

# KARDem

## Sustainability Report 2023

*Every step we take  
towards the future is  
a flutter of hope and  
change.*





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# EMBARKING ON OUR SUSTAINABILITY STORY

Every step we take towards the future is a flutter of hope and change.

Our purpose in preparing this report is precisely that: to inspire great transformations with small yet meaningful steps...

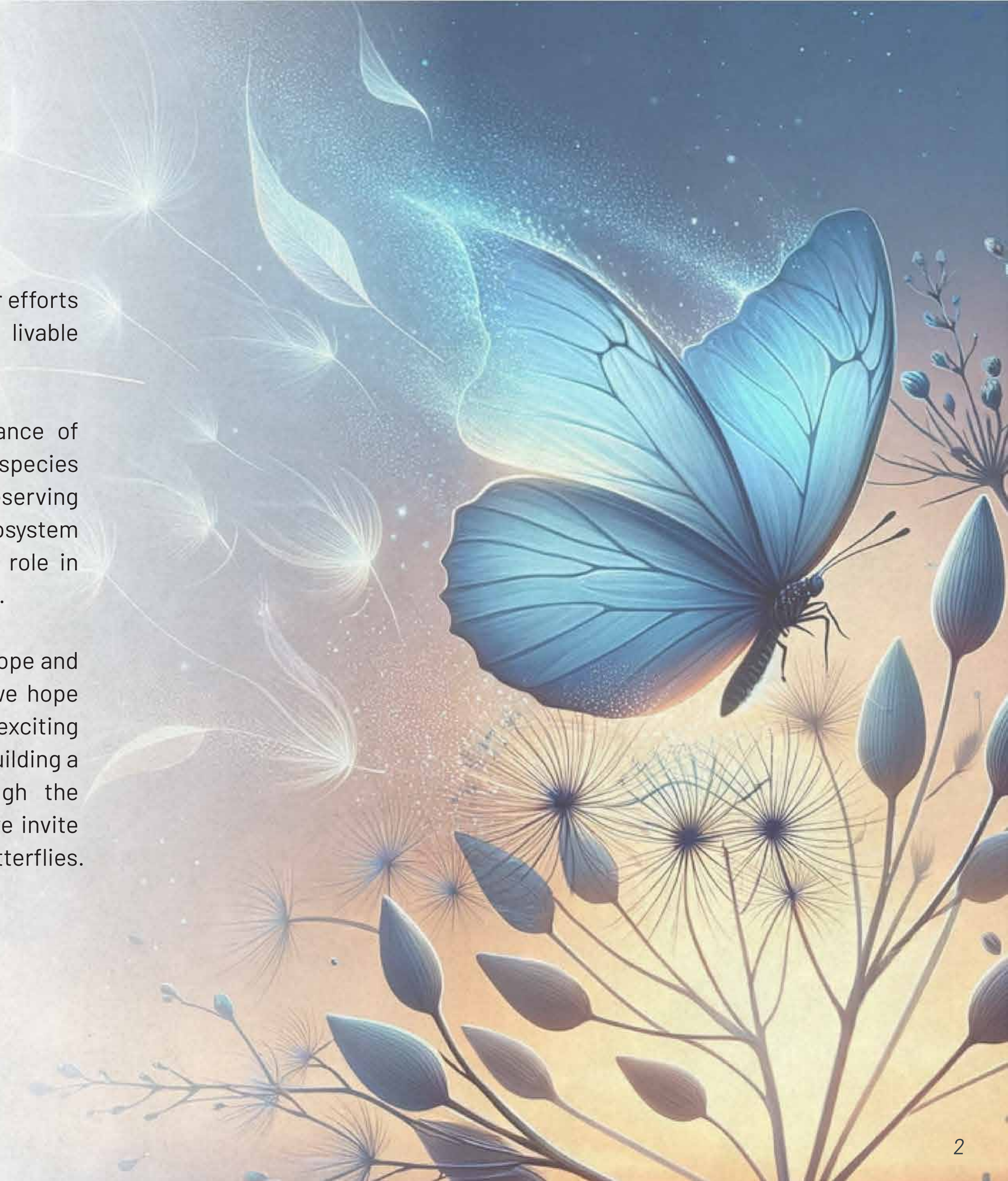
As you go through our report, you will embark on a journey into the colorful and elegant world of butterflies. Our choice is not random. Butterflies, as some of nature's most delicate creatures, symbolize the fragility and beauty of our ecosystem's health. With each flutter of their wings, we hear the echo of the steps we take towards a sustainable future for our world.

The enchanting metamorphosis of butterflies captures the core of our report: transformation and renewal. Their journey from larvae, through the pupal stage, to becoming dazzling butterflies reflects the phases of our own sustainability journey. This transformative process requires

determination and patience, much like our efforts to protect our planet and leave a more livable world as our legacy for future generations.

This report also highlights the significance of diversity and wholeness. Various butterfly species remind us of the importance of preserving biological diversity and maintaining ecosystem integrity. Each butterfly species plays a role in nature's spectacular harmony and balance.

Last but not least, butterflies symbolize hope and inspiration. As you explore this report, we hope you will focus on the motivating and exciting aspects of our sustainability initiatives. Building a sustainable future is achievable through the contributions of each of us. Therefore, we invite you to join in the dance on the wings of butterflies.





# ABOUT THE REPORT

At KARDEM, we recognize the importance of steps toward a sustainable future and are committed to embracing and continuing these efforts with courage and determination.

We see the pursuit of a sustainable future as a goal that involves all layers of society. In this context, while maintaining our lives in every area, we believe it is crucial to identify our impact and contributions to the environment, society, and economy. We focus on protecting the vital rights and achievements of individuals and communities, taking transformative actions, and raising awareness among all our stakeholders.

As a company operating in the ready-to-wear sector, we are dedicated to sharing our sustainability performance and development with our stakeholders. Through our Sustainability Report, we communicate our environmental, social, and economic impacts, as well as our corporate governance practices, highlighting our efforts and initiatives that benefit the community, industry, and geographies we serve.

This report aims to transparently share with society where we stand and where we aim to reach on our journey of sustainability, guided by the principles "Value the Planet," "Contribute Value to Society," and "Create Value for the Future."

Benefiting from the guidance of the United Nations Sustainable Development Goals (SDGs), this report covers all our activities, both domestic and international, for the period from January 1 to December 31, 2023.

The content is based on information provided by KARDEM and reflects our own evaluations of the company's sustainability performance and commitments. This approach ensures the transparency of the process and the accuracy of the report.

We highly value the feedback and suggestions from our stakeholders and are committed to continuously improving our sustainability practices. For any inquiries, comments, or contributions about the report and our sustainability efforts, please contact us at [sustainability@kardem.com](mailto:sustainability@kardem.com).

## THE GLOBAL GOALS for Sustainable Development





# MESSAGE FROM OUR GENERAL MANAGER



Dear Stakeholders,

The year 2023 presented numerous challenges that tested our resilience on both global and local scales. Yet, the determination and perseverance of the people from these lands throughout history continue to inspire us today. The legacy of our Republic, spanning over 100 years, allows us to look toward the future with hope and renewed strength, drawing from the lessons of the past.

The bitter memories and losses from the earthquake we faced in 2023 will not be forgotten, and healing these wounds will take time. Throughout this process, patience, solidarity, and hope will be of great importance.

We are living through times of unprecedented change worldwide. While global industrial production declines, the impacts of climate change are being felt more acutely. We are challenged by geopolitical developments and economic fluctuations, and our country is also affected by these changes in various ways.

We recognize that issues such as ecosystem imbalance, climate change, depletion of natural resources, and gender inequality are far more than mere “popular topics”. Amidst all these, the strong foundations we have built since 1990 and our future-oriented approach serve as a compass, helping us stay on course even during these turbulent times.

As KARDEM, we have evolved beyond being solely a manufacturer and exporter, or merely a provider of employment and influencer in fashion influence through our

designs. We now stand as a source of value creation for all our stakeholders and for the planet. Leveraging our technology, expertise, advanced production capabilities, and effective supply chain management, we provide high-quality products to the world's leading retailers while upholding ethical values and respecting both nature and people.

Undoubtedly, one of the greatest contributors to KARDEM's success today is our dedicated and hardworking employees. We are experiencing the value of acting together, working shoulder to shoulder, and believing in each other. Indeed, the efforts of our employees are the main pillars of KARDEM. We are indebted to our employees who embrace the values of our organization and represent these values at high standards. I firmly have faith that together we will be successful.

As a leading manufacturer, KARDEM has the responsibility and honor of helping brands strengthen their position in the global market. Our collaborative efforts, aimed at generating a value, transcend mere commercial relations they exemplify our shared commitment to mutual success

created together. The improvement focus of our clients encourages continuous self-renewal of our organization. I sincerely thank our clients for their confidence in us and standing by us throughout this process.

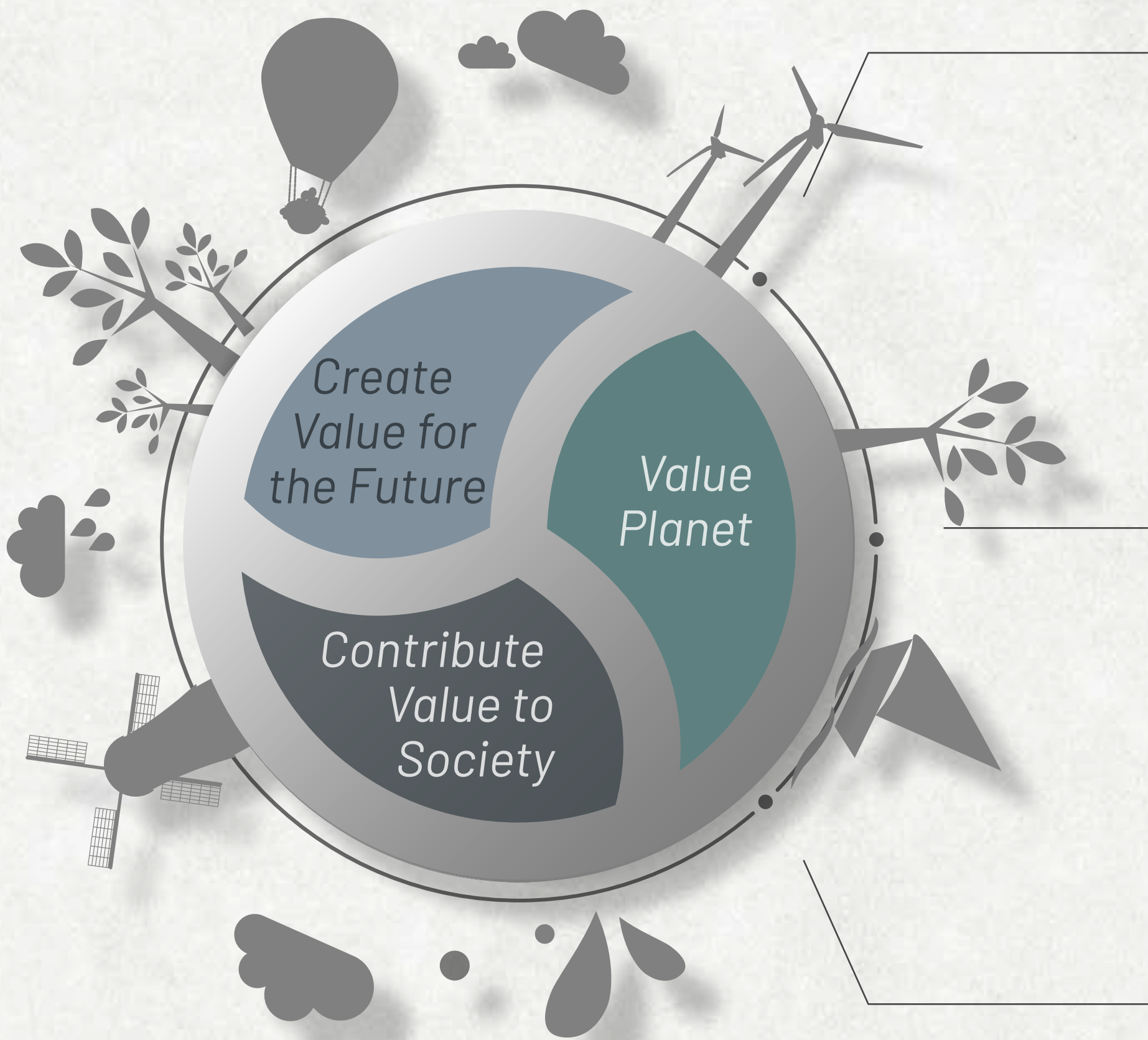
The world is in a state of endless transformation. In the midst of this dynamic process, we as humankind cannot turn a blind eye to the challenges facing our planet.

And no doubt, regardless of the problems we face, there is always hope. As companies, non - governmental organizations and individuals, we have the power to build a sustainable future. Here is where each of us can contribute to this process with the choices we make in our lives, with every step we take. Maintaining a realistic attitude, being aware of the problems, taking action with sincere efforts and inspiring each other is in our hands.

**A. Zeki ERDOĞAN**  
Chairperson and General Manager



# OUR SUSTAINABILITY MANIFESTO



- We elevate business standards through a transparent, accountable, and ethical management approach.
- We base our relations with our stakeholders on honesty and trust, and aim to establish long-term and sustainable relationships.
- We respond not only to the needs of today but also to the needs of the future through innovative solutions and technologies.
- We promote diversity and inclusion in management and aim for a fair and equal corporate culture where everyone's voice is heard.

- We acknowledge the limitations of our planet and endeavor to protect the environment from harmful effects by conserving natural resources through the way we do business.
- We embrace use of clean energy and devise innovative and effective solutions to handle waste management.
- We recognize the value of water, soil and air, and act carefully and conscientiously at every step to avoid polluting them.

- We present our employees with a fair, respectful and equal work environment and support their professional and personal development.
- We strive to be integrated with all segments of society and actively contribute to social development.
- We adhere to adopting ethical and fair trade practices in the supply chain and encourage our business partners to share the same values.



# ABOUT KARDEM



# ABOUT KARDEM

As KARDEM, today we touch hundreds of thousands of people around the world, who feel good about themselves by accessing beautiful, stylish, and comfortable high-quality products. Moreover, we achieve this without compromising ethical values, respect for nature, and humanity. "Passion," which is at the forefront of our corporate values, is the most meaningful indicator of our existence and how we approach our work and life. We believe that every value we have created to date has been achieved through our passion for our work and for each other.

