



2023 ANNUAL REPORT ON SUSTAINABILITY

Release Date: 06/2024

CROSS
TEXTILES

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Cross Textiles
Sustainability Report
2023

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About the Report

About the Report

This report is the 5th 2023 sustainability report published annually by Cross Textiles, which published its latest report in 2022. Cross Textiles presents all of its sustainability investments, digitalization and technology-based operation improvement and applications that put humanitarian values at the center, as a commitment to "transition from linear production processes to circular production processes" of our company, which has abandoned the "shareholder" approach and adopted the "stakeholder" approach.

This report, covering the time period between 1 January 2023 – 31 December 2023, has been prepared in accordance with the core option of the Sustainability Report Standards of Global Reporting Initiative (GRI). Cross Textiles projects an annual reporting of the GRI. In this report, Cross Textiles declares to all its stakeholders that it is subject to periodic audits by independent 3rd party organizations for compliance with legal regulations and OHS and COC requirements mentioned in the report.

Our report covers the Çorlu factory, Tokat factory, Yozgat factory, Egypt factory and Güneşli headquarters locations.

Cross Textiles projects an annual reporting of the GRI.

For any input associated with the Annual Sustainability Report or with us at the Cross Textiles in general, you can contact us via:

sustainability.board@crostextiles.com

You can also find more information about us at;

www.crostextiles.com



Letters to Stakeholders

My father embarked on a great adventure back in 1939 as he went into textiles. It became a family lifestyle and today, 85 years later, the third generation of textile adventurers continues to build our family business.

Cross Textiles is not perfect. We may never be perfect. But we try hard to do our part by measuring, understanding, innovating, collaborating, and improving. Aiming to be the better option, every day. It's not a matter of perspective, but a matter of actions. We believe that the idea of eternal growth is not realistic. It's likely that eternal growth means depleting all natural resources and then it's a race to the bottom. A race where everyone loses. Instead, we want to build a brighter future by embracing our responsibility together with our stakeholders.

My father's humble adventure has grown into one of the largest denim manufacturers in our part of the World. Our aim is to be a trustworthy, honest, and passionate denim solution. With 7000 employees, we consist of many strong individuals, a team of true professionals. Nevertheless, we are and will always be a family.

Ömer Kolunsağ
Chairman of the Board



Passion is not enough. As our stakeholder, I truly encourage reading this year's report, as we disclose our policy commitments for responsible business conduct, our policy for human rights, and much more. It's not only about our past but also about our future. Together.

Whether it's quality or footprint, style, or lead time, we aim to find the greatest possible solution. Either we offer it to You, or You move on to someone else. It's as simple as that. Our marketing and sales teams don't do marketing and sales. They do service. We all do.

"Business as usual" is not the way to success. Let me give you the numbers. To fight irreversible climate change, as the temperature increase goes from 1,48 degrees in 2023 towards 2 degrees in the years to come, our industry must change. As an industry, we are responsible for between 3 to 8 percent of Global Warming (depending on who you ask). No matter how passionate we are about denim, that's not good enough.

We want to be part of the solution, which is why we are proceeding on the path of SBTi, circularity, and innovation. We focus on offering a resilient denim solution to minimize the risks for all our stakeholders and the planet.

We call it the Art of Denim, but you can also call it Cross Textiles.

İsmail Kolunsağ
CEO, Member of the Board

137.733 m³ water resued by Waste Water Recycling Unit

85 years of expericence

3rd denim exporter in ISO 500

20+ million denim garment

915.880 kg fabric recycled

171 million € annual revenue

128.355 Jeans Re-Design products

8 different locations

11.552 MWh certificated of IREC

100.000 m² closed area

CROSS
T E X T I L E S
AT A GLANCE

%6,7 carbon emission reduction

7268 employees

%7,4 water usage reduction

1500+ different supplier

%0,5 natural gas reduction

31 million kWh electricty capacity from solar panels



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About Cross Textiles

About Us

Our journey, which started with the production of men's suits in Adapazarı in 1939, continues with an understanding that adopts wide stakeholder participation as a principle, and with the effort to be among the best in responsible denim production & washing in 4 different countries. We strive to fulfill our responsibilities. We are stakeholders. We carry the circular production approach on one shoulder and the stakeholder approach on the other we serve. With over 1500 stakeholders, we serve global brands in the main markets of Europe and America. By adopting a technology and digitalization-based transformation in all our internal processes, operations, R&D activities, and investment decisions, we define ourselves as the Denimaniacs of this world.

Subsidiaries constituting the capital structure of our company have been registered under the name of "Şık Makas Giyim Sanayi ve Ticaret A.Ş"

Our company has **8 locations** in **4 different countries**. Headquarters in **Istanbul**, facilities in **Çorlu, Tokat, Yozgat, Egypt-Port Said, Czech Republic, Poland and Germany**.

Serving many customers in the European market across various categories, our company also has retail sales centres in Poland and Germany, under the sub-brand of the Cross Jeans, with a customer portfolio of prestigious brands in the international level.



About Denimaniacs (Also Us)

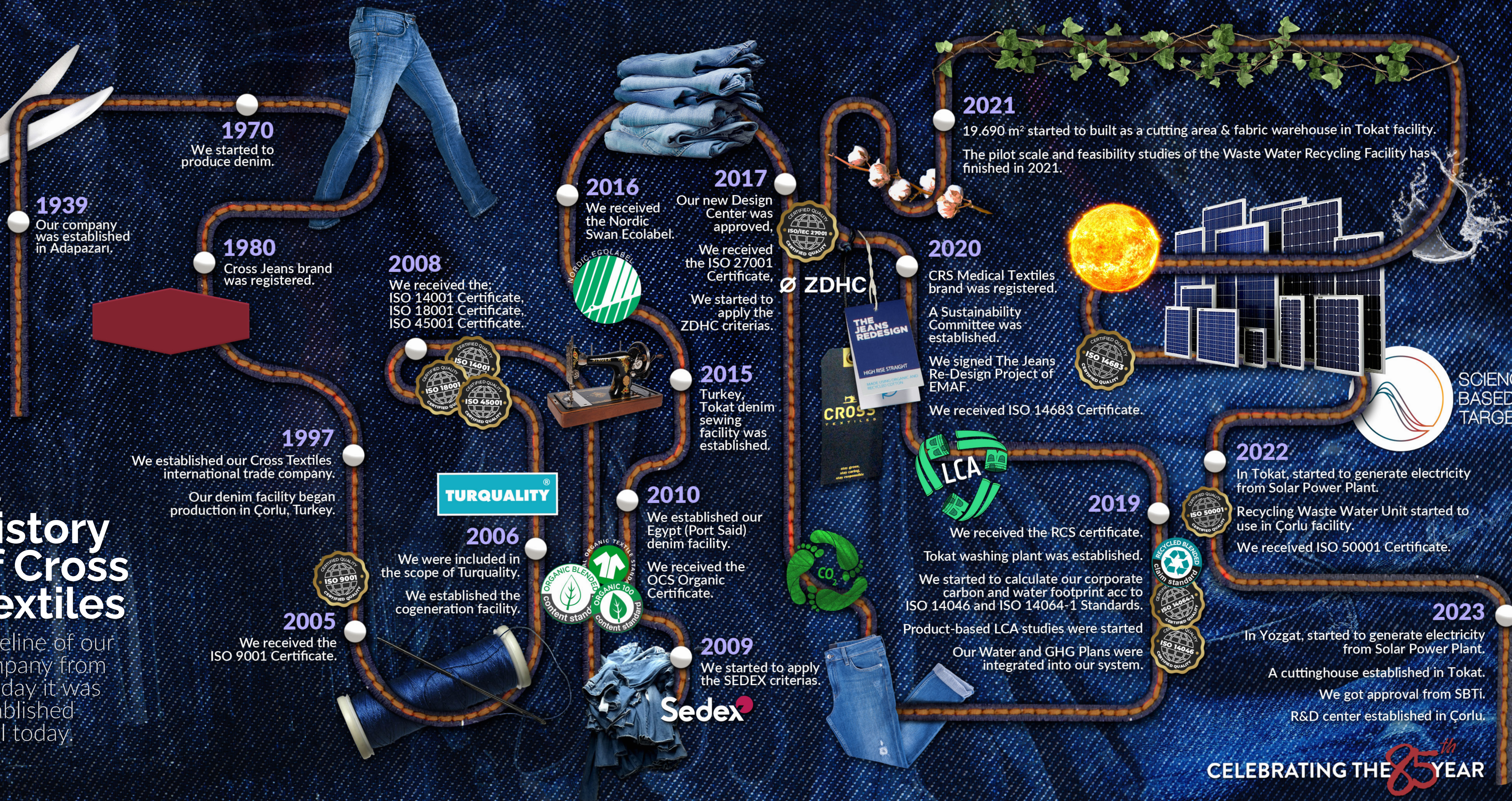
In 2022 we made a commitment to SBTi "our scope 1-2 and scope 3 targets for 2030". In order to realize this commitment, we have prepared our action plans supported by technology investments on the basis of a circular production approach. We adopt the 2030 Paris Climate Agreement 1,5 degree targets and reaffirm ourselves commitment here: We commit to reduce our scope 1-2 emissions by 42% and scope 3 emissions by 25% by 2030. We are aware of the necessity of fulfilling this commitment by organizing ourselves and our entire supply network around scientific-based targets. For this reason, as one of the few denim manufacturers that make a commitment to SBTi, we try to both understand and explain. We started to organize our internal processes to integrate them with our SBTi goals. In order to achieve our goals in 2023 and beyond, we aim to get the data from our ERP system, which is data for the KPIs we have set numerically. Simultaneously, we are including our scope 3 target and our supply network in this journey.

We are also responsible for the environmental impact of every denim garment we produce and with this responsibility, we emphasize the importance of the right choices starting from the raw material from the design point of view, in order to reduce our impact. In this context, we are trying to spread the circular production approach to all our production processes, starting from design. We are part of circular-based projects such as EMAF's The Jeans Re-Design project and fabric and product production from cut fabric scraps.



The History of Cross Textiles

Timeline of our company from the day it was established until today.



1939
Our company was established in Adapazarı.

1970
We started to produce denim.

1980
Cross Jeans brand was registered.

1997
We established our Cross Textiles international trade company.
Our denim facility began production in Çorlu, Turkey.

2005
We received the ISO 9001 Certificate.

2008
We received the: ISO 14001 Certificate, ISO 18001 Certificate, ISO 45001 Certificate.

2006
We were included in the scope of Turquality.
We established the cogeneration facility.

2016
We received the Nordic Swan Ecolabel.

2017
Our new Design Center was approved.
We received the ISO 27001 Certificate.
We started to apply the ZDHC criterias.

2015
Turkey, Tokat denim sewing facility was established.

2010
We established our Egypt (Port Said) denim facility.
We received the OCS Organic Certificate.

2009
We started to apply the SEDEX criterias.

2021
19.690 m² started to built as a cutting area & fabric warehouse in Tokat facility.
The pilot scale and feasibility studies of the Waste Water Recycling Facility has finished in 2021.

2020
CRS Medical Textiles brand was registered.
A Sustainability Committee was established.
We signed The Jeans Re-Design Project of EMAF.
We received ISO 14683 Certificate.

2019
We received the RCS certificate.
Tokat washing plant was established.
We started to calculate our corporate carbon and water footprint acc to ISO 14046 and ISO 14064-1 Standards.
Product-based LCA studies were started
Our Water and GHG Plans were integrated into our system.

2022
In Tokat, started to generate electricity from Solar Power Plant.
Recycling Waste Water Unit started to use in Çorlu facility.
We received ISO 50001 Certificate.

2023
In Yozgat, started to generate electricity from Solar Power Plant.
A cuttinghouse established in Tokat.
We got approval from SBTi.
R&D center established in Çorlu.

SCIENCE BASED TARGETS

CELEBRATING THE 85th YEAR

Our Sustainability Perspective

As Cross Textiles, we continue our commitment to a more just, greener, and sustainable world through our sustainability strategy centered around circular production and SBTi 1.5 Degree Climate Goals. **It brings us great pride to announce that our recent efforts and targets have received validation from the Science Based Targets initiative (SBTi) in May!** We will persist in working towards more innovation, increased stakeholder collaboration, and further sustainability achievements in the future. By embracing the circular production approach, we are dedicated to utilizing resources most effectively and minimizing waste generation. We promote circularity throughout all stages of our products, from design to production and delivery to end-users. This approach not only ensures the sustainable use of resources but also serves the purpose of preserving our natural environment. We view the goal of keeping global warming well below 2°C not merely as a commitment but as a responsibility. Therefore, we are resolute in achieving the 1.5-degree climate goals set by SBTi. To play a key role in the fight against climate change, we have established concrete targets to significantly reduce carbon emissions. To accomplish our SBTi targets, we are increasing our investments in technology. By adopting the latest technologies, we aim to make our production processes more efficient and environmentally friendly, with the goal of reducing our carbon footprint. Our sustainability efforts encompass not only environmental impacts but also societal responsibility. We promote the well-being of our employees and encourage fair business practices among our suppliers. We are committed to ethical business practices and diversity. Through collaboration with our stakeholders, we aspire to create a sustainable supply chain. At Cross Textiles, we remain committed to a future where sustainability, circularity, and climate goals are at the forefront of our endeavors, as we continue to work towards a greener and more equitable world.

Sustainability Management Structure

As a part of the sustainable transformation of the textile industry, Cross Textiles is adopting Sustainability as a core value and transfer it to all stakeholder groups. In order to implement an approach built on circularity with all our partners, suppliers and stakeholders, we adopt the understanding of mutual partnership as a natural part of our business processes in every phase of our business. We continue to implement as part of it.

“Transformation Process” in terms of governance for our company;

It is an uninterrupted process. Our Sustainability Committee, which was established in 2020 to report to our Board of Directors, was strengthened with sub-working groups in 2021, and in 2022, the Sustainability Department was included in the organizational chart, ensuring end-to-end functionality of our sustainability management from senior management to operations.

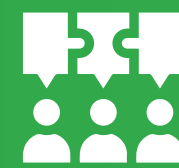


Our sustainability approach became a company culture across all divisions of Cross Textiles, and our Sustainability Committee makes sure that it is embraced by all the parties involved in our value and supply chain.



Management Structure

Ömer Kolunsağ - **Chairman of the Board**
Faruk Kolunsağ - **Board Member**
Haluk Kolunsağ - **Board Member**
İsmail Kolunsağ - **Board Member**
Cemil Kolunsağ - **Board Member**
Furkan Kolunsağ - **Board Member**
Uğur Kerim Kolunsağ - **Board Member**



Sustainability Committee Members

Committee Chairman - İsmail Kolunsağ
Committee Sustainability Director - Peter Lantz
Committee Strategy Determination and Compliance Officer - Yusuf Oklay
Committee Social-Sustainability Strategy Officer - Nafi Şen
Committee Risk and Opportunities Officer - Nurdan Orday
Committee Sustainable Product Design Officer - Uğur Kerim Kolunsağ
Committee Supply Chain Officer - Ahmet Göklen
Committee Customer Sustainability Communication Officer - Fulya Çelikyurt
Committee Project Coordination Officer - Derya Mutlu Bedavalar, Özlem Aydın
Committee Projects Site Manager - Hakan Asım Şensoy
Committee Project Auditor - Kadir Özkaya



Sustainability Department

Sustainability Director - Peter Lantz
Sustainability Process Development Manager - Özlem Aydın
Sustainability Process Development Engineer - Elçin Köse
Digitalization & Social Media Specialist - Eren Karanfil

This is chart of our sustainability management with Sustainability Committee, Sustainability Unit and Board of Directors by associating them with each others. Cross Textiles is a family company with 85 years of experience and the board of directors consists of family members who are also company partners. In addition, the members of the sustainability committee consist of managers of important units.

