


# Penti

## 2022 SUSTAINABILITY REPORT

A woman with long brown hair, wearing a purple lace bralette and matching bikini bottom, is sitting on a light pink sofa. She is smiling and looking towards the left. The sofa is surrounded by a dense field of tall grasses and various colorful flowers, including purple, yellow, and white blooms. The background is a soft, hazy sky.

For a more  
equal world  
*we are working*



## OUR COMMON STORY

### “I’m In for Change”

The textile sector is a significant part of the global economy. Representing approximately 2.5 % of world trade, it provides employment opportunities for millions of people. However, textile production is also known as an industry that can lead to overuse of natural resources and environmental impacts. With an annual water consumption of approximately 79 billion tonnes, the sector puts fresh water resources under pressure. It also has a significant impact on the environment with 1.2 billion tonnes of carbon dioxide emissions annually.

In addition, textile production has social problems such as child labour, human rights violations and poor working conditions, but we have the opportunity to change this situation and achieve sustainability goals to meet the needs of future generations. As Penti, we aim to lead the sustainability efforts in the textile industry by adopting the principle of “Responsible Production Responsible Consumption”.

By producing sustainable collections designed with a responsible approach, we have made sustainability a fundamental part of our business strategy. Over the next ten years, we are evaluating our products, production factories and stores in line with this goal. We integrate new technologies into our production processes to reduce water, energy and chemical use. **In this direction, we have set a target to increase the use of sustainable cotton and sustainable polyester in our collection to 45% by 2025, 60% by 2027 and 95% by 2030.**

As Penti, we are proud to promote our steps in sustainability at national and international level. Beyond the use of recycled materials, we offer sustainable options to our customers by designing collections that are durable, long-lasting, functional, innovative and suitable for different needs. Our goal is to reduce clothing waste with environmentally friendly solutions and to produce products that can be used for a long time.

As Penti, we are determined to put sustainability at the centre of our business strategy and to act with an approach that cares about the needs of future generations.

**As Penti, we continue to write a common story.**



# OUR SUSTAINABILITY STRATEGY

For development *knowledge*



## KNOWLEDGE

As Penti, we share our business approach, which includes ethics and quality, with all our stakeholders.

By involving our stakeholders  
With a more ethical business approach  
We capture the future.

**We are building our future with the contribution and knowledge of our common mind.**

For protection *passion*



## PASSION

As Penti, we carry out all our activities in harmony with the planet and all its elements.

We reduce our emissions  
Value our water  
Protect our biodiversity  
We care about recycling

**We passionately protect our inspiring planet.**

For equality *respect*



## RESPECT

As Penti, we provide an equitable and inclusive business environment with all our stakeholders.

We care about human rights  
Act with an egalitarian and inclusive attitude  
Care about human health  
Create opportunity for talents

**We respect the health and future of our entire value chain.**

For community *care*



## CARE

As Penti, we believe in collective development and progress and share our values with community.

For the progress of the community  
And the economic development  
We consider the constant innovation  
As our social responsibility

**We embrace a lovely future together with care.**

**Knowledge;** represents our business approach of managing with the expert, qualified, and egalitarian management of Penti, which has been able to conduct risk and opportunity analyses in a healthy and accurate manner since the company's establishment, and ensuring an ethical ground in order to enable the representation of all stakeholders and their participation in decision-making processes.



**Passion;** represents protecting our planet's resources and our unique value, water, zeroing carbon and all types of greenhouse gas emissions, and ensuring the continuity of biodiversity in nature, including in our production processes and customer use of our products; and how we do business in harmony with the green and circular economy.



**Respect;** represents our effort to protect the physical and mental health of the people we come into contact with in our demand and value chain, particularly our employees, to ensure their fundamental rights and freedoms, and to create a more egalitarian ecosystem that perceives and covers diversity and supports the development of each individual.



**Care;** represents our principles of shared progress, which attaches importance to research and development activities that will contribute to the common development and growth of our global society and planet, of which we are a part, and makes the economic and social value it generates accessible to all of its stakeholders.





