



erateks

Corporate Sustainability **2023**  
Impact Report



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# Abbreviations

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- **AFAD** – Disaster and Emergency Management Authority
- **BCI** – Better Cotton Initiative
- **UN** – United Nations
- **CDP** – Carbon Disclosure Project
- **CEO** – Chief Executive Officer
- **CSRD** – Corporate Sustainability Reporting Directive
- **ERP** – Enterprise Resource Planning
- **FLA** – Fair Labor Association
- **SES** – Solar Energy System
- **GHG** – Greenhouse Gas Protocol
- **HQ** – Headquarters
- **GOTS** – Global Organic Textile Standard
- **GRI** – Global Reporting Initiative
- **GRS** – Global Recycled Standard
- **İBB** – Istanbul Metropolitan Municipality
- **ILO** – International Labor Organization
- **I-REC** – International Renewable Energy Certificate
- **OHS** – Occupational Health and Safety
- **İŞKUR** – Turkish Employment Agency
- **ISO** – International Organization for Standardization
- **ICOC** – Istanbul Chamber of Commerce
- **KADAV** – Foundation for Solidarity with Women
- **KGK** – Public Oversight Authority
- **MRS�** – Manufacturing Restricted Substance List
- **OCS** – Organic Content Standard
- **OSB** – Organized Industrial Zone
- **RCS** – Recycled Claim Standard
- **SDGs** – Sustainable Development Goals
- **CBAM** – Carbon Border Adjustment Mechanism
- **SLCP** – Social & Labor Convergence Program
- **NGOs** – Non-Governmental Organizations
- **SWS** – Sustainable Works Station Consultancy Ltd.
- **TUİK** – Turkish Statistical Institute
- **UNCAC** – UN Convention Against Corruption
- **UNFCCC** – UN Framework Convention on Climate Change
- **WEPS** – Women's Empowerment Principles
- **LCA** – Life Cycle Assessment





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# Scope of the Report



The Erateks 2023 Sustainability Impact Report covers the economic, social, and environmental activities we carried out in the field of sustainability between January 1st, 2023, and December 31st, 2023, along with the outcomes of these activities. The report has been prepared in accordance with the principles of transparency and accountability, demonstrating the sustainability efforts of the organization to all stakeholders.

The content of this report focuses on issues that are identified as important and material for Erateks Tekstil and its stakeholders. An inclusive stakeholder engagement process was carried out while determining Erateks Textile's sustainability priorities. The process for determining the material issues in the report is presented under the heading "Sustainability Priorities".

Erateks' social, environmental, and governance performance has been measured and reported using the UN Sustainable Development Goals (SDGs), Carbon Disclosure Project (CDP), International Labor Organization (ILO), UN GC Women's Empowerment Principles (WEPs), UN Framework Convention on Climate Change (UNFCCC), UN Convention Against Corruption (UNCAC), and the Greenhouse Gas Protocol (GHG) and internationally recognized leading principles and frameworks.

In the Erateks Sustainability Report, the terms "Erateks Tekstil," "Erateks," and "Our Company" refer to all operations of Erateks Tekstil Sanayi ve Ticaret Anonim Şirketi. The gathering of the data related to the report has been coordinated by the Erateks Tekstil Sustainability team, with contributions from relevant units within Erateks Tekstil and Sustainable Works Station Consultancy Ltd. The Erateks Tekstil 2023 Sustainability Impact Report has been prepared in both Turkish and English. The report has not been externally audited.

We would be pleased to receive your comments and suggestions regarding our sustainability efforts and the content of this report. You can share your views and comments with us via our email address [info@erateks.com](mailto:info@erateks.com).





# Chairman of the Board

Dear Stakeholder,

2023 was a successful period for our company despite the fluctuations in both the global and national economy. The presidential election, the changing economic policy, high inflation and the accompanying high exchange rate increase were commercially and operationally challenging. Throughout this process, where our sustainability mission was at the forefront, we took significant steps as Erateks and achieved successful results.

Additionally, following the devastating earthquakes of February 6th that affected our country and caused great sorrow last year, we acted in a spirit of social solidarity and cooperation. We actively participated in support and aid projects for the communities in the regions affected by the earthquake.

As Erateks, we continued to adhere to our goals without compromising our corporate determination and sustainability approach. In collaboration with our stakeholders, we succeeded in increasing our production capacity by 37%. While realizing our investments in renewable energy, we also implemented the 13th salary practice to enhance the welfare of our employees. Moreover, the Re-Fibre Project, which we conducted jointly with PUMA, has been one of the pioneering initiatives in the field of circularity in the textile industry.

Throughout the past year, we have made significant progress in reducing our negative environmental and social impacts. Our transition to renewable energy sources has strengthened our commitments to reducing our carbon footprint. Simultaneously, we continued to invest in various social responsibility projects to increase the value we provide to our stakeholders. We consider our achievements in the field of sustainability in 2023 as an integral part of our business strategy. These achievements are based on the commitment and support of our employees and business partners. Therefore, we prioritize not only our financial performance but also our social and environmental performance.

In 2024, we will continue to work decisively to achieve our sustainability goals. We will maintain transparent corporate communication with all our stakeholders and remain committed to our aim of leaving a more livable world for future generations.

Thank you for your participation, support, and trust.

Erhan VATAN



**ERHAN VATAN**  
Chairman of the Board



# Head of Corporate Sustainability

Dear Stakeholder,

As Erateks, we take great pride in our commitment and successes in sustainability on a global scale within the fashion and ready-to-wear industry. For years, we have placed sustainability principles at the core of our business strategy and have consistently reported our efforts transparently. Sustainability has now become not merely an option but a necessity in the business world; the European Union Corporate Sustainability Reporting Directive (EU CSRD – 2022), Public Oversight Authority (KGK) Turkish Sustainability Reporting Standards (TSRS – 2024), and the Carbon Border Adjustment Mechanism (CBAM – 2023) are prime examples of this trend. In this context, the importance of our voluntary and pioneering sustainability reporting, corporate carbon footprint analysis, and CDP reporting initiatives is increasingly recognized each year. Our 2023 sustainability impact report meticulously details the steps our company has taken to achieve its sustainability goals, along with our achievements and progress in environmental, social, and governance areas.

## Environmental Impact:

As Erateks, we continue to develop innovative and efficient practices to reduce our corporate carbon footprint. In 2023, while balancing our energy-related emissions through renewable energy (IREC) certifications, we aim to source approximately 46% of our energy consumption from renewable energy sources through investments in solar energy project and energy efficiency initiatives in 2024. We have also initiated our comprehensive CDP reporting efforts in 2023 and will continue to advance them. Additionally, we are working on projects to increase the use of sustainable materials in our production operations and supply chain.

## Social Impact:

We continue to develop projects with stakeholders and build strong relationships to increase social impact. In our own operations and supply chain, we implement various projects and programs to ensure compliance with legal and universal working standards. As of 2023, we have initiated the 13th-month salary bonus practice to enhance the welfare of our employees. Our initiatives such as scholarship programs for employees' children in university, daycare support for preschool children, donations and material support in collaboration with external stakeholders are highly impactful in the social sphere. Through our occupational health and safety (OHS) and training programs, we continue to raise awareness among our employees and improve the quality of our work environment.

## Governance Impact:

We further strengthen our sustainability strategy by emphasizing transparency and accountability in governance. Recognizing the importance of corporate communication, we conduct sustainability awareness trainings for our employees, regularly update our website, and communicate our initiatives and practices to stakeholders through our social media accounts.

This report not only allows you to evaluate Erateks' sustainability performance but also guides our business in determining future goals. We are delighted to share our commitment to sustainability and achievements with you, and we aim to further advance our sustainability efforts in the coming years.

Seda Toker Özgür

**SEDA TOKER ÖZGÜR**

Head of Corporate Sustainability



# About Erateks

**Erateks Tekstil San. ve Tic. A.Ş.**, founded in 1992, boasts a long-standing history in the garment industry. Our company operates in three main facilities located in Istanbul and Ordu, covering approximately 12,500 square meters of closed area and employing 700 personnel. In 2023, as a result of our collaboration with brands, exports have been carried out to 24 countries.

Management, planning, product development, and cutting operations are conducted at our headquarters located in Esenyurt-Istanbul. Sewing, printing, warehousing, and finishing operations are carried out in our two factories located in the Fatsa Organized Industrial Zone (Fatsa OSB).

In addition to its role as a manufacturer collaborating with global brands, Erateks is also strengthening its position in the active sports arena with its own brand «activera» in the markets of Türkiye, the USA, and Europe.

We develop strong partnerships with international brands, supply chains, and third parties in the fashion industry. With our innovative, sustainable, and competitive approach, we continue to add value to the industry and all our stakeholders.







## Vision

To be the leading sustainable manufacturer in sportswear, inspiring customers, athletes and sports fans at all levels to achieve their best by providing cutting-edge, high-performance apparel that combines style, comfort, and sustainability.



## Mission

Our mission is to develop and manufacture top-quality sportswear that enhances athletic performance and comfort. We are committed to continuous innovation, sustainable production practices, and a business mindset that celebrates the spirit of sport. By partnering with customers and leveraging the latest technology, we strive to create products that push the boundaries of functionality and style while promoting a healthy and active lifestyle.

## Values



**Quality:** To provide the highest quality products to our business partners and to continuously improve our quality standards.

**Innovation:** To offer innovative solutions in our raw material and product development processes, and to be a pioneer in the industry.

**Stakeholder Satisfaction:** To understand the needs of our customers, employees, and all business partners, and to fulfill our role impeccably.

**Sustainability:** To operate with awareness of our environmental and social impacts and contribute to the UN Sustainable Development Goals.

**Collaboration:** To establish long-term, fair, and transparent relationships with our business partners, suppliers, and employees.

**Employee Welfare:** To arrange and manage our working environment, business processes, and policies in a way that enhances employee welfare.

**Ethical Values:** To adhere to ethical codes of conduct and embrace principles of honesty, transparency, fairness, responsibility, and respect.





## activera: The Birth of a Brand

We created activera by blending over 30 years of manufacturing expertise and global collaboration experiences with our vision and commitment to sportswear.

activera offers products that make the user feel comfortable in various daily activities, providing satisfaction in every aspect with functional yet stylish and modern designs. activera has been growing in the local and international markets of active sportswear for the past five years.

This journey, where we meticulously consider every detail in all processes from the design to the production of each model to create perfect products, is not merely the birth of a brand but also a combination of passions and values.

We adopt the highest standards at every stage, from fabric selection and color combinations to sewing techniques and pattern designs. Our production process is based on principles of quality and innovation. By using only the best quality materials, we both protect nature and produce durable garments. We care about customer satisfaction, take every feedback into account and continuously improve our products.

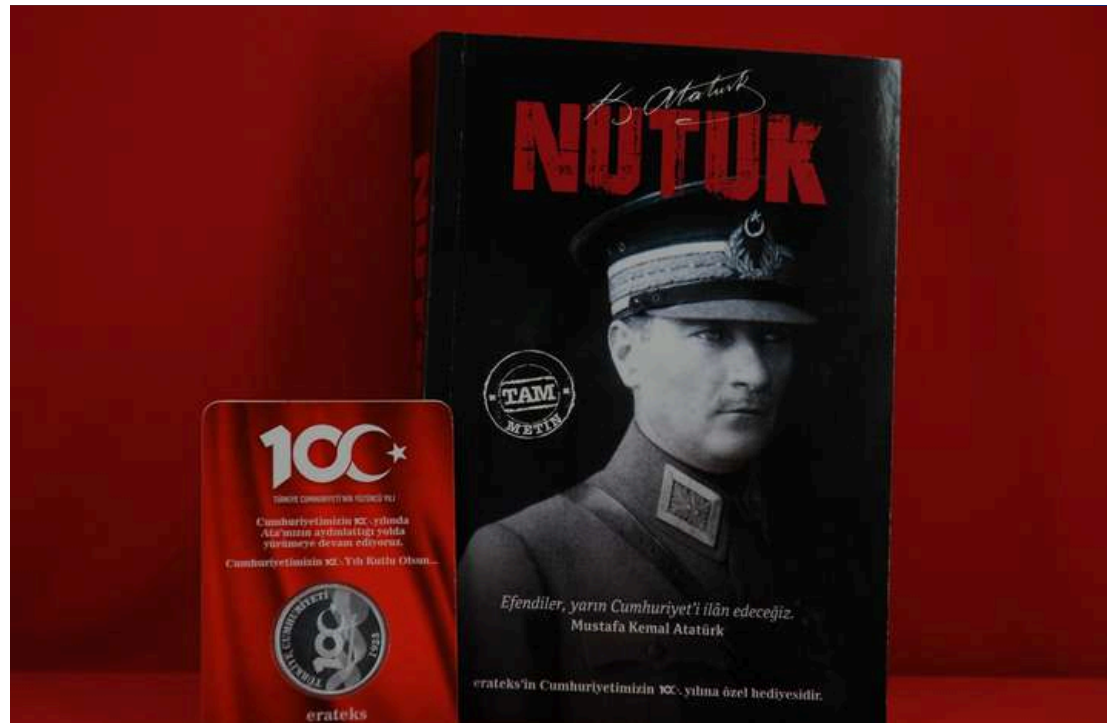
We are just at the beginning of this journey and we aim to present many more great designs in the future. With an innovative approach in sportswear, we will continue to work to ensure that people of all ages feel great while doing sports.

