

IPEKYOL GROUP

2023 SUSTAINABILITY REPORT



As İpekyol Group, we not only operate in the fashion industry but also steer our business with sustainability principles centered on the environment, people, and innovation.

İPEKYOL G R O U P

CONTENTS

04

ABOUT THE REPORT

Message from the Chairman of the Board

Message from the CEO

10

ABOUT US

About İpekyol Group

İpekyol Group: From Past to Present

Our Vision, Mission, and Values

İpekyol Group in Numbers – 2023

Corporate Memberships and Awards

18

CORPORATE GOVERNANCE

Organizational and Corporate Structure

Internal Audit and Risk Management

Business Ethics and Compliance

Anti-Corruption and Anti-Bribery

Information Security

25

OUR SUSTAINABILITY APPROACH

Sustainability Strategy and Goals

Prioritization Analysis and Stakeholder Engagement

39

ECONOMIC PERFORMANCE

Economic Performance

Product Safety and Quality

R&D and Innovation

Our Investments

Customer Satisfaction

Contribution to the Local Economy

48

ENVIRONMENTAL PERFORMANCE

Energy Efficiency and Greenhouse Gas Management

Circularity and Waste Management

53

SOCIAL PERFORMANCE

Diversity, Equity, and Inclusion

Employee Satisfaction

Talent Management and Career Development

Occupational Health and Safety

Corporate Social Responsibility

60

APPENDICES

Economic Performance Indicators

Environmental Performance Indicators

Energy and Emissions

Waste

Water

Social Performance Indicators

Human Resources Performance Data

Employment and Turnover

Occupational Health and Safety Performance

Occupational Health and Safety Training

GRI Index

A b o u t t h e R e p o r t



At İpekyol Group, in addition to our operations in the fashion industry, we steer our business with sustainability principles centered on the environment, people, and innovation. Within this framework, we assess our environmental, social, and governance (ESG) impacts and implement sustainable initiatives for the future.

Since our establishment, we have upheld a commitment to creating added value through ethical, accountable, and responsible management practices. In this context, we are pleased to present our sustainability strategy and initiatives to our valued stakeholders.

This first sustainability report we are sharing with you details the social, environmental, and governance practices implemented within our Turkish operations for the period of January 1 – December 31, 2023. In this report, we aim to comprehensively outline our innovations designed to reduce carbon emissions and waste in our production processes, as well as our commitment to social responsi-

bility across our value chain. Our goal is for this report to build trust, strengthen our relationships with our stakeholders, and serve as a model within the industry.

Our commitment to our employees and our policies against discrimination are included in the company's orientation program and handbooks.

By adhering to our environmentally responsible and sustainable production principles, we remain dedicated to continuously striving for a better and more sustainable society. For the sustainability of both our planet and our company, we extend our gratitude to our inspiring colleagues, valued customers, suppliers, business partners, and all stakeholders for their invaluable contributions. With a comprehensive evaluation of our future strategy, we proudly present our sustainability report to you, our esteemed stakeholders. We welcome your feedback and inquiries regarding our report at sustainability@ipekyol.com.tr.



Message from the Chairman of the Board

“

"At İpekyol Group, we are committed to continuing to create value for the environment, society, and the economy, fulfilling our responsibilities and, most importantly, maintaining transparency, just as we have done so far and will continue to do in the future."

Yalçın AYAYDIN

Chairman of the Board, İpekyol Group

In 1986, we set out with the goal of becoming one of Turkey's leading brands in the women's ready-to-wear sector. Over time, we evolved into a brand recognized in both regional and international markets. Throughout this challenging journey, our vision was not only to lead in the fashion industry but also to internalize sustainability principles—both nationally and globally, at every level, creating a broad and lasting impact.

In the face of the global challenges we encounter today, setting sustainable development goals, formulating policies to achieve these objectives, investing in technological innovations to reduce environmental impact, and raising awareness within society are all critical steps. Our responsibility to leave a livable world for future generations grows every day, and the actions we must take continue to expand accordingly.

As we move forward in our transformation into an international brand, we have placed sustainability at the core of our business strategies, drawing inspiration

‘As İpekyol Group, on this journey to realize our dreams, we have prioritized not short-term successes but rather our responsibility and commitment to balancing economic, environmental, and social benefits to leave a better and more livable world for future generations. Accordingly, we have established a roadmap to guide our efforts.’



from our past to shape our future. Throughout this process, we have leveraged technology, encouraged education and personal development, and embraced environmentally conscious production policies, making significant strides toward a sustainable future.

We have raised awareness among our employees through regular training programs on key topics such as sustainable production and efficiency. By continuously monitoring our performance in these areas, we have established an effective oversight mechanism to ensure we meet our goals.

Today, we continue our steady growth

with Turkey's first integrated women's ready-to-wear factory in Edirne, alongside our extensive retail network of 252 domestic and 53 international stores. To achieve our economic, environmental, and social goals, we have developed comprehensive and effective strategies in collaboration with our suppliers, business partners, and other stakeholders. We systematically implement joint projects and programs to bring these strategies to life.

At İpekyol Group, just as we have done so far, we remain committed to creating value for the environment, society, and the economy, fulfilling our responsibili-

ties, and, most importantly, maintaining transparency in the future. Through this report, we take great pride in sharing our sustainability efforts and future goals, reaffirming this commitment.

Sincerely,

Yalçın AYAYDIN
Chairman of the Board, İpekyol Group



Message from the CEO



İpekyol Group has always been an innovative brand that follows trends while prioritizing quality and elegance, and it will continue to do so.

Uğur AYAYDIN

CEO, İpekyol Group

Founded thirty eight years ago by our Chairman, Yalçın Ayaydın, İpekyol Group continues to grow with the same motivation as on day one. With a vision to shape women's fashion in Turkey, we now operate over 300 domestic and international stores, alongside our online sales channels, providing employment to approximately 2,400 people.

With our brands İpekyol, Twist, and Machka, as well as our expanding subcategories, our goal over the next five years is to become one of the top five most recognized brands in Turkey and the surrounding regions. We are implementing our plans to expand into a retail network of 500 stores, guiding our investments accordingly.

At İpekyol Group, we place sustainability principles at the core of our business operations, strengthening both our long-term growth strategy and our social responsibility. Since our founding, we have pursued our vision of shaping women's fashion in Turkey, growing steadily and confidently both domestically and internationally.



To enhance the inclusivity of our brands and strengthen our competitive edge, we leverage global expertise in our partnerships while focusing on new strategic goals. With the support of our Italian business partner, Miroglio Group, we aim to position our brands more strongly on the international stage.

İpekyol Group has always been an innovative brand that follows trends while prioritizing quality and elegance, and we will continue to do so. In line with this vision, we integrate new technologies into our business processes while maintaining a customer-centric approach.

At our integrated ready-to-wear production facility in Edirne, which spans 17,000

square meters and has received the Aga Khan Architecture Award, we have made a significant investment in renewable energy to reduce our carbon footprint. Our solar panel system and rainwater harvesting investments, implemented with cutting-edge technologies, contribute to energy and water efficiency, setting an example for the industry.

Following audits by internationally accredited organizations, our factory has been certified with the OCS (Organic Content Standard) and RCS (Recycled Claim Standard). Each year, we produce 2 million units made from organic and recycled materials at this facility. To enhance the sustainability of the materials used, we prioritize eco-friendly and recyclable inputs such as organic cotton and regenerated cellulose. We conduct a comprehensive operational strategy aimed at conserving natural resources and reducing waste. Believing in the importance of producing more with fewer resources, we are committed to protecting the ecosystem, contributing to future generations, and building a more sustainable future. We support TEMA Foundation's reforestation projects and

engage in various collaborations in this field. Additionally, we continuously expand our efforts to reduce carbon emissions in transportation and logistics processes across the supply chain, working in partnership with startups and expert organizations.

While pursuing steady growth through domestic and international investments, we leverage our local strength to advance as a global brand. We remain committed to contributing to the national economy and creating employment opportunities within the industry. At İpekyol Group, we prioritize the rights and well-being of our employees throughout our production processes. Occupational health and safety is one of our highest priorities, and we take strict measures across all our facilities, ensuring that independent organizations regularly audit and certify our compliance.

We establish fair wage policies and continuously revise them in response to evolving conditions to ensure that our employees receive fair and competitive compensation. By doing so, we provide our employees with the necessary means

to enhance their living standards and support their families. As a group, we remain committed to respecting the fundamental rights of our workforce and ensuring fair working conditions, always striving to uphold employee well-being and satisfaction at the highest level. In this regard, we position the happiness and health of our employees as a fundamental part of our business model, keeping it at the core of our sustainability objectives.

The majority of our workforce consists of women, and our brands are dedicated to serving women. Within this framework, we implement key projects to promote gender equality. Through our "Yaparsa Annem Yapar" program, we offer part-time employment opportunities to mothers who have taken a break from their careers, allowing them to set their own working hours and continue their professional journeys.

The retail industry is known for its high employee turnover rates, but we strive to

build long-term professional careers with our employees. We want those who choose this profession to advance confidently and consciously in their career paths with the necessary training and support. To achieve this, we established our in-house training department and further strengthened our efforts through an academic partnership with Bahçeşehir University and BAUGO. Recognizing that sustainability extends beyond production, we believe that by supporting our employees' education, we also contribute to social inclusion.

The earthquake disaster at the beginning of 2023 deeply affected our entire country, making emergency relief efforts more critical than ever. At İpekyol Group, we embodied solidarity and support at the highest level during this challenging period. We provided financial, emotional, and in-kind assistance to our affected employees and business partners, ensuring their urgent needs were met and recovery efforts proceeded swiftly. We

take great pride in coming together as a group during this time, setting an example of social unity and resilience.

As a company that deeply feels its responsibility to contribute to society, we continue to expand our corporate social responsibility initiatives, strengthening our bond with our community and environment. In celebration of the 100th anniversary of the Republic of Turkey, we partnered with the Turkish Education Foundation to provide scholarships for 100 female students pursuing studies at universities and technical schools. We plan to increase this support annually by launching workshops in technical schools and running awareness programs at universities. Empowering women and girls is of utmost importance to us.

This report is a reflection of our commitment to sustainability and our intention to share our achievements with you.



As İpekyol Group, we remain dedicated to our mission of leaving behind a better world for future generations, moving forward with the same passion and enthusiasm as on our very first day.

Sincerely,

Uğur AYAYDIN
CEO, İpekyol Group

A B O U T U S



ABOUT IPEKYOL GROUP

Since taking our first step toward becoming İpekyol Group in 1986, we have grown into a global brand with over 300 stores across domestic and international markets, as well as strong online sales channels. Guided by a global vision, we analyze the expectations and needs of the modern woman, striving to create value for the communities we serve.

With a customer-centric approach, we manage our business processes with a commitment to environmental consciousness, social responsibility, and sustainability. By integrating global fashion trends into our designs, we continue to operate on an international scale, staying true to our values as İpekyol Group.





FROM PAST TO PRESENT: IPEKYOL GROUP

İpekyol Group was founded in 1986 by our Chairman of the Board, Yalçın Ayaydın, who moved from Mardin to Istanbul to establish the brand's foundations. Today, with over 300 stores across domestic and international markets, we continue to follow a global vision, analyzing the expectations and needs of the modern woman while creating value for the communities we serve.

The first İpekyol store opened in 1989 on Rumeli Street in Şişli, a prominent fashion hub of the time.

In 1997, the Twist brand was introduced to the fashion world, bringing a youthful and energetic design approach.

Pursuing our ambition of becoming a global brand, we made history in 2002 by opening the first İpekyol store in Abu Dhabi, UAE, marking the first-ever presence of a Turkish fashion brand in the region.

In 2004, İpekyol Group pioneered the Turkish textile industry by launching Machka, the country's first prêt-à-porter brand.

Two years later, in 2006, we established Turkey's first integrated ready-to-wear production facility in Edirne, spanning 17,000 square meters. Our factory, managed with a green production approach, incorporates solar panel systems and a rainwater harvesting system to optimize energy and water efficiency.

A significant step in our international growth strategy was taken in 2008 when we entered a strategic partnership with Miroglio Group, one of Italy's most established fashion companies.

Aligning with our digital transformation goals, we launched our online stores in 2012, expanding the accessibility of our brands. Today, our online platforms and mobile applications stand out in the industry, both in visitor traffic and revenue. In 2019, with the goal of strengthening our brand presence in the European market, we began selling our products through Zalando, Germany's largest online retail platform.



OUR VISION, MISSION, AND VALUES

Our values

At İpekyol Group, our values are deeply rooted in our corporate management approach and employee culture, carefully selected to align with our innovative vision and growth strategy. However, ensuring that these values are not just established but also actively upheld remains our top priority. To sustain our values, we integrate real-life case studies into our discussions and support initiatives that further strengthen our commitment to these principles.



Team Spirit

We believe that team spirit is one of our company’s greatest strengths, and we instill this value in our employees from their very first day through orientation training. By engaging internal trainers from different departments, we create an environment where employees feel like part of a larger whole, reinforcing our collective strength as a team. As a result of discussions held at the Search Conference, we develop joint projects based on employee feedback and establish dedicated working groups for each initiative.

These include the Brand Research Project, Multi-Branding Project (collaborations with different brands), EBA Documentation Project, Budget Planning System Project, New Generation İpekyol Project, New Generation Talent Retention Project, Leadership Academy Project, and Sales Academy Project. Additionally, beyond these initiatives, we bring together all departments to ensure the ongoing execution of our Emergency Response and Business Continuity Project.

Innovation

As a brand that values continuous growth, we closely follow global developments and work with an entrepreneurial mindset, integrating creative and innovative solutions into our operations. To keep pace with the global digital transformation, we analyze and implement leading industry applications.

Through our partnership with Enocta, we have integrated a training catalog into our system, enabling our employees to develop innovative thinking skills and new-world competencies, thereby contributing to their ongoing professional growth.

Passion

We express our passion through various internal communication and employer branding activities. At İpekyol Group, we approach our work with excitement and dedication, embracing responsibility and striving for excellence in every endeavor. Our commitment to sustainability is another area where we channel our passion, ensuring that our enthusiasm is reflected in our efforts toward a better future.

Customer-Centric Approach

At İpekyol Group, our customers are at the heart of everything we do. Through transparent communication and trusted relationships, we continuously work to enhance customer satisfaction. By regularly collecting customer feedback, we make ongoing improvements, ensuring that our services and products evolve daily.

Through our Customer Loyalty Project, managed by our CRM team, we aim to build long-term relationships with our customers, recognizing that our brand value is directly linked to the value we provide to them.

Our club programs, including İpekyol Club, Twist Plus, and Machka Club, offer exclusive benefits, making our customers feel special and understood. These programs allow us to anticipate their expectations, address their concerns, and offer tailored experiences, combining the best products with the best services.

Agility

We embrace a solution-oriented mindset, emphasizing adaptability in a constantly evolving landscape.

To accelerate our ability to respond to change, we have revamped our e-commerce infrastructure, making significant progress through our mobile and web applications. To foster innovation, implement cutting-edge applications, accelerate our digitalization process, and create a space for new ideas, we established İpekyol Technology.

Through training and development programs, we encourage employees to internalize our core values, ensuring that these principles are reflected in their daily work. We also implement reward and recognition systems, performance evaluation processes, and other initiatives to acknowledge and celebrate employees who successfully embody and uphold our company values.



IPEKYOL GROUP IN NUMBERS 2023

At İpekyol Group, with a workforce that is **83% female**, we not only have strong brand recognition but also stand as a leading women-friendly company in the industry. Our executive team consists of **20 members, 8 of whom are female, ensuring a 40% representation of women in senior management.**

Through our **"Yaparsa Annem Yapar"** project, we earned the Women-Friendly Brands award. We offer flexible working hours to mothers, allowing them to re-enter professional life and gain financial independence. **Since the launch of our project, we have hired 40 mothers,** and we continue our efforts to increase this number.

