



REGENERATIVE TEXTILES FOR NATURE AND PEOPLE

SUSTAINABILITY REPORT 2023

KORTEKS | ZORLUTEKS

TABLE of CONTENTS

01

INTRODUCTION

- 3 About the Report
- 4 Message from the CEO

02

CORPORATE IDENTITY

- 7 About Us
- 8 Vision & Mission
- 9 History
- 11 Corporate Governance
- 12 Economic Value Created
- 14 Sales and Marketing Activities
- 15 Products
- 16 Brands
- 20 Memberships and Collaborations
- 23 Certificates
- 24 Awards

03

SUSTAINABILITY BASED APPROACH

- 26 Zorlu Holding Smart Life
- 29 Sustainability Strategy and Goals
- 41 Sustainability Management
- 45 Quality Management
- 48 Risk Management
- 50 Continuous Improvement and Project Management
- 53 Sustainability in Value Chain
- 65 Customers
- 66 Stakeholder Engagement and Communication
- 69 Materiality Analysis
- 71 Adaptation to Global Trends

04

VALUE TO THE NATURE

- 73 Sustainability Commitments
- 74 Environmental Management
- 75 Chemical Management
- 78 Raw Material Management
- 79 Ecologic Product Development
- 80 Industry 4.0
- 81 Energy Management
- 82 Projects and Best Practices
- 84 Water Management
- 87 Waste Management
- 90 Emissions Management

05

VALUE ADDED TO THE EMPLOYEES

- 92 Human Centric Ecosystems
- 119 Gender Equality
- 122 Occupational Health and Safety (OHS)

06

VALUE ADDED TO THE FUTURE

- 128 R&D and Innovation

07

VALUE ADDED TO THE SOCIETY

- 136 Social Corporate Investements

08

ANNEXES & INDICATORS

- 145 Economic Performance Indices
- 146 Social Performance Indices
- 151 Environmental Performance Indices
- 155 UN Women’s Empowerment Principles (UN WEPs)
- 155 United Nations Global Compact (UNGC) Index
- 156 GRI Content Index
- 161 Disclaimer
- 161 Contact



ABOUT THE REPORT

The purpose of the Sustainability Report is to manage Zorlu Textile Group's environmental, social, economic and governance impacts in a systematic, comprehensive, and transparent manner and to share them with stakeholders.

The purpose of the Sustainability Report is to manage Zorlu Textile Group's environmental, social, economic and governance impacts in a systematic, comprehensive, and transparent manner and to share them with stakeholders.

This report focuses on the activities between January 1. 2023 and December 31, 2023 and presents in detail the impact of Zorlu Textile Group's working principles and corporate policies on stakeholders within the framework of the "Sustainability" vision. The Zorlu Textile Sustainability Report has been prepared in compliance with the "Core" option of the GRI standards. Additionally, taking into account the requirements of the United Nations Global Compact (UNGC), Zorlu Textile Group's activities and goals are aligned with the United Nations Sustainable Development Goals (UN SDGs).

The Sustainability Report is available at <https://www.korteks.com.tr/en> and <https://www.zorluteks.com/>. For any further questions, comments or suggestions regarding the report, please contact info@zorlutekstil.com.tr.

MESSAGE FROM THE CEO



We are proudly celebrating the 100th anniversary of our Republic, which was founded by the Great Leader Gazi Mustafa Kemal Atatürk and will remain forever, and the 70th anniversary of our Group. As we mark this milestone, we pledge to continue to move forward with determination, inspired by our love and loyalty to our country. We will work with all our strength to protect the fundamental values of our Republic and to keep it moving forward.

My Dear Colleagues and Our Distinguished Stakeholders,

The year 2023 has marked a grim beginning for all of us. The earthquakes that occurred in Kahramanmaraş on February 6 have shaken our country with a great disaster and reminded us once again of a harsh reality. We deeply mourn the deaths of our citizens in the earthquakes and offer our condolences to their families. Throughout this process, we have been working in coordination with public institutions to come to the aid of our citizens. KORKUT, our 15-member search and rescue team, took an active part in the search and rescue operations in Kahramanmaraş. We will continue to support the people of the region. We have full confidence that we will overcome this difficult process together as a country, with the spirit of solidarity of society.

“ This long journey, which we embarked on exactly 70 years ago in the Babadağ district of Denizli, with just two weaving looms in hand, but with dreams that would have been considered unimaginable at the time, is now crowned by our position as one of the world’s “best” in the textile industry.

MESSAGE FROM THE CEO

At this stage, we continue our journey uninterruptedly with Zorluteks, with the largest integrated production facilities in Europe for cotton home textiles and polyester fabrics, and with Korteks, the largest integrated and innovative polyester production centre in Europe thanks to our high production capacity and skilled workforce.

The year 2023 has been declared the hottest year on record due to the effects of human-induced climate change and the El Niño weather phenomenon. The World Meteorological Organisation’s (WMO) State of the Global Climate 2023 report indicates that records were broken this year in areas such as greenhouse gas concentrations, surface temperatures, ocean heat and acidification, sea level rise, Antarctic sea ice cover and glacier retreat. This report underscores the importance of our sustainability efforts at a time when the effects of climate change are becoming more and more evident.

We, as Zorlu Textile Group embrace sustainability more than just a concept; it is a way of doing business for us. For this reason, the concept of sustainability continued to form the basis of all our actions throughout the year under review.

With our third Sustainability Report, we are pleased to present the outputs of our social, economic and environmental activities, which we carry out within the framework of our sustainable perspective and the Smart Life 2030 strategy developed by Zorlu Holding, under whose aegis we operate.

As a company that differentiates itself through its experience in analysing the future from the past,

we have integrated the concept of sustainability into the core of our operations, thoroughly synthesizing it years before it became a necessity rather than a preference for companies, particularly as a result of the Paris Climate Agreement and the European Green Deal.

In this way, we stand out in our industry by taking swift action ahead of others, with our distinctive features, to ensure the well-being of tomorrow. As Zorlu Textile Group, we have achieved impressive progress in our environmental performance. Our water conservation efforts have saved 33.679 m³ at Korteks and 848.000 m³ at Zorluteks. We have made considerable progress in reducing emissions. We act with the I- REC certificate to show our commitment to renewable energy. Korteks has reduced its emissions by 44% since 2020, while Zorluteks has achieved a 53% reduction. We have also made significant progress in waste reduction, with Korteks reducing waste by 33% and Zorluteks by 16%.

As Zorlu Tekstil, we continue to develop sustainable smart textile products. Our main objective is to offer products with innovative features that reduce water and energy consumption, minimize carbon emissions and improve the quality of life through technology. In addition, our R&D and innovation studies

consolidate our leading position in the sector. This year we implemented 91 projects with our “sustainability and circularity-focused” R&D approach.

We recognize that to be a sustainable institution, it will require more than just environmental improvements. We acknowledge the importance of being a sustainable institution not only environmentally but also socially. We aim to make a difference in the sector with our human centric approach and the value we provide to our employees. We wholeheartedly believe that one of the roots of this strength lies in our employees. Giving our employees the value they deserve and maintaining their well-being within a certain scale are of our precious responsibility. As a company driven by high conscious of duty, we fulfill this responsibility with utmost dedication, providing our employees with a safe and peaceful working environment. We strive to support the personal and professional development of each of our employees and ensure that they maximise their potential. By creating a culture that is open to development, we encourage innovative ideas and allow our employees to express themselves. In this way, we aim to make a difference both within the institution and in the industry. As we work to build a sustainable world for future generations, we remember that our employees are an important part of the process.

Committed to a sensitive approach to social issues, we carry out a diverse range of corporate social responsibility projects. We contribute to sustainable social development through projects that focus on specific segments of society, particularly children, the elderly, women and young people. We also implement social responsibility projects that we design on our own initiative, with the aim of contributing to social and cultural development as well as economic benefit.

“With “Today for Tomorrow” as our motto, every step we take is a harbinger of tomorrow’s blossoming hopes. In this context, we will continue our determination to build a fair and sustainable world by working for a green future. I sincerely thank all of you for future through their support, especially to our esteemed stakeholders and dedicated employees who inspire and support us in our efforts.

Sincerely,
Necat Altın
The President of Zorlu Holding Textile Group

CORPORATE IDENTITY

7

About Us

8

Vision & Mission

9

History

11

Corporate Governance

12

Economic Value Created

14

Sales and Marketing Activities

15

Products

16

Brands

20

Memberships and Collaborations

23

Certificates

24

Awards

Corporate Identity

ABOUT US

Zorlu Textile Group operates in five continents and is growing at a rapid pace every year in the home textile industry with more than 4,800 employees and a closed production area of 800,000 m².



As a subsidiary of Zorlu Textile Group, Korteks was established in 1989 in Bursa to meet the high quality polyester yarn needs of the Turkish textile industry. Today, it produces filament yarn in 3 plants and 7 production units with a production area of 360,000 m² and an annual production capacity of 200,000 tons.

Korteks is among the leading production facilities in Türkiye, particularly in the field of technical textiles. All of its production facilities are designed to produce qualified and distinctive filament yarns such as “high count & micro count”. It is Europe’s largest integrated and innovative polyester yarn production centre. Korteks delivers quality, efficient, fast and direct service to its customers with 3000 different types of yarns used in a wide range of applications from home textiles to automotive products and outdoor applications. This wide product range enables Korteks to offer a variety of quality solutions to different industries. Korteks, which provides 17% of Türkiye’s yarn needs by supplying 85% of its total production to the domestic market, exports to more than 60

countries and 5 continents, including Germany, England, Italy, Spain, USA, Canada, Egypt, Algeria, Brazil, Mexico and South Africa. Korteks, with a turnover of USD 227,500,000 at the end of 2023, has managed to maintain employment despite the challenging conditions. Korteks, which produces more than 274,000 tons of yarn with almost 2,000 employees, has an export value of USD 39,000,000.

TAÇ İPLİK brand polyester products within Korteks include various products such as chips, POY, FDY, texture, elastane coating and twisted yarn. These competitive products are used in upholstery, carpet, towel, medical, fleece, sofa, ceiling, floor, top and sportswear.

Zorluteks is a leading company in the textile industry. The company has world renowned brands that produce curtains and home textile products in its home textile production facilities.



With a closed production area of 230,276 m², the company’s home textile production facilities use innovative technologies to produce a total of 96 million meters of various home textile products such as duvet covers, pique sheets, pillowcases, bed sheets, fitted sheets, tablecloths, bedspreads, cotton curtain fabrics and towels annually.

In addition, TAÇ, with its 60,000 m² area and modern machinery park, meets the demand of the domestic market with its brands such as Linens and contributes to the economy of Türkiye by exporting to various regions of the world, especially the USA, Europe and Russia. By the end of 2023, the export rate is approximately 50%. Zorluteks owns one of the most modern and largest integrated textile facilities with high production capacity, production power, superior product quality and environmental and employee health-friendly working conditions.

Corporate Identity

VISION & MISSION

Zorlu Holding, which incorporates the Zorlu Textile Group, is working to make sustainability a way of doing business through its Smart Life 2030 sustainability vision, to realise the dream of a better future fueled and nourished by innovation and technological advancement by designing a smarter life for its stakeholders and creating lasting value. In this long-term journey, the Smart Life 2030 vision is shaped around three main axes: “Employees”, “Environment” and “Society”. Zorlu Textile Group, a home textile manufacturer and exporter, has adopted the concept of “Regenerative Textile for Nature and Human” with the aim of a livable future and aims to contribute to the self-renewal capacity that is a feature of nature.



VISION

Our aim is to further consolidate our position as the market leader in our sector in Türkiye and to ensure sustainable growth by creating new areas of application and becoming the brand of choice in global markets.



MISSION

We enhance our expertise and knowledge in our field by investing in advanced technology and training. In doing so, we aim to increase our product versatility and produce innovative, high quality products. We are committed to environmental and social responsibility and our aim is to satisfy our customers while maintaining this awareness.

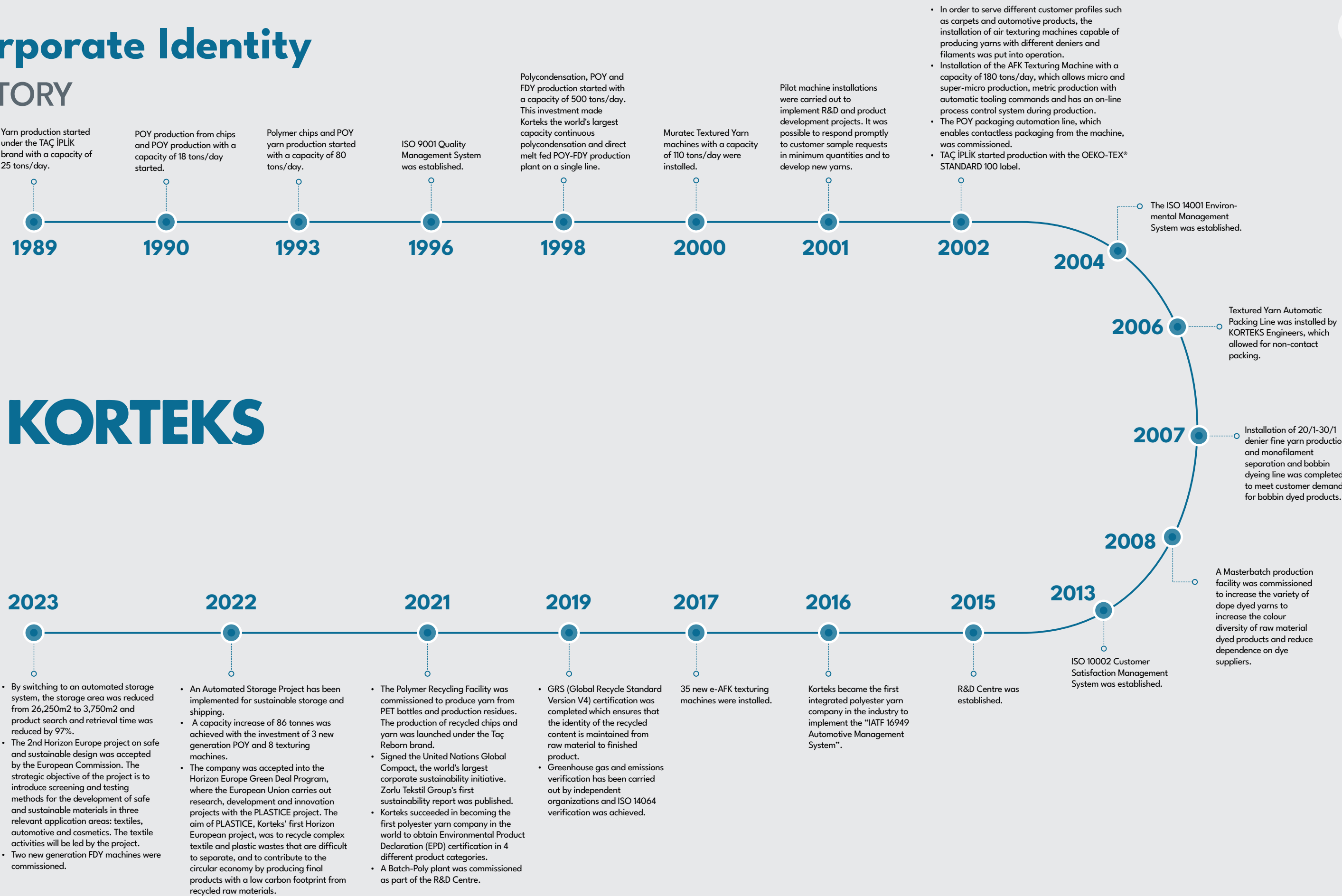


THE VALUES OF KORTEKS AND ZORLUTEKS

Zorlu Textile Group maintains the activities that it performs under the supervision of Zorlu Holding, in line with the values set out by Zorlu Holding.

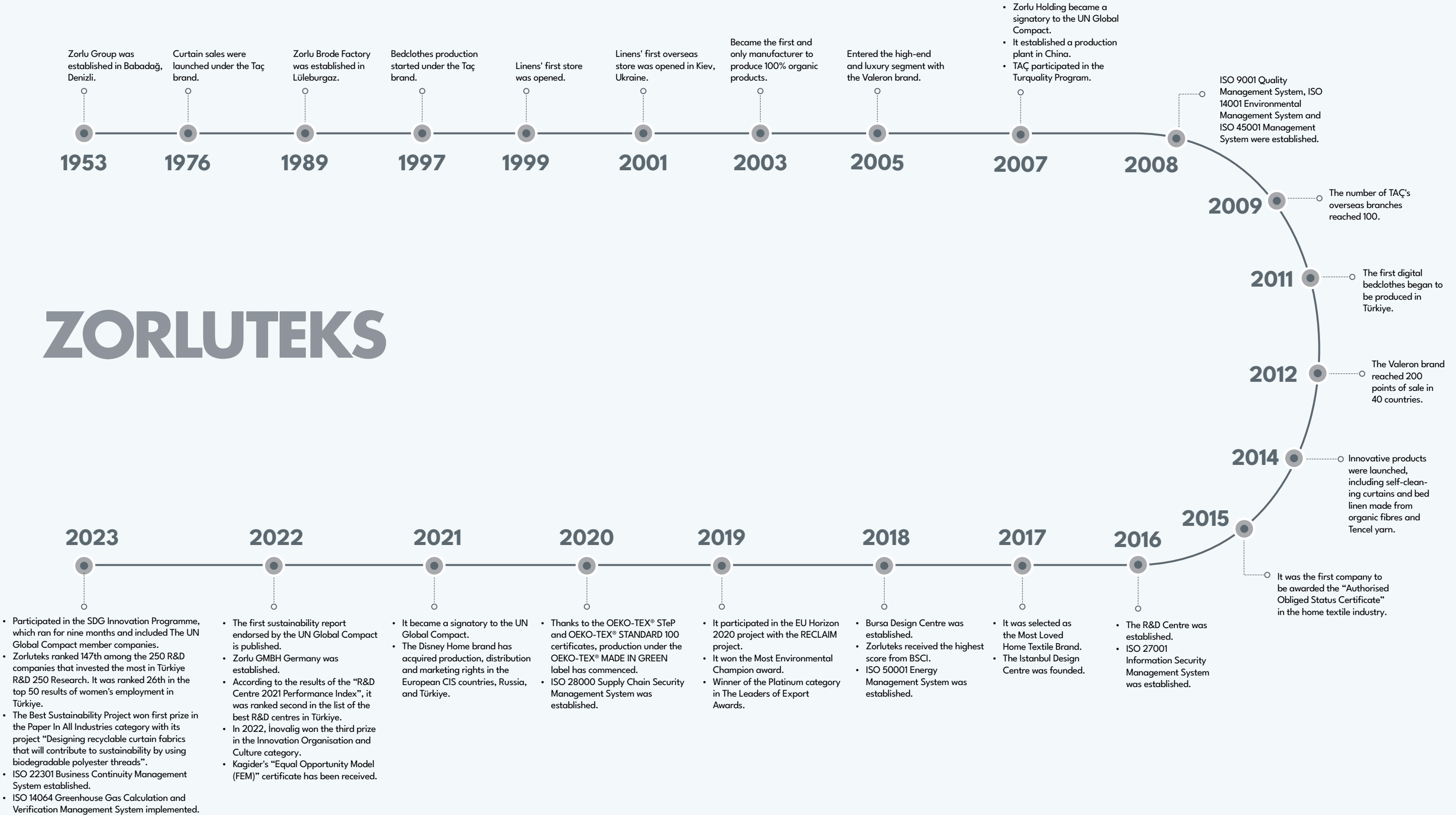
Corporate Identity

HISTORY



Corporate Identity

HISTORY



Corporate Identity

CORPORATE GOVERNANCE

There is a Textile Group Board of Directors, a Sustainability Committee, an R&D and Innovation Committee and a Corporate Governance Committee. In addition, follow-up is provided by the relevant Sector Directorates under the headings of Audit, Risk, Strategy and Investment.

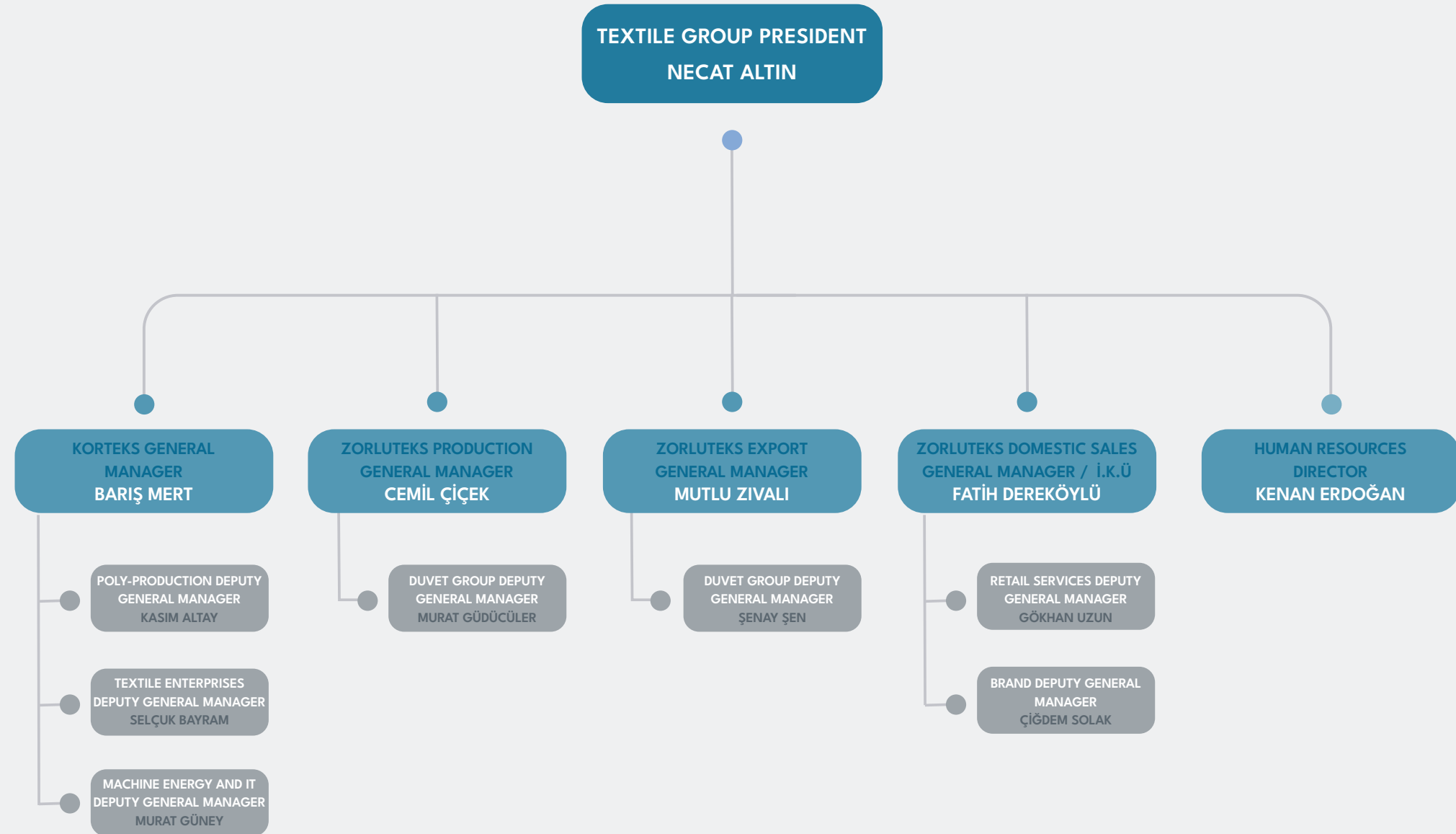
Zorlu Textile Group operates under Zorlu Holding. It is managed by Korteks Production General Directorate, Zorluteks Production General Directorate, Zorluteks Export General Directorate and Zorluteks Domestic Market General Directorate, which report to the Sector President.

In our companies with two main lines of business, Korteks and Zorluteks, monthly budget control meetings are held under the chairmanship of the Sector President to discuss decisions on the implementation of processes. All relevant functional and senior managers attend the meetings and report on their activities.

In addition, issues are evaluated at regular process evaluation meetings, such as Planning Meetings, Quality Meetings, Sales Meetings, Environmental and Health and Safety Board Meetings, and are escalated in order of importance to the monthly budget meeting, committee meetings and, at the highest level, the Board of Directors.

To inform management and stakeholders and to measure process performance, various reports are generated from many software infrastructures, especially SAP, and reported on regularly.

ZORLU TEXTILE GROUP ORGANIZATION CHART



Corporate Identity

ECONOMIC VALUE CREATED

KORTEKS

Direct Economic Value Created (TRY)	2021	2022	2023
Net Sales	3,478,280,071.22	5,829,886,918.67	5,514,897,487.59
Financial Return	3,204,413,588.14	3,562,808,428.07	6,474,780,399.32
Income	6,682,693,659.36	9,392,695,346.74	11,989,677,886.91
Distributed Economic Value (TRY)	2021	2022	2023
Cost of sales (Including operational expenses.	2,094,151,627.87	3,987,377,921.06	3,781,500,656.70
Employee wages and benefits	280,991,319.02	528,801,223.49	998,198,751
Ordinary and Extraordinary Expenses and Losses arising from Other Operations	291,800,672.1	239,528,652.9	152,529,691.64
Financial Expenses	2,430,091,808.96	2,796,098,363.26	6,284,963,743.63
Expenses	5,097,035,427.94	7,551,806,160.68	11,217,192,842.97
Remaining Economic Value (TRY)	2021	2022	2023
Incomes	6,682,693,659.36	9,392,695,346.74	11,989,677,886.91
Expenses	5,097,035,427.94	7,551,806,160.68	11,217,192,842.97
Remaining Economic Value	1,585,658,231.42	1,840,889,186.06	772,485,043.94

ZORLUTEKS

Direct Economic Value Created (TRY)	2021	2022	2023
Net Sales	2,310,357,551	4,147,805,327	5,226,395,469
Financial Return	2,851,205,320	3,367,247,842	6,406,333,219
Income	5,161,562,870	7,515,053,168	11,632,728,689
Distributed Economic Value (TRY)	2021	2022	2023
Cost of sales (Including operational expenses.	1,788,835,371	3,011,238,354	3,484,333,470
Employee wages and benefits	297,892,910	601,240,514	1,142,224,412
Ordinary and Extraordinary Expenses and Losses arising from Other Operations	606,915,413	778,596,170	1,170,386,976
Financial Expenses	1,734,912,619	1,926,231,559	3,331,967,789
Expenses	4,428,556,313	6,317,306,597	9,128,912,647
Remaining Economic Value (TRY)	2021	2022	2023
Incomes	5,161,562,870	7,515,053,168	11,632,728,689
Expenses	4,428,556,313	6,317,306,597	9,128,912,647
Remaining Economic Value	733,006,557.00	1,197,746,571.00	2,503,816,042.00

Corporate Identity

ECONOMIC VALUE CREATED

THE AMOUNT OF PRODUCTION

KORTEKS



THE AMOUNT OF PRODUCTION KORTEKS (TONS)		
2021	2022	2023
506,397	403,823	273,632

ZORLUTEKS



THE AMOUNT OF PRODUCTION ZORLUTEKS (TONS)		
2021	2022	2023
39,910	33,175	25,058

The capital of Zorluteks is TRY 395,000,000 and its sole shareholder is Korteks, holding a 100% stake in the company.

Corporate Identity

SALES and MARKETING ACTIVITIES

Zorlu Textile Group, which has demonstrated its worth in the Turkish textile market, has not limited itself to the domestic market, but has also carried out export and marketing activities for textile products in countries in Europe, the Americas and the Arab world, and especially in neighbouring countries where the distribution of products is more convenient.

Korteks develops a wide range of products for the automotive industry and offers a fast, reliable and flexible service by involving the customer in the processes from product design to mass production. Today, Korteks has many customers in Türkiye and abroad who are fabric manufacturers and with their assistance, Korteks fabric products are used in the projects of the biggest automotive brands.

Zorluteks is a globally recognized leader in the production and marketing of curtain and home textile products. With a long-standing history, Zorluteks exports to a variety of regions including neighbouring countries, Europe, the Americas, and Russia, as well as the domestic market. In addition to producing for brands such as Valeron, Taç and Linens, one of Türkiye’s leading brands, it also produces duvet sets and curtains embellished with many world-renowned characters, from Barbie to Spider Man and Disney characters, in the licensed products market.



Corporate Identity

PRODUCTS



KORTEKS



KORTEKS PRODUCTS

- Polyester Yarn (Sports Wear, Ready-to-Wear)
- TAÇ REBORN®; Recycled Polyester Yarn (rPET)
- Automotive Textiles
- Effect Yarns
- TAÇ PBT

KORTEKS INNOVATIVE PRODUCTS

- TAÇ BIOLOOP®
- TAÇ FLAME RETARDANT
- TAÇ ANTISTATIC
- TAÇ HYBRID YARN
- TAÇ THERMAL TOUCH
- TAÇ INFRARED
- TAÇ EASY DYED
- TAV UV RESISTANT
- TAÇ CLEAN GUARD ®
- TAÇ FLUORESCENT
- TAÇ CUT RESISTANT

ZORLUTEKS



ZORLUTEKS PRODUCTS

- Bed Textile (Duvet, Sheet, Pillowcase, Bedspread, Throw, Blanket, Pillow, Quilt, Mattresses)
- Bathroom Group (Towel, Bath robe, Family set, Bath accessories, Laundry basket, Laundry mop)
- Licensed Products (Duvet Covers, Quilts, Bedspreads, Decorative Pillows, Baby Muslin Products, Baby Kitchen Set)
- Tableware and Kitchenware Group (Tablecloth, Plate, Tray, Jar, Cup, American Service)
- Roller blinds, Fabric curtain and Curtain Accessories

ZORLUTEKS INNOVATIVE PRODUCTS

- TAÇ REBORN® ECO DESIGN DUVET COVER SET
- TAÇ REBORN® ORGANIC SATIN DUVET COVER SET
- TAÇ SELF-CLEANING ROLLER BLIND
- TAÇ AIR-CONDITIONED BLANKETS
- TAÇ CURTAINS WITH LED LIGHTING
- TAÇ PULL TO REVIVE
- TAÇ NEW GENERATION ROLLER BLIND SYSTEM
- TAÇ MISS CURTAIN
- TAÇ GLOW CITY NIGHTS
- TAÇ GLOW CLUB BEDDING SET
- TAÇ GLITTER EFFECT PRODUCTS
- TAÇ ANTIBACTERIAL BEDDING SET
- TAÇ ION THERAPY BEDDING SET/QUIL

Corporate Identity

BRANDS



TAÇ İPLİK

TAÇ İplik, among the most preferred leading brands worldwide and in Türkiye with its qualified, high quality polyester yarn products that comply with sustainability criteria and have technical textile features, is produced by Korteks, Europe's largest integrated polyester yarn manufacturer. By offering a total of 3,000 types of yarn, TAÇ İplik alone provides 17% of Türkiye's yarn needs. TAÇ İplik, which has nearly 250 customers abroad, exports to 50 countries in 5 continents, including Germany, Belgium, England, France, Poland, Italy, Spain, USA, Canada, Egypt, Mexico and South Africa.

TAÇ İplik products are used in many different sectors, particularly in upholstery, carpet, towel, medical, fleece, top and sportswear, outdoor and automotive fabrics.

TAÇ

The foundations of the TAÇ brand were laid in the Babadağ district of Denizli, which has been a traditional centre for textile-related trade activities since the early civilizations of Türkiye. In 1980, the Zorlu family, who had a keen interest in home decorating, merged their highly acclaimed products, which had been engraved in the minds of consumers with their superior quality and rich variety, under the TAÇ brand. TAÇ operated mainly within Türkiye until 1997, when it began to offer services abroad with its increased capacity as a result of its commitment and remarkable growth. Today, TAÇ owns the largest integrated production facilities in Europe, operates with state-of-the-art technology that can compete with European brands, and is a leading brand both in Türkiye and abroad. Taç delivers its services through 31 central stores and 1,698 different points of sale in Türkiye, as well as 120 stores and 735 points of sale in 24 countries worldwide.

According to research conducted by Ipsos Brand Health, TAÇ has 99% brand awareness. Based on the same survey, TAÇ is positioned as a leader brand in terms of both satisfaction and favourite brand compared to its competitors, and is also the market leader in terms of brand value.



Corporate Identity

BRANDS

LINENS

The Linens brand, developed with an innovative and pioneering approach to retailing, was launched by Zorluteks and succeeded in becoming the first Turkish brand in the home textile chain store segment.

Linens offers consumers high quality and modern home textile products through its 74 stores in 28 provinces of Türkiye and 9 stores in 5 countries abroad. Linens is renowned for its “Service from A to Z” approach and its “Home Beauty Center” slogan, which is based on “specialization” and “differentiation” by breaking the traditional marketing patterns of the home textile industry.



Corporate Identity

BRANDS



VALERON

Starting from its logo to its designs, Valeron, taking an unconventional and idiosyncratic approach, creates its collections inspired by the philosophy of “being exceptional and stylish in home textiles”.

It stands out from the crowd with unique fabric, colour, and pattern alternatives. Valeron appeals to refined tastes and distinguishes itself in home textiles with its simple and elegant designs, offering “accessible luxury”. Valeron’s Personalized Collection offers you the opportunity to customize your style according to your preferences by tailoring it with your desired measurements and details. Valeron, which initially made its mark in the European home textiles market, is also available to consumers in selected Linens stores in Türkiye, besides the Zorlu Centre store. Valeron has received considerable international attention, particularly in countries such as the United States and Europe, as well as in Central Asian, Middle Eastern, and Far Eastern countries. Valeron caters quality and exceptional style to homes all over the world.



Corporate Identity

BRANDS

DISNEY

Zorluteks has acquired the production, distribution, and marketing rights in Europe, the CIS and Türkiye for the Disney Home brand, which was created by Disney and is known worldwide today.

Under the provisions of the agreement signed by Zorluteks and several countries, including Germany, France, Italy, England, Spain and South Africa, Zorluteks is responsible for the production, sales and marketing of all licensed home textile products belonging to dozens of characters such as Disney, Marvel and Lucas, in a much wider geographical scope.



Corporate Identity

MEMBERSHIPS and COLLABORATIONS - KORTEKS

RELEVANT STAKEHOLDER	ROLE OF KORTEKS	OUTPUT ACHIEVED	SDG REFERENCE
BOSİAD (Bursa Organized Industrial Zone Industrialists and Businesspeople Association)	Member	Active Representation in the BOD, Active Participation in Many Working Groups	<div><div>7</div><div>8</div><div>9</div><div>10</div><div>12</div><div>13</div><div>17</div></div>
Bursa Commodity Exchange	Member	Active Participation	<div><div>12</div><div>16</div><div>17</div></div>
Bursa Chamber of Trade and Commerce	Member	Active Participation	<div><div>12</div><div>16</div><div>17</div></div>
BUSİAD (Bursa Industrialists and Businesspeople Association)	Member	Active Participation	<div><div>12</div><div>16</div><div>17</div></div>
CIRFS (European Man-Made Fibres Association)	Member	Active Representation, Commenting	<div><div>12</div><div>16</div><div>17</div></div>
EPD International	Member	Regular Reporting	<div><div>16</div><div>17</div></div>
EUROTEX	Member	Project Development	<div><div>16</div><div>17</div></div>
Gs1 Türkiye Foundation	Member	Platform	<div><div>12</div><div>17</div></div>
IVC-Ev	Member	Member	<div><div>16</div><div>17</div></div>
İstanbul Chamber of Commerce	Member	Active Participation	<div><div>12</div><div>16</div><div>17</div></div>
İstanbul Chamber of Industry	Member	Active Participation	<div><div>12</div><div>16</div><div>17</div></div>
İTKİP (İstanbul Textile and Apparel Exporters' Association)	Member	Active Representation in the BOD	<div><div>12</div><div>16</div><div>17</div></div>

RELEVANT STAKEHOLDER	ROLE OF KORTEKS	OUTPUT ACHIEVED	SDG REFERENCE
KALDER (Turkish Quality Association)	Member	Active Participation	<div><div>17</div></div>
ASSOCIATION OF SIGNATORIES TO THE GLOBAL COMPACT (UNGC)	Signatory	Active Member in Diversity and Inclusion, Energy, Environment and Climate, Sustainable Finance and Gender Equality Working Groups	<div><div>5</div><div>7</div><div>8</div><div>9</div><div>10</div><div>12</div><div>13</div><div>17</div></div>
SUSEB (Artificial Synthetic Yarn Producers' Association)	Founding Member	Active Representation in the BOD	<div><div>12</div><div>16</div><div>17</div></div>
TETSİAD (Turkish Home Textile Association)	Founding Member, Active Representation in the BOD	Active Participation	<div><div>12</div><div>16</div><div>17</div></div>
Textile ETP	Member	Active Representation, Commenting	<div><div>16</div><div>17</div></div>
TURKTRADE (Foreign Trade Association of Türkiye)	Founding Member, Active Representation in the BOD	Active Representation in the BOD, Active Participation to Support Sector Development and Regulation	<div><div>16</div><div>17</div></div>
TÜSİAD (Turkish Industry and Business Association)	Member	Active Participant in Environment and Climate Change, Circular Economy and Waste Management Working Groups	<div><div>7</div><div>8</div><div>9</div><div>12</div><div>13</div><div>17</div></div>
UİB (Uludağ Textile Exporters' Association)	Member	Active Participation	<div><div>12</div><div>16</div><div>17</div></div>
UPB (International Patent Association)	Member	Member	<div><div>16</div><div>17</div></div>
URTEB (International Competition and Technology Association)	Member	Active Participation	<div><div>12</div><div>16</div><div>17</div></div>

Corporate Identity















MEMBERSHIPS and COLLABORATIONS - ZORLUTEKS
















RELEVANT STAKEHOLDER	ROLE OF ZORLUTEKS	OUTPUT ACHIEVED	SDG REFERENCE
United Brands Association	Member	Active Participation	 
Bursa Organized Industrial Zone	Member	Active Participation	  
Bursa Chamber of Commerce and Industry	Member	Active Participation	 
Büyükkarıştıran Organized Industrial Zone	Member	Active Participation	  
Denizli Chamber of Commerce	Member	Active Participation	 
GLOBAL REPORTING INITIATIVE STG.	Member	Regular Reporting	 
GOOGLE IRELAND LTD.	Member	Advertising Platform Service	
Gs1 Türkiye Foundation	Member	Platform	 
HİGG CO LLC	Member	Assessment	        
İstanbul Chamber of Industry	Member	Active Participation	 
İTKİP (İstanbul Textile and Apparel Exporters' Association)	Member	Active Representation in the BOD	  

RELEVANT STAKEHOLDER	ROLE OF ZORLUTEKS	OUTPUT ACHIEVED	SDG REFERENCE
İstanbul Chamber of Commerce	Member	Active Participation	 
KalDer (Turkish Quality Association)	Member	Active Participation	
KARİYER-NET	Member	Active Participation	 
Chain Retailers' Association	Member	Member	 
KKB (Credit Reference Agency)	Member	Automated Reporting Platform for Financial Data	
ASSOCIATION OF SIGNATORIES TO THE GLOBAL COMPACT (UNGC)	Signatory	Active Member in Diversity and Inclusion, Energy, Environment and Climate, Sustainable Finance and Gender Equality Working Groups	       
LINKEDIN IRELAND	Member	Active Participation	 
Lüleburgaz Chamber of Commerce and Industry	Member	Active Participation	 
Central Securities Depository & Trade Repository of Türkiye	Member	Depository Platform for Share Distribution	
Sabancı University Inovent Inc. - Member – Project Development	Member	Project Development	 
Sosyo Plus Information Technologies	Member	On-Site Service and Marketing Service	

Corporate Identity

MEMBERSHIPS and COLLABORATIONS - ZORLUTEKS

RELEVANT STAKEHOLDER	ROLE OF ZORLUTEKS	OUTPUT ACHIEVED	SDG REFERENCE
ŞİKAYETVAR.COM	Member	Regular Reporting	 
Tegep Taining and Development Platform	Member	Active Participation	    
The European Technology Platform For-Belgium	Member	Project Development	 
TOG (Community Volunteers Foundation)	Member	Active Participation	    
TÜBİTAK-BİLGEM (Center of Research for Advanced Technologies of Informatics and Information Security)	Member	Project Development	 
TEV (Turkish Education Foundation)	Member	Active Participation	    
TÜSİAD (Turkish Industry and Business Association)	Member	Active Participant in Environment and Climate Change, Circular Economy and Waste Management Groups	     
TETSİAD (Turkish Home Textile Association)	Founding Member, Active Representation in the BOD	Active Participation	  

RELEVANT STAKEHOLDER	ROLE OF ZORLUTEKS	OUTPUT ACHIEVED	SDG REFERENCE
TURKTRADE – Foreign Trade Association of Türkiye	Founding Member, Active Representation in the BOD	Active Representation in the BOD, Active Participation in Support of Sector Development and Regulation	 
Uludağ Textile Exporters' Association	Member	Active Participation	 
URTEB (International Competition and Technology Association)	Member	Active Participation	  
Authorized Economic Operator (AEO) Association	Founding Member	Active Representation in the BOD	 
Chain Retailers' Association	Member	Member	  
ZUCDER – Turkish Housewares Association	Member	Active Participation	  

Corporate Identity

CERTIFICATES

KORTEKS

KORTEKS - CERTIFICATES	
ISO 9001 Quality Management System	✓
ISO 10002 Customer Satisfaction Management System	✓
ISO 14001 Environmental Management System	✓
ISO 14064 International Standard for GHG Emissions	✓
IATF 16949 Automotive Quality Management System	✓
Global Recycled Standard (GRS)	✓
OEKO-TEX® STANDARD 100	✓
Enviromental Product Declaration (EPD)	✓
Higg FEM	✓
Higg FSLM	✓
Zero Waste Certificate (Basic Level)	✓
I-REC (International Renewable Energy Certificate)	✓

ZORLUTEKS

ZORLUTEKS - CERTIFICATES			
ISO 9001 Quality Management System	✓	DISNEY	✓
ISO 14001 Environmental Management System	✓	Higg FEM	✓
ISO 14064 International Standard for GHG Emissions	✓	Higg FSLM	✓
ISO 22301 Business Continuity Management System	✓	OEKO-TEX® STANDARD 100	✓
ISO 27001 Information Security Management System	✓	OEKO-TEX® STeP	✓
ISO 28000 Supply Chain Security Management System	✓	Global Organic Textile Standard (GOTS)	✓
ISO 45001 Occupational Health and Safety Management System	✓	Organic Content Standard (OCS)	✓
ISO 50001 Energy Management System	✓	Recycled Claim Standard (RSC)	✓
ISO 14067 Product Carbon Footprint Standard	✓	Global Recycled Standard (GRS)	✓
SMETA (SEDEX)	✓	Authorized Economic Operator Status (AEO/YYS)	✓
BSCI	✓	Zero Waste Certificate (Basic Level)	✓
I-REC (International Renewable Energy Certificate)	✓	KAGİDER Equal Opportunity Model (FEM) Certificate	✓

Corporate Identity

AWARDS



T.R. Ministry of Industry and Technology - Awards Ceremony for Value Creators Awards For The Economy

Korteks was granted the Value Creators for the Economy Award at the Value Creators for the Economy Award Ceremony held by the Ministry of Industry and Technology of the Republic of Türkiye on 21.01.2023.



Türkiye R&D 250 Research

According to the 2022 research results, Korteks is ranked 216th and Zorluteks is ranked 147th among the top 250 companies investing in R&D.

Zorluteks was ranked 26th in the top 50 results for women's employment in Türkiye.



RDCONF International Conference on Design, Research & Development-NIGHTWATCH R&D AND INNOVATION AWARDS 2023

Zorluteks Bursa Design Center won the 1st prize in the category "Best Sustainability Project Paper In All Industries" with its project "Designing Recyclable Curtain Fabrics That Will Contribute to Sustainability Using Biodegradable Polyester Threads".



SUSTAINABILITY BASED APPROACH

26	Zorlu Holding Smart Life
29	Sustainability Strategy and Targets
41	Sustainability Management
45	Quality Management
48	Risk Management
50	Continuous Improvement and Project Management
53	Sustainability in Value Chain
65	Customers
66	Stakeholder Engagement and Communication
69	Materiality Analysis
71	Adaptation to Global Trends

Sustainability Based Approach



Regenerative Textiles for Nature and People

“Embracing the concept of “Regenerative Textiles for Nature and Humanity” with the goal of a liveable future, Zorlu Textile Group prioritizes this approach and aligns its sustainability approach with Zorlu Holding’s “Smart Life 2030” vision.

Within the framework of the United Nations Global Compact (UNGC), to which Zorlu Holding has been a signatory since 2007 and Zorlu Textile Group since 2021, and which is an important essence for sustainable development, we strive to comply with, develop and disseminate 10 principles set out in the issues of human rights, working conditions, the environment and the fight against corruption, and to take direct and indirect initiatives to achieve the Sustainable Development Objectives through different collaborations. Zorlu Textile Group submitted its Communication on Progress (CoP) to the UN Global Compact in 2023.

Zorlu Textile Group’s economic sustainability strategy focuses on the effective management of financial and operational risks to ensure the long-term continuity of business activities. Through studies based on reducing the use of resources and increasing efficiency, this approach fosters economic sustainability.

Sustainability Based Approach

SMART LIFE 2030

Adopting an integrated management system approach, driven by technology and innovation, Zorlu Holding has developed the sustainability vision “Smart Life 2030” with the mission to leave a livable world for future generations and to proactively respond to the risks that are encountered.

With its “Smart Life 2030” strategy, Zorlu Holding has set a series of tangible goals for all of its sub-group companies, including Zorlu Textile Group, for an equal, inclusive, fair and smart future.

This vision aims to create value for stakeholders under the Regenerative Business Models and Human-Centred Ecosystems components. The goal of “Regenerative Business Models” is to achieve net-zero emissions in categories 1-2 by 2030 and in the entire value chain by 2050, in line with the 2053 net-zero target set by Türkiye following the Paris Agreement.

