



2022 SUSTAINABILITY REPORT





**“Since WE HAVE SUSTAINABILITY, WE HAVE
MANUFACTURED AS TODAY’S MISSION AND WE
WILL CONTINUE TO PRODUCE”**



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ABOUT US

One of the most important ready-to-wear exporters of Izmir and Turkey, Demirişik Textile A.Ş. In 1983, it started its production under the domestic market brand SARP JEANS in Izmir, the beautiful city of Turkey that opens to the west. The company decided to expand its production and export in 1986 and has been exporting to many successful brands in Europe since then. SARP Jeans has kept up with all the developments in our country and the world with globalization and has adopted the principle of continuous innovation. For SARP Jeans, customer satisfaction comes first and as a result, it works to deliver the best quality products to its customers with short-term deadlines.

Recently, SARP Jeans has become an important player among Turkish ready-made clothing exporters, especially in the field

of sustainability. In addition to raising the environmental awareness of the employees, while performing their activities and in the suppliers they receive service; started to carry out studies on occupational health and safety issues above the legal requirements. As a result, it was first awarded the GOTS (Global Organic Textile Standards) product certificate in 2009. In order, The first SWAN (Nordic Eco Label) denim and non-denim production in the world was carried out in the production facilities, which passed the FWF (Fair Wear Foundation) inspection in 2022. Its great success in this field has created a success story in the ready-made clothing market.

Our company, which has developed its certification and social sustainability range in the past, has added Recycled Claim Standard (RCS), Organic Content Standard (OCS), Global Recycled Standard (GRS), OEKO-TEX®

100, Business Social Compliance Initiative (BSCI) certificates and Ellen MacArthur became a member of the Foundation's The Jeans Redesign project.

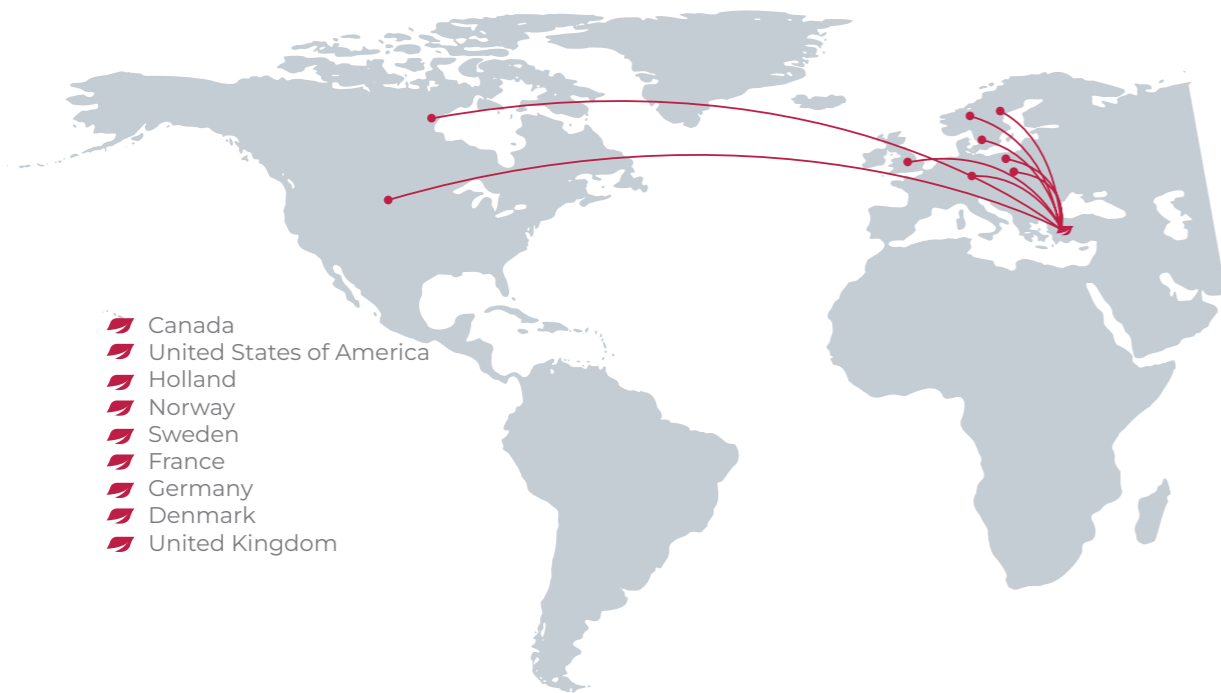
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With over 40 years of production experience, the young and experienced team works in harmony with a team spirit. SARP Jeans, which has chosen the aim of happiness of the workers and production of happy faces, is proud of being with the same team of employees for many years. Having white and blue collars, which are retired or have been working for a long time, adds both experience and smiling faces to the SARP Jeans team. Exports are carried out to customers with