By implementing the **New Generation Work Model**, we reduced store working hours from **45 to 42 hours in shopping mall stores and from 45 to 40 hours in street stores.** Additionally, within the same framework, **we increased weekly leave from one day to two days.**

In collaboration with **Happy Place to Work** and **Capital Magazine**, İpekyol Group was named **"Turkey's Happiest Workplace"** for the second time in the research conducted.

With the **"In-Store LED Transformation"** project, implemented across İpekyol stores nationwide, **we aimed to reduce electricity consumption by 30%.** Based on the results of this project, we included similar LED transformations in our future plans for Twist and Machka stores.

With our **"Customer Club"** project, we aim to **achieve 90% customer retention** by fostering long-term loyalty among our dedicated customers.

According to the cumulative evaluation of surveys conducted in 2023, **we have recorded our customer satisfaction score as 85.**

CORPORATE MEMBERSHIPS AND AWARDS

Our Memberships

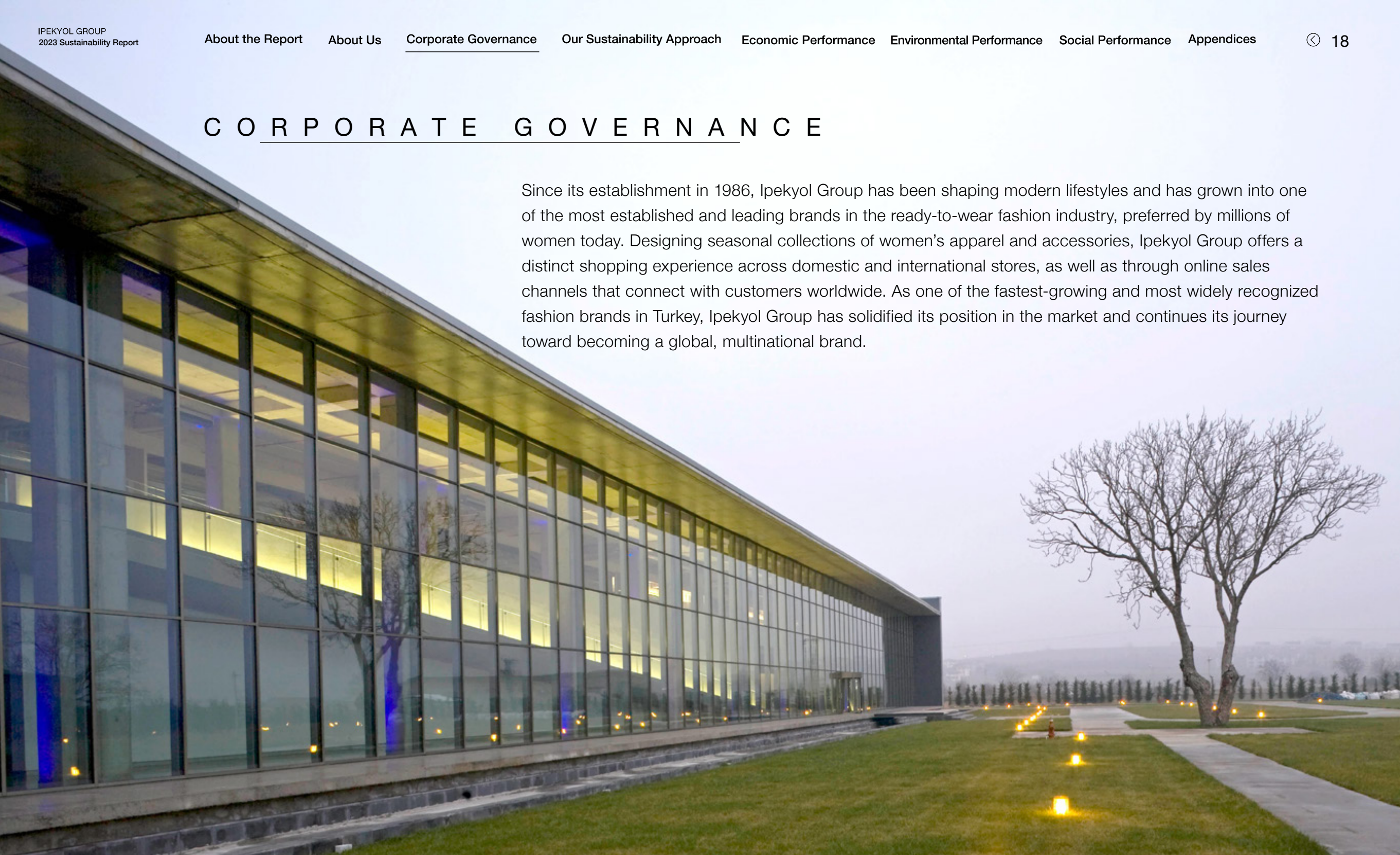
Institution Name
BMD – Yalçın Ayaydın
DEİK – Yalçın Ayaydın & Nejdet Ayaydın
ISO – Yalçın Ayaydın
İHKİB – Nejdet Ayaydın

Our Awards

Award Name	Award Year	Awarding Institution	Awarded Project
Golden Leader Awards	2023	KREA M.I.C.E.	50 Leader CEO
Golden Leader Awards	2023	KREA M.I.C.E.	50 Leader CMO
Golden Leader Awards	2023	KREA M.I.C.E.	50 Leader CHRO
Happy Place to Work	2023	HappyWorkplaces	Turkey’s Happiest Workplaces
Employment Awards - Industry Leaders	2023	Eleman.net	Employment Awards
Women-Friendly Company Award	2023	Nasıl Bir Ekonomi Newspaper	Women-Friendly Company Award
Respect for People Awards	2023	Kariyer.net	Respect for People Awards
Elle Style Awards	2023	Elle Style Awards	Fashion Collaboration of the Year
E-Commerce Women’s Fashion	2023	ECHO Awards	Women’s Fashion
8th A.C.E. Awards	2023	Şikayetvar.com	Best Customer Experience Management Brands
Contribution to Istanbul’s Employment	2023	IBB Regional Employment Office	Contribution to Istanbul’s Employment

C O R P O R A T E G O V E R N A N C E

Since its establishment in 1986, Ipekyol Group has been shaping modern lifestyles and has grown into one of the most established and leading brands in the ready-to-wear fashion industry, preferred by millions of women today. Designing seasonal collections of women's apparel and accessories, Ipekyol Group offers a distinct shopping experience across domestic and international stores, as well as through online sales channels that connect with customers worldwide. As one of the fastest-growing and most widely recognized fashion brands in Turkey, Ipekyol Group has solidified its position in the market and continues its journey toward becoming a global, multinational brand.



ORGANIZATION AND CORPORATE STRUCTURE



The Chairman of the Board and the CEO of Ipekyol Group are directly responsible for all sustainability-related processes. Within the group, shared experiences and values foster a sense of family unity, strengthening employee engagement, particularly in challenging times. This sense of belonging enhances organizational commitment and reinforces the company's inclusive and diverse culture, which serves as a key competitive advantage for Ipekyol Group's sustainable growth and success.

The professionalism of senior executives and the presence of family members on the board of directors facilitate swift decision-making and rapid implementation of strategic actions. This

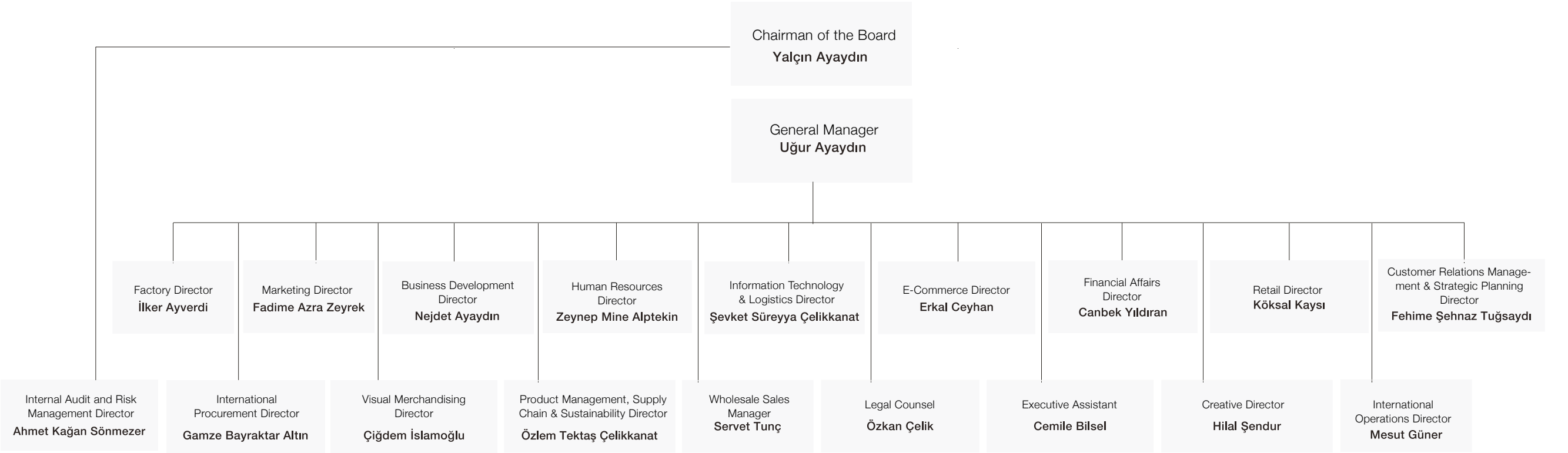
corporate culture prioritizes agility, ensuring that the company remains dynamic and responsive.

Additionally, the open-door policy allows employees to communicate freely with all departments regarding any concerns or disputes, minimizing the potential for conflicts of interest. This policy plays a crucial role in ensuring transparency and integrity, which are fundamental to Ipekyol Group's ethical culture. Employees can refer to clearly defined policies and procedures outlined in the employee handbook when addressing conflicts of interest. To further uphold ethical business practices, the company has established the Ethics Hotline, an independent advisory mechanism where employees can safely seek guidance. These measures ensure

that potential concerns are taken seriously and that employees are encouraged to comply with company policies.

Furthermore, Ipekyol Group holds ISO-9001 and ISO-IEC-27001 certifications, and we aim to obtain additional ISO management system certifications in the coming periods.

OUR ORGANIZATIONAL CHART



INTERNAL AUDIT AND RISK MANAGEMENT

The Internal Audit and Risk Management Department operates in accordance with the principles of independence and objectivity and reports directly to the Board of Directors. Audit results, risk analyses, and actions taken are regularly reported to the Board of Directors and Senior Management.

Internal audit activities encompass adopting and supporting a strong internal control, monitoring, and evaluation framework to provide assurance to the Board of Directors regarding compliance with legal regulations and ethical standards, corporate governance practices, protection of assets, accuracy and reliability of financial operations, and the adequacy, effectiveness, and efficiency of internal controls. All store and process audits are conducted within the scope of an annual plan.

Store Audit

Stores within Ipekyol Group are regularly audited on-site within the framework of an annual plan. Through store audits, we aim to standardize the services offered to customers and protect the company against fraudulent activities using a control checklist that consists of specified topics. These topics include stock security, customer service processes, sales and operational activities, personnel processes, and cash register processes.

Internal Controls and Process Audit

To determine the efficiency and effectiveness of internal controls, end-to-end process audits are

conducted within the scope of the annual plan, based on an appropriate audit methodology. During process audits, a comprehensive methodology is followed, and review activities are carried out using documented evidence. Risk analyses conducted at the beginning of the year are used to create audit plans. The findings from audits are tracked on a monthly basis following a specific methodology, and the results are presented to the Board of Directors at regular intervals. Supporting documents are requested and archived for the actions taken.

Following audits, regular internal controls are recommended in line with the findings and the processes of the departments. Additionally,

responsibilities arising from improvement plans are added to the company's process management program and, when necessary, to job descriptions.

Corporate Risk Management

As Corporate Risk Management, we have adopted a management system that includes the identification, evaluation, prioritization, and mitigation of potential risks that could impact Ipekyol Group's goals, operations, financial health, reputation, or stakeholders through qualitative and quantitative assessment and monitoring processes. Within this scope, regular risk analyses are conducted on company operations, and risk-mitigation actions are taken.

Business Continuity Management

As Business Continuity Management, our goal at Ipekyol Group is to enhance the company's ability to continue its operations in the event of an incident or crisis while minimizing the financial, legal, operational, and reputational damages that the organization may suffer due to the incident. In this context, business impact analyses are conducted regularly, crisis scenarios are developed, and physical and tabletop exercises are carried out.

BUSINESS ETHICS AND COMPLIANCE

At Ipekyol Group, we operate in accordance with our corporate principles, adopting a transparent, honest, and trust-based approach toward society, the environment, and all our stakeholders. We prioritize employee and customer satisfaction, ensuring the preservation of a competitive structure, information security, and brand values while adhering to a continuous improvement philosophy. Our business activities comply with local laws and international legal frameworks, and we actively collaborate with public institutions. We provide all requested information in a transparent, reliable, and accurate manner, comply with ethical rules, engage in fair competition, and strictly avoid unfair competition.

Furthermore, as a reflection of our commitment to impartiality, we ensure that we maintain an equal distance from all public institutions, government bodies, and political parties without any form of favoritism or discrimination in our operations.

The Internal Audit and Legal Department is responsible for evaluating complaints, suggestions, and reports of non-compli-

ance submitted by stakeholders through the Ethics Hotline.

Within this framework, we take action to resolve customer issues that negatively impact their experience and satisfaction, in accordance with company procedures where customers are found to be justified. We address customer complaints based on both direct feedback and system-detected issues, ensuring that all concerns are properly entered into our systems and resolved efficiently. Unresolved issues are not ignored but are regularly reported on a monthly basis.

We collaborate with departments to develop improvement projects, ensuring that necessary systemic or individual corrections are made to prevent recurrence. For internal employees, both an Ethics Hotline and a Whistleblower and Reporting Line are available, and when necessary, the Disciplinary Committee is convened. Additionally, the Suggestion and Complaint Module within the Human Resources System allows internal employees to track both suggestions and complaints.

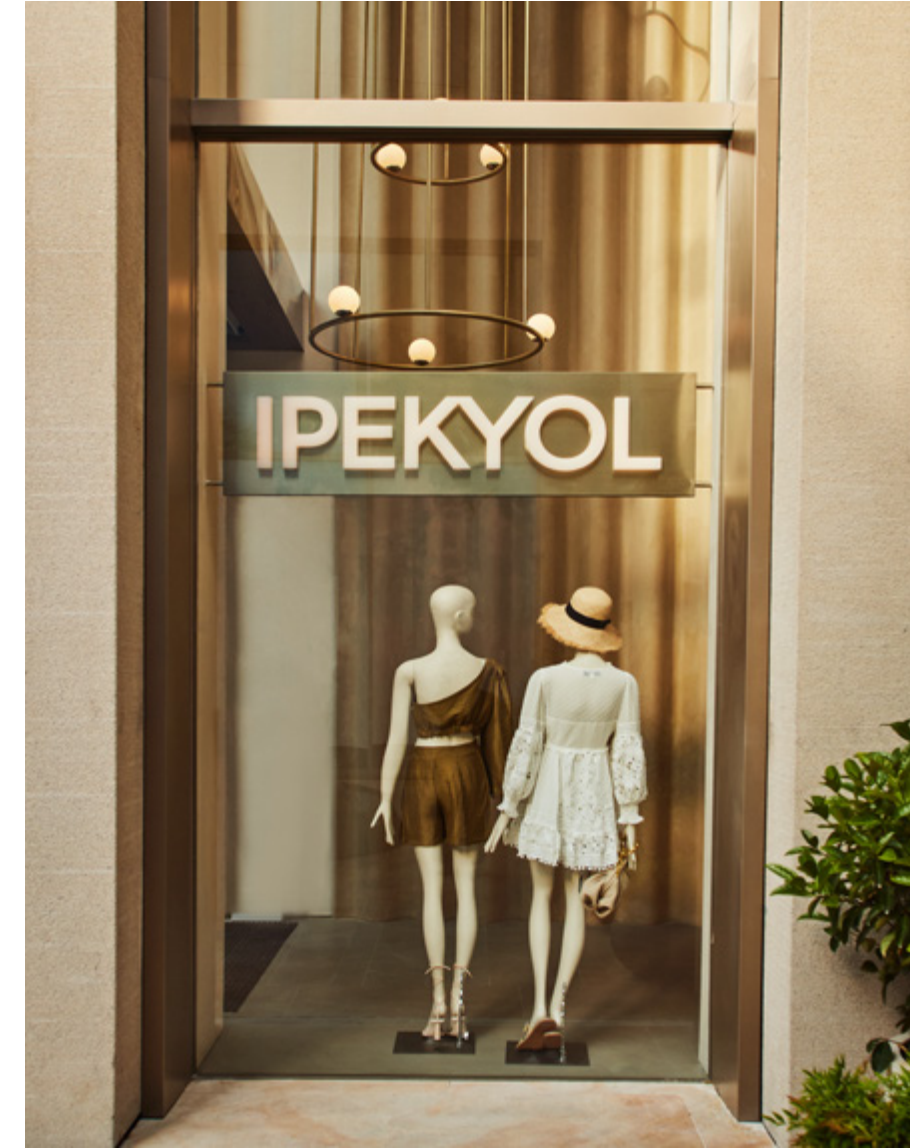
To listen to and engage younger generations in the workforce, we hold regular feedback meetings with Generation Z and Management Trainee (MT) teams. Furthermore, HR Business Partners actively participate in monthly departmental meetings to collect and address feedback from all employees.



