INNOVATIVE AND ECO-FRIENDLY PRODUCTION



KORTEKS

SUSTAINABILITY REPORT 2024

As one of Europe's most innovative manufacturers of polyester yarn, we operate with a strong team of 1,850 people in our modern facilities, located in Bursa. Offering a broad product range, we serve numerous sectors, from the defense industry to healthcare, and from automotive to home textiles. Guided by our sustainability vision, we adopt eco-friendly production processes and develop innovative products from recycled materials. While progressing on the path to becoming a global brand, we always maintain our commitment to local values.

Moving forward, we will maintain our industry leadership through a commitment to innovation and sustainability, driving even greater global success.



DOMESTIC AND GLOBAL STRENGTH IN YARN PRODUCTION

As one of Türkiye's leading yarn producers, we fulfill 13% of the country's requirements by means of our 300,000-ton production capacity, and we are rapidly expanding in the global market. We are firmly established in Europe's most influential markets and are actively executing growth strategies across North America and the Middle East. Guided by our sustainable production approach, we are progressing with firm steps toward becoming a preferred brand on a global scale.



41
Number of exported countries

ECO-FRIENDLY AND HIGH-QUALITY YARNS

Merging innovation with eco-consciousness, we are redefining the future of sustainable textiles. With our Dope Dyed technology—which reduces water consumption to nearly zero—we ensure color consistency at every stage of production and achieve energy savings of up to 98% compared to traditional bobbin dyed. Developing hundreds of colors every year, we offer our customers an expansive range of options. With our TAÇ REBORN® yarn, we support the circular economy and recycle the production waste of polymer yarns. This specialty yarn enables a 10% reduction in water usage, 30% lower energy consumption, and 50% fewer greenhouse gas emissions compared to conventional virgin yarn production. We disclose the environmental impact of our products in a transparent manner by means of our internationally recognized EPD certificate.



21%

Share of sustainable products in total sales

TECHNOLOGICAL TRANSFORMATION IN YARN PRODUCTION

With the emphasis we place on R&D and innovation, we are setting the standards of the future in the textile industry. In our production of “high count & micro count” filament yarn, we develop innovative products at state-of-the-art facilities and with a specialized team. We dominate the sector with high-tech yarns produced using recycled materials. We consolidate our leading position in the global market through our principles of continuous development and innovation.



177.8
TRY million
Total R&D investments

INVESTING IN A SUSTAINABLE FUTURE THROUGH RESOURCE EFFICIENCY

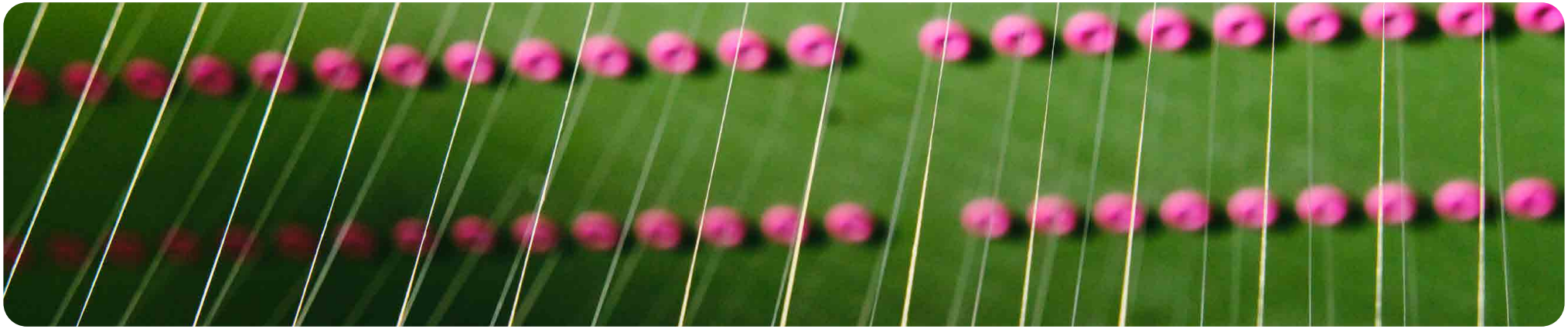
We prioritize renewable energy projects for a sustainable future and lead the eco-friendly transformation of the Türkiye textile industry. We aim to minimize our environmental impact in accordance with our Smart Life 2050 Net Zero and Zero Waste goals. In 2024, we saved 1,119 MWh of energy and achieved more than 515 tons in reduced emissions through our projects. In addition, we zeroed our Scope 2 emissions by sourcing all our electricity from renewable resources.



83%

Share of carbon emissions reduced through renewable energy

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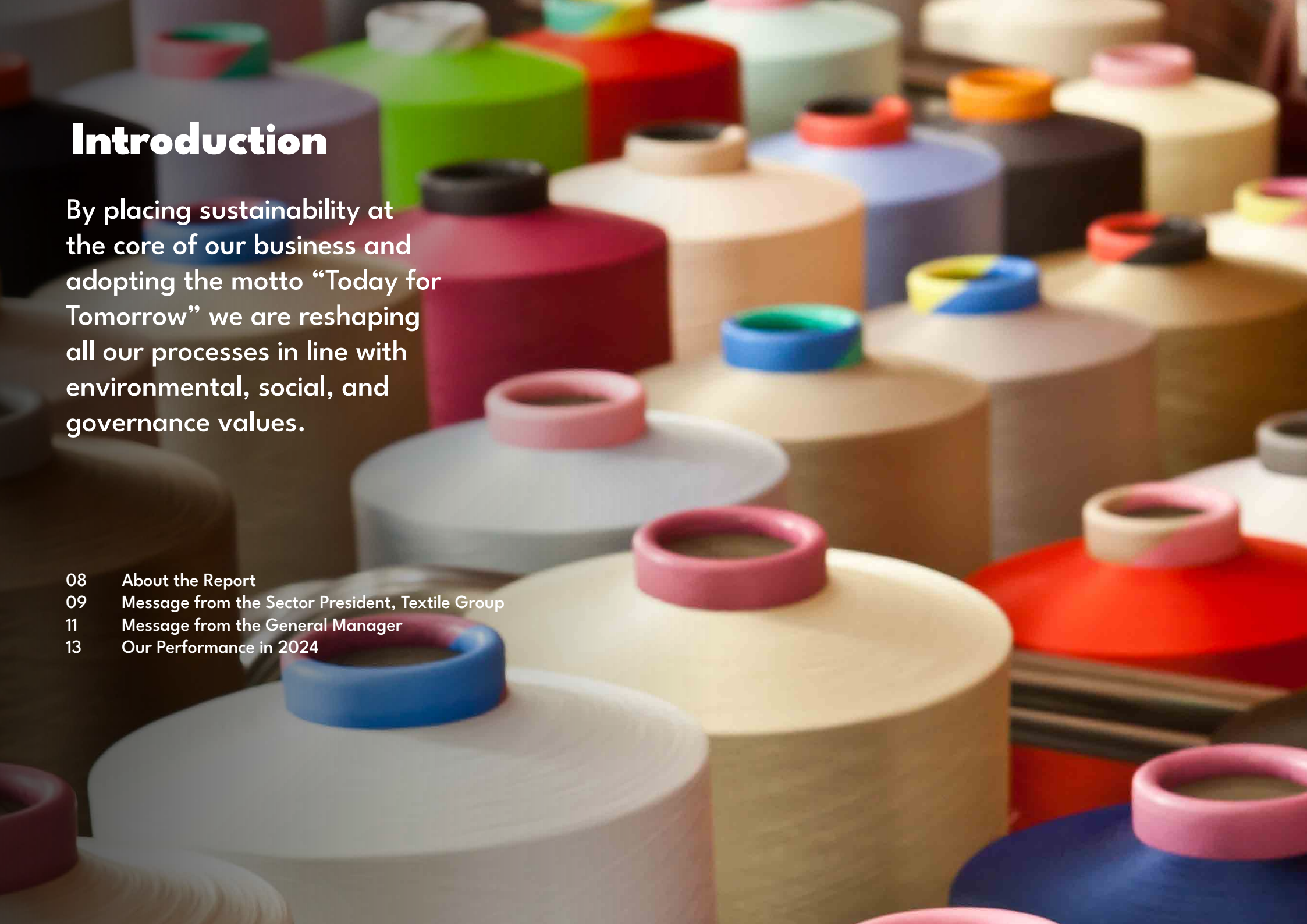
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Introduction

By placing sustainability at the core of our business and adopting the motto “Today for Tomorrow” we are reshaping all our processes in line with environmental, social, and governance values.

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About the Report

Our Sustainability Report outlines our management of environmental, social, economic, and governance impacts, while fostering transparency and providing stakeholders with extensive insights.

At Korteks, sustainability is addressed with a holistic approach in all business processes from production to supply chain, innovation to ethical governance, resource management to social impact. The Sustainability Report, drawn up in line with this understanding, outlines our management of environmental, social, economic, and governance impacts, while fostering transparency and providing stakeholders with extensive insights.

Covering the period from January 1, 2024 to December 31, 2024, the report focuses on priority issues such as material issues such as sustainable products, efficiency efforts, energy management, circular economy, innovation, responsible supply chain management, social development, and ethical governance. The report, drawn up in line with global sustainability standards, presents a perspective encouraging transformation across the sector with respect to sustainable production and value chain management. The report aims to contribute to a sustainable future through innovative solutions, resource efficiency, and projects focused on social impact.

The report has been prepared in accordance with the GRI Universal Standards 2021 and the GRI Content Index published by the Global Reporting Initiative (GRI). The report also includes progress disclosures in line with the United Nations Global Compact (UNGC) and the United Nations Women's Empowerment Principles (UN WEPs). Within the scope of the WEF Stakeholder Capitalism Index, materialized indicators have been taken into consideration and practices related to these indicators are explained in the relevant sections. The report has also been structured in accordance with sector-specific performance indicators under the guidance of the Sustainability Accounting Standards Board (SASB) Index.

The Sustainability Report is available at https://www.korteks.com.tr/en/sustainability/sustainability. Also, you can send your considerations, inquiries, and suggestions regarding the report to korteks.iplik@zorlu.com.

SDGs We Contribute to



Message from the Sector President, Textile Group

With the motto “Today for Tomorrow” we are taking steps today for a better tomorrow.



In 2024, in line with Zorlu Group’s Smart Life 2030 vision, we made our governance structure more resilient and agile.

Placing sustainability at the Company’s core, at Korteks, we continue to create added value on an axis of technical textiles and circular production.

Esteemed Stakeholders,

The year 2024 was punctuated by ongoing global economic uncertainty, intensified competition, and rapidly changing sector dynamics. As in the previous year, there was little predictability. Challenges persisted on the export side although the domestic market showed a relatively better outlook. As these conditions require higher levels of dynamic risk and cost management, sustainability has come to the fore—not merely as a principle but as a reality determining the new rules of competition.

The climate crisis, resource depletion, and growing social inequalities are no longer hypothetical challenges of the future—they are defining realities of our time. A new approach to value creation stands before us as an inescapable responsibility for all organizations. The profound transitions that are underway—from financial frameworks to shifting consumer demands—renders sustainability performance an essential driver of corporate competitiveness. Regulations including the European Green Deal and the Carbon Border Adjustment Mechanism necessitate the establishment of more transparent, traceable, and accountable structures throughout all processes, from production to the supply chain.

The textile industry is among those pioneering areas where environment- and community-focused values reshape the dynamics of competition. Today, success in our field of activity is measured not only by the products manufactured, but also by the responsibility assumed and the impact created by their production. In the European market in particular, environmental and social performance, as much as price and quality, play a decisive role in purchasing decisions.

Anticipating the sector’s accelerating transformation, Zorlu Textile Group proactively integrated sustainability into the core of our business operations. We are taking steps today for a better tomorrow in accordance with the motto “Today for Tomorrow.”

In 2024, in line with Zorlu Group’s Smart Life 2030 vision, we made our governance structure more resilient and agile. In the course of updating our committee structures, we implemented new structures to enable a more effective management of environmental, social, and governance risks. By developing risk matrices and monitoring systems, we enhanced our capacity to identify threats at an early stage and to systematically seize opportunities. We expanded our policies and goals to encompass current sustainability requirements and, by integrating these indicators into the performance systems of our executives, we ensured that our business model and processes are holistically aligned with these metrics across our entire value chain. We deepened our partnerships with universities, NGOs, and international stakeholders, extending our influence beyond traditional corporate limits. By means of these collaborations, we have fostered a sector-wide ecosystem dedicated to knowledge sharing and continuous learning.

Korteks is taking strong steps toward the future

As one of Europe’s largest integrated polyester yarn manufacturers, Korteks continues to achieve tangible outcomes in its green transformation journey through projects focused on energy and resource efficiency. In line with our Smart Life 2030 strategy and our progression toward our goals of net-zero emissions (Scope 1 and 2), a 50% reduction in waste, and 50% water recovery, we materialized renewable resources in energy management in 2024 and aligned our environmental performance with international standards by way of the ISO 50001 Energy Management System certification.

Placing sustainability at the Company’s core, at Korteks, we continue to create added value on an axis of technical textiles and circular production. With products such as TAÇ REBORN®, produced from recycled polyester yarns; the Dope-Dyed technology, which offers an eco-friendly dyeing process by reducing water and chemical usage; and TAÇ BIOLOOP®, containing biodegradable additives aimed at reducing microplastic pollution in the ecosystem, we are reinforcing our leadership in the industry. In addition, through our Polymer Recycling Facility, producing RPET chips, we contribute to the circular economy by producing recycled yarns from production waste. In 2024, we introduced a super-bright option in the TAÇ REBORN® product line and initiated the industrial-scale production of our TAÇ BIOLOOP® product. These innovations include concrete outputs of our environmentally conscious approach.

Message from the Sector President, Textile Group

Amid evolving environmental regulations that are reshaping industry practices, Korteks demonstrates transparency by rigorously assessing its products' environmental footprint through Life Cycle Assessment (LCA) studies and Environmental Product Declaration (EPD) certifications.

We will raise our infrastructure investments, supporting this transformation through digitization and data-driven management approaches.

We develop biodegradable, recyclable, and high-performance technical yarns through Horizon Europe projects and TÜBİTAK-supported studies.



In a period when environmental regulations are transforming our way of doing business, Korteks transparently discloses the environmental impacts of its products through LCA studies and EPD certifications. We measure and improve our sustainability performance throughout our supply chain by means of our HIGG Index membership and SLCP compliance certifications. In 2024, we continued to serve as an exemplar of best practices in the sector with our voluntary HIGG-FEM and SLCP audits.

We are raising investments in R&D and innovation to prepare for the future

We are developing biodegradable, recyclable, and high-performance technical yarns through Horizon Europe projects and TÜBİTAK-supported studies. In 2024, two Korteks projects were accepted within the scope of the TÜBİTAK 1832 Green Transformation in Industry Program. In addition to technical projects, we strengthen our innovation capacity by means of academic collaborations and international research networks supporting eco-friendly production.

Contributing to the development of individuals and society is a cornerstone of our value creation approach

In 2024, Korteks implemented several social responsibility projects that support children, youth, and vulnerable groups.

We created value across a wide range of areas, from projects for visually impaired children to technical training support, and from initiatives to raise environmental awareness to KORKUT Search and Rescue Team activities aimed at strengthening social resilience. In particular, the increase in the number of blue-collar female employees, as well as our inclusive approach on production sites, are solid evidence that our human resources policies encourage diversity.

Korteks also made significant social investments through the Mehmet Zorlu Foundation in 2024, attesting to our social contributions. We are committed to further enhancing our community engagement by driving collaborative volunteer projects that create lasting, meaningful impact.

We develop our sustainability culture together with our stakeholders

Supplier development programs reflect our commitment in this domain, as does our active participation in national and international sustainability initiatives, and our stakeholder communication activities, targeted to be conducted via the Today for Tomorrow platform. Furthermore, in 2024, Korteks was awarded in the "Process Management" category at the 3rd Bursa Innovation Awards, organized by the Bursa Industrialists' and Businessmen's Association (BUSİAD). This success is yet another testament to our innovative approach to process management and our continuous improvement endeavors.

Throughout 2025 and beyond, we will continue to strive to achieve net-zero goals, to implement the circular economy model more effectively, and to strengthen a governance approach based on transparency and accountability. We will expand our infrastructure investments to support this transformation through digitalization and data-driven management approaches.

By acting today for the future, we commit to contributing to the building of a fairer, greener, and more resilient world.

Sincerely,

Necat Altın
The President of Zorlu Holding Textile Group

Message from the General Manager

Positioned among Europe's foremost innovators in polyester yarn production, we leverage our technical textile proficiency and circular economy leadership into a strategic market differentiation.

In addition to redefining our TAÇ REBORN® product with different color and brightness options, our TAÇ BIOLOOP® product with biodegradable properties entered industrial-scale production.

70%
Share of green sources in total energy consumption



Esteemed Stakeholders,

Like so many other areas in our world, the textile industry is undergoing a crucial restructuring process in terms of sustainability. The global trade system is being shaped by regulations stipulating the closer monitoring of environmental impacts in production; more recently, policy initiatives such as the European Green Deal (EGD) and the Carbon Border Adjustment Mechanism (CBAM) have further expanded the scope of this approach, requiring companies to reconsider their production and supply chain processes, while customer expectations are being redefined around more responsive and accountable solutions.

As one of Europe's largest integrated and innovative polyester yarn manufacturers, we leverage our expertise in technical textiles and circular production into a strategic advantage. In line with Zorlu Group's Smart Life 2030 vision, we are reshaping our business model to create environmental and social benefits while generating value and reinforcing our pioneering role in the sector through an innovative perspective.

In addition to our strong financial and operational results, we have transformed our long-term impact focus into tangible and measurable outputs.

We intensified efforts to address the risks posed by the climate emergency

Throughout 2024, we consistently embedded our sustainability principles into every facet of our operations—from product development and manufacturing processes to strategic investments and stakeholder engagement. The solutions we develop, ranging from colored yarns produced with dope-dyed technology that reduces water and chemical consumption, to yarns with biodegradable additives developed to reduce microplastic pollution, and to facility investments producing with recycled raw materials from technical textiles, are concrete manifestations of this vision.

In the reporting period, we reduced raw material dependency by utilizing RPET chips we obtained from the polymer production company; our Polymer Recycling Facility was acclaimed for its best practices in the circular economy model. In addition to redefining our TAÇ REBORN® product with different color and brightness options, our TAÇ BIOLOOP® product with biodegradable properties entered industrial-scale production.

In our green transformation journey, we continue to achieve measurable gains with projects focused on energy and resource efficiency. In 2024, we reduced our carbon emission intensity to 0.07 tons of CO_2/ton of production, bringing us closer to our 2030 net-zero goal. While meeting all our electricity consumption from renewable sources, we supplied 70% of our total energy consumption from green sources. We successfully completed the ISO 50001 Energy Management System certification process.

To enhance the efficiency and environmental responsiveness of our production processes, we made various improvements in the areas of energy, water, and waste management. We reduced energy consumption and emissions by means of technical adjustments in the textured air conditioning system and achieved significant savings in the use of compressed air by optimizing compressor and regulator systems. We also implemented a project at the Bobbin Dyed Facility that reduced water use and prevented wastewater generation.

In addition to reducing our Scope 1 and 2 emissions, we continued to calculate supply chain-based analysis for Scope 3 emissions. By recording environmental impacts through product life cycle analyses (LCA) and EPD documents, we established a conscious governance approach to carbon reduction across our entire value chain. In this context, the collaborations established with sustainable suppliers enable us to monitor the environmental impact systematically across our supply chain.

We are driving this strategy forward through technological advancements and innovation. In 2024, our R&D Center prioritized projects focused on biodegradable and recyclable materials, automotive textiles, and high-performance technical yarns, accounting for the majority of our research initiatives. Two of our projects were accepted within the scope of the TÜBİTAK 1832-Green Transformation in Industry Program. Through projects such as PLASTICE and SSbD4Chem, in which we participated as part of the European Union's Horizon Europe program, we enhanced our effectiveness in global knowledge and technology networks.

Message from the General Manager

Guided by our responsibilities toward the future, we are resolutely positioning Korteks not only as a leading company of today, but of tomorrow.



We institutionalized sustainability-focused objectives, elevating this priority into a clearly defined and impactful component of our strategic governance framework.

We strengthened our focus on social benefit through events such as Smart Life Meetings and sustainability trainings.

As part of our digitization strategy, we developed our smart production infrastructure by integrating data-driven optimization systems, energy management software, and sensor-supported quality monitoring applications in our production lines. This transformation raised our productivity by enabling more precise measurements of our environmental performance and more efficient use of resources.

We and our stakeholders grow together with "Today for Tomorrow"

Throughout the year, we conducted all our activities with a strategic perspective. We restructured our decision-making processes in line with environmental, social, and governance priorities and aligned our performance system accordingly. We ensured the ownership of sustainability-oriented goals across the organization and elevated this area as a more visible and effective strategic governance topic.

Sustainability is a path that must be traveled with common wisdom and cooperation in the business world. The "Today for Tomorrow" digital platform, aimed to be launched with this consciousness, offers a strong dialogue space to shape Korteks' roadmap in this area together with its stakeholders. This platform, through which we will transparently share our practices, goals, and areas of impact, will also bring together the best practices in our sector.

In 2024, our communication activities—conducted among a broad stakeholder network including our employees, our customers, our suppliers and the academic community—played an effective role in disseminating knowledge, awareness, and transformation across all segments. We strengthened our focus on social benefit through events such as Smart Life Meetings and sustainability trainings.

We contribute to individual development and turn social benefit into a corporate priority

Our human rights-oriented approach is reflected across the organization, from our workplace policies to our social investments. We reinforce benefits that support employee welfare by means of leadership and talent development programs. Through the Leadership Academy and MBA programs conducted in collaboration with Koç University, we are enhancing our managerial competencies while also raising the level of institutional awareness in the field of sustainability with targeted training programs.

We are expanding our social contribution efforts by way of projects tailored to different age groups and areas of requirements. We pursue our mission of creating value in areas such as our support activities for visually impaired children, projects that contribute to the technical education of young people, activities to raise environmental awareness, and donation programs that we implement in cooperation with the Mehmet Zorlu Foundation. In addition to these endeavors, our steps to strengthen social resilience are also noteworthy: In this regard, the accreditation of our KORKUT Search and Rescue Team by AFAD was one of the most significant developments of the reporting year.

We will continue to create lasting value for the future

For 2025 and beyond, our goal is clear: Achieving net zero emissions, zero waste, and a 50% water recovery rate. We are aware that achieving these goals requires a cultural transformation alongside technological investments. Acting in this awareness, we are determined to redesign the future together with all our stakeholders, from our colleagues to our suppliers and from our customers to society.

Guided by our responsibilities toward the future, we are resolutely positioning Korteks not only as a leading company of today, but of tomorrow.

I extend my heartfelt gratitude and appreciation to every team member, partner, and stakeholder who has been part of our shared endeavor.

Sincerely,

Barış Mert
General Manager

Our Performance in 2024

In 2024, Korteks demonstrated a robust and effective performance in sustainability and achieved successful Environmental, Social, and Governance results.

433.6 TRY million
Employee wages and benefits

7.6 TRY billion
Net sales

GOVERNANCE

Number of Employees Trained on Ethical Principles / Training Hours **1,720 people/ 1,950 hours**	Total Number of Reports Received via Ethics Hotline **0**	Identified Corruption Case **0**	Number of Continuous Improvement (Kaizen) Projects **136**	Total Profit from Projects **33.8 TRY million**
Total R&D Investments **177.8 TRY million**	Total Number of R&D Projects Executed **28**	Total Number of Employees in R&D Centers **32**	Number of Patents Received **1**	Most Innovative Company Ranking in TechXtile Innovation League **Among the top 10 companies**
Total Number of Suppliers **998**	Percentage of Local Suppliers **90%**	Total Payment Made to Local Suppliers **2.786 TRY billion**	Number of Supplier Audits Conducted **19**	Total Number of Customers Served **2,247**
Net Sales Revenues **TRY 7.6 billion**	Employee Wages and Benefits **TRY 433.6 million**			

Our Performance in 2024

By advancing steadfastly toward its sustainability goals, Korteks is building a more responsible and resilient future at every step.

We operate with an awareness of environmental responsibility and contribute to a sustainable future by using our resources efficiently.

ENVIRONMENT

Total Environmental Training Provided to Employees **1,369 hours**	**Total Greenhouse Gas Emissions** **338,694 tons CO_2e**	**Scope 2 Greenhouse Gas Emission** **0 (zeroed due to I-REC certification)**	Emission Intensity **0.07 tons CO_2/ ton production**	Greenhouse Gas Reduction Achieved Through Continuous Improvement Projects **515.7 tons CO_2**
Expenditure for Emission Management and Reduction Activities **TRY 2.15 million**	Total Energy Consumption **1,282,511 GJ**	Share of Carbon Emissions Reduced Through Renewable Energy **83%**	Share of Electricity Consumption Generated from Renewable Sources **100%**	Savings Achieved through Energy Efficiency Projects **1,119 MWh**
Total Waste Reduction Achieved through Projects **11.6 tons**	Annual Water Savings with Bobbin Dyed Facility Project **5,000 m^3**	Share of sustainable products in total sales **21%**	Total Water Consumption **649,508 m^3**	Water density **2.1 m^3/tons production**
Total Amount of Waste **3,766.13 tons**	**Through TAÇ REBORN Yarn;** Energy Savings: 30% Water Savings: 10% Greenhouse Gas Reduction: 50% (compared to virgin yarn)	**Energy Savings with Dope Dyed Technology** **Up to 98%**	**Recycled Packaging Material Utilization Rate** **78%**	

Our Performance in 2024

In 2024, we continue to improve our practices in social areas and develop together with our employees.

We are building a more inclusive and robust work environment by focusing on the development, well-being, and engagement of our employees.

SOCIAL

Total Number of Employees **1,842**	Number of Female Employees **81**	Number of Employees with Disabilities **54**	Number of Unionized Employees **1,248**	Percentage of Employees with Seniority of 10 Years or More **30%**
Employee Turnover Rate **5.3%**	Total Number of Newly Recruited Employees **259**	Total Number of Employees Receiving Training **1,850**	Total Training Hours (excluding OHS) **16,634 hours**	Number of Employees Who Received Sustainability Training **197**
Total OHS Training **16,301 hours**	Injury Frequency Rate **9.47**	Severity of Accidents **0.20**	Total Number of OHS Audits **58**	Total Donations to Mehmet Zorlu Foundation **TRY 1.2 million**

Korteks at a Glance

With our facilities equipped with high technology, a wide product range, and a strong R&D structure, we are leading the transformation of technical textiles and offering solutions to the yarn needs of both Türkiye and the world.

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About Korteks

Korteks is among the production facilities with cutting-edge technology in Türkiye in the field of technical textiles.

KORTEKS PRODUCTION VOLUME (TONS)

2024
304,069

2023
273,632

2022
403,823

Founded in Bursa in 1989 as part of Zorlu Holding to address the Turkish textile industry's demand for premium polyester yarn, Korteks has evolved into a sector leader with state-of-the-art production capabilities. The company operates in a 360,000 m^2 production area with seven separate production operations in three facilities and an annual production capacity of 300,000 tons. Through its R&D Center, Korteks leads the development of innovative products and processes and ranks among the production facilities with the cutting-edge technology in Türkiye in the field of technical textiles.

Focusing on high-performance filament yarn production at its facilities equipped with advanced technologies, Korteks successfully implements advanced manufacturing techniques such as "high count & micro count," and offers extensive technical capacity through the production of polymer chips, recycled polymer chips, POY, FDY, textured, spandex-blended, air-textured, mono, and fancy yarns:

- Polymer Chips: 580 tons/day
- POY Yarn (Pre Oriented Yarn): 400 tons/day
- FDY (Full Drawn Yarn): 120 tons/day
- Twisted Fancy Yarns: 25 tons/day
- Mono Yarn 2 tons/day
- Textured Yarn 340 tons/day
- Elastane Yarn 50 tons/day
- Air Textured Yarn: 10 tons/day
- Recycled Polymer Chips: 20 tons/day
- Total Number of Employees: 1,842
- Total Number of Export Customers: 226
- Total Number of Domestic Customers: 2,021
- 90%, percentage of local suppliers

Through its dedicated R&D Center, Korteks drives innovation in textile technologies, establishing itself as one of Türkiye's foremost producers of technical textiles through cutting-edge product and process development. The polyester-based product portfolio offered under the TAÇ Yarn brand is preferred for its high quality in many areas, from upholstery fabrics to automotive interiors, medical textiles to industrial applications.

With more than 3,000 types of yarn in its product portfolio, Korteks has the means to respond quickly to the requirements of different sectors due to its customer-oriented flexible production capability and provides direct service to 2,021 domestic and 226 international customers. Working with local suppliers for 90% of its production, the Company builds its supply chain with an inclusive structure promoting domestic added value.



Meeting 13% of Türkiye's yarn demand, Korteks offers 80% of its production to the domestic market, while exporting to 41 countries and maintaining a presence across five continents. The company continues to strengthen its competitive edge year by year in numerous markets, particularly in Germany, the United Kingdom, Italy, Spain, the United States, Canada, Egypt, Mexico, and South Africa.

As of 2024, Korteks reached a turnover of USD 227.5 million, maintaining employment of 1,842 people and producing over 300 thousand tons. With an export volume of approximately 40.7 million USD, it sustainably reinforces its presence in international markets.

With its high production capacity, R&D-oriented innovation approach, strong brands, and international certifications, Korteks has continuously reinforced its competitive edge in the global textile industry. The Company's ability to quickly adapt to market dynamics supports its sustainable growth journey.

- A detailed history of Korteks is available **here**.

- A detailed Korteks' product portfolio is available **here**.



Our Vision, Mission, and Values

Europe's leading integrated polyester yarn manufacturer and exporter, Korteks operates in line with Zorlu Holding's Smart Life 2030 sustainability vision. This vision seeks to embed sustainability as a core business principle, harness innovation and technology to build the future, enable smarter solutions for stakeholders, and generate enduring value. In this long-term journey, the Smart Life 2030 vision is based on three main focal points as "employees," "environment," and "society." Carrying out production and export activities, Korteks has adopted the concept of "Regenerative Textiles for Nature and People" with the aim of a sustainable future and further aims to contribute to the self-regenerative capacity of nature.

VISION

Consolidating our leading position in our sector in Türkiye and ensuring a sustainable growth as the most preferred brand in global markets by creating new domains of use.

MISSION

Producing high-quality innovative products to increase our product diversity by enhancing our expertise and knowledge in our field by investing in advanced technology and training and to ensure customer satisfaction by acting with the environmental and social awareness.

OUR VALUES

Korteks carries out its activities under the roof of Zorlu Holding in accordance with the values set by Zorlu Holding.
(Korteks | OUR VALUES)



Our Journey of Success from Past to Present

1989

- Yarn production started under the TAÇ YARN brand with a capacity of 25 tons/day.

1990

- POY production from chips and POY production with a capacity of 18 tons/day started.
- Polymer chips and POY yarn production started with a capacity of 80 tons/day.

1998

- Polycondensation, POY, and FDY production started with a capacity of 500 tons/day. This investment made Korteks the world's largest capacity continuous polycondensation and direct molten-fed POY-FDY production facility on a single line.
- Twisted and fixed boiler installation was realized in the facility. In addition to 44,000 m^2 indoor area and 22 tons/day capacity, the product diversity was expanded to include twisted yarn (twisted from textured), snow yarn, KDK-Lezzeni, shaggy, and brode fancy yarn.

2000

- Muratec Textured Yarn machines with a capacity of 110 tons/day were installed.

2001

- Pilot machine installations were carried out to implement R&D and product development projects. Customer sample requests were responded to quickly, enabling the development of new yarns.-

2002

- In order to serve different customer profiles, such as carpets and automotive products, the installation of air texture machines capable of producing yarns with different deniers and filaments was commissioned.
- Installation of the AFK Texture Machine with a capacity of 180 tons/day, allowing micro and super-micro production, metric production with automatic tooling commands, and has an online process control system during production.
- The POY packaging automation line, enabling contactless packaging from the machine, was commissioned.
- TAÇ YARN started production with the STANDARD 100 by OEKO-TEX Annex 6, Product Class-1.

2004

- ISO 14001 Environmental Management System was established.

2006

- The installation of the Textured Yarn Automatic Packing Line was completed, and contactless packaging was commissioned.

2007

- Monofilament separation and bobbin dyed line was commissioned.

2008

- A Masterbatch Production Facility was commissioned to increase the variety of dope dyed yarns, to increase the color diversity of raw material dyed products.

2013

- ISO 10002 Customer Satisfaction Management System was established.

2015

- R&D Center was established.

2016

- Korteks became the first integrated polyester yarn company in the industry to implement the IATF 16949 Automotive Management System.

2017

- 35 new e-AFK texture machines were installed.

2019

- GRS (Global Recycle Standard Version V4) certification was received, ensuring that the identity of the recycled content is maintained from raw material to finished product.
- Greenhouse gas and emissions verification has been carried out by independent organizations, and ISO 14064 verification was achieved.

2021

- The Polymer Recycling Facility was commissioned and the production of recycled chips and yarn was initiated under the TAÇ REBORN® brand.
- The United Nations Global Compact was concluded and Zorlu Textile Group released its first sustainability report.
- Korteks succeeded in becoming the first polyester yarn company to obtain Environmental Product Declaration (EPD) certification in 4 different product categories.
- A Batch-Poly facility was included within the R&D Centre.

2022

- The Automated Storage Project was commissioned, thereby ensuring sustainability-oriented transformation in storage and shipment processes.
- In addition to 3 new generation POY and 8 new generation texturing machines, 6 e-AFK machines were commissioned.
- The PLASTICE Project was accepted to the European Union's Horizon Europe Green Deal Program. Korteks' first Horizon Europe Project, PLASTICE aimed to contribute to the circular economy by recycling difficult-to-sort textile and plastic waste and producing final products with a low carbon footprint.

2023

- By switching to an automated storage system, the storage area was reduced from 26,250 m^2 to 3,750 m^2, and product search and find time was reduced by 97%.
- The 2nd Horizon Europe project on Safe and Sustainable Design was accepted by the European Commission. The project covers screening and testing methods for the development of safe and sustainable materials in the textile, automotive, and cosmetics sectors. Korteks manages the textile activities in the project.
- Two new generation FDY machines were commissioned.

2024

- ISO 50001 Energy Management System audit was successfully completed and certification was awarded.
- The KORKUT Search and Rescue Team earned accreditation from the Disaster and Emergency Management Authority (AFAD) in the "Urban Search and Rescue" category.

Our Operational Geography

Korteks delivers its products to 41 countries in 5 continents.

Korteks responds to the requirements of its customers in different sectors with a wide range of products such as upholstery, carpet, home textiles, medical, sportswear, automotive, and technical textiles. Premium polyester yarn solutions from Korteks are the choice of leading fabric manufacturers in Türkiye and global markets. As of 2024, our products reach 41 countries across 5 continents, with Europe accounting for 85% of our export volume. Annual export volume is around USD 41.5 million, accounting for approximately 20% of total sales. Quickly adapting to the dynamics of different markets through regular country visits and fair participations, Korteks offers products to a wide customer portfolio ranging from the world's leading automotive brands to fashion and home textile brands.

The Company maintains agility in responding to evolving industry trends by creating customized solutions for diverse market requirements, thereby reinforcing its international market position.

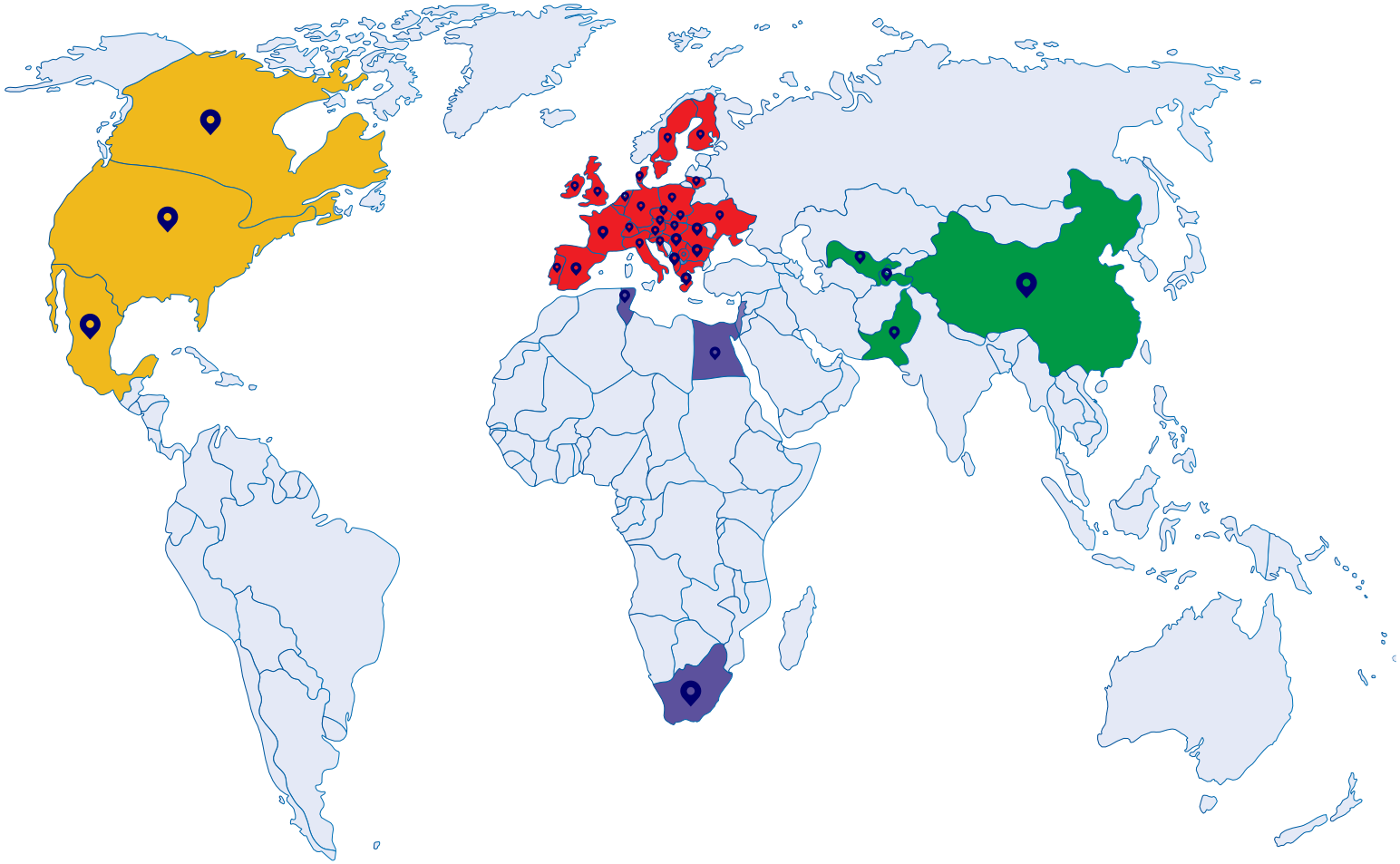
Germany
Italy
Slovakia
Greece
Egypt
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Spain
Canada

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Switzerland
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Austria

Serbia
Bulgaria
England
Mexico
Ukraine
Romania
Portugal

Hong Kong
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Albania
Czechia
The Netherlands
Tajikistan
Israel

South Africa
North Macedonia
Croatia
Hungary
Luxembourg
Slovenia
Pakistan
Uzbekistan
Tunisia



Economic Value We Created

We create sustainable economic value with our strong financial performance.

7.6
TRY billion
Net sales in 2024

Direct Economic Value Generated (TRY)	2022	2023	2024
Net Sales Revenues	5,829,886,918.67	5,514,897,487.59	7,598,478,220
Financial Return	3,562,808,428.07	6,474,780,399.32	5,303,400,047
Income	9,392,695,346.74	11,989,677,886.91	12,901,878,267
Distributed Economic Value (TRY)	**2022**	**2023**	**2024**
Cost of Sales (Including operational expenses)	3,987,377,921.06	3,781,500,656.70	6,719,891,264
Employee Wages and Benefits	528,801,223.49	998,198,751	433,653,099
Expenses and Losses Arising from Other Ordinary and Extraordinary Operations	239,528,652.9	152,529,691.64	232,067,557
Financial Expenses	2,796,098,363.26	6,284,963,743.63	6,654,804,762
Expenses	7,551,806,160.68	11,217,192,842.97	14,040,416,682
Remaining Economic Value (TRY)	**2022**	**2023**	**2024**
Income	9,392,695,346.74	11,989,677,886.91	12,901,878,267
Expenses	7,551,806,160.68	11,217,192,842.97	14,040,416,682
Residual Economic Value	1,840,889,186.06	772,485,043.94	-1,138,538,415

Our Products and Brands

Korteks' strong brands reinforce the Company's market position and offer a wide range of products targeting different segments of the textile industry.

With a diverse portfolio of 3,000 polyester filament yarn varieties, the Company serves a broad spectrum of applications—including upholstery, carpeting, home textiles, medical textiles, performance sportswear, outdoor fabrics, and automotive fabrics.

TAÇ Yarn meets 13% of yarn demand in Türkiye.

PRODUCTS

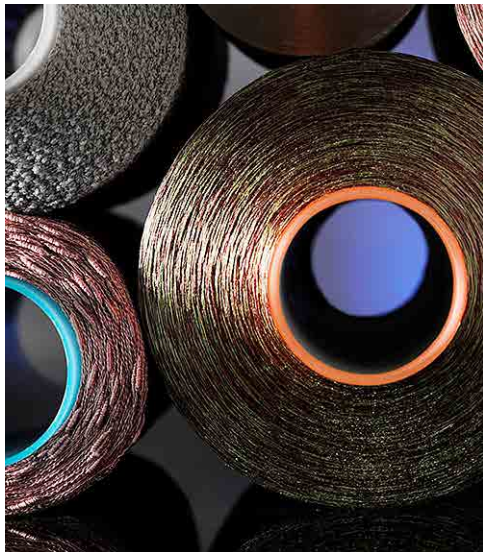
As one of Europe's largest integrated and innovative polyester yarn manufacturers, Korteks operates with a sustainable production approach prioritizing environmental responsiveness. In its 360 thousand m^2 modern production facilities, and offers innovative solutions to fulfill the requirements of the sector with a team of approximately 1,842 people.