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Penti Çorap  
(Factory)



Penti Giyim  
(Retail)



HOMEPAGE



WEBSITE



NEXT PAGE



EMAIL



PREVIOUS PAGE



## ABOUT THE REPORT

We started to systematically monitor and report our sustainability efforts with the United Nations Global Compact (UNGC), which we signed in 2021. As a responsible organisation, we aim to carry our sustainability efforts further each day.

Our second report, "Penti 2022 Sustainability Report", was prepared by taking into account the priorities at the national level, current trends and changing local and global agendas. At the same time, the content was updated with the contributions of the members of the "Penti Better Life Team" (Sustainability Committee) formed by Sustainability Management and the "Reporting Team."

This report was prepared in accordance with the Global Reporting Initiative (GRI) based on "GRI Standards". An extensive research and stakeholder analysis process was conducted to identify the main topics of the report.

In addition, this report includes all our practices related to compliance with UNGC principles. You can find these principles and the GRI indicators utilised in detail in the content index in the appendices of our report. Our report is prepared bilingually in both Turkish and English.

Our report covers all activities of Penti Giyim Retail located in Istanbul and Penti Çorap factories located in 2 locations

in Çorlu. Unless otherwise stated, the information in this report reflects the activities of Penti Giyim Retail and Penti Çorap Factory between 01.01.2022 and 31.12.2022.

As Penti, we are committed to continue reporting our sustainability activities annually, taking into account the expectations of our stakeholders. The report has not been subjected to third party verification.

The preparation process of our report, collection and evaluation of relevant data was carried out under the leadership of Sustainability Management and with the contributions of internal units. SUCSR supported the preparation process and the creation of the report.

You can access our report from the Sustainability section of our company website.

Underlining how valuable our stakeholders' future comments and suggestions are to us, you can share all your feedback on our report and sustainability efforts to [✉ sustainability@penti.com.tr](mailto:sustainability@penti.com.tr)

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# SENIOR MANAGEMENT MESSAGES

Dear Stakeholders,

Our world is transforming rapidly and we believe that the fashion industry significantly impacts this transformation. For a livable future, we have to take more decisive actions than today. For the sake of sustainability, we acknowledge that the fashion industry must immediately reduce emissions, implement sustainable practises, and minimise environmental impacts. **In accordance with our 73 years of experience, under the guidance of our unwavering dedication to sustainable strategies, and adherence to our corporate heritage and core values, we are continuously augmenting our societal and environmental contributions.**

Every product that we produce is an opportunity for a more sustainable future; our entire product line is designed using the 'Sustainable Fashion' methodology. The expertise and experience we have gained so far in the fashion industry have significantly influenced our decision to embrace the principle of sustainability. We endeavour, with the assistance of our suppliers, customers, and other business partners, to promote and implement sustainable practises throughout the industry, including our own brand.

We embark on this endeavour in 2021 under the motto **"We are working for a more equal world."** We firmly believe that our social responsibility extends beyond that of a fashion label, and we are committed to carrying out this duty to the greatest extent feasible.

By integrating the principle of sustainability into our brand identity, our objective is to minimise our ecological impact. We employ innovative approaches in order to make a positive impact on the environment and the development of a sustainable future. Environmental impact of production processes and the sustainability of materials that we use are among the most important considerations we have from the design phase through the end user. Observing that our customers share this consciousness strengthens our resolve to manufacture sustainable products and brings us joy. Environmental responsibility is considered at each stage by both our supply chain and design team, from the selection of sustainable raw materials to production technologies.

**We aspire to be the industry leader in sustainable fashion** with our **"Better Life"** collection by adhering to the guiding principle of **"A Better Life."** Our collection features long-lasting and resilient products crafted from premium materials. Furthermore, we strive

to minimise energy and water usage through the implementation of innovative business models.