We continue to carry the passion and excitement of the first day because we know that being the best lies in the details.



# The 100th Anniversary of the Republic of Türkiye

We celebrated the 100th anniversary of our Republic with great enthusiasm alongside our employees and business partners!



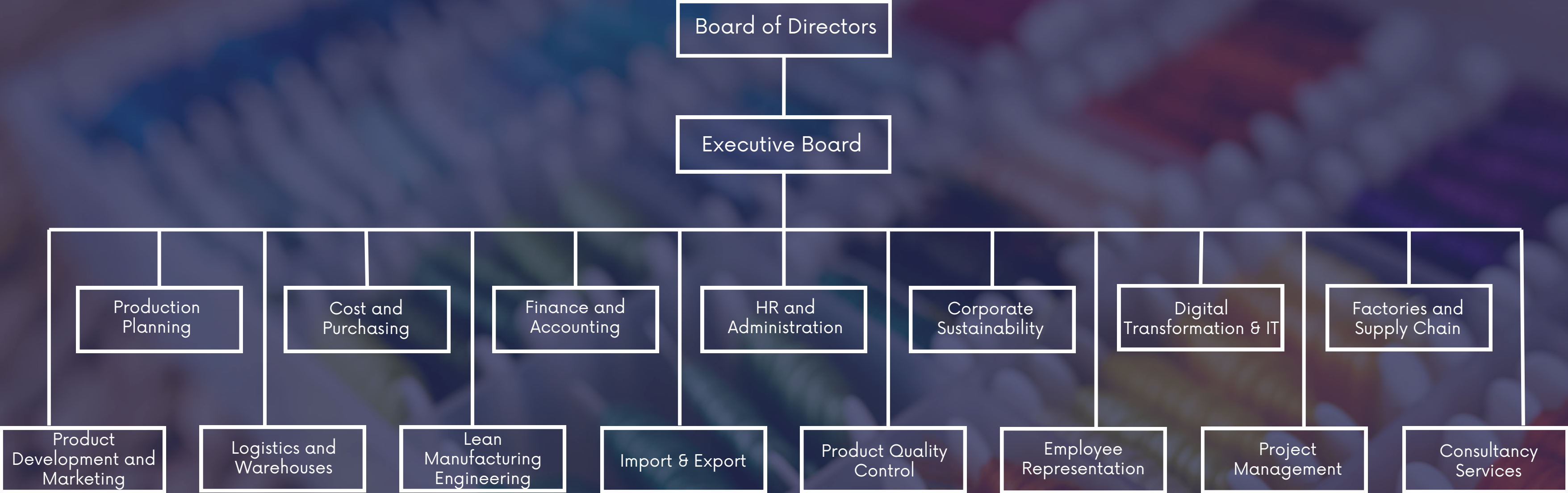
In order to make the 100th anniversary of our Republic more special and to pass on its values to future generations, we presented our stakeholders with the "Nutuk," written by the founder of our country, Gazi Mustafa Kemal Atatürk, with great dedication and a vision for the future, along with the specially designed 100th-anniversary commemorative coin for Erateks.



To many more successful centuries where we uphold the values of our Republic and provide sustainable contributions to our economic values!



# Organization Chart





## Sustainability Vision

# The Global Goals for Sustainable Development



**Erateks** is committed to the UN Sustainable Development Goals in its corporate sustainability activities.

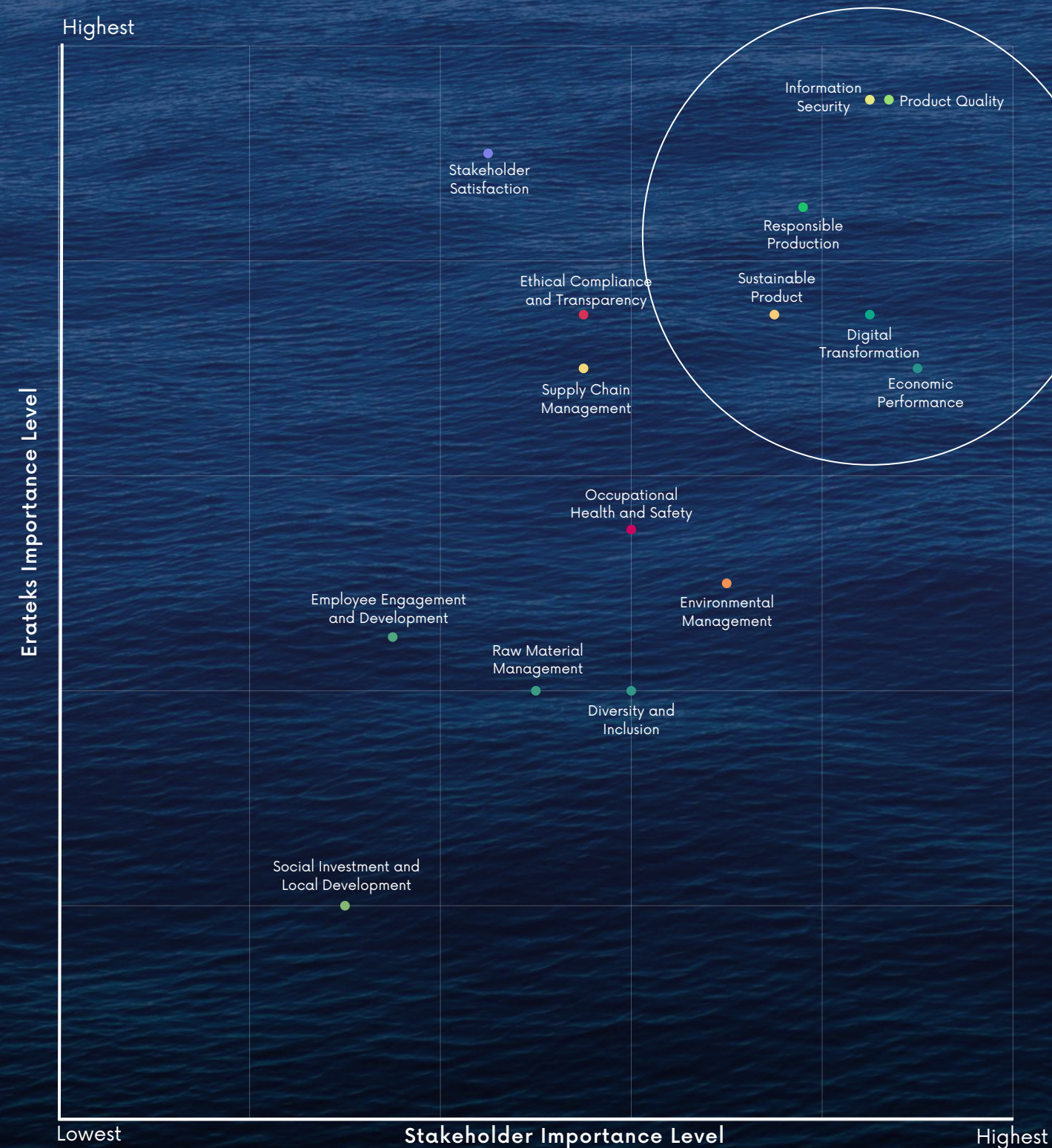


# Sustainability Priorities

The importance of sustainable development, corporate sustainability, and supply chain management is increasingly being recognized. The ready-to-wear industry is among the leading sectors in the green transformation. We are structuring our sustainability strategy at Erateks to reduce our social and environmental negative impacts and to contribute to the global fight against climate change, aiming for the 2030 and 2050 targets and the UN Sustainable Development Goals.

Operating with the motto of «innovative, competitive, and sustainable production» in collaboration with its stakeholders, Erateks regularly monitors the needs, expectations, and feedback of its stakeholders and considers them as a priority in its activities.

While determining sustainability priorities, the current state and future of the textile and ready-to-wear sector, as well as stakeholder opinions, are taken into account. When identifying sustainability topics, the sources of the Global Reporting Initiative (GRI) and the report "Sustainability Topics for Industries: What Do Stakeholders Want to Know?" were used.



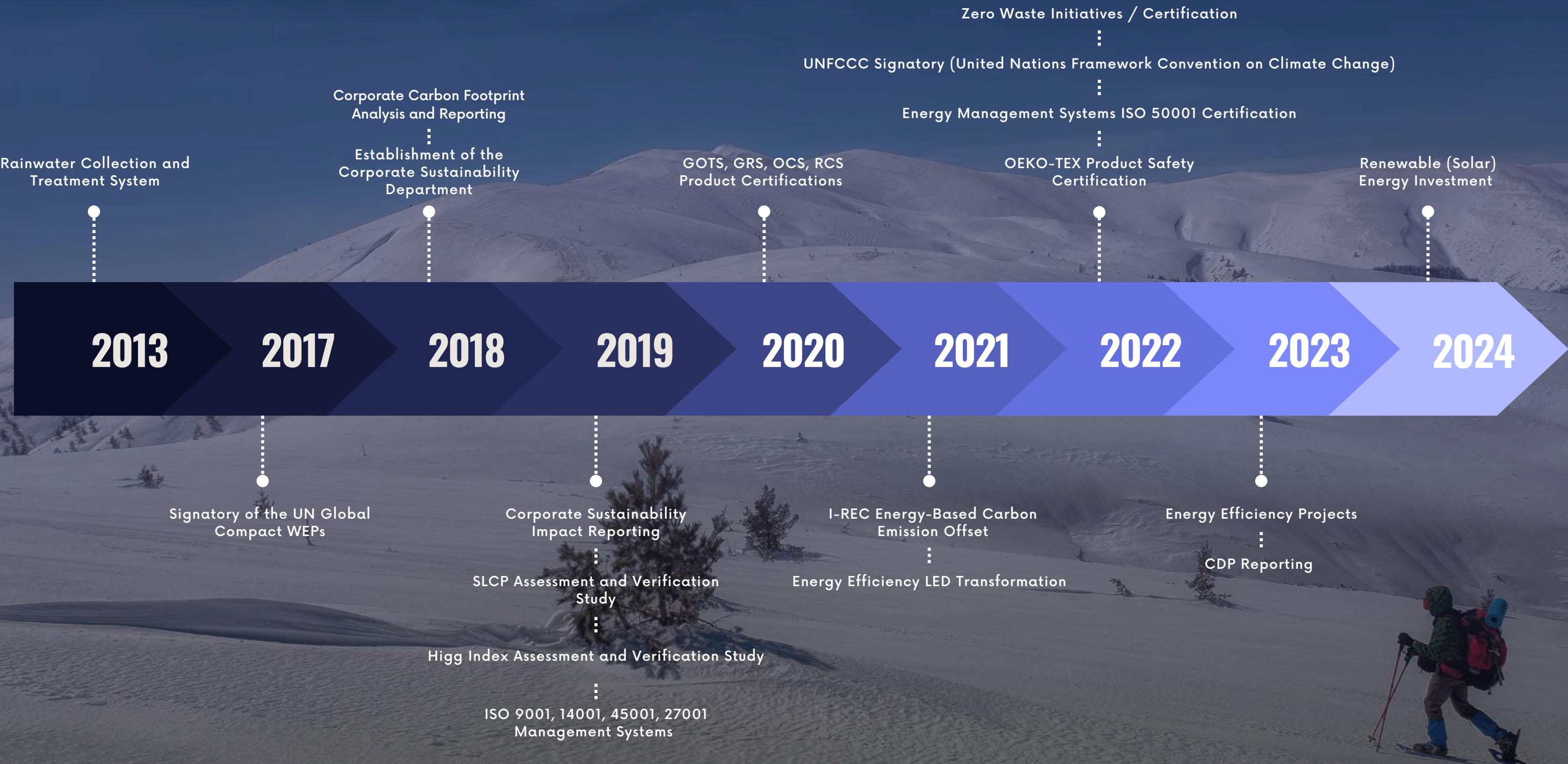
We organized a Materiality Workshop and online surveys with the participation of senior management, department managers, employee representatives and external stakeholders to identify sustainability issues of strategic importance. These activities with our stakeholders enable us to understand their expectations, guide our improvement efforts, and strengthen our stakeholder relationships.

We conducted trainings on sustainable development, corporate, and supply chain sustainability to raise awareness among our employees about sustainability and to keep them updated on local and global developments.

Our strategy focuses on responsible production, sustainable products, product quality, digital transformation and information security, all of which have a high social and environmental impact.