With a diverse portfolio of 3,000 polyester filament yarn varieties, the Company serves a broad spectrum of applications—including upholstery, carpeting, home textiles, medical textiles, performance sportswear, outdoor fabrics, and automotive fabrics. Products developed with different production techniques, especially polyester yarn and recycled, are produced with high quality standards and cutting-edge technology.

Main Product Groups:

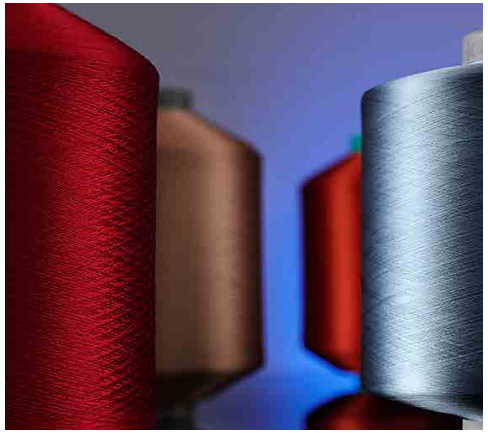
- **TAÇ YARN:** Extensive range of products for home textiles, ready-to-wear, sportswear, and technical textiles
- **TAÇ REBORN®:** Recycled polyester yarns (rPET)
- **Technical Textile Products:** Specialized solutions for automotive, medical, and industrial applications
- **Functional Yarns and yarns with effects:** Yarns with aesthetic and performance-enhancing properties





KORTEKS' BRANDS

Korteks' strong brands reinforce the Company's market position and offer a wide range of products targeting different segments of the textile industry. Every brand in our portfolio is a trailblazer within its sector, driving customer satisfaction and strengthening global competitiveness through cutting-edge innovations. Korteks is strengthening its leadership in the local market through its brands while accelerating its growth strategy in international markets.



SDGs We Contribute to

TAC YARN

Produced by Korteks, TAÇ Yarn is among the leading brands in the textile industry known for its polyester yarns with high quality and technical properties that comply with sustainability criteria. With more than 3,000 yarn types, TAÇ Yarn fulfills 13% of Türkiye's yarn requirement.

TAÇ Yarn serves a diverse and extensive domestic and global customers, exporting to more than 40 countries spanning 5 continents, with Europe and the Americas representing its core international markets. Main export markets include Germany, Belgium, England, France, Poland, Italy, Italy, Spain, the USA, Canada, Egypt, Mexico, and South Africa.

TAÇ Yarn's products are used in many sectors such as upholstery, carpets, towels, medical, sportswear, outdoor textiles, and automotive fabrics.



Our Products and Brands

In 2024, TAÇ REBORN® products were colored with dope-dyed technology, contributing to the production of eco-friendly fabrics produced without using water.

TAÇ REBORN®, standing out in the recycled polyester yarn category, is a special brand developed by Korteks in line with its sustainability goals.

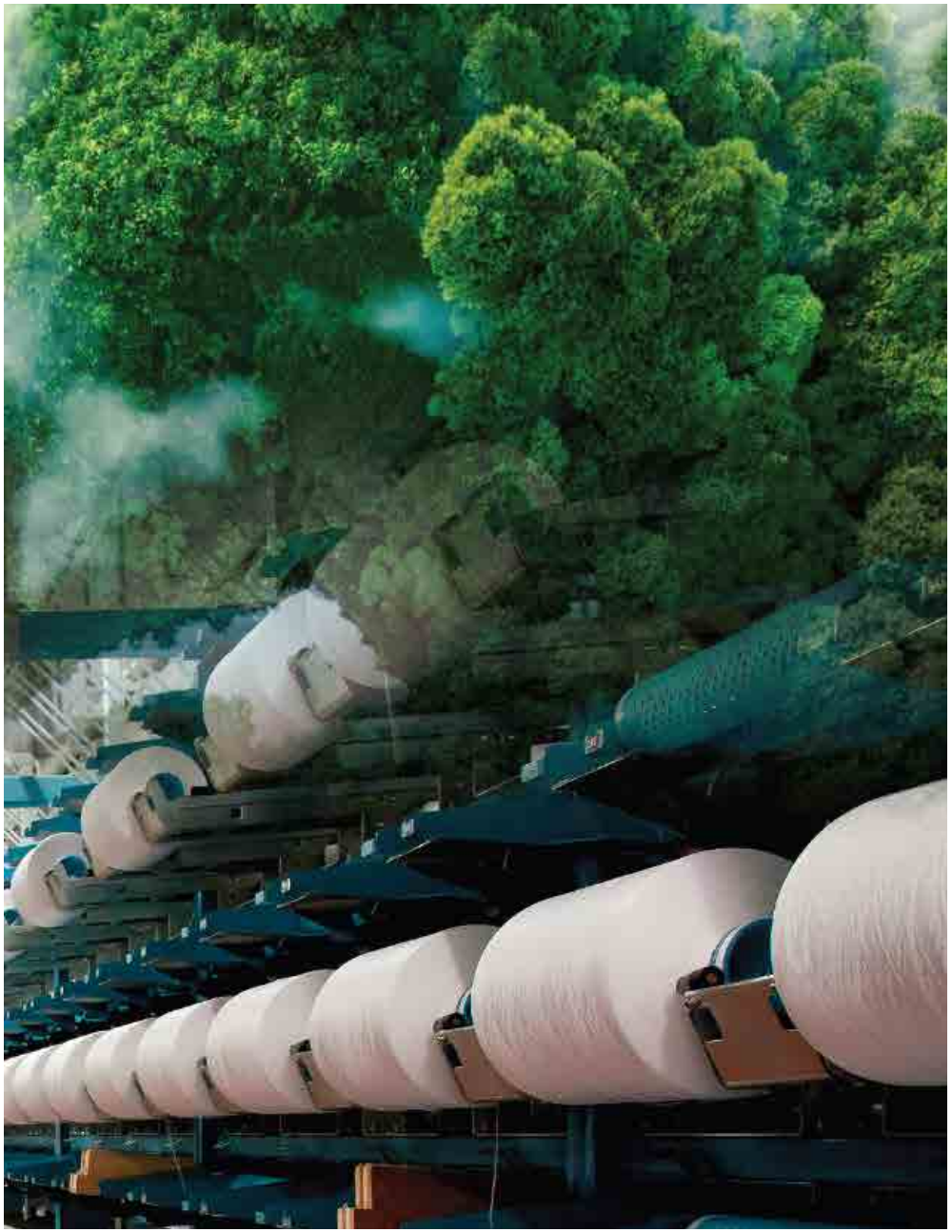
Developed to reduce microplastic pollution, this biodegradable yarn enables microorganisms to break down the fibers thanks to its special internal structure.

Innovative Technologies and Eco-Friendly Products

TAÇ REBORN®, standing out in the recycled polyester yarn category, is a special brand developed by Korteks in line with its sustainability goals. Yarns produced using rPET Chips obtained from production waste yarns at the Polymer Recycling Facility reduce environmental impact while saving energy and water.

In 2024, TAÇ REBORN® products were colored with dope-dyed technology, contributing to the production of eco-friendly fabrics produced without using water. Also, a super glossy option was introduced, increasing product diversity.

Developed to reduce microplastic pollution, this biodegradable yarn incorporates a special structure throughout the PET matrix. This structure allows microorganisms to break down the fibers, thus making them degradable in natural environments. Available in ecru virgin, recycled, and dope-dyed versions. Its effectiveness has been proven by independent laboratory tests conducted according to the ASTM standards.



Our Products and Brands

DRY TOUCH® fabrics, produced with Korteks's advanced-technology polyester yarns, are used in a wide range of applications from sportswear to workwear and denim, while combining comfort and performance with their quick absorption and fast-drying properties.

TAÇ ANTISTATIC
yarns, which stand out with their anti-static structure, are especially used in electronic production lines, petrochemical plants, flammable environments, and areas where sensitive devices are used.

TAÇ INFRARED
Developed to evade night vision systems, this yarn is used especially in military textile applications with its structure that does not reflect body heat. It enhances camouflage effectiveness by reducing its visibility to thermal cameras.

Innovative Products

TAÇ FLAME RETARDANT

This yarn, featuring permanent flame-retardant properties, maintains its performance even after washing and abrasion owing to its flame-retardant structure at the molecular level. This structure, not requiring finishing, provides long-lasting fire protection in textile products used in residential and public areas. It is supported by performance tests and customer-based application validations.

TAÇ ANTISTATIC

TAÇ Antistatic yarns, which stand out with their anti-static structure, are especially used in electronic production lines, petrochemical plants, flammable environments, and areas where sensitive devices are used. It eliminates the accumulation of electrostatic charge commonly observed in standard polyester fabrics, thereby providing safe and efficient working conditions.

TAÇ HYBRID

Specifically developed for composite material production, TAÇ Hybrid Yarn is produced by uniformly blending matrix yarn with reinforcing fibers. After being woven into a composite fabric form, it is transformed into a thermoplastic composite through a pressing process, offering environmental benefits through its recyclable structure.

TAÇ THERMAL TOUCH

This yarn, which stores heat and releases it when needed thanks to the nanoparticles it contains, helps to maintain body temperature. It is developed to provide thermal comfort in cold weather conditions and is often preferred in sports and outdoor textile applications.

TAÇ INFRARED

Developed to evade night vision systems, this yarn is used especially in military textile applications with its structure that does not reflect body heat. It enhances camouflage effectiveness by reducing its visibility to thermal cameras.

TAÇ EASY DYED

This yarn, which can be dyed at low temperatures, provides energy savings and short process times while enabling multi-tone dyeing in a single bath. Unlike standard polyester, it offers a more flexible dyeing structure and aligns with eco-friendly production techniques.

TAÇ UV RESISTANT

Produced with high lightfastness, this yarn has been developed for outdoor textiles exposed to sunlight for long periods. It prolongs product lifespan by delaying color fading and yarn deformation.

TAÇ CLEAN GUARD

It is a yarn treated with a silver-based biocidal material to provide protection against bacterial degradation. Since the silver additive is incorporated into the yarn during the melt spinning process, the yarn exhibits lasting functionality in eco-friendly production and use.

TAÇ FLUORESCENT

Developed for occupational safety garments that require high visibility, this yarn is produced with fluorescent color options in compliance with the TS EN ISO 20471 standard. It increases visibility in low-light conditions, contributing to the prevention of accidents.

TAÇ CUT RESISTANT

This yarn, which is used in protective equipment with its cut-resistant structure, is preferred in applications such as gloves, work clothes, and metal processing areas. It offers both safety and comfort through its structure that satisfies the TS EN 388 Mechanical Protection standard.

TAÇ PBT

This polybutylene terephthalate (PBT)- based yarn is used in textile applications requiring flexibility, chemical resistance, and strength. It offers suitable solutions for technical textiles, medical clothing and functional fabrics.

DRY TOUCH®

Composed of functional hollow-channelled filaments, DRY TOUCH® enables the production of high-performance fabrics with a natural appearance. Korteks provides certificates for each batch of production, ensuring the consistency of quality. It is a brand that stands out particularly in sports and performance textiles.



Our Awards and Achievements

We left a year full of achievements behind. We crowned our success with our awards.

Productivity Project Award
Korteks' project, named "Design and Production of a Domestic Adapter Cable," earned third place in the Naturalization category of the Productivity Project Awards, organized by the Turkish Ministry of Industry and Technology.

TechXtile Innovation League
Korteks R&D Center ranked among the top 10 most innovative companies at the 10th edition of TechXtile Innovation League with its project presented.

Türkiye R&D 250 Research
According to 2023 data, Korteks ranked 227th among the top 250 companies with the highest R&D investments nationwide.

ISO 500 – Türkiye's Biggest Industrial Enterprises
Korteks was placed 270th on the ISO 500 list, released annually by the Istanbul Chamber of Industry, ranking Türkiye's leading industrial companies. The ranking is based on criteria such as production to sales, export volume, employment capacity, added value created, and contribution to the national economy. This success portrays the Company's position and competitive strength in the national and international arena in line with its vision of sustainable growth.

Bursa Innovation Awards 2024
The Bursa Industrialists and Businesspeople Association (BUSIAD) honored Korteks with an award in the "Process Management" category.

AFAD Accreditation
The KORKUT search and rescue team earned accreditation from the Disaster and Emergency Management Authority (AFAD) in the "Urban Search and Rescue" category.



Sustainability Journey

We are transforming our ecosystem in line with the Smart Life 2030 goals and creating value together with all our stakeholders for a sustainable, inclusive, and fair future.

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29 Our Sustainability Strategy and Goals
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43 Stakeholder Engagement and Communication
48 Corporate Memberships and Initiatives Supported

Zorlu Holding Smart Life

Regenerative Textiles for Nature and People

Zorlu Holding's "Smart Life 2030" vision is shaped by a transformation approach focusing on people and nature. This strategy aims to increase employee satisfaction by establishing people-oriented ecosystems, preparing them for the future of work, creating inclusive value chains, and strengthening social investments. Additionally, it also aims to reduce environmental impacts by developing regenerative business models in line with the principles of combating the climate crisis and the circular economy. Supported by radical collaborations, this approach encourages a culture of creating shared value with stakeholders from different sectors.

All these endeavors are systematized within the framework of integrated management, based on the principles of corporate risk management and integrated value creation, creating a holistic impact in the areas of economic, environmental, and social sustainability. Korteks is also developing and implementing sustainability strategies in line with the Smart Life 2030 goals, with its "Regenerative Textiles for Nature and People" approach.



Zorlu Holding Smart Life

The sub-strategies developed under the "Smart Life 2030" strategies of "Innovative Business Models" and "Human-Centric Ecosystems" are as follows:

Regenerative Business Models: This strategy encompasses the improvement of operational processes through innovative and sustainable approaches, efficient use of resources and greenhouse gas, water consumption, and waste reduction goals. Moreover, the transition to a circular economy and net zero emission goals are important components of this strategy.

Human-Centric Ecosystems: This strategy puts the social well-being and development of employees, suppliers, and other stakeholders at the center. Enhancing diversity and inclusion in the workplace, ensuring equal opportunities, and increasing employee satisfaction are among the core objectives of this strategy.

These strategies shape Korteks's road map for achieving its sustainability goals and reinforce the Company's commitment to society and the environment.



Our Sustainability Strategy and Goals

Living by the philosophy of "Regenerative Textiles for Nature and Humanity," Korteks implements sustainability strategies that align seamlessly with Zorlu Holding's "Smart Life 2030" ambitions.

Korteks' economic sustainability strategy focuses on ensuring the long-term continuity of its operations through effective financial and operational risk management.

Sustainability Approach of Korteks

Living by the philosophy of "Regenerative Textiles for Nature and Humanity," Korteks implements sustainability strategies that align seamlessly with Zorlu Holding's "Smart Life 2030" ambitions.

Zorlu Holding, a signatory to the United Nations Global Compact (UNGC) since 2007, and Korteks and Zorluteks Tekstil within Zorlu Textile Group, joining in 2021, embrace the 10 principles covering human rights, labor conditions, environmental protection, and anti-corruption efforts, continuously improving in these areas. As Korteks and Zorluteks Tekstil, Zorlu Textiles Group released its sustainability report in 2024 and submitted its Communication on Progress (CoP) to the UN Global Compact.

Korteks' economic sustainability strategy focuses on ensuring the long-term continuity of its operations through effective financial and operational risk management. This approach supports economic sustainability by reducing resource consumption and increasing efficiency.



Our Sustainability Strategy and Goals

We are progressing towards a sustainable future with a Net Zero goal.

We are endeavoring together to protect the Planet, improve lives, and achieve Net Zero.

MISSION OF KORTEKS

By achieving Net Zero, we wish to improve our planet and the lives of all living things on it, and contribute to people's well-being.

OBJECTIVES OF KORTEKS



Helping the World Achieve Net Zero

We aim to redesign our processes, operations, and products to help the world reach net-zero and improve people's lives.



Bringing Korteks to Net Zero

By significantly reducing carbon in our operations and production, we aim to develop new low-carbon businesses, products, and processes.



Protecting the Planet

We will always advocate for the principles of the Sustainable Development Goals and demonstrate transparent leadership approach.



Improving People's Lives

We strive to be a trusted and respected manufacturing company, delivering value to all stakeholders while fostering an inspiring and fulfilling workplace for our employees.

We recognize that we do not have all the solutions, and we are committed to listening, learning, and collaborating with others to achieve shared success.

With our collective experience, specialized skills, and unwavering dedication, we are well-equipped to deliver results.
In 2023, Korteks published its sustainability mission and objectives.

Our Sustainability Strategy and Goals

We care about the participation of all stakeholders within our value chain in our sustainability process and take their expectations into account.

We create value for our stakeholders and the Planet with a transparent, ethical, and sustainable management approach.

SUSTAINABILITY APPROACH OF KORTEKS

We promote an ethical, accountable, and transparent management approach in line with the Sustainable Development Goals, and we continue our operations in a manner sensitive to the requirements of our stakeholders and society.



Within the framework of our Net Zero mission, we are aware of the impact of our ecological footprint on our planet and strive to quickly implement protective and stabilizing improvement steps. We strive to raise awareness about Net Zero among all stakeholders across the entire value chain on which we have an impact.



While providing quality and reliable products and services to meet the needs of our customers and society, we remain committed to sustainable development goals, without compromising the protection of local values and the continuity of life.



We care about the participation of all stakeholders within our value chain in our sustainability process and take their expectations into account. In this way, we control our risks and build long-term and lasting relationships.



We prioritize employee well-being and job satisfaction by fostering an inclusive, equitable workplace offering fair opportunities for growth and development. We invest in their social and cultural development by ensuring their health and safety.



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



We conduct all operations with integrity, adhering strictly to our Code of Ethics, complying with applicable laws and regulations, and embracing a holistic corporate management approach. Our commitment to transparency and continuous improvement guides everything we do.

Our Sustainability Strategy and Goals

In order to achieve sustainability goals, the Sustainability Committee at Korteks convenes regularly and delivers strategic decisions.

Korteks released the "Sustainability Handbook" in 2024 in order to establish a sustainability management system and conduct transparent cooperation with its stakeholders.

Aligned with Zorlu Holding's Smart Life 2030 vision, Korteks implements long-term sustainability strategies under the themes of "Regenerative Business Models" and "Human-Centered Ecosystems," strictly adhering to environmental, social, and governance (ESG) criteria.

In order to achieve sustainability goals, the Sustainability Committee at Korteks convenes regularly to make strategic decisions, reported quarterly to the relevant committees of Zorlu Holding.

At Korteks, sustainability is regarded as an integral part of the corporate governance structure, merely not limited to environmental goals. In this context, strategic decisions are assessed by the Sustainability Committee and reported to the committees within Zorlu Textile Group and Zorlu Holding. In addition, structures such as the R&D and Innovation Committee and the Corporate Governance Committee support the sustainability agenda in order to reinforce corporate governance.

Korteks's Sustainability Strategy

Korteks' sustainability strategy is formed based on the 5P model within the framework of the United Nations Sustainable Development Goals:

- **People:** Focuses on employee rights, equal opportunities, safe work environment, and social projects.
- **Prosperity:** Innovative business models contribute to economic development and employment.
- **Planet:** Focuses on environmental issues such as reducing carbon footprint, water management, zero waste goals, and circular economy.
- **Peace:** Provides a fair working environment with ethical business principles, transparent governance, and inclusive corporate policies.
- **Partnership:** Supply chain sustainability aims to achieve sustainability goals through multi-stakeholder initiatives and global collaborations.



Our Sustainability Strategy and Goals

Korteks released the "Sustainability Handbook" in 2024 in order to establish a sustainability management system and conduct transparent cooperation with its stakeholders. In this context, the Social Compliance Procedure, Child Labor Prevention Policy, Open Door Policy, and Korteks Ethical Values and Social Compliance Policy were established in line with Zorlu Holding Ethical Principles. Additionally, the Supplier Code of Conduct has been released to ensure the adoption of environmental and social responsibility principles within the supply chain. Korteks rigorously monitors its ESG performance against 32 defined metrics, ensuring measurable progress and sustained commitment to sustainability excellence.

ESG Groups	Global Goals (5P Classification)	Sustainability Topics	
E (Environmental)	**Planet**	1-Climate Change / Zero Carbon / Energy Management	6-Sustainable Resource Management and Efficiency (Raw Materials, Materials, etc.)
		2-Air Quality and Emission Management	7-Sustainable Product Design
		3-Water and Wastewater Management / Zero Liquid Discharge	8-Biodiversity, Deforestation, and Land Use
		4-Waste Management / Zero Waste / Circular Economy	9-Plastic Pollution
		5-Management of Chemicals	10-Water Scarcity
S (Social)	**People Goals**	11-Employee and Human Rights	14-Work-Life Balance
		12-Employee Development and Talent Management	15-Equal Opportunity, Diversity, and Inclusion
		13-Employee Engagement, Satisfaction, and Motivation	16-Healthy and Safe Working Environments
	Social Prosperity	17-Community Investment Programs	19- Responsibility Toward Customers and Consumers
		18-Contribution to Local Economy and Employment	20-Other Living Beings and Animal Rights
G (Governance)	**Strong Institutions, Peace, and Justice**	21-Corporate Governance, Communication, and Transparency	25-Sustainable Growth and Brand Management
		22-Risk Management and Materiality	26-R&D, Innovation, and Digital Transformation
		23-Business Ethics and Legal Compliance	27-Operational Development and Excellence
		24-Compliance with Global Standards and Advocacy	28-Cybersecurity (cyber attack, data security, fraud…)
	Developing Partnerships	29-Sustainable Supply Chain Management	31-Corporate Volunteering Contribution
		30-Multi-stakeholder Initiatives and Collaborations	32-Intrapreneurship

Our Sustainability Strategy and Goals

Under its Sustainability Strategy and Goals, Korteks pioneers socially beneficial activities to meet the requirements and improve the living conditions of current and future generations.

Korteks's Sustainability Goals

The goals defined within the framework of Zorlu Holding's "Smart Life 2030" vision have been supported by sub-strategies to be implemented within Korteks since 2022.

In this process, tasks and responsibilities have been allocated to the relevant units and achievement of these goals is monitored through Key Performance Indicators (KPIs) integrated into the performance assessment system. Under its Sustainability Strategy and Goals, Korteks pioneers socially beneficial activities to meet the requirements and improve the living conditions of current and future generations.

Korteks ESG Performance Indicators

Environmental Indicators

- Unit Greenhouse Emission Amount
- Unit Water Consumption
- Unit Waste Amount
- Energy Efficiency Projects
- Water and Wastewater Projects
- Waste Reducing Projects
- Resource Utilization Reducing Projects

Social Indicators

- Injury Frequency Rate
- Severity Degree of Accidents
- Ratio of Female Employees
- Number of Employees Participating in Social Projects
- Ratio of Sustainable Suppliers
- Supply Chain ESG Audit Ratio

Governance Indicators

- Sustainable Product Sales Amount
- Business Continuity Projects
- Sustainable Product Projects





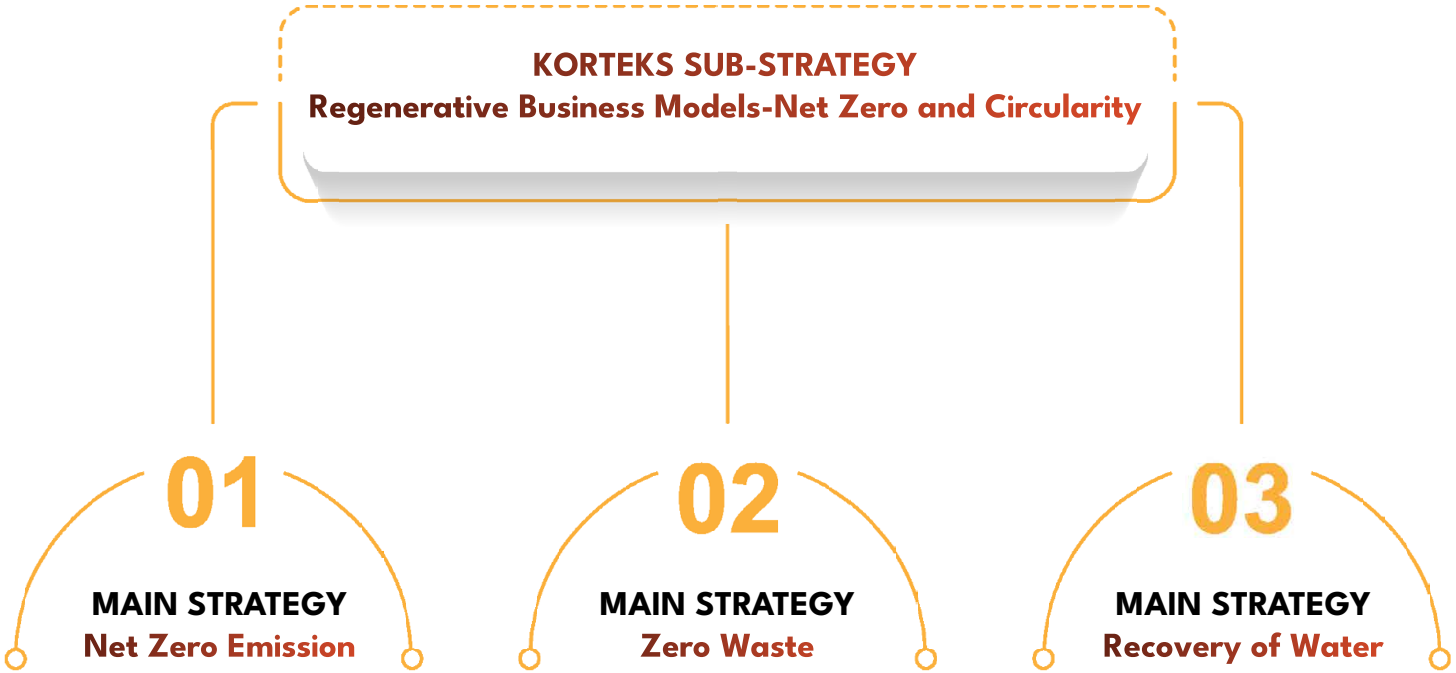


Our Sustainability Strategy and Goals

Each strategic decision at Korteks is shaped by analyzing risks based on their likelihood and impact, and opportunities based on their cost and impact level.

In implementing sustainability strategies, strategic decision-making processes are based on SWOT analyses and risk-opportunity assessments conducted by process owners. Each strategic decision at Korteks is shaped by analyzing risks based on their likelihood and impact, and opportunities based on their cost and impact level. These analyses are holistically reviewed by the Sustainability Committee and guide the decision-making processes.

For more information, please visit
Zorlu Holding – Smart Life 2030



- The targets set are being SBTi
- Calculating carbon footprint each year and reducing unit carbon intensity
- Developing a climate change action plan and providing training
- Using renewable energy (continuing to obtain I-REC certification)
- Investing in sustainable energy sources (solar energy)
- Implementing process optimizations reducing the carbon footprint
- Manufacturing products with reduced carbon footprint
- Carbon offsetting
- Utilizing renewable energy by establishing a solar farm within the borders of Türkiye

- Reducing production and processing waste at source
- Promoting reusable packaging materials
- Considering sustainability in the design of packaging materials
- Reintroduce waste to the circular economy (recycling, upcycling, reuse)
- Producing fertilizer by composting or pet food from dining hall waste and delivering to those in need
- Reusing bobbins and cardboard packaging of delivered products

- Water optimization in the factory
- Reducing the amount of water used per kg of yarn
- Investing in new technology production machines not using water

Our Sustainability Strategy and Goals

We are building an inclusive and fair future with a human-centric ecosystem improving the employee experience, making the supply chain sustainable, and prioritizing community investments.

KORTEKS SUB-STRATEGY
Human-Centric Ecosystems- Inclusion and Diversity

01
MAIN STRATEGY
Positioning Among the Most Preferred Employers

- Gender equality
- Career and talent management
- Digitalization of HR processes
- Increasing employee engagement
- Increasing the number of ideas and suggestions from employees
- Creating a lifelong learning organization
- Improving internal and external communication
- Enhancing employee onboarding experiences
- Improving OHS scores

02
MAIN STRATEGY
100% Sustainable Supply Chain

- Upholding human rights
- Supplier improvement and development
- Improving the green purchasing rate of our brands
- Supplier assessment

03
MAIN STRATEGY
Allocating 1% of EBITDA to Social Investments

- Development of Zorlu Textile Group social investment projects
- As Korteks, our priority is recycling and raising public awareness in this regard so that women and children benefit from equal opportunities
- Corporate Social Responsibility projects for the preservation of nature

Our Sustainability Strategy and Goals

SMART LIFE 2030 STRATEGY FRAMEWORK	STRATEGIC GOALS	OUR PROJECTS CONTRIBUTING TO THE GOALS KORTEKS	RELATIONSHIP WITH SDG
REGENERATIVE BUSINESS MODELS NET ZERO EMISSIONS AND CIRCULARITY	Net zero emissions in Scope 1-2 by 2030 and across the entire value chain (Scope 1-2-3) by 2050	• TAÇ REBORN® • Dope-dyed Yarns • Machinery-Equipment Modernization Projects with High Energy Efficiency • Renewable Energy Certificate	
	Reducing waste by 50% by 2030 and reaching zero waste by 2050.	• Recycled PES Filament Yarn (TAÇ REBORN®) • Returnable Packaging Studies with Suppliers • Production of Biodegradable Special Machine Parts Using 3D Printers	
	Recovering 50% of the water used by 2030 and all of it by 2050.	• Dope-dyed Yarns • TAÇ BIOLOOP Yarns	
HUMAN-CENTRIC ECOSYSTEMS INCLUSION AND DIVERSITY	Investing in the future of business and becoming a leader in inclusion and diversity. Positioned among the most preferred companies across all sectors in which we operate.	• Human Resources Practices • Employee Development Trainings • Employee Satisfaction Survey • Reward/Suggestion System	
	Having a 100% sustainable supply chain by 2030. (Strategic Suppliers)	• Sustainable Supply Chain Management System Trainings and Audits	
	Being a pioneer in social investments and allocating 1% of Zorlu Holding's EBITDA to Sustainable Development Goals every year.	• KORKUT • Career Events • Career Talks	

Our Sustainability Strategy and Goals

We are moving closer to our sustainability goals through concrete actions and monitoring our environmental and social performance in a transparent manner.

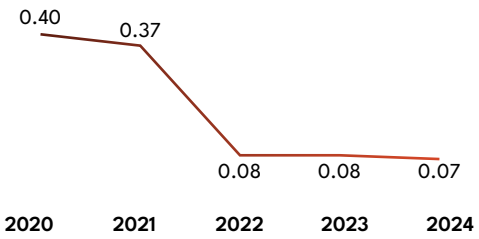
90%
Percentage of local suppliers in 2024

0.07%
2024 emission intensity (tons CO_2/ ton production)

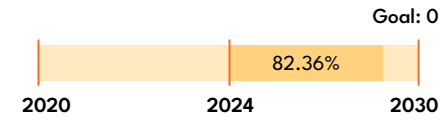
Detailed Information on the Progress of Goals

Goal: Achieving Net Zero Emission in Scope 1 and 2 Emissions by 2030

EMISSION INTENSITY
Tons CO_2e/Tons Production

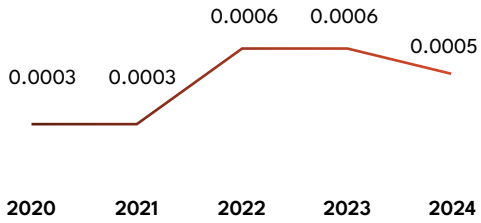


GOAL ACHIEVEMENT RATE (%)

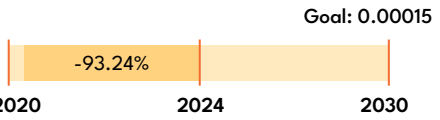


Goal: Reducing the Amount of Waste Disposed of by 50% by 2030

WASTE INTENSITY
Tons/Tons Production

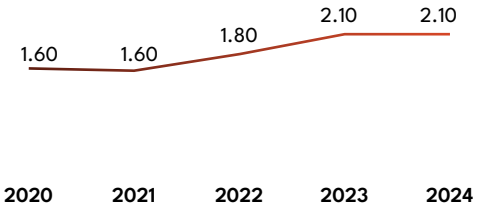


GOAL ACHIEVEMENT RATE (%)

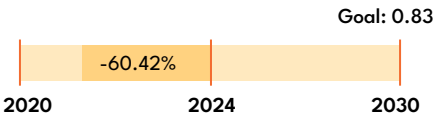


Goal: Recovering 50% of the Water Used by 2030

WATER DENSITY
m^3/Tons Production

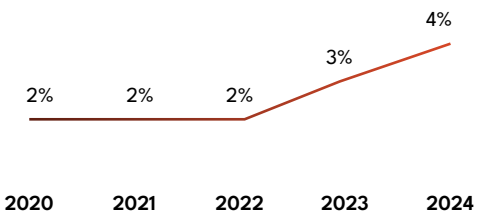


GOAL ACHIEVEMENT RATE (%)



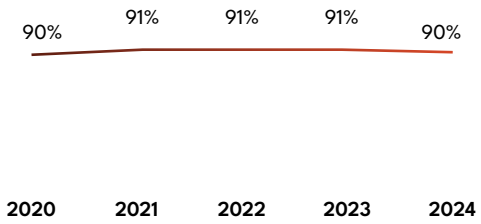
Goal: Becoming a Leader in Diversity & Inclusion

FEMALE EMPLOYEE RATE (%)



Goal: Having a Sustainable Supply Chain by 2030

RATE OF LOCAL SUPPLIERS (%)



Goal: Becoming a Pioneer in Social Investments and Allocate 1% of EBITDA to Sustainable Development Goals Every Year.

Aligned with Zorlu Holding's Smart Life 2030 vision, social investments are prioritized under the headings of "Human-centric ecosystems" and "innovative business models," and 1% of EBITDA generated each year is targeted to be allocated for sustainable development purposes. In 2024, Korteks achieved a 0.31% increase in terms of EBITDA and continued its social investments without interruption, contributing TRY 1.2 million.

Sustainability Management Shaping the Future

The Board of Directors convenes quarterly, and the committees convene at least semi-annually to assess the decisions rendered.

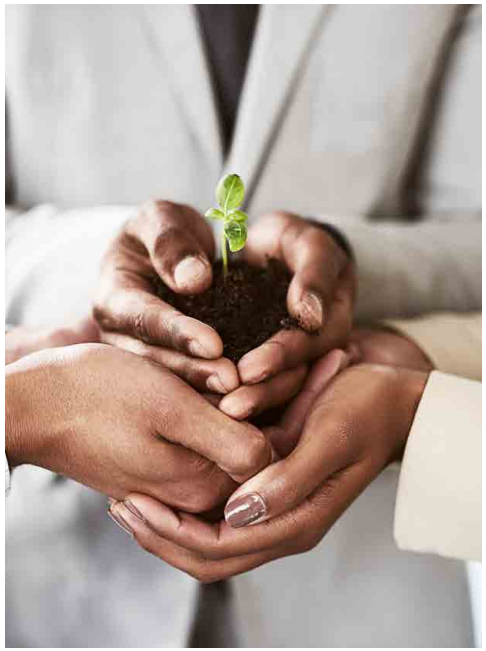
The Board of Directors comprises of Zorlu Holding's Chair of the Board and the Board Members.

The Sustainability Committee operates under the leadership of the Sector President of the Textile Group and Zorlu Holding Sustainability Deputy General Manager.

Korteks and Zorluteks Tekstil regard sustainability as the cornerstone of corporate governance and integrate it into their business processes. The Group employs Textile Group Board of Directors, Sustainability Committee, R&D and Innovation Committee, and Corporate Governance Committee.

The topics in the relevant fields are assessed in these committees, and substantial decisions are presented to the Textile Group Board of Directors as recommendations. Critical issues such as audit, risk, and strategy are discussed in the relevant committee of Zorlu Holding by the Sector President of the Textile Group when necessary and reported to the Board of Directors.

The Board of Directors convenes quarterly, and the committees convene at least semi-annually to assess the decisions rendered. The Board of Directors; Zorlu Holding Chair of the Board of Directors, Board Member, Sector President of the Textile Group, and General Managers regularly report to the Board on financial performance, the results of Key Performance Indicators (KPIs), strategic developments, and sustainability goals.



Sustainability Committee and Management Structure

The Sustainability Committee operates under the leadership of the Sector President of the Textile Group and Zorlu Holding Sustainability Deputy General Manager. The Committee convenes at least three times a year to review current legislation, monitor Smart Life 2030 goals, assess investment requirements, and provide strategic guidance.

Duties of the Committee:

- Determining sustainability policies and monitor their implementation processes
- Assessing sustainability risks and opportunities and report them to management bodies
- Tracking Environmental, Social, and Governance (ESG) scores and sustainability goals
- Strengthening stakeholder communication and publicize sustainability projects

The decisions made by the Committee include;

- Identification and approval of Smart Life 2030 Key Performance Indicators (KPIs),
- Assessment of United Nations Global Compact (UNGC) sustainability reports,
- Identifying actions related to social projects and ESG score,
- Review of the sustainability budget.

Korteks Sustainability Representation: It implements, monitors, audits, reviews, improves, and develops Korteks's sustainability policies, goals, and practices.



Sustainability Management Shaping the Future

Progress toward sustainability goals was assessed and documented through meetings held every quarter.

Sustainability KPIs have been integrated into the performance system for executives in managerial and above positions, encouraging employees to contribute to sustainability goals.

In 2024, the Sustainability Committee made many critical decisions, shaping the Company's sustainability roadmap:

- The senior management was informed about the current regulations affecting the sector and the Company, and investment needs were assessed accordingly.
- Progress toward sustainability goals was assessed and documented through meetings held every quarter.
- Sustainability KPIs have been integrated into the performance system for executives in managerial and above positions, encouraging employees to contribute to sustainability goals.
- The Crisis Communication Handbook of the Textile Group has been prepared, and as part of crisis management, the relevant teams have been established and trained.
- In 2024, a Risk Governance Procedure was established for the textile sector. The procedure is intended to identify and manage potential sustainability-related risks. Risk management processes have been established, thereby ensuring that sustainability-related risks are systematically monitored and managed.





Sustainability Management Shaping the Future

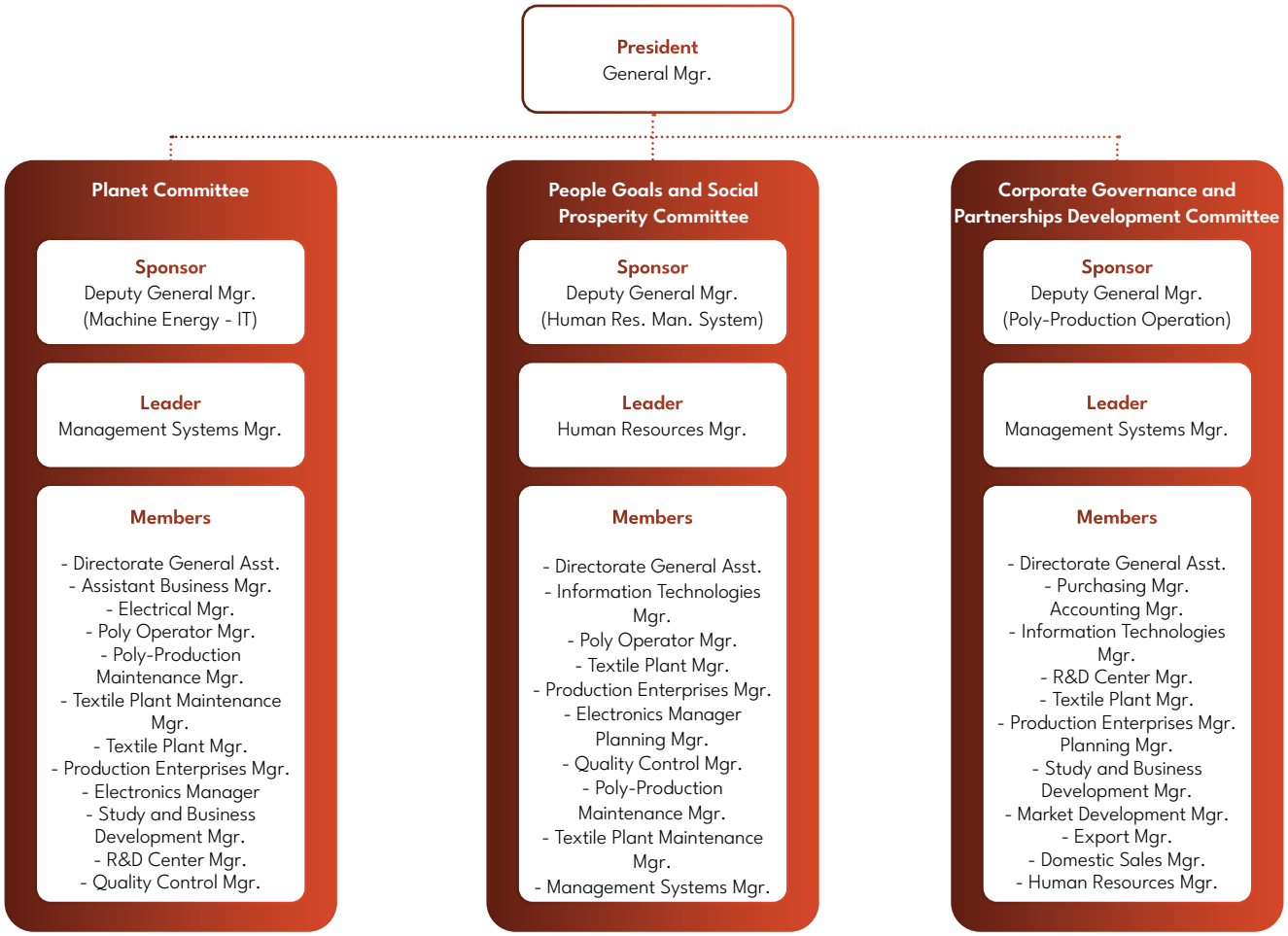
The Korteks Sustainability Representative's Office undertakes critical tasks, including determining the Company's sustainability policies, executing their implementation, as well as monitoring and auditing performance.