Our objective is to uphold and enhance our standing as a frontrunner brand in the industry through the implementation of projects that reflect the principles of diversity, inclusion, and gender equality. We encourage our employees, business partners, and all other stakeholders to collaborate in order to generate more innovative and creative solutions by embracing the diversities, in accordance with this vision.

We incorporate the principle of equality into every aspect of our operations, supply chain, and societal interactions, in addition to our internal operations. We ensure that our business partners and employees share this vision by organising workshops, trainings, and other awareness-raising initiatives. Simultaneously, motivated by our power value, we execute initiatives that encourage women to assume more proactive positions in the realm of business, and we are perpetually seeking novel ideas to augment our accomplishments in this domain. **At Penti, we have an 84% women employee rate.** We advocate for women's empowerment across all areas of life. By implementing innovative methodologies and conducting research and development, we consistently expand our assortment of functional products for our clients. Our objective is to make a positive impact on social development through the implementation of social responsibility initiatives and provision of support to non-governmental organisations. Our actions are guided by our convictions regarding excellence, both domestically and globally. We approach the augmentation of social contribution and welfare with unwavering confidence.

As Penti, we consistently strive to advance our objective of generating ongoing value for all our stakeholders. We are currently exerting significant effort to augment our accomplishments in subsequent periods.

We extend our sincere appreciation to all of our stakeholders, with a particular emphasis on our employees, whose efforts are instrumental in upholding our accomplishments and principles.

Sincerely,

**Sami KARIYO**

Penti Chairperson of the Board



# SENIOR MANAGEMENT MESSAGES



Dear Stakeholders,

When contemplating the present and future necessities of the world, the following quote by Stephen R. Covey comes to mind: "The present necessity to produce signifies the capitalist system's demands and is the reality of the present day. **However, true success hinges on the principles of sustainability and expansion.**"

Conscious of our responsibility to contribute to the creation of a better society and future, Penti operates in accordance with the principle of "**Responsible Production and Consumption**" within our industry. We are delighted to present our comprehensive understanding of sustainability and the manner in which we operate in accordance with this understanding in a transparent manner in the Sustainability Report for this year.

We altered our brand identity in 2022 and repositioned Penti as a contemporary, dynamic brand that corresponds to the requirements of the new world. A primary objective throughout the brand identity transformation process was to formulate novel approaches that aligned with our sustainability objectives, generate projects that make societal and environmental contributions, and enhance our stores in a manner that facilitates integration with the sustainability process. Simultaneously, we recognised the necessity of modifying the perception of consumption among the millions of guests who closely observe us by implementing this process.

We rigorously assess our sustainability objectives across all facets of our organisation, including products, production facilities, stores, and customer experiences. We achieve significant advancements in the application of sustainable materials and cutting-edge technologies, while also implementing efficient energy and water management strategies.

Our decision-making process places the well-being of the environment first. We achieved a 600% reduction in water consumption in this direction by modifying our printing processes. To combat the threat of deforestation, we implement practices to reduce our paper consumption and turn to better and more responsible raw materials for the paper materials we use.

By incorporating Ecovero and Tencel fibres into our collections, we were able to substantially mitigate carbon dioxide emissions and water consumption by half. By increasing durability with sustainable materials we favour for our children's collection and LYCRA® XTRA LIFE™ material utilised in our beachwear products, we have taken measures to reduce clothing waste. By enhancing our quality control mechanisms, we are able to provide products that are durable and long-lasting. Our commitment to safeguarding human health and the environment persists as we implement the Restricted Chemicals Procedure across the entirety of our supply chain. By using FSC-certified raw materials in our labels, we demonstrate a deliberate effort to address the issue of deforestation. We made substantial strides in our pursuit of sustainability in 2022 through the expansion of our utilisation of sustainable raw materials. We achieved a

sustainable raw material usage rate of 6.08% in polyester and 17.96% in cotton.

**By continuing a local supplier strategy in 2022, we successfully increased our rate of local procurement to 91.32 % and substantially decreased our energy consumption associated with transportation.** Through the allocation of 87.84% of our payments to local suppliers, we exhibited our resolute commitment to support not only our own financial prosperity but also that of the entire nation.