Total Committee Members

12

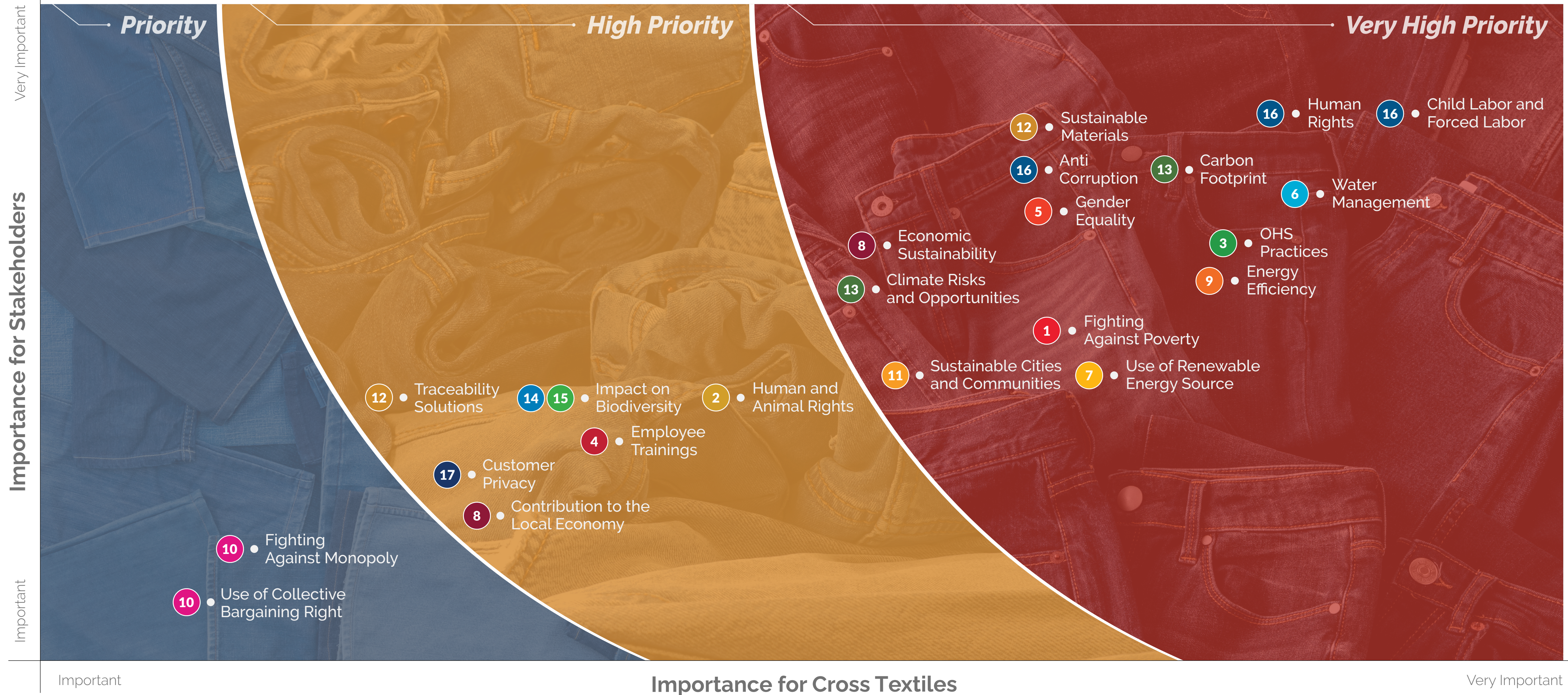
Male Committee Members

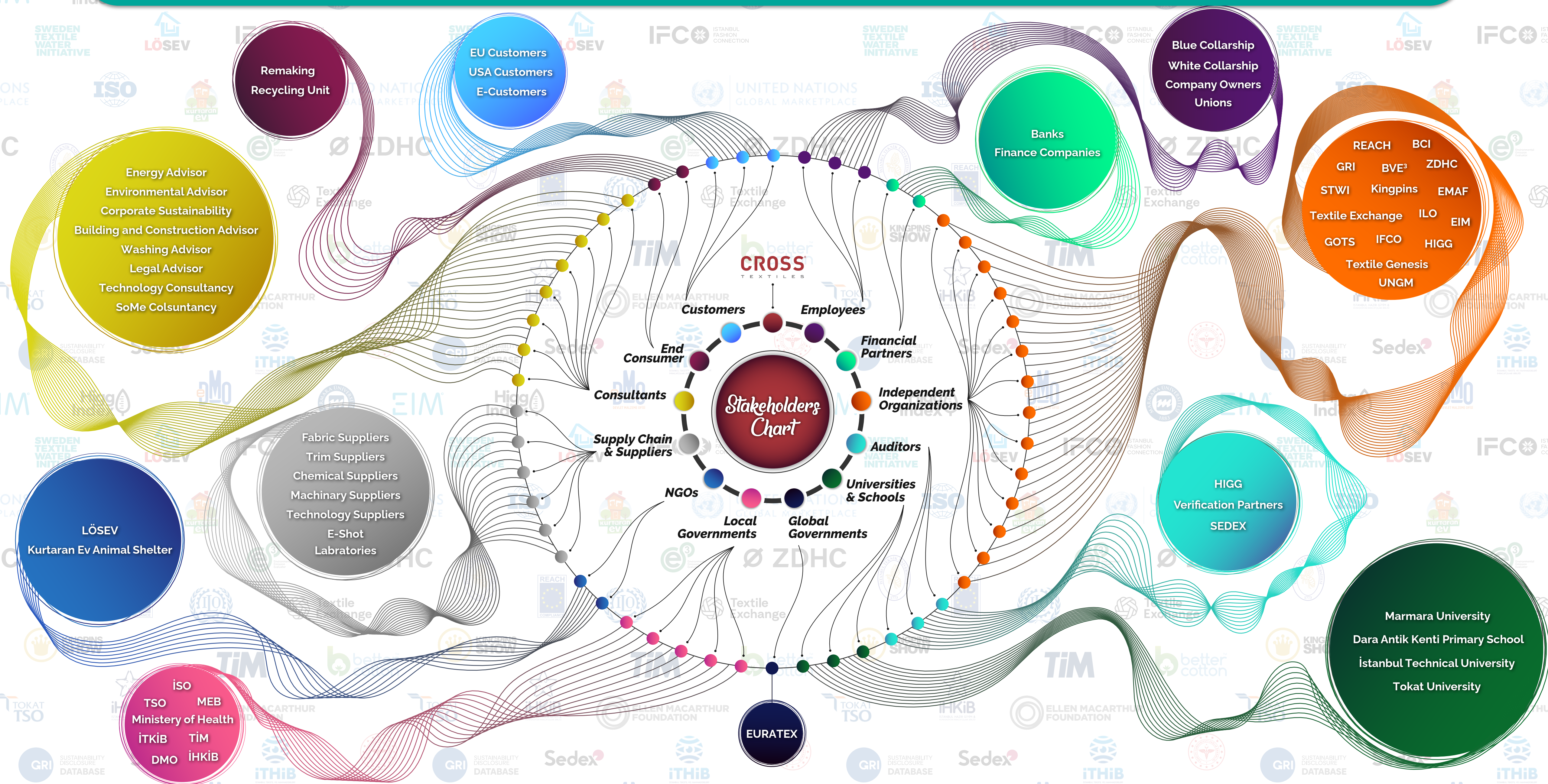
8

Female Committee Members

4

Materiality Analysis







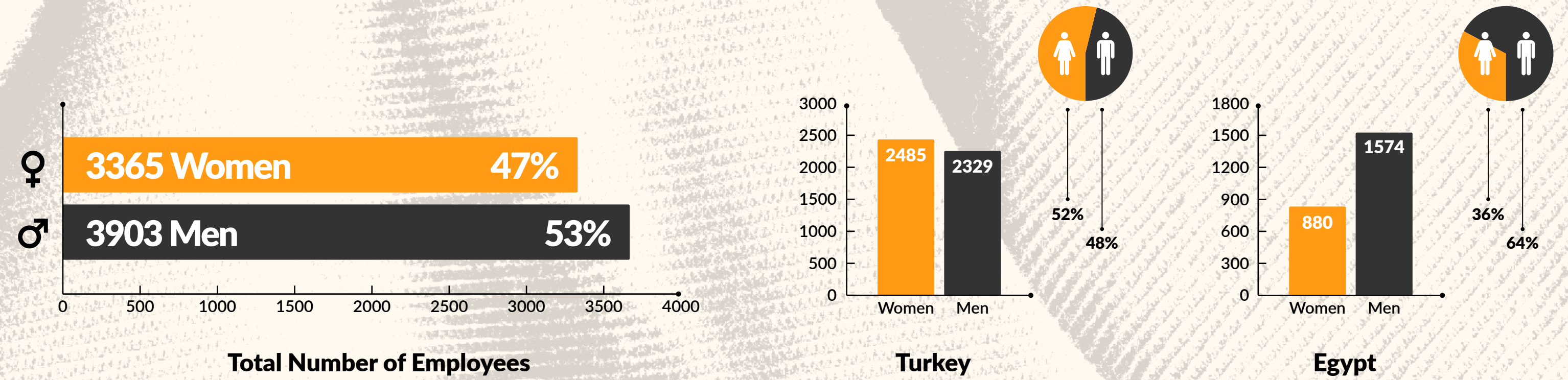
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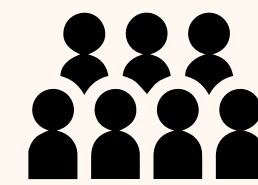
Cross' Family First

Our View of Humanity

We are a huge family with our **7268 employees**, over 1500 suppliers, over 30 customers, local and global unions, NGOs and their families under the roof of our 4 locations. Cross Textiles sees each of its employees, customers, suppliers, and every institution and authority it is in contact with as a partner just like itself, and approaches all social issues with this perspective. We know that **each of us, is a stakeholder of 1 in 8 billion.**



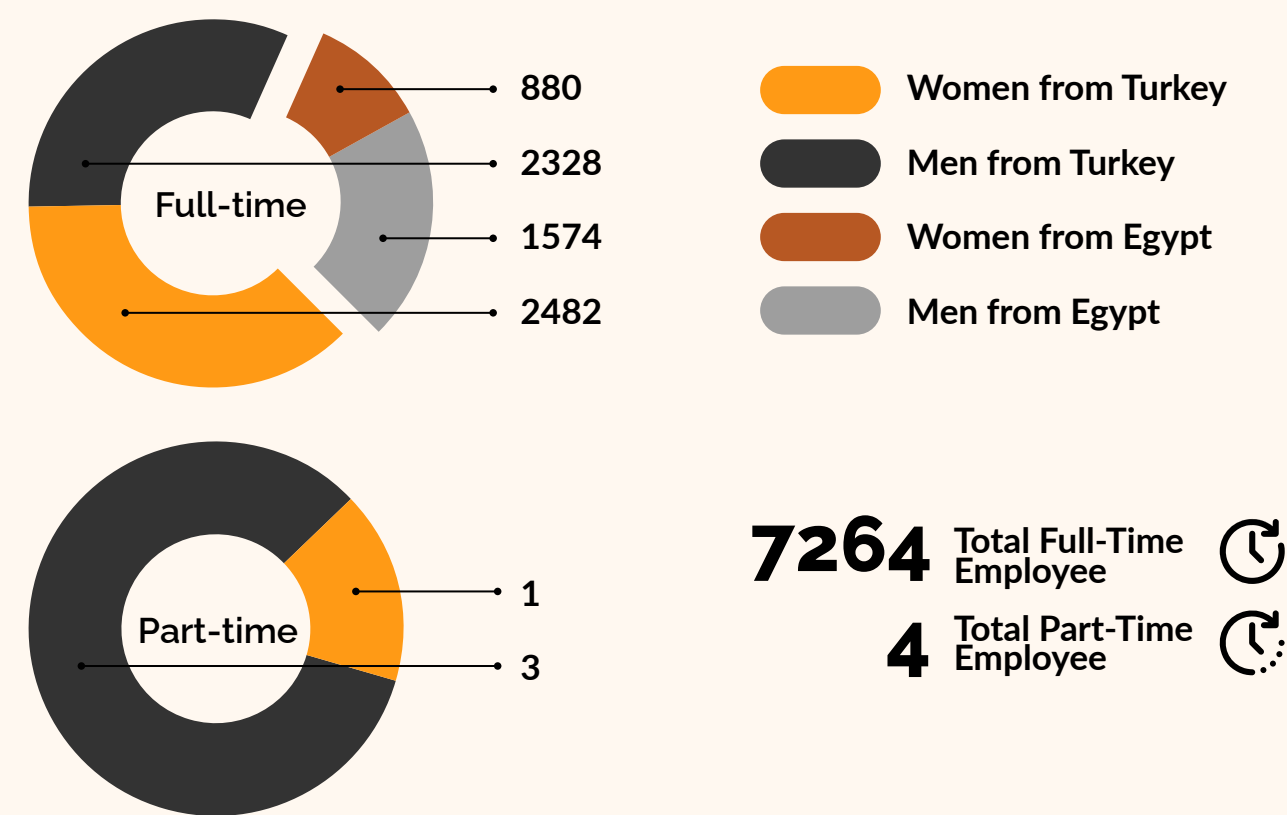
Total Employees 7268



Embracing a “family first” approach, our employees are our most significant stakeholders.

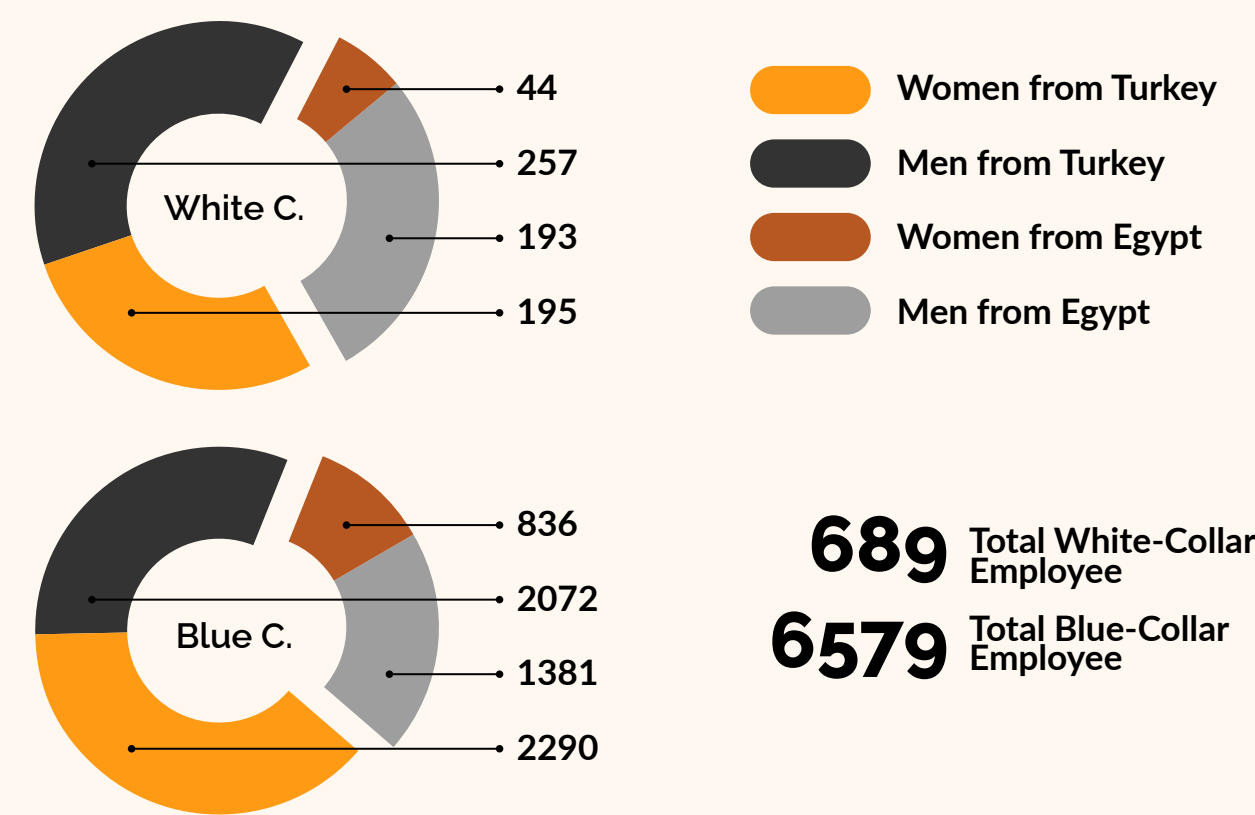
Our employees play a critical role in our rapid business growth and success. We maintain our human resources by retaining highly skilled talent, offering opportunities for self-improvement to our employees, and ensuring our workplace is fair, transparent, and equal for everyone involved.

Working Type:

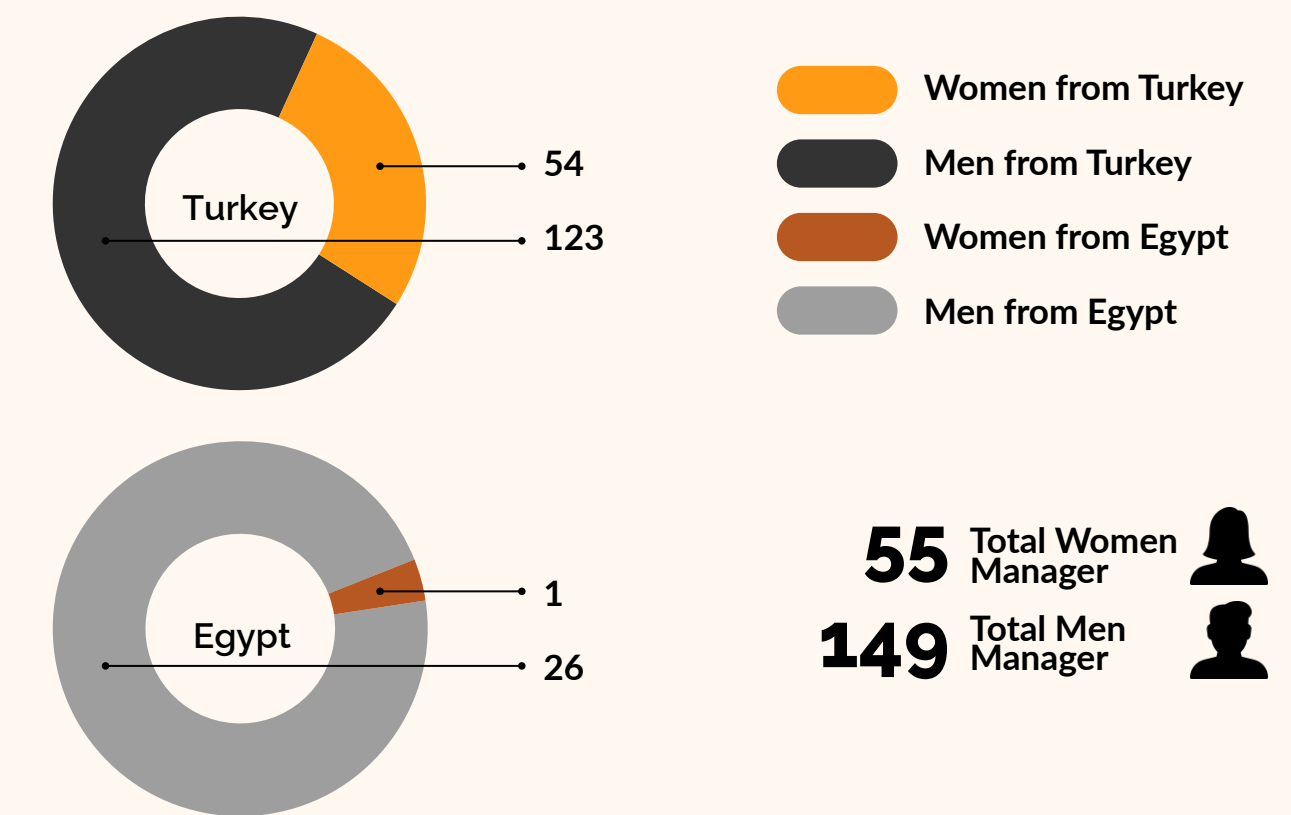


There is no part-time employee in Egypt.