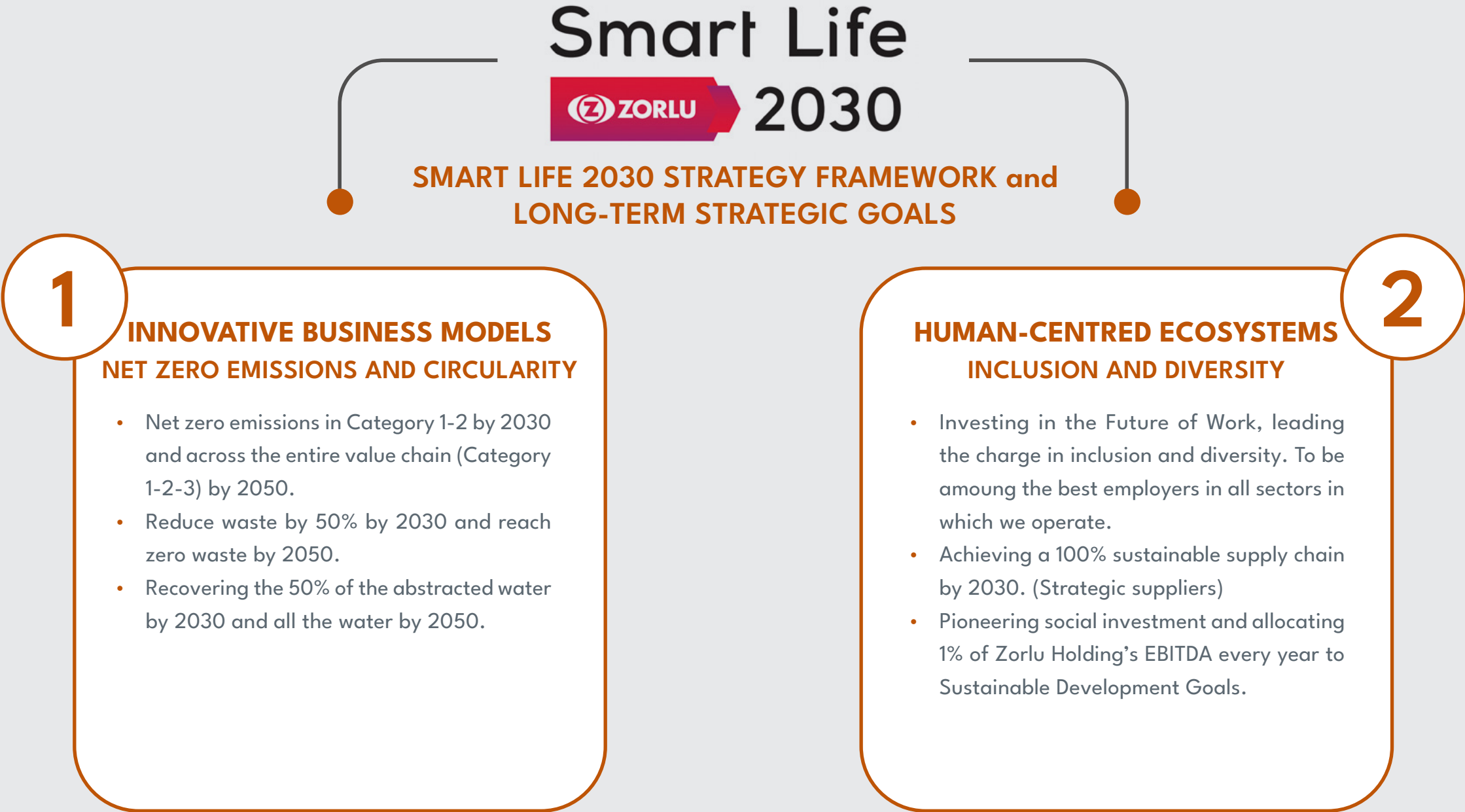
Zorlu Textile Group has designed its business model in line with this vision and continues its activities to achieve its goals. For more information on the Smart Life 2030 sustainability strategy, please visit

<https://www.zorlu.com.tr/akillihayat2030/en/home>.



Sustainability Based Approach

SMART LIFE 2030



Sustainability Based Approach

SUSTAINABILITY STRATEGY AND GOALS

Smart Life
ZORLU 2030

The goals set within the framework of Zorlu Holding's "Smart Life 2030" vision are supported by sub-strategies to be implemented within Korteks and Zorluteks as of 2022.

In this process, roles and responsibilities are assigned to relevant units and the achievement of these goals is monitored through KPIs integrated into the performance evaluation system. As part of its Sustainability Strategy and Goals, Zorlu Textile Group is pioneering activities for the benefit of society in order to meet the needs of present and future generations and improve their living conditions.

The sub-strategies developed within the framework of "Innovative and Regenerative Business Models" and "Human-Centred Ecosystems", which constitute the "Smart Life 2030" strategy, are as follows:

Innovative and Regenerative Business Models: This strategy includes improving operational processes through innovative and sustainable approaches, efficient use of resources and waste reduction targets. In addition, the transition to a circular economy and net zero emissions targets are important components of this strategy.

Human-Centred Ecosystems: This strategy focuses on the social well-being and development of employees, suppliers and other stakeholders. Increasing diversity and inclusion in the work environment, providing equal opportunities and improving employee satisfaction are key objectives of this strategy.



These strategies set the roadmap for Korteks and Zorluteks to achieve their sustainability goals and reinforce Zorlu Tekstil Group's commitment to society and the environment. 34 targets have been set under six main headings in Smart Life 2030.

Sustainability Based Approach

SUSTAINABILITY STRATEGY AND GOALS



Sustainability Based Approach

SUSTAINABILITY STRATEGY AND GOALS



Sustainability Based Approach

SUSTAINABILITY STRATEGY AND GOALS

Smart Life
ZORLU 2030

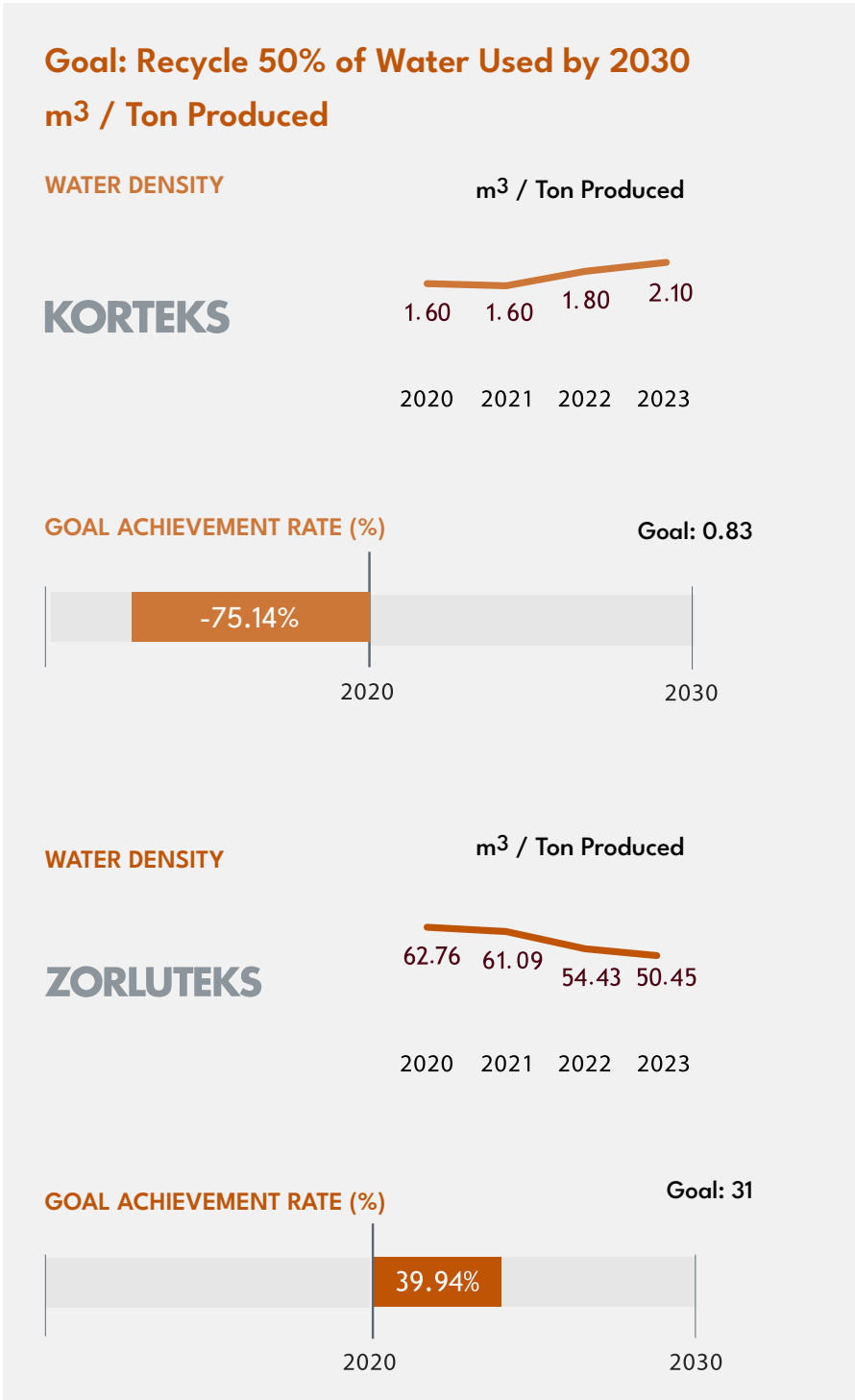
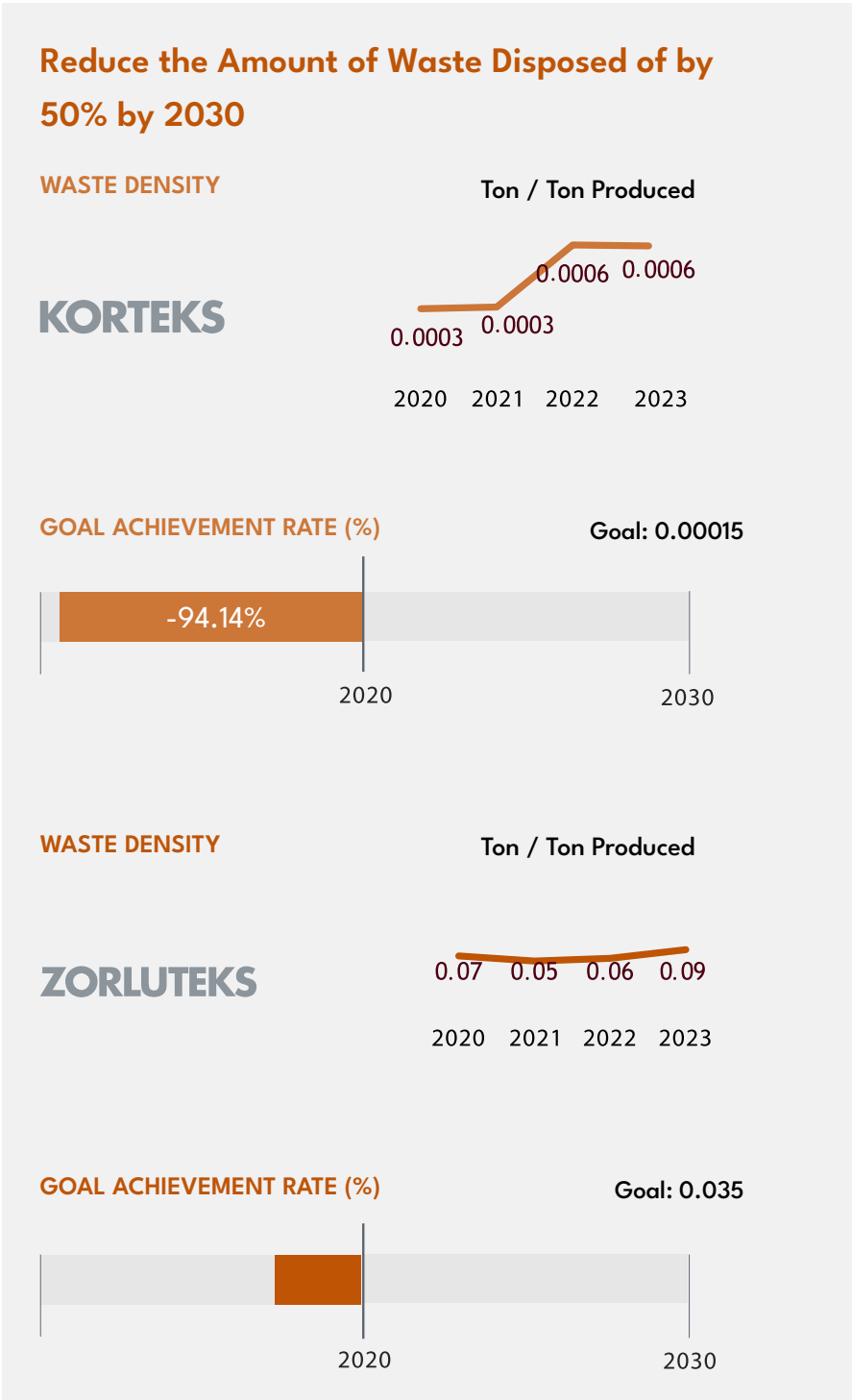
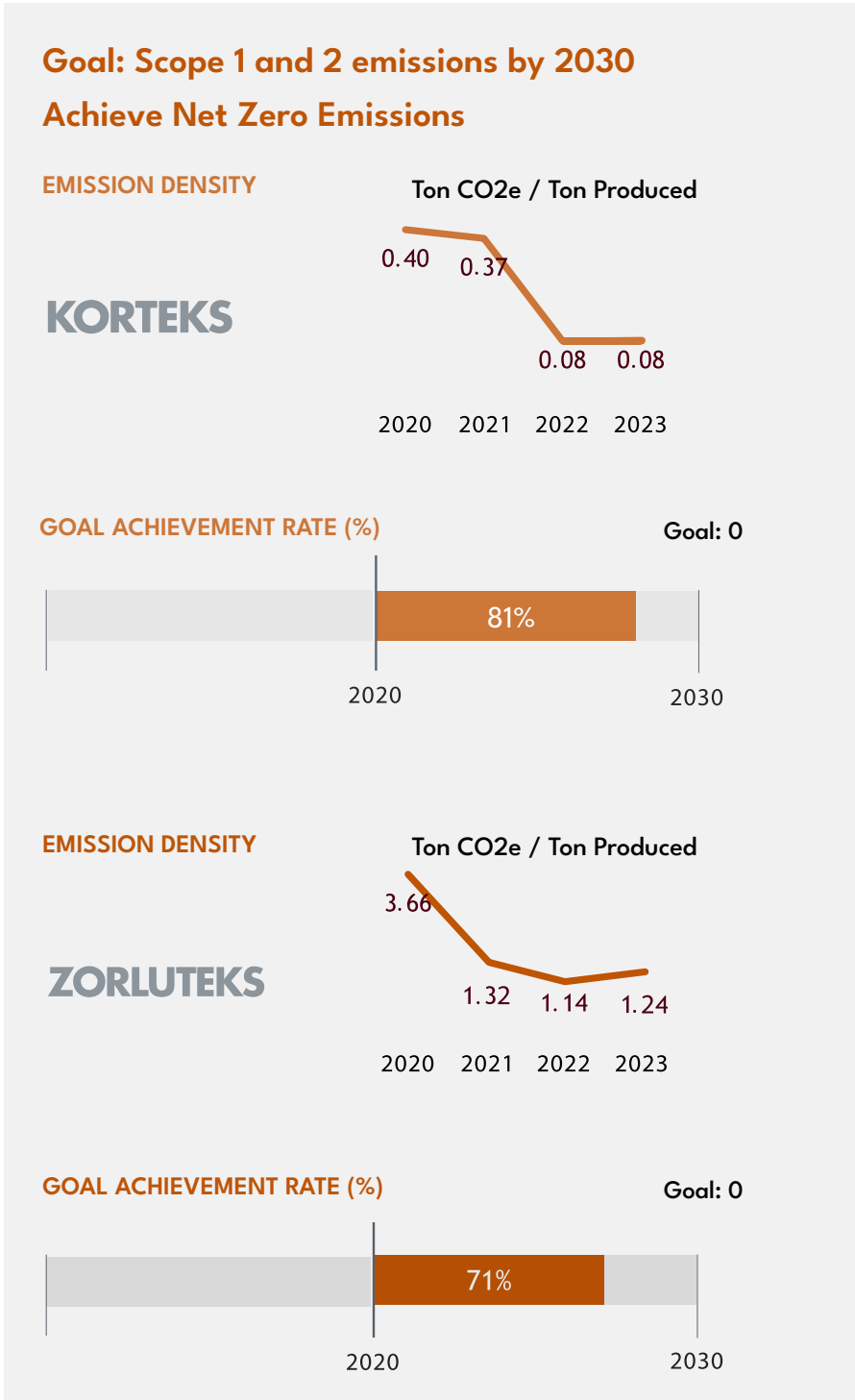
SMART LIFE 2030 STRATEGY FRAMEWORK	STRATEGIC GOALS	OUR PROJECTS CONTRIBUTING TO THE GOALS		SDG REFERENCE
		KORTEKS	ZORLUTEKS	
INNOVATIVE AND REGENERATIVE BUSINESS MODELS NET ZERO AND CIRCULARITY	Net zero emissions in Category 1-2 by 2030 and across the entire value chain (Category 1-2-3) by 2050.	<ul style="list-style-type: none"> • Taç Reborn • Dope dyed yarns • High Energy Efficiency Machinery Modernization Projects • Renewable Energy Certificate 	<ul style="list-style-type: none"> • Taç Reborn • Cleaner Production Screens • Machinery Efficiency Screens • Energy Efficiency Projects • Actions under EU Green Deal harmonization studies • Reclaim • Oxipro 	  
	Reduce waste by 50% by 2030 and achieve zero waste by 2050.	<ul style="list-style-type: none"> • Recycled PES filament yarn • Returnable packaging studies with suppliers 	<ul style="list-style-type: none"> • Caustic Recovery Unit Rehabilitation 	  
	Recover 50% of water withdrawals by 2030 and all water withdrawals by 2050.	<ul style="list-style-type: none"> • Dope dyed yarns 	<ul style="list-style-type: none"> • Reuse of water from the Curtain treatment plant • Care for Water Project 	  
HUMAN-CENTERED ECOSYSTEMS - INCLUSION AND DIVERSITY	Invest in the future of work and be a leader in inclusion and diversity. Be the company of choice for employees in all sectors.	<ul style="list-style-type: none"> • Human Resources Practices • Employee Development Trainings • Employee Satisfaction Survey • Reward/Suggestion System 	<ul style="list-style-type: none"> • Human Resources Practices • SDG Innovation Program • Sustainability Bulletin • Zorluteks Market • Employee Development Trainings • Employee Satisfaction Survey • Reward/Suggestion System 	     
	Have a 100% sustainable supply chain by 2030. (Strategic suppliers)	<ul style="list-style-type: none"> • Sustainable Supply Chain Management System Training and Audits 	<ul style="list-style-type: none"> • Supply Chain Classification (Assessment Procedures) • Sustainable Supply Chain Management System Training and Audits 	 
	To be a pioneer in social investment and allocate 1% of Zorlu Holding's EBITDA to the Sustainable Development Goals every year.	<ul style="list-style-type: none"> • KORKUT • Be a Beacon of Hope with Your Letter Volunteer project • Project Mentor Project • Career events • Career talks 	<ul style="list-style-type: none"> • Tohum Autism Foundation Support Activities • My Sister Mentoring Program • Zorluteks Market • Zorlu Enerji Mentor Meetings • KAÇUV Umut Cafe Project • Career Talks • Volunteering Activities 	   

Sustainability Based Approach

SUSTAINABILITY STRATEGY AND GOALS



Detailed Information on the Progress of Goals



Sustainability Based Approach

SUSTAINABILITY STRATEGY AND GOALS

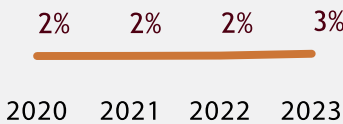


Detailed Information on the Progress of Goals

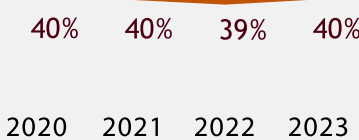
Goal: Become a Leader in Diversity and Inclusion

FEMALE EMPLOYEE RATE (%)

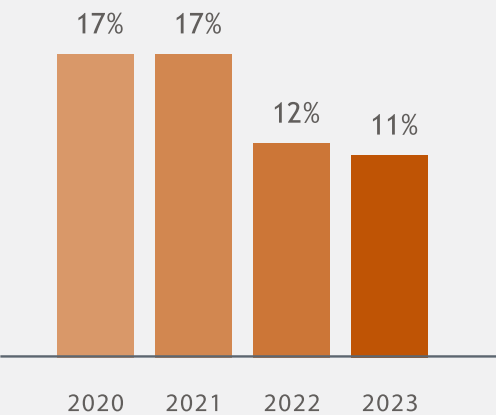
KORTEKS



ZORLUTEKS



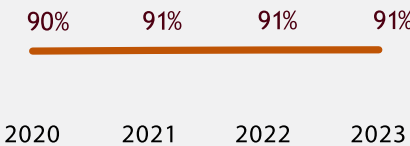
KorteKS and ZorluteKS - Consolidated Percentage of Female Senior Executives (%)



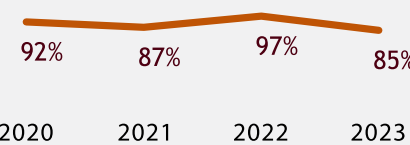
Goal: To Have a Sustainable Supply Chain by 2030

RATE OF LOCAL SUPPLIERS (%)

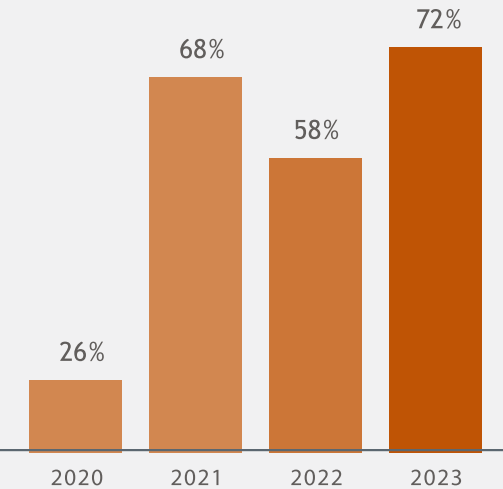
KORTEKS



ZORLUTEKS



KorteKS and ZorluteKS - Ratio of Consolidated Payments Made to Local Suppliers in Total Supplier Payments (%)

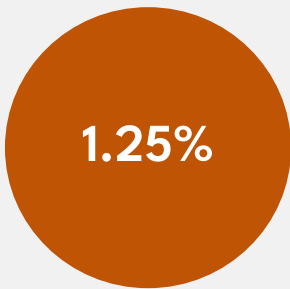


Goal: 1% of EBITDA Allocated to Social Investment

Budget Allocated by Zorlu Textile Group in Social Investments in 2023:

8,141,882 TL

Ratio of this amount to EBITDA:



KORTEKS ZORLUTEKS

Sustainability Based Approach

5P MODEL



“Zorlu Textile Group actively contributes to development goals by adopting the Five Ps approach to sustainability through effective management and transparent dialogue.

The sound structure of Zorlu Tekstil Group is based on the competence of its Board of Directors, effective management systems and transparent dialogue with stakeholders.

The Group aims to contribute to the Sustainable Development Goals using the Five Ps (People, Prosperity, Planet, Peace, Partnership) classification as well as the environmental, social, economic and governance dimensions of sustainability.

Zorlu Textile Group implements its approach to environmental sustainability under the “Clean Production Umbrella”. In this context, it conducts systematic studies on issues such as environmental management, ecological product development and waste management and encourages all its stakeholders in this direction by adopting a sustainable environmental approach.

Accepting the efficient use of natural resources as its business model, the Group has placed environmental values at the centre of its strategies. In addition, it has carried out environmentally friendly activities by creating its own action plan prior to the publication of the Green Deal Action Plan. Environmental management is carried out in accordance with the requirements of the ISO 14001 standard and other environmental certifications.

Zorlu Textile Group is a pioneer in sustainability with its environmental and Human Centric Approach, adopting ethical and transparent management in all its business processes, while rapidly advancing towards its Net Zero goal.

Sustainability Based Approach

KORTEKS

Korteks promotes an ethical, accountable and transparent management approach aligned with the Sustainable Development Goals, and continues its activities by being responsive to the needs of its stakeholders and society.

As part of its Net Zero mission, Korteks is committed to the rapid implementation of protective and compensatory improvement measures and is aware of the impact of its ecological footprint on the planet. While providing quality, reliable products and services to meet the needs of its customers and society, it does not compromise on the protection of local values and the continuity of life, adhering to the goals of sustainable development.

It emphasizes the participation of all stakeholders in the value chain in the sustainability process and takes their expectations into account. It prioritizes the well-being and satisfaction of its colleagues by providing a decent, inclusive and fair working environment and equal opportunities. It invests in their social and cultural development by ensuring their health and safety.

It adopts a holistic approach to risk management and integrates it into all business processes.

“ It conducts all its activities adhering to the Code of Conduct, in compliance with applicable laws and regulations, overseeing a holistic and business management approach, with a perspective of transparency and continuous improvement.



MISSION OF KORTEKS

By achieving net zero, we aim to improve our planet and the lives of all living things on it, and contribute to the well-being of people.

OBJECTIVES OF KORTEKS



Assisting the world in reaching Net Zero

To redesign its processes, operations and products to contribute to the world achieving net zero and improving people’s lives.



Leading KORTEKS to the goal of Net Zero

It aims to develop new low-carbon businesses, products and processes by significantly reducing the carbon in its operations and production.



Protecting the planet

It will advocate the principles of the Sustainable Development Goals and demonstrate transparent leadership.



Improving people’s lives

It aims to be a manufacturing company committed to goals that is trusted by society, valued by all stakeholders and motivating for its employees.

Recognizing that Korteks may not have all the answers, it is willing to listen to and cooperate with others. We firmly believe we have the experience and expertise, the skills and the will to succeed.
Korteks’ sustainability mission and goals were published in 2023.

Sustainability Based Approach

KORTEKS

Korteks has set ESG (Environmental, Social and Governance) targets for employees at the executive level. These targets include environmental indicators such as greenhouse gas emissions, water consumption and waste quantities, as well as social indicators such as accident rates, percentage of female employees and participation in corporate social responsibility projects.

Additionally, targets have been set in areas such as sustainable product sales and supply chain management, which serve as important milestones in Korteks’ sustainability journey. This strategic approach reflects the company’s aspiration to improve its overall sustainability performance and achieve sustainable development goals. Korteks has published its Sustainability Approach 2023.

Korteks embarked on its sustainability journey by providing informative sustainability training to all employees with the Sustainability Journey Seminar in 2022.

KORTEKS’ SUSTAINABILITY APPROACH



We promote and uphold an ethical, accountable and transparent approach to business, consistent with the Sustainable Development Goals, and continue to operate in a manner responsive to the needs of our stakeholders and society.



As part of our Net Zero mission, we are working to rapidly implement protective and compensatory improvements, while being aware of the impact of our environmental footprint on the planet. We seek to raise awareness of Net Zero among our stakeholders throughout the value chain we influence.



While providing high quality, reliable products and services to meet the needs of our customers and society, we never compromise on the protection of local values and the continuity of livelihoods, adhering to the goals of sustainable development.



We emphasize the involvement of all stakeholders in our value chain in our sustainability process and take their expectations into account. In this way, we build long-term and enduring relationships by managing our risks.

The well-being and satisfaction of our colleagues is our priority, and we provide a decent, inclusive, fair working environment and equal opportunities. We invest in their social and cultural development by ensuring their health and safety.



We take a holistic approach to risk management and integrate it into all our business processes.



We conduct all our activities respecting ethical principles, complying with applicable laws and regulations, within a holistic and business management approach, with a perspective of transparency and continuous improvement.



Sustainability Based Approach

ZORLUTEKS

Under the motto “Today for the Tomorrow”, Zorluteks is working to leave a world worth living in for future generations, integrating sustainability at the centre of all business processes and striving to continue to be a part of nature through its work.

Zorluteks, which has been working on the issue of “how to become a more sustainable factory” for years, is developing strategies to maintain both its environmental responsibility and its competitive advantage in the market. Zorluteks, which manages its risks with a proactive approach by closely following the European Green Deal and its roadmaps since the day it was announced, aims to protect natural resources and restore the ecosystem by taking advantage of opportunities. In addition, Zorluteks, whose business model supports the Net Zero business model, complies with the Intergovernmental Panel on Climate Change’s (IPCC) call for action to limit global warming to 1.5°C in order to reduce the effects of climate change.

Environmental values are at the very core of the company’s sustainability strategies, with comprehensive studies on environmental management, climate studies, energy management, circular economy practices, natural resources and waste management, and the protection and enhancement of biodiversity.



To systematically emphasize the importance of setting realistic and measurable targets, improving business processes and taking proactive steps throughout the decarbonization journey, the company will start working on the development of a decarbonization strategy in 2024 and will continue its work with an innovative perspective in line with the goals of the Paris Climate Agreement.

Sustainability Based Approach

ZORLUTEKS

Zorlu Textile Group embraces sustainability at all levels and provides training and awareness to its employees and stakeholders through weekly bulletins.

Zorluteks publishes a weekly Sustainability Bulletin to effectively communicate its sustainability activities and keep sustainability-related developments on the agenda of all employees.

In 2021, Zorluteks’ 200 employees benefited from training on sustainability and the UN Sustainable Development Goals. In 2022, the training was offered to 161 employees, and in 2023 the number of employees reached 919. This trend suggests that the scope of training has expanded and more employees are now being informed and made aware of these important issues.

“ Zorluteks’ Sustainability Bulletin highlights the company’s environmental and social sustainability steps and provides up-to-date and educational content for its employees.



Each week’s content, presented under different headings, helps to spread sustainability awareness among employees by highlighting the company’s sustainability strategies, projects and success stories.

Sustainability Based Approach

ZORLUTEKS

OUR SUSTAINABILITY BULLETIN HEADINGS FOR 2023	
09-13 January 2023 Energy Efficiency Week	United Nations Sustainable Development Report - 2023
What Can Be Done for Resale?	What is Life Cycle Analysis? (YDA)
How Can We Protect Biodiversity with the Circular Economy?	28 July World Nature Conservation Day
Reverse Logistics and Sustainability	HIGG INDEX
2 February World Wetlands Day	OEKO-TEX® STeP
Scope 3 (Categories 3, 4, 5, 6)	What is the El Niño climate phenomenon?
Why is this significant?	Difference Between 1.5°C and 2°C!
Scope 3: Category 3: Emissions from Transport	Regulation on Carbon Border Adjustment Mechanism published
Scope 3: Category 4: Emissions from Purchased Materials	What does ESG stand for?
Digital Carbon Footprint: “E-mail”	16 September International Day for the Protection of the Ozone Layer
SDG Innovation	100th issue of the Sustainability Bulletin Gathering
18 March World Recycling Day	29 September International Day of Awareness of Food Loss and Waste
22 March World Water Day	Zorluteks Sustainability Bulletin is 2 Years Old!
30 March International Day of Zero Waste	15th International Ecotex Symposium
International Renewable Energy Certificate (I-REC)	COP28 (Conference of the Parties)
The Environmental Impact of Food	Zorluteks ranks among the 250 companies that invest the most in R&D!
22 April Earth Day	The 2022 Sustainability Report of the Zorlu Textile Group is Published
Emissions Trading System and Carbon Border Adjustment Mechanism	What is the La Nina climate phenomenon?
European Parliament Adopts Laws to Reduce Emissions!	Our Water Resources are Under Threat
15 May International Climate Day	2023 Emissions Gap Report published
22 May World Biodiversity Day	Sectoral Transformation Panel and Blue-Green Future Workshop
Digital Carbon Footprint: “Internet’	Sustainability Talks 2023
5 June World Environment Day	How did COP28 Dubai End?
8 June World Oceans Day	RDCONF R&D and Innovation Conference 2023
17 June The World Day to Combat Desertification and Drought	Those Leaving Their Mark in 2023
Care for Water	World Overshoot Day

Sustainability Gathering for the 100th Issue

The 100th issue of the newsletter that Zorluteks launched on 08.10.2021 to raise awareness of sustainability and that reaches approximately 500 people with each issue has been published.

On Thursday 21 September, the 100th issue was celebrated and the sustainability agenda was presented by General Manager Cemil Çiçek.



SDG Innovation

Zorluteks participated in the 9-month SDG Innovation Program, which was attended by UN Global Compact member companies.

Over the course of the program, participants were expected to develop a new business model focused on sustainability and contribute to the company’s future vision.



Sustainability Based Approach

SUSTAINABILITY MANAGEMENT

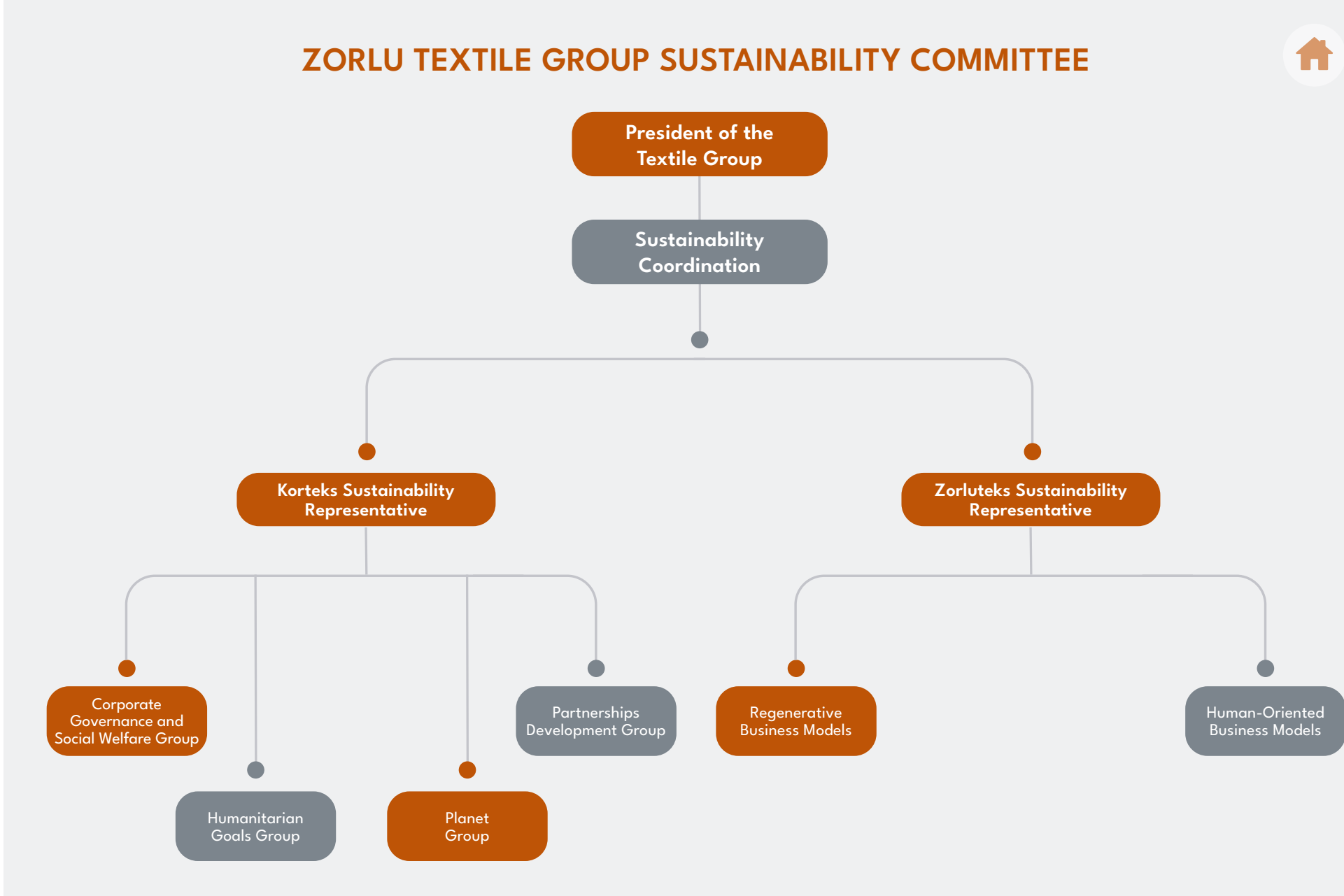
Zorlu Textile Group acts in accordance with the decisions and strategies made by the committees established by Zorlu Holding in carrying out its corporate governance activities.

Zorlu Textile Group incorporates the Textile Group Board of Directors, the Sustainability Committee, the R&D and Innovation Committee and the Corporate Governance Committee. Issues in relevant areas are evaluated in the committees and important issues are recommended to the Textile Group Board of Directors. Important issues relating to audit, risk and strategy are addressed by the Sector President in the relevant committee of Zorlu Holding as deemed necessary and reported as a recommendation to the Board of Directors. The Board of Directors meets every 3 months and the committees meet at least every 6 months and report on the decisions taken.

The Board of Directors consists of the Chairman of the Board of Directors of Zorlu Holding, the Member of the Board of Directors of Zorlu Holding, the CEO of Zorlu Holding and the CFO of Zorlu Holding. The Sector Presidents and General Managers report to the Board on their performance and development in terms of financial performance, functional KPI results, strategies, organizational development and sustainability.

Sustainability Committee: It is represented by two members, consisting of the President of the Textile Sector and the Deputy General Manager for Sustainability of Zorlu Holding. Committee members and participants are informed and recommendations are made to the Board through reports from the Sustainability Coordination Team and Sector Sustainability Representatives. The Sustainability Committee evaluates current legislation, Smart Life performance targets, investment needs and all relevant developments.

Examples of Resolutions: Annual setting and approval of Smart Life KPIs, UNGC sustainability report, social projects, sustainability budget evaluation, ESG score and actions.



The roles and responsibilities of the Committee are as follows:

- Committee Chair:** Provides leadership and guidance in the development of the Textile Group’s sustainability area and strategies.
- Sustainability Coordination Team:** Defines the sustainability strategy, implements, monitors, audits, reviews, improves and develops policies, targets and practices, reports the results and harmonizes Zorlu Holding’s strategies with those of the Textile Group.
- KorteKS Sustainability Representation:** It implements, monitors, audits, reviews, improves and develops KorteKS’ sustainability policies, targets and practices.
- ZorluteKS Sustainability Representation:** It implements, monitors, audits, reviews, improves and develops the sustainability policies, targets and practices of ZorluteKS Lüleburgaz, Hometeks, ZorluteKS Istanbul Branch and ZorluteKS Dokuma companies. Both representations forward all information to the Sustainability Sector Representation. Within this structure, the committee meets every three months and addresses sustainability issues.

Sustainability Based Approach

SUSTAINABILITY MANAGEMENT

Korteks and Zorluteks are committed to the conservation of natural resources and the creation of social value through sustainability, with a focus on innovative business models.

They also support their processes by creating human-centred ecosystems and developing healthy working environments and innovative cultures. Effective corporate communication enables companies to establish solid and strong relationships with their stakeholders and add value to society.

The Zorlu Textile Group Sustainability Committee reports the decisions it makes at each stage of the process to the Zorlu Holding Sustainability Committee, and after reviewing these decisions, they are forwarded back to the Zorlu Textile Group Committee and the process is completed.

As part of this process, planned investments and budgets are presented to the Zorlu Holding Sustainability Committee and budget approvals are obtained if deemed appropriate. Decisions made and activities carried out are communicated to stakeholders through effective communication platforms.



Sustainability Based Approach

SUSTAINABILITY MANAGEMENT

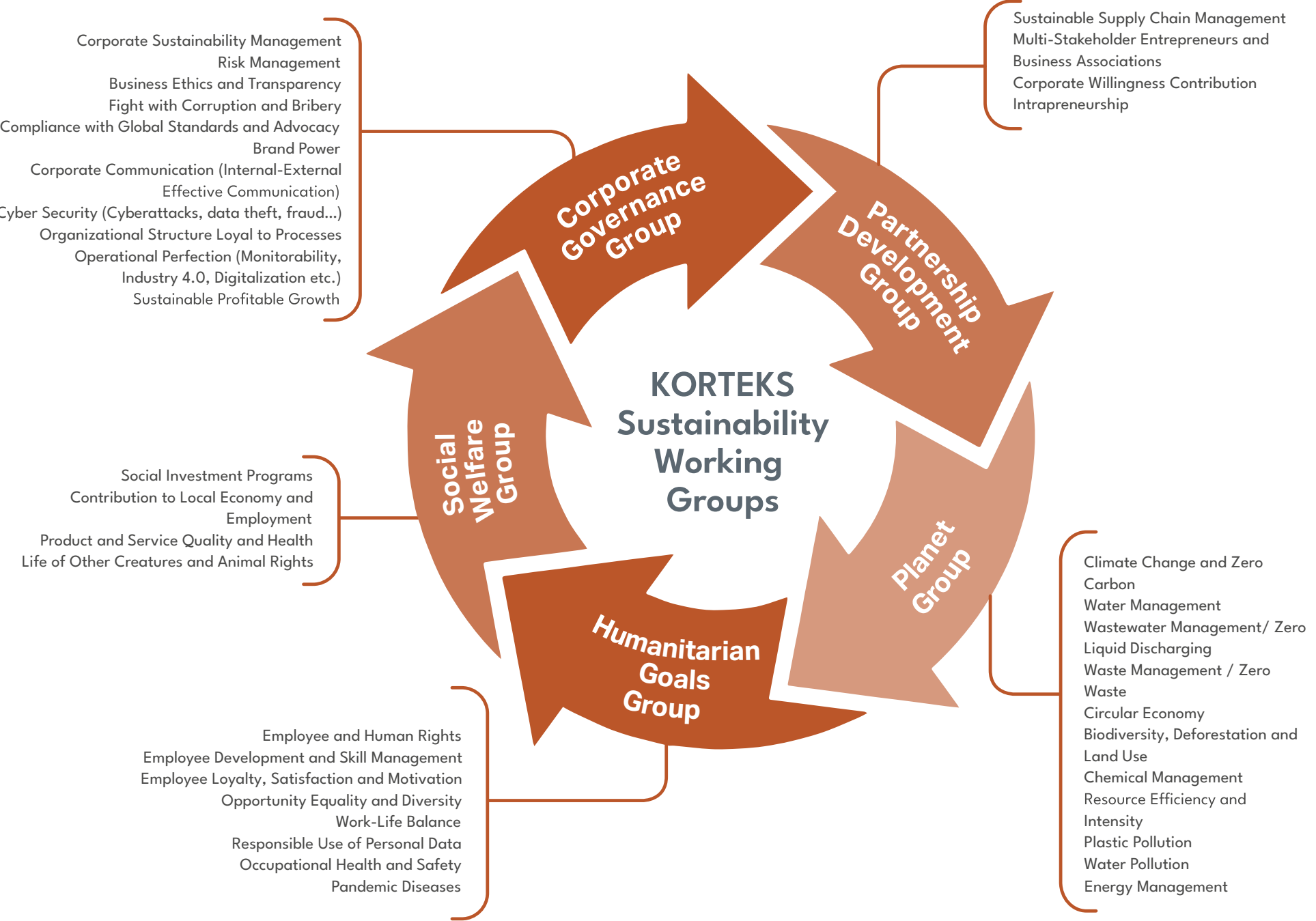
On the basis of sustainability, studies are carried out to determine sub-strategies by establishing KORTEKS Sustainable Working Groups in line with the Smart Life 2030 Strategies and the United Nations Global Compact Goals (UNGC), to which we are a signatory.

Depending on the groups targeted and set aligned with the Global Goals:

The Corporate Governance Group was established to strengthen our corporate structure, The Social Welfare Group was established to strengthen our contribution to society as much as we can, and The Humanitarian Goals Group was established to contribute to an equal, fair and peaceful life for our employees and other people we interact with, The Planet Group was established to pass on our planet to future generations in the cleanest possible way, and The Partnership Development Group was established to achieve all these goals and to find common ground in defending the Global Goals on every platform. Korteks meets on an annual basis and carries out studies with the groups of the Sustainability Committee.

In 2022, a sustainability workshop was held with 365 people and 365 hours of sustainability training were provided in the workshop. After the training, round tables were formed around sustainability working groups and sustainability issues were addressed and 150 sustainability projects were developed. The projects were presented to the head of Korteks Sustainability (Korteks Sustainability Representation).

In 2023, the number of employees receiving training were 875 and 438 hours of sustainability training was provided. The sustainability workshop is planned to be held in 2024.