By means of our "**Corporate Citizenship**" strategy, we advocate for initiatives that promote gender equality and safeguard the rights of our employees. The reporting period witnessed an internal promotion rate of 55%, which serves as an indication of our strong commitment to our employees' professional growth and confidence in their abilities. Our strategy, which aims to facilitate the professional growth of young talents, was honoured with the prestigious "Most Admired Talent Programmes of the Year" award.

Digital transformation stands as a primary objective for our organisation. Our fervour for this subject is evident in our social media engagements, which reach an annual audience of 1.95 billion and 12.7 million connections. Specifically, the 1.5 million Instagram followers we have reached and the 2.3 million total followers across our other digital channels demonstrate the strength of Penti in the digital sphere.

**Continuous improvement and innovation are in the company's genes.** Within this framework, we established the Fabric R&D Unit and Fast Track Order Management Unit to facilitate our fabric research and development endeavours and deliver expedited customer service.

Collaborating with Best Buddies, we supported social awareness initiatives in light of our consciousness regarding social responsibility. We intended to increase awareness for breast cancer through a collaboration with Roche and MEMEDER. We supported donation campaigns to contribute to the education of children by competing in the 44th Istanbul Marathon on behalf of TEGV.

We acknowledge and are cognizant of our obligation towards the future. Each passing year brings us one step closer to achieving our objectives and further solidifies our commitment to sustainability. We take great pride in the fact that our brand is distinguished not only by its prosperous economic performance, but also by our social and environmental responsibilities.

I wish to express my gratitude to all of our stakeholders, customers, and employees who have faith in us, provide us with support, and help us progress along this trajectory.

**Mert KARAİBRAHİMOĞLU**

Penti Giyim – CEO

# SENIOR MANAGEMENT MESSAGES



Dear Stakeholders,

We concluded yet another year of consistent expansion and sustainable progress. We are Europe's pioneers in the manufacture of women's hosiery, boasting over seven decades of production experience. Having a cost-effective pricing strategy and a production capacity of 100 million pairs of hosiery, we operate in over 50 countries.

**We recognise the accountability that comes with our market-leading position.** With a workforce comprising 1,048 highly skilled employees, we are making significant progress in our pursuit to establish ourselves as a worldwide brand. Our exports of socks surpassed 58 million pairs, which was an all-time high. 16 countries are where we have a presence with our private label products. We provide services to 445 esteemed customers and execute 3,485 successful Kaizen initiatives. Our pledge to sustainability is reaffirmed through the allocation of **7%** of our revenue towards the United Nations Sustainable Development Goals. **We invested 75 million TL during the reporting period as the Penti Çorap Factory to promote sustainability.**

We grew our workforce to 1048 over the course of the year. Evaluations of 68 employees were conducted in an effort to further their careers. Through collective labour agreements, we have collaborated with 856 employees. We are cooperating with 767 suppliers; 420 of these suppliers offer their services locally. Our local supplier proportion stands at 54.75%, with 50% of our payments designated for local suppliers in the year 2022. The Employee Satisfaction (Trust) Survey revealed that our level of satisfaction was 72%.

Additionally, as Penti Çorap Factory, we take sustainability measures seriously. Our energy efficiency initiatives have yielded substantial yearly financial and energy savings, in addition to a reduction in carbon emissions.