Since 1990, we have been positioned as a key player not only in Türkiye but also in the global market, standing among the top manufacturers of ready-to-wear and clothing in our country. With robust international partnerships and a wide-reaching supplier network, we distinguish ourselves through our exceptional expertise in designing collections that garner interest and admiration from renowned brands worldwide, closely tracking fashion trends, and employing advanced technology in production. With a monthly

production capacity of around 3,200,000 units, we create value as one of the industry's foremost players.

Starting from 2017, we have initiated cutting, sewing, pressing-packaging, and warehouse operations in our factory, gradually expanding our capacity by investing in washing, drying, and embellishment. We continue to maintain efficient sewing and cutting processes with our automated sewing machines, overlock machines, laser cutting systems, and ultrasonic cutting equipment on our production line. We perfect the finishing and detailing of our products with our lamination machines and application machines for snaps, eyelets, and buttons. Significant advancements have also been

made in our textile printing capacity with our high-quality digital, rotary, and screen printing machines.

In our laboratory, we meticulously test every component of textile products with care that goes beyond industry standards. From material endurance to color fastness, and from abrasion resistance to chemical compatibility, we conduct a wide range of tests. Through our R&D efforts and quality control processes adhering to international standards at every stage of production, we ensure the quality of our products. Our mission to exceed customer expectations is further strengthened when combined with the technical capacity of our laboratory and the deep knowledge of our expert team.

Since 1990, we have been positioned as a key player not only in Türkiye but also in the global market, standing among the top manufacturers of ready-to-wear and clothing in our country.



Istanbul / Headquarters and Design Office



Keşan/ Edirne Factory



Smederevo / Serbia Factory



# ABOUT KARDEM

We seamlessly blend fashion and technology, enhancing our export potential with our modern equipment investments and extensive product range. These investments make our supply chain and production processes more efficient and flexible, increasing our speed to market and ensuring the highest level of customer satisfaction.

Utilizing Yunique PLM technology streamlines the process from product development to market launch, reducing supply times and simplifying coordination and collaboration among suppliers. Furthermore, by employing Browzwear's 3D garment simulation software, we generate lifelike garment prototypes digitally, expediting our design and development workflows. Our 3D scanning and modeling technology, the NX-16 3D Scanner, enhances our design processes and body scanning capabilities, enabling us to deliver tailor-made solutions to our clients.

With the Fast React Plan project, which we initiated in 2023 and implemented in 2024, we successfully optimized data flow and analysis in our production processes, strengthened decision-making processes,

and significantly increased operational efficiency by minimizing time loss.

We increase our production efficiency by utilizing fabric spreading machines and pattern cutting equipment in our fabric and pattern preparation processes. Our GBOSS and other cutting systems maximize cutting efficiency, while RFID and other tracking systems ensure error-free continuity in inventory management and product tracking.

Since 2008, we have leveraged SAP for end-to-end integration of all our processes, from production to sales, quality management to finance, human resources to logistics. Through this system, we achieve seamless coordination and alignment among our business functions, managing our internationally compliant processes on a single platform. Integrating the Turkcell SVM platform ensures the continuity and security of data flow, elevating our information security to the highest level.

By integrating Dormakaba with SAP, we have pioneered a new innovation, becoming the first company in Türkiye to implement

*We seamlessly blend fashion and technology, enhancing our export potential with our modern equipment investments and extensive product range.*

this technology. This step has revolutionized our access control processes, significantly boosting our productivity. Through this integration, we provide our employees, suppliers, guests, and other service providers with simple and effective access control. These technological advancements enable us to stand out in the market and offer customized solutions that exceed client expectations.

While we rapidly adapt to digital transformation, we also bring together expert professionals in the ready-to-wear and clothing industries. Our experienced team, entrepreneurial approach, geographical diversity, and deep knowledge of product ranges form the foundation of our success. By pushing the boundaries of digital innovation in processes, we are shaping the future of fashion concept.





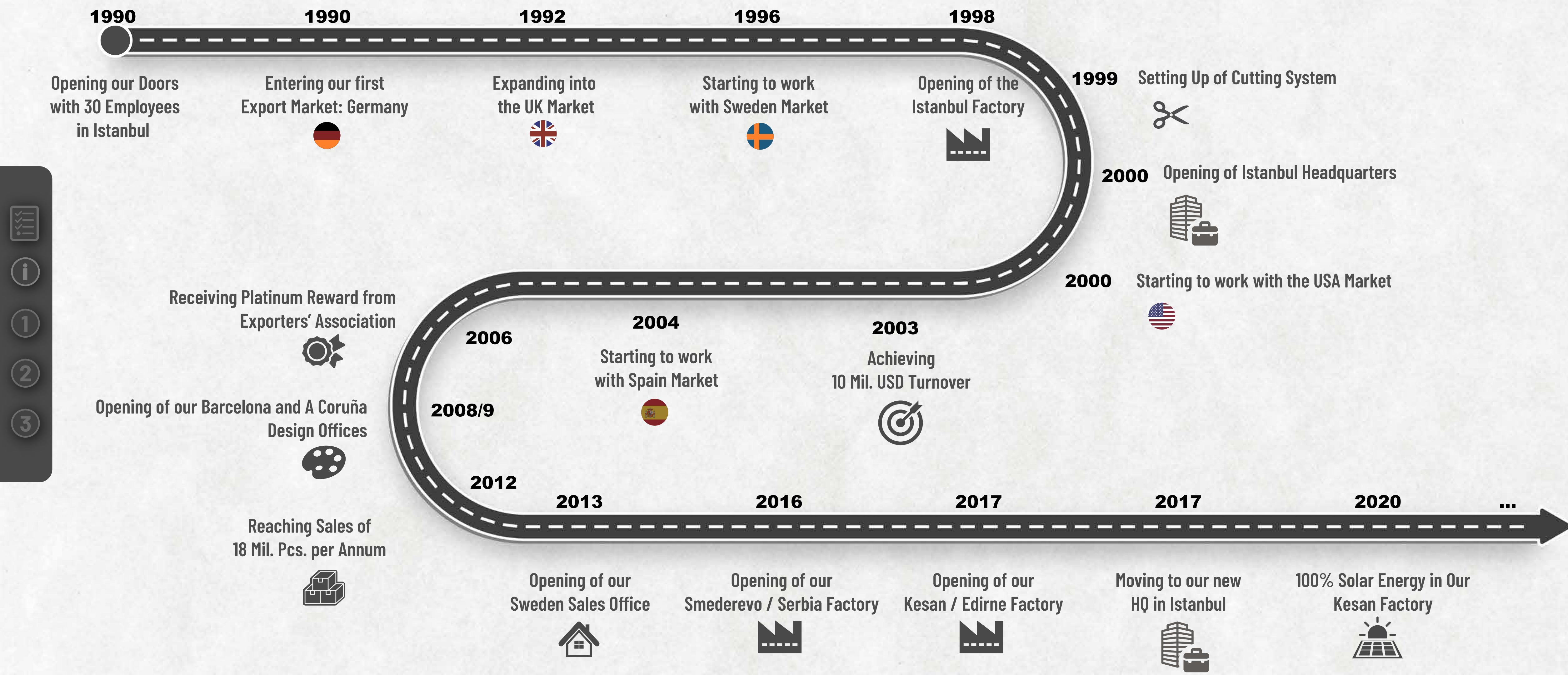
# ABOUT KARDEM

KARDEM has established itself as more than just a manufacturer of ready-to-wear and clothing; it has become a globally impactful, innovative, and sustainable brand in the fashion industry. With advancements in technology, a proficient workforce, and continually expanding production capacity, we are proud to share our high-quality, trend-setting designs and manufacturing capabilities with millions of individuals worldwide. Driven by our passion, innovation, and global perspective, we aspire to lead not only in today's fashion landscape but also to shape the future of the industry.





ABOUT KARDEM





ABOUT KARDEM

30

We have been shaping the fashion industry for over 30 years.

3

We provide a local touch to our clients with 3 different sales and design offices located in strategic locations.

150

Expanding our global reach, we cultivate strategic alliances with over 150 direct and indirect suppliers.

2

At our two state-of-the-art production facilities equipped with the latest technology, we embrace sustainable production methods to minimize our environmental footprint.

20

We provide services to more than 20 prestigious brands from different countries around the world. (France, Germany, Italy, Poland, Spain, Sweden, UK, USA and others)

8

Utilizing our diverse raw material channels across the globe, we procure top-tier materials from over 8 countries, including Austria, China, Egypt, India, Indonesia, Serbia, South Korea, Türkiye and beyond.







**Kardem** *Sustainability Report 2023*

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CREATE VALUE FOR THE FUTURE



# CREATE VALUE FOR THE FUTURE



## OUR VISION

To become Türkiye's leading firm in ready-to-wear exports and a strategic partner for the world's foremost brands.

## OUR MISSION

To add value to all stakeholders in the ready-to-wear sector through a sustainable growth approach.

## OUR CORPORATE VALUES



### Passion

We approach our job with enthusiasm, excitement and determination by believing in it wholeheartedly, we set in motion our stakeholders with all of our energy.



### Reliability

We fulfill our undertakings with integrity, transparency, consistency, and with our qualified and ethical business practices.



### Agility

We foresee competitive market trends and opportunities. We take actions swiftly thanks to our proactive approach, hence creating difference.



### Collaboration

We believe in the power of working together, and we support and improve each other with the synergy created by team spirit directed to a common target.



### Creativity

We see the creative thinking based on our differing viewpoints as the source of our value added endeavors.



### Sustainability

We generate environmental, social, and economic solutions to protect the planet. We ensure sustainability through efficient resource utilization and innovative practices that are in harmony with society and the environment.



# CREATE VALUE FOR THE FUTURE

## The Structure and Responsibilities of the Board of Directors

KARDEM's Board of Directors reflects a structure committed to the company's sustainability and ethical values. Our Board plays a crucial role in defining the company's strategic direction and long-term sustainable growth objectives.

Within the Board of Directors, rather than specific committees, our functional departments handle tasks such as risk management, audit, and corporate social responsibility.

**Risk Management:** Risk management duties are assumed by the Financial and Administrative Affairs Department, the Information Technologies and Digital Solutions Department, the Human Resources Department, and the Sustainability Department. These departments work together to identify, evaluate, and develop strategies for potential risks in our business processes, managing the company's risk portfolio.

**Audit:** Audit's responsibilities are centrally managed and carried out by the Sustainability Department and the Quality Department.

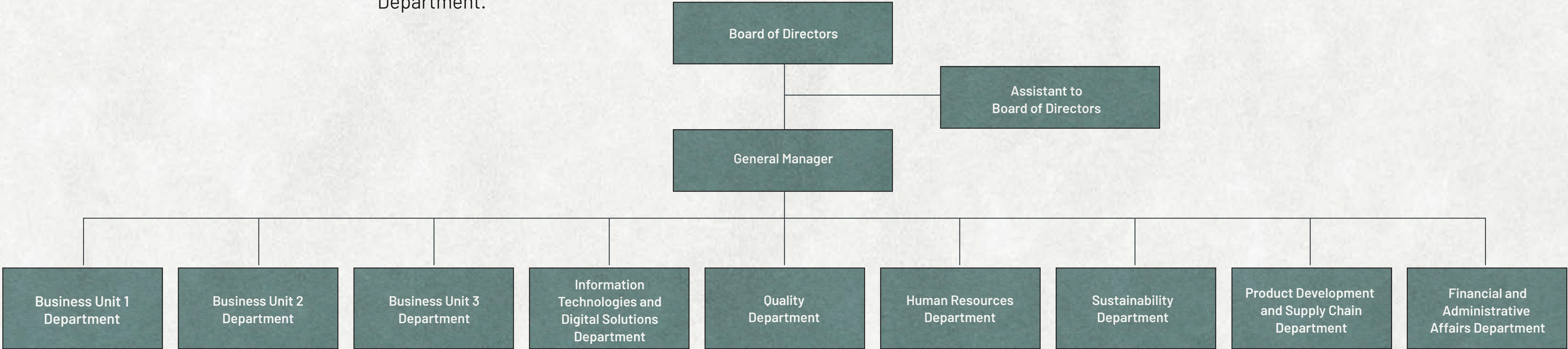
These departments aim at the continuous improvement of business processes by ensuring the compliance of our company with universal standards and industry regulations.

**Corporate Social Responsibility (CSR):** CSR is managed by the Sustainability Department. This department takes the lead in carrying out our company's social responsibility projects and making a social contribution, by our company.

Our Board of Directors ensures coordination between these departments

demonstrates hands on leadership in sustainability-related decision-making processes. Each department's activities are organized in line with our company's overall sustainability strategy and are regularly reviewed by the board.

Each of our company's activities is carried out in accordance with decisions that are safeguarding the general interest of our stakeholders and society. KARDEM thus implements an effective and transparent management structure to achieve its sustainability goals.



Organizational Structure



# CREATE VALUE FOR THE FUTURE

## Adherence to Ethical Principles

At KARDEM, our goal is to "Create Value for the Future" by aiming for transparency and accountability, as stated in our Sustainability Manifesto.

We adopt the principle of zero tolerance against bribery and corruption. In our relationships with all stakeholders, we highlight the significance of honesty and trust.

Our innovative solutions are equipped to tackle the challenges of both the present and the future. While developing these solutions, we emphasize diversity and inclusivity, bringing together various perspectives, talents, and experiences to yield stronger and more effective outcomes. With a corporate culture rooted in justice and equality, where every voice is heard, we gain insight into the needs and expectations of our employees, clients, and all stakeholders, aiding in the formation of a sustainable business model.

