



YÜNSA
CREATION OF FABRICS

Sustainability Report
2020-2021

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01

ABOUT OUR REPORT

We are proud to present Yünsa's sustainability report that reflects our economic, environmental and social performance for 2020 and 2021. The aim of this report is to give our stakeholders the opportunity to assess the steps we take to measure, monitor and improve the way we manage the impacts resulting from our activities.



About Our Report

Our goal is to render our sustainability reports one of the major communication tools to examine the priorities of our stakeholders with regard to sustainability and to share our best practices towards solutions to issues today and in the future.

The Scope

Unless otherwise stated, the data in this report covers Yünsa's activities in Çerkezköy plant January 1, 2020 – December 31, 2021 We explain how we defined our report content and topic boundaries in the Strategy and Governance section of this report.

(GRI 102-50)

The Principles

This report has been prepared in accordance with the GRI Standards Core option. In the process of identifying our strategic sustainability topics, we took into consideration GRI's principles of materiality, stakeholder inclusiveness, sustainability context and completeness.

(GRI 102-54)

Next Report

We plan to publish our next report, which will cover our sustainability performance of 2022, in the second half of 2023.

Message from the General Manager



Dear Stakeholders,

While leaving behind a period when we can better feel the importance of sustainability, textile has been one of the most affected sectors due to the disruptions and reflections of the global Covid-19 epidemic in the supply chain. We have managed the economic, social and environmental challenges in the relevant process based on our ethical principles with our nearly 50 years of experience.

The high use of natural resources in parallel with the increasing need, the resulting climate risks and the increased awareness have accelerated the work on sustainability. Sustainability, as an integral part of our company's purpose and strategy, has become one of our most important topics that require us to work harder every day. Since 2010, we have been continuing our sustainability efforts to show a performance above the global, regional and sectoral average.

We describe the contributions of all our employees to our reports, in which we convey our efforts to manage our sustainability impacts and progress in our targets. Today, we are happy to share with you the 2020 and 2021 sustainability report of Yünsa, which exports its products to more than fifty countries, offers its products to more than four hundred customers, and exports products worth more than 1 billion TL in international markets in the last 5 years.

Yünsa, which offers its customers trouble-free products in terms of environment and human health, has Oeko-Tex® certificate since 2006. At Yünsa, one of the world's five largest top segment wool fabric exporters, we continue our production without interruption in 100% compliance with MRSL (Manufacturing Restricted Substances List) / Reach (Registration, Evaluation, Authorization and Restriction of Chemicals) with ZDHC (The Zero Discharge of Hazardous Chemicals Program) compliance rate 99% on average in 2020-2021. While contributing to the development of talented employees in our sector with our investments and employment, we continue our activities with an environmentally friendly and sustainable business model with the aim of energy efficiency, reduction of waste and clean production. We carry out TPM (Total Productive Maintenance) and R&D projects as well as international standards that we comply with in reaching sustainable solutions that create value for our company and you, our valued stakeholders. We integrate the understanding of sustainability into all our

business processes, and we continue to grow with our R&D and innovation approach.

Our Economic Performance

As of the end of 2020, our turnover, half of which we have realized through export, has decreased to 298 million TL due to the pandemic. In 2021, our turnover, about half of which we realized through export, increased from TL 298 million to TL 342 million.

Yünsa, whose turnover was affected by global negativities, managed to increase its net profit by 100% in 2020 and by 163% in 2021 compared to the previous year, and continued to add value to its stakeholders in such a period. Thanks to agile practices in the management of production costs, stock, supply chain, operating and financial expenses, the impact of the pandemic on Yünsa was minimized, and the increase in demand since the second half of 2021 was positively reflected in turnover and net profit.

We take care to purchase fibers, yarns, dyes and chemicals, which constitute our largest supply items, from sustainable sources. For animal welfare, we have stopped the use of hazardous chemicals whose production and use has been restricted. In addition to recycled polyester, we re-evaluate our process-sourced waste in our production line and continue our efforts to develop environmentally friendly products using recycled materials.

Our Social Performance

Occupational health and safety comes first among the sustainability issues that are prioritized for our internal stakeholders. Ensuring employee health and safety is the most basic goal of all departments in our business. As a result of the feedback we received from our customers, our most strategic external stakeholder, customer health and safety continued to be among our strategic issues.

Regarding our other social impacts, we conduct regular performance evaluations to ensure the long-term employment of our talented employees and constantly support their personal and professional development with training programs.

In order to protect the health of employees at Yünsa, which has TSE Covid-19 Safe Production Certificate, during the pandemic, the Ministry of Health HEPP

Message from the General Manager

(Hayat Eve Siğar) application was matched to our ERP system, and instant tracking was provided with the HEPP code.

According to the data obtained from the Social Security Institution, Yünsa became the employer that provided the most employment for the disabled in Tekirdağ province in 2021. Diversity and providing equal opportunities for female employees are among our employment priorities. The rate of our female employees in our company is 32% in 2020 and 33% in 2021.

Our Environmental Performance

As a result of our strategy studies, our priority topics are energy, waste, water and emission reduction. In this context, although we have been able to reduce our total energy consumption by an average of 25% in the last two years, our projects focused on reducing energy consumption per unit fabric continue.

We dispose of all of our waste in accordance with legal regulations. In this context, we produce in standards such as RCS (Recycled Claim Standards) and GRS (Global Recycle Standards), which are traceable by recycling, in order to reduce the environmental impact of production that requires energy, water and chemicals. In addition, by certifying our products with the RWS (Responsible Wool Standards) standard for wool, we support the raising of sheep in good conditions and the treatment of best practices in soil management and protection. In 2020 and 2021, our use of GRS certified fibers has reached approximately 4%, while our use of RWS certified raw materials has exceeded 3%.

According to the studies, considering that the minimum effect of 1 kg of oily wool is 7.83 kg of CO₂* equivalent greenhouse gas, it has been observed that recycled wool will provide extremely serious gains in environmental impact categories. In this context, we are organizing within the scope of developing functional fabrics from wastes called pre- and post-consumer.

In the CDP Climate Change Program, which we have been participating in since 2010, we continue our efforts to outperform the global, regional and sectoral average in the Climate Change category.

In addition to our exports, we also create an economic

value through the materials we supply. Since we cannot supply locally, we buy all of our main raw material, wool, from abroad. In this context, in order to support the use of domestic wool, a cooperation was established with Tekirdağ Namık Kemal University to create a Karacabey Merino starter herd to be used in the production of worsted woven fabric. Within the scope of the study, the relevant domestic herd was created in the farm of the Faculty of Agriculture. We were organized for the production of yarn and fabric suitable for the wool sheared worsted production line.

Transforming wool, which can be used in all seasons, into high quality fabric designs is at the center of our work. We combine our raw materials, which we obtain from natural resources, with advanced technology, and ensure the production of the most efficient and highest quality product. In all these processes, we keep global issues such as climate change and water use among the most important items on our agenda. Because we know that sustainability is of critical importance in our industry and we believe that a long-term perspective is needed for this.

I would like to express my gratitude to all my friends who contributed to becoming the leading woolen fabric brand in Europe in 2025 and the world in 2030 by adding value to life with sustainable, technological and innovative approaches for all our stakeholders.

We will continue to offer fast, innovative products and processes with high added value in our sustainability journey.

Best Regards,
Mustafa Sürmegöz
General Manager / CEO

(GRI 102-14)

02

CORPORATE
PROFILE

Yünsa, founded in 1973, is the largest integrated woollen fabric manufacturer in Europe and is also one of the five top high-segment woollen fabric manufacturers in the world. Yünsa covers 50 % of the woollen fabric sector's export volume in 2020 and 2021.

Yünsa stands out within the woollen fabric industry in Turkey and Europe with its sales and marketing organization, flexibility it offers in production, cost structure, vision, experience and reputation.

Producing and using its own yarn, Yünsa has an annual worsted yarn manufacturing capacity of 4,500 tons along with a fabric weaving capacity of 10 million meters



(GRI 102-5)

"The shareholders of Sürmegöz Tekstil Yatırım A.Ş., Ziraat Katılım Bankası A.Ş. and Mustafa Sürmegöz signed a Share Sale Agreement and all shares of Ziraat Katılım in Sürmegöz Tekstil have been purchased by Mustafa Sürmegöz as of 03.03.2022."

Management System Standards Certificates

Name of Certificate	Valid at	Since
ISO 9001:2015 Quality	Factory+HQ	1998
ISO 14001:2015 Environment	Factory	2004
OHSAS 45001:2018 Occupational Health and Safety	Factory	2019
ISO 27001:2017 Data Security	Factory+HQ	2016
ISO 50001:2018 Energy	Factory	2016

Corporate Memberships

Turkish Textile Employers' Association
KALDER Turkish Quality Association
ISO Istanbul Chamber of Industry
ITO Istanbul Chamber of Commerce
Çerkezköy Chamber of Commerce and Industry
Çerkezköy Industrial Zone
ITKIB Istanbul Textile and Apparel Exporters Association
Business Council for Sustainable Development Türkiye
Borsa Istanbul
Central Securities Depository of Turkey

(GRI 102-13)

YÜNSA FACTS AND FIGURES 2020

CORPORATE PROFILE		SUSTAINABILITY PROFILE	
ECONOMI	Net Sales 2020 year: 298 Million TL	Operating Profit growth 2020 year 10%	Regional Revenue Split Europe 58% / Turkey 37% North America 3 % / The Far East 2% Other 1%
	Total Production 2020 year: 4.860 km		
	Our 50+ Country Sales Markets Our export income of 148 million TL		
SOCIAL	Employees 2020 year: 1.080 Person	Employees 2020: 32% Women	Training Dissemination Rate Over 21 hours 2020: 27%
	Total Training Duration 2020 year: 16,2 Hours		
ENVIRONMENTAL	Our Greenhouse Gas Reduction 2020 year: 10.167 Ton	Environmental Expenditures <ul style="list-style-type: none">- Wastewater disposal 44%- Waste disposal 19%- Personnel 26%- Maintenance, repair, cleaning machinery and installations 4%- Consulting and technical assistance 4%- Search 2%- Environmental cleaning tax 1%	
	Total Amount of our Environmental Expenditures 2020 year: Euros 74.2 K		

YÜNSA FACTS AND FIGURES 2021

SUSTAINABILITY PROFILE		CORPORATE PROFILE	
ECONOMIC	Operating Profit Growth 2021 year 114%	Net Sales 2021 year: 342 Milyon TL	ECONOMIC
	Regional Revenue Split Europe 56% / Turkey% North America 7% / The Far East 1% Other 3%		
SOCIAL	Employees 2021: 33% Women	Employees 2021 year: 868 Person	SOCIAL
	Training Dissemination Rate Over 21 hours 2020: 56%		
ENVIRONMENTAL	Environmental Expenditures <ul style="list-style-type: none">- Wastewater disposal 26%- Waste disposal 18%- Personnel 14%- Maintenance, repair, cleaning machinery and installations 2%- Consulting and technical assistance 38%- Search 0,22%- Environmental cleaning tax 2%	Our Greenhouse Gas Reduction 2021 year: 2.554 Ton	ENVIRONMENTAL

PRODUCTS AND MARKETS

Exporting to more than 400 customers located in over 50 countries and supplying fabrics for leading global brands, Yünsa has its own sales offices in the US, UK, and Germany, agencies in Spain, Italy, France, USA, Chinese, South Korea, Japanese, Canada countries.

The leading markets of Yünsa are the EU countries, North America and Far East. Our product range includes suit and uniform fabrics for women's and men's wear and upholstery fabrics.

Besides 100% woollen fabrics, we also manufacture polyester, viscose, nylon, spandex fibre, cashmere and silk blended fabrics. Since the beginning of 2015, we took our place in apparel industry with the fabrics we manufactured by producing the models our customers requested from us.

(GRI 102-2, GRI 102-6)

Overseas Sales Offices

USA, Germany, England

Agencies

USA, China, France, South Korea, Spain, Italy, Japan, Canada



PRODUCTS AND MARKETS



General Center

İstanbul - Turkey

Production Facility

Çerkezköy - Turkey

Design Offices

Biella - Italy and Çerkezköy - Turkey

SUPPLY CHAIN

At Yünsa, we create an important economy with our supplies both abroad and in Turkey.

In 2020 and 2021, our local suppliers account for 87% of our total suppliers. Our local suppliers constitute 28% of our purchasing expenditures with EUR 6 million in 2020. In 2021, it constitutes 21% of our purchasing expenditures EUR 4.7 million.

Wool fiber, our main raw material, which we supply all from abroad, accounts for 53% of our supplier expenditures for 2020 and 54% for 2021. Following wool fiber, the materials we supply the most from abroad are other fiber types (polyester, nylon, elastane, etc.), yarn types, dyes and chemicals.

Spare parts, packaging, various administrative equipment is purchased from domestic suppliers. We evaluate all our

suppliers within supplier evaluation scope regularly using a digital platform; the Supplier Evaluation System.

We did not terminate contracts with any of our suppliers. We started doing business with 15 foreign and 118 domestic suppliers in 2020 and 22 foreign and 118 domestic suppliers in 2021 during the reporting period.

(GRI 102-9, 102-10)

Shares of Purchasing	2020	2021
Imports	%73	%71
Local Purchasing	%27	%29

Breakdown of Suppliers by Geography	2020	2021
China	%59	%62
Europe and Other	%30	%28
South America	%11	%10

AWARDS AND ACHIEVEMENTS

We continue to succeed in supporting sustainability by the standards we apply and the projects we develop for efficient use of resources at Yünsa.



**Award for TPM Excellence
Category A, Japan Institute of Plant Maintenance (JIPM)**

**Quality Circle and Kaizen Awards 2020
The Elimination Picks of Broken Picks Error Project.**

**2021 Golden Award for Outstanding Export Performance
Istanbul Textile and Raw Materials Exporters Association (ITHIB)**

**2021 Innovation League TechXtile
Champion Company Category**

AWARDS AND ACHIEVEMENTS



TOTAL PRODUCTIVE MANAGEMENT

Total Productive Management (TPM) is basically a system that we implement since 2012 to reach zero-accident target, to preserve quality problems and to identify root causes of recurring failures and to develop permanent solutions and eliminate them.

TPM, which involves a management approach that serves all our targets under sustainability management, is the starting point of all our efficiency works overseen during the reporting period. We present some of these projects in the relevant sections of our report. We annually reward the projects with positive contributions on Yünsa's

economic, social and environmental performance.

Targeted Gains of TPM Projects

ECONOMIC

- To prevent labor and machine loss
- To reduce costs based on increase in machine efficiency

SOCIAL

- To improve our employees' knowledge, skills and competencies in monitoring, analyzing and taking timely action about their responsibilities
- To increase efficiency and productivity

- To create positive working environment with zero- accident and zero quality defect targets

ENVIRONMENTAL

- To increase perception of employees on energy efficiency, waste management and environmental protection.

AWARDS AND ACHIEVEMENTS

Award for TPM Excellence (2020)

Category A, Japan Institute of Plant Maintenance (JIPM)

What kind of work do you do for operational excellence and efficiency at Yünsa?

After the 2000s, with the emphasis on quality and differentiation, we started our operational excellence studies with the EFQM (European Foundation for Quality Management) excellence model. Then we continued our journey by experiencing quality circles, 6 Sigma, Lean 6 Sigma works. Since 2012, we have been implementing the Total Productive Maintenance/ Management (TPM) model in our operational excellence studies and production processes at Yünsa. Among the main objectives of the TPM management model are the titles of zeroing all kinds of losses, increasing the level of knowledge and skills of the employees, encouraging the use of high-level equipment and resources, focusing on the productivity of the employees and strengthening the production foundations. In addition to the modernization of the facilities and the development of technologies, it is aimed to improve and strengthen operating standards and contribute to the development of the industry. When we look at the main difference between TPM and other models we have implemented in the past and the reason for our insistence on TPM, we have experienced that pre-TPM models are applications that generally target smaller groups and cannot include all employees in improvement activi-

ties. Together with TPM, we have combined these past experiences with TPM teachings and evolved into an operational excellence management model in which all Yünsa employees are involved in these activities. The transition to the TPM model made significant contributions to Yünsa in every aspect, and as a result of our successful practices, we were honored with TPM Excellence Award by JPIM (Japan Plant Maintenance Institute) in February.

Can we get information about the criteria and evaluation process of the TPM Excellence Award?

The TPM Excellence Award is the name of the award system based on a management model that increases efficiency and aims to improve production, given by the Japan Institute of Plant Maintenance (JIPM), a Japanese non-profit organization. This award, which has been given to its owners since 1964, has been given to approximately 2 thousand facilities in the world so far. In order to win the award, it is necessary to successfully demonstrate all the criteria set by JIPM. Namely, in line with this management model, which covers all activities, being privileged from similar models, while the importance that Yünsa attached to employee health and safety was registered, an evaluation was made from production to quality understanding, from delivery, maintenance, cost, sustainability studies to a wide range of business

AWARDS AND ACHIEVEMENTS

results, including employee morale and motivation. In addition, it was underlined that many activities in different fields for cultural transformation were carried out successfully. Since we have met the criteria in all areas, the success line in our management and production activities has been documented. .

The evaluation process is a long-term process that takes about a year. In order to be nominated for this award, Focused Improvements, which constitute the eight pillars of TPM, namely Autonomous Maintenance, Planned Maintenance, Quality Maintenance, Early Equipment/Early Product Management, Education, the activities we have done in the fields of Occupational Safety, Health and Environment and TPM in Offices, the path we have taken, the losses we have eliminated and the improvements made are evaluated. In this process, we presented an activity report of approximately 350 pages describing our work in these areas. Then, the data we presented during the preliminary evaluation process were evaluated by the specialized experts. Companies that seem successful and achieve the desired results have moved on to the next phase, that is, the field and project audit phase. At this stage, many project presentations were made; in line with the feedback given to us, remedial actions were taken. As a result of these stages, which involved a lot of hard work and effort, Yünsa

became the first and only textile company in Turkey to be deemed worthy of this prestigious award. We are proud to be a pioneer in our industry. We received our award with the efforts of the entire Yünsa Family, and I sincerely believe that we will win many more awards thanks to our determined efforts.

