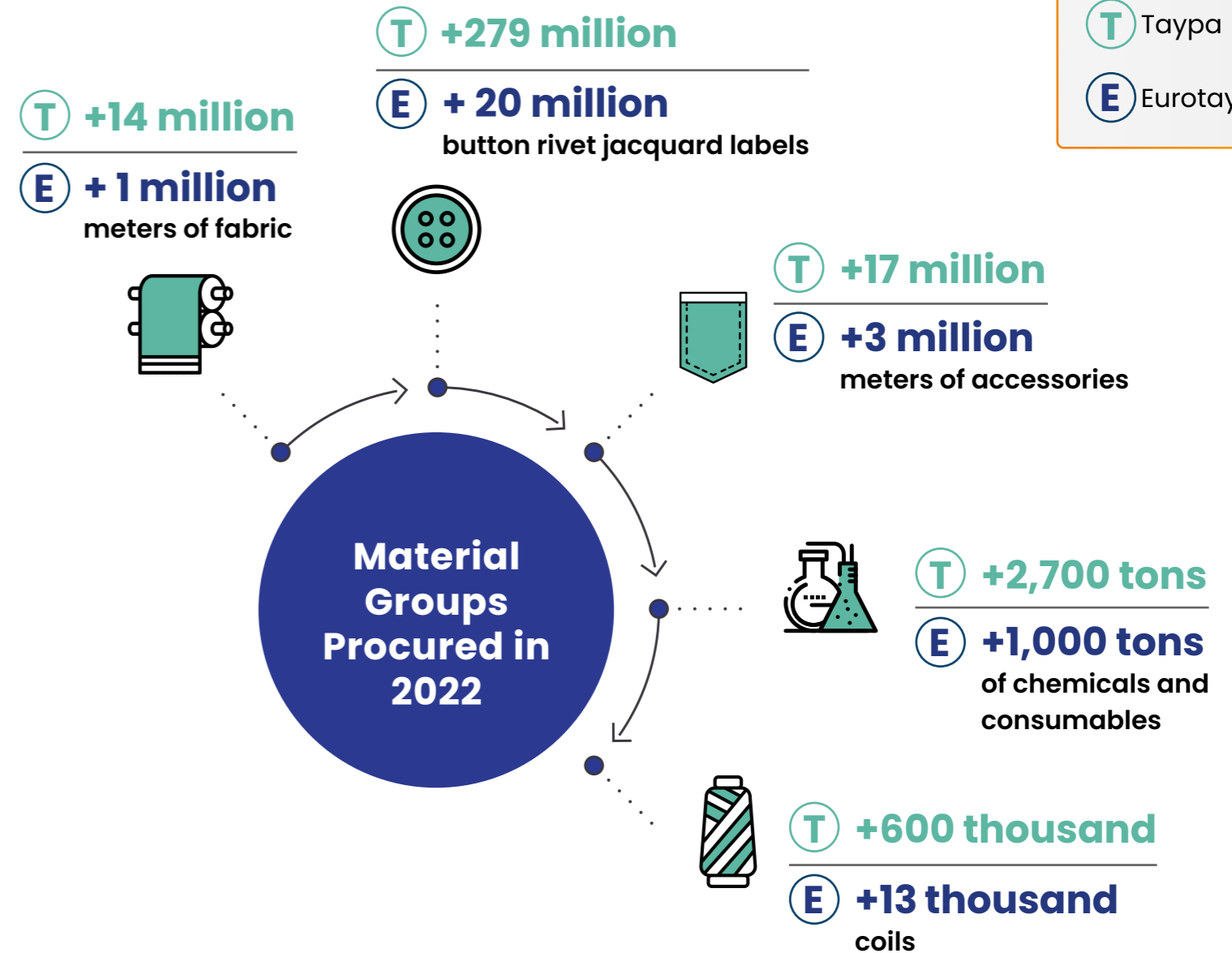


# SUPPLY CHAIN MANAGEMENT

Within the scope of our goal of becoming a manufacturer on a global scale, we consider supply chain management among our priority areas. In this context, we carry out our activities with the awareness of disseminating sustainability practices throughout the entire value chain with a lifelong perspective.

We conduct supply chain management in line with the principles set out in the "Supplier Business Principles Guide". This Guideline is an integral part of the contracts signed with suppliers and is binding for suppliers. Social and environmental audits and certification ownership (OCS, RCS, GOTS, GRS, Regenagri) of supplier companies are prerequisites for supplier selection and evaluations.

Within the framework of the supplied material groups, we supply raw materials (fabrics and accessories), chemicals and consumables from abroad, while we supply production services from many regions in Türkiye. In 2022, the local supplier ratio was 57%.





## SUPPLIER AUDITS

On the basis of audit activities; our suppliers are evaluated in terms of social and environmental compliance issues. Audits are conducted by internal audits, customer audits and 3rd party audit firms. After the non-conformities identified during the audit are reported, the supplier company is supported for improvement in line with action plans. If critical non-conformities are identified and no improvement is achieved, the business relationship with the supplier company is terminated.

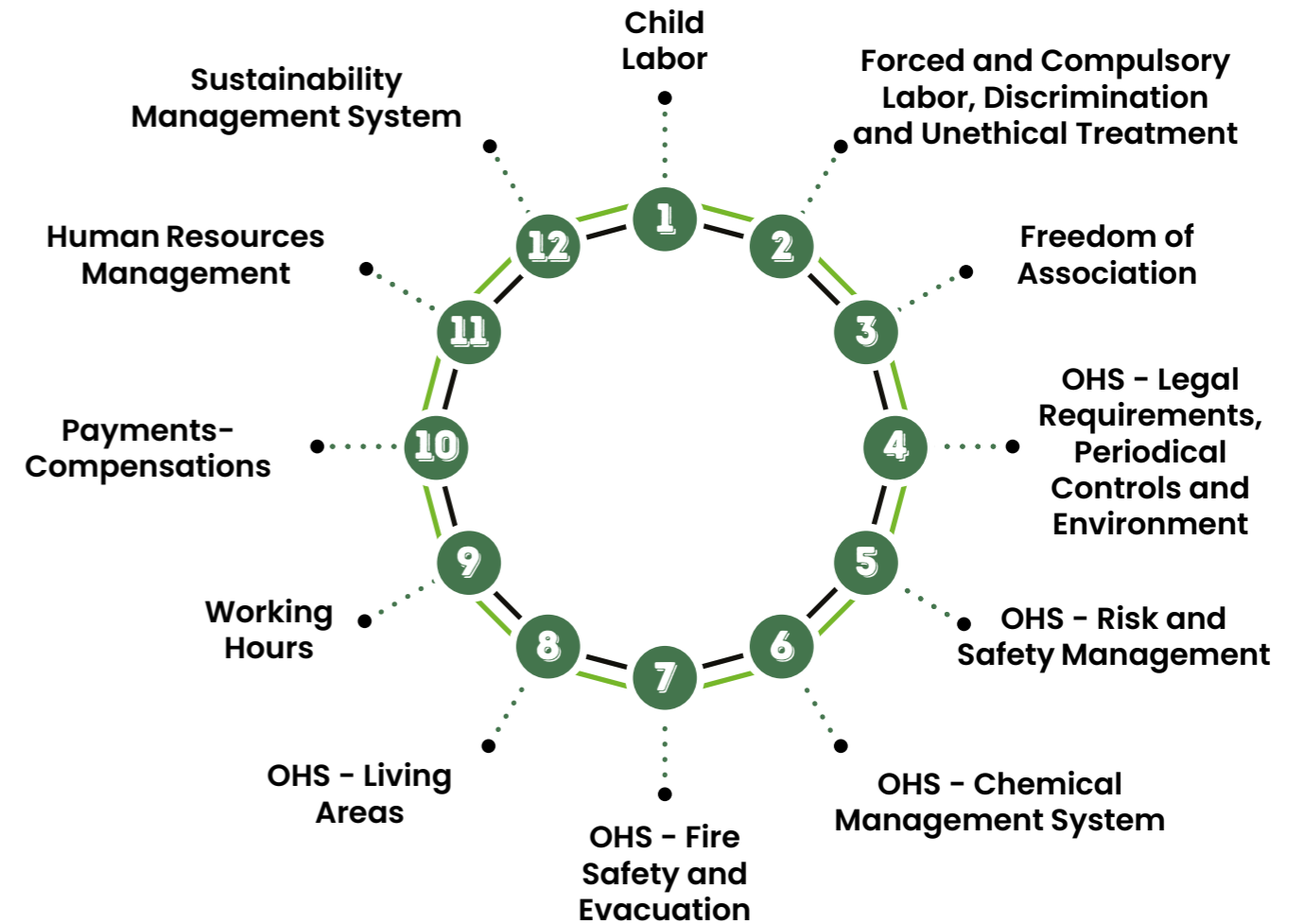


**We Became the First Turkish Company to Share a Case Study in SLCP, of which we are a Signatory.**

*Our case study, which tells the story of our company's transition to SLCP and its achievements, was published on SLCP's website in both Turkish and English.*

Social compliance audits are conducted in the areas of Discrimination and Unethical Treatment, Child Labor, Forced and Compulsory Labor, OHS, Freedom of Association, Working Hours, Payments-Compensations, Human Resources Management and Sustainability Management System. In addition, ICS social audits and SLCP self-assessment and verification are regularly conducted. In the reporting period, the ratio of our suppliers audited for social impact was 100%. In the field of environmental compliance, HIGG FEM and ICS environmental audits are conducted. All of our suppliers that apply wet processing in our supply chain are subject to environmental audits.

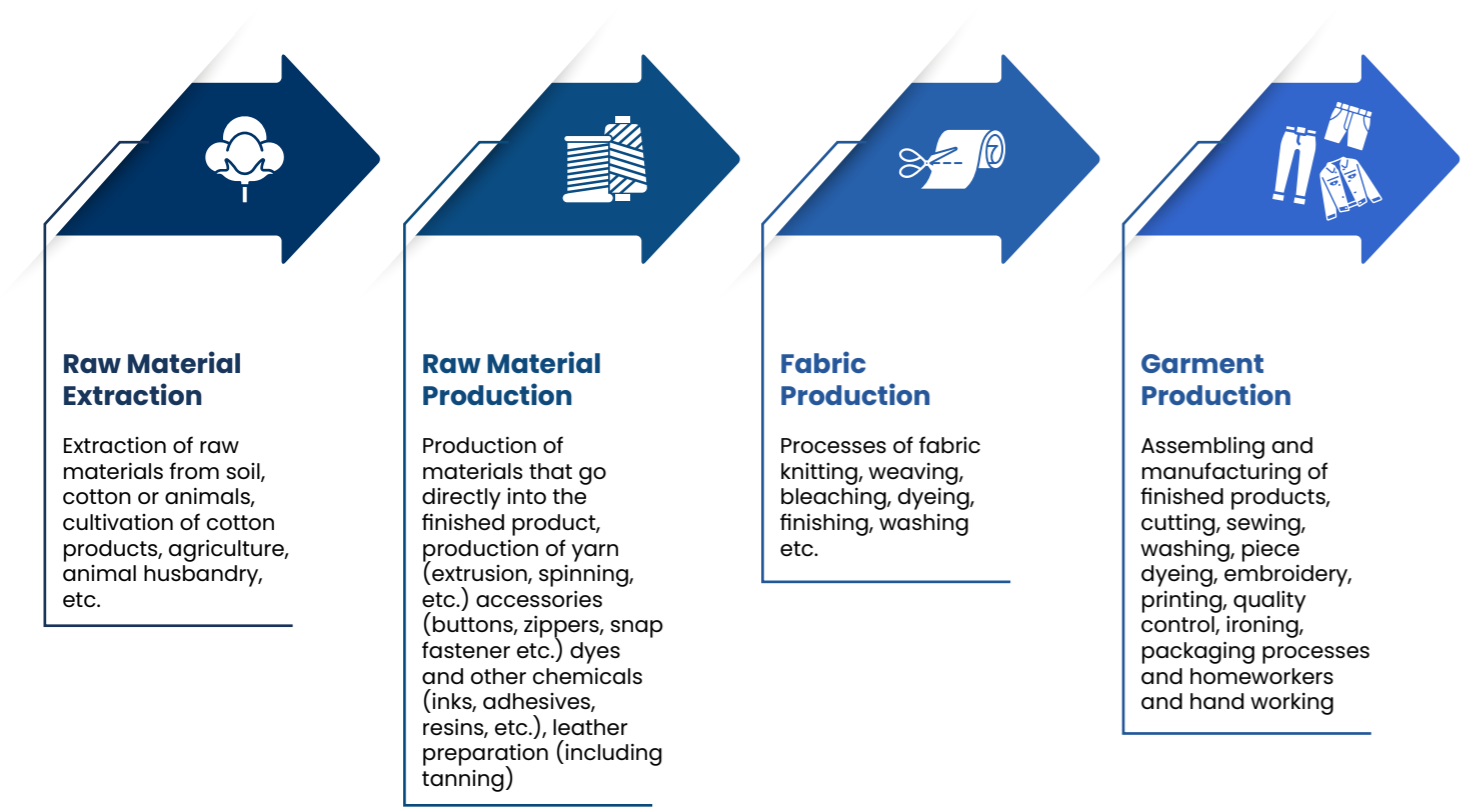
Training needs are taken into consideration for the development of our suppliers and, when necessary, social and environmental compliance and certification training is provided to supplier company employees.