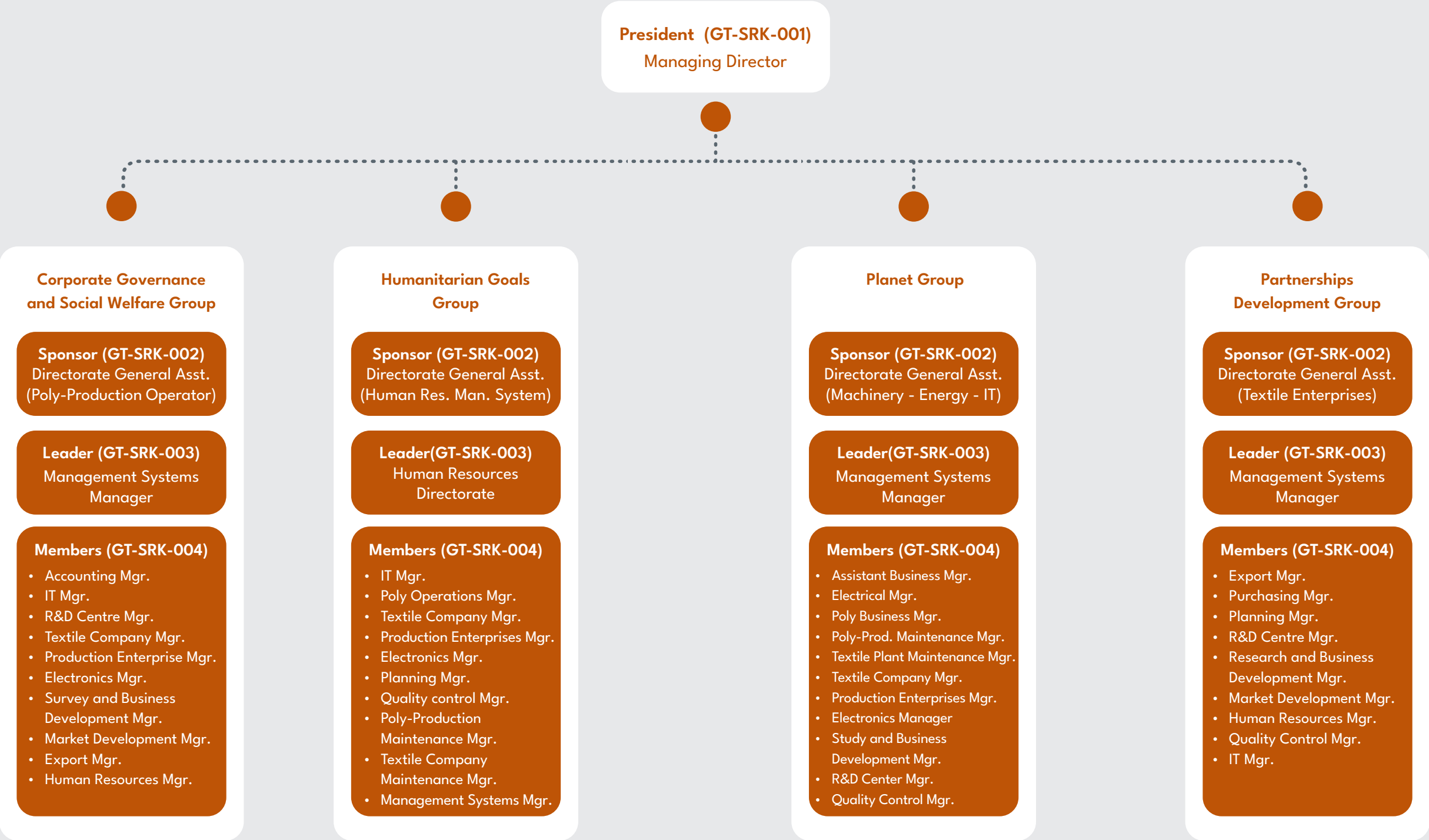


Sustainability Based Approach

SUSTAINABILITY MANAGEMENT



KORTEKS SUSTAINABILITY WORKING GROUPS ORGANIZATION



Sustainability Based Approach

QUALITY MANAGEMENT

Zorlu Textile Group attaches great importance to quality management with an understanding of sustainability and conducts its business processes in accordance with the ISO 9001 Quality Management System standards.

Zorlu Textile Group attaches great importance to quality management as part of its sustainability approach and works to maintain high standards in this field. As a leader in the sector, it conducts its business processes in accordance with international standards, legal regulations and obligations, and has obtained the ISO 9001 Quality Management System Certificate in this regard.

The Group serves its customers without compromising quality and minimizing environmental impact. A more sustainable production process is pursued through the integration of the Smart Life 2030 vision and the Quality Management System, which is constantly reviewed and improved.

The documents in the table below are related to reducing the environmental impact of Zorlu Tekstil Group’s business processes, improving occupational health and safety standards, protecting information security, increasing energy efficiency, upholding workers’ rights and social responsibility, controlling the use of harmful substances, organic or recycled materials. It reflects the commitment to produce products suitable for transformation. These documents support the company’s approach to sustainability and quality.



In 2024, KorteKS aims to obtain both ISO 50001 certificates for energy management systems and ISO 27001 certificates for information security management systems. ZorluteKS will implement the ISO 22301 Business Continuity Management System in 2023.

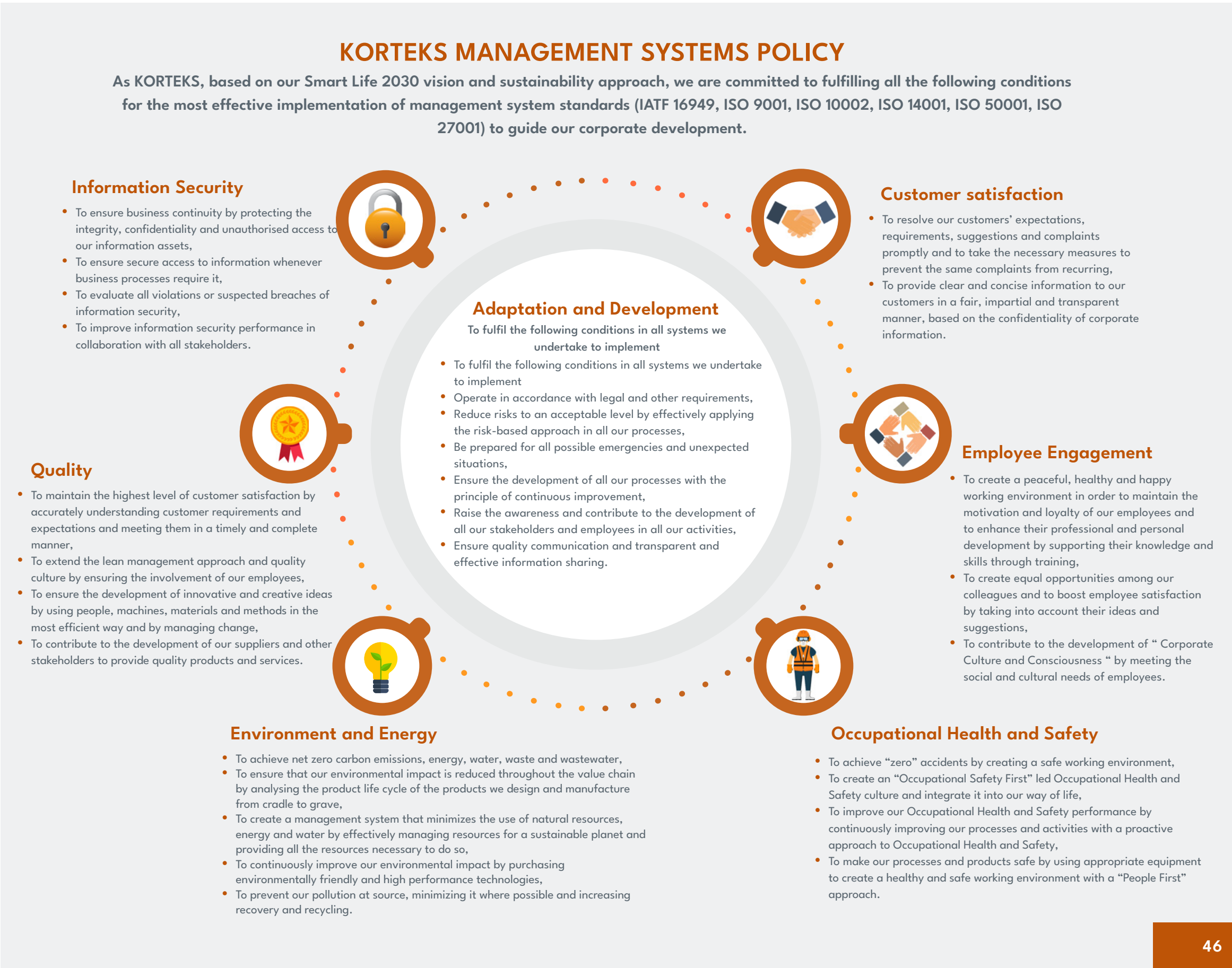
STANDARD/CERTIFICATE TITLE	KORTEKS	ZORLUTEKS
ISO 9001 Quality Management System	👍	👍
ISO 10002 Customer Satisfaction Management System	👍	
ISO 14001 Environmental Management System	👍	👍
ISO 14064 International Standard for GHG Emissions	👍	👍
ISO 14067 Standard for Carbon Footprint of a Product (CFP)		👍
IATF 16949 Automotive Quality Management System	👍	
ISO 22301 Business Continuity Management System		👍
ISO 27001 Information Security Managemrnt System		👍
ISO 28000 Security Management Sysyem for Supply Chain		👍
ISO 45001 Occupational Health and Safety Management System		👍
ISO 50001 Energy Management System		👍
Higg FEM	👍	👍
Higg FSLM	👍	👍
Zero Waste Certificate (Basic Level)	👍	👍
Authorized Economic Operator Status (AEO/YYS)		👍
OEKO-TEX® STeP		👍
SMETA (Sedex)		👍
BSCI		👍
I-REC (International Renewable Energy Certificate)	👍	👍
STANDARD/CERTIFICATE TITLE	KORTEKS PRODUCTS	ZORLUTEKS PRODUCTS
OEKO-TEX® STANDARD 100	👍	👍
Global Organic Textile Standard (GOTS)		👍
Organic Content Standard (OCS)		👍
Recycled Claim Standard (RSC)		👍
Global Recycled Standard (GRS)	👍	👍
Environmental Product Declaration (EPD)	👍	
DISNEY		👍

Sustainability Based Approach

QUALITY MANAGEMENT

Korteks adopts a systematic approach to effectively implement the Quality Management System process and ensure continuous improvement.

Several programs and projects have been developed to support more sustainable, innovative and higher quality production and management processes. Korteks’ Management System Policy has been revised by adding ISO 50001 and ISO 27001 articles. The purpose of these programs and projects is to improve Korteks’ performance in the field of quality management and to consolidate Korteks’ leadership in this field.



Sustainability Based Approach

RISK MANAGEMENT



We adopt a holistic approach to risk management and integrate it into all our business processes.



The CEO of Zorlu Holding, as the most senior person responsible for risk management, ensures that risks are effectively managed for the sustainability of business activities. As part of the Smart Life 2030 strategy, the aim is to manage risks by combining experience and an analytical approach.

Under the Corporate Risk Management Policy, risk management for Zorlu Holding and all Group companies:

- Goal Setting
- Risk Identification
- Risk Assessment and Management of Natural Risks
- Determination of Action Plans
- Follow-up of Waste Risk and Action Plans

In this process, the principles of risk management are primarily taken into account in the strategic planning and goal-setting processes. Risks and opportunities that may affect the company’s objectives are identified throughout the organization. At the same time, the intrinsic value of the risk is calculated, appropriate responses to the risks are determined and effective actions are taken. Throughout the risk management process, the completion of action plans, key risk indicators and risk reports are closely monitored.

Zorlu Textile Group has adopted the strategy of developing proactive solutions by anticipating potential risks at every stage, from raw material purchasing to sales processes. This approach aims to effectively manage potential risks and reduce negative impacts as part of the “Smart Life 2030” strategy.

Sustainability Based Approach

RISK MANAGEMENT

Zorlu Tekstil Group’s risk management process;

- ✔ **Goal Setting:** As the first step in risk management, goals are determined in the most compatible way with the strategies.
- ✔ **Risk Identification:** Potential risks that may be encountered in business activities are identified using various analytical methods.
- ✔ **Risk Assessment:** Identified risks are evaluated and action plans are created in order of priority.
- ✔ **Action Determination:** Policies and procedures are developed and action plans are created for the management of risks.
- ✔ **Monitoring and Reporting of Waste Risks:** Indicators are identified to monitor risks and are monitored regularly.

Zorlu Textile Group’s approach to risk management demonstrates a proactive stance at every stage of the business and plays a critical role in achieving sustainability goals.



We are also committed to the United Nations Global Compact (UNGC), a set of 10 principles covering human rights, labour, the environment and anti-corruption. Zorlu Group adapts quickly to global and local changes and maintains its vision of providing environmentally friendly products and services. Commitment to society, the environment, legislation and ethical principles forms the basis of its understanding of sustainability. Contributing to today’s society and acting according to the needs of future generations is one of the principles of Zorlu Group.

Risk Management at KORTEKS and ZORLUTEKS

As part of the strategic management process, Korteks and Zorluteks plan short and long-term strategic business plans by identifying internal and external issues that affect their sustainability and business management from a risk-based perspective and assessing the risks of these issues taking into account the impact of all stakeholders (stakeholders in the stakeholder dialogue tab). The SWOT methodology is used to analyse the risks and opportunities of each process, and strategic objectives are set every six months and presented to senior management. With the decision of the top management, actions are taken to realize preventive activities and opportunities for risks.

Trends that Zorlu Textile Group is based on and observes:

Global Trends	Global Risks	Opportunities	Strategic Focus Areas and Business Objectives
Supply chain constraints	Volatile and fluctuating raw material prices	Search for new markets	Search for new suppliers
Geopolitical risks	Material supply problems in war-torn countries	Exploring new markets	Not working with a single supplier
Macroeconomic Uncertainties	Market Fluctuations	Realization of Cost Reduction Projects	Tracking Product Costs
Technological Transformation and Digital Economy	Cyber Attacks	Investments Related to Developments Related to Digitalization, R&D and Industry 4.0	Cyber Attack Security Tests, Work/ Process Efficiency Rates
Inflation Policy	Cost increases	Investment in process efficiency	Labour/process efficiency rates
European Green Deal-Climate Change, Environmental Risks, Disasters	Energy crisis, Rising Input Prices Energy etc.	Green Energy Investments, Carbon Footprint Studies, Alternative Energy Sources	Solar Energy Investments, Studies for the Determination of Scientifically Based Targets
Sectoral Trends	Sectoral Risks	Opportunities	Strategic Focus Areas and Business Objectives
Shrinking Customer Demand	Downsizing	Search for New Markets	Growth in Emerging Markets
Legislation and Regulations	Delays in Compliance with Legal and Regulatory	Competitive Advantage	Effective Regulatory Compliance
EU Carbon Border Adjustment Mechanism (CBAM)	Failure to Take Necessary Actions Against Carbon Costs	Competitive Advantage	Effective Regulatory Compliance

Sustainability Based Approach

CONTINUOUS IMPROVEMENT and PROJECT MANAGEMENT

Systematic studies carried out to improve the operations, processes, product performance and quality of Zorlu Tekstil Group and to increase process performance are called remedial activities.



The Kaizen/Continuous Improvement methodology has been adopted to manage these improvement activities in a sustainable manner. Kaizen projects cover efficiency, health and safety, the environment, information security and other areas of improvement. At the same time, the company has a suggestion scheme and the continuity of the successes achieved as a result of Kaizen is ensured by the managers who lead these successes.

These managers ensure that the work carried out after each kaizen and proposal kaizen project is presented by the relevant teams to all employees, creating a culture of appreciation and gratitude. At an annual ceremony, project teams that score well on proposals and kaizen activities are awarded Gold, Silver and Bronze awards, and all team members involved in the projects are recognized and rewarded.

Proposal Management In Zorlu Textile Group

Employees can submit their proposals for Kaizen/Continuous Improvement Projects using the “I Have an Idea” (Proposal) Form (F-0065) to the “I Have an Idea” suggestion boxes throughout the company or by delivering them in person to the Management Systems Department. As an alternative, they can submit their proposals electronically via the “I Have an Idea” module on the “Korteks” portal. The “I Have an Idea” suggestion boxes, which are placed in various locations within the company, are collected by the Human Resources department every 15 days. The Human Resources Department examines all the ideas collected, sorts out the requests, wishes and complaints and fills in the Suggestion Box Collection Report (F-0841) together with the Management Systems. The hand-delivered ideas in printed form are entered into the system by the Quality Department staff via the Education Information Network (EIN) Suggestions/Request/Complaints module. The ideas are forwarded to the relevant team leaders, taking into account continuous improvement issues, and work is initiated on suggestions deemed appropriate.

In 2021, 42 proposals were submitted to Korteks, of which 17 were accepted. In 2022, the number of proposals submitted had risen to 53. In 2023, 41 proposals were submitted and 26 were accepted.

20 proposals were submitted to Zorluteks in 2021 and 14 of them were accepted. In 2022, the number of proposals submitted had risen to 141 and 83 of them were accepted. In 2023, 54 proposals were submitted and 47 were accepted.

YEAR	KORTEKS		ZORLUTEKS	
	PROPOSED IDEAS	ACCEPTED PROPOSALS	PROPOSED IDEAS	ACCEPTED PROPOSALS
2021	42	17	20	14
2022	53	15	141	83
2023	41	26	54	47

Sustainability Based Approach

CONTINUOUS IMPROVEMENT and PROJECT MANAGEMENT

Sustainable Project Management at KORTEKS

105 continuous improvement projects implemented at Korteks in 2021 enabled the company to earn approximately TL 5.2 million. In 2022, the number of projects rose to 174 and the company’s earnings increased almost eightfold to approximately TL 44.3 million.

Investment costs have also increased, reaching approximately TL 17.6 million, indicating that the scope of projects and investments has expanded. By 2023, the number of projects has increased to 196 and the company’s revenue has increased significantly, reaching approximately TL 67.5 million. In addition, the total project/investment cost decreased to approximately TL 9.1 million, indicating that the return on investment has increased and cost optimisation has been successfully achieved. At the same time, greenhouse gas savings of 437 tons CO2/year in 2021, 950 tons CO2/year in 2022 and 572 tons CO2/year in 2023 were achieved through continuous improvement projects.

PROJECT TITLES							
YEAR	NUMBER OF PROJECTS (TOTAL)	PRODUCTIVITY	ENVIRONMENT	OHS	INFORMATION SECURITY/ OTHER	TOTAL BENEFITS (TL)	TOTAL PROJECT/ INVESTMENT COSTS (TL)
2021	105	81	4	14	6	5,231,540	7,054,778.4
2022	174	114	16	21	23	44,371,395	17,590,460
2023	196	111	15	37	33	67,532,714.83	9,199,140.81

Project Examples at KORTEKS

The first example of a project carried out by Korteks is in the scope of cost-reducing efficiency projects. During this project, critical improvements were made to the machinery. The replacement of plug-in cables, especially those used in winders and heat block systems, had a significant impact on production continuity. With the changes made, the cables were sourced from local manufacturers and became more resistant to the corrosive effects of industrial oils, thus reducing production losses.



As a result of this change, a profit of approximately TL 4,111,038 was generated. The investment made for the project was only TL 63,714. In addition, while the electricity consumption was 10,823 kWh, this value decreased to 2,603 kWh with the decrease in the number of breakdowns. In light of these data, the total greenhouse gas reduction is 3.5 (tons CO2) tons.

The second project example was evaluated as part of an investigation into the use of waste dyes that could not obtain colour conformity approval in masterbatch production companies. As a result of the implementation of this project, the purchase of 3,150 tons of paint was prevented in 3 years, saving TL 1,551,447. In addition, by preventing 3,150 tons of paint from becoming waste, 66 kg of the greenhouse gas CO2 was reduced.

The third project example focuses on improving the adapters used in E-AFK texturing machines. In this project, new devices were developed to solve the problems encountered when using plastic bobbins, and thanks to these devices, the bobbins were smoothly rolled onto the carriage. The benefits of the project are 90,273 tons of yarn production capacity increase, 166 kg of plastic waste reduction and 0.59 kg of CO2 greenhouse gas reduction, and a reduction in labour costs. As a result of these improvements, the company made a profit of TL 919,035. The investment made for the project was TL 65,425.

Each individual project has both increased operational efficiency and reduced costs, resulting in sustainable improvements in Korteks’ processes. The fact that the profits far exceed the project/investment costs is an indication of the high returns the company generates from its investments.

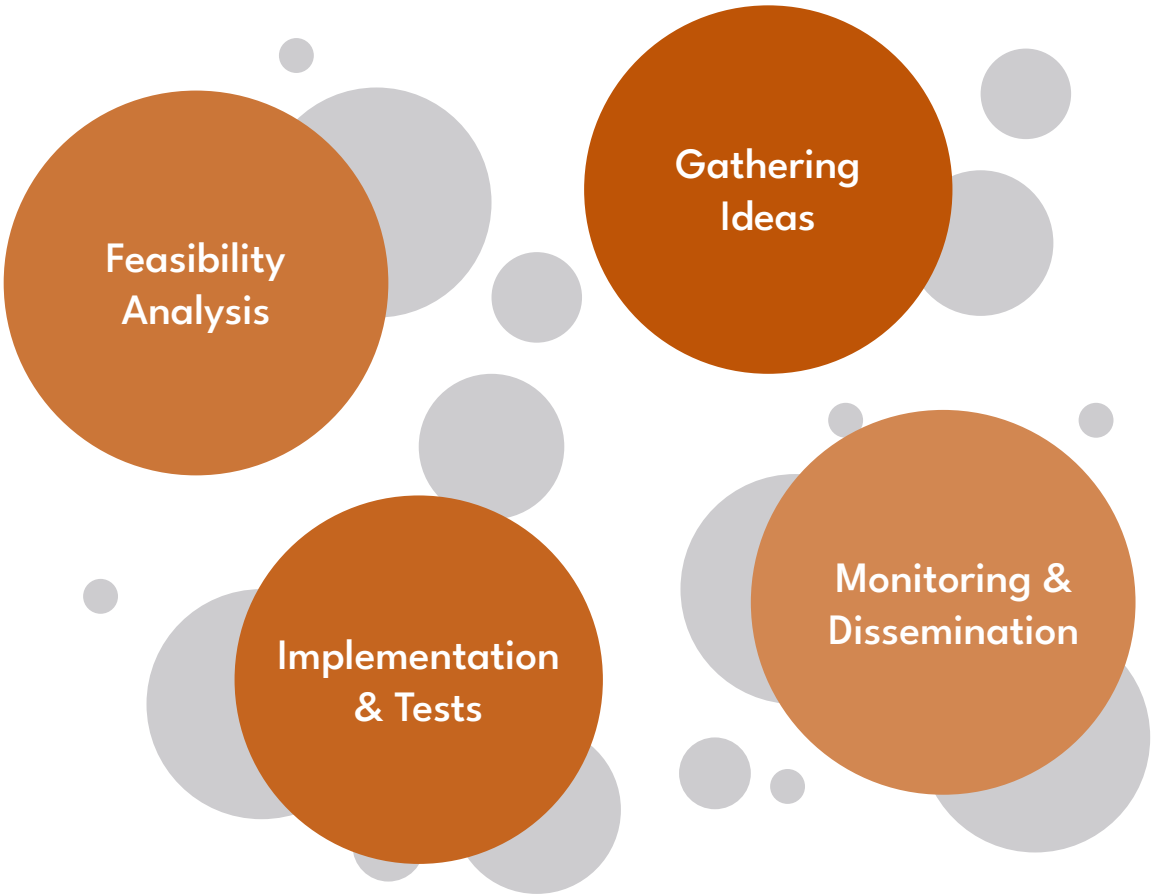
Sustainability Based Approach

CONTINUOUS IMPROVEMENT and PROJECT MANAGEMENT

Sustainable Project Management at ZORLUTEKS

During the idea collection phase, brainstorming sessions, open innovation meetings and individual suggestions are entered into the QDMS to collect ideas. The QDMS is based on the 10-step Kaizen methodology, which seeks to create a continuous improvement cycle to reduce errors, eliminate waste and increase productivity in the work it does with the ideas it collects.

Zorluteks has developed the Zorluteks Sustainable Project Management Systematics to systematically manage sustainable projects.



During the idea collection phase, brainstorming sessions, open innovation meetings and individual suggestions are entered into the QDMS to collect ideas. The QDMS is based on the 10-step Kaizen methodology, which seeks to create a continuous improvement cycle to reduce errors, eliminate waste and increase productivity in the work it does with the ideas it collects.

PROJECT TITLES					
YEAR	NUMBER OF PROJECTS (TOTAL)	PRODUCTIVITY	ENVIRONMENT	OHS	INFORMATION SECURITY/ OTHER
2021	128	16	10	43	59
2022	177	45	16	51	65
2023	186	53	25	48	60

Sustainability Based Approach

SUSTAINABILITY IN THE VALUE CHAIN

KORTEKS Value Chain Approach



	Prioritization Analysis Topics	Value Chain Topics	SDG	MANAGEMENT PROCESS	SUPPLY CHAIN	CUSTOMER-FOCUSED PROCESSES						SUPPORT PROCESSES	Logistics	Consumption	After-Sales Technical Services
				Strategic Management Process / Continuous Improvement Process / Audit Process	Supply Chain	Polyester and Recycled Chips Production Process	POY/ FDY Yarn Production Process	Masterbatch Production Process	Textured Yarn Production Process	Twisted Yarn Production Process	Boiler Dyed Yarn Production Process	HR, MAINTENANCE, PURCHASING			
Environmental Oriented	Conservation of Biodiversity	Environment Management		●											
	Emissions Management	Air Management		●		●	●	●	●	●	●	●	●		
	Water and Wastewater Management	Water Management		●		●	●	●	●	●	●	●			
	Energy Management	Energy Management		●		●	●	●	●	●	●	●			
	Fighting Climate Change	GHG Management		●	●	●	●	●	●	●	●	●	●	●	●
	Circular Economy	Ecological Product Development		●	●	●	●	●	●	●	●	●			
	Raw Material Management														
Management Oriented	Waste Management	Waste Management		●		●	●	●	●	●	●	●		●	
	Digitalization, Use of Technology	R&D – Innovation Management		●		●	●	●	●	●	●	●			
	R&D – Innovation														
	Corporate Transparency	Customer Satisfaction Management													
	Compliance with International Standards			●		●	●	●	●	●	●	●		●	●
	Ensuring Customer Satisfaction														
	Ethics and Compliance	Corporate Management		●		●	●	●	●	●	●	●			●
	Risk Management														
	Contribution to Local Economy	Sustainable Partnerships		●											
	Social Investments														
	Ensuring Sustainability in the Supply Chain (Supply Management)	Sustainable Supply Chain		●	●							●			

Sustainability Based Approach

SUSTAINABILITY IN THE VALUE CHAIN

KORTEKS Value Chain Approach



	Prioritization Analysis Topics	Value Chain Topics	SDG	MANAGEMENT PROCESS	SUPPLY CHAIN	CUSTOMER-FOCUSED PROCESSES						SUPPORT PROCESSES	Logistics	Consumption	After-Sales Technical Services
				Strategic Management Process / Continuous Improvement Process / Audit Process	Supply Chain	Polyester and Recycled Chips Production Process	POY/ FDY Yarn Production Process	Masterbatch Production Process	Textured Yarn Production Process	Twisted Yarn Production Process	Boiler Dyed Yarn Production Process	HR, MAINTENANCE, PURCHASING			
Work Life Oriented	OHS	OHS Management		●		●	●	●	●	●	●	●			
	Employee Development (Talent and Performance Management)	Employee Development and Performance Management		●		●	●	●	●	●	●	●			
	Employee Retention	Employee Loyalty and Satisfaction Management		●		●	●	●	●	●	●	●			
	Work/Private Life Balance														
	Working Standards														
	Employee Engagement														
	Inclusion and Diversity in Work Life	Equal Opportunity Management		●		●	●	●	●	●	●	●			

Sustainability Based Approach

SUSTAINABILITY IN THE VALUE CHAIN

ZORLUTEKS Value Chain Approach

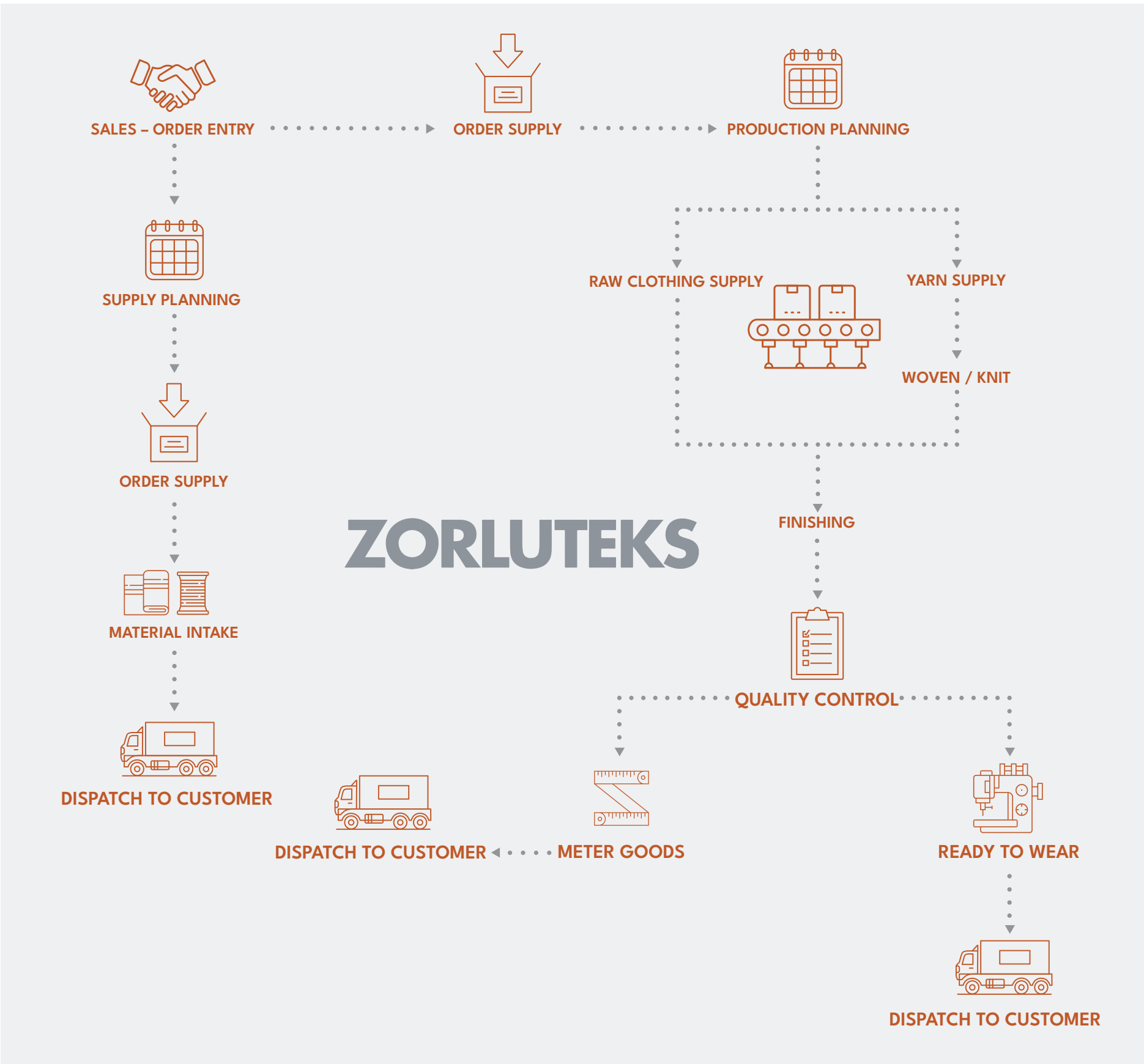
The Zorluteks Value Chain is a set of integrated processes designed to ensure the highest level of customer satisfaction.

The value chain begins with the receipt of customer orders, which form the basis for supply and production planning. The use of materials and resources is critical to ensure the quality and timely delivery of ordered products.

The process continues with the supply of raw fabric and yarn, which provides the raw materials needed to make textile products. The weaving and knitting stages determine the design and structure of the products, and the finishing process determines the final properties of the products.

Quality control is an integral part of the production process and ensures that products meet company standards and customer expectations. At the finishing stage, the products take their final form and are ready for dispatch to the customer after passing the quantity checks.

Each process is focused on delivering value to the customer, and close collaboration between teams ensures this is achieved. Zorluteks strives to maintain its leading position in the industry by embracing the principles of sustainability and excellence at every stage from supply to delivery.



Sustainability Based Approach

SUSTAINABILITY IN THE VALUE CHAIN

ZORLUTEKS Value Chain Approach



	Prioritization Analysis Topics	Value Chain Topics	SDG	MANAGEMENT PROCESS	SUPPLY CHAIN	CUSTOMER-FOCUSED PROCESSES				SUPPORT PROCESSES	SUPPLY CHAIN PROCESS	Customer Relations Management
				Strategic Management Process / Continuous Improvement Process / Audit Process	Purchasing	Weaving Production Process	Finishing Production Process	Dye-Print Production Process	Garment process	HR, MAINTENAANCE, QUALITY, ETC.	Logistics	
Environmental Oriented	Conservation of Biodiversity	Environment Management		●		●	●	●	●			
	Emissions Management	Air Management		●		●	●	●	●	●	●	
	Water and Wastewater Management	Water Management		●		●	●	●	●	●		
	Energy Management	Energy Management		●		●	●	●	●	●		
	Fighting Climate Change	GHG Management		●	●	●	●	●	●	●	●	●
	Circular Economy	Ecological Product Development		●	●	●	●	●	●	●		
	Raw Material Management											
	Waste Management	Waste Management		●		●	●	●	●	●		
Management Oriented	Digitalization, Use of Technology	R&D – Innovation Management		●		●	●	●	●	●		
	R&D – Innovation											
	Corporate Transparency	Customer Satisfaction Management										
	Compliance with International Standards			●		●	●	●	●	●		●
	Ensuring Customer Satisfaction											
	Ethics and Compliance	Corporate Management		●		●	●	●	●	●		●
	Risk Management											
	Contribution to Local Economy	Sustainable Partnerships		●							●	
	Social Investments											
	Ensuring Sustainability in the Supply Chain (Supply Management)	Sustainable Supply Chain		●	●					●		

Sustainability Based Approach

SUSTAINABILITY IN THE VALUE CHAIN

ZORLUTEKS Value Chain Approach



	Prioritization Analysis Topics	Value Chain Topics	SDG	MANAGEMENT PROCESS	SUPPLY CHAIN	CUSTOMER-FOCUSED PROCESSES				SUPPORT PROCESSES	SUPPLY CHAIN PROCESS	Customer Relations Management
				Strategic Management Process / Continuous Improvement Process / Audit Process	Purchasing	Weaving Production Process	Finishing Production Process	Dye-Print Production Process	Garment process	HR, MAINTENVAANCE, QUALITY, ETC.	Logistics	
Work Life Oriented	OHS	OHS Management		●		●	●	●	●	●		
	Employee Development (Talent and Performance Management)	Employee Development and Performance Management		●		●	●	●	●	●		
	Employee Retention	Employee Loyalty and Satisfaction Management		●		●	●	●	●	●		
	Work/Private Life Balance											
	Working Standards											
	Employee Engagement											
	Inclusion and Diversity in Work Life	Equal Opportunity Management		●		●	●	●	●	●		

Sustainability Based Approach

SUSTAINABILITY IN THE VALUE CHAIN (SUPPLY)

Zorlu Textile Group continues its commitment to aligning its supply chain with ethical principles by emphasizing sustainability criteria in its supplier selection processes.

Zorlu Textile Group prioritizes the sustainability approach in its value chain and attaches great importance to social and environmental performance criteria in supplier selection processes. The Group aims to maintain high sustainability standards by focusing on efficiency and quality. In this context, the sustainability performance of suppliers is evaluated and the aim is to create a supply chain that is compatible with Zorlu Tekstil Group’s ethical principles.

Supplier Selection Criteria

Social and Environmental Performance: Assesses suppliers’ performance on issues such as child labour, forced labour, anti-discrimination policies, fair wages, freedom of association and collective bargaining rights, and occupational health and safety.

Legal Compliance: Suppliers’ compliance with national laws and regulations, environmental protection and ethical behaviour commitments are taken into account.

Compliance with Sustainability Principles: Suppliers’ compliance with Zorlu Tekstil Group’s policy on sustainability and ethical values is evaluated. Cooperation with suppliers who do not comply with the policy will be terminated.

Training and Development: Suppliers are trained on sustainability issues and their development in this field is encouraged.



Sustainability Based Approach

SUSTAINABILITY IN THE VALUE CHAIN (SUPPLY)

Zorlu Textile Group Supplier Structure

Korteks Supply Chain in Figures

While Korteks cooperated with 1,114 suppliers in 2021, this figure increased to 1,126 in 2022 and stabilized at 1,110 in 2023. The local supplier network started with 1,012 suppliers in 2021, increased to 1,027 in 2022 and remained stable at 1,014 in 2023. While the total payments to suppliers were around TL 2.724 million in 2021, they increased significantly to TL 4.512 million in 2022 and demonstrated a strong performance with TL 4.084 million in 2023.

Payments to local suppliers increased significantly from TL 1.509 million in 2021 to TL 2.579 million in 2022 and made a solid contribution of TL 2.111 million in 2023.

The share of payments to local suppliers in total payments increased from 55% in 2021 to 57% in 2022 and stabilized at 52% in 2023. These ratios demonstrate the commitment to local suppliers and the diversity and balanced growth of the supply chain strategy.

The acquisition of new suppliers started with 219 in 2021, increased to 239 in 2022, and the efforts to expand the supplier base and optimize the supply chain continued with 202 in 2023.

Zorluteks Supply Chain in Figures

Zorluteks’ supplier management performance during the reporting period is as follows: 1,069 suppliers were cooperated with in 2021, 1,000 in 2022 and 923 as of November 2023.

The number of local suppliers was 989 in 2021, 914 in 2022 and 836 in November 2023. Payments to local suppliers as a percentage of total payments increased to 75% in 2021, 77% in 2022 and 89% in 2023. This upward trend indicates an increasing financial commitment to local suppliers. In financial terms, there was an increase of approximately 73% in 2022 compared to 2021 and an increase of approximately 13% from the 2022 to 2023 reporting period.

The integration of new suppliers is ongoing, with the number of new suppliers increasing from 37 in 2021 to 42 in 2022 and 51 in 2023, demonstrating the dynamic and expanding structure of the supplier network.





Sustainability Based Approach

SUSTAINABILITY IN THE VALUE CHAIN

(SUPPLY)

KORTEKS Supply Chain Management

Korteks ensures that the materials and services it supplies are of the quality required by its customers, that the supply process is sustainable and that it is managed in compliance with environmental, energy, health and safety, information security and legal requirements.

Korteks’ medium-term goal is to create a sustainable supply chain and to monitor performance to ensure continuous improvement.

Korteks pays great attention to the selection of suppliers in order to be able to provide the necessary materials and services for the business processes to continue without interruption. Korteks carries out a detailed examination in accordance with the defined criteria and makes its decisions after an extensive data collection process. The total number of suppliers, which was 1,114 in 2021, increased to 1,126 in 2022. During this period, 91% of suppliers were selected from local suppliers. While 92% of the 1110 suppliers were local in the reporting period, payments to local suppliers as a percentage of total supplier payments were recorded at 55% in 2021, 57% in 2022 and 53% in the reporting period.

Approved Supplier: This is the portfolio of goods procurement suppliers and service contractors created within the qualification criteria.

Critical/Strategic Supplier: Suppliers who provide relevant materials and services as a result of the risk assessment carried out by material/service group.

Supplier Risk Analysis and Evaluation Process

Korteks carries out a detailed risk analysis at every stage, from supplier selection to the procurement of materials and services, from quality control to sustainable purchasing management. This is a process to ensure effective procurement and delivery of materials and services to support business continuity, where risk levels are carefully identified and prioritized.

Material and service groups are subject to detailed risk assessments every six months. Suppliers are continuously monitored, inspected and improved on the dimensions of quality, environment, energy, occupational health and safety (OHS) and social performance.

The policy established following supplier evaluation results is:

Korteks has defined the type, frequency and scope of second party audits within the framework of PR-YÖS-006 Audit Procedure. It is essential that all suppliers on the approved supplier list are audited within a maximum of 5 years. The Purchasing Department will organise the audits and the Purchasing, Quality, Environment, Health and Safety, Human Resources and Production Process Managers will participate in the audit. The suppliers to be audited are determined by their inclusion in the Audit and Development Planning Evaluation List.

Supplier audits are planned according to the following criteria:

- **When Selecting a New Supplier and Adding the Supplier to the Approved Supplier List:** Should the new approved supplier have an “Unacceptable Risk” level as per the result of the Supplier Risk Assessment and the relevant conditions in the same article are met, an audit of the company will be scheduled.
- **According to Supplier Risk Assessment Results:** The frequency of supplier audits is planned according to the risk assessment results specified in the Supplier Risk Assessment.
- **Depending on the Supplier’s Performance:** Audits are scheduled for companies with a performance score of Class B (50-74) for two consecutive years.
- **Verification and Approval of Newly Added Processes of the Existing Supplier:** In the event of a Customer Specific Request for Automotive Products, a Process Audit and/or Product Audit will be conducted to approve new/changed products and processes.
- **Other Conditions:** In addition to the above criteria, an audit plan for the year is created according to periodic criteria such as the company moving to a new facility, establishing a new Quality Management System, lack of development, increase in the number of returns and reclamations, delay in delivery time.

Sustainability Based Approach

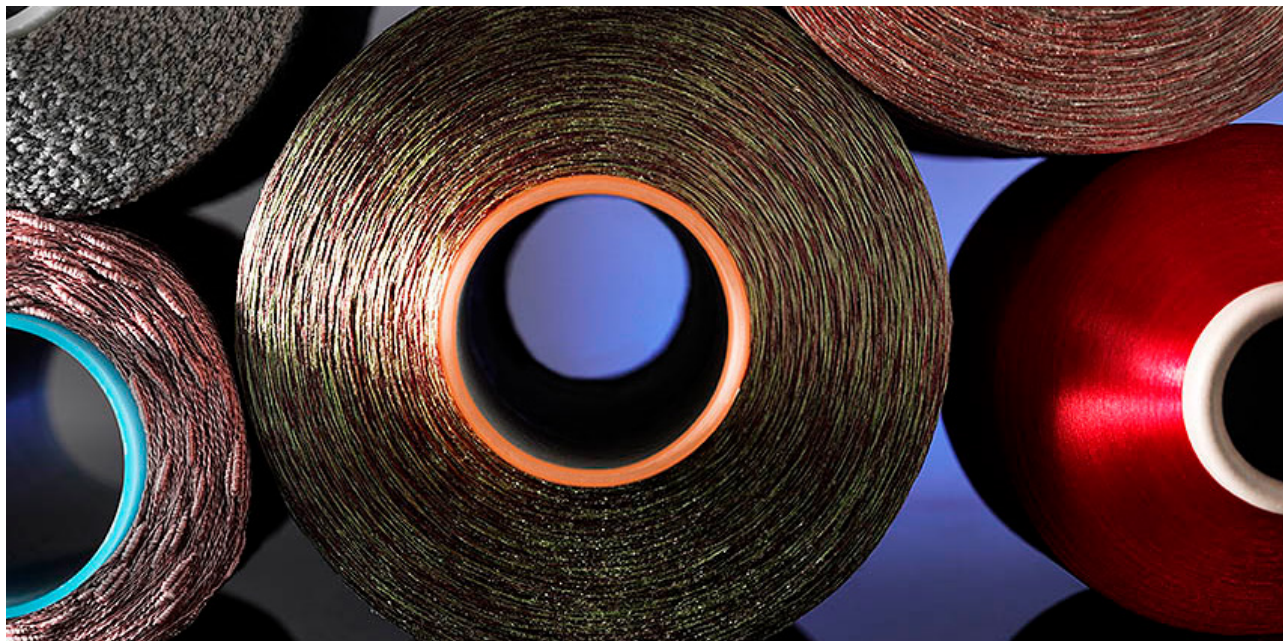
SUSTAINABILITY IN THE VALUE CHAIN (SUPPLY)

KORTEKS Supply Chain Management

Supplier Social Compliance Audits

Social Compliance Audits for Suppliers: Depending on its policy and approach, KorteKS audits its suppliers with respect to Environmental, Social and Governance (ESG) criteria at regular intervals.

Supplier audits are planned according to the audit procedure. Nonconformities (minor/major) found during the audit will be communicated to the company in writing as part of the CPA and the findings will be followed up. If a major non-conformity is detected, the supplier is expected to correct the non-conformity within 6 months. Failure to correct the nonconformity within the specified period will result in suspension of the purchasing process.



KorteKS Supplier Development Program

KorteKS works in close cooperation with suppliers as part of its sustainability policy, which aims to meet customer expectations in the fastest and most effective way. Proactive development activities are carried out to ensure and encourage suppliers’ compliance with legislation, occupational health and safety (OHS) and environmental standards. The Supplier Development Program is designed to help suppliers improve their understanding of quality and excel in international competition.

These activities are shaped according to the needs identified as a result of joint studies carried out to improve suppliers’ processes and supply chains. Development studies are planned based on information from performance results, audit findings, supplier and KorteKS visits and supplier meetings.

The core principles of the program are based on respect for the supplier, open communication, collaborative working and continuous evaluation. These efforts help suppliers to identify and address areas for improvement, thereby contributing significantly to KorteKS’ overall quality and sustainability goals.

YEAR	NUMBER OF SUPPLIERS TRAINED	HOURS OF TRAINING	AVERAGE TRAINING HOURS PER SUPPLIER
2021	12	50	4.2
2022	18	70	3.9
2023	18	75	4.2



Sustainability Based Approach

SUSTAINABILITY IN THE VALUE CHAIN

(SUPPLY)

ZORLUTEKS Supply Chain Management

The purpose of Zorluteks’ supplier segmentation is to ensure a systematic measurement, assessment and selection of suppliers. The evaluation process involves classifying suppliers according to criteria such as “Appeal to Zorluteks” and “Value of Zorluteks to the Supplier”.

For each product, suppliers are categorized into routine, bottleneck, leverage or strategic product categories and this categorization is the first step in the supplier evaluation process. Supplier analysis is carried out according to the specified product categories and, as a result of this analysis, suppliers in the same product category are subjected to a comparative evaluation. As a result of this comparison, strategic recommendations are developed for each supplier and action plans are created by Strategic Supply Experts.

These action plans include recommended strategies and additional strategies, and the implementation processes are carried out by Strategic Procurement experts. The status of supplier actions is reviewed quarterly and reported to senior management every six months. Should there be a need to improve performance, feedback is provided to suppliers and improvement actions are planned.

This process is designed to ensure a comprehensive perspective on supplier management and continuous improvement in the supply chain. Supplier segmentation facilitates the strengthening of supplier relationships and maximizes the potential for mutual value creation.

Reviewing data from the last three years, an average of 80% of purchases are made from domestic suppliers. This demonstrates support for the local economy and a commitment to reducing the carbon footprint of the supply chain.