What has changed in Yünsa with the TPM model? What kind of benefits did it produce in terms of operational efficiency?

TPM is one of the management models that ensures that continuous improvement activities remain dynamic within the enterprise. If implemented successfully, it is a model that guarantees significant improvements in working, machine and process performance and ensuring continuity. For this, it is important that all employees are actively involved in the process. To give an example, within the scope of TPM studies at Yünsa, each blue-collar employee has a goal of detecting at least one negativity per week regarding the machine and its environment and reporting them with an error card. Since 2012, when we started this practice, 235 thousand error cards have been opened and these negativities and errors have been recorded, and approximately 95 percent of them have been resolved with our existing teams. In order to prevent the recurrence of these detected problems, 27 thousand

before/after kaizen were made; with the lessons learned from these, 3,800 single point trainings were prepared. In addition, our improvement teams contributed to the improvement of company processes and business results by making 485 improvement projects, which we call kobetsu kaizen.

The concept of zero loss forms the basis of our point of view, which we have determined as our principle. We are constantly updating our way of doing business with the goal of zero loss. We use technology effectively for the traceability of processes and products within our enterprise, and we continue our work on the automation of communication between the fabric and the machine. Since 2012, when we switched to the TPM model, we increased equipment efficiency by approximately 20%; we reduced the number of monthly malfunctions 14 times. On the other hand, while there was a 48% improvement in new product demand and customer turnaround times, customer complaints decreased by five times. We also achieved very successful outputs in the field of occupational safety. Between 2013 and 2020, we achieved a decrease in lost days of work accidents by 27 times; we have been continuing our activities with zero work accidents for exactly 421 days. We are on the way to mutual success by moving forward with the TPM management system with both our

white and blue collar employees. Our goals and motivations come together under the same roof..

What does this award mean for both Yünsa and the Turkish textile industry?

TPM award is proud for our country in every respect because, as a local and national company, we win a very prestigious award in the international arena and ensure that important works and breakthroughs in our country are known to the world. We believe that with such exemplary practices, we not only increase the brand awareness of Yünsa, but also pave the way for the successful textile brands of our country. As the first and only textile company in Turkey to win the award, we have proven our leading role in our industry. We have one of the largest integrated production facilities in Europe with an annual production capacity of 10 million meters of upper segment wool fabric. We export more than half of our production abroad. We export to more than 50 countries, and we deliver our products to more than 400 important brands that have a voice in world fashion in our customer portfolio. As a national brand that successfully represents Turkey not only in the country but also abroad, we strive to rise to higher levels in global competition. We set an example for our industry with our pioneering works. In the past, there was a general belief that the TPM model was not a

very suitable management model for textiles and that it would be successful in sectors such as automotive, white goods and FMCG. This award, which we received, revealed that the TPM management model can also be successfully applied in the textile industry. The wider application of this model, which raises the knowledge and skill level of the employees, will lead the Turkish textile industry to a higher level.

After this award, what kind of plans does Yünsa have to raise the bar even more?

We are making continuous progress with our practices that have little negative impact on the environment, prioritizing the protection of nature, and our goal of efficient production. Based on this idea, we have focused on technology investments for the last two years by prioritizing the modernization of our machinery infrastructure. We have recently made investments in finishing, weaving and quality control areas. With these investments, we doubled our production speed in the weaving department. We reduced our wastage rates by 50 percent in weaving again. Similarly, we reduced both our electricity and natural gas consumptions by 30 percent by investing in stenter in finishing. We have reduced chemical consumables and costs by investing in electrospray instead of finishing with the classically known foulard in the stenter. We

have also developed different finishing applications on different surfaces of the fabric, which cannot be done with a padding mangle.

In the upcoming period, we will continue to use TPM activities and tools to operate existing and new machines with higher availability. In the next process, there are 3 stages in the TPM Award categories. The first one is in Excellence, which is committed to the continuity of the Excellence award we have received. The Continuity award is the TPM Achievement Special award for the next two years, and then the world-class production TPM Achievement award, which is the top and last category. We aim to bring these three awards to our company and our country.

Engin Sarıbüyük
Yünsa Operations Director



AWARDS AND ACHIEVEMENTS

03

STRATEGY AND GOVERNANCE

At Yünsa, basis of our sustainability strategy is to comply with laws and our ethical values. While determining the scope our strategy, we took the views of our employees into consideration, in addition to those of executives from all our departments. Thus, we created our materiality map with a holistic approach.

CORPORATE GOVERNANCE

At Yünsa, we perform all operations in conformity with the Corporate Governance Principles published by the Capital Markets Board which are transparency, fairness, responsibility and accountability.

INTERNAL STAKEHOLDER VIEW

56 % of our employees who responded to the sustainability assessment survey think that...

Yünsa manages all its business processes in line with corporate governance principles, being transparent, fair, accountable and responsible.

CORPORATE GOVERNANCE

Our Board of Directors consists of six members in total where two of them are independant members. Only the Chairman of the Board and the Deputy Chairman hold executive functions. Audit, Early Risk Identification and Corporate Governance Committees function under the Board of Directors.

Details on the committees, their aims and functions are given in our 2020 Annual Report, pages 44 – 45 and our 2021 Annual Report, pages 42 – 43.

Yünsa 2020 Annual Report
<https://www.yunsa.com/files/document/2723-2020.pdf>

Yünsa 2021 Annual Report
<https://www.yunsa.com/files/document/2819-2021.pdf>

Committees Reporting to the Board	Responsibility on Economic Impacts	Responsibility on Social Impacts	Responsibility on Environmental Impacts
Audit Committee	All economic topics	-	-
Corporate Governance Committee	-	All social topics	-
Early Risk Identification Committee	All economic topics	All social topics	All environmental topics

CORPORATE GOVERNANCE

Business Ethics

At Yünsa we naturalize Ethic Principles that aim to create and sustain a fair work environment. Besides being a protector of employees, our Ethic Principles is a guideline as well as a set of rules, regulations and procedures that are indicative to all our decisions and actions and has four major topics including legal responsibilities, integrity, confidentiality and conflict of interest.

New hires of white-collar employees complete Ethic Briefing Training via e-learning and blue collars complete it via orientation program within the first month of their entries. All employees undersign that they have read and understood ethic rules.

Any stakeholder willing to share and complain can reach Ethics Compliance Officer,
etik@yunsa.com



Compliance Management

Legal responsibilities subtopic under Ethics Rules frames our compliance management principles. We execute all our domestic and international activities and procedures within the framework of local and international laws. Timely monitoring of current developments and changes in procedures is a hard process that needs accuracy and attention, and is managed through Yünsa Corporate Risk and Compliance Portal, Quality Document Integrated Management System

and Corporate Risk Management – Priority Risks.
Our aim is 100% compliance to all legislation we are liable to. By the end of 2021, we do not have any discorformity.

Our aim is 100% compliance to all legislation we are liable to. By the end of 2021, we do not have any discorformity.

At Yünsa, we had no cases of non-compliance and/or administrative and monetary penalties regarding environmental act. Besides, no cases from non-compliance resolution mechanisms occurred.

SUSTAINABILITY MANAGEMENT

At Yünsa, the basis of our sustainability approach is our objective of creating value for all our key stakeholders which is beyond just creating economic value for our shareholders and investors, by overseeing our social and environmental responsibilities.

Governance Structure

At Yünsa, Board of Directors is the top responsible of all operations of the company. As CEO takes the execution role, Yünsa’s board level oversight for sustainability issues belongs to Pre-Determination of Risk Committee (PDRC). PDRC, consisting of the Board members reports to Board of Directors bimonthly based on the regular feedback from the CEO. The Board, the PDRC and the CEO together manage the economic performance of the company. The final decisions regarding targets, actions and the necessary investments to manage sustainability topics are made by the CEO with the necessary consent of the Board of Directors.

Environment, Health and Safety Committee (EHC), Energy Committee (EC), and Chemicals Management Committee (CMC) who report to the Operations Director, makes periodical meetings separately to evaluate the performance results of their responsibilities. Risks and opportunities are analyzed regularly by these committees and necessary actions are taken for high risk and high opportunity areas. Indicated risks and opportunities and action plans are reported to the CEO.

EHC prepares environmental risk assessment regarding waste management including emissions, water consumption within the scope of ISO 14001 Environmental Management System. EC runs energy audits and conducts energy

efficiency projects in line with the requirements of ISO 50001 Energy Management System. CMC is responsible with managing the risks regarding chemicals within the production processes in compliance with Zero Discharge of Hazardous Chemicals (ZDHC), Oeko-Tex Standard 100 and Ready to Manufacture (RTM) requirements Sustainable Clothing Coalition’s Higg Index Environmental Management Module (SAC Higg Index FEM), Zero Discharge of Hazardous Chemicals (ZDHC), explains greenhouse gas emissions and water management with a transparent approach within the scope of the Carbon Disclosure Project (CDP).

SUSTAINABILITY MANAGEMENT

We manage all material issues beyond relevant legal responsibilities and by taking into consideration the expectations of key stakeholders. Our corporate and ethical values are the main aspects to lead our employees in our journey of reaching our sustainability goals.



(GRI 102-18)

OUR VALUES AND SUSTAINABILITY PRIORITIES

Our corporate values support our vision to grow through making a positive change. The priority topics that shape our sustainability strategy match perfectly with our corporate values. Our sustainability priorities listed below include both risks and opportunities depending on how well we manage them.

Vision

To become the leader woolen fabric brand in Europe by 2025; and in the world by 2030.

Mission

To offer textile solutions with a sustainable, technological and innovative approach to add value to life.

OUR VALUES	OUR SUSTAINABILITY PRIORITIES
Reliability and Honesty	Business Ethics and Compliance (Basis of our strategy)
Costumer Focused	Economic Performance Customer Health and Safety
Continuous Development and Creativity	Training and Development
Speed and Flexibility	Materials
Active Participation	Employment
Team Work and Collaboration	Diversity and Equal Opportunity
Social Responsibility	Occupational Health and Safety
	Customer Health and Safety
	Materials
	Energy
	Emissions
	Water and Wastes

(GRI 102-15, 102-16)

COMMUNICATION WITH OUR STAKEHOLDERS

We describe our stakeholders as people and organizations that are influenced by our activities, and at the same time, who possibly have impacts on our company in achieving our business targets. Since the day our company was established, we meet with all our stakeholders in various platforms in parallel with our interaction frequency targets and inform them regarding our activities and business results.

Within the framework of our sustainability reporting works, we reviewed all our stakeholders and grouped them with regards to our material topics through a strategy work we organized with the participation of our top management who represent all our departments at Yünsa.

As a result, we made a list of the key stakeholders to engage with regarding sustainability management. **(GRI 102-42)**

Our stakeholders who stand out among our key stakeholders in our 2020 and 2021 reports; We included the feedback of our employees and customers. We carried out focus group studies within the scope of the preparation of the sustainability report in order to receive the opinions of our employees. We were in dialogue with our customers on sustainability issues throughout the year. We steered our sustainability activities in line with the demands of our customers.

Sustainability Communication with Our Employees

We conducted a sustainability assessment survey to raise awareness of our employees on sustainability and our company's impacts. We share our employees' priorities and their views on Yünsa's sustainability performance in the relevant sections of our report.

The communication platforms with our employees and the rest of our key stakeholders, together with their content and communication frequency, are presented in the Communication Platforms with Our Stakeholders table

INTERNAL STAKEHOLDER VIEW

55% of our employees who responded to the sustainability assessment survey think that...

Yünsa's communication platforms to find out about the ideas/suggestions or expectations of key stakeholders (excl. employees) are adequate.

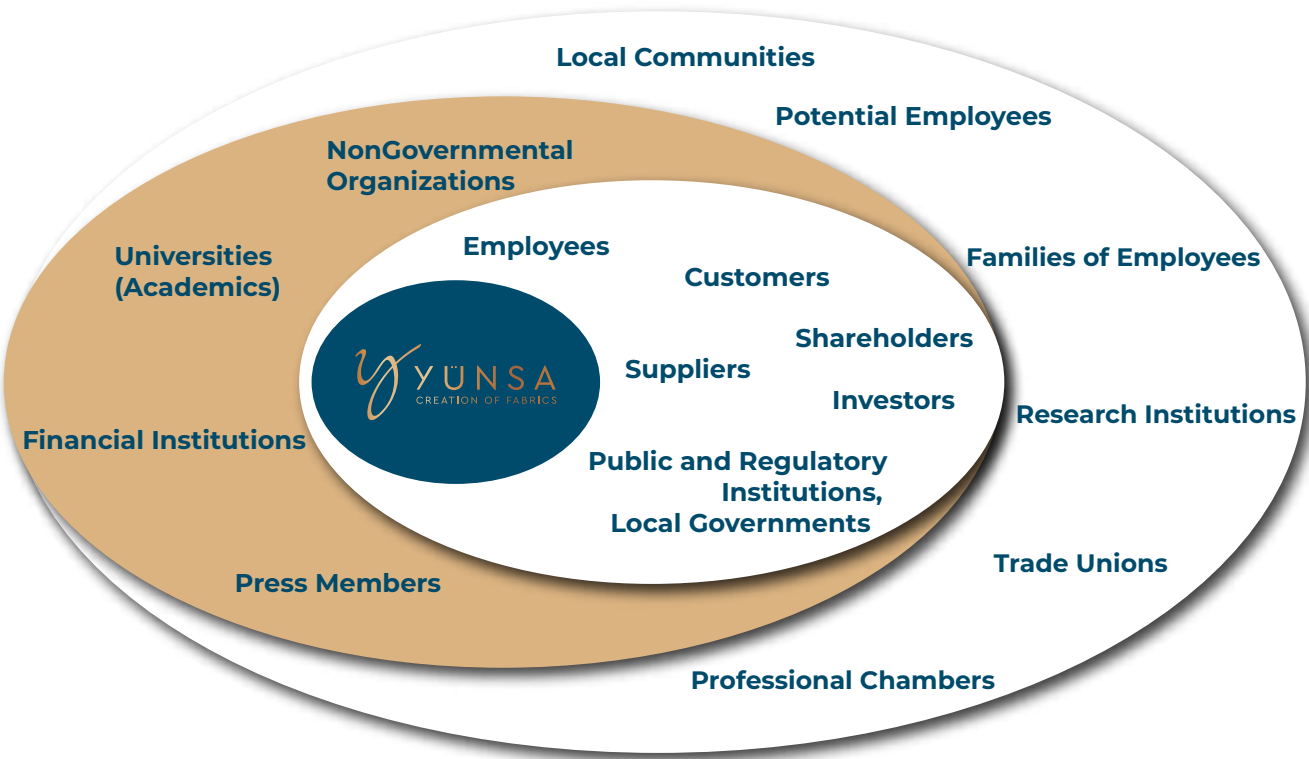


COMMUNICATION WITH OUR STAKEHOLDERS

Sustainability Communication with Our Key Customers

We have determined that our customers, who represent international textile brands that have targets within the scope of sustainability management, attach more importance to the use of materials obtained from sustainable sources, chemical management and the use of wastes as raw materials, as well as the effective use of energy and water resources compared to our other priorities. Our explanations on these issues are in the Economic Performance and Environmental Performance sections of our report; We include it under the headings of Material, Energy, Water, Waste and Customer Health and Safety Management.

(GRI 102-43, GRI 102-44)



(GRI 102-40)

COMMUNICATION WITH OUR STAKEHOLDERS

Communication Platforms with Our Stakeholders

Stakeholder	Platform	Communication Content	Communication Frequency
Employees	Sustainability Assessment Survey	Prioritisation and performance assessment	Once a year
	Yunsada.com (internal social platform)	News, announcements, greetings, special days, social posts	Daily
	CEO meetings	Company financial status, targets and practices	Bimonthly
	Employee activities	Dinners and events	
	Social clubs	Sailing, cycling, football, table tennis, traveling	Suspended due to Covid. will be reactivated
Customers	Sustainability Feedback Survey	Prioritisation and performance feedback	Once a year
	Meetings, audits	Sustainability performance	A few times a year
	Customer Satisfaction Survey	Satisfaction level	Once two years
	E-bulletin	Company news	Four times a year
	Overseas exhibitions	Sales and one-to-one interviews	15-20 times a year
Suppliers	Supplier scorecards	Supplier performance evaluation	Once a year
Shareholders/ Investors	Annual Reports	Company financial status, targets and practices	Once a year
	KAP (Public Disclosure Platform) disclosures	Company financial status, important changes	Four a year
Public Regulatory Bodies and Local	Visits, one-to-one meetings	Social and environmental regulations, legal permissions, private partnerships, incentives	When necessary
All Stakeholders	Social media accounts (Instagram, Youtube, Facebook, Twitter, LinkedIn)	Products, services, news and activities	2-3 times a week
	Media, press and internet news	Products, services, news and activities	10-15 times a year

MATERIAL SUSTAINABILITY TOPICS

Prioritization Studies

At Yünsa, we determined our priorities within the scope of sustainability management during the preparation process of our first report and we review them every year.

Stage 1

We reviewed the topics in the GRI Sustainability Reporting Standard and conducted a sustainability strategy survey to determine the priority issues for our company among these issues. In this survey, we asked the participants to prioritize the impacts of economic, environmental and social issues, the risks and/or opportunities that will arise, and the issues that will significantly affect the evaluations and decisions of key stakeholders regarding the company. The results of the strategy survey formed the basis for our sustainability matrix.