## SUPPLIER GRADING SYSTEM

At Taypa, the entire value chain is categorized into 4 stages: raw material extraction, raw material production, fabric production and product production. Within the scope of our 2030 Targets, we plan to expand our environmental and social targets for each level by grading them.



## R&D AND INNOVATION



We continue product diversification and development activities with our 134 employees in the field of R&D, and we offer washing trends by organizing workshops in partnership with the world's leading companies in the field of washing.

Within the framework of University-Industry cooperation, we carry out studies with Namik Kemal University. We aim to contribute to the scientific literature by publishing

articles as a result of these studies. We are also working with academics to use pumice stone waste as cement raw material and to obtain a license from the Ministry of Environment.

In the coming period, we will focus on studies that we can obtain patents on new dyeing techniques such as producing dyestuff from cafeteria waste and obtaining an antique appearance with ozone.





## DIGITALIZATION AND INFORMATION SECURITY

Within the scope of digitalization, which is one of the most important areas of transformation for corporations all over the world, we implement digital transformation practices in order to achieve the highest possible levels of efficiency and performance, reduce our environmental impact and maintain our competitiveness. We regularly monitor developments in this context and review our business processes accordingly.

### Our Digitalization Projects

#### Taypa VOW Voice of Workers Application

With the application, we enable our employees to convey their opinions, suggestions, requests and feedbacks to the relevant authorities from their smartphones under confidentiality rules. We also conduct the Employee Engagement and Motivation Survey through this application.

#### Digitay Automation System

With the Digitay Automation System, which we put into practice to increase operational efficiency in our production locations, we obtain more detailed data from the locations and ensure that the right personnel work on the right machine in line with this data.

#### Digital Office (Document Management System)

With the Digital Office project, we aim to reduce the consumption of natural resources by minimizing the use of paper, save time by accessing the desired information in a shorter time, digitize the data in the documents, create a database and transform them into a processable form. In 2020, manufacturing files at our Bolu and Silivri plants started to be tracked entirely on a digital platform. While data was accessed quickly, the amount of paper consumed decreased. In 2022, the Digital Office application was initiated in all of our production locations. By the end of 2025, we aim to move all documents to the digital environment in our central departments.

#### QR Code Project

With the QR codes we have created for all the machines in our business, we ensure that the machines are intervened quickly in case of malfunctions.



### INFORMATION SECURITY

Digital transformation brings with it increasing cyber security risks. We have a Penetration Test performed by a different company every year against changing and developing cyber threats and we take the necessary actions by working with our IT team according to the result report.





*For 45 years, we have been acting with the awareness of the responsibilities of the sector in which we operate.*

# RESPONSIBLE PRODUCTION

- Product Quality and Safety
- Raw Material Management
- Chemical Management
- Sustainable Design
- Energy and Emissions Management
- Water Management
- Waste Management
- LCA





We carry out responsible production by choosing sustainable raw materials throughout our value chain, using fewer natural resources and chemicals, and strive to minimize our environmental impact through our investments in renewable energies and waste reduction projects.



## PRODUCT QUALITY AND SAFETY



Ensuring product quality and safety is among our top priorities. Our Quality Team performs systematic quality controls at all production stages (laboratory, raw material inspection, process control, final control). It also uses the feedback received from customers to improve the production system.

Our Bureau Veritas accredited laboratory conducts quality (fabric, accessories, raw materials) tests at all production stages, starting from the beginning of the design. Test reports are requested from suppliers for each shipment and extra fabric tests are performed in our own laboratory for fabric groups deemed risky by the Quality Team. Fabrics are checked according to the quality control plan with the "Four Point System". As for the accessories, the transmission of the right accessories to the production lines is controlled by checklists produced from the production automation software and approved trim cards.





## RAW MATERIAL MANAGEMENT



A significant portion of the sustainability impacts of our industry stems from raw material supply. For this reason, as Taypa, we consider sustainable production approach and responsible raw material purchasing as one of our priority focus areas.

Cotton is one of the most important raw materials of the textile industry. While it covers only 2.4% of the world's agricultural land, it accounts for 24% of global fiber production. Moreover, cotton cultivation is water and pesticide intensive. According to the Higg Materials Sustainability Index, the environmental impact of conventionally grown cotton is 2 times higher than organic cotton. In light of this information, as Taypa, we support sustainable cotton production and supply; we monitor cotton from its source to the final product with our OCS (Organic Content Standard), RegenagriCS (Regenagri Content Standard), GOTS (Global Organic Textile Standard) certificates and BCI (Better Cotton Initiative) membership.



Compared to 2021, the proportion of fabrics we purchased through the BCI system increased by

**500%**

and the proportion of fabrics we purchased as OCS certified increased by

**100%**

The proportion of recycled fabric purchased was recorded as

**9%**

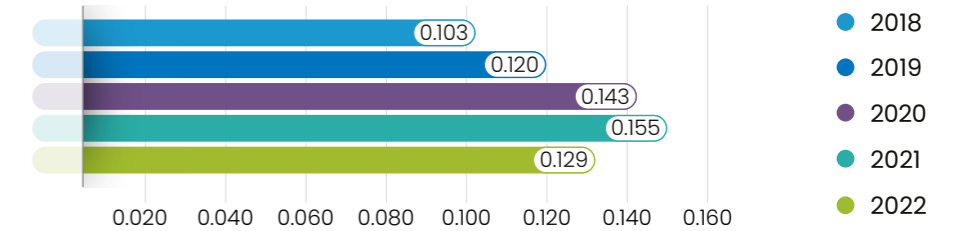


## CHEMICAL MANAGEMENT



While the intensive use of chemicals in the textile industry threatens employee health, residual chemicals in the wastewater of production facilities harm ecosystems. For this reason, we prioritize the issue of the use of chemicals within our sustainability strategies; we aim to increase the rate of environmentally friendly chemical use while reducing total chemical use with the latest technologies we apply.

Chemicals used per product (KG)\*



\*Calculated based on SAP and Akdata ERP Program chemical usage and production numbers of our Ergene plant.

Note: In 2021, chemical usage per product increased slightly due to the increased difficulty of washing recipes and the use of environmentally friendly stone enzyme instead of pumice stone.

<sup>1</sup> [https://catalogue.unccd.int/1352\\_thirsty-for-fashion-soil-association-report.pdf](https://catalogue.unccd.int/1352_thirsty-for-fashion-soil-association-report.pdf)

<sup>2</sup> [https://textileexchange.org/app/uploads/2021/08/Textile-Exchange\\_Preferred-Fiber-and-Materials-Market-Report\\_2021.pdf](https://textileexchange.org/app/uploads/2021/08/Textile-Exchange_Preferred-Fiber-and-Materials-Market-Report_2021.pdf)

<sup>3</sup> <https://www.commonobjective.co/article/fabric-switch-sourcing-sustainable-denim-suppliers#3>



## CHEMICAL MANAGEMENT SYSTEM

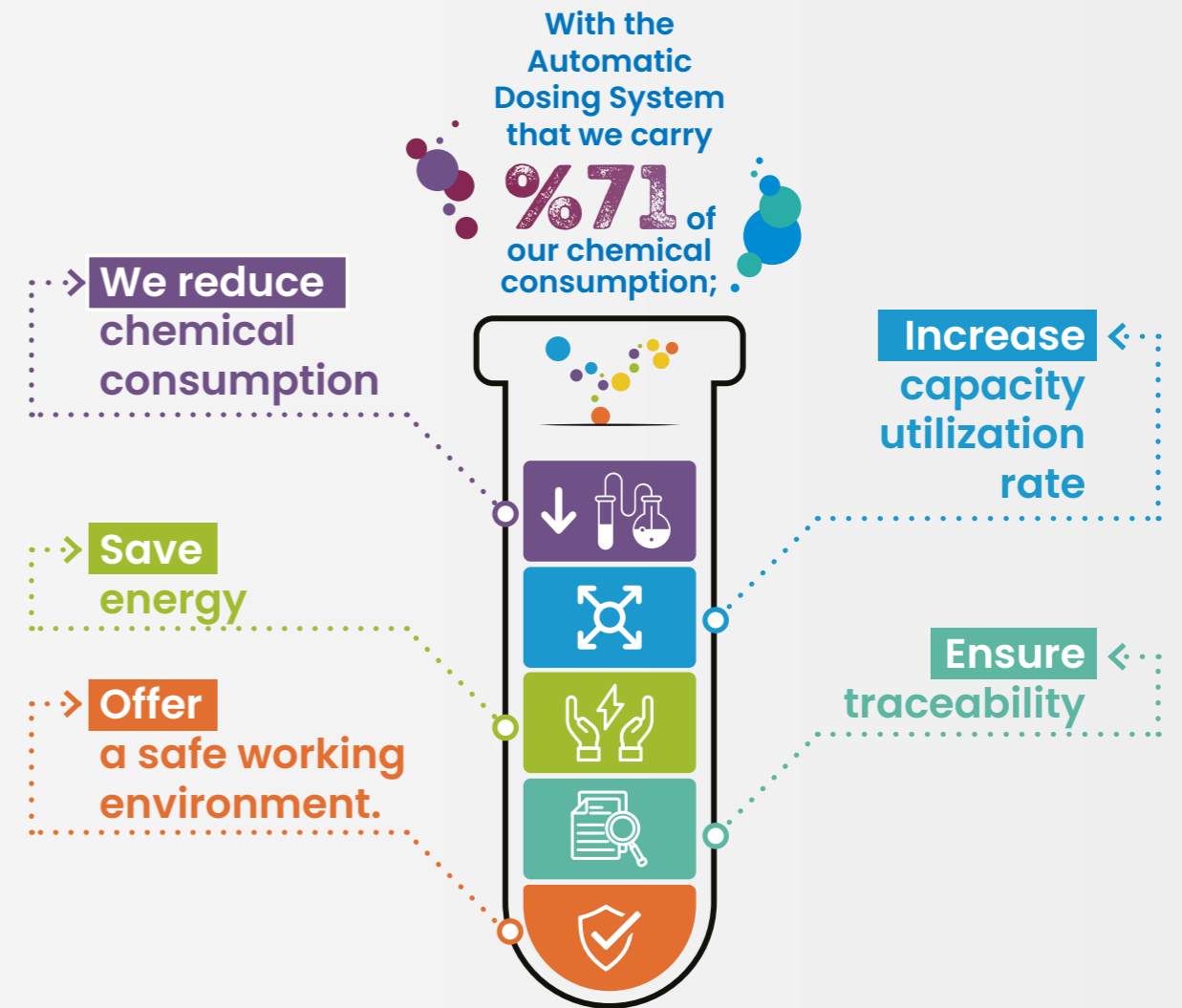
With the Chemical Management System, we upload our chemical use to international platforms and ensure that it can be monitored transparently by our customers. We follow legal regulations, ZDHC (Zero Discharge of Hazardous Chemicals) banned and restricted chemical content lists (RSL/MRSL) and positive lists of our customers. We do not allow any chemical without a Safety Data Sheet (SDS) and Technical Data Sheet (TDS) to enter our facility. We have our wastewater tested twice a year according to ZDHC parameters and upload the results to ZDHC and IPE (The Institute of Public & Environmental Affairs) platforms. We report our chemicals and consumption on a monthly basis on the Clean Chain platform and continue to work on continuous improvement. With EIM Score, we try to use chemicals more efficiently by scoring and tracking all our chemical recipes from design to production.



### Sustainable Piece-Dyeing Plant Project

Within the scope of our Sustainable Piece-Dyeing Plant project that we will realize in 2023, we will install a dosing system as well as machines that save water and chemicals in the plant. In addition, the wastewater of the washing plant, which will be recycled with the ultrafiltration and reverse osmosis techniques, will be used in the plant.

## AUTOMATIC DOSING







## SUSTAINABLE DESIGN



As Taypa, we design denim products that minimize environmental impact and promote social responsibility throughout the entire supply chain by focusing on sustainable materials, water and energy saving, chemical management and product life cycle assessment. With our participation in the Ellen MacArthur Foundation Jeans Redesign Initiative, we realize circular-oriented collection studies while raising awareness of our designers on the subject.



### Sustainable Material Selection

Focusing on the use of sustainable materials for denim products, we prefer the use of organic cotton, recycled denim and other sustainable fibers.



### Water and Energy Savings

In denim production, we apply dyeing and finishing processes that ensure efficient use of water, as well as recycling and reuse systems.