ANTI-CORRUPTION AND ANTI-BRIBERY

Fraud risks are taken into account during store and process audits. At Ipekyol Group, we adopt a detailed and meticulous approach to detect potential fraud cases during audits. Additionally, reports received through fraud hotlines are thoroughly examined within the same scope. Within this framework, investigation processes conducted by the Internal Audit Unit ensure that potential fraud cases are examined in depth and that necessary actions are taken. If fraud is detected, the Internal Audit Unit immediately takes action, collaborating with the relevant parties to clarify the case and enforce necessary sanctions. The investigation report and Internal Audit sanction recommendations are then submitted to the Disciplinary Committee. All cases presented to the Disciplinary Committee are evaluated objectively, considering company policies, legal regulations, and previous precedents, before reaching a final decision.

Additionally, our store audit control lists include fraud-detection questions and controls. These checklists ensure that store personnel and processes are regularly assessed for fraud risks. The audit control lists include comprehensive questions and checks to address irregularities and fraud risks. By implementing these fraud prevention measures in store audits, we aim to minimize the risks of fraud and irregularities. This approach strengthens the resilience of both store employees and processes against fraudulent activities. It also reinforces our company's principles of transparency and reliability, while helping us maintain operational integrity.

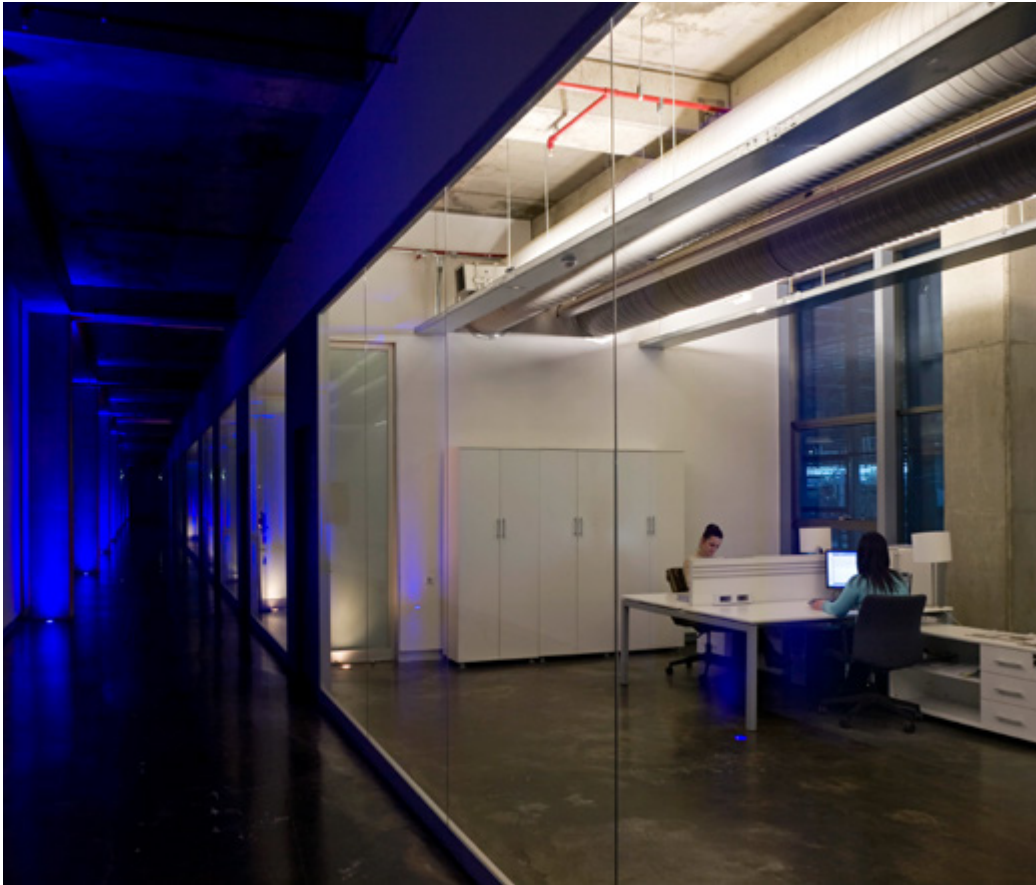


INFORMATION SECURITY

At Ipekyol Group, we protect our network and terminal devices against malware and cyberattacks by utilizing a combination of Kaspersky Antivirus Software, Checkpoint Firewall, and Fortigate Firewall. These systems are critical across all our locations, including headquarters and stores, serving as our first line of defense against external threats. Additionally, through the integration of Zabbix & Grafana with the Cryptosim Logging Program, we continuously monitor system performance and security. While Zabbix and Grafana allow us to observe the health status of our infrastructure, Cryptosim records security events and facilitates detailed security analysis.

The Kron Singleconnect PAM solution ensures that service provider firms can access our systems in a secure and controlled manner. Meanwhile, the Cyberwise PCI AWS vulnerability

scanning program works in integration to identify potential security weaknesses and outline the necessary corrective actions. This integration enables the rapid detection of security incidents and ensures effective incident response processes. This comprehensive approach, aligned with our Information Security Management System (ISMS), strengthens overall security by covering network and terminal security, access management, and vulnerability scanning. The interaction between our security tools provides continuous protection against evolving cyber threats, enhances the analysis of security data, and ensures our security policies remain up to date. Through this integrated security strategy, we maintain the safety of our systems and enhance our resilience against cybersecurity risks.



OUR SUSTAINABILITY APPROACH

At İpekyol Group, we are aware of our responsibility to create a sustainable future. For this reason, we have adopted a comprehensive sustainability approach that integrates environmental, social, and economic dimensions into our operations. Our company is committed to investing in innovative and eco-friendly production techniques, using resources efficiently, and minimizing waste as fundamental aspects of this approach. In line with this commitment, we continuously seek improvement and innovation to achieve our sustainability goals.





The focus of our sustainability approach is to establish a transparent and interactive relationship with all our stakeholders. From our customers to our suppliers, from our employees to society, we actively encourage the participation of every stakeholder in our sustainability journey. In this context, we not only contribute to society by developing environmental and social responsibility projects but also implement ethical business practices at all levels. This approach is critical to securing our company’s long-term success and creating a positive impact for a sustainable world.

As part of ensuring active participation from our stakeholders, you can review our stakeholder communication framework in the table below:

Stakeholder Group	Communication Method	Reason for Communication	Frequency of Communication
Customer	SMS	Satisfaction survey - campaign - information - activation	2,000 times per year
Customer	Email	Satisfaction survey - campaign - information - activation	500 times per year
Customer	In-store POP	Satisfaction survey - campaign - information - activation	24 times per year
Customer	Social Media – Instagram – Ipekyol (TR & MENA)	Reach, brand awareness, brand perception	850 times per year
Customer	Social Media – Instagram – Twist (TR & MENA)	Reach, brand awareness, brand perception	850 times per year
Customer	Social Media – Instagram – Machka (TR & MENA)	Reach, brand awareness, brand perception	850 times per year
Customer	Social Media – TikTok – Ipekyol (TR & MENA)	Reach, brand awareness, brand perception	360 times per year
Customer	Social Media – TikTok – Twist (TR & MENA)	Reach, brand awareness, brand perception	360 times per year
Customer	Social Media – TikTok – Machka (TR & MENA)	Reach, brand awareness, brand perception	360 times per year
Customers, Employees, and Candidates	Social Media – LinkedIn Ipekyol Group	Corporate communication, brand awareness	Varies (frequent) Daily email notifications when data is missing
Employees	Barkodes	Automatic email notifications when employees’ PDKS (Personnel Attendance Control System) data is missing	Varies (frequent)
Employees	Humanist	Employee data control, request management, employment processes, tracking entry and exit procedures, monitoring IT help desk case numbers	Varies (frequent)
Employees	WhatsApp Bot	Announcements, development updates, reminders, notifications	

² MENA: Middle East and North Africa

Additionally, as an environmentally conscious and sustainable fashion retail brand, we are committed to protecting natural resources, reducing our carbon footprint, and minimizing our environmental impact. Throughout our process, from the design to the production of our products, we prefer sustainable materials and adopt environmentally friendly production techniques, contributing to the preservation of natural resources. At the same time, we also aim to encourage the use of recyclable and organic materials. We continuously strive to reduce our carbon footprint in our production, logistics, and other business processes. In this context, we develop and implement strategies to increase energy efficiency, use renewable energy sources, and reduce greenhouse gas emissions. Furthermore, we take various measures to minimize waste production, manage our waste efficiently, and promote recycling. At this point, we take steps such as reducing our packaging materials, choosing recyclable packaging, and participating in recycling programs wherever possible to encourage waste reduction and recycling.

We require our suppliers to adopt sustainability practices and act in compliance with environmental standards. Additionally, by collaborating with our partners in our supply chain, we aim to reduce our environmental impact and raise sustainability standards. At the same time, we plan to organize various communication and training programs to inform and educate our employees and customers on environmental issues. Furthermore, by sharing best practices related to sustainability, we encourage everyone to take action to reduce their environmental impact together. In this framework, our environmental policy demonstrates İpekyol Group's sensitivity and commitment to the environment. We will continuously monitor, evaluate, and improve our environmental performance and strive to integrate sustainability principles into every stage of our business processes.



SUSTAINABILITY STRATEGY AND GOALS



Sustainability is a core focus of our business model, aiming to develop environmental, social, and economic values in harmony. With this vision, we have adopted a comprehensive strategy to contribute to a sustainable future. Our strategy focuses on environmentally friendly production, ethical business practices, social contribution, diversity and inclusion, and ESG (Environmental, Social, and Governance) management systems.

As İpekyol Group, our five-year sustainability strategy includes goals such as producing sustainable products both domestically and internationally and aligning our business processes with nature. Within this framework, we develop strategies and projects that contribute to the Sustainable Development Goals (SDGs). We particularly focus on SDG 12, which emphasizes responsible consumption and production, intensifying our efforts to create social and environmental benefits. To achieve these goals, we prioritize the following areas:

Education and Awareness Raising

To highlight the importance of sustainable development, we develop education and awareness projects. Within this scope, we organize informative training sessions and seminars on sustainability for both internal and external stakeholders. Additionally, we publish newsletters on sustainability, promoting the exchange of information.

Transition to Clean Energy Projects

We implement projects aimed at transitioning from fossil fuels to clean energy sources. By investing in renewable energy, we aim to reduce our carbon footprint and increase energy efficiency. For example, we have installed solar panels on the roof of our factory in Edirne, allowing the facility to meet its entire energy demand from solar power.

We develop projects to promote gender equality, support disadvantaged groups, and empower local communities. These initiatives focus on education,

employment, and healthcare, encouraging inclusive policies and practices. For instance, through our "Yaparsa Annem Yapar" Project, we aim to create job opportunities for women who have not been able to return to work after having children.

Environmental Protection and Restoration Projects

We develop projects for the protection and restoration of natural habitats. In reforestation projects, we collaborate with organizations such as TEMA Foundation to support forest conservation efforts.

Sustainable Agriculture Projects




To increase efficiency and ensure the safety of soil, people, and the environment, we collaborate with organizations that promote sustainable agricultural practices, such as the Better Cotton Initiative (BCI) and Organic Content Standard (OCS). Within this framework, we have obtained organic product certification for our factory and ensure that organic raw materials are included in both our own production and the materials sourced from our suppliers, with




In addition, our company is committed to designing its business strategy and model in a way that creates a positive and lasting impact on the economy, environment, and people. To achieve this goal, we focus on the following fundamental principles:



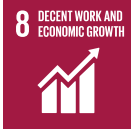
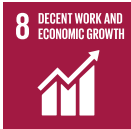
- We focus on developing innovative products and services, using our resources efficiently, and conducting our operations fairly to ensure sustainable profitability.
 - We adopt environmentally and socially responsible supply chain practices, establishing ethical and sustainable relationships with our suppliers.
 - We take proactive steps to reduce greenhouse gas emissions, minimize waste, and conserve energy and water resources.
- We provide training programs to raise awareness of environmental issues and encourage our employees and customers to adopt sustainable practices.
 - We promote diversity and inclusion by ensuring a fair and respectful work environment for our employees and prioritizing their well-being.
 - We actively participate in various social responsibility initiatives to contribute to social development and support disadvantaged groups.

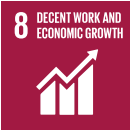


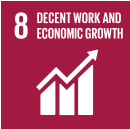
In line with these principles, as a result of our stakeholder engagement and prioritization efforts in 2023, we planned to develop our sustainability strategy for the first time. Along with this strategy, we established key performance indicators (KPIs) to measure and track our goals.