Our Scope 1 and 2 emissions decreased by **26%** in 2022, as determined by our calculations, in comparison to the previous year, 2021. **This represents a 32% reduction in total greenhouse gas emissions.**

With the Project for the Purchase of High Energy Efficient Compressors, we initiated the use of high-efficiency compressors. We saved 660,000 kWh of energy annually as a result; this equates to a financial savings of 1,980,000 TL. Additionally, we prevented approximately 200 TONNES of CO2 emissions as a consequence of this endeavour. We produced 12 kWh of electricity during the reporting period as a result of the solar panels that were installed on our campus in 2013. We increased our energy efficiency as

a result of the Dyehouse Waste Water Heat Recovery project, which recovered the thermal energy of 820m<sup>3</sup> of waste water daily. In total, 2,000 metric tonnes of CO2 carbon emissions were averted as a result of this endeavour. By implementing the Saving Lighting Project, we successfully upgraded our lighting systems, resulting in TL 800,000 in annual financial savings and 260,000 kWh of energy savings. This modification averted an additional one hundred tonnes of CO2 emissions. We have once again demonstrated our commitment to conserving energy and minimising our carbon footprint through the completion of these projects.

The nearly fifty audits and verifications that we conducted at our factory in 2022 were an integral component of our strategy for continuous improvement. By incorporating critical criteria such as third-party verifications by Higg Index and audits for ISO certification, we strive to achieve an annual improvement in performance. Our factory audits serve as an indication of our comprehension of the principles underlying continuous development. Our achievements in the realm of sustainability have received accreditation from Bureau Veritas, an international auditing firm.

In 2022, **we received a higher score than the industry average** in the European Green Deal and Sustainability Strategy Project for the Turkish Ready-Made Clothing and Apparel Industry evaluation of the Ernst & Young Constitutional Court-Compliant Sustainability Maturity Model for the Ready-Made Clothing and Apparel Industry. In addition, we were able to contribute two Kobetsu Kaizen projects to the TMMOB Chamber of Mechanical Engineers' 8th Kaizen Shares event.

Our report contains comprehensive details regarding our methodologies and strategies in these domains.

With the intention of actively contributing to the economic, environmental, and social development of Turkey, we persist in collaborating with all our stakeholders to advance sustainability. With this in mind, we are delighted to provide our esteemed stakeholders with our fifth sustainability report as Penti Çorap Factory. I wish to express my gratitude to all of our business partners, employees, and customers whose confidence and support have been invaluable throughout this endeavour.

Sincerely,

**Mehmet KARACALI**

Penti Çorap – CEO



# OUR STORY

Penti was established in 1950 as a small family business. Since then, it has undergone a significant development from the production of hosiery to becoming one of the leading brands in the women's underwear industry. Penti's focus on innovation and technology has played an important role in this journey of change and transformation. The company has always put the needs and satisfaction of its customers at the centre and has developed innovative products and services with the aim of exceeding their expectations.

As a result of this approach, Penti Çorap Factory has become one of the largest integrated women's hosiery manufacturers in Europe. The Penti brand has become Türkiye's most recognised and most popular women's brand in the product groups in which it operates. As a result of these valuable efforts, Penti has been selected as Lovemark in the Underwear category in the research conducted by MediaCat and Ipsos to determine the most loved brands in Türkiye in 2022!

## Brand awareness by categories;

In the categories of Underwear and Women's Hosiery, Penti operates with a brand recognition of **97%**, **95%** in Home Wear, and **98%** in Beach Wear, making it the first brand that comes to mind in the product groups it operates in!

Penti aims to maintain this success in the coming period and to become an indispensable preference of women all over the world and a brand that women are fond of.

## New Brand Identity for Penti

Penti renewed its brand identity in 2022 with the logo designed in collaboration with an Italian brand design and consultancy company. Our new logo is in line with trends, harmonious with the present and future time, and prioritises simplicity. It is designed with an elegant font choice that brings modernity, femininity and eternity to the brand as the best way to convey Penti's messages.

# ABOUT US

As Penti, we are a company identified with women. 84.3% of our employees are women and 85% of our management staff are women. Ensuring equal representation of women in business life, encouraging their greater participation in the labour force and ensuring that they are more involved in management positions are among the issues we prioritise and emphasise. We take our strength from women and aim to be their favourite brand by serving them.