### Chemical Management

While focusing on reducing the use of chemicals in denim production and promoting safer chemical alternatives, we prefer non-toxic dyes and chemical finishes and aim to develop closed-loop systems for chemical management.



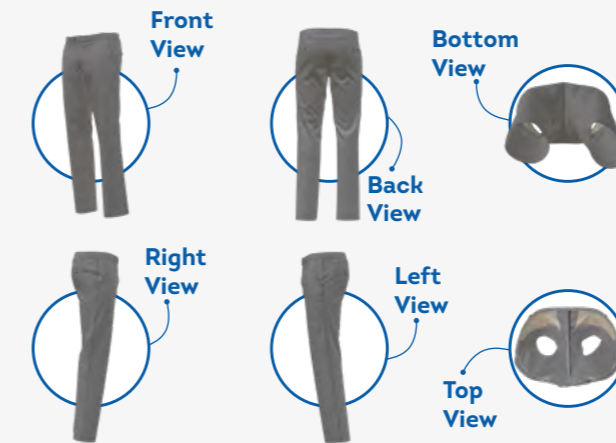
### Product Life Cycle Assessment

We assess the environmental impact of denim products throughout the entire life cycle, from raw material purchasing to disposal. While identifying areas for improvement, we develop strategies to reduce environmental impact.



As Taypa, in line with our sustainability targets, we increase customer satisfaction by enabling faster, more precise and higher quality design of products with the 3D design technology we have implemented, while contributing to sustainability by reducing waste production and carbon footprint.

We are pioneering the sustainable fashion industry with our 4-piece design NFT collection created using this technology. This collection consists of a series of virtual pieces of unique and original designs on a digital platform.





## ENERGY AND EMISSION MANAGEMENT

Climate change, which has consequences such as loss and degradation of ecosystems, reduced water and food security, human migration and increased inequality, negatively affects natural systems and humanity, and is therefore considered among the most crucial risks that the world is facing today. In the 2023 World Economic Forum (WEF) Global Risk Report, inadequacy in combating climate change is listed among the most serious risks.

As Taypa, we carry out our operations with the awareness and responsibility of these risks created by climate change. In this context, we aim to further strengthen our energy and emission management activities and reduce emissions by turning to renewable energy sources. We closely follow new laws and regulations (Climate Law, Green Deal, etc.) both in our country and in the European Union, with which we have intensive commercial relations.

In the reporting period, we started our preparations for the Science Based Targets Initiative (SBTi) with the aim of reducing our emissions in line with the requirements of the Paris Agreement. In this direction, we will determine the medium and long-term target years and reduction amounts and make commitments in the coming period.

In order to use our energy efficiently, we continuously check every machine in our facilities and replace old and energy-consuming machines with the ones that consume less energy with the latest technology.

We record our energy usage data in all our plants in the HIGG FEM (Facility Environmental Module) program affiliated to SAC (Sustainable Apparel Coalition) and share our verified results with our commercial partners.



Our Ergene Laundry Plant has

**150  
50001**

certificate.



In cooperation with the Sustainability Academy, we planted

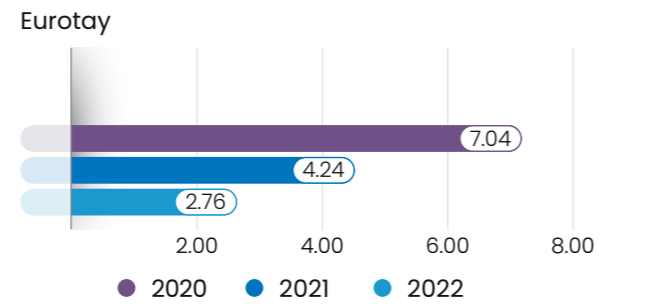
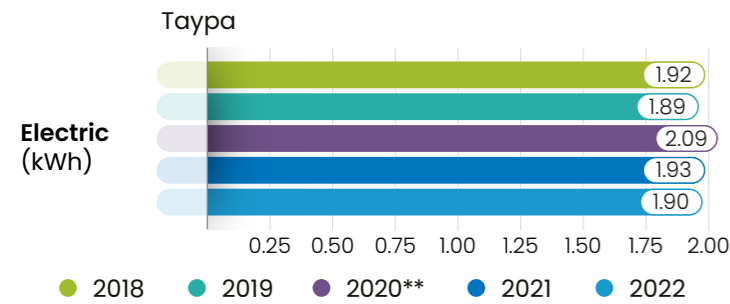
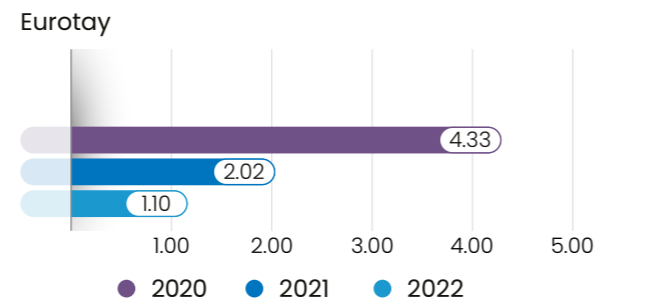
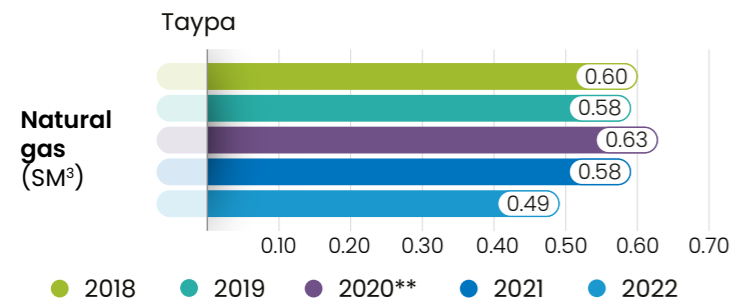
**5,360**

saplings to balance our carbon footprint and create a more livable world.

\* Under the umbrella of SAC, HIGG, an online platform where textile and garment manufacturers share their social and environmental impacts, has FSLM (Facility Social & Labor Module) Module and FEM (Facility Environmental Module) Module.



### Energy Use per Product\*

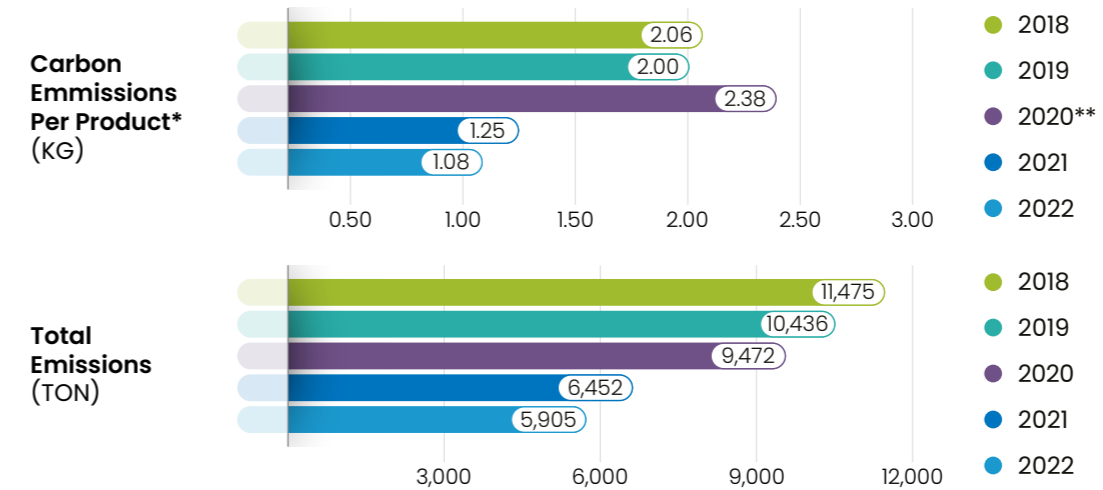


\*Calculated based on energy use and production units.

\*\* In 2020, there was a slight increase in energy use per product due to the negative impact on orders and production units during the pandemic.



In 2022, the amount of natural gas used per product decreased by **20%** compared to the base year 2018.



\*Calculated and reported based on HIGG FEM data verified by independent audit firms.

\*\*In 2020, there was a slight increase in carbon emissions per product due to the negative impact on orders and production quantities during the pandemic.



In 2022, carbon emissions per product decreased by **14%** compared to 2021 and **48%** compared to base year 2018.

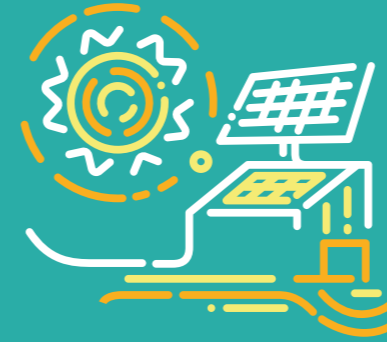
The total amount of location-based emissions decreased by **8%** compared to 2021 and **49%** compared to base year 2018.



# Renewable Energy Project

## Invested Renewable Energy Projects

We added **492** more solar panels in 2022 to the **4,453** solar panels that were placed on the roof of our Ergene plant in 2021. Throughout the year, we generated **2,232,700 kWh** of electricity from **4,945** solar panels and used it as renewable energy in our production, significantly reducing our carbon footprint. As of the half of 2022, we have generated a total of **597,106 kWh** of electricity with **4,507** and **4,755** solar panels that we installed in our Bolu and Silivri plants, respectively, and used them as renewable energy in production.



With a total of **14,207** solar panels on the roofs of all our plants, we increased our renewable energy capacity **from 1.7 MW to 6.2 MW** and started to meet **80%** of our energy needs from renewable energy.

With our investment in solar energy, we protect approximately **20 thousand** trees every year and we prevent **3 thousand** tons of carbon emissions.

We aim to generate more than **5 MW of renewable energy** annually with the Wind Turbine, for which feasibility studies started in 2022 at our Ergene plant. The installation is planned to be completed in 2023.



## Purchased Renewable Energy Projects

In addition to the electricity we generate from solar energy, we procure 100% of the electricity used for all our plants from renewable energy sources certified by **The International REC Standard (I-REC)**.

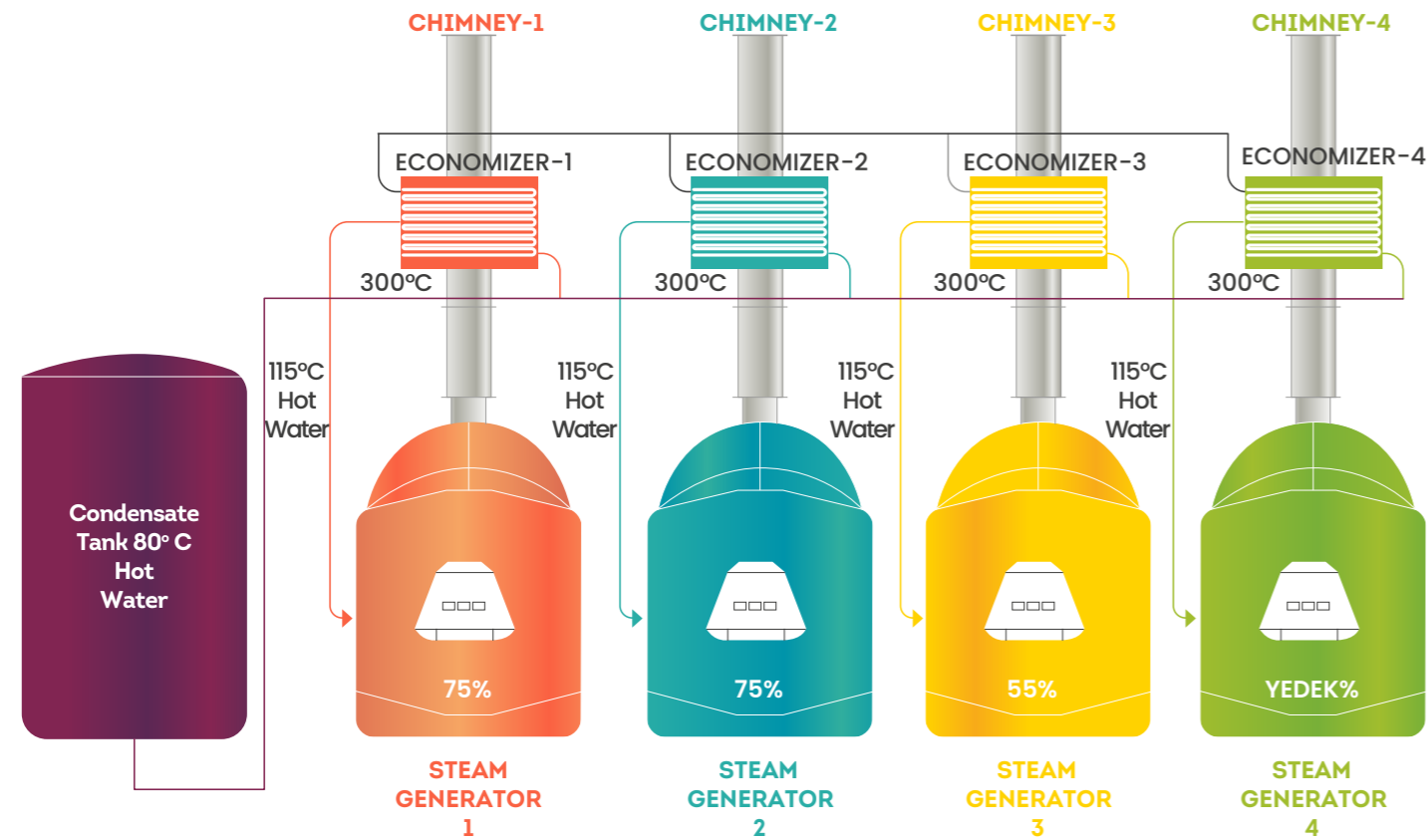
## Hydrogen Project

With the Hydrogen Project, we aim to reduce the total natural gas use at our Ergene plant by **20%**. During the reporting period, we completed the first phase of the project.