Actions, KPIs, and SDG Goals

Action	KPI	SDG and Goals
Incorporating a certain percentage of sustainable cotton or recycled polyester in the design of seasonal collection products	By 2030, ensuring that 50% of domestically produced products use sustainable cotton By 2030, ensuring that 30% of domestically produced products use recycled polyester Increasing the number of sustainable product options by 10% each year	Net zero greenhouse gas emissions across Scope 1, 2, and 3 
Implementing design improvements to minimize waste generation in product development Using dyes and processing chemicals with low environmental impact Promoting the repair and reuse of auxiliary process materials	Ensuring that all waste generated from factories, headquarters, and stores is either recycled or reused by 2030, in line with the Zero Waste Principle.	Zero waste 
Ensuring the use of renewable energy in the Edirne factory, headquarters, and all street stores with electricity meters registered under Ipekyol Group	Ensuring that 100% of the electricity purchased for Ipekyol Group's stores, headquarters, and factory is sourced from renewable energy by 2030	Use of renewable energy 

Action	KPI	SDG and Goals
<p>Planning the use of a defined percentage of sustainable cotton or recycled polyester in the design of seasonal collections</p> <p>Increasing the range of certified sustainable products containing recycled or organic materials by 10% annually compared to the previous year, and expanding the product portfolio with new sustainability-focused items</p>	<p>Using 50% sustainable cotton in domestically produced products by 2030</p> <p>Using 30% recycled polyester in domestically produced products by 2030</p> <p>Increasing the number of sustainable product options by 10% annually</p>	<p>Certification confirming the reduced impact of production materials on ecosystems and biodiversity</p> <div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div>
<p>Prioritizing recyclability in the selection of consumable materials used in stores, offices, and factories, and sourcing these materials from recycled content</p>	<p>Ensuring that 50% of our shopping bags, cardboard, paper, and other packaging materials are sourced from recyclable and sustainable raw materials by 2025, and achieving 100% sustainable material use by 2030</p> <p>Using sustainable materials in 50% of all woven and paper/cardboard labels by 2025, and reaching 100% by 2030</p>	<p>Increase the proportion of sustainable materials used in production by 2025</p> <div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div>
<p>Collaborating with the Ministry of Forestry, local forestry directorates, and universities to implement tree planting and habitat restoration projects in degraded natural areas near factories or production facilities</p>	<p>Planting at least 10,000 trees annually in collaboration with NGOs</p>	<p>Certification confirming the reduced impact of production materials on ecosystems and biodiversity</p> <div><div>15 LIFE ON LAND</div><div></div></div>

Action	KPI	SDG and Goals
Ensuring equal opportunity for women in executive positions	Achieving 50% female representation on the Board of Directors by 2030 Maintaining the proportion of women in executive positions at no less than 70% through 2030	Continued representation of women in executive-level positions 
Incorporating diversity, equity, and inclusion (DEI) training into the mandatory 2024 training curriculum Supporting employees in pursuing external training and certification programs aligned with their development goals, within the scope of their job descriptions	Providing all employees with at least one annual training session on Diversity, Equity, and Inclusion (DEI)	Integration of diversity, equity, and inclusion into corporate culture 
Enhancing university collaborations in areas such as R&D, social and environmental impact studies, and career development; supporting thesis research and establishing internship programs	Continuing collaboration with universities in areas such as education, R&D, and employment	Collaboration with universities and other associations 
Establishing policies, procedures, and systems to evaluate suppliers' ESG performance beyond legal compliance during the selection process, including scoring their sustainability approaches and prioritizing partnerships with high-performing suppliers	Evaluating suppliers based on social and environmental criteria and conducting regular audits	Achieving a 100% traceable supply chain by 2040 

Action	KPI	SDG and Goals
<p>Incorporating environmental compliance criteria into the Global Purchasing Principles</p> <p>Ensuring supplier compliance with principles through planned environmental and social compliance audits</p> <p>Including compliance requirements with the Global Purchasing Principles and the Supplier Code of Conduct in supplier contracts</p>	<p>Ensuring that all strategic suppliers and subcontractors comply with the Supplier Code of Conduct by 2040</p>	<p>Compliance with the Supplier Code of Conduct</p> 
<p>Organizing employee training programs to raise awareness of sustainability and promote internalization of these values among staff</p> <p>Promoting the adoption of sustainability standards across the supply chain by collaborating with suppliers to encourage the use of sustainable materials and production methods</p>	<p>Number of employees receiving sustainability awareness training</p>	<p>Integration of sustainability into corporate culture and policies</p>  
<p>Revising employee performance evaluation processes to incorporate sustainability goals and KPIs</p> <p>Providing guidance and training to employees on considering sustainability KPIs when setting performance objectives</p> <p>Establishing and utilizing an appropriate monitoring and reporting system to track KPI progress</p>	<p>Integration of sustainability KPIs into the performance evaluation process</p>	<p>Monitoring of strategy-defined KPIs through integration into departmental and, where appropriate, individual performance evaluation systems</p> 

Action	KPI	SDG and Goals
<p>Conducting annual sustainability reporting on a regular basis each year</p> <p>Adopting the sustainability principles defined by the UN Global Compact (UNGC) and becoming a signatory</p>	<p>Publishing the sustainability report annually</p>	<p>Sustainability reporting in line with global and local standards</p> <div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div>
<p>Defining and monitoring appropriate KPIs to measure environmental, social, and corporate governance (ESG) performance</p> <p>Organizing internal training and awareness programs to inform employees about ESG strategies and policies, and to strengthen awareness on these topics</p>	<p>Holding monthly meetings to review ESG-related topics</p>	<p>Regular ESG Committee meetings to continuously review ESG matters</p> <div><div>13 CLIMATE ACTION</div><div></div></div>
<p>Social and environmental investments</p>	<p>The baseline year 2025 sets the post-tax net profit contribution from sustainability at 0.5%, with a target of exceeding 1% by 2030</p>	<p>Investments focused on women, education, and forest conservation to contribute to society and the environment</p> <div><div>5 GENDER EQUALITY</div><div>13 CLIMATE ACTION</div><div>15 LIFE ON LAND</div><div></div><div></div><div></div></div>

SDG Mapping of Material Topics

	Material Topic	SDG
1	Customer Satisfaction	—
2	Business Ethics and Corporate Policies	<div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>
3	Business Continuity	<div>8 DECENT WORK AND ECONOMIC GROWTH</div>
4	Compliance with Legal Regulations	<div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>
5	Sustainability Management	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div>

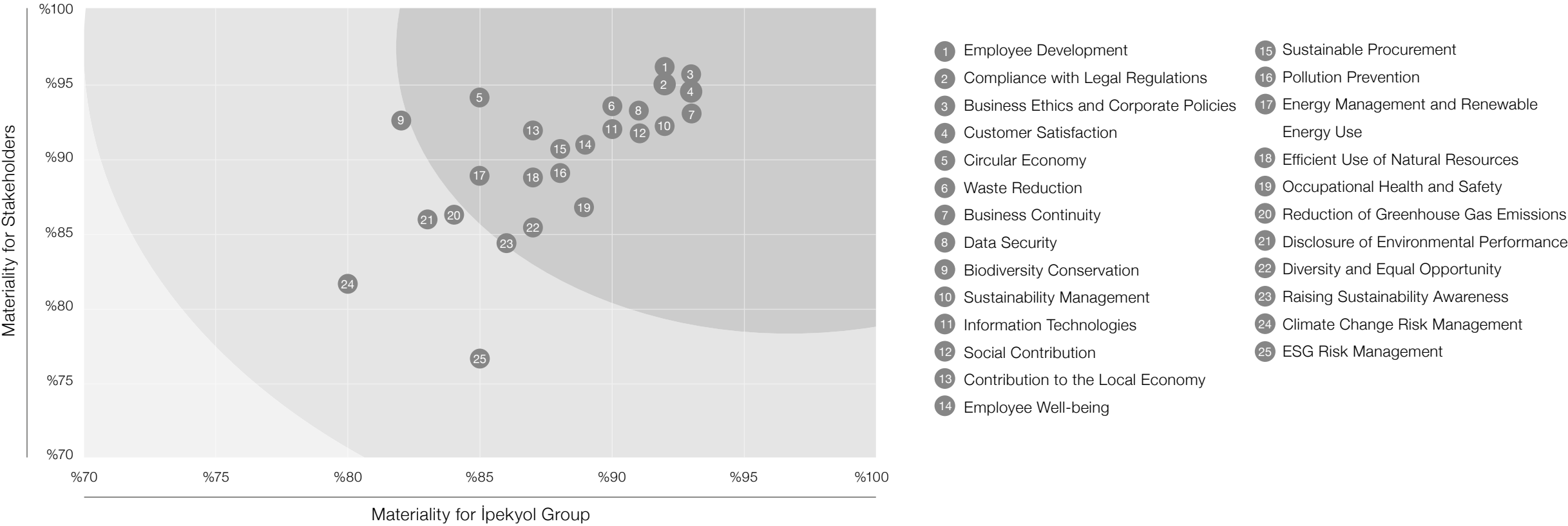
	Material Topic	SDG
6	Data Security	—
7	Social Contribution	<div>11 SUSTAINABLE CITIES AND COMMUNITIES</div>
8	Waste Reduction	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div>
9	Occupational Health and Safety	<div>8 DECENT WORK AND ECONOMIC GROWTH</div>
10	Pollution Prevention	<div><div>6 CLEAN WATER AND SANITATION</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>

Materiality Analysis and Stakeholder Engagement

In our sustainability journey, we adopt the principle of listening to our stakeholders and shaping our strategy with their participation. Our stakeholder engagement is based on transparency, mutual respect, and open communication. This approach guides us in setting sustainability goals and determining material topics.

Our stakeholder engagement process includes a broad range of participants, such as employees, suppliers, business partners, and customers. This process has played a critical role in defining our company's sustainability priorities and was carried out beyond a single survey.

This stakeholder engagement matrix visualizes the level of materiality of various topics for both stakeholders and our company. The X-axis represents the "Materiality for İpekyol Group", while the Y-axis represents the "Materiality for Stakeholders."

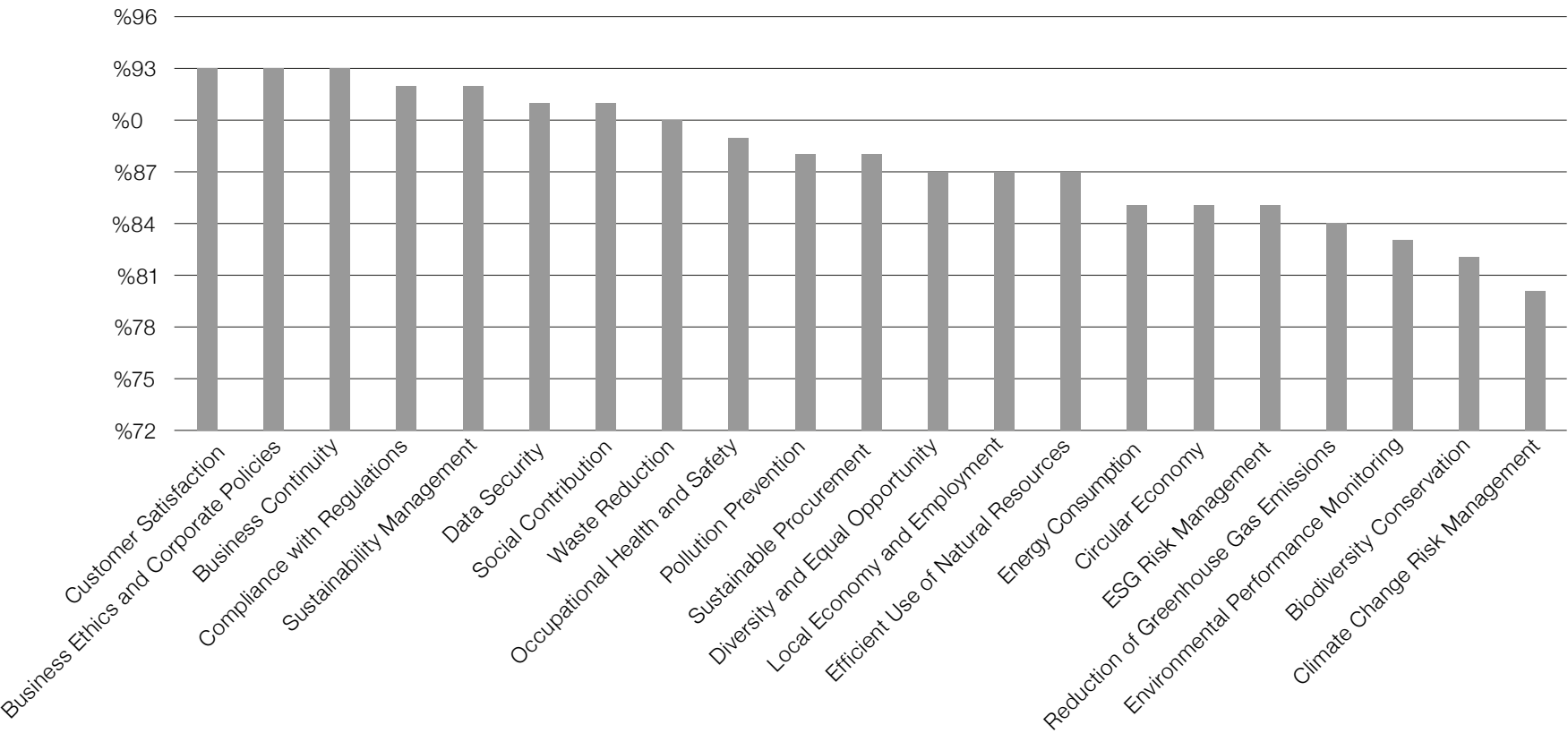


A notable point is that many topic headings in the matrix hold materiality between 85% and 100% on both axes. This indicates that stakeholder engagement is crucial for İpekyol Group's success and that stakeholders also value these topics. High-impact topics require strong communication and collaboration between İpekyol Group and its stakeholders.

On the X-axis, 21 materiality topics that will guide our forward-looking strategy are shown. On the Y-axis, the ratings given to these 21 topics within a scale of 80% to 93% are displayed. Specifically, topics such as "Customer Satisfaction," "Business Ethics and Corporate Policies," and "Business Continuity" have been identified as key areas of focus.

Below, you can see the materiality graph shaped by stakeholder participation.

■ Materiality for İpekyol Group



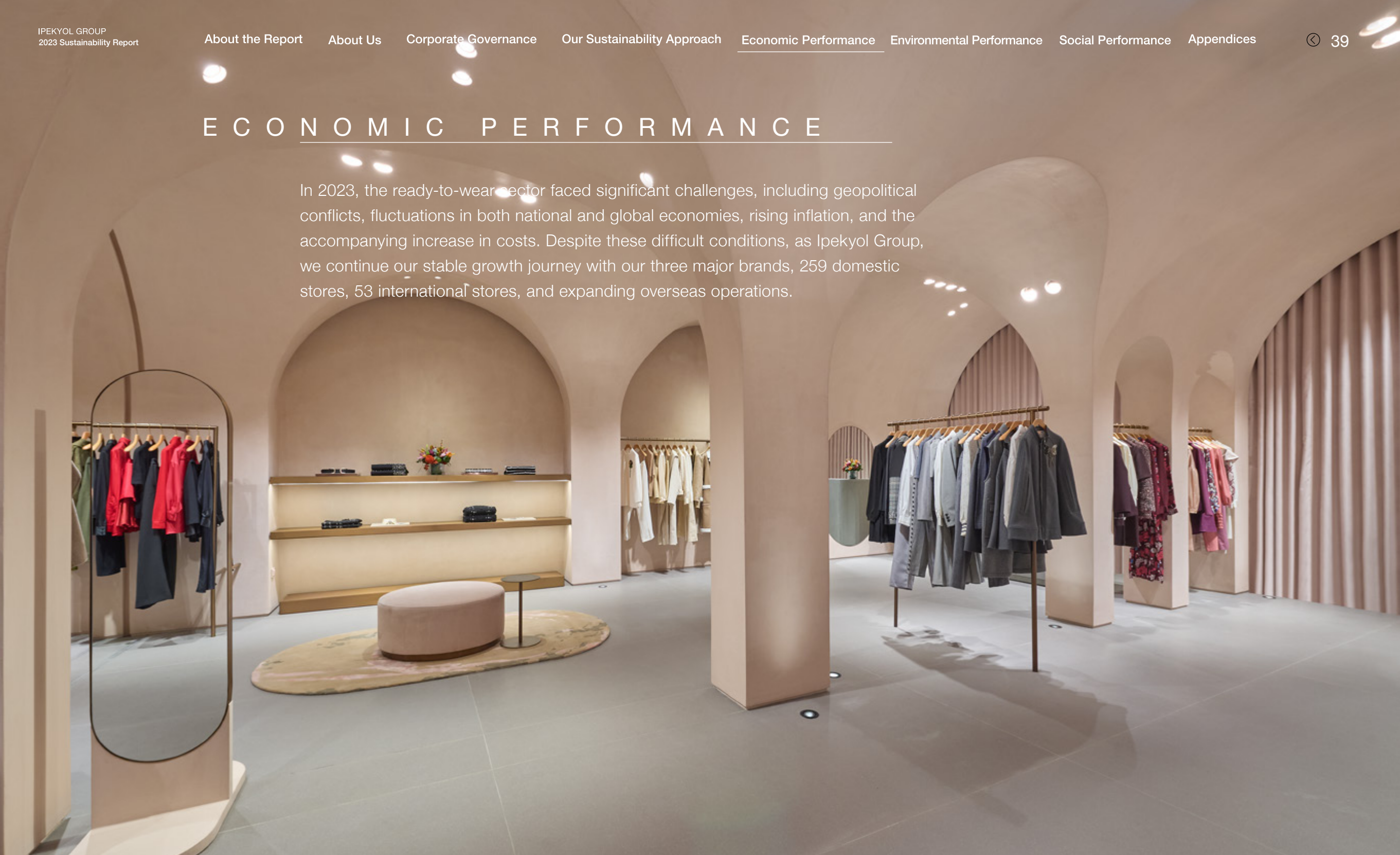
As part of the active and effective engagement of our stakeholders, you can review our stakeholder communication form in the table below.