Stage 2

We review our sustainability priorities every year and update them if necessary, taking into account the results of the review meeting we held with our General Manager, who directs the sustainability strategy of our company, the results of the materiality survey attended by our employees, and the feedback from our customers.

Stage 3

All our sustainability issues are divided into three groups according to their priorities and are included in our strategy matrix. In the first group in the upper right part of the matrix, there are issues that are of higher importance for both our employees and Yünsa and that directly and significantly affect our company's performance. These issues form the main headings of the relevant sections of the report, and we describe our company's performance in detail in the report with data. The main purpose of us wanting to create such a matrix is to clearly identify the issues that our key stakeholders care about as well as our company, and to set our targets within the framework of these issues. In the coming period, we aim to exchange ideas with more of our stakeholders and, accordingly, to develop our focus areas and related targets.

Stage 4

The subjects in the first group in the sustainability matrix are the subjects we cover in detail in the report. While determining our sustainability strategies and targets, we focus on these issues and monitor our sustainability performance within the framework of these issues. We try to push our sustainability performance forward

every year with the R&D and Total Productive Management (TPM) practices we carry out.

Stage 5

We aim to write and publish the sustainability report every year with the collected data.

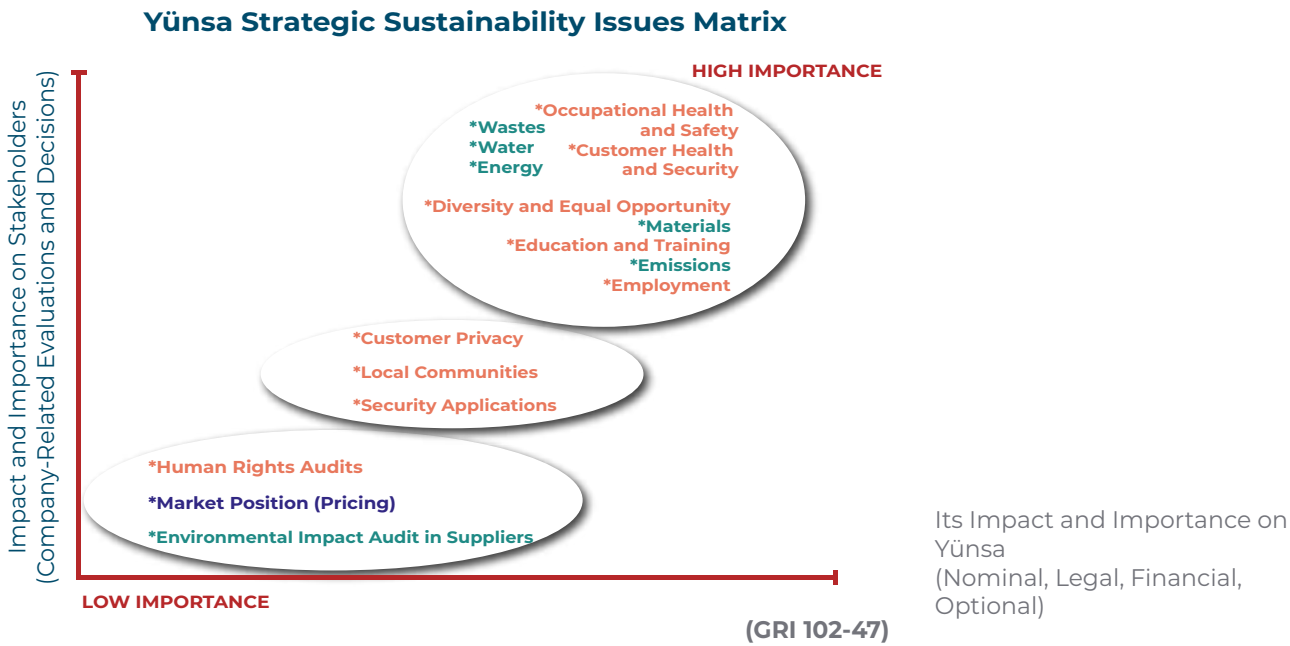


MATERIAL SUSTAINABILITY TOPICS

YÜNSA STRATEGIC SUSTAINABILITY ISSUES MATRIX



Matrix Annotations
Group 1: The first priority for Yünsa and the issues we covered in detail in the report
Group 2: Topics that are the second priority for Yünsa and are not included in the report.
Group 3: Topics that are the third priority for Yünsa and that are not included in the report



MATERIAL SUSTAINABILITY TOPICS

Topic Boundaries and Limitations on Reporting

All topics that we include in our materiality matrix are valid for all production and management activities in Çerkezköy.

In our supply chain, the topics that we monitor and record are; data for health and safety of our subcontractors working in our factory, calculations for emission monitoring employee transportation vehicles that we outsource and also recycled and environmentally friendly materials that we supply. We plan to manage our impacts for the rest of the topics regarding our supply chain including sub-contractors, in the coming years.



(GRI 102-46) (GRI 103-1)

We Contribute to UN Sustainable Development Goals!

As we determine our material sustainability topics we also took into consideration the Sustainable Development Goals (SDGs) launched by UN in 2015. As we aligned our best practices and R&D projects with global goals, we saw that our material topics are directly related to 9 of the SDG's.

MATERIAL SUSTAINABILITY TOPICS

	UN 2030 Sustainable Development Goals	Yünsa's Relevant Material Topics	Departments Working for The Corporate Goals
3	GOOD HEALTH AND WELL-BEING	Materials- Occupational Health and Safety Customer Health and Safety Employment-Effluents and Waste	OHSE R&D
4	QUALITY EDUCATION	Training and Development	Human Resources
5	GENDER EQUALITY	Diversity and Equal Opportunity	Human Resources
6	CLEAN WATER AND SANITATION	Water	OHSE
8	DECENT WORK AND ECONOMIC GROWTH	Economic Performance-Materials Occupational Health and Safety Employment-Training and Development Energy-Water-Effluents and Waste	OHSE Human Resources R&D Finance and all the rest
9	INDUSTRY, INNOVATION AND INFRASTRUCTURE	Materials Energy and Emissions	R&D
12	RESPONSIBLE CONSUMPTION AND PRODUCTION	Economic Performance Customer Health and Safety Materials-Energy Emissions-Water Effluents and Waste	Purchasing OHSE, R&D All departments participating TPM activities
13	CLIMATE ACTION	Economic Performance Materials Energy Emissions	OHSE R&D
17	PARTNERSHIPS FOR THE GOALS	All environmental topics	R&D

(GRI 102-12)

R&D AND INNOVATION

At Yünsa, R&D Department is a strategic unit since it is the foremost vital tool in developing sustainable solutions and fabrics. Our R&D investments and work we carry out within this scope directly impacts our company's sustainability.

Targets of Yünsa R&D Department are; to develop innovative products that are environmental and human friendly with long economic life; to obtain patents for these products and to increase number of project applications that have

national/international support. We cooperated with many institutions including universities in projects that started, continued and completed during the reporting period.

We included R&D projects that we completed or began to get results during the reporting period under the relevant topics of this report.



Wool RoaD

FACTS AND FIGURES OF R&D	2019	2020	2021
Number of Employees in R&F Center	41	45	33
Number of R&D Projects Approved by Ministry of Industry and Technology	5	8	6
Number of Patent Applications	1	1	2
Cooperations With Universities	9 Publications, articles, memorandums 3 Undergraduate thesis 1 Project under EU Horizon 2020 Framework Programme	5 publications, articles, memorandums, 1 doctoral thesis, 1 Project under EU Horizon 2020 Framework Programme 1 registered utility model	5 publications, articles, memorandums 1 Project under EU Horizon 2020 Framework Programme
R&D Expenditures [Capex and Opex Included]	Euro 1,513,874	Euro 642.579,54	Euro 600.196,87

R&D AND INNOVATION

As an R&D Center in 2020 and 2021, chemical and fiber raw material system development and approval processes, we focused on the establishment of the chemical management system structure. We have been organized to publish our raw material evaluation reports and to establish our chemical access control system. We aim to strengthen these structures by developing them. Our Yünsa General Manager, Mr. Mustafa Sürmegöz, by focusing on products that can have a commercial cycle, especially in terms of sustainability, focused on functional and technical product designs on a customer basis. In this context, studies have also been initiated on technical textiles that can appeal to different sectors.

It is our department-based goal to instill a sense of belonging to the team by providing a sustainable

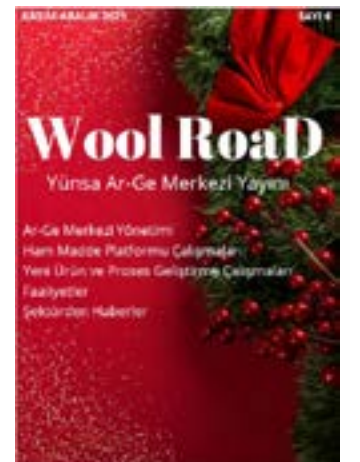
environment, and to produce qualified and valuable works by supporting them in every way so that their skills can develop. From a broad perspective, our aim is to be a pioneer in quality projects that will contribute to international competitiveness, and to design products with high commercial value. In Research and Development activities, it is only possible to produce works with high commercial value through competition in both engineering and academic terms. For this reason, it is our priority to support the competencies of the personnel working at the Yünsa R&D Center, and we associate the graduate thesis study subjects with the Yünsa study area. In this context, we have supported 2 PhD theses and 6 Master's theses so far.

It was organized so that the importance of research and

development activities could be understood by the employees and that they were published periodically in order to increase their awareness in order to receive their contributions and include them in the projects. This scope was decided on behalf of Wool RoaD for the R&D Center publication.

The trademark application numbered 2021/168342 of was decided to be published by the Turkish Patent and Trademark Office (TÜRKPATENT) in the Official Trademark Bulletin dated 27.12.2021 and numbered 387. Our work in the R&D Center, the projects and activities carried out, and the contributions made to the company's knowledge can be followed by the employees.

Future Plan: To share with our external stakeholders in 2022.



Establishing a Merino Starter Herd with Quality Wool Yield in Turkey and Revealing the Potential for Production of Worsted Woven Fabrics with High Added Value from the Wool of These Sheep



Wool fiber suitable for worsted line is supplied from abroad. In order to ensure that these fibers are produced in Turkey, it was decided to form a starter herd.

The project is a Tübitak 1005 project and a University project, and the intellectual property right and confidentiality agreement with TÜBİTAK was signed by Tekirdağ Namık Kemal University Prof. Dr. It was signed between Rıza ATAV and TÜBİTAK. Yünsa is a supporting organization in the project and this is stated in some project work packages. There is also a letter of support signed by Yünsa.

What did we do?

Sheep with 24 micron gold in the Thrace region were found and placed in Tekirdağ Namık Kemal University farm. Yünsa supported the construction of the farm so that the sheep had a comfortable and safe living space. Fiber tests were performed for control from sheared sheep. It was organized for the production of yarn and fabric from wool with an average thickness of 22 microns obtained from these sheep.

Results and Gains

Economic

Wool obtained from sheep in Turkey is not suitable for the production of fine worsted fabrics with high added value in terms of quality

characteristics. For this reason, quality fleece has to be imported to Turkey every year to be used in the field of textiles. According to 2018 data, Turkey imports approximately 7,999,674 tons of wool per year for 88,875,863 dollars. Within the scope of the project, a domestic-national prototype will be created by the production of worsted woven fabric from the fleeces of our domestic sheep and the production of men's suit jackets from these fabrics. This prototype will be introduced at a meeting, bringing together academics, industrialists, public institutions and the press. In case the said project is realized, it will be possible to benefit not only from the meat and milk of the sheep raised in Turkey, but also from the fleece. Our current external dependence on fine wool fiber will end and a self-sufficient production model will emerge.

Social

With the new projects to be made as a continuation, in the long term, Turkey's need for quality merino wool will be freed from being dependent on foreign countries and will be made available with domestic production.

Environmental

There will be a significant reduction in emissions if raw materials can be supplied domestically.



Increasing the Wear Resistance of the Finisher Lower Apron Roller-Shaft

This project, which was initiated with the support of Çerkezköy Turkish Textile Foundation Vocational and Technical Anatolian High School, was initiated due to the high purchasing cost of finisher lower apron rollers and the negative effects of worn rollers on quality.

Our Goals

It was aimed to reduce the material costs caused by wear and improve the yarn production quality by extending the life of the spool and shaft.

What did we do?

Current status and root cause analyzes were performed. After the

necessary actions were planned and implemented, the results were evaluated and standardization studies were carried out. Operators were trained and collected to use in recycling of deteriorated reels. The cleaning done at the path change in the machines was taken to the same dates as the maintenance time, thus saving time.

Results and Gains

Economic

The lifetime of the roller-shaft assembly was targeted as 60 days; but it has been working for 360 days without any problems. 4884 €/year is gained from the roller-shaft team.

Social

A patent application was filed on 06/12/2021 with the application number 2021/019178 under the title of 'A Roller Used in Finisher Machines'. We are waiting for the research report of the patent.

Environmental

Since the waste reel-shaft was not thrown away, 11 kg/year metal scrap was recycled.



Development of a Blend-Based Automatic Lubrication System that Controls Static Electricity in Worsted Yarn Production



One of the most important parameters affecting the production performance in the yarn preparation line is the winding of the fibers to the machine parts with static electricity and the emergence of quality problems by performing machine stops. In this context, oil controls are made in the raw material content and lubrication process is carried out in order to reduce static electricity during the production phase. In existing systems, this process is carried out by the operator's experience, foresight, moisture determination before the machine enters, and the lubrication rate is decided. With the developed system, the instantaneous static electricity generated by the fibers during yarn production was measured, and the blend oil rate was determined according to the type, color and blend type of the fabric, and a certain amount of oil was sprayed instantly. For the verification studies of the system, oil determination, control and verification studies were carried out.

Our Goals

Reducing the yarn breakage rate caused by fiber winding in ring spinning machines, efficiency increase in yarn and bobbin circle, elimination of work accidents caused by fiber winding in the ring spinning mill, minimizing the amount of oil and water, labor, time, production-quality problems such

as improvement in the waste rate caused by fiber wrapping

What have we done?

Within the scope of the study, an automatic system that can measure static electricity and transfer this value in accordance with the working principle of the proportional valve that provides the lubrication flow thanks to the written program and circuit design, registered with the number 2016/09859, has been developed and verification studies have been carried out. In addition, in the developed system, the static electricity generated by the friction of the fibers against each other and on the machine surface is measured with the help of a sensor placed at a height of 25mm from the fibers. This distance value has been calculated according to the area to be measured, and if the area to be measured is to be increased, the distance should be increased depending on this value. The electrical value created by friction is increased to the value range (0-5V) that the Arduino card will read after the sensor, thanks to the circuit design. The increased electrical value, thanks to the program written on the C base, decides the lubrication rates in accordance with the values determined by the enterprise beforehand. Afterwards, an amplifier circuit was designed to provide 2 times gain to the output of Arduino in order to

comply with the working principle of the proportional valve (0-10V). The lubrication valve provides the valve opening according to the value coming from the electrical circuit and performs the lubrication process.

The quality-based follow-ups of the yarn and fabric lots produced in the study were made and conformity approvals were given. The system, which was established on an industrial scale, was actively put into production in the Yünsa worsted yarn production line.

Results and Gains

Economic

Stops due to quality in production will be prevented. Since it will be an operator-independent system, labor savings will be achieved. In addition, the minimum amount of oil and water to be consumed can be automatically adjusted for each product.

Social

In today's world, with environmental responsibility and awareness of the future, we will ensure that water and chemical consumption is minimized, and we will create awareness on the principle of sustainability.



Environmental

Minimizing the amount of oil and water consumed is especially important in terms of using the natural resources of our geography.

Future Plans

The project, which was developed to minimize the use of water and oil, to prevent machine downtime, and to ensure more efficient use of the workforce, was established on an industrial scale and the system was actively put into production on the Yünsa worsted yarn production line. Within the scope of dissemination, studies are continuing for 8 machines.

Extending Working Time of Finisher Apron Mesh Bed

The high purchase cost of the finisher apron mesh bed was the trigger for starting the project.

Our Goals

It was aimed to reduce cost and improve quality by extending part working time. It was aimed to increase the Rockwell hardness value of the apron meshes from 32 HRB to 82 HRB.

What have we done?

Current status and root cause analyzes were performed. Necessary actions were planned and implemented according to the results of the analysis. After comparing the results, standardization studies were carried out.

Slow and gradual welding was performed in order to prevent the meshes from being deformed by heating and the holes of the shafts

mounted on the meshes in the welding area. In order not to fill the mesh holes during welding, a template was made from non-welding material.

Results and Gains

Economic

Wear on the apron meshes has been prevented. Since it was not necessary to buy 152 meshes after the improvement, a saving of 6,457 € was achieved.

Social

Employee motivation increased.

Environmental

By preventing corrosion, the formation of 153 kg of metal waste was also prevented.

04

ECONOMIC PERFORMANCE

We continue our production and sales activities for approximate 50 years with our responsibility approach towards people and environment. Our export value sums up to half of our annual turnover and we provide products to more than 400 customers in over 50 countries.

We believe that sustainable growth can be achieved by sharing the economic value we create for our shareholders as well as with our key stakeholders, our employees, customers and suppliers.

FINANCIAL PERFORMANCE

INTERNAL STAKEHOLDER VIEW

69% of our employees who responded to the sustainability assessment survey think that...

Yünsa creates significant economic value for its key stakeholders.

Management Approach		
Policy	Our Vision	
Responsible Managers and Departments	Board of Directors, General Manager, Finance	
Measuring and Monitoring Mechanisms	Evaluations at the meetings held with the Board quarterly.	
Target	EBITDA 2019: 10,42% and Euro 9.77 million 2020: 9,38 % ve Euro 7.24 million 2021: 12,49 % and Euro 6.15 million	
Performance Results	EBITDA 2016: 5.76 % and Euro 14.2 million 2019: 7.68% and Euro 5.67 million 2020:12.75% and Euro 4.74 million 2021: 22.19 % and Euro 7.30 million	

By the end of 2020, half of our turnover, of which we realized through export, decreased by 36% from EURO 58 million to 37 million due to the pandemic.