# Sustainability Journey





# SUSTAINABILITY GOALS

## Social

- Ensuring 50% female employment.
- Achieving 50% female manager ratio.
- Maintain the ratio of vulnerable employees at 20%.
- Increase employee satisfaction to 85%.
- Implement 2 new projects related to employee satisfaction, employee well-being, and decent work.
- Carry out 2 projects in collaboration with universities and NGOs.
- Keep the number of accidents resulting in workforce loss below 50.
- Provide 60 training hours per employee per year.
- Provide 5 hours of legal and health awareness trainings per employee.
- Monitor fundamental compliance (legal requirements and Erateks procedures) and developments within the supply chain.
- Organize joint training sessions on human rights and employee rights for key supply chain partners to raise awareness and enhance functionality.
- Implement or participate in at least 1 social project for rural areas, schools or water scarcity regions.

## Environment

- Becoming a carbon neutral company by 2053.
- Carrying out carbon management and mitigation activities with science-based targets.
- Achieve 100% sustainable raw material utilization.
- Establish and implement a traceable supply chain system.
- Increase the share of renewable energy in energy consumption to 50% by 2030 and to 100% by 2050.
- Carry out a Life Cycle Assessment (LCA) study for a high-impact product within 2024.
- Reduce per capita clean water usage by 10%
- Ensure 100% recycling of recyclable waste.
- Ensure 100% safe disposal of hazardous chemicals.
- Reduce per capita household waste by 10%.
- Recycling of biodegradable wastes through composting system.

## Governance

- Achieve 100% digital transformation rate.
- Implement at least one pilot project to improve work-life balance (such as remote work, flexible working hours, four-day workweeks, etc.)
- Sustain and develop work-life balance initiatives (such as up to 9 hours of paid leave per month for personal reasons, etc.).
- Establish and implement a Performance Evaluation System.
- Maintain and enhance best practices in in-kind and cash benefits (such as 13th-month bonuses, scholarships for employees' children in university, daycare support, financial support for employees with children aged 0-6 who do not receive daycare support, additional financial support for employee representatives, and shopping card support during holidays and year-ends).
- Establish and implement a reward suggestion system.
- Supporting employee development projects (Program fees and paid leave support for employees pursuing English courses, master's and doctorate degrees, etc.).
- Reduce the employee turnover rate to below 2% on a monthly basis.
- Reduce the employee absence rate to below 3.5%.
- Ensure minimum external stakeholder satisfaction rate of 80%.
- Establish collaborations and partnerships that serve SDG 17.



# Stakeholder Views



**Olgun Aydın**

PUMA

Senior Executive Supply Chain  
Sustainability  
Europe, Middle East & Africa

In today's complex and changing world, the importance of corporate, environmental, and social responsibility is increasing. Buyers, brands, consumers, NGOs, media, and every responsible stakeholder take into account and question the impact of the products and services we purchase on nature and society. All these awareness and questions encourage and force companies to be more aware and corporate responsible.

As a supplier company, Erateks' corporate sustainability strategy is diverse, inclusive, clear, and highly determined. I can see the importance they attach to sustainability principles on their websites and other communication channels. However, as a human being and professional, I like and appreciate the company's concrete efforts such as CDP, Higg Index, Corporate Carbon Footprint Analysis, and corporate sustainability impact reporting to manage, reduce the environmental impact of its products and services.

It is extremely valuable for Erateks to provide all product certifications and circularity conditions as industrial requirements in terms of product and corporate sustainability. In addition, clean energy investments, and work programs to minimize waste and increase reuse show the company's seriousness in reducing its environmental impact.

I also appreciate the investments made by Erateks in employee welfare, development, and social responsibility projects. Social projects carried out to touch a wider segment of society and contributions to social development show that the company is not only profit-oriented but also carries the mission of providing value to society.

In conclusion, I appreciate Erateks' corporate sustainability efforts. But I hope they expand all their corporate sustainability efforts within the context of the relevant value chain. For this reason, I congratulate the company management and the corporate sustainability team for their successful work and for showing exemplary leadership, and wish them continued work and success.



# Stakeholder Views



**Yavuz Ağca**

Fersan Tekstil

Board Member

Dear Management of Erateks Tekstil and Stakeholders,

In recent years, the concept of sustainability has gained significant importance not only globally but also in our country, particularly within the textile and apparel sector. Issues such as global warming, depletion of natural resources, environmental pollution, gender equality, dignified work, and economic growth underscore the urgency of sustainability efforts once again. In this context, Türkiye's strong position in the textile and apparel sector plays a critical role in the dissemination and enhancement of sustainability practices.

At Fersan Textile, our longstanding collaboration with Erateks Textile has further strengthened our joint efforts in sustainability. Erateks Textile's commitment and leadership in this regard significantly contribute to the widespread adoption of sustainable practices within our industry.

Erateks Textile, in collaboration with global brands, embraces environmentally friendly and circular economy principles by incorporating recycled materials into their fabrics. These initiatives not only minimize environmental impacts but also enhance consumer awareness.

The textile and apparel sector holds great importance for the Turkish economy, increasing employment and strengthening export potential. However, to sustain this economic success, we must not overlook our environmental and social responsibilities. Erateks' approach to sustainability enables us to act conscientiously towards these responsibilities.

In conclusion, I wish to emphasize our full support for Erateks' sustainability efforts and express our eagerness to collaborate on future projects together.

Yours sincerely,

Erateks Tekstil, a source of pride among investors in Fatsa Organized Industrial Zone (Fatsa OSB), has become one of the leading companies in our region through its corporate culture and established brand value.

Fatsa Organized Industrial Zone (Fatsa OSB) is the most densely populated employment zone in the Black Sea region, relative to its size, and Erateks Tekstil's contribution to this density is undeniable. The company's exemplary commitment to respecting and safeguarding the personal rights of its employees, along with its superior sensitivity to occupational health and safety within the factory environment (including automation-based monitoring of various environmental factors such as temperature, light, dust, humidity, etc.), sets a benchmark not only within our region but across Türkiye. This commitment is the most significant underlying factor contributing to our region's employment success.

I extend my thanks to Erateks Tekstil for its contributions to employment and for fostering a healthier and safer work environment. I hope for continued success in their endeavors.



**İsa Kaymak**

Provincial Director of Turkish  
Employment Agency in Ordu



# Stakeholder Views



I am a 36-year-old mother of three. I have been working at Erateks Tekstil since June 2018. I am very pleased to work with world-renowned brands and be a part of this chain. In my six years of working life, our company has faced many challenges. However, we have never ceased to perform our duties, produce, and work within a framework of mutual respect and affection. The understanding and tolerance of our CEO, as well as the friendly and understanding attitude of our administrative management and supervisors, have lightened our burdens to some extent and helped us to enjoy our work. As a female employee and a mother, I am also particularly satisfied with the opportunities and facilities provided by our firm. The support for daycare for working mothers makes our working lives easier, enabling many female workers to educate their children and support their families. This demonstrates both the distinctiveness and awareness of our company.

Regardless of the outcome, success cannot be achieved in any workplace without teamwork. In summary, Erateks Textile has illuminated the path for us to overcome all challenges, achieve remarkable accomplishments, affirm the presence of female employees in our professional lives, and, most importantly, foster a workforce of strong, determined individuals who are confident, knowledgeable, and proficient in their work, standing shoulder to shoulder with their colleagues. Therefore, I extend my heartfelt thanks to our CEO Mr. Erhan Vatan and the entire Erateks family including the courteous administrative team. I am proud to be a part of this family.



**Kader Yeşiltaş**  
Erateks Tekstil  
Packaging Personnel and Employee Representative



**Eren Topuz**  
Erateks Tekstil  
Machine Operator and Employee Representative

It's not easy to express the Erateks family in words, of which I have been a part for many years. This is because we spend a significant portion of our lives here. We are not just colleagues with the people who work here; we are like a family. Erateks Tekstil is a privileged company for all employees and managers alike. The reason for this is quite simple: it is a company that provides a humane working environment, treats all employees equally, and operates with a mindset.

Located in its position, working with globally renowned brands, it is not wrong to say that it is in a very respectable position in terms of working conditions and social rights, which everyone looks at with envy.

In short, we work in a beautiful company within a beautiful family environment. Sometimes, unavoidably, we may experience minor problems and stresses during busy seasons, but these are not insurmountable issues. After all, we are a company that listens to its employees at every opportunity and respects their thoughts.

I have been working at Erateks Tekstil for 12 years and have been serving as Employee Representative for 2 years. Our company is a corporate entity and it responds to all kinds of requests and demands from employees. It has not deviated from the principles of truthfulness and honesty. There is a peaceful and stable working environment. I am honored to have worked with Erateks for many years.



**Nazan Dağ**  
Erateks Tekstil  
Cutting Department Personnel and Employee Representative





# SOCIAL

- Erateks Social Policies
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A woman with long, dark, wavy hair tied back, wearing a white t-shirt, is focused on her work at a sewing machine. The background is a blurred industrial setting with other sewing machines and fabric. The foreground is dominated by a large, out-of-focus purple shape, possibly a person's head or shoulder, which serves as a backdrop for the text.

**RESPECT PEOPLE,  
INVEST IN THE FUTURE!**



# Erateks Social Policies

The foundation of a sustainable future is laid by ensuring social welfare and justice. At Erateks, we prioritize not only economic success but also the social rights and needs of our employees, the community, and all our stakeholders. Our social policies focus on inclusivity, equality, and social responsibility, aiming to create an environment where every individual can realize their full potential. With this understanding, we develop and implement effective policies across a wide range of areas, from employee education and development to community projects and social aid. Our human-centric approach drives us to work resolutely for a more just and sustainable world.

Our «Code of Conduct» is designed to ensure that all our employees exhibit respectful, honest, and ethical behavior in the workplace. This set of rules reflects the values of our company and establishes the standards that all our employees must adhere to. We commit to upholding principles of honesty, fairness, equality, and transparency in the workplace. We expect our employees to maintain respectful and ethical conduct in their interactions with colleagues, customers, suppliers, and other stakeholders. Additionally, we set high standards for avoiding conflicts of interest, ensuring confidentiality and data security, and responsibly using company resources. Our Code of Conduct promotes ethical behavior, forming the foundation of our corporate culture and contributing to sustainable success.

Our «Open Door Policy» aims to maximize collaboration and participation by actively encouraging employees to freely express their ideas and opinions. Through this policy, we create an environment where the contributions of every employee are valued, fostering innovative solutions with everyone's involvement. It is critical for our employees to share their thoughts openly for the growth and development of our company. Thus, we aim to create a more transparent, democratic and efficient working environment.

Our company adopts a «Zero Tolerance Policy Against Child Labor» and ensures that young workers are placed in safe, fair, and supportive working conditions. Within this framework, we take necessary measures to prevent children from being deprived of education and we offer programs to support the education and career development of our young employees. Preventing child labor and creating opportunities for young people to realize their potential is a cornerstone of our sustainability vision.

Our «Policy for Employing Pregnant and Nursing Women» aims to protect the rights and support the needs of our female employees during pregnancy and breastfeeding periods. Under this policy, we prioritize the health and safety of our pregnant employees throughout their pregnancy and after childbirth, providing them with legally compliant flexible working hours, leave entitlements, and a comfortable working environment. Supporting the well-being and career development of our pregnant employees is an integral part of our sustainability and social responsibility philosophy.

Our «Harassment, Mobbing, and Discrimination Policy» is committed to ensuring a respectful, safe, and equitable work environment for all our employees by taking effective measures against all forms of harassment, mobbing, and discrimination. We organize awareness training to prevent any form of discrimination based on gender, age, race, religion, ethnic origin, sexual orientation, or any other reason, actively operate complaint mechanisms, and apply disciplinary measures when necessary. Additionally, we continuously review and improve our policies and procedures to prevent harassment and mobbing and to protect the rights of our employees. Ensuring that our employees work in a peaceful and secure environment is the cornerstone of our sustainable business success and ethical values.



# Erateks Social Policies

Our Grievance Policy encourages our employees to freely and confidently express their thoughts, complaints, or suggestions and utilizes this feedback to continuously improve our working conditions. Under this policy, we establish transparent and accessible communication channels through which employees can voice their opinions. All feedback is meticulously evaluated, and appropriate solutions are promptly implemented. To enhance employee satisfaction and ensure a more efficient and harmonious work environment, we emphasize confidentiality and impartiality in managing complaints and suggestions. Thus, we are committed to fostering a continuously improving work environment by encouraging employee participation and acting on their feedback and suggestions.

Our Worker Representation and Freedom of Association Policy aims to protect our employees' rights to union membership and representation, as well as to promote a culture of collaboration. This policy ensures that our employees have the freedom to join unions, elect representatives, and engage in collective bargaining. By supporting our employees' freedom of association, we aim to create a fair and transparent communication environment in the workplace. We consider the proposals and demands of worker representatives and unions, collaborate on solutions, and continuously make improvements to protect our employees' rights. Through this approach, we are committed to fostering a democratic and participatory workplace culture, thereby enhancing employee satisfaction and workplace harmony.

Our Foreign and Migrant Worker Employment Policy is designed to protect the rights of foreign and migrant workers and ensure fair working conditions for them. Under this policy, we guarantee that foreign and migrant workers have equal rights and receive fair treatment as local employees. We fully comply with local laws and international standards regarding work permits, wages, working hours, and social rights. Additionally, we believe in the richness of cultural diversity and strive to create an inclusive and respectful work environment. We organize support programs and training sessions for foreign and migrant workers to enhance their integration and success in the workplace. This policy is a crucial component of our sustainability strategy, which promotes diversity and inclusivity.