The supplier segmentation project, which is updated every year, measures the value and attractiveness of suppliers to the company and uses this information to define supplier development strategies and make decisions on the continuation of the cooperation. Efforts to increase the resilience and sustainability of the supply chain continue, with alternatives being explored to minimize the number of critical suppliers.

In addition, suppliers are offered regular training on ethical, environmental and social issues. The aim of this training is to increase their awareness of sustainable business practices and to enhance their cooperation.

Zorluteks Supplier and Audit Table

Total Number of Suppliers	923
Critical Number of Suppliers	69
Number of Critical Suppliers Audited	33
Critical Supplier Rate	7%
Ratio of Critical Suppliers Audited	48%

As of 2023, Zorluteks’ supplier management strategy has succeeded in developing a solid business relationship with a total of 923 suppliers, of which 69 have been identified as critical. Critical suppliers are considered essential to the smooth functioning of the supply chain and are therefore closely monitored. 33 of these suppliers have undergone in-depth audits, indicating that 48% of critical suppliers have been audited. This is a higher audit rate than the industry average and reflects the importance the company attaches to supply chain management. The critical supplier ratio represents 7% of the total supplier pool. This is an indication of how extensive the elite supplier network is.

While Zorluteks increases its knowledge and skills by organizing regular training for suppliers, it also carries out regular audits of critical suppliers that are essential for business continuity. These audits are carried out especially for suppliers who supply high volumes and irreplaceable parts. 80% of purchases over the past three years have been made from domestic suppliers, demonstrating a strong commitment to local resources. The supplier segmentation project, which is updated annually, measures the value and attractiveness of suppliers and provides suggestions for supplier development. Efforts to reduce the number of critical suppliers are part of the strategy to minimize risks in the supply chain.

Zorluteks’ supplier management performance during the reporting period is as follows: Cooperation was carried out with 1,069 suppliers in 2021, 1,000 in 2022 and 923 as of November 2023. The number of local suppliers is 989 in 2021, 914 in 2022 and 836 in November 2023. Payments to local suppliers as a percentage of total payments increased to 75% in 2021, 77% in 2022 and 89% in 2023; this rise demonstrates an increasing financial commitment to local suppliers. In financial terms, there was an increase of approximately 73% in 2022 compared to 2021 and an increase of approximately 13% from the 2022 to 2023 reporting period. The integration of new suppliers also continues and the number of new suppliers, which was 37 in 2021, increased to 42 in 2022 and 51 in 2023, demonstrating the dynamic and expanding structure of the supplier network.



Sustainability Based Approach

SUSTAINABILITY IN THE VALUE CHAIN

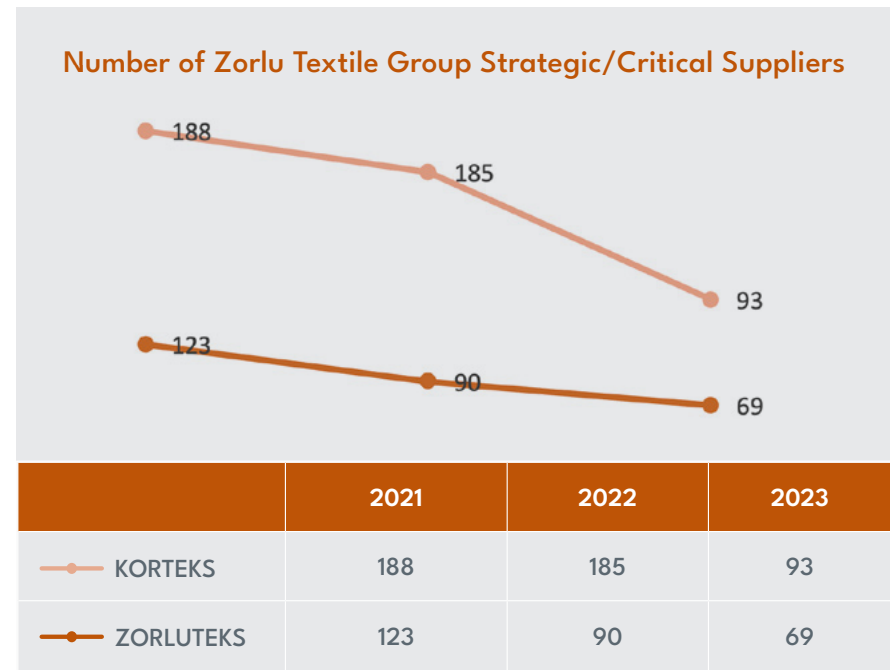
(SUPPLY)



Supplier Evaluation Process

The General Qualification Questionnaire is sent to the supplier via the Supplier Lifecycle Management (SLC) system, and the supplier’s social and environmental performance is assessed based on the responses received from this form, and the supplier’s approach to sustainability is scored. This includes reviewing environmental documentation, legal compliance, health and safety measures, use of hazardous materials endangering human health and working conditions.

100% Sustainable Supply Chain by 2030



The Zorlu Holding Supply Principles cover the purchasing processes of all Zorlu Group Companies and include the basic rules of conduct expected from our suppliers. Our suppliers are obliged to communicate these principles to their supply chains and ensure their implementation by their sub-suppliers.

You can access the Supply Policy of Zorlu Holding by clicking on the following link:
<https://www.zorlu.com.tr/en/>

This process ensures that supplier performance is constantly monitored and improved.

In line with Zorlu Tekstil Group’s goal of a 100% sustainable supply chain by 2030, the achievement rates of KorteKS and ZorluteKS during the reporting period present an important indicator. KorteKS achieved a target achievement rate of 19% and ZorluteKS achieved a target achievement rate of 48%.

Supplier Audit Findings

Location	Number of Audits	Number of Invested Hours	Number of Findings
KorteKS	18	355	7
ZorluteKS	34	476	310
TOTAL	52	831	317

Supplier audit table

During the reporting period covered by the Zorlu Textile Group, 52 audits were carried out and 831 hours were spent auditing. A total of 317 findings were identified.

Sustainability Based Approach

SUSTAINABILITY IN THE VALUE CHAIN (SUPPLY)

Supplier Evaluation Process

Zorlu Textile Group collaborates with suppliers and provides support in areas such as sustainability, product development, efficiency of production and transportation processes.

Suppliers are encouraged to have environmental management and quality compliance certificates.



During the reporting period, KorteKS spent a total of 355 hours on 18 audits and identified only 7 findings.

During the reporting period, ZorluteKS Lüleburgaz carried out 22 audits and spent a total of 392 hours on them. During the course of the audits, 66 different findings were identified.

During the audits at ZorluteKS Istanbul, 12 audits were carried out and 84 hours were invested in this process. As a result of the audits, 244 findings were identified.

Our data is critically important to strengthening our supply chain and achieving our sustainability goals.



Sustainability Based Approach

CUSTOMERS

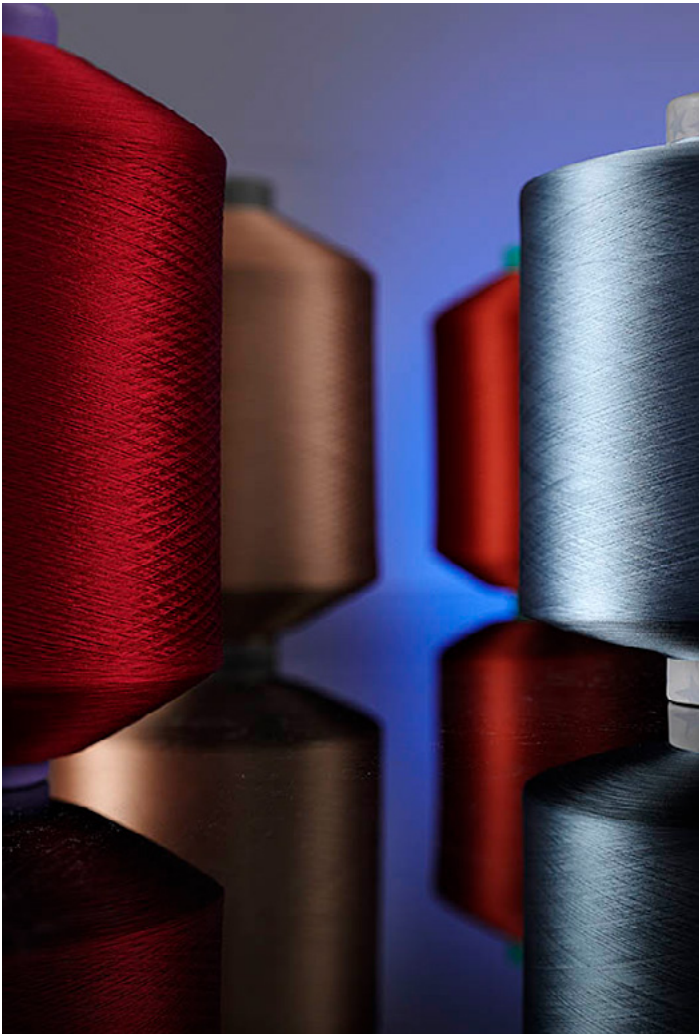
Customer Relations and Satisfaction at KORTEKS

Korteks has adopted and is pursuing a transparent communication policy by valuing its domestic and international customers through its Bursa, Istanbul and export units.

A total of 2,662 (2,423 domestic, 239 international) customers were served in 2021, 2,544 (2,324 domestic, 220 international) customers were reached in 2022, and our total number of customers has increased to 2,337 (2,107 domestic, 230 international) in 2023. Customer complaints are forwarded to our

Customer Communication Centre through various communication channels such as telephone, fax, e-mail and face-to-face meetings, and each complaint is handled promptly and effectively. A total of 308 (236 domestic, 72 international) customer complaints were successfully resolved in 2021, 246 (190 domestic, 56 international) in 2022 and 217 (144 domestic, 73 international) in 2023.

This information stands out as an indicator of Korteks’ consistent efforts to prioritize and continuously improve customer satisfaction as outlined in the 10002 Customer Satisfaction Management System. The effectiveness of the Customer Contact Centre underlines our company’s success in Customer Relationship Management and the solid relationships we have built with our customers.



Customer Relations and Satisfaction at ZORLUTEKS



Zorluteks has markedly improved customer relations and service quality. While in 2021 it served 197 customers, in 2022 this number reached 199. The number of customers in the reporting period is 145, indicating that the company’s customer portfolio has evolved into a focused and selective structure.

Customer satisfaction ranks among Zorluteks’ top priorities, and in this context the performance of the Customer Service Centre is carefully monitored. In 2021, 4,647 complaints were forwarded to the Customer Service Centre and all of them were answered. 83% of complaints were resolved. Thanks to continuous improvements in customer service, the number of complaints received in 2022 fell to 2,142 and the resolution rate was 91.5%. Although the total number of customers decreased in 2023, the number of complaints submitted to Customer Services was recorded at 2,091 and the resolution rate reached 88%. This data demonstrates continued commitment and success in managing and resolving customer complaints.

Number of Dealers, Distributors and Stores/Branches

As of 2023, Zorluteks operates effectively through 3,280 dealers and distributors, thanks to its strong and extensive distribution network, ensuring the distribution of its products to a wide audience. This extensive network significantly increases the ability to reach customers and market penetration. The company also has 109 stores/branches, and these physical points offer customers direct access and interaction with the brand. These figures reflect the success of the company’s sales and distribution strategy and the breadth of its customer reach.



Sustainability Based Approach

STAKEHOLDER ENGAGEMENT

Zorlu Textile Group has placed stakeholder participation at the centre of its strategic plans and aims to establish uninterrupted and effective communication links with internal and external stakeholders. Customer relations, employee participation, supplier communication and external stakeholder relations are of great importance to the Group.

Customer Relations: Zorlu Textile Group, which develops various channels for customer communication, adopts the basic principles to guide all its activities and published a Customer Relations Manifesto.

To access Zorlu Holding’s Customer Relationship Manifesto, please click here: <https://www.zorlu.com.tr/en/corporate/our-commitments>

We value the opinions of our employees and take their views on board.

- ✔ **Employee Communication and Involvement:** Web-based platforms such as “Zone”, “Korteks Portal” and “Touchnet” hear the voices of employees through employee satisfaction surveys and EBA request and complaint forms, and forward this feedback to senior management.
- ✔ **Supplier Communication:** Zorlu Textile Group, which communicates with its suppliers in a fair, transparent and inclusive language through the Supplier Communication Portal, attaches great importance to the sustainability of the supply chain.
- ✔ **Relations with External Stakeholders:** The Group is developing strong relationships with non-governmental organizations, academic institutions, public institutions and local governments and consolidating these relationships through various activities.

Zorlu Textile Group’s various communication strategies and channels enable it to communicate effectively with all stakeholders and understand their expectations. This approach contributes to the Group’s ability to achieve its sustainability goals and sustain its production success.

STAKEHOLDER COMMUNICATION

Zorlu Textile Group attaches great importance to developing long-term relationships with its stakeholders based on sound and transparent communication principles. In this regard, it conducts a communication process based on mutual understanding and trust with employees, customers, suppliers, investors, local communities and other relevant stakeholders.

Korteks and Zorluteks respond effectively to the expectations of various stakeholder groups. Employee expectations such as fair working conditions, training opportunities and career development programs are met. Customer expectations are met by providing quality products, on-time deliveries and customer satisfaction-oriented services. In our relations with suppliers, we build strong partnerships based on the principles of integrity, transparency and long-term cooperation. For investors, we share information on transparency, accountability and sustainability.

Additionally, we actively communicate and cooperate with local communities and respond to expectations with social responsibility projects and social contributions. In this way, Zorlu Textile Group aims to create an environment of sustainable success and confidence by establishing solid and long-term relationships with its stakeholders.



Sustainability Based Approach

STAKEHOLDER COMMUNICATION

Korteks and Zorluteks’ stakeholders, how they communicate and the frequency with which they communicate are shown in the table below.

CONCERNED PARTIES	COMMUNICATION	KORTEKS COMMUNICATION METHOD	ZORLUTEKS COMMUNICATION METHOD	COMMUNICATION FREQUENCY	EXPECTATIONS	REACTIONS
Shareholders, Partners, Directors	The Board of Directors Meetings, Textile Group Meetings; Budget Meetings	Strategic Management Procedure	-	Once a Year	<ul style="list-style-type: none">Compliance with Laws and RegulationsStrategic Goal Setting and AlignmentCompliance with Sustainability Goals	<ul style="list-style-type: none">Sustainability ESG Goals were reviewed at quarterly meetings.Strategic goals were determined and the results were reviewed at management review meetings twice a year.Results regarding strategic goals were shared with the Board of Directors at committee meetings.
	Sustainability Committee Meetings	Strategic Management Procedure	-	Once in Three Months		
	Management Meeting Review (Strategy, Target, Evaluation)	Management Review Procedure	-	Twice a Year		
	Planning Meetings	Strategic Management Procedure	-	Once a Month		
	Stock Evaluation Meetings	Strategic Management Procedure	-	Once a Month		
	Leadership messages, Digital media channels (corporate website, Smart Life 2030 blog, social media channels, Zorlu portal (zone), Korteksim portal, Korteks Announcement TV, Announcement boards)	https://www.korteks.com.tr/	https://www.zorlutekstil.com.tr/	Always		
Employees	Digital media channels (corporate website, Smart Life 2030 blog, social media channels, Zorlu portal (zone), Korteksim portal, Korteks Announcement TV, Announcement boards)		https://www.zorlutekstil.com.tr/	Always	<ul style="list-style-type: none">Ensuring Participation in ProcessesCompetent Personnel Resource with Development OpportunitiesEmployee Participation in Sustainability and Continuous Improvement StudiesEstablishing Communication via Vertical and Horizontal Communication ChannelsSuitable Working Environment by Taking Environmental, OHS, Energy Efficiency, Information Security Risks into Consideration	<ul style="list-style-type: none">196 continuous improvement studies were completed in Korteks with the participation of 2023 employees.Communication was established with employees through vertical and horizontal communication channels. (Employee satisfaction, suggestion boxes, department meetings, organization with the President of Textiles, etc.)Environmental, OHS, Energy Efficiency, information Security risks were revealed by taking into account the impact-possibilities in all processes.“BizBize Breakfast” event, Volleyball and Football Team Picnic Event were held with the participation of Kivilcim Movement, Textile President and HR Director.
	Ethical Principles	https://www.zorlu.com.tr/assets/files/pdf/zorlu-holding-etik-ilkeler.pdf	https://www.zorlu.com.tr/assets/files/pdf/zorlu-holding-etik-ilkeler.pdf	Always		
	Section Meetings, Target Evaluation Meetings	Strategic Management Procedure	-	Once a Week		
	Award and Recommendations Meetings	Continuous Improvement and Corrective Actions Management Procedure	-	Twice a Year		
	Employee Training and Development Meetings	Human Resources Procedure	-	Always		
	OHS Committee Meetings	Occupational Health and Safety Procedure	-	Once Two Months		
	Information Security Board Meetings	Information Security Procedure	-	Once in Three Months		
	Employee Satisfaction Survey	Human Resources Procedure (PR-DES-001)	-	Once a Year		
	Social Motivation Activities	Human Resources Procedure	-	Always		
	“I Have An Idea” (Bir Fikrim Var) Suggestion Boxes	Continuous Improvement and Corrective Actions Management Procedure	-	Twice in a Month		
	Crisis Desk Meetings	Disaster Management Procedure	-	-		
	Energy Efficiency Meetings	Energy Resources Management Procedure	-	Once in 3 Months		
	Sustainability Report	https://www.korteks.com.tr/	-	Once a Year		
	Sustainability Meetings	-	-	-		

Sustainability Based Approach

STAKEHOLDER COMMUNICATION

Korteks and Zorluteks’ stakeholders, how they communicate and the frequency with which they communicate are shown in the table below.

CONCERNED PARTIES	COMMUNICATION	KORTEKS COMMUNICATION METHOD	ZORLUTEKS COMMUNICATION METHOD	COMMUNICATION FREQUENCY	EXPECTATIONS	REACTIONS
Suppliers	Digital Media Channels (Corporate Website, social media channels)	https://www.korteks.com.tr/	https://www.zorlutekstil.com.tr/	Always	<ul style="list-style-type: none">Meeting Quality, Environment, OHS and Social Compliance RequirementsProviding Appropriate Products and Services	<ul style="list-style-type: none">52 suppliers were inspected in 2023.Supplier performances were evaluated on a monthly basis.Suppliers were given training.
	Ethical Principles	https://www.zorlu.com.tr/assets/files/pdf/zorlu-holding-etik-ilkeler.pdf	https://www.zorlu.com.tr/assets/files/pdf/zorlu-holding-etik-ilkeler.pdf	Always		
	Sustainability Report	https://www.korteks.com.tr/	-	Once a Year		
	Visits, Meetings and Interviews	Communication Procedure	-	Always		
	Supplier Evaluation Surveys	Purchasing Procedure	Purchasing Management Procedure	Once a Year		
	Supplier Performance Evaluation	Purchasing Procedure	Purchasing Management Procedure	Once a Month		
	Supplier Audits	Purchasing Procedure	Purchasing Management Procedure	Once a Year		
Local Authorities, Non-Governmental Organizations, Public Organizations Universities/Scholars	Corporate Website	https://www.korteks.com.tr/	https://www.zorlutekstil.com.tr/	Always	<ul style="list-style-type: none">Ensuring the Necessary Coordination on Issues Concerning the State and Administrative UnitsTimely Reporting Expected by State and Administrative UnitsDevelopment of ProjectsContributing to the Development of StudentsAddressing Social Issues and Collaborating	<ul style="list-style-type: none">R&D centers reporting was carried out during the reporting period.Projects were developed with different academic institutions.Participated in career days.Contributions were made to social projects with different NGOs.
	Meeting and Interviews	Communication Procedure	-	Always		
	Visits	Communication Procedure	-	Always		
	Joint Projects / Fairs / Symposiums	Communication Procedure	-	Always		
	Sustainability Report	https://www.korteks.com.tr/	-	Once a Year		
	Participation in Career Days	Human Resources Procedure	-	Once a Year		
Customers	Sustainability Report	https://www.korteks.com.tr/	-	Once a Year	<ul style="list-style-type: none">Continuity of Product and Service Flow by Ensuring the Continuity of Production Processes, Without Interrupting Own Business Goals and PlansTaking Necessary Precautions for Environmental ProtectionGetting a Passing Mark in Customer AuditsAchieving Price Advantage through Continuous ImprovementProviding the Product and Service Within the Framework of a StandardContinuity of Customer SatisfactionWorking in accordance with the Management Systems PolicyReceiving All Kinds of Feedback (Suggestions-Complaints-Requests) from Customers	<ul style="list-style-type: none">Customer satisfaction surveys were conducted at Korteks in 2023 and customer feedback was evaluated by After-Sales Technical Services.Regional training meetings were held for customers.Feedback from customers was evaluated and actioned.Passing grades were received from external audits.
	Corporate Website	https://www.korteks.com.tr/	-	Always		
	Customer-Dealer Visits / Product Brochures and Promotions, Meetings and Interviews	Communication Procedure	-	Always		
		Communication Procedure	-	Always		
	Fairs / Symposiums / Sponsorships	Customer Satisfaction Procedure	-	Once Every Two Years		
Consultancy	Customer Satisfaction Survey	Communication Procedure	Communication Management	Always	<ul style="list-style-type: none">Analysis and Reporting of Processes	<ul style="list-style-type: none">2022 Sustainability Report was uploaded to the UNGC platform.

Sustainability Based Approach

MATERIALITY ANALYSIS

Zorlu Textile Group has carried out a detailed materiality analysis to ascertain and respond to the expectations of its stakeholders.

The criteria were established by reviewing a range of sources, including frameworks such as the UN Sustainability Development Goals, UN standards and frameworks, ESG ratings, sustainability standards and GRI reporting.

The Group has prepared in-depth surveys on sustainability issues and shared these surveys, conducted on behalf of Korteks and Zorluteks, with its internal and external stakeholders. Internal stakeholders, including internal employees, were actively involved in the survey process and the survey was made available for ten days.

The responses to the survey were analyzed, the importance of the issues was determined and evaluated separately for both local and international supplier and customer breakdowns, and translated into a materialization matrix.

Methodology

Double Materiality

The double materiality analysis is a specific study that reveals the impact of ESG issues on the environmental and social impact, and therefore on the financial sustainability of the institution, regardless of their priority, and thus allows all ESG issues to be examined, financialized and reported, and a strategic roadmap to be established.

While a one-dimensional materiality analysis assesses the priority of an issue today according to the internal/external stakeholder approach, double materiality also analyzes the importance and potential financial impact of this issue over time according to trends and developments.

- Step 1 Scope:** ESG issues, which are the basic indicators of sustainability, were reviewed and 26 sustainability issues were identified with the managers of Zorlu Tekstil Group Holding.
- Step 2 Data Collection:** Preparing the questionnaire, sending it to internal and external stakeholders, collecting the responses. 39 internal stakeholders (19 Korteks / 20 Zorluteks) and 63 external stakeholders (17 Korteks / 46 Zorluteks) participated in the online survey.
- Step 3 Analysis:** The data obtained as a result of the study were analyzed.

ESG Internal/External Stakeholder Materiality Degree

COMPLIANCE DOMAINS

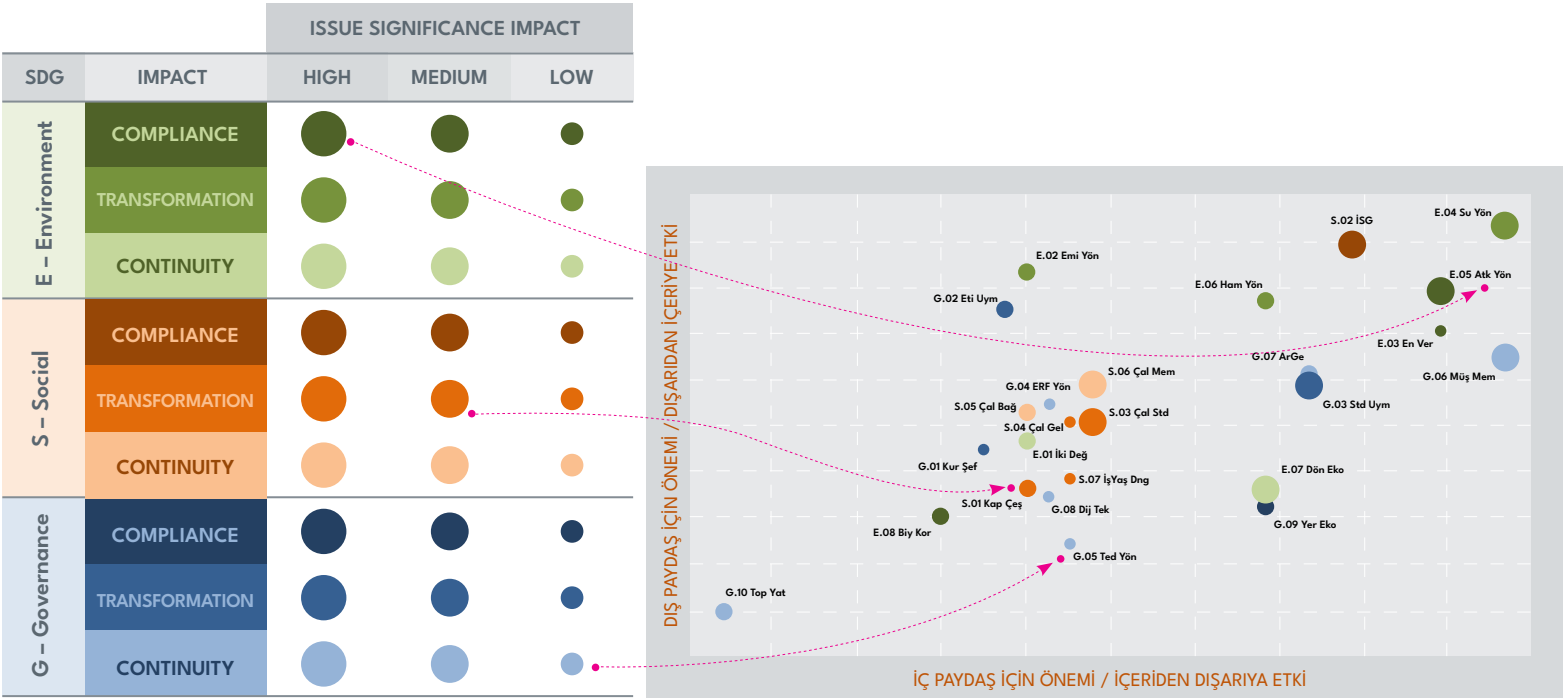
Areas of Focus to Enable the Organization’s Strategic Positioning in the Short and Medium Term.

TRANSFORMATION PRIORITIES

Corporate transformation priorities aligned with ESG mega trends that will create long-term value for the organization.

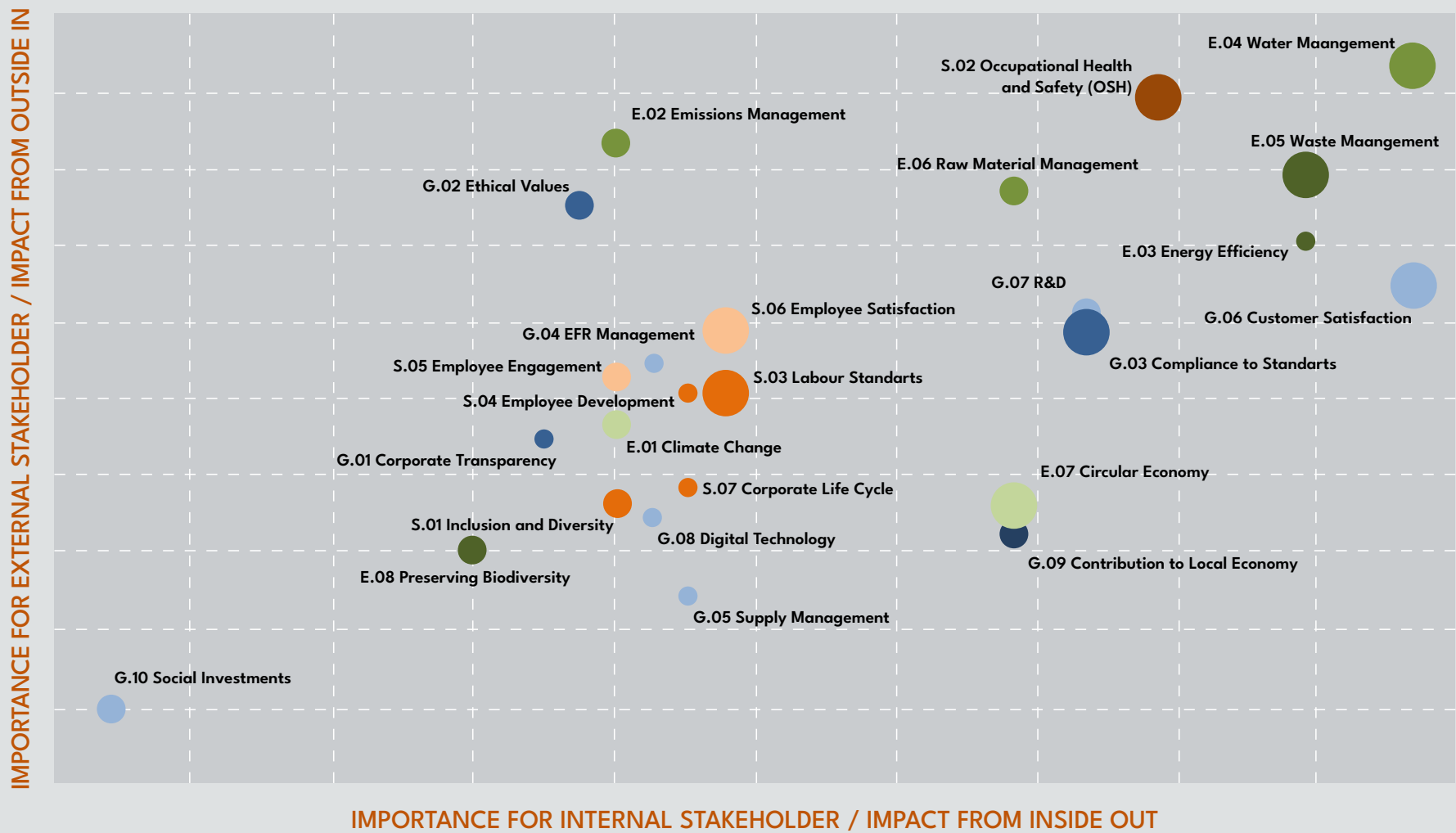
CONTINUITY PILLARS

Focus Areas for Medium- and Long-Term Solutions to Ensure Corporate Continuity.



Sustainability Based Approach

MATERIALITY ANALYSIS



HIGH IMPACT SUSTAINABILITY ISSUES

- ✔ **Compatibility Issues (Short Term)**
 - E Waste Management
 - S Human Health
 - G Contribution to Local Economy
- ✔ **Transformation Issues (Medium/Long Term)**
 - E Water Management
 - S Labour Standards and Norms
 - G Compliance To Standards
- ✔ **Continuity Issues (Long Term)**
 - E Circular Economy
 - S Employee Satisfaction
 - G Customer Satisfaction

Sustainability Based Approach

ADAPTATION TO GLOBAL TRENDS

Today, issues such as global warming and environmental degradation have prompted a need for sustainability transformation in the textile sector, as in all sectors. In this context, the Green Deal announced by the European Union for 2019 provides an important roadmap for achieving sustainability goals.



While the Green Deal aims to achieve economic growth through environmentally friendly approaches, it also encourages the reduction of carbon emissions, increased resource efficiency and environmental sustainability.

The textile sector is one of the sectors most affected by the Green Deal due to its environmental impacts such as water and energy consumption, chemical use and waste generation. The Green Deal encourages the adoption of circular economy principles in the textile industry, the implementation of innovative and sustainable production techniques and ensuring transparency throughout the entire supply chain.

With the “Fit for 55” legislative change adopted within the framework of the EU Green Deal, CBAM has emerged as one of the most important elements that will affect international trade. In this context, Zorlu Textile Group has developed various strategies and goals in order to comply with the new regulations brought by the Green Deal and to play a leading role in the sector. The strategies and targets of Zorlu Tekstil Group can be found in the “Sustainability Strategy and Goals” section.

Zorlu Textile Group benefits from the World Economic Forum’s (WEF) annual Global Risk Report in maintaining its risk management strategies and assessing risks and opportunities. In the 2023 report, climate-related issues and access to accurate/reliable information were among the most important issues. Developments in sustainability reporting are also being meticulously monitored. In this context, TSRS 1 and TSRS 2, the versions of the standards published by the ISSB that have been incorporated into our legislation, require financial and climate-related sustainability disclosures. These obligations have become mandatory for companies of a certain size in the EU under the Corporate Sustainability Reporting Directive (CSRD). These companies report using the European Sustainability Reporting Standards (ESRS), which have been endorsed by the European Commission. The ESRS ensure that companies standardise their sustainability information and share it openly and transparently.

VALUE TO THE NATURE

73

Sustainability Commitments

74

Environmental Management

75

Chemical Management

78

Raw Material Management

79

Ecologic Product Development

80

Industry 4.0

81

Energy Management

82

Projects and Best Practices

84

Water Management

87

Waste Management

90

Emissions Management

Value to the Nature

SUSTAINABILITY COMMITMENTS



In parallel with the business model established under the Zorlu Holding Smart Life 2030 vision, Zorlu Textile Group has formulated Sustainability Commitments.

In line with these commitments, we are implementing the following activities and improving our understanding of sustainability.



Value to the Nature

ENVIRONMENT MANAGEMENT

Zorlu Textile Group centred the respect for the nature in its activities and took action by formulating its own action 3 years prior to the declaration of the Green Deal Action Plan as a result of its climate friendly efforts.

Zorlu Textile Group is committed to a sustainable future and is taking a leading role in the industry with its environmental projects and continuous improvement efforts.

In accordance with the ISO 14001 standard and the requirements of other environmental sustainability certificates, environmental management is shaped and sustainability action plans are developed. All sustainability projects implemented and targeted since 2021 are shaped around the Smart Life 2030 vision and are followed under the headings under the Clean Production Umbrella.

HEADINGS UNDER THE CLEAN PRODUCTION UMBRELLA



At Korteks, the entire environmental process is handled and managed by the Environmental Unit under the Management Systems Directorate. Process risk assessments are carried out twice a year on an environmental scale and the results are reported to senior management. The Environmental Management Unit reviews the annual work plan on the basis of monthly reports. Target evaluations are carried out every 3 months.

At Zorluteks, environmental management and environmental risk assessments are carried out by the Environmental Management Unit, which liaises closely with stakeholders and senior management.

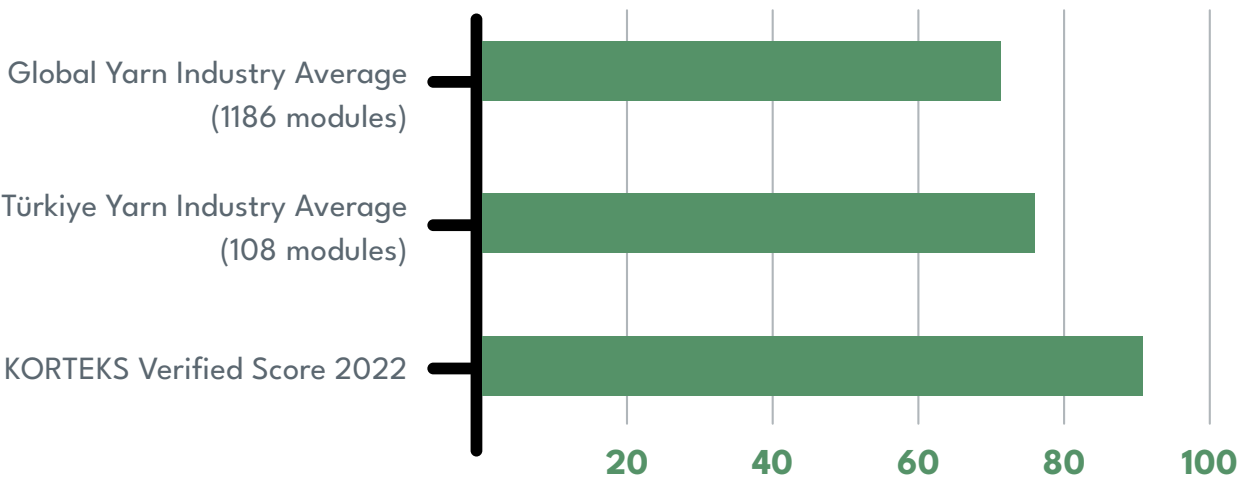
Top management is regularly informed through ISO 14001 Management Review Meetings and steps are taken to continuously improve environmental performance.

The Higg Index platform is used as an effective tool for assessing environmental and social sustainability and supports efforts to continuously improve environmental performance. As part of the FEM module, continuous progress is being made in the fields of environmental management, energy management, water management, wastewater management, air pollution management, waste management and chemicals management.



Korteks was audited for the first time in 2022 within the Higg Index FEM Environmental Declaration Module and received **92.2** points as a result of the audit. The process of announcing the audit results of the Higg Index FEM Environmental Declaration Module for 2023 is in progress.

HIGG FACILITY ENVIRONMENTAL MODULE (HIGG FEM)



Value to the Nature

CHEMICAL MANAGEMENT

Zorlu Textile Group strives to adopt sustainable chemistry and best practices in its activities, carried out in accordance with the principles of safety, human health and environmental protection under the Chemical Management System Policy.

Production Management Projects provide the opportunity to monitor the effectiveness of our Chemical Management System with various software tools. In addition, the Smart Purchasing Project, which supports the processes of determining the quantities of chemicals to be used in processes and creating purchase requests in anticipation of needs, aims to keep the quantity of chemicals purchased at an optimal level while making the Chemical Management System more effective.

Inappropriate management of chemicals can lead to serious hazards and adverse effects. Zorlu Textile Group has adopted the principle of implementing, developing and disseminating the Chemical Management System throughout the supply chain in all its sustainability management activities.

Korteks carries out its work in accordance with the CHEMICAL MANAGEMENT PROCEDURE in order to prevent any harm to human health and the environment, starting from the entry process of the chemicals used in its facilities, during the final use and storage stages. Important topics in this procedure include Transport, Unloading and Loading of Dangerous Substances, Ordering of Chemicals, Entry and Storage, Prohibited and Restricted Substances and Substance Groups. All chemicals go through the Chemical EBA approval process to ensure they are purchased in compliance with MRSL (Manufacturing Restricted Substances List) and RSL (Restricted Substances List) conditions. In addition, ZDHC MRSL compliance for wet processes is subject to the same approval process.

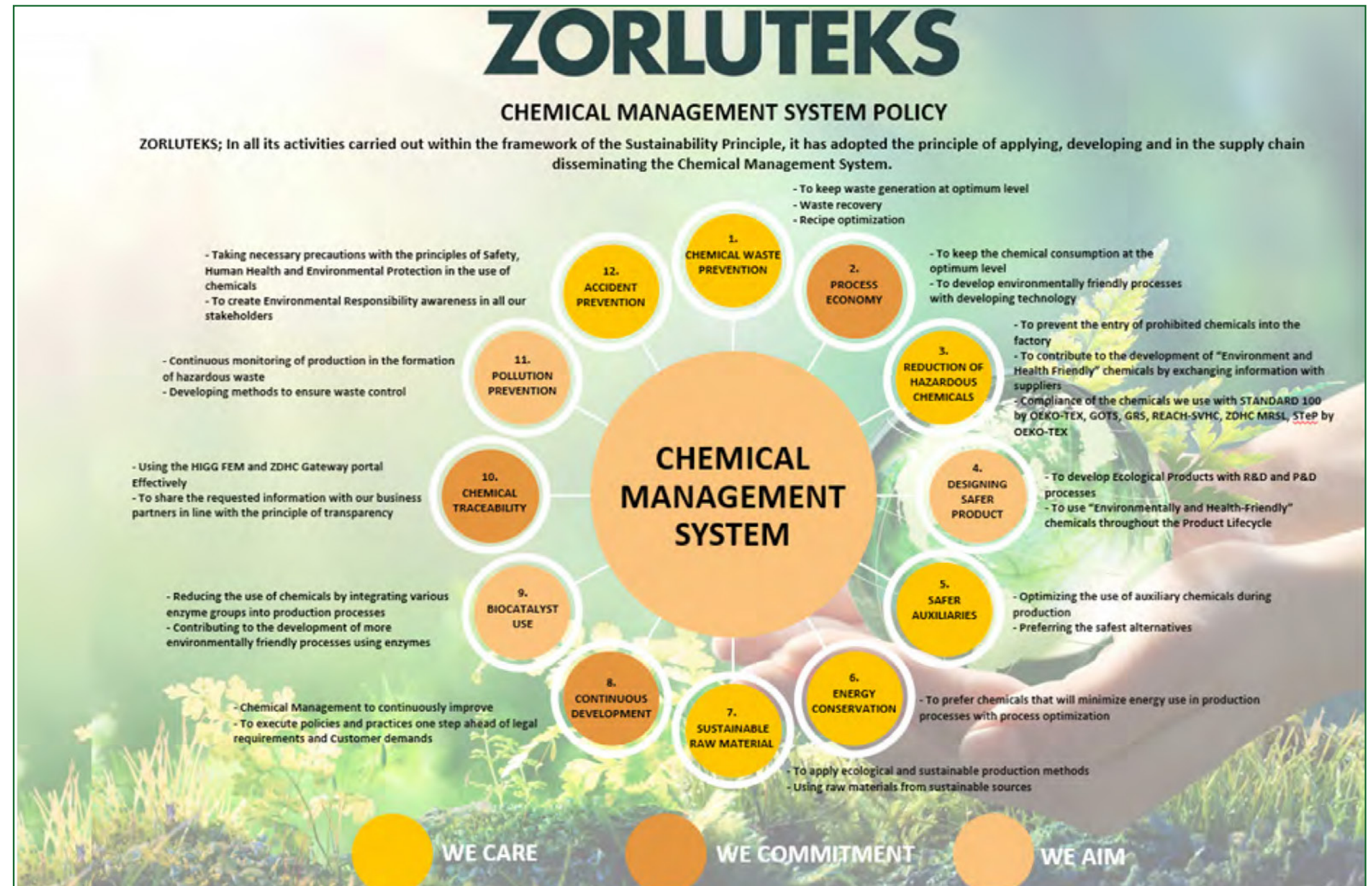


“ Banned and Restricted Substances and Substance Groups are specified in national and international legislation. The use of these chemicals is subject to approval by the Environmental Management Unit and, should the need arise, by Senior Management, using the Activity Permission Form for Activities with Environmental Impact.

Value to the Nature

CHEMICAL MANAGEMENT

In 2021, Zorluteks Chemical Management System Policy was updated in accordance with the 12 principles of Green Chemicals, which are accepted by many environmental authorities such as the US EPA (US Environmental Protection Agency). In this context, the “Zorluteks Chemical Management Policy” was created.



Value to the Nature

CHEMICAL MANAGEMENT



The Waste Printing Pad Recycling Project, implemented in the conventional printing department, involves the recovery of black dye from surplus printing pads, which not only optimizes waste recovery but also reduces the need for additional chemical consumption.

Additionally, in the mercerizing machine, the used waste caustic is recycled as raw material. These recoveries are used as input for another process, reducing resource chemical consumption. Our Internal Procurement Policy includes criteria for the selection of chemical suppliers that comply with various MRSL (Manufacturing Restricted Substance List) and RSL (Restricted Substance List) requirements. Chemical Risk Assessment is an effective way to evaluate and compare alternatives for chemical substances. The Alternative Chemicals List prevents the purchase of chemicals that may pose risks to human health and the environment by identifying less hazardous alternatives.

The Environmental Emission Assessor, called Ecube, uploads the chemicals used into the system on a monthly basis, ensuring they are reviewed by the global team, and monitors ZDHC’s compliance with the MRSL through IN-CHECK reports. IN-CHECK reports are uploaded to the ZDHC Gateway system, ensuring that chemical use is transparently shared with stakeholders. The Development of the Recipe Program to Keep All Production Processes in the Conventional Printing Department Under Control from End to End Project: The TUBITAK 1707 Order-Based R&D Project, named “The Development of the Recipe Program to Keep All Production Processes in the Conventional Printing Department Under Control from End to End” was approved and launched in 2022.

As part of this project, a Recipe Program has been developed and the process has been digitalized, contributing to end-to-end control of the conventional print production process. An Integrated Recipe Program will be developed for conventional printing, which will design a production process for all traceability parameters. This will prevent human errors, eliminate time wastage caused by manual tracking.

The Caustic Recovery Unit Rehabilitation Project: Thanks to the Caustic Recovery Unit Rehabilitation Project carried out by Zorluteks, it became feasible to recover and reuse the caustic used in the mercerization process. In this way, the amount of caustic has been reduced:

- A reduction of 73% is achieved per kg of caustic consumption
- An improvement by 85% for each m3 wastewater is achieved in the amount of sulphuric acid used in the treatment,
- The pH value of the waste water discharged from the bed linen unit is reduced from 12 to 9.

By recycling the caustic used in the mercerization process and reusing it in another process, reducing the amount of sulphuric acid used in the waste water treatment plant and lowering the pH of the waste water, this project has enabled a reduction in chemical consumption costs and waste water treatment costs. The project saved a total of \$25,000 in caustic used in the mercerization process and sulphuric acid used in the wastewater treatment plant.



Value to the Nature

RAW MATERIAL MANAGEMENT

The supply chain is crucial in this process, as providing materials at the right time, in the right place and in a sustainable manner helps to reduce environmental impact while increasing business efficiency. In light of this information, Zorlu Textile Group is committed to operating from a sustainable perspective and establishing its supply chain in this direction.

Projects such as curtains developed within Zorluteks using recycled yarns produced in Korteks’ recycling facilities, duvet sets made from recycled cotton and the Bamboo Collection made from bamboo fibre obtained from bamboo trees are examples of Zorlu Textile Group’s sustainable use of raw materials.

Korteks collaborates with cardboard spool suppliers and replaces the cardboard packaging of the supplied products with reusable packaging in order to reduce waste and promote efficient use of raw materials. Additionally, by implementing box printing management instead of box labels, the company has helped to reduce the use of waxed paper and improve the efficient use of raw materials.