In 2021, our turnover, about half of which we realized through export, increased by a limited amount from EURO 28 million to 33 million.

FINANCIAL PERFORMANCE

As one of the most valuable brands in Turkey’s textile industry and Europe’s largest integrated woolen fabric manufacturer under a single roof, Yünsa continued to offer value to its stakeholders in 2020 and 2021, both with the economic added value it created and with its investments.

We continued to contribute significantly to the economic growth and industrial accumulation of our country this year as well. While a total of Euro 18 million was exported in 2020, our export income in 2021 was Euro 16 million. While our total turnover was Euro 37 million at the end of 2020 with the effect of the pandemic, it increased to Euro 33 million in 2021 with an decrease in amount. Yünsa, whose turnover was affected by global negativities, managed to increase its net profit by 100% in 2020 and by 163% in 2021 compared to the previous year, and continued to add value to its stakeholders in such a period.

The impact of the pandemic on Yünsa was minimized thanks to agile practices in the management of production costs, stock, supply chain, operational and financial expenses. The increase in demand since the second half of 2021 also reflected positively on turnover and net profit. In this period, the Company strengthened its financing structure by extending its short-term financial debts to long-term.

Within the scope of incentives, we used state support of approximately Euro 1.37 million in 2020 and approximately Euro 1.39 million in 2021.

The global pandemic, which emerged at the beginning of 2020 and continues to affect today, has negatively affected the textile industry as well as many other sectors. Decreased domestic and international demand caused the company’s sales to decrease; however, the short-term effect of the cost-reducing measures taken increased the profitability of the company. Throughout the year, stock, cost and financing processes were managed well and efficiency was tried to be achieved. In 2020, the company’s financing structure was strengthened by extending the company’s short-term debts to longer terms with more favorable terms.

The global pandemic, which continued its impact in 2021, continued to negatively affect the textile industry, especially in the first half of the year, as it did in many other sectors. In the second half of the year, a gradual recovery was observed with the spread of vaccination efforts, the abolition of travel bans and the start of the normalization process. As an export-oriented company, we took all necessary measures to minimize the effects of the uncertainty prevailing in

global markets throughout the year on our business results. On the one hand, we successfully managed the negative effects of the global supply crisis with the right strategies we implemented in the field of raw material and stock management, on the other hand, we took a series of strategic actions to increase operational efficiency and profitability. As a result of these systematic and focused efforts, despite all the uncertainties, our company has once again demonstrated its strength by increasing its profitability by 168% compared to 2020, especially with its performance in the second half of the year.

As a result of our successful work, we also increase our brand value. According to the Brand Finance Turkey 100-2021 report, published by Brand Finance, one of the world’s leading brand valuation and strategy consultancy companies, and evaluating the brands operating in the sector in Turkey, as Yünsa, we increased our brand value by 65.1% and became the second most valuable company in Turkey and rose to 89th place in the ranking.

In the upcoming period, we will continue our production and sales activities by focusing on our financial targets and efficiency-based operational excellence.
(GRI 201-4)

MATERIALS MANAGEMENT

Providing all supply processes within the framework of Yünsa’s sustainability approach, primarily including occupational health and safety and environmental protection, is among the basic responsibilities of supply chain team.

Together with fiber and yarn, dyes and chemicals are the main inputs of production. For sustainable and clean production, we run the selection and use phases of these materials efficiently and carefully. We disclose our efforts towards our chemical management performance under Customer Health and Safety topic.

Our goals in production are; producing same quality products with less input by efficient use of raw and other materials, reusing materials and using them in ways to minimize their environmental impacts.

Our goal in purchasing is to provide materials in requested quality, time, quantity and the most competitive price conditions. These criteria directly influence production efficiency and fabric quality. The most difficult part of purchasing is to supply wool, which is the major input to our production, in long lead times.

INTERNAL STAKEHOLDER VIEW

72% of our employees who responded to the sustainability assessment survey think that...

Yünsa’s practices to use recycled raw materials and efforts to recover process waste in the production are adequate.

Management Approach		
Policy	Supply Chain Policy	
Manager	Supply Chain Director	
Our Team	2020: 12 people 2021: 10 people	
Management System	ISO 9001-14001-45001 Integrated Management System ISO 27001 Data Security Management System	
Measuring and Monitoring Mechanisms	Internal and external audits Annual performance evaluation Supplier performance evaluation	
Target	Maximum 14% scrap material loss (including fiber, yarn, fabric)	
Base Year/ Target Year	2016 - 2023	
Performance Results	2016: 17.14% 2019: 14.39% 2020: 14,32% 2021: 13,73%	

MATERIALS MANAGEMENT

Fiber and Yarn

Our raw material cost that consists of fiber and yarn makes up 64% of all material purchasing in 2020. Our raw material cost that consists of fiber and yarn makes up 69% of all material purchasing in 2021. We made progress in our transition from conventional polyester to recycled polyester, which we started in 2018, and used approximately 50 thousand kilograms of recycled polyester in our production. We continue our efforts to use the wastes from our own processes as raw materials and to expand the waste groups that can be used as raw materials. We intend to have similar raw materials to have bigger shares in production in the following years. We contribute to circular economy by increasing and diversifying recycled raw material ingredient.

At Yünsa we priory purchase raw materials, which are produced by guaranteed animal welfare. We worked with suppliers at Uruguay and Argentina period and imported 163 thousand kilograms of “non-mulesed” wool annually in 2020 and 145 thousand kilograms of “non-mulesed” wool annually in 2021 . Consequently, we started to supply our materials based on RWS Responsible Wool Standard requirements. We aim to gradually increase this amount in the coming years depending on the supply.

(“Mulesing”: It is a cutting process of wool and skin around the tail of the sheep to avoid flystrike.)

Purchasing Shares of Materials	2019	2020	2021
Fiber	61%	59%	62%
Yarn	8%	5%	7%
Dyes and Chemicals	8%	8%	10%
Other	23%	28%	21%



MATERIALS MANAGEMENT

Global Recycled Standard (GRS) and Recycled Claim Standard (RCS)

Global Recycled Standard (GRS) and Recycled Claim Standard (RCS) that we received the certifications of in 2017 for the first time are product standards created to trace and confirm the recycled ingredients in the product throughout supply chain. Recycled materials in products with GRS certification should be at least 20%. This ratio for RCS is 5%. We use recycled polyester (r-Pet) and process driven wool and wool blended waste that we recycle in our factory.

In 2020, 3.05% of our total raw material usage was used as GRS certified fiber.

In 2021, 3.7% of our total raw material usage was used as GRS certified fiber

(GRI 102-12)

Responsible Wool Standard (RWS)

RWS is a collection of certificates and practices that oversees the animal welfare, certifies wool production made in farms that respect animal rights, and takes the supply chain under control thereof.

What triggered us to take this certificate was our desire to support advanced farming practices that respects animal rights, restricts the use of pesticides and artificial fertilizers in the grazing fields, and protects the soil health, biodiversity and endemic species. In the light of recent customer demands due to increasing awareness in this field, we decided to begin the process. In 2020, 1.25% of our total raw material usage was used as RWA certified fiber. In 2021, 3.2% of our total raw material usage was used as RWS certified fiber.

Despite the fact that the RWS fiber is a higher cost material, we started to give priority to the supply of raw materials produced while animal welfare is maintained. We created a dedicated product number for RWS fiber and added “Made by using RWS fiber.” on the identification cards for easier tracking. We keep a record of and verify the content of the RWS we use through transaction certificates. The main obstacle before us which limits the increase in our use of RWS products is the limited number of RWS certified suppliers that are

compatible with our production standards.



Outcome and Gains

Economic

We received a substantial amount of RWS orders from our key clients. We started a new product line.

Social

We started a practice that supports animal rights.

Environmental

We participated in a venture that will protect the soil health by restricting the use of pesticides and artificial fertilizers.

Corporate

We will be the preferred supplier of our customers by increasing the amount of sustainably sourced materials.

The Responsible Wool Standard is an independent and voluntary global standard that addresses the welfare of sheep and of the land they graze on. On farms, the certification ensures that sheep are treated with respect to their Five Freedoms and also ensures best practices in the management and protection of the land. Through the processing stages, certification ensures that wool from certified farms is properly identified and tracked.

MATERIALS MANAGEMENT

Five Freedoms

- 1. Freedom from hunger and thirst
- 2. Freedom from discomfort
- 3. Freedom from pain, injury and disease
- 4. Freedom to express normal behaviour
- 5. Freedom from fear and distress



BioGreen

miDori® softener is a plant seed oil based softener which is obtained by collecting wild plants. This highly biodegradable softener has a significant lower carbon footprint compared to standard crude oil based ones. It eliminates toxic hazards due to no release of dangerous levels of harmful substance to the air and water. We apply this green chemical instead of silicon based ones. Yünsa is the first and only company that applies this softener to woolen qualities.

Outcome and Gains

Environmental

Highly biodegradable

Decrease carbon footprint up to 8 times

No release of dangerous levels of harmful substance to the air and water.

In compliance with Gateway Level 1
No silicon based materials.

Social

Eliminates toxic hazards.

Color reading of yarn-dyed works, transferring them to the system and digitizing them

It was aimed to standardize the color control independently by minimizing the eye difference, to create a digital color archive, to provide faster service to our customers and to provide a quick return to the customer by adapting it to the Penelope program we use to reduce our costs.

The L, A, B values obtained in the spectrophotometer device used in the dye house laboratory had no equivalent on the system side. These values were synchronized with a display on the IAS. It was made meaningful and presented to the end user. In this way, the color work in the dyehouse accelerated and was not repeated. Simplification was achieved. The return of the sales and design team to the customer accelerated.

Results and Gains

Economic

Reduced workforce, quick turnaround to customers

Environmental

Archiving digitized

Social

Reduced workload

R&D Project

R&D Project

Stock Optimization with Dynamic Calculation of Material Warehouse Minimum Stocks and Establishment of Automatic Request Opening System

Due to the unknown amount of stock needed, it was difficult to give stock targets. In addition, it was necessary to calculate the required stock amounts due to changing conditions (pandemic, lead times, etc.). There was a need to open a demand for the employees related to the materials with continuous consumption. With our project, it was aimed to establish a structure that updates itself with information such as the average lead time obtained from the ERP system, which is independent on the human factor, and the average amount of usage obtained from the database.

The materials were divided into approximately 100 groups, and the purchasing demands of the materials that could be procured from the same places were grouped and optimization was made so that they would be included in the same demand. Calculation is made and updated by taking into account the data of the last 3 years, data such as consumptions and supply times. An improvement was made that automatically generates demand in case of determining the required amount of each material in the warehouse and falling below

this amount. It is aimed both to reduce the operational load of the purchasing unit and to prepare the infrastructure for automatic quotation and order linking, which is considered in the next phase. The project was carried out using the 10 Step Kaizen methodology

Results and Gains

Economic

The project, which initially aimed to reduce spare parts stocks by 15% on TL basis, reached a 20% reduction at the end of the project. The financial return of this was approximately 150,000 TL. At the end of the dissemination, it was aimed to reach 1,400,000 TL.



Production of colored woolen fabric without using chemicals

Along with the increasing environmental pollution, environmental awareness began to increase. Every day, more and more attention is given to new environmentally friendly issues and new products. By reducing the use of products that cause environmental pollution, the tendency towards nature-friendly natural products is increasing. Wool fiber, which is known as the perfect fiber in textile and is usually supplied as ecru, is dyed in the form of yarn or fabric. Dyeing is a grueling process that has a very important place in the textile industry. The high levels of paint chemicals and water usage during this process were the triggers for the project

Our Goals

In our quality developed in the project, it was aimed to prevent both the use of high amounts of water and the disposal of environmentally harmful chemicals by eliminating the dyeing process.

What have we done?

The supply of self-colored natural wool has certain difficulties. The suitability of rare raw materials to the production track is just as important. It has been provided

to be used in the same tones with wools that can be supplied in brown or anthracite, or by blending them with ecru wool in certain proportions, reaching different colored tones. In the post-weaving finishing processes, natural extracts from plants were used and final products were obtained that could be presented as overcoats or upholstery.

Results and Gains

Economic

In the process of obtaining the fabric, the dyeing step was completely eliminated. In this way, paint, water and labor costs in the paint process were also eliminated. It also saved time.

Social

Thanks to nature-friendly and sustainable products, we contributed to creating a more livable world and raising more productive and happier individuals in this world.

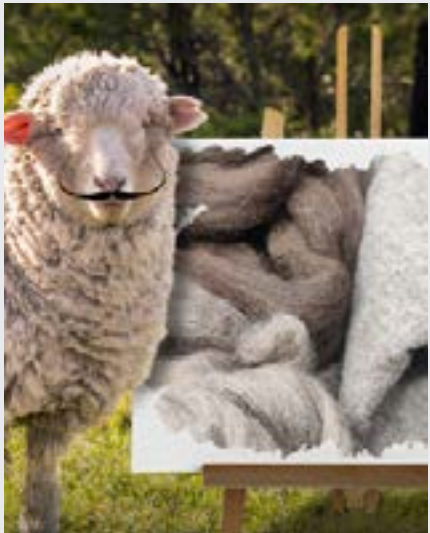
Environmental

Nature-friendly products are obtained by not using chemicals that are harmful to the environment and reducing water consumption by more than 50%, which have been emphasized in recent years and serve the issue of sustainability.

Since naturally colored wools are used in our project, the dyeing process was completely eliminated, contributing to sustainability. In addition, during the finishing processes, softening environmentally friendly chemicals obtained from plant extracts were used; thus, an environmentally friendly low-cost product was obtained.

Future Plans

Interest in such products is increasing day by day. For this, efforts to obtain environmentally friendly fabrics in different colors and constructions will continue.





Raw Material Projects

Our customers' demand for products with different functional properties, high strength, durability, more flexible, sustainable, etc. with high added value is increasing day by day. Our customers, who used to look away from such products due to the increase in product prices, are turning to fabrics with high added value due to different reasons such as the user's not finding the standard products sufficient in recent years and the increasing importance of sustainability and directing the manufacturers in this direction.

Our Goals

It was aimed to make researching synthetic or natural fibers/yarns with functional properties such as high strength tops/yarn PA (Polyamide) and PES (Polyester), FR (Flame Retardant) raw materials, thermal comfort, high elasticity, etc.; identification of production methods and their potential benefits; finding, determining and developing test methods necessary for the evaluation of related functions.

What have we done?

We searched for products that are nature-based, recyclable, use less water, electricity, natural gas, etc. during production, do not create waste, or have less waste and we introduced new products to the market as a result of the studies carried out. We searched for high added value synthetic or natural fibers/yarns with different technologies and/or functionalities;

we developed different raw materials/ methods for commercializing new non-commercial products and ensured their production. By analyzing the new products, we determined the production methods for their use in textiles.

Results and Gains

Economic

We have met customer expectations by increasing the number and variety of value-added products. We have worked to find a place in the markets where technical textiles take place. We contributed to the development of the country by producing value-added products.

Social

We published the findings of our newly developed products in various platforms such as papers/articles with the aim of finding a place in the literature. Thanks to the new topics that emerged during the researches, we fed the R&D project topics.

Environmental

Sustainability is a priority in the search for new raw materials. A special effort is made to research and develop products with natural alternatives. The interest attracted by the natural finishing applications, which have come to the fore in the recent period, is proof that we are on the right track.

BioGreen finishing stands out as one of the most environmentally friendly applications in the industry, with its innovative technology created from natural and renewable resources and its minimal environmental impact. The carbon footprint of BioGreen, a natural softener obtained from wild herbs in nature, is 8 times less than petroleum-derived finishing chemicals and is completely biodegradable.

Another environmentally friendly finishing product in Yünsa's 2020-2021 collection is AvoCare. This environmentally friendly product, which provides natural softness with avocado content, also cares for the skin thanks to the natural effects of avocado oil. Avocado oil, which contains beta carotene, linoleic acid and vitamins A, D and E, is a product that is frequently used in the cosmetic industry due to its skin moisturizing properties. In addition, scientific research shows that avocado oil helps heal wounds and increase collagen production in the skin.

With the Woolwax finishing group, Lanolin, the wool oil lost by the wool during the processes, is returned to its natural softness. In addition, lanolin has healing, moisturizing and softening properties; thanks to these properties, it can be used in cosmetics.

Future Plans

Our new trials will continue continuously as new raw materials are produced or brought into a form suitable for textile use.



Transfer of Recycling Raw Material Use to Industrial Scale and Product Based Certification Studies

It was decided to do the project in relation to the use of recycling instead of synthetic fibers used in production and incorporation and certification of sustainable, traceable, private labeled fibers within the company in order to comply with our company’s sustainability strategies and to respond to customer demands.

Our Goals

It was decided to do the project in relation to the use of recycling instead of synthetic fibers used in production and incorporation and certification of sustainable, traceable, private labeled fibers within the company in order to comply with our company’s sustainability strategies and to respond to customer demands.

What have we done?

Recycled wool, PES, PA, elastane studies were carried out. Biodegradable fibers that can be easily broken down and mixed with nature, various products that use natural resources less and do not adversely affect the balance of nature were investigated; after the trials and all tests, their production was completed to be approved and put on the market.

Results and Gains

Economic

Customer satisfaction was increased by meeting the expectations of our customers and end users for recycled, sustainable fabrics.

Social

With the production of fabrics respectful to nature, our company gained prestige in the sector

Environmental

Reducing the growing plastic waste in nature; it was ensured that environmentally friendly, sustainable products are used.