Our Occupational Health and Safety (OHS) Policy aims to protect the health and safety of our employees at the highest level by ensuring safe working conditions and minimizing workplace risks. Under this policy, we conduct regular risk assessments and inspections to guarantee the health and safety of all our employees. We organize continuous training programs to raise awareness and instill safe working habits among our employees. We use the latest technologies and best practices to ensure that all equipment and processes comply with safety standards. Furthermore, we develop emergency plans and response procedures to prevent potential workplace accidents and occupational diseases. Our OHS policy prioritizes the safety of our employees, contributing to their health and productivity, which forms the foundation of our sustainable business success.



# Erateks and People

Due to its labor-intensive nature, the textile and apparel industry significantly impacts the economy, people, and society. In this context, as Erateks, we go beyond being a mere manufacturing company with our human-centered approach and stand among the leaders in the industry with our commitment to sustainability.

In accordance with our commitment to human rights as outlined in the Universal Declaration of Human Rights and our principle of dignified work, we prioritize safeguarding the rights of our employees, enhancing employee welfare, supporting work-life balance, and reducing inequalities. Additionally, through our adherence to the United Nations Women's Empowerment Principles (WEPs), we promote diversity and inclusivity, encourage women's employment and leadership, and strongly contribute to gender equality. We continuously advance our social sustainability goals through these efforts.

To enhance the welfare of our employees, we maintain the highest standards in occupational health and safety practices. This year, we have introduced a 13th-month bonus and provide shopping vouchers during holidays and special occasions, thereby increasing the economic security of our employees and showing our support for them. Additionally, to support work-life balance, we offer daycare support to the employees in need, financial support for the ones with children aged 0-6 who do not receive daycare services, and scholarships for the ones with children pursuing full-time education in four-year university programs.

By collaborating with İŞKUR and municipal employment centers, our efforts to reduce unemployment and strengthen employment, reach every segment of society. We help inexperienced individuals acquire skills, facilitating their integration into the industry and society, and offering new career opportunities.

Through our Voice of Worker project, we implement a digital platform for feedback and complaints, ensuring that our employees always feel heard. We strengthen employee engagement and maintain high motivation levels through satisfaction surveys and our reward and suggestion system.

At Erateks, while building a sustainable future with our human-centered approach, we place the welfare, happiness, and development of our employees at the heart of our company's success. With this determination, we continue to create a fair, equitable, inclusive, and supportive working environment for everyone.





# Social Responsibility Projects

As part of a dynamic and vibrant society, we act with awareness of our impact and responsibility, contributing to sustainable development. Through our social responsibility projects in the fields of education, health, equality, and social solidarity, we strive for a better future.

- 1- To ensure gender equality and to increase women's employment and empowerment, we collaborate with the Istanbul Metropolitan Municipality (İBB) and Women Solidarity Association (KADAV) on joint projects and programs.
- 2- By supporting the Darüşşafaka Society "Equal Opportunity in Education" program, we contribute to enriching the educational and socio-cultural lives of students who have lost one or both parents, helping them grow into global citizens.
- 3- Through our «Wish Tree» project, conducted in collaboration with village schools in need, we contribute to the social and cultural development of children through various activities and gifts.
- 4- Following the earthquakes of February 6, we acted in the spirit of social solidarity and cooperation, participating in support and aid projects for communities affected by the disaster through the Istanbul Metropolitan Municipality (İBB), Istanbul Chamber of Commerce (İTO), AFAD, and NGOs.
- 5- We support disadvantaged individuals and our society through contributions in kind to various sports clubs and associations.



Believing in the importance of diversity and inclusion in the business world, we transparently share data on the gender, age, and vulnerabilities of our employees in line with our sustainability approach. In this section, we present graphs depicting the ratio of female employees, the representation of different age groups, and the participation of our vulnerable employees, thereby reaffirming our commitment to creating an equitable and inclusive workplace culture.

To enhance employee satisfaction and address their needs, we continuously monitor and resolve their requests and complaints. Our goals of maintaining low turnover and absenteeism rates strengthen the trust our employees have in our company. High satisfaction rates reflect our employees' strong commitment and sense of belonging, while our fair promotion processes underscore the importance we place on their professional development.

Employee health and safety is another cornerstone of our company's sustainability approach. To enhance workplace safety and minimize accidents, we adhere strictly to national and international standards. Accordingly, we continuously improve and prevent issues to protect our employees' health and safety by adopting the requirements of Occupational Health and Safety Law No. 6331 and globally recognized standards like the ISO 45001 Occupational Health and Safety Management System. This approach not only enhances our workplace safety but also supports employee satisfaction and productivity.

All these data are tangible evidence of our company's unwavering progress toward creating an environment where every individual can realize their full potential. Building a safe workplace that prioritizes equal opportunities, respect, and understanding for all is an integral part of our sustainability vision.

## People at Erateks

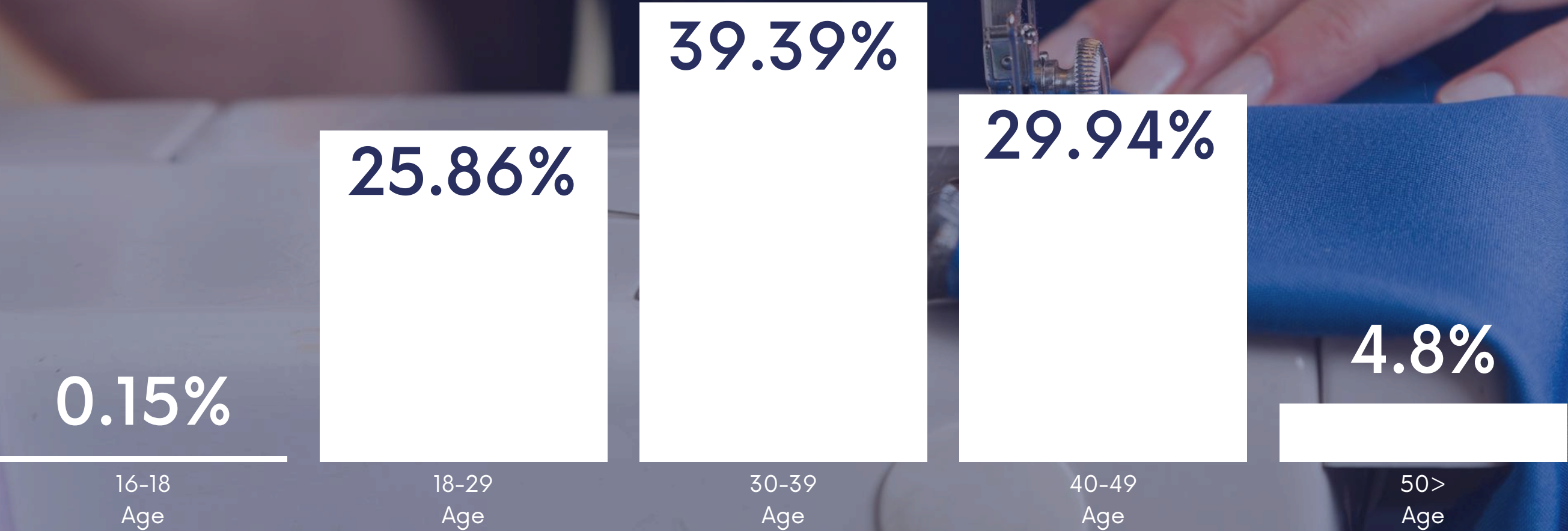




# People at Erateks

According to the results of the Turkish Statistical Institute (TUIK) Household Labour Force Survey, the employment rate of the population aged 15 and over was observed to be 47.5% in 2022. This rate was 30.4% for women and 65.0% for men. Additionally, the same survey revealed that the proportion of women in upper and middle management positions in companies was 19.6% in 2022. As Erateks, one of the leading and highly sustainability-committed manufacturers of the ready-made clothing and textile industry, which plays an important role in employment, it supports and encourages women's employment and women's management.

## Age Distribution



688

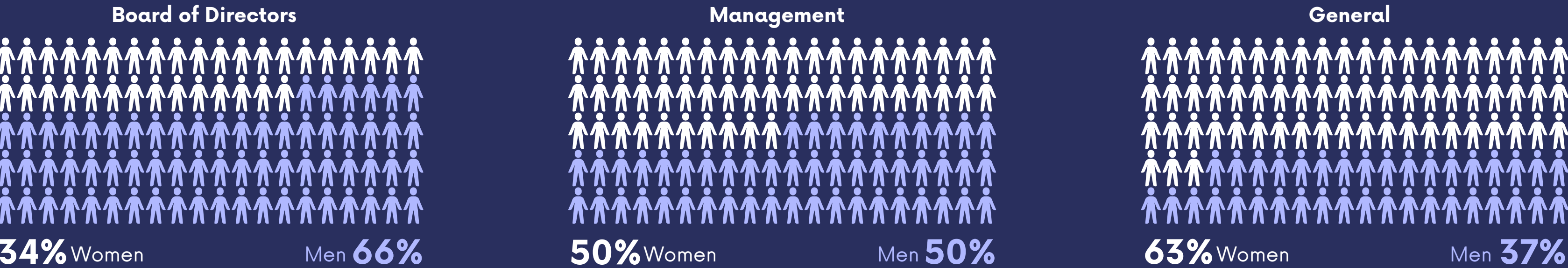
Number of Employees

(2023 average)



# People at Erateks

## Gender Distribution



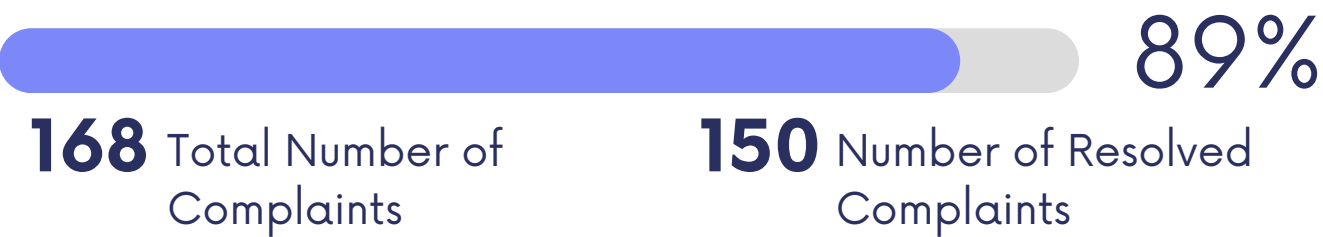
## Vulnerable Employees





# People at Erateks

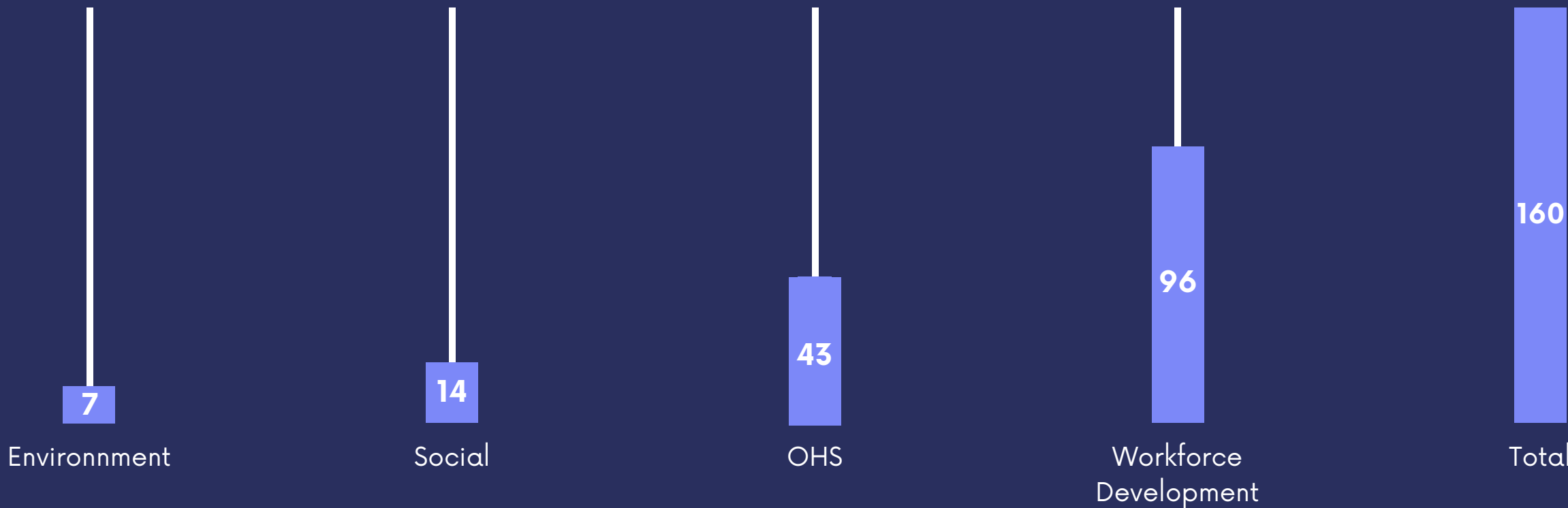
## Grievance Mechanism and Improvement Rate