high quality standards. Expectations in this direction are met with an internal control system established in a 5-year plan with both consultancy firms and textile universities. Quality assurance specialists serve within the company. In quality control standards, internal control is carried out according to the «AQL 2.5» standard. Production processes from cutting to packaging are reported and every stage of production is kept under control. For the control system, all possibilities that can be encountered with risk analysis, which is a first in ready-to-wear, are included in the control systems. All risks are reported by the control team in lists according to their duties and responsibilities.

Evaluating our activities at the top management level under the roof of corporate sustainability since 2020, in line with our policies; We started to manage. In addition, while ensuring customer satisfaction, ensuring social satisfaction and environmental sustainability is the most important responsibility of SARP Jeans.

OUR EXPORT MAP



MISSION, VISION AND VALUES

Our Mission

“While producing products that create a sustainable heavy woven ready-to-wear understanding for our future generations, ensuring the right quality and price ratio, following sustainable production techniques, meeting customer expectations at the highest level and ensuring customer satisfaction.”

Our Values

- A fair administration
- Full compliance with the law
- Respect for employees, environment and society
- Not discriminating against race, ethnicity, language, religion, opinion or gender.
- Continuous improvement
- Respecting Universal Human Rights

Our Vision

“To be the most exemplary exporter of the sector with its environmentally friendly and respectful production chain and techniques together with its suppliers, recognized and appreciated by all world brands in the export of heavy woven ready-made garments by making high quality and innovative production.”



CEO MESSAGE

As SARP JEANS business, we were excited to publish our Sustainability Report for the first time last year. We made our report available to all our stakeholders by first publishing it with our customers and on our website.

As Sarp Jeans, we have reflected our progress in our sustainability journey into the content of our report. I will state below what we did in 2022. But first, I would like to share an important detail with you. It is a bit difficult to calculate product-related carbon emissions in our sector, or rather to reach healthy data and to calculate from there. As Sarp Jeans, we tried to turn the bottlenecks we experienced in the previous years into opportunities. First of all, in our production processes; By making very successful collaborations with our product service suppliers and product suppliers, we regularly provided data on greenhouse gas emissions (scope 1, scope2 and scope3) to our Sustainability department. Thus, for the first time, we determined the methodology and weight ratios for calculating greenhouse gas emissions from the cradle to the door according to the product variety. We accomplished this difficult process together with our suppliers. We thank all our suppliers for their participation and transparency. In addition to these, I would like to summarize our

work we have done within the scope of sustainability in 2022;

- We continued our improvements (efficiency, quality, deadline, etc.) in our production processes.
- We started to review and evaluate all our documents from the perspective of ISO 14001 EMS
- We continued our trainings to raise awareness of our employees in environmental and social dimensions.
- We made infrastructural improvements within the scope of employee satisfaction.
- We worked with our product and service suppliers within the scope of greenhouse gas emissions
- We started to analyze the environmental parameters on a monthly basis (water consumption, waste amount, energy consumption, etc.)
- We decided to get ISO 14001 EMS Certificate
- We decided to be verified by an independent organization under HIGG FEM and HIGG FSLM Requirements and registered with HIGG INDEX.

2021 was the year we experienced many firsts for us. We can say that 2022 has been a year in which we implement our firsts in the field, develop them in the process and make new decisions. As we stated in our previous report, we continue to set our strategic priorities, starting from 2022, within the framework of the EU green agreement, which

will also support the sub-goals of the UN Sustainable Development Goals.