Future Plans

It is planned to research new sustainable, nature-friendly fibers that can be used in fabric production, to make them usable in our products, and to offer them to our customers by maximizing their performance.





Development of Multifunctional Fabrics with High Mechanical Properties

Customers' expectations for fabrics with high added value, and the recent increase in demand for fabrics with high strength and abrasion resistance in the textile industry were the triggering factors for the start of this project.

Goals

It was aimed to develop fabrics with functionalities suitable for use in military, outdoor applications, nature sports, etc. where strong textile surfaces are needed and outdoor conditions.

What we have done?

Thank to the use of carbon-reinforced synthetic raw material and wool, woven fabrics with the same touch, which have antibacterial, fast drying, cut resistance, high strength and UV resistance properties, were developed without compromising existing fabric properties. Fabrics also have strength and flexibility properties

Results and Gains

Economic

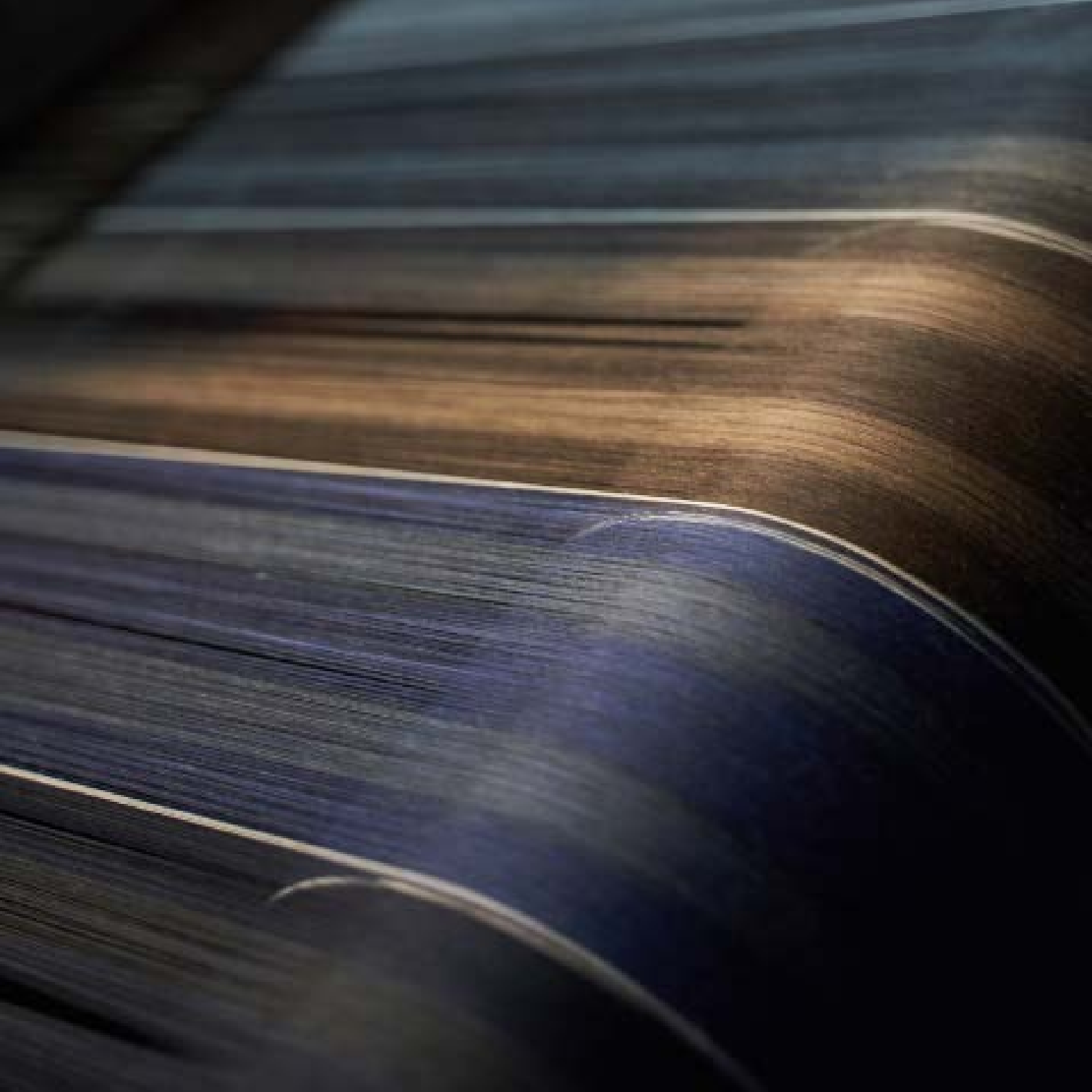
Due to its high strength and spike cut resistance, long-lasting military products, extreme sports products such as outdoor and motor sports, can be used in outdoor applications due to their very good UV protection, and multifunctional products with high added value are offered to existing customers. We foresee that 5.5% of the total production in military tender fabrics and 4-5% of functional suits can be preferred.

Social

We took the perception of functionality in the industry one step further.

Environmental

It is a product that will reduce the waste load in nature, as it is a long-lasting product and therefore creates less clothing waste on a yearly basis.



CUSTOMER HEALTH AND SAFETY

INTERNAL STAKEHOLDER VIEW

100% of our customers who responded to our sustainability engagement platforms think that...

Yünsa's shall use sustainable chemicals in production to assure customer health and safety.

Management Approach	
Policy	Chemicals Management Policy
Manager	Operations Director
Our Team	2020: 11 people 2021: 11 people
Management System	Chemical Management System ZDHC Waste Water Guideline Customer Manuals Standard 100 by Oeko-Tex OHSAS 18001 and ISO 14001
Measuring and Monitoring Mechanisms	Internal and external audits Annual performance evaluation Supplier performance evaluation
Target	100% Compliance to ZDHC 100 % Compliance to MRSL/Reach
Base Year / Target Year	2019
Performance Results	ZDHC: 2019: 99% 2020: 98.6% 2021: 99.3% MRSL/Reach: 2019: 100% 2020: 100% 2021: 100%



The selection and use of chemicals, which have a high impact on the health of both our employees and our customers and are among the main inputs of fabric production, are meticulously managed in our enterprise under the leadership of the chemical management committee.

CUSTOMER HEALTH AND SAFETY

Dyes and Chemicals

Dyes and chemicals are among the inputs we use most intensively in production. Our expenditure for these materials takes up 8% of our total material purchases. While the efficient and correct use of dyes and chemicals in particular is important for their impact on cost, the selection of correct materials for environment and human health is the most important aspect for Yünsa.

We cooperate closely with our suppliers and have the chemicals we use in our production processes checked before we purchase them, and we make sure that the manufactured restricted chemicals are only used in compliance with the allowed limit values.

Chemical Substance Management Policy

In line with its strategic priorities, Yünsa aims to create a safe and healthy working environment with a Chemical Management System based on continuous improvement in order to protect human health and the environment

Principles;

- To comply with legal obligations and other requirements for the management of chemical substances,
- To comply with the regulations of the customers regarding chemicals,

- To analyze the health and safety risks that may arise during working with chemicals,
- To organize training activities in order to create and improve occupational health and safety and environmental awareness in employees while working with chemicals,

- To perform an effective management in the process from purchasing to disposal of chemicals.

In line with these principles;

- To make chemical substance management a corporate culture,
- To use chemicals that are not harmful to humans and the environment in production and new product design,

- To comply with legal obligations, other requirements and customer regulations in the purchase of chemicals,

- To minimize the health and safety risks that may arise during the use, transportation and storage of chemicals, By managing the chemical management system in an integrated manner with the goal of “Zero Occupational Accident and Zero Pollution”, we are committed to working with all our strength to become an exemplary organization in terms of chemical substance management in the textile industry.

Within the scope of the ZDHC

Program (The Zero Discharge of Hazardous Chemicals Program), which directly focuses on Yünsa's activities as a fabric producer, the evaluation of chemical materials begins at the procurement stage. Suppliers are informed about ZDHC requirements, MSDSs containing transparent cas nos are requested, and suppliers that attach importance to ZDHC criteria are pursued during the search for alternative chemicals.

Chemical input, process and output controls are carried out in the factory.

All incoming materials are approved after the evaluation of chemical management, OHS (Occupational Health and Safety) and health units.

Chemical entry control tests were started in the last quarter of 2019 in the R&D (Research and Development) chemistry laboratory. The chemicals used can be tracked on a lot-based basis from the time of entry, and the witness samples are kept for a minimum of 6 months. The test follow-up of chemical and dye groups is currently carried out over the common network.

Having an effective chemical inventory is one of the most important conditions of the process control system. A new lot is given to each chemical entering the factory in accordance with the

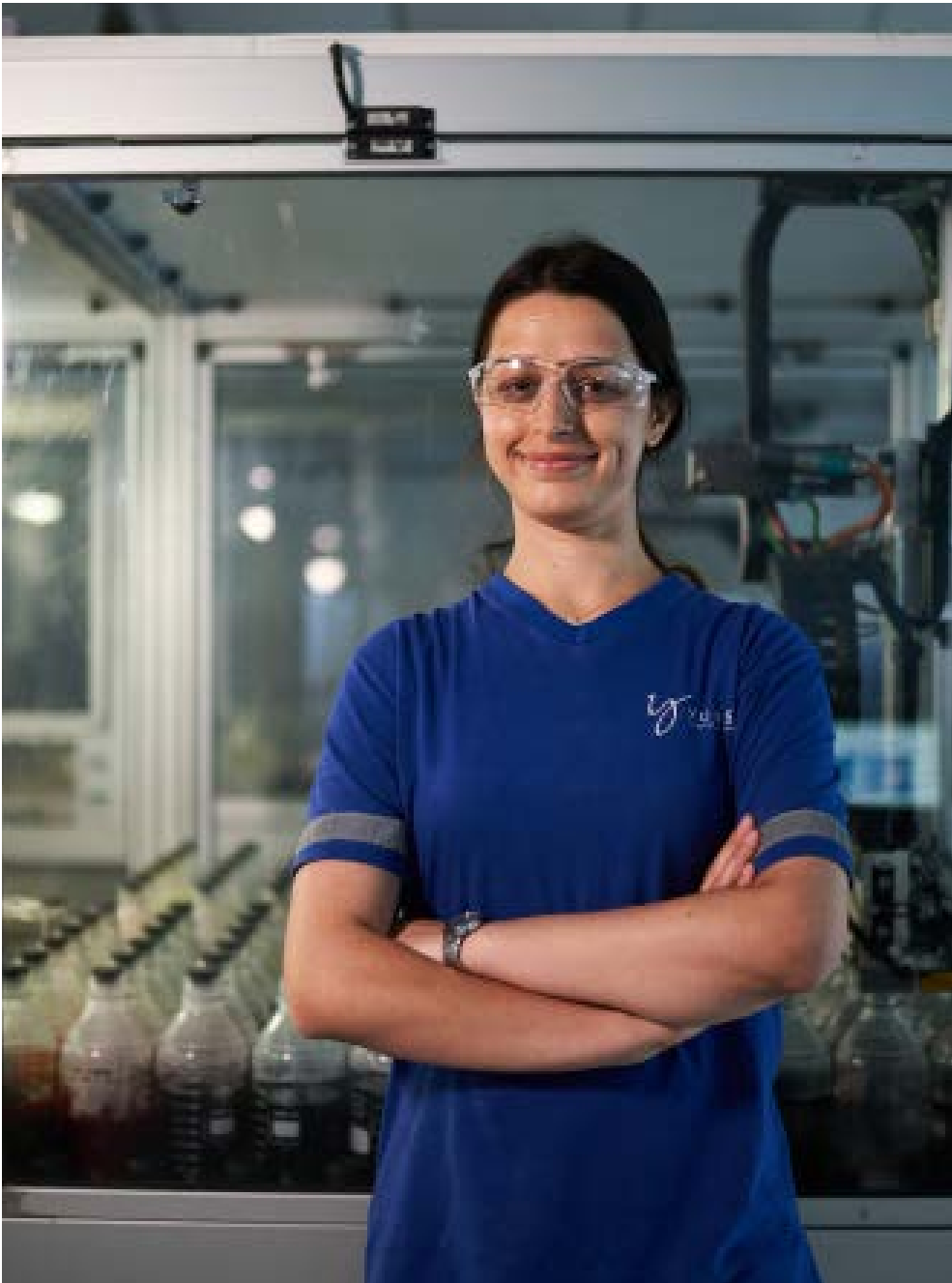
lot-based tracking system. Thus, the movement of chemicals in the desired date range can be examined in detail.

Necessary studies are carried out to comply with the requirements of the Best Chemical Management Practices (BCMP) system, and good practices are implemented for the proper use and storage of chemicals.

The usage amounts of chemicals are entered on the BVe3 (Bureau Veritas Environmental Emission Evaluator) platform every month. The reports drawn from the BVe3 platform and the ZDHC Gateway Incheck reports are combined and the actions taken are directed in this way. As a result of the actions taken, the ZDHC compliance rate in 2020-2021 is 99% on a monthly basis.

For the ZDHC-Gateway Wastewater Module, a sample of wastewater is taken twice a year and sent for testing. The wastewater report is published on the ZDHC and IPE (Institute of Public & Environmental Affairs) platforms.

CUSTOMER HEALTH AND SAFETY



CUSTOMER HEALTH AND SAFETY

Control mechanisms at Çerkezköy facility

- MSDS (Material Safety Data Sheet) and TDS (Technical Data Sheet) control
- CAS (Chemical Abstracts Service) number compliance check
- Fulfillment of transparent MSDS requirements
- ZDHC MRSL 2.0 conformity check
- Collection of regulatory documents
- Access control tests
- Lot based tracking system
- Accumulation of witness samples
- Aryl amine in paints, Formaldehyde and APEO (Alkylphenol ethoxylates) tests in chemicals
- Effective use of chemical inventory
- Conducting wastewater tests
- Taking actions to eliminate nonconformities in wastewater
- Making chemical tests on the fabric according to customer demand

ZDHC Zero Discharge of Hazardous Chemicals Program

ZDHC is a collaborative program of brands' value chain members and affiliates committed to completely removing harmful chemicals from the textile and footwear value chain. The aim of these organizations is to advance towards the goal of zero harmful chemical waste in the value chains by investing in technology and innovations, and to protect the environment and human health.

The first step in preventing wastewater contamination is for facilities to stop using harmful chemicals, using chemical formulas that comply with the Production Restricted Chemicals List (ZDHC MRSL). Facilities must then ensure that the wastewater is treated physically, by chemical reaction, or by biodegradation to remove chemicals prior to discharge.

(GRI 102-12)

Oeko-Tex® 100 Standard

Oeko-Tex® 100 is a worldwide standard test and certification system that covers raw materials, semi, and finished goods during all process stages of textile products.

Yünsa, whose aim is to provide problem-free products in terms of health to its customers, renews Oeko-Tex® 100 certificate every year which was first received in 2006, as required by the standard.

(GRI 102-12)

R&D Project

Development of Anti-bacterial and Anti-viral Woolen Fabrics

The virus, called Covid-19, has the capacity to produce results that force change at the individual, national and international level by affecting the normal flow of life. Hygienic products have gained importance in the fight against Covid-19. Textile surfaces are ideal surfaces for the contamination of viruses and bacteria. Developing fabrics that protect against the possibility of transmission of viruses on textile surfaces during the pandemic process is one of the needs that determine the subject of the project.

Our Goal

It was aimed to protect wool-containing fabrics from viruses and bacteria during the pandemic process.

By making a literature search, virus characteristics were examined in detail. Fabrics with anti-viral properties in the market were examined; technical differences were revealed in the studies carried out. We conducted performance and anti-viral tests of the fabrics with anti-viral and anti-bacterial properties. In line with the approvals we received from The International Antimicrobial Council (USA) and Microbe Investigations AG (Switzerland), which are prestigious and highly reliable in the international arena, it has been proven that 98% protection is provided on our fabrics against viruses that can be transmitted through the respiratory

tract with the Antiviral Finishing technique.

Thanks to the antiviral fabrics we have developed, we disrupt the lipid layer in the outer layer of the viruses that come to the surface of the fabric and ensure the fragmentation of the viruses. After our trials on polyester fabric, wool fabric, wool/pes and wool/nylon blended fabrics, we gave the fabrics antiviral properties that are resistant to 5 washes. Antiviral Yünsa fabrics provide complete protection against bacteria and fungi as well as viruses. Applications were made for different usage areas according to the demands of suits and outerwear, upholstery and uniform fabrics.

Results and Gains

Economic

Bringing anti-bacterial and anti-viral products, which is one of the most important issues during the pandemic period, to textile surfaces, created demand at the national and international level and contributed to the economy

Environmental

We aim to further increase our nature-friendly activities with biodegradable antiviral studies.

Future Plans

We are working on providing high wash-resistance, biodegradable antiviral studies.

Digitalization Project

Privatization of Hayat Eve Sığar (HES) Application for Company Employees

The HES codes, which are the Ministry of Health application, collected from our employees were matched with the software application developed by our Information Technologies department from our own team. It has been ensured that the information of our employees whose HES code has turned into a risky situation is automatically informed by e-mail. At the same time, the information of the employees whose HES code has expired was also received. The practice was continued during the pandemic.

In addition, immunoglobulin was made to all employees in the company.

Results and Gains

Economic

Increasing the workforce

Social

Contagion has decreased. In addition, our employees who were vaccinated after recommending at least two doses of vaccination were rewarded.

Environmental

Awareness of the importance of human health was ensured.

05

SOCIAL PERFORMANCE

At Yünsa our leading social sustainability impacts cover health and safety of all our employees and their professional development. We run our operations with the goal of zero accidents, see diversity in human resources as part of our corporate culture and provide equal development and career opportunities for all.