## Employee Satisfaction Survey

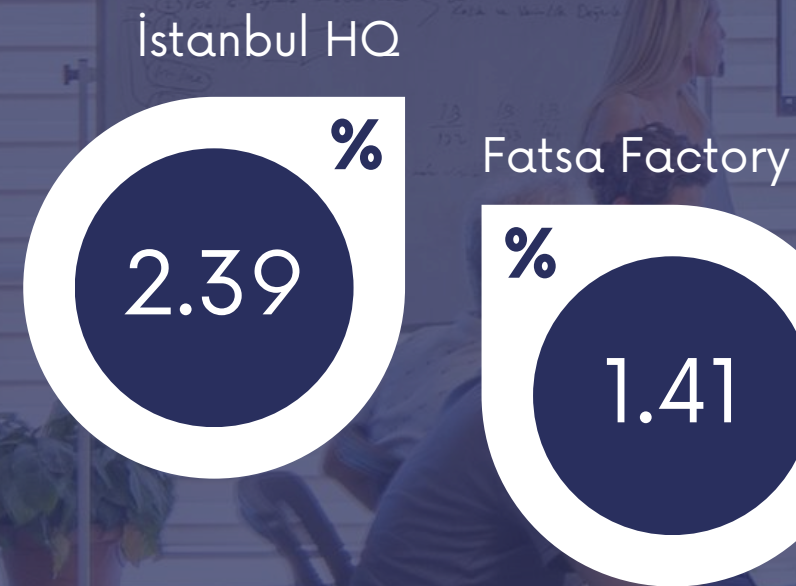


## Training Hours per Person

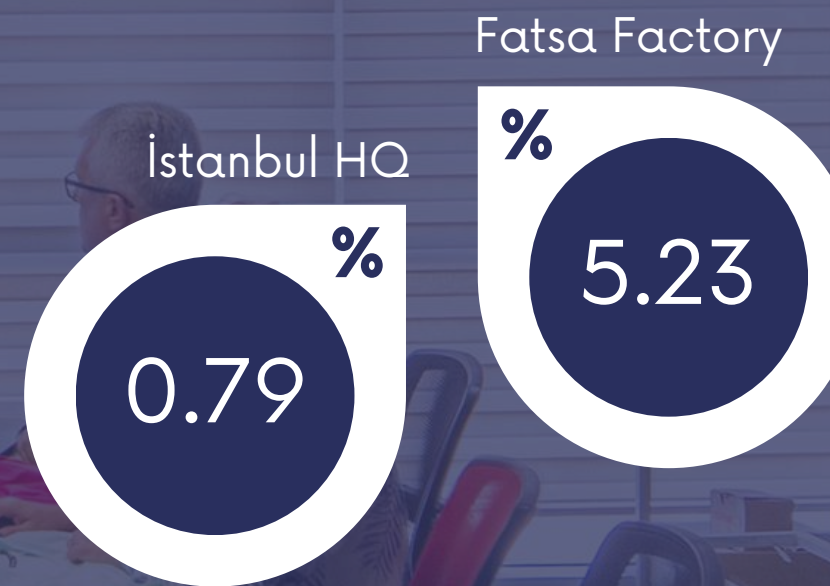




## Employee Turnover Rates (Monthly Average)



## Absenteeism Rates



## Work Accidents



## People at Erateks

### Promotions





# Social Audits

Our company conducts comprehensive social audits to fulfill its social responsibilities and ensure social sustainability. These audits play a critical role in maintaining ethical practices in the workplace, protecting employee rights, and strengthening decent working conditions.

Our social audit processes consist of both internal and external audits. Internal audits aim to continuously improve working conditions by evaluating the effectiveness of company policies and procedures. We regularly conduct audits to ensure employee health and safety, create fair working conditions, and promote diversity and inclusivity.

External audits are conducted by independent audit organizations. These audits verify our compliance with national and international labor standards and confirm our adoption of best practices. We are regularly audited for compliance with the requirements of these standards.

In addition, we undergo third-party audits to assess our compliance with the social compliance criteria set by our customers and business partners. These audits ensure the maintenance of ethical practices in our supply chain and the integration of our social responsibility principles into all business processes.

Key areas of focus in social audits include employee rights, occupational health and safety, the prevention of child labor, the eradication of forced labor, working hours, and compensation. Additionally, activities aimed at contributing to local communities and supporting social projects are also within the scope of our audits.

Through these audits, we continuously monitor our social performance, identify opportunities for improvement, and fulfill our social responsibilities at the highest level. By transparently sharing audit results, we clearly demonstrate our commitments to society and progress toward our sustainable social development goals. This process reinforces our social responsibility awareness and significantly contributes to our ability to make positive contributions to society.







# ENVIRONMENT

- Erateks Environment Policies
- Erateks and Environment
- Carbon Footprint
- CDP - Carbon Disclosure Project
- Energy Management and Efficiency
- Erateks Transformation Stories: Energy
- Waste Management
- RE:FIBRE Project
- Water Management
- Environmental Audits





FOR THE CLIMATE  
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# Erateks

## Environmental Policies

Our company is committed to adopting an environmentally conscious business model within the framework of sustainability principles. In this regard, we have established several key principles in our environmental policies.

Firstly, ensuring full compliance with environmental legislation in our country and continuously monitoring and implementing its updates are of utmost importance to us. We aim for measurable continual improvement in all environmental areas, regularly monitoring and enhancing our environmental performance. Identifying the environmental dimensions arising from our business activities, assessing the types and potential impacts of these effects, and taking necessary measures are among our priorities.

Developing and implementing effective methods to minimize pollution and waste is also fundamental to our principles. Within this scope, we ensure the environmentally responsible disposal of hazardous wastes, minimizing their environmental impact. We also conduct comprehensive CO2 assessments and reporting to monitor our greenhouse gas emissions and take targeted actions to reduce our carbon footprint. Additionally, we are committed to participating in the CDP (Carbon Disclosure Project) to transparently disclose our environmental impact and strategies for addressing climate change.

Providing ongoing education on environmental awareness and sustainability to our employees and core supply chain, and encouraging them to apply these principles, is an integral part of our sustainability strategy. We also integrate the HIGG FEM (Facilities Environmental Module) into our practices to evaluate and improve the environmental performance of our facilities, ensuring alignment with global sustainability standards.

Aligned with our environmental policy, we set annual objectives and targets, regularly reviewing these goals and transparently communicating progress to all stakeholders through our sustainability report. We continuously improve our ISO 14001 environmental management system in light of these principles, embracing best practices throughout this process. Through these policies, we will continue to fulfill our environmental responsibilities and work towards a sustainable future.



# Erateks and Environment

The textile and ready-to-wear industry is one of the highest polluting industries, producing approximately 1.2 billion tons of CO<sub>2</sub>e annually. This amount exceeds the total emissions of international air and sea transportation combined. As a leading company in this sector, Erateks is committed to sustainability and environmental consciousness, aligning our actions with Türkiye's 2053 net zero target.

In 2023, we made significant strides in our sustainability journey. We implemented eco-friendly practices and innovative strategies. We took the first concrete steps towards generating our energy needs from renewable sources, with plans to operationalize these initiatives in 2024. Additionally, through R&D efforts, we executed energy efficiency projects that resulted in both cost savings and reduced carbon emissions. We have continued to effectively pursue our HIGG Index, carbon analysis, and waste and water management initiatives. In 2023, we began reporting to CDP, the world's largest corporate environmental reporting platform.

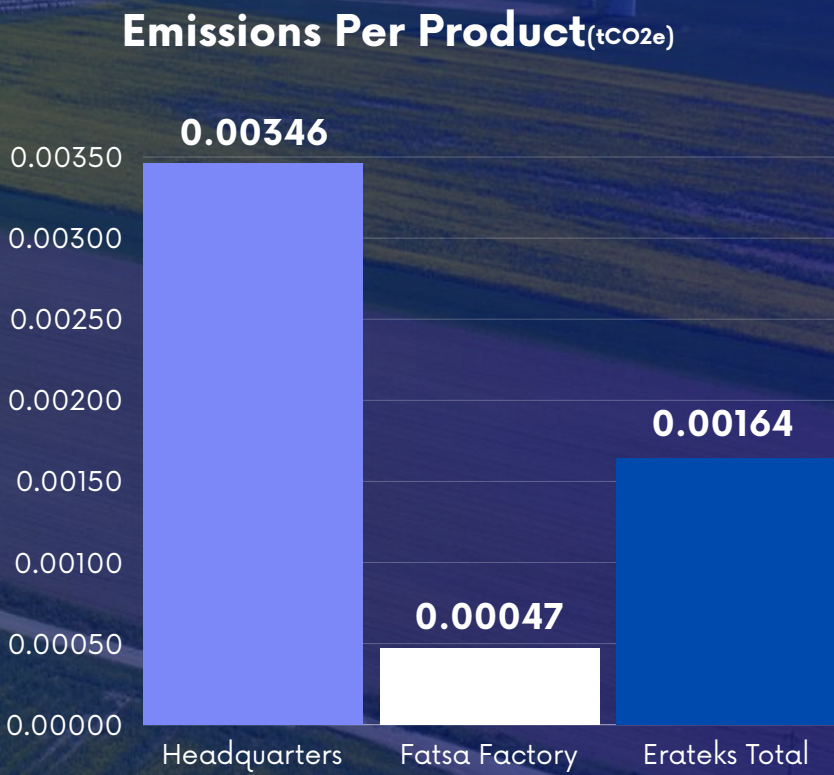
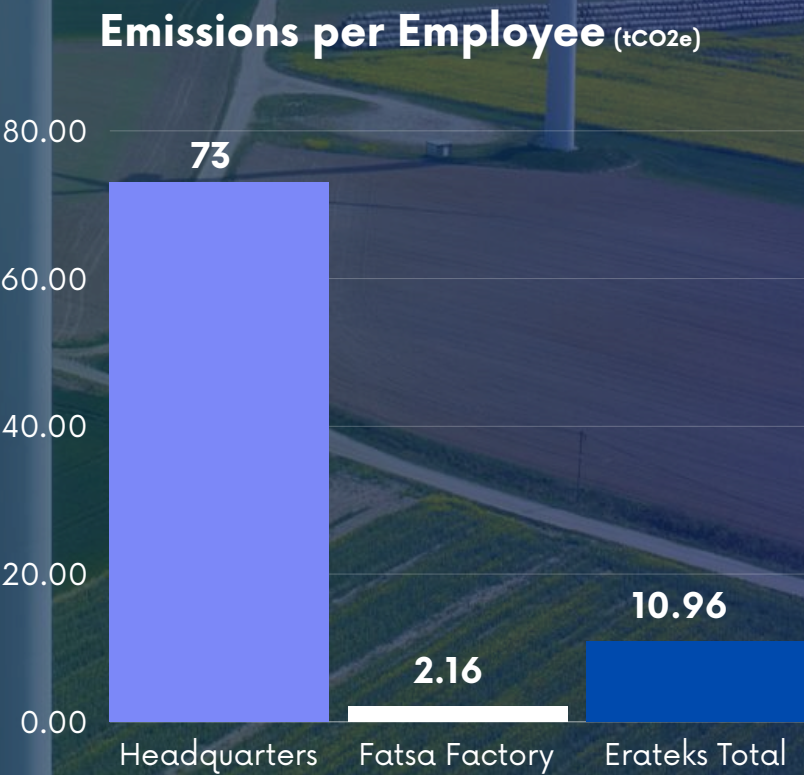
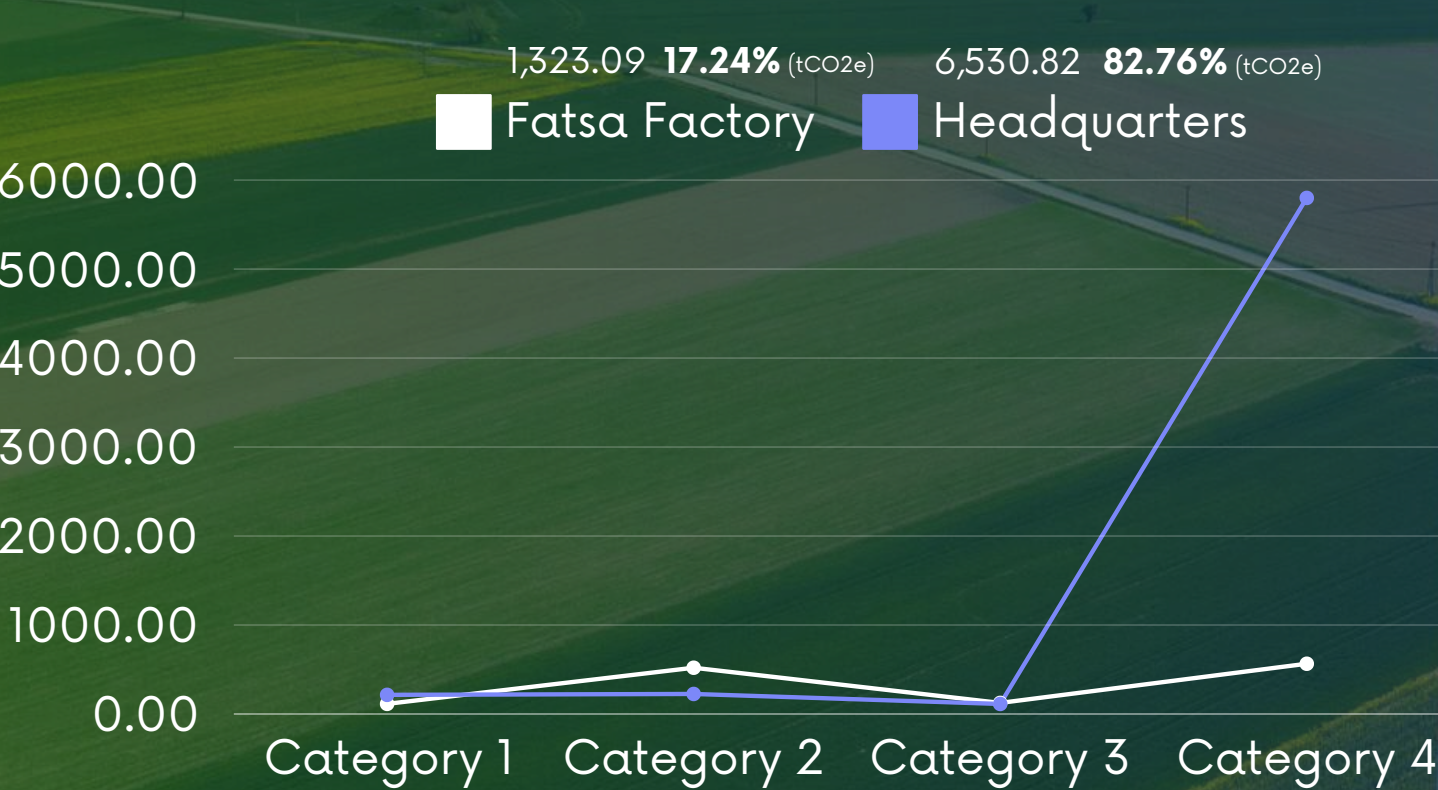
Our commitment to environmental sustainability is not just in words but is evident in all our processes. We deeply feel the responsibility to leave a greener, healthier, and more sustainable world for future generations. Collaborating with our stakeholders, we continue to contribute to global goals on this path. For us, sustainability is not an option but a vision and a necessity. By turning this necessity into an opportunity, we are shaping the future today.