Sustainability Management in Korteks
Korteks aims to reduce its environmental impact, fulfill its social responsibilities, and strengthen corporate governance by integrating sustainability into its business strategies.

The Korteks Sustainability Representative's Office undertakes critical tasks, including determining the Company's sustainability policies, executing their implementation, as well as monitoring and auditing performance.

The Sustainability Committee convenes quarterly to assess risks and opportunities, monitor sustainability KPIs, and report to the governing bodies. ESG (Environmental, Social and Governance) performance indicators are integrated into the performance system of department managers and employees are encouraged to contribute to sustainability goals.

KORTEKS SUSTAINABILITY COMMITTEE



In line with the Smart Life 2030 strategy and the United Nations Global Compact (UNGC), Korteks established Sustainable Working Groups and determined strategies within the framework of these groups.

- **Corporate Governance Group and Partnership Development Group** Strengthening the corporate structure and promoting global objectives.
- **People Goals Group and Social Prosperity Group** Ensuring fair and equal opportunities for employees and stakeholders, and increasing contributions to society
- **Planet Group** Carrying out environmental sustainability activities

These working groups convene annually to review sustainability strategies and develop new projects.

Sustainability Management Shaping the Future

We structure sustainability management around the axes of planet, people, society, governance, and partnerships, thereby shaping the future with a holistic approach.

We ensure sustainability in environmental, social and governance areas with our holistic groups.

KORTEKS Sustainability Working Groups

Corporate Governance Group

- Corporate Sustainable Management
- Risk Management
- Business Ethics and Transparency
- Fight with Corruption and Bribery
- Compliance with Global Standards and Advocacy
- Brand Power
- Corporate Communication (Internal-External Effective Communication)
- Cybersecurity (Cyber attacks, data theft, fraud...)
- Organizational Structure Based on Processes
- Operational Excellence (Traceability, Industry 4.0, Digitalization, etc.)
- Sustainable Profitable Growth

Planet Group

- Climate Change and Zero Carbon
- Water Management
- Wastewater Management / Zero Liquid Discharge
- Waste Management / Zero Waste
- Circular Economy
- Biodiversity, Deforestation, and Land Use
- Management of Chemicals
- Resource Efficiency and Intensity
- Plastic Pollution
- Water Pollution
- Energy Management

Social Prosperity Group

- Community Investment Programs
- Contribution to the Local Economy and Employment
- Product and Service Quality and Health
- Other Living Beings and Animal Rights

Partnership Development Group

- Sustainable Supply Chain Management
- Multi-Stakeholder Entrepreneurs and Collaborations
- Corporate Volunteering Contribution
- Intrapreneurship

People Goals Group

- Employee and Human Rights Employee Development and Talent Management
- Employee Engagement, Satisfaction and Motivation
- Equal Opportunity and Diversity
- Work-Life Balance
- Responsible Use of Personal Data
- Occupational Health and Safety
- Pandemic Diseases

Stakeholder Engagement and Communication

In 2024, work was initiated on a website titled "Today for Tomorrow" to strengthen stakeholder communication and better promote the sustainability approach.

Korteks operates in line with its Customer Relations Manifesto to better understand customer expectations and respond swiftly to industry requirements.

19 suppliers were audited in 2024.

Korteks adopts a dynamic, two-way communication model with its stakeholders to strengthen its sustainability vision and broaden its impact. Strategic collaborations with customers, employees, suppliers, academic institutions, public institutions, and non-governmental organizations play a critical role in achieving sustainability goals.

In 2024, work was initiated on a website titled "Today for Tomorrow" to strengthen stakeholder communication and better promote the sustainability approach. This digital platform aims to share up-to-date content on Korteks' sustainability goals, practices, and impact areas.

Stakeholder Interaction and Communication Strategies

- **Customer Relations:** Korteks operates in line with its Customer Relations Manifesto to understand customer expectations and respond swiftly to industry requirements, maintaining transparent and trust-based communication.

- **Employee Relations:** Employee feedback is collected and incorporated in decision-making processes through digital platforms such as "Zone" and "Korteks Portal," satisfaction surveys, and EBA wish-complaint forms. These channels not only provide employees with updated information on the corporate developments but also foster an interactive environment where ideas and feedback can be exchanged freely. In-house developments are shared through the Korteks Portal and effectively disseminated via notice boards, displays, and digital platforms.

  Throughout 2024, suggestions, requests, and complaints received from employees were examined, studies were carried out, and feedback was provided. Also, an employee satisfaction and loyalty survey was conducted.

- **Supplier Relations:** While ensuring the sustainability of the supply chain by communicating with suppliers via phone and e-mail, collaborations are carried out in a fair, transparent, and long-term perspective. In 2024, 19 suppliers were audited.

  Korteks considers the communication it establishes with its suppliers a cooperation area that supports mutual development. With this approach, the Company carries out structured knowledge transfer and capacity-building activities to promote sustainability awareness across the value chain. As part of the training programs conducted in 2024, 21 suppliers were informed on issues such as environmental impact reduction, occupational health and safety, ethical working conditions, and social compliance.



- **Academic Collaborations:** Joint projects are developed with Konya Technical University, Istanbul University-Cerrahpaşa, Bursa Technical University, and Bursa Uludağ University.

  Korteks introduced the "PLASTICE" project with a poster presentation at the Aachen-Dresden-Denkendorf International Textile Conference in 2024 and participated in the 15th International Symposium on Fiber and Polymer Research (ULPAS) held at Izmir Bakırçay University. At the symposium, innovative R&D projects such as the development of biodegradable PET yarn and thermal comfort in PLA filament yarns were presented.

- **National and International Collaborations:** TÜBİTAK, European Textile Platform (ETP) SMARTX Community, Innovation in Circular & Biobased Textiles Masterclass Community, and BUTEKOM Research Center provide platforms for the exchange of knowledge on a global scale.

By creating an ecosystem that fosters innovation, Korteks takes the lead in textile and plastic waste recycling and sustainable material development through Horizon Europe projects such as PLASTICE and SSbD4CheM. Under the TÜBİTAK 2244 program and other R&D projects, studies are conducted in areas such as biopolymers, circular economy, and production with low carbon footprint.

In 2024, the Company submitted applications for two separate projects under the 1832–Green Transformation in Industry Program, both of which were approved in October. One of the projects aims to bring yarn production from Polyhydroxybutyrate (PHB) polymers to industrial scale. The other TÜBİTAK 1832 project that was approved focuses on "Developing Traceability Technology in Recycled Polyester Yarns," aiming at making Korteks the first textile company capable of producing both tracers and recycled polyester yarns in-house.

Stakeholder Engagement and Communication

As part of the "Smart Life Meetings" organized to raise employee awareness on sustainability issues, three sessions were held in 2024.

The Smart Life 2030 Blog provides a broad source of information on sustainable business models and best practices.

To ensure employees remain informed about the latest sustainability initiatives, weekly bulletins prepared by EKOLOGOS, along with curated sustainability news from the national press, are distributed on a regular basis.

Awareness Communication and Stakeholder Engagement with a Focus on Sustainability
Aligned with its long-term sustainability commitment, Zorlu Holding embeds the "Smart Life 2030" vision into its corporate strategy, prioritizing people-centric ecosystems and restorative business frameworks Group-wide. Under this vision, seeking to generate sustainable value for stakeholders across environmental, social, and governance dimensions in collaboration with Group companies, targeted communication and engagement programs are implemented to strengthen employee knowledge and foster greater awareness.

Our Stories: The "Our Stories" video series, developed by Zorlu Holding as part of the Smart Life 2030 goals and featuring sustainability-oriented best practices of Zorlu Holding and Group companies, has been publicly available as an open resource since 2020. The 3rd season of the video series, consisting of 25 episodes, was released in 2024. The series aims to lead the way for more organizations in the business world to adopt these approaches and increase good practices by spreading the sustainable production, service, and life approach. Through the posted stories, it is aimed to create more value for the organization, stakeholders, society, and the environment, and to contribute to the dream of a better future and a more livable world.

"How Far?" Podcast Series: Launched by Zorlu Holding in 2022, the "How Far? (Nereye Kadar?)" podcast series focuses on a wide range of topics such as sustainability, climate crisis, social innovation, gender equality, and digital transformation. The series, aimed at raising public consciousness and awareness on sustainability issues and encouraging the adoption of good individual and corporate practices, emphasizes the necessity of generating collective solutions to the complex, profound, and multidimensional global challenges of today's rapidly changing and transforming world. The preparation and filming processes of the episodes of the series, whose third season was moderated by journalist Duygu Demirdağ, took place in 2024.

In 2024, the "How Far? x Podkids" podcast series was launched in collaboration with Podkids, an initiative that equips children with media literacy and broadcasting skills, highlighting the importance of discussing the concept of sustainability with children and fostering awareness at an early age. The series, which is shaped from the perspective of children and aims to bring listeners together with different themes of sustainability, was moderated by 9-year-old Mercan Deniz Özkan. In a 5-part podcast series, today's critical issues, such as the climate crisis, inequalities, volunteering, resource depletion, and sustainability, were discussed.

Smart Life Glossary: Developed by Zorlu Holding to foster a shared understanding in the field of sustainability and to raise awareness of fundamental concepts, the Smart Life Glossary is a digital information resource that offers clear and accessible explanations on environmental, social, and corporate governance topics. Prepared in collaboration with EKOLOGOS, an organization operating in the field of sustainability communication and management, this resource aims to serve as an accessible reference for all stakeholders seeking to enhance their sustainability literacy. The glossary, which is publicly accessible through the Smart Life 2030 platform, continues to be updated and developed over time with new concepts.

Awareness Meetings for Employees: The "Smart Life Meetings" and "An Equal Life (Eşit Bi'Hayat) Meetings" series, organized by Zorlu Holding with the participation of experts in their fields to raise awareness of Zorlu Group employees on sustainability issues, contributed to the development of employees' sustainability perspectives.

In the session titled "Green Transformation" organized as part of "Smart Life Meetings," Bahar Güçlü, Deputy Director General for International Agreements and European Union at the Ministry of Trade, shared information on green and digital transformation, risks, opportunities and incentives in these areas, and evaluated the reflections of developments in the European Union on Türkiye. In the session titled "After COP29," the prominent topics of the UN's 29th Climate Change Conference, the decisions made, and the latest developments in the global climate struggle were discussed with journalist Barış Doğru as the guest.

The An Equal Life (Eşit Bi'Hayat) Meetings, which are organized to strengthen the corporate culture based on inclusiveness and diversity and focus on equal opportunities within the framework of sustainability, were held twice in 2024. Held on March 8, Women's Day, the event brought together designer Aslı Filinta and Vestel Marketing General Manager Duygu Badem Uylukçuoğlu in line with the Vestel x Aslı Filinta Retro Series collaboration, which carries Anatolia's cultural heritage into the future and focuses on women's labor. In another meeting held during the year, Zorlu Group Gender Equality Committee Member and General Manager of Korteks, Barış Mert, hosted Hasan Deniz, Director of Corporate Partnerships and Advocacy at AÇEV. The meeting focused on the role of fathers in child development and caregiving, within the framework of inclusive parenting.

Smart Life 2030 Blog: Launched by Zorlu Holding, the Smart Life 2030 Blog features up-to-date articles on topics such as corporate sustainability, innovation, technology, entrepreneurship, and gender equality. It is an open information platform for anyone seeking to follow the global sustainability agenda in the world, gain new perspectives, and raise awareness. The blog, which offers a broad resource of information on sustainable business models and best practices, has been visited by approximately 282 thousand people to date.

Smart Life Bulletins and Sustainability News: Zorlu Holding conducts regular informational activities to raise the awareness of Zorlu Group employees on sustainability issues and provide them with innovative perspectives. As part of these endeavors, weekly bulletins prepared by EKOLOGOS, featuring key developments on both global and local scales, are regularly shared with all Group employees. Additionally, news on corporate sustainability compiled from the national press is also regularly communicated every week. Key developments related to the Conferences of the Parties, which focus on global climate issues and proposed solutions, are also communicated through daily bulletins during the course of the conferences.



Stakeholder Engagement and Communication

Fairs serve as a dynamic communication and interaction platform for Korteks.

In 2024, Korteks continued to expand its dialogue with industry representatives and customers through its participation in national and international fairs.

We sponsored the Harvard Business Review Sustainability Summit held on May 21-22, 2024.

Fair Participations in 2024

Korteks believes that establishing direct communication with its stakeholders and closely observing their requirements and expectations are essential to enhancing the value created through the products and services. In the face of rapidly changing demands in the textile industry, fairs serve as a dynamic communication and interaction platform for the Company in order to receive feedback from the field, to showcase innovations first-hand, and to strengthen brand perception. In 2024, Korteks continued to expand its dialogue with industry representatives and customers through its participation in national and international fairs.



HEIMTEXTIL
January 9–12, 2024



AUTOMOTIVE MEETINGS
November 12–14, 2024



Istanbul Yarn Fair
February 22–24, 2024



HOMETEX
May 21–25, 2024



TECHTEXTIL
April 23–26, 2024



TEXHIBITION
March 6-8, 2024 / September 11-13, 2024

Sustainability Events

- In 2024, an Executives' Meeting was held, featuring a dedicated session on sustainability. In these sessions, information was provided on the Company's sustainability practices and its preparedness for regulatory compliance, renewable energy, climate crisis, circular economy, and activities and projections that add value to society.
- We sponsored the Harvard Business Review Sustainability Summit held on May 21-22, 2024. Zorlu Holding Textile Group President took part as a speaker in the panel titled "Green Transformation in Textiles" at the summit. A total of 739 participants attended the event.
- At the Faculty of Engineering and Natural Sciences of Bursa Technical University, a training session on sustainability in the textile industry was conducted by Kasım Altay and Onur Çelen, during which students were informed about the industry's transformation process.
- In 2024, Korteks participated in the Sustainability Talks Istanbul event, taking part in sessions that addressed multi-stakeholder solution proposals on circular economy and sustainability in the textile industry. The event paved the way for new collaborations and information sharing.
- Korteks participated in the 33rd Quality Congress held at Kocaeli Congress Center.

Stakeholder Engagement and Communication

CONCERNED PARTIES	COMMUNICATION	KORTEKS COMMUNICATION METHOD	COMMUNICATION FREQUENCY	EXPECTATIONS	HOW WERE THEY RECEIVED?
Shareholders, Partners, Managers	Board of Directors Meetings, Textile Group Meetings, Budget Meetings	Strategic Management Procedure	Once a Year	• Compliance with Laws and Regulations • Strategic Goal Setting and Alignment • Alignment with Sustainability Goals	• Sustainability ESG Goals were reviewed at quarterly meetings. • Strategic goals were set, and results were reviewed twice a year through management review meetings. • At Committee meetings, the results of the strategic goals were shared with the Board of Directors.
	Sustainability Committee Meeting	Strategic Management Procedure	Quarterly		
	Management Review Meetings (Strategy, Goal, Assessment)	Management Review Procedure	Twice a Year		
	Planning Meetings	Strategic Management Procedure	Once a Month		
	Stock Assessment Meetings	Strategic Management Procedure	Continuous		
	Leader Messages, Digital Media Channels (Corporate Website, Smart Life 2030 Blog, Social Media Channels, Zorlu Portal (Zone), Korteksim Portal, Korteks Announcement TV, Notice Boards)	https://www.korteks.com.tr/en	Once a Year		
Employees	Digital Media Channels (Corporate Website, Smart Life 2030 Blog, Social Media Channels, Zorlu Portal (Zone), Korteksim Portal, Korteks Announcement TV, Notice Boards)	https://www.korteks.com.tr/en	Continuous	• Ensuring Participation in Processes • Competent Personnel Resource with Development Opportunities • Employee Participation in Sustainability and Continuous Improvement Activities • Establishing Communication through Vertical and Horizontal Communication Channels • Ensuring Appropriate Working Environment by Considering Environmental, OHS, Energy Efficiency, and Information Security Risks	• In 2024, 136 continuous improvement activities were completed at Korteks with employee participation. • Communication with employees was established through both vertical and horizontal channels (employee satisfaction surveys, suggestion boxes, departmental meetings, organizations with the Textile President, etc.). • Environmental, OHS, Energy Efficiency, and Information Security risks were identified by taking into account their impacts and possibilities in all processes.
	Ethical Principles	Zorlu Holding Ethical Principles Korteks Ethical Principles Social Compliance Procedure Child Labor Prevention Procedure Open Door Policy	Continuous		
	Department Meetings, Goal Assessment, Business Meetings	Strategic Management Procedure	Once a Week		
	Recognition and Recommendations Meetings	Continuous Improvement and Management of Corrective Actions Procedure	Twice a Year		
	Employee Training and Development Meetings	Human Resources Procedure	Continuous		
	OHS Committee Meetings	Occupational Health and Safety Procedure	Once Every Two Months		
	Information Security Board Meetings	Information Security Procedure	Quarterly		
	Employee Satisfaction Surveys	Human Resources Procedure	Once a Year		
	Social Motivation Activities	Human Resources Procedure	Continuous		
	"I Have an Idea (Bir Fikrim Var)" Suggestion Boxes	Continuous Improvement and Management of Corrective Actions Procedure	Twice a Month		
	Crisis Desk Meetings	Disaster Management Procedure	-		
	Energy Efficiency Meetings	Energy Resources Management Procedure	Quarterly		
	Sustainability Report	https://www.korteks.com.tr/en	Once a Year		
	Sustainability Meetings	Sustainability Handbook	-		

Stakeholder Engagement and Communication

CONCERNED PARTIES	COMMUNICATION	KORTEKS COMMUNICATION METHOD	COMMUNICATION FREQUENCY	EXPECTATIONS	HOW WERE THEY RECEIVED?
Suppliers	Digital Media Channels (Corporate Website, Smart Life 2030 Blog, Social Media Channels, Zorlu Portal (Zone), Korteksim Portal, Korteks Announcement TV, Notice Boards)	https://www.korteks.com.tr/en	Continuous	• Meeting Quality, Environmental, OHS, and Social Compliance Requirements • Procurement of Appropriate Products and Services	• 19 suppliers were audited in 2024. • Supplier performances were assessed on a monthly basis. • Suppliers were trained on sustainability.
	Ethical Principles	Zorlu Holding Ethical Principles Korteks Ethical Principles Korteks Supplier Code of Conduct	Continuous		
	Sustainability Report	https://www.korteks.com.tr/en	Once a Year		
	Visits, Meetings, and Interviews	Communication Procedure	Continuous		
	Supplier Assessment Surveys	Procurement Procedure	Once a Year		
	Supplier Performance Evaluations	Procurement Procedure	Once a Month		
	Supplier Audits	Procurement Procedure	Once a Year		
Local Authorities, Non-Governmental Organizations, Public Organizations, Universities / Scholars	Corporate Website	https://www.korteks.com.tr/en	Continuous	• Ensuring the Necessary Coordination on Issues Concerning the State and Administrative Units • Timely Reporting Expected by State and Administrative Units • Development of Projects • Contributing to the Development of Students • Addressing Social Issues and Collaborating	• R&D center reports were submitted during the reporting period. • Projects were developed with different academic institutions. • Participation in career days • Korteks participated in the 33rd Quality Congress held at Kocaeli Congress Center.
	Meetings and Interviews	Communication Procedure	Continuous		
	Visits	Communication Procedure	Continuous		
	Joint Projects / Fairs / Symposiums	Communication Procedure	Continuous		
	Sustainability Report	https://www.korteks.com.tr/en	Once a Year		
	Participation in Career Days	Human Resources Procedure	Once a Year		
Customers	Sustainability Report	https://www.korteks.com.tr/en	Once a Year	• Continuity of Product and Service Flow by Ensuring the Continuity of Production Processes, Without Interrupting Own Business Goals and Plans • Taking Necessary Precautions for Environmental Protection • Getting a Passing Mark in Customer Audits • Achieving Price Advantage through Continuous Improvement • Providing the Product and Service Within the Framework of a Standard • Continuity of Customer Satisfaction • Working in accordance with the Management Systems Policy • Receiving All Kinds of Feedback (Suggestions-Complaints-Requests) from Customers	• In 2023, customer satisfaction surveys were conducted at Korteks, and customer feedback was evaluated by After Sales Technical Services. • A regional training meeting was organized for customers. • Feedback received from customers was evaluated, and actions were defined. • Passing grades were granted by external audits.
	Corporate Website	https://www.korteks.com.tr/en	Continuous		
	Customer Visits / Product Brochures and Promotions, Meetings and Interviews	Communication Procedure	Continuous		
	Fairs / Symposiums / Sponsorships	Communication Procedure	Continuous		
	Customer Satisfaction Surveys	Customer Satisfaction Procedure	Once Every Two Years		
Consultancy	Meeting, Audit	Communication Procedure	Continuous	• Analysis and Reporting of Processes	• Sustainability report was issued.

Corporate Memberships and Initiatives Supported

SDGs We Contribute to



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	7, 8, 9, 10, 12, 13, 17
Bursa Commodity Exchange	Member	Active Participation	12, 16, 17
Bursa Chamber of Industry and Commerce	Member	Active Participation	12, 16, 17
BUSİAD (Bursa Industrialists and Businesspeople Association)	Member	Active Participation	12, 16, 17
CIRFS (European Man-Made Fibres Association)	Member	Active Participation, Expressing Opinions	12, 16, 17
EPD International	Member	Regular Reporting	16, 17
EUROTEX	Member	Project Development	16, 17
GS1 Türkiye (GS1 Türkiye Foundation Commercial Enterprise)	Member	Platform	12, 17
IVC-Ev	Member	Member	16, 17
Istanbul Chamber of Industry	Member	Active Participation	12, 17
Istanbul Chamber of Commerce	Member	Active Participation	12, 17

Corporate Memberships and Initiatives Supported

RELEVANT STAKEHOLDER	ROLE OF KORTEKS	OUTPUT ACHIEVED	SDG REFERENCE
İTKİB (Istanbul Textile and Apparel Exporters Association)	Member	Active Representation in the BOD	
KALDER (Turkish Quality Association)	Member	Active Participation	
Global Compact Signatories Association (UNGC)	Signatories	Active Member of Diversity and Inclusion, Energy, Environment and Climate, Sustainable Finance, and Gender Equality Working Groups	
SUSEB (Artificial Synthetic Yarn Producers' Association)	Founding Member	Active Representation in the BOD	
TETSİAD (Turkish Home Textile Association)	Founding Member, Active Representation in the BOD	Active Participation	
Textile ETP	Member	Active Participation, Expressing Opinions	
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	
TÜSİAD (Turkish Industry and Business Association)	Member	Active Participant in Environment and Climate Change, Circular Economy, and Waste Management Working Groups	
UİB (Uludağ Textile Exporters' Association)	Member	Active Participation	
UPB (International Patent Association)	Member	Member	
URTEB (International Competition and Technology Association)	Member	Active Participation	

Governance

We adopt a responsible and sustainable management approach with our strong structure, ranging from corporate governance to ethical principles, digital systems to transparency.

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Structure of the Board of Directors, Committees, and Organizational Chart

Board meetings are held regularly every three months. In addition, extraordinary meetings with a special agenda are held upon the request of the Chair of the Board of Directors.

Korteks and Zorluteks operate under Zorlu Holding under the umbrella of Zorlu Textile Group, and the Company's management is shaped by strong corporate governance principles.

Members of the Board of Directors:

- Ahmet Zorlu (Chair of the Board of Directors)
- Olgun Zorlu (Deputy Chair of the Board of Directors)
- Bekir Cem Köksal (Board Member)



Ahmet Nazif ZORLU
Zorlu Holding Chair of the Board of Directors
Ahmet Nazif Zorlu began his career in the textile business at a young age, following in his father's footsteps. In the early years of his business career, Zorlu engaged in textile trade through a store he opened in Trabzon. In 1970, he laid the foundations of Zorlu Holding by relocating the Company's headquarters to Istanbul. Ahmet Zorlu established Korteks, his first manufacturing company, in 1976, and consolidated all companies under the Zorlu Holding umbrella in 1990. By incorporating Vestel into Zorlu Holding in 1994, Ahmet Zorlu paved the way for new business ventures. Ahmet Zorlu's entrepreneurial spirit, which manifested itself in the textile industry, continued in various businesses operating in a wide range of industries such as white goods, electronics, real estate, energy, metallurgy, defense, and e-mobility. In addition to his duty as the Chair of Zorlu Holding, Ahmet Zorlu serves as the Chair of the Board in several Zorlu Group companies operating in different industries. With a keen interest in non-governmental organizations, Ahmet Zorlu sits on the Board of Directors of the Foreign Economic Relations Board (DEIK) and is a member of the Turkish Industry and Business Association (TÜSİAD), Education and Culture Foundation of People of Denizli (DENSIR), Babadağ Industry and Business Association (BASIAD), and Turkish Home Textile Industrialists' Association (TETSIAD).



Olgun ZORLU
Zorlu Holding Deputy Chair of the Board of Directors
After completing his higher education in textiles and business administration in England, Olgun Zorlu began his professional career in 1986 and started managing companies within Zorlu Holding from 1988 onward. He oversaw international market research and new application development activities in the companies where he served. Olgun Zorlu, who began serving as a Zorlu Holding Board Member in 1998, currently serves as the Member and Vice Chair of the Board of Directors in various companies under Zorlu Holding, including Vestel Elektronik, Vestel Beyaz Eşya, Zorlu Tekstil, and Meta Nikel. Olgun Zorlu has assumed the position of Deputy Chair of the Board of Zorlu Holding as of 2022. Mr. Zorlu is a member of the Turkish Industry and Business Association (TÜSİAD) and the Turkish Home Textile Industrialists' Association (TETSIAD).



Bekir Cem KÖKSAL
Zorlu Holding Board Member
Bekir Cem Köksal graduated from the Mechanical Engineering Department of Boğaziçi University in 1988 and obtained a master's degree at Bilkent University in 1990. Köksal served in the banking sector between 1990 and 2001. He began his career as Deputy General Manager at Denizbank in 1997 and joined Vestel as Chief Financial Officer in 2002. In 2012, Köksal assumed the role of Head of the Financial Affairs Group at Zorlu Holding, and from June 2024 to March 2025, he served as CEO of Zorlu Holding. Köksal continues to serve as a member of the Board of Directors at Zorlu Holding and some of its subsidiaries.

Structure of the Board of Directors, Committees, and Organizational Chart

Korteks adopts a transparent and effective governance model with its stakeholders by continuously improving its corporate governance processes.

Various reports are prepared and submitted using numerous software infrastructures, primarily SAP, to inform management and stakeholders and measure process performance.

The members of the Zorlu Textile Group Board of Directors have significant experience in various areas of expertise.

Board of Directors Competency Matrix

Member category	Ahmet Nazif ZORLU	Olgun ZORLU	Bekir Cem KÖKSAL
Independent Member			
Executive Member			✓
Non-Executive Member	✓	✓	
Competencies			
Strategy and management organization	✓	✓	✓
Financial management experience	✓	✓	✓
Industry/Sector experience (*)	✓	✓	✓
International experience			✓
Risk management experience	✓	✓	✓
Sustainability/ESG experience		✓	✓
R&D and innovation experience	✓	✓	
Digital transformation experience			✓
Senior management experience	✓	✓	
Board Experience (**)	✓	✓	
Demographic details			
Age	80	59	57
Tenure**	15+	15+	1+
Gender	E	E	E
Footnotes			
(*)	The Global Industry Classification Standard (GICS) was used as a reference for industry/sector experience.		
(**)	The board membership experience was calculated on an annual basis individually, taking into account only the years served on the board of the relevant company, even if the member had held other board memberships during the same years prior to serving on this board.		
✓	10+ years of experience		
✓	Other experiences and competencies		

Board meetings are held regularly every three months. In addition, extraordinary meetings with a special agenda are held upon the request of the Chair of the Board of Directors. Recommendations and decisions reached at the meetings are communicated to the Holding Board of Directors.

The Company's senior management is organized through four general directorates under the Sector President of the Textile Group:

- Korteks Production General Directorate
- Zorluteks Production General Directorate
- Zorluteks Export General Directorate
- Zorluteks Domestic Market General Directorate

In the monthly Budget Control Meetings, all function managers and senior managers convene under the leadership of the Sector President of the Textile Group to manage processes and monitor performance. In addition, regular process assessment meetings are held on various topics, such as Planning, Quality, Sales, Environment, and Occupational Health & Safety (OHS), and these are escalated to the Board of Directors when necessary.

Various reports are prepared and submitted using numerous software infrastructures, primarily SAP, to inform management and stakeholders and measure process performance.

Zorlu Textile Group adopts a transparent and effective governance model with its stakeholders by continuously improving its corporate governance processes. While the decisions made by the Board of Directors, committees, and sector presidencies are regularly reviewed, strategic processes are harmonized with international best practices. All governance processes—including auditing, risk management, strategy, and investments—are meticulously managed. Digital archiving systems enhance accessibility, while enterprise software infrastructures such as SAP enable continuous monitoring and updates.

Structure of the Board of Directors, Committees, and Organizational Chart

The Sustainability Committee assesses sustainability actions in line with the Smart Life 2030 Strategy and determines and reports on performance metrics.

Committees and Respective Duties

Corporate Governance Committee
Members:
- Ahmet Zorlu (Chair of the Zorlu Holding Board of Directors)
- Olgun Zorlu (Deputy Chair of the Zorlu Holding Board of Directors)
- Bekir Cem Köksal (Zorlu Holding Board Member)

Duties and Responsibilities:
- Assessing the implementation of corporate governance principles within the Company
- Managing the candidate selection processes for the Board of Directors and managers with executive responsibilities
- Assessing the structure and efficiency of the Board of Directors and to make strategic recommendations
- Developing strategy recommendations by monitoring sectoral trends

Sustainability Committee
Members:
- Necat Altın (The President of Zorlu Holding Textile Group)
- Şahika Özcan Ortaç (Zorlu Holding General Manager of Corporate Communications and Sustainability)

Duties and Responsibilities:
- Ensuring the implementation of the Company's sustainability strategy
- Monitoring activities in line with sustainability goals and make recommendations to the Board of Directors
- Guiding Korteks's Risk and Opportunity Management processes
- Assessing the Company's sustainability action steps in line with the Smart Life 2030 Strategy, determine performance metrics, and report the results
- Representing the Company on sustainability issues in local and international platforms

R&D and Innovation Committee
Members:
- Necat Altın (The President of Zorlu Holding Textile Group)

Duties and Responsibilities:
- Ensuring that the Company's R&D and innovation activities are aligned with its strategic goals
- Monitoring the effective use of the R&D budget
- Advising on the advancement of R&D focus areas
- Providing KPI recommendations to measure the success of R&D and innovation processes



Business Ethics, Transparency, and Legal Compliance

A cornerstone of Korteks' corporate culture is fostering employees who embody ethical principles and are fully aware of their rights.

Korteks conducts its activities in line with the principles of ethics, compliance, and transparency, and pays utmost attention to all legal regulations and international standards.

1,950 hours
Duration of ethical principles training in 2024

Korteks conducts its operations in line with the Zorlu Holding Ethical Principles Policy. These Ethical Principles encompass key focus areas such as conflict of interest, information security, workplace health and safety, anti-money laundering, and anti-corruption measures, ensuring full compliance with the Company's established policies, values, and guiding principles.

Ethical values serve as the foundation of our business operations, governing all Korteks employees, board members, suppliers, business partners, and collaborating stakeholders. Operating in line with the principles honesty, fairness, respect, and confidentiality, the Company expects its all employees and business partners to act in accordance with these values.

Various policies and guidelines have been established within the Company to ensure transparency and the implementation of ethical rules. All practices (Ethics Line, training, internal audit, Ethics Committee activities, etc.) aimed at promoting and developing a culture of business ethics, along with processes for preventing and detecting unethical behavior, are managed in an integrated manner through internal control and audit systems.

A cornerstone of Korteks' corporate culture is fostering employees who embody ethical principles and are fully aware of their rights. As part of these endeavors, a business ethics training is offered to white-collar employees through the ENOCTA Platform under Zorlu Academy, which also includes the topic of "Anti-Corruption and Anti-Bribery." The trainings have an average duration of one hour, and the Human Resources Department monitors the completion rates. As part of the onboarding process, white-collar employees complete ethics training online, while blue-collar employees receive ethics instruction during their on-the-job training. Additionally, dedicated in-person training sessions were conducted for senior leadership in 2024. In this context, a total of 1,950 hours of training was provided to 1,720 employees.



KORTEKS EMPLOYEE TRAINING PROGRAMS	2022	2023	2024
Number of employees trained on ethical principles	12	30	1,720
Hours of training on ethical principles	13	33.4	1,950
Number of employees trained on anti-bribery and corruption procedures	12	6	1,720
Hours of training on bribery and anti-corruption	13	9.4	1,950

Legal Compliance and Company Policies

Korteks conducts its operations in accordance with the principles of ethics, compliance, and transparency, giving utmost importance to all applicable legal regulations and international standards. It fully complies with Turkish Labor Law No. 4857 and the standards of the International Labour Organization (ILO), with the main priorities including the prohibition of child labor, the prevention of forced labor, and the protection of the rights to collective bargaining and freedom of association. Employees' personal data is protected with the utmost sensitivity in accordance with confidentiality principles, and all legal obligations in this regard are fully observed.

Korteks supports compliance with ethical standards not only within its own operations but also among its suppliers and business partners. They are expected to adhere to the applicable Procurement Principles published by Zorlu Holding. In this scope;

- Compliance with the law and ethical rules in all activities,
- Honest and fair conduct towards all stakeholders,
- Expecting ethical compliance from business partners,
- Adopting a zero-tolerance policy against illegal activities such as bribery and corruption,

SDGs We Contribute to

- Providing regular training to employees to raise ethical awareness, are undertaken.

In order to support internal transparency, meetings, bulletin boards, and digital communication tools are used effectively, and employees are regularly informed about strategic developments, achievements, and projects. Moreover, up-to-date information is provided to all internal and external stakeholders through the "zorludergi.zorlu.com" platform.

Reporting and Follow-up of Ethical Violations

An Ethics Hotline has been established within Korteks to report and monitor ethical violations. Employees and external stakeholders can submit reports to the Ethics Committee 24/7 via the etik@zorlu.com e-mail address and by calling 0212 456 23 23 and 0850 226 23 23. The Ethical Principles document is accessible on the website, and external stakeholders can also report violations using these reporting channels.

All notifications received via the Ethics Hotline are evaluated on a confidential basis and meticulously examined by the Internal Audit Review Department under the Zorlu Holding Audit Group Presidency. Findings are shared, along with relevant evidence, with the Legal and Human Resources departments as well as the Company's senior management; when deemed necessary, sanctions such as warnings, termination of employment, or referral to judicial authorities are implemented.

As of 2024, no notifications were received through the Korteks Ethics Hotline. Throughout the year, there were no complaints or findings related to issues such as bribery, corruption, child labor, forced labor, violations of the freedom of association, discrimination, harassment, customer data breaches, money laundering, or violations of the rights of local communities. In addition, no corruption cases were detected as part of the risk assessment for 2024.

Korteks regards the culture of business ethics as one of the cornerstones of its corporate structure and integrates its commitment to ethical principles into all business processes. In this context, internal control mechanisms that support ethical behavior and a transparency-oriented management approach are effectively maintained.

Risk Management and Materiality

At Korteks, risk and opportunity analyses are performed using SWOT methodology as part of the Strategic Management Procedure.

Korteks Corporate Risk Management Function Representatives ensure the implementation of risk management within the Company and play an active role in identifying operational risks.

PROACTIVE RISK AND CRISIS MANAGEMENT

Korteks addresses risk management in its business processes with a corporate approach and structures it in a framework that supports its strategic goals. The risk management process is carried out under the guidance of Zorlu Holding in order to anticipate potential threats, seize opportunities, and strengthen sustainable growth strategies.

Functioning of Corporate Risk Management

The General Directorate of Internal Control and Corporate Risk Management coordinates the development of risk management and internal control systems supporting the achievement of objectives, taking into account new business models, increasingly complex risks, and technological requirements brought about by the changing business world, while contributing to Textile Group's development in terms of corporate governance and sustainability goals.

Corporate Risk Management at Zorlu Textile Group is a structured framework that engages all levels of the organization, from the Board of Directors to every employee. Integrated with the strategic planning process, it systematically identifies, assesses, and mitigates risks that could impede the achievement of the Company's short- and long-term objectives. By operating within the risk appetite defined by leadership, this approach enhances value creation for both the Company and its stakeholders. Acknowledging the significance of identifying and mitigating non-financial risks alongside financial risks, Zorlu Textile Group integrates the proactive management of key non-financial assets—such as human capital, innovation, and environmental sustainability—into its corporate governance strategy. Integral to the framework of risk management, the Group's propensity for risk and its threshold of acceptable risk are duly regarded, thereby playing a determinative role in the assessment of risk magnitudes. The assessment of these elements extends beyond financial considerations to encompass a rigorous assessment of their implications on reputation, innovation, sustainability, occupational health and safety, human rights, environmental stewardship, operational efficiency, staff and customer satisfaction, and the Group's steadfast adherence to its Ethical Principles.

Under Zorlu Textile Group's risk management system, every employee is accountable for the identification, measurement, and effective mitigation of risks inherent in their assigned functions and processes. It is aimed that process owners observe the risk appetite and tolerances of the organization in managing their processes and at every decision point.

In accordance with the specifications outlined in the 'Corporate Risk Management Handbook' and the educational programs delivered to all managerial staff, risk universes, which are structured with a focus on the core value chain, undergo prioritization via scoring through impact-probability criteria matrices—developed in alignment with risk appetite and tolerance thresholds—during hierarchical workshops executed with risk owners, comprising middle and upper management personnel positioned at the first line of operations.

The monitoring of pertinent actions is executed quarterly; however, the list and magnitudes of prioritized risks are subject to reviews and, when necessary, revisions with requisite approvals, in consideration of contemporary developments and prospective hazards; a holistic assessment of the entire risk landscape is performed minimum once a year.

Corporate risk management practices are conducted in accordance with the tenets of international standards, namely those established by the IIA, COSO, and ISO 31000. The department ensures ongoing dialogue with process and risk-holding functions operating at the frontline by means of advisory services and collaborative coordination. The Corporate Risk Management Department maintains a tight-knit cooperative relationship with the Internal Control Department, which similarly occupies the second line of defense, facilitating information exchange concerning the present and intended internal control frameworks for risks and the maturity assessments of the associated operational procedures. The Internal Audit Group Presidency, which occupies the third line of defense, considers the outcomes of the corporate risk assessment as a constituent element in the development of the yearly internal audit blueprint. Furthermore, a communicative and collaborative relationship is sustained between the two departments with respect to emerging risks and promptly evolving occurrences pertaining to risk-related matters.

Risk Management Structuring at Korteks

At Korteks, risk and opportunity analyses are performed using SWOT methodology as part of the Strategic Management Procedure. Risks are reviewed and prioritized every six months and presented to senior management. Based on these analyses, Korteks takes preventive steps to mitigate risks and implements strategic actions to address identified opportunities. Actions are integrated into the Holding Risk Universe and managed with a holistic approach. Thus, risk management is operated not only as a defensive mechanism but also as a structural element that supports the achievement of strategic goals.

SDGs We Contribute to

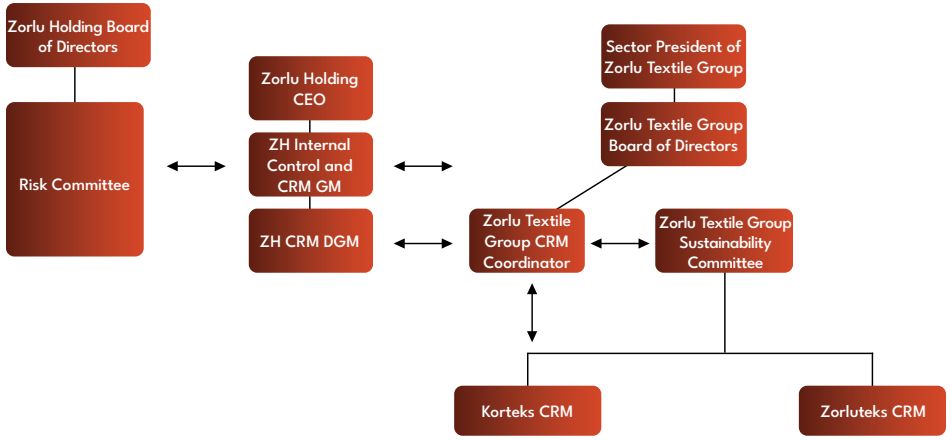
In 2024, Korteks has enhanced its Strategic Management Procedure to address emerging risk domains such as climate change mitigation, carbon footprint reduction, energy security, supply chain resilience, and environmental regulatory compliance. Korteks designed its risk management structure with the flexibility to respond not only to classical risk definitions but also to sustainability-oriented risks, ESG requirements, and emerging risks.

As of 2024, Korteks has structured its risk management organizational structure as follows in line with Zorlu Holding's Corporate Risk Management Policy and strategic goals.

- The Sector Corporate Risk Management Coordinator ensures the ties between the Holding and Korteks and oversees the alignment of risk management processes with the Holding's strategies.
- Korteks Corporate Risk Management Function Representatives ensure the implementation of risk management within the Company and play an active role in identifying operational risks.
- The Risk and Opportunity Assessment Teams are involved in all processes and manage their operational risks holistically.

The risk management organizational chart established at Zorlu Textiles Group as of year-end 2024 is as follows.