OCCUPATIONAL HEALTH AND SAFETY

INTERNAL STAKEHOLDER VIEW

88% of our employees who responded to the sustainability assessment survey think that...

Yünsa takes necessary measures sufficient to oversee and secure health and safety of its employees.

Here at Yünsa, we made it our purpose to apply, develop and turn into a life style the preventive work health and safety systems in everything we do. We ensure everyone’s participation in risk reduction efforts, taking measures one step ahead of the legal requirements.

OHS Trainings	2016	2019	2020	2021
Hours	10,3	9,9	14,5	17,2

Management Approach	
Policy	Occupational Health and Safety
Manager	Human Resources Manager
Our Team	2020: 7 people 2021: 7 people
Management System	ISO 45001(All employess) (GRI 403-1)(GRI 403-8)
Measuring and Monitoring Mechanisms	Internal audits SHE Pillar Committee of TPM System External audits: quarterly (GRI 403-2)
Target	Zero Accident / Zero Occupational Disease
Performance Results	Number of Recordable Cases 2016: 30 2019: 12 2020: 4 2021: 2

OCCUPATIONAL HEALTH AND SAFETY

At Yünsa, health and safety of our employees comes first among our company’s strategic sustainability priorities. The core goal of all the people and departments in charge of occupational safety is to attain zero occupational accident and disease

Responsibilities

Basic responsibilities of our OHS team is to specify the potential hazards from within and from outside our facilities, analyze and rate the risks of these hazards and take the necessary precautions.

Performance Improvements

Our accident frequency rate is 47% in 2020, 45% in 2021; Our accident severity rate decreased from 93% in 2020 to 38% in 2021, our absenteeism rate remained the same.

Trainings

In order to raise awareness of our employees and to deploy consciousness to protect themselves, colleagues and visitors, every year we provide trainings that range from basic first aid to principles on working with chemicals. We provided our employees with 14.5 hours of OHS training in 8 main topics in 2020 and 17.2 hours in 2021.

(GRI 403-5)

Risky Jobs

15% of our employees work in departments and units that involve high accident or disease risks such as chemical finishing, dyeing, and strayhgam.

Employee Representation

We have Health, Safety and Environment, Chemicals Committees and SHE Pillar. 100% of our workforce is represented in these committees. 15% of the collective bargaining agreement we signed with the labor union covers OHS topics.

(GRI 403-1)

COVID-19 SAFE PRODUCTION CERTIFICATE TO YÜNSA

As Yünsa, we received TSE COVID-19 Safe Production Certificate with the COVID-19 hygiene, infection prevention and control practices we applied in our facilities during the pandemic period for the health and safety of our employees.



OCCUPATIONAL HEALTH AND SAFETY



Securing the Fuzz Removal Operations and Hooks in the Ring Section

In the ring section, it was aimed to determine how the new operator will take the fuzz and to prevent work accidents.

The yarn and fibers formed in the rotating parts in the ring circle can form fuzz. First of all, it was examined how the fuzz removal procedures should be taken. Considering ergonomics and occupational safety, the best fuzz removal methods were determined according to the regions on the machine. A fuzz pick-up hook was designed in the 3D printer. Safe work processes are provided with the use of this apparatus. With this device, the possibility of using the hook in an unsafe manner is almost zero. The accidents with day lost have been eliminated.

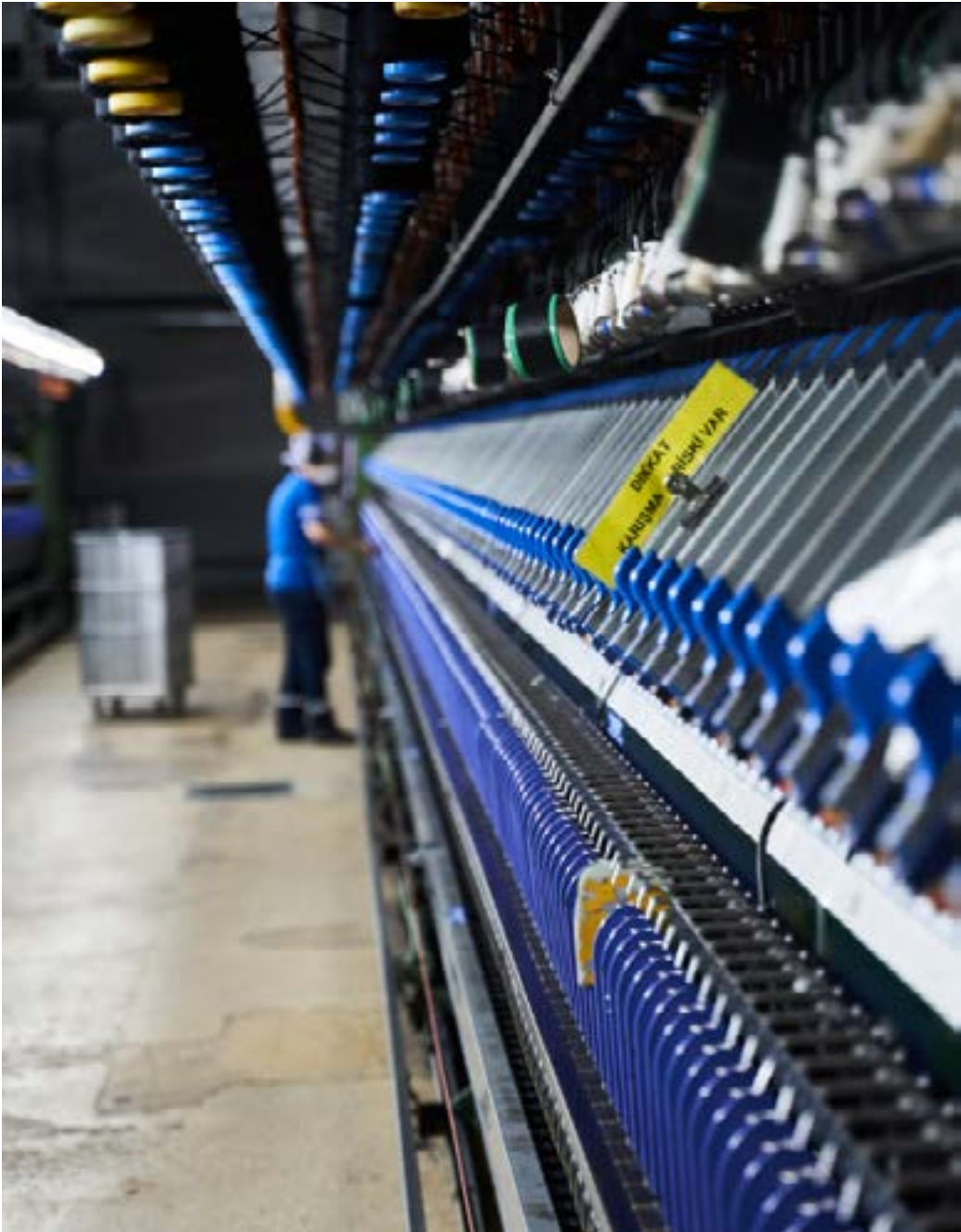
Results and Gains

Economical

Prioritized due to 70 hook cut accidents in 5 years. In this scope, labor loss costs were eliminated.

Social

Employee health and safety



EMPLOYMENT

INTERNAL STAKEHOLDER VIEW

66% of our employees who responded to the sustainability assessment survey think that...

At Yünsa, the communication channels for employees to share their ideas and opinions with the management are adequate.

Average Length of Tenure (Year)	2020	2021
W. Collar	8,1	8,5
B. Collar	9,0	10,2
All	8,8	9,8

Yünsa Sustainable Work Life Principles

- We sustain our ethical values.
- We ensure mutual trust.
- We embrace our responsibilities.
- We appreciate success.
- We respect diversity and variety.
- We consider ideas and expectations..
- We favour work - life balance.
- We conduct policies and practices exceeding legal necessities.

Our authentic internal communication brand “Not Without You” and the approach behind it summarizes Yünsa’s team spirit, represents the strength of all departments from executive level to production, sales to occupational safety acting together with mutual faith, unity and solidarity, in order to fulfil our responsibilities and business targets.

Management Approach	
Policy	Yünsa Sustainable Work Life Principles
Manager	Human Resources Manager
Our Team	2020 – 30 people 2021 – 19 people
Measuring and Monitoring Mechanisms	Comparison studies based on department and sector Ethics Committee studies recommendation system Recruitment and placement process internal customer satisfaction survey
Target	Keep turnover rate under 8%
Performance Results	2016 Turnover Rate: 3.8% 2019 Turnover Rate: 8.6% 2020 Turnover Rate: 10.11% 2021 Turnover Rate: 8.77%

EMPLOYMENT

At Yünsa our priorities are to protect our employees' health and safety, to enhance their personal and occupational development and to provide them with an equitable work environment where all their rights are fully assured.

Union Rights

Our constitution includes blue-collar union rights and we do not have any facilities or suppliers where this risk is present in their countries. 100% (862 people in 2020 and 665 people in 2021) of our blue-collar employees are under the scope of collective bargaining agreement.

(GRI 102-41)

Additional Benefits

Additional benefits are the same for part-time and full-time employees at Yünsa. We provide health services, health insurances and retirement plan for all our white-collar employees.

(GRI 401-2)

Maternity Leave

In 2020, 26 female employees and 31 male employees were entitled to maternity leave. 25 of our female employees and all of our male employees returned to work after maternity leave. Our 24 female and 30 male employees continued to work in our company for at least 12 months after the leave.

In 2021, 9 female employees and 32 male employees were entitled to maternity leave. Eight of our female employees and all of our male employees returned to work after maternity leave. Our 8 female and 27 male employees continued to work in our company for at least 12 months after the leave.

(GRI 401-3)

Local Employment

We employ local people 33% of our senior managers working in our Çerkezköy facility in 2020 and 67% in 2021.

Performance Evaluation

All of our Yünsa white-collar employees are subject to performance and career development evaluations. The ratio of our white-collar employees to all our employees is 20% in 2020 and 21.2% in 2021. Managers give mutual feedback by meeting face to face with their employees at the stages of goal setting, review and year-end evaluation. With the organization and human resource planning process carried out every year, we determine the organizational structure and positions that are critical in ensuring the long-term success and continuity of the company, review the potential and performance of employees, and prepare backup and development plans.

(GRI 404-3)

Regular Performance and Career Development Assessments	2020	2021
White-Collar Employees	193	184
CEO and Directors	5	5
Managers	19	15
Middle Managers	23	25
Leaders	37	36
Specialists and Engineers	43	59
Assistant Specialists	1	-
Staff / Technicians / Assistants	65	44

At Yünsa, we reward the owners of ideas and projects with economic, social and or environmental results and gains...

At Yünsa, we reward our employees for their successful projects, practices and suggestions on a regular basis.

The employees type in the issues they spot along with their suggestions how to fix them in electronic format, which are then evaluated by related committees, and rewarded if found to be applicable.

Employees win points for contributing to the organizational development with their suggestions. These points are collected within the system and loaded onto their personal reward cards in electronic format every month. Almost all of our employees participate in this suggestion scheme, which is

Suggestions by Topic (%)	2020	2021
Environment and Energy	2,3	5
OHS	28	20
Minor Stoppages and Process Productivity	12,7	7,1
Cost Reducing	9	10
Cleaning and Visual Management	25,2	17,1
Production and Quality	17,3	31
Zero Breakdown	5	9

EMPLOYMENT

organized by the Organization and System Development Department.

Recommendations for improvement reach our Organization and System Development Department through error cards, before/after kaizen and suggestion platforms. Out of a total of 945 suggestions from these three platforms, which contribute to the culture of continuous improvement, in 2020 and 2021, 811 were implemented. Approximately 40% of the suggestions received directly serve our sustainability priorities, while the other part indirectly affects our economic goals due to their efficiency and operational improvement content.

DIVERSITY AND EQUAL OPPORTUNITY

During the hiring, employment and career planning, we provide our female employees with a fair work environment as well as facilities such as kindergarten, and private health insurance that cover birth clause for white-collars.

INTERNAL STAKEHOLDER VIEW

85% of our employees who responded to the sustainability assessment survey think that...

Yünsa's promotes employee diversity and provides equal opportunities regardless of gender.

Our employees	2020	2021
Women	32%	33%
Man	65%	67%

(GRI 405-1)

At Yünsa, we practice an equal opportunities policy from employment to retirement provided to everyone within the constitutional and legal framework regardless of their language, race, colour, gender, political affiliation, beliefs, religion, creed, age, physical disabilities and such particulars. We support the Equality at Work Platform Principles that we joined in 2013.

35 disabled employees were employed in 2020 and 22 in 2021. According to the data obtained from the Social Security

Institution within the scope of social sustainability, Yünsa became the employer that provided the most employment for the disabled in the province of Tekirdağ in 2021. In this context, a certificate of appreciation was sent to us.

Our employees on temporary hire have the same rights with our employees on payroll. We generally employ these people to fill in when our female employees take their maternal leave, until they return.



DIVERSITY AND EQUAL OPPORTUNITY

Innovative Productive Generations Association (YÜNDER)

Founded by our employees in 2018 with the purpose of providing equal education opportunities by helping students with inadequate financial circumstances continue their education. With the fund consisting of waste revenues, revenues from the hairdresser/barber in our factory and donations from our employees, we provided a total of 92.000 TL scholarships to 24 university students studying at 6 different universities in 2020 and a total of 97.500 TL scholarships to 22 university students studying at 10 different universities in 2021.

Challenges Experienced

We experienced difficulties in the diversification of revenues in order to be able to reach out to more students. In the upcoming terms, we will run fundraising projects in order to bring in more revenues and reach out and help more disadvantaged students.

Outcome and Gains

Social

We are contributing to equal opportunities in education and helping students with dire financial circumstances continue their education.



<https://yunder.com.tr>

Management Approach	
Policy	Ethical Practices Procedure and Equality at Work Platform Principles
Manager	Human Resources Manager
Our Team	2020 – 30 people 2021 – 19 people
Measuring and Monitoring Mechanisms	Employee Satisfaction and Engagement Survey Department and industry based comparison works Ethics Committee works Suggestion System
Target	Maintain female employee ratio above 30%
Performance Results	2016: 32% 2019: 32% 2020: 32% 2021: 33%

TRAINING AND DEVELOPMENT

INTERNAL STAKEHOLDER VIEW

56% of our employees who responded to the sustainability assessment survey think that...

Yünsa's personal development and training programs provided for its employees are adequate.



In the sections designated to the production priorities in our factory, we aimed to reduce errors by having the instructors reply to instant questions of employees on the job. This practice both contributed to our business results and also increased employee satisfaction.

Management Approach	
Policy	Continous Improvement Principles
Manager	Organisation and System Development Manager
Our Team	2020 – 9 people 2021 – 9 people
Measuring and Monitoring Mechanisms	Training Management System, Measurement and Evaluation Modul Different tools to assess the contributions of trainings to knowledge, skills, attitude and business results
Target	2020: 25 hours/person Training deployment ratio: 50% 2021: 30 hours/person Training deployment ratio: 65%
Performance Results	2016: 28.4 hours/person Training deployment ratio: 64% 2019: 38 hours/person Training deployment ratio: 68% 2020: 16 hours/person Training deployment ratio: 27% 2021: 30 hours/person Training deployment ratio: 56%

(GRI 404-1)

TRAINING AND DEVELOPMENT

Trainings	2020 (%)	2021 (%)
Career Development	50	60
Occupational Health and Safety	30	25
On the Job / Orientation	10	13
TPM, Processes and Systems	0	2
Single Spot	0	0
IT, HR, Personal Development	4	0
Environment and Energy	1	2
Other	5	3

Health Trainings Given During the Pandemic in Yünsa
Oral and dental health education-Sevgi Oral and Dental Health Center-Dentist Dr. Esin Alp Aksüt
Hazards and risks at work-Yünsa Workplace Physician Dr. Alper Yazıcı
Hazardous chemicals & Personal Hygiene- Yünsa Workplace Physician Dr. Alper Yazıcı
Basic Ergonomics - Yünsa Workplace Physician Dr. Alper Yazıcı
Smoking and Our Health- Yünsa Workplace Physician Dr. Alper Yazıcı
Healthy Nutrition and Physical Activity- Yünsa Workplace Physician Dr. Alper Yazıcı

Yünsa Organisation and Systems Development Department offers a variety of trainings each tailored to a particular requirement in order to support our strategic priority of Corporate Development and help our employees develop skills that will support them in executing their jobs in the most effective way.

Leadership Development
Programs aimed at top and middle management in line with the corporate strategies and targets.

Skill Development
Programs executed toward the development of employees under skill and career management practices scope.

Occupational Development
Programs executed toward the development of employees from all tiers in occupational topics according to the training necessity analysis.

Personal Development
Programs executed toward the development of employees from all tiers in various areas according to the training necessity analysis, independent from their current roles within the company.

(GRI 404-2)

TRAINING AND DEVELOPMENT

Daily Management System

As of 2020, a daily management system was started at Yünsa in order to strengthen communication in the operation teams and to control the information flow. The daily management system is a meeting systematics that leads to a common goal, brings together all stakeholders, guides business prioritization, provides visual management and monitoring from one place, provides effective management with information transfer, and encourages teamwork.

The most important issues were discussed with the relevant management system in a short time

like 15 minutes, and quick action was taken to solve the problem, and the communication between shifts became more effective. In this way, it has increased the communication and interaction between the operation organization by considering it as a goal-oriented and constructive in the whole summary.

Results and Gains

Social

Monitoring the operational targets by the field team and solving the problems in a target-oriented way, the communication and awareness of the employees increased.

Environmental

With the increase in awareness in operational processes, it has been ensured that it is more conscious and careful about possible occupational accidents and environmental risks.