Assessing the materials used in the product manufacturing and packaging processes, a total of 11,526 tons of cardboard, 1,134 tons of wood and 720 tons of plastic packaging are used. 9,570 tons of cardboard and 160 tons of plastic used in the product packaging phase were supplied by recycled materials. In addition, our processes recycled 729 tons of cardboard packaging, 1,073 tons of plastic packaging and reused 3,600 tons of wood packaging, avoiding the purchase of new packaging materials.

Zorluteks constantly works to minimize the environmental impact of its products, starting from the design phase, using the Life Cycle Analysis programme. During the product development process, its plastic and cardboard were produced with recycled materials. In total, Zorluteks used 100,147 tons of materials to manufacture and package its products. Of this amount, 63,675 tons (64%) are renewable resources and 36,471 tons (36%) are non-renewable materials.



The amount of cotton supplied by Zorluteks’ Better Cotton producer is 50% of the total cotton supply.

Better Cotton is a sustainable cotton program implemented by more than 2 million farmers in 22 countries around the world to make cotton production sustainable. It accounts for approximately 22% of global cotton production.

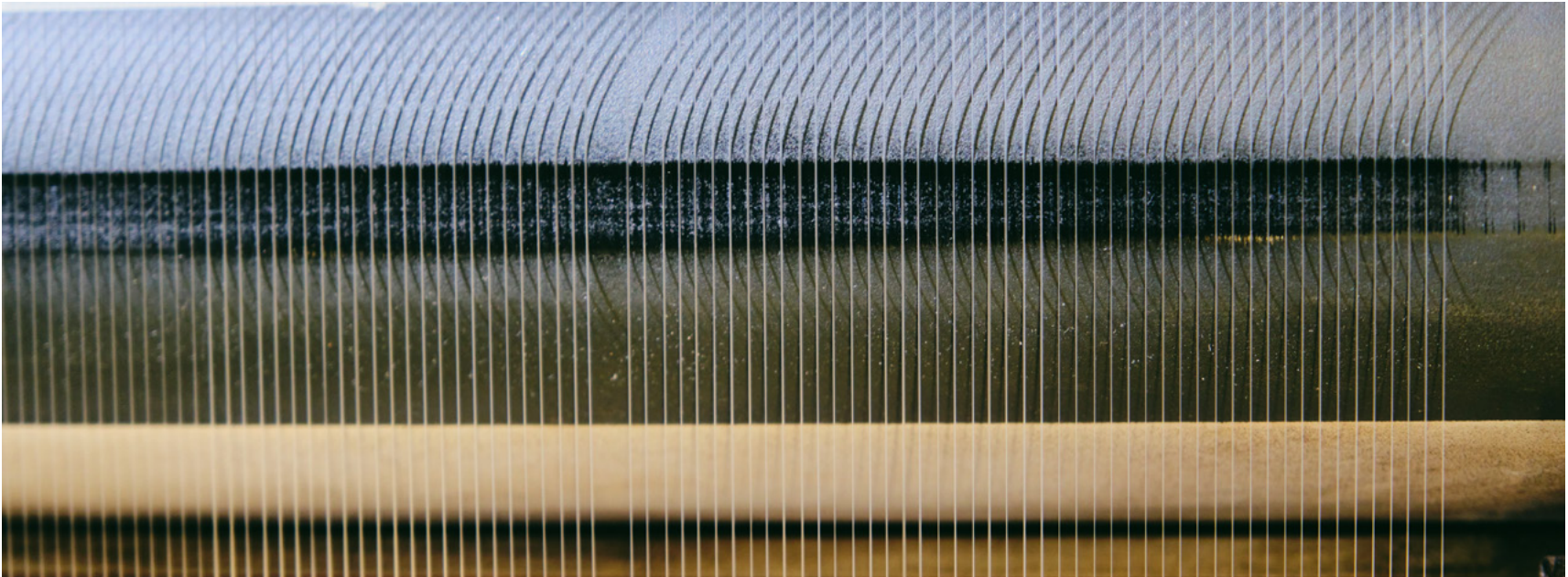
<https://bettercotton.org/tr/>

Value to the Nature

ECOLOGICAL PRODUCT DEVELOPMENT

Ecological product development is intended to create a more sustainable future by minimizing environmental impact and managing natural resources more efficiently.

Eco-design studies are carried out during the product development phase to support the principles of the Circular Economy Action Plan published by the European Union and to ensure the development and implementation of sustainable business model innovations. In addition, by 2023 all designers will have received more than 30 hours of eco-design training. With the principle of “Today for Tomorrow”, we focus on production with less resource consumption and process optimization. With a philosophy of minimalism and the aim of “using fewer resources” from the outset, the Reborn collection, a new range of products that reduces the carbon footprint by 50% compared to reactive printed products, has been developed and launched. The data calculations were made in accordance with the ISO 14067 standard for calculating product carbon footprints and have been documented through the verification process.



- ✔ **TAÇ BIOLOOP®** has adopted an approach that aims to reduce microplastic pollution in the ecosystem, and biodegradable yarn is obtained by adding biodegradable additives during PET yarn production.
- ✔ **TAÇ REBORN®** is yarn obtained by recycling PET bottles and polyester yarn waste.
- ✔ Curtain development at Zorluteks using **recycled yarns** from the Korteks Polymer yarn conversion plant.
- ✔ **Reborn duvet cover and quilt set** developed using recycled threads obtained from the recycling of cotton and tencel threads.
- ✔ **The Taç Bamboo collection** is made from bamboo fibres sourced from sustainable bamboo trees.
- ✔ **Taç Tencel duvet cover set** produced with yarns obtained from trees in sustainable eucalyptus forests.
- ✔ Fabrics for **VEGTEX** natural dyed products are made ready for dyeing using clay, natural enzymes and natural soda. Natural dyestuffs are obtained from clay minerals and various plant extracts. Dyeing resources are completely natural and skin friendly.
- ✔ The **OXIPRO** project, part of the **HORIZON PROGRAM**, will reduce the number of pre-treatment processes and thus minimize chemical consumption by using a single environmentally sensitive enzyme instead of all the chemicals used in these processes.

Value to the Nature

INDUSTRY 4.0

In the Industry 4.0 era, in which Zorlu Textile Group’s industries are equipped with advanced technology, the aim is to increase resource efficiency, reduce costs and optimize energy use.

Korteks used simulation software to analyse production and sales movements, storage space and equipment requirements in order to evaluate storage system alternatives. The outcome of the simulation and feasibility study was that an automated warehouse system, compatible with Industry 4.0 technologies, was preferred. It took 14 months from design to commissioning to complete the automated warehouse project, which covers an area of 3,750 m2 and is 16 metres high. The racking structure, with a capacity of 11,000 pallets, is designed in accordance with Turkish Earthquake Regulations. 4 pallet stacking robots, which can work at double depth in 130 metre long aisles, carry out the transport operations in the racking area. The automated storage system has been verified to have a cycle rate of 100 pallets per hour in accordance with the FEM 9.851 standard. With a storage capacity of approximately 3.5 pallets per square meter, the system has created an environment for more efficient and reliable storage activities with its high speed and autonomous structure, free from human error. Integration with the ERP system of Korteks’ own infrastructure ensures ease of transition and use. The investment in the automated warehouse has reduced the storage area from 26,250 m2 to 3,750 m2, cut product search and retrieval time by 97% and reduced the number of operators from 15 to 1.

Zorluteks calls all the activities it has implemented in this area “Zorluteks 4.0”. PPM (Production Planning Management) software has been developed for this purpose. PPM is a business management application that consists of several modules. There are different modules covering different processes in the business, such as planning, production, quality control, folding, samples, energy, clean production or machine monitoring. As a result of the integration of these modules, all of the company’s processes can be managed more efficiently and speedily.

- PPM Planning and Production Module is a module specifically designed to manage the planning and production processes in the curtain factory.
- Quality control processes with the PPM Quality Module, all business processes of the curtain folding unit with the PPM Folding Module and all work processes of the curtain sampling unit with the PPM Sample Module can be carried out in the digital environment.
- The PPM Energy Module enables to plan actions beforehand to anticipate and correct negative situations by easily providing energy consumption analyses based on retrospective data.
- With the PPM Machine Monitoring Module it is possible to monitor the production quantities, accompanying information (production work order), operator and production information, downtime and energy consumption values of the production machines in the Zorluteks Bed Linen Finishing Plant.
- The PPM Clean Production Module was implemented as an output of a TÜBİTAK-TEYDEB project and provides the ability to track consumption per unit of production. This module also enables the tracking and monitoring of target values for each production unit.

Inspection Project

In the apparel business, the Acceptable Quality Limits (AQL) model is used to verify product compliance with customer specifications. This method ensures detailed controls by taking samples according to the size of the heaps.

Touch: The Transformation Program Touching the Customer

Zorluteks launched the “Touch: The Transformation Program Touching the Customer” for a transformation journey in which all processes, systems, organization and governance are redesigned with the aim of prioritising the customer. The Transformation Program Touching the Customer includes 4 main initiatives.

- The operation model focusing on the brand and consumer
- The organization transformation with defined roles, responsibilities, and processes
- Integrated technological infrastructure
- Analytical decision-making culture based on data

The transition from a lack of technology infrastructure solutions to an integrated and supportive technology infrastructure aims to facilitate the way business is done, traceability, transparency and a structure where technology serves the business.

In addition, by moving from an experience-oriented, hierarchical decision-making structure to a data-oriented, accountable decision-making structure, improvements are planned in issues such as data and cost visibility, operational and tactical reporting, analytical decision-making and accountability.

Value to the Nature

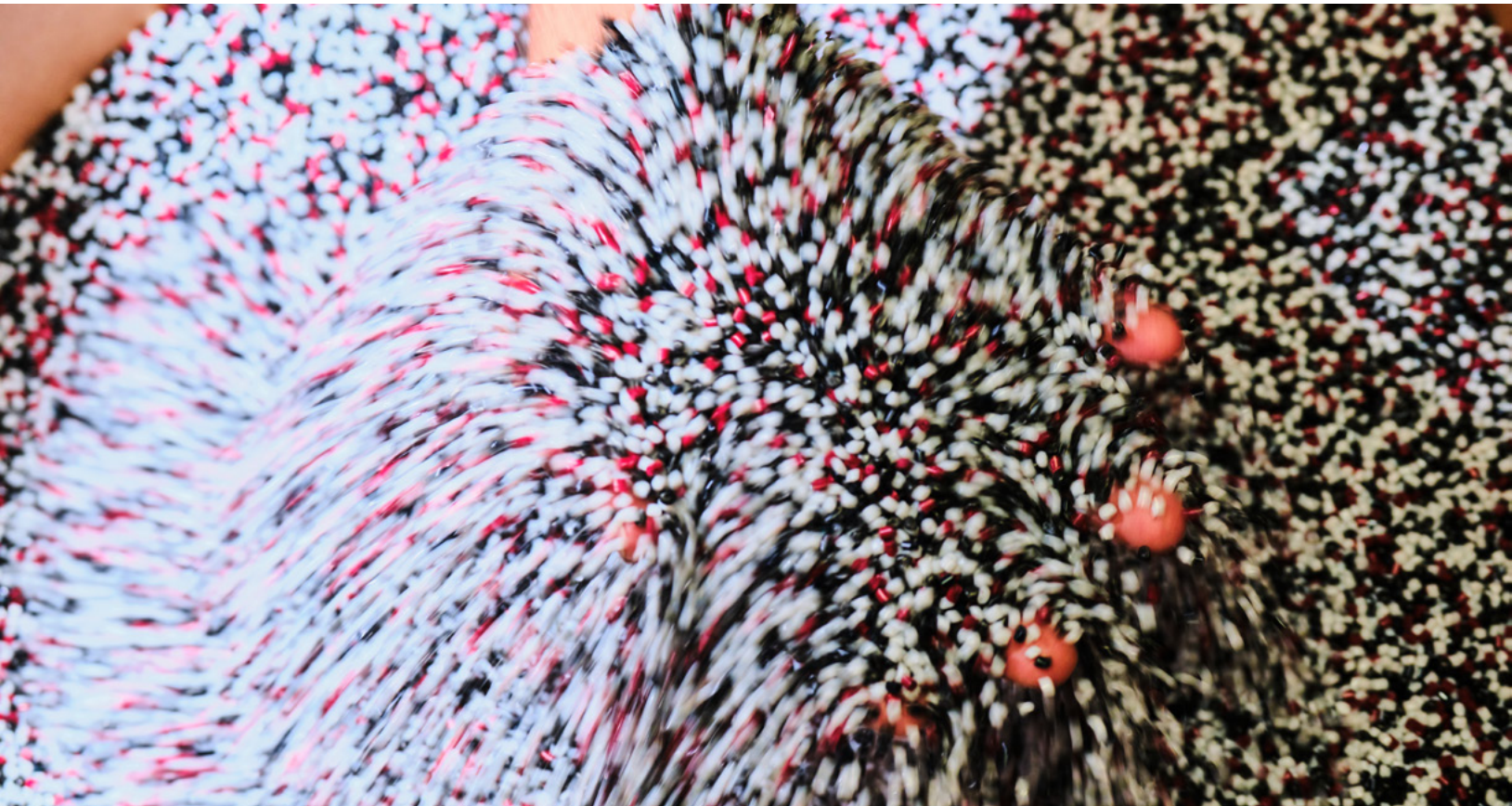
ENERGY MANAGEMENT

Energy management is of ever-increasing importance. Today, a significant proportion of energy is derived from fossil fuels. However, this increases carbon emissions and reduces energy security due to the risk of fossil fuel depletion. Renewable energy is a more sustainable alternative to fossil fuels. In addition to being environmentally friendly, these resources are not at risk of depletion because they are renewable.

Zorlu Textile Group is aware of the relevance of developing a systematic process to become a sustainable institution. In this context; it aims to

- ✔ Focus on energy efficiency in all its activities,
- ✔ Make continuous improvements to achieve superior energy performance,
- ✔ Follow/prefer energy efficient technologies
- ✔ Undertake activities to reduce greenhouse gas emissions,
- ✔ Undertake activities to increase the use of renewable energy resources,
- ✔ Use energy efficiently to conserve natural resources and reduce emissions and the impact of climate change, while designing highly energy efficient processes/products.

Zorlu Textile Group’s energy activities are overseen by units. At Korteks, the energy management unit submits a report to the management every six months. Korteks uses the SWOT method to assess risks and opportunities related to energy continuity. Process owners evaluate internal and external factors in current operations using the form “Process Risk Assessment and Functional Strategy (F0445)” in meetings held at least every six months, together with other process stakeholders to which they belong. At Zorluteks, the Energy Board reviews machine-based energy consumption, energy analysis, risk and opportunity assessment, improvement opportunities, projects, energy action plan results, legal and other obligations once a year.



Korteks aims to obtain the ISO 50001 Energy Management System certificate in 2024. Energy and emission activities within Zorluteks are carried out in accordance with the requirements of the ISO 50001 Energy Management System. At Zorluteks an internal audit for ISO 50001 is carried out once a year, and additionally the frequency of audits varies, including customer audits and official audits.

In 2022, Korteks and in 2021, Zorluteks certified their use of renewable energy by obtaining the International Renewable Energy Certificate (I-REC), which confirms that the electricity they use comes from renewable sources. In 2022, Lüleburgaz and Zorluteks will join Bursa Dokuma and Hometeks in obtaining I-REC certification for electricity from renewable sources. The company is working to reduce its impact on climate change by reducing its Scope 2 emissions, which are indirectly caused by electricity and steam consumption, by 100%.

As part of its investments in renewable energy resources, Korteks is planning to build a solar farm within the borders of Türkiye in order to make better use of solar energy. In Zorluteks, the feasibility study for the installation of solar panels has been completed and included in the investment plan.

“ Korteks and Zorluteks continue their energy efficiency studies on the use of inverters and more efficient motor systems, LED conversion, HTM System Modernization and the use of efficient compressors.

Value to the Nature

PROJECTS and BEST PRACTICES

KORTEKS

Air Conditioning Exchanger Project

By installing an additional exchanger in the empty spaces in the exchanger room of the Poy air conditioners, the pressure losses of the air conditioner fans were reduced and energy was saved. The air conditioner exchanger project has saved 2,169 MWh of energy, 938 tons of CO2 greenhouse gas and TL 6,786,277 per year.

Replacing Old Dryers with New Generation Dryers

To eliminate efficiency losses due to malfunctions in the old type of dryer used at KorteKS, a transition to new generation dryers was made and savings were achieved in both energy consumption and spare parts maintenance costs. As a result of the work carried out, 3,478 MWh of energy, 261 tons of CO2 greenhouse gas and TL 2,369,000 were saved annually.

Texturing Machines G2x Engine Efficiency Project

In 2 and 4 layer production, after the G2 spindle in the texturing machine, the yarn is folded with the folding device, combined in a single position and sent to the oven. Meanwhile, energy savings were achieved by switching off the G2X motors that were running even though no yarn was passing over the G2X motors of other idle positions. The G2X Efficiency Project has saved 102.408 MWh of energy, 44.5 tons of CO2 greenhouse gas and TL 268,308 per year.

ZORLUTEKS

Compressor Replacement Project

The project to replace the ZorluteKS turbo-compressor with a more efficient compressor, VAP (Efficiency Boosting Project), was approved by the Ministry of Energy and Natural Resources in 2021. With this project, the hot water released by the processes will pass through the modified exchanger system and heat the cold water. In this way, energy is used more efficiently.

ENERGY CONSUMPTION (GJ)	KORTEKS			ZORLUTEKS		
	2021	2022	2023	2021	2022	2023
Electricity	1,261,205.31	1,091,343.92	807,786	262,401.51	230,689.72	199,483.30
Natural Gas	497,764.18	406,430.30	353,113.62	208,536.67	187,458.37	176,658.04
Fuel Oil	5.7	14,355.31	602.58	-	-	-
Diesel (Constant Burning)	797.78	763.44	821.56	1,547.45	1,320.53	111.16
Diesel (Mobile Burning)	4,283.73	4,490.41	3,603.82	4,258.32	3,910.05	4,653.76
Diesel Total	5,081.50	5,253.85	4,425.37	5,805.76	5,230.58	4,764.92
Petrol (Mobile Burning)	186.64	258.37	1,224.54	312.12	212.42	499,27
TOTAL	1,764,243.34	1,517,641.75	1,171,667.48	477,056.07	423,591.09	381,405.53

Value to the Nature

PROJECTS AND GOOD PRACTICES

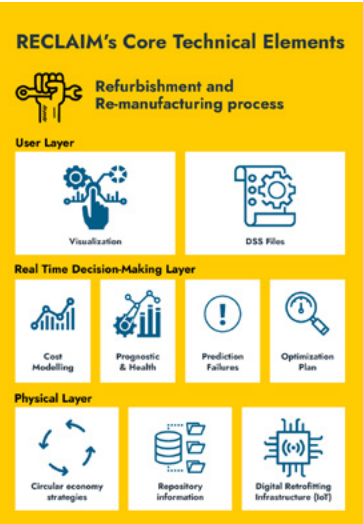
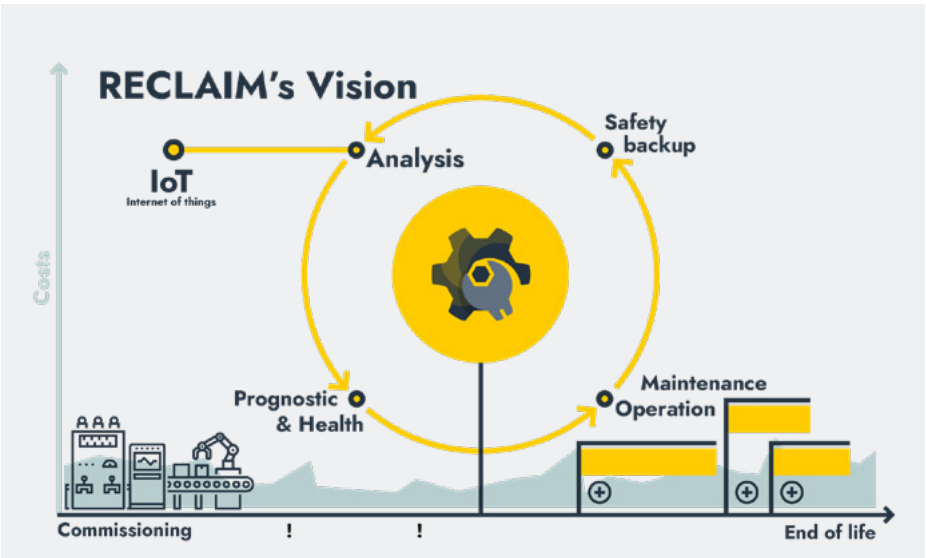
RECLAIM

Reclaim, the first project accepted into HORIZON 2020, involving 22 partners from different European countries, was successfully completed at the end of 2023.



The project, which aims to prolong the life of machines and materials by developing innovative solutions to problems, reduce the unnecessary use of resources and control machines independently of humans, is investigating the control of machines used in the bleaching, drying and whitening processes of cotton fabrics thanks to models built with Artificial Neural Networks (ANN).

The most important part of the project is that predictive maintenance has been implemented for the first time at Zorluteks, thanks to the vibration sensors placed on the selected pilot machine.



With 18 sensors placed on the main motors and bearings of the pilot machine, the status of the relevant machine parts can be monitored online 24/7 via vibration graphs, cloud site and API (Application Programming Interface). As a result of the project, the rework rate was reduced from 17% to 5%, resulting in a 70.58% improvement in machine life.

OXIPRO

This project aims to develop environmentally friendly and sustainable products using eco-friendly enzymes in the detergent, textile, cosmetics and nutraceuticals (food supplements) sectors. It is expected to be completed in 2025.



Value to the Nature

WATER MANAGEMENT

Conservation and sustainable management of water resources play a crucial role in combating climate change. As part of Zorlu Holding’s Smart Life 2030 strategies, Zorlu Textile Group aims to recover 50% of the water it uses by 2030 and all of it by 2050.

KORTEKS

Korteks executes a number of studies on the efficient use of water resources:

Osmosis System Flow Change

The waste water flow of the osmosis system was reduced from 11.5 m3/h to 6.5 m3/h. By reducing the flow rate, the efficiency of the use of secondary water has increased and the amount of effluent discharged from the system has been reduced. The flow change saved 28,000 m3 of water and TL 620,000 per year.

Air Conditioning Exchanger Project

Soft water consumption for cooling was reduced by installing an additional heat exchanger in the empty spaces in the heat exchanger room of the Poy air conditioners. The project has saved 5,460 m3 of soft water per year.

Water Conservation Project Sock Dyeing

After each sock dyeing process, the rinse water is not drained but left in the machine and used for the next dyeing process, saving ~100 litres of water per dyeing process. The project has saved 219 m3 of water and TL 7,000 per year.



Value to the Nature

WATER MANAGEMENT

ZORLUTEKS

Zorluteks implements a variety of practices for the sustainable use and management of water resources.

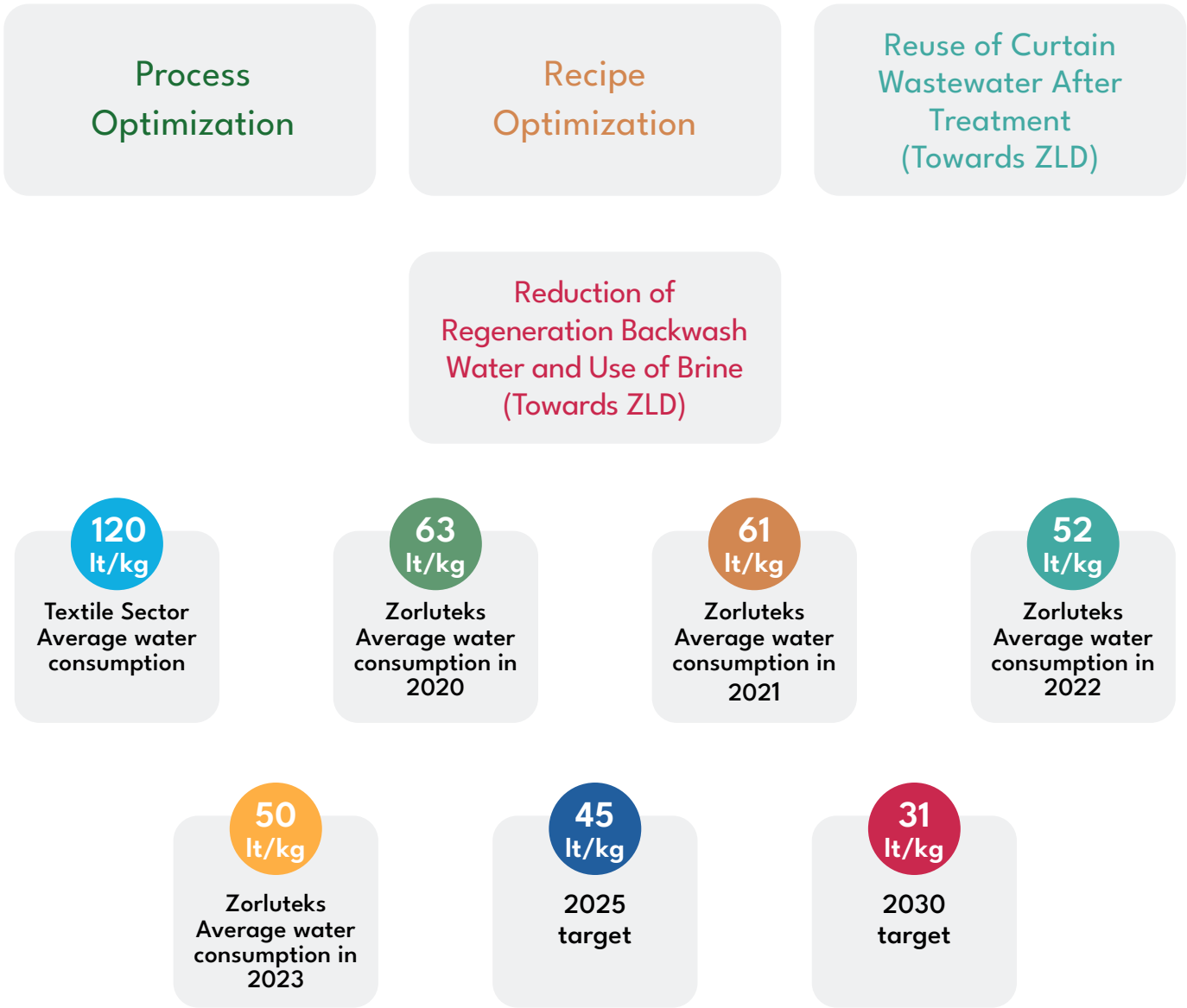
- Reuse of Curtain Wastewater after Treatment (Approximately 1,000m3 of wastewater per day from the curtain treatment plant is passed through additional filters and reused in appropriate processes within the factory in the duvet finishing plant).
- Reducing Regeneration Backwash Water and Use of Brine
- Process Optimization
- Recipe Optimization

Thanks to its efforts to reduce its water footprint, Zorluteks has been awarded the “Excellent” score, the best level in water consumption, within the Inditex Care for Water program and has been entitled to become a Join Life manufacturer.

By reusing 1,000 m3/day of water, the water consumption per kg decreased from 63 lt/kg to 52 lt/kg in 2022, a 17% improvement in water consumption per kg was achieved. Using the same system in 2023 reduced the water footprint from 52 lt/kg to 50 lt/kg.

In this way, 848,000 m³ of water were saved in 2023.

ZORLUTEKS Projects to Reduce Water Consumption



Value to the Nature

WATER MANAGEMENT

Water Abstraction	KORTEKS			ZORLUTEKS		
Water Abstraction according to the Source	2021	2022	2023	2021	2022	2023
Underground Water (m³)	-	-	-	2,406,364	1,781,146	1,246,098
Tap Water (m³)	191,937	172,308	120,576	22,971	18,727	17,563
Yağmur Hasadı (m³)	-	-	-	-	1,722*	1,785*
Second Quality Water (m³)	596,755	552,993	457,464	8,121	9,640	454
Water Usage Intensity (m³)/Ton)	-	-	-	61,07	54,60	50,45
Total Water Abstraction (m³)	788,692	725,301	578,040	2,437,456	1,811,235	1,264,115

* It is not included in total water consumption.

Water Discharge	KORTEKS			ZORLUTEKS		
Water Discharge according to the Source	2021	2022	2023	2021	2022	2023
Surface Water (m³)	-	-	-	8,664	6,950	7,442
Underground Water (m³)	-	-	-	-	-	-
Industrial Zone Wastewater Treatment Plant (m³)	407,166	389,687	293,366	17,316	16,515.2	7,195
Other Receptive Environments (m³)	-	-	-	2,074,463	1,604,180	1,165,175
Toptal Water Discharge (m³)	407,166	389,687	293,366	2,100,443	1,627,645.2	1,179,812

Value to the Nature

WASTE MANAGEMENT



The waste management system implemented in Zorlu Tekstil Group aims to prevent waste at source, minimize the waste generated, ensure that it can be reused within the business operations and recycle the waste in accordance with laws and regulations.

“Korteks and Zorluteks have obtained the Zero Waste certificate. Waste management at Korteks and Zorluteks is managed within the ISO 14001 environmental management system. The amount of waste at Korteks can be monitored on a monthly basis using internal software. This makes it possible to know the annual amount of waste and to monitor compliance with the annual waste reduction targets.

In addition, internal audits are carried out every two months to determine the environmental performance of the processes.



Value to the Nature

WASTE MANAGEMENT

KORTEKS

Texturing Machine Float Replacement Project

By converting the floats of the texturing machines from electronic to mechanical, malfunctions were eliminated and the use of absorbent material for overflow intervention and the resulting formation of contaminated absorbent material was prevented. The project resulted in a reduction of 54 tons of hazardous waste, a reduction of 1.154 tons of CO2 greenhouse gas and savings of TL 186,000 per year.

Cardboard Bobbin Reuse Project

In the texturing plants, environmental benefits were achieved by sorting and reusing bobbins weighing less than 150 grams in texturing production, rather than discarding them as airborne waste. The project resulted in a reduction of 46 tons of cardboard waste from 250,000 tubes, a reduction of 0.985 tons of CO2 greenhouse gas and savings of TL 1,581,470 per year.

Use of Idle Pallets in Pallet Matching Project

Pallet usage was reduced by using pallet matching to automatically optimize the capacity of the warehouse system. The project reused pallets and reduced the consumption of natural resources. The project resulted in 55.15 tons of wood waste reduction, 1,174 tons of CO2 greenhouse gas reduction and TL 5,554,250 savings per year.

WASTE INFORMATION	2021			2022			2023		
	Waste Generated	Waste That Cannot Be Disposed	Disposed Waste	Waste Generated	Waste That Cannot Be Disposed	Disposed Waste	Waste Generated	Waste That Cannot Be Disposed	Disposed Waste
Waste Components	Tons	Tons	Tons	Tons	Tons	Tons	Tons	Tons	Tons
Hazardous and Medical Waste	201.065	201.065	-	220.48	220.48	-	159.57	159.57	0
Industrial General Wastes	103.9	103.9	-	140.91	140.91	-	91	91	0
Food	22.124	-	22.124	22.477	-	22.477	17.9		17.9
Paper/Cardboard	4,010.92	4,010.92	-	3,388.64	3,388.64	-	2,396.0	2,396.0	0
Plastic	259.6	259.6	-	216.3	216.3	-	102.83	102.83	0
Wood (Palette)	417.97	417.97	-	472.64	472.64	-	247.3	247.3	0
Metal	269.38	269.38	-	262.58	262.58	-	218.6	218.6	0
Nylon	346.53	346.53	-	289.1	289.1	-	192.88	192.88	0
Other Wastes (Textile Materials, etc.)	5	5	-	14.8	14.8	-	4.27	4.27	0
TOTAL WASTE	5,636.49	5,614.36	22,124	5,027.93	5,005.45	22.477	3,430.35	3,412.45	17.9

Data Recording Project with Internal Software Program

Test result data from the Statimat Elongation at Break testers is automatically transferred to the Labteks program database, reducing the consumption of natural resources through the use of paper and cartridges, and indirectly preventing the generation of paper and cartridge waste. The data collection project has reduced 0.653 tons of waste and saved TRY 7,214 per year.

Value to the Nature

WASTE MANAGEMENT

ZORLUTEKS

Zorluteks achieved a 16% improvement in 2023 by implementing projects for all types of waste, reducing waste at source, mapping business waste and digitalizing the process.

WASTE INFORMATION	2021			2022			2023		
	Waste Generated	Waste That Cannot Be Disposed	Disposed Waste	Waste Generated	Waste That Cannot Be Disposed	Disposed Waste	Waste Generated	Waste That Cannot Be Disposed	Disposed Waste
Waste Components	Tons	Tons	Tons	Tons	Tons	Tons	Tons	Tons	Tons
Paper/Cardboard	1,122.52	1,122.52	0	969.98	969.98	0	713.72	713.72	0
Electronics	4.88	4.78	0.10	3.42	3.36	0,06	1.04	1.01	0.03
Plastics	313.46	313.46	0	271.83	271.83	0	203.77	203.77	0
Metal	100.61	100.61	0	52.14	52.14	0	52.09	51.76	0.31
Hazardous Waste, Medical Waste	0.55	0	0.55	0.42	0	0.37	0.42	0	0.42
Contaminated Packaging	222.92	222.55	0.37	208.52	208.35	0.17	157.16	157.16	0
Batteries	8.93	8.88	0.05	3.92	3.81	0	1.64	1.64	0
Fluorescent Lamps	0.59	0.46	0.13	0.75	0.71	0.04	0.19	0.19	0
Wood (Palette)	48.01	48.01	0	281.31	281,31	0	107,82	107,82	0
Other	3,404.17	3,267.68	136.49	3,103.32	2,285.68	817.64	3,037.03	1,086.09	1,950.94
TOTAL	5,226.64	5,088.95	137.69	4,895.61	4,077.17	818.28	4,274.88	2,323.17	1,951.70

Value to the Nature

EMISSIONS MANAGEMENT

As part of its Smart Life 2030 strategy, Zorlu Holding aims to achieve net zero emissions in scope 1-2 by 2030 and in the entire value chain (scope 1-2-3) by 2050.

Reducing greenhouse gas emissions and combating climate change are of utmost importance to ensure sustainable economic growth. In this context, Zorlu Textile Group periodically measures its greenhouse gas emissions. At Korteks and Zorluteks, Scope 1-2-3 emissions are calculated and reported according to the ISO 14064 Standard.



Greenhouse Gas Emissions (ton CO ₂ e)	KORTEKS				ZORLUTEKS			
	2020	2021	2022	2023	2020	2021	2022	2023
Scope 1 / Category 1	30,658	34,820	31,064	20,800	90,668	13,869	9,993	9,058
Scope 2* / Category 2	138,549	153,703	-	-	35,778	39,085	26,704	22,128
Scope 3 / Category 3	425,556	415,332	426,349	313,168	727,507	652,565	479,467	374,030
TOTAL	594,763	601,496	457,413	333,968	853,953	705,519	517,373	405,216

Scope 2 emissions have been offset through the acquisition of I-REC certificates

Zorluteks uses steam for the finishing processes in its production unit. The steam is purchased from Zorlu Energy.

VALUE ADDED TO THE EMPLOYEES

- 92 Human Centric Ecosystems
- 119 Gender Equality
- 122 Occupational Health and Safety (OHS)

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS



Human Resources Approach at Zorlu Textile Group

Zorlu Textile Group’s approach to human resources is based on maximizing the potential of employees, embracing corporate values and ethical standards at all levels, and creating an ecosystem that supports sustainable growth.

“ While the strategic focus is on the career development and well-being of employees, it also aims to contribute to the overall success of the company and its competitiveness in the industry.

KORTEKS and ZORLUTEKS from Zorlu Textile Group Human Resources Perspective

Zorlu Textile Group assumes a leading role in textile production with more than 4,800 employees and activities in 12 production and marketing facilities. Employee retention and satisfaction are at the core of the company’s values, reinforcing its leadership in the textile industry. Career development opportunities are crucial to the future direction of the company.

Zorlu Holding’s Human Rights Policy is available at [zorlu_holding_ih_politikasi_final_20062022.pdf](#)

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Human Resources Approach at KORTEKS

Korteks moves forward under the guidance of the fundamental and ethical values established by Zorlu Holding and encourages its employees to adhere to these values.

The human resources strategy aims to increase the motivation and commitment of the employees to the company and to provide them with a peaceful, healthy and pleasant work environment.

As part of the company’s sustainability vision, it emphasizes its commitment to both professional and personal development with training focused on “employee engagement”. It considers equal opportunities, valuing employees’ ideas and suggestions, and employee satisfaction to be important foundations.

Raising the level of corporate culture and awareness is complemented by a keen interest in meeting the social and cultural needs of employees. With this policy, Korteks makes a significant contribution to the development of its employees and becomes a reliable supporter on their career journey.

Employment Profile at KORTEKS

The evolution of Korteks’ employment structure from 2021 to 2023 is remarkable. The increase in the proportion of female employees strengthens diversity. This clearly shows that recruitment and career development policies have become more inclusive.

The increase in the number of blue-collar female employees demonstrates a strong commitment to gender equality. The decrease in the number of male employees is one of the results of automation and increased productivity.

The increase in the number of women in unionized workplaces, while the number of men in unionized workplaces remains constant, is an indicator of policies that support women’s active role in union representation.

In general, the employment profile reflects efforts to adapt to the changing dynamics of the labour market and to create a more inclusive working environment. Each change introduces a specific aspect of the HR strategy and is part of a continuous improvement process.

EMPLOYMENT PROFILE	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total Number of Employees	51	2,280	2,331	55	2,301	2,356	62	1,848	1,910
Number of White Collar Employees	47	319	366	51	335	386	42	307	349
Number of Blue Collar Employees	4	1,961	1,965	4	1,966	1,970	20	1,541	1,561
Employee Number under the Collective Labour Agreement / Unionized Employee Number	4	1,683	1,687	4	1,672	1,676	20	1,541	1,561

Korteks operated with 1,910 employees in 2023, of which 3.25%, or 62 people, were women. 1,561 or 82% of the employees are working within the scope of a collective agreement or a trade union. The total number of white-collar workers is 349, of which 12% are women (42) and 88% are men (307). There are 1,561 blue-collar workers, of which only 1.3% are women (20 persons) and the majority, 98.7%, are men (1,541 persons).

82% of the company’s employees work under collective bargaining agreements, confirming the company’s commitment to protecting workers’ rights. The Board of Directors consists of 4 male members.

In 2023, Korteks employs 57 people with disabilities, and the statutory minimum number of people with disabilities has been set at 54.

By exceeding this legal limit, Korteks promotes the employment of people with disabilities and achieves its goals of strengthening diversity in the working environment.

As in previous years, the number of employees with disabilities has exceeded the legal requirements, demonstrating a firm commitment to supporting the professional development of individuals with disabilities and providing them with fair opportunities. Korteks continues its continuous efforts to increase diversity and inclusion in the workplace.

Korteks’ 2023 employee structure and employment policy clearly demonstrate the importance it attaches to diversity in terms of gender, professional group and disability status.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Employment Profile at KORTEKS

EMPLOYEE TURNOVER	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total Number of Employees Who Quit Their Job	12	169	181	3	252	255	22	461	483
Number of Employees under 30 Who Quit Their Job	8	59	67	1	76	77	13	100	113
Number of Employees Aged 30-50 Who Quit Their Job (including those aged 30 and 50)	2	84	86	1	135	136	6	266	272
Number of Employees Aged 50 and Over Who Quit Their Job	2	26	28	1	41	42	3	95	98
Employee turnover rate calculated by including employees who voluntarily leave their jobs	23.5%	3.8%	4.2%	3.6%	3.3%	3.3%	19.4%	6.1%	6.5%

A total of 483 employees left Korteks in 2023, which corresponds to an annual employee turnover rate of 6.5% of the total workforce. Breaking this rate down further, the rate for female employees is 19.4% and the rate for male employees is 6.1%, if employees who leave voluntarily are included in the calculation.

When broken down by age group, there were 113 departures among employees under the age of 30, which may indicate that this group tends to evaluate new career opportunities. The departure of 272 employees aged between 30 and 50 may reflect the dynamics and career transitions in the sector. The 98 resignations in the over-50 years old category suggest that workers in this age group may be inclined to retire or to transition into later stages of their careers.

Vacancies staffed with internal candidates at KORTEKS in 2023: 1 manager, 11 chiefs, 5 deputy chiefs, 4 experts, 2 maintenance engineers, 2 software engineers, 4 operating engineers, 5 technicians were appointed. Appointments are made every year in June. This information indicates that there are opportunities for promotion and appointment within the company. This highlights Korteks’ HR strategies and efforts to increase employee engagement. These data provide important indicators for a deep understanding of employee turnover rates and trends, and allow HR policies to be designed accordingly.

SENIORITY	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees for 0-5 years	33	910	943	32	878	910	41	524	565
Number of employees for 5-10 years	11	601	612	16	616	632	13	581	594
Number of employees with 10 or more years of service	7	769	776	7	807	814	8	743	751

In 2023, Korteks has 565 employees in the 0-5 year category, which is approximately 37.5% of the total number of employees. The increase in the number of female employees in this category stands out as an indicator of the participation of new talent in the company and the renewal of the workforce.

The number of employees with 5-10 years of service reached 594, which is approximately 39.5% of the total number of employees. This group reflects Korteks’ experienced and committed employees. They have a key role to play in ensuring stability and continuity.

The number of employees with 10 or more years of service has reached 751, which is more than half of the total number of employees. This rate clearly shows the strong commitment to Korteks and the employees’ intention to continue their long-term careers here.

This balanced seniority structure demonstrates Korteks’ success in attracting young talent, supporting employees’ career development and maintaining long-term employee loyalty. It also reflects Korteks’ commitment to supporting its employees at every stage of their professional life cycle.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Employment Profile at KORTEKS

MATERNITY/PARENTAL LEAVE	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees benefiting from maternity/parental leave	3	83	86	2	95	97	3	68	71
Number of employees returning to work after maternity/parental leave ends	3	83	86	2	95	97	1	68	69

In 2023, a total of 71 employees at Korteks benefited from maternity or parental leave. Of these employees, 3 are women and 68 are men, which demonstrates that Korteks supports all parents, regardless of gender. The number of people who returned to work after their leave was 69, which is almost identical to the number of leaves taken. This reflects the importance that Korteks places on work-life balance and the high level of satisfaction that employees feel when they return to work.

In particular for employees returning from leave, the high proportion of those who choose to stay with the company for at least another 12 months after their leave is an indication that employee retention is strong and that the company’s policies support employee satisfaction. The fact that two female employees are still on maternity leave in 2023 is a reflection of the flexibility offered and the policies that allow employees to balance work and family life.

Korteks attaches great importance to supporting its employees’ family life and offering flexible solutions when they return to work.

NUMBER OF EMPLOYEES BY AGE	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Below 30 years old	18	347	365	17	372	389	26	258	284
Between 30 and 50 years old (including 30 and 50 years old)	28	1,640	1,668	32	1,569	1,601	33	1,359	1,392
Above 50 years old	5	293	298	6	360	366	3	231	234

During the reporting period, employees under the age of 30 represented approximately 14.9% of the total workforce, indicating that Korteks has a dynamic workforce that brings energy and innovation to the company. These young professionals boost the company’s innovative spirit by offering new and fresh perspectives. On the other hand, employees between the ages of 30 and 50 make up 72.8% of the total workforce. People in this age group play an important role in preserving the in-depth experience, expertise and corporate memory that is one of the cornerstones of the company. These experienced professionals are key resources for day-to-day operations as well as for future leadership positions in the company.

Employees over the age of 50 represent approximately 12.3% of the total workforce and contribute to the long-term stability and experience of the company. This group offers an in-depth perspective on the company’s decision-making processes, with many years of knowledge and experience in the industry. Their presence provides a solid foundation for future decisions and reflects the value of experience in the corporate culture.

The generational breakdown of the 2023 workforce demonstrates the company’s balanced approach to integrating young talent, developing the skills of mid-career employees and leveraging the deep experience of older employees. This diversity is proof that the company has an inclusive and diverse workplace that values the contributions of each generation. It also encourages employees of different ages to learn from each other and work together for the overall success of the company, making it more innovative and competitive.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Employment Profile at KORTEKS

NUMBER OF NEW RECRUITS BY AGE	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of people recruited during the year	15	166	181	7	218	225	31	2	33
Below 30 years old	8	101	109	7	154	161	26	1	27
Between 30 and 50 years old (including 30 and 50 years old)	5	44	49	0	53	53	5	1	6
Above 50 years old	2	21	23	0	11	11	0	0	0

The majority of the 33 new employees who joined the company in 2023 are in the under-30 age group, and it is evident that this group represents 78.8% of the total new hires. This shows the importance the company attaches to young talent and its determination to recruit this talent. Notably, the majority of new hires are women, clearly reflecting the company’s commitment to gender diversity and female representation in the workforce.

Recruitments in the 30 to 50 year old category are represented by 6 new employees, accounting for 18.2% of the total. The presence of both male and female employees in this group demonstrates the aim of combining experience and energy. Recruitment in this age range is part of our company’s efforts to enrich its diversity and experience.

In light of this data, the 2023 recruitment strategy shows that the company continues to pursue its goals of creating a dynamic workforce and embracing diversity by privileging young and female employees. At the same time, the combination of experience and skills of employees from different generations and genders reinforces the vision of creating a strong and harmonious team.

Employment Profile at ZORLUTEKS

The first striking feature of Zorluteks’ employment profile is its female employment rate. The company has achieved remarkable success in steadily increasing this rate over many years. This success clearly demonstrates that Zorluteks’ recruitment and career development policy has a more inclusive structure.

The employment profile refers to efforts to adapt to the changing dynamics of the labour market and to create a more inclusive working environment. Efforts such as these guide HR strategies in a particular direction and become an integral part of the continuous improvement process. Each change is made to better match the talents, skills and needs of employees.