Number of Blue & White Collar Employees:



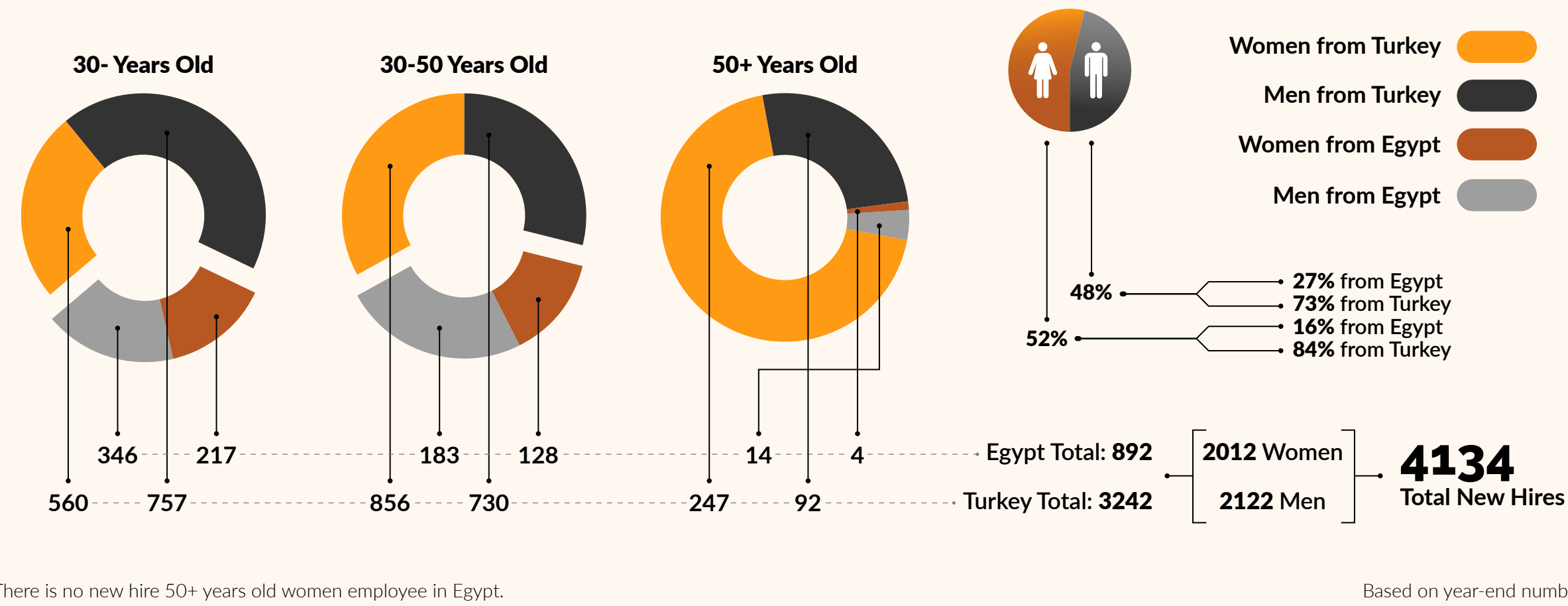
Number of Managers by Gender:



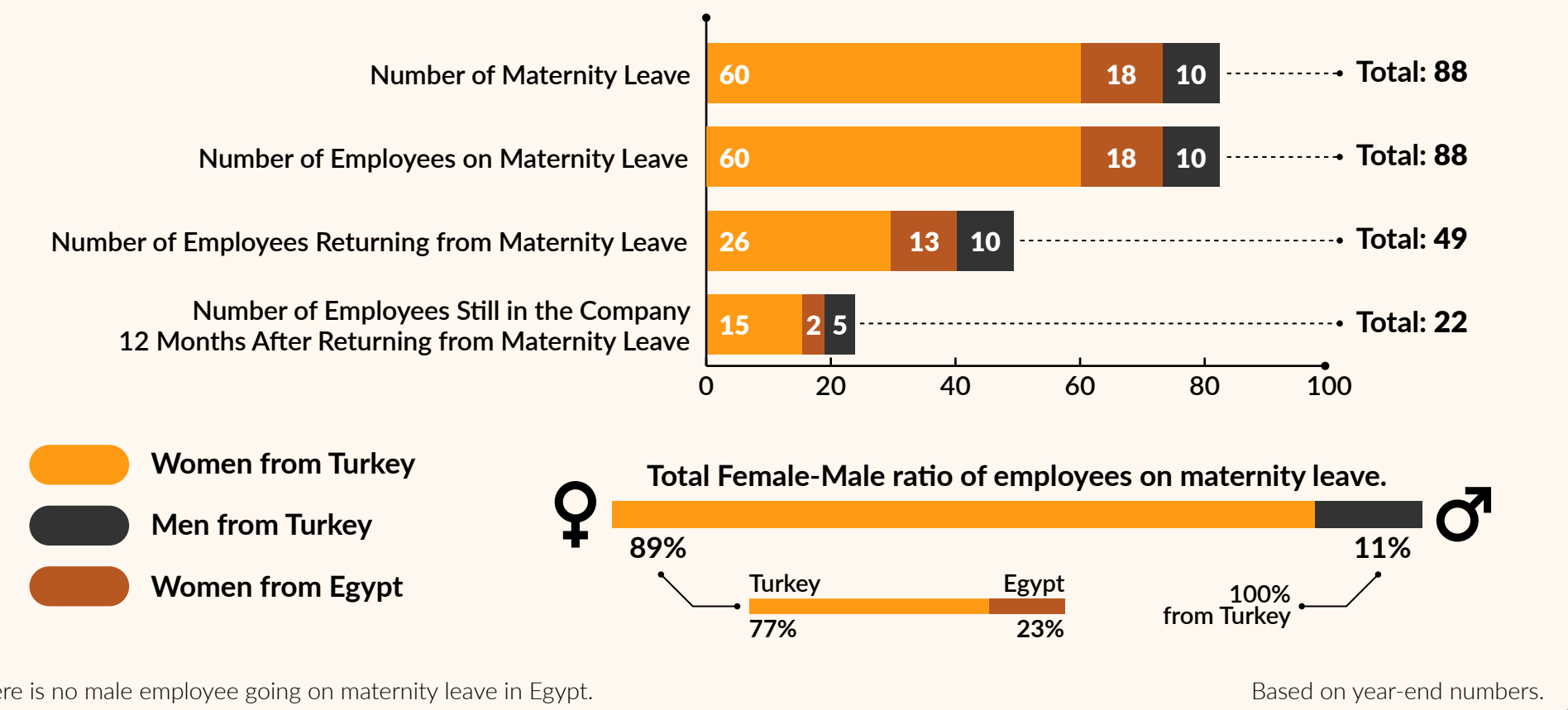
All managers were recruited from the local people of the city where the factory they work in.

*In this section, all numerical data of employed and non-employed workers are shared based on year-end numbers.

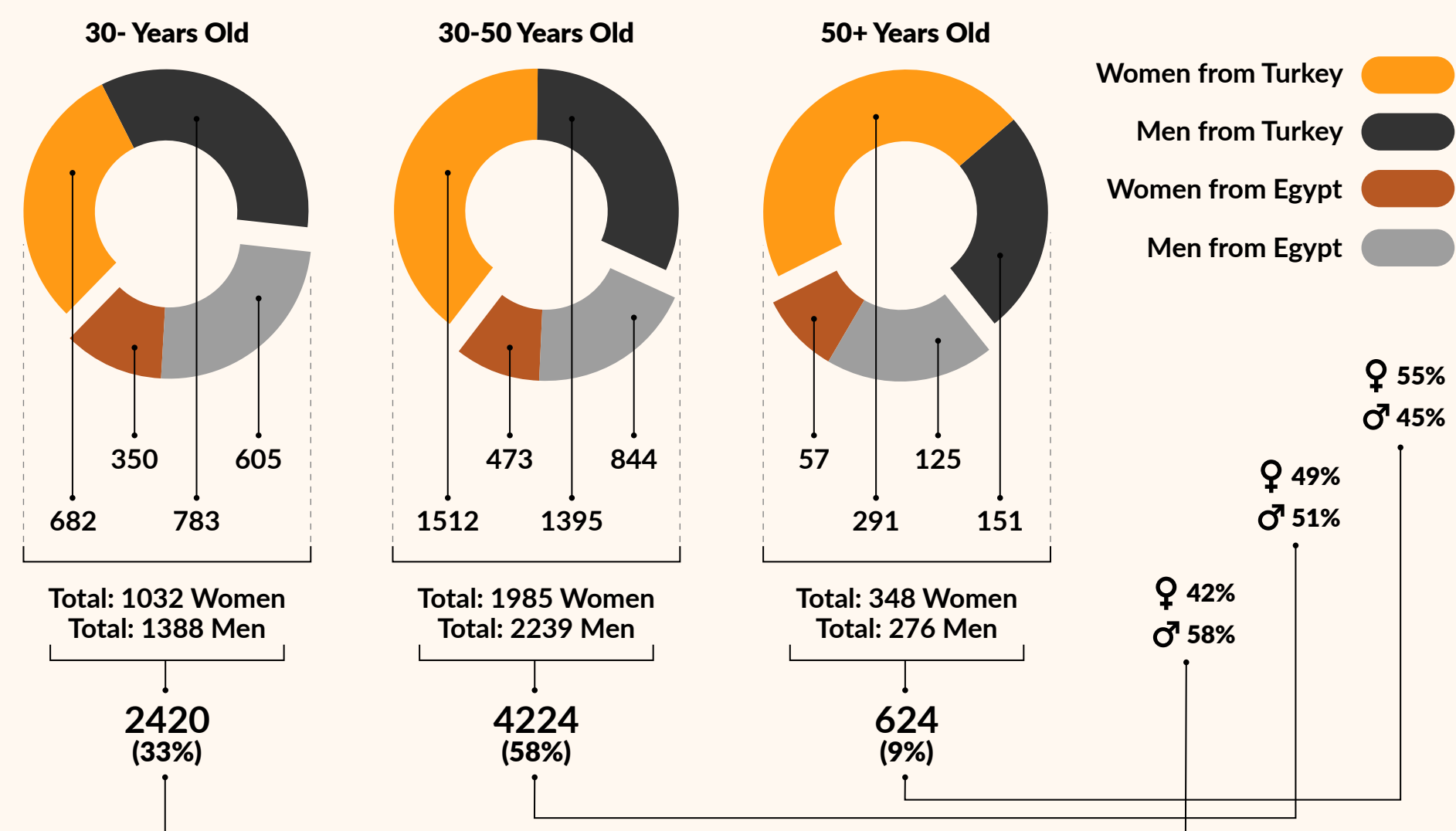
Number of New Hires by Age:



Number of Employees Taking Maternity or Paternity Leave:



Total Number of Employees by Age:



Best Practices from Cross Textiles:

- Supply Aid
- Health Insurance
- Nursery Payment
- Bonus Payment
- Transport Payment
- Birthday Gift
- Financial Support in Case of Marriage
- Maternity/Parental Leave
- Financial Support in Case of Newborn
- Newborn Baby Support Pack
- Financial Support in the Event of the Death of a First-degree Relative
- Leave for the Deaths of a First-degree Relative

At Cross Textiles, employees and their representatives are notified of changes four weeks beforehand. There is an area reserved for the union within the facility, and all our employees are completely free and independent regarding union activities.

Local Worker Rates:



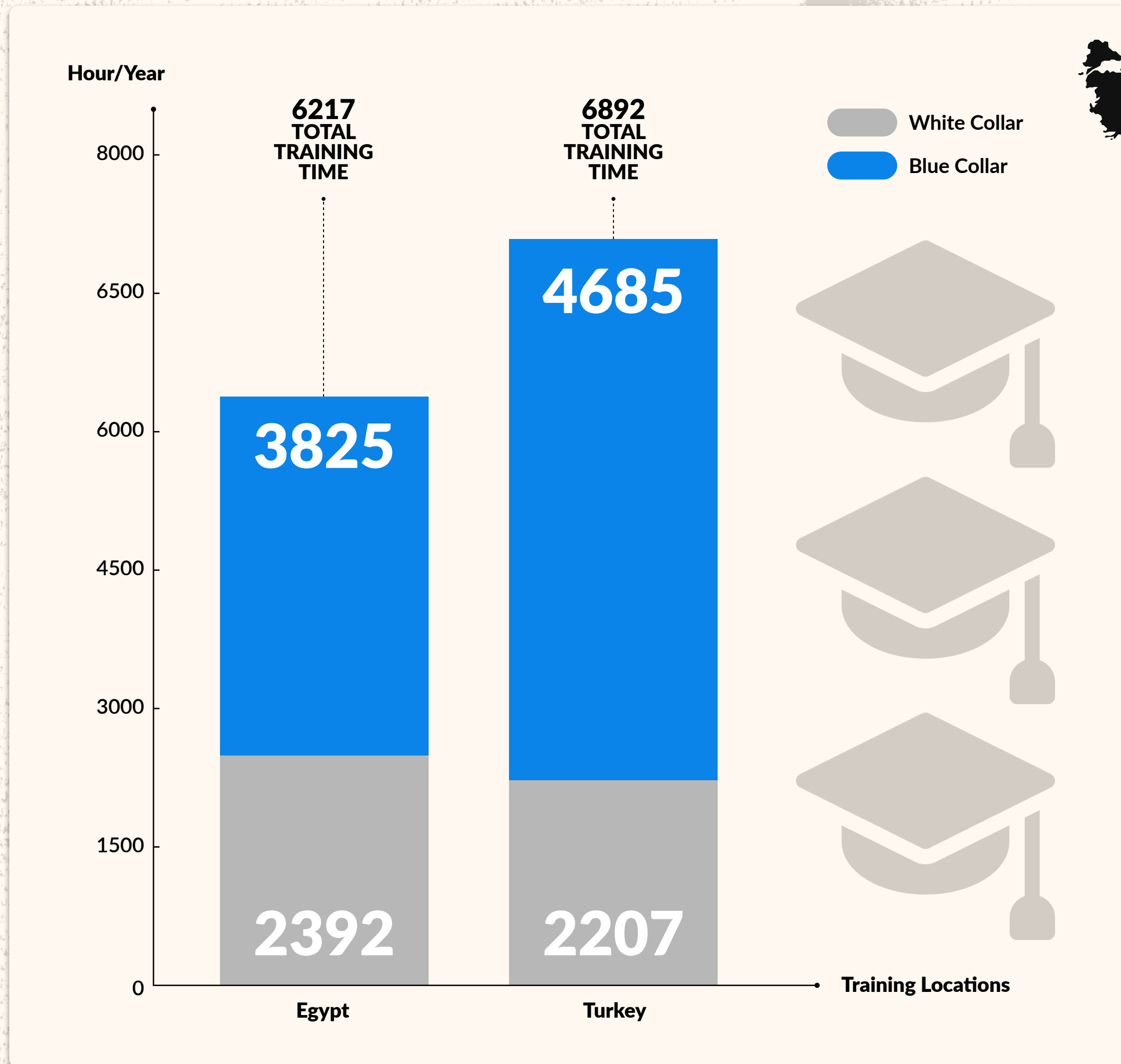
Blue Collar Collective Bargaining Agreement Rates:



Monthly Turnover Rates:



Trainings



TOTAL TRAINING TIME
Turkey
6892 Hours

TOTAL TRAINING TIME
Egypt
6217 Hours

TOTAL TRAINING TIME
13109 Hours

Training Types

- Orientation Training
- Vocational Technical Trainings
- Personal Development Trainings
- OHS Training
- Social Compliance Training
- Sustainability Trainings
- Quality Training
- ISO 50001 Energy Management System Training
- ISO 22000 Food Safety Management System Training
- ISO 9001-14001-45001 Management System Training
- Product Safety Training
- Measurement Training
- Customer Recruitment and Working Standarts Training
- Personal Development and Vocational Trainings
- Security Training and Threat Awareness (C-TPAT System Training)
- Planting Know-How Training
- Training on Child Labor Prevention Procedure
- Human Rights Policy
- Age Calculation Guideline
- Training on Current Developments in the Scope of Sustainability on the use of Label Materials
- Developments in the Materials of Accessories Used in Denim Products
- Error Definitions Training
- Online Training on Zippers and Fastening Materials in the Context of Sustainability
- Action Plan Preparation Training
- Interlining Machine Usage and Developments Training
- Yarn Usage Properties Training Denim
- Sustainable Suggestions Training

*177 managers in Turkey and 27 managers in Egypt facilities are trained about the prevention of corruption & bribery (Total %100 of our managers)
 *4814 employees in Turkey and 2454 employees in Egypt are trained about the prevention of corruption & bribery. (Total %100 of our employees)

*In our company, the management system with targets is applied for performance evaluation and follow-up and monitored through the QDMS system.