As KARDEM, we consistently endeavor to uphold ethical principles and construct a

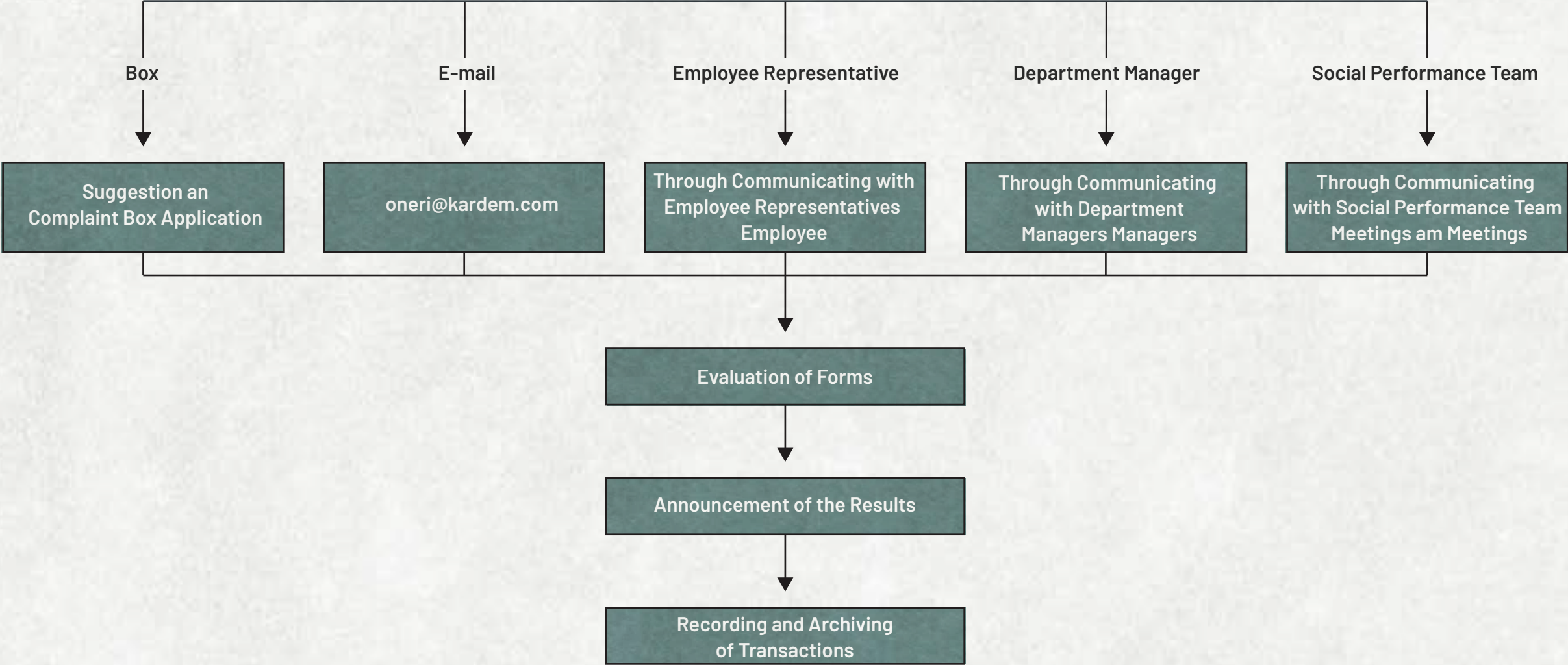
business environment shaped by these ideals. We engage and collaborate with both internal and external stakeholders to share our mutual values and objectives. With a commitment to transparency and accountability at every turn, our aim is to meet not only present needs but also those of the future. Each stride we take toward building an ethical and sustainable business world is guided by these values.

We are firm believers in the benefits of cultivating an open communication culture with both internal and external stakeholders. This practice enables early detection of issues, enhances our processes, and boosts stakeholder satisfaction and engagement. Our stakeholders can submit their feedback and suggestions to our Feedback Assessment Committee at [feedback@kardem.com](mailto:feedback@kardem.com). Moreover, we offer various channels like suggestion and complaint boxes, employee representatives, department managers, and the Social Performance Team to empower our employees to voice their opinions more effectively.

## Feedback Assessment Committee



## Recommendation and Complaint Process





# CREATE VALUE FOR THE FUTURE

## Risk Management

With risk management processes, we aim to safeguard business operations and support the company's long-term success. By utilizing customized methodologies for different business areas, we effectively manage the risks we may encounter. These methodologies are designed not only to address current risks but also to proactively identify and assess future trends and opportunities.

Our risk assessment process is systematically carried out across the company at regular intervals and includes a thorough inventory of risks. This process involves prioritizing identified risks, analyzing their impacts, and devising strategies for prevention and mitigation. Our risk management policies are regularly reviewed and updated, with a particular focus on managing environmental and social risks, in accordance with industry standards and best practices.

Our risk management and internal control systems are integrated to function in compliance with our sustainability goals. These systems are supported through employee training and awareness programs, ensuring that each employee has the necessary knowledge and tools for the success of these systems.

With our firm belief in the continuous enhancement of our risk management and internal control mechanisms, as well as our unwavering commitment to ethical values, we aspire to sustain our leadership in both today's and tomorrow's business landscape.

## Internal Control and Audit Activities

At KARDEM, our internal control and audit activities play a fundamental role in achieving the sustainability goals of our company. We meticulously implement audits in five main areas: financial, social, environmental, management systems, and customs security against terrorism. These audits are conducted periodically by both internal and independent auditors, ensuring that our processes are transparent, accountable, and fully compliant with regulations.

Our environmental audits are geared towards ongoing improvements in our carbon footprint and waste management practices, showcasing our dedication to minimizing our environmental impact and preserving natural resources. Social audits reinforce our commitment to employee rights and occupational health and safety standards. We regularly measure the effectiveness of our internal control systems and continuously improve them in line with our sustainability strategy.

## Scope of our audit activities





# CREATE VALUE FOR THE FUTURE

## Stakeholder Relations

Our company's success depends on strong and transparent relationships with a broad range of stakeholders. These relationships guide us in achieving our common goals towards a sustainable future.

We thoroughly examine our company's interactions with key stakeholder groups, including clients, suppliers, employees, investors, and the society. Our aim is to understand stakeholders' expectations, collaborate with them to create sustainable value, and build mutual trust.

We shape our relationships with each stakeholder group by prioritizing their needs and concerns. This approach helps us better comprehend our sustainability objectives and take strategic steps to fulfill them.

The exhibition on this page illustrates the core principles our company follows in engaging with stakeholders. Also, it explains how their feedbacks shape our policies and practices.

STAKEHOLDERS	PURPOSE	TOOLS
Employees	<ul style="list-style-type: none"><li>• Suitable Working Environment</li><li>• Legal Compliance With Payments Such As Wages, Insurance&amp;Premiums</li><li>• Promotion, Appreciation, Rewarding, Motivation</li><li>• Protection of Employees' Stored Personal Data Against Third Parties</li><li>• Ensuring Occupational Health and Safety Conditions</li></ul>	<ul style="list-style-type: none"><li>• Suggestion And Complaint Boxes</li><li>• HR Open Door Policy</li><li>• Face To Face Communication with Employee Representatives</li><li>• Digital Communication Platforms</li><li>• OHS Board Meetings</li><li>• SA 8000 Social Performance Meetings</li><li>• Training Programs</li></ul>
Employer	<ul style="list-style-type: none"><li>• Profitability, Improving Financial Performance</li><li>• Protecting the Company's Reputation</li><li>• Fulfilling Client Expectations</li><li>• Fulfilling Requirements Arising from Laws and Contracts</li><li>• Compliance with the Company's Strategic Goals</li></ul>	<ul style="list-style-type: none"><li>• Management Meetings and Reports</li><li>• Internal Newsletters and E-mails</li><li>• Performance Evaluation Systems</li><li>• Strategic Planning Sessions</li></ul>
Clients	<ul style="list-style-type: none"><li>• Affordable Price, High Quality, On-Time Delivery</li><li>• Protection of Design, Sample, Price Information in Accordance with Confidentiality, Integrity and Accessibility Criteria</li><li>• Fast Communication and Responding to Requests</li><li>• Uninterrupted Service</li><li>• Social and Environmental Compliance and Traceability at All Production Locations</li></ul>	<ul style="list-style-type: none"><li>• Communication by Phone and E-Mail</li><li>• Client Visits</li><li>• Client Inspections</li><li>• Independent Audit Organizations</li><li>• Sales Department Feedback</li><li>• Customer Satisfaction Survey</li><li>• Trainings</li><li>• Meetings</li></ul>
Suppliers	<ul style="list-style-type: none"><li>• Increase in Purchase Volume</li><li>• Long-Term Termination Agreements</li><li>• On Time Payment</li><li>• Feedback For Product Services</li><li>• Ensuring Corporate Data Security</li></ul>	<ul style="list-style-type: none"><li>• Communication by Phone and E-Mail.</li><li>• Tracking Via ERP Programs</li><li>• Purchasing Department Feedback</li><li>• Checks at the Source</li><li>• Audits</li></ul>
Public Institutions and Local Governments	<ul style="list-style-type: none"><li>• Compliance with All Laws and Regulations Regarding Companies Activities</li></ul>	<ul style="list-style-type: none"><li>• Urbanization, And Climate Change</li><li>• Inspections of the Ministry of Environment</li><li>• Follow-up Presidency of the Revenue Administration</li><li>• Applications by Petition</li><li>• Communication by Phone and E-Mail</li></ul>
National and International Regulatory Organizations	<ul style="list-style-type: none"><li>• Compliance with All Laws and Regulations Regarding Companies Activities</li><li>• Monitoring of Industry Standards</li><li>• Adoption of Best Practices</li></ul>	<ul style="list-style-type: none"><li>• Official Correspondence and Reports</li><li>• Regular Meetings and Interviews</li><li>• Training and Informative Seminars</li><li>• Audit and Certification Processes</li></ul>
Society	<ul style="list-style-type: none"><li>• Fulfillment of Social Responsibilities</li><li>• Increase in Employment</li><li>• Protection of the Environment</li><li>• Sustainable Energy Systems</li></ul>	<ul style="list-style-type: none"><li>• Communication by Phone and E-Mail</li><li>• Turkish Employment Agency (İŞKUR) Visits</li><li>• HR Department and Sustainability Department Feedbacks</li></ul>
Consultants	<ul style="list-style-type: none"><li>• Compliance with the Contract Clauses</li><li>• Compliance with Development Studies</li><li>• Continuous Improvement</li></ul>	<ul style="list-style-type: none"><li>• Communication by Phone and E-Mail</li><li>• Company Visits</li><li>• Opening and Closing Meetings</li><li>• Audit Report Feedback</li></ul>
Non-Governmental Organizations	<ul style="list-style-type: none"><li>• Cooperation in Social Responsibility Projects</li><li>• Creating Social Awareness</li><li>• Joint Initiatives to Achieve the Sustainable Development Goals</li></ul>	<ul style="list-style-type: none"><li>• Digital Platforms</li><li>• Meetings and Conferences</li><li>• Reports and Publications</li><li>• Joint Events</li></ul>
Banks and Financial Institutions	<ul style="list-style-type: none"><li>• Good and Reliable Financial Performance</li></ul>	<ul style="list-style-type: none"><li>• Communication by Phone and E-Mail</li><li>• On-site Visits</li><li>• Reports</li></ul>



CREATE VALUE FOR THE FUTURE

Corporate Memberships, Certificates and Supported Initiatives

SA 8000

SA 8000 (Social Accountability 8000) is an internationally acknowledged certification that encompasses employee rights, worker health and safety, the prevention of forced and child labor, the eradication of discrimination, and compliance with regular working hours. As KARDEM, we have been regularly undergoing SA 8000 audits since 2019 and we maintain the existence of our certificate.

Amfori BSCI

The Amfori BSCI (Business Social Compliance Initiative) concentrates on enhancing working conditions and offers guidance for ethical management of the supply chain. In 2023, our SA 8000 report was additionally integrated with the Amfori BSCI platform and is openly published on the platform, accessible to our stakeholders.

SLCP

The goal of the SLCP (Social & Labor Convergence Program) is to create a fairer and more sustainable supply chain. As KARDEM, we have been regularly conducting SLCP self-assessments since 2020, undergoing independent verification audits and encouraging our supply chain.

FFC

The aim of FFC (Fair Factory Clearinghouse) is to ensure that workers have safe and fair working conditions and to support sustainable production practices. Starting from 2022, our SLCP report has been integrated with the FFC platform and transparently published there available for our stakeholders.

HIGG FSLM

HIGG FSLM (Facility Social & Labor Module) is a tool that evaluates the social and working conditions of production facilities. Starting from 2020, our SLCP report has been integrated into the HIGG FSLM platform where it is transparently published for providing accessibility to our stakeholders.

Walt Disney FAMA

The Walt Disney Facility and Merchandise Authorization, FAMA, is part of the Walt Disney Company's supply chain management program. FAMA ensures that suppliers and manufacturers are authorized to produce Disney's licensed products. As KARDEM, we have FAMA approval.

HIGG FEM

The HIGG FEM (Facility Environmental Module) is designed to help facilities comprehend and reduce their impact on the environment. It assesses facility performance across various areas including energy and water consumption, waste management, and air & water quality, enabling them to pinpoint areas for improvement. Since 2020, KARDEM has consistently conducted self-assessments through the HIGG FEM, undergone independent verification audits, and promoted these practices throughout our supply chain.

Zero Waste Certificate

The "Zero Waste Certificate" is an environmental certification program introduced specifically in Türkiye. It was launched by the Ministry of Environment, Urbanization, and Climate Change of the Republic of Türkiye with the objective of improving waste management, optimizing resource utilization, minimizing waste generation, and promoting recycling to reintegrate waste as a resource into the economy. In 2023, our Keşan factory was granted the Zero Waste Certificate.

The Bhive

The Bhive is a digital platform designed to enhance transparency and innovation in chemical management and sustainability practices. At KARDEM, we transitioned our chemical management procedures from Clean Chain to The Bhive platform starting from 2023.

ISO 14001

ISO 14001 is a global standard governing the development and execution of environmental management systems, aimed at enhancing companies' environmental performance. At KARDEM, we undergo regular audits since 2021 and engage in initiatives to reinforce our ISO 14001 certification.

ZDHC Gateway

It is an online platform established under the Zero Discharge of Hazardous Chemicals (ZDHC) Gateway Program. ZDHC is an international effort striving to decrease and eventually eradicate the use of dangerous chemicals in the textile and footwear industries. At KARDEM, we uphold our membership in the ZDHC Gateway and consistently disclose our water-related data for accessibility by our stakeholders.



CREATE VALUE FOR THE FUTURE

Corporate Memberships, Certificates and Supported Initiatives

ISO 9001

ISO 9001 is an international standard for the establishment and improvement of quality management systems. It encompasses procedures aimed at elevating customer satisfaction and fostering continuous improvement. At KARDEM, we undergo regular audits since 2021 to ensure compliance, and we uphold our ISO 9001 certification.

ISO 45001

ISO 45001 is a global standard governing occupational health and safety management systems, with the goal of mitigating workplace risks and fostering safer work environments. At KARDEM, we undergo routine audits since 2021 and uphold our ISO 45001 certification.

ISO 27001

ISO 27001 is a standard for information security management systems, mandating organizations to implement and oversee systems, protocols, and measures to safeguard information integrity. At KARDEM, we undergo periodic audits since 2021 and maintain our ISO 27001 certification.