ZORLU TEXTILE GROUP RISK MANAGEMENT ORGANIZATION CHART



Risk Management and Materiality

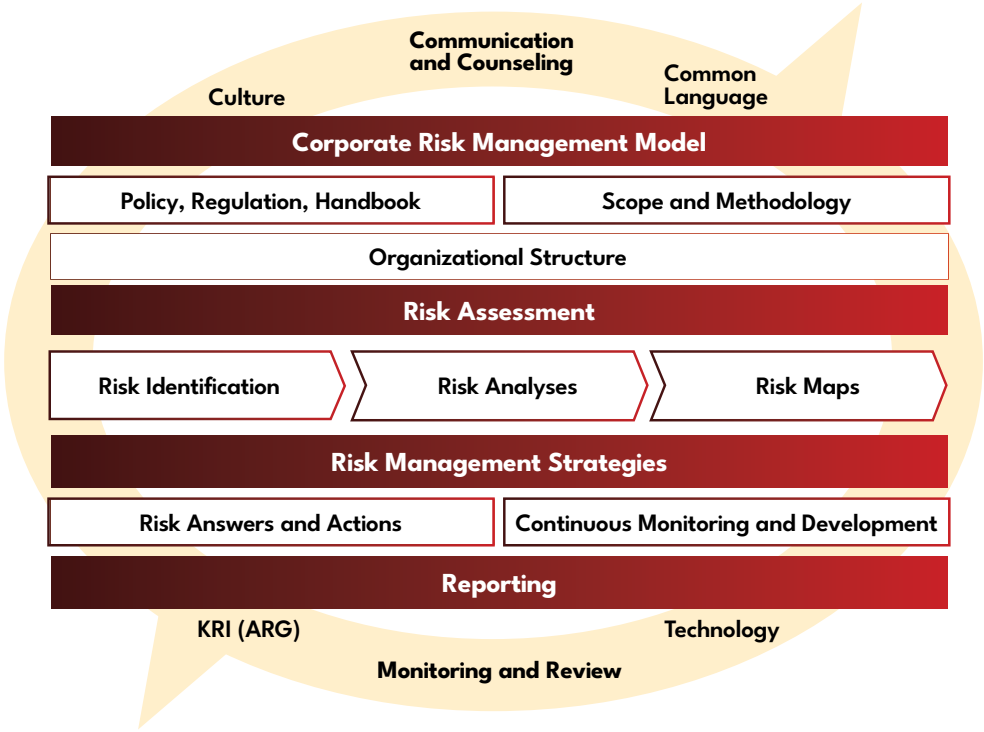
As of year-end 2024, Korteks has established a risk management model compliant with Environmental, Social, and Governance (ESG) standards, incorporating assessments of financial, environmental, social, legal, and climate-related risks.

The management of risks, together with Zorlu Holding's guidance and Korteks's organization structured in line with its own sectoral dynamics, supports operational continuity and the achievement of strategic goals.

The **Corporate Risk Management Model Framework** implemented at Korteks consists of six sub-processes:

Zorlu Group Corporate Risk Management Model

Our Corporate Risk Management approach encompasses a holistic and continuous cycle that is tailored to the requirements of the Zorlu Group, aligning with international standards and practices.



Corporate Risk Management Model: The corporate risk management model encompasses directives, particularly essential policies and regulations, the risk management framework containing scope and methodology in detail, and the organizational chart rendering the operational structure visible, all necessary for conducting corporate risk management activities in an effective and sustainable manner.

Risk Assessment: When identifying and analyzing risks and determining the levels of risks, the sector and dynamics in which the Company operates are considered, with internal and external expectations taken into account through systematic and collective reasoning.

Risk Management Strategies: Action plans must be established for risks that have been identified, named, and defined, and whose impact, probability, and severity have been determined through scenario analysis. Risk action plans serve as the instrumental mechanism through which risk strategies are meticulously elaborated into tangible objectives, subject to ongoing surveillance and enhancement.

Communication and Consultation: One of the prerequisites for the success of the corporate risk management framework and management system is the effective communication of corporate risk management concepts, outputs and results from studies, their benefits, documents and internal/external benchmark studies to relevant employees.

Monitoring and Review: The purpose of monitoring and review is to guarantee and enhance the quality and efficacy of the corporate risk management process, encompassing its design, implementation, and consequential results. The systematic monitoring and periodic assessment of corporate risk management procedures and their results are an integral, pre-planned component of the risk management framework, within which responsibilities are distinctly delineated.

Reporting: The outputs of the corporate risk management analyses are disseminated via reports structured at differing tiers, contingent upon their significance and the magnitude of the associated risks.

Risk Management and Materiality

The Internal Control Department provides guidance and coordination to process owners and managers who conduct operations in establishing and maintaining effective and efficient internal controls, with the goal of developing processes and internal control structures that will ensure effective risk management throughout the Zorlu Group.

Korteks regularly monitors and materializes all risks.

Risk Types

As of year-end 2024, Korteks has established a risk management model compliant with Environmental, Social, and Governance (ESG) standards, incorporating assessments of financial, environmental, social, legal, and climate-related risks.

As of 2024, the Company addresses risks under five main headings in order to ensure the sustainability of its operations and achieve its strategic goals: strategic, financial, operational, external environment, and climate change risks.

Strategic risks include structural risks that can prevent the organization from achieving its short-, medium- or long-term goals. These risks include market and competition, crisis and reputation management, strategic planning, investment, industry and consumer trends, innovation and technological innovation, business model and strategic people and organization management.

Financial risks refer to risks that can arise from the financial position of the organization. Liquidity, interest rate, parity, commodity prices, and receivables/collection risks are typical risks falling under this category.

Operational risks are factors that can prevent the organization from maintaining its core business activities. These risks include supply chain management, machine breakdowns, business management, environmental management, energy management, sales management, ethics, compliance and transparency, or business interruptions.

External environmental risks include risks that can arise from external environmental factors. These risks include political and economic uncertainties, natural disasters, energy supply bottlenecks, and challenges related to geographical location. In addition, non-compliance with legal regulations, ineffective use of incentives, and lack of compliance with competition laws constitute an important part of external environmental risks.

In line with climate change risks, the operational and financial impacts of physical and transitional risks, such as extreme weather events (e.g. floods, storms, temperature fluctuations), water stress and environmental incompatibility, are closely monitored. In addition, strategies are developed to minimize the impact of these risks through carbon footprint management, energy efficiency projects, and environmentally sensitive production processes.

Monitoring Risks

Korteks regularly monitors and prioritizes all these risks. The impacts and probabilities of risks are analyzed through impact-probability matrices, and action plans are created. Measures taken against external environmental and climate change risks are integrated into the Zorlu Holding Risk Universe and managed with a holistic approach. Korteks updated its Strategic Management Procedure in 2024, enabling these processes to be carried out more effectively.

The Zorlu Holding Corporate Risk Management General Directorate also materialized risks and presents them to the Holding Risk Committee and the Board of Directors together with action plans. The progress of the actions is monitored quarterly and an annual assessment is made taking into account emerging risks and unexpected events. At the Holding level, these processes are carried out in an integrated manner together with the Audit Group Presidency and the Internal Control Department.

The management of risks, together with Zorlu Holding's guidance and Korteks's organization structured in line with its own sectoral dynamics, supports operational continuity and the achievement of strategic goals. Starting from the Sector President of the Textile Group, performance metrics concerning the management of critical risks and the execution of risk mitigation strategies are integrated into the financial, strategic, and operational/organizational objectives of the corporate leadership, commencing with the Sector President of the Textile Group; these factors are likewise considered during performance appraisals.

In order to increase the effectiveness and awareness of corporate risk management, mandatory training on the operation and responsibilities of employees has been assigned to employees at all levels, and the training completion is monitored as a performance criterion.

Internal Control Activities

Internal control is a framework established by the Organization's Board of Directors, management, and staff to ensure reasonable assurance in operational effectiveness and efficiency, the accuracy of financial reporting, and adherence to regulatory and legal requirements. The Internal Control Department provides guidance and coordination to process owners and managers who conduct operations in establishing and maintaining effective and efficient internal controls, with the goal of developing processes and internal control structures that will ensure effective risk management throughout the Zorlu Group. Internal Control Activities carried out under Zorlu Holding are defined by the "Internal Control Regulation."

The Internal Control Department supports employees in identifying areas needing improvement in processes and internal control systems, determining necessary steps, utilizing information technologies as much as possible, executing decided actions, and monitoring status regularly. In addition, it offers ongoing mentorship to managers and process owners, and lends its expertise in internal control, risk mitigation, and process development through its involvement in the task forces of key projects aimed at improving both process efficiency and information technologies infrastructure. All relevant executives and employees of Group companies assume responsibility and take part in the activities to establish, monitor and assess internal control systems and implementing necessary measures.

The Internal Control Department prepares an annual internal control work plan with a risk-based approach. The work plan is shaped by multiple key factors, including risk-based assessments conducted by the Internal Control Department, directives from the Risk Committee, the Board of Directors, and senior management, audit findings identified by the Audit Department, and the development of corporate risk matrices. The annual internal control work plan is submitted for approval and information to the CEO and the Risk Committee.

Business Continuity Management

Mirroring the organizational framework of Corporate Risk Management, Business Continuity Management Coordinators are designated from within the managerial echelons of the Companies, and annual training programs and workshops are conducted under centralized coordination. In order to address potential disruptions to operational continuity, communication protocols for hierarchical notifications, alongside crisis communication strategies and administrative structures tailored to specific incidents, have been implemented.

Risk Management and Materiality

By closely following global developments, we are shaping a resilient and sustainable future through strategies that transform risks into opportunities.

The table below summarizes the global and sectoral trends that Korteks follows with this approach, the risks and opportunities arising from these trends, and the Company's strategic responses.

Global Trends	Risks	Opportunities	Company's Strategic Focus Areas and Goals
Supply Chain Constraints	Fluctuating Raw Material Prices, Supply Shortages in Countries at War,	Search for New Markets	Search for New Suppliers
Geopolitical Risks	Involuntary Migration, Social Polarization, Natural Resource Scarcity	Search for New Markets	Non-Working with Single Supplier
Macroeconomic Uncertainties	Market Fluctuations	Realization of Cost Reduction Projects	Tracking Product Costs
Technological Transformation and Digital Economy	Cyber Attacks, Misinformation and Disinformation, Adverse Outcomes of Artificial Intelligence Technologies	Investments Related to Developments in Digitalization, R&D, and Industry 4.0	Cyber Attack Security Tests, Work/Process Efficiency Ratios
Inflation Policy	Cost Increases	Investments in Process Efficiency	Labour/Process Efficiency Ratios
Environmental Risks, Disasters, European Green Deal - Climate Change,	Extreme Weather Events, Ecosystem Collapse, Energy Crisis, Rising Input Prices, Energy, etc.	Green Energy Investments, Carbon Footprint Studies, Alternative Energy Sources	Solar Energy Investments, endeavors for the Determination of Science-Based Targets
Sectoral Trends	**Risks**	**Opportunities**	**Company's Strategic Focus Areas and Goals**
Shrinking Customer Demand	Downsizing	Search for New Markets	Growth in Emerging Markets
Legislation and Regulations	Delays in Compliance with Legal Regulations	Competitive Advantage	Effective Regulatory Compliance
EU Carbon Border Adjustment Mechanism (CBAM)	Failure to Take Necessary Actions Against Carbon Costs	Competitive Advantage	Effective Regulatory Compliance

Risk Management and Materiality

Korteks adopts a comprehensive approach to assessing both internal and external sustainability factors, systematically incorporating them into strategic planning and business decision-making processes.

Korteks is transforming the growing demand for sustainable textile products into an opportunity through its innovative product groups.

MANAGEMENT OF SUSTAINABILITY RISKS AND OPPORTUNITIES

Korteks adopts a comprehensive approach to assessing both internal and external sustainability factors, systematically incorporating them into strategic planning and business decision-making processes. This approach aims not only to eliminate risks but also to identify and proactively manage opportunities that have the potential to create value.

In its strategic decision-making process, Korteks holistically evaluates both risks and opportunities across environmental, social, and governance (ESG) dimensions, carefully balancing short-term financial implications with sustainable long-term value creation. For example, investments made to comply with environmental regulations are expected to limit profitability in the short term; however, these investments reduce regulatory risks over the long term and enhance competitive strength.

Korteks' corporate approach within this framework has been systematized through the Sustainability Business Plan (SBP). The SBP provides a detailed roadmap encompassing financial stability, regulatory compliance, the development of new business models, sustainable product innovation, and the fulfillment of stakeholder expectations. This plan is updated annually, and the risks and opportunities are periodically assessed through the SWOT analyses.

The Sustainability Committee convenes regularly to monitor emerging risks and opportunities, evaluate global and sectoral developments, and provide governance support regarding the investments required by these developments. Decisions made during these meetings are coordinated with the relevant functions and implemented by observing strategic alignment and operational efficiency.

Korteks's sustainability perspective is based not only on risk minimization but also on value creation through innovative, eco-friendly, and circular approaches. This approach is embodied through circular economy projects (such as TAÇ REBORN®), energy efficiency investments, and carbon footprint calculation and reduction initiatives. Additionally, these endeavors, carried out in line with the Smart Life 2030 strategy, aim to both increase operational efficiency and reduce future regulatory risks.

Korteks transforms the growing demand for sustainable textile products into an opportunity with its innovative product groups, thereby aiming not only to ensure regulatory compliance but also to achieve differentiation and competitive advantage in the market.



Risk Management and Materiality

In line with Türkiye's national goals to combat climate change and Zorlu Holding's environmental strategies, Korteks' risk and opportunity management is based on the Sustainable Development Scenario (RCP 2.6).

While meeting its customers' expectations for sustainable production, Korteks aims to establish a sectoral framework that is minimally affected by carbon-based payments.

MANAGEMENT OF CLIMATE RISKS AND OPPORTUNITIES

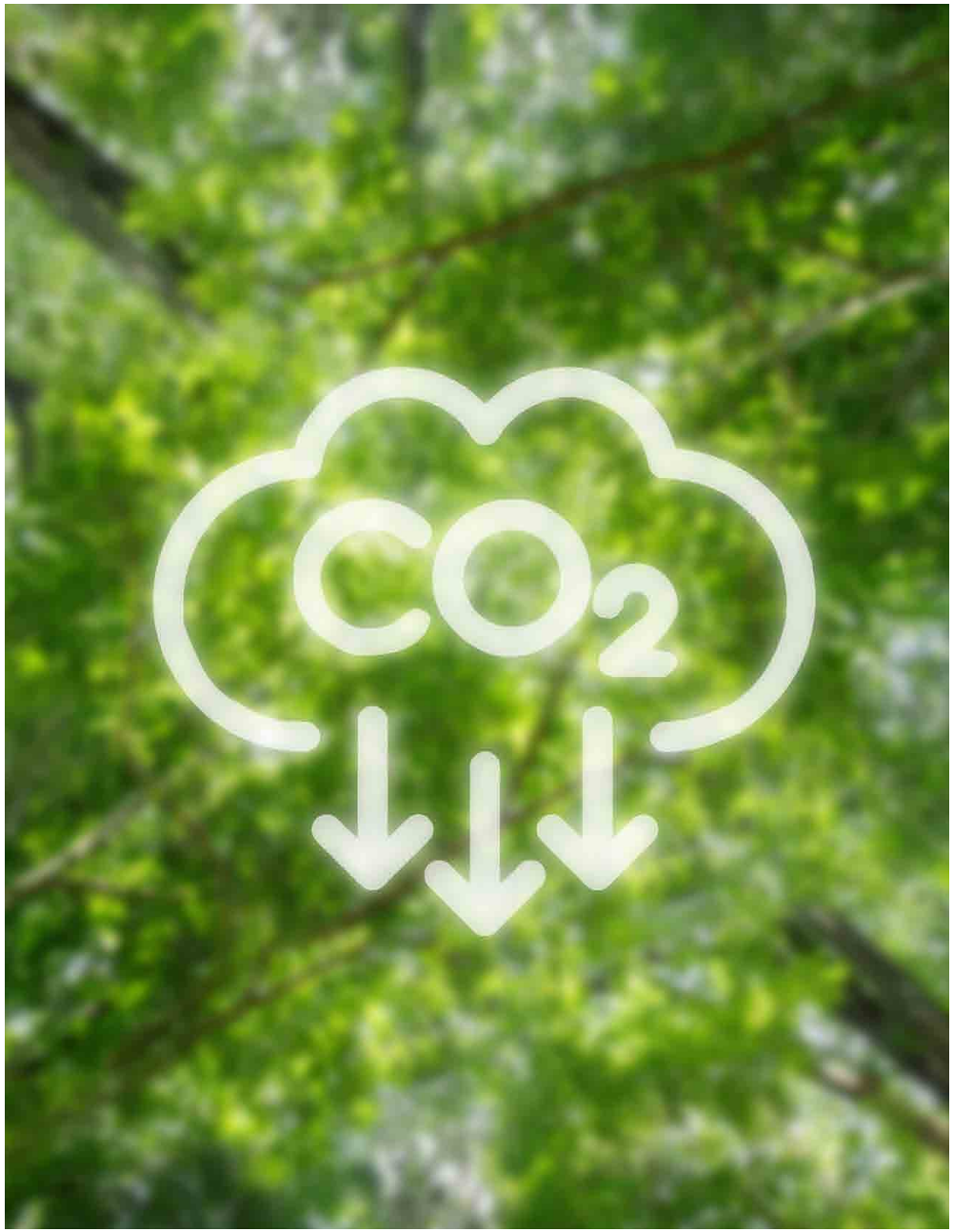
In line with Türkiye's national goals to combat climate change and Zorlu Holding's environmental strategies, Korteks' risk and opportunity management is based on the Sustainable Development Scenario (RCP 2.6). This scenario is based on measures taken to limit the global temperature rise to 2°C. Moreover, WRI Water Risk Atlas data is taken into account in water risk analyses, and during financial planning processes, planned investments are presented to the Zorlu Holding Sustainability Committee and, if deemed appropriate, are proceeded to the budgeting phase. Thus, resource allocation is ensured in alignment with short-, medium-, and long-term targets.

Korteks embraces continuous and sustainable growth as its way of doing business and places sustainability at the core of its operations. Furthermore, it aims to raise awareness on decarbonization in Türkiye and to spark a consciousness among the public and private sectors as well as civil society organizations on potential risks and opportunities. Therefore, when defining its strategy within the roadmap, it evaluates all climate-related risks and opportunities.

While meeting its customers' expectations for sustainable production, the Company aims to establish a sectoral framework that is minimally affected by carbon-based payments. Climate-related physical risks give rise to social issues in addition to economic ones. Aware of the central role of people in its climate-related endeavors, Korteks aims to create the highest possible social benefit by designing future-oriented working models and involving its stakeholders throughout the value chain in decision-making processes within the framework of its sustainability strategy.

As the number of climate change policies implemented worldwide has increased, customer expectations have begun to change, and technological developments required for the transition to low carbon have gained importance. Transition risks, including policy, legal, market, and technological risks, are an integral part of the Company's risk assessment as they affect the steel industry in particular.

When setting its strategies, Korteks defines the 0–3 year period as short term, the 4–10 year period as medium term, and the 11–25 year period as long term. Furthermore, when strategies are considered in relation to the years and along with regulations, 2030 is considered a short-term goal, while 2050 is regarded as a long-term goal.



Risk Management and Materiality

When setting its strategies, Korteks defines the 0–3 year period as short term, the 4–10 year period as medium term, and the 11–25 year period as long term.

Short Term △
0-3 years

Medium Term △
4-10 years

Long Term ▲
11-25 years

TSRS Risk Category	Affected Operations in the Value Chain	Risk Type	Risk Topic	Risk's Maturity	Definition of Risk	Financial Impact
Physical Risks	Supply Side Operations (Upstream)	Acute Risk	Increased severity of extreme weather events	△ △ ▲	According to the 2024 Global Natural Disasters Report published by AON, natural disasters worldwide last year caused an economic loss of USD 343 billion. Also, according to the Türkiye 2024 Climate Assessment Report prepared by the General Directorate of Meteorology, 2024 was recorded as the year with the highest number of extraordinary weather events, with a total of 1,257 incidents. Extreme weather events such as floods, storms, and hurricanes can have an adverse impact on production operations, causing damage and disruptions.	Reduced revenues due to the inability to utilize production capacity Increased indirect costs
Physical Risks	Demand Side Operations (Downstream)	Acute Risk	Increased severity of extreme weather events	△ △ ▲	Potential extreme weather conditions (such as floods, storms, tornadoes, etc.) can damage the operations of raw material suppliers, causing disruptions in production. Since 75% of the supplied raw material is shipped by sea and 25% by land, similar weather events can cause disruptions in the supply chain, especially during maritime transportation. These can have financial implications.	
Physical Risks	Production and Service Operations (Direct)	Chronic Risk	Increased severity of extreme weather events	△ ▲	The Risk Analysis by WRI Aqueduct predicts that the basin where Korteks operates will have a high risk of water stress in 2030 and a high risk of water stress in 2040. Additionally, underground water levels are expected to decline in the coming years due to precipitation. Water usage is a significant aspect of resource consumption in Korteks's operations. Approximately 6 liters of water is used to obtain 1 kg of Final Product. Therefore, any potential water-related risks can lead to production interruptions in our operations and disruptions in product supply, causing financial losses.	

Risk Management and Materiality

Short Term △
0-3 years

Medium Term △
4-10 years

Long Term ▲
11-25 years

TSRS Risk Category	Affected Operations in the Value Chain	Risk Type	Risk Topic	Risk's Maturity	Definition of Risk	Financial Impact
Transition Risks	Supply Side Operations (Upstream)	Policy and Compliance Risks	Carbon Border Adjustment Mechanism	△ △ ▲	Korteks operates in one of the sectors with high emissions intensity based on energy consumption due to its integrated polyester yarn process (Polymer, Spinning, Texturizing, Twisting). The CBAM, a climate measure designed to monitor the carbon emissions of carbon-intensive products imported from non-EU countries, can be regarded as a legal and political risk. Starting with 6 basic sectors in the first phase, the CBAM will then be extended to cover other sectors where we operate. Indirect emissions from electricity consumption will also be included in the regulation. Additionally, it is designed to sell certificates corresponding to the embedded emissions in products, with the expectation that importers will be encouraged to seek low-emission suppliers to avoid incurring extra costs. SDCC can increase operational and indirect costs. Moreover, there will be a growing demand for the measurement, verification, and reporting of product emissions, which will lead to additional costs and enhancements in ERP and SCADA systems, particularly for the calculation of carbon footprints.	Increased indirect costs Loss of revenue due to reduced demand for products Related expenditures for the development of alternative technologies
Transition Risks	Demand Side Operations (Downstream)	Market Risk	Change in customer expectations	△ ▲	According to the PwC Consumer Intelligence Series 2021 Survey, 76% of consumers stated that "They would stop doing business with companies that mistreat the environment, their employees, or the communities in which they operate," while 83% believe that "companies should actively plan and implement ESG practices." This changing consumer behavior is also compelling companies to adopt eco-friendly practices. Climate policies and regulations, particularly mechanisms like CBAM, will increase demand for products produced with lower water consumption and reduced carbon emissions. This, in turn, will compel manufacturers producing for sectors covered by the CBAM to improve and enhance their processes in order to reduce their carbon footprints. One of the most significant developments at Korteks is the necessity of strengthening its ERP and other IT-based infrastructure to calculate and disclose the embedded carbon content of its products. Although expenditures made for new decarbonization practices and technologies can increase, failing to take these measures could jeopardize its market position, particularly in customer segments that are more sensitive to climate change, such as automotive and technical textiles. Korteks can turn this risk into an opportunity by monitoring global practices ahead of its competitors.	Loss of revenue due to reduced demand for products Related expenditures for the development of alternative technologies Expenditures related to new practices and processes

Risk Management and Materiality

Short Term ▲
0-3 years

Medium Term ▲
4-10 years

Long Term ▲
11-25 years

TSRS Risk Category	Affected Operations in the Value Chain	Risk Type	Risk Topic	Risk's Maturity	Definition of Risk	Financial Impact
Transition Risks	Demand Side Operations (Downstream) and Production and Service Operations (Direct)	Technology Risk	Replacing existing products and services with their alternatives with lower emissions	▲ ▲	Significant advancements in green technology, particularly research on green energy sources, support decarbonization. Investments, especially in obtaining heat energy based on hydrogen, are increasing. Technologies, process control software, and smart automation systems aimed at reducing energy inputs and increasing energy efficiency in Korteks's operations are continuously advancing. Low-emission and decarbonization technologies are becoming an increasingly essential need, driving the need for investment in production processes. Failure to invest in the transition to these technologies could result in lower revenues due to a decline in consumer demand for products and services.	Loss of revenue due to reduced demand for products Related expenditures for the development of alternative technologies Expenditures related to new practices and processes
Transition Risks	Supply Side Operations (Upstream)	Market Risk	Disruption in the supply chain	▲ ▲	PTA and MEG, the primary raw materials of the process, are products with high carbon intensity both in terms of production and logistics. In the production of recycled yarns, as substitutes for these materials, recycled PET flakes and PET chips derived from textile waste are used. Considering a green transition, Recycled PET (RePET) products will be in demand more due to their low carbon content. On the other hand, RePET products require waste polyester yarn and PET Flakes. The demand, for now, is driven by internal sources. In the upcoming years, as demand for RePET products continues to grow, there will be an increasing need for waste-based raw material sources. To meet this demand, new supply channels must be identified, and it is essential to ensure that there are no problems and disruptions in deliveries via the identified supply channels. In the event of delays or disruptions in deliveries of polyester textile waste or PET Flake raw material, sales revenues can decrease. This, in turn, constitutes a financial risk driven by climate change. Additionally, chemical recycling activities are advancing rapidly, and in the medium and long term, there is an anticipated risk of cost increases due to the high cost of investments.	Reduced revenues due to the inability to utilize production capacity Increased indirect costs

Risk Management and Materiality

Short Term △
0-3 years

Medium Term ▲
4-10 years

Long Term ▲
11-25 years

TSRS Risk Category	Affected Operations in the Value Chain	Risk Type	Risk Topic	Risk's Maturity	Definition of Risk	Financial Impact
Transition Risks	Supply Side Operations (Upstream)	Market Risk	Energy Supply Risk	△ ▲	Stringent energy policies have been implemented within the framework of the 2050 Net Zero goals set by the EU and other parties to the Paris Agreement to mitigate the impacts of the climate crisis. As the transition to clean energy becomes more widespread globally, many countries have set strategies to phase out fossil fuels, particularly coal. This leads to rising energy prices and simultaneously causes a contraction in energy supply. Global uncertainties and political tensions among countries are also intensifying this impact. Potential interruptions in energy supply will affect business continuity, reducing revenues.	Sudden and unexpected changes in energy costs Reduced revenues due to the inability to utilize production capacity Increased indirect costs
Transition Risks	Production and Service Operations (Direct)	Market Risk	Accessibility to sustainable financial investments	△ △ ▲	Access to sustainable financial investments is of critical importance for taking the necessary steps to combat the climate crisis. Within the framework of the 2050 goals, the aim is to prioritize sustainable investments and adopt sustainable business models, especially within business ecosystems. Various policies and classification models have been developed for this purpose. The EU Taxonomy and the draft Turkish Green Taxonomy provide a widely used classification model focusing on sustainability goals to achieve this purpose. Credit institutions are expected to provide financing to the relevant sectors by taking into account the Taxonomy criteria, in particular sustainability criteria, for medium and long-term assessments of sustainability risks for institutions. This will pose an additional financial risk if low-carbon production does not start in a comprehensive manner.	Increased credit risks

Risk Management and Materiality

Climate-Related Opportunities
Korteks has taken into account its short-, medium-, and long-term investments within the framework of the transition to a low-carbon and eco-friendly economy driven by climate change, closely monitored customer demands and market developments, and integrated the opportunities outlined in the table below into its corporate strategy. Listed in the table are key climate-related opportunities. These opportunities encompass mitigating risks associated with carbon price volatility, generating higher revenue through growing demand for low-emission products, and enhancing competitive advantage by aligning with evolving consumer preferences.

Short Term △
0-3 years

Medium Term △
4-10 years

Long Term △
11-25 years

Type of Opportunity	Term	Description of Opportunity	Financial Impact
Products and Services	△ △ △	Korteks has an integrated production process from polymer production to final yarn production. In addition, the Company adopts a sustainable production approach, closely follows new technologies to reduce operational emissions, and continues its investments and process improvement projects. Since the majority of emissions from Korteks's products stem from embedded emissions in raw materials, it can derive greater benefit by using low-carbon raw materials than from reductions achieved through its operational activities.	Increased revenue through growing demand for low-emission products and services Positive competitive revenue by adapting to changing consumer preferences
Green Financing	△ △ △	The most effective solution for combating climate change and maintaining sustainable development is the implementation and widespread adoption of low-carbon economic models. The financial sector plays a critical role in the green transformation of the industry. For Korteks, achieving decarbonization goals through green financing at lower credit costs is an opportunity.	Financial assets available at favorable costs
Participation in the Carbon Market	△ △	In terms of the CBAM, Türkiye's geographic proximity to the EU and higher emission intensity of products from Far East markets seem to be advantageous in terms of sustainable trade due to the ease of access to low-carbon products.	Capacity increase due to increased demand for sustainable products
Participation in the Carbon Market	△ △	The EU Commission has stated that producers who pay a carbon tax equivalent to EU standards in their home countries will be exempted from paying the cost of CBAM. To prevent tax evasion to the EU, Türkiye is expected to expand the integration and implementation of its existing Monitoring, Reporting and Verification (MRV) system into a national Emissions Trading System (ETS). As the carbon payment will be made in Türkiye through the National ETS, there will be no separate payment for CBAM. In addition, it is expected that the new national ETS will require each company to be responsible for emissions from its own operations. Moreover, reallocating funds generated from the national ETS back to the relevant sector will accelerate its green transformation.	Reduction in operating costs
Change in Customer Preferences	△ △ △	Consumer demand for sustainable products, which is increasing day by day, along with stringent regulatory changes, is driving a greater need for environmental friendliness and decarbonization. In order to meet these expectations and needs and to provide sustainable products and services, it is envisaged that more durable and low-carbon products that use less water and energy, based on product safety, will increase in the market. To this end, Korteks focuses on products with reduced carbon content through the use of low-carbon raw materials and energy efficiency projects and investments. Thus, by adapting to changes in customer preferences, capacity increases in sustainable products and financial returns can be achieved in parallel.	Capacity increase due to increased demand for sustainable products

Risk Management and Materiality

Short Term △
0-3 years

Medium Term △
4-10 years

Long Term ▲
11-25 years

Type of Opportunity	Term	Description of Opportunity	Financial Impact
Efficient Use of Water	△ ▲	The Risk Analysis by WRI Aqueduct predicts that the basin where Korteks operates will have a high risk of water stress in 2030 and a high risk of water stress in 2040. Additionally, underground water levels are expected to decline in the coming years due to precipitation. Access to water resources is expected to become increasingly challenging over time. For this reason, Korteks optimizes its water usage through water efficiency practices in its operations. In doing so, it both mitigates the impacts of the related risk and transforms water management into an opportunity related to climate and water by reducing operational costs.	Reduction in operating costs
Circular Economy and Zero Waste	△ △ ▲	One of the most vital problems today is the application of the linear economics approach. Purchasing a product and disposing of it after its useful life is one of the most fundamental resource challenges. Korteks is aware of this issue and carries out numerous reuse and recycling activities to reduce resource use. Using resources efficiently through recycling processes, Korteks has improved its environmental performance. We continued to improve economic performance by reducing operating costs. Doped dyed products contribute to environmental sustainability.	Reduction in operating costs
Efficient Use of Energy	△ △ ▲	Energy costs are an important cost item after raw material costs. Therefore, projects and investments for emission reduction directly contribute to increasing energy efficiency, thereby reducing operating costs. Thanks to all these improvements, profitability and competitive strength in the market are expected to increase steadily.	Reduction in operating costs
Utilization of Low Emission Energy Sources	△ △	As part of Türkiye's commitment to achieve net zero by 2053, new institutional regulations have been introduced to address climate change issues, including an update of the National Climate Change Plan. Within this framework, various incentive mechanisms have been implemented, particularly for the promotion of energy efficiency practices and the expansion of electricity generation from renewable energy sources. As part of Korteks's emission reduction goals, it aims to achieve net zero emissions in the transition to a low-carbon economy by leveraging incentives and sourcing all of its electricity from renewable energy sources. Korteks, therefore, anticipates that it will be less affected by fossil fuel price increases and carbon costs in the future, while leaving a positive impression on its stakeholders.	Reduced exposure to fluctuations in carbon costs Return on investment made in low-emission technology

Risk Management and Materiality

Korteks conducted a detailed materiality analysis to understand and respond to stakeholder expectations.

The Group prepared in-depth surveys on sustainability topics, which were shared with both internal and external stakeholders on behalf of Korteks and Zorluteks.

MATERIAL TOPICS AND MATERIALITY ANALYSIS



Materiality Analysis

Korteks conducted a detailed materiality analysis to understand and respond to stakeholder expectations.

The criteria were established through a comprehensive review of key international sources, including the United Nations Sustainable Development Goals (SDGs), UN standards and frameworks, ESG rating methodologies, global sustainability benchmarks, and the Global Reporting Initiative (GRI) reporting framework.

The Group prepared in-depth surveys on sustainability topics, which were shared with both internal and external stakeholders on behalf of Korteks and Zorluteks.

Internal stakeholders, including the employees of the organization, actively participated in the survey process, and the survey was available for ten days.

The answers to the survey were examined, the materiality of the issues was determined and analyzed separately for both local and international supplier and customer segments, and converted into a materiality matrix.

Methodology

Double Materiality

Double materiality analysis is a strategic approach that ensures that environmental, social, and governance (ESG) issues are addressed not only according to current stakeholder expectations, but also with their changing impacts and potential financial consequences over time. Unlike a one-dimensional materiality analysis, this method holistically assesses the environmental and social impacts of all ESG issues and their impact on corporate financial sustainability, thereby adding depth to financialization, reporting, and establishing road map processes.

In 2023, as part of the double materiality analysis carried out under the Zorlu Textile Group, a materiality study was conducted with the participation of 39 Internal (19 from Korteks / 20 from Zorluteks) and 63 External (17 from Korteks / 46 from Zorluteks) stakeholders. The study aimed at revealing the impact of the organization on financial sustainability by taking into account its environmental and social impacts, and an important groundwork was created for sustainability strategies in line with the outputs obtained.

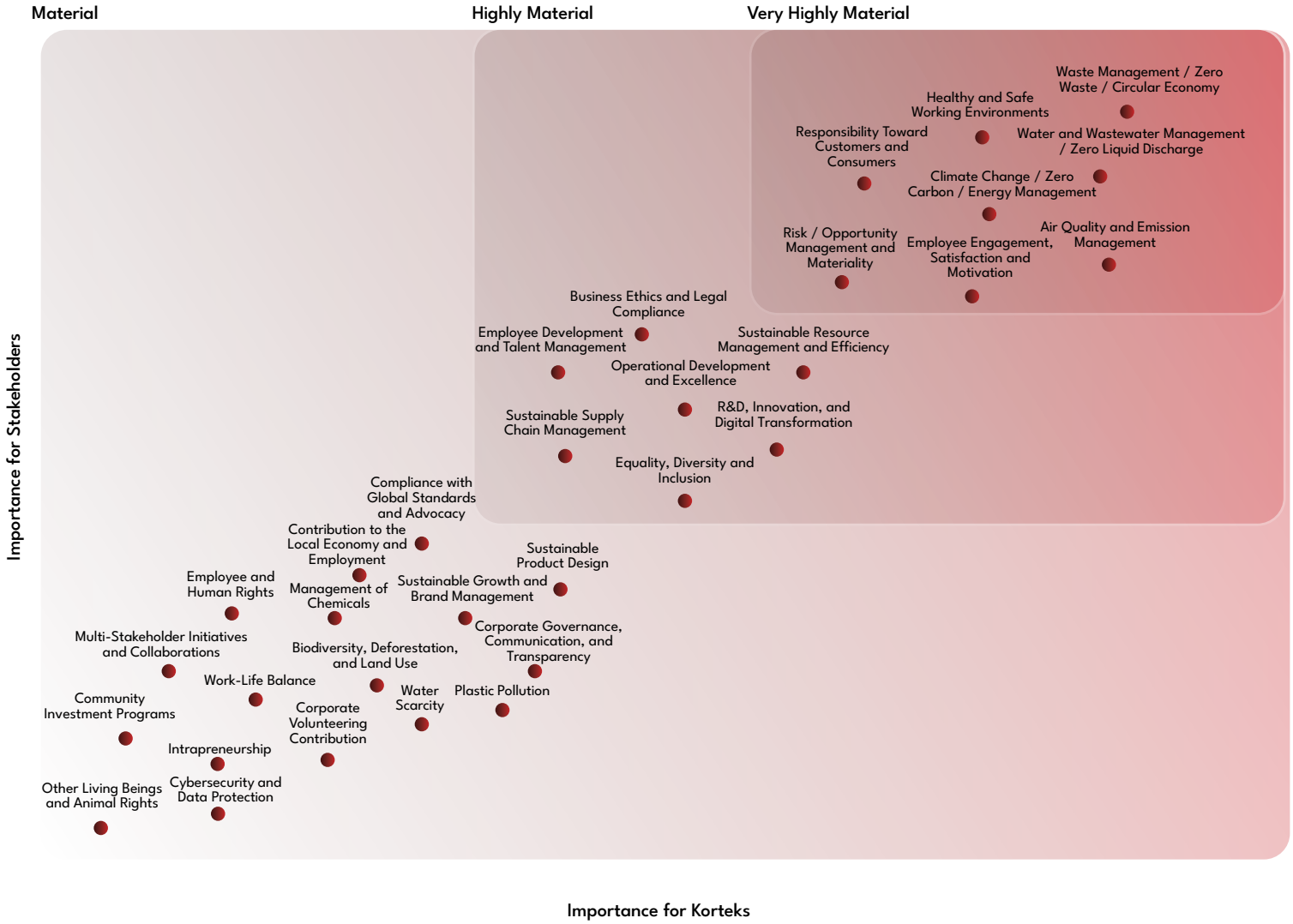
In 2024, this study was revisited and strengthened through sector priorities and benchmarking. Through detailed analyses, the priorities previously identified were updated and the existing structure was deepened in line with sectoral trends and comparative practices. In this process, the approaches of many national and international companies were analyzed and the resulting findings contributed to the reshaping of the strategic road map.

Risk Management and Materiality

Top Material Topics
Waste Management / Zero Waste / Circular Economy
Water and Wastewater Management / Zero Liquid Discharge
Healthy and Safe Working Environments
Climate Change / Zero Carbon / Energy Management
Air Quality and Emission Management
Responsibility Toward Customers and Consumers
Employee Engagement, Satisfaction and Motivation
Risk / Opportunity Management and Materiality

Highly Material Topics
Sustainable Resource Management and Efficiency
Operational Development and Excellence
Business Ethics and Legal Compliance
R&D, Innovation, and Digital Transformation
Employee Development and Talent Management
Sustainable Supply Chain Management
Equality, Diversity and Inclusion

Material Topics
Compliance with Global Standards and Advocacy
Sustainable Product Design
Sustainable Growth and Brand Management
Contribution to the Local Economy and Employment
Management of Chemicals
Corporate Governance, Communication, and Transparency
Biodiversity, Deforestation, and Land Use
Plastic Pollution
Water Scarcity
Employee and Human Rights
Work-Life Balance
Multi-Stakeholder Initiatives and Collaborations
Corporate Volunteering Contribution
Intrapreneurship
Cybersecurity and Data Protection
Community Investment Programs
Other Living Beings and Animal Rights



Sustainable Development Goals Contributed

Environmental **Social** **Governance**

CATEGORY	MATERIAL TOPICS	SDGs CONTRIBUTED
Top Material Topics	Waste Management / Zero Waste / Circular Economy	12, 13, 14
	Water and Wastewater Management / Zero Liquid Discharge	6, 12, 13
	Healthy and Safe Working Environments	3, 8
	Climate Change / Zero Carbon / Energy Management	7, 12, 13, 14
	Air Quality and Emission Management	13
	Responsibility Toward Customers and Consumers	12
	Employee Engagement, Satisfaction and Motivation	3, 8
	Risk / Opportunity Management and Materiality	8, 16
Highly Material Topics	Sustainable Resource Management and Efficiency	12
	Operational Development and Excellence	9, 12
	Business Ethics and Legal Compliance	16
	R&D, Innovation, and Digital Transformation	8, 9
	Employee Development and Talent Management	4, 8
	Sustainable Supply Chain Management	8, 12
	Equality, Diversity and Inclusion	5, 10
Material Topics	Compliance with Global Standards and Advocacy	17

CATEGORY	MATERIAL TOPICS	SDGs CONTRIBUTED
Material Topics	Sustainable Product Design	9, 12
	Sustainable Growth and Brand Management	9, 12
	Contribution to the Local Economy and Employment	8
	Management of Chemicals	3, 12
	Corporate Governance, Communication, and Transparency	16
	Biodiversity, Deforestation, and Land Use	15
	Plastic Pollution	14
	Water Scarcity	6
	Employee and Human Rights	8, 10
	Work-Life Balance	3, 8
	Multi-Stakeholder Initiatives and Collaborations	9, 17
	Corporate Volunteering Contribution	11, 17
	Intrapreneurship	8, 9
	Cybersecurity and Data Protection	9
	Community Investment Programs	4, 11
	Other Living Beings and Animal Rights	15

Operational Development and Excellence

Continuing to build a strong future-oriented structure by integrating technology and innovation into its quality management processes, Korteks adopts a systematic approach to effectively manage its Quality Management Systems process and ensure continuous improvement.

Korteks places great importance on quality management within the framework of its sustainability approach and conducts its business processes in accordance with the ISO 9001 Quality Management System and IATF 16949 Automotive Quality Management System standards.

SDGs We Contribute to

Quality Management

STANDARD/CERTIFICATION NAME	KORTEKS
ISO 9001 Quality Management System	✓
ISO 10002 Customer Satisfaction Management System	✓
ISO 14001 Environmental Management System	✓
ISO 14064 Greenhouse Gas Verification Standard	✓
IATF 16949 Automotive Quality Management System	✓
Higg FEM	✓
Higg FSLM	✓
Zero Waste Certificate (Basic Level)	✓
I-REC (International Renewable Energy Certificate)	✓
ISO 50001 Energy Management System	✓

STANDARD/CERTIFICATION NAME	KORTEKS PRODUCTS
OEKO-TEX® STANDARD 100	✓
Global Recycled Standard (GRS)	✓
Environmental Product Declaration (EPD)	✓
Recycled Claim Standard (RCS)	✓

Korteks, which continues to understand the expectations of its stakeholders and build a strong future-oriented structure by integrating technology and innovation into its quality management processes, adopts a systematic approach to effectively manage its Quality Management Systems process and ensure continuous improvement. This quality-oriented approach aims to increase efficiency at every stage of processes and ensure sustainable success.