Occupational Health and Safety

Our business model is based on a circular economic perspective that considers our employees as one of the most valuable stakeholder groups. **Within the framework of international standards and legal regulations related to occupational health and safety, our company considers designing the healthiest and safest working environment both physically and mentally as an essential priority.**

Our company holds **ISO 9001** and **ISO 14001 management systems** and is also certified with the **ISO 45001:2018 management system**. According to Law No. 6331 on Occupational Health and Safety, **all our employees, subcontractors, and visitors are covered within the scope of the ISO 45001 Occupational Health and Safety Management System**. At our Egypt facility, we implement occupational health and safety management systems in accordance with Egypt Law No. 12 of 2003 and Environmental Law No. 4 of 1994. **Our Occupational Health and Safety Committee**, which includes assigning OHS experts, is **responsible for the implementation and audits of our OHS Procedures**.

Monthly meetings with employee representatives are held to enhance the OHS system. **Every three months**, the Occupational Health and Safety Committee convenes to discuss various levels of issues and share information regarding occupational health and safety. The outcomes of these meetings are transparently communicated to all personnel. Also, complaints returned from the grievance mechanism are evaluated at this meeting. **The Risk Assessment Group attends these meetings** to gather information and monitor relevant developments.

In line with our **Occupational Health and Safety Procedure and Risk Assessment Procedure**, hazards and risks are evaluated, and corrective actions are **recorded in the QDMS system**. The **Hazard Identification and Risk Assessment (HIRA) system** ensures employee participation in hazard identification, risk assessment, determining environmental dimensions, and related controls.

Under the Measures Taken:

- Both day and night security personnel are present in the factories, with the facility monitored by cameras, necessary warning signs, alarm systems, and communication systems.
- All employees receive initial and refresher training.
- Employees receive regular information about workplace safety, their legal rights, and responsibilities.
- Periodic health examinations are conducted for employees, with medical services available through an infirmary and company doctor.
- Personal protective equipment is provided and issued to employees.
- Fire alarm systems and fire extinguishing equipment are available within the facility, with regular training and drills conducted.
- Machines are grounded, and necessary finger and eye protection gear is provided.
- Periodic technical inspections of machinery and equipment are carried out by accredited organizations, while maintenance and repair checks are conducted by in-house technical personnel.
- Workplace environmental measurements are performed.

Annual Accident Statistics:

Number and rate of deaths due to work-related injuries:

0

Number and rate of severe work-related injuries (excluding deaths):

0

Recordable work-related injury ratio:

0.02%

Calculation: $\frac{434 \text{ (Recorded Injuries)}}{7268 \text{ (Employee Number)} \times 295 \text{ (Working Days)}}$

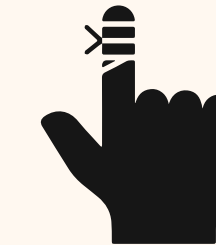
Primary types of work-related injuries:



Hand Injuries



Foot Injuries



Minor Finger Cuts



Sprains



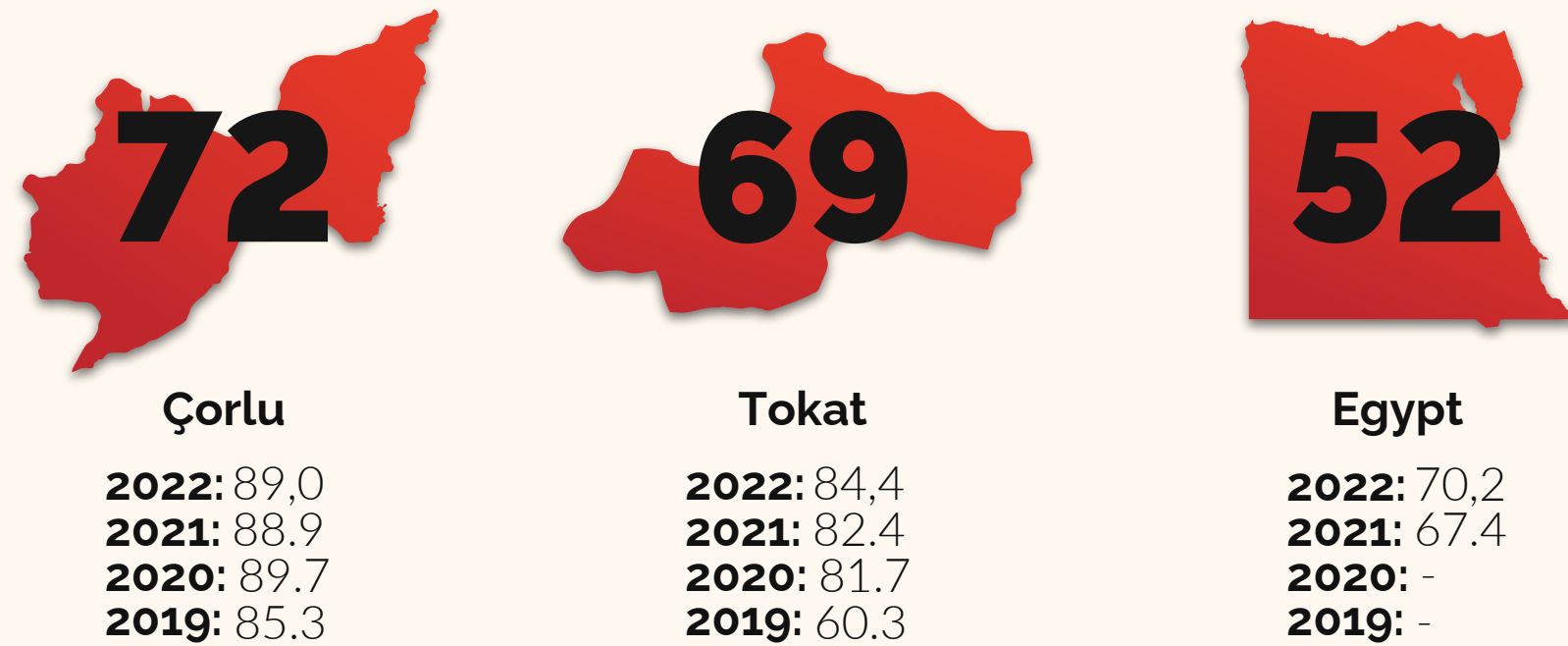
Needle Pricks



SOCIAL & LABOR CONVERGENCE

Sustainability-based monitoring and evaluation processes ensure continuity through the assessment of our company's environmental and social indicators and activities implemented in collaboration with stakeholders. Performance evaluation processes are conducted internally through self-assessments and externally through third-party verification via **SLCP** and the **Higg FSLM** Module.

Our 2023 Higg FEM Scores



- In 2022, we have **53 subcontractors** for cutting and sewing processes that we work with and are subject to our audit.
- We have **53 subcontractors** included in **SEDEX** and **FSLM** audits.
- We have more than **133 subcontractors** to purchase fabric, accessories, packaging etc. for which we conducted supplier environmental impact assessment in 2022.

As Cross Textiles, we are aware that the improper and careless use of chemical substances in the textile industry can have adverse effects on human health. In order to **eliminate potential risks and prevent any physical, biological, or chemical impacts on users**, we conduct continuous and comprehensive quality control practices in all our production facilities. Programs such as **Clear To Wear** and **Safe To Wear**, along with audits conducted by third-party validators for the implementation of these programs, confirm product quality and validate the methods applied. These quality control practices include:

- Color Fastness Testing
- Flammability Tests
- Respiratory Tests
- Allergen Tests
- Chemical Tests
- Metal Tests

Our Minimum Wage and Overtime Approach: We carefully follow minimum wage practices, working hours and conditions in the factories where we operate, in line with global and local regulations and customer stakeholder guidelines. The locally determined minimum wage applies to all employees in our company and our entire supply chain.

Equal Pay Policy: Our equal pay policy is evidence that we embrace fair and equal payment when employees perform the same job or equivalent tasks. We regularly review salary structures and employment practices to ensure that every employee has equal rights and opportunities in their roles. We focus on performance-based pay without gender discrimination, considering objective factors like job descriptions, responsibilities, and experience.

No Child Labor: We implement a "Zero Tolerance" policy for preventing child labor across our value chain. We secure commitments from our suppliers and subcontractors to prevent child labor. Any supplier or subcontractor not complying with this commitment will terminate any business relationship with us. We conduct "Social Compliance" audits, with or without prior notice, to prevent potential child labor cases.

Prevention of Forced Labor: Another "Zero Tolerance" issue for the Cross Textiles group is "Forced Labor." Our stakeholders, with whom we maintain transparent and ethical relationships, are informed and monitored regarding the prevention of forced labor through our Corporate Social Responsibility (CSR) department. Orientation trainings are given to all personnel, including security personnel. Our organisation is audited by third party audit firms regarding the prevention of forced labor practices.

Prevention of Corruption and Bribery Procedure: As Cross Textiles, we commit to taking necessary measures against corruption and related illegal activities that contradict our corporate culture in all our business processes. Total number and percentage of operations assessed for corruption-related risks: 14 & 100%. There are some potential risks about corruption: Risk of insufficient knowledge of legislation, budget risk, bribery risk at sales&marketing and HR teams, risk at material purchasing stage, reputation risk.

Business Ethics: We are aware of the importance of protecting intellectual property and promoting the significance of copyright in developing innovative products. During the reporting period, no lawsuits were filed by us in 2022.

Communication with Local Communities: We strive to provide local employment opportunities with the best of our abilities. We select upper-level managers from our locations by designating the provinces and districts where our factories are located as geographic regions. We document these employments with regular HR data evaluations.

Customer Health and Safety: To ensure customer safety, we use sustainable raw materials and prefer suppliers using sustainable materials. Under the scope of ISO 27001 Information Security Management

*93% of our purchases are made from local companies (Turkey) and 7% of foreign companies.

*Written Higg scores have not yet been verified.

Human Oriented Projects

Inosuit Program Collaboration *On the path of learning innovation.*

At our company, as a member of the Exporters' Association, we participate in the InoSuit (Innovation-Focused Mentoring Program), which is based on university-industry collaboration. Through this program, we sustainably enhance our innovation management capabilities, create and strengthen our innovation management infrastructure. We design and implement corporate innovation systems tailored to the goals, structure, and needs of each organization.



New Year Gift Organization *Let our gifts be gifts to everyone.*

Our company believes in the importance of creating a positive impact not only in the business world but also in society. In this context, last year we made our New Year's gifts by helping the health care of randomly selected children with SMA. This event is not just a one-time gesture, but a social responsibility initiative that we carry out regularly and repeatedly as part of our company's sustainability strategy.



Equipment Support for Disabled People *Let our plastic caps be wheels on the chairs!*

As Cross Textiles, we try to make regular contributions to the Plastic Cap Collection Campaign, which has been carried out by the Turkish Spinal Cord Paralytics Association since 2011. With the plastic caps we collect within our companies, we both contribute to plastic recycling and become a part of this chain so that campaign sponsors can reach the wheelchairs needed by our Spinal Cord Paralysis patients. In 2023, we helped collect a total of 12 kg of plastic caps through this campaign.



Financial Support to Employees for Health *Your health is our health, we are in this together!*

We attach great importance to all our stakeholders' equal and easy access to healthcare institutions. In this context, as an institution, we make special discount agreements between 10% and 25% for the use of our employees from 5 different private hospitals, thus enabling our employees to benefit from health institutions throughout the year for both themselves and their families.



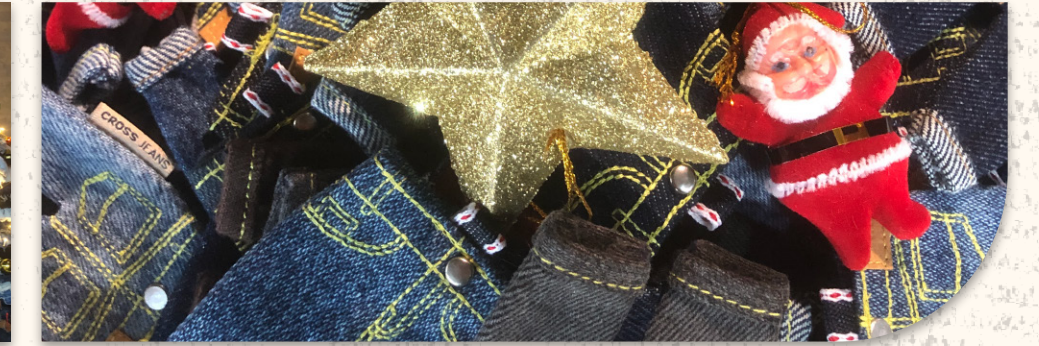
Breast Cancer Awareness Education *We fight cancer with education and awareness!*

We try to spread our awareness training to all areas of our lives. We aim to reinforce the level of awareness by matching our awareness trainings on health and good life to periods celebrated with special days. For this purpose, during Breast Cancer Awareness Month, **a total of 269 hours** of training was given to our female employees in all our locations, accompanied by expert doctors. Awareness-raising videos and visuals were shared in common areas. **A total of 112 employees** over the age of 40 were supported to have free mammograms.



New Year Event *Say "cheese"!*

We see our workplace as our home, and we believe that by accumulating beautiful moments with our big family here, the motivation created by these happy moments will increase the pleasure and sense of success we get in our work. On December 31, we shared our happiness of that day with our colleagues in a specially designed video booth in our Güneşli Merkez building, with the participation of all our employees, and fixed it as a memory in the past, and bid farewell to 2023 with happy faces in large family photographs.



Information Sharing at National & International Congresses *Share it!*

Cross Textiles feels a great responsibility to deliver, share and ensure the continuity of its sustainability practices to all its stakeholders. In this context, we are involved in sharing opportunities. In November, we attended the 3rd International Sustainable Living Congress and explained our LCA practice and applications with a presentation titled "Reducing Water, Energy and Chemical Consumption by Applying New Sustainable Techniques to 100% Recycled Fiber Content Fabrics in Denim Production". In December, we made a presentation at the 8th National Environmental Congress on "Reducing the Environmental Effects of Using Stone in Denim Washing by Developing Alternative Methods" and explained the alternative methods we currently use in our businesses.



Workshop with Customers on Production Site *Denimaniacs breathe the spirit of denim in the field!*

In this period when we try to integrate the stakeholder perspective into all areas of our business model, we first start by sharing information. We host our Bestseller customer's teams working in different departments at our Çorlu Factory site at certain periods. With workshop events based on sharing information about denim production processes, we both convey our technical know-how to our customers and have the chance to evaluate their ideas in terms of their suitability for our production techniques. Hours of training were given in 2023. Awareness-raising videos and visuals were shared in common areas. A total of hours of training given is **350 hours** in a total of **3** different workshops. Awareness-raising videos and visuals were shared in common areas. By hosting a total of **70** Bestseller employees, we spread the spirit of denimaniacs that we have adopted.





Cross Textiles
Sustainability Report
2023

Pg. 19-32

Embracing Responsibility

Our View of Circularity

Cross Textiles is a company that has placed sustainability at the center of all its processes. In 2019, our company, which accelerated its work by taking the concept of **"Corporate Sustainability"** with a professional method, today regularly calculates its environmental impacts. It has **set science-based targets and actions to reduce these impacts**. It takes pioneering steps in the sector with solution and **result-oriented investments** and projects on the way to adopt the **circular business model** by integrating the "sustainability" perspective into the way of doing business. Throughout this process, the company is progressing towards becoming a part of the stakeholder economy by sharing and developing its experiences with its external stakeholders.

Our company believes that in order to manage environmental impact at the corporate level, it must first, be managed at the individual level. With a holistic approach; environmental impact management will ensure that individuals continue to exist in society, thus ensuring employment and economic development through the continuity of circular production processes. Thus, the awareness by maintaining our future life without compromising our social life and needs by minimising resource consumption individually is our greatest motivation in sustainability.

Awareness at the employee level turns into a growing common awareness and effort for corporate sustainability practices and targets.

The first priority of our company is to reduce resource consumption starting from individuals. The next most important issue after the reduction of resource consumption is the management of "output", i.e. "waste". With the motto **"All waste is a resource"**, we have voluntarily signed many projects both in our environmental projects developed for our processes in the factory and in social projects.



**ALL
WASTE
IS
A
RESOURCE**



Circular Design

We must first design a sustainable life. The most important activity of our company in its sustainable life planned with short and long term goals and actions is "producing jeans". As Denimaniacs, we are here to produce the denim product that people need again and again. Our starting point for this is "circular product design". **Since 2017**, we have been developing and implementing projects on **circular production-oriented design methods** in our Design Centre, which operates on **1580 m²** with **44 employees**.

AI Designed Real Garment Collection Development

In 2023, as part of our sustainability mission, we embarked on a collection design journey powered by **AI-based technologies**.

By using the AI application called Leonardo AI, we obtained denim designs that comply with **the most current trends in the industry**. We developed these designs by adding our own creativity and experience, finalized them and turned them into physical samples. Then, we photographed it 360 degrees and presented it to our customers as a digital collection link. Our goal is to increase the number of AI-supported collections and further **integrate this technology into our sustainability efforts**. The speed, efficiency and creativity that AI provides not only improves our business, but also **helps us reduce our environmental impact**. In this way, we will continue to add value to both the world and our customers by maintaining the balance between sustainability and innovation.



Inosuit Program Collaboration

We think that in the age of innovation, businesses should be agile in capturing and implementing extraordinary ideas. We became a part of the "İnoSuit - Innovation-Focused Mentoring Program", which is based on University - Industry cooperation, and with this motivation, we implemented our company's innovative idea collection system "Crossfikir". The main purpose of "Crossfikir" is to encourage and sustain innovation by benefiting from a wide pool of creative intelligence of our business, employees, business partners and even customers. For this purpose, an Innovation Team was formed within our Tokat factory, under the leadership of our factory manager and the mentorship of our teacher appointed from the university. With the work of this team, we aim to spread the Innovation Culture to all Şık Makas family members.