OCS

The Organic Content Standard (OCS) is an international certification standard for the purpose of verifying the amount of organic content in textile products. Its aim is to ensure traceability of organic materials used in a product throughout the production chain and to guarantee consumers that the material is organic. At KARDEM, we have been undergoing regular audits since 2019 and maintain our OCS certification.

RCS

The Recycled Claim Standard (RCS) is a certification standard that validates the amount of recycled material present in products. Its objective is to ascertain the quantity and quality of recycled content in a product in a traceable manner across the supply chain. At KARDEM, we have been undergoing routine audits since 2020, ensuring the continuity of our RCS certificate.

BCI

BCI (Better Cotton Initiative) is a program that aims to increase the sustainability of cotton production worldwide. As KARDEM, we have been a member of BCI since 2014.

IREC

The International Renewable Energy Certificates (IREC) program provides consumers and organizations with certificates confirming that their energy consumption originates from renewable sources. IREC ensures that a specific portion of electricity consumption is derived from renewable sources such as wind, solar, hydroelectric, and others. KARDEM Solar Power Plant received verification from IREC in 2021.

C-TPAT

C-TPAT (Customs-Trade Partnership Against Terrorism) is a trade security initiative managed by the United States Customs and Border Protection (CBP) agency. Its objective is to thwart terrorism from infiltrating the United States via international trade routes. Participating companies enhance the security of their supply chains, resulting in expedited customs clearance for their goods. These companies undertake risk evaluations, enhance security protocols, and thereby enjoy benefits in both security and trade facilitation. Since 2020, KARDEM has consistently undergone C-TPAT audits, demonstrating our commitment and proficiency in this domain.

TGSD

Through our membership in TGSD (Turkish Clothing Manufacturers' Association), we closely monitor innovations and sustainability practices in the apparel industry. This membership allows us to raise the quality standards in the sector and increase our competitiveness in global markets.

İTKİB

Our affiliation with İTKİB (Istanbul Textile and Apparel Exporters' Associations) presents valuable prospects for supporting our international competitiveness within the textile and apparel sector and augmenting our export capabilities. Through this association, we gain insights into industry trends enabling us to stay abreast of sectoral advancements and effectively navigate the international markets.

İHKİB

Our affiliation with İHKİB (Istanbul Ready-to-Wear and Apparel Exporters' Association) assists us in aligning with global market dynamics in our industry, facilitating an expansion in our exports. As a result, we maintain a consistent awareness of innovations, allowing us to tailor our strategies in accordance with market trends.



# VALUE THE PLANET

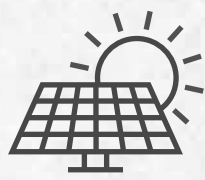


# VALUE THE PLANET

The Global Risk Report published by the World Economic Forum in 2023 defines the greatest global risk to be insufficient action in combating climate change over the next decade. This report underscores the pressing and intricate challenges brought forth by climate change, emphasizing the imperative need for broad collaboration among governments, businesses, and individuals. <sup>(1)</sup>

We acknowledge that addressing the climate crisis, including its ramifications such as global warming, rising sea levels, extreme weather events, and biodiversity loss, demands action not only from governments and individuals but also from the business world. At KARDEM, we are resolute in our commitment to playing our part in tackling the climate crisis.

Commencing in 2014, we initiated the construction of our factory designed as an eco-friendly facility, where approximately 1.5 million cubic meters of clay excavated during the groundwork was completely transformed into bricks for recycling. We persist in transforming all our operations through eco-conscious investments, endeavoring to avoid any further delay.



Self-consumption in Energy and Digital Transformation



Greenhouse Gas Management



Chemical Management and Product Health



Water Management




Waste Management



*With our slogan “Value the Planet”, which is part of our value proposition for a sustainable future, we present the steps we have taken in the struggle against the climate crisis and our environmental sustainability efforts with hope and conviction.*



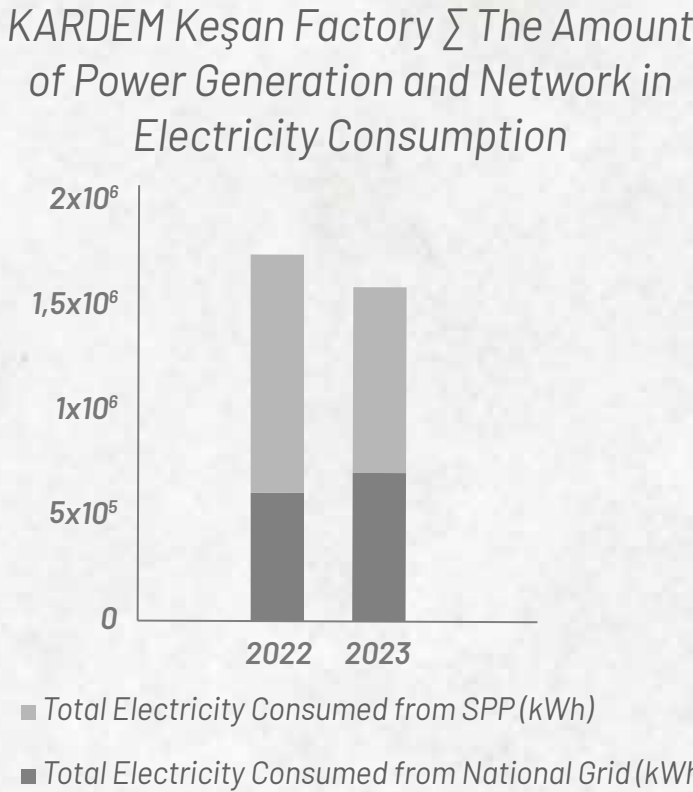
VALUE THE PLANET




We utilize

29.86<sup>kW</sup>

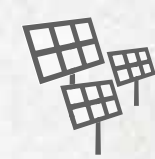
solar panels installed on the roof of our Kardem Headquarters building, to produce hot water, thereby reducing natural gas consumption.





The water consumption of the washing machine per product is approx.


4.9 liters



In 2023, compared to the total electricity consumption of the **Keşan Factory**, our Solar Energy Plant produced,

**%15.4** times more electricity.

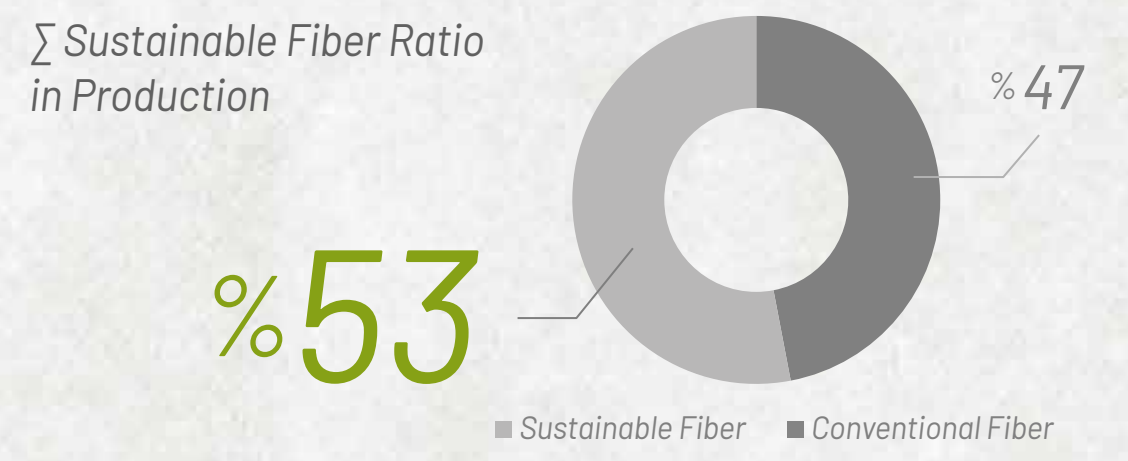
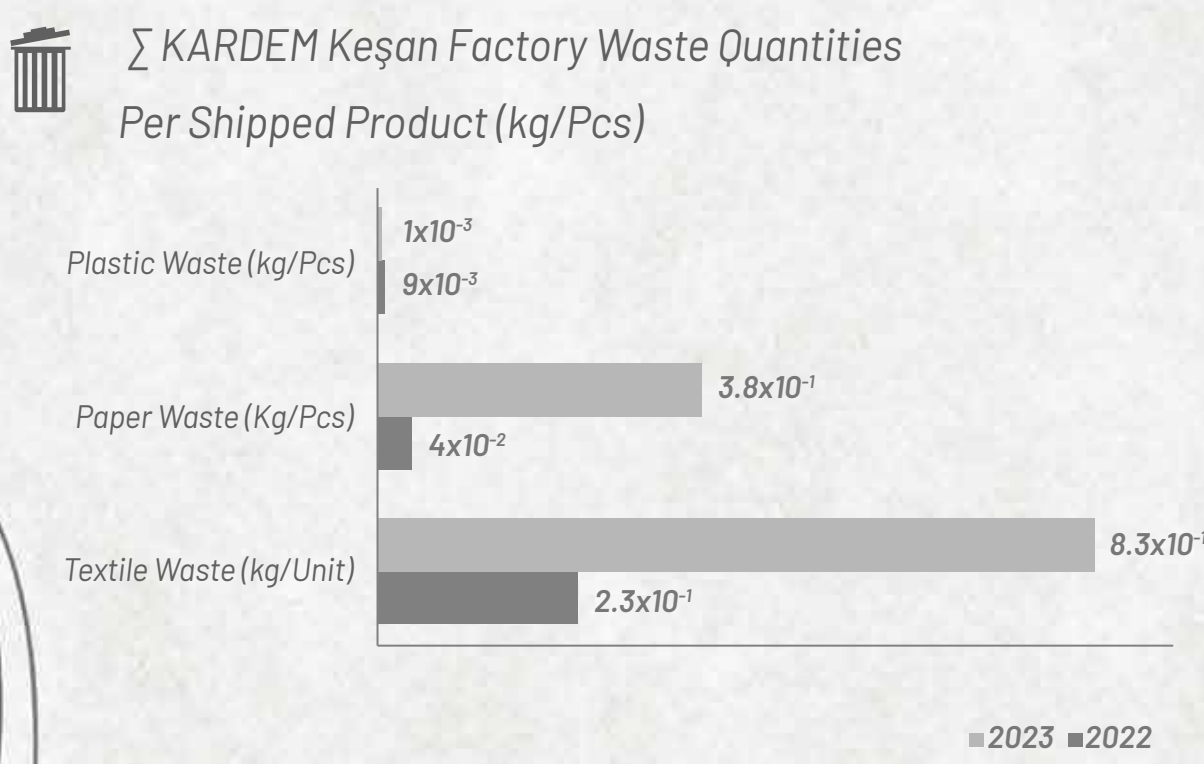






Amount of greenhouse gases blocked since 05.04.2020 when SPP was commissioned


3,614,828.28<sup>kg</sup> CO<sub>2</sub>

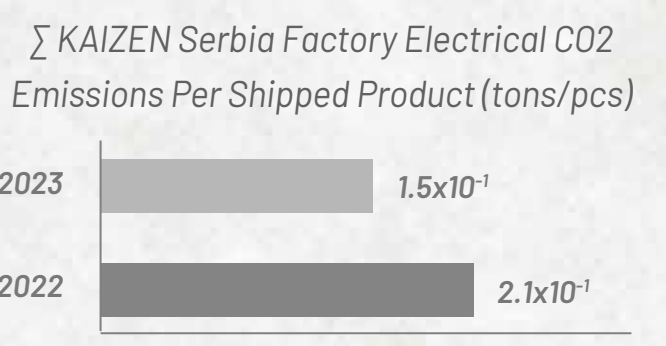
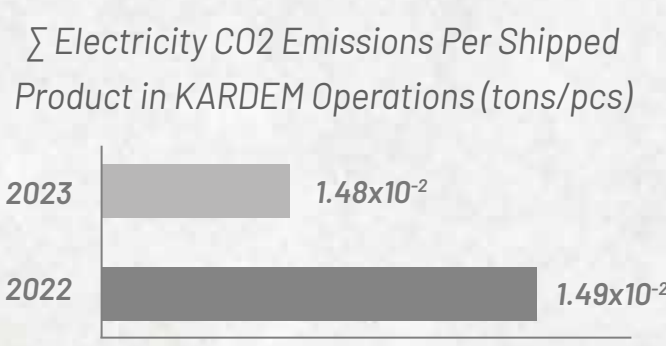
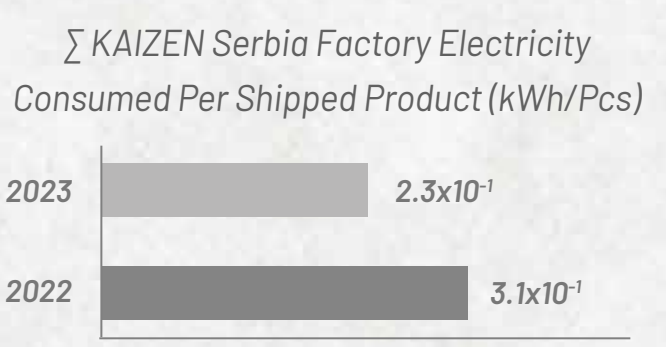
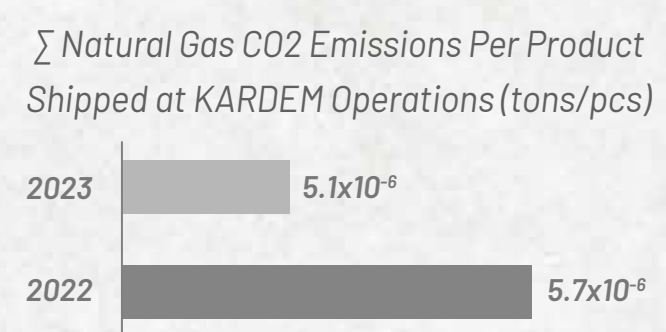
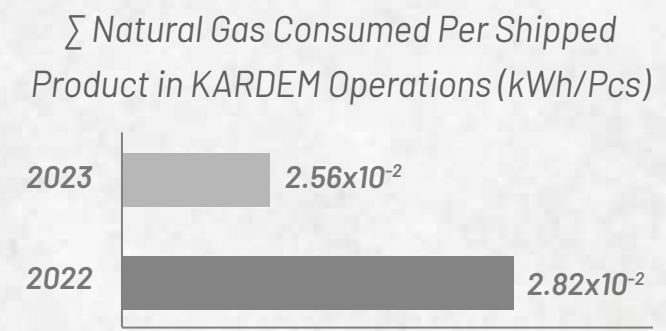
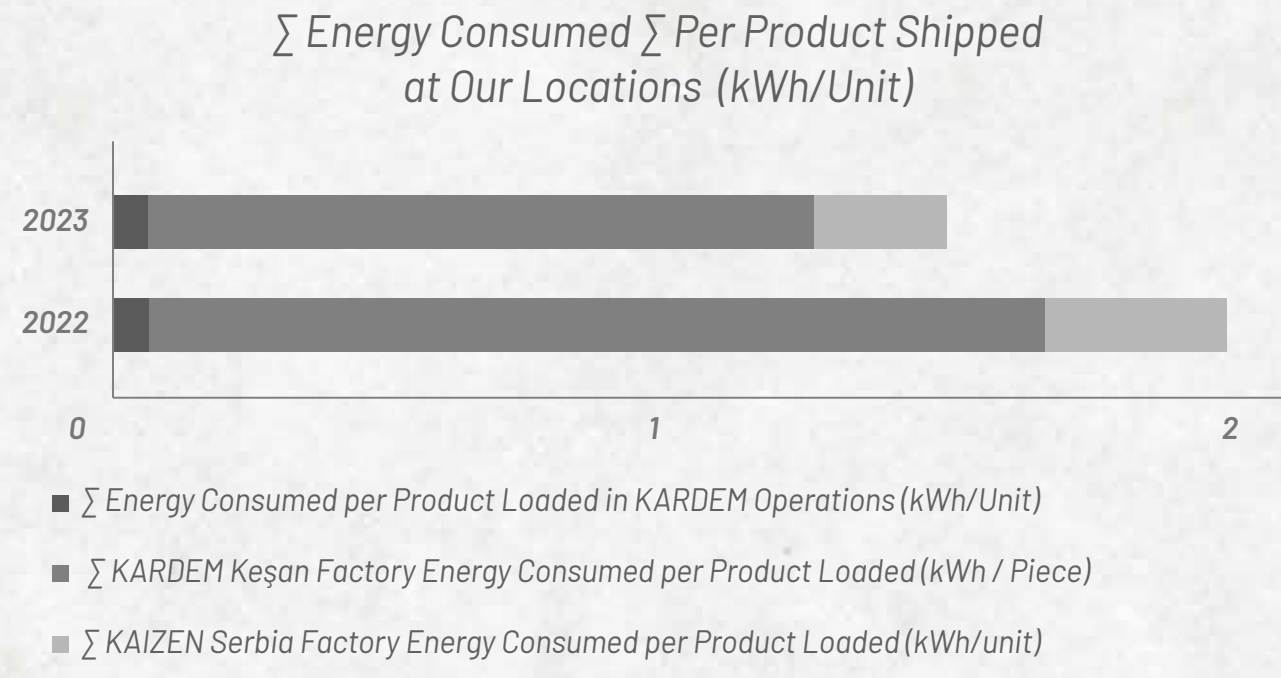
- 1.572,25 <sup>kg</sup> NO<sub>x</sub>
- 117,88 <sup>kg</sup> SO<sub>2</sub>