## ECONOMIZER PROJECT

With the Economizer Project approved by the Ministry of Energy and Natural Resources VAT, we save 286,000 Sm<sup>3</sup> (11%) of natural gas per year by reusing the waste heat previously released from the steam generator chimneys to heat the washing process water.



## LED Lighting Transformation Project

With our LED Lighting Transformation Project, we transform 75,000 m<sup>2</sup> of indoor lighting in our plants, saving 585,000 kWh of electricity.

## Central Laser Cooling System Project

With our Central Laser Cooling System Project, which was a finalist in the "Sustainable Innovation" category at the 2019 Sustainable Business Awards, we use the water used in the washing process by developing an online system instead of the existing water cooling system required for the operation of laser machines. Thus we reduce electricity consumption from 177 kWh to 28 kWh in total and achieve 84% electricity savings.

## Evaporative Cooling System Project

By cooling the hot air in the ambient air with the operating water in summer, we keep the ambient temperature of the laser section at the desired constant temperature and save 82% of the electricity that would have been used to cool the laser section with air conditioners.

## Hot Steam Recovery Project

By collecting the steam used in the drying process in the steam tank and re-using it in the washing, heating and steam production processes, instead of discharging it to the outside, we achieve energy efficiency and natural gas savings of 12-14%.





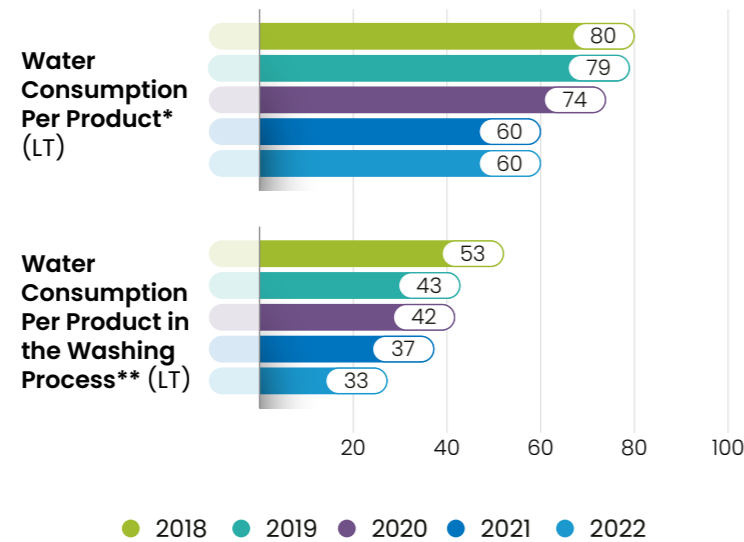
# WATER MANAGEMENT



We are aware of the fact that the sector we operate is a water-intensive sector. Therefore, we have been investing in technologies that reduce water consumption in our washing activities for years. As a result of our investments in Laser Technology, Drop Washing Technology, Ozone Technology and New Generation Washing Machines, we achieved a 25% reduction in the total amount of water used per product in the reporting period compared to the base year 2018, and a 38% reduction in the amount of water used per product in the washing process.

We pay special attention to treatment practices in all our facilities. We periodically have our wastewater analyzed for ZDHC by independent audit institutions; we share the test results and reports with our customers through platforms.

We make efforts to recycle the water used in our laundry plant. With our Wastewater Recycling facility, which started its operations in 2021 with a capacity of up to 55% wastewater recycling, we reuse our wastewater in production with ultrafiltration and reverse osmosis technologies.



In 2022, at Taypa, we achieved a

**25%**

reduction in the total amount of water used per product and a

**38%**

reduction in the amount of water used per product in the washing process compared to the base year 2018.

\* Calculated and reported on Higg FEM data verified by independent audit firms.

\*\*Calculated based on the water usage and production numbers of our own plants in Türkiye.



# Ozone Technology

With the development of Ozone Technology, which we use to improve the effects after washing, we achieve similar effects with ozone without washing. Thus we achieve savings in water, chemicals, energy, time and capacity. Thanks to ozone made with Metosense technology, we significantly reduce water consumption.



-65%



-20%



-80%

## TRADITIONAL DENIM LAUNDRY PROCESS

63

34-66 MEDIUM EFFECT

- Laser Scrapping
- Desize
- Rinses
- Enzyme wash
- Rinses
- Bleach
- Neutralization
- Rinses
- PP Blasting
- Neutralization
- Rinses
- Spin dry
- Dry

## SUSTAINABLE DENIM LAUNDRY PROCESS (OZONE + LASER TECHNOLOGY)

32

0-33 LOW EFFECT

- Laser Scrapping
- G2 Dry Process
- Desize
- Enzyme Wash
- Laser
- G2 Wet process
- Spin Dry
- Dry

## LASER TECHNOLOGY

We ensure efficient use of water by increasing the rate of laser use.





# DROP WASHING TECHNOLOGY



Thanks to the **Drop Washing System** in our laundry plant, we achieve significant water savings by washing **1 Piece of Product with 1 Glass of Water.**

## NEW GENERATION WASHING MACHINES

By increasing the variety of our New Generation Washing Machines; we continue to **SAVE WATER.**







# WASTE MANAGEMENT

Waste management is the process of reducing the amount of waste and reintroducing the waste to the economy through the circular economy concept, and it is one of the most important sustainability policies of our company.

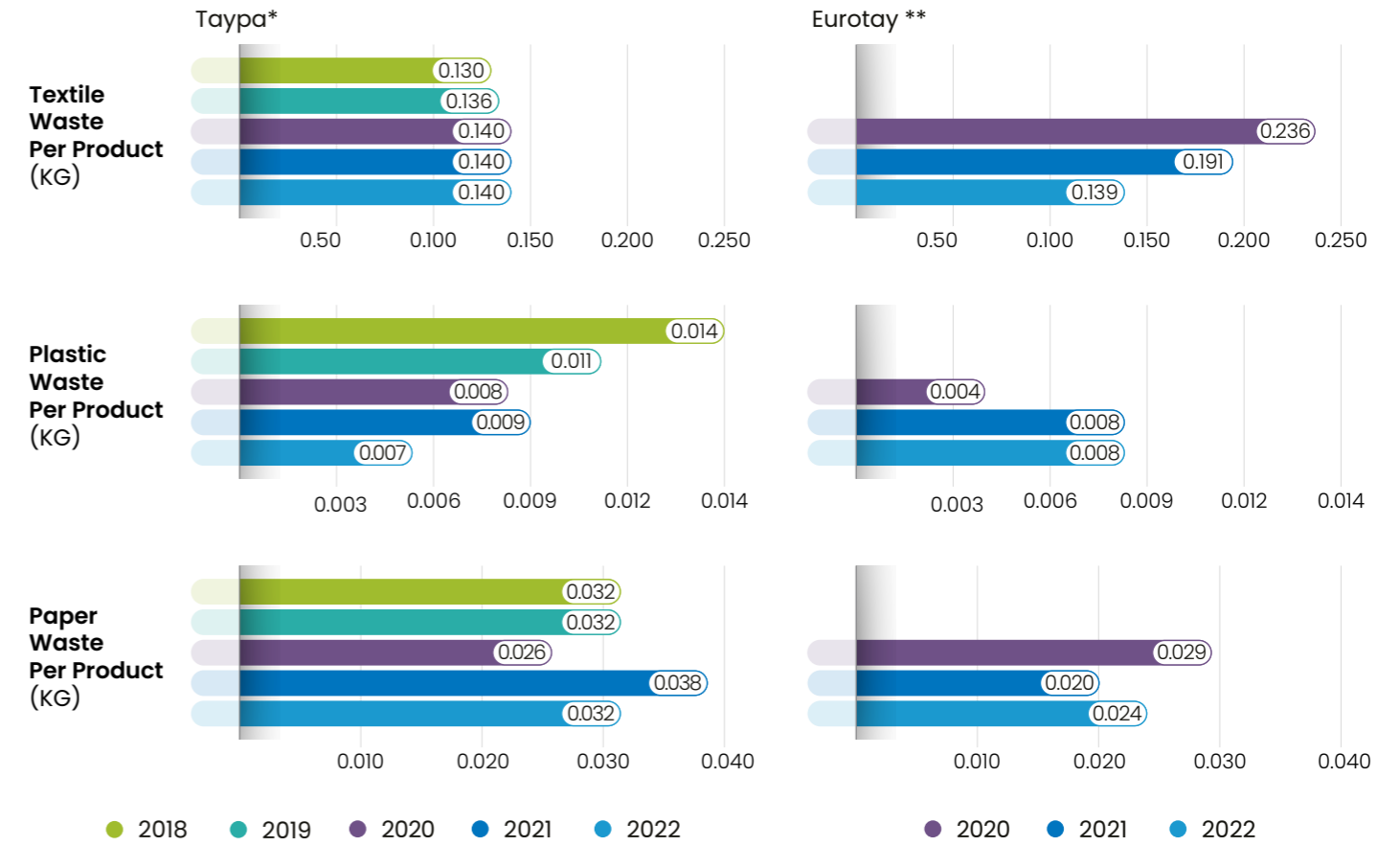
In accordance with zero waste principles, we recycle all of our textile, plastic and paper waste and bring it back into the economy. We contribute to a sustainable future by aiming to reduce the amount of waste through Waste Reduction Projects that we implement. In 2022, we achieved a 50% reduction in plastic waste per product compared to the base year 2018. In the coming period, we aim to prepare collections with fabrics containing our own waste.



We recycle **100%** of our textile, plastic and paper waste.



In 2022, we achieved a **50%** reduction in plastic waste per product compared to the base year 2018.



\* Calculated based on waste quantities and production quantities in MoTAT and Waste Declaration Forms.

\*\*Calculated based on GIO (annual waste report) and production quantities.



## STONE ENZYME PROJECT

With our Stone Enzyme Project, we have largely removed the pumice stone from the washing process. Pumice stone is used to give the product the stone effect. However, thanks to the environmentally friendly stone enzyme we use instead of pumice stone, we both reduce our consumption of natural resources and produce less waste.

## PUMICE SAND UPCYCLE PROJECT

In line with our circular economy principle, we continue to lead our sector with our project to use pumice sand, the output of our wastewater treatment process, as raw material in cement production.



## LCA (LIFE CYCLE ASSESSMENT)



We carry out LCA studies to reduce the impact of our production activities to ensure environmental sustainability, to raise awareness among our stakeholders, to support our customers in changing their end-consumer behavior towards more sustainable products, and to contribute to the goals set out in the European Green Deal to combat global climate change. To date, a total of 24 products have been subjected to LCA\* analysis and their environmental impacts have been evaluated.



\* According to ISO 14040/44 standards, it is an evaluation method in which the environmental impacts of a product or a process can be calculated, measured and reported throughout the entire life cycle, starting from the acquisition of raw materials, processing, production, use and disposal and providing information including resource efficiency and waste generation amount.



# RESPONSIBLE CORPORATE CITIZENSHIP



*For 45 years, we  
have been proud of  
adding value to our  
country and our people.*





**As Taypa, we aim to offer the added value we produce to the service of society through social responsibility projects that respond to the needs of society.**



## **CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

We develop projects with non-governmental organizations working in the fields of health, education and environment with the contributions of our volunteer employees. During the reporting period:

We cooperate with local civil society organizations by collecting our waste with the participation of our employees. In this direction, we provided wheelchair support to disabled individuals through blue lid and waste battery projects.





On behalf of our employees' newborn babies who recently joined the Taypa Family, we contributed to the afforestation activities by donating a total of 100 saplings for each child to the Tema Foundation.



On October 11, International Day of the Girl Child, we visited Koruncuk Foundation Bolluca Children's Village and gifted denim pants to our girls.