Carbon Management & Projects

Since 2019, we have been calculating our carbon footprint for our four locations (Çorlu, Tokat, Mısır, Güneşli) in accordance with ISO 14064 standard and using global reference sources through CO2nnectorPro software. Tier 1 calculation method is used in the calculations. For **Scope 1 and 2: CO₂, CH₄, N₂O gases**, which have the most impact among the 6 greenhouse gases for natural gas consumption and are released into the atmosphere, are converted into kgCO₂e units and the total emission value is calculated. This total value constitutes the total carbon footprint in the atmosphere from natural gas. For **Scope 3: CO₂, CH₄, N₂O, HFC, PFC gases** emissions from **transport, personnel services, company flights, business travel are included** in the calculations. In our carbon footprint calculations where the operational control approach is adopted, **2019** was taken as the base year and emission factors from scientifically proven databases (**IPCC, 2006; DEFRA, 2018; Ecolnvent v3.5**) were used.

Our company made a commitment to SBTi - Science Based Targets initiative in 2022 in order to make a science-based emission calculation, to set global targets by evaluating emission calculations, and to plan investments with scientifically based actions towards these targets. This, SBTi, a global and independent organisation, **became the first ready-to-wear garment manufacturer in Turkey to accept SBTi emission reduction commitments**. The base year for the SBTi commitment and calculations was selected as 2021 and the targets for scope 1-2 and scope 3 for 2030 were set in line with the Paris Climate Agreement 1.5 degree target. In 2023, it continues this journey with the aim of receiving verification by giving SBTi a commitment.

Our annual emission reduction targets by 2030:



Scope 1

Emissions from owned sources



Scope 2

Indirect energy emissions



Scope 3

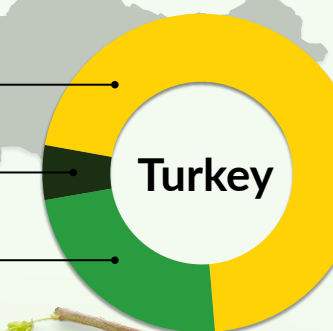
Other indirect emissions

Total 42% reduction in scope 1-2 with an annual **reduction target of 4.2% until the target year 2030** based on 2021.

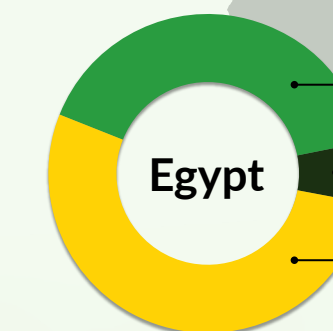
Total 25% reduction in scope 3 with an annual **reduction target of 2.5% until the target year 2030** based on 2021.

Turkey Total Carbon Footprint

13.174,82
974,25
6.495,17



Scope 1
Scope 2
Scope 3

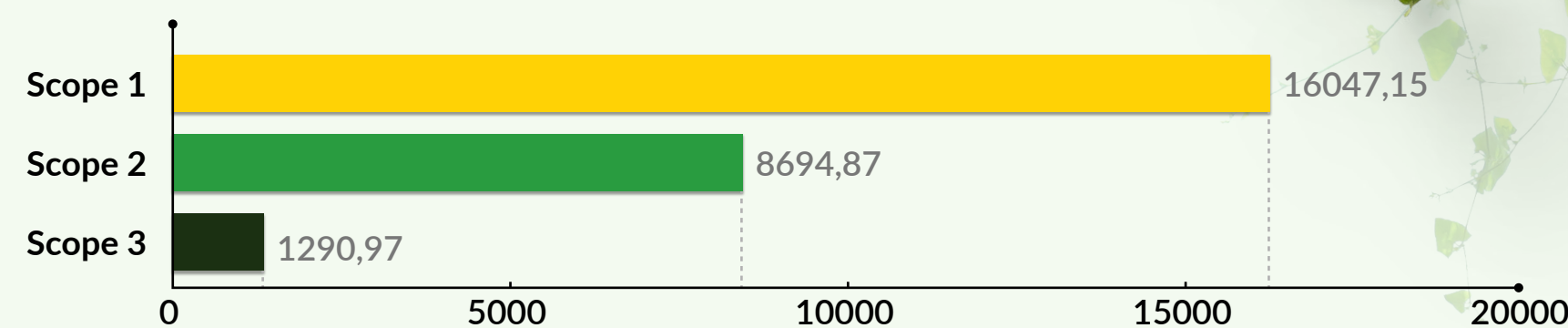


2199,70
316,73
2872,33

Egypt Total Carbon Footprint

5.388,75

2023
ALL LOCATIONS
CARBON
FOOTPRINT



2023 TOTAL
CARBON FOOTPRINT
26.032,99

*Energy Intensity: 0.0017 ton CO₂e/pieces

*Calculation Method: Total Emissions/Total Production Pieces

*Unit of measurement of carbon footprint numbers: **ton CO₂e**

LCA & Green Deal

The Green Deal is a comprehensive strategy announced in 2019 for Europe to tackle climate change and transform for a sustainable future. The Green Deal aims to make Europe carbon neutral by 2050 and accelerate the transition to an environmentally friendly economy. This strategy is designed to promote environmental sustainability, deliver economic growth in a green and fair way, and increase social welfare. The Green Deal covers energy, transportation, agriculture, construction and many other sectors. Pilot applications in these sectors started in 2023, and the target year for the textile sector was determined as 2025.

For countries that have close relations with the EU, such as Turkey, the Green Agreement is important for Turkey at this point because Turkey is one of the EU's most important trading partners and has to comply with the EU's environmental standards.

As a company that produces and exports denim ready-made clothing in Turkey, we have been focusing on Product-Based Life Cycle Assessment (LCA) analyses, a scientifically based approach, since 2020 in order to further our sustainability efforts and comply with global targets. To date, we have analyzed more than 160 models with the LCA method, which allows us to identify and reduce the environmental impact of our products throughout their entire life cycle, reported the results and received multiple 3rd party verifications for most of them.

However, we are not satisfied with our carbon reduction efforts alone, we also want to comply with the goals of the Green Deal, the leading environmental policy of the European Union. LCA analyzes are considered by the European Commission as an important tool in achieving the main goals of the Green Deal. Because LCA has a guiding quality in determining environmental impact reduction strategies and achieving sustainability goals by determining the environmental impacts of products.



LCA & Green Deal Collaborators:



Energy Management & Projects

We believe that using renewable energy sources instead of non-renewable energy sources is not a choice but a necessity in today's world. As a company, we have a **green energy target** to provide all the electricity we use in all our production sites from renewable energy sources. Taking into account the amount of network electricity consumption we use for production processes in our factories, we strive to expand the use of renewable electricity in all our locations. In this context, **renewable energy investments are made in our company to reduce scope 1 and 2 emissions**. Also, by investing in renewable energy, we contribute to the important infrastructure development of the geography we live in.



THE INTERNATIONAL REC STANDARD



I-REC and Renewable Energy

We have a **green energy target** to provide all of the electricity we use in all our production sites from **renewable energy sources**. We achieved this goal by **certifying with I-REC our electricity consumption of 11,552 MWh**, which was drawn from the grid in 2023 and could not be covered by SPP. We offer financial support to one of the green energy projects to compensate for the non-green electricity we use through the I-REC certificate. From a stakeholder perspective, we accept that we are part of a chain by **supporting the use of green energy outside our borders**.

Solar Energy Panels Investment

In order to generate electricity used in all our locations in Turkey, including our factories, from renewable sources, we have invested in solar energy panels. In 2022, the construction of solar panels with an **installed power of 6000 kW** and **electricity generation capacity of 7.500.000 kWh** was completed on the **45.000 m² roof of our Tokat factory**. In the last period of 2022, the construction of a solar field was started in the Yozgat province with an **installed power of 15.000 kW** and **electricity generation capacity of 23.500.000 kWh**. With this investment, which is targeted to be **completed in the middle of 2023**, our company will both meet its own electricity consumption with solar energy investments with a **total electricity generation capacity of 31.000.000 kWh**, and will offer the surplus to the market by certifying it. **A total of 6.859.281 kWh of electricity was generated from our Tokat SPP in 2023 and 969.511 kWh of electricity was generated from our Yozgat SPP. Total electricity production in 2023: 7.828.792 kWh.**



*Our ISO 50001 energy management systems are implemented in our factories.

*In our production facilities, mainly natural gas and electricity are used, and our total energy consumption in 2022 was calculated as 90,287,503 kWh.

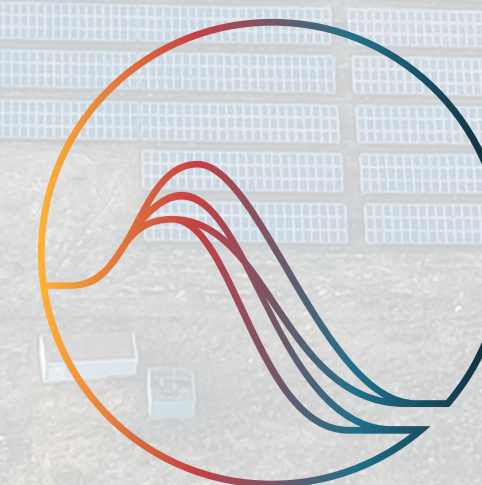
*All consumption calculations made in our facilities are based on meter readings.

*SPP: Solar Power Plant

SBTi 2022 - Emission Values and Target Progress

Reporting Item	2021 Base Year Value (tCO ₂ e)	Base Year Emissions Covered by Targets (tCO ₂ e)	2022 Reporting Value	2022 % change from 2021
Scope 1 (tCO ₂ e)	16.239,28	16.239,28 (100%)	13.102,25	-19%
Scope 2 (market-based) (tCO ₂ e)	243,07	243,07 (100%)	212,60	-13%
Total Scope 1+2 (market-based) (tCO ₂ e)	16.482,35	16.482,35 (100%)	13.314,85	-19%
Total Electricity Use (mwh)	11.415,21	-	9.624,59	-16%
Electricity Procurement from Renewable Sources (mwh)	10.862,79	-	9.141,41	-16%
% of Electricity from Renewable Sources	95,16%	-	94,98%	-
Scope 3, Category 1: Purchased Goods and Services (tCO ₂ e)	121.792,40	121.792,40 (100%)	89.607,18	-26%
Activity Level: Number of Products Produced	13.368.348	-	11.193.649	-16%
Overall Emissions Intensity (tCO ₂ e/product)	0,0091	-	0,0080	-12%

Target	Target Completion	Progress
Reduce absolute scope 1 and 2 emissions 42% by 2030 from 2021 base year.	19%	<p>In 2022, we decreased our scope 1 and 2 emissions by 19% compared to 2021 levels. This was achieved through a 19% reduction in scope 1 and 13% reduction in scope 2 market-based emissions.</p> <p>In scope 1, we reduced direct emissions by continuing to replacement of the natural gas burner unit of the main steam boiler with a new generation burners, saving steams, optimization of thermal energy consumption and manufacturing processes (isolation of pipelines, recovery of heat), shut-down of the cogeneration system.</p> <p>In scope 2, we are purchasing I-REC certificates to compensating the usage of grid electricity. Also, solar panel project is constructed on our Tokat factory to generate renewable electricity for our manufacturing processes.</p>
Reduce scope 3 purchased goods and services emissions 25% by 2030 from a 2021 base year.	26%	<p>Within our scope 3 target, significant progress has been made to make our products with less raw materials per item. Also we are considering the purchasing of especially good fabric contents. Additionally, we are working to engage our suppliers to raise awareness about decarbonization. The reduction of supplier emissions played a big role in our emission reduction.</p>

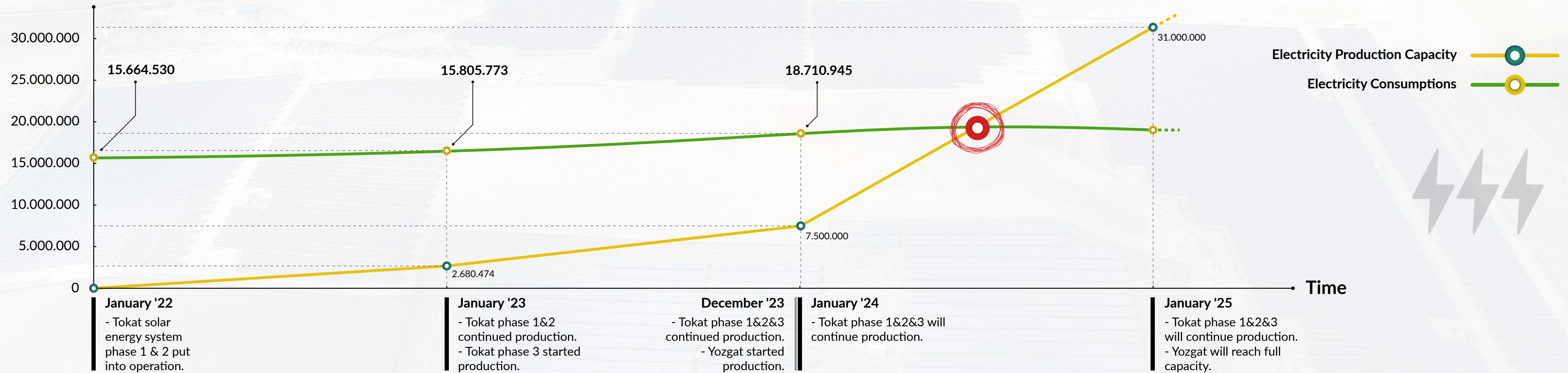


SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Estimated Electricity Production/Consumption Amounts (kWh)



Electricity Consumptions:



Electricity

	Non-Renewable	Renewable
2023: ⚡⚡⚡⚡	14.985.535 kWh	3.725.410 kWh
2022: ⚡⚡⚡⚡	14.006.187 kWh	1.799.586 kWh
2021: ⚡⚡⚡⚡	15.664.530 kWh	-
2020: ⚡⚡⚡	11.769.995 kWh	-

Natural Gas Consumptions:



Natural Gas

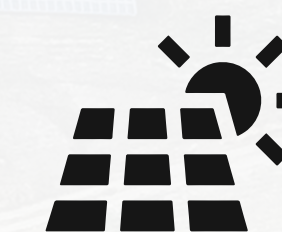
2023: 🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱	75.896.822 kWh
2022: 🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱	76.281.316 kWh
2021: 🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱	84.545.095 kWh
2020: 🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱🔱	66.263.615 kWh

Renewable Energy Production Targets:

January 2023: ⚡	2.680.474 kWh
January 2024: ⚡⚡	7.500.000 kWh
January 2025: ⚡⚡⚡⚡⚡⚡⚡	31.000.000 kWh

Ground SPP

23.500.000 kWh Production Capacity



Roof SPP

7.500.000 kWh Production Capacity



*Our ISO 50001 energy management systems are implemented in our factories.

*In our production facilities, mainly natural gas and electricity are used, and our total energy consumption in 2022 was calculated as 90,287,503 kWh.

*All consumption calculations made in our facilities are based on meter readings.

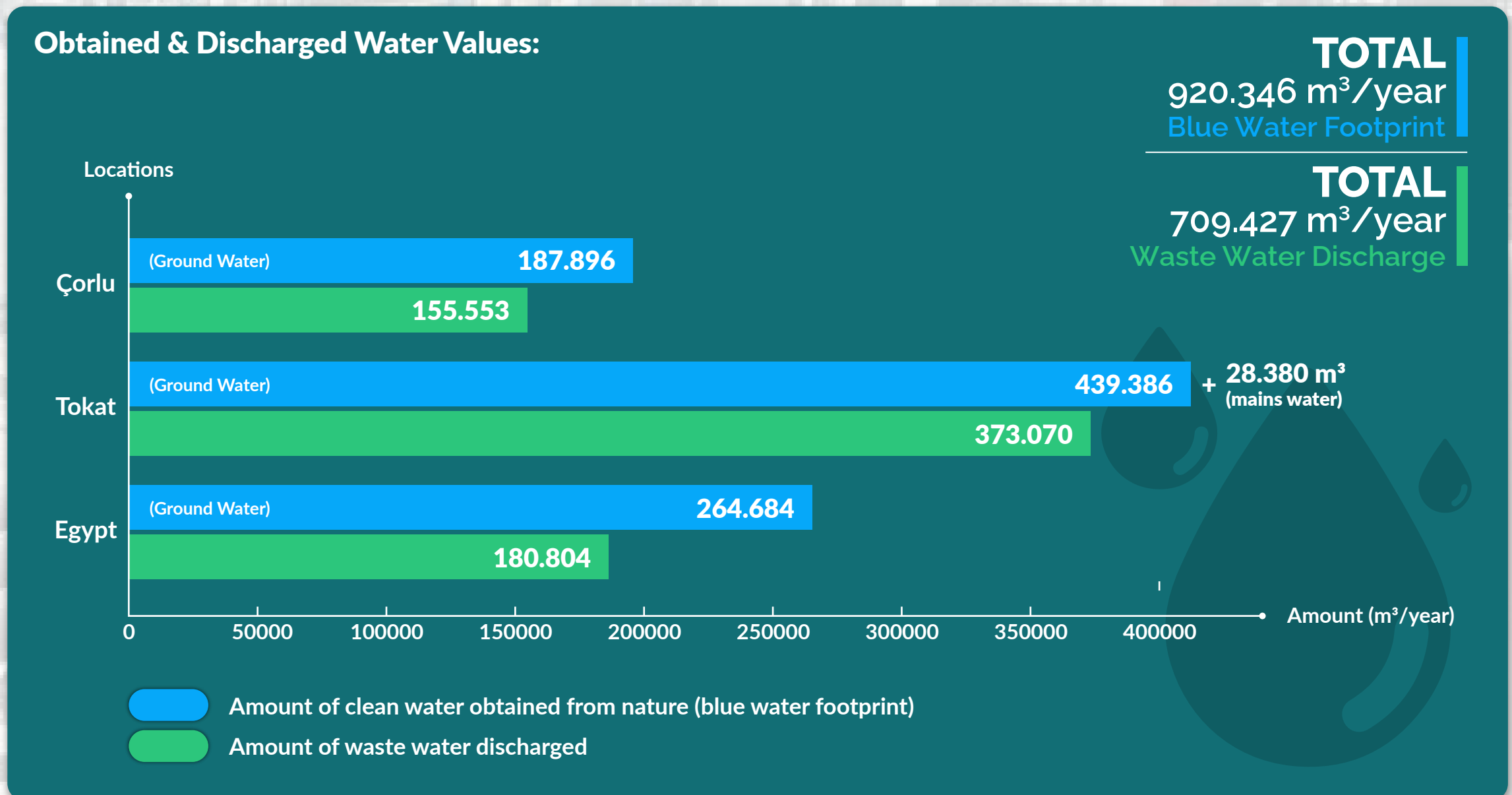
*SPP: Solar Power Plant

Water Management & Projects

Water is the most important source of vitality and life for all living creatures and ecosystems we share our planet with. In order to use our natural water resources correctly and efficiently, we, as Cross Textiles, also carry out studies to save water in the production processes in our factories. Since we are a company that both produces and sells **20 million denim pants per year**, we use water as the main input in our washing processes.