Stakeholder Group	Communication Method	Reason for Communication	Frequency of Communication
Customer	SMS	Satisfaction survey - campaign - information - activation	2,000 times per year
Customer	Email	Satisfaction survey - campaign - information - activation	500 times per year
Customer	In-store POP	Satisfaction survey - campaign - information - activation	24 times per year
Customer	Social Media - Instagram – Ipekyol (TR & MENA)	Reach, brand awareness, brand perception creation	850 times per year
Customer	Social Media - Instagram – Twist (TR & MENA)	Reach, brand awareness, brand perception creation	850 times per year
Customer	Social Media - Instagram – Machka (TR & MENA)	Reach, brand awareness, brand perception creation	850 times per year
Customer	Social Media - TikTok – Ipekyol (TR & MENA)	Reach, brand awareness, brand perception creation	360 times per year
Customer	Social Media - TikTok – Twist (TR & MENA)	Reach, brand awareness, brand perception creation	360 times per year
Customer	Social Media - TikTok – Machka (TR & MENA)	Reach, brand awareness, brand perception creation	360 times per year
Customer	Social Media - LinkedIn Ipekyol Group	Corporate communication, brand awareness	Variable (frequent)
Employees	Barkodes	Automatic notification when employees' timekeeping data (PDKS) is unavailable	Email sent daily if data is unavailable
Employees	Humanist	Monitoring employee data, managing request processes, handling entry and exit processes, processing internal cases, and tracking help desk incidents	Variable (frequent)
Employees	Whatsapp robot	Announcements, development updates, and reminder notifications	Variable (frequent)

MENA refers to the Middle East and North Africa.

ECONOMIC PERFORMANCE

In 2023, the ready-to-wear sector faced significant challenges, including geopolitical conflicts, fluctuations in both national and global economies, rising inflation, and the accompanying increase in costs. Despite these difficult conditions, as Ipekyol Group, we continue our stable growth journey with our three major brands, 259 domestic stores, 53 international stores, and expanding overseas operations.



In 2023, with the rise in domestic demand, we increased our sales volume and profitability ratio thanks to our strong financial stability and capital structure. As a result, our revenues reached 7,009,510,198 TL in 2023.

Created Economic Value	2022	2023
Generated Economic Value (Inflation-Adjusted Revenue)	5,518,085,999 TL	7,009,510,198 TL

Textile products are an indispensable part of daily life. However, as the sector continues to grow rapidly, increasing environmental impacts and rising consumption create new challenges. Additionally, compliance with climate change regulations is becoming increasingly important. The EU Green Deal and Sustainable and Circular Textile Strategy introduce new compliance obligations, presenting both environmental and social challenges and opportunities for the industry. In recent years, consumer and investor awareness regarding environmental and social responsibility has been increasing. Sustainability is

gaining more significance across all industries, particularly in textiles. The demand for sustainable products, eco-friendly production methods, efficient resource utilization, renewable energy investments, digital transformation, and technological advancements will shape the future of the textile sector.

As Ipekyol Group, to achieve our sustainability goals, we are focusing on innovative products and services, efficient resource utilization, energy efficiency, and green energy investments.

Our partnerships extend from IT service providers to banks, financial institutions, and consulting firms. These collaborations strengthen our growth strategies, expand our network, and provide a broader resource base.

Moreover, we are committed to continuously improving our sustainability initiatives. Our approach not only aims to reduce our environmental impact but also to contribute to society and benefit future generations.

Product Safety and Quality

As Ipekyol Group, we continue to uphold quality management processes and ensure compliance with quality control and safety standards at every stage of our product lifecycle. By prioritizing product safety, we aim to provide our customers with high-quality and safe products. Additionally, our Organic (OCS) and Recycled (RCS) production certifications reflect our environmental responsibility and reinforce our commitment to sustainable production. Since 2022, we have elevated our quality standards at our Edirne factory, where we prioritize product safety.

Before production begins, we conduct detailed risk analyses and implement interim inspections throughout the manufacturing process to maintain strict quality control measures. Before shipment, we carry out final inspections to ensure that our products meet the highest standards. The core components of our quality management

system include adherence to RCS, OCS, and BCI quality standards, craftsmanship quality, fabric specifications, accessory compliance, and careful oversight of packaging processes. By ensuring the smooth operation of these processes, we deliver high-quality products with confidence to our customers.

In our **"Life Friendly"** collection, we utilize organic, recycled, Better Cotton-certified, and other sustainable raw materials to reduce resource consumption. We believe that our products create a balance between natural resources, the environment, and customer needs. Driven by this belief, we not only offer eco-friendly products but also contribute to the protection of nature through our sustainable solutions.

Furthermore, we remain committed to sustainability principles across our

entire value chain, ensuring a focus on environmental, social benefits, and product safety. In line with this, we source raw materials in compliance with the requirements of our BCI membership, thereby supporting sustainable farming and helping farmers cultivate cotton under healthier conditions.

To enhance the circularity of our production processes, we continuously work on improvements. This includes optimizing raw material and energy efficiency, minimizing waste generation, and supporting recycling initiatives. We strive to integrate circular economy principles across all stages, from product design to manufacturing and distribution.

In 2023, under the leadership of our Sustainability Department, we introduced our Sustainable Product and Fabric Procedure. Through this procedure, we ensure that the fabrics and

products we procure align with our Life Friendly sourcing standards and are subject to strict tracking.

We prefer fabrics made from sustainable materials in our products. Regenerated cellulose fibers are among the materials we source.

With our Sustainable Product and Fabric Procedure, we aim to enhance transparency and traceability throughout our supply chain, all while upholding our environmental and social responsibilities. Our Sustainability Department and Product Management, Supply Chain, and Sustainability Directorate have undertaken various responsibilities. The Sustainability Department is responsible for ensuring that the products we procure comply with local and international standards and for keeping our stakeholders informed. Meanwhile, the Product Management, Supply Chain, and Sustainability Direc-

torate oversees the verification of supplier certifications and ensures that system entries are accurately recorded. Through these efforts, we strengthen our sustainability-focused approach, contributing to both nature and society. Within this framework, we rigorously implement sustainability criteria across all our procurement processes and continuously work on improvement initiatives.

Additionally, we embrace the principles of recycling and reuse within our supply chain. We collaborate with our suppliers to promote the use of eco-friendly materials. Our goal is to establish a sustainable supply chain, requiring our strategic manufacturers to adhere to organic and recycled production standards. With this approach, we aim to ensure product safety, foster sustainable growth, and simultaneously reduce operating costs.

Finally, with our Zero Waste Certificate at our Edirne factory, we are committed to minimizing waste generation. This initiative helps us reduce environmental pollution and protect natural resources. Furthermore, in our product packaging and wrapping processes, we utilize Forest Stewardship Council (FSC)-certified papers and recycled materials such as plastic and polyester. Through these measures, we continue our efforts as a "responsible manufacturer", ensuring both the quality and safety of our products.



R&D and Innovation

As a company that continuously aims for progress in R&D and innovation, we focus on developing high-quality, innovative, and sustainable products by considering our increasing needs and the expectations of our stakeholders. We aim to increase the amount allocated to R&D expenditures each year. We improve our production processes with technological innovations and environmentally friendly solutions. In 2023, we continued our R&D efforts within our 41-person Design Center unit and produced environmentally friendly solutions. In this context, in 2021, we completed a total of 3 patent processes, obtaining 2 pattern patents and 1 monogram patent. In 2022, as part of the "Ipekyol Brand Image Renewal" initiative, we obtained a brand application patent and a "Cosmetic Bottle" patent. In previous years, we carried out projects within our Design Center in collaboration with engineering departments at Marmara University and Istanbul Technical University.

Digitalization

As Ipekyol Group, we place great importance on digital transformation and closely follow its developments. We prioritize continuously improving all our applications and processes. In our digitalization process, we plan and implement training programs using artificial intelligence to meet next-generation expectations. Additionally, we conduct regular evaluations with our software team to enhance the efficiency of our business processes through information technologies and artificial intelligence applications.

In previous years, we integrated digital solutions into key areas of our retail, purchasing, and financial processes. With our project to digitize the documentation sent from our stores to the Ipekyol Group headquarters, we aimed to reduce paper consumption and the number of printed documents. In this context, we increased the traceability of our business processes by adding more control points. Through controllable reporting, we improved operational efficiency and reduced our

environmental impact, contributing to our sustainability goals. Based on this approach, we aim to continue our project successfully by adding new control points. We aimed to monitor and manage our fixed assets more effectively through system-based tracking. With this project, we minimized asset losses and ensured accurate asset valuation.

To focus on innovative projects and accelerate our digitalization process, we established **Ipekyol Teknoloji Üretim Satış ve Pazarlama A.Ş.** in 2023 to further develop our innovative applications. Through our branch located in Yıldız Technical University Yıldız Technopark, we carry out R&D and digital activities. In this context, we integrate digitalization as a separate component into our business processes. As Ipekyol Group, while focusing on digital transformation, we aim to increase efficiency, achieve cost savings, and enhance our competitive strength by supporting the sustainability of our institution.

We are focused on continuously researching and implementing methods that will ensure the end-to-end efficiency of our digitalized applications and operations through Ipekyol Technology. In line with this goal, we developed and launched Ipekyol Robot, which operates via WhatsApp. This system, based on artificial intelligence, was designed to enhance internal communication and ensure more effective and verifiable access to information. In this regard, we aim to strengthen internal communication and improve digital accessibility. Additionally, we launched the **Humanist Human Resources Portal**. Through this portal, we ensure the tracking of all human resources processes, including employee records, payroll, self-service, performance, career, training, and recruitment. This platform enables our employees to access the information and services they need quickly and efficiently while increasing efficiency and accuracy in human resources management. This way, we improve both employee satisfaction and the effectiveness of our human resources processes.

Our Investments

As Ipekyol Group, with the vision of being a brand that shapes women's fashion in Turkey, we have demonstrated steady growth in the textile retail sector through our investments both nationally and internationally. While making long-term and constructive contributions with our leading brands in women's ready-to-wear, we play an active role, particularly in this field. We carry out our activities to benefit the environment, society, all our stakeholders, and future generations, continuing our investments to ensure sustainable growth.

To achieve our sustainability goals, we increase and diversify our investments each year. By making our business processes more sustainable, we aim to reduce our environmental impact, increase efficiency, and provide social benefits.

At the beginning of 2023, with our Retail Directorate and Purchasing Unit, we launched the **Store LED**

Transformation Project, transitioning approximately 100 Ipekyol stores in Turkey to LED lighting systems. The primary goal of this project was to improve energy efficiency and achieve significant savings on electricity costs. As a result, we achieved a 30% reduction in energy consumption. This project helped us both increase energy efficiency and reduce our environmental impact while optimizing operational costs. Following this success, we plan to implement LED transformation in Twist and Machka stores as well.

As Ipekyol Group, within the scope of our green investments, we aim to reduce our carbon footprint and increase the use of green energy by investing in renewable energy sources. In this regard, we invested in a **rooftop Solar Energy System (GES) project** in 2023. Through this project, we have installed solar panels on the roof of our Edirne factory, allowing us to generate not only the electricity we need but also surplus energy from solar power.

As of April 2023, our rooftop SES system has generated 1,367,530.20 kWh of electricity. Additionally, as part of our SES project, we sold the excess electricity we produced to Tredaş. With this investment, we have not only reduced our energy costs but also generated revenue, while increasing the use of renewable energy in our production and processes. Furthermore, these investments form a crucial part of our sustainability strategy. In the coming periods, we will continue to focus our investment plans on renewable energy use and energy efficiency, working towards creating a sustainable future.



Customer Satisfaction

Within our customer satisfaction-oriented approach, we place great importance not only on product quality but also on the customer experience. We strive to ensure the highest level of experience at every stage of the interaction between our customers and our brands, from the beginning of the purchasing process to the post-purchase customer support services. We carefully monitor customer feedback and continuously make improvements based on these insights.

As Ipekyol Group, we have been conducting customer satisfaction surveys since 2021. In this context, we have nearly 25 customer satisfaction surveys implemented across our three brands, which are integrated into our processes and operate continuously. We send our surveys via SMS or email depending on the type of transaction our customers have completed. In

2023, the participation rate in the surveys we sent was 10%. We evaluate customer feedback under two criteria: Net Promoter Score (NPS) and satisfaction. NPS is measured on a scale from 0 to 10, while satisfaction is evaluated on a scale from 1 to 5. When calculating NPS, we subtract the percentage of customers who rated us between 0 and 6 from the percentage who gave a score of 9 or 10. Satisfaction is calculated by dividing the total number of responses rated 4 or 5 by the total number of all responses. We evaluate each of our surveys individually according to these criteria. As a result of our 2023 evaluations, our NPS score was 80%, and our average customer satisfaction score was 85%. These evaluation results significantly help us understand our customers' overall experiences and assess the quality of our services.

As Ipekyol Group, we constantly strive to keep the customer experience at the

highest level. We work to understand customer needs and expectations, focusing on continuous improvement processes to increase loyalty and satisfaction. Within this framework, we participated in the Customer Experience Index conducted by Şikayetvar, which collected data from approximately 1.5 million customer satisfaction surveys. Based on the results of this index, at the 8th A.C.E. (Achievement in Customer Excellence) Awards, we proudly received the "Best Brand in Customer Experience Management" award in 2023.

We focus on improving technological solutions to enhance customer satisfaction. We aim to facilitate customer interactions with our brands through digital platforms, offering user-friendly websites and mobile applications to enhance the shopping experience and overall satisfaction. In our company,

Customer Relationship Management (CRM) unit carefully monitors and evaluates customer feedback and complaints, ensuring continuous improvements based on feedback. Our customers can share their feedback and complaints through face-to-face communication in our stores, via email, or by using the **Contact Form** available on our website, where they can submit thank you messages, complaints, inquiries, and requests. Additionally, we detect customer complaints through our Customer Relationship Management system, CRM Dynamics, as well as Webform and SESTEK systems. Our CRM unit prepares regular monthly reports for the relevant feedback and complaints. During the 2023 reporting period, no complaints or reports were received regarding violations of customer privacy.

On the other hand, within the Customer Analytics and Insights unit, we consider, evaluate, and resolve all customer complaints and requests as part of our customer satisfaction procedures. Additionally, we implement customer experience projects when necessary. In this context, we conduct various analytical studies, leveraging customer-focused data to create value, providing reports and insights. At the same time, we develop and enhance tools such as customer segmentation and CRM dashboards to ensure the continuity of our customer analytics products. Furthermore, to strengthen our business strategies, we work on new products, processes, and potential platforms with the goal of improving customer satisfaction. Through these efforts, we aim to enhance our company's competitive advantage by leveraging customer-focused data management and analytics.

In 2023, with the contributions of the Information Technologies Department

and the Marketing, E-Commerce, and Retail Directorates, we launched the Ipekyol Club project under the leadership of our CRM unit. Ipekyol Club is a program exclusively designed for our customers, based on a points and tier system. Our program consists of four different levels, where participating customers earn more points from their purchases at each level and gain access to exclusive gifts and privileges. Customers can increase their points and advance to higher levels. Through an annual ranking system, customers who move up to higher tiers earn additional points and extra benefits. As part of the program, we have a total of 2,418,609 participating customers. With the Ipekyol Club project, we continuously work on improving our program to offer our customers even more exclusive privileges. Through this initiative, we aim not only to increase customer satisfaction and strengthen loyalty but also to enhance customer engagement, reinforcing brand

commitment and contributing to our revenue growth.

IPEKYOL CLUB

Local Economic Contribution

Since we were founded as Ipekyol Group, we have taken determined steps to create social benefits and ensure sustainable growth with our local strength. Throughout this process, we continue to contribute to the national economy and generate employment in the sector in which we operate. As one of the leading women's ready-to-wear brands in the Turkish fashion industry, we remain committed to making long-term and positive contributions to the local economy.