 Greenhouse gases emitted by 796.93 passenger vehicles for one year were prevented.

 The energy needed to run 20,787.06 computers for a year was generated.

 Over the course of one year, the energy required to power a television for 18,781,109.93 hours was obtained.



Σ Since SPP is used in KARDEM Keşan Factory, CO2 emissions avoided, not produced, are calculated.



VALUE THE PLANET

Self-Consumption in Energy

We recognize that in addressing the climate crisis, we carry responsibility not just as a company but also as members of society. Hence, in 2020, we took a significant stride towards minimizing natural resource consumption. At our Kardem Keşan Factory, we initiated the generation of 100% of our electricity through the installation of a 1.5 mW Solar Power Plant on its 10,000 m<sup>2</sup> roof, and we duly registered this plant under the widely recognized renewable energy certificate, The International IREC Standard.

In 2021, we began leveraging solar panels, with a capacity of 29.86 kW, installed on the 44.66 m<sup>2</sup> area of our Istanbul headquarters' roof, to generate hot water, thus enabling the reduction of our natural gas consumption.

Through the adoption of renewable energy, we achieved substantial reductions in our annual carbon emissions and concurrently decreased energy expenditures.





# VALUE THE PLANET

## Digital Transformation and Greenhouse Gas Management in Energy

Today, energy management has become an important part of sustainability. With this awareness, our company has embraced digital transformation to efficiently manage energy consumption and minimize our environmental impact. Industry 4.0 innovations such as Internet of Things (IoT) technologies, energy analyzers, smart water meters and advanced energy management systems such as Johnson Controls enable us to monitor and analyze our energy consumption in real time.

Our energy monitoring infrastructure features a comprehensive network of energy analyzers and digital water meters. These devices provide a detailed record of the energy flow in every corner of our KARDEM Keşan Plant and KARDEM Headquarters, and produce an energy consumption profile of each process. With the advanced infrastructures offered by PowerHUD and Johnson Controls, we collect and process this data and analyze energy consumption trends and habits with machine learning technology. This analytical capability allows us to instantly detect unusual situations and shape our preventive maintenance strategies so that

energy efficiency is continuously improved

### Energy Management Platform

Our PowerHUD Energy Management Platform continuously monitors changes in energy consumption and quality. PowerHUD is a platform enriched with data collection, analysis and machine learning, helping us to gain a deep understanding of every aspect of our energy use. We are optimizing energy not only in terms of consumption but also in terms of quality. This system is in particular critical for energy-intensive businesses and offers us the opportunity to reduce energy costs, improve operational efficiency and contribute to environmental sustainability.

### Smart Building System

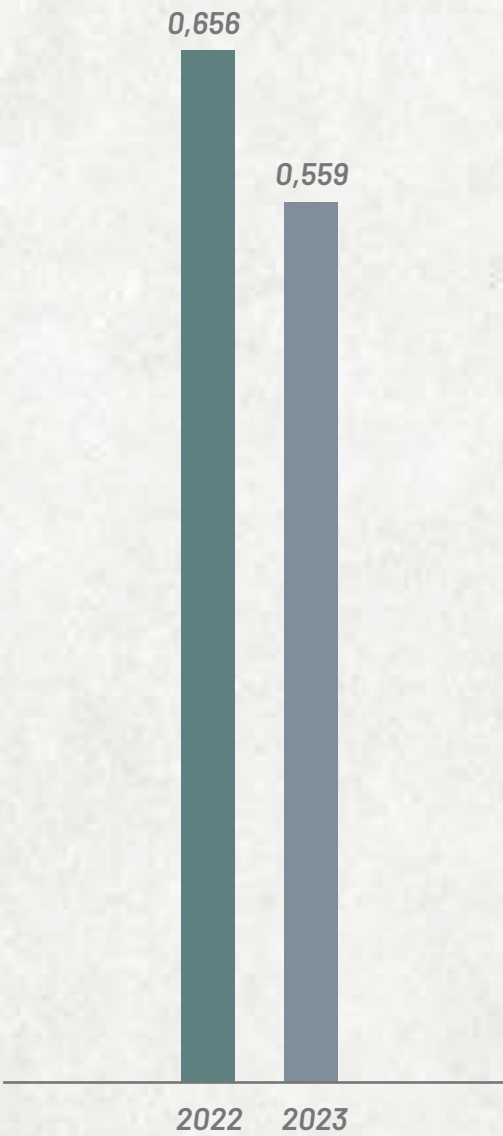
By incorporating Johnson Controls systems, which stands as a premier solution globally for intelligent building management and automation, we are fostering more intelligent and interconnected energy systems within our facilities. These systems, enhanced with artificial intelligence and machine learning, furnish the necessary insights for optimizing our energy consumption, diminishing our carbon footprint, and cutting down on energy expenses.

## Carbon Footprint Calculation and Monitoring Tool

CarbonHUD is a platform that allows us to monitor greenhouse gas emissions, set targets, and develop strategies to achieve these targets. By implementing this program, we are taking more informed measures to decrease the release of greenhouse gases into the atmosphere, a crucial aspect in combating global climate change.

As demonstrated by these investments and initiatives, our company's digital transformation in energy signifies not only a technological advancement but also a pathway toward maximizing our economic and environmental performance, thereby contributing to a sustainable future.

Σ KARDEM Keşan Factory  
Blocked CO<sub>2</sub> Emissions  
Per Shipped Product (tons/pcs)



Since SPP is used in KARDEM Keşan Factory, the CO<sub>2</sub> emission avoided is calculated.



# VALUE THE PLANET

## Chemical Management and Product Health

As part of ZDHC (Zero Discharge of Hazardous Chemicals), we adhere to the MRSL (Manufacturing Restricted Substances List), enabling us to both reduce our environmental impacts and maximize product safety.

Our membership in The Bhive platform facilitates safe chemical product selection and enhances chemical management, demonstrating our commitment to transparency.

We endorse sustainable agricultural practices that facilitate efficient water utilization, avoid soil and habitat disruption, uphold fiber quality, ensure dignified working conditions, decrease fertilizer usage, promote sustainable farming practices and advocate for the utilization of recycled materials. As part of this commitment, we are affiliated with BCI (The Better Cotton Initiative) and hold certifications such as OCS (Organic Content Standard) and RCS (Recycled Claim Standard).

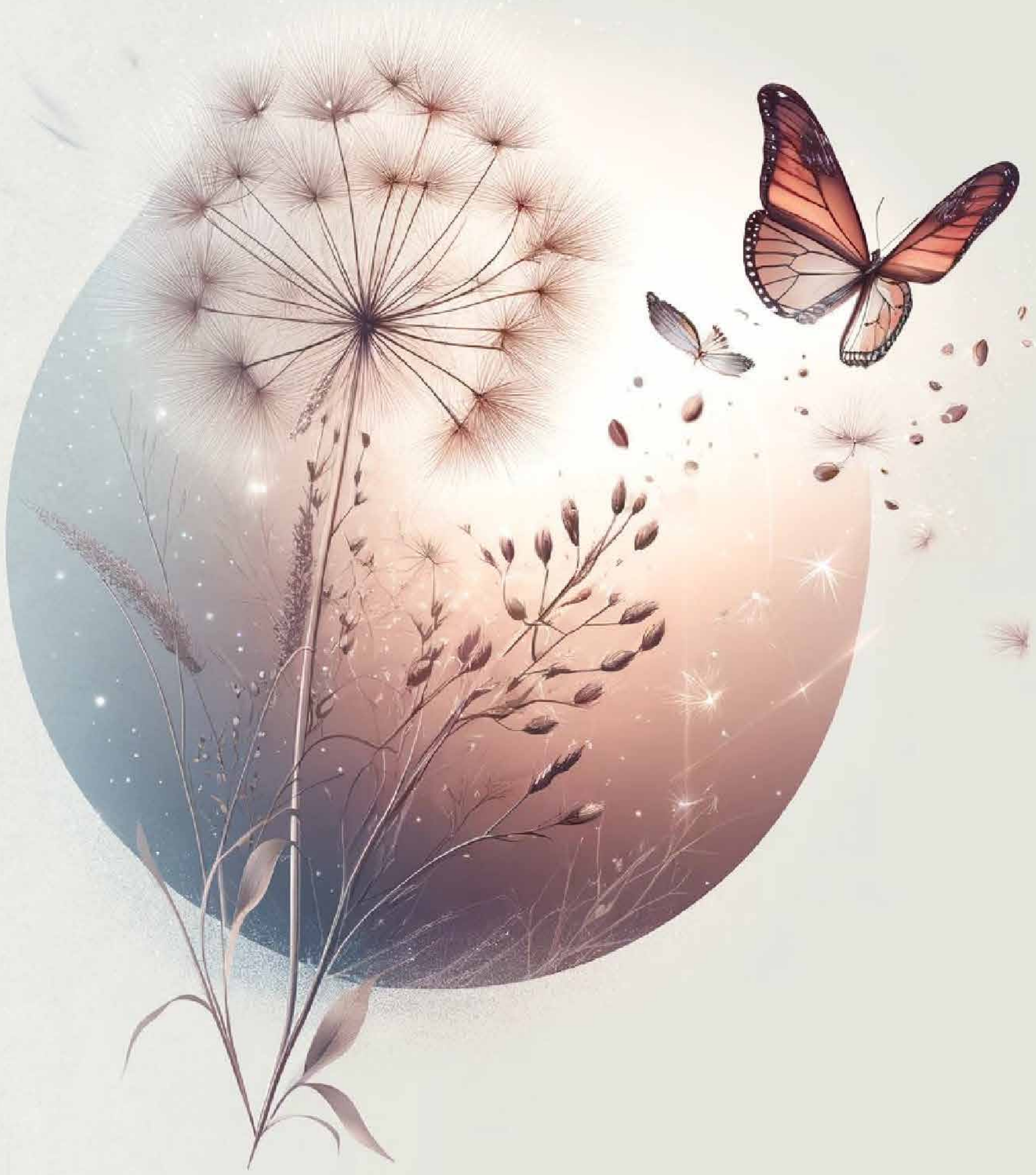
There has been a slight increase recently in the production of natural fibers containing sustainability elements in the global textile industry;

for example, sustainable cotton production increased from 25% to 27% between 2021 and 2022. However, the total share of all recycled fibers has decreased since 2020, from about 8.5% in 2021 to 7.9% in 2022. <sup>(2)</sup>

In 2023, Kardem succeeded in having 53% of its total production with sustainable fibers, placing well above the global and industry average for sustainable fibers.

53%

In 2023, we  
manufactured 53%  
of our total products  
with sustainable  
fibers





VALUE THE PLANET

Water Management

Water is a fundamental element of our life and is at the center of sustainable development. One of the Sustainable Development Goals outlined by the United Nations, SDG 6, targets the provision of safe water and sanitation services for all by 2030. In this context, preserving and efficiently utilizing water resources is crucial not only for local communities but for global well-being.

At KARDEM, we adopt innovative practices to ensure sustainable water management and efficient usage, optimizing the administration of our water reservoirs.

In both our factory and headquarters, we have installed digital water meters for real-time monitoring of water consumption, allowing for swift interventions when necessary.

Moreover, in our washing processes, we achieve significant savings compared to industry norms, utilizing merely an average of 4.9 liters of water per product.

We are also acting proactively about waste water management. By processing

wastewater through our biological and chemical treatment systems, we comply with ZDHC wastewater discharge standards. These practices ensure the continuation of the cycle of water as part of a healthy ecosystem and contribute to the fight against the global water crisis.