# Carbon Footprint

- Since 2018, we have been conducting our corporate carbon footprint analysis in accordance with the GHG Protocol and ISO 14064 – 1 standards, continuously monitoring the environmental impact of our activities.
- In our analysis conducted in 2023, we expanded the scope of our study to accurately determine our impact by calculating Scope 1 – Direct Emissions, Scope 2 – Purchased Energy Emissions, and Scope 3 – Purchased Goods and Services, Transportation and Distribution, Waste, Business Travel, and Employee Commuting Indirect Emissions at our Istanbul and Fatsa facilities.
- Our total carbon emissions amounted to 7,673.91 tons, with Scope 1 – Direct Emissions constituting 4% of the total, and Scope 2 – Energy Indirect Emissions accounting for 10%.
- We offset our Scope 2 emissions with the I-REC certification.
- Since the procurement of goods and services is managed through our Istanbul Headquarters, the Scope 3 emissions for our Istanbul Headquarters appear higher.





# erateks



## Carbon Footprint

The significant increase in our emissions in Category 4 is attributed to the inclusion of purchased materials within the scope of the study.

Additionally, the Scope 2 emissions were not included in the base year 2021 calculations as they were offset by the I-REC certification. Despite the I-REC certification continuation in 2023, we have included the relevant category calculations in this report in accordance with our corporate sustainability commitment to the principle of transparency.

You can review our detailed carbon footprint report [here](#).

	Category 1 tCO2e	Category 2 tCO2e	Category 3 tCO2e	Category 4 tCO2e
Total	329,04	743,13	237,30	6.364,44
Per Product	0,00007	0,000159	0,000051	0,001360
Per Employee	0,47	1,06	0,34	9,09





# Carbon Disclosure Project

We have advanced our commitment to environmental sustainability goals by initiating CDP (Carbon Disclosure Project) reporting in 2023. CDP is recognized globally as one of the most prestigious platforms for environmental transparency and accountability, assessing companies' performance on climate change, water security, and deforestation.

We reinforce our determination and sustainability motivation to minimize our environmental impacts by reporting our activities transparently within the scope of the climate change program through CDP. In this process, we have undertaken concrete steps to reduce our carbon footprint and implemented innovative, eco-friendly energy efficiency projects. Our collaboration with CDP not only strengthens our environmental responsibility but also enhances our accountability to our business partners and all stakeholders.

In line with our goal of contributing to a sustainable future, we continuously improve our environmental performance and continue to set an example in the industry. The CDP reporting, which fully aligns with our sustainability approach, plays a crucial role in achieving our company's long-term environmental objectives.



## Product Based Natural Gas Consumption

0.1 m<sup>3</sup> 

Fatsa Factory

## Product Based Electricity Consumption

0.29 kWh 

Fatsa Factory & İstanbul HQ

\*Renewable energy certified by I-REC was utilized in 2023.

## Energy Management and Efficiency



Our energy efficiency analysis work helps us develop a sustainable energy management strategy by thoroughly examining our energy needs and usage areas. As part of this analysis, we evaluate and analyze our consumption of natural gas, diesel, and electricity separately. At the same time, we review all our consumption data on a departmental basis to identify where energy use is concentrated. By determining efficiency-enhancing measures in our energy consumption, we aim to use our resources more effectively.

In addition to the energy efficiency projects we implemented in 2023, we are taking a significant step in 2024 by transitioning to a solar energy system. Through this transformation, we aim to meet a large portion of our energy needs from renewable sources and reduce our carbon footprint. With the implementation of our solar energy system, we aim to minimize our negative impacts on the environment and contribute to a sustainable future.

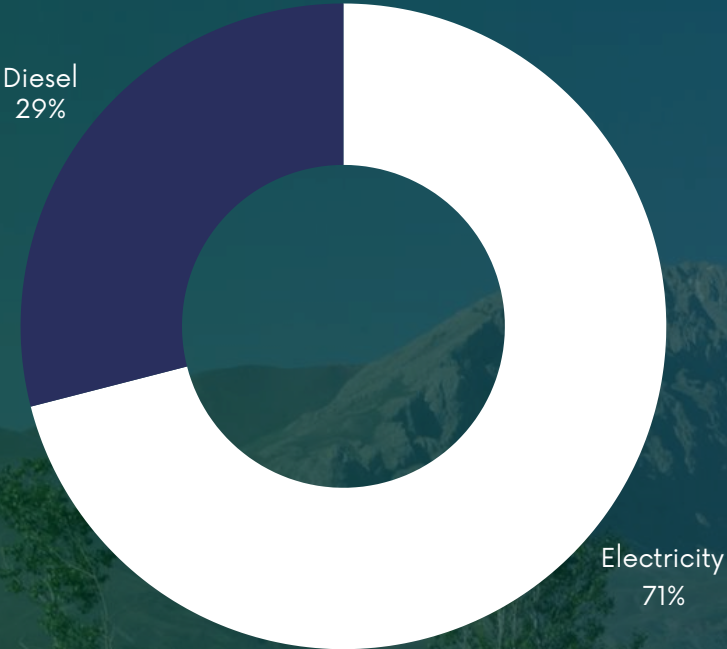
Within the framework of our energy management strategy, we will continue to monitor and analyze our energy consumption constantly. By taking measures to enhance efficiency, we aim to optimize our energy use and utilize our resources in the most efficient way. Through these efforts, we aim to adopt an environmental friendly production approach and reduce our energy costs.



2023

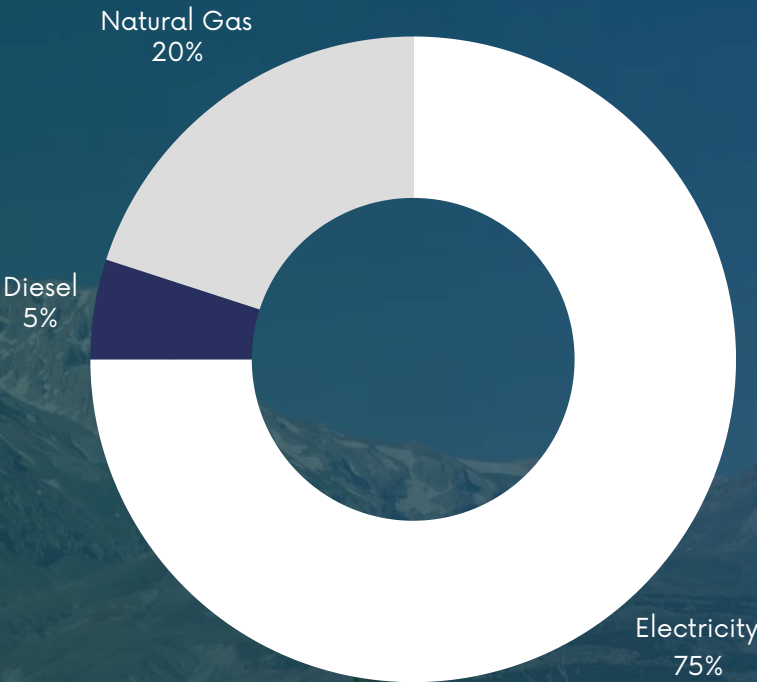
Significant Energy Consumptions

Istanbul Facility



\*There is no use of natural gas at the Istanbul HQ.

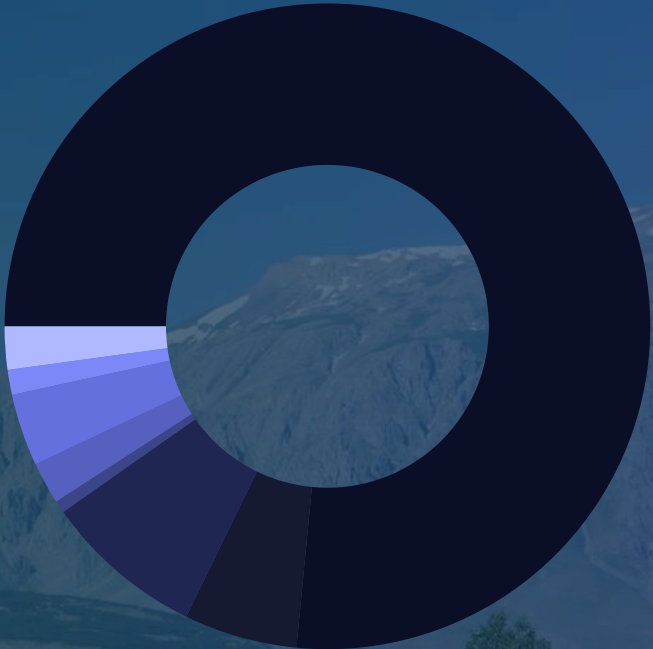
Fatsa Facility



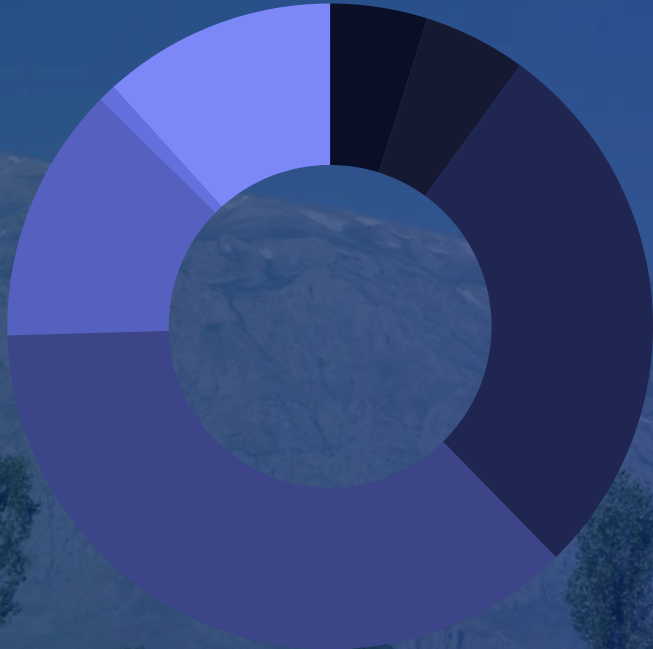
2023

Share of Electrical Energy Consumption

Istanbul Facility



Fatsa Facility







**TUNÇ ÖZDEMİR**

Technical Projects Manager

## Erateks Transformation Stories: Energy

We have taken a significant step in reducing our traditional energy usage and transitioning to renewable sources by completing the official processes to implement a Solar Energy System (SES) on the roof of our Fatsa factory. This project, set to be operational as of July 2024, will enable us to produce 630,000 kWh of electricity annually from solar energy. Consequently, we will supply 60% of the electricity used in our Fatsa factory from renewable energy sources. Additionally, by significantly reducing our carbon emissions, we are fulfilling our responsibility towards a greener future.