We organized a denim workshop for girls staying at Kasımpaşa Oya Kayacık Children's Homes and presented them denim bags made from waste fabrics during the workshop.



On June 14<sup>th</sup> World Blood Donor Day, we donated blood to the Kızılay.



We hosted the Umut Kafe of the Hope Foundation for Children with Cancer (KAÇUV) at our headquarters and supported the treatment needs of children diagnosed with cancer.



# PERFORMANCE INDICATORS

Social Performance Indicators

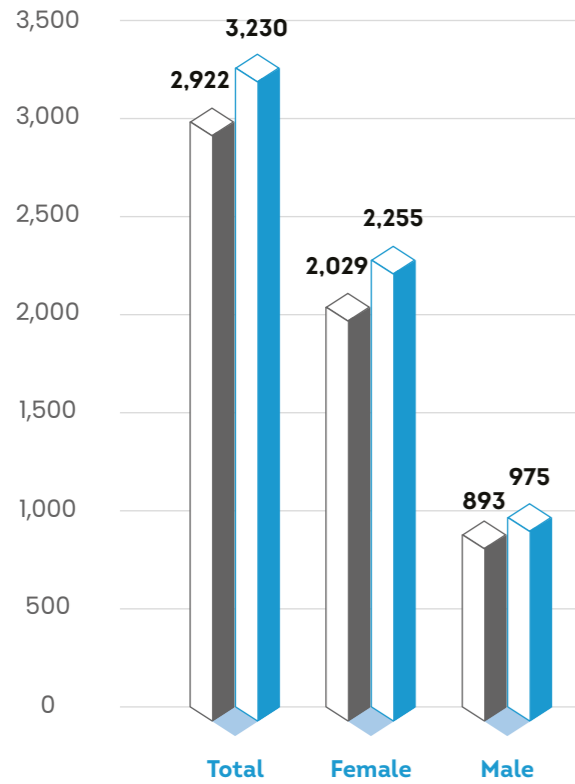
Environmental Performance Indicators



# SOCIAL PERFORMANCE INDICATORS

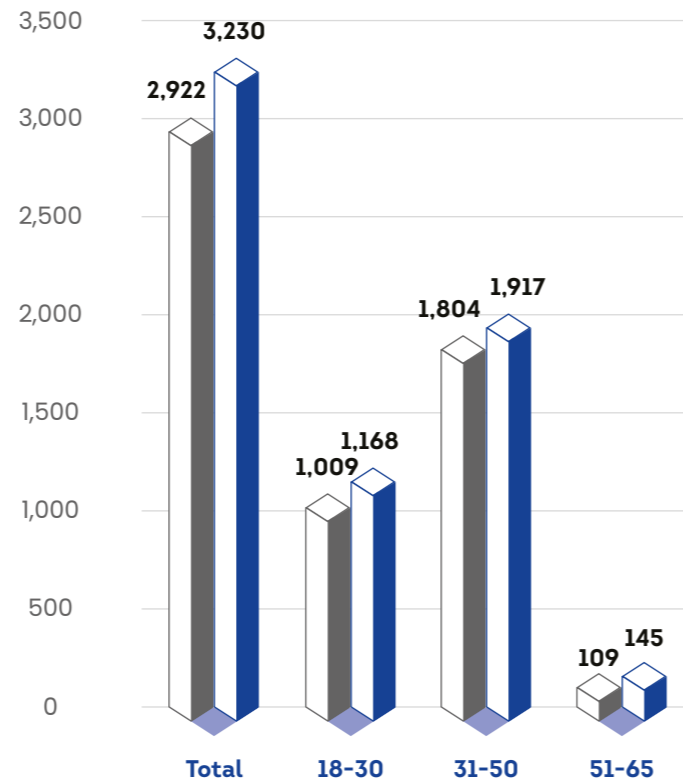


TOTAL NUMBER OF EMPLOYEES



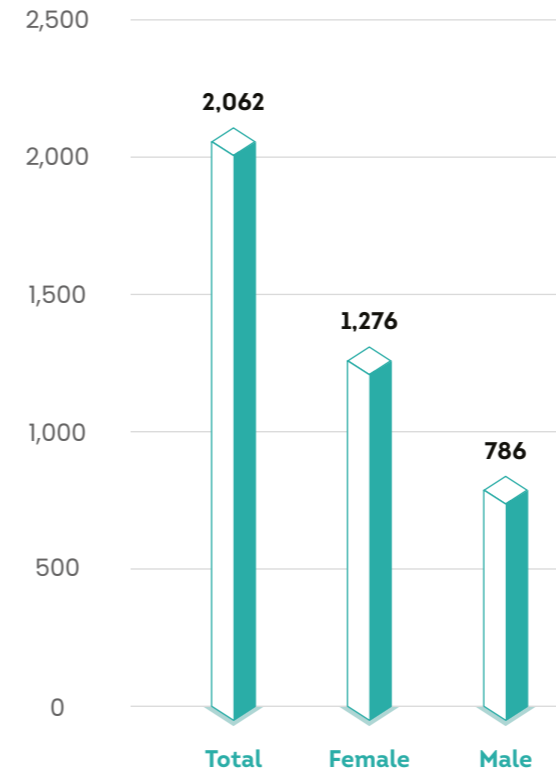
◇ 2018 ◇ 2022

TOTAL NUMBER OF EMPLOYEES BY AGE



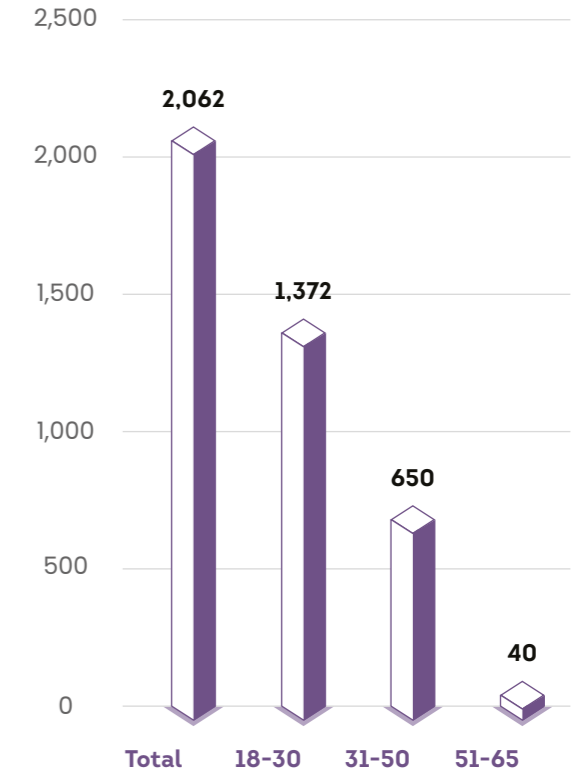
◇ 2018 ◇ 2022

TOTAL NUMBER OF NEW COMER EMPLOYEES



◇ 2022

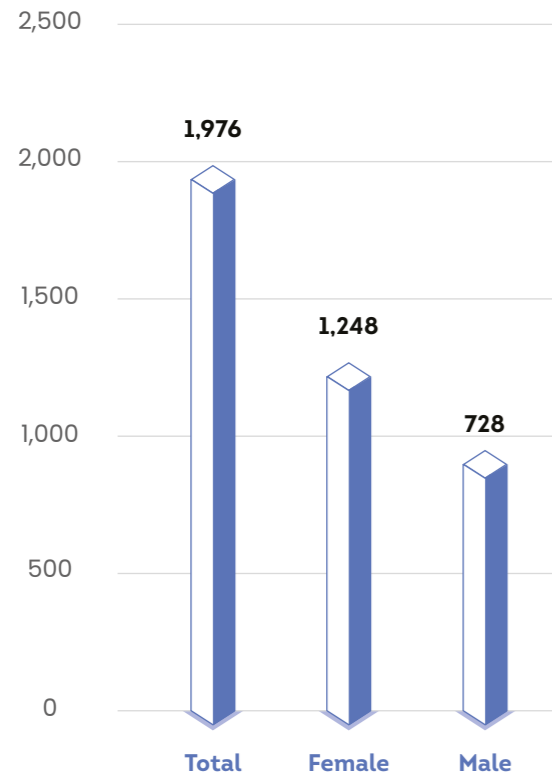
TOTAL NUMBER OF NEW COMER EMPLOYEES BY AGE



◇ 2022

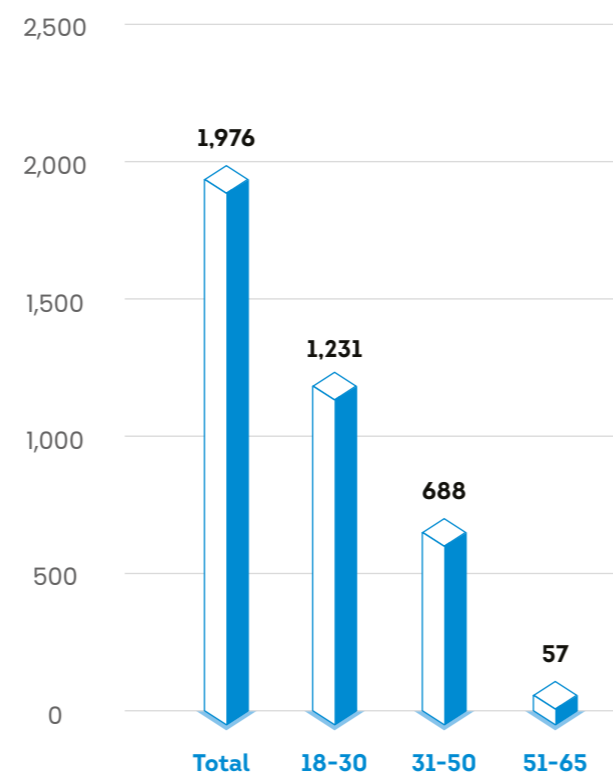


**TOTAL NUMBER OF TERMINATED EMPLOYEES**



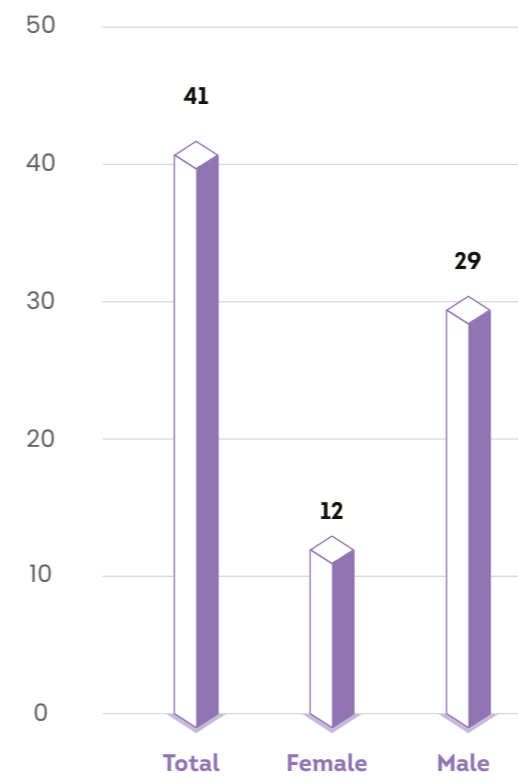
◇ 2022

**TOTAL NUMBER OF TERMINATED EMPLOYEES BY AGE**



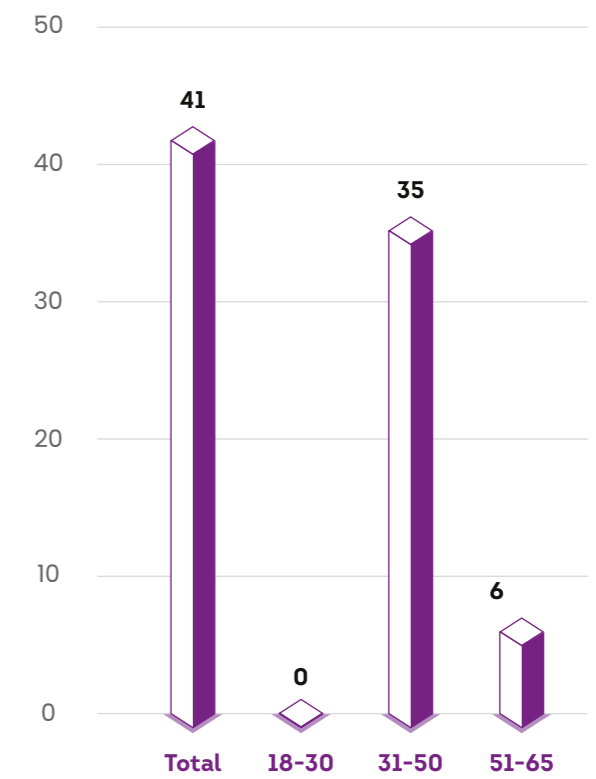
◇ 2022

**SENIOR MANAGEMENT STRUCTURE**



◇ 2022

**SENIOR MANAGEMENT STRUCTURE BY AGE**

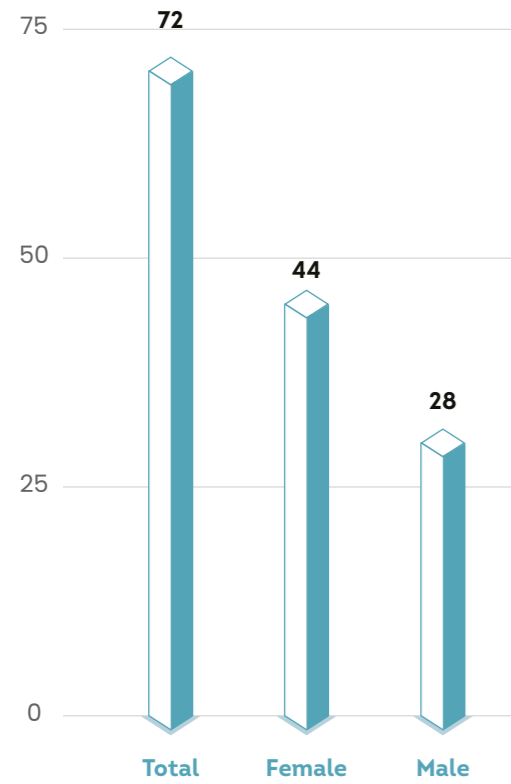


◇ 2022



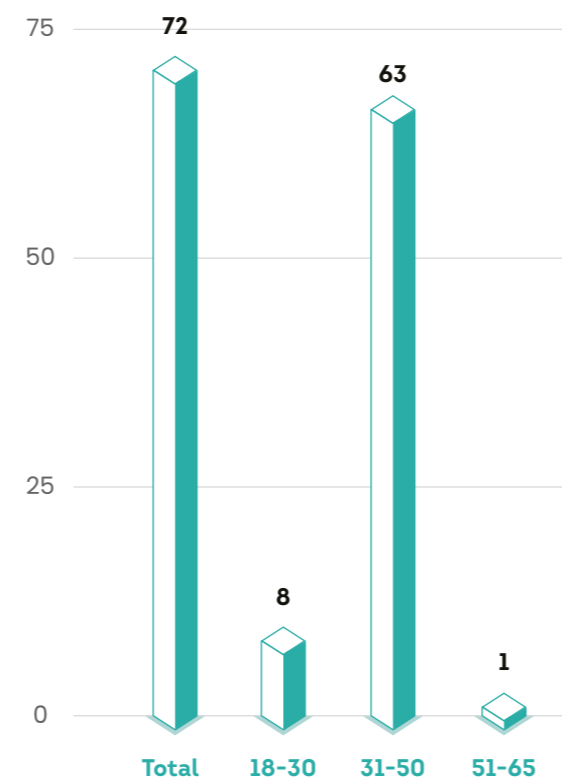


**FIRST LEVEL MANAGEMENT STRUCTURE**



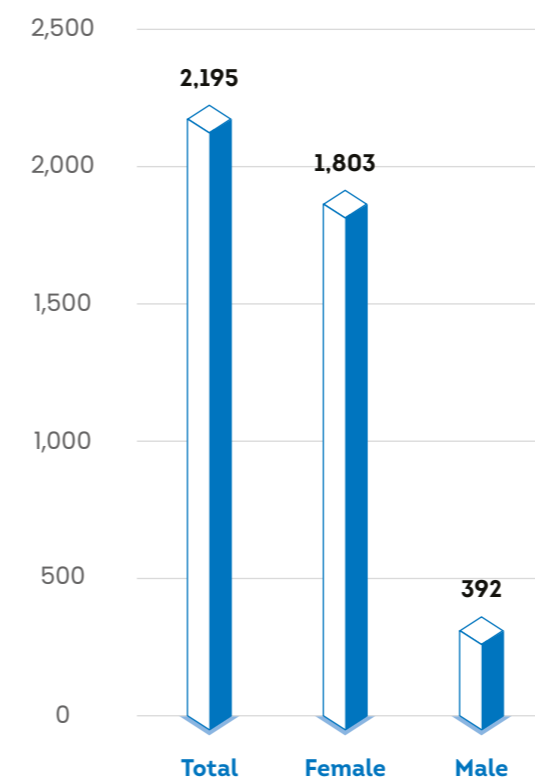
◇ 2022

**FIRST LEVEL MANAGEMENT STRUCTURE BY AGE**



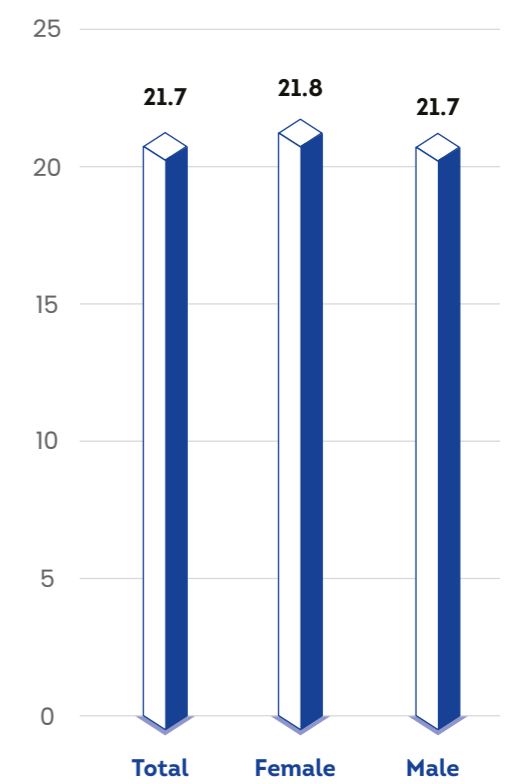
◇ 2022

**NUMBER OF EMPLOYEES RECEIVING REGULAR PERFORMANCE EVALUATION FEEDBACK**



◇ 2022

**AVERAGE HOURS OF TRAINING PER EMPLOYEE**



◇ 2022

**EMPLOYEES\***

Employee Demographics	2020	2021	2022
<b>Total Number of Employees</b>	<b>2,922</b>	<b>3,145</b>	<b>3,230</b>
Female	2,039	2,228	2,255
Male	883	917	975
<b>Total Number of Employees-Eurotay</b>	<b>722</b>	<b>1,083</b>	<b>1,090</b>
<b>Total Number of Employees by Contract Type</b>	<b>2,922</b>	<b>3,145</b>	<b>3,230</b>
Permanent	2,915	3,136	3,217
Female	2,034	2,221	2,244
Male	881	915	973
Temporary	7	9	13
Female	5	7	11
Male	2	2	2
<b>Total Number of Employees by Employment Type</b>	<b>2,922</b>	<b>3,145</b>	<b>3,230</b>
Full-Time	2,922	3,145	3,228
Female	2,039	2,228	2,253
Male	883	917	975
Part-Time			2
Female			2
Male			0
<b>Total Number of Employees by Education Level</b>	<b>2,922</b>	<b>3,145</b>	<b>3,230</b>
Primary School	1,526	1,616	1,714
High School	1,051	1,103	1,058
Associates Degree	142	177	204
Under-Graduate	194	238	242
Post-Graduate	9	11	12
PhD	0	0	0

\* It includes the data of the Headquarters, Bolu, Ergene and Silivri plants. The total number of employees of Eurotay are also indicated.

**EMPLOYEES**

Employee Demographics	2020	2021	2022
<b>Total Number of Employees by Age</b>	<b>2,922</b>	<b>3,145</b>	<b>3,230</b>