As emphasized by World Water Day, the significance of water cannot be overlooked for the 2.2 billion people without access to clean water. In line with this global awareness effort, we contribute by conserving our water resources and managing them sustainably.

Understanding the value of water and managing it appropriately are among the most crucial factors shaping our future. As a company, we develop policies and practices that support the conservation and efficient use of water, carrying the awareness of this global responsibility.

Waste Management

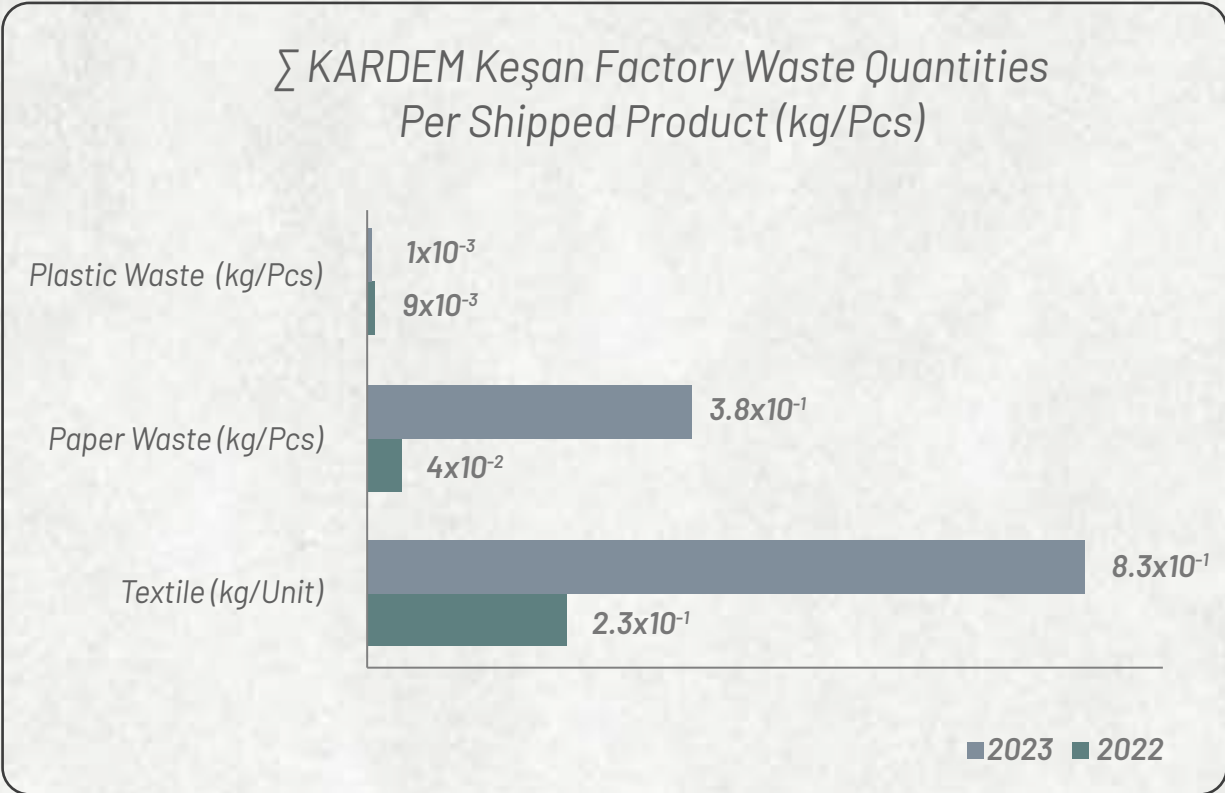
With effective waste management strategies, KARDEM demonstrates its commitment to environmental sustainability. Within this framework, we

are taking important steps in electronic waste management. Every year we donate our accumulated electronic waste to WEEE (Waste Electrical and Electronic Equipment), an authorized organization of TÜBİSAD (Turkish Informatics Industry Association). This practice contributes to reducing the environmental impact by enabling the reuse and recycling of electronic waste. The management of AEEE ensures the retrieval of valuable resources and the secure handling of hazardous substances, thus easing the environmental load.

Furthermore, the Zero Waste Certificate we obtained from the Directorate of Environment, Urbanization, and Climate Change of the Governorship of Edirne, Türkiye in 2023 officially recognizes our

success in waste management and environmentally friendly practices. With our commitment to the "Zero Waste" our objective is to optimize resource utilization and reduce waste generation. This certification reflects our dedicated endeavors in waste management and our commitment to environmental preservation.

Through these initiatives, we embrace an industrial ethos that prioritizes both ecological integrity and human well-being, fostering safer and more eco-conscious operational and production practices. By implementing these innovative and conscientious approaches, we advance towards our objectives of minimizing our environmental footprint and safeguarding natural resources.







**Kardem** *Sustainability Report 2023*

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# CONTRIBUTE VALUE TO SOCIETY



# CONTRIBUTE VALUE TO SOCIETY

We are at a crucial crossroad for Humanity. The global community not only grapples with the climate crisis but also contends with social inequalities. At KARDEM, we acknowledge this challenge and are deeply committed to our role in advancing social development.

Our objective is to create a workplace where every individual enjoys equal rights and where working conditions uphold human dignity. We adhere to fair and transparent policies in our recruitment and career development processes.

Gender equality forms an inseparable part of our organizational ethos. From leadership roles to all tiers of staff, we conduct programs and training sessions that foster gender equality.

In addition to supporting local communities, we are fulfilling our global obligations. We undertake projects aimed not only at economic growth but also at environmental preservation and social welfare.

We carry out comprehensive human resources programs to discover and develop the individual skills of our employees. Our aim is to translate individual achievements into corporate success by continually expanding learning and development opportunities.

Transparency, fair trade, and eco-friendly practices are paramount at every stage of our supply chain. We establish long-term relationships with our suppliers based on ethical values.

As individuals within the community, we will continue to add value to each other and collectively build a brighter future. Because we acknowledge that when we uplift each other, as a society, we achieve the greatest wealth – human dignity and the art of living together.



*As individuals within the community, we will continue to add value to each other and collectively build a brighter future. Because we acknowledge that when we uplift each other, as a society, we achieve the greatest wealth – human dignity and the art of living together.*

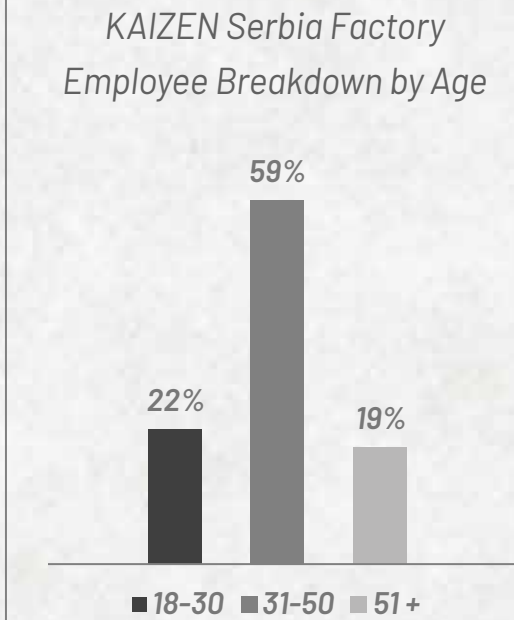
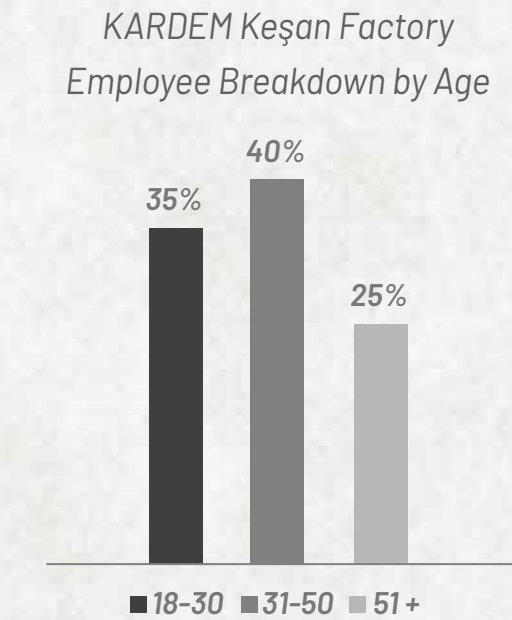
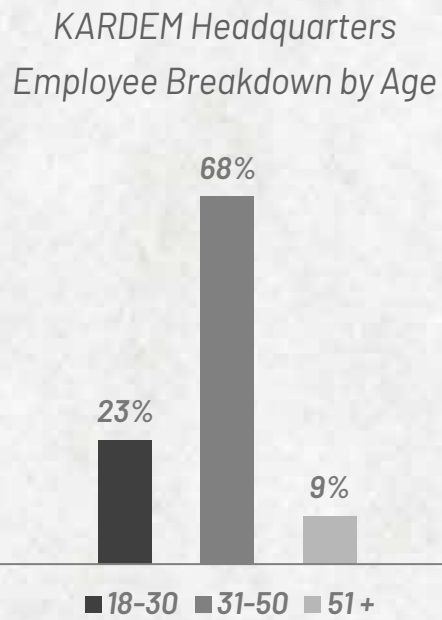
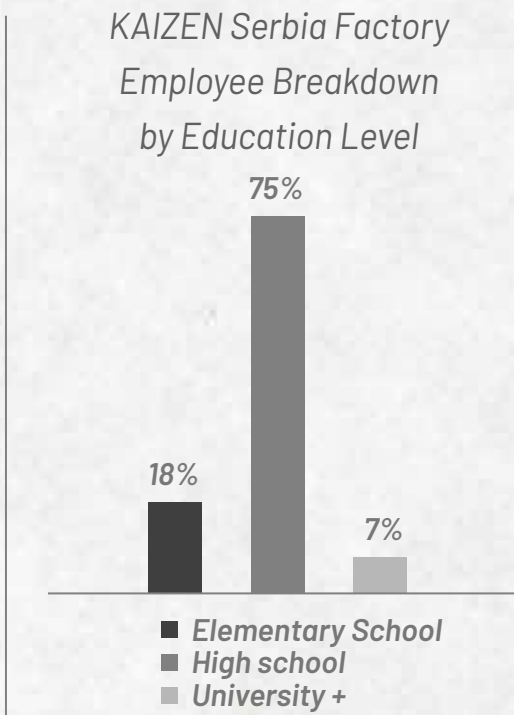
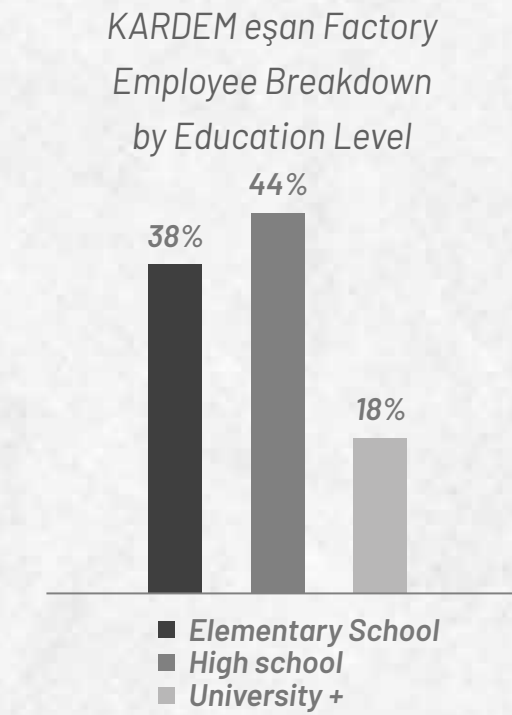
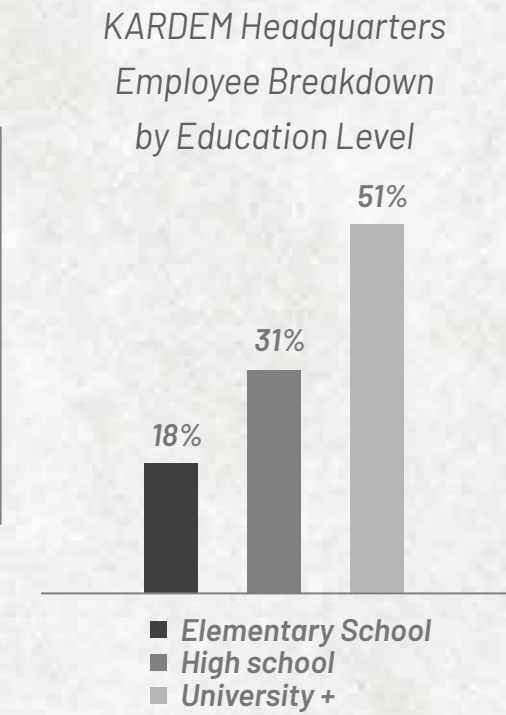