I also list our 2023 targets for you;

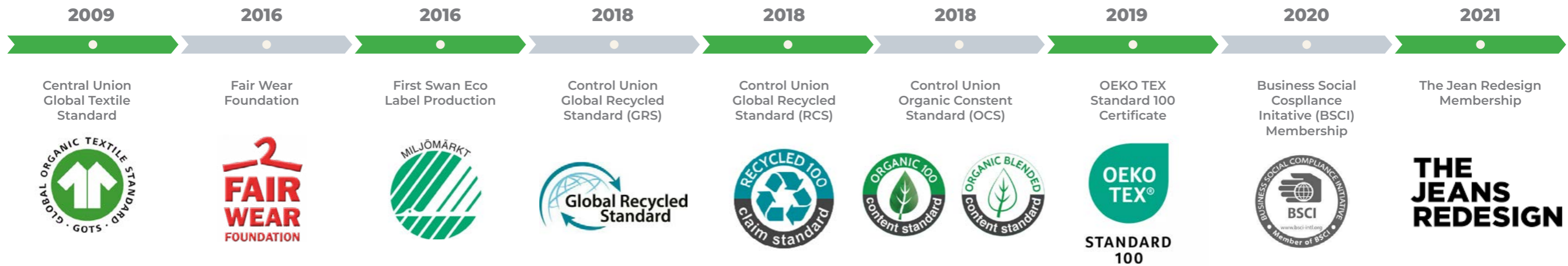
- Obtaining ISO 14001 EMS Certificate
- Provide HIGG FEM and HIGG FSLM Validation
- To start the ISO 9001 KYS Certificate studies
- Calculating greenhouse gas emissions (cradle to door) for each product we produce
- To increase our cooperation and joint projects with our service suppliers to reduce our environmental impact
- Measuring our productions with sustainable product certificates and setting targets,
- Receiving the opinions and suggestions of some of our stakeholders (related to our report)
- Obtaining the Product Regenagri Certificate,
- Establishing a renewable energy source.

I would like to thank all of our employees, business partners, customers and shareholders who stand by us while carrying out our activities and contribute to our efforts to create a sustainable world.

Kind regards,
Uraz BATUR



OUR SUSTAINABILITY JOURNEY



OUR SUSTAINABILITY APPROACH

As SARP Jeans, we are aware of the need to evaluate these activities in social, environmental and economic dimensions in order to leave our beautiful world, which we have entrusted from future generations, as a more livable world while creating our products and carrying out our activities.



Social

- Respecting Universal Human Rights
- To realize the occupational health and safety of our employees above the legal requirements
- Ensuring that there is no discrimination in recruitment and placement
- To make positive discrimination to increase women's participation in business life

Economic

- To be a pioneer in our industry
- As an apparel business, constantly increasing our product quality above customer expectations
- Spreading our understanding of sustainability to our stakeholders and making strategic projects with them

Environmental

- Reducing waste at source
- To produce remedial projects in cooperation with our suppliers in order to reduce the amount of waste water generated during the formation of our product.
- Raising awareness beyond legal and customer requirements to all our team and service providers
- Reducing the emission of greenhouse gases from our activities
- Using renewable energy sources
- Preferring environmentally friendly products
- Continuously improving our environmental performance
- Monitoring the life cycle of our product

TRENDS AND WORLD RISKS

As seen in the table, combating climate change and transitioning to a low-carbon society, which ranks first in the World Economic Forum's Risk Perception Survey, are among the most important challenges of the current period.

The Green Deal roadmap, announced by the European Union in 2019, includes the actions to be taken to reach zero emissions by 2050. The European Union has officially announced that by 2030, it will reduce greenhouse gas emissions by 50-55% from 1990 levels. Our country signed the Paris Agreement in 2021 and started to launch similar targets to other signatory countries.

Approximately 45% of our country's exports are made to European countries. For this reason, our future plans should be shaped according to the risk perception of our world and within the scope of the EU Green Deal.

Policies, laws and regulations to be created by our state should be created in a way that will serve this current situation.

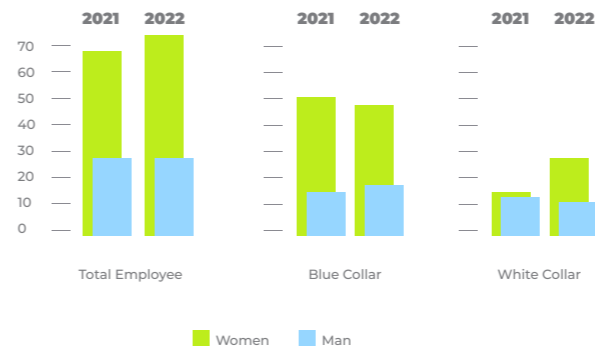
Global Risks to Stand Out in the Next Decade			
1	Climate Change	6	Infectious Diseases
2	Extremely Variable Weather Conditions	7	Human Environment Damage
3	Biodiversity Losses	8	Natural Resources Crisis
4	Social Cohesion Erosion	9	The Debt Crisis
5	Livelihood Crisis	10	Geoeconomic Conflict
Color Expansions			
Green	Environmental Factors		
Red	Social Factors		
Blue	Economic Factors		
Yellow	Geopolitical Factors		

VALUING THE EMPLOYEE

We maintain occupational health and safety in the business environment by offering an efficient, safe and happy working environment to our employees with an approach that respects human rights.