Renewable energy sources and energy-saving projects play a crucial role in achieving our company's sustainability goals. I am pleased to share with you the technical projects and innovative solutions we have implemented to reach these objectives.



# Heating System with Steam Apparatus

At our Fatsa factory, we have achieved energy savings in radiator heating systems by using upgraded and capacity-enhanced steam generators along with steam apparatus. This project reduces daily energy consumption at our Fatsa factory by 3,000 kWh. With this transformation, the savings we achieve in heating systems used in winter months is 240,000 kWh annually.

## Waste Heat Recovery Projects

**Heat Recovery with Steam Generator:** In our Fatsa factory, annual energy savings of 20,000 kWh have been achieved by recovering waste heat to enhance the efficiency of the heating system. The project is based on the principle of integrating hot water collected in the steam condensate tank into the heating system.

**Heat Recovery with Air Compressor:** The hot air expelled as waste by the air compressors in our Fatsa factory has been incorporated into the heating system. Additionally, by utilizing heat recovery from the compressor's internal cooling system, hot water was produced and heating was provided at specific points in the factory through radiators. Consequently, approximately 40,000 kWh of energy savings have been achieved annually through the compressor system.

**Closed-Loop Water Circuit for Cooling:** Seven evaporative coolers installed in our Fatsa factory contribute to energy savings by balancing the load of the existing cooling system during days of high temperature.

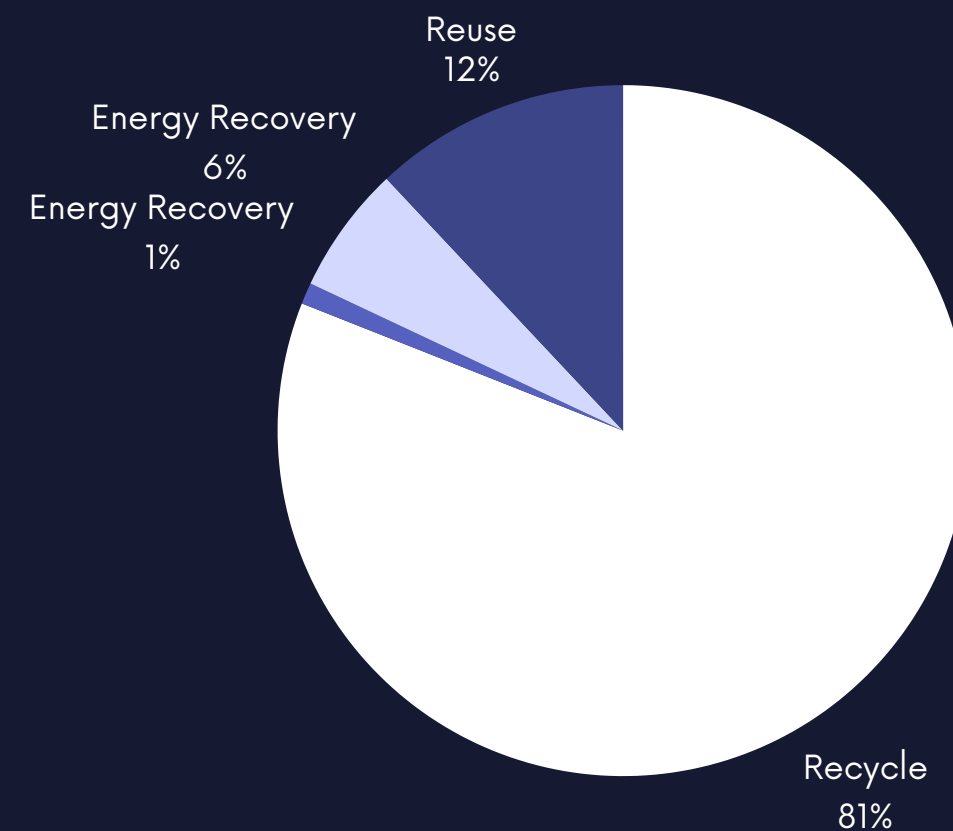




## Total Waste Management



## Disposal



## Employee Based Domestic Waste

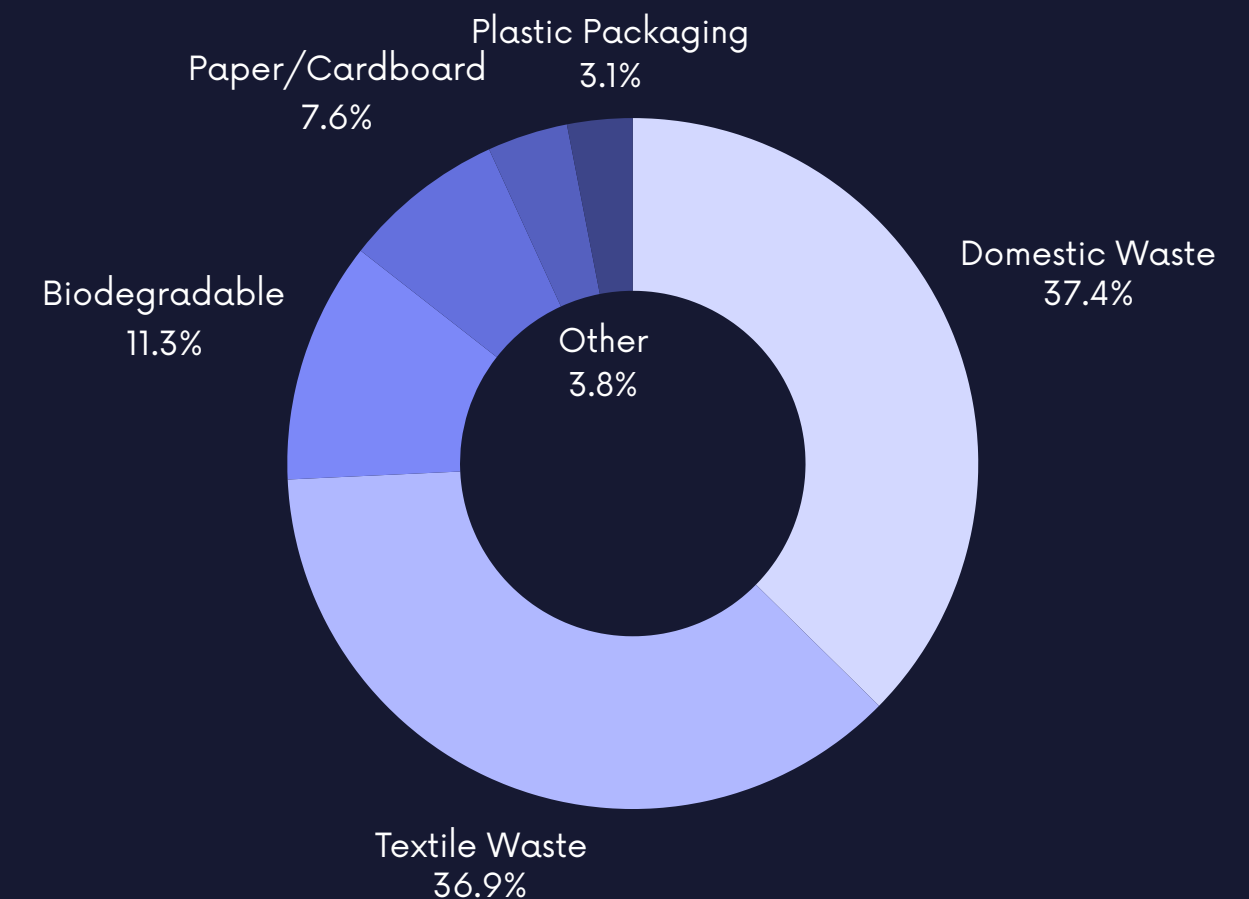
**159.85** KG  
Fatsa  
Factory

**64.59** KG  
İstanbul  
HQ

## Product Based Textile Waste

**0.02** KG  
Fatsa Factory  
& İstanbul HQ

## Waste Types



# Waste Management



# RE:FIBRE Project



As part of PUMA's sustainability initiatives, the RE:FIBRE project, implemented in collaboration with its supply chain, has made a significant impact in the realm of circularity by promoting both resource reuse and awareness development.

Stakeholders such as leading football clubs AC Milan, Borussia Dortmund, and Manchester City have participated in this project on the product and end-user fronts. As a result, the project has reached a broad audience, thereby strengthening sustainability awareness.

The project, which utilizes used clothing and material waste as raw materials, has achieved a 95% recycling rate of polyester textile waste, demonstrating the feasibility of a promising and long-term solution.



## Project Stages

- Collection and sorting of used clothing and material wastes.
- Shredding and mixing of 100% polyester materials.
- Filtering and polymerization of shredded materials.
- Melting for re-production, spinning into yarn, fabric formation, and sewing into ready-to-wear garments.

Erateks, as a PUMA manufacturer, we are happy and proud to be a stakeholder of this important project with a great impact, in which we take part in the collection and sorting of material waste.



For detailed information about the project, please visit [PUMA](#) website.



# Water Management

The increasing global water crisis reminds us once again of the value of water and the necessity of proper management. Although our company does not use water in its production processes, efforts are underway to reduce domestic water consumption and effectively utilize rainwater.



In this regard, we have implemented an innovative rainwater project on the roof areas of our factory. Through this project, we have significantly reduced our reliance on municipal water supply. Collected rainwater is efficiently directed for use in toilet flushing, handwashing sinks, and garden irrigation systems.

800 m<sup>3</sup> of rainwater was recovered and utilized in various areas within the facility In 2023, .





## Environmental Audits

Our company conducts comprehensive environmental audits to ensure environmental sustainability and minimize our impact on the environment. These audits are crucial tools for guaranteeing the effectiveness and compliance of our environmental management systems.

Our audit processes begin with internal audits. Within this framework, we regularly conduct internal audits in accordance with the ISO 14001 Environmental Management System standard. These audits enable us to continuously monitor our environmental performance and identify opportunities for improvement. Additionally, detailed audits are conducted to enhance our energy efficiency and usage under the ISO 50001 Energy Management System standard.

External audits strengthen our compliance with environmental legislation and assist us in adopting best practices. Regular audits are conducted to ensure compliance with the requirements of our Zero Waste Certificate issued by the Ministry of Environment, Urbanization, and Climate Change.

Furthermore, through the Higg FEM self-assessment and third-party verifications, we independently assess our compliance with environmental sustainability criteria in the textile and apparel sector. All of these efforts reinforce our confidence in achieving our sustainability goals.



# GOVERNANCE

- Governance Policy
- Corporate Governance
- Certification and Traceability
- Consultancy Services
- Supply Chain Management
- Material and Product Management
- Digitalization Status
- Erateks Transformation Stories: Stepping into the Future with Eratech
- Corporate Partnerships and Global Initiatives





# INCLUSIVE MANAGEMENT, **BUILDING BLOCK OF A SUSTAINABLE FUTURE!**



# Governance Policy

Erateks Tekstil possesses a robust and effective board of directors. The members of the board play crucial roles in the strategic guidance and management of the company. They are selected based on their experience and expertise across various sectors and serve independently and objectively throughout their terms.

Erateks Tekstil is committed to core values such as integrity, respect, innovation, and sustainability. All employees and board members pledge to act in accordance with these values. The company regularly conducts training and informational meetings to prevent violations of ethical standards.

Erateks Tekstil places great importance on the principle of transparency. The company regularly publishes reports on its financial status, activities, and strategies. Internal audit and control mechanisms ensure the security of financial reporting processes and prevent potential errors.

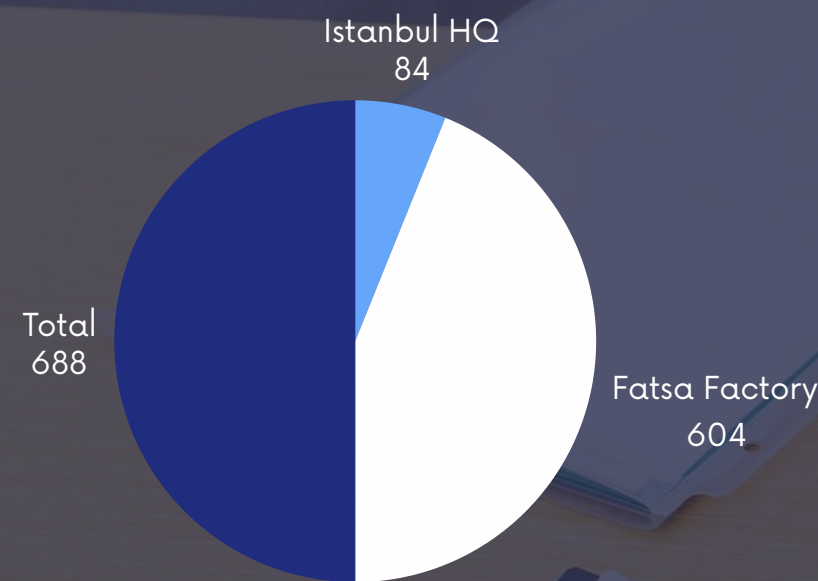
Erateks Tekstil aims to establish honest and fair relationships with all its stakeholders. The company regularly collects feedback to understand and meet the expectations of its stakeholders and makes improvements based on this feedback.