18-30	1,009	1,120	1,168
31-50	1,804	1,899	1,917
50+	109	126	145
<b>Senior Management Structure (Number)</b>	<b>32</b>	<b>32</b>	<b>41</b>
Female	12	10	12
Male	20	22	29
18-30	0	0	0
31-50	22	27	35
50+	10	5	6
<b>First Level Management Structure (Number)</b>	<b>62</b>	<b>72</b>	<b>72</b>
Female	37	44	44
Male	25	28	28
18-30	8	7	8
31-50	52	63	63
50+	2	2	1
<b>The Number of Employees with Disabilities</b>	<b>58</b>	<b>54</b>	<b>71</b>
<b>The Number of Under-Graduate Interns</b>		<b>2</b>	<b>0</b>
<b>The Number of High School Interns</b>	<b>7</b>	<b>7</b>	<b>13</b>
<b>The Number of Employees on Maternal and Paternal Leave</b>	<b>130</b>	<b>90</b>	<b>103</b>
Female	91	64	79
Male	39	26	24
<b>The Number of Employees Returning from Maternal and Paternal Leave</b>	<b>105</b>	<b>69</b>	<b>66</b>
Female	66	43	42
Male	39	26	24



## EMPLOYEES

Employee Turnover	2020	2021	2022
Turnover Rate (%)	28.1	40.3	61.4
The Number of Newly Hired Employees	1,076	1,482	2,062
Female	782	1,018	1,276
Male	294	464	786
18-30	702	973	1,372
31-50	366	491	650
50+	8	18	40
The Number of Leaving Employees	921	1,257	1,976
Female	635	825	1,248
Male	286	432	728
18-30	572	783	1,231
31-50	325	448	688
50+	24	26	57
Employee Development	2020	2021	2022
Employee Trainings- Number of Participants (person)	5,355	3,808	3,613
Female	3,734	2,643	2,327
Male	1,621	1,165	1,86
Employee Trainings- Total Hours (person*hour)	33,500	51,717	78,528
Female	22,258	35,486	50,624
Male	11,242	16,231	27,905
Average Hours of Training per Employee	6.3	13.6	21.7
Female	6	13.4	21.8
Male	6.9	13.9	21.7
The Number of Employees Receiving Regular Performance Evaluation Feedback**	1,630	1,935	2,195
Female	1,338	1,456	1,803
Male	292	479	392

\*Performance evaluation feedback is carried out for production employees.

## OHS

OHS Committee	TAYPA*			EUROTAY		
	2020	2021	2022	2020	2021	2022
The Number of OHS Committees	4	4	4	1	1	1
The Number of OHS Committee Members	49	52	42	8	7	8
The Number of Employee Representatives in OHS Committees	10	12	12	3	2	4
OHS Trainings- Number of Participants (person)	550	2,542	2,750	344	800	360
OHS Trainings- Total Hours (person*hour)	1,135	16,269	17,386	172	400	180
Accident Frequency Rate	83	54	65	49	23	33
Injury Rate	0.02	0.05	0.05	0.01	0.01	0.01
Accident Severity Rate	1.88	1.92	2.51	6.39	1.92	4.08
Occupational Disease Rate	0	0	0	0	0	0
Lost Day Rate	0.0019	0.0019	0.0025	0.0008	0.0002	0.0005
Absenteeism Rate	0.0081	0.0044	0.0045	0.0004	0.0121	0.0115
Fatalities						
Direct Employment	0	0	1**	0	0	0
Contractor Employee	0	0	0	0	0	0
The Number of People Working in Environments with a High Risk of Accident or Occupational Disease						
Direct Employment	264	255	163	20	38	28
Contractor Employee	14	15	28	-	-	-

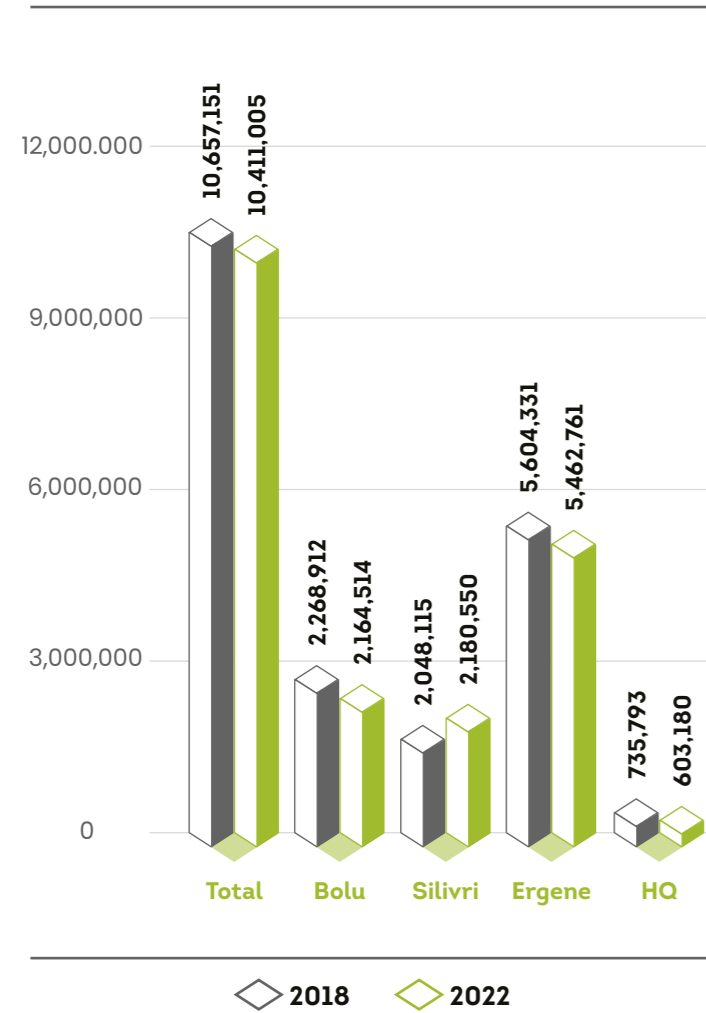
\* It includes the data of the Headquarters, Bolu, Ergene and Silivri plants