Economic

The decisions taken at the meetings quickly turned into action. Thus, unnecessary phone and e-mail traffic was not experienced, and efficiency was achieved in raw materials, energy, equipment and workforce.



TRAINING AND DEVELOPMENT

Our Training and Organisational Development Practices

In-house Instructor School

We founded an In-house Instructorship School under the leadership of our Organization and Systems Development Department with the aim of producing in-house instructors who will facilitate the knowledge and skills transfer within our company, and have their instructorship skills developed in. We have achieved many personal and corporate gains out of this program which was devised with learning tools such as in-class training, role playing, case studies, online training, video filming, games, and mobile and social learning platforms.

Individual gains:

- Our employees found opportunities to develop and enrich the work they do.
- They boosted their self-confidence in expressing themselves before a crowd.
- They improved their presentation and communication skills.

Corporate gains:

- Reduced outside dependency in training practices.
- Maintained daily information supply regarding corporate requirements.
- Fast solutions provided to training requirements.
- Maintained the efficiency and prevalence of in-house instructorship system.
- Improved employee development and motivation.



First Step Into Future Internship Program

We made benchmark studies with various companies' internship programs and prepared our own First Step Internship Program. We provide trainings on project execution to the candidates who are selected after promotion, application and selection processes at high schools and universities. Project leaders offer coaching to the students throughout the project execution process. Students graduate from the program after presenting their projects at the completion of the process. In 2020, 25 students and in 2021, 27 students participate in the program.



06

ENVIRONMENTAL PERFORMANCE

At Yünsa, we believe that protection of the environment we operate in and the natural resources as our corporate responsibility. By utilizing energy and water resources efficiently, we also improve our economic performance.

ENVIRONMENTAL MANAGEMENT

We invest in clean technologies that will constantly increase energy and water efficiency and reduce our emissions and other wastes in its source gradually; and in practices to recycle our wastes. We have not received any penalties for any violation of laws and regulations during this reporting period. Our environmental expenditures in 2020 totalled Euro 74.2 and in 2021 totalled Euro 102.9.

(GRI 102-11)

Management Approach

Zero waste

Policy

Yünsa aims to implement and develop all its environmental activities, which it carries out within the framework of the sustainability principle, in an integrated manner with Quality, Occupational Health and Safety Management Systems, and to make this a lifestyle for everyone.

Our Principles;

To carry out policies and practices one step ahead of legal requirements,
To use the diminishing natural resources efficiently with the awareness of the future,
To develop methods to reduce pollution at its source,
To carry out waste recovery studies

In line with these principles;

We are committed
To create environmental protection awareness in all our employees,
To continuously improve the environmental studies,
To ensure that environmental protection activities are spread to all employees and to adopt that everyone is a common responsibility,
To leave a clean and livable environment to future generations,
To develop methods to protect natural resources such as energy and water,
To manage a solid relationship with all our stakeholders,
To be a corporate culture that supports continuous improvement and development,
To review systems, processes and communication channels and restructuring them in line with needs.

Department and Managers	Health, Safety and Environment Department Occupational Safety and Environment Leader Maintenance and Energy Managers
Our Team	2020: 3 people 2021: 3 people
Management System	ISO 14001
Measuring and Monitoring Mechanisms	ISO 14001 Internal and external audits TPM System SHE Pillar Committee External audits Customer audits

ENVIRONMENTAL MANAGEMENT

Facility Environment Management Module of Sustainable Apparel Coalition (SAC)

We are using the Higg Index Facility Environment Management (FEM) module developed by The Sustainable Apparel Coalition (SAC), which is a platform established for sustainable manufacturing through which the member brands, retailers and manufacturers in our sector share their best practices transparently. This module is a control system through which the environmental sustainability performances of the companies are measured and reported, where the environmental, energy, water, waste water, emissions, waste and chemicals management data are entered at least once every year and then inspected for compliance on the field. In 2021, we raised our

score by 5 points compared to the previous year.

The system, which also has a social impact module (FSLM), offers important opportunities for meaningful improvements in our sector. As we targeted, we purchased and verified the social impact module in 2021. Our score is 74.5%.

(GRI 102-12)

Yünsa supported the 'Hand in Hand for Hatay' campaign, which was launched in order to compensate for the damage caused by the forest fire in Hatay in 2020, with a meaningful donation. With the aim of reforesting the damaged area of eight hectares, Yünsa donated 10 saplings on behalf of each employee and a total of 11 thousand saplings were donated to Hatay.

Environmental Expenditures %	2020	2021
Wastewater disposal	4%	26%
Waste disposal	19%	18%
Personnel	26%	14%
Maintanace, repair, cleaning, machinery and installment	4%	2%
Consultancy and technical support	4%	38%
Research	2%	0,22%
Environmental tax	1%	2%

ENERGY MANAGEMENT

INTERNAL STAKEHOLDER VIEW

74% of our employees who responded to the sustainability assessment survey think that...

Yünsa’s investments and projects to assure energy efficiency are adequate.

Energy Consumption (kWh/meter)	2015	2020	2021
Electricity	3,96	3,94	4,67
Natural Gas	6,29	6,68	8,23

Textile sector is among the most energy demanding sectors. Natural gas and electricity are the main energy sources that we use at Yünsa. We also use diesel in our forklifts and similar work machinery, as well as in passenger vehicles used by our employees.

Taking proactive measures after energy consumption measurements and evaluation, thereby using less energy per each meter of fabric produced is strategically important for Yünsa.

Compared to the base year of 2015, we managed to reduce the energy we spend per 1 meter of fabric by 5% at the end of 2019. We did not reach our target in 2020 and 2021 due to the negative effects of the pandemic on order quantities and efficiencies. We revised our targets until 2023 in order to close the gap in these two years. According to our base year 2015, we can list our project titles

as follows, so that our total energy savings will be reduced by 13%.

- Making the fans in various machines with drivers,
- Dissemination of energy-efficient motor applications,
- Transition to efficient fan applications in construction-type air handling units,
- Measuring the baseloads of machines and developing activities to reduce them,
- Increasing waste heat utilization points
- Increasing the efficiency in the production of compressed air
- Conducting efficiency-enhancing studies in fluid transfer pumps,
- Installation and dissemination of alternative (green) energy applications,
- Increasing the share of predictive maintenance activities in maintenance activities and reducing the impact of unexpected machine downtimes on energy efficiency,
- Dissemination of measurement tools at a level to monitor the energy consumption of machines per product produced.

Management Approach	
Policy	Energy Policy
Target	13% decrease
Base Year / Target Year	2015 - 2023
Performance Results	2015: 10,24 kwh/meter 2020: 10,50 kwh/meter 2021: 12,90 kWh/meter

(GRI 302-5)





Reducing energy losses and resetting faults in fabric dye steam valves

In addition to the energy consumed during production in fabric dyeing boilers, there was also leakage energy consumption.

The proportional steam valve of the fabric dyeing boilers was working, and since these valves were metal-to-metal working surfaces, they were deforming in a short time, causing steam leakage. Then, since the replacement of these valves is costly, the leakage was reset by using cheap on-off steam valves.

On-off valves operating with 0% leakage were preferred.

Results and Gains

Economic

Natural gas efficiency is provided in the machines. A profit of 6927 TL was achieved for 1 machine.

Environmental

Reduced carbon gas emissions

Total Earnings/Year

4.430 Euros

Energy Project Gain (kWh)

340.769

Reducing water consumption and increasing energy efficiency from wooden cylinders in milling machines

Since the milling cylinder is made of azobe wood, it must be constantly wet and moist. The water used to wet these cylinders flowed into the drain, creating energy losses. Before the project, wetting of the milling cylinders was done by the operator with a manual valve. The water used in this process flowed into the drain, creating a loss of energy. In our project, PPRC (plastic pipe) installation nozzles were installed by using a boiler machine tub with first stage water and a circulation pump. In this way, the dink cylinders began to be wetted with recirculation.

Results and Gains

Economical

Since the circulation pump does not need to work continuously, the time relay is installed and adjusted so that the circulation pump remains active for 5 minutes in 30 minutes. Our annual water income was 7549 TL and our electricity income was 6710 TL. The sum of electricity and water loss for a machine was 14 259 TL. It was disseminated to 3 machines.

Environmental

Annual waste water of 4194 tons was prevented. Electricity expense of 6713 KWH was reset.

Total Earnings/YEAR

1.680 Euros

Energy Project Gain (kWh)

8000



Optimization of compressor outlet pressure according to operating requirements

It is aimed to save energy by reducing the compressor outlet pressure. With the work done, the compressor, which has 8.7 bar output pressure, was reduced to 7.9 bar, resulting in more air in 1 kWh hour.

Results and Gains

Economical

103,130 Kwh of electrical energy worth 13,072 Euro was provided.

Social

Increasing awareness about energy efficiency among employees

Environmental

Reduced carbon emissions

Total Earnings/YEAR

13.072 Euros

Energy Project Gain (kWh)

103.130

Meeting the air needs of the machines that need to work during the collection period with local solutions

To save electrical energy during partial working periods Compressors with an engine capacity of more than 110 Kwh, which are used on days when there is no/partial production in the factory, consume more energy. Instead of these, compressors that consume 11 Kwh of energy per hour were activated. It has been disseminated in appropriate sections.

Results and Gains

Economic

85,662 Kwh of electrical energy was saved, worth 10,858 Euros

Social

Increasing awareness about energy efficiency among employees

Environmental

Reduced carbon emissions.

Total Earnings/YEAR

10,858 Euros

Energy Project Gain (kWh)

85,662

Ensuring Energy Efficiency with the Ring Smart Dust Extraction System

It is aimed to save energy by preventing the dust collection systems in the ring circle from working continuously at full speed of the 4 kW asynchronous motor. There are 56 ring machines and 6 dust collection units in our facility. There is a dust collector (moving) on each of these machines. Fiber, dust, etc. substances contained in all these collectors are collected in a common dust collection area by being sucked from here through a pipeline through the engine, upon the mobile's arrival at the dust discharge station. Before the project, the dust collector, which was constantly working at 50 Hz, was only allowed to operate at the maximum speed (50 Hz) when it reached the discharge station.

Results and Gains

Economic

As a result of the measurements, 1,467 kWh of energy was saved per hour for a unit.

Total Earnings/Year

308 Euros

Energy Project Gain (kWh)

10,562

EMISSIONS MANAGEMENT

INTERNAL STAKEHOLDER VIEW

70% of our employees who responded to the sustainability assessment survey think that...

Yünsa’s projects and preventive measures to reduce emissions are adequate.

In our facilities, we have 49 emission sources such as process chimneys, ventilation and combustion flues.

It is our priority to make sure that the CO, NOx, SOx, dust and VOC parameters do not exceed the limit values set for human health and comply to the standards set by Industry Sourced Air Pollution Control Directive.

In line with our energy target, we updated our greenhouse gas emission target in 2018. Taking the year 2018 as the base year, the new target we set for 2023 is to reduce the energy we spend per 1 meter of fabric we produce by 5 %. In 2020, our total greenhouse gas emission was 13,937 tCO2e. Our total greenhouse gas emission in 2021 was 11,383 tCO2e.

The energy efficiency projects that help reducing our emissions are explained in their respective sections in our report.

CDP Carbon Disclosure Project

We participated in Carbon Disclosure Project (CDP) in 2010, after raising our emission management works from compliance efforts up to internationally recognized measurement and monitoring standards. We have been rated D for being weak in tackling the climate crisis and improving our environmental performance during the pandemic. We aim to get the 2022 B score.

(GRI 102-12)

Green House Gas Emissions	2019	2020	2021	Management Approach		
Scope 1 (Direct)	43%	42%	44%	Target:	Reduce GHG intensity by 10%	
Scope 2 (Direct)	54%	58%	56%			
Scope 3 (Direct)	3%	-	-	Base Year / Target Year: 2016 - 2023		
				Green House Gas Emission Intensity (Kg CO2e/meters produced)*		
Performance Results:				2016: 2,90 kgCO2/meter 2019: 2,94 kgCO2/meter 2020: 2,91 kgCO2/meter 2021: 3,63 kgCO2/meter		

* In order to monitor the real improvement of intensity reduction, this data is provided excluding contract manufacturing.

WATER MANAGEMENT

INTERNAL STAKEHOLDER VIEW

63% of our employees who responded to the sustainability assessment survey think that...

Yünsa’s practices to manage and efficiently use water resources are adequate.

With the fiber-tops dye-lysed water saving project, 3000 m3 savings were achieved per year.

The quality and accessibility of water has a critical importance in the continuity of business in our factory where the entire water is supplied from underground water sources (wells). We are working on increasing the water efficiency in our factory and offices and recycling the water for the industrial use.

The ratio of reused water in our Çerkezköy facility to the total water consumption was 249,922 tons in 2020 and 200,544 tons in 2021.

Our primary goal in our facility is to determine the generation processes of domestic and industrial waste water and to keep water consumption and industrial waste water amounts to a minimum. Our total water consumption in 2020 decreased by 48.1% compared to the previous year and 16.1% in 2021 due to the pandemic.

Since our factory is in an Organized Industrial Zone (OIZ), it is located outside the conservation areas and the living environments of endemic species. Since we send the entire wastewater to the OIZ’s own treatment facility, there are no water resources or natural living environments affected by the wastewater discharge.

Water Withdrawal (m3/year)	2019	2020	2021
Water from Well	621.676	322.403	270.282

(GRI 303-3)

Management Approach	
Target	0,06 m3/meter
Base Year / Target Year 2016 - 2021	
Performance Results	2016 : 0,10 m3/meter
	2019 : 0,07 m3/meter
	2020 : 0,07 m3/meter
	2021 : 0,85 m3/meter



WATER MANAGEMENT

Reducing the Use of Soft Water in the Boiler Room

It was aimed to save 9,657 tons of cost per year by reducing the soft water used in the water boiler room, which ensures that the water with the features needed in the factory is delivered to the relevant department.

Soft water consumption was eliminated by optimizing the structural change of the soft water system used in the deaerator.

Results and Gains

Economic

19314 tons of water was saved annually.

Environmental

Reduced carbon emissions.

Fiber-Tops Paint Lysor Water Saving Project

It was aimed to reduce the water consumed in the Lysoz machine, which is the washing and drying machine in the fiber-tops dyehouse.

Pumps were installed in the determined pools and flow meters were installed on these pump outlets. Training was given for the cleaning of filters to be used for these pumps. By attaching on-off valves, a meter was installed in the Lyser machine. Pool usage training was given and trials were started.

Results and Gains

Economic

6000 TL/year (3000 m3/year recovery)

Environmental

The amount of water used has decreased. Waste water amount decreased

Social

Increasing awareness about energy efficiency among employees



WASTE MANAGEMENT

INTERNAL STAKEHOLDER VIEW

73% of our employees who responded to the sustainability assessment survey think that...

Yünsa's practices to reduce waste and wastewater to dispose them as to protect human and environmental health are adequate.

Our efforts on utilizing recycled materials as raw material continue within the scope of combating climate change. The stage that mainly affects climate change in wool production is the raw material stage due to the release of methane gas. Therefore, increasing the ratio of recycled materials also contributes to the fight against climate change.

Management of the waste from its generation to its disposal without posing a threat to the environment and human health is our main goal in our factory. We dispose 100% of the wastes, including wastewater, generated at our plant through recycling, recovery and/or other methods specified by national regulations.

(GRI 306-1)

We segregate our waste in two groups according to hazardous and non-hazardous criteria. This waste is temporarily stored in a designated waste storage area in our factory, and then regularly collected by licensed companies. In the reporting period, we did not have any cases of spills or leakages.

(GRI 306-2)

Compared to 2019, the production meter decreased by 44.32% and the amount of waste decreased by 46.93% in 2020. While the amount of waste generated for 1 meter of fabric in 2019 was 54.47 grams, it was 51.91 gr/m2 in 2020, so the amount of waste for the amount of fabric produced decreased by 4.6% compared to 2019.

Compared to 2020, meters of production decreased by 34.21% and the amount of waste produced decreased by 29.39% in 2021. Since the amount of waste generated for 1 meter of fabric in 2020 is 51.91 grams, and 55.71 gr/m2 in 2021, the amount of waste for the amount of fabric produced has increased by 7.2% compared to 2020.

Wastes	2019	2020	2021
Non- hazardous	80%	69,5%	70%
Hazardous	20%	30,5%	30%

Management Approach	
Target:	0,056 kg/meter
Base Year / Target Year:	2016 - 2021
Performance Result:	2016: 0,072 kg/meter 2019: 0,056 kg/meter 2020: 0,066 kg/meter 2021: 0,072 kg/meter

WASTE MANAGEMENT

Solid Waste Management

The types of waste generated in all areas related to waste management are defined and colored with containers of appropriate color, and awareness on this issue has been increased. In this context, the wastes are collected in the required containers. Afterwards, it is kept to be shipped in the temporary storage area where legal requirements are met. As stated, in this period, the separation of wastes at the source has been largely successful by turning it into a culture in all our facilities.



Year	2020	
Wastes by Disposal Method (tons)	Non-hazardous	Hazardous
Energy Recovery	-	95.477
Material Recovery	107.460	-
Recycling	110.780	-
Medical Waste Disposal	-	31
Total Waste Disposed	218.240	95.508

(GRI 306-4)

Year	2021	
Wastes by Disposal Method (tons)	Non-hazardous	Hazardous
Energy Recovery	-	67.385
Material Recovery	79.180	-
Recycling	78.440	-
Medical Waste Disposal	-	8
Total Waste Disposed	157.620	67.393

R&D Project

Development of Recycled Yarns and Fabrics from Wool Yarn Production Line Waste

In order for our company to maintain its current position among woolen fabric manufacturers and increase its share in the market day by day, it is important to listen to the voice of the market and production and to turn to innovative and high R&D studies. In this direction, within the scope of the research carried out by the R&D Center, it has been seen that it is important for Yünsa to maintain its current leadership by producing yarn with different spinning methods from fiber, open yarn and fabric waste formed within Yünsa, creating different fabrics to test its usability, and thus producing sustainable products by evaluating all possible waste.