The story of our brand began in 1950, when Mois and Yasef Kariyo brothers founded two separate companies. At a time when industrialisation in our country was limited, the joining forces of two entrepreneurial brothers was an important turning point for our brand. In 1970, the name of our brand was determined as "Öğretmen Çorap" (Teacher's Hosiery) and in the same year, we started to develop by establishing our first production facility in Bayrampaşa, Istanbul. The reason behind the name change of our brand was that women's hosiery were generally preferred by teachers at that time. Since its foundation, Penti has been a brand that serves the needs and expectations of women.

In the 1980s, Sami Kariyo, the second generation representative of the family, took over the management of our brand. During this period, our brand focused on the needs of urban women, emphasising colour, pattern, variety and quality. Thanks to this approach, our position in the market strengthened and we completed the branding process by taking the name "Penti" in 1984.

In 1994, we established the second hosiery production

facility in Çorlu. In 1995, we succeeded in producing the first functional hosiery that made women look slimmer, and our progressive and innovative brand spirit became visible from then on. We opened our first store in Istanbul in 1999. In the early 2000s, we continued to open Penti stores across Türkiye. In 2007, we opened our internet store and launched our e-commerce site penti.com.

In 2011, we opened our first international store in Romania. Currently, as Penti Giyim Retail, we export to approximately 33 countries, offer Private Label products in 27 countries and import from 6 countries. We have more than 600 stores in Türkiye and abroad. Acting with a global vision, Penti continues to meet its guests through a total of 142 franchising stores in countries such as Romania (46), Kazakhstan (6), Serbia (3) and Northern Cyprus (3).

In 2013, we strengthened the position of our brand by being ranked among Türkiye's 500 largest industrial companies. During this period, we updated our brand by renewing our logo and corporate colour. In 2014, we took an important step in the field of promotion and branding abroad by

going beyond the borders of Türkiye by winning the TURQUALITY certificate. In 2015, we pursued a strategy of combining field and management models. We developed a Total Productivity Management (TPM) System to increase efficiency. We developed a system architecture using 3C and I-COM applications to ensure more effective communication between the store and customers and to hear the voices of our customers more closely. In the same year, we accelerated the digitalisation process and our e-commerce platform was awarded the best store award. We recorded growth in our social media accounts and we were awarded the best use of technology award by Felis in the field of direct marketing.

When we came to 2017, we crowned our success by winning an award at the MIXX Awards. In 2018, we expanded the diversity of our brand by continuing to grow with new products and launches. In 2019, we were awarded for our successful work at the Respect for People Awards. In 2020, we once again showed the value we attach to our employees by receiving the Best Employers Award. In 2021, we won an award in the competition where the best



# ABOUT US

employers worldwide are determined by the Great Place to Work® Institute with the opinions of their employees, thanks to Penti's employee-oriented management approach and high corporate culture. **With this success, Penti, Türkiye's leading underwear brand, also stood out as the only production, textile and retail brand to win the award.** In 2022, we have been selected as Happy Place to Work® by becoming one of the happiest employers in Türkiye with our extraordinary employee experience, passionate employees, reassuring leaders and innovative HR professionals!

**For 72 years, we have been constantly updating and renewing our collections by closely following fashion trends and the expectations of our customers. At Penti, we develop products for women of all ages and their changing needs, and we include different options in addition to our main collection with our sub-brand Privée. We also include products for children and men in our collection and offer Penti Kids and Penti Men product groups to our customers.**

Penti aims to be an exemplary model with its human resources policies and practices while maintaining its leading position in the sector with over 4 thousand employees. With a perspective that emphasises the strong role of women in the business world, effective participation of women in all business processes and management levels is ensured.

Penti Çorap recorded a revenue increase of **32.40%** from 2020 to 2021 and **221.89%** from 2021 to 2022 in TL.

In 2022, the total number of customers of Penti Çorap reached **497**.

**158** customers actively use the company's online services and electronic sales platforms.

We combine our belief in gender equality, which is one of the cornerstones of social transformation and progress, with Kyosei philosophy, which is our management approach. Acting with the understanding of **"creating common benefit for living and working together"**, we strengthen the principle of equality for everyone with our in-company practices.