EMPLOYMENT	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total Number of Employees	1,322	1,995	3,317	1,238	1,910	3,148	1,172	1,684	2,856
Number of White Collar Employees	648	631	1,279	655	639	1,294	650	602	1,252
Number of Blue Collar Employees	674	1,364	2,038	583	1,271	1,854	522	1,082	1,604
Employee Number under the Collective Labour Agreement / Unionized Employee Number	221	1,153	1,374	191	1,085	1,276	161	912	1,073

Zorluteks operated with 2,856 employees in 2023, of which 41%, or 1,172, were women. 1,073 or 38% of the employees are working under a collective agreement or a trade union. The total number of white-collar workers is 1,252, of which 52% are women (650) and 48% men (602). There are 1,604 blue-collar workers, of whom only 33% are women (522) and 67% men (1,082).

Zorluteks offers employment opportunities to 106 individuals with disabilities. This effort, which is of great importance in terms of social participation and equality, is made to ensure that individuals with disabilities can actively participate in business life.

Zorluteks’ 2023 employee structure and employment policies clearly demonstrate the importance it attaches to diversity in terms of gender, professional group and disability status.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Employment Profile at ZORLUTEKS

EMPLOYEE TURNOVER	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total Number of Employees Who Quit Their Job	225	281	506	298	456	754	184	296	480
Number of Employees under 30 Who Quit Their Job	96	98	194	133	176	309	61	66	127
Number of Employees Aged 30-50 Who Quit Their Job (including those aged 30 and 50)	117	163	280	155	235	390	116	193	309
Number of Employees Aged 50 and Over Who Quit Their Job	12	20	32	10	45	55	7	37	44
Employee turnover rate calculated by including employees who voluntarily leave their jobs	13.5%	8.6%	10.5%	10.7%	9.1%	9.7%	7.2%	7.3%	7.2%

A total of 480 employees have resigned from Korteks in 2023, which corresponds to an annual employee turnover rate of 7.2% of the total workforce. If we look at the details of this rate, the rate for female employees is 7.2% and the rate for male employees is 7.3%, including employees who left voluntarily.

When broken down by age group, there were 127 departures among employees under the age of 30, which may indicate that this group tends to evaluate new career opportunities. The departure of 309 employees aged between 30 and 50 may reflect the dynamics and career transitions in the sector. The 44 departures in the over-50 category suggest that employees in this age group may be inclined to retire or to transition to later stages of their careers.

SENIORITY	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees for 0-5 years	596	753	1,349	519	655	1,174	442	540	982
Number of employees for 5-10 years	408	592	1,000	373	576	949	367	500	867
Number of employees with 10 or more years of service	318	650	968	346	679	1,025	363	644	1,007

In 2023, Zorluteks had 982 employees with 0-5 years of service, which corresponds to approximately 34.3% of the total number of employees.

The number of employees with 5-10 years of seniority reached 867, representing approximately 30.3% of the total number of employees. This age group represents Zorluteks’ experienced and dedicated employees. The number of employees with 10 or more years of seniority reached 1,007, representing 35.2% of the total workforce. This rate clearly demonstrates the strong commitment to Zorluteks and the aspiration of employees to continue their long-term careers here.

The balanced seniority distribution demonstrates Zorluteks’ success in attracting young talent, supporting employees’ career development and maintaining long-term loyalty. This success reflects Zorluteks’ commitment to support its employees at every stage and proves that the Company is committed to being with them at every step of their professional life cycle.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Employment Profile at ZORLUTEKS

MATERNITY/PARENTAL LEAVE	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees benefiting from maternity/parental leave	48	72	120	48	8	56	36	13	49
Number of employees returning to work after maternity/parental leave ends	46	71	117	38	8	46	29	13	42

In 2023, a total of 49 employees at Zorluteks benefited from maternity or parental leave. 36 of these employees are women and 13 are men, which indicates that Zorluteks supports all parents regardless of gender. The number of people who returned to work after their leave was 49, which is almost identical to the number of leaves taken. This situation reflects the importance that Zorluteks attaches to work-life balance and the high level of employee satisfaction with the return to work process.

Of the 49 employees who took maternity or parental leave, 73% were women and 27% were men, and there was a similar gender balance in the rate of return to work after leave (69% women, 31% men). This shows that the company’s family-friendly policies are supporting employees. There were 195 managers, of whom 48% were women and 52% men. The proportion of women in the management category under 30 is 67%, between 30 and 50 is 52% and over 50 is 23%. This data demonstrates the important steps Zorluteks has taken to promote gender balance across a wide age range in management positions.

Particularly among employees returning from leave, the high rate of those who opt to stay with the company for at least another 12 months after leave is an indication that employee retention is strong and that the company’s policies support employee satisfaction. The fact that seven female employees are still on maternity leave in 2023 is a reflection of the flexibility offered and the policies in place to allow employees to balance work and family life.

Zorluteks attaches great importance to supporting its employees’ family life and offering flexible solutions during their return to work. The company offers various support services to help employees balance work and family life, and facilitates the return to work process with flexible working models.

NUMBER OF EMPLOYEES BY AGE	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Below 30 years old	352	344	696	295	322	617	281	242	523
Between 30 and 50 years old (including 30 and 50 years old)	937	1,503	2,440	903	1,419	2,322	842	1,263	2,105
Above 50 years old	33	148	181	40	169	209	49	179	228

Data on the age groups of employees in 2023 shows that Zorluteks is building a workforce that combines energy and innovation by bringing together different talents. This data enables the company to support young talent and increase innovation with new perspectives, while also considering mid-career and experienced employees as key resources.

Employees under the age of 30 make up 18.3% of the company’s workforce, helping to maintain the spirit of innovation and offering fresh perspectives. These young professionals represent significant potential for the company’s future success.

On the other hand, the majority (73.7%) of employees are aged between 30 and 50. This group is perceived as the cornerstone of the company, with their vast experience and expertise. They are regarded as an important resource for both day-to-day operations and future leadership positions.

Employees over the age of 50 represent 7.9% of the workforce and make a valuable contribution in terms of long-term stability and experience. This group plays an important role in the development of future strategies, providing an in-depth perspective to the company’s decision-making processes.

There were 195 managers, of whom 48% were women and 52% men. The proportion of women in the management category under 30 is 67%, between 30 and 50 is 52% and over 50 is 23%. This data demonstrates the important steps Zorluteks has taken to promote gender balance across a wide age spectrum in management positions.

The balance between these age groups demonstrates that the company is creating an inclusive working environment by bringing together diverse talents and appreciating the contributions of each age group. This balance allows different perspectives to come together, making the company more innovative and competitive.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Employment Profile at ZORLUTEKS

NUMBER OF NEW RECRUITMENTS BY AGE	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of people recruited during the year	173	176	349	232	353	585	111	154	265
Below 30 years old	120	83	203	152	196	348	77	33	110
Between 30 and 50 years old (including 30 and 50 years old)	47	81	128	75	139	214	33	97	130
Above 50 year old	6	12	18	5	18	23	1	24	25

The majority of the 265 new employees who joined Zorluteks in 2023 are between 30 and 50 years old, and this group accounts for 49% of the total new hires. This indicates that the company also values experienced employees and is achieving stable growth in this segment.

In particular, the proportion of new recruits under the age of 30 was recorded at 41.5%. This demonstrates the company’s focus on young talent and the next generation of employees, and the earnest efforts being made to recruit these groups. Additionally, the fact that the majority of those hired under the age of 30 are women demonstrates the company’s commitment to gender diversity and the representation of women in its workforce.

In line with this data, the 2023 recruitment strategy outlines that Zorluteks aims to achieve healthy growth and workforce diversity by valuing both experienced employees and young talent in recruitment, while also considering gender diversity.

Remarkable Uptrend in Female Employees with Disabilities

A significant increase in the number of employees with disabilities was observed at Zorluteks between 2022 and 2023. During this period, the number of female employees with disabilities increased by 116.7%, from 12 to 26, while the number of male employees with disabilities increased by 6.7%, from 75 to 80.

The company’s continuous efforts to improve the accessibility of its workplaces and the full integration of its employees with disabilities are among the key factors underlying this positive trend.



Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Talent Development and Management of Zorlu Textile Group

Zorlu Textile Group strives for the sustainable success of the company by prioritizing the development and satisfaction of its employees through innovative human resources management.

“ Zorlu Tekstil Group’s Human Resources Management is characterized by a human-centric approach and encourages employee retention and the engagement of qualified candidates. While processes are continuously improved, technological innovations are swiftly adapted to ensure uninterrupted sustainability.

Recruitment processes prioritize individuals who embrace the company’s culture and reflect its values, as well as the performance and qualifications of candidates. Employees are considered the company’s greatest asset and their development and satisfaction are the basis of the company’s success.

Zorlu Textile Group meticulously plans its human resources in line with the company’s future growth objectives.

Training and development programs enable employees to advance their careers and maximize their potential, while encouraging continuous learning and providing new skills. The performance management process measures employee success, monitors their development and provides feedback to support them.

Zorlu Textile Group recognizes human resource management as a strategic focus and considers its investments in this field as the basis for sustainable success.



Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Talent Development and Management of Zorlu Textile Group

Zorlu Textile Group aims to establish equality for all employees by providing a fair working environment with an equal opportunities and diversity policy, to increase motivation with a performance-based fair pay system, and to encourage the contribution of different perspectives to the company paying attention to gender equality.

Fair labour practices and workers’ rights are one of the cornerstones of the International Labour Organization’s (ILO) “Decent Work” approach. This approach emphasises the right of every individual to have access to fair and satisfactory working conditions and includes elements such as occupational safety, health, equality and social protection. Zorlu Textile Group is constantly working on the basis of these elements.

Zorlu Textile Group acts in conformity with international standards, led by the ILO, on issues such as gender equality, working hours, remuneration, collective agreements and occupational health and safety standards, and adopts equal opportunities and diversity policies. The equal pay system, which is based on performance and skills, ensures that each employee is fairly rewarded for their contributions and achievements and increases motivation within the company.

Gender equality has been designated as one of the company’s focus areas and supports equal representation and opportunities for women and men, while ensuring that career opportunities are open to all.

Reports on employee development and culture highlight improvements in development programs and performance management systems.

The performance evaluation process at Korteks and Zorluteks is carried out using a digital human resources platform called Harmoni. This innovative platform allows employees to set performance targets, monitor their development throughout the process and receive a comprehensive evaluation at the end of the year.



Harmoni provides all the necessary tools and analytical data for employees to evaluate their performance according to objective criteria. The evaluation process consists of the following steps:

- ✔ **Goal Setting:** Employees enter the strategic objectives appropriate to their respective roles into Harmoni.
- ✔ **Continuous Feedback:** Regular feedback sessions are held between employees and managers throughout the year.
- ✔ **Development Planning:** Employees’ development needs are identified and personal development plans are created.
- ✔ **Annual Evaluation:** At the end of the year, employees are assessed on their ability to achieve their objectives and their overall performance.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Talent Development and Management at KORTEKS

Korteks’ comprehensive performance and career development appraisal system regularly assesses employees’ professional development and focuses on their competencies and objectives. While this system evaluates a combination of objectives and competencies for managerial and senior positions, it focuses only on competency-based evaluations for sub-managerial employees. Annual performance reviews are conducted for both groups.

Korteks has set KPIs (Key Performance Indicators) for all employees in managerial positions and above. These objectives are divided into four main groups: Financial, Functional, Strategic and Organizational. For positions below manager level, functional KPIs of department heads are followed for monitoring purposes.

In Korteks’ 2023 performance and career development reviews, a total of 349 employees were assessed and 12% of these employees were women.

KORTEKS PERFORMANCE EVALUATION									
	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total number of employees subject to regular performance and career development reviews	47	319	366	51	335	386	42	307	349

These statistics are indicative of the company’s commitment to the development and skills of its employees and the significant investment it has made in the performance management process. The results of the appraisal process identify employees’ strengths and areas for development and provide guidance on how to achieve individual and organisational goals.

Korteks implements a transparent and effective communication strategy to effectively hear and address its employees and evaluate their complaints and suggestions. Several channels are available for employees to share their concerns about working conditions. These channels are:

- ✔ **Notification to Managers:** Employees can communicate their complaints and suggestions directly to their managers, who carefully evaluate the feedback and formulate solutions
- ✔ **Human Resources Department:** Complaints and suggestions are forwarded to the Human Resources Department, where they are processed in accordance with the principles of confidentiality and appropriate solutions are formulated.
- ✔ **Suggestion, Request and Complaint Boxes:** These boxes, deployed throughout the factory, allow employees to provide written feedback and the feedback collected is reviewed on a regular basis.
- ✔ **Electronic Portal:** Employees can express their views through a portal that allows them to submit their suggestions, requests and complaints electronically.

These communication mechanisms allow employees to express their views in a confidential and convenient way, and provide a clear roadmap for how such situations are managed within the company. All 19 feedback and complaints received in 2022 were successfully resolved, and in 2023 the number of feedback and complaints decreased by 32% to 13.

Korteks prioritizes gender diversity and professional development by focusing on the competencies and goals of its employees through its comprehensive performance and career development system.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Talent Development and Management at ZORLUTEKS

At Zorluteks, the performance process is implemented as a target+competence assessment for managers and above, and as a competency-based performance assessment system for all employees with titles below manager.

Target + competency-based performance management includes steps such as goal setting at the beginning of the year, mid-year interim review meetings, input of realized values at the end of the year and year-end performance review meetings. The whole process is designed to be highly transparent and takes place between the employee and their manager. In the competency-based performance evaluation system, the employee is evaluated by creating competency sets under 3 main headings: basic, functional and managerial.

ZORLUTEKS PERFORMANCE EVALUATION									
	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total number of employees subject to regular performance and career development reviews	370	305	675	323	267	590	302	271	573

With regard to the performance and career development evaluations carried out at Zorluteks over the last three years, 995 out of the 1838 employees included in the evaluations were female. Based on this information, the average inclusion rate of female employees in the appraisal process over the last three years was 54.1%.

Zorluteks aims to improve the employee experience and create a working environment that supports the company’s success. These goals include ensuring gender equality between white and blue collar employees, increasing employee retention and satisfaction, and improving employee referral rates as measured by the Net Promoter Score (NPS).

Zorluteks attaches great importance to feedback and complaints from its employees, scrutinizes the feedback it receives on these issues and takes a solution-oriented approach. While 95.9% of the 49 feedback and complaints received in 2022 were successfully resolved, 84.2% of the 38 complaints received in 2023 were resolved. Zorlutek employees can communicate their wishes, complaints and suggestions directly or through digital communication tools. They can submit their feedback, requests and suggestions to the Human Resources Department through printed forms in their cafeterias, complaint boxes, electronic request complaint forms in TouchNet and the QDMS Suggestion Module. The Human Resources and Management Systems Departments evaluate all employee feedback confidentially and take the necessary corrective action.

A decline in feedback and complaints may indicate an increase in employee satisfaction. However, the decline in the rate of complaints resolved indicates that current resolution strategies need further improvement.

“ Zorluteks’ approach contributes to creating a supportive atmosphere in the workplace, increasing employee satisfaction and commitment, and has a positive impact on the company’s overall business efficiency and success.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Training for Employees at KORTEKS

Employee Training: The Foundation for Sustainable Growth

Korteks is genuinely committed to the training and development of its employees and this is a fundamental part of the company’s sustainability strategy. Clear training objectives are set for each department to improve the development of employees’ skills and the overall performance of the company. These targets apply to both on-site and off-site training and are designed to increase operational efficiency and provide employees with up-to-date information in line with industry standards.

“ The development of our employees is building the future of Korteks.

These training objectives are critical to maintaining Korteks’ competitive advantage. Investing in the personal and professional development of employees supports both their career development and the overall success of the company.

Throughout 2023, Kortek’s Human Resources department has carried out various training and development programs for the professional and personal development of employees. Prominent activities include KORKUT Accreditation Training, ISO 27001 Information Security Training and ISO 50001 Energy Management System Training, and these programs support the company’s commitment to sustainability and mitigating environmental impact.

Korteks’ training programs have markedly increased the participation of female employees in training by providing high quality and comprehensive learning opportunities to all employees from 2021 to 2023. This increase demonstrates the importance given to gender diversity, and female participation has made significant progress, especially in 2023. The presence of female white-collar and blue-collar employees in training has increased, and the company has contributed to the professional development of all employees by making its training programs more inclusive. Employee training hours have generally increased, starting at 11,696 person*hours in 2021, reaching 19,747 person*hours in 2022 and 15,379 person*hours in 2023. The training time for female employees is increased to 25.4 hours in 2023, while the training duration for male employees is effectively adjusted to 6.3 hours.

The company prioritizes ethical and environmental sustainability principles and addressed basic issues such as sustainable resource use and waste minimization in environmental training in 2023. The capacity of employees to fulfill their safety and environmental responsibilities has been strengthened through training provided on various safety issues such as emergency, fire safety, working at height safety and chemical training. A total of 4,498 hours of training were provided on these subjects.



In response to the February 6 earthquakes, Zorlu Holding provided 365 hours of training on “Earthquake Preparedness and Living with Earthquakes” to raise earthquake awareness. The training covered subjects such as how to react in an emergency, how to designate safe areas, how to communicate in an emergency and how to store essential supplies.

KORTEKS EMPLOYEE TRAININGS	ANNUAL TRAINING HOURS
Preparing For and Coping With An Earthquake	365
Emergency Team Training	455
Fire Safety Team Training	1,254
Working at Altitudes Training	411
Chemicals Training and Drills	813
Environmental Training	1,565
In-house and ReclamationTraining	2,264

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Training for Employees at KORTEKS

Each training program guides employees’ career journeys as part of a company culture that supports continuous learning and development, and is recognized as an important investment in their personal and professional development.

The high rate of employee participation in professional and personal development programs from 2021 to 2023 reflects the company’s commitment to continually expand its training programs and maximize the potential of its employees.

Korteks’ efforts relating to environmental training started in 2021 with the training of 1,210 employees, and this process covered a total of 605 hours of training. In 2022, the company’s commitment in this field became even more evident and there was a significant increase in the number of employees receiving environmental training, which doubled to 1,999. The total number of training hours also increased, reaching 1,000 person*hours, demonstrating the company’s commitment to raising environmental awareness and reaching more employees in this area. In 2023, 266 fewer employees participated in environmental training than in previous years, but the total number of hours of training increased to 1,565 person*hours. This shows that the duration of training is increasing year on year, indicating that the company has increased its investment in environmental training not only in terms of the number of participants, but also in terms of the quality and depth of the training.

“ Korteks schedules technical, personal and academic training to support continuous development and career journeys.

KORTEKS EMPLOYEE TRAININGS	2021	2022	2023
Number of employees trained on ethical principles	25	12	30
Training hours on ethical principles	52	13	33,4
Number of employees trained in anti-bribery and corruption procedures	25	12	6
Training hours on anti-bribery and anti-corruption	52	13	9,4
Number of employees trained on environmental issues	1,210	1,999	766
Training hours on environmental issues	605	1,000	1,565
Number of employees trained on issues such as sustainability, UN Sustainable Development Goals	-	336	875
Training hours on issues such as sustainability, UN Sustainable Development Goals	-	336	438
Percentage of security personnel trained in human rights policies and procedures	100,00%	100,00%	100,00%

The MBA Training Program, was created with the aim of developing employees’ careers and continuously increasing their employability. This program is rich in content and covers the fundamental areas of business management such as Marketing, Economics and Finance, Entrepreneurship, Communication, Human Resources and Operations Management. Through this program, employees have the opportunity to enhance their professional skills by learning about changing trends, current techniques and strategies in the business world. It also helps them become more effective and successful in business by strengthening their leadership skills. In 2023, 8 Korteks employees received 256 hours of training through MBA programs conducted in cooperation with universities, and a total of 2,048 hours of training was provided through MBA programs.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Training for Employees at KORTEKS

The **TURQUALITY** Manager Development Program provides 72 hours per year of career development support to managers in coordination with universities. During the period under review, the TURQUALITY Manager Development Program was implemented as an annual 72-hour development program to improve the leadership and management skills of middle and senior managers at Korteks.

Through the **Mastery Compensation Program**, Korteks offers blue-collar employees the opportunity to obtain a mastery certificate by increasing their professional experience. During the reporting period, 40,350 hours of training were provided through the Mastery Compensation Program to contribute to the professional development of Korteks' blue-collar employees, and participants were offered the opportunity to obtain a Mastery Certificate.

The aim of **Orientation Training** is to provide newly hired employees with information about the company's departments and business processes and to speed up the adaptation process. During the reporting period, Korteks provided 414 hours of orientation training.

On-the-job training is a training program that includes basic information about company rules, occupational health and safety, environment, fire safety and management systems for each new employee. During the reporting period, 295 hours of on-the-job training was provided at Korteks.

10,800 hours of Integrated Management System training on quality, environment, occupational health and safety was provided at Korteks in 2023.

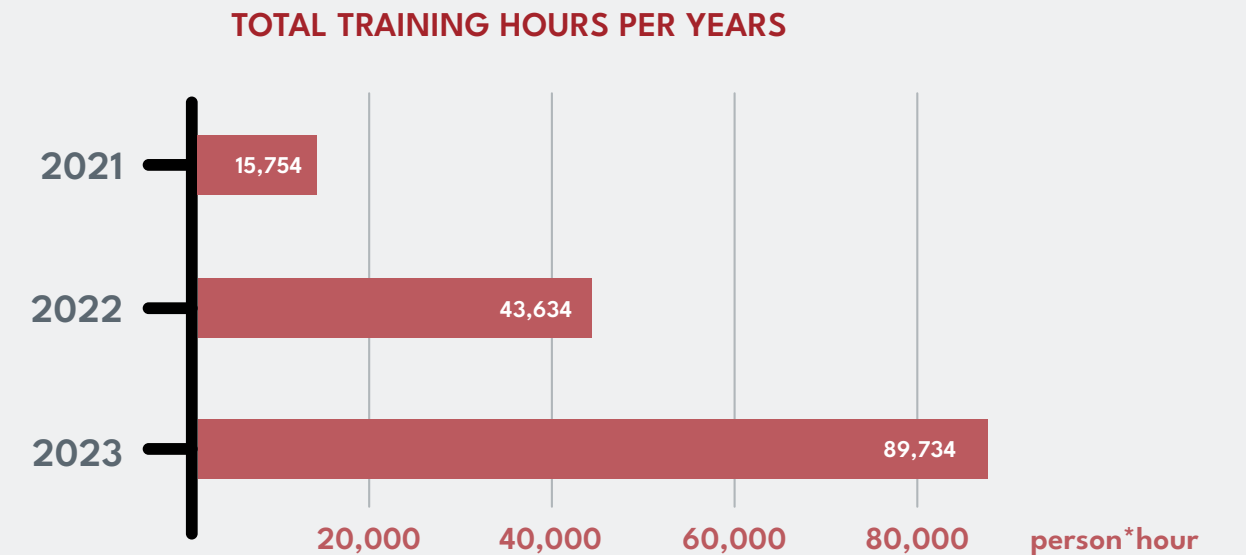
Training for Employees at ZORLUTEKS

Zorluteks' short and long term goals for its employee training programs are well defined. The aim is for every employee to receive **Integrated Management System and Gender Equality training at least once a year.**

In addition, special training programs are offered to new employees to raise awareness of complaints and concerns, anti-violence and ethical principles. Specific emphasis has been placed on training processes and certification programs for blue-collar employees to complement their technical and professional development. The aim is to provide white-collar employees with professional and personal development training, to increase the number of in-house seminars for them and to develop online training processes.

The company's approach is based on supporting the personal and professional development of individuals beyond legal training. Training tailored to employees' interests and business processes is provided both on a departmental and individual basis.

As part of the annual training plan, regular training is planned in many areas such as leadership, sustainability, gender equality, digital transformation and technical skills. These planned trainings aim to ensure the continuous development of Zorluteks' employees and maintain the company's competitive position in the industry.



Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Training for Employees at ZORLUTEKS

A total of 2,242 employees participated in the training programs held at Zorluteks in 2021, and 43% of these participants were female employees. The total number of hours of training provided during the year was approximately 15,754. The average number of hours of training received by each employee was 13 hours for women and 10 hours for men, while the overall average was 11 hours.

In 2022, the number of employees participating in training programs reached 3,042. 35% of these participants are female employees. The total number of training hours increased to approximately 43,634 hours, and the average training time per employee per year was calculated to be 23 hours.

“ A total of 2,359 employees received training during the reporting period. 36% of the participants are female employees. The cumulative training time increased to 89,734 hours, while the average annual training time per employee increased to 59.1 hours.

Zorluteks’ training programs are explicitly designed to raise employees’ awareness of ethical standards, anti-corruption and environmental awareness. In 2021, the number of employees trained in ethical principles was 1,032, and a total of 319.2 hours of training was provided in this field.

By 2022, the number of employees trained on ethical principles had decreased to 697, but training hours were recorded as 204.5. The number of employees receiving anti-bribery and corruption training was recorded as 222, with 59 hours of training provided. In 2023, the number of employees receiving ethical training decreased to 373 and the number of training hours was recorded as 141.5.

The number of employees receiving anti-bribery and corruption training increased to 539 and the number of training hours provided increased to 409.

At Zorluteks, the number of employees receiving environmental training substantially increased from 200 to 525 and then to 1,894 between 2021 and 2023. This trend suggests that the company is making great strides in this area by increasing its resources to train more employees in environmental sustainability. Furthermore, it can be considered a strong indicator of the increased awareness and responsibility of employees towards environmental sustainability.



Zorluteks reinforces its sustainability strategy by training its employees on key issues such as sustainability and the United Nations Sustainable Development Goals.

In 2023, the number of employees trained on key issues such as sustainability and the United Nations Sustainable Development Goals was determined to be 919, and the training time spent on this subject was recorded as 386 person*hours.

“ These training statistics indicate that Zorluteks aims to train its employees not only within the framework of current legal obligations, but also in line with the company’s overall sustainability goals.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Training for Employees at ZORLUTEKS

ZORLUTEKS EMPLOYEE TRAININGS	2021	2022	2023
Number of employees trained on ethical principles	1,032	697	499
Training hours on ethical principles	319.2	204.5	228.9
Number of employees trained in anti-bribery and corruption procedures	-	222	499
Training hours on anti-bribery and anti-corruption	-	59	377.8
Number of employees trained on environmental issues	200	525	1,894
Training hours on environmental issues	60	110	1,943
Number of employees trained on issues such as sustainability, UN Sustainable Development Goals	200	161	919
Training hours on issues such as sustainability, UN Sustainable Development Goals	617.2	746.75	386.1
Percentage of security personnel trained in human rights policies and procedures	0,0%	5,0%	100,0%

Zorluteks: Committed to the Development of our Employees!

Zorluteks offers a broad range of training programs to support the continuous development and career path of its employees. These programs are designed in alignment with the principles of talent management and lifelong learning.

Zorluteks’ MBA education program is designed to support the career development and continued employability of its employees. The training content covers basic business areas such as marketing, economics and finance, entrepreneurship, communication, human resources and operations management. A total of 5,970 hours of training were provided to employees through MBA programs run in cooperation with universities. This program is designed to help employees improve their management skills and develop their careers. It offers participants the opportunity to develop their leadership and strategic thinking skills by combining theoretical and practical knowledge.



Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Training for Employees at ZORLUTEKS

Online Foreign Language Training allows the company’s white-collar employees to benefit from English language training via remote access at any time, helping them to communicate effectively in the global business environment. During the reporting period, Zorluteks provided its employees with online English training that they could access at any time, and a total of 9,150 hours were devoted to this training. This program enables employees to improve their communication skills in the global business environment.

TURQUALITY Manager Development Program offers support to managers for career development with the coordination of universities. During the reporting period, an annual 72-hour development program was carried out with the TURQUALITY Manager Development Program to increase the leadership and management skills of middle and senior level managers at Zorluteks.

The Mastery Compensation Program offers blue-collar employees the opportunity to obtain a Mastery Certificate by increasing their professional experience. During the reporting period, 52,350 hours of training were provided through the Mastery Compensation Program to contribute to the professional development of blue-collar employees, and participants were offered the opportunity to obtain a Mastery certificate. Zorluteks’ training programs incorporate the Integrated Management System training, which is offered annually to all employees. During the reporting period, a total of 254 hours were devoted to training and 254 people participated in the training programme.

The aim of Orientation Training is to provide new employees with information about the company’s departments and business processes and to speed up the adaptation process. During the period under review, the orientation program for new employees included 990 hours of training on company structures and business processes.

On-the-job training is the basic training that everyone who works in the workplace must receive. This training includes workplace rules, occupational health and safety, environmental protection, fire safety and management systems. A total of 226 hours of on-the-job training was provided during the reporting period.

In 2023, these trainings exemplify Zorluteks’ commitment to the continuous development of its employees and their ability to improve themselves in their business lives. Each program is designed to provide employees acquire skills that will help them manage their careers and adapt to changes in the industry.

Zorluteks offered the Master Instructor training program to employees and managers who wanted to improve their skills and expand their areas of expertise. A total of 112 hours of training was provided in the program and 14 people participated in this training. On average, each participant received 8 hours of training. At the end of the programme, participants were entitled to receive a certificate of training. The Master Instructor Training offered participants the opportunity to enhance their professional knowledge and improve their teaching skills, enabling them to more effectively perform mentoring and guidance roles in the workplace.

COMPLEMENTARY TRAINING AT ZORLUTEKS		
2021	Number of Participants	Training Hours
Being Prepared for Earthquakes and Coping with Earthquakes	11	128.1
Factory Orientation Training	52	695.0
MBA TRAINING	15	1,402.0
Online English Education	51	714.0
TCE Workshop	26	78.0
Fire Team Training	43	627.8

COMPLEMENTARY TRAINING AT ZORLUTEKS		
2022	Number of Participants	Training Hours
Emergency Response and Fire Safety Training	48	110.4
Being Prepared for Earthquakes and Coping with Earthquakes	8	67.2
Factory Orientation Training	37	157.1
Chemical Spill Emergency Drill	18	5.4
MBA TRAINING	36	842.0
Central Orientation Program	32	790.0
MSDS Chemical Usage Training	16	4.8
Online English Education	97	2,427.0
Social Compliance Training	182	47.2
Gender Equality Training	1,735	912.6
Fire Team Training	91	653.7
Working at Height Training	68	68.0

COMPLEMENTARY TRAINING AT ZORLUTEKS		
2023	Number of Participants	Training Hours
Environmental Chemical Spill Response Drill	27	8,1
Being Prepared for Earthquakes and Coping with Earthquakes	547	190.2
Factory Orientation Training	25	280.0
Women's Support Application (Kades) Seminar	23	4,6
Information Training On Combating Violence Against Women	51	51
Chemical Spill Emergency Drill	32	32.0
MBA TRAINING	141	4,230.0
Central Orientation Program	20	483.0
MSDS Chemical Usage Training	28	8.4
Social Compliance Training	321	321.0
Social Compliance Training - 2023	178	56.9
Gender Equality Training	127	98.4
Mastery Compensation Program-Textile Printing And Patterning	168	25,128
Mastery Compensation Program--Textile Finishing Processes (Finishing)	70	10,470
Fire Team Training	119	761.6

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Remuneration in KORTEKS

Korteks offers its employees various social and financial benefits. This support includes bonuses, product and food subsidies, private health insurance, supplementary health insurance, vehicle allocation according to title, service, meals, family education (under the collective labour agreement), education assistance (under the collective labour agreement), marriage and childbirth assistance (under the collective labour agreement).

At Korteks, the Remuneration Management System is set and updated according to the national and sectoral labour market conditions, the level of the job, the company’s remuneration policy and performance parameters.

While the remuneration of white-collar employees is determined in accordance with labour law and performance appraisals based on performance and competence, the remuneration of blue-collar employees is determined in accordance with the provisions of the Collective Bargaining Agreement and criteria related to trade union agreements.

Remuneration in ZORLUTEKS

Zorluteks offers its employees various benefits, such as private health insurance, complementary health insurance, vehicle allocation according to title, training compensation, training support, service, food, product subsidies and food assistance.

Zorluteks has a fixed salary policy for employees and a performance-related bonus system for managers and above and for sales organizations. The remuneration process is audited within the company and determined on the basis of performance.



In addition, it acts meticulously in terms of fair wages, regulation of working hours and providing equal opportunities.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

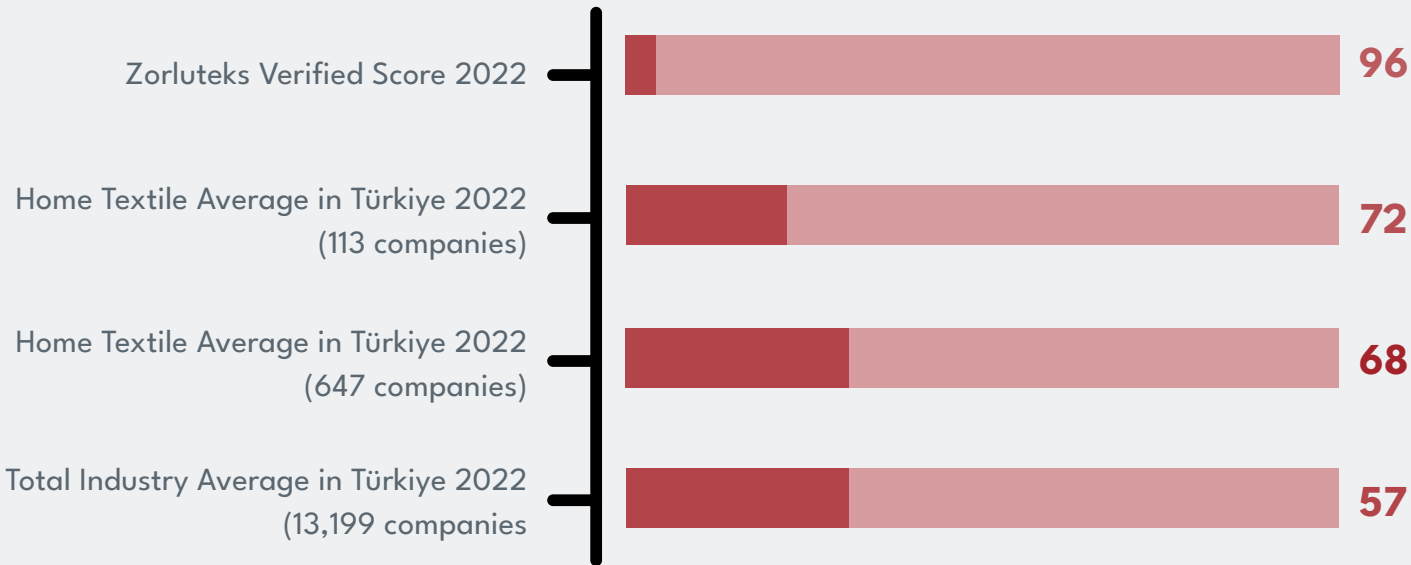
Human Resources Practices of Zorlu Textile Group

Zorlu Tekstil Group employs four different HR software and systems to make HR processes more efficient, effective, accessible and transparent: QDMS, TouchNet, EBA and M-Files. These systems prioritize automation and data security in business processes by leveraging the benefits of data analytics and HR technologies.

Zorlu Tekstil Group effectively uses the Higg Facility Social and Labour Module (Higg FSLM) to develop and optimize its human resources practices. Higg FSLM is used in various areas such as wages, working hours, health and safety, employee behaviour to measure the social efficiency of production processes. This data is verified annually and performance is assessed based on data from the previous 12 months.

“The Higg FSLM verification was carried out for the first time at Korteks in 2023 and a success rate of 98% was achieved. Zorluteks Tekstil achieved high success rates of 94% and 96% with Higg FSLM verification results in 2021 and 2022 respectively.

THE HIGG FACILITY SOCIAL & LABOR MODULE (HIGG FSLM)



Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Human Resources Practices of Zorlu Textile Group

QDMS (Quality Document Management System)



QDMS (Quality Document Management System) is a document management platform that supports Zorlu Tekstil Group’s quality management systems. It makes business processes more efficient, effective and transparent. As part of the integrated management system, QDMS allows all business processes to be managed electronically, eliminating the need for paper printouts and supporting an environmentally friendly approach.

Thanks to this system, Zorlu Textile Group achieves the following objectives:

- Automate management system processes,
- Ensure traceability,
- Analyse data easily,
- Securely manage data sharing,
- Prevent data loss,
- Create a corporate memory,
- Save time.

The modules used in QDMS address different business processes and respond to the different needs of the organisation:

- External customer complaints,
- Action Management,
- Audit activity,
- Corrective and preventive actions,
- Management Review,
- OHS risk assessment,
- Training planning,
- Suggestion scheme,
- On-the-job and periodic inspections.

This system contributes to the improvement of the operational efficiency and the quality management of the company in a sustainable fashion.



TouchNet

TouchNet is an internal corporate communication platform used by Zorlu Tekstil Group to ensure that employees are quickly informed about developments within the company and to provide a digital working environment for employees at home and in the office.

TouchNet enables employees to manage their business processes in a more centralized, effective, transparent and convenient way. Through this platform, the employees:

- Required documents:** Employees can easily access necessary documents related to their work.
- Employee information:** Exchange information about team members and communicate more effectively.
- HR documents:** Quickly access important documents such as HR policies and procedures.
- Service routes:** Find out about transportation options provided by the company.
- Food menu:** Access the daily menu and create meal plans.
- Other documents required by employees:** They can manage other documents required for different business processes.
- Complaint channel:** Employees can submit their requests and complaints directly to HR in the digital environment.

TouchNet is an essential component of Zorlu Tekstil Group’s digitalization strategy.

TouchNet: Platform that Strengthens Internal Digital Communication

TouchNet aims to bring together all individuals working in different locations and departments within the company.

This digital platform aims to improve the quality of internal communication by creating a digital space that allows employees to interact more easily with each other and with the company.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Human Resources Practices of Zorlu Textile Group



M-Files

M-Files is an advanced document and information management system used by Zorlu Tekstil Group. This platform regulates the flow of information within the company, ensuring that documents are stored easily and securely, thereby improving the company's efficiency and workflow.



One Step Forward To The Future The Part-Time Program: Career and Education Support for Young Talents

The Part-Time Program is a component of Zorlu Textile Group's strategy to invest in young talent and integrate them into the corporate culture.

This program aims to prepare senior university students for business life and create a talent pool by offering them the opportunity to work in various departments and departments within Zorluteks. The goals of the program include supporting young people's adaptation to business life, providing sustainable employment opportunities and adding value to recruitment processes.

It aims to recruit students in fields such as Information Technology, Planning, Human Resources, Strategic Sourcing, Sales and E-Commerce, and to contribute to their career development and decision-making in their respective fields after graduation.



TouchCareer: Innovative Recruitment Processes on the Road to Digitalization

TouchKariyer is an innovative corporate recruitment platform that migrates recruitment processes to the digital environment, improves the candidate experience and enhances the company's brand value.

The use of TouchKariyer enables a more effective and faster recruitment process. It is designed to facilitate the application process for candidates and make the company's recruitment processes more transparent and accessible.



“We Are Good Together” Approach to Work Life

Zorlu Textile Group attaches great importance to the work-life balance of its employees. The “We Are Good Together” program aims to support the physical and mental well-being of employees. The program provides employees with online services from a psychologist, nutritionist and personal fitness trainer, and organises various activities to increase motivation and general well-being.



Hybrid Working and Flexzone: Contemporary Approaches to Boosting Employee Satisfaction

Zorlu Textile Group has successfully implemented the hybrid working model, which adapts to the changes in the business world after the pandemic and increases employee satisfaction and work-life balance. In this context, a system called Flexzone has been implemented, which allows employees to determine the days they work from home according to their own work schedules and record them in the system.

These systems are intended to provide a more flexible, efficient and balanced working environment by taking into account the needs and preferences of employees. Zorlu Textile Group promotes a sustainable and flexible working culture by responding to the changing needs of employees through these modern business practices.



EBA

EBA is a platform used to support the training and development processes of Zorlu Textile Group. EBA has a structure that rapidly and effectively transfers business processes to the electronic environment. In this way, it provides automation of business processes and facilitates integration with other corporate applications.

This integration supports a process-oriented approach to business, which helps to increase the profitability and operational efficiency of businesses.

The use of the EBA platform supports the continuous development of Zorlu Textile Group's employees, while expanding the company's knowledge base and enriching the career paths of its employees.



Eşit Bi' Hayat and The Book of the Month Recommendations Sharing: Culture of Continuous Learning and Development

Zorlu Textile Group has launched the “The Book of the Month Recommendations Sharing” application as part of the “Eşit Bi' Hayat (An Equal Life)” initiative to support both the personal and professional development of its employees and to encourage continuous learning.

During the last week of each month, inspiring and insightful books are selected and shared with employees. This practice helps to create a culture that encourages employees to continually learn and improve. As well as contributing to employees' personal development, the book of the month encourages interaction and intellectual enrichment in the workplace by encouraging the exchange of ideas on a variety of topics.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Human Resources Practices at KORTEKS

Continuous Improvement Award Ceremony



The award ceremony for the Proposals and Kaizen studies carried out in 2022 was held on 04.03.2023. As part of the continuous improvement studies carried out at Korteks in 2022, 304 colleagues working on 174 projects related to efficiency, the environment and occupational health and safety were rewarded and motivated with plaques. At the same time, 80 of our colleagues were awarded gold, silver and bronze plaques in each category. In 2023, 196 proposals and Kaizen studies on Productivity, Environment and Occupational Health and Safety were carried out and 307 of our colleagues were rewarded.

Zorlu Textile Group Ethical Principles

Zorlu Holding's Ethical Principles are available on the company's website. Employees can submit 24/7 the notifications for the behaviours, which they think contrary to the Ethical Principles, over etik@zorlu.com or 0212 456 23 23- 0850 226 23 23 to the Ethics Board. In addition, external stakeholders can access the Ethical Principles document via the website and make reports using the Ethics Reporting Line details.

Zorlu Textile Group, while striving for perfection in production, makes sure to do it under the principles of "Integrity" and "Justice". Zorlu Textile Group is committed to conducting all of its activities in accordance with the "Zorlu Holding Ethical Principles", while ensuring that any communication with its stakeholders is conducted in accordance with the ethical principles. The Ethical Principles of Zorlu Holding are formulated in order to regulate the relations of the company and its employees with customers, suppliers and other beneficiaries, to improve the quality of services and to increase the efficiency in the protection of assets and resources. **Zorlu Textile Group;**

- ✓ Is committed to complying with the law and ethical standards in all its activities.
- ✓ Aims to be honest and fair with its employees, suppliers, customers and other stakeholders.
- ✓ Expects and cooperates with its business partners to act ethically.
- ✓ Adopts a zero tolerance policy towards corruption, bribery and other illegal activities.
- ✓ Train and raise awareness of ethical standards among its employees.

These principles constitute the business style and values of Zorlu Holding. The company aims to act honestly and fairly towards all its stakeholders, to act in accordance with the law and ethical rules, and to be transparent and accountable. It also prioritizes transparency and honesty in its business practices by adopting a zero-tolerance policy towards corruption, bribery and other illegal activities. Finally, it aims to raise awareness and adopt ethical values by providing ethical training to its employees.

Zorlu Textile Group takes every precaution to protect the respected brand image and corporate reputation it has maintained for many years. In any situation that may be detrimental to the reputation and image of the institution, we act in accordance with the relevant laws and regulations. The Group applies the same procedure to all its stakeholders and terminates its relationship with suppliers who do not comply with the Zorlu Holding Supply Principles.

Zorlu Textile Group adopts a very sensitive and solution-oriented approach to ethical violations. In this context, two reports were filed against companies of the Textile Group during the reporting period. One of the two reports has been resolved.

TEXTILE GROUP COMPANIES	2023
Number of Notifications/Reports	2
Number of Notifications/Reports of Bribery/Corruption	1
Number of Notifications/Reports Resolved	1
Number of Individuals Sanctioned	1

You can access all of the Ethical Principles formulated by Zorlu Holding here <https://www.zorlu.com.tr/assets/files/pdf/zorlu-holding-etik-ilkeler.pdf>

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

Zorlu Textile Group Diversity and Inclusion

Diversity, equality and inclusion have become a core driver of corporate culture. This is essential not only for business, but also for more equitable and sustainable management of society at large, contributing to a more just and equitable world.

“Limiting diversity to gender, race and age is no longer adequate in today’s complex world. According to the 2023 Workplace Equality Research Report, companies now have a broader perspective. Broader and more complex issues such as caring responsibilities, refugee status and disability are being included in focus groups.

Zorlu Tekstil Group’s zero-tolerance policy against discrimination in human resources processes is a fundamental pillar of its corporate culture. The Group is committed not to discriminate on any grounds such as religion, language, race, ethnicity, gender and sexual orientation. It prioritizes equality and fairness in recruitment, wage management and all other human resources processes.

To support diversity and inclusion, it organizes a series of training sessions and activities throughout the year.

Zorlu Textile Group’s Employee-Oriented Approach: Safety, Diversity and Open Communication



As part of its commitment to the United Nations Global Compact (UNG), Zorlu Holding provides fair opportunities to its employees based on their skills and experience. In line with the “Smart Life 2030” approach, the adoption of the Gender Equality Manifesto and the support of the United Nations Women’s Empowerment Principles (UNWEP), Zorlu Holding strives to empower women in economic life and raise awareness of gender equality.

The company attaches great importance to equal and fair wage management and has adopted the principle of equal pay for equal work for its male and female employees. It sets and updates wages and salary increases according to country and industry market conditions and employee performance.

Zorlu Textile Group attaches great importance to the health and safety of its employees.

In this context, it constantly strives to create a healthy and safe working environment. The Group is committed to pursue an effective and transparent communication through an open door policy in employee relations.

Zorlu Textile Group promotes diversity and inclusion by supporting continuous training for all employees.

Zorlu Textile Group, with its deep respect for human rights, has based its corporate culture on the principles of “Diversity, Inclusion and Integrity”.

The Human Resources and Management Systems Departments evaluate all employee feedback confidentially, take corrective action on relevant issues and drive continuous improvement. This approach always prioritizes employee satisfaction and safety.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS



Zorlu Textile Group Employee Satisfaction and Retention

Zorlu Textile Group’s Approach

Zorlu Textile Group recognizes that its employees are at the core of the company’s success. For this reason, increasing employee satisfaction by increasing job satisfaction and employee retention is one of the main objectives of the company.