Korteks places great importance on quality management within the framework of its sustainability approach and conducts its business processes in accordance with the ISO 9001 Quality Management System and IATF 16949 Automotive Quality Management System standards. It aims to produce high-quality and safe products by upholding quality standards throughout the value chain. In this context, our experienced quality control team performs intermediate controls during the production processes and ensures customer satisfaction by performing final checks of the products.

Customer satisfaction is continuously monitored, and improvement efforts are carried out for products and services based on the feedback received. In analyses conducted by after-sales technical services, the sources of complaints are identified, and when necessary, root cause analysis is performed using the 8D methodology to implement permanent corrective actions.

In 2024, various programs and projects continued to be implemented to support more innovative, sustainable, and high-standard production and management processes. In this context, the Management Systems Policy published by Korteks in 2023 was developed to also encompass the ISO 50001 and ISO 27001 standards, thereby providing a stronger framework in the areas of energy efficiency and information security. Through these initiatives, the Company not only aims to enhance its quality management performance but also to assume a leading role across the industry.

Operational Development and Excellence

In line with its sustainability vision, Korteks is committed to implementing all management systems with a holistic approach, focusing on quality, environment, information security, occupational health, and employee satisfaction.

KORTEKS MANAGEMENT SYSTEMS POLICY

Based on the Smart Life 2030 vision and Sustainability Approach, Korteks is committed to fulfilling all of the following requirements to ensure the most effective implementation of management system standards (IATF 16949, ISO 9001, ISO 10002, ISO 14001, ISO 50001, ISO 27001), to guide its corporate development.



Information Security
- Ensuring the continuity of our activities by protecting the integrity and confidentiality of our information assets and preventing unauthorized access to them,
- Ensuring access to information in a secure manner at every moment required by business processes,
- Assessing all Information Security breaches or suspected breaches,
- Increasing Information Security performance in cooperation with all stakeholders,

Customer Satisfaction
- Resolving the expectations, requests, suggestions, and complaints of our customers promptly and to take the necessary actions to prevent the recurrence of the same complaints,
- Providing clear and concise information to our customers in a fair, impartial, and transparent manner, based on the confidentiality of corporate information,

Quality
- Accurately understanding customer requirements and expectations, fulfill them in a timely and complete manner, thus maintaining customer satisfaction at the highest level,
- Generalizing the lean management approach and quality culture by ensuring the participation of our employees,
- Ensuring the development of innovative and creative ideas by utilizing human resources, machinery, materials, and methods most efficiently, and to stay abreast of changes,
- Contributing to the development of our suppliers and other stakeholders to provide quality products and services,

Compliance and Development
Fulfilling the following conditions in all systems we undertake to implement;
- Operating in compliance with regulatory and other requirements,
- Reducing risks to an acceptable level by effectively implementing a risk-based approach in all our processes,
- Being prepared for all potential emergencies and unforeseen situations,
- Ensuring the continuous improvement of all our processes in line with the principle of continuous improvement,
- Raising awareness among all our stakeholders and employees regarding every commitment we have made, and to contribute to their development,
- Ensuring high-quality communication and transparent and effective information sharing,

Employee Satisfaction
- Creating peaceful, healthy, and happy working environments to sustain the motivation and loyalty of our employees, and to increase their professional and personal development by supporting their knowledge and skills through training organizations,
- Creating equal opportunities among our colleagues, to increase employee satisfaction by taking their ideas and suggestions into consideration,
- Contributing to the development of "Corporate Culture and Awareness" by addressing the social and cultural needs of employees,

Environment and Energy
- Achieving "Net Zero" in carbon emissions, energy, water, waste, and wastewater,
- Reducing our environmental impacts across the entire value chain by analyzing the Product Life Cycles of the products we design and produce in line with the cradle-to-grave principle,
- Establishing a management system to minimize the use of natural resources, energy and water by effectively managing resources for a sustainable planet, and to provide all the resources necessary for this,
- Continuously improving our environmental impact by purchasing eco-friendly technologies with high environmental performance,
- Preventing our environmental pollution at its source, to minimize it if not possible, to increase recovery and recycling,

Occupational Health and Safety
- Achieving "Zero" occupational accidents by creating safe working environments,
- Establishing an Occupational Health and Safety culture based on the principle of "Safety First" and to make it a lifestyle,
- Increasing our Occupational Health and Safety performance by continuously improving our processes and activities with a proactive approach to occupational health and safety,
- Designing our processes and products safely by using appropriate equipment to ensure a healthy and safe working environment with the "our priority is people" approach,

Operational Development and Excellence

Korteks supports a culture of continuous improvement through the "I Have an Idea" suggestion system, which encourages employees to bring their innovative ideas to life.

Korteks supports the development of its employees in operational excellence and Industry 4.0 technologies.

Digital solutions are developed to ensure business continuity in production lines, thus aiming for uninterrupted production by detecting possible malfunctions in advance.

Korteks carries out systematic efforts to continuously improve processes, product performance, and quality in all areas where it operates. In this context, Kaizen/Continuous Improvement methodology was adopted to increase process efficiency and make operations more sustainable. This approach covers many critical areas such as efficiency, occupational health and safety, environment, and information security, fostering a culture focused on improvement throughout the Company.

Korteks supports the development of its employees in operational excellence and Industry 4.0 technologies. While continuous improvement (Kaizen) training is provided to all employees, training aligned with sectoral developments in areas such as data analytics, energy management, and information security has been planned. In this context, a common corporate culture based on ISO standards is developed, and quality policies are supported by employee awareness.

Along with Kaizen projects, a suggestion system that encourages the active participation of employees in process improvement processes has been introduced. The sustainability of the improvement efforts is supported by the managers who lead these achievements and the projects are shared with all employees. This reinforces a culture of recognition and appreciation, while the contributions of teams are incorporated into the corporate memory.

Digital solutions are developed to ensure business continuity in production lines, thus aiming for uninterrupted production by detecting possible malfunctions in advance. In line with the Industry 4.0 approach, projects based on sustainable supply chain, automation, and data analytics are being implemented, reducing environmental impacts such as energy and water consumption using these technologies.

Key performance indicators (KPIs) such as quality rate, discharge rate, customer complaints, energy and water consumption, waste rate, employee satisfaction, and development rates are regularly monitored to help the Company achieve its operational excellence goals. These indicators are used to measure the feasibility of strategic objectives and to guide improvement projects.

Suggestion Management at Korteks

Korteks supports a culture of continuous improvement through the "I Have an Idea" suggestion system, which encourages employees to bring their innovative ideas to life. Employees can submit their Kaizen/Continuous Improvement Project proposals by placing them in the "I Have an Idea" boxes located within the facility or by delivering them in person to the Management Systems Department. Alternatively, suggestions can also be shared electronically (EBA) through the "I Have an Idea" module on the Korteks portal.

The Human Resources unit collects and evaluates the suggestions placed in the boxes every 15 days. Ideas separated from requests, wishes, and complaints are recorded with the Suggestion Box Collection Record and entered into the EBA system by the Quality Department staff. These ideas that focus on continuous improvement are forwarded to the relevant team leaders, and work is initiated for projects deemed appropriate.

In 2024, 30 proposals were submitted to Korteks, 14 of which were accepted. This framework serves as a key enabler of innovation and sustained progress by fostering active employee engagement.

YEAR	KORTEKS	
	IDEAS RECEIVED	PROPOSALS ACCEPTED
2022	53	15
2023	41	26
2024	30	14



Operational Development and Excellence

Korteks implements projects that aim to increase efficiency and develop sustainable production processes while reducing costs.

Korteks contributes significantly to environmental sustainability alongside financial gains through its continuous improvement projects.

515.7 tons
CO_2/year
Total greenhouse gas reduction amount in 2024

Continuous Improvement

Through continuous improvement initiatives, Korteks enhances operational efficiency while driving sustainable growth. In 2024, the Company implemented 136 projects, generating gains of TRY 33.8 million with an investment of only TRY 8.0 million—demonstrating strong cost optimization and return on improvement efforts. This demonstrates that the return on investment has increased and processes are managed more effectively.

Beyond delivering financial benefits, Korteks' continuous improvement initiatives have generated substantial environmental value through measurable reductions in greenhouse gas emissions. The company achieved emissions reductions of 950 tons of CO_2/year in 2022, followed by 572 tons CO_2/year in 2023 and 515.7 tons CO_2/year in 2024, demonstrating sustained progress in its sustainability performance.

CONTINUOUS IMPROVEMENT PROJECTS							
YEAR	NUMBER OF PROJECTS	PRODUCTIVITY	ENVIRONMENT	OHS	INFORMATION SECURITY /OTHER	TOTAL EARNINGS (TRY)	TOTAL PROJECT/ INVESTMENT COST (TRY)
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
2024	136	77	9	23	27	33,821,334	7,974,981



Project Examples at Korteks

Korteks implements projects that aim to increase efficiency and develop sustainable production processes while reducing costs. Below are three important examples of projects that support this approach.

- Process improvements in the production of elastane-textured yarn have optimized elastane usage, resulting in an annual savings of TRY 1,591,342. The project cost amounted to TRY 37,133.
- By adjusting the pressure level of the EAFK machines to meet process requirements, a savings of TRY 1,253,316/year was achieved, along with an annual reduction of 101 tons of CO_2. The investment cost of the project is TRY 9,073.
- By repairing the sock knitting machines, a savings of TRY 3,407,754 was achieved without the need to purchase new machines. This project was completed at a cost of TRY 141,893.

All three projects have successfully supported Korteks's goals of increasing operational efficiency, optimizing costs, and strengthening environmental sustainability. Earnings significantly exceeded investment costs, indicating that the Company realized high returns from strategic improvement projects.

R&D, Innovation, and Digital Transformation

Korteks R&D Center aims to be a leader in the sector by developing innovative and sustainable textile solutions.

R&D activities at Korteks are supported by pilot production and advanced analysis infrastructure.

177.8
TRY million
Total R&D investment amount in 2024

Korteks manages its R&D and innovation processes with a customer-oriented approach and pioneers innovations in the sector by developing projects based on market and literature research. The company implements projects supported by Horizon Europe, TÜBİTAK, and other national/international funds, while also conducting projects within an R&D framework by analyzing market dynamics and customer demands. In this process, it focuses on multidisciplinary projects by establishing a strong communication network with customers, suppliers, and academic collaborations.

Korteks fully leverages the opportunities offered by Industry 4.0, investing in smart manufacturing technologies and accelerating transformation in areas such as automation, data analytics, AI-supported process management, and robotic systems. Strengthening its digitalization processes with projects such as laboratory test automation, maintenance management systems integration, database management and autonomous systems in production lines, Korteks both increases production efficiency and develops technology-oriented solutions for a sustainable future.

Key R&D Strategies

Korteks' R&D strategy has been shaped in line with short-, medium- and long-term goals:

- **Short Term (1 month – 1 year):**
  - Product development and improvement studies for customer demands
  - Following market and technical developments, literature research
  - Research to improve color and physical properties
- **Medium Term (1 - 3 years):**
  - New yarn design projects: Functional and distinctive yarns
  - Projects to develop sustainable production techniques
  - Business development and process optimization projects
- **Long Term (3-5 Years)**
  - European Union and international projects (Horizon Europe, Green Deal, etc.)
  - Technology transfer with universities and research institutions
  - Projects for the development of advanced technology materials and sectoral transformation

Korteks R&D Center

Korteks R&D Center aims to be a leader in the sector by developing innovative and sustainable textile solutions. Focusing on technical textiles, functional yarns, and eco-friendly production processes, the center carries out projects focused on circular economy and low carbon footprint. Shaping the future of the textile industry with innovative products developed for different fields such as automotive, medical, sportswear, and outdoor textiles.

Number of R&D Center Employees

- Total Number of Employees: 32
- Female: 9
- Male 23
- Ratio to Total Number of Company Employees: 1.7%

As of 2024, the following projects are underway at the Korteks R&D Center:

- 2 Horizon Europe projects,
- 2 TÜBİTAK 1832 Green Transformation in Industry project,
- 24 self-funded R&D projects.

R&D activities at Korteks are supported by pilot production and advanced analysis infrastructure. Machine equipment, knitting and finishing pilot machines, as well as chemical and physical analysis devices, are used to test the developed products before they enter commercial production. This infrastructure enables rapid prototyping and process optimization. Additionally, laboratory test processes were digitized, and data integration and automated test systems were commissioned.

In 2024, Korteks R&D Center carried out a total of 28 projects, including Horizon Europe and TÜBİTAK projects, and invested TRY 177.8 million. The center continues its work on technical textiles, functional yarn designs, and sustainable production processes with its R&D team of 32 people. As part of these efforts, biodegradable and recyclable yarns, nanotechnology applications, automotive textiles, and high-performance technical yarns have been developed, while innovation projects aimed at increasing efficiency in production processes have been introduced.

SDGs We Contribute to

Korteks does not limit its R&D and innovation efforts to internal processes and develops collaborations with universities, research institutes, and industrial organizations. It carries out joint projects with academic institutions such as Bursa Uludağ University, Konya Technical University, and Istanbul University-Cerrahpaşa and shares information on national and international platforms. Korteks continues its innovation-driven growth strategy by registering its innovations through patent and utility model applications.

By offering sustainable textile solutions, Korteks is leading the green transformation of the textile industry through a low carbon footprint, the use of recycled materials, and environmental certification processes. TAÇ REBORN®, developed in this context, contributes to the circular economy by enabling the use of polyester yarn waste, while TAÇ BİOLOOP® supports eco-friendly production with its biodegradable properties. As part of TÜBİTAK 1832 Green Transformation in Industry projects, R&D studies on recycled polyester and biobased and biodegradable materials strengthen Korteks' sustainable production goals. Additionally, greenhouse gas and water and energy saving data of the products are verified with EPD (Environmental Product Declaration) documents, and production processes are carried out in compliance with environmental standards.



R&D, Innovation, and Digital Transformation

Through our deepening focus on these research and development-oriented projects in 2024 as well, we took important steps towards developing the sustainability-oriented products and solutions to carry the future into the present. While our project under the Horizon Europe Program was ongoing, two of our projects were accepted under the TÜBİTAK 1832-Green Transformation in Industry Program.

Korteks collaborates with institutions such as Bursa Uludağ University, Istanbul University-Cerrahpaşa, and Konya Technical University in order to ensure the integration of academic research into industry.

R&D Projects and Sectoral Collaborations

Korteks undertakes national and international R&D projects in the fields of sustainable textile production, innovative yarn technologies, and the circular economy. Collaborations with academic institutions, industry partners, and research centers expand the scope of R&D activities and pave the way for innovative solutions in the sector.

European Union Funded Projects

The PLASTICE project (Horizon Europe) : The is an international initiative leveraging eco-friendly, innovative, and smart technologies to advance textile and plastic waste recycling. This collaborative effort brings together 25 partners across 7 countries to drive sustainable material recovery solutions. In the project, Korteks is executing studies to verify the suitability of polyester chips produced from cotton/polyester blended waste textiles through enzymatic and thermomechanical methods to be used in textiles.

SSbD4Chem (Horizon Europe - Safe and Sustainable Design): The SSbD4Chem project, which prioritizes safety and sustainability criteria in the design process of chemicals and materials, is carried out in cooperation with 19 stakeholders from 14 countries. In this project, Korteks conducts studies on the development of PFAS-free textile coatings and sustainable textile materials.

TÜBİTAK Funded Projects

Korteks structures its R&D initiatives through two primary funding channels: publicly supported programs and proprietary investments. Under the TÜBİTAK 2244 initiative, the Company focuses on developing biopolymer solutions, sustainable textile innovations, and production methodologies that reduce carbon emissions. Korteks also contributes to advancements in this field as a member of Türkiye's first Biopolymer Platform and provides mentoring support to start-up companies through the BİGG Ulukoza program.

Development of Traceability Technology for Recycled Polyester Yarns (TÜBİTAK 1832 - Green Transformation in Industry): Korteks is conducting this TÜBİTAK-funded project to ensure origin and process-based traceability of recycled polyester yarns. The project aims to develop analytical and digital solutions for sustainable textile production.

Scaling Up the Production of Yarns from Polyhydroxybutyrate Polymers from Laboratory to Industrial Scale on Molten Spinning Lines (TÜBİTAK 1832 – Green Transformation in Industry): Targeting the production of biodegradable polymer-based yarns, the project investigates the transition from laboratory-scale to industrial-scale manufacturing.

TÜBİTAK 2244 Industrial PhD Program: Within the scope of the program executed in collaboration with Bursa Uludağ University, this program supports doctoral-level research on biopolymers, functional textiles, and sustainable production techniques for the textile industry.

Collaborations with National and International Universities

Korteks is in close collaboration with institutions such as Bursa Uludağ University, Istanbul University-Cerrahpaşa, and Konya Technical University in order to ensure the integration of academic research into industry.

In this context:

- Conductive polyester yarn development studies are ongoing with Konya Technical University by the oxidative chemical vapor deposition (oCVD) method.
- Academic projects on PHA (biodegradable polymer) yarn production are carried out with Bursa Uludağ University at master's and doctoral level.
- Joint studies are ongoing with Istanbul University-Cerrahpaşa in the fields of textile coatings and sustainable material development.

Industry Collaborations & Customer-Oriented Projects

Korteks collaborates with strong industrial organizations and customers in the textile industry to develop joint projects on functional yarns and sustainable production techniques.

HORIZON Europe Projects with Sun Tekstil: Within the scope of the Horizon Europe project "PLASTICE," Korteks collaborates with Sun Tekstil to develop innovative textile products with a low carbon footprint.

BUTEKOM Research Center Collaboration: The Company receives support from the BUTEKOM Research Center for textile and innovation trainings and test & characterization studies.

Intellectual Property Rights and Academic Studies

Korteks adopts a strategic approach to intellectual property rights by protecting its innovative products and production processes through patents, utility model applications, and academic collaborations.

Patent and utility model processes are carried out by the Intellectual and Industrial Property Rights (IIPR) unit operating under the R&D Center. Innovative ideas resulting from R&D projects are evaluated by the relevant departments and application is filed to the Turkish Patent and Trademark Office. Patent holders with the applications accepted are encouraged as part of the motivation raising and reward system.



R&D, Innovation, and Digital Transformation

Korteks collaborates with industrial organizations and customers in the textile industry to develop projects on functional yarns and sustainable production techniques.

Korteks has achieved a revolutionary transformation in storage processes with the Automated Warehouse Project, which was implemented in line with Industry 4.0.

The implementation of Korteks' automated smart warehouse, fully synchronized with ERP systems, has generated remarkable productivity gains: reducing facility footprint by 86%, accelerating product retrieval by 97%, and automating processes to require just one operator versus fifteen previously.

Number of Patents	Date Granted
1	2021
1	2022
1	2024

Scientific publications and academic collaborations are established as part of joint projects with universities and research centers. Korteks researchers contribute to the scientific community through internationally indexed articles and academic papers in the fields of hybrid yarn development, bio-based materials, and functional textiles. Joint projects are carried out with academic institutions such as Bursa Uludağ University, Konya Technical University, and Istanbul University-Cerrahpaşa, offering graduate and doctoral students the opportunity to contribute to R&D activities.

Number of Academic Articles and Papers		
Year	**Number of Academic Articles**	**Number of Academic Papers**
2020	1	1
2021	2	1
2022	3	1
2023	3	3
2024	0	4
Total	**9**	**10**

In the industrial design and branding process, innovative products developed by Korteks are protected by Registered Trademark and Design Registration Certificates, enhancing its competitive edge in the sector. In recent years, the innovation awards and scientific achievements obtained particularly in the category of sustainable textile products have supported the Company's research-driven growth strategy.

Year	Number of Brands
2019	1
2020	0
2021	0
2022	4
2023-2024	0
Total	**5**

Digital Transformation and Industry 4.0 Applications

Korteks strategically leverages Industry 4.0 technologies to optimize its production and logistics infrastructure, driving operational excellence through enhanced productivity, cost efficiency, and sustainable resource utilization. Developing its digital transformation vision on establishing agile, traceable, and sustainable systems across all processes from production to the supply chain, Korteks positions Industry 4.0 integration not merely as a technological transformation but as a strategic pathway to operational excellence. Continuously improves its processes with domestic software programs, intelligent systems, and high-efficiency focused practices, steadily strengthening its competitive power in the sector.

Increased Productivity and Quality in Production Lines

As part of the Machine Speed Increase Projects launched in 2024, capacity was improved by increasing speed in 12 material items, and quality ratios were increased in 5 material items through Quality Improvement Projects. These projects have significantly increased the ratio of 1st Quality.

Additionally, with the transformation implemented in the Texture Plants in 2022, 23 outdated machines were decommissioned and replaced with new machines, resulting in a 15–20% increase in production speed and a 10–15% improvement in machine efficiency. Type A quality rate increased from 65.9% to 86.4% and the Quality 1 rate from 81.9% to 95.9%, reducing labor costs by 25% and energy costs by 15%.

The company's FDY and POY line modernization program delivers dual benefits: increased production capacity through state-of-the-art machinery implementation, coupled with comprehensive refurbishment and proper conservation of existing equipment assets. Daily capacity increased by 86 tons, while approximately 32% energy savings were achieved. With the automation projects to be introduced in the upcoming period, 50% personnel efficiency is targeted.

Digital Transformation in Laboratory and Maintenance Systems

The Laboratory Test Automation program deploys robotic solutions to fully automate the testing cycle - from precision sample placement to results retrieval - with automated data transfer to digital systems for enhanced traceability and analysis. Thus, error rates are decreased while increasing data reliability, and minimizing the need for manual labor.

Korteks' integrated Maintenance Management System enables real-time equipment monitoring by seamlessly connecting with production machinery and warehouse operations. This advanced system automatically identifies operational anomalies and immediately alerts technical teams, ensuring prompt response to potential issues. Preventive maintenance practices help reduce downtime, ensuring continuity in production.

Smart Storage and WMS Integration

Korteks' Industry 4.0-compliant Automated Warehouse Project represents a paradigm shift in storage management, combining a 3,750 m^2 footprint with 16-meter vertical storage to create an 11,000-pallet capacity facility. The system's 100 pallet/hour throughput rate and 3.5 pallet/m^2 storage density establish new benchmarks for automated logistics performance. 4 robots operating in double depth perform uninterrupted transport operations along 130-meter aisles.

The implementation of Korteks' automated smart warehouse, fully synchronized with ERP systems, has generated remarkable productivity gains: accelerating product retrieval by 97%, and automating processes to require just one operator versus fifteen previously. Storage processes have been transformed into a faster, more reliable, and error-free structure.

R&D, Innovation, and Digital Transformation

The digital transformation projects carried out by Korteks were nominated for awards under two separate categories in the Productivity Project Awards, organized by the Ministry of Industry and Technology in 2024.

"Innovative Solutions in Storage and Shipment Processes" Project has become prominent with innovative practices in several areas, including smart warehouse management, process digitization, energy savings, workforce optimization, and domestic software program development.

As part of the Switchboard Modernization Project, the outdated switchboard system—which had reached the end of its useful life and caused disruptions in internal communication due to high maintenance costs—was replaced with a new-generation, software-based communication technology.

This comprehensive transformation has been further advanced through the domestic WMS software developed by the Korteks Information Technologies team. The software has strengthened process management by digitalizing not only loading and unloading operations but also critical functions such as inventory tracking, ERP integration, and product-cell assignments.

Through machine learning–supported ABC Analysis, products have been clustered, cell assignment rules have been defined, and the travel time of the robots has been optimized. This resulted in 8% energy savings with annual environmental gain of 70 MWH. Thanks to the system enabling the matching of missing layer pallets, the storage area has been reduced from 3,240 m^2 to 640 m^2, resulting in a space saving of TRY 4.8 million and a pallet cost advantage of TRY 777,527.

The digital transformation projects carried out by Korteks were nominated for awards under two separate categories in the Productivity Project Awards, organized by the Ministry of Industry and Technology in 2024:

- **"Reducing Maintenance Costs through New Designs and Localized Parts" Project:** This project, which promotes domestic production, has reduced external dependency, generated savings in maintenance costs, and strengthened the sustainable production infrastructure.
- **"Innovative Solutions in Storage and Shipment Processes" Project:** This project has become prominent with innovative practices in several areas, including smart warehouse management, process digitization, energy savings, workforce optimization, and domestic software program development.

SSO and Authorization Project
As part of a strategic initiative to streamline and modernize user management enterprise-wide, the organization has integrated the software applications utilized in employee onboarding and offboarding processes into a unified, centralized system. This consolidation enhances operational efficiency, ensures data consistency, and supports a more seamless digital experience across the employee life-cycle.

By leveraging full LDAP integration, the organization has standardized authentication interfaces across all applications, allowing employees to seamlessly access every system with a single set of credentials. This enhancement not only simplifies user access but also strengthens security and reduces administrative overhead by centralizing identity management. Authorization processes, which had previously been carried out manually, were automated with the Authorization Request module, simplifying process management.

POY Automation Electronic Field Control Elements Renewal Project
System performance was increased by switching to new generation control elements and harmonized with management services. In this context, the necessary updates were made to the management software, making the control infrastructure more stable and sustainable.

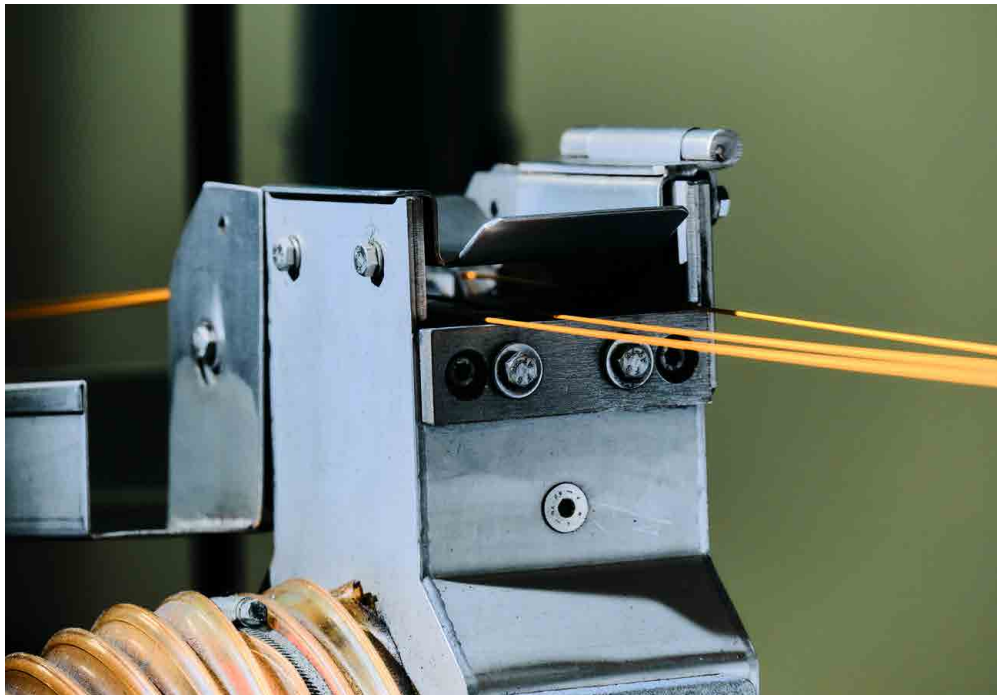
Power Plant Modernization Project
The outdated switchboard system, which had completed its useful life and caused disruptions in internal communication due to high maintenance costs, has been replaced with software-based new generation communication technologies.

With the project, the system's re-commissioning time was shortened in case of malfunctions, maintenance costs were significantly reduced, and communication costs were optimized through the transition from cordless phones to IP-based systems.

Thanks to the IP bridge established between branches, internal communication quality has been improved, and challenges in spare part procurement processes have been eliminated. The programmability of the new system has been enhanced, making capacity expansion more flexible. This project has been an important step in strengthening Korteks's digital infrastructure, creating a more efficient, reliable, and sustainable communication environment.

Modernization of Harry Lucas TK83 Automatic Sock Knitting Machines A comprehensive modernization process was carried out due to frequent breakdowns experienced in four HARRY LUCAS TK83 machines, manufactured in 2000 and located in the Textile Laboratory. In this process, new generation inverter, PLC and stepper motor drive systems have been integrated, electrical connections were reconfigured, software specific to each machine has been developed, and the systems have been successfully commissioned. This enabled the machines to operate in a stable functioning order in accordance with current technology.

Improvement of Automatic Multi-Layer Warehouse Conveyor Brake Mechanisms To address inefficiencies and occupational health and safety risks caused by frequent brake failures on the 27-station conveyor line, all brake systems were redesigned and manufactured using domestic resources. This improvement eliminated the risk of pallet toppling, reinforced the mechanical structure, and significantly reduced spare part costs.



R&D, Innovation, and Digital Transformation

In 2024, Korteks accelerated its digital transformation trajectory by driving robust R&D and innovation initiatives that facilitated cross-disciplinary knowledge transfer across academic and industrial domains.

Throughout 2024, the Korteks R&D Center enhanced interdisciplinary knowledge transfer by deepening its participation in both national and international initiatives. These efforts solidified its leadership in promoting innovation, optimizing project management methodologies, and strengthening collaborative ties between industry and academia.



March 13, 2024: We ranked among the 10 most innovative companies with the project submitted to TechXtile Innovation League.



June 27-28, 2024: We participated in the 6th month meeting of the "SSbD4Chem" Project.



November 21-22, 2024: We participated in the Aachen-Dresden-Denkendorf International Textile Conference with a poster presentation on the "PLASTICE" project.



April 23-26, 2024: We were formally represented at the Techtextil 2024 Fair.



September 11-13, 2024: Developments in yarn technologies were examined on-site at the Global Fiber Congress.

October 9, 2024: Bursa Technical University Polymer Materials Engineering Department's inaugural lecture was given by Onur Çelen, Deputy Director of the R&D Center.



December 3, 2024: We participated in Sustainability Talks Istanbul event.



May 21-23, 2024: We participated in the 24th month evaluation meeting of the Horizon Europe Project "PLASTICE."



November 8-9, 2024 Academic contribution was made with three poster presentations at the 15th International Fiber and Polymer Symposium.



December 23, 2024: Participation in the "Workshop on Enhancing R&D and Innovation Capacity of Textile Companies," organized with the attendance of the full academic staff of Istanbul Technical University's Faculty of Textile Technologies and Design.

Sustainable Value Chain Management

Korteks Value Chain Approach

	Value Chain Topics	Sustainability Development Objective	MANAGEMENT PROCESS	SUPPLY CHAIN	CUSTOMER-FOCUSED PROCESSES						SUPPORT PROCESSES	Logistics	Consumption	After-Sales Technical Services
			Strategic Management 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	Bobbin Dyed Yarn Production Process	HR, Maintenance, Quality, etc.			
Environmental Oriented	Environmental Management	13 CLIMATE ACTION	●											
	Air Management		●		●	●	●	●	●	●	●	●		
	Water Management	14 LIFE BELOW WATER	●		●	●	●	●	●	●	●			
	Energy Management	7 AFFORDABLE AND CLEAN ENERGY	●		●	●	●	●	●	●	●			
	Greenhouse Gas Management		●	●	●	●	●	●	●	●	●	●	●	●
	Ecological Product Development Management	13 CLIMATE ACTION	●	●	●	●	●	●	●	●	●			
	Waste Management	15 LIFE ON LAND	●		●	●	●	●	●	●	●		●	
Management Oriented	R&D Innovation Management	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	●		●	●	●	●	●	●	●			
	Customer Satisfaction Management	8 DECENT WORK AND ECONOMIC GROWTH	●		●	●	●	●	●	●	●		●	●

Sustainable Value Chain Management

	Value Chain Topics	Sustainability Development Objective	MANAGEMENT PROCESS	SUPPLY CHAIN	CUSTOMER-FOCUSED PROCESSES						SUPPORT PROCESSES	Logistics	Consumption	After-Sales Technical Services
			Strategic Management 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	Bobbin Dyed Yarn Production Process	HR, Maintenance, Quality, etc.			
Management Oriented	Corporate Governance	8 DECENT WORK AND ECONOMIC GROWTH	●		●	●	●	●	●	●	●			●
	Sustainable Partnerships	17 PARTNERSHIPS FOR THE GOALS	●											
	Sustainable Supply Chain	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	●	●							●			
Work Life Oriented	OHS Management	3 GOOD HEALTH AND WELL-BEING	●		●	●	●	●	●	●	●			
	Employee Development and Performance Management	4 QUALITY EDUCATION	●		●	●	●	●	●	●	●			
	Employee Loyalty and Satisfaction Management	8 DECENT WORK AND ECONOMIC GROWTH	●		●	●	●	●	●	●	●			
	Equal Opportunity Management	5 GENDER EQUALITY	●		●	●	●	●	●	●	●			

Sustainable Value Chain Management

Korteks manages its supply chain with a focus on sustainability, ensuring the procurement of materials and services in compliance with quality, environmental, energy, occupational health and safety, information security, and legal requirements.

Korteks assesses its suppliers through the Supplier Lifecycle Management (SLC) system, scoring their social and environmental performance via the General Qualification Questionnaire.

896
number of local suppliers

SDGs We Contribute to

Sustainable Supply Chain Management

Today, companies' sustainability approaches are no longer limited to their own operations but extend to cover the entire life cycle of their products. Managing environmental, social, and economic impacts throughout the entire value chain has become an integral part of corporate responsibility. In line with its Smart Life 2030 vision, Zorlu Group also aims to effectively disseminate sustainability principles throughout its supply chain, achieving its 100% sustainable supply chain goal. In line with this goal, Korteks develops collaborations and practices to create long-term impacts in areas such as combating climate change, respect for human rights, business ethics, transparency, and traceability. Establishing a sustainable supply chain is positioned as a strategic priority not only reducing risks but also supporting the creation of long-term value for stakeholders.

Korteks attaches great importance to sustainability criteria in supplier selection processes and remains committed to aligning its supply chain with ethical principles. Supplier selection is carried out in accordance with Zorlu Holding's Procurement Principles (Principles), which are prepared in the light of all applicable national laws and regulations, as well as International Labor Organization (ILO) and United Nations (UN) Conventions in particular. Trainings are organized when deemed necessary to provide information and raise awareness in order to ensure suppliers' compliance with the Principles.

Korteks prioritizes sustainability in its value chain and attaches great importance to social and environmental performance criteria in supplier selection processes. Aims to uphold high sustainability standards by focusing on efficiency and quality. In this context, the sustainability performance of suppliers is evaluated by aiming to establish a supply chain aligned with the ethical principles of Zorlu Holding and Korteks.

Supplier Evaluation Process

Korteks assesses its suppliers through the Supplier Lifecycle Management (SLC) system, scoring their social and environmental performance via the General Qualification Questionnaire. This process covers environmental certifications, legal compliance, occupational health and safety, the use of materials harmful to human health, and the control of working conditions. Serving as a cornerstone of supply chain governance, the **Zorlu Holding Procurement Principles** harmonize acquisition methodologies enterprise-wide while requiring vendors to cascade these protocols through their respective supplier networks, thereby creating end-to-end process integrity and ethical procurement continuity. This process ensures that the performance of suppliers is continuously monitored and improved.

Supplier Selection Criteria

Social and Environmental Performance: Suppliers' performance is evaluated in areas such as child labor, forced labor, anti-discrimination measures, fair wages, freedom of association and collective bargaining rights, occupational health and safety, and the environment.

Compliance: Suppliers' adherence to national laws and regulations, environmental protection, and commitments to ethical conduct are taken into consideration.

Compliance with Sustainability Principles: Suppliers' compliance with Korteks' sustainability and ethical value policy is evaluated. Cooperation with suppliers that do not comply with the policy is terminated.

Korteks Supply Chain Management

Korteks manages its supply chain with a focus on sustainability, ensuring the procurement of materials and services in compliance with quality, environmental, energy, occupational health and safety, information security, and legal requirements. The Company's intermediate objective focuses on enhancing performance oversight and fostering perpetual advancement through the creation of an enduring, sustainable supply ecosystem.

The Company's supplier portfolio is divided into two categories: approved suppliers and critical/strategic suppliers. Approved suppliers are firms that meet the established qualification criteria and are included in the procurement processes for goods and services. Critical/strategic suppliers consist of suppliers that provide materials or services that are critical for business continuity in line with the risk assessments conducted.

Conducting supplier selection meticulously in order to ensure uninterrupted continuity of business processes, Korteks makes its decisions by making detailed examinations in line with the established criteria.

Korteks Supply Chain in Numbers

Korteks managed its supply chain with a focus on sustainability and continued to cooperate with 1,126 suppliers in 2022, 1,110 suppliers in 2023, and 998 suppliers in 2024. The number of local suppliers, on the other hand, is 1,027 in 2022, 1,014 in 2023, and 896 in 2024.

Total payments to suppliers increased to TRY 4.512 million in 2022, amounted to TRY 4.084 million in 2023, and reached TRY 5.830 million in 2024. Payments to local suppliers amounted to TRY 2.579 million in 2022, TRY 2.111 million in 2023, and TRY 2.786 million in 2024. The share of local suppliers in total payments was 57% in 2022, 52% in 2023, and 48% in 2024.

New supplier acquisitions also followed a steady course, totaling 239 in 2022, 202 in 2023, and 191 in 2024. While continuing to manage its supply chain with a focus on quality and efficiency, Korteks also remains committed to optimizing its selection processes in line with sustainability criteria.

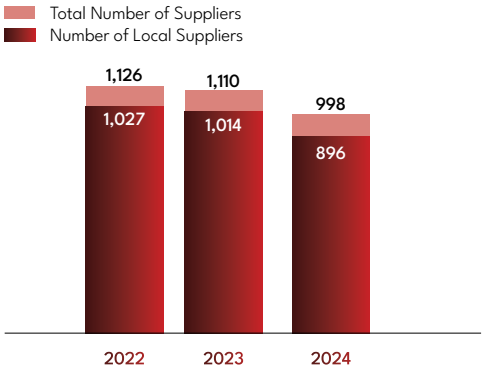
Sustainable Value Chain Management

Korteks works in close collaboration with its suppliers to meet customer expectations in the fastest and most efficient manner possible, thereby strengthening its sustainable supply chain approach.

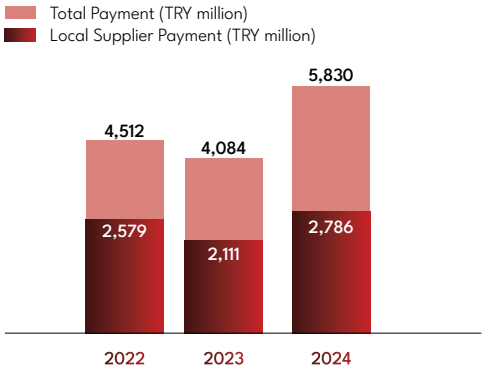
In line with its sustainability approach, Korteks regularly audits its suppliers based on ESG (Environmental, Social, and Governance) criteria.

305 hours
Total time allocated to supply chain audits

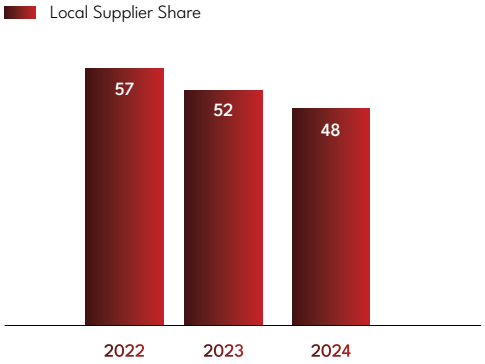
Changes in the Number of Suppliers by Years



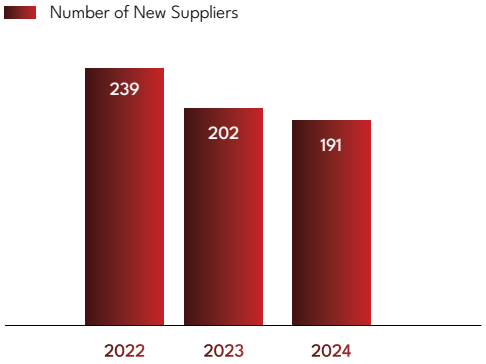
Total Payment and Payments to Local Suppliers



Share of Local Supplier Payments in Supplier Payments (%)



New Supplier Acquisition



Sustainability in Supply Chain

Korteks regularly evaluates its suppliers in terms of environmental and social factors in order to systematize its responsible procurement processes. In compliance with its procurement procedures, the Company works with suppliers that comply with sustainability policies and monitors the recycled material usage rates through quarterly analyses. Transparency of the supply chain is enhanced by requesting recycling rates from companies in relation to wood, plastic, and paper products supplied.

As part of supplier performance evaluations, suppliers identified as having medium or high risk levels are monitored on a quarterly basis, and improvement processes are initiated based on their performance scores. Korteks removes suppliers that fail to comply with sustainability principles in material procurement processes from its portfolio based on the Supplier Risk Assessment Form, and ensures supply continuity by establishing alternative supplier networks.

SDGs We Contribute to

Supplier Social Compliance Audits

In line with its sustainability approach, Korteks regularly audits its suppliers based on ESG (Environmental, Social, and Governance) criteria. The audits are planned in accordance with the established Audit Procedure, and any identified nonconformities are communicated to the companies in writing.

During the audits, minor and major nonconformities are identified, and suppliers causing major nonconformities are expected to make the necessary corrections within six months. If the necessary improvements are not performed within the specified period, procurement from the relevant supplier is ceased.

At Korteks, continuing its efforts to strengthen ethical and sustainable practices in the supply chain, a total of 19 audits were conducted during the reporting period, lasting 305 hours in total. In these audits, no findings have been identified.

Supplier Audit Findings

Year	Number of Audits	Number of Hours Spent	Number of Findings
2023	18	355	7
2024	19	305	0

Korteks Supplier Development Program

Korteks works in close collaboration with its suppliers to meet customer expectations in the fastest and most efficient manner possible, thereby strengthening its sustainable supply chain approach. The Company carries out proactive development activities to ensure and promote suppliers' compliance with legal regulations as well as occupational health and safety (OHS) and environmental standards.

The Supplier Development Program is designed to help suppliers raise their quality standards and strengthen their international competitiveness. These efforts are shaped based on performance data, audit results, site visits, and evaluations, and are built on the principles of open communication, collaboration, and continuous improvement.

In 2024, 21 suppliers received training on sustainable supply chain. Korteks supports the achievement of quality, efficiency, and sustainability goals by contributing to the development of its supply chain.