By supporting the local workforce and utilizing local resources in the supply chain, we continue to contribute to strengthening the local economy and promoting social development. In this regard, **while the number of new employees joining our workforce in 2023 was 1,515, we increased our total employment to 2,372 people**. Additionally, by expanding our local supplier network each year, we increased the number of local suppliers in 2023.

Suppliers	2021	2022	2023
Total	902	919	971

As Ipekyol Group, we continue to contribute to the local economy by opening new stores in Turkey and maintaining balanced growth. Additionally, we have focused on employment to support both our country's and regional economies. We sustain our operations through our Istanbul Headquarters, Ipekyol Technology located in Teknopark, and Turkey's first integrated women's ready-to-wear factory, which we established in Edirne.

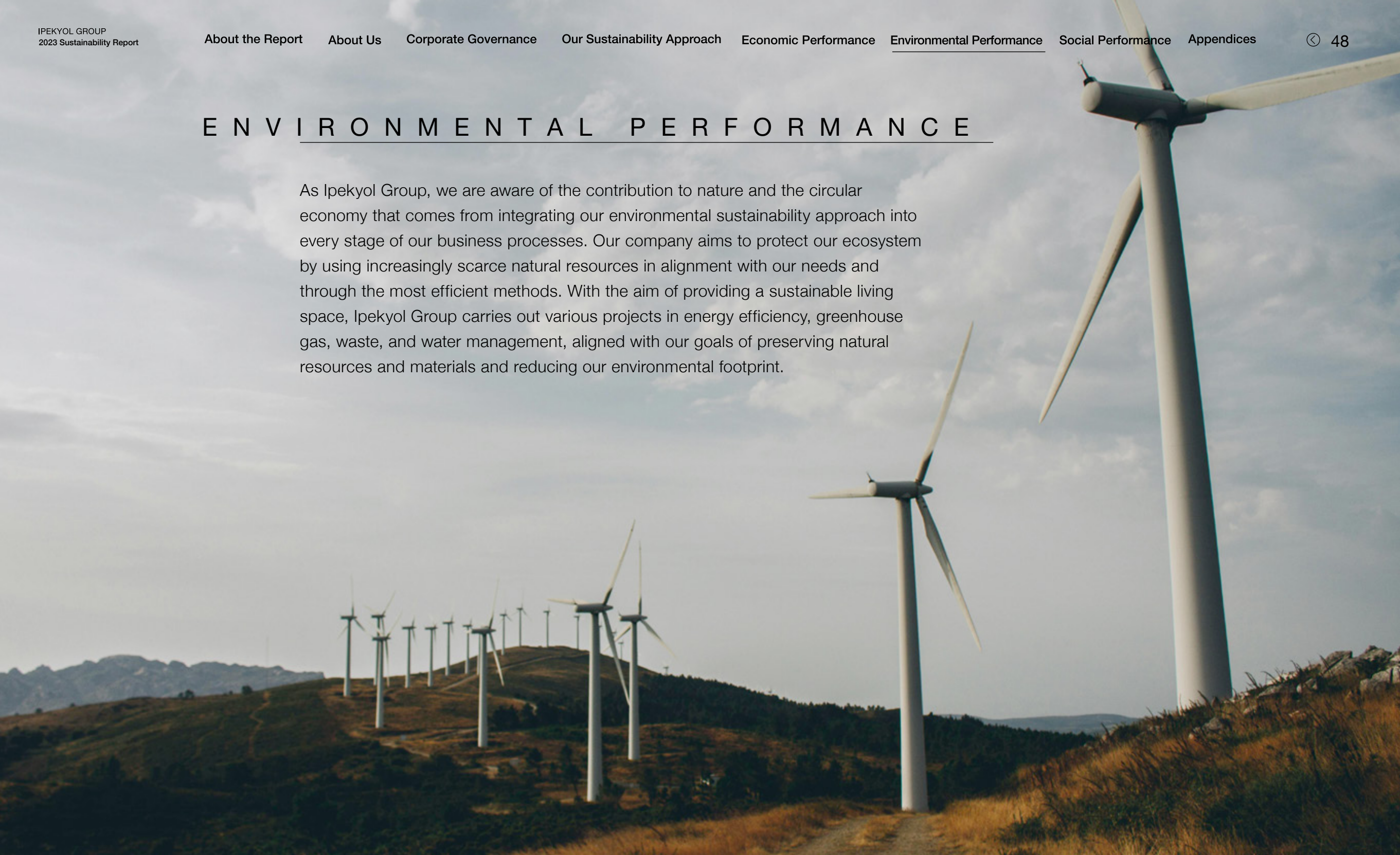
As Ipekyol Group, we became part of the project implemented in cooperation with the İBB Regional Employment Office, which brings together job seekers and private sector employers to increase employment. As part of this project, which had a positive impact on Istanbul's labor market in 2023, we had the honor of receiving the **Istanbul Employment Contribution Award** at the ceremony organized by the İBB Regional Employment Office.

Within our Human Resources department, under the leadership of our Academy, we launched a project in collaboration with the Edirne Municipality in 2019, which we continued in 2023, aiming to increase regional employment. As part of this project, we established job application offices in our Edirne factory and set up application points in various open spaces. Through this initiative, we provided employment opportunities for a **total of 150 people from the local community**.

In 2019, under the leadership of our company's Procurement unit, we launched a project in collaboration with the Edirne Public Education Center to **purchase hand-knitted and straw bags produced by entrepreneurial women in the region**. These projects not only reflect our commitment to supporting regional employment but also demonstrate our dedication to contributing positively to society.

ENVIRONMENTAL PERFORMANCE

As Ipekyol Group, we are aware of the contribution to nature and the circular economy that comes from integrating our environmental sustainability approach into every stage of our business processes. Our company aims to protect our ecosystem by using increasingly scarce natural resources in alignment with our needs and through the most efficient methods. With the aim of providing a sustainable living space, Ipekyol Group carries out various projects in energy efficiency, greenhouse gas, waste, and water management, aligned with our goals of preserving natural resources and materials and reducing our environmental footprint.



The climate crisis and the depletion of natural resources continue to make their impact increasingly felt across the world, posing a growing threat to the environment and future generations. To ensure that our resources can meet the needs of future generations, coordinated global corporate action is essential, and companies must assume significant responsibilities. In line with this awareness, we adopt an environmental approach aligned with global corporate sustainability goals and carry out our operations with the aim of full compliance with both local and global requirements. Our company has not received any environmental penalties, and our investments in environmental sustainability continue.

Energy Efficiency and Greenhouse Gas Management

Energy efficiency is of critical importance in many industries, including the ready-to-wear fashion sector, in which we operate. Reducing dependence on non-renewable energy sources and transitioning to renewable energy sources contribute to the continuity of operational activities. Additionally, it helps optimize resource consumption and reduce the environmental impact of greenhouse gases. As Ipekyol Group, we consider energy efficiency and greenhouse gas management among our core priorities and implement our commitments in these areas through concrete actions. Our company is taking significant steps in energy management. In 2023, the total amount of electricity drawn from the grid was 500,544.450 kWh. However, with the

commissioning of our Solar Power Plant (SPP) investment on April 25, 2023, we produced 1,367,530 kWh of electricity, achieving cost savings. Through this initiative, we demonstrate Ipekyol Group's commitment to renewable energy and our contributions to environmental sustainability.

As part of greenhouse gas management, we aim to reduce the carbon emissions generated throughout the life cycles of our products. To achieve this, we monitor and analyze Scope 1 and Scope 2 greenhouse gas emissions. In 2023, our headquarters and Edirne factory consumed a total of 43,592 liters of gasoline, 71,380 liters of diesel, and 31,577 Sm³ of natural gas from non-renewable direct energy sources under Scope 1. As a result, our company emitted



97.132 tCO₂e from gasoline, 197.785 tCO₂e from diesel, and 590.864 tCO₂e from natural gas. The total emissions calculated from the energy sources consumed under Scope 1 amount to 888.428 tCO₂e.

A total of 983,799 kWh of electricity was consumed from non-renewable indirect energy sources under Scope 2. In 2023, our electricity consumption decreased by 45% compared to 2022. Within the scope of Scope 2, electricity consumption at our Edirne factory and headquarters resulted in 483.863 tCO₂e emissions. As Ipekyol Group, we continue to implement concrete actions in line with our responsibilities for energy efficiency and greenhouse gas management, taking an active role in building a sustainable future. In 2022, as part of a project in collaboration with TEMA Foundation, we established the Ipekyol Forest, where we planted over 10,000 saplings. We continue to increase this number each year. Through our investments and initiatives, we aim to minimize our environmental impact, use resources more efficiently, and leave a more livable world for future generations.

The tables provided below refer to data from our head office and Edirne factory.

Energy and Emissions

Non-Renewable Direct Energy	Unit	2022	2023
Gasoline	Liter	28,544	43,592
Diesel / Motorin	Liter	102,091	69,491
Natural Gas	Sm³	26,669	30,435
Non-Renewable Indirect Energy	Unit	2022	2023
Electricity	kWh	804,538	703,041

Head Office

Non-Renewable Direct Energy	Unit	2022	2023
Diesel / Motorin	Liter	1 ton	1,889.4105
Natural Gas	Sm³	154,942	1,142
Non-Renewable Indirect Energy	Unit	2022	2023
Electricity	kWh	961,030	280,758
Energy Obtained from Renewable Sources	Unit	2022	2023
Specify the energy source (wind, solar, etc.)	kWh	na	1,367,530

Edirne
Factory

Greenhouse Gas Emissions	Unit	2023
Direct CO ₂ Emissions	tCO ₂ e	819.746
Indirect CO ₂ Emissions	tCO ₂ e	483.863

Total for Head Office
and Edirne Factory

Circularity and Waste Management

Circularity and waste management represent an economic model. At Ipekyol Group, we prioritize minimizing waste generation by reintegrating the resources and materials we use into the product cycle within our production processes. Our company aims to implement an effective waste management strategy by preventing waste generation and promoting recycling. Through these efforts, we seek to contribute to the circular economy as a company.

As Ipekyol Group, in 2023, we undertook initiatives focused on the recycling of materials used in our products. At our headquarters and Edirne factory, we generated a total of 240 tons of non-hazardous waste, which was properly disposed of and contributed to recovery efforts. The Category 5 emissions associated with the disposal of these wastes were calculated at 7.88 tCO_{2e}.

Activity Boundaries		Greenhouse Gas Emissions (tCO _{2e})
Category 5	Waste Disposal	7.88



We utilize raw materials certified under the Recycled Claim Standard (RCS) and the Organic Content Standard (OCS) in our products. The purpose of these standards is to ensure the credibility of recycled and organic content claims in products. The RCS Standard applies to all products containing at least 5% recycled material. Our use of RCS- and OCS-certified raw materials is a testament to our commitment to waste management and circularity.

As Ipekyol Group, we place great importance on the recycling of materials and resources used in our products. Moving forward, we will continue to enhance our initiatives in this area, aiming to contribute further to the transition towards a circular economy.

The efficient management of water resources, an integral part of our production processes, is crucial in minimizing our environmental impact. Water is used in significant quantities for washing raw materials and products, dyeing, and other processes. If not utilized according to clean production requirements, it can lead to negative effects on both people and the environment.

Our company relies on municipal water supply for its operations. In 2023, the total domestic water consumption at our Edirne factory and headquarters was recorded at 4,887 m³. While water consumption at our headquarters increased by 596 m³, our Edirne factory saw a significant reduction of 558 m³. This decrease was achieved through the implementation of water-saving fixtures, informational notices, and training sessions on water conservation. The Category 5 emissions resulting from wastewater discharge from our Edirne factory and headquarters were calculated at 0.98 tCO_{2e}.

Activity Boundaries		Greenhouse Gas Emissions (tCO _{2e})
Category 5	Discharged Wastewater (Head Office)	0.62
	Discharged Wastewater (Edirne Factory)	0.36
	Total	0.98

Head Office	Unit	2022	2023
Water Consumption	m³	2,499	3,095

Edirne Factory	Unit	2022	2023
Water Consumption	m³	2,350	1,792

Ipekyol Group carbon emission calculations were carried out for the first time in 2023. For this reason, the year 2023 will be considered as the base year in the carbon emission calculations of future years. The ISO 14064 greenhouse gas calculation methodology was taken as the basis for the measurements made. Within the scope of this methodology, the total emissions of categories 3, 4, 5, and 6 correspond to Scope 3, that is, indirect emissions, according to the GHG Protocol.

Ipekyol Group’s 2023 Category 1, 2, 3, 4, 5, and 6 data are shared in the table below. According to this table, Category 1 covers direct greenhouse gas emissions and removals; Category 2 covers indirect emissions from purchased electricity; Category 3 covers indirect greenhouse gas emissions from transportation sources; Category 4 covers indirect greenhouse gas emissions arising from products used by the organization; Category 5 covers indirect greenhouse gas emissions from the post-production use of products; and Category 6 covers indirect greenhouse gas emissions originating from other sources.

Activity Boundaries	Greenhouse Gas Emissions (tCO _{2e})	Activity Boundaries	Greenhouse Gas Emissions (tCO _{2e})
Category 1	888.428	Category 4	11,542.72
Category 2	483.868	Category 5	8.87
Category 3	3,010.34	Category 6	186.13

S O C I A L P E R F O R M A N C E

As Ipekyol Group, we carry out activities that touch people and society in order to achieve our social sustainability goals, and we prioritize starting these efforts within our own company. While implementing initiatives that strengthen employee engagement by supporting their talent and career development, we also ensure a work environment that values diversity and inclusion and complies with occupational health and safety (OHS) regulations. In addition to the activities we conduct within our company, we contribute to society through social responsibility projects, particularly those centered around women.



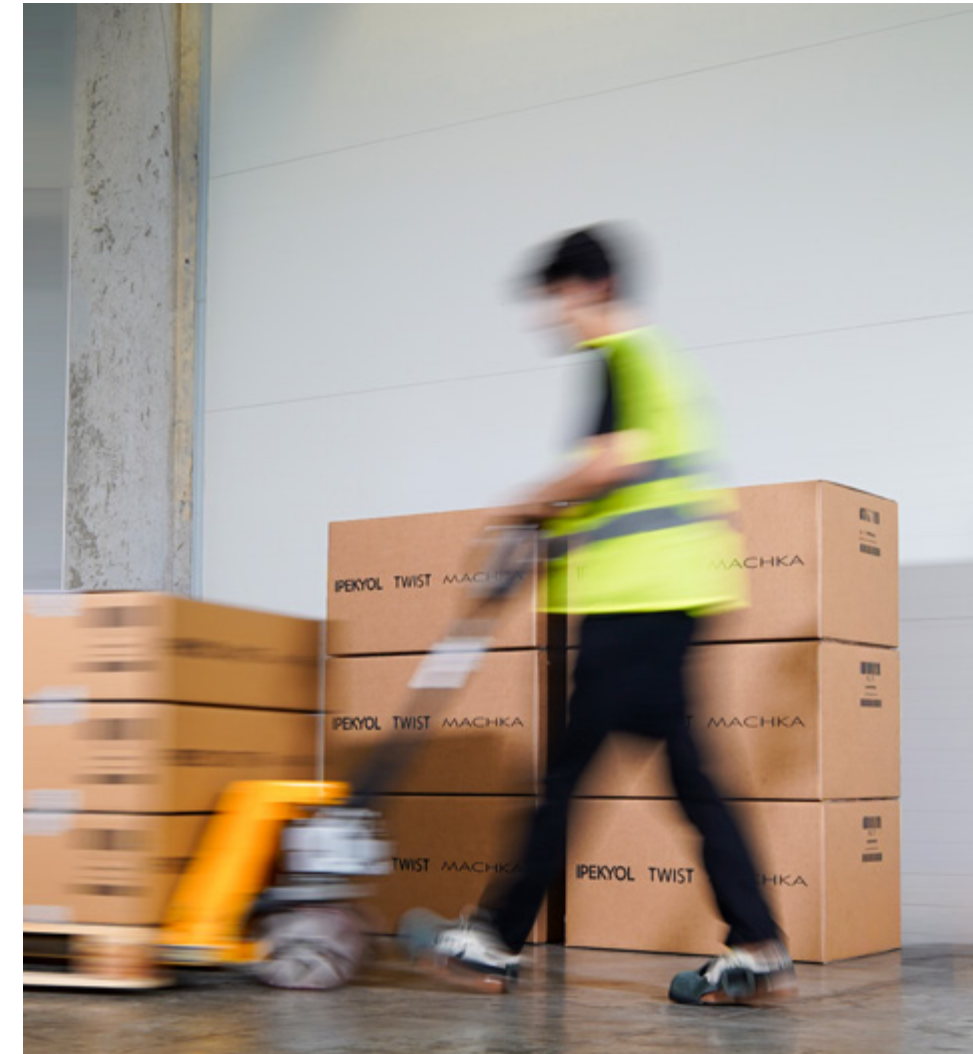
Diversity, Equality, and Inclusion

Ipekyol Group provides employment opportunities across 34 provinces in Turkey through our headquarters and chain stores nationwide. Within our company, we employ a total of 2,372 employees, consisting of 1,857 white-collar and 515 blue-collar workers.