The Group has implemented a variety of programs and practices to make employees feel content and comfortable at work.

Zorlu Textile Group embraces corporate social events as an important way to strengthen the loyalty and satisfaction of its employees. These events are organized on a regular basis to ensure that the working environment has a social and positive atmosphere and to support the personal development of employees. In addition, internal communication channels are actively used to value employees’ ideas and opinions, thus strengthening the culture of cooperation and sharing. By encouraging teamwork and projects in the work environment, employees are able to interact more closely with each other.

Since 2017, satisfaction surveys have been conducted each year for Korteks and Zorluteks within the Zorlu Tekstil Group. The data from these surveys are scrutinized by senior management, and the results form the basis for improvement efforts for the following year.

Value Added to the Employees

HUMAN CENTRIC ECOSYSTEMS

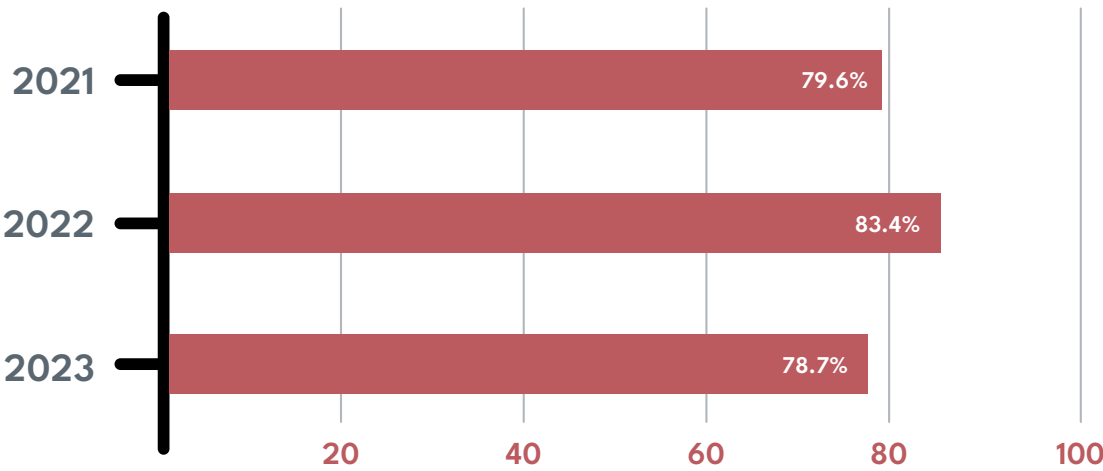
Employee Satisfaction and Retention at KORTEKS

Korteks considers employee satisfaction and retention as one of the cornerstones of continuous development.

1,029 employees participated in the employee satisfaction survey carried out in 2021, which means that 44% of employees completed the survey. The satisfaction score obtained indicates that the level of satisfaction is quite high at 79.6%. 315 employees took part in the employee engagement survey conducted in the same year, with a retention rate of 61%.

In 2022, participation in the employee satisfaction survey reached 1,205 employees, indicating that 50% of employees participated in the survey. There was a significant increase in the satisfaction score and it was observed that employee satisfaction improved with a rate of 83.4%. In 2023, the level of 52% was attained with the participation of 1,001 employees in the employee satisfaction survey. The satisfaction level was 78.7%, which is regarded as a sign that Korteks is constantly striving to meet the needs of its employees and maintain their satisfaction.

EMPLOYEE SATISFACTION SCORE PER YEAR



Employee Satisfaction and Retention at ZORLUTEKS



To strengthen employee retention and satisfaction, the annual picnic at the Lüleburgaz plant has become a tradition to build solidarity among employees, and “Breakfast Among Us” meetings facilitate interaction between senior management and employees.



(HR Transformation Ambassadors) Furthermore, 15.15 break events are organised where employees meet with trainers over tea and coffee to discuss the day’s topic. The efficiency of employee feedback is improved through HR Transformation Chats and the coaching skills of managers are enhanced through ICF Approved Professional Coaching Training. In addition, plaques and continuous improvement awards are presented to encourage internal achievement and recognize the contributions of senior managers.

A total of 1,156 out of 1,604 employees, or 72%, took part in the survey conducted by Zorluteks in 2023. As a result of the research, the satisfaction rate of the blue-collar employees was determined to be 83%. The same survey measured employee engagement at 79%. The survey was conducted by an independent research company.

Due to the PDPL compliance process, the survey could not be conducted in 2021 and 2022.

Value Added to the Employees

GENDER EQUALITY

Tackling gender inequality requires an inclusive and multidimensional approach to ensure that all genders enjoy equal rights, opportunities and freedoms.

Research conducted worldwide as of 2023 reveals important developments and current challenges in the field of gender equality. These studies emphasize that gender equality plays a critical role in achieving sustainable development goals.

According to the World Economic Forum’s 2023 Global Gender Gap Report, 69% of the gender gap worldwide has been closed. However, it is stated that the time required to achieve equality is more than 131 years and progress is slowing down.

According to the “Sustainable Development Goals: 2023 Gender Snapshot” report prepared by United Nations Women and the Department of Economic and Social Affairs, the world is lagging in achieving gender equality by 2030. More than 340 million women and girls are expected to live in extreme poverty by 2030, with nearly a quarter experiencing moderate or severe food insecurity. Serious challenges remain for women and girls in many areas such as education, health, food security, water and sanitation, and energy access. Additionally, women’s participation in the workforce and representation in leadership positions in STEM (science, technology, engineering, and mathematics) fields also involve grave inequalities.

Similar findings are included in the OECD’s Social Institutions and Gender Index 2023 Global Report. The report states that gender equality is still an elusive goal, but progress is being made, albeit at a slow pace.

Türkiye performs poorly in the field of gender equality compared to its progress in human development. Women’s income is only 47 percent of men’s income as of 2019. Female labor force participation rates lag far behind men. For example, while the labor force participation rate of women is 34%, this rate is 73% for men.

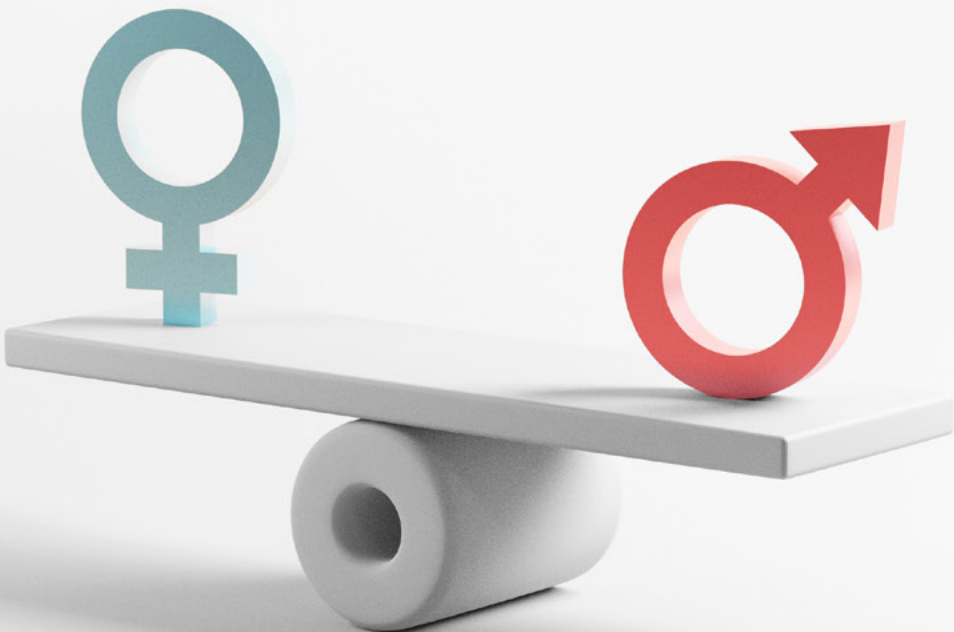
Today, the business world has the potential to make significant contributions to recognizing

and managing the diversity of the society we live in and are a part of.

According to the 2023 Workplace Equality Research Report, the concept of diversity and inclusion is no longer limited to gender, race, and age categories. Issues such as caregiving responsibilities and refugees have begun to be included in companies’ focus groups. Additionally, 42 percent of companies identified disability as a focus group. Attention has also begun to be paid to implicit issues such as chronic pain, autism, and mental health. The report emphasizes that people differ from each other in terms of working, thinking, and communication styles and that division of opinions is also included in the scope of inclusion.



Approximately 2.4 billion working-age women globally do not have equitable access to economic opportunities, according to the World Bank’s Women, Business, and Law 2022 report. But a lot of nations are changing their laws to better assist women. Specifically, the European Union has reached an agreement on new regulations aimed at closing the pay gap between male and female employees and increasing compensation transparency in the workplace. In order to avoid discrimination, these laws mandate that firms provide objective, gender-neutral criteria for their wage and raise policies.



Value Added to the Employees

GENDER EQUALITY



This process is guided by the “An Equal Life Gender Equality Manifesto” within the context of Zorlu Holding’s “Smart Life 2030” vision. The group works to ensure gender equality, fight sexist biases, elevate women’s status in business, and give jobs to underrepresented employee groups to create a sustainable company existence.

Zorlu Holding introduced the “Equal Life Dictionary”. The goal of this dictionary is to enable everyone to use words and phrases that are commonly associated with a single gender but are genuinely appropriate for all societal groups. With this application, Microsoft Office programs can be managed with the “Discourse Control Mechanism” to promote the widespread usage of these phrases among employees, all the while contributing to a more equitable and inclusive process.



Zorlu Holding creates support and assistance mechanisms through which victims of domestic violence and their children can share their situation in confidence and confidentiality.

Zorlu Holding and Zorlu Textile Group adopted this approach and published a manifesto based on the Sustainable Development Goals and shaped the Smart Life 2030 vision by this egalitarian approach. According to Zorlu Textile Group, diversity and inclusion are essential to Zorlu Holding’s “Smart Life 2030” plan. Its goal in this context is to establish a creative corporate culture.

Zorlu Textile Group has made gender equality a corporate policy and implements appropriate human resource practices. This policy’s primary goal is to boost women’s involvement in the workforce and their social and economic standing.

In this regard, numerous studies have been conducted to guarantee equitable representation in senior management and to raise the proportion of female role models and leaders throughout all Zorlu Tekstil Group enterprises. The Group also helps its stakeholders become more conscious of gender equality.

Based on Zorlu Holding’s goal of preventing domestic abuse and guaranteeing the safety of its workers, Zorlu Textile Group seeks to establish a work environment that refuses to tolerate any type of violence. It is dedicated to raising employees’ consciousness of domestic abuse, developing channels of support, and putting in place systems of repercussions.



By enacting this policy, it commits to prohibiting any kind of domestic abuse and to taking all reasonable precautions to keep its workers safe.

The United Nations Committee on the Prevention and Elimination of Violence Against Women (CEDAW) conducted research revealed that::

- One in three women worldwide is exposed to physical or sexual violence at some point in their lives.
- According to statistics, domestic abuse ranks third among all causes of death for women globally.
- Women who experience domestic violence often experience health and mental health issues. Anxiety, sadness, and post-traumatic stress disorder are common issues among victims of domestic abuse.
- A problem that also impacts children is domestic violence. Children’s emotional, psychological, and physical health deteriorate should they experience violence in the family.

Value Added to the Employees

GENDER EQUALITY

In keeping with Zorlu Holding’s “Smart Life 2030” goal, Zorlu Textile Group has created a Domestic Violence Prevention Policy that addresses the physical and mental well-being of its employees.

It is committed to addressing domestic violence since it recognizes that it is a serious issue in Türkiye. The following guidelines and penalties have been put in place to protect victims of domestic abuse and to ensure that violence of any form is never tolerated.

The organization offers assistance to its employees who are victims of domestic abuse and violence with matters including securing safety and protection, relocating, counseling, and medical care. It creates and provides training courses to make its staff more conscious of domestic abuse.

Zorlu Textile Group has just begun hiring female weavers, forklift operators, and fabric weavers in the Bursa Weaving Enterprise area as part of its commitment to gender equality and women’s employment. Furthermore, it started the “Women’s Employment Support Project” to provide training for female workers in assembly positions in stores located in Bursa, Izmir, Istanbul, and Ankara.

“ Along with all of these actions, it also supports initiatives to stop violence against women and has been awarded the “Equal Opportunity Model (FEM)” certificate by the Turkish Women Entrepreneurs Association (KAGİDER). Zorlu Textile Group fully supports efforts to prevent violence against women. It will further do its best to eliminate inequalities.

Gender Equality at KORTEKS



Gender equality is of paramount significance to Korteks since it aligns with the Smart Life 2030 objective. It has introduced the “Lactation Room for Mothers” service in this context, granting mothers’ comfort and convenience top priority. The goal of the “Lactation Room for Mothers” implementation is to offer employees returning to work after maternity leave a clean and comfortable space.

“ At Korteks, training initiatives pertaining to gender equality were initiated in 2022. 2,294 persons received 2,294 hours of training in 2022. 24 individuals received 24-hour training in 2023.

Gender Equality at ZORLUTEKS

Zorluteks is committed to promoting gender equality, which is why it plans to offer Gender Equality Training to all staff members at minimum once a year. Furthermore, measures are implemented to guarantee an equitable representation of male and female staff members.

The entire Zorluteks staff received gender equality training in 2023. There were 125 participants in all, and the training lasted 25 minutes. The gynaecologist organised seminars on breast cancer awareness and cervical cancer awareness in addition to the Training on Combating Violence Against Women and Women’s Support Practice Kades Seminar, which was held in collaboration with the Provincial Directorate of Family and Social Services. 180 individuals in all attended the course.

The corporation has implemented several initiatives aimed at promoting women’s employment and boosting their motivation in the corporate world. Specifically, Zorluteks began providing nursery in its plant in 1992 and now provides nursery to all female employees in Lüleburgaz. At present, the corporation serves 25 children in its nurseries.

Basic HR procedures like hiring, performance reviews, equal compensation for equal work, and career development chances are all managed equitably and transparently by Zorluteks. It gives particular emphasis to concerns of gender disparities in promotion and compensation.

It keeps working by developing key performance indicators (KPIs) that support business objectives, like the gender distribution rates in hiring, training recipients based on gender, managers based on gender, and senior management titles based on gender. It plans training sessions on gender equality and expert-led workshops.

“ Furthermore, the organization collaborates with non-governmental organizations to facilitate women’s employment and labour, particularly through its partnership with the Foundation for the Support of Women’s Work (KEDV).

Value Added to the Employees

OCCUPATIONAL HEALTH AND SAFETY (OHS)

Occupational health and safety (OHS) has become more crucial than ever in today’s business environment. In addition to being required by law, safeguarding workers’ health and safety at work is also a component of social responsibility and sustainable company practices.

Zorlu Textile Group assumes to

- Achieving “Zero” work accidents by creating safe working environments,
- Creating an Occupational Health and Safety culture with the principle of “Occupational Safety First” and making it a lifestyle,
- Increasing Occupational Health and Safety performance by constantly improving our processes and activities with a proactive approach to occupational health and safety,
- Designing processes and products safely by using appropriate equipment to create a healthy and safe working environment, aligned with the mindset of “Our Priority Is Human”.

Zorlu Textile Group’s vision of continuous improvement and zero work accidents

The company’s OHS strategy is based on continuous improvement and aims to determine safety priorities, develop a permanent safety culture and increase zero accident awareness among employees. In this regard, Zorlu Textile Group conducts OHS assessments regularly and implements these policies with the active participation of employees, based on Zorlu Holding’s Occupational Health and Safety Policy.

Zorlu Tekstil Group’s Occupational Health and Safety Policy adopts a rigorous approach to accident investigation and prevention, which is recognized as part of the company’s commitment to sustainability.

The company places a high value on upholding regulatory compliance and maintaining high standards for health and safety in the workplace as the personnel is regarded as its most precious asset. Adopting worldwide best practices updates policies and processes on a regular basis.

“Employee well-being and the company’s path to sustainable growth both depend substantially on maintaining employee safety.



Value Added to the Employees

OCCUPATIONAL HEALTH AND SAFETY (OHS)

With the goal of zero accidents and illnesses, Zorlu Textile Group advances OHS standards by providing proactive ways to the sector’s hazards.

Zorlu Textile Group organizes training and information for all employees, interns, visitors, customers, suppliers, and other stakeholders to increase OHS awareness.



Newly recruited employees attend OHS training within the first week of their employment. These trainings cover OHS risks, protection methods, emergency procedures, and first aid processes. Online training is provided for white-collar employees and face-to-face training is provided for blue-collar employees, appropriate to the level of danger.

“The required tools and procedures are made in line with the Group’s “Our Priority Is Human” philosophy to provide a secure and healthy work environment. The OHS Policy comprises preventive and awareness-raising efforts and applies to the chairman of the board of directors, members, managers, employees, visitors, and suppliers when they are on the premises.

Zorlu Textile Group prioritizes the health and safety of its employees with comprehensive and systematic OHS processes.

To safeguard the health of its workers and offer a high-quality work environment, Zorlu Textile Group conducts routine health screenings and establishes OHS units.

Within the Zorlu Tekstil Group, Korteks and Zorluteks place a high value on Occupational Health and Safety (OHS) procedures. Workplace accidents and their specifics are methodically documented and reported, the root causes of occupational accidents are thoroughly investigated, and appropriate safety measures are implemented.

Risk Assessment and Preventive Measures

Zorlu Textile Group is dedicated to upholding the highest standards of corporate culture while safeguarding the health and safety of its workers and guaranteeing business continuity. This commitment is predicated on the efficient identification and mitigation of workplace dangers. Specialized solutions are developed to eliminate specific risks in industrial processes after professionals meticulously investigate them.

Zorlu Textile Group carefully evaluates risks to prevent work accidents and occupational diseases, is prepared for emergencies, and uses the necessary technology and safety equipment effectively. This process is carried out by meticulously complying with national and international legislation.



Value Added to the Employees

OCCUPATIONAL HEALTH AND SAFETY (OHS)

Occupational Health and Safet at KORTEKS

Aligned with the goal of “zero work accidents”, Korteks shapes its OHS policy in line with sustainability and the understanding of “Our Priority Is Human”, and offers a safe working environment by aiming for continuous development.

As a business falling under the hazardous class category, Korteks is required by Occupational Health and Safety Law No. 6331 to oversee the OHS Board and hold bimonthly meetings. The 23-member board, which consists of the president, a union representative, and two employee representatives, meets in a specific order each week.

Occupational Health and Safety (OHS) training is essential to Korteks’ efforts to raise employees’ awareness and knowledge. All personnel received 37,296 hours of OHS training in total in 2021; however, in 2022 and 2023, 14,112 hours and 11,280 hours of training, respectively, were provided to them. The reduction in training hours can be attributed to the advancement of training techniques and resources, as well as the more efficient utilization of digital learning platforms.

Certificates were given to employees who successfully completed the OHS training, which was held every two years and lasted a total of 12 hours, and continuity of the training was ensured. Korteks considers protecting the health and safety of its employees through training and practices in the field of OHS as its most important duty and continues its investments in this field.

Korteks continuously monitored and evaluated its Occupational Health and Safety (OHS) performance in the period from 2021 to 2023. In 2023, the number of near-miss incidents has been consistently recorded at 2, indicating a consistent and effective approach to pre-identifying and preventing potential accidents.

“ There were 43 incidents in 2023 that resulted in three or more days of loss, which is a considerable drop from the 43 accidents that occurred in 2022. This decline underscores how effective risk management techniques and occupational safety measures are.

In 2023, the number of lost days of 3 days or more was recorded as 1,096, which is an indicator of the improvements made in managing and reducing workforce losses resulting from accidents. Reducing the accident frequency rate from 10.55 in 2022 to 10.47 in 2023 indicates a significant decrease in the frequency of accidents. However, the increase in the accident severity rate from 0.25 in 2022 to 0.27 in 2023 indicates that there is a rise in the severity of accidents, and more attention and additional work is required on this issue.

KORTEKS OHS STATISTICS	2021	2022	2023
Hours of Work	4,726,498	4,722,353	4,080,511
FM Hours	141,974	102,191	21,783
Total Hours of Work	4,868,472	4,824,544	4,102,294
NUMBER OF ACCIDENTS AND LOST DAYS FOR MORE THAN 3 DAYS	2021	2022	2023
Number of Accidents	58	51	43
Lost Days	1,236.8	1,195	1,096.44
Accident Frequency	11.91	10.55	10.47
Accident Severity	0.25	0.25	0.27

Korteks remains dedicated to enhancing its Occupational Health and Safety (OHS) performance and safeguarding the well-being of its workforce. The core objectives of continuous improvement are preventive actions, thorough risk assessments, and extensive personnel training. This strategy is in line with the actions Korteks has taken to create a safer and healthier work environment.

Value Added to the Employees

OCCUPATIONAL HEALTH AND SAFETY (OHS)

Occupational Health and Safety at ZORLUTEKS

Zorluteks maintains the highest standards for worker health and safety in all of its operations and operates under a zero tolerance policy in this regard.

Lüleburgaz Location:

In 2023, the number of lost-day accidents was recorded as 36 and a total of 356 working days were lost as a result of these accidents. The accident frequency rate was measured as 25.2 and the accident severity rate as 134.

Bursa Weaving Location:

Between 2021 and 2023, the number of near misses was recorded as 4 in total. In this period, the number of accidents with loss of day is 20 in total, 3 in 2021, 11 in 2022, and 6 in 2023. The number of lost days is calculated as 121 days in 2021, 67 days in 2022, and 70 days in 2023, for a total of 258 days. The accident frequency rate increased from 7.04 in 2021 to 20.53 in 2022 and decreased to 15.46 in 2023. While the accident severity rate was 219.99 in 2021, it decreased to 114.64 in 2022 and is at 135.23 in 2023.

Istanbul Location:

In 2023, the number of accidents with loss of day was recorded as 5. The number of lost days was calculated as 54 and the accident frequency rate was calculated as 55.

The overall data demonstrates the occupational health and safety performance of the company in different locations. In Bursa Weaving location, the decrease in the accident frequency rate in 2023 can be considered as a positive development. The fact that there were no fatal accidents in Lüleburgaz and no near misses were reported indicates that the security measures taken were effective.

Denizli Hometeks Location:

Reviewing the health and safety performance statistics for the last three years, there were no near misses in 2021, 2022 and 2023. There were 10 lost day accidents in 2021, 6 in 2022 and 5 in 2023. This decrease demonstrates the effectiveness of the health and safety measures. A total of 143 days were lost in 2021, 72 days in 2022 and 62 days in 2023. The accident frequency rate was 86.94 in 2021, 50.15 in 2022 and 95.88 in 2023. The accident severity rate was recorded as 112.5 in 2021, 55.02 in 2022 and 53.08 in 2023.

These statistics indicate that the Hometeks site is meticulous and careful about occupational health and safety. The measures and regulations in place continue to ensure the safety of employees.

Value Added to the Employees

OCCUPATIONAL HEALTH AND SAFETY (OHS)

Projects and Achievements in OHS Risk Mitigation at Korteks



Korteks accomplished its goal of implementing several projects targeted at mitigating OHS hazards during the reporting year. These initiatives have improved OHS risk scores noticeably and drastically decreased occupational hazards.

MV Scada System Optimization: This system has reduced the risk of field workers being exposed to incidents like an electric shock and eliminated the necessity for instantaneous data provision and manual reporting. It has also assisted energy efficiency programs. Six hundred OHS risk points were gained by lowering the risk score from 720 to 120.

Texturing AFK Machines Improvement: Moving the air pressure valves to a more accessible location significantly reduced the risk level by minimizing the risks of falling from heights and slipping, and gained an OHS risk score of 718.8.

Korteks Automatic Warehouse Security Improvement: Increasing the security measures in the warehouse shelf area eliminated the risk of employees being affected by falling objects and an OHS risk score of 672 was obtained.

Update on the Textured Oven Cleaning Process: Using white vinegar instead of Depicol to clean reduced costs and lowered health hazards. 537 OHS risk points were gained, decreasing from 540 to 3 low risk levels.

These projects emphasize Korteks’ strict commitment to OSH management and its goal of constantly improving the health and safety of its employees. The steps taken to reduce OHS risks have contributed to the adoption of an understanding that safety and health are at the center of our corporate culture.

Development of Occupational Health and Safety Investments at Korteks

With a focus on employee health and safety, Korteks consistently makes investments in the field of Occupational Health and Safety (OHS). The OHS budget for 2022 was TL 342,801, but by 2022 and 2023, it had grown to TL 640,074 and TL 724,159, respectively.

This ongoing investment clearly demonstrates Korteks’ dedication to making constant advancements in OHS and to providing the resources required to guarantee that its workers are working in a safe environment.

Investments include expenses for new OHS equipment, improved safety systems, and employee training

programs. At the same time, some of these investments have been used in critical areas such as risk assessments, emergency management, and strengthening proactive measures.

Growing OHS investment demonstrates Korteks’ unwavering dedication to risk-reduction initiatives and its resolve to give its workers a safe and healthy work environment. The company’s efforts to increase current OSH standards and proactively anticipate future safety needs are greatly aided by these financial commitments.

VALUE ADDED TO THE FUTURE

128 R&D and Innovation

Value Added To The Future

R&D and INNOVATION



R&D and Innovation at Zorlu Textile Group

The Role of R&D in the Sustainable Future

The critical role of R&D in developing sustainable industrial processes, clean production technologies and environmentally friendly materials in the textile sector is evident in areas such as reducing water and energy consumption, minimizing waste and promoting recycling.

Although research and development (R&D) is listed as a global priority in the United Nations Sustainable Development Goals, the significance of technical advances in the contemporary world is comparable to R&D studies. Advances in technology and the digital landscape enhance research and development efforts in fields like automation, big data analysis, and artificial intelligence. This leads to a surge in the need for innovations focused on sustainability.

Zorluteks Textile Group continues its new product and service development projects by benefiting from public incentives within the framework of open innovation activities and establishing long-term collaborations with universities, institutes and research centers.

Zorlu Textile Group’s companies, Korteks, and Zorluteks, have adopted an R&D approach focused on sustainability and circular economy in line with Zorlu Holding’s “Smart Life 2030” strategy. While Korteks is working on innovative products with the PLASTICE Project within the scope of the Horizon Program, Zorluteks is developing environmentally friendly production processes. These projects stand out with the special polyester threads used in windmills and polyester threads produced from 100% PET bottles.

“The group, which is the pioneer of innovation in the textile industry, continues its work with a total of 123 employees in two R&D centers within Korteks and Zorluteks, with an annual R&D budget of USD 4 million.

Value Added To The Future

R&D and INNOVATION

R&D Studies at KORTEKS

20 R&D Projects in 2023

Korteks R&D Center within Zorlu Textile Group was established in 2015 and expanded its capacity with the addition of the Batch-Poly facility in 2021. The center, which carries out **20 R&D projects** as of 2023, pioneers the development of new polyester yarn types and increasing international competitiveness.

The R&D Center has a team of approximately 40 expert technicians and operators. This team produces innovative solutions using the most up-to-date knowledge and technologies of the industry and academic world. This approach enables Korteks to constantly pioneer innovations in the sector and support sustainable growth strategies. Korteks allocate increasing budgets to R&D every year and diversifies these investments. It contributes to the goals of continuous development and competitiveness by investing TL12.7 million, TL 14.8 million, and TL 38.3 million in 2021, 2022, and 2023, respectively. These activities help increase product diversity and service quality and achieve an innovative position in the sector.

Additionally, its R&D activities focus on European Union projects such as HORIZON EUROPE GREEN DEAL, and work on environmentally friendly and efficient recycling methods, and contribute to the recycling of textile and plastic waste with a low carbon footprint with the PLASTICE project.

Korteks R&D Center increases its competitiveness in textile markets by offering technological and innovative products and follows the latest developments in the sector by exchanging information through various collaborations, conferences, and fair participation. This approach reinforces the company's presence and effectiveness in the sector and contributes to sustainable growth targets.

The company's "Safe and Sustainable Design for Chemicals and Materials" (SSbD4CheM) Project focuses on the development of safe and sustainable products and processes. This project includes studies on the development of safe materials and processes for the textile, automotive, and cosmetic industries. Korteks also meet various needs in the textile industry with environmentally friendly yarn types such as TAÇ REBORN® and TAÇ BIOLOOP® and yarns with features such as flame retardant, UV resistant, and antistatic.

To further protect its innovations, Korteks submits yearly applications for utility models or patents for the goods and procedures it creates. Regarding women's presence in technical domains, it is noteworthy that 32% of the 40-person team in the R&D and Innovation department is comprised up of women.

Every year, Korteks improves its R&D investment, which elevates its competitiveness and customer service.

Korteks is well aware of the significance of the R&D and digitalization domains, and it places a high value on the teams within these departments to continuously enhance their performance and adjust to emerging industry trends. This strategy makes it possible to create novel solutions that boost internal operations efficiency and preserve and grow a competitive advantage in the marketplace.

Memberships and Collaborations in Scientific Societies



Our centre is affiliated to prestigious scientific associations including the BUTEKOM Research Centre and the European Textile Platform (ETP), as well as the SMARTX Community and the Innovation in Circular & Biobased Textiles Masterclass. Furthermore, ZORLUTEKS collaborates both domestically and internationally with organisations like the industrial tycoon VESTEL and academic institutions like Istanbul University-Cerrahpaşa and Konya Technical University.

Scientific Events Participated

Leading industry events were attended in 2023, including ITMA, Heimtextile, the 19th International Yarn Fair, and the Dornbirn Global Fibre Congress. With our presentation titled "Development of Electrically Conductive Polyester Yarn by Surface Modification for Smart and Technical Textiles" in particular, we contributed scientifically to the Dornbirn Global Fibre Congress.

Our Event Participations

Considering they keep us up to date on the most recent trends and technological advancements in the business, the knowledge and experiences we acquire at these events are crucial in helping us update our R&D initiatives. The knowledge we gather from the events we attend enhances our business's creative thinking and position as an industry leader.



62th Dornbirn Global Fiber Congress



Heimtextile 2023



Türkiye Green Industry Project Information Panel



Present and Future of Textile Panel

Value Added To The Future

R&D and INNOVATION

R&D Studies at KORTEKS

Laboratory Test Automation



Korteks aims to use innovation to enhance manufacturing laboratory testing procedures as part of digital transformation initiatives. An automation system and a cooperative robot that automates testing procedures were included in the project’s scope. By placing samples on testing apparatuses in a laboratory setting and automatically retrieving the samples after testing, this system expedites and improves the efficiency of procedures.

Collaborative robots increase production process dependability by lowering labour costs and guaranteeing testing equipment is used to its full potential. The factory’s test procedures are intelligently and successfully improved by the laboratory test automation system, giving it a competitive edge and significantly advancing the objectives of the digital transformation. This innovative approach prepares production processes for the future by making them compatible with Industry 4.0 norms.

Maintenance Management System Integration Project with Texturing Machines

In line with its digital transformation goals, Korteks aims to provide more effective maintenance management for texturing machines in the production area. In this project, the capacity to monitor the production status of each machine and store specific faults is integrated with our previously developed maintenance management system. This integration enabled the malfunctions recorded by the machine to be automatically transferred to the maintenance management program and allowed maintenance teams to track the relevant malfunctions through the system and make the necessary interventions more effective. This maximized operational efficiency by increasing production continuity.

The project enabled the machines in our production area to be managed with a proactive maintenance approach, and optimizing preventive maintenance practices, extended the service life of the machines and increased productivity. This project, implemented as a part of our digital transformation strategies, has made our production processes more efficient and competitive. This approach has contributed to a more planned and effective management of maintenance processes by ensuring that malfunctions are detected in advance and intervened promptly.

Laboratory Testing Devices Database Integration Project

As part of digital transformation efforts at Korteks, it is aimed to manage laboratory test results efficiently. In this innovative project, test results are automatically sent to the company’s database instead of being printed out on paper, thus eliminating manual data entry processes and minimizing entry errors. This approach reduces environmental impact by reducing paper use and makes quality control processes reliable by increasing the accuracy of test results.

The initial step in integration is scanning the barcodes of the tested items and introducing them to the device. The results are then transmitted directly to the appropriate database, and the entire process occurs without any requirement for manual intervention. This lowers labour expenses and saves time on repetitive operations like data input and note-taking. Additionally, laboratory procedures become more dynamic with the prompt transfer of test data to digital media.

This project has made significant progress in the fields of data management and process automation. The automatic integration of laboratory test results with the database has accelerated decision-making processes by strengthening internal communication and contributed to strategic management processes by expanding data analysis opportunities. As a result, business processes are enabled to be managed more efficiently, quickly, and reliably.

Warehouse Control System and Maintenance Management System Integration Project



A contemporary automated warehousing system from Korteks further advances the factory’s digital transformation objectives. In this project, a central control system visualises data from sensors built into automated warehouse vehicles, including cranes, shuttles, and conveyors. This allows for instantaneous monitoring of the system’s status. This technique makes it simple to identify potential problem scenarios.

The main goal of the project is to effectively manage malfunctions that may occur in the automatic warehouse system. Malfunctions identified by the control system are automatically transferred to our maintenance management system, allowing maintenance teams to see these malfunctions on their screens and intervene promptly. This integration contributes significantly to strengthening preventive maintenance strategies and minimizing system disruptions. The advantages gained through integration include more effective planning of maintenance processes and increasing system efficiency.

This digital transformation project not only increased efficiency in the factory’s logistics processes but also strengthened operational continuity by making maintenance management more proactive and effective. It is emphasized that the automatic warehouse system increases the competitive advantage of the factory within the scope of digital transformation strategies and provides a storage environment that complies with Industry 4.0 norms. This project stands out as a success story that strengthens the digital infrastructure of the factory and optimizes business processes.

Value Added To The Future

R&D and INNOVATION

R&D Studies at KORTEKS

KORTEKS Automatic Warehouse Project



To maintain a competitive edge over time, firms must perform their storage operations with high efficiency and low cost. This project commenced subsequent to the examination of the existing storage procedure revealed the necessity for next-generation technologies. Using simulation software, digital twins of several storage system options were produced; an automated warehouse system that was compatible with Industry 4.0 technologies was the system of choice.

The automatic warehouse system, designed per the Turkish Earthquake Regulation, on an area of 3750 square meters, at a height of 16 meters, has a shelf construction with a capacity of 11,000 pallets.

The system is equipped with 4 pallet stacking robots that can work double-deep in 130-meter-long corridors and 2 shuttles that can work simultaneously on a 70-meter conveyor line. This structure offers a storage solution that can reach a cycle capacity of 100 pallets per hour and provides a storage capacity of approximately 3.5 pallets per square meter. The automatic warehouse project offers important contributions such as the advantage of vertical instead of horizontal storage, efficient use of space, fast stock control, and order preparation.

The integration of automatic warehouse management software with the ERP system has facilitated the transition and use process. It reduced the storage area by 85%, the product search and finding time by 97%, and reduced the number of relevant personnel from 15 to 1. As a result of the improvements, significant savings were achieved in the costs of warehouse activities.



Decent Work and Economic Growth (Goal 8): The project optimized business processes by increasing the efficiency of warehouse operations and reducing the number of personnel. This supports economic growth through more efficient working conditions and operational excellence. Additionally, it contributes to sustainable economic growth by increasing the competitiveness of the business.



Industry, Innovation and Infrastructure (Goal 9): The automatic warehouse system offers an innovative storage solution using Industry 4.0 technologies. This directly contributes to the goal by modernizing the infrastructure of the industry and increasing its innovation capacity. The system supports the sustainable development of industry and infrastructure with innovative features such as efficient space use and high stock control.



Partnerships for Goals (Goal 17): The project promotes effective collaborations between internal and external stakeholders through integration with the ERP system and other technological innovations. This integration facilitates knowledge sharing and collaboration, strengthening the partnerships necessary to achieve sustainable development goals.



Alternate to supporting these three primary SDGs, the Automated Warehouse Project helps companies meet their overall sustainability objectives by boosting productivity, improving customer satisfaction, and alleviating environmental impact. The company is able to meet its objectives for social and environmental sustainability in addition to its aims for economic growth and innovation thanks to these efforts.

Value Added To The Future

R&D and INNOVATION

R&D Studies at KORTEKS

Korteks Pallet Matching Project



The aim of the initiative is to make better use of the automatic warehouse capacity by completing the incompletely stacked pallets that leave the packing lines. This project has improved the capacity efficiency of the warehouse system and increased pallet utilisation, which has significantly improved operational efficiency.

Pallets with missing layers could be ergonomically converted into full layers thanks to the pallet matching process carried out at the end of the packing line. As part of the project, and with the support of the Information Technology Department, new user-friendly software was developed to guide the operation.

This software contains all the rules and restrictions required for pallet matching and allows the pallet matching process to be carried out easily. The operator triggers the matching program by scanning the missing floor pallets and the program directs the location of the pallet to be matched. Full layer pallets are taken to the storage area and the operation is completed by moving the cartons with the help of the manipulator.

The pallet matching project has resulted in an annual saving of TL 775,000 in pallet expenditure and an increase in pallet life. In addition, the optimization of the storage area resulted in space savings of TL 4,798,800.

By improving the efficiency and sustainability of logistics and warehousing operations, this project has significantly improved the company’s operational performance and cost-effectiveness.

Digitalization-Innovation IT Projects

These projects offer solutions to improve productivity, cut costs, and guarantee business continuity in particular business processes, and they each mark significant milestones in the digital transformation journey of businesses:

Approval of Korteks’ SAP Purchase Requests via Electronic Document Flow Project:

This project enabled the transition from paper printouts and the need for physical signatures to a digital approval process for purchase requests. The project was launched in September 2023 and saved 30,000 pieces of A4 paper, 6 cartridges/toners and TL 30,000 in labour, energy and repair costs for printers annually. In addition, the physical approval process was reduced from three days to two hours, improving productivity and facilitating quick access to inventory data

Completing the Goods Acceptance Process Accurately and Quickly for Products Received from Suppliers:

By sharing the QR code template with Korteks’ suppliers, the risk of manual errors in the receiving process has been reduced and the workload eased. In this way, instant stock status and material entries are quickly managed, while delivery deadlines are kept under control. The developed software, which is integrated with SAP, ensures business continuity by automating goods receipt transactions.

Korteks’ Application Integration System with Automatic Warehouse Project (ODP):

This project, which aims to integrate the MFCS automatic warehouse system with various Korteks applications, includes the development of the WMS (Warehouse Management System) application. This integration will enable intelligent management of loading and unloading tasks, fast processing of customer orders and delivery according to the FIFO (first in, first out) principle.

Korteks Poy Automation Pallet Line ADAM I/O Module Conversion:

This project, aimed at increasing the sustainability of the Poy Automation system developed in 2003, involves updating old technologies with new generation solutions. The transition to Ethernet communication and the replacement of old devices based on serial communication with new ones play an important role in ensuring business continuity.

Value Added To The Future

R&D and INNOVATION

R&D Studies at KORTEKS

3D Printer Automation Project



Korteks aims to build physical prototypes of parts quickly and economically, using Industry 4.0 additive manufacturing technologies. This project was created to avoid excessive waiting times and costs associated with outsourcing prototype production processes, as well as to allow for quick process changes without increasing overall costs.

The idea uses collaborative robots to create an automated, unmanned 3D printing process, in line with the logic of the dark factory. As part of the Smart Life 2030 strategies, this method engages stakeholders, reduces resource consumption and boosts the economy as a sustainable and innovation-driven business model.

The project has shortened prototype production times, accelerated experimentation and enabled the rapid adoption of improvements that increase machine productivity. Improved machines also help to increase the quantity and quality of products produced. By making the system autonomous, 3D printers can now be used to produce prototype parts at high speed with minimal human intervention.

This project, which was carried out in line with the organization's Smart Life 2030 strategies, has shortened prototype testing times, reduced costs and contributed to environmental sustainability by using recyclable materials. The system, which can operate 24/7 using collaborative robots and dark factory logic, serves the goals of achieving zero waste and reducing environmental impact by producing biodegradable raw materials. This innovative and sustainable system responds to the climate crisis by reducing the use of resources and contributes to the establishment of sustainable systems with innovative products and services.

R&D Studies at ZORLUTEKS

Zorluteks ranks as one of the 250 companies with the highest R&D investment!

According to the 2022 research results of the *Türkiye R&D 250 research, which declares Turkey's 500 largest companies, Zorluteks;

- ✓ Ranked **147th** among the 250 largest companies in terms of R&D expenditure,
- ✓ Ranked **25th** out of 250 companies in terms of the number of projects carried out in the R&D centre,
- ✓ Ranked **92nd** out of 250 companies in total number of employees working in the R&D centre,
- ✓ Ranked **26th** out of 250 companies for the number of female employees in the R&D centre,
- ✓ Ranked **45th** out of 250 companies in the number of brands acquired in the R&D centre.

* Türkiye R&D 250 survey has been conducted by Turkishtime, the Economy and Business World Portal, since 2013.

71 R&D Projects in 2023

Zorluteks is distinguished by its two Design Centres and R&D Centre, which have an excellent reputation in the textile sector. Ministerial permission was granted to the R&D Centre in 2016 and it was renamed as Bursa Design Centre in 2018 and Istanbul Design Centre in 2017. These centres employ 83 people and generate creative ideas in a 2,700 m² enclosed space holding five patent registrations. Zorluteks employed graduate and undergraduate engineers from multiple disciplines as well as experienced technicians to complete 71 R&D projects in 2023.

In addition to the home textile sector, R&D and Design Centers also carry out innovation projects in the field of technical textiles. The R&D Center consists of 3 units and ensures that projects are carried out in integrity. Design, new product development, process, process and software development projects are successfully carried out by the R&D Center.

Value Added To The Future

R&D and INNOVATION

R&D Studies at ZORLUTEKS

Thanks to R&D and Design Centres, it consolidates its leadership position in the sector through innovative projects.

Zorluteks recognizes R&D and Design as a key competitive tool to maintain leadership. For this reason, it has adopted the goals of sustainable corporate growth and increasing its share in world markets. The company aims to be a leader in the fields of Technical Textiles, Electronic Textiles, and Functional Textile Products in Turkey and Europe.

Zorluteks is ahead of its competitors with its customer-oriented personalized production approach, special fabric development ability, and fast service approach.

Zorluteks plays an active role in national and international projects and has achieved significant success in Horizon 2020 projects such as “Reclaim” and “Oxipro”. While the Reclaim project aims to increase process efficiency and machine life, the Oxipro project aims to minimize chemical consumption. The R&D Center focuses on developing its product portfolio in the field of technical textiles and works on different projects such as cut-resistant tarpaulin fabric, sail fabric, electronic textiles, curtains that can absorb sound, and curtains that reflect infrared rays.



Zorluteks ensures that women are well-represented in the fields of innovation and technology, thereby fostering a groundbreaking work environment in terms of gender diversity.

The R&D, innovation, and digitalization departments at Zorluteks employed 83 people in 2023, of whom 82% were women. Zorluteks exceeded beyond this conventional structure by providing a working environment where women are prominently represented in technology and innovation-oriented fields, a field where overwhelmingly male-dominated working environments typically predominate.

ZORLUTEKS	2022	2023
Number of employees in R&D departments	83	75
Total R&D expenditure (thousand TRY)	60,027,531	32,758,779

The annual rise in funds allocated aside for research and development as well as innovation is indicative of Zorluteks’ innovative strategy and commitment to sustainable growth. The budget for research and development as well as innovation, which was set at TL 16.6 million in 2021, climbed by 97% to TL 32.8 million in 2022. In 2023, this pace persisted, and TRY 60 million worth of resources were allocated for research and development—an 83% rise from the year before.

“ This noteworthy rise is indicative of the industry’s commitment to leading innovation and investing in advancements in technology.

VALUE ADDED TO THE SOCIETY

136 Social Corporate Investments

Value Added to the Society

SOCIAL INVESTMENTS

Zorlu Textile Group actively contributes to sustainable social development through voluntary social responsibility projects and activities for diverse segments of society.

The February 6 earthquakes in Kahramanmaraş revealed the spirit of solidarity and unity among the Zorlu Textile Group. The Zorlu Holding-affiliated Business Continuity Committee convened in a state of urgency and assumed charge of the entire process.

15 volunteers from the KorteKS search and rescue team (KORKUT) carried out search and rescue operations at many debris points in Kahramanmaraş, under the coordination of Bursa AFAD. The needs of earthquake-affected citizens (food, clothing, medicine, etc.) were tried to be met and support was provided for the installation of tents distributed to citizens. Additionally, food and necessities were distributed by stopping at 5 villages on the return route.

On the other hand, Zorluteks collaborated with its employees and planned a number of relief initiatives. Employees of Zorluteks' companies were given the opportunity to donate blood voluntarily in a blood drive, which supported the critical need for blood in the region and helped save many lives. In addition, Zorluteks assessed the needs of its employees and their families in the region, kept in constant contact with them and provided material and moral support.



Through its outsourced online psychological counselling service, Zorluteks offered support to anyone affected by the earthquake, particularly its employees, family, relatives, dealers, stores, and business partners in the region, to help them cope with the psychological impacts. After the tragedy, the earthquake victims were provided with psychological support in this manner.

A large number of donations were made to Zorluteks AFAD and the necessary medical supplies were provided for the needs of the hospitals. We actively participated in the distribution process and provided food, basic supplies, and shelter to earthquake victims.

Employee volunteers known as “Kıvılcıklar (Sparks)” gathered and organised the humanitarian assistance that each employee wished to personally provide to the region, packaged and categorized it, and then delivered it to the region directly and through non-governmental organisations.

During these operations, the Zorlu Textile Group family was united and worked together led by the spirit of solidarity in spite of the difficulties.



This experience has further bonded the family and underlined its willingness to help and support quickly and effectively should similar situations arise in the future.



University students in the earthquake zone were given priority when applying for internships, and their educational training was supported with additional quotas.



The KORKUT team, made up of volunteers from KorteKS, was honoured by Mr. Ahmet Zorlu, who expressed his gratitude and appreciation for their dedication.

Value Added to the Society

SOCIAL INVESTMENTS

Zorlu Textile Group is an organization that aims to find solutions to social problems by creating a dedicated mission in this direction. This mission offers its employees the opportunity to carry out voluntary activities that contribute to society and human relations.