CONTRIBUTE VALUE TO SOCIETY

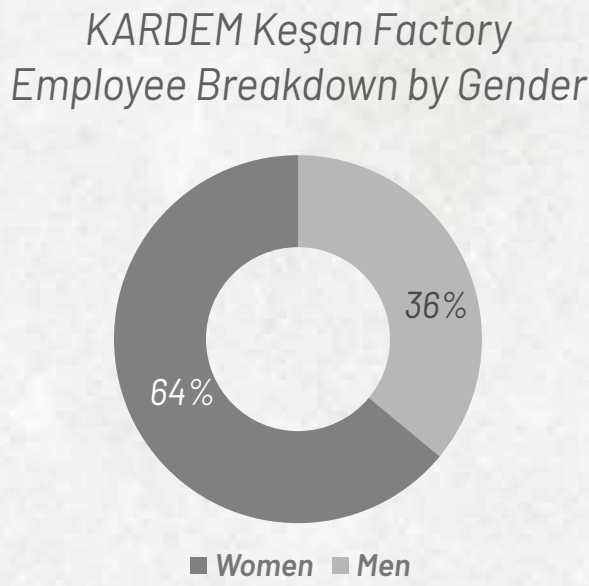
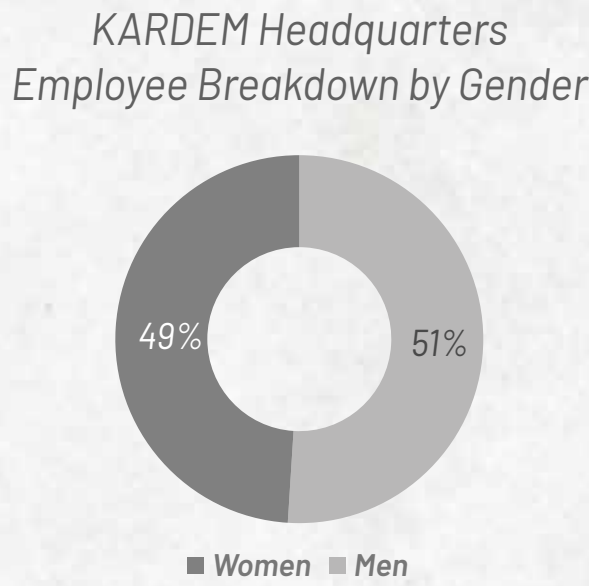
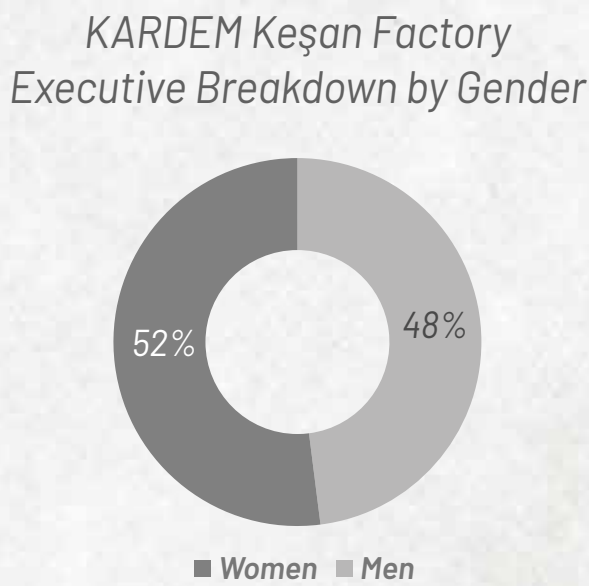
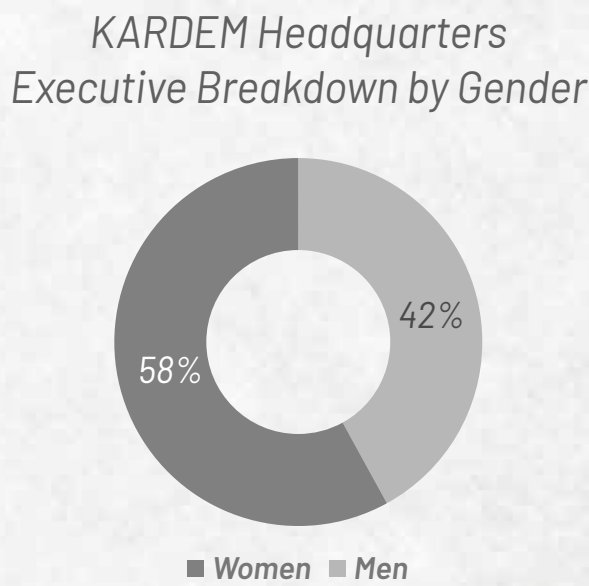


At our Headquarters, we held  
**142** person.hours  
of Gender Equality  
training sessions.

We conducted  
**174** person.days  
social compliance visits to our supply chain.



In 2023, we conducted  
**24**  
Suggestion - Complaint Evaluation meetings,  
**8**  
review meetings with  
the Social Performance Team.



During the 45th Istanbul Marathon,  
our 22 volunteer employees reached out to **356** donors,  
raising a total of  
**87,013** TL in donation for KAÇUV's "Boxes of Hope Project".



# CONTRIBUTE VALUE TO SOCIETY

## Respect for People

At KARDEM, "Respect for People" is not just a catchphrase; it's a guiding principle shaping every decision and action we take. Our respect for employees is rooted in our profound regard for their individual rights and professional growth.

By embedding equality and fairness in every facet of our workplace, from recruitment and promotion to compensation and working conditions, we ensure transparent and just practices. We endorse a culture that embraces diversity, fostering innovation and creativity through the varied perspectives of our workforce. We recognize that collaboration flourishes with diverse viewpoints, leading to superior results.

Our objective is to cultivate a work environment devoid of any form of physical, sexual, or verbal harassment, prioritizing unity and shared accomplishments instead.

We have a clear and consistent attitude in the field of social responsibility. We adhere to legal regulations, international agreements, industry standards, and customer requirements in our facilities and throughout our supply chain, placing the establishment of a "Dignified Work" environment at the forefront of all our processes. Since 2019, we have been implementing the universally recognized SA 8000 standard, which is considered a definitive benchmark for Social Accountability.

We will continue to enhance our operations and improve the social performance of our workplace by prioritizing employee feedback and fostering collaboration and transparency.





CONTRIBUTE VALUE TO SOCIETY



THE CENTENNIAL OF OUR REPUBLIC



“As we celebrate the centennial of our Republic with enthusiasm, we brought our design and production skills together in a t-shirt that will commemorate this special year.”



# CONTRIBUTE VALUE TO SOCIETY

## Employee Health and Safety

KARDEM meets international standards for employee health and safety with the ISO 45001 certification. Recognizing that a safe working environment extends beyond physical conditions alone, we pledge to provide our employees with a work environment that is both physically and psychologically healthy and safe.

## Proactive Risk Management and Continuous Improvement

ISO 45001 certification requires continuous review and improvement of our occupational health and safety management system. In this context, we continuously strive to prevent potential workplace accidents and occupational illnesses by proactively identifying, evaluating, and mitigating potential risks.

## Employee Engagement and Empowerment

We take our employees' views on safety and health seriously and shape our policies and practices based on their input. By providing regular training sessions, we encourage our employees to raise awareness and take an active role in occupational health and safety matters.

## Training and Awareness Programs

We ensure that all new recruits receive occupational health and safety training, fostering the adoption of a safety culture in the workplace from their first day. Additionally, we aim to enhance awareness and share up-to-date information by regularly conducting refresher training sessions for our existing employees.

## Effective Emergency Management and Response Plans

We have devised effective intervention strategies for emergencies and routinely assess their efficacy. We train our employees on emergency procedures to ensure readiness.

## Monitoring Health and Safety Performance

We consistently monitor our occupational health and safety performance, swiftly responding to areas needing improvement. This continuous improvement approach helps us mitigate risks and safeguard our employees' well-being.





# CONTRIBUTE VALUE TO SOCIETY

## Employee Engagement and Communication

KARDEM is dedicated to cultivating a communication culture that values its employees' input and promotes engagement across all levels. We strongly believe that every employee's insights, perspectives, and recommendations play a crucial role in the success of our company. With this conviction, we not only keep our employees informed about company policies and goals but also meticulously consider the feedback they offer.

To encourage the hearability of our employees' voices, we offer a range of channels, including suggestion and complaint boxes, employee representatives, department managers, and the Social Performance Team.

Our commitment includes hearing out all our employees, valuing their ideas, and appreciating their contributions as an integral part of our operations. Our Social Performance Team, composed of representatives selected from every level of our workforce, plays a significant role in sustainability matters by addressing ethical and social responsibility issues from a broad perspective. Through regular meetings, this team discusses and addresses employee suggestions and complaints, analyzes data, participates in root cause analysis efforts, and supports strategic-level improvements.

our employees. Accordingly, we help them develop their competencies and skills by providing regular trainings, workshops and mentoring programs. While offering career development paths to our employees, we also create opportunities for them to showcase their ideas and creativity.

92,772

person.hours of training provided.

8

Social Performance Team meetings held.

**Training and Development Opportunities**  
We attach great importance to the personal and professional development of

24

Suggestion and Complaint Evaluation meetings held.

**Initiatives that Support Health and Well-Being**  
We organize various programs to support the health and well-being of our employees. We aim to improve work-life balance, support employees' stress management and overall health. Yoga activities, which take place 3 days a week at our headquarters and mental health support initiatives ensure that our employees are happier and more productive at work.





# CONTRIBUTE VALUE TO SOCIETY

## Integrated Human Resources

In 2021, we enhanced our technology-driven Integrated Human Resources systems, known as "WEDO," and implemented the SAP SuccessFactors platform to modernize HR management, develop future leaders, and support our talent.

Using "WEDO," we centralize human resources processes, boost employee engagement, optimize performance and talent management strategies, and handle essential HR functions such as learning and development in a cloud-based environment, ensuring seamless integration.

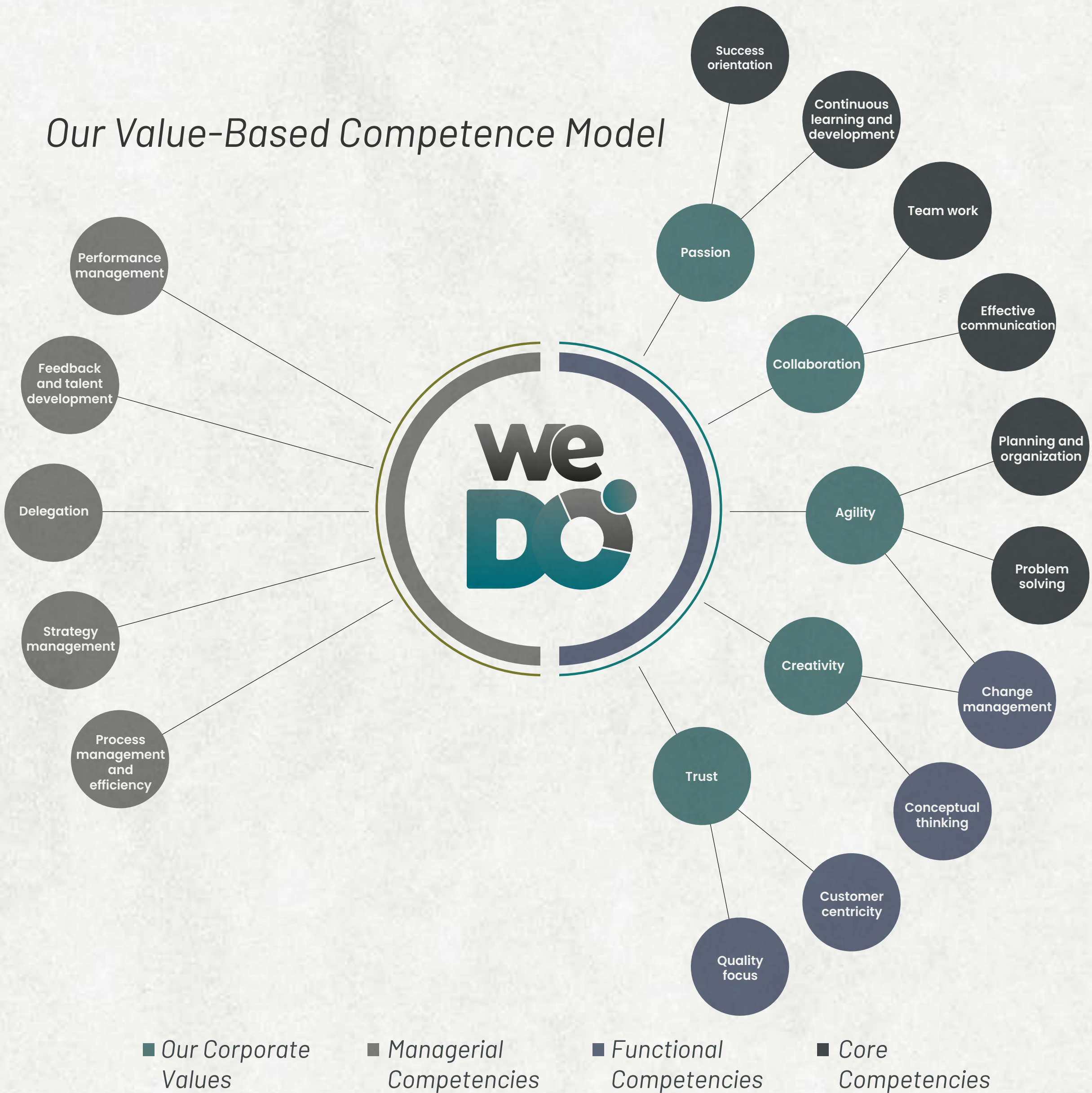
## Managing Self, Managing Work, Managing Team (S.W.T.)

Our Manager Development Program not only entails the responsibility of maximizing the potential of our leaders but also encompasses the vision of shaping the bright future of our organization.

The attentively designed S.W.T program endeavors to elevate our managers into

influential leaders characterized by resolve and forward-thinking, capable of propelling their teams to greater heights. We consider it a privilege to collaborate with highly accomplished professionals in their respective fields. This collaboration not only enriches us with technical expertise but also nurtures our leaders and teams through the wealth of experience they bring. Employing a comprehensive approach that includes competency assessments, personalized and professional development plans, mentorship, coaching, as well as innovation and change management, our goal is to foster the development of our leaders both individually and collectively. Through this approach, we aim not only to empower individuals and teams but also to steer the entire organization toward a promising future. We firmly believe that robust leadership not only shapes present accomplishments but also lays the groundwork for sustainable success in the future.

Our Value-Based Competence Model





# CONTRIBUTE VALUE TO SOCIETY

## Ethical Supply Chain

The social compliance audits and guidance we carry out at our facilities and with our suppliers are integral to our Supply Chain Risk Map approach. This approach is designed to identify and manage social and ethical risks at every stage of our supply chain. Within this framework, we thoroughly address social compliance issues, aiming to create positive impacts for all our stakeholders, and evaluate the performance of our supply chain in these particular areas.

Forced labor and discrimination harm individuals both mentally and physically and create significant societal fractures. We believe in the equal rights of every individual, regardless of language, belief, ethnicity, or gender, and recognize that diversity enriches us. We deem forced labor and discrimination unacceptable in a society that values the free expression of all its members.

Child labor dims the vibrant dreams of little hands and darkens their futures. We recognize that children, as the future productive adults who will shape our nation's future, have the potential to break

### Social Compliance Areas

- ✓ Child Labor
- ✓ Forced or Compulsory Labor
- ✓ Occupational Health and Safety
- ✓ Discrimination
- ✓ Freedom of Association and Society
- ✓ Discipline Practices
- ✓ Working Hours
- ✓ Payments
- ✓ Management Systems
- ✓ Official Company Documents

the cycle of poverty and social inequality. We advocate that childhood should be filled with education and development, woven with play and exploration.

Health and safety are the birthright of every individual. By making the Occupational Health and Safety culture a way of life, we aim to ensure that everyone can easily access these basic rights and requirements.