As a leading group in the women's fashion sector, we uphold a policy that prioritizes the employment of women at every departmental and positional level. In 2023, the average number of female employees in our company was recorded as 1,957, accounting for 83% of our total workforce. Among the 487 managerial positions, 403 are held by female managers, making up 83% of all managers. Additionally, 121 of our store managers are women, representing 92% of all store manager positions. In 2023, 39 female employees took parental leave, and 31 of them returned to work after completing their leave.

At Ipekyol Group, we demonstrate exceptional success in gender equality, particularly in terms of female representation in senior management.

We do not discriminate among our employees based on nationality, race, language, religion, belief, opinion, gender, age, disability, or social and economic status. We aim to create an inclusive work environment, ensuring accessibility for our employees with disabilities. Our workforce spans across five different generations, ranging from employees as young as 18 years old to those over 60. As Ipekyol Group, we have a zero-tolerance policy against discriminatory attitudes and behaviors in the workplace and throughout all our processes.



Employment Type	Unit	2023
White-Collar - Female	Person	1598
White-Collar - Male	Person	259
Blue-Collar - Female	Person	359
Blue-Collar - Male	Person	156
TOTAL		2372

Contract Type	Unit	2023
Indefinite-Term - Female	Person	1898
Indefinite-Term - Male	Person	412
Fixed-Term - Female	Person	59
Fixed-Term - Male	Person	4
TOTAL		2372

Gender	Unit	2023
Female	Person	1957
	Percentage	83%
Male	Person	415
	Percentage	17%
TOTAL		2372

Age Group	Unit	2023
18-30 Years	Female	940
	Percentage	40%
	Male	107
	Percentage	5%
31-40 Years	Female	628
	Percentage	26%
	Male	139
	Percentage	6%
41-50 Years	Female	328
	Percentage	14%
	Male	121
	Percentage	5%
51-60 Years	Female	58
	Percentage	2%
	Male	43
	Percentage	2%
60+ Years	Female	3
	Percentage	0.1%
	Male	5
	Percentage	0.2%
TOTAL		2372

Workforce - Other Groups		2023
Other Groups	Unit	
Disabled Employees	Female	25
	Percentage	45%
	Male	30
	Percentage	55%
Management Category	Unit	2023
Senior Management	Female	7
	Percentage	0.3%
	Male	9
	Percentage	0.4%
Middle Management	Female	385
	Percentage	16.2%
	Male	75
	Percentage	3.2%
Other Employees	Female	1564
	Percentage	65.9%
	Male	332
	Percentage	14%
TOTAL		2372

Employee Satisfaction

The satisfaction and commitment of our employees serve as a mirror reflecting our progress toward achieving our social sustainability goals. At Ipekyol Group, we observe the needs of our employees within business processes and implement improvement initiatives, thereby contributing to the company's social performance.

Our culture of feedback plays a crucial role in maintaining employee satisfaction and commitment. We track feedback and suggestions through various channels, considering them as the company's voice. Surveys, direct meetings, and workshops provide valuable insights into employee perspectives and the effectiveness of our improvements. For example, at Ipekyol Group, we regularly collect feedback from new employees through face-to-face evaluations at the end of their first, second, and sixth months and through surveys conducted via Ipekyol Robot. The feedback shared with managers contributes to the assessment and enhancement of recruitment processes.

As of 2023, based on feedback evaluations aimed at creating a better working environment, we transitioned to the New Generation Work Model. Under this new system, we have set a weekly working duration of 42.5 hours for both blue-collar and white-collar employees at our headquarters. In our

retail stores, we reduced total working hours in shopping malls from 45 hours to 42.5 hours and in street stores to 40 hours, while increasing the number of weekly off days from one to two. Additionally, to support workforce diversity and enhance employee performance efficiency, we increased the number of part-time employees.

To improve employee satisfaction and engagement, we have incorporated digitalization into our Human Resources processes. Using the advanced Ipekyol Robot infrastructure, we can send messages via WhatsApp and conduct surveys. The data collected from these surveys is shared with and reviewed by senior management on a monthly basis. In 2023, we conducted an employee satisfaction survey with a participation rate of 56%, covering both our stores and headquarters. The results showed an employee engagement and satisfaction score of 82.26%.

We strengthen employee commitment and a sense of belonging by fostering interaction between different departments and locations within the company. Monthly visits to our Edirne factory are organized to enhance employees' on-site experience. Additionally, we arrange factory visits for our retail store employees, allowing them to examine the details of production processes and witness the transformation of fabrics into clothing. Similarly, visits from headquar-

ters to stores help us better understand the needs and expectations of store employees. We consider this approach a strategic step to enhance both employee satisfaction and performance.

Boosting employee motivation is important to us. By making improvements in the work environment, we contribute to the happiness of our employees. At our headquarters, we have created a new-generation workspace featuring spacious and bright workspaces with terraces and relaxation areas on every floor. We also implement a hybrid work model to support work-life balance. Depending on team roles and work structures, we offer flexible working arrangements, including fully remote work, full-time office work, or a two-day-per-week remote work model. We encourage employees to utilize their skills by rewarding project completions. We also organize events, competitions, and giveaways to ensure that all employees are recognized and rewarded equally.

Talent Management and Career Development

Ipekyol Group considers the development of its employees as one of its key priorities. As a company that advocates for teaching, continuous development, and lifelong learning, we support our employees' personal and professional growth through various training programs. In 2023, employees received a total of 14,309 hours of training, including 13,295 hours of professional development and 639 hours of personal development. Additionally, 375 hours of training were conducted within the scope of occupational health and safety (OHS).

The personal and professional development of our employees strengthens and enhances the success of the Ipekyol Group brand. Our annual training catalog is carefully prepared based on employee needs and company training performance indicators (KPIs). Ensuring the long-term impact of our training programs is of great importance to us. For example, following the Sales Academy program, refresher training sessions were provided to employees in our Gaziantep and Denizli stores on topics deemed necessary. Similar training programs will continue in different regions throughout 2024.

As part of our university collaborations, the Sales Academy program conducted with Bahçeşehir University provides individual and technical training for new store employees as soon as they begin working. A team of Bahçeşehir University faculty members and industry expert trainers offers a six-month mentorship and on-the-job training program for newly hired sales consultants. Through initiatives like the Leadership Academy and Blue-Collar Academy, we aim to train future managers and increase blue-collar employment through structured education programs.

We actively support our employees' personal growth in various aspects. Within our company, we create sports and hobby groups based on employee interests. Initiatives like the Ipekyol Football Team encourage employees who are passionate about football to engage in their hobbies and maximize their potential. Additionally, we support our employees who teach at universities, contributing to our company's academic recognition. Some of the institutions where Ipekyol Group employees lecture include MEF University, Bahçeşehir University, and Istanbul Fashion Academy (IMA).



Occupational Health and Safety

At Ipekyol Group, we prioritize providing our employees with a safe working environment where they can carry out their tasks securely. Through the annual training programs we provide and the occupational health and safety (OHS) committees we establish, we aim to prevent workplace accidents and raise awareness among our employees about workplace safety. As part of our Emergency Management Project, we have brought together employees from various departments to form first aid and emergency response teams, including groups specialized in fire extinguishing, first aid, and emergency situations, consisting of department representatives.

In 2023, in compliance with OHS regulations, we provided 2,288 hours of OHS training to 286 employees at our Istanbul headquarters, 2,400 hours of training to 300 employees at our

Edirne factory, and 5,296 hours of training to 662 employees in our stores. Our OHS committees are actively operating at both our Edirne factory and headquarters.

Corporate Social Responsibility

At Ipekyol Group, we place great importance on contributing to society through our social responsibility projects. As a leading company in the industry, we also add value to the sector through university-industry collaborations.

On February 6, 2023, Turkey experienced a devastating earthquake centered in Kahramanmaraş, resulting in the loss of many lives. As Ipekyol Group, we stood in solidarity with those affected. Immediately following the disaster, we established an Emergency Response Group and implemented a support plan for our employees in the earthquake zone. We provided free accommodation for six months to ensure the safety of all

employees and their families who required it. Additionally, we prioritized employment opportunities for those affected by the earthquake, helping them rebuild their lives. Recognizing the limited healthcare access in the region, we provided additional health insurance, allowing affected employees and their families to receive medical treatment at any hospital of their choice. For those requiring psychological support, we facilitated access to mental health services. As Ipekyol Group, we remain committed to fulfilling our responsibilities in the affected region.

In 2023, we continued several social responsibility projects initiated in previous years. One such project, conducted in collaboration with Edirne Public Education Center, aims to support women's employment and expand their job opportunities. Through this initiative, women are encouraged to participate in the economy by producing hand-knitted and woven bags. Since 2016, we have also been running the "Yaparsa Annem

Yapar" ("If Anyone Can Do It, It's My Mother") project, which focuses on supporting working mothers and advocating for equal opportunities for women who face challenges in the job market due to personal choices such as marriage and childbirth. Through this initiative, we promote flexible working hours, enabling mothers to generate income while maintaining a close connection with their children. In 2023, a total of 53 mothers were employed through this program. Thanks to our efforts in women's employment, Ipekyol Group was honored with the "Women-Friendly Brands" award in 2021.

Another initiative we developed to foster community solidarity and support is the "IMECE Project". This project involves the collection and display of clean, unused clothing, books, and other essential items in a designated IMECE room at our factory. Once a month, these items are made available for those in need, helping to distribute resources fairly.

Within the framework of university-industry collaborations, we organize meetings with the younger generation and evaluate opportunities to integrate them into our team. In this regard, we select candidates from university students to help them gain work experience and consider a career in retail management. Through our university collaborations, we implement short- and long-term internship programs, young talent initiatives, and new graduate talent projects. As part of our Young Talent Project, we review applications from third- and fourth-year university students, and candidates who successfully complete the evaluation process are offered job opportunities. Young professionals who gain experience in different departments are given priority for full-time employment, provided that the mutual evaluations align.

Beyond offering valuable work experience, we aim to prepare young talents for future leadership roles. Through our reverse mentoring project with Bahçeşehir University, we connected six students with Ipekyol Group leaders. As a company that values learning and teaching, we make a concerted effort to regularly participate in university conferences and summits, sharing our expertise with students.

The year 2024 has brought a renewed focus on promoting social responsibility awareness in the textile, leather, and apparel industries. As one of the leading brands in the sector, Ipekyol Group remains committed to its responsibility of creating value for people and society and will continue to implement social responsibility projects throughout 2024.



APPENDICES



EKLER

9.1. Economic Performance Indicators

Economic Value Generated	Unit	2022	2023
Economic Value Generated (Revenue)	TL	5,518,085,999	7,009,510,198

Suppliers	2021	2022	2023
Total	902	919	971

Awards and Collaborations

Institution Name	Company Name
BMD - Yalçın Ayaydın	IPEKYOL GROUP
DEIK - Yalçın Ayaydın & Nejdet Ayaydın	IPEKYOL GROUP
ISO - Yalçın Ayaydın	IPEKYOL GROUP
IHKIB - Nejdet Ayaydın	IPEKYOL GROUP

Award Name	Award Year	Awarding Institution	Awarded Company	Awarded Project Name
Golden Leader Awards	2023	KREA M.I.C.E.	IPEKYOL GROUP	50 Leader CEO
Golden Leader Awards	2023	KREA M.I.C.E.	IPEKYOL GROUP	50 Leader CEO
Golden Leader Awards	2023	KREA M.I.C.E.	IPEKYOL GROUP	50 Leader CEO
Happy Place to Work	2023	HappyWorkplaces	IPEKYOL GROUP	Turkey's Happiest Workplaces
Employment Awards - Sector Leaders	2023	Eleman.net	IPEKYOL GROUP	Employment Awards
Women-Friendly Company Award	2023	Nasıl Bir Ekonomi Gaze-tesi	IPEKYOL GROUP	Women-Friendly Company Award
Respect for People Awards	2023	Kariyer.net	IPEKYOL GROUP	Respect for People Awards
Elle Style Awards	2023	Elle Style Awards	IPEKYOL GROUP	Fashion Collaboration of the Year
E-Commerce Women's Clothing	2023	ECHO Awards	IPEKYOL GROUP	Women's Clothing
8th A.C.E. Awards	2023	Şikayetvar.com	IPEKYOL GROUP	Best Brands Managing Customer Experience
Contribution to Employment in İstanbul	2023	İBB Bölgesel İstihdam Ofisi	IPEKYOL GROUP	Contribution to Employment in İstanbul

9.2. Environmental Performance Indicators

Energy and Emissions
Head Office

Non-Renewable Direct Energy	Unit	2022	2023
Gasoline	Liter	28,544	43,592
Diesel	Liter	102,091	69,491
Natural Gas	Sm ³	26,669	30,435
Non-Renewable Indirect Energy	Unit	2022	2023
Electricity	KWH	804,538	703,041

Edirne Factory

ENERGY and EMISSIONS

Non-Renewable Direct Energy	Unit	2022	2023
Diesel	Liter	1 ton	1,889.4105
Natural Gas	Sm ³	154,942	1,142
Non-Renewable Indirect Energy	Unit	2022	2023
Electricity	kWh	961,030	280,758
Energy Obtained from Renewable Energy Sources	Unit	2022	2023
Specify energy source (wind, solar, etc.)	kWh	na	1,367,530

Head Office and Edirne Factory Total

Greenhouse Gas Emissions	Unit	2023
Direct CO ₂ Emissions	t CO _{2e}	888.428
Indirect CO ₂ Emissions	t CO _{2e}	483.863

Activity Boundaries	Greenhouse Gas Emissions (tCO _{2e})
Category 1	888.428
Category 2	483.868
Category 3	3,010.34
Category 4	11,542.72
Category 5	8.87
Category 6	186.13

Waste

Head Office

By Type	Unit	2023
Non-Hazardous Waste	Ton	20.28
Total Waste	Ton	20.28
By Disposal Method	Unit	2023
Recycling	Ton	20.28
Total Disposed Waste	Ton	20.28

By Type		Unit	2023
Waste Type	Waste Paper	Ton	20.28
By Disposal Method		Unit	2023
Recycling		Ton	20.28

Edirne Factory

By Type	Unit	2021	2022	2023
Hazardous Waste	Ton	0.03	0.26	0.03
Non-Hazardous Waste	Ton	166.00	148.50	220.00
Total Waste	Ton	166.00	149.00	220.00
By Disposal Method	Unit	2021	2022	2023
Recycling	Ton	166	149	220
Other Disposal Methods	Ton	-	0.26	-
Total Disposed Waste	Ton	166	149	220

By Type		Unit	2021	2022	2023
	Filter Waste	Ton	-	20	-
	Fluorescent Waste	Kg	-	150	-
	Toner Waste	Kg	-	50	-
	Medical Waste	Kg	25	41	27
	Textile Waste	Kg	109,480	108,150	205,171
	Mixed Packaging	Kg	57,270	40,350	15,200
By Disposal Method		Unit	2021	2022	2023
Recycling		Ton	166	149	220