These activities, which focus on various segments of society, particularly children, the elderly, women and young people, reflect the organisation's commitment to sustainable social development. The Group continues its mission to add value to society by collaborating with various associations and foundations and by implementing its own social responsibility projects.

Focusing on the components of "Human-Centric Ecosystems" and "Innovative and Regenerative Business Models" as part of the Smart Life 2030 Goals, Zorlu Holding aims to be a pioneer in social investment of the Zorlu Textile Group and to allocate 1% of the EBITDA generated each year to sustainable development goals.

“ In 2023, Zorlu Textile Group invested TRY 8,141,882 in social investments, which corresponds to 1.25% of EBITDA.

With the goal of promoting both economic and social advancements, the organisation is distinguished by the social responsibility initiatives that it creates and carries out on its own. The organization's mission of creating a long-lasting social impact is embodied in these initiatives.

Volunteering projects are carried out in the framework of the employee volunteering program called "Sparks Movement" and in cooperation with non-governmental organizations, aligned with Zorlu Holding's "Smart Life 2030" vision.

“A person must be free of rebuke to account for every penny he earns”
Mehmet Zorlu

SPARKS MOVEMENT

Zorlu Textile Group continues to contribute to society.



Celebrating its 10th anniversary, Zorlu Holding Group's Sparks Movement program develops projects that focus on the economic, environmental and social impact of institutions. This project is designed to respond to the needs of local communities and support social change. While each employee is expected to volunteer an average of 8 hours per year, these activities aim to increase work engagement and skills such as leadership and planning.



Value Added to the Society

SOCIAL INVESTMENTS

KORTEKS

Upholding a socially responsible approach, KorteKS has made significant donations in recent years. It donated TL 2 million in 2021, around TL 194 thousand in 2022 and TL 1 million in 2023. These donations were allocated to education and social development projects such as the Mehmet Zorlu Foundation and environmental organizations such as the Tema Foundation.

KorteKS continues to support foundations and organizations working in the fields of education, health and the environment, with the aim of adding value to society and supporting social development. These donations testify to the company’s sensitivity to social issues and its long-term commitment to the well-being of society.

“ In 2023 KorteKS carried out 10 projects in the area of Corporate Social Responsibility (CSR). These projects include a wide range of initiatives that reflect the company’s commitment to society and the environment and further reinforce its awareness of social responsibility.

KORKUT Activities in 2023



KORKUT’s activities in 2023 are distinguished by a variety of trainings and emergency interventions. In January, a group of KORKUT personnel attended the accreditation training at Bursa AFAD Campus, and in February, the entire team participated in the CBRN Awareness and Suspicious Mail Training held at KorteKS. In the same month, a 16-member KORKUT team participated in search and rescue operations in the wake of the earthquake in Kahramanmaraş.

Psychologist Özge Altıncubuk provided psychological support to KORKUT team members engaged in search and rescue operations. A training entitled “Basic Principles of Disaster Management” was received in April, and later an online training focusing on emergency management was organized by the Istanbul Chamber of Industry. The seminar organised by BOSB in May and the training organized by Bursa Disaster and Emergency Search and Rescue Directorate in July were attended.

They attended the “Fire Safety in Industrial Facilities” symposium in July and the first aid training organized for new members of the KORKUT team in August. They attended the KORKUT Search and Rescue Team Accreditation Camp in September and the Disaster Awareness Training organized by BİTSE at the end of the same month. At the end of the year, in December, they broadened their knowledge of occupational health and safety practices by attending the seminar organized in cooperation with Bursa OIZ and the Businessmen’s Association.

These engagements are considered an important part of an ongoing training and preparation process to improve the KORKUT team’s disaster management and response skills.

Value Added to the Society

SOCIAL INVESTMENTS

KORTEKS

“Be a Beacon of Hope with Your Letter” Volunteer Project



The “Be a Beacon of Hope with Your Letter” volunteering project, in partnership with Hayat Sende Association, contacted students aged 11-18 who had grown up under state protection through a one-off correspondence method.

This project provided a platform for the students to share their dreams, goals and future plans through letters. Through their letters, the students gained an important awareness of their developmental journey. The participants, called “Our Sparks” by Korteks, responded to the letters addressed to them by giving information about their educational lives, dreams, goals and career paths since childhood, while refraining from mentioning their private lives. This process was an enriching experience for both parties.

Project Mentoring Project



The ZExperience Program, launched under the guidance of İmeceLab, aims to contribute to the personal and professional development of young people and to support Zorlu Energy scholarship students in developing projects in line with the Sustainable Development Goals.

The scholarship holders developed a project in line with a Sustainable Development Goal of their choice. Voluntary mentoring support was provided by Korteks Sparks to foster their ties with Zorlu Group and to find solutions to the problems they encountered during the project preparation process. This initiative enabled the scholars to develop their projects more effectively.

MZV, KAÇUV and TOÇEV Scholars Volunteer Project



The volunteering project titled “MZV, KAÇUV and TOÇEV Scholars Meet with Zorlu Professionals!” was launched in 2020 and won an award in the Most Successful E-Volunteering Project category at the 13th Heartfelt Awards organized by the Private Sector Volunteers Association (ÖSGD).

The fourth phase of this project called “Career Talks” has been launched on a broader scale. Mehmet Zorlu Foundation’s 1st, 2nd, 3rd and 4th grade university scholarship holders, Hope Foundation for Children with Cancer (KAÇUV) and Tüvana Educational Foundation for Children Willing to Study (TOÇEV) university students participated in the “Career Talks” event, which was held with the participation of Korteks Sparks. As part of this project, KORTEKS Sparks met with university students on an online platform, sharing their work experiences and responding to career-related questions. This meeting offered students the opportunity to gain valuable insight and guidance ahead of their career journey.

Other CSR Projects



202In 2023, 34 children of company employees were circumcised, 39 children were offered circumcision outfits and a special circumcision party was organized for them. This event was held as part of the social support activities for employees’ families.



Additionally, 2 computers were donated to the Bursa Nilüfer Vocational Training Centre, in an effort to strengthen the educational infrastructure.



The company supported the education of 42 employees with children with disabilities by providing scholarships. To promote the scholarship program, a factory tour was organized by the Mehmet Zorlu Foundation (MZV) to introduce the implementation principles of the support program for employees with disabled children in Zorlu Group companies.



The blood donation campaign, in collaboration with the Red Crescent, aims to enable employees to make a socially responsible contribution to society and their colleagues. Voluntary blood donations save lives and have a positive impact on the donor’s health.

Value Added to the Society

SOCIAL INVESTMENTS

KORTEKS

Technical Excursions



Factory visits were organized for high school and university students. During these visits, young people were assisted, experiences were shared, joint production was encouraged and inspiration was drawn from each other. Great importance is attached to the development of young people, with the aim of preparing them for business life in the best possible way.

In 2023, Korteks provided technical training for students from Zübeyde Hanım Vocational and Technical Anatolian High School, Atatürk Vocational and Technical Anatolian High School, Bursa Uludağ University Chemical Engineering and Textile Engineering Departments, Istanbul Technical University Textile Engineering Department and Yalova University Yalova Vocational School Textile Technologies Department. The aim of these excursions was to increase the students’ professional knowledge and to familiarize them with the industry.

Career Events



Efforts to increase the Company’s visibility and to introduce students to the business world in the best possible way continue through participation in career events organized to prepare students for business life and to promote their employability.

In this regard, we participated in important events such as Central Anatolia Career Fair, Aegean and 9 Eylül Universities Career Fair and Yet-Gen Summit in 2023. At these events, we interacted directly with students, guided them in their career planning and provided information about the company’s operations. Such events provide important opportunities to help students expand their professional networks and achieve their career goals.

ZORLUTEKS

Zorluteks has made significant donations in recent years with a socially responsible approach. Donations worth TL 4.5 million were made in 2021, around TL 6.5 million in 2022 and TL 6.1 million in 2023. The majority of these donations were allocated to education and social development projects such as the Mehmet Zorlu Foundation.

Zorluteks is a company firmly engaged in corporate social responsibility. Its collaboration with the Tohumcuk Foundation is a prominent example of its efforts in this field. By integrating the Foundation’s artistic drawings into the company’s products, it has both raised awareness and supported the Foundation’s work. The company also contributes to both individual and corporate well-being through the psychological counseling services it provides to its employees. Zorluteks’ journey and achievements are extensively described in Nebil Özgentürk’s book “Dokuya Dokuya”. The book not only describes the company’s business activities, but also its social impact and contribution to society.

Zorluteks pursues its relief efforts in the earthquake affected zones in cooperation with public institutions and organizations, as well as non-governmental organizations. The company further extends its vision of social responsibility by carrying out different volunteer-based projects on special days such as Environment Day and Animal Day.

“Through various social responsibility projects, Zorluteks transcends business success and makes a significant contribution to society and individual well-being.

Value Added to the Society

SOCIAL INVESTMENTS

ZORLUTEKS

Zorluteks, in collaboration with the innovative Zorluteks Market and Ecoriding, has invested significantly in environmental sustainability by contributing to the reforestation of forests in the wake of fires.

Zorluteks Market and Contribution to Nature

Zorluteks, with the support of 19 Spark volunteers, implemented the Zorluteks Market project in Levent 199, contributing to nature in line with the Smart Life 2030 goals and the ideal of sustainable living. The market, dedicated to Zorlu Group employees, sold sample products at more affordable prices under the motto “From Stall to Nature”.



The income generated from the Zorluteks market was used to provide 40,000 seed pellets. The purchased seed pellets were released into the soil in hard-to-reach areas using ecoDrones. Afforestation activities against the global climate crisis were supported and Zorluteks is committed to continue its work for nature with its sustainability vision in 2024.

In Cooperation with Zorluteks and Darüşşafaka Foundation: Supporting Our Children in the Istanbul Marathon



In 2023, Zorluteks cooperated with the Darüşşafaka Foundation and ran in the 45th Istanbul Marathon for the benefit of the foundation, and the funds raised were used to financially support children studying in earthquake regions. This contribution was made possible by the collective efforts of the Group's employees.



Zorluteks Tohum Autism Foundation Collaboration: Providing Support and Moments of Joy for Children with Autism

In 2023, Zorluteks took important steps to support the Tohum Autism Foundation. On the special day when children with autism completed their education and graduated, the Group was present with gifts that would make both the children and their families happy. Additionally, a pillow painting activity was organized for the Foundation's graduation ceremony, accompanied by 8 Spark volunteers.

1 Phototograph = 1 KG Kibble Project

The kindness movement organized for Furry Friends started with the posts shared by Zorluteks employees via Wellbees on 4 October, World Animal Day. The shares made by each employee supporting the movement became a hope for our furry friends on the street. The number of food items purchased equalled the number of photos shared, and the food was diligently delivered by Spark volunteers to our furry friends on the street.



Towels Embroidered By Women

As part of the partnership between TAÇ and KEDV (Foundation for the Support of Women's Work), a project was carried out to produce 3 patterned TAÇ towels with motifs embroidered by women workers. These towels were made available for sale in selected stores.

My Sister Mentoring Program



The My Sister program offered career assistance to 200 young women.

Zorluteks implemented the “My Sister” mentoring program with the Private Sector Volunteers Association. The aim of the program was to assist young women from the earthquake zone to step into the business world by providing them with advice on vocational training and career choices.

At the same time, the aim is to make young women feel empowered and supported. This project attracted a great deal of support from the administration. Managers met with young women, gathered information about their career goals and needs, and guided and supported them in their career planning.

Value Added to the Society

SOCIAL INVESTMENTS

ZORLUTEKS

Mentoring and Support to Scholars for Sustainable Development



Zorluteks supported the sustainable development-focused mentoring program launched with the IMECE Social Initiative, designed to assist Zorlu Enerji students in developing projects in line with the Sustainable Development Goals.

In the process, it provided voluntary mentoring to groups of students. The students were divided into groups based on their preferred project topics and matched with Zorluteks Sparks. Zorluteks Sparks helped the students to improve their presentation skills, to express themselves articulately and to follow up their projects. It also aims to contribute to the students' personal development and to improve their communication with the Zorlu Group.

Employment and Support in the Fight Against Cancer



Umut Kafe, a social enterprise established by KAÇUV to provide employment to the families of children undergoing cancer treatment, is a regular guest at Levent 199.

Zorluteks Sparks, which operates within the Zorlu Group, also supports Umut Kafe by volunteering to work at the cash register and sell products on the days of the event. Additionally, employees promote Umut Kafe and support it through sales.

Career Events

In 2023, a group of 20 students from the Textile Technology Department of TPAO Vocational and Technical Anatolian High School visited the Zorluteks factory. During the visit, the students had the opportunity to closely examine the technological infrastructure, production processes and quality control steps of the factory. This experience provided them with a practical perspective on their education and helped them to better understand potential career paths in the industry.

MZV, KAÇUV and TOÇEV Scholars Volunteer Project



The volunteering project titled “MZV, KAÇUV and TOÇEV Scholars Meet with Zorlu Professionals!” was launched in 2020 and won an award in the Most Successful E-Volunteering Project category at the 13th Heartfelt Awards organized by the Private Sector Volunteers Association (ÖSGD).

The fourth phase of this project called “Career Talks” has been launched on a broader scale. Mehmet Zorlu Foundation's 1st, 2nd, 3rd and 4th grade university scholarship holders, Hope Foundation for Children with Cancer (KAÇUV) and Tüvana Educational Foundation for Children Willing to Study (TOÇEV) university students participated in the “Career Talks” event, which was held with the participation of KorteKS Sparks.

As part of this project, KORTEKS Sparks met with university students on an online platform, sharing their work experiences and responding to career-related questions. This meeting offered students the opportunity to gain valuable insight and guidance ahead of their career journey.

Zorluteks sponsored the International Ekoteks Symposium, which highlighted sustainability and environmentally friendly practices.



Zorluteks sponsored the 14th International Ekoteks Symposium held during the period.

A prefabricated school for 350 students built by Ahbap in Gaziantep Nurdağı was sponsored.

Value Added to the Society

SOCIAL INVESTMENTS

ZORLUTEKS

Memorial Forest for My Country Project

The Zorlu Textile Group, with the support of the Mehmet Zorlu Foundation, has been successfully implementing the “Memorial Forest for My Country” reforestation project since 2010. As part of this environmentally friendly initiative, 150,000 saplings have been planted, making a significant contribution to the environment.

In 2010, when the project started, 24,000 cedar and larch seedlings were planted in the villages of Deveçatı and Çeşmekolu in the Lüleburgaz region. Subsequently, 56,000 larch seedlings were planted on an area of 28 hectares in Lüleburgaz Osmancık and 19,300 larch seedlings were planted on an area of 6.2 hectares in the Kırklareli Burgaz afforestation project area. In addition, 40,000 seed balls were planted as part of the Ecoding project.

The complete elimination of the impact of carbon emissions from the Zorlu Textile Factory in Lüleburgaz proved to be one of the most significant impacts of this project. Zorlu Textile Group, in strict compliance with environmental legislation, continues its work to raise environmental awareness and take pioneering steps towards a sustainable future. The “Zorlu Textile Forest” project not only reduces the factory’s CO2 emissions, but also emphasizes the importance of environmentally friendly practices such as the protection and development of forest resources and the creation of new forest areas.

“ This project demonstrates Zorlu Textile Group’s deep commitment to environmental awareness and sustainable development.



ANNEXES & INDICATORS

145	Economic Performance Indices
146	Social Performance Indices
151	Environmental Performance Indices
155	UN Women’s Empowerment Principles (UN WEPs)
155	United Nations Global Compact (UNGCC) Index
156	GRI Content Index
161	Disclaimer
161	Contact

Annexes & Indicators

ECONOMIC PERFORMANCE INDICATORS

KORTEKS	2021	2022	2023
Direct Economic Value Added (TL)			
Net Sales	3,478,280,071.22	5,829,886,918.67	5,514,89,487.59
Financial return	3,204,413,588.14	3,562,808,428.07	6,474,780,399.32
Revenue	6,682,693,659.36	9,392,695,346.74	11,989,677,886.91
Distributed Economic Value (TL)			
Cost of sales (including operating expenses)	2,094,151,627.87	3,987,377,921.06	3,781,500,656.70
Wages and Benefits Provided to Employees	280,991,319.02	528,801,223.49	998,198,751
Ordinary and Extraordinary Expenses and Losses on Other Activities	291,800,672.10	239,528,652.90	152,529,691.64
Financial expenses	2,430,091,808.96	2,796,098,363.26	6,284,963,743.63
Expenditure	5,097,035,427.94	7,551,806,160.68	11,217,192,842.97
Distributed Economic Value (TL)			
Revenue	6,682,693,659.36	9,392,695,346.74	11,989,677,886.91
Expenditure	5,097,035,427.94	7,551,806,160.68	11,217,192,842.97
Residual Economic Value	1.585.658.231,42	1,840,889,186.06	772,485,043.94

ZORLUTEKS	2021	2022	2023
Direct Economic Value Added (TL)			
Net Sales	2,310,357,551	4,147,805,327	5,226,395,469
Financial return	2,851,205,320	3,367,247,842	6,406,333,219
Revenue	5,161,562,870	7,515,053,168	11,632,728,689
Distributed Economic Value (TL)			
Cost of sales (including operating expenses)	1,788,835,371	3,011,238,354	3,484,333,470
Wages and Benefits Provided to Employees	297,892,910	601,240,514	1,142,224,412
Ordinary and Extraordinary Expenses and Losses on Other Activities	606,915,413	778,596,70	1,170,386,976
Financial expenses	1,734,912,619	1,926,231,559	3,331,967,789
Expenditure	4,428,556,313	6,317,306,597	9,128,912,647
Distributed Economic Value (TL)			
Revenue	5,161,562,870	7,515,053,168	11,632,728,689
Expenditure	4,428,556,313	6,317,306,597	9,128,912,647
Residual Economic Value	733,006,557.00	1,197,746,571.00	2,503,816,042.00

Annexes & Indicators

SOCIAL PERFORMANCE INDICATORS

KORTEKS

KORTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Total number of employees	51	2,280	2,331	55	2,301	2,356	62	1,848	1,910
Number of white-collar employees	47	319	366	51	335	386	42	307	349
Number of blue-collar employees	4	1,961	1,965	4	1,966	1,970	20	1,541	1,561
Number of employees covered by collective bargaining/unionized employees	4	1,683	1,687	4	1,672	1,676	20	1,541	1,561

KORTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Number of new hires during the year	15	166	181	7	218	225	31	2	33
Under 30 years old	8	101	109	7	154	161	26	1	27
Between 30-50 years old (incl. 30 and 50)	5	44	49	0	53	53	5	1	6
Over 50 years old	2	21	23	0	11	11	0	0	0

KORTEKS	2021			2022			2023		
	FULL TIME	HALF TIME	TOTAL	FULL TIME	HALF TIME	TOTAL	FULL TIME	HALF TIME	TOTAL
Number of employees by working hours (Total)	2,331	0	2,331	2,356	0	2,356	1,910	0	1,910
Number of white-collar employees	366	0	366	386	0	386	349	0	349
Number of blue-collar employees	1,965	0	1,965	1,970	0	1,970	1,561	0	1,561

KORTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Number of employees in R&D, innovation, digitalization departments	10	26	36	11	24	35	9	23	32

KORTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Number of employees by age									
Under 30 years old	18	347	365	17	372	389	26	258	284
Between 30-50 years old (incl. 30 and 50)	28	1,640	1,668	32	1,569	1,601	33	1,359	1,392
Over 50 years old	5	293	298	6	360	366	3	231	234

KORTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
EMPLOYEE TURNOVER									
Total number of employees leaving the job	12	169	181	3	252	255	22	461	483
Total number of employees leaving job under 30 years old	8	59	67	1	76	77	13	100	113
Total number of employees leaving job between 30-50 years old (incl. 30 and 50)	2	84	86	1	135	136	6	266	272
Total number of employees leaving job over 50 years old	2	26	28	1	41	42	3	95	98
Turnover rate calculated by including employees who leave voluntarily	23.5%	3.8%	4.2%	3.6%	3.30%	3.3%	19.4%	6.1%	6.5%

Annexes & Indicators

SOCIAL PERFORMANCE INDICATORS

KORTEKS

KORTEKS	2021			2022			2023		
SENIORITY	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Number of employees for 0-5 years	33	910	943	32	878	910	41	524	565
Number of employees for 5-10 years	11	601	612	16	616	632	13	581	594
Number of employees working for 10 years or more	7	769	776	7	807	814	8	743	751

KORTEKS	2021			2022			2023		
NUMBER OF SENIOR MANAGERS	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Under 30 years old	0	0	0	0	0	0	0	0	0
Between 30-50 years old (incl. 30 and 50)	0	2	2	0	2	2	0	2	2
Over 50 years old	0	3	3	0	3	3	0	3	3
Total	0	5	5	0	5	5	0	5	5

KORTEKS	2021			2022			2023		
MATERNITY & PARENTAL LEAVE	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Number of employees benefiting from maternity/parental leave	3	83	86	2	95	97	3	68	71
Number of employees returning to work after maternity/parental leave ends	3	83	86	2	95	97	1	68	69

KORTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Gender Distribution of the Board of Directors	1	3	4	1	3	4	0	4	4

KORTEKS	2021			2022			2023		
NUMBER OF MANAGERS	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Under 30 years old	0	0	0	0	0	0	0	0	0
Between 30-50 years old (incl. 30 and 50)	0	15	15	0	15	15	1	11	12
Over 50 years old	0	7	7	0	7	7	0	10	10
Total	0	22	22	0	22	22	1	21	22

KORTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Number of employees with disabilities by gender	1	71	72	1	71	72	1	56	57

KORTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Total number of employees subject to regular performance and career development evaluations	47	319	366	51	335	386	42	307	349

Annexes & Indicators

SOCIAL PERFORMANCE INDICATORS KORTEKS

KORTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Total number of employees receiving training (excluding OHS training)	51	2,280	2,331	55	2,301	2,356	84	2,114	2,198
Hours of training provided to employees (OHS training is excluded)	246	11,450	11,696	330	19,417	19,747	2,130	13,249	15,379
Average training hours per employee per year	4.8	5.0	5.0	6.0	8.4	8.4	25.4	6.3	7.0

KORTEKS	2021	2022	2023
Number of employees receiving OHS training	2,331	2,352	1,880
OHS Training Hours	37,296	14,112	11,280

KORTEKS OHS STATISTICS	2021	2022	2023
Number of employees receiving OHS training	2,331	2,352	1,880
OHS Training Hours	37,296	14,112	11,280
Number of employees receiving OHS training	2,331	2,352	1,880
NUMBER OF ACCIDENTS (FOR 3 LOST DAYS AND MORE)			
Number of accidents	58	51	43
Lost days	1,236.80	1,195	1,096.44
Accidence frequency	11.91	10.55	10.47
Accidence Severity	0.25	0.25	0.27

SOCIAL PERFORMANCE INDICATORS ZORLUTEKS

ZORLUTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Total number of employees	1,322	1,995	3,317	1,238	1,910	3,148	1,172	1,684	2,856
Number of white-collar employees	648	631	1,279	655	639	1,294	650	602	1,252
Number of blue-collar employees	674	1,364	2,038	583	1,271	1,854	522	1,082	1,604
Number of employees covered by collective bargaining/unionized employees	221	1,153	1,374	191	1,085	1,276	161	912	1,073

ZORLUTEKS	2021			2022			2023		
	FULL TIME	HALF TIME	TOTAL	FULL TIME	HALF TIME	TOTAL	FULL TIME	HALF TIME	TOTAL
Number of employees by working hours (Total)	3,308	9	3,317	3,140	8	3,148	2,842	14	2,856
Number of white-collar employees	1,272	7	1,279	1,288	6	1,294	1,246	6	1,252
Number of blue-collar employees	2,036	2	2,038	1,852	2	1,854	1,596	8	1,604

ZORLUTEKS	2021			2022			2023		
Number of employees by age	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Under 30 years old	352	344	696	295	322	617	281	242	523
Between 30-50 years old (incl. 30 and 50)	937	1,503	2,440	903	1,419	2,322	842	1,263	2,105
Over 50 years old	33	148	181	40	169	209	49	179	228

Annexes & Indicators

SOCIAL PERFORMANCE INDICATORS ZORLUTEKS

ZORLUTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Number of new hires during the year	173	176	349	232	353	585	111	154	265
Under 30 years old	120	83	203	152	196	348	77	33	110
Between 30-50 years old (incl. 30 and 50)	47	81	128	75	139	214	33	97	130
Over 50 years old	6	12	18	5	18	23	1	24	25

ZORLUTEKS	2021			2022			2023		
SENIORITY	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Number of employees for 0-5 years	596	753	1,349	519	655	1,174	442	540	982
Number of employees for 5-10 years	408	592	1,000	373	576	949	367	500	867
Number of employees working for 10 years or more	318	650	968	346	679	1,025	363	644	1,007

ZORLUTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Number of employees in R&D, innovation, digitalization departments	67	15	82	69	14	83	57	18	75

ZORLUTEKS	2021			2022			2023		
MATERNITY & PARENTAL LEAVE	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Number of employees benefiting from maternity/parental leave	48	72	120	48	8	56	36	13	49
Number of employees returning to work after maternity/parental leave ends	46	71	117	38	8	46	29	13	42

ZORLUTEKS	2021			2022			2023		
EMPLOYEE TURNOVER	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Total number of employees leaving the job	225	281	506	298	456	754	184	296	480
Total number of employees leaving job under 30 years old	96	98	194	133	176	309	61	66	127
Total number of employees leaving job between 30-50 years old (incl. 30 and 50)	117	163	280	155	235	390	116	193	309
Total number of employees leaving job over 50 years old	12	20	32	10	45	55	7	37	44
Turnover rate calculated by including employees who leave voluntarily	13.5%	8.6%	10.5%	10.7%	9.1%	9.7%	7.2%	7.3%	7.2%

ZORLUTEKS	2021			2022			2023		
NUMBER OF MANAGERS	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Under 30 years old	2	0	2	2	1	3	2	1	3
Between 30-50 years old (incl. 30 and 50)	66	72	138	77	77	154	84	78	162
Over 50 years old	6	20	26	7	23	30	7	23	30
Total	74	92	166	86	101	187	93	102	195

Annexes & Indicators

SOCIAL PERFORMANCE INDICATORS

ZORLUTEKS

ZORLUTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Number of employees with disabilities by gender	13	73	86	12	75	87	26	80	106

ZORLUTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Total number of employees subject to regular performance and career development evaluations	370	305	675	323	267	590	302	271	573

ZORLUTEKS	2021			2022			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Total number of employees receiving training (excluding OHS training)	968	1,274	2,242	1,070	1,972	3,042	850	1,509	2,359
Hours of training provided to employees (OHS training is excluded)	7,082	8,672	15,754	24,013	19,621	43,634	20,606	69,128	89,734
Average training hours per employee per year	7.31	6.8	7.03	22.44	9.95	14.34	24.24	45.81	38.04

ZORLUTEKS	2021	2022	2023
Number of employees receiving OHS training	870	1,146	328
OHS Training Hours	6,960	9,168	2,968

ZORLUTEKS OHS STATISTICS	LÜLEBURGAZ			BURSA DOKUMA		
	2021	2022	2023	2021	2022	2023
Number of near misses	-	-	0	2	0	2
Number of accidents with lost days	-	-	36	3	11	6
Number of fatal/injury accidents	-	-	0	0	0	0
Number of lost days	-	-	356	121	67	70
Accident Frequency Rate	-	-	25.2	7.04	20.53	15.46
Accident Severity Rate	-	-	134	219.99	15.46	135.23
	HOMETEKS			İSTANBUL		
	2021	2022	2023	2021	2022	2023
Number of near misses	0	0	0	-	-	0
Number of accidents with lost days	10	6	5	-	-	5
Number of fatal/injury accidents	0	0	0	-	-	0
Number of lost days	143	72	62	-	-	54
Accident Frequency Rate	86.94	50.15	95.88	-	-	55
Accident Severity Rate	112.5	55.02	53.08	-	-	247.6

Annexes & Indicators

ENVIRONMENTAL PERFORMANCE INDICATORS

KORTEKS

ENERGY MANAGEMENT

KORTEKS			
ENERGY CONSUMPTION (GJ)	2021	2022	2023
Total Consumed Electricity	1,261,205.31	1,091,343.92	807,786
Natural Gas	497,764.18	406,430.30	353,113.62
Fuel Oil	5.7	14,355.31	602.58
Diesel (Stationary Combustion)	797.78	763.44	821.56
Diesel (Motion Combustion)	4,283.73	4,490.41	3,603.82
Total Diesel	5,081.50	5,253.85	4,425.375
Benzine (Motion Combustion)	186.64	258.37	1,224.54
TOTAL	1,764,243.34	1,517,641.75	1,171,667.48

KORTEKS				
GREENHOUSE GAS EMISSIONS (ton CO2e)	2020	2021	2022	2023
Scope 1 / Category 1	30,658	34,820	31,064	20,800
Scope 2 / Category 2	138,549	153,703	-	-
Scope 3 / Category 3	425,556	415,332	426,349	313.168
TOTAL	594,763	601,496	457,413	333.968

*Following the acquisition of the I-REC certificate, Scope 2 emissions have been set to zero.

WATER MANAGEMENT

KORTEKS			
WATER SUCTION /WITHDRAWAL BY SOURCE	2021	2022	2023
Ground Water (m³)	-	-	-
Mains Water (m³)	191,937	172,308	120,576
Harvested rainwater (m³)	-	-	-
2nd Quality Water (m³)	596,755	552,993	457,464
Water Usage Intensity (m³/Ton)	-	-	-
Total Water Withdrawal (m³)	788,692	725,301	578,040

KORTEKS			
WATER DISCHARGE BY SOURCE	2021	2022	2023
To Ground Water (m³)	-	-	-
To Ground Water (m³)	-	-	-
OIZ Wastewater Treatment Plant (m³)	407,166	389,687	293,366
Other Receiving Water (m³)	-	-	-
Total Water Discharge (m³)	407,166	389,687	293,366

Annexes & Indicators

ENVIRONMENTAL PERFORMANCE INDICATORS

KORTEKS

WASTE MANAGEMENT

KORTEKS									
WASTE INFORMATION	2021			2022			2023		
	Waste generated	Waste not destined for disposal	Waste destined for disposal	Waste generated	Waste not destined for disposal	Waste destined for disposal	Waste generated	Waste not destined for disposal	Waste destined for disposal
WASTE COMPONENTS	tons	tons	tons	tons	tons	tons	tons	tons	tons
Hazardous and Medical Wastes	201.065	201.065	-	220.48	220.48	-	159.57	159.57	0
Industrial General Wastes	103.9	103.9	-	140.91	140.91	-	91	91	0
Food	22.124	-	22.124	22.477	-	22.477	17.9		17.9
Paper/cardboard	4,010.92	4,010.92	-	3,388.64	3,388.64	-	2,396.0	2,396.0	0
Plastics	259.6	259.6	-	216.3	216.3	-	102.83	102.83	0
Wood (Pallet)	417.97	417.97	-	472.64	472.64	-	247.3	247.3	0
Metal	269.38	269.38	-	262.58	262.58	-	218.6	218.6	0
Nylon	346.53	346.53	-	289.1	289.1	-	192.88	192.88	0
Other Wastes (Textile, Materials, etc.)	5	5	-	14.8	14.8	-	4.27	4.27	0
TOTAL WASTE	5,636.49	5,614.36	22,124	5,027.93	5,005.45	22.477	3,430.35	3,412.45	17.9

Annexes & Indicators

ENVIRONMENTAL PERFORMANCE INDICATORS ZORLUTEKS

ENERGY MANAGEMENT

ZORLUTEKS			
ENERGY CONSUMPTION (GJ)	2021	2022	2023
Total Consumed Electricity	262,401.51	230,689.72	199,483.30
Natural Gas	208,536.67	187,458.37	176,658.04
Fuel Oil	-	-	-
Diesel (Stationary Combustion)	1,547.45	1,320.53	111.16
Diesel (Motion Combustion)	4,258.32	3,910.05	4,653.76
Total Diesel	5,805.76	5,230.58	4,764.92
Benzine (Motion Combustion)	312.12	212.42	499.27
TOTAL	477,056.07	423,591.09	381,405.53

ZORLUTEKS				
GREENHOUSE GAS EMISSIONS (ton CO2e)	2020	2021	2022	2023
Scope 1 / Category 1	90,668	13,869	9,993	9,058
Scope 2 / Category 2	35,778	39,085	26,704	22,128
Scope 3 / Category 3	727,507	652,565	479,467	374,030
TOTAL	853,953	705,519	517,373	405,216

WATER MANAGEMENT

ZORLUTEKS			
WATER SUCTION /WITHDRAWAL BY SOURCE	2021	2022	2023
Ground Water (m³)	2,406,364	1,781,146	1.246,098
Mains Water (m³)	31,092	28,367	18,017
Harvested rainwater (m³)	-	1,722*	1,785*
2nd Quality Water (m³)	-	-	-
Water Usage Intensity (m³/Ton)	61.07	54.60	50.45
Total Water Withdrawal (m³)	2,437,456	1,811,235	1,264,115

*Not included in total water use.

ZORLUTEKS			
WATER DISCHARGE BY SOURCE	2021	2022	2023
To Ground Water (m³)	8,664	6,950	7,442
To Ground Water (m³)	-	-	
OIZ Wastewater Treatment Plant (m³)	17,316	16,515	7,195
Other Receiving Water (m³)	2,074,463	1,604,180	1,165,175
Total Water Discharge (m³)	2,100,443	1,627,645	1,179,812

Annexes & Indicators

ENVIRONMENTAL PERFORMANCE INDICATORS

ZORLUTEKS

WASTE MANAGEMENT

ZORLUTEKS									
WASTE INFORMATION	2021			2022			2023		
	Waste generated	Waste not destined for disposal	Waste destined for disposal	Waste generated	Waste not destined for disposal	Waste destined for disposal	Waste generated	Waste not destined for disposal	Waste destined for disposal
WASTE COMPONENTS	tons	tons	tons	tons	tons	tons	tons	tons	tons
Paper	1,122.52	1,122.52	0	969.98	969.98	0	713.72	713.72	0
Electronics	4.88	4.78	0.10	3.42	3.36	0,06	1.04	1.01	0.03
Plastics	313.46	313.46	0	271.83	271.83	0	203.77	203.77	0
Metal	100.61	100.61	0	52.14	52.14	0	52.09	51.76	0.31
Hazardous and Medical Wastes	0.55	0	0.55	0.42	0	0.37	0.42	0	0.42
Contaminated packaging	222.92	222.55	0.37	208.52	208.35	0.17	157.16	157.16	0
Batteries	8.93	8.88	0.05	3.92	3.81	0	1.64	1.64	0
Fluorescent lamps	0.59	0.46	0.13	0.75	0.71	0.04	0.19	0.19	0
Wood	48.01	48.01	0	281.31	281,31	0	107,82	107,82	0
Other	3,404.17	3,267.68	136.49	3,103.32	2,285.68	817.64	3,037.03	1,086.09	1,950.94
Total Waste	5,226.64	5,088.95	137.69	4,895.61	4,077.17	818.28	4,274.88	2,323.17	1,951.70

Annexes & Indicators

UN WOMEN’S EMPOWERMENT PRINCIPLES (UN WEPs)

PRINCIPLES	REFERENCE
Principle 1: Establish high-level corporate leadership for gender equality	CEO Message (p.4-5), Human Resources Approach at Zorlu Textile Group (p.92), Gender Equality (p.119-121)
Principle 2: Treat all women and men fairly at work – respect and support human rights and nondiscrimination	Human Resources Approach in Zorlu Textile Group (p.92), Human Resources Approach in KORTEKS (p.93), Zorlu Textile Group Employee Satisfaction and Loyalty (p.117-118), Gender Equality (p.119-121)
Principle 3: Ensure the health, safety and well-being of all women and men workers	Value added to employees (p.92), KORTEKS’ approach to human rights (p.93), Talent development and management at KORTEKS (p. 102-109), Occupational health and safety (p. 122-126)
Principle 4: Promote education, training and professional development for women	Talent Development and Management of Zorlu Textile Group (p.100-101), Talent Development and Management at KORTEKS (p.102-110), Talent Development and Management at ZORLUTEKS (p.103), Training for Employees at KORTEKS (p.104-106) Training for Employees at ZORLUTEKS (p.106-110)
Principle 5: Implement enterprise development, supply chain and marketing practices that empower women	Gender Equality (p.119-121)
Principle 6: Promote equality through community initiatives and advocacy	Gender Equality (p.119-121) Value Added To The Society (p.136-143)
Principle 7: Measure and publicly report on progress to achieve gender equality	Senior Management Message (p.4-5), Value Added to Employees (p.92), Gender Equality (p.119-121), Social Performance Data (p. 145), Employee Demographics (p.94-99)

UNITED NATIONS GLOBAL COMPACT (UNGC) CONTENT INDEX

UNITED NATIONS GLOBAL COMPACT (UNGC) CONTENT INDEX		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;	Sustainability in the Value Chain (Supply), Human Resources Approach at Zorlu Tekstil Group, Human Resources Approach at Korteks, Zorlu Textile Group Ethical Principles,	58-64, 92, 93, 115
Principle 2: make sure that they are not complicit in human rights abuses.		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Risk Management, Human Resources Approach at Zorlu Tekstil Group, Human Resources Approach at KORTEKS, Human Resources Applications, Zorlu Textile Group Ethical Principles, Diversity and Inclusion at Zorlu Textile Group	48-49, 92 93, 112-115, 115, 116
Principle 4: the elimination of all forms of forced and compulsory labour;		
Principle 5: the effective abolition of child labour;		
Principle 6: the elimination of discrimination in respect of employment and occupation.		
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Value added to nature, Sustainability Commitments, Environmental Management, Chemicals Management, Raw materials management, Energy management, Projects and Best Practices, Water Management, Waste Management, Emissions Management	72-90, 73, 74, 75-77, 78, 81, 82-83, 84-86, 87-89, 90
Principle 8: undertake initiatives to promote greater environmental responsibility;		
Principle 9: encourage the development and diffusion of environmentally friendly technologies.		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Zorlu Textile Group Ethical Principles	115

Annexes & Indicators

GRI CONTENT INDEX

GRI 1

Zorlu Textile Group has reported in accordance with GRI standards for the period 1 January 2023 - 31 December 2023.

GRI STANDARD	DISCLOSURE	EXPLANATION	PAGE NUMBERS
GRI1: BASIC PRINCIPLES 2021			
GRI 2: General Disclosures 2021			
GRI 2: General Disclosures 2021	2-1 Organizational details	About Zorlu Textile Group	7
	2-2 Entities included in the organization’s sustainability reporting	About the Reports	3
	2-3 Reporting period, frequency and contact point	About the Reports	3
	2-4 Restatements of information	The data in the Waste table from the previous reporting period has been restated.	
	2-5 External assurance	No external audit was received within the scope of the report.	
	2-6 Activities, value chain and other business relationships	About Zorlu Textile Group Sales and marketing activities, Membership and Collaborations- Korteks, Membership and Collaborations- Zorluteks, Sustainability in the Value Chain, Stakeholder Engagement, Stakeholder Communication	7, 14, 20, 21, 53-57, 66, 66-68
	2-7 Employees	Employee profile at KORTEKS, Employee profile at ZORLUTEKS, Social performance indicators	94-96, 96-99, 146-150
	2-8 Workers who are not employees	There are no subcontractor employees at Zorlu Textile Group	
	2-9 Governance structure and composition	Corporate governance	11
	2-10 Nomination and selection of the highest governance body	Limitation Zorlu Textile Group does not share this information publicly in accordance with the privacy policies of the institution.	
	2-11 Chair of the highest governance body	CEO message Corporate governance	4-5, 11
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance	11
	2-13 Delegation of responsibility for managing impacts	Corporate governance Sustainability Management	11, 41-44
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management	41-44
	2-15 Conflicts of interest	Zorlu Tekstil Grubu ethical principles	115
	2-16 Communication of critical concerns	Corporate governance Sustainability Management	11, 41-44
	2-17 Collective knowledge of the highest governance body	Limitation Zorlu Textile Group does not share this information publicly in accordance with the privacy policies of the institution.	

Annexes & Indicators

GRI CONTENT INDEX

GRI 1

Zorlu Textile Group has reported in accordance with GRI standards for the period 1 January 2023 - 31 December 2023.

GRI STANDARD	DISCLOSURE	EXPLANATION	PAGE NUMBERS
GRI1: BASIC PRINCIPLES 2021			
GRI 2: General Disclosures 2021			
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	Limitation Zorlu Textile Group does not share this information publicly in accordance with the privacy policies of the institution.	
	2-19 Remuneration policies	Remuneration in KORTEKS Remuneration in ZORLUTEKS Zorlu Textile Group Diversity and Inclusion	111, 111, 116
	2-20 Process to determine remuneration	Remuneration in KORTEKS Remuneration in ZORLUTEKS Zorlu Textile Group Diversity and Inclusion	111, 111, 116
	2-21 Annual total compensation ratio	Limitation Zorlu Textile Group does not share this information publicly in accordance with the privacy policies of the institution.	
	2-22 Statement on sustainable development strategy	Smart Life 20230 Zorlu Textile Group Sustainability Strategy And Goals	27-28, 29-34
	2-23 Policy commitments	Smart Life 20230 Zorlu Textile Group Sustainability Strategy And Goals Quality Management	27-28, 29-34, 45-47
	2-24 Embedding policy commitments	Corporate Governance Smart Life 20230 Zorlu Textile Group Sustainability Strategy And Goals Sustainability Management Quality Management	11, 27-28, 29-34, 45-47
	2-25 Processes to remediate negative impacts	Zorlu Textile Group Ethical Principles Zorlu Textile Group Employee Satisfaction and Retention Employee Satisfaction and Retention at KORTEKS Employee Satisfaction and Retention at ZORLUTEKS Gender Equality	115, 117, 118, 118, 119-121
	2-26 Mechanisms for seeking advice and raising concerns	Zorlu Textile Group Ethical Principles Gender Equality"	115, 119-121
	2-27 Compliance with laws and regulations	Zorlu Textile Group Ethical Principles	115
	2-28 Membership associations	Memberships and Collaborations- KORTEKS Memberships and Collaborations- ZORLUTEKS	20, 21
	2-29 Approach to stakeholder engagement	Stakeholder Engagement Stakeholder Communication	66, 66-68
	2-30 Collective bargaining agreements	Employment Profile at KORTEKS Employment Profile at ZORLUTEKS Social Performance Indicators	94-96, 96-99, 146-150

Annexes & Indicators

GRI CONTENT INDEX

GRI 1

Zorlu Textile Group has reported in accordance with GRI standards for the period 1 January 2023 - 31 December 2023.

GRI STANDARD	DISCLOSURE	EXPLANATION	PAGE NUMBERS
GRI 3: Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis	69-70
	3-2 List of material topics	Materiality Analysis	69-70
	3-3 Management of material topics	Materiality Analysis Sustainability Strategy And Goals Sustainability Management	29-34, 41-44, 69-70

WATER MANAGEMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Management	84-86
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared	Water Management	84-86
	303-2 Management of water dischargereLATED impacts	Water Management	84-86
	303-3 Water withdrawal	Water Management	84-86
	303-4 Water discharge	Water Management	84-86
	303-5 Water consumption	Water Management	84-86

WASTE MANAGEMENT			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management	87-89
	306-2 Management of significant wasterelated impacts	Waste Management	87-89
	306-3 Waste generated	Waste Management	87-89
	306-5 Waste directed to disposal	Waste Management	87-89

Annexes & Indicators

GRI CONTENT INDEX

GRI 1

Zorlu Textile Group has reported in accordance with GRI standards for the period 1 January 2023 - 31 December 2023.

GRI STANDARD	DISCLOSURE	EXPLANATION	PAGE NUMBERS
OCCUPATIONAL HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety	122-126
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	122-126
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Social Performance Indicators	122-126, 146-150
	403-3 Occupational health services	Occupational Health and Safety	122-126
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety Social Performance Indicators	122-126, 146-150
	403-5 Worker training on occupational health and safety	Occupational Health and Safety Social Performance Indicators	122-126, 146-150
	403-6 Promotion of worker health	Occupational Health and Safety	122-126
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	122-126
CUSTOMER SATISFACTION			
GRI 3: Material Topics 2021	3-3 Management of material topics	Customer Relations and Satisfaction at KORTEKS, Customer Relations and Satisfaction at ZORLUTEKS	65 65
COMPLIANCE TO STANDARDS			
GRI 3: Material Topics 2021	3-3 Management of material topics	Zorlu Textile Group Ethical Principles	115

Annexes & Indicators

GRI CONTENT INDEX

GRI 1

Zorlu Textile Group has reported in accordance with GRI standards for the period 1 January 2023 - 31 December 2023.

GRI STANDARD	DISCLOSURE	EXPLANATION	PAGE NUMBERS
EMPLOYEE SATISFACTION			
GRI 3: Material Topics 2021	3-3 Management of material topics	Zorlu Textile Group Employee Satisfaction and Retention, Employee Satisfaction and Retention at KORTEKS, Employee Satisfaction and Retention at ZORLUTEKS	117, 118, 118
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employment Profile at KORTEKS, Employment Profile at ZORLUTEKS, Social Performance Indicators	94-96, 96-99, 146-150
	401-3 Parental leave	Employment Profile at KORTEKS, Employment Profile at ZORLUTEKS, Social Performance Indicators	94-96, 96-99, 146-150
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training for Employees at KORTEKS, Training for Employees at ZORLUTEKS Social Performance Indicators	104-106, 106-110, 146-150
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Development and Management of Zorlu Textile Group, Talent Development and Management at KORTEKS, Talent Development and Management at ZORLUTEKS, Training for Employees at KORTEKS, Training for Employees at ZORLUTEKS	101, 102, 103, 104-106, 106-110
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Development and Management of Zorlu Textile Group, Talent Development and Management at KORTEKS, Talent Development and Management at ZORLUTEKS	101, 102, 103,

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DISCLAIMER

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KORTEKS | ZORLUTEKS

Regenerative Textiles For Nature And People