\*\* As a result of a heart attack

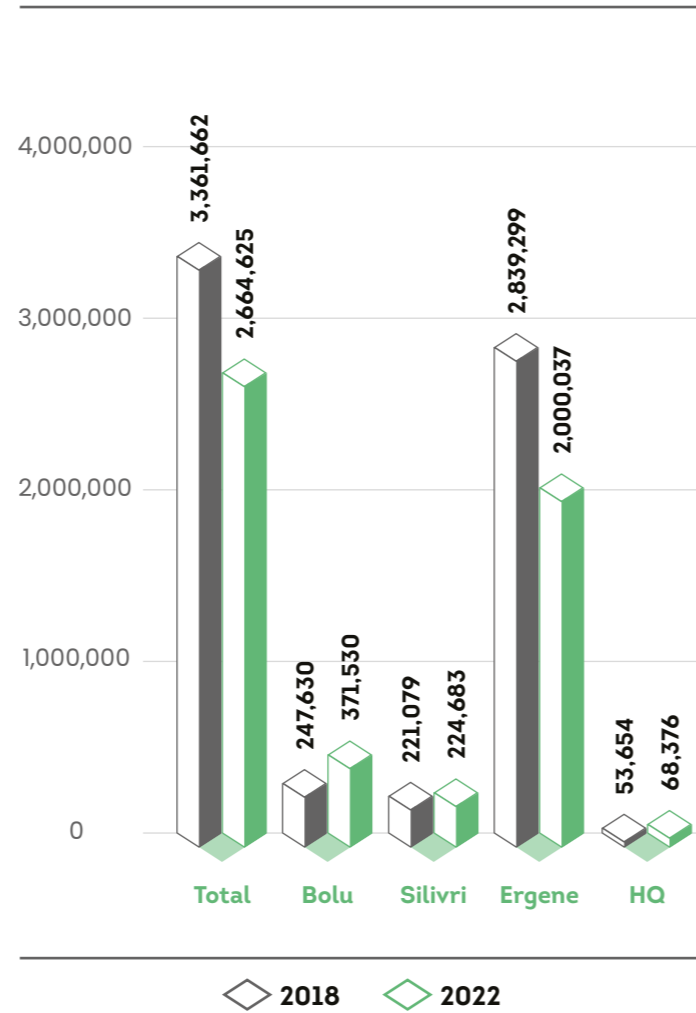


# ENVIRONMENTAL PERFORMANCE INDICATORS

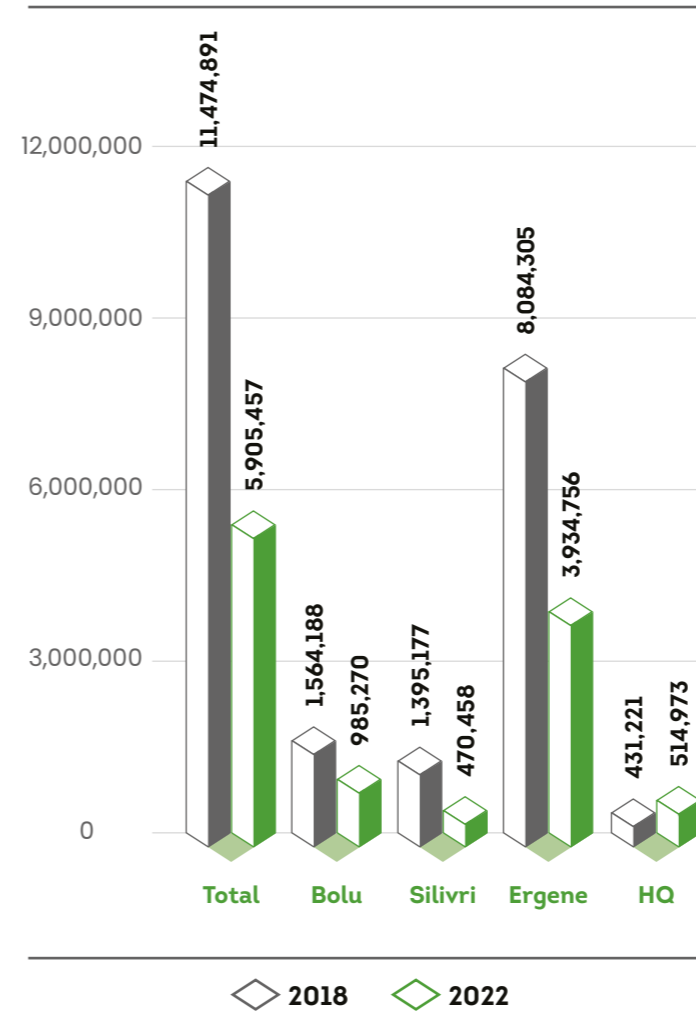
**ELECTRIC** (kWh)



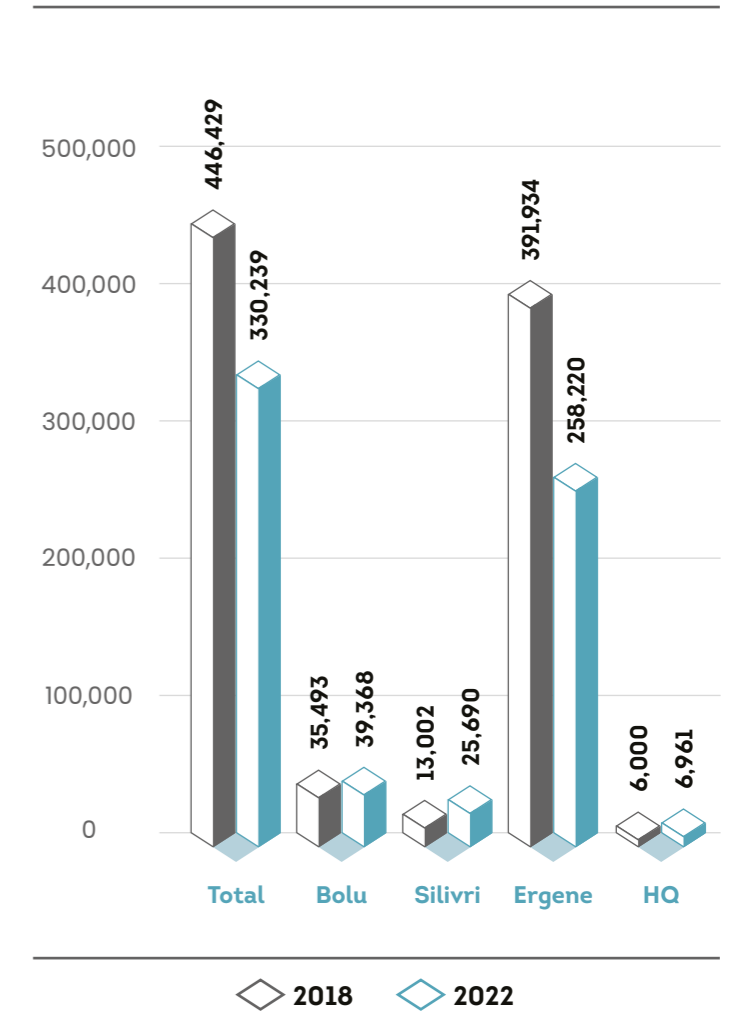
**NATURAL GAS** (Sm<sup>3</sup>)



**EMISSIONS** (KG CO<sub>2</sub>)



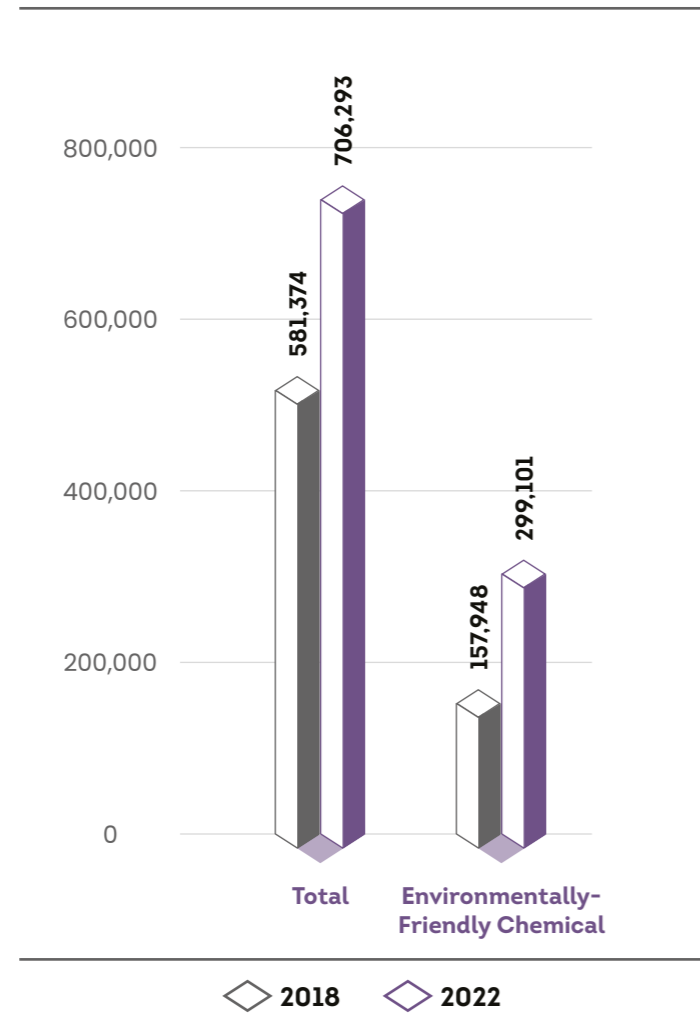
**WATER** (M<sup>3</sup>)



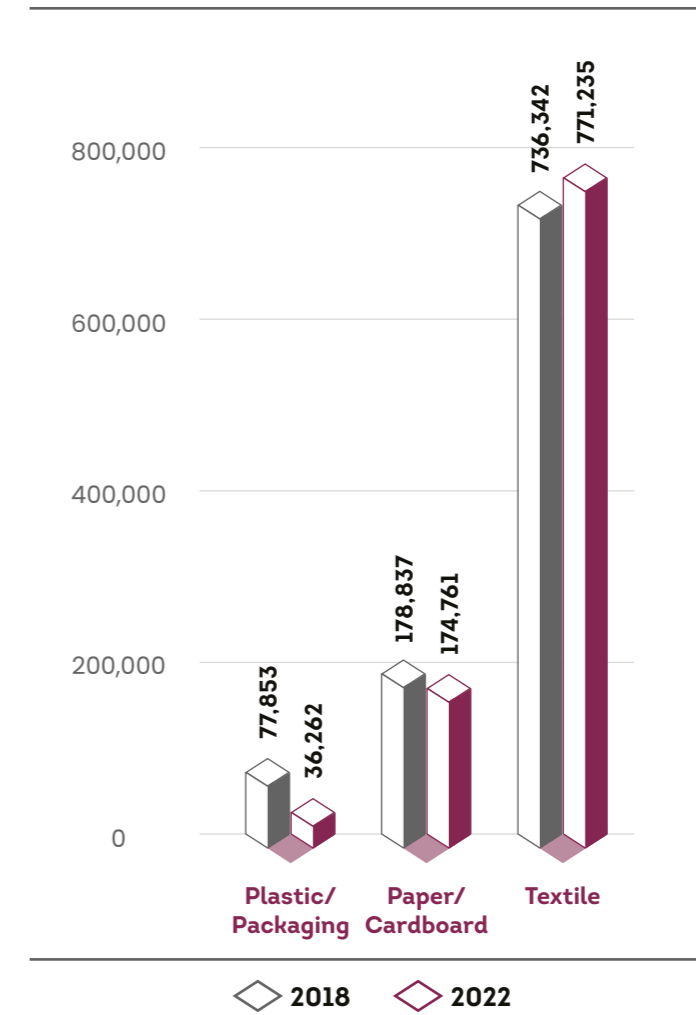
\* 2018 the number of internal production: 5,562,532  
\*\*2022 the number of internal production: 5,489,913