Activity Boundaries		Greenhouse Gas Emissions (tCO ₂ e)
Category 5	Waste Disposal	7.88

Activity Boundaries		Greenhouse Gas Emissions (tCO ₂ e)
Category 5	Discharged Wastewater (Head Office)	0.62
	Discharged Wastewater (Edirne Factory)	0.36
TOTAL		0.98

Water

Head Office

Total Water Withdrawal	Unit	2022	2023
Third-party water (municipal water, etc.)	m³	2,499.00	3,095.00

	Unit	2021	2022	2023
Water Consumption	m³	2,206	2,350	1,792

Edirne Factory

Total Water Withdrawal	Unit	2021	2022	2023
Third-party water (municipal water, etc.)	m³	2,206	2,350	1,792

	Unit	2021	2022	2023
Water Consumption	m³	2,206	2,350	1,792

9.3. Social Performance Indicators

Human Resources Performance Data

By Employment Type	Unit	2023
White Collar – Female	Person	1,598
White Collar – Male	Person	259
Blue Collar – Female	Person	359
Blue Collar – Male	Person	156
TOTAL		2,372
By Contract Type	Unit	2023
Permanent – Female	Person	1,898
Permanent – Male	Person	412
Temporary – Female	Person	59
Temporary – Male	Person	4
TOTAL		2,372
By Gender	Unit	2023
Female	Person	1,957
	Percentage	83%
MALE	Person	415
	Percentage	17%
TOTAL		2,372

Age Group	Unit	2023
Between 18 - 30	Female	940
	Percentage	40%
	Male	107
	Percentage	5%
Between 31 - 40	Female	628
	Percentage	26%
	Male	139
	Percentage	6%
Between 41 - 50	Female	328
	Percentage	14%
	Male	121
	Percentage	5%
Between 51-60	Female	58
	Percentage	2%
	Male	43
	Percentage	2%
Above 60	Female	3
	Percentage	0.1%
	Male	5
	Percentage	0.2%
TOTAL		2,372

Other Groups	Unit	2023
Disabled Individuals	Female	25
	Percentage	45%
	Male	30
	Percentage	55%
By Management Category	Unit	2023
Top Management	Female	7
	Percentage	0.3%
	Male	9
	Percentage	0.4%
Middle Management	Female	385
	Percentage	16.2%
	Male	75
	Percentage	3.2%
Other	Female	1,564
	Percentage	65.9%
	Male	332
	Percentage	14%
TOTAL		2,372
Working Hours	Unit	2023
Part-Time	Female	149
	Male	4
Full-Time	Female	1,808
	Male	411

Work Region	Unit	2023
ADANA	Person	48
ADAPAZARI	Person	20
AFYON	Person	7
ANKARA	Person	157
ANTALYA	Person	106
AYDIN	Person	26
BALIKESİR	Person	6
BURSA	Person	77
ÇORUM	Person	5
DENİZLİ	Person	20
EDİRNE	Person	516
ELAZIĞ	Person	6
ESKİŞEHİR	Person	6
HATAY	Person	11
İSTANBUL	Person	960
İZMİR	Person	124
İZMİT	Person	33

KAHRAMANMARAŞ	Person	11
KAYSERİ	Person	29
KIRKLARELİ	Person	10
KONYA	Person	23
KÜTAHYA	Person	6
MALATYA	Person	8
MANİSA	Person	7
MARDİN	Person	6
MERSİN	Person	43
MUĞLA	Person	33
NEVŞEHİR	Person	7
SAMSUN	Person	21
SİVAS	Person	7
TEKİRDAĞ	Person	12
TOKAT	Person	6
YALOVA	Person	6
ZONGULDAK	Person	11
TOTAL		2,372

Employment and Turnover

Employment and Turnover (Türkiye)	Unit	2023
New Hires - Total	Person	1,515
White Collar	Person	1,272
Blue Collar	Person	243
Departures - Total	Person	1,312
White Collar	Person	1,082
Blue Collar	Person	230
TOTAL		2,827
By Gender	Unit	2023
Men - Hired	Person	227
	Percentage	15%
Men - Departed	Person	190
	Percentage	14%
Women - Hired	Person	1,288
	Percentage	85%
Women - Departed	Person	1,122
	Percentage	86%
TOTAL		2.827

By Age Group	Unit	2023
18 - 30 years - Hired	Person	1,083
	Percentage	71%
18 - 30 years - Departed	Person	855
	Percentage	65%
31 - 40 years - Hired	Person	277
	Percentage	18%
31 - 40 years - Departed	Person	273
	Percentage	21%
41 - 50 years - Hired	Person	130
	Percentage	9%
41 - 50 years - Departed	Person	153
	Percentage	12%
51 - 60 years - Hired	Person	22
	Percentage	1%
51 - 60 years - Departed	Person	28
	Percentage	2%
Above 60 - Hired	Person	3
	Percentage	0.2%
Above 60 - Departed	Person	3
	Percentage	0.2%
TOTAL		2,827

Training Hours

All Trainings (by Type)	Unit	2023
Professional Development	Hours	13,295
Personal Development	Hours	639
Occupational Health & Safety (OHS)	Hours	375
Total Training Hours	Hours	14,309

Occupational Health and Safety Performance

Head Office

Work Accidents	Group	Unit	2023
Near Miss	Company	Count/Year	-
	Subcontractor	Count/Year	-
Number of Accidents with Lost Days	Company	Count/Year	1
	Subcontractor	Count/Year	-
Lost Days	Company	Count/Year	-
	Subcontractor	Count/Year	-
Number of Accidents without Lost Days	Company	Count/Year	-
	Subcontractor	Count/Year	-
Accident Frequency Rate (AFR)	Company	Percentage	-
	Subcontractor	Percentage	-

Fatalities (Death)	Company	Count/Year	-
	Subcontractor	Count/Year	-
Accident Severity Rate (ASR)	Company	Percentage	-
	Subcontractor	Percentage	-
Occupational Disease Rate (ODR)	Company	Percentage	-
	Subcontractor	Percentage	-

Edirne Factory

Occupational Accidents	Group	Unit	2021	2022	2023
Near Miss	Company	Count/Year	3	7	5
	Subcontractor	Count/Year	-	-	-
Number of Accidents with Lost Days	Company	Count/Year	2	8	7
	Subcontractor	Count/Year	-	-	-
Lost Days	Company	Count/Year	6	53	46
	Subcontractor	Count/Year	-	-	-
Number of Accidents without Lost Days	Company	Count/Year	359	312	319
	Subcontractor	Count/Year	-	-	-
Accident Frequency Rate (AFR)	Company	Percentage	961.53	3,856.18	3,365.38
Fatalities (Death)	Company	Count/Year	0	0	0
Accident Severity Rate (ASR)	Company	Percentage	2.88	25.40	22.11
Occupational Disease Rate (ODR)	Company	Percentage	0.00	0.00	0.00

GRI Index

GRI 1: Foundation 2021	Description	Titles	Page Number
GRI 2: General Disclosures 2021	2-1 Organization profile	About Us	10
	2-2 Entities included in sustainability reporting	About the Report	4
	2-3 Reporting period, frequency, and contact point	About the Report	4
	2-4 Restatements from previous reports	Since this is the first sustainability report, no retrospective adjustments have been made	-
	2-5 External audit	The data in the report have not been subject to external audit	-
	2-6 Activities, value chain, and other business relationships	About Us	10
	2-7 Employees	Social Performance, Economic Performance	39, 53
	2-8 Workers not employed by the organization	İpekyol Group uses subcontractor services for business processes that are not directly related to its own activities, in compliance with legal regulations	-
	2-9 Governance structure and composition	Corporate Governance, Organization and Corporate Structure	18, 20
	2-10 Process for determining the competencies of the highest governance body members	Corporate Governance	18
	2-11 Chair of the highest governance body	Corporate Governance	18
	2-12 Role of the highest governance body in managing impacts from organizational activities	Corporate Governance	18
	2-13 Delegation of responsibility for managing organizational impacts	Corporate Governance	18
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance	18
	2-15 Conflicts of interest prevention processes	Corporate Governance	18

	Description	Titles	Page Number
GRI 2: General Disclosures 2021	2-16 Process for communicating critical concerns to the highest governance body	Corporate Governance	18
	2-17 Competencies of the highest governance body	Corporate Governance	18
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance	18
	2-22 Statement on sustainable development strategy	Sustainability Strategy and Goals	28
	2-23 Policy commitments	Business Ethics and Compliance, Information Security, Our Sustainability Approach, Social Performance	22
	2-24 Implementation of policy commitments	Business Ethics and Compliance, Information Security, Our Sustainability Approach, Social Performance	22
	2-25 Processes to remediate negative impacts	Internal Audit	-
	2-26 Mechanisms for seeking advice and raising concerns about ethical and lawful behavior	Organization and Corporate Structure	-
	2-27 Compliance with laws and regulations	Business Ethics and Compliance	22
	2-28 Membership in associations	Business Associations, Corporate Memberships and Awards	-
	2-29 Stakeholder engagement	Materiality Analysis and Stakeholder Engagement	-
GRI 3: Material Topics 2021	3-1 Process of determining material topics	Materiality Analysis and Stakeholder Engagement	-
	3-2 List of material topics	Materiality Analysis and Stakeholder Engagement	-
	3-3 Management of material topics	Materiality Analysis and Stakeholder Engagement	-

GRI 200: Economic Standards Series	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic Performance	38
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Our Economic Performance	38
	201-2 Financial implications and other risks and opportunities due to climate change	Our Economic Performance	38
	201-4 Financial assistance received from the government	Our Economic Performance	38
Indirect Economic Impacts 2016	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Efficiency and Greenhouse Gas Management	49
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Energy Efficiency and Greenhouse Gas Management	49
	203-2 Significant indirect economic impacts	Energy Efficiency and Greenhouse Gas Management	49
Procurement Practices	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics	Contribution to the Local Economy	47
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Contribution to the Local Economy	47
Anti-Corruption	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-Corruption and Anti-Bribery Efforts	23
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Corruption and Anti-Bribery Efforts	23
	205-2 Communication and training on anti-corruption policies and procedures	Anti-Corruption and Anti-Bribery Efforts	23
	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption and Anti-Bribery Efforts	23

Anti-Competitive Behavior	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-Competitive Behavior and Fair Competition	-
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Anti-Competitive Behavior and Fair Competition	-
GRI 300: Environmental Standards Series	Description	Titles	Page Number
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Efficiency and Greenhouse Gas Management	49
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Efficiency and Greenhouse Gas Management	49
	302-2 Energy consumption outside the organization	Energy Efficiency and Greenhouse Gas Management	49
	302-3 Energy intensity	Energy Efficiency and Greenhouse Gas Management	49
	302-4 Reduction of energy consumption	Energy Efficiency and Greenhouse Gas Management	49
	302-5 Reductions in energy requirements of products and services	Energy Efficiency and Greenhouse Gas Management	49
Water	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics	Water and Wastewater Management	
GRI 303: Water Consumption and Discharge 2018	303-1 Interactions with water as a shared resource	Water and Wastewater Management	
	303-2 Management of water discharge-related impacts	Water and Wastewater Management	
	303-3 Water withdrawal	Water and Wastewater Management	
	303-4 Water discharge	Water and Wastewater Management	
	303-5 Water consumption	Water and Wastewater Management	

Emissions	Description	Titles	Page Number
GRI 3: Material Topics 2021 GRI 305: Emissions 2016	3-3 Management of material topics	Energy Efficiency and Greenhouse Gas Management	49
	305-1 Direct (Scope 1) greenhouse gas (GHG) emissions	Anti-Competitive Behavior and Fair Competition	49
	305-2 Indirect (Scope 2) greenhouse gas (GHG) emissions	Anti-Competitive Behavior and Fair Competition	49
	305-3 Other indirect (Scope 3) greenhouse gas (GHG) emissions	Anti-Competitive Behavior and Fair Competition	49
	305-4 GHG emissions intensity	Anti-Competitive Behavior and Fair Competition	49
	305-5 Reduction of GHG emissions	Anti-Competitive Behavior and Fair Competition	49
	305-6 Emissions of ozone-depleting substances (ODS)	Anti-Competitive Behavior and Fair Competition	49
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Anti-Competitive Behavior and Fair Competition	49
Waste	Description	Titles	Page Number
GRI 3: Material Topics 2021 GRI 306: Waste 2020	3-3 Management of material topics	Circularity and Waste Management	51
	306-1 Waste generation and significant waste-related impacts	Circularity and Waste Management	51
	306-2 Management of significant waste-related impacts	Circularity and Waste Management	51
	306-3 Waste generated	Circularity and Waste Management	51, 60
	306-4 Waste diverted from disposal	Circularity and Waste Management	51, 60
	306-5 Waste directed to disposal	Circularity and Waste Management	51, 60

Supplier Environmental Assessment	Description	Titles	Page Number
GRI 3: Material Topics 2021 GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	Product Safety and Quality	41
	308-1 New suppliers that were screened using environmental criteria	Product Safety and Quality	41
	308-2 Negative environmental impacts in the supply chain and actions taken	Product Safety and Quality	41
GRI 400: Social Standards Series	Description	Titles	Page Number
Employment	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Performance, Social Performance Indicators, Employment and Turnover	52, 73
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Performance, Social Performance Indicators, Employment and Turnover	52, 73
	401-3 Parental leave	Social Performance, Social Performance Indicators, Employment and Turnover	52, 73

Occupational Health and Safety	Description	Titles	Page Number
GRI 3: Material Topics 2021 GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Occupational Health and Safety	58
	403-1 Occupational health and safety management system	Occupational Health and Safety	58
	403-2 Types and rates of injuries, occupational diseases, lost days, absenteeism, and work-related fatalities	Occupational Health and Safety	58
	403-3 Occupational health services	Occupational Health and Safety	58
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	58
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	58
	403-6 Promotion of worker health	Occupational Health and Safety	58
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	58
	403-9 Work-related injuries	Occupational Health and Safety	58
	403-10 Work-related ill health cases	Occupational Health and Safety	58
Training and Education	Description	Titles	Page Number
GRI 3: Material Topics 2021 GRI 404: Training and Education 2016	3-3 Management of material topics	Talent Management and Career Development	57
	404-1 Average training hours per employee per year	Talent Management and Career Development	57
	404-2 Programs for upgrading employee skills and lifelong learning	Talent Management and Career Development	57
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Management and Career Development	57
Diversity and Equal Opportunity	Description	Titles	Page Number
GRI 3: Material Topics 2021 GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Diversity, Equity, and Inclusion	53
	405-1 Diversity of governance bodies and employees	Diversity, Equity, and Inclusion	53

Prevention of Discrimination	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity, Equity, and Inclusion, Business Ethics and Compliance	53, 22
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity, Equity, and Inclusion, Business Ethics and Compliance	53, 22
Child Labor	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		
Forced or Compulsory Labor	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		
Supplier Social Assessment	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics	Product Safety and Quality	41
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Product Safety and Quality	41
	414-2 Negative social impacts in the supply chain and actions taken	Product Safety and Quality	41

Public Policy	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Ethics and Compliance	22
GRI 415: Public Policy 2016	415-1 Political contributions	Business Ethics and Compliance	22
Marketing and Labeling	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics	Customer Satisfaction	45
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Customer Satisfaction	45
	417-2 Incidents of non-compliance concerning product and service information and labeling	Customer Satisfaction	45
	417-3 Incidents of non-compliance concerning marketing communications	Customer Satisfaction	45
Customer Privacy	Description	Titles	Page Number
GRI 3: Material Topics 2021	3-3 Management of material topics	Information Security	24
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and loss of customer data	Information Security	24

Sustainability and Reporting Consultancy:

KPMG Sustainability Services

Tel: +90 (212) 316 60 00

www.kpmg.com

Design: Çağlar Yücealp

Marquar Initiative Technology Design Inc.

Tel: +90 (532) 647 58 24

cyucealp@gmail.com

Marquar.com

© All rights to the Sustainability Report belong to İpekyol Group.

IPEKYOL G R O U P