With our policy of respect for both occupational safety and social rights, we carry out our production with smiling faces.

With the awareness that social development and progress in business life can only be achieved through the empowerment of women, we are working to increase women's employment and strengthen the role of women in business life.



SOCIAL

SARP Jeans has taken the necessary steps to offer its employees a safe, hygienic and comfortable working environment. In 2022, each of our employees received 35 hours of training. TEMA Foundation New Year's Work In every new year period, special afforestation works are carried out in the arid regions of Turkey on behalf of all our customers with whom we have a communication network with SARP Jeans. Certificates are sent to the names of our customers' employees one by one.

In the project, which has been going on for 8 years, approximately 1182 trees have been planted on behalf of our customers' employees.

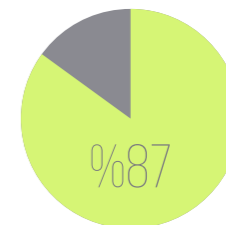


ADDING VALUE TO THE DENIM INDUSTRY

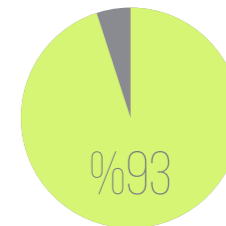
Since 2009, we have been a part of this sustainable journey to produce sustainable products and create a better world for humanity, and we have made many practices in this regard. We have increased the number of our products with sustainable stories every year.

During this process, many new machines and chemicals have been developed and researched to help us reduce our environmental impact. As the SARP Jeans family, we have always been a pioneer in the sector in using these technologies to reduce our water & energy & chemical use.

As seen in the graphic below, we continue to increase our goal of producing sustainable products.



2021
Produced using 87% sustainable fabric in 2021



2022
Produced using sustainable product fabric to be added by 2022 93%

REDUCING ENVIRONMENTAL IMPACT

The effects of important global problems such as the climate crisis, depletion of natural resources, environmental pollution and biodiversity are increasing, and we are aware of the negative effects of progress with classical business models in this direction. For this reason, as SARP Jeans, our values and stakeholders always make us a pioneer in order to create a positive change in the heavy woven ready-to-wear industry. As the reliable partner of the world's global denim brands, we strongly believe that we can contribute to a change that makes a difference with our fashion approach that is sensitive to nature, environment and people.

In the Global Risks 2022 Report published by the World Economic Forum, "climate action failure" is the number one long-term threat and the risk with potentially the most severe impacts over the next decade.

We are aware of the negative environmental impact on our planet and leaving a better world for future generations is one of our top priorities. For this reason, we determine our corporate goals and values to cover all dimensions of economic, social and environmentally sustainable development, and we carry out all our company activities within the framework of the

principle of sustainability. We strive to be sensitive to nature and the environment in all of our activities based on ethical product supply. In this approach, which also includes the principles of sustainability and the areas in which we contribute to the goals of sustainable development, there are three value areas: valuing the sector, valuing the employees and reducing the impact on the environment.



ENVIRONMENTAL MANAGEMENT

We consider minimizing the impact we have created on natural resources as one of our priority issues. Developing new technology and digitalization create new opportunities to reduce our environmental impact by using resources efficiently. We see it as our general principle to fully fulfill the legal regulations and customer requirements regarding environmental management. Our environmental policy guides our activities. In this direction:

- To take into account the environmental demands of our customers, to comply with all national and local legal requirements related to our environmental aspects,
- To reduce our water consumption by using or making use of new technologies.
- To increase the amount of recovery and recycling while

performing our production or activities.