Penti Giyim Retail welcomes more than 72 million visitors annually with a store area of 60 thousand square metres in Türkiye and has a Customer Satisfaction rate of over 90%. Penti Çorap Factory exports to more than 50 countries. With these achievements, we are the leader manufacturer of the sector.

As Penti Çorap Factory, England is our biggest market, while France is our second most important market. In addition, countries such as America, Denmark, Sweden and Ireland are among our strong markets.

- Our main customers in the UK market are Marks & Spencer, Tesco, Primark, Sainsbury's, Boots.
- Our main customers in the French market are Kiabi, Carrefour.
- Our main brand in Scandinavian countries is Lindex
- As of 2021, we entered the Netherlands and started working with Hema.
- In USA, we provide products to WalMart through distributors.

# PENTI BY NUMBERS

## FOR DEVELOPMENT *knowledge*



### Highlights at Penti Giyim Retail in 2022

#### Market leader position in underwear, beachwear, hosiery and homewear categories in Türkiye

Product variety exceeding  
**6.500** options  
in 7 categories

**5.1** billion TL turnover

**104%** store revenue  
LFL growth

More than **7.7** million  
bras sold in the  
Underwear Category

**47,710** fabric and  
product tests

Total **60,000** m<sup>2</sup>  
sales area in Türkiye

**20%** store conversion  
rate

**72.6** million store visitors

**73** million e-commerce  
visitors

Over **90%** customer  
satisfaction in-store

**4** online sales channels

GPtW 2022 satisfaction  
rate is **81%**

**91.32%** local supplier  
rate

Penti renewed its brand identity  
in 2022 by collaborating with an  
Italian-based design company.

We are in Capital 500, one of Türkiye's most prestigious lists!

As Penti, we are happy to be among Türkiye's Largest 500 companies, announced by Capital magazine for the 25th time this year.

All companies on the list, in which we rank 349th, are evaluated with data such as turnover size, profit, exports and employment. It is very valuable for all of us to be among these great brands that add value to our country..

More than  
**600** store  
operations  
worldwide

**32**  
different  
countries  
**142**  
franchises

#### Türkiye'nin en prestijli listelerinden Capital 500'deyiz!

Capital dergisinin bu yıl 25. kez duyurduğu Türkiye'nin En Büyük 500 şirketi arasında Penti olarak bir kez daha yer almamız mutluluğumuzdur.

349. sırada yer aldığımız listesinde tüm şirketler ciro, büyüklük, kar, ihracat, istihdam gibi veriler ile değerlendiriliyor. Ülkemize değer katan bu büyük markalar içinde yer almak hepimiz için çok kıymetli.

Emeği geçen tüm Pentilileri tebrik ederiz!