Sustainable Value Chain Management

Korteks endeavors in close cooperation with its suppliers to achieve the goal of a 100% Sustainable Supply Chain by 2030 and makes sustainability-oriented improvements at every stage of the supply chain.

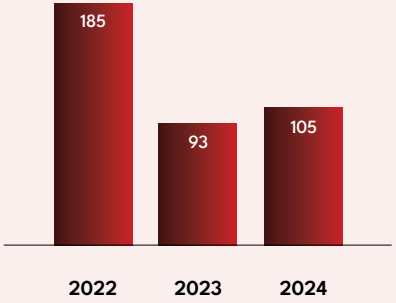
Korteks advocates for its suppliers to obtain environmental management and quality compliance certifications while actively facilitating the optimization of their product development, manufacturing, and logistics operations to enhance overall efficiency.

SDGs We Contribute to

Year	Number of Employees Trained	Hours of Training	Average Training Hours per Supplier
2022	18	70	3.9
2023	18	75	4.2
2024	21	84	4.0

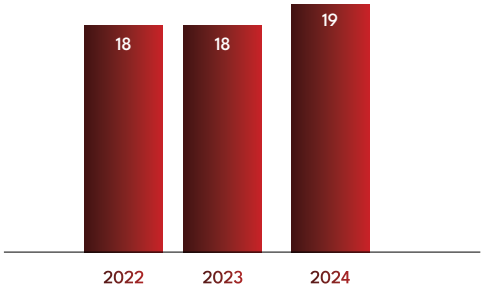
100% Sustainable Supply Chain by 2030

Korteks Number of Strategic/Critical Suppliers



Korteks endeavors in close cooperation with its suppliers to achieve the goal of a 100% Sustainable Supply Chain by 2030 and makes sustainability-oriented improvements at every stage of the supply chain. During the reporting period, Korteks has revealed significant progress by reaching an 18% goal fulfillment rate. To this end, suppliers are encouraged to hold environmental management and quality compliance certificates and are supported to increase efficiency in their product development, production, and transportation processes.

Korteks Strategic/Critical Supplier Audit (Number of Suppliers)





Cybersecurity and Data Protection

Korteks operates in compliance with the ISO 27001 Information Security Management System standard and acts in accordance with all applicable regulations, primarily Law No. 5651 and the Personal Data Protection Law (PDPL).

Korteks closely monitors developments in the field of information security and maintains the software and hardware infrastructure of its information systems constantly updated, making its digital systems resistant to new threats.

SDGs We Contribute to



Korteks manages cyber security and data protection processes through the coordination of the Information Technologies Department, in full compliance with the legislation and adherence to high security standards. The Company's information security framework is meticulously designed to encompass robust measures in data security and confidentiality, stringent access controls, advanced technical safeguards, proactive monitoring and threat detection, comprehensive backup and disaster recovery protocols, ongoing training and awareness initiatives, and strict adherence to legal and regulatory compliance standards.

The Company's data security approach is based not only on preventing existing risks but also on being prepared for potential future threats. All customer, employee, and business partner data is protected in such a way that it can only be accessed by authorized personnel, and such access is managed through the Electronic Data Flow (EBA) system integrated into internal approval processes. Authorizations configured with access levels aligned to job descriptions are regularly reviewed, and access barrings are promptly put into force when necessary.

The technical infrastructure supporting data security is equipped with strong firewalls, up-to-date anti-virus software, virtual private networks, and multi-factor authentication systems. The security of the systems is continuously evaluated through regular updates and vulnerability analyses, and infrastructure security is protected at an advanced level by adapting to new generation technologies.

The entire digital system infrastructure is continuously monitored, access logs are recorded, and real-time threat detection systems enable rapid response to security breaches. This structure enables proactive defense measures not only against actual threats but also against potential risk scenarios that have not yet emerged.

A comprehensive backup infrastructure has been established to ensure sustainable system continuity against data loss. This system ensures rapid data recovery against potential disaster scenarios, also enabling disaster recovery solutions that can maintain business continuity without interruption.

Korteks operates in compliance with the ISO 27001 Information Security Management System standard and acts in accordance with all applicable regulations, primarily Law No. 5651 and the Personal Data Protection Law (PDPL). Data processing, storage, and sharing processes are conducted in accordance with the principles of explicit consent, legal obligations, and legitimate interests.

Recognizing that cybersecurity is not limited to technical measures, Korteks considers employee awareness as one of the key components of security. Accordingly, employees are regularly trained throughout the organization to ensure that they are vigilant against phishing attacks, use strong passwords, and adopt secure internet habits.

The Company closely monitors developments in the field of information security and maintains the software and hardware infrastructure of its information systems constantly updated, making its digital systems resistant to new threats. In particular, cyber risks to operational technologies (OT) involved in production processes are prioritized, and system security is strengthened holistically by developing defense strategies specific to these areas.

Korteks will continue to make its digital infrastructure more resilient and secure through systems aligned with emerging technologies, in alignment with its proactive security approaches in the upcoming period.

Customer Experience and Satisfaction

Korteks continues to regularly review its processes in order to enhance customer satisfaction, strengthen its transparent and multi-channel communication infrastructure, and offer the best experience in the industry.

Customer experience management is carried out with a proactive approach that goes beyond meeting current needs, aiming to anticipate and guide expectations.

Korteks transcends conventional customer engagement by elevating the experience beyond the delivery of premium products and services, instead cultivating it through the pillars of transparency, operational excellence, and perpetual innovation. The customer-oriented approach is integrated into all business processes in line with Zorlu Holding's Customer Relations Manifesto.

Customer experience management is carried out with a proactive approach that goes beyond meeting current needs, aiming to anticipate and guide expectations. Accordingly, customer communication is provided through a multi-channel structure including direct visits, e-mail, telephone, social media, fair participation, and sectoral events. The customer communication center delivers fast and effective solutions, making customer satisfaction a fundamental component of the Company's culture of excellence.

As of 2024, the number of customers served by Korteks reached 2,247, of which 2,021 were domestic customers and 226 were export customers. Customer distribution for the last three years is as follows:

Korteks Customers	2022	2023	2024
Total	**2,544**	**2,337**	**2,247**
Domestic	2,324	2,107	2,021
International	220	230	226

Efforts to enhance customer satisfaction have been structured under the ISO 10002 Customer Satisfaction Management System. Notifications received via phone, e-mail, fax, face-to-face meetings, and the website are meticulously evaluated, and feedback processes are managed with the utmost diligence.

Customer complaints are channeled either through sales departments or via technical unit referrals, with unresolved matters being formally transferred to After-Sales Technical Services. This process is facilitated through the designated Complaint Information Form (F-0048), which mandates submission of a technical incident report, physical product sample, and complete stakeholder contact details to ensure thorough case evaluation.

In 2024, the number of customer complaints decreased to 170, all of which were resolved. Of these complaints, 116 were received from domestic customers and 54 from international customers. The Company demonstrated that it implements an effective feedback management with a 100% response rate. The number of complaints resolved in previous years was 246 in 2022 and 217 in 2023. The decrease in the number of complaints has been an indication of the improvement efforts undertaken and the progressing customer satisfaction approach.

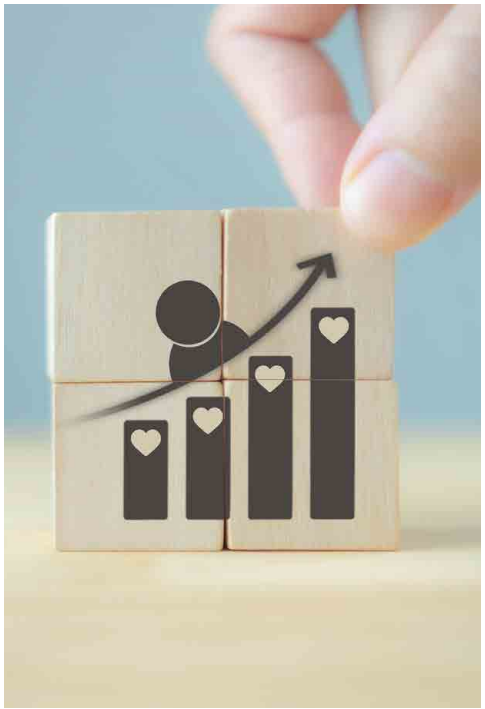
SDGs We Contribute to



Customer satisfaction surveys are also conducted regularly to measure the level of satisfaction. As part of the survey conducted in 2023, 170 customers were interviewed, and the customer satisfaction rate was measured as 84.2%.

Throughout the year, existing relationships have been strengthened and new collaborations have been developed with sales campaigns, trade fair participations, and customer-oriented events. These efforts have constituted a significant part of the steps Korteks has taken to strengthen customer satisfaction.

Korteks continues to regularly review its processes in order to enhance customer satisfaction, strengthen its transparent and multi-channel communication infrastructure, and offer the best experience in the industry.



Environment

We are redesigning all our processes, from energy efficiency to water management, carbon reduction to biodiversity, for our planet.

87 Combating Climate Change
88 Air Quality and Emission Management
89 Energy Management and Efficiency
91 Water and Wastewater Management
93 Circular Economy and Waste Management
96 Chemicals Management
97 Responsible Use of Raw Materials
98 Sustainable Product Development
99 Biodiversity



Combating Climate Change

In line with the Paris Climate Agreement and the European Green Deal, Korteks is developing regenerative business models focused on net-zero emissions, circularity, and water recovery.

Korteks's approach to environmental sustainability is not limited to operational processes, but also focuses on the design of eco-friendly products that consume less energy and water.

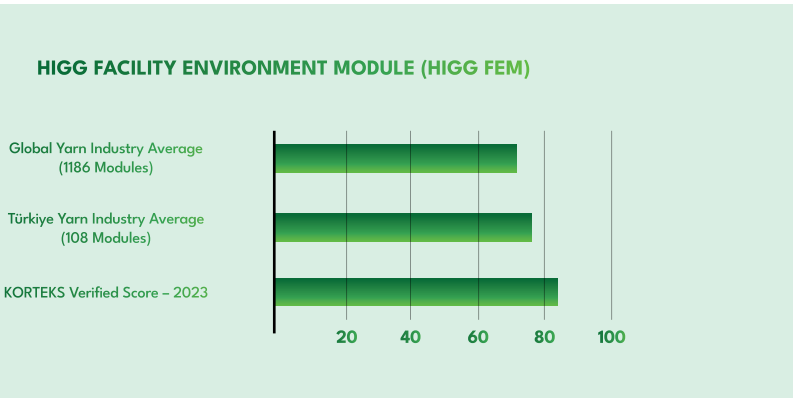
1,369 hours
Total environmental training provided to employees

Korteks regards combating climate change not only as an obligation, but also as a strategic transformation area where its business model needs to be reshaped. In alignment with global goals set out in the Paris Climate Agreement and the European Green Deal, it develops regenerative business models on the axis of net-zero emissions, circularity, and water recovery. It is restructuring, based on this approach, its entire value chain, from production processes to logistics operations, in line with the principles of decarbonization, energy efficiency, and sustainable resource management.

Environmental sustainability activities are carried out by the Environmental Unit under the Management Systems Department, and the effectiveness of processes is monitored through environmental risk assessments conducted twice a year. Performance improvements in energy, water, waste, air, and chemical management are made through the Higg Index FEM Module, and recycled raw materials in the supply chain are secured with GRS-RCS transportation certificates.

Korteks joined the Higg FEM (Facility Environmental Module) assessment process in 2022 and started to regularly measure its environmental performance. In 2022, it was audited for the first time and received 92.2 points as a result of the audit. In 2023, Korteks received 82 points as a result of the Higg Index FEM Environmental Declaration Module audit. This process is supported by improvements in water, energy, and waste management as well as chemical use, and Korteks aims to further improve its performance in line with sustainable production models.

SDGs We Contribute to



Korteks advances in alignment with goals set within the Science Based Targets initiative (SBTi), adopting holistic strategies in areas such as biodiversity conservation, greenhouse gas management, ecological product development, and raw material management to combat climate change. While aiming to achieve net zero in the value chain that directly generates emissions by 2030 and net zero emissions across the entire value chain by 2050, process-based improvements, investments in low-carbon machinery, and renewable energy projects are being implemented.

In line with the net zero emission goal, I-REC-certified renewable energy sources are used, while carbon intensity is aimed to be reduced with planned rooftop SPP and solar field investments. In 2024, carbon footprint calculations were carried out, optimizations that reduce carbon emissions in processes were implemented, and trainings were organized to increase employee awareness. Additionally, the carbon footprint of logistics operations is measured within the scope of ISO 14064, and new optimizations are implemented to reduce emissions in transportation processes.

The Company's approach to environmental sustainability is not limited to operational processes, but also focuses on the design of eco-friendly products that consume less energy and water. R&D activities are carried out in a way to minimize the environmental impact of the final products, and investments are made in sustainable innovation projects in the process. In 2024, to reduce energy consumption in ventilation systems, air conditioning ducts were revised, outdated humidification pumps were replaced with more efficient systems, and the pressure level of compressed air used in texturing machines was lowered to achieve energy savings.

A total of 1,369 hours of environmental training was organized on five main topics in order to raise employee awareness and make the sustainability approach a part of corporate culture. Greenhouse gas gains are calculated for each improvement and employees who contribute to net zero emission goals are rewarded.

Air Quality and Emission Management

In order to achieve its net zero emission goal, Korteks makes renewable energy investments, carbon-reducing optimizations in production processes, and investments in machinery and equipment compatible with the zero emission goal.

Korteks periodically measures and discloses its greenhouse gas emissions in compliance with the ISO 14064 standard.

2.15
TRY Million
Total expenditure made for emission management and mitigation efforts in 2014

In line with Zorlu Holding's Smart Life 2030 strategy, Korteks aims to achieve net zero emissions in Scope 1-2 by 2030 and in its entire value chain (Scope 1-2-3) by 2050. We are taking concrete steps to reduce greenhouse gas emissions, increase energy efficiency, and promote sustainable production models in line with Türkiye's 2053 Net Zero goal. In this context, reducing greenhouse gas emissions and combating climate change are at the center of sustainable growth strategies.

Korteks periodically measures and discloses its greenhouse gas emissions in compliance with the ISO 14064 standard. Scope 2 emissions are calculated as net zero through the I-REC certification process. Scope 3 emissions include emissions from employee shuttle services, business travel, operational waste, transportation and distribution processes, and purchased products and services. In addition to greenhouse gas management, Korteks holds an Environmental Permit on Air Emissions in accordance with the Regulation on the Control of Industrial Air Pollution and the Regulation on Environmental Permits and Licenses. Emissions from production processes are measured every two years and their impact on air quality is monitored.

In order to achieve its net-zero emission goal, the Company makes renewable energy investments, carbon-reducing optimizations in production processes, and investments in machinery and equipment compatible with the zero emission goal. In 2024, a total of TRY 2.15 million was spent on emission management and mitigation activities, and approximately TRY 350 thousand was allocated for greenhouse gas verification processes. Korteks achieved a greenhouse gas reduction of 950 tons of CO_2/year in 2022, followed by 572 tons CO_2/year in 2023 and 515.7 tons CO_2/year in 2024 through continuous improvement projects.

Korteks aims to continuously improve its emission performance and support low-carbon transformation across its value chain by integrating measurement, mitigation, and energy transformation projects as part of carbon management.

SDGs We Contribute to

GREENHOUSE GAS EMISSIONS (tons CO_2e)	KORTEKS		
	2022	2023	2024
Scope 1 / Category 1	31,064	20,810	20,949.06
Scope 2* / Category 2	-	-	-
Scope 3 / Category 3	426,349	309,931	317,744.46
GRAND TOTAL	457,413	330,741	338,694

**Scope 2 emissions have been zeroed through the acquisition of I-REC certificates.*



Energy Management and Efficiency

By using electricity certified under the I-REC system, Korteks calculates its Scope 2 emissions as net zero and aims to expand its green energy investments through energy transition projects.

SDGs We Contribute to



Korteks established the ISO 50001 Energy Management System in order for energy management has more systematic structure and certified it in 2024.

Energy management is an integral part of sustainable growth and reducing environmental impact. Energy production based on fossil fuels increases carbon emissions and jeopardizes energy security. Renewable energy sources, on the other hand, both support environmental sustainability and offer a reliable alternative in energy supply.

Recognizing that being a sustainable organization is only possible through systematic process management, Korteks aims at

- Focusing on energy efficiency in all its operations,
- Performing improvements continuously for superior energy performance,
- Following and preferring energy-efficient technology,
- Engaging in activities to reduce greenhouse gas,
- Carrying out activities to increase the use of renewable energy resources,
- Designing energy-efficient processes/products while aiming to use energy efficiently to conserve natural resources, reduce emissions, and mitigate the effects of climate change.

Korteks established the ISO 50001 Energy Management System in order for energy management has more systematic structure and certified it in 2024. In order to ensure that energy is obtained from sustainable sources, I-REC certified electricity is preferred, and rooftop SPP and solar farm investments are planned to increase renewable energy capacity. Machinery and equipment that consume less energy are used in production processes, and maintenance and optimization activities are carried out regularly to prevent energy losses.

In 2024, extensive investments were made in energy efficiency and management. In this context, we reduced energy losses through revisions to ventilation systems, closed unused lines, and saved energy by using new generation energy efficient pumps in air conditioning systems.

To improve energy efficiency in production processes, Korteks

- prefers machines and systems with low energy consumption and high efficiency,
- conducts regular maintenance activities to prevent energy losses,
- monitors the processes and optimizes energy consumption through the MV SCADA system.

All electricity consumption is sourced from renewable energy, and 83% of total energy consumption is met through renewable sources. By using electricity certified under the I-REC system, Korteks calculates its Scope 2 emissions as net zero and aims to expand its green energy investments through energy transition projects.

In addition, awareness trainings are organized to ensure the active participation of employees in energy management processes, while the energy management unit conducts biannual SWOT analyses and regular performance monitoring to evaluate risks and opportunities within the processes.

Energy Management and Efficiency

In texturing plants, adjustments were made to the ventilation ducts to enable the climate control system of the office areas to operate independently from the production areas.

The pressure level required by the compressors in the refrigeration chamber is optimized in line with process and quality requirements.

Projects and Best Practices

Texturing Climate Control Project

In texturing plants, adjustments were made to the ventilation ducts to enable the climate control system of the office areas to operate independently from the production areas. By adding separate air conditioning lines to the offices, at least one air handling unit was prevented from running for seven months a year, saving 403 MWH of energy and reducing 177 tons of CO_2 emissions.

Energy Efficiency Project for Regulators in Texturing Machines

Process improvements implemented on EAFK machines have reduced compressed air consumption based on machine requirements, while minimizing the need for part replacements, thereby lowering maintenance and spare part costs. By optimizing the pressure level, 2,083,200 Nm^3 of compressed air was saved and 101 tons of CO_2 emissions were reduced.

Compressor Energy Efficiency Project

The pressure level required by the compressors in the refrigeration chamber is optimized in line with process and quality requirements. As a result of the improvement, 175 MWH of electricity was saved annually and 76.9 tons of CO_2 emissions were reduced.

ENERGY CONSUMPTION (GJ)	2022	2023	2024
Electricity	1,091,343.92	807,786	885,348
Natural Gas	406,430.30	353,113.62	389,881
Fuel Oil	14,355.31	602.58	2
Diesel (Stationary Combustion)	763.44	821.56	242
Diesel (Motion Combustion)	4,490.41	3,603.82	2,462
Diesel Total	5,253.85	4,425.37	2,704
Gasoline (Motion Combustion)	258.37	1,224.54	1,872
GRAND TOTAL	**1,517,641.75**	**1,171,667.48**	**1,282,511**



Water and Wastewater Management

Korteks aims to recover 50% of its water by 2030 and all of its water by 2050, and, accordingly, carries out activities for the efficient use and recovery of water and raising employee awareness.

Korteks approaches water management not merely as a process focused on reducing consumption, but as a transformational model where resources are reintegrated into the circular economy.

In 2024, the utilization of second-grade water sourced from the Bursa Organized Industrial Zone (BOIZ) rose by 12% compared to the previous year.

Due to the impacts of climate change, the protection and sustainable management of water resources are among the strategic priorities for Korteks. The water management approach focuses on reducing water consumption, increasing recovery rates, and minimizing water-related environmental risks. In line with Zorlu Holding's Smart Life 2030 strategy, Korteks aims to recover 50% of its water by 2030 and all of its water by 2050, and to this end, extensive endeavors are exercised to use and recycle water more efficiently and to raise employee awareness.

Operating in one of Bursa's high water-stress regions, Korteks stands out with its water-saving production structure. 99% of its manufacturing is carried out using dry processes, while the remaining 1% involving wet production includes improvements that enable the recycling of water. These improvements reduce the amount of soft water consumption and wastewater and minimize the pressure on water resources.

As of 2024, total annual water consumption was 649,508 m^3. This water is supplied through 1st-grade municipal water and 2nd-grade (reused) water from the Bursa Organized Industrial Zone (BOIZ). In line with the Smart Life 2030 strategy, it is aimed to recover 50% of the used water. In 2024, water intensity was 2.1 m^3/ton production and the fulfillment rate of the related goal was measured as -60.42%. In the same period, the utilization of second-grade water sourced from the Bursa Organized Industrial Zone (BOIZ) rose by 12% compared to the previous year.

Korteks strengthens its sustainable water management approach not only through technical solutions but also by fostering active participation of its employees in the process. Employee awareness is raised through trainings organized in this context, aiming to spread the water-saving culture throughout the organization in alignment with the net-zero goal.

Korteks' Action Plan for Net Zero in Water

- It is aimed to collect and treat rainwater and integrate it into the system.
- Wastewater is analyzed and advanced treatment methods are investigated to make it reusable in the process.
- In order to minimize water consumption in cooling systems, transition to closed loop systems is planned.
- The 2nd-grade water used in the 2nd operation Off-Gas column is planned to be integrated into the heat exchanger system and discharged without using water.

Waste Water Management and Recovery Projects

Korteks approaches water management not merely as a process focused on reducing consumption, but as a transformational model where resources are reintegrated into the circular economy. The Planet Group, one of the sustainability working groups, develops medium- and long-term projects on water management and determines strategies for the future.

SDGs We Contribute to

In 2024, the rate of reused water was increased by 12% compared to the previous year, and the utilization rate of the second-grade water supplied from Bursa Organized Industrial Zone (BOIZ) was increased. Water consumption in the processes has been analyzed to identify the points with the highest usage, and new strategies have been developed for more efficient use.

Korteks carries out activities to reduce the pollution load of wastewater and to meet local regulations, standards, and customer expectations. Establishment of a pre-treatment system before discharge to the sewage system and reuse of wastewater are considered as part of sustainability strategies.



Water and Wastewater Management

By implementing transformative measures boosting efficiency in water management, total water consumption was reduced in 2024, achieving an annual savings of 5,000 m³ and significantly lowering environmental impact and ecological footprint.

Water Reduction Project in Bobbin Dyed Facility

Among the projects aimed at reducing water consumption, the Water Reduction Project carried out at the Bobbin Dyed Facility has been a successful example of recycling wastewater. Previously, the cooling water used in the Bobbin dyed process was sent directly to the waste water treatment plant of the organized industrial zone. However, owing to the improvement works carried out, the waste water is used in the in-boiler cooling system, accumulated in a spare tank and re-introduced into the production processes.

With this transformation, 2nd grade water consumption was reduced from 11.5 lt/kg to 3 lt/kg, saving approximately 5,000 m³ of water annually. This improvement has not only reduced water consumption, but also minimized the need for wastewater treatment, reducing the ecological footprint.

WATER ABSTRACTION	KORTEKS		
WATER ABSTRACTION BY SOURCE	**2022**	**2023**	**2024**
Groundwater (m³)	-	-	-
Water Abstracted from Municipal Supply (m³)	172,308	120,576	139,148
Rainwater Harvest (m³)	-	-	-
2nd Quality Water (m³)	552,993	457,464	510,360
Total Water Abstraction (m³)	725,301	578,040	649,508

WATER DISCHARGE	KORTEKS		
WATER ABSTRACTION BY SOURCE	**2022**	**2023**	**2024**
To Surface Water (m³)	-	-	-
To Groundwater (m³)	-	-	-
OIZ Wastewater Treatment Plant (m³)	389,687	293,366	265,463
Other Receiving Environment (m³)	-	-	-
Total Water Discharge (m³)	389,687	293,366	265,463

Circular Economy and Waste Management

Korteks embraces the transition to a circular economy as a cornerstone of its sustainability vision, positioning this shift as a top strategic priority.

Korteks undertakes several projects aimed at minimizing waste generation in its production processes and extending the lifecycle of the raw materials used.

Aligned with Zorlu Holding's Smart Life 2030 strategy, Korteks aims to reduce waste by 50% by 2030 and achieve net zero waste by 2050. To realize these ambitious goals, the Company undertakes comprehensive initiatives focused on reusing waste to optimize resource efficiency and raising employee awareness.

With an environmentally conscious production philosophy, Korteks approaches waste management in a systematic and thorough manner. Its waste management processes, conducted under the ISO 14001 Environmental Management System framework, have been further validated by earning the Zero Waste Certificate. By employing integrated software systems within its facilities, Korteks monitors waste volumes on a monthly basis, enabling transparent and effective management aligned with its annual waste reduction targets. Supported by real-time data, this system continuously tracks waste management performance and identifies opportunities for improvement.

To bolster this process, Korteks has integrated in-house software solutions linked to weighbridge systems at waste sites, allowing detailed tracking of waste content at every stage. As part of its digital transformation efforts, reporting and control parameters have been migrated to electronic platforms, leading to reduced consumption of paper and cartridges, and consequently lowering overall waste generation.

Waste Reduction Strategies and Practices

In 2024, priority was given to projects that required no investment costs, promoting reuse methods within the framework of zero waste management. Losses and leaks in polymer production processes were fed back into the system, with materials recovered through the diphyl-oil and glycol systems. Additionally, packaging for yarn waste sent to the Polymer Recycling Facility was carefully selected to favor materials that can be reused. Waste generated from production was systematically segregated at the source by type and dispatched to appropriate waste sites, reflecting a structured approach to waste management.

SDGs We Contribute to



Research into recovery technologies for raw materials discarded as waste during production is ongoing, with the objective of reintegrating recyclable materials back into the manufacturing cycle. Particular emphasis is placed on active processes to recover production oils, supporting overall resource efficiency goals.

Thanks to these initiatives, a total waste reduction of 11.6 tons was achieved in 2024. — a testament to Korteks' steadfast commitment to sustainable production and operational excellence.

Circular Economy Approach at Korteks

Korteks embraces the transition to a circular economy as a cornerstone of its sustainability vision, positioning this shift as a top strategic priority. At the heart of this approach lies the efficient use of resources, minimizing waste generation, and reintegrating existing waste into the economy through reuse, recycling, and upcycling techniques.

Within its net zero waste strategy, Korteks executes various projects aimed at minimizing waste generation in manufacturing processes and extending the lifecycle of raw materials. Throughout 2024, several initiatives aligned with this philosophy have been initiated. The Polymer Recycling Facility, established to produce RPET chips—the primary raw material for polyester—from production scrap yarn, still sets a leading example in the industry for circular economy practices. Additionally, for packaging materials used to deliver products to customers, suppliers have been required to provide recycled and recoverable materials, with the proportion of recycled content monitored on a quarterly basis.

Moreover, as part of the PLASTICE Project—approved under the European Union's Horizon Europe Green Deal Program—efforts are underway to separate and recycle textile and plastic waste, fostering innovative solutions that contribute to a more sustainable circular economy.

Circular Economy and Waste Management

Korteks is committed to responsible raw material use and seeks to deepen the application of circular economy principles by developing sustainable material management strategies that minimize the environmental footprint of its manufacturing processes.

The reuse of packaging materials has also been significantly increased. Materials such as wood, plastic pallets, sacks, bobbins, separators, straps, and Styrofoam have been reintegrated into the circular economy. Waste generated during production is channeled back into the economy through upcycling, conventional recycling, and reuse processes.

Further plans include composting canteen waste to produce fertilizer or animal feed, which will be distributed to those in need. Production efficiency has been improved, reducing process scrap and preventing raw material losses.

Korteks is committed to responsible raw material use and seeks to deepen the application of circular economy principles by developing sustainable material management strategies that minimize the environmental footprint of its manufacturing processes.

In line with its sustainable production goals, Korteks is also expanding its upcycling projects. Looking ahead, the Company plans to further optimize its digital monitoring systems in waste management to achieve more effective waste reduction, recycling, and carbon emission tracking.

Packaging Material Reduction and Reuse Project
The packaging process for the rPET yarn production scrap sent to the Polymer Recycling Facility has been reorganized to optimize the amount of packaging materials used. By reducing labor, energy, and material consumption during the baling process, the use of 42,833 sacks and 6.4 tons of fabric was eliminated, resulting in a reduction of 25.6 tons of CO_2 emissions.



Circular Economy and Waste Management

In line with its sustainable production goals, Korteks is also expanding its upcycling projects.

WASTE DETAILS	2022			2023			2024		
	Waste Generated	Waste Not Sent for Disposal	Waste Sent for Disposal	Waste Generated	Waste Not Sent for Disposal	Waste Sent for Disposal	Waste Generated	Waste Not Sent for Disposal	Waste Sent for Disposal
Waste Components	Tons	Tons	Tons	Tons	Tons	Tons	Tons	Tons	Tons
Hazardous and Medical Waste	220.48	220.48	0	159.57	159.57	0	165.64	165.64	0
Industrial General Waste	140.91	140.91	0	91	91	0	87.76	87.76	0
Food	22.477	0	22.47	17.9	0	17.9	17.5	0	17.5
Paper - Cardboard	3,388.64	3,388.64	0	2,396.0	2,396.0	0	2,606.7	2,606.7	0
Plastics	216.3	216.3	0	102.83	102.83	0	103.3	103.3	0
Wood (pallets)	472.64	472.64	0	247.3	247.3	0	318.58	318.58	0
Metal	262.58	262.58	0	218.6	218.6	0	246.95	246.95	0
Nylon	289.1	289.1	0	192.88	192.88	0	212.7	212.7	0
Other Waste (Textiles, Materials etc.)	14.8	14.8	0	4.27	4.27	0	7.0	7.0	0
TOTAL WASTE	**5,027.93**	**5,005.45**	**22.47**	**3,430.35**	**3,412.45**	**17.9**	**3,766.13**	**3,748.63**	**17.5**

Chemicals Management

Korteks is committed to building an environmentally responsible chemical management model that aligns with the principles of sustainable manufacturing, thereby elevating transparency and traceability across all chemical processes.

Conducting the Chemical Approval Process via the Electronic Information Flow (EBA) system, Korteks guarantees a controlled and thorough evaluation of chemicals starting from the purchasing phase, ensuring no chemical is procured before the approval is fully secured.

Chemical risk management is addressed within the framework of the Chemical Exposure Risk Assessment (COSHH).

To safeguard both human health and the environment, Korteks enforces a robust Chemical Management Procedure that governs the use of chemicals in production processes. Chemicals management is tackled from a thorough lifecycle that covers every stage involving chemicals, from the arrival of raw materials to waste disposal. The Chemical Approval Process, conducted via the Electronic Information Flow (EBA) system, guarantees a controlled and thorough evaluation of chemicals starting from the purchasing phase, ensuring no chemical is procured before the approval is fully secured. This process is integrated with the Chemist software, enabling inventory management based on Safety Data Sheet (SDS) information.

Green Chemistry Principles and Sustainable Chemical Use

Sustainability in chemical use goes beyond compliance with set standards and also prioritizes the transition to safer and more environmentally friendly alternatives, in line with the 12 Principles of Green Chemistry. During the procurement of chemicals used in production, SDS checks are conducted, with the aim of reducing or eliminating hazardous substances. Based on chemical exposure and environmental impact assessments, the use of less harmful chemicals in production processes is encouraged, and alternative solutions such as biodegradable chemicals and environmentally friendly dyes are explored without making changes to the processes.

Chemical Selection and Compliance Evaluation

All chemicals are assessed for compliance with MRSL (Manufacturing Restricted Substances List) and RSL (Restricted Substances List) requirements. For chemicals used in wet processes, an additional evaluation is conducted according to the ZDHC (Zero Discharge of Hazardous Chemicals) MRSL criteria. Furthermore, the compliance of chemicals is checked through international platforms such as ZDHC Gateway, Blue Sign, and The List, and accredited test reports are requested from suppliers for each lot. The use of substances restricted or banned under national and international legislation is subject to approval by the Environmental Management Unit and, when necessary, Senior Management through the Environmental Impact Activities Permit Form.

Chemical Risk Assessment Process

Chemical risk management is addressed within the framework of the Chemical Exposure Risk Assessment (COSHH). In this process, occupational safety experts, environmental engineers, the workplace physician, product safety officers, and process managers play active roles, conducting a thorough analysis of risks that can arise during the storage, transportation, and use of chemicals. As part of the environmental risk assessment, the potential for chemicals to enter receiving environments and risks that can occur in emergency or abnormal situations are evaluated, and preventive measures are determined.

Regular training sessions are held for employees on the safe use and management of chemicals. These training programs include practical instruction on procurement, acceptance into the facility, safe storage, transportation, and emergency response procedures. To raise awareness around chemical management, safety guides specific to employees are provided, and regular information sessions are conducted.

Chemical Waste Management and Recycling

In the waste management process, the recovery and reuse of chemicals are prioritized. Using internal software programs, the chemical inventory is continuously monitored, and a sharing mechanism between departments is maintained. Chemicals that remain usable within their shelf life but are no longer needed are evaluated before becoming waste. Solvents and diluents are reused multiple times in washing tanks until they lose effectiveness.

In chemical waste management, Korteks collaborates with licensed recovery firms, and hazardous wastes that cannot be recovered are handled by licensed disposal facilities in an environmentally safe manner based on analysis results. A proactive approach is adopted in chemical waste management, with ongoing efforts to review and improve processes to reduce the generation of chemical waste.

SDGs We Contribute to



Chemicals Management Performance Tracking

Korteks is committed to building an environmentally responsible chemical management model that aligns with the principles of sustainable manufacturing, thereby elevating transparency and traceability across all chemical processes. To this end, it monitors and verifies chemical management processes through the Higg Index – Higg FEM Chemical Module and carries out continuous improvement efforts to strengthen sustainable chemical practices. The key metrics monitored under this scope include:

- Chemical consumption volumes and reduction rates
- Quantity of recovered or disposed chemical waste
- Proportion of chemicals compliant with MRSL and RSL requirements
- Proportion of ZDHC-compliant chemical usage
- Duration and participation rates in chemical safety training for employees

Responsible Use of Raw Materials

Korteks evaluates the environmental impact of raw materials through Life Cycle Analysis (LCA), striving to minimize the carbon footprint across its operations.

Procurement of machinery and equipment is also aligned with Korteks' sustainability strategies.

78% of packaging materials made from plastic, paper, and wood were sourced from recycled materials.

From raw material procurement to production processes, Korteks adopts an approach grounded in environmental sustainability and the principles of the circular economy. Procurement decisions are guided by sustainability criteria, with growing adoption of recycled, organic, and renewable materials year after year.

Primary raw materials used in production include purified terephthalic acid, monoethylene glycol, catalysts, process oils, and dyes. In addition, priority is placed on the use of recycled PET (rPET) to support sustainable yarn production. During the reporting period, 18,486.2 tons of plastic, paper, and wooden packaging materials were procured, 78% of which came from recycled sources.

In 2024, a total of 15,012 tons of cardboard, 2,634 tons of wood, and 838 tons of plastic packaging were used in product manufacturing and packaging. Of this, 14,345 tons of cardboard and 126 tons of plastic were sourced from recycled materials. Additionally, 819 tons of cardboard and 978.2 tons of plastic packaging were recycled, while 3,531 tons of wooden packaging were reused, significantly reducing the need for new material purchases. In addition, Korteks is working with cardboard core suppliers to transition to reusable packaging materials and plans to reduce greaseproof paper use by implementing direct printing on boxes in place of adhesive labels.

Sustainable Sourcing Criteria for Raw Materials

Raw material selection at Korteks considers not only quality and cost, but also environmental impact and supply continuity. Korteks evaluates the environmental impact of raw materials through Life Cycle Analysis (LCA), striving to minimize the carbon footprint across its operations. Environmental performance is reported transparently through Environmental Product Statements (EPS), and procurement processes are shaped by sustainability-focused supplier selection criteria.

SDGs We Contribute to

Sustainability within the supply chain extends beyond raw material selection. Compliance with sustainability criteria is closely monitored across all suppliers. Environmental and social risks within the supply chain are assessed using the Supplier Risk Assessment Form, and corrective actions are implemented for suppliers identified as high-risk. Alternative supplier planning ensures material continuity and supports sustainable sourcing.

Procurement of machinery and equipment is also aligned with Korteks' sustainability strategies. In line with the Sustainable Machinery/Equipment Procurement Criteria Procedure, all equipment purchases must meet requirements for high energy and water efficiency and low environmental impact. In addition to standard approvals, requests must also include evaluations of energy and water use and environmental effects.



Sustainable Product Development

Korteks is committed to advancing sustainable textile production through innovative raw material usage, ambitious carbon reduction targets, and cutting-edge recycling technologies.

Korteks goes beyond simply developing sustainable products—it cultivates a transformative ecosystem alongside consumers and business partners to broaden this vision.

Korteks embeds sustainability throughout its entire production cycle—not just at the product level.

The company's sustainability strategy centers on developing products that consume fewer resources, are crafted from recycled materials, and ensure long-lasting performance. Innovative yarn solutions, designed to minimize environmental impact, are bolstered by sustainable raw material sourcing and state-of-the-art manufacturing technologies. Every stage of production is engineered in line with circular economy principles, boosting resource efficiency while shrinking the carbon footprint and accelerating transformation across the industry.

Less Resource, Greater Value: Environmentally Focused Products

Korteks' sustainable product portfolio is shaped by eco-friendly raw material selection and energy-efficient manufacturing practices. As of 2024, key sustainable product lines include:

- **TAÇ REBORN®:** A recycled yarn brand made from polyester yarn waste. Produced at Korteks' Polymer Recycling Facility, these yarns align with the Zero Waste Target, channeling textile waste back into the circular economy. Compared to conventional polyester yarn, production consumes 30% less energy and 10% less water, while greenhouse gas emissions are reduced by 50%.
- **TAÇ BİOLOOP®:** A biodegradable yarn technology designed to tackle microplastic pollution. By incorporating biodegradable additives during PET yarn production, this innovation seeks to reduce plastic waste in ecosystems. These biologically degradable PET yarns set a new benchmark for sustainable textile applications.
- **Dope Dyed Yarns:** This technology colors yarns directly in the melt phase, offering a breakthrough over traditional batch dyeing methods by dramatically reducing environmental impact. Thanks to dope dyed technology, energy use drops by 98%, water consumption by 99%, and chemical dye usage is minimized. Additionally, color inconsistencies typical of batch dyeing are eliminated, while wastewater discharge and pollution loads are significantly curtailed.

Eco-Friendly Manufacturing Processes

Korteks embeds sustainability throughout its entire production cycle—not just at the product level. Each manufacturing step is designed around the principles of quality, efficiency, energy management, workplace safety, continuous improvement, and employee awareness. Compliance with environmental sustainability goals is monitored rigorously and optimized regularly.

With growing market demand for eco-conscious products, Korteks actively showcases its sustainable solutions via its corporate website, industry fairs, customer representatives, and sustainability reports. Marketing efforts emphasize respect for the planet and the crucial role of the circular economy, seeking to deepen awareness and inspire change.

Assurance for Sustainable Production: EPD and Certifications

To ensure the credibility of its eco-friendly production processes and provide transparent information to consumers, Korteks rigorously certifies its products through internationally recognized standards and auditing systems.

- **OEKO-TEX STANDARD 100 Class 1:** It ensures the safety and reliability of all products by employing production processes that safeguard human health and exclude harmful substances.
- **EPD (Environmental Product Declaration) Certificates:** Korteks holds Environmental Product Declarations (EPDs) for its TAÇ Polyester Yarn (Virgin) and TAÇ REBORN® Yarn, transparently revealing their environmental footprints and demonstrating its commitment to sustainable production on a global scale.

SDGs We Contribute to



- **Global Recycled Standard (GRS);** An internationally recognized certification ensuring traceability and verification of recycled materials throughout the supply chain. GRS also safeguards the integrity of social and environmental practices and enforces chemical restrictions. This certification plays a crucial role in promoting responsible production and consumption.

By leveraging its EPD-certified products, Korteks strengthens its competitive edge in the global marketplace while positioning itself as a pioneer in sustainable textile manufacturing.

The Future of Production: Responsible and Circular Textiles

Korteks goes beyond simply developing sustainable products—it cultivates a transformative ecosystem alongside consumers and business partners to broaden this vision. Eco-conscious offerings are actively showcased through the corporate website, industry exhibitions, and dedicated customer representatives, with marketing efforts emphasizing the vital importance of sustainability.

Looking ahead, Korteks is set on propelling sustainable textile production forward by harnessing innovative raw materials, setting ambitious carbon reduction targets, and embracing next-generation recycling technologies. In doing so, the Company adopts a responsible production model that safeguards the planet's resources and nurtures a more livable world.

Biodiversity

Korteks is working hand in hand with civil society organizations and industry partners to develop joint initiatives that protect biodiversity and elevate environmentally friendly production to new heights.

From sourcing raw materials to running production lines, Korteks puts environmental sustainability at the heart of every step—actively minimizing its ecological footprint through smart, nature-conscious practices.

SDGs We Contribute to

The company views biodiversity and ecosystem sustainability not just as environmental responsibilities, but as essential pillars for economic vitality and social well-being. Preserving natural habitats, easing pressure on ecosystems, and developing sustainable solutions are core elements of Korteks' environmental strategy.

As part of this vision, the Planet Group was established under Korteks' internal Sustainability Working Groups, dedicated to addressing issues such as biodiversity loss, deforestation, and land use. The company is developing wide-ranging strategies—from responsible sourcing of raw materials to sustainable production techniques—to help protect ecosystem services and promote efficient use of natural resources.

Contributions to the Preservation of Natural Ecosystems

From sourcing raw materials to running production lines, Korteks puts environmental sustainability at the heart of every step—actively minimizing its ecological footprint through smart, nature-conscious practices. As part of its commitment to responsible sourcing, the Company increasingly prioritizes sustainable materials that help conserve natural resources and gives precedence to raw materials derived from recycled content.