- To continuously improve our environmental performance,
 - To ensure optimum use of our natural resources,
 - To raise environmental awareness and encourage all our employees, suppliers and customers in cooperation,
- In order to manage our environmental sustainability works more systematically, to obtain the internationally valid ISO 14001 EMS Certificate and to ensure the verification of HIGG FEM,
- Obtaining the Product Regenagri Certificate,
 - Establishing a renewable energy source.
 - We are committed to establishing an economic and ecological balance by considering the environmental impact in our current and planned production

activities. If we summarize our work on behalf of Environmental Sustainability;

- We developed the content of our 2022 Sustainability Report
- We started to review and evaluate all our documents from the perspective of ISO 14001 EMS
- We continued our training to raise awareness of our employees in environmental and social dimensions.
- We held meetings about greenhouse gas emissions with our suppliers of fabrics, accessories, etc.
- We've expanded our scope when calculating cradle-to-door greenhouse gas emissions. (detail page 17. Calculation of greenhouse gas)
- We conducted monthly meetings and field visits in the environmental data management of our service providers (washing,

embroidery, etc.).

- We started to analyze the environmental parameters on a monthly basis (water consumption, waste amount, energy consumption, etc.)
 - We decided to get ISO 14001 EMS Certificate, we carried out our trainings.
 - We have decided to Verify by an independent organization under the HIGG FEM and HIGG FSLM Requirements and have registered for HIGG. Relevant personnel training has been completed.
 - We continued to sort waste and give it to licensed (recycling/recovery/disposal) companies on a regular basis.
 - We conducted Zero Waste Trainings.
 - We have determined our 2023 environmental sustainability targets.
- In 2022, we reduced our unit costs by 20% by using recycled and recycled products in our products and services.

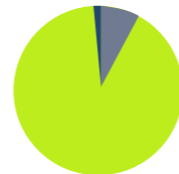


WASTE MANAGEMENT AND EFFICIENT RESOURCE UTILIZATION

The textile sector is among the sectors where raw materials are used intensively. As SARP Jeans, we attach importance to reducing the use of resources by using raw materials efficiently, preventing the generation of wastes, reducing the related wastes at the source, appropriate disposal and recycling. We manage hazardous and non-hazardous wastes generated in our factory in accordance with legal regulations. We contribute to the circular economy, which is of great importance to reduce resource consumption and waste, within the framework of a sustainable business model, and we work to be a zero waste organization. We aim to reduce textile waste and non-recyclable waste.

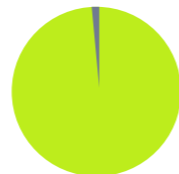
2021 TO BE RECYCLED (KG)

■ Paper waste	1370 kg
■ Fabric waste	15834 kg
■ Plastic waste	208 kg



2022 TO BE RECYCLED (KG)

■ Fabric waste	38974,85 kg
■ Plastic waste	560,90kg



WATER MANAGEMENT

In our country and region; Due to many reasons such as industrialization, unplanned urbanization, industrialization in agricultural areas, our water resources are decreasing and the severity of global water stress is increasing. While global water use has increased by about 15% in the last century, water quality and access to water are decreasing day by day with the threats arising from the climate crisis on existing water resources. Therefore, reducing water consumption or increasing its recycling by developing innovative processes with our fabric and washing suppliers are among our primary goals.

ENERGY MANAGEMENT

About 70% of greenhouse gas emissions originate from energy. For this reason, as SARP Jeans, we calculated our carbon footprint (cradle to door) for the first time in 2021. To manage energy consumption more effectively; Together with our own production facility, we plan to implement projects aimed at monitoring energy data, using natural resources efficiently, reducing energy consumption and using renewable energy resources, especially for our stakeholders in our supply chain. In order to benefit from renewable energy sources, a Solar Power Plant (SPP) feasibility report has been prepared on our factory roof.



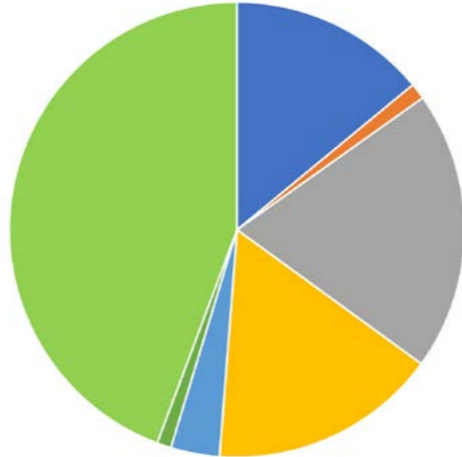
OUR CARBON FOOTPRINT CALCULATIONS

As the SARP Jeans family, we carried out a more comprehensive carbon footprint calculation this year. While making these calculations, we included the data (scope 1, scope 2) calculated by not only our factory but also our product and service suppliers. (It is also seen in the pie diagram)

As SARP Jeans family, our average carbon footprint per product in 2022 is **6.62 kgCO₂/piece**. In the previous year, this value was **10.72 kgCO₂/unit**. We have made many improvements to reduce our carbon footprint. However, it would not be scientific to say that we have reduced our carbon footprint by comparing these two data. In order to analyze what we have scientifically reduced on a solid basis, 3 years of data with the same scope are needed. We talked about our work on data management in the CEO Message section.