Denim garment manufacturing has a large water footprint due to the constant use of water throughout the process. Therefore, it is vital to have a circular perspective on water use and management. In this context, our waste water discharge standards have been determined according to the criteria set by the **Water Pollution Control Regulation (SKKY) and ZDHC Waste Water Guideline**.

 At Cross Textiles, we invest in research and development projects to discover the most efficient and sustainable alternative to compensate for our high water consumption.



*Our Egypt facility is located in an area with low water stress (10%-20%), according to WRI data.

*Only domestic water use has occurred in our İstanbul facility.

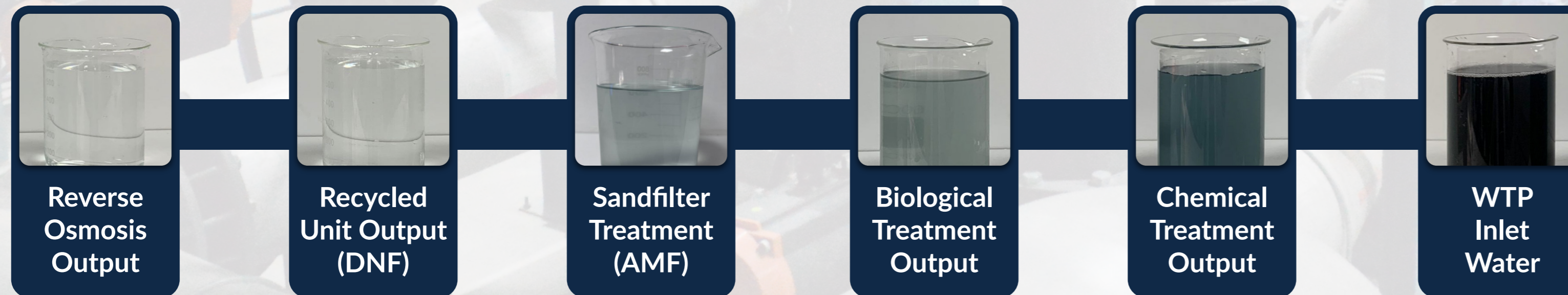
*Care For Water programme was carried out with our customer Zara, and the data on our water consumption was shared transparently on a quarterly basis in total of 4 parts.

Recycled Water Management & Projects

We ensure the continuity of protection of natural water resources in our wastewater recovery facility, which we **commissioned in 2021** and will operate at **full capacity in 2022 & 2023**. We reduce our water consumption by treating wastewater at the facility entrance water quality level and feeding it back into the processes. Like this, We note that the method of discharging wastewater directly into the canal has never been our first choice and that every waste **there can always be a more circular and greener option!**

Recycled Water Treatment Unit:

- Our waste water recovery facility established in our Çorlu factory with **Direct Nano Filtration technology** which is the first example of application in Turkey in the textile sector.
- It was put into operation on a pilot scale in 2021 and on a full scale in 2022.
- In 2022, **70,205 m³** of water was recovered with **40%** efficiency.
- And in 2023, **137,733 m³** of water was recovered with **45%** efficiency.
- Our goal is to recycle and reuse our wastewater with **70%** efficiency, which is the maximum potential of the facility.



READY TO USE AGAIN!

 A large blue water drop icon on the right side of the diagram. Inside the drop is a stylized globe with green continents and blue oceans, symbolizing water recycling and environmental sustainability.

Waste Management & Projects

With the motto **"All waste is a resource"**, we are looking for ways to make use of all the wastes generated in our factories and headquarters. We are on our way to develop new ideas and projects every day with the awareness that wastes can be reused and upcycle as a new product.

Our waste disposal operations are carried out in accordance with the conditions of the location by following different methods according to our locations. Our Istanbul center is **licensed by the Ministry of Environment, Urbanization and Climate Change** and regularly informs accredited organizations through the **Cross Textiles MoTAT Waste Management System**. In our Çorlu and Tokat facilities, the disposal method is determined according to the type of waste and sent to the relevant institutions.

We have waste management and waste disposal methods according to waste types. At the Tokat facility, **433.650 kg of waste** is collected **for energy recovery**. **For waste recycling**, we sort a **total of 761.504 kg of waste in Çorlu** and **498.452 kg in Tokat**. The remaining **5.556.160 kg of waste in Çorlu** and **41.800 kg of waste in Tokat** is sent to landfills.



Amounts of Waste Generated in 2023:

Waste Type:	Çorlu	Tokat	Total
Hazardous Waste	72.544	56.554	129.098
Non-Hazardous Waste	6.245.120	917.348	7.162.468
			7.291.566

Unit of measure is kilogram(kg).

Food Support to Animal Shelters Project

All the resources of the world are enough for all of us. With this awareness, we share our resources with our stakeholders and our animal friends who speak only with their eyes. In **our Güneşli Head Office** and **Tokat factory**, the remaining meat dishes from our own cafeterias are collected regularly and periodically and sent to the **Kurtaran Ev Voluntary Animal Shelter in İstanbul** and to the only official animal shelter in the province in Tokat. In 2023 both locations; **12800 kg** meat meal was delivered to our dear friends.

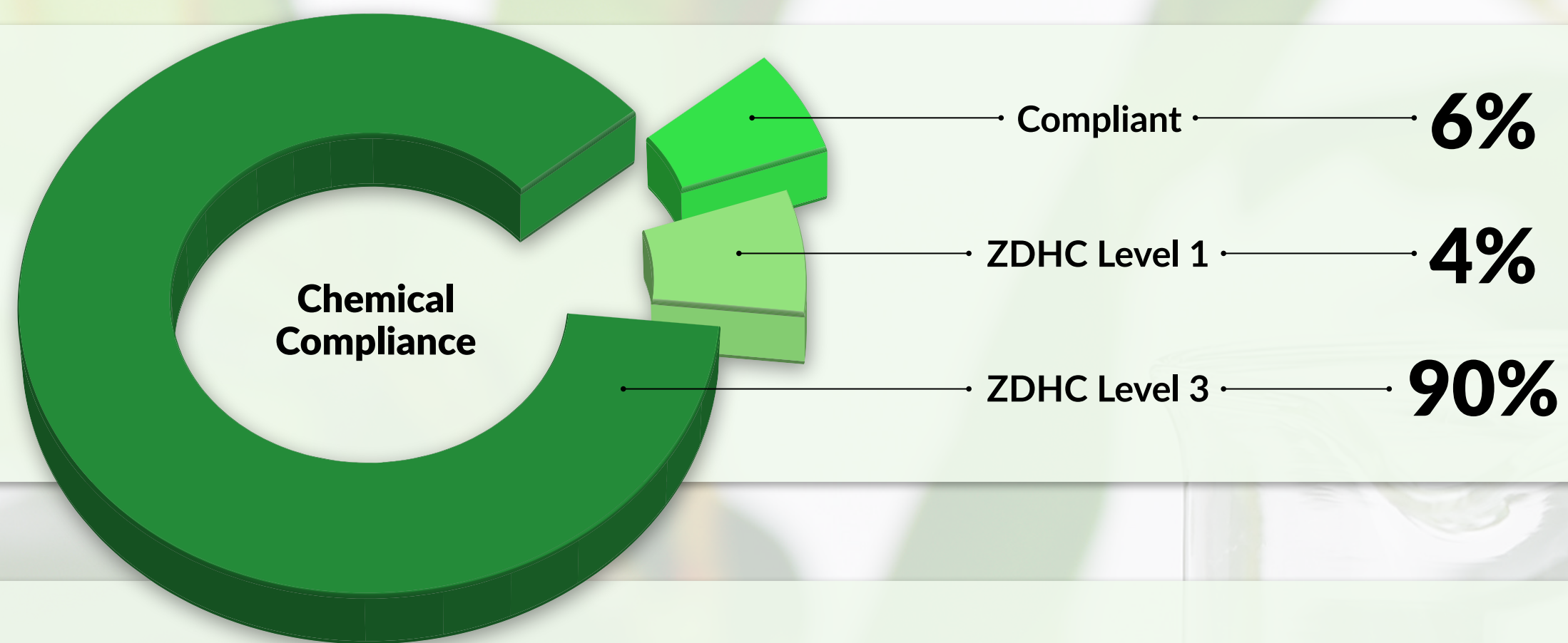
New Product Design Project from Textile Waste

Just as our biggest input is fabric, our biggest output is also fabric. We also love playing games with our biggest source of output. **We produce our own ornaments to decorate stands** at the fairs we participate in by opening stands. Why shouldn't we have a denim cactus on our table? Or **shouldn't we have denim flowers that will live forever?** They are all made from denim fabric waste and will be with us forever...

ALL WASTE IS A RESOURCE

Chemical Management & Projects

As chemical management systems; our monthly chemical usage (including maintenance, treatment and cleaning chemicals) is entered into common monitoring platforms through tools called **BVe3 (environmental emission evaluator)**, **Clean Chain** and **The BHive**, which work in partnership with **ZDHC**, and our possible harmful chemical discharge and compliance with **M/RSL** lists are monitored. Our reports are regularly shared with our stakeholders and monthly In-Check reports produced with these inputs are published on the ZDHC Gateway. In 2022, our **Foundational Level certificate** was renewed on the "ZDHC Supplier to Zero" platform. As every year, our waste water test reports were uploaded to the ZDHC Gateway system in 2022. In 2022, our **HIGG FEM chemical management verified score was 93%**.



Chemical Inventory List

Input Chemical	No. of Chemical
Compliant	7
Non-compliant	0
Need more information	0
ZDHC MRSL Conformance Level 1	4
ZDHC MRSL Conformance Level 2	0
ZDHC MRSL Conformance Level 3	96

Ø ZDHC



Supplier to Zero

By Ø ZDHC

No. of Chemicals & Substances Amount (kg)

Input Chemical	107	19741.00
Input Substances	86	5372.43
Non-Hazardous Substances	86	5372.43
Hazardous Substances	0	0.00

No. of Substances Calculated Substance Discharge (kg) Calculated Discharge Concentration (ppm)

Hazardous Substances in Calculations **0** **0.00** **0.00**

We don't use any Hazardous Substances.



Acknowledgement of Completion

Based on supplier self-evaluation, this document acknowledges

SIK MAKAS GIYIM SAN.TIC.A.S.

has successfully completed Supplier to Zero (Foundational Level) on 22.12.2022*

Frank Michel
Frank Michel
ZDHC
Executive Director

2453-2119-7E8
Document Control Number



Raw Material Management & Projects

As a denim garment manufacturer, the main raw material we use in our processes is fabric. It is not possible to eliminate the environmental impact of the fabric we use. If textile wastes and post-cut fabric wastes are collected separately to be recycled into another product and sent to recycling facilities, the environmental impact during the production phase of the fabric can be reduced by contributing to the production of raw materials again.

Fabric Recycling Project:

It is the project we developed for the production of new fabric from fabric cutting wastes with the cooperation of recycling facilities and fabric manufacturers. One of the wastes with the largest volume in denim garment production is **textile waste**. In our enterprises, the fabric wastes remaining from our after cutting process are stored daily and **given to 3rd party waste collection facilities** with which we have an agreement. Thus, we also take part in the **circular production chain** by separating textile wastes according to fibre type, recycling them and producing fabric again. In 2023, a **total of 1.088.260 kg of post-cut textile waste** was sent to **3rd party recycling facilities** for this purpose. In addition, a special project was developed with a global customer in order to put our **2nd quality products back into the life cycle**. **Total 238.575 2nd quality products were sent** to a large fabric company in Turkey and **400.000 m of recycled fabric was produced again** by using pre consumer recycle cotton fibre obtained from the recycling of these products. The production made with the use of this fabric will be reported in 2023.

2023

Fabric Purchased (kg): **11.217.986**
 Sustainable Fiber Ratio: **51%**
 Reuse & Recycle Fiber Ratio: **50%**
 BCCU: **3416215**

2022

Fabric Purchased (kg): **15.576.117**
 Sustainable Fiber Ratio: **46.1%**
 Reuse & Recycle Fiber Ratio: **45.2%**
 BCCU: **6891577**



We're accepting these fibers as sustainable:

- REC.CO
- REC.PES
- ORG.CO
- PRCO
- POST.CO
- TENCEL
- GRS.CO (Global Recycle Standard)
- PCW (Post Consumer Waste)
- CLY
- Lyocell
- Reuse
- RUC (Reuse Cotton)
- RCP (Recycled PES)
- Refibra
- Repreve
- PCRD



With the **Organic Content Standard (OCS)**, we verify the presence and amount of organic matter in our products and monitor the raw material flows from the source to the final product.



Key to achieving sustainability in the textile industry starts with the use of sustainable raw materials. With this awareness, **Cross Textiles** prioritizes purchasing and using recycled raw materials and chemicals within the scope of the **Recycled Claimed Standard (RCS)** throughout its supply chain.



Cross Textiles has the **"Fair Trade Cotton"** certificate. It is a certification that attempts to ensure that cotton producers receive a fair price for their crop.



The **Global Recycled Standard (GRS)** is an international, voluntary, complete product standard that sets requirements for third party certification of recycled ingredients, chain of custody, social and environmental practices, and chemical restraints.



Traceability:

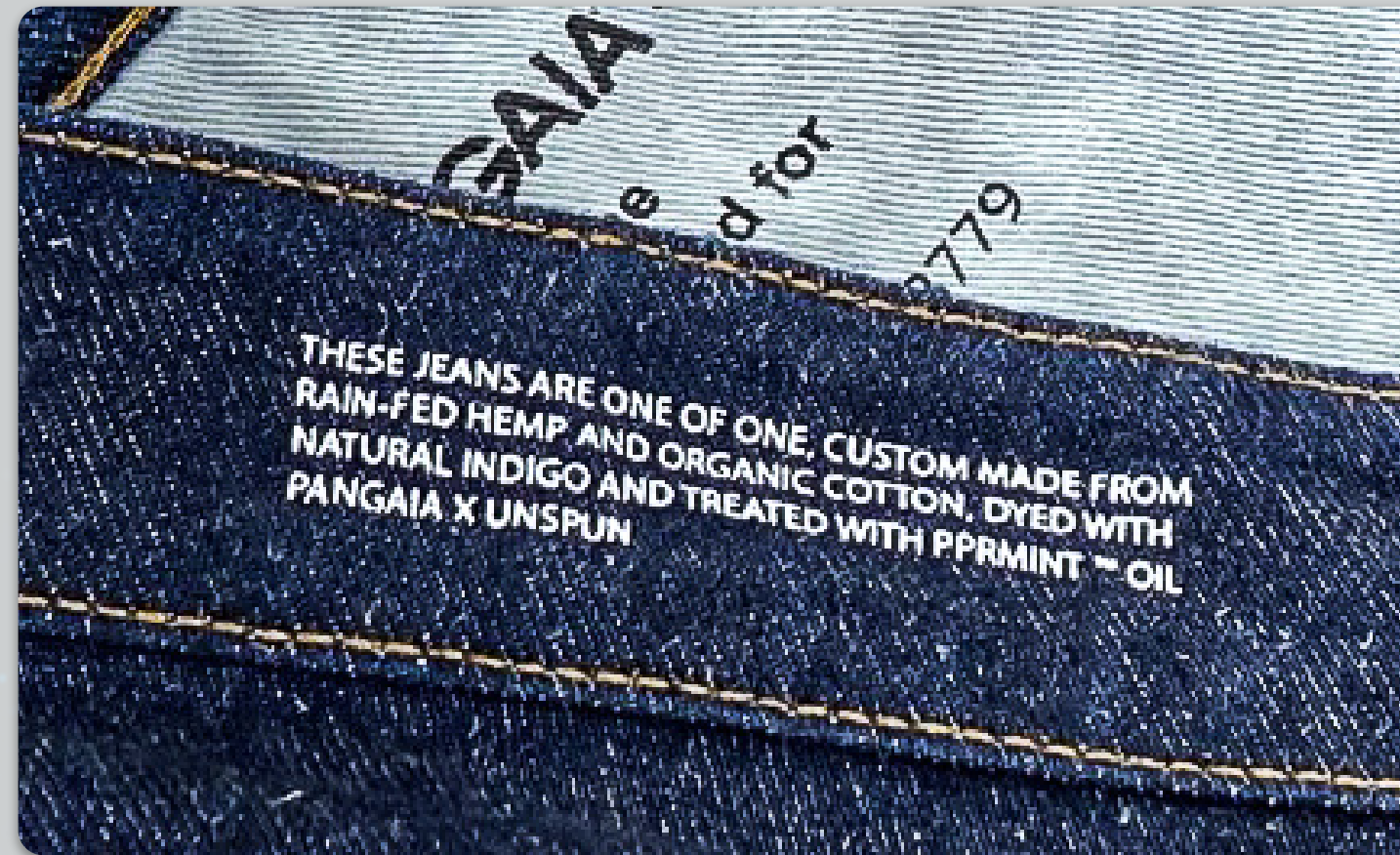
We are the partner of traceability projects with **H&M** and **Ralph Lauren**. Thanks to **Textile Genesis** pioneering traceability platform and new traceability methods, we can keep track of where our cotton comes from and what production conditions it goes through.