Key priorities include sourcing agricultural inputs certified for their environmentally friendly credentials, implementing measures to protect water ecosystems, and designing production processes that drastically reduce chemical usage.

To build awareness around biodiversity conservation, Korteks runs educational initiatives for employees and stakeholders, and promotes responsible consumption and production models that help reduce ecological risks.

Guided by the mission to leave a more livable planet to future generations, the Company also leads environmental awareness campaigns and supports projects that spotlight the threat of resource depletion. Developed in line with this philosophy, TAÇ REBORN® yarn delivers a more sustainable lifestyle by consuming less water, generating less waste, and producing a lower carbon footprint. Meanwhile, TAÇ BIOLOOP® yarn stands out with its biodegradable structure designed to combat microplastic pollution—naturally breaking down and easing the burden on ecosystems.

Product Lifecycle and Biodiversity Impact

Korteks tracks the environmental footprint of its products throughout their entire lifecycle. Using Life Cycle Assessment (LCA), the Company evaluates water usage, carbon emissions, and potential impacts on ecosystems in comprehensive detail. Ongoing process improvement efforts seek to minimize the environmental impact of each product, while ecosystem-conscious production methods are implemented based on in-depth risk assessments.

Korteks currently holds Environmental Product Declarations (EPDs) for the following products:

- TAÇ Virgin Polyester Yarn
- TAÇ REBORN® Yarn (100% Re-PES, post-industrial)
- TAÇ REBORN® Yarn (100% Re-PET, post-consumer)
- TAÇ REBORN® Yarn (Hybrid: 50% Re-PET, 50% Re-PES) Each of these products is designed with sustainability in mind, aiming to minimize ecological impact throughout production.

Korteks is expanding its partnerships with NGOs and industry stakeholders to scale up biodiversity-focused initiatives and push environmentally responsible production even further. Looking ahead to 2030, the Company plans to launch new projects aimed at reducing its environmental impact on ecosystems, with a strong emphasis on regenerative business models and low-impact production practices that minimize carbon and water footprint.



Social

We are building an innovative, inclusive, and sustainable work ecosystem that puts employees' happiness, growth, and safety at the heart of what we do.

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Human Resources Approach and Management

Korteks fosters a workplace where people are empowered to realize their full potential and thrive.

Korteks's human resources approach focuses on internalizing Korteks values at all levels and developing a corporate ecosystem that supports sustainable growth.

Korteks fosters a professional working environment that upholds human rights and implements the necessary systems to ensure that its employees possess the competencies required for their roles.

The Korteks Way in Human Resources

Shaped by Zorlu Holding's Smart Life 2030 strategy and its "Human-Centered Ecosystems" vision, Korteks strives to become an employer of choice across all the sectors it operates in. This vision guides its HR practices toward creating a workplace culture that prioritizes employee wellbeing, invests in the future of work, and promotes inclusive value chains. Aligned with this vision, Korteks' human resources strategy focuses on fostering a working environment that empowers employees to realize their full potential, embedding company values at all levels, and establishing a corporate structure that supports sustainable growth. Career development, motivation, and wellbeing are placed at the core of the employee experience, with HR systems designed to support both personal achievement and the Company's long-term strategic success.

Korteks' human resources strategy focuses on cultivating a working environment that enables employees to realize their full potential. This approach emphasizes the internalization of company values at all levels and the development of a corporate ecosystem that fosters sustainable growth. Career development, motivation, and wellbeing are placed at the core of the employee experience, with HR systems designed to support both personal achievement and the Company's long-term strategic success.

Korteks' HR strategies also focus on cultivating a sense of belonging, offering equal opportunities for career advancement, and deepening its corporate culture. These efforts go beyond professional development, placing just as much emphasis on personal growth.

Korteks operates in full alignment with Zorlu Holding's core values and Zorlu Holding's Code of Ethics. All employees conduct themselves in adherence to ethical values. From hiring and compensation to promotions and talent development, robust mechanisms are in place to prevent discrimination at every stage. Candidate assessments focus solely on skills and qualifications—no personal information that could lead to bias is requested during the application process. The company maintains a strong stance on equality in post-employment practices as well. Should any incident or suspicion of unethical behavior arise, employees are encouraged to report through the 24/7 Ethics Hotline at etik@zorlu.com, 0212 456 23 23, or 0850 226 23 23.

Korteks upholds a workplace where human rights are respected and protected. Systems are in place to ensure all employees meet the qualifications required for their roles through proper education, training, and experience. The company's training programs are structured not only to support personal development but also to build the specific competencies their roles demand.

"We are entrepreneurial, innovative, and pioneering" at Korteks We prioritize innovation and creativity in all our endeavors, driven by an entrepreneurial spirit that is inherent to our organization. "We invest in innovation, technology, and R&D, striving to champion change as a trailblazer within our country. This commitment drives us to place these values at the core of our corporate culture. To foster a work culture that promotes innovative thinking and encourages creativity, the organization implements various internal practices across R&D, technology, and design. We are committed to strengthening our innovative culture and actively engaging employees in this initiative.

SDGs We Contribute to



Furthermore, the Company embraces a participatory management approach, acknowledging that employees' suggestions and contributions are strategically valuable for corporate development. Human resources policies are built around fostering corporate awareness, recognizing social and cultural needs, and enforcing equality-driven practices that create a truly inclusive workplace.

All these practices are implemented through a structured, systematic approach within the framework of human resources procedures—ensuring employees feel supported and secure throughout their career journey.



Employee Profile

The growing number of unionized women at Korteks reflects a meaningful shift—one where women are stepping into more active roles within collective representation structures.

SDGs We Contribute to

Employment data from 2022 to 2024 signals a steady transformation grounded in inclusion and diversity. The consistent rise in the number of women employees points to a more inclusive HR strategy and shows that the principle of equal opportunity is deeply embedded in the company culture.

Of particular note is the significant increase in the number of blue-collar women employees—a clear sign that women are gaining greater visibility and opportunity in production roles, where their presence has traditionally been limited. This shift goes beyond simply increasing female employment; it underscores a determined, structural commitment to making production spaces more accessible and sustainable for women. At the same time, a decrease in the number of male employees during this period can largely be attributed to the growing adoption of automation in manufacturing and a broader shift toward more efficiency-driven workforce models.

The rise in unionized women employees also highlights a growing diversity in representation and decision-making. This development is significant not only because it reflects broader representation, but also because it signals a growing diversity in participation across decision-making processes. Meanwhile, the decline in unionized male employees suggests that this transformation is increasingly shifting in favor of greater gender balance.

EMPLOYEE PROFILE	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total Number of Employees	55	2,301	2,356	62	1,848	1,910	81	1,761	1,842
Number of White-Collar Employees	51	335	386	42	307	349	37	300	337
Number of Blue-Collar Employees	4	1,966	1,970	20	1,541	1,561	44	1,461	1,505
Number of Employees Covered by Collective Bargaining Agreement / Unionized Employees	4	1,672	1,676	20	1,541	1,561	44	1,204	1,248

As of 2024, women make up 4.4% of Korteks' total workforce of 1,842 employees. While this figure remains relatively modest, it nonetheless reflects a meaningful increase in female representation compared to previous years. Among the 337 white-collar employees, women account for 11%, whereas in the blue-collar segment—comprising 1,505 employees—the figure stands at 3%. The rise in female participation within blue-collar roles, in particular, marks a notable shift and is considered a strong indicator of transformation, especially within the context of prevailing industry dynamics.

The Company's Board of Directors currently consists of 3 male members.

As of 2024, Korteks employs 54 individuals with disabilities—exceeding the legally required quota of 51. This reveals that approaches to the employment of individuals with disabilities are not limited to merely fulfilling legal obligations, but that the understanding of diversity and equal opportunity has become a holistic policy.

The remarkable rise in the number of female blue-collar workers at Korteks highlights how women are gaining greater representation in production roles—traditionally male-dominated sectors.

EMPLOYEE TURNOVER	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total terminations	3	252	255	22	461	483	19	306	325
Total terminations of employees below the age of 30	1	76	77	13	100	113	14	181	195
Number of terminations among employees aged 30 -50 (inclusive)	1	135	136	6	266	272	5	111	116
Number of terminations among employees over the age of 50	1	41	42	3	95	98	0	14	14
Employee turnover rate including voluntary resignations	3.6%	3.3%	3.3%	19.4%	6.1%	6.5%	5%	4.7%	5.3%

In 2024, Korteks saw a total of 325 employee departures, which translates to a turnover rate of 5.3% relative to the overall workforce. When factoring in voluntary resignations, the turnover rate stood at 5% for women and 4.7% for men.

Breaking down by age groups, the majority of those leaving were under 30 years old. Turnover within the mid-career bracket (ages 30–50) was noticeably lower, while departures among employees over 50 remained minimal. This distribution offers a meaningful insight into employee engagement and the Company's ability to retain experienced talent for the long term.

1,842
people
Total number of employees at Korteks as of 2024

SENIORITY	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees with 0 to 5 years of service (up to 5 years)	32	878	910	41	524	565	59	756	815
Number of employees with 5 to 10 years of service (up to 10 years)	16	616	632	13	581	594	14	458	472
Number of employees with 10 or more years of service	7	807	814	8	743	751	8	547	555

Employee Profile

2024 data underscores Korteks' commitment to work-life balance and its supportive policies facilitating employees' smooth return to work.

SDGs We Contribute to

The tenure profile at Korteks reveals a vibrant balance between onboarding fresh talent and maintaining strong employee loyalty. In 2024, 44% of the workforce (815 employees) have between 0-5 years of seniority, 26% (472 employees) fall within the 5-10 years range, while a solid 30% (555 employees) have been with the Company for over 10 years.

This distribution clearly highlights not only the successful integration of young professionals into the Company but also the ability to sustain long-term commitment. This balance reflects a human resources strategy thoughtfully prioritizing sustainable growth, blending renewal with stability in a seamless and effective way.

MATERNITY / PARENTAL LEAVE	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees who have taken maternity/ paternity leave	2	95	97	3	68	71	7	49	56
Number of employees who resumed work after completing maternity/paternity leave	2	95	97	1	68	69	0*	49	49

*As of 2024, 6 employees are still on maternity leave.

In 2024, 56 Korteks employees took maternity or parental leave, including 7 women and 49 men. None of the women have returned to work yet, with 6 still on leave and 1 having left the Company. This data underscores the significance Korteks places on work-life balance and its supportive policies for facilitating employees' return to work.

The age distribution of Korteks employees reveals a well-balanced, multi-generational workforce, reflecting the Company's diverse organizational profile.

NUMBER OF EMPLOYEES BY AGE	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Below 30 years old	17	372	389	26	258	284	41	212	253
Between 30 and 50 years old (inclusive)	32	1,569	1,601	33	1,359	1,392	37	1,272	1,309
Over 50 years old	6	360	366	3	231	234	3	277	280

As of 2024, Korteks presents a well-balanced age distribution that reflects its truly multigenerational workforce. Employees under 30 make up 13% of the total staff, those aged 30 to 50 represent 69%, and employees over 50 account for 18%. This blend fosters a workplace culture that harnesses the energy and fresh perspectives of younger talent alongside the valuable institutional knowledge of seasoned professionals. By enabling meaningful intergenerational interaction, this structure cultivates an organizational balance that fuels innovation and nurtures continuous learning and growth.

30%

Percentage of employees with 10 or more years of tenure as of 2024

NUMBER OF NEW RECRUITMENTS BY AGE	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of new recruits during the year	7	218	225	31	2	33	38	221	259
Below 30 years old	7	154	161	26	1	27	30	62	92
Between 30 and 50 years old (inclusive)	0	53	53	5	1	6	7	135	142
Over 50 years old	0	11	11	0	0	0	1	24	25

Korteks' hiring strategy for 2024 has been shaped by clear goals: increasing the proportion of women employees and attracting young talent to the Company. The growing presence of women and younger recruits among new recruits reflects Korteks' vision to build a vibrant and inclusive workforce.

Employee Engagement, Satisfaction and Motivation

In 2024, a comprehensive employee satisfaction survey was conducted in partnership with Kincentric and AON Türkiye's strategic partner, İDE Yönetim Danışmanlığı A.Ş. with 1,283 employees participating—achieving a participation rate of 70%.

Korteks stays closely attuned to industry trends through active participation in market research.

SDGs We Contribute to

At Korteks, employee satisfaction and engagement are seen as fundamental pillars for sustainable corporate growth. Guided by this philosophy, the Company continuously develops initiatives to elevate the employee experience. Through a feedback-driven management approach, satisfaction and engagement surveys are regularly conducted, with the results reviewed alongside managers to enable swift, targeted actions.

Korteks stays closely attuned to industry trends through active participation in market research. However, in compliance with competition laws, it refrains from conducting comparative benchmarking on salaries and benefits with other companies.

In 2024, a comprehensive employee satisfaction survey was conducted in partnership with Kincentric and AON Türkiye's strategic partner, İDE Management Consulting Inc., with 1,283 employees participating—achieving a participation rate of 70%. According to the 2024 survey results, employee satisfaction registered at 67%, reflecting an 11.7% decline from the previous year. For the first time, blue-collar workers were included in the engagement survey, where Korteks achieved a commitment score of 53%.

To boost motivation, Korteks continued to host a variety of social events and offer tailored benefits throughout 2024, including:
Birthday Gifts: Every employee receives a gift on their birthday.
Birth Gifts: Expanded this year to include a quarter gold coin and a TAÇ Baby Sleep Set as presents for new parents in 2024.
International Women's Day (March 8): Special breakfasts and gift presentations were organized for female employees.
Mehmet Zorlu Foundation Events: In 2024, the Zorlu Children's Theatre performed the musical "Perfect World" for children aged 4 to 13 of Korteks employees.

Internal communication plays a vital role in strengthening employee engagement at Korteks. In-house developments are shared through the Korteks Portal and effectively disseminated via notice boards, displays, and digital platforms. These channels not only provide employees with updated information on the corporate developments but also foster an interactive environment where ideas and feedback can be exchanged freely.

While Korteks actively monitors sector trends through market research, it maintains strict compliance with competition regulations by avoiding direct benchmarking of salaries and benefits with other firms.

At the same time, the Company invests in elevating the employee experience by continuously refining both social and financial benefits, tailoring new initiatives to meet evolving employee needs.

Looking ahead to 2025, Korteks plans to introduce flexible working models and adjustments to workday arrangements. Upon completion of the necessary legal approvals, new benefits such as birthday leave and marriage assistance will be rolled out. Additionally, improvements to physical workspaces, alongside updates to performance evaluation and reward systems, are also on the horizon.



Employee Development and Talent Management

Korteks's performance and career progression assessment system focuses on employee competencies and goals, providing a structured framework that supports professional growth.

Korteks also invests in academic growth, offering robust support for continued education. In 2023 and 2024, 8 employees each year embarked on MBA journeys totaling 2,048 hours of coursework.

SDGs We Contribute to

DEVELOPMENT OF EMPLOYEES AND TALENT MANAGEMENT

At Korteks, employee development is seen not just as a human resources initiative but as a cornerstone of sustainable growth. With that mindset, the Company has established a wide-ranging system that encompasses performance reviews, training opportunities, and talent management practices. From leadership development programs to industry-academia partnerships and open, participatory communication channels, Korteks provides its people with a holistic roadmap for their career trajectories.

Performance and Career Progression Assessments

Korteks' performance and career progression assessment system emphasizes employee competencies and goals, providing a structured framework that fosters professional growth. For senior and executive roles, assessments combine goal attainment with key competencies. For white-collar employees below management level, the focus is solely on competencies. Additionally, position criticality and employee potential are incorporated into this assessment process. Annual performance assessments are conducted for all employee groups.

Key Performance Indicators (KPIs) are defined for all employees in managerial positions and above, organized into four categories: financial, functional, strategic, and organizational. For positions below management, department-level KPIs are monitored for alignment and oversight.

As of 2024, 337 employees were assessed through this system, with women accounting for 11% of that group— a figure that reflects Korteks' commitment to gender equality in professional development opportunities.

KORTEKS									
PERFORMANCE ASSESSMENT	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees regularly assessed for performance and career development	51	335	386	42	307	349	37	300	337

Korteks' remuneration policy is designed with consideration of minimum wage increases and the provisions of applicable collective bargaining agreements. Efforts are made to ensure wage equity among in-scope employees and first- and middle-level managers.

Leadership and Career Development

Nurturing leadership is a top priority at Korteks, with tailored development programs designed for every managerial level. Over the past year, employees across Zorlu Holding participated in the Leadership Academy programs, delivered in collaboration with Koç University. Additionally, mid- and senior-level managers completed an intensive 72-hour TURQUALITY® Executive Development Program, designed to sharpen their leadership skills.

Korteks also invests in academic growth, offering robust support for continued education. In 2023 and 2024, 8 employees each year embarked on MBA journeys totaling 2,048 hours of coursework. This immersive program equips participants with advanced expertise in marketing, finance, entrepreneurship, communication, and leadership—empowering them to drive meaningful impact.

Bridging Academia and Industry: Young Talent Initiatives

Committed to fueling the future workforce, Korteks actively engages in university-industry partnerships. In 2024 alone, 56 university students from Uludağ University, Bursa Technical University, and TOBB University of Economics and Technology gained invaluable hands-on experience through internships.

Beyond internships, Korteks champions youth engagement through participation in university career fairs and events hosted by the Presidency's Human Resources Office. The company's involvement in the YetGen (Empowered Youth) Program—organized by the Mehmet Zorlu Foundation—includes offering students practical training in interview techniques and recruitment simulations, smoothing their path into the professional world.

Participatory Communication and Feedback Mechanisms

Korteks implements a transparent and participatory communication strategy to effectively assess employee opinions and suggestions. Multi-channel frameworks have been established to facilitate feedback regarding the work environment and conditions. In this context:

- **Feedback to Managers:** Employees are empowered to voice their suggestions and concerns directly to their managers, who take this feedback seriously and actively involve it in resolution efforts.
- **Human Resources Department:** Feedback is treated with full confidentiality by the Human Resources team and followed up with thoughtful, appropriate action.
- **Suggestion, Feedback & Complaint Boxes:** Employee input is gathered through "I Have an Idea" boxes placed across the workplace, where written suggestions and concerns are regularly reviewed.
- **Electronic Portal (eBA):** Employees can also submit suggestions and requests via the digital platform, which encourages broader participation across the organization.

Employee Development and Talent Management

Korteks aligns its performance system with the principles of gender equality, transparent communication, and continuous development, reinforcing its focus on nurturing employee competencies.

Korteks' training strategy is built on a comprehensive approach that aligns personal and professional development with the Company's long-term growth ambitions.

1,850 people
Total employees engaged in training sessions in 2024

These mechanisms offer employees a structured and secure way to share their ideas and expectations, laying the groundwork for a workplace culture built on open communication. In 2024, all three suggestions and complaints submitted through these channels were successfully resolved—demonstrating the system's effectiveness and the trust it inspires among employees.

Korteks aligns its performance system with the principles of gender equality, transparent communication, and continuous development, reinforcing its focus on nurturing employee competencies.

Employee Training at Korteks
The Cornerstone of Sustainable Growth

Korteks' training strategy is built on a comprehensive approach that aligns personal and professional development with the Company's long-term growth ambitions. Each department has clearly defined training goals, designed to expand employees' knowledge, skills, and capabilities while boosting operational efficiency and staying aligned with industry trends. These initiatives are seen as an essential element of Korteks' strategy to maintain its competitive edge.

Throughout 2024, a total of 1,850 employees participated in training programs, which collectively amounted to 16,634 person-hours. On average, female employees received 14.7 hours of training, while male employees received 8.7 hours. Among the core training offerings were modules provided by Zorlu Academy on corporate risk management, personal data protection, and cybersecurity. More technical programs—such as Energy Management Training and TRIZ Creative Problem-Solving Techniques—helped deepen sector-specific knowledge. These technical sessions drew participation from 327 employees, totaling 2,616 training hours.

Here is a breakdown of training topics and durations offered at Korteks:

KORTEKS EMPLOYEE TRAINING PROGRAMS – 2024	HOURS OF TRAINING PER ANNUM
Occupational Health and Safety Training	16,301
Environmental and Energy Training	3,448
Operations Training	10,800
Quality Training	1,382
Personal Development Training	273
Governance Training	304
Sustainability Training	626
Social Compliance Training	1,952



KORTEKS	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
No. of employees trained (excluding OHS)	55	2,301	2,356	84	2,114	2,198	87	1,763	1,850
Total training hours delivered to employees (excluding OHS)	330	19,417	19,747	2,130	13,249	15,379	1,283	15,351	16,634
Average annual training hours per employee	6.0	8.4	8.4	25.4	6.3	7.0	14.7	8.7	8.9

Employee Development and Talent Management

Aligned with its Smart Life 2030 strategy, Korteks focuses on human-centered ecosystems and regenerative business models, providing its employees with comprehensive sustainability training.

Korteks implements a Mastery Remediation Program specifically designed to support the certification of shopfloor employees' professional skills.

Korteks emphasizes key sustainability topics such as efficient use of environmental resources, waste management, climate change awareness, human rights, and workplace ethics. In 2024, 1,720 employees completed a total of 1,950 hours of training on ethics and anti-bribery. Additionally, 100% of security personnel participated in human rights procedure training. Korteks also delivered 10,800 hours of Integrated Management System training in 2024 covering quality, environment, occupational health, and safety.

Korteks' training policies actively encourage the participation of women in development programs. Female representation in training continues to grow, mirroring the Company's dedication to diversity and inclusion.

Sustainability Training

Driving forward with its Smart Life 2030 vision, Korteks offers targeted sustainability training to deepen understanding around human-focused ecosystems and regenerative business practices. In 2024 alone, 197 employees were provided with nearly 626 man/hours of training. The company partnered with the Bursa Commodity Exchange for specialized sustainability expertise courses covering game-changing themes like the European Green Deal, the Paris Climate Agreement, circular economy, and sustainable finance.

Senior management was included within the scope of an extensive sustainability training program in 2024. Main topics of the training program are as follows:

- Keeping Pace with Digital Transformation
- A Perspective on the Global Economy
- Political Trends for Leaders
- Diversity and Inclusion
- Finance for Managers
- Strategic Thinking & Planning
- Coaching Approaches for Leaders
- Creating a Powerful Charismatic Impact
- Decision-Making Amid Uncertainty
- The Changing Corporate Climate and Emotional Intelligence
- Change Management

Since 2019, Korteks has actively participated in the Smart Life Academy's Sustainability 101 program, conducted in partnership with Zorlu Holding and Boğaziçi University Lifelong Learning Center (BÜYEM). This training delivers both the foundational principles of sustainability and the latest global developments and approaches to employees. The program covers a wide range of topics, including the fundamentals of sustainability, climate crisis and justice, ecological economics, entrepreneurship and innovation, corporate sustainability, corporate volunteering, inclusion and diversity, organizations and sustainability in an era of uncertainty, sustainability leadership, and sustainability strategy. Participants who successfully complete the final assessment earn a certificate of achievement awarded by BÜYEM. To date, a total of 55 employees have participated in the Smart Life Academy Sustainability 101 program, accumulating 1,206 hours of training.

Orientation and On-the-Job Training

Comprehensive orientation and on-the-job training programs are organized to help new employees integrate swiftly into the company culture. Throughout 2024, a total of 809 hours of orientation training were delivered, providing employees with thorough insights into the Company's structure, operations, and areas of responsibility.

Additionally, every new hire receives on-the-job training covering essential topics such as occupational health and safety, environmental awareness, fire safety, quality systems, and management processes. In 2024, these sessions amounted to 1,942.5 hours of training.

Professional Development Initiatives

Korteks runs a Mastery Remediation Program aimed at supporting production-floor employees in certifying their professional competencies. In 2024, 727.5 hours of training were conducted under this program, designed to enhance participants' theoretical knowledge and practical skills while assisting them through the mastery certification process.

KORTEKS EMPLOYEE TRAININGS	2022	2023	2024
Number of employees trained on ethical principles	12	30	1,720
Hours of training on ethical principles	13	33.4	1,950
Number of employees trained on anti-bribery and corruption procedures	12	6	1,720
Hours of training on bribery and anti-corruption	13	9.4	1,950
Number of employees trained on environmental issues	1,999	766	1,542
Hours of training on environmental aspects	1,000	1,565	3,448
Number of employees trained on issues such as sustainability, UN Sustainable Development Goals	336	875	197
Hours of training on themes including sustainability and UN SDGs	336	438	626
Percentage of security personnel trained on human rights policies and procedures	100.00%	100.00%	100.00%

Human Resources Practices

Korteks actively leverages the Higg Facility Social and Labor Module (Higg FSLM) to refine and optimize its human resources practices.

Korteks is deeply committed to supporting its employees in maintaining a strong work-life balance.

SDGs We Contribute to

Human Resources Practices at Korteks

Korteks utilizes HR software systems such as QDMS and EBA to ensure its human resources processes are streamlined, transparent, accessible, and highly effective. These systems harness the advantages of data analytics and HR technologies to prioritize automation and data security across business processes.

Korteks actively leverages the Higg Facility Social and Labor Module (Higg FSLM) to refine and optimize its human resources practices. This assessment focuses on areas such as remuneration structures, working hours, occupational health and safety, and employee engagement. The data gathered is verified on an annual basis, reflecting performance over the most recent 12-month period.

In 2024, Korteks successfully completed the Higg FSLM verification process, achieving a strong score of 92%.

QDMS (Quality Document Management System)

QDMS is a document management platform that bolsters Korteks' quality management systems. It streamlines business processes, making them more efficient, effective, and transparent. By enabling electronic operations within the integrated management system, QDMS also promotes an environmentally friendly approach that helps reduce paper usage.

Through this system, Korteks achieves several key objectives:
- Automating management system processes
- Ensuring traceability
- Simplifying data analysis
- Securely managing data sharing
- Preventing data loss
- Creating corporate memory
- Saving time

The QDMS modules encompass various business processes within the Company, including:
- Action Management
- Audits
- Documentation

This system plays a vital role in the sustainable enhancement of Korteks' operational efficiency and quality management.

Korteks Portal

As a key component of Korteks' digital transformation strategy, the Korteks Portal was developed to strengthen internal communication and streamline business processes in a more centralized, efficient, and transparent manner. By uniting employees from different departments on a single platform, the portal fosters stronger interaction with the Company and enables quick access to organizational updates. It also provides a digital workplace to office staff, thereby improving the quality of communication.

- **Essential Documents:** Employees can easily access the documents they need to carry out their work.
- **HR Materials:** Policies, procedures, and other critical HR documents are readily available.
- **Cafeteria Menu:** Daily meal plans are at their fingertips, making it easier to plan their day.
- **Other Workplace Documents:** Any documentation needed for specific processes is well-organized and accessible.
- **Suggestions & Complaints Channel:** Employees can submit their feedback or concerns directly to Human Resources through the digital platform.

"Better Together" Approach to Work Life

Korteks is deeply committed to supporting its employees in maintaining a strong work-life balance. The "Better Together" initiative was launched with that principle in mind—focusing on supporting both the physical and mental well-being of its people. Through this program, employees can access services like online therapy, dietitian consultations, and personal fitness coaching. A range of motivational and wellness-focused activities are also organized regularly to uplift morale and overall well-being.

EBA

eBA is a platform designed to digitize business processes quickly and efficiently. It not only automates work flows but also integrates seamlessly with other enterprise systems.

This interconnected structure supports a process-driven working model that boosts both profitability and operational efficiency.

Using eBA also expands the Company's knowledge base and provides employees with new career development opportunities. Its feedback module—covering suggestions, requests, and complaints—creates a direct line between employees and decision-makers, ensuring that voices across the organization are heard. These channels not only provide employees with updated information on the corporate developments but also foster an interactive environment where ideas and feedback can be exchanged freely.

A Culture of Continuous Improvement

In 2024 alone, Korteks carried out 136 improvement and Kaizen projects focused on Efficiency, Environment, OHS. As a result, 240 employees were recognized and rewarded for their contributions.

Diversity, Inclusion, and Gender Equality

SDGs We Contribute to

Korteks actively supports the unlocking of leadership potential among its female employees and undertakes efforts to raise the number of women role models and leaders across the Company.

Korteks adopts and rigorously implements Zorlu Holding's Domestic Violence Prevention Policy, taking a firm stand that no form of violence will be tolerated.

KORTEKS	Female	Male	Ratio of Female Employees
Senior Management	0	7	0%
Board of Directors	0	3	0%
All other employees	81	1,754	4%

Korteks positions diversity and inclusion as core pillars of its corporate culture. This commitment is framed within Zorlu Holding's "Equal Life" Gender Equality Manifesto, developed under the "Smart Life 2030" vision. The company is dedicated to fostering a sustainable work environment by advancing gender equality, combating gender biases, empowering women in the workplace, and creating employment opportunities for disadvantaged groups.

Gender equality is seamlessly woven into Korteks' human resources practices. Equal treatment guides recruitment, development, compensation, and promotion processes, while systematic efforts ensure balanced representation within decision-making bodies. Visibility and participation of female employees are actively encouraged across all levels—from the shop floor to management.

Women's Leadership and Representation

Korteks actively supports the unlocking of leadership potential among its female employees and undertakes efforts to raise the number of women role models and leaders across the Company. Within this framework, the Company strives for gender balance at senior management levels and designs career development opportunities grounded in equal access. Moreover, Korteks contributes to raising gender equality awareness among its stakeholders and business partners.

Transformation in Corporate Language

Under Zorlu Holding's umbrella, the "Equal Life Glossary" was developed to promote gender-sensitive language within corporate communication. This glossary aims to neutralize traditionally gendered terms, making them inclusive for everyone, thereby nurturing a culture of equality in everyday discourse. Its impact is further reinforced through digital tools—such as the "Discourse Control Mechanism" integrated into Microsoft Office programs—ensuring sustainable, practical application.

Corporate Stance Against Domestic Violence

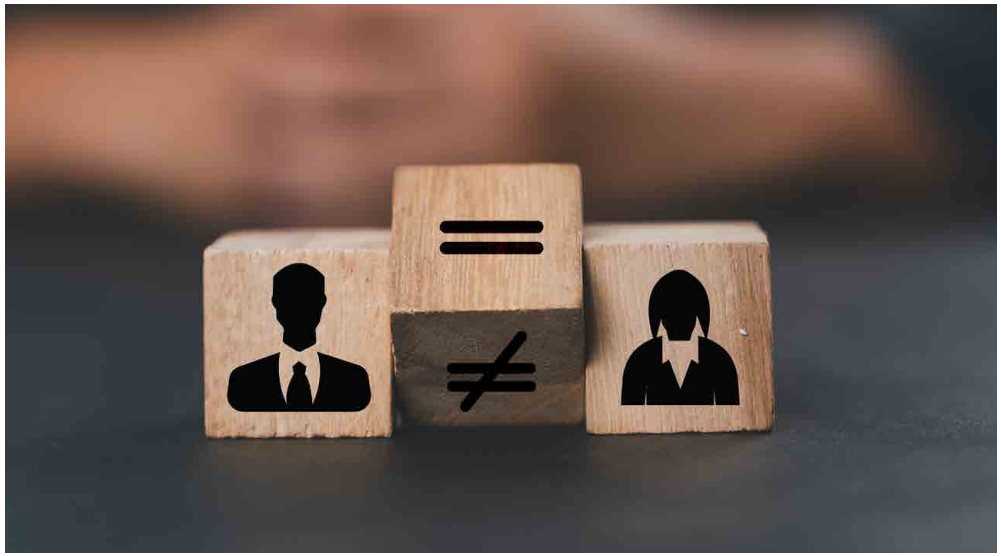
Korteks adopts and rigorously implements Zorlu Holding's Domestic Violence Prevention Policy, taking a firm stand that no form of violence will be tolerated. The policy commits to safeguarding employee safety by instituting necessary measures, as well as providing support and enforcement mechanisms.

Employee safety, both physical and psychological, is a top priority. Within this framework, support systems have been established specifically for victims, offering assistance such as securing protection, finding new housing, counseling, access to healthcare, and relocation support—all handled with strict confidentiality. Additionally, regular training programs are held to increase awareness on this critical issue among employees.

Gender Equality at Korteks

Aligned with the Smart Life 2030 vision, Korteks places strong emphasis on gender equality. As part of this commitment, the Company launched the "Mother's Room" service, prioritizing the comfort and well-being of nursing mothers returning to work after maternity leave. This space offers a clean, comfortable environment tailored to their needs.

Since 2022, Korteks has actively conducted training on gender equality. In 2023, 24 employees completed 24 hours of training, while in 2024, the numbers surged to 259 participants receiving a total of 259 hours of education.



Healthy and Safe Working Environments

Korteks places the health and safety of its employees at the heart of its mission through ongoing training and practical measures, recognizing this responsibility as paramount and continuously investing in it.

In line with its "zero accident" goal, Korteks continuously advances its occupational health and safety (OHS) policies and fosters a safe workplace under the principle of "People First."

The accident frequency rate decreased from 10.47 in 2023 to 9.47 in 2024, showing a reduction in the occurrence of occupational accidents. The accident severity rate also declined significantly from 0.27 in 2023 to 0.20 in 2024, reflecting a notable decrease in accident severity.

Korteks views occupational health and safety as an essential component of a sustainable work culture and approaches all its processes with a "Safety First" mindset. The company is committed to creating safe working environments with the goal of zero workplace accidents, embedding a culture of safety throughout the organization, and making safety a way of life. Guided by the principle that "People Come First," Korteks prioritizes safety in its process and product designs, ensuring the use of appropriate equipment.

A vision of continuous improvement and zero accidents

Korteks' occupational health and safety (OHS) strategy is built on continuous improvement, focusing on setting clear safety priorities, fostering a lasting safety culture, and raising employees' awareness of zero-accident goals. Accordingly, Korteks regularly conducts OHS evaluations and implements these policies based on Zorlu Holding's Occupational Health and Safety Policy, actively involving employees in the process.

Korteks adopts a rigorous approach to investigating and preventing accidents, viewing this commitment as an integral part of its sustainability promise.

Recognizing employees as its most valuable asset, Korteks places great importance on maintaining high health and safety standards and adhering strictly to legal requirements. Policies and procedures are continually updated by incorporating international best practices.

Ensuring employee safety is critical not only for their well-being but also for the Company's sustainable growth.

Occupational Health and Safety at Korteks

Classified as a hazardous workplace under Law No. 6331 on Occupational Health and Safety, Korteks operates a 26-member OHS Committee that holds regular meetings every two months. In 2024, the election of a female employee as a committee representative marked an important step toward greater inclusion in the workplace.

To raise OHS awareness and reinforce the safety culture, Korteks runs comprehensive training programs. In 2024, a total of 16,301 hours of Basic OHS Training were delivered. The effectiveness of these programs has been further enhanced through widespread use of digital learning platforms and increasingly interactive content.

Employees who complete the biennial 12-hour OHS training receive certification, ensuring ongoing education and commitment to workplace safety.

Korteks places the health and safety of its employees at the heart of its mission through ongoing training and practical measures, recognizing this responsibility as paramount and continuously investing in it.

Korteks continually monitors and assesses its OHS performance. In 2024, 58 workplace inspections were conducted to carefully evaluate the effectiveness of safety measures and ensure legal compliance. During the reporting period, near-miss incidents were consistently recorded at just 2, reflecting a steady and effective approach to proactively identifying and preventing potential accidents.

Regarding lost-time accidents of 3 days or more, the number decreased from 43 in 2023 to 39 in 2024. indicating the success of workplace safety measures and risk management practices.

The total lost workdays fell by 26.8%, dropping from 1,096.44 in 2023 to 802 in 2024. This improvement demonstrates the effectiveness of efforts to reduce workforce downtime and manage accidents efficiently.

SDGs We Contribute to

Additionally, the accident frequency rate decreased from 10.47 in 2023 to 9.47 in 2024, showing a reduction in the occurrence of occupational accidents. The accident severity rate also declined significantly from 0.27 in 2023 to 0.20 in 2024, reflecting a notable decrease in accident severity. These improvements confirm that Korteks' safety measures are successfully applied and that the workplace environment has become safer.



Healthy and Safe Working Environments

Under the "Pallet Safety on Automated Multi-Story Warehouse Buffer Conveyors" project, adjusting the conveyor incline angle successfully prevented pallet tipping, enhancing both product and workplace safety during shipping operations.

KORTEKS OHS STATISTICS	2022	2023	2024
Working Hours	4,722,353	4,080,511	3,792,847.3
Physical Exposure Hours	102,191	21,783	28,353.8
Total Working Hours	4,824,544	4,102,294	3,821,221.1
ACCIDENTS WITH 3+ LOST DAYS & LOST DAYS	**2022**	**2023**	**2024**
Number of Accidents	51	43	39
Days Lost	1,195	1,096.44	802
Accident Frequency	10.55	10.47	9.47
Accident Severity	0.25	0.27	0.20

KORTEKS	2022	2023	2024
Number of employees trained on OHS	2,352	1,880	3,729
OHS training hours	14,112	11,280	16,301

OHS Risk Reduction Projects at Korteks

Fire Prevention in Transformer Center Cable Passages: There was a risk that fires originating in the factory's transformer centers could spread through cables and busbars into the facility. To eliminate this hazard, fire protection measures capable of withstanding temperatures up to 1,000°C were applied to critical areas, successfully preventing potential fire spread.

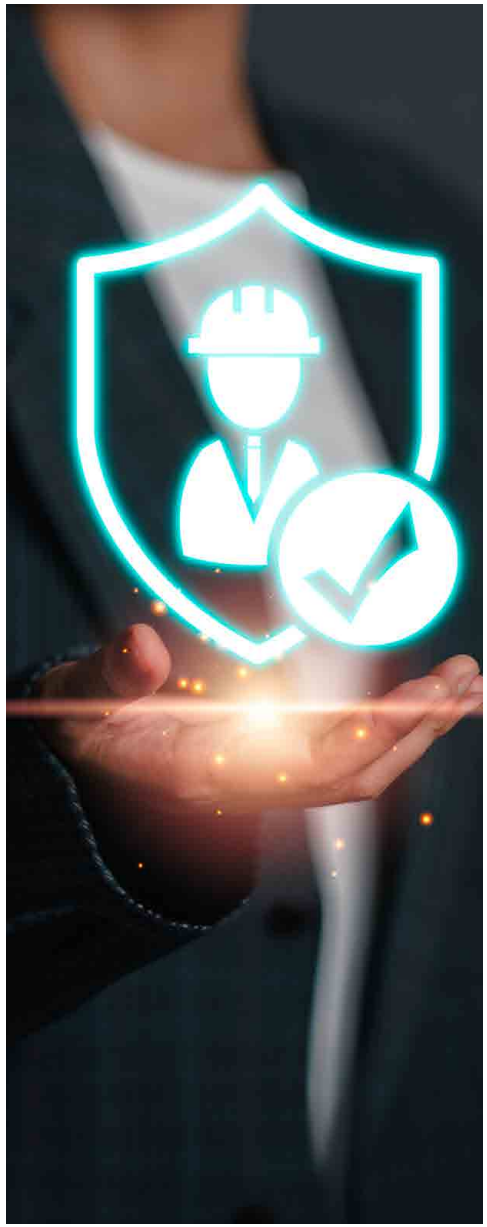
Pallet Safety on Automated Multi-Story Warehouse Buffer Conveyors: Pallets tipping over on buffer conveyors not only damaged products but also posed a risk of workplace accidents. By adjusting the conveyor's incline angle, pallet tipping was prevented, significantly improving safety during the shipping process.

Rain Deflector for Loading Doors at the Automated Warehouse: During rainy weather, water dripping from trailers parked at loading ramps created slippery surfaces. A specially designed deflector was installed to direct water flow in a controlled manner, reducing slip hazards for loading staff and forklift operators.

Customer Vehicle Safety in the Automated Shipping Area: Customer vehicles parked in the shipping area posed a risk of accidental movement due to communication gaps with employees. Thanks to an electronic wheel chock system developed by the Process Improvement Department, uncontrolled vehicle movement was prevented, ensuring forklift operators' safety.

Automation of Biocide Dosing System: Manual dosing of biocides in the second plant's water tanks carried the risk of chemical overuse. With the introduction of an automated dosing system, chemical usage was optimized, unnecessary consumption avoided, resulting in cost savings and enhanced environmental responsibility.

These initiatives highlight Korteks' commitment to occupational health and safety management and its continuous drive to safeguard employee health and well-being. These measures support the mission to create a secure and sustainable work environment.



Community Investment Programs

In 2024, Korteks reaffirmed its commitment to social responsibility by transferring a total of TRY 1,212,496 to the Mehmet Zorlu Foundation, actively supporting projects that benefit diverse segments of society.

Guided by a strong sense of responsibility, Korteks actively backs initiatives in education, environmental protection, and social development.

"A person must have the integrity to assume accountability for every penny they earn."
Mehmet Zorlu

With a focus on fostering sustainable social development, Korteks runs volunteer-led social responsibility initiatives that make a tangible difference. Beyond delivering economic value, Korteks promotes social and cultural advancement by involving employees directly, creating an ecosystem rich in social awareness and engagement.

Under the framework of Zorlu Holding's "Smart Life 2030" vision, social investments have been prioritized around "Human-Centered Ecosystems" and "Innovative Business Models," with the goal of dedicating 1% of annual EBITDA to sustainable development goals.

In 2024, Korteks reaffirmed its commitment to social responsibility by transferring a total of TRY 1,212,496 to the Mehmet Zorlu Foundation, actively supporting projects that benefit diverse segments of society. The Group manifests its vision of delivering a sustainable social contribution through projects undertaken in a joint effort with non-governmental organizations.

Volunteer activities are conducted under the "Sparks Movement," an employee volunteering program aligned with the Smart Life 2030 vision, making social responsibility a core part of the corporate culture.

Korteks' Social Contributions

Guided by a strong sense of responsibility, Korteks actively backs initiatives in education, environmental protection, and social development. Prioritizing community benefit, the Company makes substantial annual contributions to various foundations and civil society organizations.

From approximately TRY 194,000 in 2022 to TRY 1 million in 2023, Korteks raised its social investment to over TRY 1.2 million in 2024. These funds have primarily supported institutions such as the Mehmet Zorlu Foundation, which focus on education and social progress.