Our Goal

It was aimed to produce yarns and fabrics with high added value from the waste generated in the yarn and fabric production lines of Yünsa company, which can be used in Yünsa's production lines. In this context, it was also aimed to prepare a collection by testing different yarn production methods and producing yarn and fabrics with different properties. Wool is the fiber with the highest global warming potential (GWP) among all textile fibers. It is also among the aims of the project that the company enters the developing environment-friendly products

market, especially in the EU and North America, by creating a collection with a reduced carbon footprint by using recycled wool. As it is known, the wool used in the fine count wool yarn industry is imported. Fine wool yarn import amounting to 45.5 million USD was realized in Turkey in 2016. The fact that wool is an expensive fiber and is imported is also important in terms of reducing the production costs of the company, which is the leader in wool fabric production and export.

What have we done?

- Classification and determination of physical characteristics of waste generated at all stages of the company, *Giving trainings for environmental awareness
- Production of yarn and fabric in different yarn counts with waste that can be used in the worsted yarn production line
- Testing yarns in different yarn counts with waste that can be used in Strayhgarn production line and making fabrics
- Life Cycle Assessment (LCA) analysis and evaluation of environmental performance of products
- Evaluation of the results and creation of the "recycle product collection"

Results and Gains

Economic

With this project, Yünsa was able to produce innovative and recyclable woolen fabrics from the waste, meeting the expectations of its customers. As it will maintain its leading position in Turkey, it will also accelerate its leadership in the world in the field of woolen products. With the waste recycling, raw material expenses will decrease, they will be able to take place in new markets such as environmental green products, and their production and earnings will increase. It will directly produce benefits for the country's economy as it will continue its economic growth by producing value-added products

Social

Added new findings to the existing literature on improvements in efficiency and costs.

Environmental

In this context, life cycle analysis was carried out

Future Plans

Recycle oranı arttırılmış, kimyasal ve su tüketimi daha az kumaş yapılarının geliştirilmesi üzerine çalışmalar devam ediyor.

(GRI 301-2)

Reducing Fabric Waste in Finishing

In line with the philosophy of continuous improvement, it is aimed to reduce costs, to obtain maximum benefit with minimum input, and to reduce waste caused by finishing by using the available resources in the best way.

Our Goals

The test standards were determined and trainings were given to the operators related to the subject.

The awareness of the operators was increased by preparing templates in accordance with the determined standards, and daily records of waste fabrics were started to be kept. It has been studied with chemicals and dyestuffs in different lots. It is necessary to look at the test for each chemical and dyestuff to be used. By determining the standard amounts of these tests, it was ensured that the waste rates of the chemicals and dyestuffs to be used were surpassed. Within the scope of this study, we do not need to look at a water repellent test for a fabric that does not have water repellent chemicals, but if water repellent chemicals are used and if the water repellent test is to be checked, the test piece should be larger than the other pieces. We determined how many cm pieces we needed for which test and created our standard quantities. Our tests were

also started to be checked without cutting unnecessarily large pieces. Input controls and intermediate controls have been increased and additional controls added. A digital system capable of machine-based waste tracking and warning by sending an e-mail twice a week was established. The amount of waste and loss amounts in TL were also reported in the forwarded e-mail and on the digital screen. Thus, it was ensured that the operators could see the TL equivalent of the loss. In this way, it can track how much waste comes out of which machine on which day.

Results and Gains

Economic

In 2020, we lost 0.88% of our total production, reducing wastes by 13% compared to the previous year, and a saving of approximately 250 thousand TL was achieved. As a result of the improvements made, a 50% improvement was achieved in the second quarter of 2021 compared to the first quarter.

Social

As a result of the trainings given, awareness of raw material and energy gains was created.

Environmental

Test fabric waste reduced.

Operation Project

Operation Project

The Elimination of Broken Picks Error Project in Woven Fabric Production

One of the three mistakes experienced in the weaving business is the problem of broken picks, which is referred to as half pirn in the literature. The study was carried out because this problem caused 0.04% quality loss.

What did we do?

Within the scope of the study, half pirn defect was analyzed according to the Figure 8 methodology. In order to eliminate the error and improve the existing conditions, the data that emerged in the 5W-1C analysis were studied. In the part function & principle parameter analysis, we aimed to determine whether the parts were in the standard value and checked whether the error was corrected by correcting the non-standard values. Quality loss reduced by 0.02%. A detailed root-cause analysis was performed to completely eliminate the loss of quality. It was concluded that this control was better achieved with double leno in works with lycra, and as a standard, the leno apparatus was used as a double in all of our works with lycra.

Results and Gains

Economic

Yünsa's potential annual income from all these improvements was 300,000 TL/year.

Social

The quality problem has disappeared. Weaving pilling error has decreased by 10 times, loose pirn error has been completely reset. It was awarded with the Kalder Award.

Environmental

Fabric waste reduced.



07

**PERFORMANCE
INDICATORS**

ECONOMIC PERFORMANCE INDICATORS

Financial Indicators (Euro)	2019	2020	2021
Revenues	73,112,927	37.121	32.668
Gross Profit	11,789,339	8.345	9.647
Sales			
Textile	64,780,040	35.865	31.052.299
Apparel	8,332,887	1.214.844	1.572.589
Production Indicators			
Worsted Yarn (tons)	2,576	1.545	1.102
Fabric (km)	8,589	4.860	3.154

SOCIAL PERFORMANCE INDICATORS

EMPLOYMENT	2019	2020	2021
Men	779	735	582
Women	359	345	286
TOTAL	1,138	1.080	868
By Type of Contract and Gender	2019	2020	2021
Permanent Employees - Women	324	343	582
Permanent Employees - Men	742	732	282
Temporary Employees - Women	35	2	4
Temporary Employees - Men	37	3	-
TOTAL	1,138	1.080	868
By Type of Contract and Location	2019	2020	2021
Permanent Employees - Çerkezköy	1025	1035	819
Permanent Employees - İstanbul	41	40	45
Temporary Employees - Çerkezköy	72	4	4
Temporary Employees - İstanbul	0	1	-
TOTAL	1,138	1.080	868
By Employment Type and Gender	2019	2020	2021
Full-time Employees - Women	356	342	581
Full-time Employees - Men	779	734	285
Part-time Employees - Women	3	3	1
Par-time Employees - Men	0	1	1
TOTAL	1,138	1.080	868

(GRI 102-8)

SOCIAL PERFORMANCE INDICATORS

EMPLOYMENT AND TURNOVER	2019	2020	2021
TOTAL - Hires	201	77	84
TOTAL - Dismissals	144	135	296
By Location	2019	2020	2021
Çerkezköy Factory - Hires	188	50	58
	16.5%	4.6%	6.7%
Çerkezköy Factory - Dismissals	129	108	262
	12.7%	12.5%	34.1%
İstanbul - Hires	13	27	26
	1.1%	2.5%	3.0%
İstanbul - Dismissals	15	27	34
	1.3%	2.5%	3.9%
By Gender	2019	2020	2021
Men - Hires	110	30	43
	9.7%	2.8%	5.0%
Men - Dismissals	74	72	195
	6.5%	6.7%	22.5%
Women - Hires	91	47	41
	8.0%	4.4%	4.7%
Women - Dismissals	70	63	101
	6.2%	5.8%	11.6%

(GRI 401-1)

SOCIAL PERFORMANCE INDICATORS

OCCUPATIONAL HEALTH AND SAFETY	2019	2020	2021
Injury Frequency Rate	1.05	0.56	0.31
Occupational Disease Rate	0.00	0.00	0.00
Number of Fatalities	0	0.00	0.00
Lost Day Rate (Accident Severity Rate)	36.80	2.40	3.30
Absentee Rate (As a result of illness etc.)	3.25 %	3.15 %	3 %

First aid level accidents are not calculated within the accident frequency rate.
Fatal accidents are calculated within the accident frequency rate.
Lost days are calculated based on calendar days.
Lost day count starts the day after the accident.

Accident Frequency Rate: (Number of recordable case / Total working hours) x 200.000
Accident Severity Rate: (Number of lost days / Total working hours) x 200.000

(GRI 403-9, GRI 403-10)

ENVIRONMENTAL PERFORMANCE INDICATORS

Direct Energy Purchased and Consumed from Non-Renewable Energy Sources	2019	2020	2021
Natural Gas (GJ)	178,085	113,914	92,897
Diesel (GJ)	2,519*	1,259*	1,874*
Total Direct Enegy Consumption	180,604	115,173	94,772
Indirect Energy Purchased and Consumed from Non-Renewable Energy Sources	2019	2020	2021
Electricity (GJ) (1 kWh= 0.0036 GJ)	114,407	67,206	52,764
Total Indirect Enegy Consumption	114,407	67,206	52,764
Total Energy Consumption (GJ)	295,011	182,380	147,536

*Forklifts, generators and business travels are included. Employee commuting is not included

(GRI 302-1)

Energy Intensity*	2019	2020	2021
Total Energy Consumption (GJ)	295,011	182,380	147,536
Total Production Amount (metres) (Except Contract Manufacturing)	8,344,349	4,792,938	3,137,448
Energy Intensity	0.0354	0.0381	0,0470

*Total Energy Consumption (GJ) /Total Production (m)

(GRI 302-1)

Sera Gazı Emisyonları (t CO2e)	2019	2020	2021
Direct Greenhouse Gas (GHG) Emissions (Scope 1) Emissions from natural gas and diesel consumption	10.177	5.852	5.035
Indirect Greenhouse Gas (GHG) Emissions (Scope 2) Emissions from electricity consumption	13.927	8.085	6.348
Other Greenhouse Gas (GHG) Emissions (Scope 3)	446	-	-
Total CO2e Emissions	24.549	13.937	11.383
GHG Intensity*	2,94	2,91	3,63

*Total GHG (kg CO2e) /Total Production (m)

(GRI 305-1, 305-2, 305-3, 305-5)

Emissions from diesel consumption of forklifts, generators and vehicles for business travels were included in Scope 1 and emissions of the employee transfer vehiles were included in Scope 3. Çerkezköy factory consumption is included, İstanbul head quarter consumption is not included.

Emissions Factor Basis:

IPCC 2006 Guidelines for National Greenhouse Gas Emissions Inventories

Calculation Basis:

IPCC 2006 Guidelines for National Greenhouse Gas Emissions Inventories

IEA Electricity Grid-Factors, 2007

IEA National Heating Values, 2007

This report, prepared within the framework of “TS EN ISO 14064-1:2018 Greenhouse Gases-Part 1: Principles and features regarding the calculation and reporting of greenhouse gas emissions and removals at the organizational level”, covers the calculation according to categories. The Carbon Footprint Calculation Report has been planned according to the 9.2 article of the TS EN ISO 14064-1:2018 Standard. The content of the report has been prepared in accordance with TS EN ISO 14064-1:2018 article 9.3.

Total Waste by Type	Unit	2019	2020	2021
Hazardous Waste	Tons	98.496	98.496	98.496
Non-hazardous Waste	Tons	389.580	420.020	450.460
Total Waste	Tons	488.076	518.516	548.956
Waste Intensity	Ton / m	0,0561	0,065	0,071

(GRI 306-3)

Hazardous Waste	Contaminated packaging, organic solvents, lab chemical mixes, contaminated absorbents, filter equipment, organic waste that contain hazardous substances, waste fluorescent, waste cartridge, toner, other hydrolic oils, medical waste
Non-Hazardous Waste	Wooden packaging, plastics, metals, plastic packaging, paper packaging, wooden pallet, textile fiber waste



08

ANNEXES

GRI CONTENT INDEX



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures **102-40** to **102-49** align with appropriate sections in the body of the report. The service was performed on the Turkish version of the report.

GRI 101: FOUNDATION 2016		
GRI 102: GENERAL DISCLOSURES 2016		Location of Disclosure
Organizational Profile		
102-1	Name of the organization	Page 110
102-2	Activities, brands, products, and services	Page 110
102-3	Location of headquarters	Page 110
102-4	Location of operations	Page 110
102-5	Ownership and legal form	Corporation
102-6	Markets served	Page 12 - 13
102-7	Scale of the organization	Page 10 - 11
102-8	Information on employees and other workers	Page 97
102-9	Supply chain	Page 14
102-10	Significant changes to the organization and its supply chain	No significant changes
102-11	Precautionary Principle or approach	Page 81
102-12	External initiatives	Page 46,60,81,86
102-13	Membership of associations	Page 9
Strategy		
102-14	Statement from senior decision-maker	Page 6 - 7
102-15	Key impacts, risks, and opportunities	Page 26 - 27
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Page 26 - 27

(GRI 102-55)

GRI CONTENT INDEX

GRI 101: FOUNDATION 2016

GRI 102: GENERAL DISCLOSURES 2016		Location of Disclosure
102-17	Mechanisms for advice and concerns about ethics	Page 23
Governance		
102-18	Governance structure	Page 22, 24 - 25
Stakeholder Engagement		
102-40	List of stakeholder groups	Page 28
102-41	Collective bargaining agreements	Page 70
102-42	Identifying and selecting stakeholders	Page 27
102-43	Approach to stakeholder engagement	Page 28
102-44	Key topics and concerns raised	Page 28
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Page 110
102-46	Defining report content and topic boundaries	Page 32
102-47	List of material topics	Page 31
102-48	Restatements of information	Numerical data of previous years.
102-49	Changes in reporting	No changes
102-50	Reporting period	Page 5
102-51	Date of most recent report	2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Page 111
102-54	Claims of reporting in accordance with the GRI Standards	Page 5
102-55	GRI content index	Page 104 - 109
102-56	External assurance	None

(GRI 102-55)

GRI 200-300-400 TOPIC SPECIFIC STANDARDS

GRI 200 ECONOMIC STANDARDS SERIES		Location of Disclosure
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	103-1 Explanation of the material topics and its boundary	Page 32
	103-2 The management approach and its components	Page 42
	103-3 Evaluation of the management approach	Page 42 - 43
GRI 201 Economic Performance 2016	201-4 Financial assistance received from government	Page 43
GRI 300 ENVIRONMENTAL STANDARDS SERIES		Location of Disclosure
GRI 301 Materials 2016		
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	103-1 Explanation of the material topics and its boundary	Page 32
	103-2 The management approach and its components	Page 44
	103-3 Evaluation of the management approach	Page 44
GRI 301 Materials 2016	301-2 Recycled input materials used	Page 46 -91
GRI 302 Energy 2016		
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	103-1 Explanation of the material topics and its boundary	Page 32
	103-2 The management approach and its components	Page 82
	103-3 Evaluation of the management approach	Page 82
GRI 302 Energy 2016	302-1 Energy consumption within the organization	Page 82
	302-5 The energy requirements of products and services reductions	Page 82, 84 - 85

GRI 303 Water and Effluents 2018		Location of Disclosure
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	103-1 Explanation of the material topics and its boundary	Page 32
	103-2 The management approach and its components	Page 87
	103-3 Evaluation of the management approach	Page 87
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 87
	303-2 Management of water discharge-related impacts	Page 87
	303-3 Water withdrawal	Page 87
GRI 305 Emissions 2016		
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	103-1 Explanation of the material topics and its boundary	Page 32
	103-2 The management approach and its components	Page 86
	103-3 Evaluation of the management approach	Page 86
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 100
	305-2 Energy indirect (Scope 2) GHG emissions	Page 100
	305-3 Other indirect (Scope 3) GHG emissions	Page 100
	305-5 Reduction of GHG emissions	Page 100
GRI 306 Waste 2020		
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	103-1 Explanation of the material topics and its boundary	Page 32
	103-2 The management approach and its components	Page 89
	103-3 Evaluation of the management approach	Page 89
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 89
	306-2 Management of significant waste-related impacts	Page 89
	306-3 Waste generated	Page 101
	306-4 Waste diverted from disposal (reuse, recycle etc.)	Page 90
	306-5 Waste directed to disposal (incineration, landfilling etc.)	Page 90

GRI 400 SOCIAL STANDARDS SERIES		Location of Disclosure
GRI 401 Employment 2016		
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	103-1 Explanation of the material topics and its boundary	Page 32
	103-2 The management approach and its components	Page 69
	103-3 Evaluation of the management approach	Page 69
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	Page 98
	401-2 Benefits provided to full-time employees that are not provided to part-time employees	Page 70
	401-3 Parental leave	Page 70
GRI 403 Occupational Health and Safety 2018		
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	103-1 Explanation of the material topics and its boundary	Page 32
	103-2 The management approach and its components	Page 66
	103-3 Evaluation of the management approach	Page 66
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 67
	403-2 Hazard identification, risk assessment, and incident investigation	Page 66
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 67
	403-5 Worker training on occupational health and safety	Page 67
	403-8 Workers covered by an occupational health and safety management system	Page 66
	403-9 Work-related injuries	Page 99
	403-10 Work-related ill health	Page 99

GRI 400 SOCIAL STANDARDS SERIES		Location of Disclosure
GRI 404 Training and Education 2016		
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	103-1 Explanation of the material topics and its boundary	Page 32
	103-2 The management approach and its components	Page 74
	103-3 Evaluation of the management approach	Page 74
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	Page 74
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 75
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 70
GRI 405 Diversity and Equal Opportunity 2016		
GRI 103 MANAGEMENT APPROACH DISCLOSURES 2016	103-1 Explanation of the material topics and its boundary	Page 32
	103-2 The management approach and its components	Page 72 - 73
	103-3 Evaluation of the management approach	Page 72 - 73
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 72

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(GRI 102-1, 102-3, 102-4, 102-45)

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(GRI 102-53)

Our report is prepared in the digital environment and is not published.

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