Erateks Tekstil regularly evaluates the risks it may encounter and takes proactive measures against these risks. The risk management policy encompasses operational, financial, environmental, and social risks, and determines the necessary strategies to minimize these risks.



# Corporate Governance

## Total Workforce Breakdown

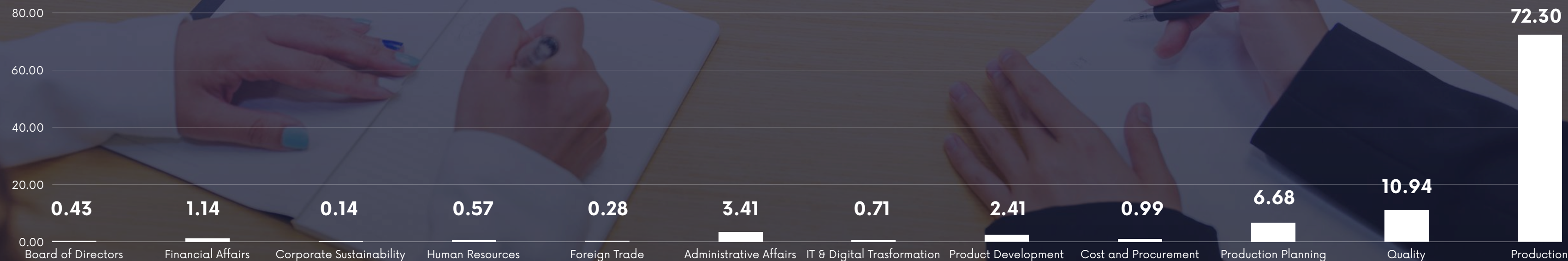


Embracing sustainability principles in our operations and developing effective governance mechanisms in line with these principles are among our top priorities. Our governance approach is based on transparency, accountability, inclusiveness, and fairness with the aim of ensuring environmental, social, and economic sustainability.

To achieve our sustainability goals, our company collaborates closely with all stakeholders and adopts a participatory approach in decision-making processes. Accordingly, we promote open communication at every stage of our activities and enhance accountability through transparent information sharing.

For long-term success and sustainability, we aim not only for short-term economic gains but also to minimize our environmental impacts and create social values. At Erateks, we continuously review our strategies to build a sustainable future, developing flexible policies that adapt to changing conditions.

## Workforce Distribution Diagram (%)





# Certification and Traceability

At Erateks, we place great importance on international standard certification programs to ensure quality, reliability, and transparency in our sustainable production processes. We not only focus on our products and processes but also adopt and implement international management systems. Certifications such as ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System demonstrate our operational excellence and commitment to sustainability goals. Additionally, our use of renewable energy is certified by the IREC certification, affirming our pledge to reduce environmental impact in our production processes.

Certifications that validate compliance with environmental and social responsibility criteria for our products and production processes ensure traceability and verifiability across all stages of our supply chain. Through our traceability systems, we uphold transparency and accountability from raw materials to final products. Furthermore, by engaging in global collaborations, we actively participate in international sustainability initiatives.





# Consultancy Services

At Erateks, in line with our commitment to enhance sustainability awareness and consciousness both individually and corporately, we have engaged in effective consultancy services across various domains. We have received a total of 4375 hours of consultancy in management systems, financial and legal matters, sustainable development, corporate and supply chain sustainability, as well as environmental and occupational health and safety. Our goal through these services is to achieve continuous improvement and advancement towards operational excellence and sustainability.

These consultancy services significantly contribute to our efforts in ensuring operational excellence and sustainability. The consultancies we receive to comply with international standards optimize our processes and reinforce our compliance with environmental and social responsibility criterias.

Consultancy services in financial and legal matters assist us in maintaining financial stability and sustaining legal compliance.



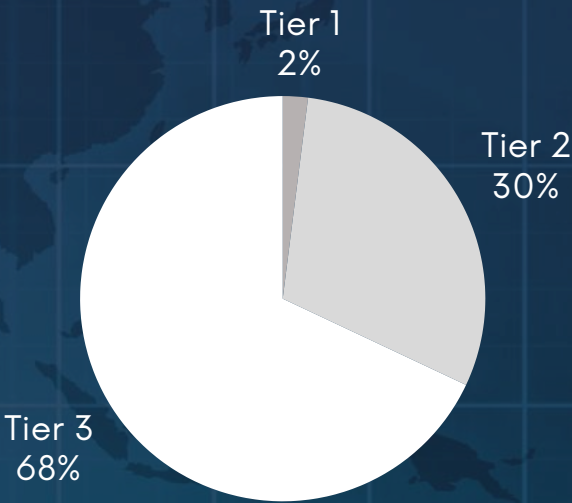


# Supply Chain Management

Supply chain management plays a critical role in achieving our sustainability goals. At every stage of our supply chain, we prioritize transparency, accountability, and sustainability principles, adhering to environmental and social responsibility criteria. By establishing long-term and trust-based collaborations with our suppliers, we ensure traceability and quality throughout all processes from raw materials to final products. Additionally, we encourage and support our suppliers in complying with sustainability standards. The Erateks Principles of Work and Values, which constitute an integral appendix to all our contracts with suppliers, reinforce responsible purchasing practices and contribute to their broader adoption.

Supply Chain Tiers	Number of Suppliers
Tier 1	2
Tier 2	32
Tier 3	73
Tier 4	0

In the Erateks supply chain, classified according to the international supplier mapping methodology\*, there are a total of 105 suppliers, including 32 in Tier 2 and 73 in Tier 3. The Tier 1 shown in the table represents Erateks' two production facilities.



- FLA- According to the Fair Labor Association, supplier mapping is defined as follows:
- Tier 1:** Direct suppliers to the brand, involved in the final production stages. They manufacture finished products ready for sale to consumers.
  - Tier 2:** Suppliers to tier-one companies, undertaking processes, providing components or partially finished goods.
  - Tier 3:** Suppliers to tier-two companies, involved in the production of raw materials or basic components.
  - Tier 4:** Suppliers to tier-three companies, often involved in the initial stages of raw material extraction and primary processing.



# Material and Product Management

We continue to strengthen our commitment to sustainability, and develop and implement processes in line with global industry standards in 2023. By increasing local and sustainable resources in raw material procurement, we adopt a production model that considers economic and ecological balances. We update our production processes by evolving technologies, thereby meeting the priorities of our stakeholders at the highest level.

We ensure the digital transformation of all our operations, thereby maximizing process efficiency. Through digital situation analyses and data-driven approaches, we promote efficiency at every stage from production to the supply chain, improve costs, and minimize our environmental impacts.

By adhering to the principles of transparency, traceability, and ethical production at every stage of the lifecycle of our products, we position ourselves as a distinctive entity in the industry. To meet the needs of the future today, we continue our continuous development and improvement efforts without slowing down.

## Countries of Origin for Cotton

50%  50%

Australia Greece

## Sustainable Raw Material Usage

50%  7%

Recycle Polyester BCI Cotton

Raw materials from Uzbekistan, Turkmenistan, China, and the Xinjiang Uyghur Autonomous Region have not been used.





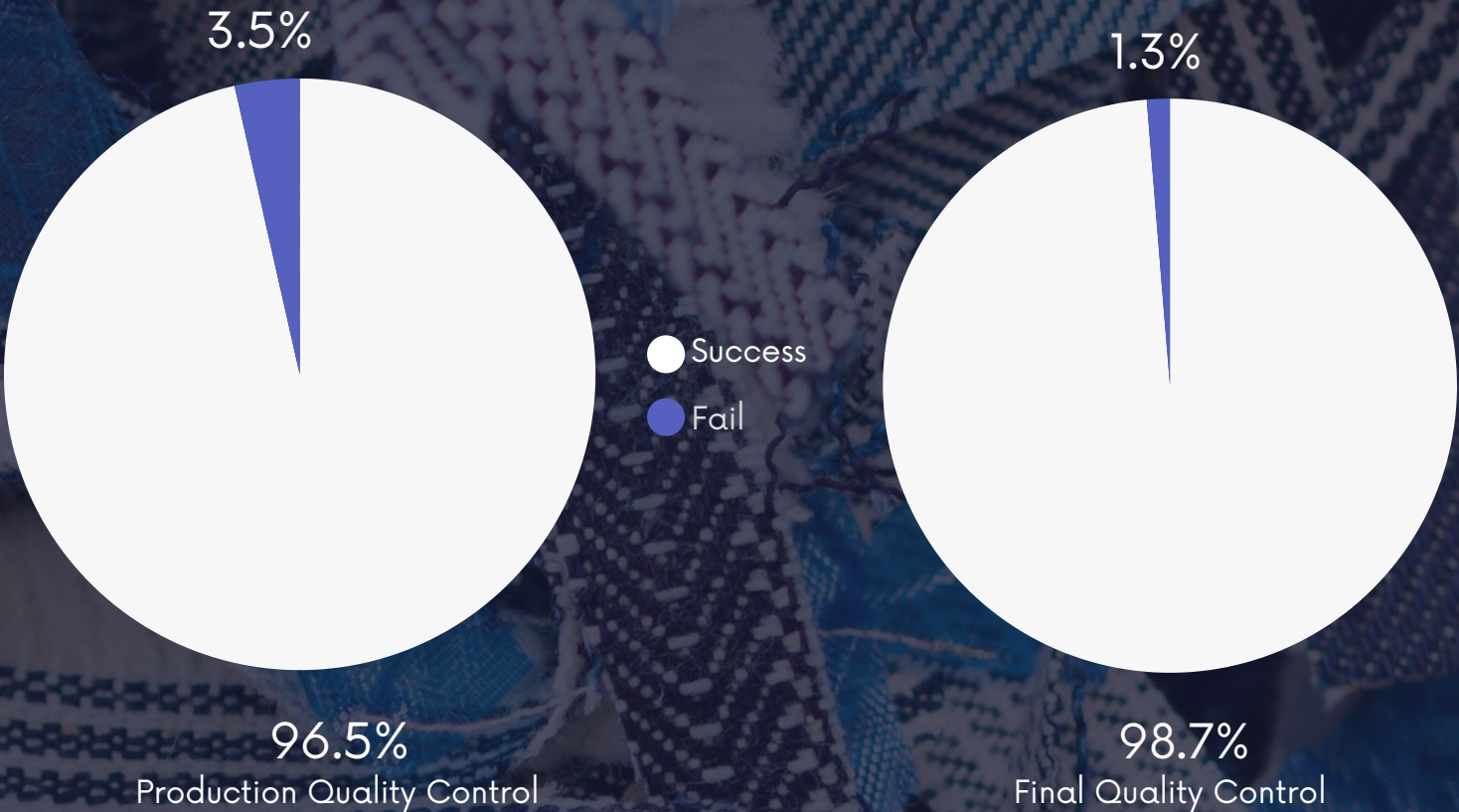
REACH & ZDHC MRSL  
Tests

100%  
success.



Chemical Tests

Quality-Internal Audit Performance



Raw Material Locality

Fabrics are 100% domestic,  
accessories are 87% domestic.



# Erateks Transformation Stories: Stepping into the Future with Eratech

The year 2023 marked significant progress in our company's digital transformation journey. In addition to our ERP software system, which we have been using for over 20 years, the Eratech software, initiated by our Digital Transformation Team in 2021, has been continuously developed to meet various corporate needs, making our operations more efficient, traceable, and productive.

The modules offered by Eratech have transformed our daily operations. With sampling modules, printing-embroidery and production tracking, production planning, product process information and production tracking interface, we have achieved better control of external operations, timely interventions, error monitoring and correction, sequential information flow in workflows, and easy access to accurate information.

The fabric warehouse and addressing module enabled us to manage our inventory more efficiently. This module allowed us to instantly access the materials we needed, preventing disruptions in production. The vehicle and machinery maintenance tracking and administrative affairs technical support modules ensured regular maintenance of our vehicles and equipment, allowing them to be used for extended periods. The human resources module helped us better track our personnel and their needs. Features such as easy access to accurate information and the creation of a digital archive prevented data loss and increased our efficiency. Team-based task assignments made our work processes more organized and effective.

Reporting interfaces enhanced our performance in making timely and effective interventions, enabling us to achieve our goals faster. Eratech not only transformed our business processes but also strengthened our commitment to sustainability. By preventing errors and resource waste, it helped reduce our carbon footprint and control our environmental impact. Our transformation story exemplifies how digitalization and sustainability can be intertwined. The successes we have achieved with Eratech inspire us as we strive to reach our future goals.

## Digitalization Status





# Corporate Partnerships and Global Initiatives

## Social



## Environment



## Governance





# Imprint

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