*BCCU: The Better Cotton Claim Units (BCCUs) is used within the BCP as a designated unit to track the volumes of physical cotton associated with a Better Cotton claim.

Digital, Industrial 4.0 & Projects

With the pandemic process, we have experienced the importance of **digitalisation** for the whole world as individuals. We are aware that digital transformation will have a great share in the **evolution of sustainability**, especially when it comes to the **consumption of environmental resources**. As the world, we are in an age where we can design all production processes and products without the consumption of raw materials and resources with digital resources. As a company, we strive to be an experience stakeholder in innovative projects where this capability is used.



Pangaia & Unspun Collaboration

It is a project related to the production and shipment of the product ordered by the customer through the digital application. **We believe that if we integrate digital transformation into our denim ready-to-wear production methods, we will also provide access to more efficient manpower, time and raw material utilisation.** For this purpose, we are always open to cooperation with our customers. We have had the chance to experience innovative denim production by taking part in the producer leg of the project developed in cooperation with **Pangaia & Unspun & Orta Anadolu**. **A special application based on body scanner scanning method has been developed by Unspun technology company for Pangai customers to order products online by choosing according to their own size.** A service route has been created by producing the product that the end customer orders online through this application in personalised sizes and sending it directly to the person's private address. Within the scope of this project, a **total of 36 personalised productions** were made in the second half of 2023.

Digital Assistant Robot

Our company sees the most valuable thing as "time". The time our company has is the total time of our employees, and we attach great importance to the fact that each of us works happily, joyfully and enjoys our time. In order to use our employees' time in value-added operations for more efficient and valuable time use, job analyzes were first carried out on a departmental basis. In these analyses, we noticed that some operations were repeated in the same or similar way different times every day. We started researching a digital resource where we could perform these repetitive operations by commanding digital assistants and found a resource. To test this resource, we chose two different iterative processes as pilots and started pilot studies. Our goal is to purchase the main resource and complete the implementation of the project in order to integrate it into all our repetitive operations, if we can get a positive pilot result in the first quarter of 2024.





Cross Textiles
Sustainability Report
2023

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Economical Sustainability

Our Perspective & Message

As Cross Textiles, we are in a period when we abandoned the "Shareholder" perspective and switched to the "Stakeholder" perspective. We see this evolution as a necessity in order to turn the needle of our sustainable point of view in the right direction. We believe that we will create an expanding wave of change with the acceptance and ownership of our employees, who are the largest of our internal stakeholders, starting from the senior management, and then with the cooperation of all our external stakeholders that we directly or indirectly contact. We know that we can ensure our economic sustainability not only through traditional business models that focus on financial gain, but also by going beyond this and contributing value and benefit to all our stakeholders (employees, suppliers, customers, society, environment, etc.)



What we focus on to broaden stakeholder perspectives:

- 1. Sustainability and Ethical Production:
- 2. Employee Participation and Good Working Conditions:
- 3. Customer Satisfaction and Quality:
- 4. Community Support and Responsibilities:
- 5. Open Communication and Transparency:
- 6. Innovation and Technology:
- 7. Compliance with Shareholders:



Our achievements related to our perspectives:

- 1. Stronger Business Relationships:
- 2. Better Risk Management:
- 3. Competitive Advantage:
- 4. Innovation and Adaptability:
- 5. Social Reputation and Support
- 6. Employee Satisfaction and Productivity
- 7. Long Term Growth and Profitability

*Potential Carbon Tax and Emissions Trading System will create financial risks for Cross Textiles. Difficult access to fossil-based energy will create additional financial risks for our company. (Costs and investment requirements.)

Sustainability and Corporate Social Responsibility Projects

PROJECT NAME	SDGs	PROJECT DESCRIPTION
New Year Gift Organization	16	As a New Year's gift, we provided financial aid to our child with SMA on behalf of our customers.
Support for Equipment Access for Disabled Individuals	12	Supporting disabled people's access to chairs with the plastic cover collection project carried out in Turkey.
Financial Support to Employees for Health	3 16	Providing discount support from hospitals for the health examinations of the employees and their families.
Breast Cancer Awareness Trainings for Employees	3 4 16	Providing awareness trainings on breast cancer to our employees and free mammography support.
New Year Event	16	Organizing an event by renting a photo booth for the employees in order to socialize and welcome the new year.
Information Sharing at National & International Congresses	9	Sharing our experiences at the 8 th National Environmental Congress and the 3 rd International Sustainable Living Congress
Workshop for Customers at Production Site	11 17	Organizing field tour and workshop event for our Bestseller customers' employees in different departments.
Food Support for Animal Shelters	2	Periodic delivery of excess daily consumption meals from our cafeterias to animal shelters.
Yozgat Solar Power Plant Investment	9	Commissioning of land-based Unlicensed Solar Power Plant in Yozgat.
New Product Design From Textile Waste	12	Christmas tree design and production from waste fabric tensile test pieces.
Fabric Recycling Project	12	Production of fabric from fabric cutting wastes with the cooperation of recycling facility and fabric manufacturer.
Obtaining I-REC Certificate	9 13	Compensation of mains electricity used in our Tokat and Çorlu plants with I-REC renewable energy certificates.
Inosuit Program Collaboration	4 9 17	We joined the InoSuit Innovation Focused Mentoring Program to implement "Crossfikir" fostering innovation at Şık Makas.
Heating of Buildings with Heat Exchangers	12 13	Obtaining hot water from hot air with the support of a heat exchanger and using it to heat the main building offices.
Replacing Burners	12 13	Replacement of the main steam boiler natural gas burner unit with a new generation burner with O ₂ trim.
Waste Water Recycling Project	6 12 14	Reuse of waste water recovered with unit investments as process water for a waste water treatment plant.
Optimization of Thermal Energy Consumption	12 13	Ensuring efficient use of natural gas by measuring from the factory chimney by commissioning the Oxygen Trim System.
Natural Gas Saving	12 13	Saving on natural gas usage in the product drying process through recipe optimization.
SBTi/ERP Integration	9 13 17	Obtaining master data of scope 1-2 and scope 3 emissions from ERP in the SBTi process
Establishing Continuous Improvement Working Groups	16 17	Establishment of continuous improvement working groups to increase efficiency, quality and satisfaction.
Digital Assistant Robot	8 9	Delegation of routine and repetitive operations to Digital Assistant Robot.
Kingpins Fair Participation	8 12 17	Participating in the fair by opening a stand in order to expand Sales & Marketing activities.
Expansion of Factory Operations	8 9	Expansion of factory operations following the predictions of the Textile Apparel industry.
Shutdown of Cogeneration	12 13	Reduction in the amount of natural gas consumed by the factory for electricity production by shutting down cogeneration.

Very High Priority High Priority

Social Environmental Economic

Project Highlights

The incremental benefit created in our electricity and water consumption by our **solar energy panels & waste water recycling facility investments**, which we have implemented to reduce our environmental impact, has had a direct impact on the economic sustainability of our company simultaneously. In addition to these two major investment projects, **we are pursuing our economic sustainability with our efficiency-based projects that will reduce our energy costs.**

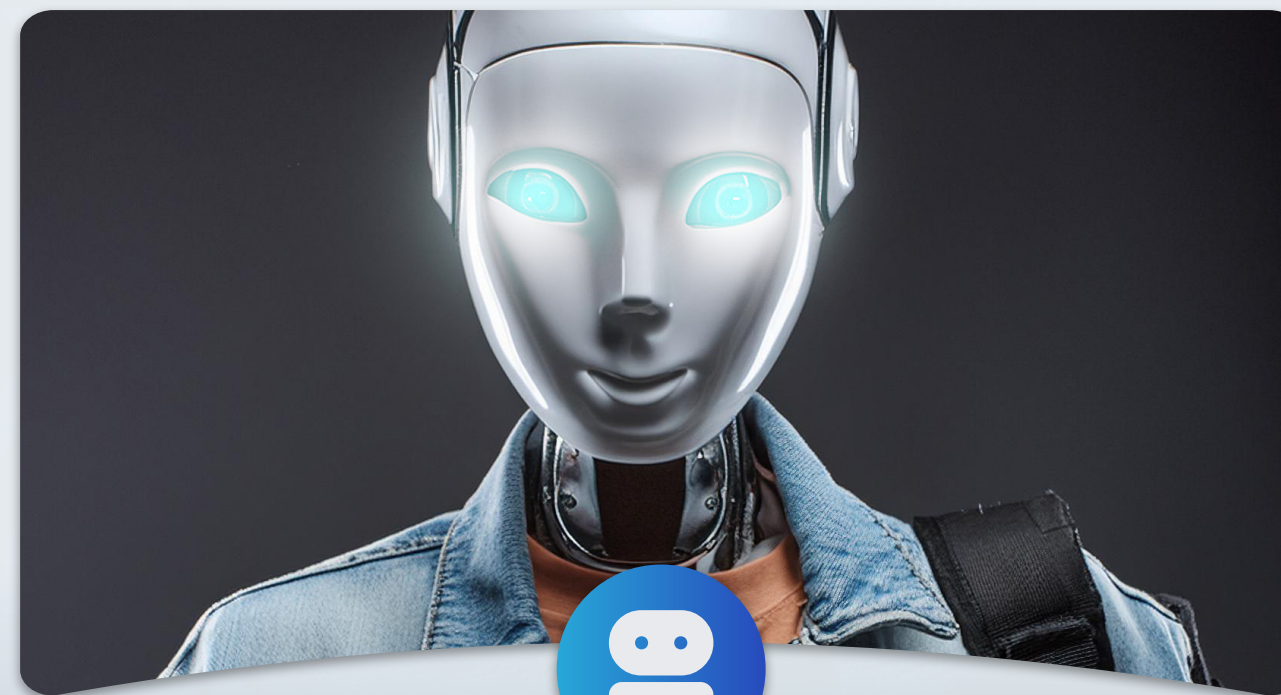
Natural gas emissions constitute the largest portion of our carbon emissions. The details of our projects implemented for our actions supporting our **5-10 year scope 1 & 2 emission reduction targets, which we gave to SBTi at the end of 2022, are as follows:**

Improving Factory Operations



Increasing energy and labor costs have made the denim industry a significant multi-stakeholder, closed-loop macroeconomic model in both our country and the global economy. As part of this ecosystem, we expanded our factories and locations in 2023 to maintain and enhance efficient, high-quality, and optimally priced production. An additional investment in our Tokat factory established a cutting room, which began production in the second half of 2023, contributing to local employment.

Digital Assistant Robot



For our company, the most valuable asset is time, and we prioritize ensuring our employees use their time efficiently and enjoyably. Through department-based job analyses, we discovered that some repetitive operations can be managed by digital assistants. To test this, we selected two repetitive processes for a pilot study. Our goal is to integrate this system into all repetitive operations and complete the implementation if we achieve positive results in the first quarter of 2024.

Shutdown of Cogeneration Power Plant



While part of our electricity needs are met by our cogeneration plant, we have decided to close the facility due to both our ability to generate enough electricity from renewable sources to meet the needs of all our locations in Turkey, including our Yozgat facility, and our aim to reduce natural gas consumption in line with our SBTi targets. We closed the plant in the second half of 2023, resulting in a total avoidance of 786,000 Nm³ of natural gas consumption.

Kingpins Fair Participation



Denim, by its nature, encourages us to "touch" and "take pleasure in touch." We want to feel the fabric and its texture. Similarly, we enjoy face-to-face interactions with our customers, experiencing products together, and immersing in the denim world. Reviving our pre-pandemic experience at fairs and international events, we participated in the Kingpins New York fair in January and June 2023. We met with our global customers from America, firms in the denim ecosystem, suppliers, and denim enthusiasts, and had the opportunity to discuss our products and Cross Textiles' sustainability perspective with them.

Formation of Continuous Improvement Working Groups



The economic conjuncture we are experiencing has highlighted the need to focus on continuous improvement and efficiency efforts in the last quarter of 2023. Within this scope, a Coordination Committee, led by senior management, was established in the last quarter of 2023 to identify areas for improvement aimed at increasing efficiency, quality, and stakeholder satisfaction. The goal is to identify improvement areas using a collective working methodology within 2024, establish working groups to implement actions and applications, and put these actions into practice by the end of 2024. The results will then be evaluated by comparing them with the previous year.

SBTi & ERP Integration



Under the SBTi framework, we had designated 2021 as the baseline year and calculated Scope 1, 2, and 3 emissions based on established and approved calculation methods. To perform the calculations for subsequent years more quickly and accurately, we decided that obtaining the primary data from our ERP system would be the correct and reliable approach. We dedicated the year 2023 to this integration and development. At this point, we have ensured that the essential data required for emission calculations is automatically retrieved from the ERP system. As the next step, we aim to perform emission calculations within the ERP system and make real-time emission values visible. The deadline for this project has been set for the end of 2025.

Risk Management via SBTi

We make the predictions of our economic sustainability with the "Sustainability Risk Analysis" that we work by addressing all dimensions. As of 2022, the Sustainability Risk Analysis has been our biggest guide while determining our 5 and 10-year goals and actions in line with the SBTi Paris Climate Agreement 1.5 degree target. The risks in front of us, the effects of these risks, the goals we set for ourselves to eliminate the risks and the actions we need to take in line with these goals have set us on a systematic path in the management of our economic sustainability.

Location	Action	Action Explanation	Action Deadline	Resource Targeted to be Reduced	Carbon Footprint Equivalent of Reduction	Decrease in the Related Year	Next Year's Decrease
Çorlu	Purchase of Energy Attribute Certificates	I-REC certificate will be purchased for all the electricity we use from the grid in our facility. Our purchase of I-REC certificate will cover 100% of the electricity consumption for the first 8 months of the year.	Sep '22	Electricity	1.154,12 ton CO ₂	288,53 ton CO ₂	865,59 ton CO ₂
Çorlu	Purchase of Energy Attribute Certificates	I-REC certificate will be purchased for all the electricity we use from the grid in our facility. Our purchase of I-REC certificate will cover 100% of the electricity consumption for the first 4 months of the year.	Jan '23	Electricity	888,36 ton CO ₂	814,33 ton CO ₂	74,03 ton CO ₂
Çorlu	Investment in new technologies for manufacturing with increased energy efficiency.	A project to save steam produced by using the water that will pass through the reverse osmosis unit for steam generation.	July '22	Natural Gas	422,31 ton CO ₂	175,96 ton CO ₂	246,35 ton CO ₂
Çorlu	Optimization of thermal energy consumption (i.e. isolation of pipelines, recovery of heat)	Implementation of the project to reduce thermal losses with the isolation system to the front cover of our steam boiler.	July '23	Natural Gas	32,91 ton CO ₂	13,71 ton CO ₂	19,20 ton CO ₂
Çorlu	Shutdown of the cogeneration system	As a result of the shutdown of the cogeneration system, a decrease in the amount of natural gas consumed by the factory for electricity generation.	July '23	Natural Gas	2.243,31 ton CO ₂	934,71 ton CO ₂	1.308,60 ton CO ₂
Çorlu	Shutdown of the cogeneration system -Electricity Demand	Outsourcing of factory electricity as a result of the shutdown of the cogeneration plant.	July '23	Electricity	-1.936,00 ton CO ₂	-806,67 ton CO ₂	-1.129,33 ton CO ₂
Çorlu	Shutdown of the cogeneration system -Natural Gas Demand	The increase in natural gas consumption equivalent to the steam and heat load produced by the cogeneration plant as a result of the shut down.	July '23	Natural Gas	-654,80 ton CO ₂	-272,84 ton CO ₂	-381,97 ton CO ₂
Çorlu	Expansion of factories operations and growth expectations.	The energy requirement of machinery investments in factories and expansion of factory operations. <i>*Moving the fabric cutting section to Tokat Factory.</i>	Feb '23	Electricity	660,00 ton CO ₂	550,00 ton CO ₂	110,00 ton CO ₂
Çorlu	Replacement of the burners	Replacement of the natural gas burner unit of the main steam boiler with a new generation burner with O ₂ trim is foreseen, savings expectation is 5%.	Oct '23	Natural Gas	190,10 ton CO ₂	31,68 ton CO ₂	158,42 ton CO ₂
Çorlu	Heating the buildings with the heat exchangers	Envisaged hot air from the compressor radiator cooling unit will be used to obtain hot water with the support of heat exchanger and this hot water will be used for heating the main building offices in winter.	Oct '23	Natural Gas	36,75 ton CO ₂	6,12 ton CO ₂	30,62 ton CO ₂
Çorlu	Using of condensed steam	Envisaged to save natural gas by taking the latent heat on the condensed steam returning from the steam installations from the plant and using it as a preheater of the hot water infiltration system.	Jan '24	Natural Gas	202,10 ton CO ₂	185,26 ton CO ₂	16,84 ton CO ₂
Çorlu	Transforming the Fossil Fuel Vehicle Fleet to an Electric One	Conversion of both Company vehicles and contracted vehicle fleet to hybrid or electric vehicles.	Jan '27	Diesel	510,86 ton CO ₂	468,29 ton CO ₂	42,57 ton CO ₂
Çorlu	Transforming the Fossil Fuel Vehicle Fleet to an Electric One	Conversion of both Company vehicles and contracted vehicle fleet to hybrid or electric vehicles.	Jan '27	Fuel Oil	53,65 ton CO ₂	49,18 ton CO ₂	4,47 ton CO ₂