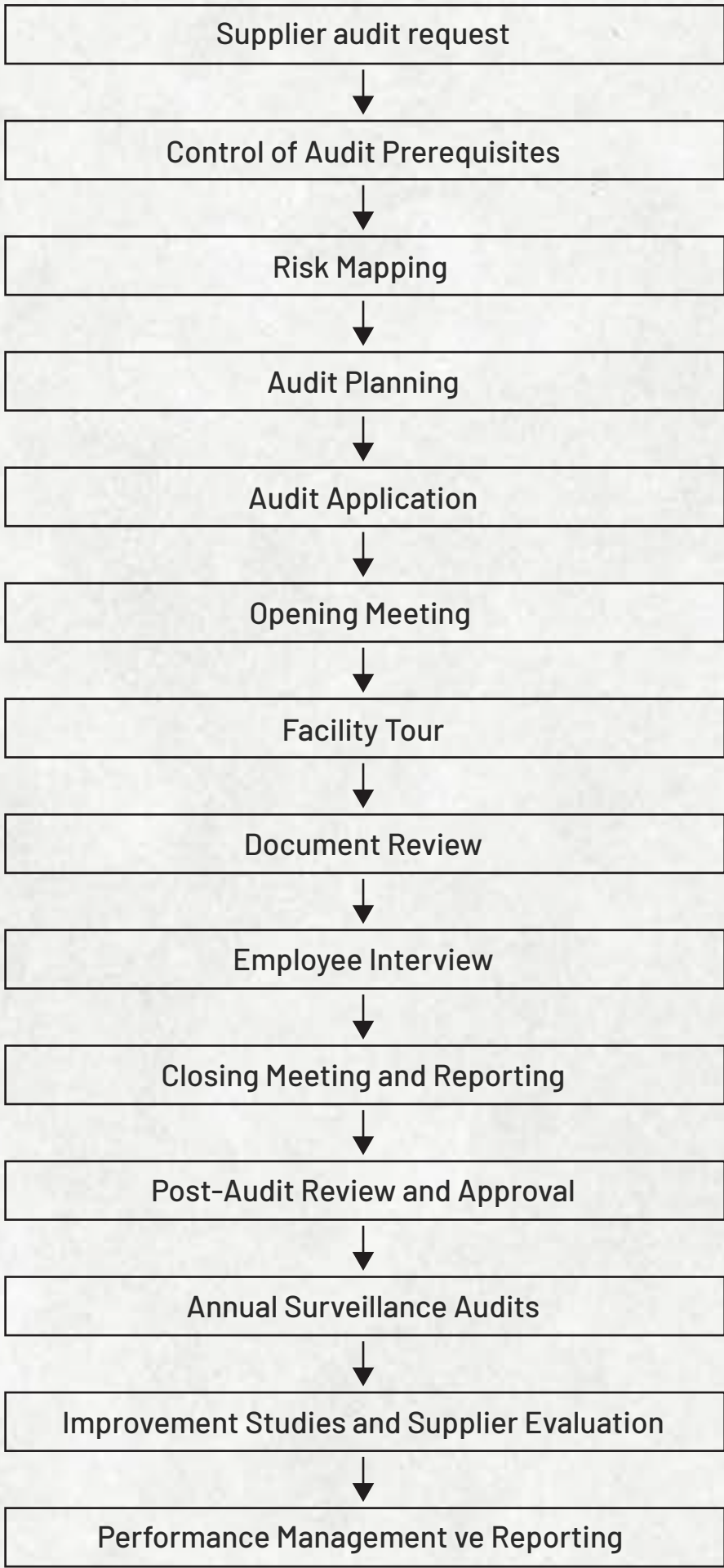
Fair wages and balanced working hours are essential for employees and their families to achieve a good standard of living. We are committed to ensuring that every individual can sustain themselves through fair compensation in exchange for their labor.

Employees who can freely voice their concerns and express their wishes and complaints are the foundation of a healthy and transparent work environment. We implement mechanisms that enable our employees to share their thoughts without fear of retaliation.

Freely elected Employee Representatives foster cooperation and understanding, creating a healthy communication channel between employers and employees. We fully support the election and roles of Employee Representatives, aiming to establish a fairer and more balanced work environment for everyone.

Fair and respectful disciplinary practices contribute to a positive atmosphere and mutual respect in the workplace. Discipline should serve as a tool for guidance and learning, not punishment. This is the mentality we defend.

Through an effective management system, we aim to highlight the added value that social responsibility practices bring to the entire organization.





# CONTRIBUTE VALUE TO SOCIETY

## Societal Gender Equality

At the core of every society lies the unique energy and creativity of women. As an organization, we aim to harness this energy by supporting women's participation in the workforce, thereby contributing to a fairer and more balanced world.

In our Keşan Factory, we have partnered with Nevzat Kahraman Kindergarten to support our employees' children. At our Istanbul Headquarters, we provide a daycare allowance for our working mothers. These initiatives enable our employees to better balance their work and family lives, while ensuring their children grow up in safe and educational environments.

Unfortunately, violence against women is still a reality in our society. However, we believe we can change this dark scheme through awareness. To support this, we display posters in our workplaces to raise awareness about violence against women, by keeping this important issue in the public eye and breaking the silence.

We commend the International Labour Organization (ILO)'s objectives of promoting opportunities for women and men to obtain decent work under conditions of freedom, equity, security, and human dignity. We also support the comprehensive Memorandum of Understanding <sup>(3)</sup><sup>(4)</sup> signed by UN Women and the ILO to address critical issues such as eliminating gender discrimination, protecting domestic workers, promoting social protection floors, and combating gender-based violence. We are committed to taking steps towards this direction. Our goal is to ensure that every individual, regardless of gender, can live with equal opportunities and possibilities, and we work towards making our society more just, equal, and inclusive.

With every step we take, we uphold our belief that all individuals, regardless of gender, can collaborate to create a brighter future. We embrace our responsibilities to build a society based on equality, respect, and justice.



- Icon of a document with a checkmark
- Icon of an information 'i' symbol
- 1
- 2
- 3



## CONTRIBUTE VALUE TO SOCIETY

### KAÇUV, Wherever There is Life, There is Hope!

We provide support to the Cancer Hope for Children Foundation (KAÇUV), a non-profit organization dedicated to ensuring the continuity of treatment for children at risk of treatment disruption due to financial constraints. Additionally, KAÇUV offers essential psychological support and creates treatment environments tailored to children's needs, which are vital in the fight against cancer.

During the 45th Istanbul Marathon, our 22 volunteer employees reached out to 356 donors for KAÇUV's "Boxes of Hope Project," raising a total of 87,013 TL in donations.



At our headquarters, we welcomed the Umut Cafe, a facility that offers employment to mothers residing at KAÇUV Family Houses.

Each year during the week of February 15th, KAÇUV conducts awareness and education campaigns to highlight childhood cancer. We recognize that raising awareness makes finding solutions easier. Therefore, we strive to utilize the strength of our corporate identity to support this cause. Our efforts include incorporating impactful visuals into our email signatures to catch the attention of external stakeholders and informing our employees through posters and announcements within the organization.

*Let's share, raise awareness, and support to bring hope to more children!*



This is such a monumental struggle that there is a day dedicated across the globe for drawing attention to this issue.

**February 15<sup>th</sup>,  
International Childhood  
Cancer Day**

**#sariyifarket  
(recognizyellow)**





# CONTRIBUTE VALUE TO SOCIETY

## Disaster Response and Social Solidarity

With the dedication and enthusiastic participation of our factory workers, we swiftly mobilized to produce urgently needed textile materials for earthquake-affected areas. The solidarity and determination exhibited by our employees throughout this process have reaffirmed our dedication to contributing to the community's recovery and emphasized our firm commitment to social responsibility as a company. Individuals from all sectors of society, whether offering a helping hand or offering moral support, have bolstered our belief in one

another and our spirit of unity during these difficult times.

Following the disaster, KARDEM promptly rallied our employees to provide assistance to affected citizens. Our internal donation campaign, coupled with contributions from our board of directors, exemplified this spirit of unity. The funds collected enabled us to quickly dispatch our trucks carrying essential supplies such as tents, sleeping bags, blankets, coats, winter clothing, diapers, wet wipes, baby food, pillows, and towels to the earthquake-affected region.

The painful memories and losses from the earthquake will be enduring for all of us. The process of healing from the earthquake's aftermath will require time, and during this period, patience, solidarity, and hope will hold even greater significance. We wish for the speedy recovery of all citizens affected by the earthquake and for them to swiftly regain their strength.

As a community, we will maintain our belief in overcoming these difficulties through our mutual support for one another.





# SDG (SUSTAINABLE DEVELOPMENT GOALS) CONTENT INDEX

**Starting Our Sustainability Story:** SDG 13 – Climate Action, SDG 15 – Life on Land, SDG 17 – Partnerships For The Goals

**About the Report:** SDG 8 – Decent Work and Economic Growth, SDG 9 – Industry, Innovation and Infrastructure, SDG 17 – Partnerships For The Goals

**Message from Our Managing Director:** SDG 8 – Decent Work and Economic Growth, SDG 9 – Industry, Innovation and Infrastructure, SDG 12 – Responsible Consumption and Production, SDG 17 – Partnerships For The Goals

**Our Sustainability Manifesto:** SDG 6 – Clean Water and Sanitation, SDG 7 – Affordable and Clean Energy, SDG 8 – Decent Work and Economic Growth, SDG 12 – Responsible Production and Consumption, SDG 13 – Climate Action, SDG 15 – Life on Land, SDG 17 – Partnerships For The Goals

**About Kardem:** SDG 8 – Decent Work and Economic Growth, SDG 9 – Industry, Innovation and Infrastructure, SDG 12 – Responsible Consumption and Production

**Create Value for the Future:** SDG 8 – Decent Work and Economic Growth, SDG 9 – Industry, Innovation and Infrastructure, SDG 12 – Responsible Consumption and Production

**Care For The Planet:** SDG 6 – Clean Water and Sanitation, SDG 7 – Affordable and Clean Energy, SDG 12 – Responsible Consumption and Production, SDG 13 – Climate Action, SDG 15 – Life on Land

**Add Value to Society:** SDG 3 – Good Health and Well-Being, SDG 5 – Gender Equality, SDG 8 – Decent Work and Economic Growth, SDG 10 – Reduced Inequalities





**KARDem** *Sustainability Report 2023*

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# THE SOURCE OF OUR INSPIRATION



## THE SOURCE OF OUR INSPIRATION



As the importance of sustainable energy continues to grow in today's world, our sources of inspiration can sometimes be found hidden in the most unexpected corners. At the end of our report, we would like to discuss the surprising relationship between nature's colorful artists, butterflies, and their connection to solar energy: Butterflies and solar panels!

We discovered that the dark-colored scales on the wings of these inspiring creatures have the capacity to absorb sunlight. In the mornings or on chilly days, butterflies spread their wings towards the sun, soaking in its warmth. This process plays a vital role in attaining the required body temperatures for their flight. Imagine butterflies basking in the sun; it's a crucial aspect of their pre-flight routines!

Butterflies exhibit a unique inclination towards the Sun. On sunny days, they can be observed spreading their wings widely towards the sun. This behavior which is known as "sunbathing" makes butterflies appear as if they are paying homage to the Sun. This posture enables them to maximize the heat absorbed from the Sun, gathering the essential energy needed for flight.

And the most intriguing part is that research suggests the microstructure of butterfly wings may have a similar capacity to absorb and convert sunlight into energy, akin to the photovoltaic cells used in solar panels. This could shed light on designing more efficient solar panels for humanity.

This serves as a remarkable example of how nature produces its own solar panels!

This insight demonstrates that butterflies are not merely a decorative aspect of nature. By drawing lessons from nature, it becomes feasible to devise environmentally conscious and innovative solutions. The mesmerizing dance of butterflies serves as a reminder of how nature can serve as a guide toward a sustainable future.



### Mehmet Topçu

Mehmet Topçu is a textile engineer renowned for his creativity and sensitivity, a nature enthusiast and a photographer who stands out with his artistic talents. Passing on his professional skills to the younger generation, he expresses his creativity through hobbies such as nature photography and amateur radio operation. Showing a keen interest in personal growth activities like wood carving and trekking, Mehmet has earned accolades, such as securing second place in the 2011 Nature Photography Competition in Türkiye. As a father of four, Mehmet emerges as an inspirational figure, deeply committed to both his family and nature. We extend our heartfelt gratitude to Mr. Mehmet for graciously sharing these captivating butterfly photographs featured in our report.



THROUGH THE LENS OF MEHMET TOPÇU





# WHAT YOU CAN DO AS AN INDIVIDUAL

- i

1

2

3

- Reduce energy consumption in standby mode by unplugging electronic devices.
  - Reduce water consumption by taking short showers.
  - Prevent paper waste by double-sided printing.
  - Optimize energy usage with smart thermostats.
  - Reduce paper waste by switching to online invoices.
  - Opt for energy-efficient household appliances.
  - Use products that will save water in the bathroom and kitchen.
  - Prefer public transportation or cycling.
- Consider environmentally friendly transportation options, such as carpooling.
  - Use reusable shopping bags.
  - Install low-flow faucets and showerheads for water conservation at home.
  - Make meal planning to reduce food waste.
  - Use organic and eco-friendly cleaning products.
  - Replace pet products with eco-friendly options.
  - Share eco-friendly habits with family and friends.
  - Spread environmental awareness through education and awareness.
  - Support local and organic food producers.
- Prefer environmentally friendly vacation options.
  - Participate in environmental protection events for educational purposes.
  - Use reusable water bottles instead of plastic bottles.
  - Use cloth wipes instead of paper towels.
  - Opt for energy-saving window coverings.
  - Replace old bulbs with energy-efficient ones.
  - Turn off heating and cooling in unused rooms.
  - Completely eliminate the use of plastic bags.
  - Maximize natural light at home and in the workplace.
- Adopt a zero-waste lifestyle.
  - Store and use rainwater in your garden.
  - Support and encourage green policies in the workplace.
  - Make your garden more sustainable by preserving natural vegetation.
  - Participate in eco-friendly hobbies and activities.
  - Volunteer for environmental conservation projects as an innovator.



## CONTRIBUTORS

We extend our thanks to everyone involved in the creation of our 2023 Sustainability Report, reinforcing our belief in striving for improvement:

**Ahmet Zeki Erdoğan** (Chairperson of the Board and General Manager),

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Butterfly designs have been prepared with **Chat GPT.**





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