Demonstrating sensitivity to societal challenges and long-term dedication to public welfare, Korteks deepens its partnerships with foundations and organizations working in education, health, and environmental sectors, fueling sustainable development.

SDGs We Contribute to



KORKUT's Activities in 2024

Throughout 2024, the Korteks Search and Rescue Team (KORKUT) engaged in comprehensive training sessions and field exercises to strengthen their expertise in search and rescue, disaster management, and technical operations. Successfully completing the AFAD accreditation process, the team took part in multiple drills and actively contributed to search and rescue missions during the year.

Participated in a three-day training covering GPS-Compass Use, Map Reading, and Navigation as part of the accreditation process.	23.01.2024
Training on the Setup of Living Containers	01.02.2024
Instruction on Using Breaker-Driller Equipment for Urban Search and Rescue	07.02.2024
Search operations for missing personnel of the sunken Batuhan-A ship in the Marmara Sea	16.02.2024
Training on Setting Up Disaster Tents (4m x 4m) and Using Tripod Cranes	02.04.2024
Accreditation Exam Preparation Drill	29/30.04.2024
KORKUT underwent an accreditation exam administered by AFAD.	02/03.05.2024
Two-day camp activity in Kapaklı Village conducted by KORKUT Search and Rescue Team.	02.08.2024
Attended BTSO Disaster Awareness Seminar.	20.09.2024
Participated in the AFAD Accredited Teams Regional Camp Program in Bursa/Keles-Kocayayla.	27.09.2024
Visit to NADMEX 2024 – Disaster Management Fair and Summit (5 team members participated).	04.10.2024
Took part in the AFAD Accredited Teams Urban Search and Rescue Drill as part of the Türkiye Disaster Response Plan in Gemlik.	27.11.2024
Attended the accreditation certificate ceremony organized by the Ministry of Interior in Ankara.	05.12.2024
Joined the "Mask-Wearing Ceremony" for accredited teams held by Bursa AFAD (18 participants).	12.12.2024

Community Investment Programs

Having played a crucial role on the ground during the devastating February 6 Kahramanmaraş earthquakes, the KORKUT search and rescue team successfully completed their accreditation process. On December 5, World Volunteers Day, they received their accreditation certificates at a ceremony in Ankara, presented by Interior Minister Mr. Ali Yerlikaya and former AFAD President Okay Memiş.

Korteks is committed to integrating young talents into the business world by supporting their education and career development.





Having played a crucial role on the ground during the devastating February 6 Kahramanmaraş earthquakes, the KORKUT search and rescue team successfully completed their accreditation process. On December 5, World Volunteers Day, they received their accreditation certificates at a ceremony in Ankara, presented by Interior Minister Mr. Ali Yerlikaya and former AFAD President Mr. Okay Memiş.

Harnessing the Power of Sport: Running for Visually Impaired Children at the Istanbul Marathon

In 2024, Korteks supported the "Touching Technology, Accessing the World" project by the Parıltı Association for Visually Impaired Children at the 46th Istanbul Marathon. Through this campaign, visually impaired students were provided with braille display devices (Orbit), computers, Windows licenses, and Office software. Additionally, they received long-term technology training and psychological counseling.

Granfondo Cycling Race

Korteks participated in the Granfondo Bursa cycling race, which attracted over 700 athletes from six countries. The event championed cycling as an eco-friendly mode of transport and helped spread awareness about sustainable living.

Blood Donation Campaign at Korteks

In collaboration with the Turkish Red Crescent, Korteks organized a blood donation drive to foster a spirit of social responsibility among employees. These voluntary donations not only save lives but also contribute positively to the health of the donors themselves.

Internships and Technical Visits: Investing in Young Talent

Korteks is committed to integrating young talents into the business world by supporting their education and career development. To achieve this, it offers high school and university students internship opportunities and provide them with valuable sector experience through technical trips. Partnerships with Uludağ University, Bursa Technical University, and TOBB University of Economics and Technology offer valuable semester internships to university students.

Visits were also arranged for students from Atatürk Vocational and Technical Anatolian High School and Hüseyin Özdilek Vocational and Technical Anatolian High School, giving them insight into manufacturing processes. These visits included sustainability education, enhancing environmental awareness while preparing students for their future careers.

Career Events

Through university-industry collaborations, Korteks runs various programs aimed at integrating young talent into the workforce. In 2024 alone, 56 university students benefited from internship placements under agreements with Uludağ University, Bursa Technical University, and TOBB University of Economics and Technology. The company also actively participated in university career days and career fairs organized by the Presidential Human Resources Office. Furthermore, through the Mehmet Zorlu Foundation's YetGen (Competent Youth) program, students received training in interview simulations and recruitment techniques, boosting their readiness for employment.



Annexes

With our export strength spanning 41 countries, high production capacity, and innovative approach, we are steadfastly continuing our sustainable growth in global markets.

115 Performance Indicators
123 United Nations Global Compact (UNGC) Content Index
124 United Nations Women's Empowerment Principles (UN WEPs)
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126 GRI Content Index
133 SASB Index
134 TSRS Index

Performance Indicators

ECONOMIC PERFORMANCE INDICATORS

KORTEKS	2022	2023	2024
DIRECT ECONOMIC VALUE GENERATED (TRY)			
Net Sales Revenues	5,829,886,918.67	5,514,897,487.59	7,598,478,220
Financial Return	3,562,808,428.07	6,474,780,399.32	5,303,400,047
Income	**9,392,695,346.74**	**11,989,677,886.91**	**12,901,878,267**
ECONOMIC VALUE DISTRIBUTED (TRY)			
Cost of Sales (Including operational expenses)	3,987,377,921.06	3,781,500,656.70	6,719,891,264
Employee Wages and Benefits	528,801,223.49	998,198,751	433,653,099
Ordinary and Extraordinary Expenses and Losses Arising from Other Operations	239,528,652.90	152,529,691.64	232,067,557
Financial Expenses	2,796,098,363.26	6,284,963,743.63	6,654,804,762
Expenses	**7,551,806,160.68**	**11,217,192,842.97**	**14,040,416,682**
RESIDUAL ECONOMIC VALUE (TRY)			
Income	9,392,695,346.74	11,989,677,886.91	12,901,878,267
Expenses	7,551,806,160.68	11,217,192,842.97	14,040,416,682
Residual Economic Value	**1,840,889,186.06**	**772,485,043.94**	**-1,138,538,415**

Performance Indicators

SOCIAL PERFORMANCE INDICATORS

KORTEKS	2022			2023			2024		
NUMBER OF EMPLOYEES	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**
Number of Employees	55	2,301	2,356	62	1,848	1,910	81	1,761	1,842
Number of White-Collar Employees	51	335	386	42	307	349	37	300	337
Number of Blue-Collar Employees	4	1,966	1,970	20	1,541	1,561	44	1,461	1,505
Number of Unionized Employees/Covered by CBAs	4	1,672	1,676	20	1,541	1,561	44	1,204	1,248

KORTEKS	2022			2023			2024		
NUMBER OF EMPLOYEES PER LENGTH OF SERVICE	**Full Time**	**Part Time**	**Total**	**Full Time**	**Part Time**	**Total**	**Full Time**	**Part Time**	**Total**
Number of Employees per Length of Service	2,356	0	2,356	1,910	0	1,910	1,842	0	1,842
Number of White-Collar Employees	386	0	386	349	0	349	337	0	337
Number of Blue-Collar Employees	1,970	0	1,970	1,561	0	1,561	1,505	0	1,505

KORTEKS	2022			2023			2024		
NUMBER OF EMPLOYEES BY AGE	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**
Below 30 Years Old	17	372	389	26	258	284	41	212	253
Between 30 and 50 Years Old (Inclusive)	32	1,569	1,601	33	1,359	1,392	37	1,272	1,309
Over 50 Years Old	6	360	366	3	231	234	3	277	280

KORTEKS	2022			2023			2024		
NUMBER OF NEW RECRUITS	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**
Number of New Recruits During the Year	7	218	225	31	2	33	38	221	259
Below 30 Years Old	7	154	161	26	1	27	30	62	92
Between 30 and 50 Years Old (Inclusive)	0	53	53	5	1	6	7	135	142
Over 50 Years Old	0	11	11	0	0	0	1	24	25

Performance Indicators

KORTEKS	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of Employees in R&D, Innovation, Digitalization Departments	11	24	35	9	23	32	9	23	32

KORTEKS	2022			2023			2024		
EMPLOYEE TURNOVER	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total Terminations	3	252	255	22	461	483	19	306	325
Total Terminations of Employees Below the Age of 30	1	76	77	13	100	113	14	181	195
Number of Terminations Among Employees Aged 30–50 (Inclusive)	1	135	136	6	266	272	5	111	116
Number of Terminations Among Employees Over the Age of 50	1	41	42	3	95	98	0	14	14
Employee Turnover Rate Including Voluntary Resignations	3.6%	3.3%	3.3%	19.4%	6.1%	6.5%	5%	4.7%	5.3%

KORTEKS	2022			2023			2024		
SENIORITY	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of Employees with 0-5 Years of Service	32	878	910	41	524	565	59	756	815
Number of Employees with 5-10 Years of Service	16	616	632	13	581	594	14	458	472
Number of Employees with 10 or More Years of Service	7	807	814	8	743	751	8	547	555

KORTEKS	2022			2023			2024		
MATERNITY / PARENTAL LEAVE	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of Employees Who Have Taken Maternity/Paternity Leave	2	95	97	3	68	71	7	49	56
Number of Employees Who Resumed Work After Completing Maternity/Paternity Leave	2	95	97	1	68	69	0*	49	49

*As of 2024, 6 employees are still on maternity leave.

Performance Indicators

KORTEKS	2022			2023			2024		
NUMBER OF MANAGERS (Directors Only)	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**
Below 30 Years Old	0	0	0	0	0	0	0	0	0
Between 30 and 50 Years Old (Inclusive)	0	15	15	1	11	12	1	9	10
Over 50 Years Old	0	7	7	0	10	10	0	8	8
Total	0	22	22	1	21	22	1	17	18

KORTEKS	2022			2023			2024		
NUMBER OF SENIOR EXECUTIVES	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**
Below 30 Years Old	0	0	0	0	0	0	0	0	0
Between 30 and 50 Years Old (Inclusive)	0	2	2	0	2	2	0	2	2
Over 50 Years Old	0	3	3	0	3	3	0	5	5
Total	0	5	5	0	5	5	0	7	7

KORTEKS	2022			2023			2024		
	Female	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**
Board of Directors Gender Breakdown	1	3	4	0	4	4	0	3	3

KORTEKS	2022			2023			2024		
	Female	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**
Number of Employees with Disabilities by Gender	1	71	72	1	56	57	1	53	54

Performance Indicators

KORTEKS	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total number of employees regularly assessed for performance and career development	51	335	386	42	307	349	37	300	337

KORTEKS	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
No. of Employees Trained (excluding OHS)	55	2,301	2,356	84	2,114	2,198	87	1,763	1,850
Total Training Hours Delivered to Employees (excluding OHS)	330	19,417	19,747	2,130	13,249	15,379	1,283	15,351	16,634
Average Annual Training Hours per Employee	6.0	8.4	8.4	25.4	6.3	7.0	14.7	8.7	8.9

KORTEKS	2022	2023	2024
Number of Employees Trained on OHS	2,352	1,880	3,729
OHS Training Hours	14,112	11,280	16,301

ACCIDENTS WITH 3+ LOST DAYS & LOST DAYS	2022	2023	2024
Number of Accidents	51	43	39
Days Lost	1,195	1,096.44	802
Accident Frequency	10.55	10.47	9.47
Accident Severity	0.25	0.27	0.20

Performance Indicators

ENVIRONMENTAL PERFORMANCE INDICATORS

KORTEKS			
ENERGY CONSUMPTION (GJ)	**2022**	**2023**	**2024**
Total Electricity Consumed	1,091,343.92	807,786	885,348
Natural Gas	406,430.30	353,113.62	389,881
Fuel Oil	14,355.31	602.58	2
Diesel (Stationary Combustion)	763.44	821.56	242
Diesel (Motion Combustion)	4,490.41	3,603.82	2,462
Diesel Total	5,253.85	4425.37	2,704
Gasoline (Motion Combustion)	258.37	1,224.54	1,872
GRAND TOTAL	**1,517,641.75**	**1,171,667.48**	**1,282,511**

GREENHOUSE GAS EMISSIONS (tons CO_2)	**2022**	**2023**	**2024**
Scope 1 / Category 1	31,064	20,810	20,949.06
Scope 2* / Category 2	-	-	0
Scope 3 / Category 3	426,349	309,931	317,744.46
TOTAL	**457,413**	**330,741**	**338,694**

*Scope 2 emissions have been zeroed through the acquisition of I-REC certificates.

Performance Indicators

WATER MANAGEMENT

WATER ABSTRACTION BY SOURCE	2022	2023	2024
Groundwater (m^3)	-	-	-
Water Abstracted from Municipal Supply (m^3)	172,308	120,576	139,148
Rainwater Harvest (m^3)	-	-	-
2nd Quality Water (m^3)	552,993	457,464	510,360
Total Water Abstraction (m^3)	**725,301**	**578,040**	**649,508**

WATER DISCHARGE BY DISCHARGE DESTINATION	2022	2023	2024
To Surface Water (m^3)	-		-
To Groundwater (m^3)	-		-
OIZ Wastewater Treatment Plant (m^3)	389,687	293,366	265,463
Other Receiving Environment (m^3)	-		-
Total Water Discharge (m^3)	**389,687**	**293,366**	**265,463**

Performance Indicators

WASTE MANAGEMENT

	2022			2023			2024		
WASTE DETAILS	**Waste Generated**	**Waste Not Sent for Disposal**	**Waste Sent for Disposal**	**Waste Generated**	**Waste Not Sent for Disposal**	**Waste Sent for Disposal**	**Waste Generated**	**Waste Not Sent for Disposal**	**Waste Sent for Disposal**
Waste Components	Tons	Tons	Tons	Tons	Tons	Tons	Tons	Tons	Tons
Hazardous and Medical Waste	220.48	220.48	0	159.57	159.57	0	165.64	165.64	0
Industrial General Waste	140.91	140.91	0	91	91	0	87.76	87.76	0
Food	22.477	0	22.47	17.9	0	17.9	17.5	0	17.5
Paper - Cardboard	3,388.64	3,388.64	0	2,396.0	2,396.0	0	2,606.7	2,606.7	0
Plastics	216.3	216.3	0	102.83	102.83	0	103.3	103.3	0
Wood (pallets)	472.64	472.64	0	247.3	247.3	0	318.58	318.58	0
Metal	262.58	262.58	0	218.6	218.6	0	246.95	246.95	0
Nylon	289.1	289.1	0	192.88	192.88	0	212.7	212.7	0
Other Waste (Textiles, Materials etc.)	14.8	14.8	0	4.27	4.27	0	7.0	7.0	0
TOTAL WASTE	**5,027.93**	**5,005.45**	**22.47**	**3,430.35**	**3,412.45**	**17.9**	**3,766.13**	**3,748.63**	**17.5**

United Nations Global Compact (UNGC) Content Index

Topics	Global Principles	Relevant Section of the Report
Human Rights	Principle 1: Businesses must uphold and respect proclaimed human rights.	Business Ethics, Legal Compliance, and Transparency, page 54 Human Resources Approach and Management, page 101 Personal Development of Employees and Talent Management, pages 105-107
	Principle 2: Businesses should not be complicit in human rights violations.	Business Ethics, Legal Compliance, and Transparency, page 54 Sustainable Value Chain Management, pages 79-83
Labor Standards	Principle 3: Businesses should support workers' freedom of association and collective bargaining.	Business Ethics, Legal Compliance, and Transparency, page 54 Employee Profile, pages 102-103
	Principle 4: All forms of forced and compulsory labor must be ended.	Business Ethics, Legal Compliance, and Transparency, page 54
	Principle 5: All forms of child labor must be ended.	Business Ethics, Legal Compliance, and Transparency, page 54
	Principle 6: Discrimination in hiring and working processes must be eliminated	Business Ethics, Legal Compliance, and Transparency, page 54 Human Resources Approach and Management, page 101 Diversity, Inclusion, and Gender Equality, page 109
Environment	Principle 7: Businesses should support precautionary approaches to environmental issues.	Risk Management and Prioritization, page 55-68 Combating Climate Change, page 87
	Principle 8: Businesses world should support all activities and organizations that will increase environmental responsibility.	Stakeholder Engagement and Communication, pages 43-47 Corporate Memberships and Initiatives Supported, pages 48-49 Combating Climate Change, page 87
	Principle 9: The development and dissemination of environmentally friendly technologies should be encouraged.	R&D, Innovation, and Digital Transformation, pages 74-78 Sustainable Product Development, page 98
Anti-Corruption	Principle 10: Businesses must fight corruption in all its forms, including bribery and extortion.	Business Ethics, Legal Compliance, and Transparency, page 54

United Nations Women's Empowerment Principles (UN WEPs)

Principles	Relevant Section of the Report
Principle 1: Ensuring high-level corporate leadership for gender equality	Stakeholder Engagement and Communication, pages 43-47 Diversity, Inclusion, and Gender Equality, page 109
Principle 2: Treating all women and men fairly at work, respecting and promoting human rights and the principle of non-discrimination	Business Ethics, Legal Compliance, and Transparency, page 54 Human Resources Approach and Management, page 101 Diversity, Inclusion, and Gender Equality, page 109
Principle 3: Ensuring the health, safety and well-being of all women and men workers	Human Resources Practices, page 108 Diversity, Inclusion, and Gender Equality, page 109 Healthy and Safe Workplace, pages 110-111
Principle 4: Supporting women's education, training and professional development opportunities	Personal Development of Employees and Talent Management, pages 105-107 Diversity, Inclusion, and Gender Equality, page 109
Principle 5: Applying entrepreneurial development, supply chain and marketing methods for women's empowerment	Sustainable Value Chain Management, pages 79-83 Diversity, Inclusion, and Gender Equality, page 109
Principle 6: Promoting equality through community initiatives and advocacy work	Stakeholder Engagement and Communication, pages 79-83 Diversity, Inclusion, and Gender Equality, page 109
Principle 7: Evaluation and public reporting of achievements on gender equality	Employee Profile, pages 102-103 Personal Development of Employees and Talent Management, pages 105-107 Diversity, Inclusion, and Gender Equality, page 109 Performance Indicators, pages 115-122

WEF Stakeholder Capitalism Index

Category	Themes	Key Metrics and Explanations	Title with Related Explanations
Governance	Corporate Objective	Purpose of the Company	Our Vision, Mission, and Values, page 18 Our Sustainability Strategy and Goals, pages 29-38
	Quality of the Governing Body	Structure of the Board	Structure of the Board of Directors, Committees, and Organizational Chart, pages 51-53
	Stakeholder Engagement	Material Issues for Stakeholders	Stakeholder Engagement and Communication, pages 43-47 Material Topics and Materiality Analysis, page 67
	Ethical Behavior	Anti-Corruption	Business Ethics, Legal Compliance, and Transparency, page 54
		Mechanisms for Reporting Unethical Behavior	Business Ethics, Legal Compliance, and Transparency, page 54
	Risk and Opportunity Oversight	Integration of Risks and Opportunities	Risk Management and Prioritization, pages 55-68
Planet	Climate Change	Greenhouse Gas (GHG) Emissions	Air Quality and Emission Management, page 88 Performance Indicators, pages 115-122
		TCFD (Task Force on Climate-related Financial Disclosures) Implementation	Management of Climate Risks and Opportunities, pages 60-66
	Nature Loss	Land Use and Ecological Sensitivity	Biodiversity, page 99
	Fresh Water Availability	Water Consumption and Water Withdrawal	Water and Wastewater Management, pages 91-92 Performance Indicators, pages 115-122
Human	Dignity and Equality	Diversity and Inclusion (%)	Employee Profile, pages 102-103 Diversity, Inclusion, and Gender Equality, page 109
		Wage Equality (%)	Personal Development of Employees and Talent Management, pages 105-107 Diversity, Inclusion, and Gender Equality, page 109
		Wage Level (%)	Zorlu Textiles Group does not publicly disclose information about the level of remuneration in accordance with its internal confidentiality policies.
		Risk of Incidents of Child, Forced or Compulsory Labor	Business Ethics, Legal Compliance, and Transparency, page 54 Sustainable Value Chain Management, pages 79-83
	Health and Wellbeing	Health and Safety (%)	Healthy and Safe Workplace, pages 79-83 Performance Indicators, pages 115-122
	Skills for the Future	Training Provided (#, $)	Personal Development of Employees and Talent Management, pages 105-107 Performance Indicators, pages 115-122
Prosperity	Employment and Asset Creation	Number and Rate of Employment	Employee Profile, pages 102-103 Performance Indicators, pages 115-122
		Economic Contribution	Economic Value We Create, page 21 Performance Indicators, pages 115-122
		Financial Investment Contribution	Operational Development and Excellence, pages 70-73 R&D, Innovation, and Digital Transformation, pages 74-78
	Innovation of Better Products and Services	Total R&D Expenditures	R&D, Innovation, and Digital Transformation, pages 74-78
	Social and Community Vitality	Total Tax Paid	Zorlu Textiles Group does not publicly disclose information on tax payments in accordance with its internal confidentiality policies.

GRI Content Index

Content Index - Essentials Service, GRI Services reviewed that the GRI Content Index is presented clearly and consistently with the standards and that references to disclosures 2-1 to 2-5, 3-1 and 3-2 are consistent with the relevant sections of the report. This service was performed on the Turkish version of the report.

Statement of use	Korteks reported the period January 1 - December 31, 2024 in accordance with GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Since the sector standard for the textile sector has not yet been prepared, no sector standard has been used.

GRI STANDARD			
GENERAL DISCLOSURES		**DISCLOSURE**	**LOCATION**
GRI 2: General Disclosures 2021	**Organization and Reporting Applications**	2-1 Organizational details	About the Report, page 8 About Korteks, page 17 Our Operational Geography, page 8
		2-2 Entities included in the organization's sustainability reporting	About the Report, page 8
		2-3 Reporting period, frequency and contact point	Reporting is done on an annual basis. For contact: korteks.iplik@zorlu.com About the Report, page 8
		2-4 Restatements of information	There is no revised declaration.
		2-5 External assurance	No independent assurance statement has been received for the report.
	Activities and Employees	2-6 Activities, value chain and other business relationships	About Korteks, page 17 Sustainable Value Chain Management, pages 79-83
		2-7 Employees	Employee Profile, pages 102-103 Performance Indicators, pages 115-122
		2-8 Workers who are not employees	There are no subcontracted employees.
	Governance	2-9 Governance structure and composition	Sustainability Management Shaping the Future, pages 39-42 Structure of the Board of Directors, Committees, and Organizational Chart, pages 51-53
		2-10 Nomination and selection of the highest governance body	Zorlu Textiles Group does not publicly disclose this information in accordance with its internal privacy policies.
		2-11 Chair of the highest governance body	Structure of the Board of Directors, Committees, and Organizational Chart, pages 51-53
		2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Management Shaping the Future, pages 39-42
		2-13 Delegation of responsibility for managing impacts	Sustainability Management Shaping the Future, pages 39-42 Risk Management and Prioritization, pages 55-68
		2-14 Role of the highest governance body in sustainability reporting	Sustainability Management Shaping the Future, pages 39-42
		2-15 Conflicts of interest	Business Ethics, Legal Compliance, and Transparency, page 54
		2-16 Communication of critical concerns	Sustainability Management Shaping the Future, pages 39-42 Stakeholder Engagement and Communication, pages 43-47

GRI Content Index

GRI STANDARD			
GENERAL DISCLOSURES		**DISCLOSURE**	**LOCATION**
GRI 2: General Disclosures 2021	**Governance**	2-17 Collective knowledge of the highest governance body	Structure of the Board of Directors, Committees, and Organizational Chart, pages 51-53
		2-18 Evaluation of the performance of the highest governance body	Zorlu Textiles Group does not publicly disclose this information in accordance with its internal privacy policies.
		2-19 Remuneration policies	Personal Development of Employees and Talent Management, pages 105-107 Diversity, Inclusion, and Gender Equality, page 109
		2-20 Process to determine remuneration	Personal Development of Employees and Talent Management, pages 105-107 Diversity, Inclusion, and Gender Equality, page 109
		2-21 Annual total compensation ratio	Zorlu Textiles Group does not publicly disclose this information in accordance with its internal privacy policies.
	Strategy, Policies and Practices	2-22 Statement on sustainable development strategy	Message from the Sector President, Textile Group, pages 9-10 Message from the General Manager, pages 11-12 Zorlu Holding Smart Life, pages 27-28 Our Sustainability Strategy and Goals, pages 29-38
		2-23 Policy commitments	Zorlu Holding Smart Life, pages 27-28 Operational Development and Excellence, pages 70-73
		2-24 Embedding policy commitments	Zorlu Holding Smart Life, pages 27-28 Operational Development and Excellence, pages 70-73
		2-25 Processes to remediate negative impacts	Business Ethics, Legal Compliance, and Transparency, page 54 Customer Experience and Satisfaction, page 85
		2-26 Mechanisms for seeking advice and raising concerns	Business Ethics, Legal Compliance, and Transparency, page 54 Personal Development of Employees and Talent Management, pages 105-107
		2-27 Compliance with laws and regulations	During the reporting period, there were no incidents of non-compliance with laws and regulations and no penalties were imposed for non-compliance with laws and regulations.
		2-28 Membership associations	Corporate Memberships and Initiatives Supported, pages 48-49
	Stakeholder Engagement	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Communication, pages 43-47 Material Topics and Materiality Analysis, page 67
		2-30 Collective bargaining agreements	As of the reporting period, there are 1,248 employees covered by collective labor agreements. Employee Profile, pages 102-103

GRI Content Index

GRI STANDARD MATERIAL TOPICS		DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	**Stakeholder Engagement**	3-1 Process to determine material topics	Material Topics and Materiality Analysis, page 67
		3-2 List of material topics	Material Topics and Materiality Analysis, page 67
GRI 3: Material Topics 2021	**Sustainable Growth and Brand Management**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Economic Value We Create, page 21
GRI 201: Economic Performance 2016		201-1 Direct economic value generated and distributed	Economic Value We Create, page 21 Performance Indicators, pages 115-122
		201-2 Financial implications and other risks and opportunities due to climate change	Management of Sustainability Risks and Opportunities, page 59 Management of Climate Risks and Opportunities, pages 60-66
GRI 203: Indirect Economic Impacts 2016		203-2 Significant indirect economic impacts	Sustainable Value Chain Management, pages 79-83 Community Investment Programs, pages 112-113
GRI 3: Material Topics 2021	**Sustainable Supply Chain Management**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Sustainable Value Chain Management, pages 79-83
GRI 204: Procurement Practices 2016		204-1 Proportion of spending on local suppliers	Sustainable Value Chain Management, pages 79-83
GRI 308: Supplier Environmental Assessment 2016		308-1 New suppliers that were screened using environmental criteria	Sustainable Value Chain Management, pages 79-83
		308-2 Negative environmental impacts in the supply chain and actions taken	During the reporting period, there were no significant negative environmental impacts in Korteks' supply chain network.
GRI 414: Supplier Social Assessment 2016		414-1 New suppliers that were screened using social criteria	Sustainable Value Chain Management, pages 79-83
		414-2 Negative social impacts in the supply chain and actions taken	During the reporting period, there were no significant negative social impacts in Korteks' supply chain network.
GRI 3: Material Topics 2021	**Business Ethics and Legal Compliance**	3-3 Management of material topics	Business Ethics, Legal Compliance, and Transparency, page 54 Material Topics and Materiality Analysis, page 67
GRI 205: Anti-Corruption 2016		205-1 Operations assessed for risks related to corruption	Business Ethics, Legal Compliance, and Transparency, page 54
		205-3 Confirmed incidents of corruption and actions taken	During the reporting period, there were no cases of corruption at Korteks.
GRI 206: Anti-competitive Behavior 2016		206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	During the reporting period, there were no legal proceedings filed against the Company due to anti-competitive behavior.
GRI 406: Non-discrimination 2016		406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination at Korteks during the reporting period.
GRI 3: Material Topics 2021	**Sustainable Resource Management and Efficiency**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Responsible Use of Raw Materials, page 97
GRI 301: Materials 2016		301-1 Materials used by weight or volume	Responsible Use of Raw Materials, page 97
		301-2 Recycled input materials used	Responsible Use of Raw Materials, page 97
GRI 3: Material Topics 2021	**Climate Change / Zero Carbon / Energy Management**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Energy Management and Efficiency, pages 89-90
GRI 302: Energy 2016		302-1 Energy consumption within the organization	Energy Management and Efficiency, pages 89-90 Performance Indicators, pages 115-122
		302-4 Reduction of energy consumption	Energy Management and Efficiency, pages 89-90 Performance Indicators, pages 115-122

GRI Content Index

GRI STANDARD			
MATERIAL TOPICS		**DISCLOSURE**	**LOCATION**
GRI 3: Material Topics 2021	**Water and Wastewater Management / Zero Liquid Discharge**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Water and Wastewater Management, pages 91-92
GRI 303: Water and Effluents 2018		303-1 Interactions with water as a shared resource	Water and Wastewater Management, pages 91-92
		303-3 Water withdrawal	Water and Wastewater Management, pages 91-92 Performance Indicators, pages 115-122
		303-4 Water discharge	Water and Wastewater Management, pages 91-92 Performance Indicators, pages 115-122
		303-5 Water consumption	Water and Wastewater Management, pages 91-92 Performance Indicators, pages 115-122
GRI 3: Material Topics 2021	**Biodiversity, Deforestation and Land Use**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Biodiversity, page 99
GRI 304: Biodiversity 2016		304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity, page 99
GRI 3: Material Topics 2021	**Air Quality and Emission Management**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Air Quality and Emission Management, page 88
GRI 305: Emissions 2016		305-1 Direct (Scope 1) GHG emissions	Air Quality and Emission Management, page 88 Performance Indicators, pages 115-122
		305-2 Energy indirect (Scope 2) GHG emissions	Air Quality and Emission Management, page 88 Performance Indicators, pages 115-122
		305-3 Other indirect (Scope 3) GHG emissions	Air Quality and Emission Management, page 88 Performance Indicators, pages 115-122
		305-5 Reduction of GHG emissions	Air Quality and Emission Management, page 88 Performance Indicators, pages 115-122
GRI 3: Material Topics 2021	**Waste Management / Zero Waste / Circular Economy**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Circular Economy and Waste Management, pages 93-95
GRI 306: Waste 2020		306-1 Waste generation and significant waste-related impacts	Circular Economy and Waste Management, pages 93-95
		306-3 Waste generated	Circular Economy and Waste Management, pages 93-95 Performance Indicators, pages 115-122
		306-5 Waste directed to disposal	Circular Economy and Waste Management, pages 93-95 Performance Indicators, pages 115-122
GRI 3: Material Topics 2021	**Contribution to Local Economy and Employment**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Employee Profile, pages 102-103
GRI 401: Employment 2016		401-1 New employee hires and employee turnover	Employee Profile, pages 102-103 Performance Indicators, pages 115-122
		401-3 Parental leave	Employee Profile, pages 102-103 Performance Indicators, pages 115-122

GRI Content Index

GRI STANDARD			
MATERIAL TOPICS		**DISCLOSURE**	**LOCATION**
GRI 3: Material Topics 2021	**Healthy and Safe Workplace**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Healthy and Safe Workplace, pages 110-111
GRI 403: Occupational Health and Safety 2018		403-1 Occupational health and safety management system	Healthy and Safe Workplace, pages 110-111
		403-2 Hazard identification, risk assessment, and incident investigation	Healthy and Safe Workplace, pages 110-111
		403-3 Occupational health services	Healthy and Safe Workplace, pages 110-111
		403-5 Worker training on occupational health and safety	Healthy and Safe Workplace, pages 110-111 Performance Indicators, pages 115-122
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Healthy and Safe Workplace, pages 110-111
		403-9 Work-related injuries	Healthy and Safe Workplace, pages 110-111
GRI 3: Material Topics 2021	**Personal Development of Employees and Talent Management**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Personal Development of Employees and Talent Management, pages 105-107
GRI 404: Training and Education 2016		404-1 Average hours of training per year per employee	Personal Development of Employees and Talent Management, pages 105-107 Performance Indicators, pages 115-122
		404-2 Programs for upgrading employee skills and transition assistance programs	Personal Development of Employees and Talent Management, pages 105-107
		404-3 Percentage of employees receiving regular performance and career development reviews	Personal Development of Employees and Talent Management, pages 105-107
GRI 3: Material Topics 2021	**Equal Opportunity, Diversity and Inclusion**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Employee Profile, pages 102-103 Diversity, Inclusion, and Gender Equality, page 109
GRI 405: Diversity and Equal Opportunity 2016		405-1 Diversity of governance bodies and employees	Employee Profile, pages 102-103 Diversity, Inclusion, and Gender Equality, page 109
GRI 3: Material Topics 2021	**Labor and Human Rights**	3-3 Management of material topics	Business Ethics, Legal Compliance, and Transparency, page 54 Material Topics and Materiality Analysis, page 67 Employee Profile, pages 102-103 Personal Development of Employees and Talent Management, pages 105-107
GRI 407: Freedom of Association and Collective Bargaining 2016		407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	As of the reporting period, there are 1,248 employees covered by collective labor agreements. Employee Profile, pages 102-103
GRI 408: Child Labor 2016		408-1 Operations and suppliers at significant risk for incidents of child labor	Korteks does not employ child labor in any way, and expects its suppliers and other stakeholders in the value chain to comply with the age provisions specified in the relevant laws and regulations.
GRI 409: Forced or Compulsory Labor 2016		409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor and actions taken	Korteks and all stakeholders in its value chain, particularly its suppliers, do not employ forced labor.
GRI 410: Security Practices 2016		410-1 Security personnel trained in human rights policies or procedures	Personal Development of Employees and Talent Management, pages 105-107

GRI Content Index

GRI STANDARD			
MATERIAL TOPICS		**DISCLOSURE**	**LOCATION**
GRI 3: Material Topics 2021	**Community Investment Programs**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Community Investment Programs, pages 112-113
GRI 413: Local Communities 2016		413-1 Operations with local community engagement, impact assessments, and development programs	Community Investment Programs, pages 112-113
GRI 3: Material Topics 2021	**Cyber Security and Data Protection**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Cyber Security and Data Protection, page 84
GRI 418: Customer Privacy 2016		418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no substantiated complaints regarding breach of customer confidentiality and loss of customer data. Cyber Security and Data Protection, page 84
GRI 3: Material Topics 2021	**Responsibility to Customers and Consumers**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Operational Development and Excellence, pages 70-73 Customer Experience and Satisfaction, page 85 Sustainable Product Development, page 98
GRI 3: Material Topics 2021	**Employee Engagement, Satisfaction and Motivation**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Employee Engagement, Satisfaction and Motivation, page 104
GRI 3: Material Topics 2021	**Risk / Opportunity Management and Prioritization**	3-3 Management of material topics	Risk Management and Prioritization, pages 55-68 Material Topics and Materiality Analysis, page 67
GRI 3: Material Topics 2021	**Operational Development and Excellence**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Operational Development and Excellence, pages 70-73
GRI 3: Material Topics 2021	**R&D, Innovation, and Digital Transformation**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 R&D, Innovation, and Digital Transformation, pages 74-78
GRI 3: Material Topics 2021	**Global Standards Compliance and Advocacy**	3-3 Management of material topics	Business Ethics, Legal Compliance, and Transparency, page 54 Material Topics and Materiality Analysis, page 67 Operational Development and Excellence, pages 70-73
GRI 3: Material Topics 2021	**Sustainable Product Design**	3-3 Management of material topics	Our Products and Brands, pages 22-24 Material Topics and Materiality Analysis, page 67 Sustainable Product Development, page 98
GRI 3: Material Topics 2021	**Chemicals Management**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Chemicals Management, page 96

GRI Content Index

GRI STANDARD			
MATERIAL TOPICS		**DISCLOSURE**	**LOCATION**
GRI 3: Material Topics 2021	**Corporate Governance, Communication and Transparency**	3-3 Management of material topics	Stakeholder Engagement and Communication, pages 43-47 Structure of the Board of Directors, Committees, and Organizational Chart, pages 51-53 Business Ethics, Legal Compliance, and Transparency, page 54 Material Topics and Materiality Analysis, page 67
GRI 3: Material Topics 2021	**Plastic Pollution**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 R&D, Innovation, and Digital Transformation, pages 74-78 Sustainable Product Development, page 98
GRI 3: Material Topics 2021	**Water Scarcity**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Water and Wastewater Management, pages 91-92
GRI 3: Material Topics 2021	**Work-Life Balance**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Employee Profile, pages 102-103 Human Resources Practices, page 108
GRI 3: Material Topics 2021	**Multi-Stakeholder Initiatives and Collaborations**	3-3 Management of material topics	Stakeholder Engagement and Communication, pages 43-47 Corporate Memberships and Initiatives Supported, pages 48-49 Material Topics and Materiality Analysis, page 67 R&D, Innovation, and Digital Transformation, pages 74-78
GRI 3: Material Topics 2021	**Corporate Volunteering Contribution**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Community Investment Programs, pages 112-113
GRI 3: Material Topics 2021	**Intrapreneurship**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Operational Development and Excellence, pages 70-73 Human Resources Approach and Management, page 101
GRI 3: Material Topics 2021	**Other Living Beings and Animal Rights**	3-3 Management of material topics	Material Topics and Materiality Analysis, page 67 Circular Economy and Waste Management, pages 93-95 Biodiversity, page 99

SASB Index

Table 1. Sustainability Disclosure Topics and Metrics

Subject	Metric	Category	Unit	SASB Code	Title with Related Explanations
Management of Chemicals in Products	Discussion of processes for maintaining compliance with restricted substances regulations	Discussion and Analysis	N/A	CG-AA-250a.1	Chemicals Management, page 96
	Discussion of processes for assessing and managing risks/hazards associated with chemicals in products	Discussion and Analysis	N/A	CG-AA-250a.2	Chemicals Management, page 96
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 and (2) beyond Tier 1 supplier facilities that comply with wastewater discharge permits or contracts	Quantitative	Percentage (%)	CG-AA-430a.1	Sustainable Value Chain Management, pages 79-83
	Percentage of (1) Tier 1 and (2) beyond Tier 1 supplier facilities that completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	CG-AA-430a.2	Sustainable Value Chain Management, pages 79-83
Working Conditions in the Supply Chain	Percentage of (1) Tier 1 and (2) beyond Tier 1 supplier facilities audited against a code of conduct, (3) what percentage of total audits were conducted by a third-party auditor	Quantitative	Percentage (%)	CG-AA-430b.1	Sustainable Value Chain Management, pages 79-83
	Ratio of (1) material non-compliance and (2) related corrective action in supplier code of conduct audits	Quantitative	Ratio	CG-AA-430b.2	Sustainable Value Chain Management, pages 79-83
	Description of the biggest (1) labor and (2) environmental, health and safety risks in the supply chain	Discussion and Analysis	N/A	CG-AA-430b.3	Risk Management and Prioritization, pages 55-68
Raw Material Supply	(1) List of priority raw materials; for each, (2) environmental/social factors threatening the supply, (3) business risks/opportunities associated with these factors, and (4) discussion of the management strategy	Discussion and Analysis	N/A	CG-AA-440a.3	Management of Climate Risks and Opportunities, pages 60-66 Responsible Use of Raw Materials, page 97
	(1) The quantity of priority raw materials purchased on a material-by-material basis, and (2) the quantity of each priority raw material certified to a third party environmental/social standard on a standard-by-standard basis.	Quantitative	Metric tons	CG-AA-440a.4	Responsible Use of Raw Materials, page 97 Sustainable Product Development, page 98

Table 2. Activity Metrics

Activity Metric	Category	Unit	SASB Code	Title with Related Explanations
(1) Number of Tier 1 suppliers and (2) Number of beyond Tier 1 suppliers	Quantitative	Number	CG-AA-000.A	Sustainable Value Chain Management, pages 79-83

TSRS Index

TSRS 1: General Provisions on Disclosure of Sustainability-Related Financial Information

Core Content	Standard Item Code	Field of Relevant Disclosure in the Report
Governance	**27-a** **27-b**	Structure of the Board of Directors, Committees, and Organizational Chart, page 51-53 Sustainability Management Shaping the Future, pages 39-42
Strategy	**29 (a,b,c,d,e)** **30 (a,b,c)** **31** **32 (a,b)** **33 (a,b,c)** **34 (a,b)** **35 (a,b,c,d)** **36** **37 (a,b)** **38 (a,b)** **39** **40 (a,b,c)** **41** **42**	Our Sustainability Strategy and Goals, pages 29-38 Management of Sustainability Risks and Opportunities, page 59
Risk Management	**43 (a,b)** **44 (a,b,c)**	Proactive Risk and Crisis Management, pages 55-58
Metrics and Targets	**45** **46 (a,b)** **47** **48** **49** **50 (a,b,c,d)** **51 (a,b,c,d,e,f,g)** **52** **53**	Our Sustainability Strategy and Goals, pages 29-38 Performance Indicators, page 115-122

TSRS Index

TSRS 2: Climate Related Explanations

Core Content	Standard Item Code	Field of Relevant Disclosure in the Report
Governance	**6 (a,b)** **7**	Structure of the Board of Directors, Committees, and Organizational Chart, page 51-53 Sustainability Management Shaping the Future, pages 39-42
Strategy	**8** **9 (a,b,c,d,e)** **10 (a,b,c,d)** **11** **12** **13 (a,b)** **14 (a,b,c)** **15 (a,b)** **16 (a,b,c, d)** **17** **18 (a,b)** **19 (a,b)** **20** **21 (a,b,c)** **22 (a,b)** **23**	Our Sustainability Strategy and Goals, pages 29-38 Management of Climate Risks and Opportunities, pages 60-66
Risk Management	**24** **25 (a,b,c)** **26**	Proactive Risk and Crisis Management, pages 55-58
Metrics and Targets	**27** **28 (a,b,c)** **29 (a,b,c,d,e,f,g** **30** **31** **32** **33 (a,b,c,d,e,f,g,h)** **34 (a,b,c,d)** **35** **36 (a,b,c,d,e)** **37**	Our Sustainability Strategy and Goals, pages 29-38 Performance Indicators, page 115-122

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