With the Pie Diagram we made for the first time in 2022, we analyzed how important our supplies and supplier management are in reducing our carbon footprint.

The 2022 carbon value to the environment is 6.62 kg CO₂/kg



- K1 K2 (apparel)
- K3 (Pers,serv)
- K3 (Fabric)
- K3 (accessory)
- K3 (carrier bag)
- K3 (Carbon)
- K3 (Washing, Embroidery, Printing, Packaging)

RAPOR HAKKINDA

Our sustainability report includes our business model that we have shaped within the framework of the sustainability approach in all areas that guide our work, our material issues, and our performance and approach on material issues. In this context, while preparing our report;

- ISO 14001 EMS Certificate
- Female Employment
- Zero Waste
- OHS Awareness
- Energy and Greenhouse Gas Emission
- Product Footprint
- Water Consumption
- Supply Management
- Renewable energy sources
- Natural Resource Consumption
- HIGG FEM, HIGG FSLM
- Reporting

It has been tested and prepared by directly relating to the subjects.

SUSTAINABILITY COMMITTEE



Uraz Batur

General Manager

- Leading the Sustainability Committee
- Provide needed resources
- To monitor the realization of the targets within the scope of the Sustainability Policy
- Attending meetings



Gizem Batur

Creative Director

- Member of the Sustainability Committee
- To carry out the actions determined for the realization of the Sustainability Goals
- Attending meetings
- Management of fair organizations
- Organizing the design and collection



Ayşegül Çekmiş

Sustainability Officer

- Sustainability Committee Member
- Managing the committee secretariat
- To carry out the actions determined for the realization of the Sustainability Goals
- Ensuring all data security and accuracy
- Ensuring communication with suppliers
- Preparing quarterly and annual Activity Reports
- Preparing the Sustainability Report
- Attending meetings



Rahile Yeni

Sustainability Consultant

- Sustainability Committee Member
- Following World Trains and informing the committee
- Developing Annual Reports
- Developing the Sustainability Report
- Attending meetings

ATTACHMENTS

SarpJeans has set itself the goal of continuous improvement in terms of sustainability and quality and has confirmed every step it has taken on this path with certificates.

Sarp Jeans, which has passed all the periodic inspections carried out by the certification bodies, is in a position that has proven itself to its customers in terms of quality and sustainability.

Recycled Claim Standard (RCS)

The standard was developed through work by the Material Traceability Working Group, which is part of the OIA's Sustainability Working Group. RCS uses chain of custody requirements of the Content Request Standard. RCS uses the ISO 14021 definition of recycled content, with comments based on the US Federal Trade Commission Green Guidelines, and its purpose is to comply with the most widely recognized definitions.



Organic Content Standard (OCS)

Organic Content Standard 100 (OCS 100) and Organic Content Standard Blended (OCS Blended) apply to any non-food product containing 5-100% organic material. It verifies the presence and amount of organic material in the final product and ensures the flow of a raw material from its source to the final product. This process is then approved by an accredited third party. OCS blended covers the processing, production, packaging, labeling, trade and distribution of a product containing at least 5% certified "organic" material, OCS 100 covers the same processing steps for goods containing 95% to 100% organic material.

Global Recycled Standard (GRS)

GRS is an international, voluntary, full product standard that sets requirements for third-party certification of recycled content, chain of custody, social and environmental practices, and chemical restrictions. The aim of GRS is to increase the use of recycled materials in products and to reduce/eliminate the harms caused by its production.



Global Organic Textile Standard (GOTS)

The Global Organic Textile Standard, also known as GOTS, was developed by experienced industry members and certification experts and is recognized as one of the leading processing standards for textile products made from organic fibers. It defines high-level environmental and toxicological criteria for all input chemicals throughout the entire organic textile supply chain, for example dyestuffs and wastewater treatment, and all processors must comply with social criteria. Only textile products containing a minimum of 70% organic fiber can receive GOTS certification.