Location	Action	Action Explanation	Action Deadline	Resource Targeted to be Reduced	Carbon Footprint Equivalent of Reduction	Decrease in the Related Year	Next Year's Decrease
Tokat	Expansion of factories operations and growth expectations.	The energy requirement of machinery investments in factories and expansion of factory operations & Electricity Demand Of Equipments such as Pressure Booster which will be assigned to building.	Feb '23	Electricity	-1.706,68 ton CO ₂	-1.422,23 ton CO ₂	-284,45 ton CO ₂
Tokat	Self-generation of renewable energy	Solar panel investment project (Stage 1)	Apr '22	Electricity	1.411,49 ton CO ₂	940,99 ton CO ₂	470,50 ton CO ₂
Tokat	Self-generation of renewable energy	Solar panel investment project (Stage 2)	Dec '22	Electricity	1.713,09 ton CO ₂	0,00 ton CO ₂	1.713,09 ton CO ₂
Tokat	Purchase of Energy Attribute Certificates	I-REC certificate will be purchased for all the electricity we use from the grid in our facility. Our purchase of I-REC certificate will cover 100% of the electricity consumption for the first 8 months of the year.	Sep '22	Electricity	1.234,20 ton CO ₂	308,55 ton CO ₂	925,65 ton CO ₂
Tokat	Purchase of Energy Attribute Certificates	I-REC certificate will be purchased for all the electricity we use from the grid in our facility. Our purchase of I-REC certificate will cover 100% of the electricity consumption for the first 4 months of the year.	Jan '23	Electricity	745,36 ton CO ₂	683,25 ton CO ₂	62,11 ton CO ₂
Tokat	Optimization of the manufacturing process	Saving in natural gas use by optimizing the recipe in the product drying process.	Dec '22	Natural Gas	28,80 ton CO ₂	0,00 ton CO ₂	28,80 ton CO ₂
Tokat	Optimization of thermal energy consumption (i.e. isolation of pipelines, recovery of heat)	With the deployment of the Oxygen Trim System, to ensure the efficient use of natural gas with the measurement method from the chimney of the factory.	May '23	Natural Gas	59,01 ton CO ₂	34,42 ton CO ₂	24,59 ton CO ₂
Tokat	Optimization of thermal energy consumption (i.e. isolation of pipelines, recovery of heat) -Electricity Demand	Installation of an electric radiant heating system as a heating source in the facility. (32 Electricity Radiant System Installation) <i>*Add. electricity required after the conversion of the heating system from natural gas to electricity.</i>	May '23	Electricity	-184,50 ton CO ₂	-107,63 ton CO ₂	-76,88 ton CO ₂
Tokat	Optimization of thermal energy consumption (i.e. isolation of pipelines, recovery of heat) -Electricity Demand	Installation of an electric radiant heating system as a heating source in the facility. (43 Electricity Radiant System Installation) <i>*Add. electricity required after the conversion of the heating system from natural gas to electricity.</i>	May '24	Electricity	-247,93 ton CO ₂	-144,62 ton CO ₂	-103,30 ton CO ₂
Tokat	Transforming the Fossil Fuel Vehicle Fleet to an Electric One	Conversion of both Company vehicles and contracted vehicle fleet to hybrid or electric vehicles.	Jan '27	Diesel	405,90 ton CO ₂	372,07 ton CO ₂	33,82 ton CO ₂
Tokat	Transforming the Fossil Fuel Vehicle Fleet to an Electric One	Conversion of both Company vehicles and contracted vehicle fleet to hybrid or electric vehicles.	Jan '27	Fuel Oil	42,63 ton CO ₂	39,08 ton CO ₂	3,55 ton CO ₂
Tokat	Optimization of thermal energy consumption	Reducing steam consumption and natural gas consumption with cold-working enzymes.	May '24	Natural Gas	27,71 ton CO ₂	16,16 ton CO ₂	11,54 ton CO ₂
Tokat	Optimization of thermal energy consumption (isolation of pipelines)	Ensuring natural gas savings by insulating hot water and steam installations.	May '24	Natural Gas	147,34 ton CO ₂	85,95 ton CO ₂	61,39 ton CO ₂
No Location	Solar Power Plant Land Application	Generating electricity from 100% renewable sources through field application of solar panels. (stage 1+2)	July '23	Electricity	2.550,68 ton CO ₂	1.062,78 ton CO ₂	1.487,90 ton CO ₂

Sustainability Risk Analyses Climate Change

Danger	Risk Definition	Risk Degree	Financial Effect		Environmental Effect		Social Effect		Corrective Action/Action Plan					Reassessment			Risk Def.	Financial Effect		Environmental Effect		Social Effect		Opportunity	Time	Control Frequency
			MIN	MAX	MIN	MAX	MIN	MAX	Planned Precaution/Action	Deadline	Responsive Department/Person	Actual Situation	Financial Effect of the Measure Taken	Pos.	Sev.	Risk Val.		MIN	MAX	MIN	MAX	MIN	MAX			
Decreased Available Resources	Insufficient resources of inputs in processes can cause a decrease in production capacity and therefore a decrease in process efficiency.	Medium	15% Loss in Turn over	40% Loss in Turn over	10% Loss in Turn over	20% Loss in Turn over	5% Loss in Turn over	15% Loss in Turn over	Investing in environmental projects to reduce the resources (water, energy, raw materials, etc.) used in every process of the workflow.	2025	Technology and Innovation Working Group	Research and examination of project activities that will allow to increase the resource efficiency used in the processes	3% Loss in Turnover	1	4	4	Low	3% Loss in Turn over	10% Loss in Turn over	3% Loss in Turn over	7% Loss in Turn over	2% Loss in Turn over	7% Loss in Turn over	Long-term productivity growth	Medium & Long	Once a Year
Changing Climate Policies	As a result of not reducing carbon emissions to the limits determined by national and international legislation, financial sanctions may be incurred and there may be an (indirect) increase in operational costs.	Medium	15% Loss in Turn over	40% Loss in Turn over	7% Loss in Turn over	15% Loss in Turn over	5% Loss in Turn over	10% Loss in Turn over	Carbon emissions from activities; providing periodic follow-up and reporting, continuing to work on reducing carbon emissions, researching alternative energy sources and working on energy efficiency	2025	Environmental Sustainability Group	Making regular legal reports and researching alternative energy sources that can be applied within the scope of energy efficiency and examining technical analyzes	5% Loss in Turnover	1	4	4	Low	3% Loss in Turn over	9% Loss in Turn over	2% Loss in Turn over	10% Loss in Turn over	1% Loss in Turn over	5% Loss in Turn over	Achieving a positive brand effect by internal and external customers through studies in line with climate change awareness	Medium & Long	Once a Year
Changes in Market Expectations	Market and income loss may occur as a result of not integrating the developing climate change awareness and awareness into work flow processes.	Medium	15% Loss in Turn over	25% Loss in Turn over	5% Loss in Turn over	10% Loss in Turn over	5% Loss in Turn over	10% Loss in Turn over	Developing projects in the Design and R&D centers within the scope of combating climate change and producing products compatible with customer expectations	2025	Product Development Working Group	Continuation of the studies carried out in the Design and R&D Centers	8% Loss in Turnover	1	3	3	Low	4% Loss in Turn over	9% Loss in Turn over	2% Loss in Turn over	4% Loss in Turn over	1% Loss in Turn over	7% Loss in Turn over	Differentiation from competitors by producing new products with customer demands	Medium & Long	Once a Year

*Pos: Possibility *Sev: Severity *Risk Val: Risk Value *Risk Def: Risk Definition

Sustainability Risk Analyses Water Safety

Danger	Risk Definition	Risk Degree	Financial Effect		Environmental Effect		Social Effect		Corrective Action/Action Plan					Reassessment			Risk Def.	Financial Effect		Environmental Effect		Social Effect		Opportunity	Time	Control Frequency
			MIN	MAX	MIN	MAX	MIN	MAX	Planned Precaution/Action	Deadline	Responsive Department/Person	Actual Situation	Financial Effect of the Measure Taken	Pos.	Sev.	Risk Val.		MIN	MAX	MIN	MAX	MIN	MAX			
Scarcity of Water Resources Water Stress	The inability of the amount of water to meet the requirements in the workflow processes may cause operational disruptions in production.	Medium	10% Loss in Turn over	25% Loss in Turn over	20% Loss in Turn over	40% Loss in Turn over	5% Loss in Turn over	15% Loss in Turn over	Reviewing processes, reducing water consumption and carrying out project studies for the recovery of treated water	2025	Technology and Innovation Working Group	Control of work flow processes and water management, research and examination of project studies carried out for water reuse	3% Loss in Turnover	1	4	4	Low	3% Loss in Turn over	10% Loss in Turn over	7% Loss in Turn over	15% Loss in Turn over	1% Loss in Turn over	9% Loss in Turn over	Discovering new techniques for improvement	Medium & Long	Once a Year
Deterioration of the quality of water resources	Negative changes in the chemical, physical, bacteriological, radioactive and ecological properties of the water source may cause the quality of the products produced to change, the performance of the equipment used in the processes to decrease and the resulting loss of process efficiency to occur.	Medium	5% Loss in Turn over	20% Loss in Turn over	20% Loss in Turn over	35% Loss in Turn over	7% Loss in Turn over	19% Loss in Turn over	Using low-cost techniques that will allow the water to be brought to the desired standards according to the purpose of use, performing an equipment management that includes regular maintenance and repair activities.	2025	Technology and Innovation Working Group	Performing regular maintenance and repair activities of the technical infrastructure and monitoring the quality efficiency of the resources used in production	3% Loss in Turnover	1	4	4	Low	3% Loss in Turn over	7% Loss in Turn over	3% Loss in Turn over	7% Loss in Turn over	1% Loss in Turn over	5% Loss in Turn over	Increasing product quality with regular technical controls	Medium & Long	Once a Year
Customer Expectations Shifting Towards Water Recycling	Loss of market and revenue may occur as a result of failure to meet customer demands.	Medium	15% Loss in Turn over	40% Loss in Turn over	3% Loss in Turn over	12% Loss in Turn over	4% Loss in Turn over	21% Loss in Turn over	Carrying out project studies on water efficiency and water reusability throughout the entire supply chain	2025	Sustainable Customer Relations Working Group	The continuation of the research and examination process of the studies to be carried out with the awareness of water safety for the expectations	3% Loss in Turnover	1	3	3	Low	2% Loss in Turn over	10% Loss in Turn over	1% Loss in Turn over	5% Loss in Turn over	1% Loss in Turn over	7% Loss in Turn over	Increase in sales rates by increasing satisfaction and reliability	Medium & Long	Once a Year

*Pos: Possibility *Sev: Severity *Risk Val: Risk Value *Risk Def: Risk Definition * We are aware of the responsibility of the information we share and since we could not access clear information during the reporting period, it was not answered in the 2022 report. These questions will be answered in the next reporting period.



CROSS
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**GRI & SDG
Content Index**

GRI Standard	Standard Name	Standard Number	Page & Answers
General Disclosures - GRI 1,2,3 Universal Standard 2021	Organization Details	Disclosure 2-1	2,6
	Entities Included in the Organization's Sustainability Reporting	Disclosure 2-2	2,6
	Frequency and Contact Point (Reporting Period)	Disclosure 2-3	2
	Restatements of Information	Disclosure 2-4	2 - No change has been made in reporting format.
	External Assurance	Disclosure 2-5	2,8
	Activities & Value Chain & Other Business Relationships	Disclosure 2-6	6,10
	Employees	Disclosure 2-7	12,13,14
	Workers Who Are Not Employees	Disclosure 2-8	13 - There is no recorded non employee number change in the reporting period.
	Nomination and Selection of the Highest Governance Body	Disclosure 2-10	8,10
	Chair of the Highest Governance Body	Disclosure 2-11	3
	Role of the Highest Governance Body in Overseeing the Management of Impacts	Disclosure 2-12	8,10 - There are no recorded cases of violation of conflicts of interest in the reporting period.
	Delegation of Responsibility for Managing Impacts	Disclosure 2-13	8
	Role of the Highest Governance Body in Sustainability Reporting	Disclosure 2-14	8
	Conflicts of Interest	Disclosure 2-15	8
	Process to Determine Remuneration	Disclosure 2-20	16
	Statement on Sustainable Development Strategy	Disclosure 2-22	3
	Policy Commitments	Disclosure 2-23	3,15-16 - It is explained indirectly.
	Embedding Policy Commitments	Disclosure 2-24	15-16 - It is explained indirectly.
	Processes to Remediate Negative Impacts	Disclosure 2-25	15,22,34,35,36,37 - We are working with our stakeholders to achieve SBTi scope 3 targets.
	Mechanisms for Seeking Advice and Raising Concerns	Disclosure 2-26	Support is received from the trade union on trade union rights, from environmental consultants on environmental issues, from state channels on social issues, and from legal counsellors on legal issues.
Compliance with Laws and Regulations	Disclosure 2-27	There is no recorded case. - There is no recorded number of significant instances of non-compliance with laws and regulations and the total number of fines for non-compliance with laws and regulations paid during the reporting period.	
Membership Associations	Disclosure 2-28	10	
Approach to Stakeholder Engagement	Disclosure 2-29	34	
Collective Bargaining Agreements	Disclosure 2-30	13	

GRI Standard	Standard Name	Standard Number	Page & Answers
GRI 200: Economic	GRI 201-Economic Performance 2016	201-2	40,41
	GRI 202-Market Presence 2016	202-1	8,16
		202-2	8,12
	GRI 203-Indirect Economic Impacts 2016	203-1	24,27,40,41 - One example: Having our own waste water recycling plant reduces water consumptions and water discharge amounts in the facility. Thus, we prevent the increasing water pollution in the watersheds in the local area.
		203-2	34
	GRI 204-Procurement Practices 2016	204-1	16
	GRI 205-Anti-corruption 2016	204-1	16
205-2		14,16	
205-3		There are no recorded corruption cases in our company.	
GRI 206-Anti-competitive Behavior 2016	206-1	2,6,34 - There is no recorded anti-competitive behaviour and monopolisation violations during the reporting period.	
GRI 200: Environmental	GRI 301-Materials 2016	301-1	31
		301-2	31
		301-3	31 - For 2023, no data could be obtained from our ERP system for all the material categories.
	GRI 302-Energy 2016	302-1	22,24,25,26
		302-2	22
		302-3	22
		302-4	22,24
		302-5	22
	GRI 303-Water and Effluents 2018	303-1	27,41
		303-2	27,28
		303-3	27
		303-4	27,28
		303-5	27

GRI Standard	Standard Name	Standard Number	Page & Answers
GRI 200: Environmental	GRI 305-Emissions 2016	305-1	22
		305-2	22
		305-3	22
		305-4	22
		305-5	22
		305-6	22
		305-7	22
	GRI 306-Waste 2020	306-1	29
		306-2	29
		306-3	29
GRI 308-Supplier Environmental Assessment 2016	308-1	16	
	308-2	16	
GRI 200: Social	GRI 401-Employment 2016	401-1	13
		401-3	13
	GRI 403-Occupational Health and Safety 2018	403-1	15,16
		403-2	14,15
		403-3	15
		403-4	15 - Management-worker health and safety committees exist, their responsibilities, frequency of meetings, decision-making authority informations are provided during orientation trainings.
		403-5	Provided during orientation trainings.
		403-6	Provided during orientation trainings.
		403-7	15
		403-8	15 - Provided during orientation trainings.
403-9	15		
403-10	15 - Provided during orientation trainings.		

GRI Standard	Standard Name	Standard Number	Page & Answers
GRI 200: Social	GRI 404-Training and Education 2016	404-1	14
		404-2	14
		404-3	14
	GRI 405-Diversity and Equal Opportunity 2016	405-1	13
	GRI 406-Non-discrimination 2016	406-1	There is no recorded discrimination case in the reporting period.
	GRI 407-Freedom of Association & Collective Bargaining 2016	407-1	13
	GRI 408-Child Labor 2016	408-1	16
	GRI 409-Forced or Compulsory Labor 2016	409-1	16
	GRI 410-Security Practices 2016	410-1	16
	GRI 411-Rights of Indigenous Peoples 2016	411-1	There is no recorded violation case in the reporting period.
	GRI 414-Supplier Social Assessment 2016	414-1	16
		414-2	The social competence of all our subcontractors is checked.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Pg. 15 16 17 18	Pg. 15 16 17 18	Pg. 15	Pg. 14 39	Pg. 12 16	Pg. 26 27 39	Pg. 24 25 39	Pg. 12 13 14 16 39	Pg. 31 38 39	Pg. 16 39	Pg. 24 25 26 27 30 31 39	Pg. 20 21 24 25 26 27 39	Pg. 26 27 39	Pg. 26 27 39	Pg. 24 25 26 27 39	Pg. 16 17 18	Pg. 8 10 17 18 21 23 29 30 31

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T E X T I L E S

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