**CHEMICAL (KG)**



**WASTE (KG)**





	TAYPA			EUROTAY		
	2020	2021	2022	2020	2021	2022
Total Number of Production	7,012,555	11,060,126	10,989,752	-	-	-
Factory Production Number	3,979,297	5,148,556	5,489,913	266,007	711,506	1,166,547
Energy Consumption						
Electric (kWh)	8,305,518	9,939,354	10,411,005	1,873,176	3,016,816	3,215,104
Natural Gas (Sm3)	2,525,009	2,962,815	2,664,625	1,151,255	1,438,425	1,280,340
Electricity Consumption per Product (kWh)	2.09	1.93	1.90	7.04	4.24	2.76
Natural Gas Consumption per Product (Sm3)	0.63	0.58	0.49	4.33	2.02	1.10
Emissions (kg CO2)	9,472,405	6,452,885	5,905,457	-	-	-
Emissions per Product (kg CO2)	2.38	1.25	1.08	-	-	-
Water Consumption (m3)	294,802	308,220	330,239	-	36,620	120,333
Water Consumption per Product(m3)	0.07	0.06	0.06	-	0.05	0.10
Chemical Use (kg)	582,763	758,657	706,293	-	-	-
Environmentally- Friendly Chemical Use (kg)	207,902	367,611	299,101	-	-	-
Waste (kg)						
Textile	556,530	718,853	771,235	62,850	135,950	162,260
Paper/Cardboard	103,940	197,502	174,761	7,840	14,025	27,660
Plastic/Packaging	33,000	46,278	36,262	982	5,654	8,870
Treatment Waste	2,596,815	4,038,720	3,554,610	-	664,240	865,680
Total	3,290,285	5,001,353	4,536,868	71,672	819,869	1,064,470
Waste per Product (kg)	0.83	0.97	0.83	0.27	1.15	0.91

**Other Significant Air Emissions\***

Location	CO	NO	NO <sub>2</sub>	SO <sub>2</sub>	Toz	VOC	NOx
Ergene	0.3833	0.7222	-	0.0129	0.1424	-	1.1633
Bolu	1.1790	-	0.5180	-	0.0500	0.0003	-
Silivri	0.0066	0.3050	0.0089	-	0.0082	0.0005	0.4765
Headquarters	0.0172	0.1709	0.0090	-	0.0093	-	-
Eurotay	0.0444	-	-	-	-	-	0.1894

**CO:** Carbon monoxide gases  
**NO:** Nitrogen monoxide gases  
**NOx:** Nitrous oxide gases

**NO<sub>2</sub>:** Nitrogen dioxide gases  
**SO<sub>2</sub>:** Sulfur dioxide gases  
**Dust:** Particles

**VOC:** Volatile Organic Compounds

\*The values of mass flow rates of emission sources in kg/hour for the parameters specified in the table.



# GRI CONTENT INDEX



Statement of use : TAYPA has reported in accordance with the GRI Standards for the period 01 January 2022-31 December 2022

GRI 1 used : GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) : /

### OMISSION

GRI STANDARD	DISCLOSURE	LOCATION	Requirement(s) Omitted	Reason Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	About Tay Group, p. 8-15; About Taypa, p.16-17		
	2-2 Entities included in the organization's sustainability reporting	About the Report, p.3		
	2-3 Reporting period, frequency and contact point	About the Report, p.3; Contact, p.131		
	2-4 Restatements of information	About the Report, p.3		
	2-5 External assurance	GRI Content Index: None		
	2-6 Activities, value chain and other business relationships	About Tay Group, p.8; About Taypa, p.16; Stakeholder Engagement, p.36-37; Supply Chain Management, p.62-64		
	2-7 Employees	Employee Rights, Diversity and Inclusion, p.43; Social Performance Indicators, p.112-113		
	2-8 Workers who are not employees	GRI Content Index: There are no subcontracted workers.		
	2-9 Governance structure and composition	Corporate Governance Approach, p.23		
	2-10 Nomination and selection of the highest governance body	Corporate Governance Approach, p.22-23		
	2-11 Chair of the highest governance body	Corporate Governance Approach, p.22		
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Approach, p.22		
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Approach, p.22		
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management, p.29		

### OMISSION

GRI STANDARD	DISCLOSURE	LOCATION	Requirement(s) Omitted	Reason Explanation
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	Compliance with Ethical Principles, p.25-26		
	2-16 Communication of critical concerns	Compliance with Ethical Principles, p.25-26; Stakeholder Engagement, p.36-37		
	2-17 Collective knowledge of the highest governance body	Corporate Governance Approach, p.23		
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Approach, p.22		
	2-19 Remuneration policies	GRI Content Index: "Equal pay for equal work" principle is applied.		
	2-20 Process to determine remuneration	GRI Content Index: In the wage determination process; inflation, minimum wage and market competition conditions are taken into account.		
	2-21 Annual total compensation ratio	GRI Content Index: This information is not shared for privacy reasons.		
	2-22 Statement on sustainable development strategy	Sustainability Management, p. 28-29		
	2-23 Policy commitments	Sustainability Management, p. 30-32		
	2-24 Embedding policy commitments	Sustainability Management, p. 30-32		
	2-25 Processes to remediate negative impacts	Risk Management, p. 27; Stakeholder Engagement, p. 34-35		
	2-26 Mechanisms for seeking advice and raising concerns	Compliance with Ethical Principles, p. 25-26; Stakeholder Engagement, p. 34-35		
	2-27 Compliance with laws and regulations	GRI Content Index: No penalties for non-compliance with laws and regulations were received during the reporting period.		
	2-28 Membership associations	Corporate Memberships and Supported Initiatives, p.36		
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, p. 34-35		
	2-30 Collective bargaining agreements	GRI Content Index: There is no Collective Bargaining Agreement.		



**OMISSION**

GRI STANDARD	DISCLOSURE	LOCATION	Requirement(s) Omitted	Reason Explanation
<b>Material topics</b>				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Management, p 32-33		
	3-2 List of material topics	Sustainability Management, p 32-33		
<b>Economic Performance</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p 32-33		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	About Tay Group, p.8; About Taypa, p.17		
	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management, p. 27		
<b>Corporate Governance</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p 32-33; Corporate Governance p. 22-27		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Compliance with Ethical Principles, p. 24-26		
	205-2 Communication and training about anti-corruption policies and procedures	Compliance with Ethical Principles, p. 24		
	205-3 Confirmed incidents of corruption and actions taken	Compliance with Ethical Principles, p. 24		
<b>Stakeholder Engagement</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p 32-33; Stakeholder Engagement, p. 34-45		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Corporate Social Responsibility Activities, p. 99-101		
	203-2 Significant indirect economic impacts	Corporate Social Responsibility Activities, p. 99-101		

**OMISSION**

GRI STANDARD	DISCLOSURE	LOCATION	Requirement(s) Omitted	Reason Explanation
<b>Human Rights and Working Conditions</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p 32-33; Employee Rights, Diversity and Inclusion, p.41		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	GRI Content Index: None		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	GRI Content Index: None		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	GRI Content Index: None		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	GRI Content Index: All security personnel completed required legal training.		
<b>Local Employment</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI Content Index: During the reporting period, the rate of local employees was 99.9%.		
<b>Diversity and Inclusion</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33; Employee Rights, Diversity and Inclusion, p.41-42		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Social Performance Indicators, p. 110-111		
	405-2 Ratio of basic salary and remuneration of women to men	Employee Rights, Diversity and Inclusion, p.41		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	GRI Content Index: There were no cases of discrimination during the reporting period.		





**OMISSION**

GRI STANDARD	DISCLOSURE	LOCATION	Requirement(s) Omitted	Reason	Explanation
<b>Gender Equality/ Women's Empowerment</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33; Employee Rights, Diversity and Inclusion, p.42			
<b>Employee Development and Talent Management</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33 ; Employee Development and Talent Management, sp 43-47			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Performance Indicators, p.112			
	401-3 Parental leave	Social Performance Indicators, p.111			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social Performance Indicators, p.109			
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development and Talent Management, sp 44-45			
	404-3 Percentage of employees receiving regular performance and career development reviews	Social Performance Indicators, p.112			
<b>Employee Engagement and Satisfaction</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33; Employee Satisfaction p.48-50			

**OMISSION**

GRI STANDARD	DISCLOSURE	LOCATION	Requirement(s) Omitted	Reason	Explanation
<b>Occupational Health and Safety</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33; Occupational Health and Safety, p.53-54			
	403-1 Occupational health and safety management system	Occupational Health and Safety, p.51-52			
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, p.52, Social Performance Indicators, p.113			
	403-3 Occupational health services	Occupational Health and Safety, p.52			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, p.51			
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, p.51			
	403-6 Promotion of worker health	Occupational Health and Safety, p.52			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, p.51-52			
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, p.51-52			
	403-9 Work-related injuries	Social Performance Indicators, p.113			
	403-10 Work-related ill health	Social Performance Indicators, p.113			



**OMISSION**

GRI STANDARD	DISCLOSURE	LOCATION	Requirement(s) Omitted	Reason Explanation
<b>Customer Satisfaction and Confidentiality</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33; Customer Satisfaction p.57-59		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI Content Index: No such non-compliance during the reporting period has occurred.		
<b>Marketing and Labeling</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	GRI Content Index: Product labels are prepared within the framework of legal regulations, taking into account customer manuals.		
	417-2 Incidents of non-compliance concerning product and service information and labeling	GRI Content Index: No such non-compliance during the reporting period has occurred.		
	417-3 Incidents of non-compliance concerning marketing communications	GRI Content Index: No such non-compliance during the reporting period has occurred.		
<b>Responsible Purchasing/Supply Chain Management</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33 ; Supply Chain Management, p. 60-64		
GRI 204: Purchasing Practices 2016	204-1 Proportion of spending on local suppliers	Supply Chain Management, p. 60		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management, p. 62-63		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management, p. 62-63		
<b>R&amp;D and Innovation</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33 ; R&D and Innovation, p.65		
<b>Digitalization</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33 ; Digitalization and Information Security, p. 66-67		

**OMISSION**

GRI STANDARD	DISCLOSURE	LOCATION	Requirement(s) Omitted	Reason Explanation
<b>Product Quality and Safety</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33; Product Quality and Safety, p.71		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product Quality and Safety, p.71		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Content Index: No such non-compliance during the reporting period has occurred.		
<b>Responsible Raw Material Usage</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33; Responsible Raw Material Usage, p. 72		
<b>Sustainable Design</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33; Sustainable Design, p.76-77		
<b>Transitioning to Low Carbon Economy</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33; Sustainable Design, p.76; Energy and Emissions Management , p.78-85; Waste Management, p .92-94; LCA, p.95		
<b>Energy and Emissions Management</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33; Energy and Emissions Management, p.78-85		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and Emissions Management, p.80		
	302-3 Energy intensity	Environmental Performance Indicators, p.120		
	302-4 Reduction of energy consumption	Energy and Emissions Management, p.82-85		
	302-5 Reductions in energy requirements of products and services	Energy and Emissions Management, p.82-85		
GRI 305: Emissions 2016	305-4 GHG emissions intensity	Environmental Performance Indicators, p.120		
	305-5 Reduction of GHG emissions	Energy and Emissions Management, p.82-85		



# CONTACT



## OMISSION

GRI STANDARD	DISCLOSURE	LOCATION	Requirement(s) Omitted	Reason	Explanation
<b>Water Management</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33; Water Management, p. 86-91			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, p. 86-87			
	303-2 Management of water discharge-related impacts	Water Management, p. 87			
	303-5 Water consumption	Water Management, p. 85; Environmental Performance Indicators,p.115			
<b>Waste Management and Circular Economy</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33; Waste Management, p. 92-94			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, p. 92-94			
	306-2 Management of significant waste-related impacts	Waste Management, p. 92-94			
	306-3 Waste generated	Waste Management, p. 93 ; Environmental Performance Indicators,p.117			
	306-4 Waste diverted from disposal	Waste Management, p. 92			
<b>Environmental Compliance</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	GRI Content Index: No penalties for non-compliance with environmental laws and regulations were received during the reporting period.			
<b>Social Development and Investments</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Management, p.32-33; Corporate Social Responsibility Activites, p. 99-101			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability Management, p.32-33; Corporate Social Responsibility Activites, p. 99-101			

### Taypa Tekstil Giyim San. ve Tic. A.Ş.

**Adress:** Cumhuriyet Mah. Eski Hadımköy Yolu İnciler Cihan Sanayi Sitesi

C Blok 34520 Büyükçekmece İstanbul/Türkiye

**E-mail:** [csr@taypa.com.tr](mailto:csr@taypa.com.tr); [hr@taypa.com.tr](mailto:hr@taypa.com.tr)

**Phone:** +90 212 866 13 00

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**In the preparation of this report \*FSC Document approved paper was used.**

\*FSC (Forest Management Council) Document is a management certification system that intends to prevent bad forest policies, spread to forest management system and enable make use of forests correctly.

**SUSTAINABILITY  
REPORT  
2022**





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