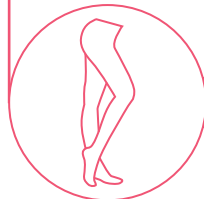
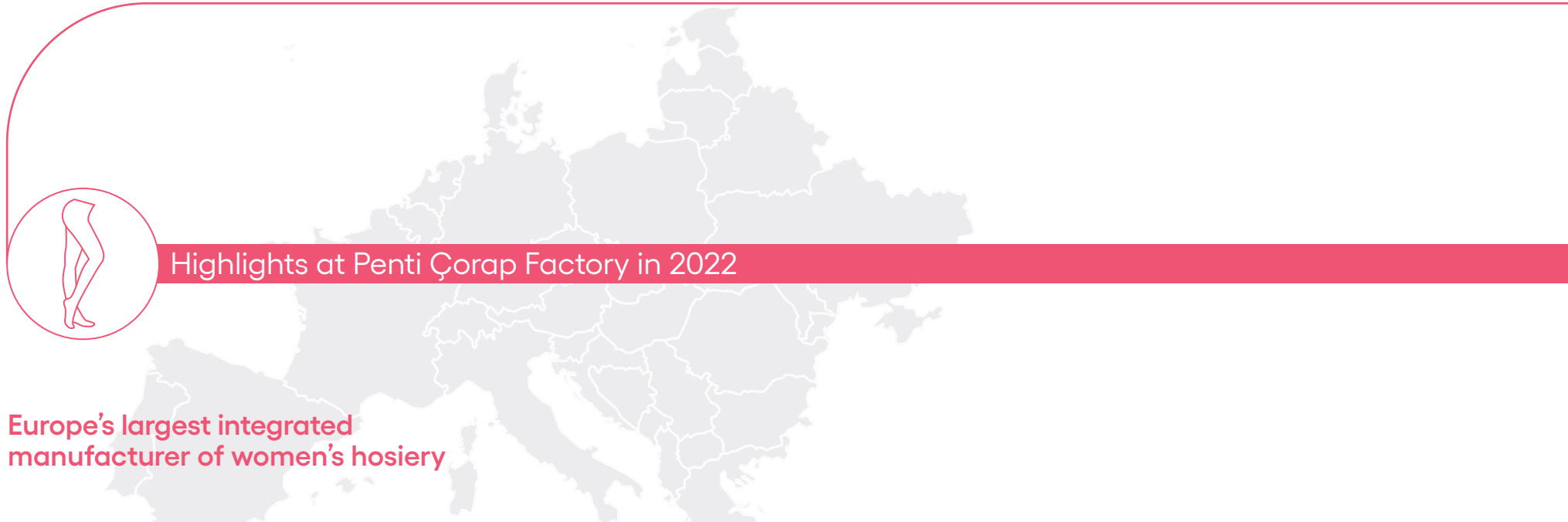
#pentilerimiz

**Capital**  
**500**

RİTAK

Türkiye





## Highlights at Penti Çorap Factory in 2022

### Europe's largest integrated manufacturer of women's hosiery

More than **70** years of production experience in hosiery production

Production capacity of **100** million pairs per year

**1163** employees

Export to more than **50** countries

Export sales volume  
**58,896,373** million pairs

**497** total customers

**3485** Kaizen Project

Sustainability Investments - Share allocated to UN Sustainable Development Goals (SDGs) **7%**

**856** employees within the scope of collective labor agreement

**57%** local supplier rate

Branded products to **45** countries

Private label exports to **16** countries



**FOR EQUALITY *respect***  
*For a more just and inclusive future*



**Highlights at Penti Giyim Retail in 2022**

**3,000** employees

The number of active users included in the **2.9** million Star Card Program.

**Social media visibility**

**1.95** billion annual reach

**12.7** Million annual connections through social media

**1.5** million Instagram followers

**2.3** million followers on digital channels

Fabric R&D Unit, Fast Track Order Management Unit (Fast Product Order Management) were established.

**55%** internal promotion rate

Percentage of payments made to local suppliers in total supplier payments

**87.84%**

Total number of suppliers **527** (including main suppliers and sub-contractors)

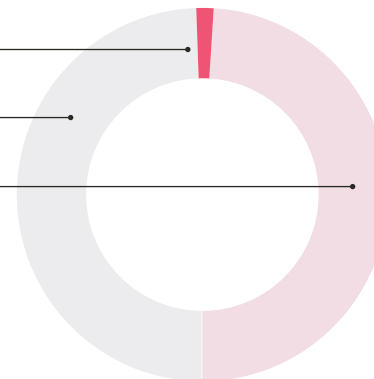
Employees

Baby Boomer: **%1**

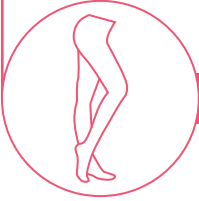
X: **%4**

Y: **%46**

Z: **%49**







## Highlights at Penti Çorap in 2022

**75** Million TL sustainability investment

**1163** employees

Total number of employees subject to a regular performance and career development evaluation: **68**

Number of employees covered by the collective labor agreement: **856**

Total number of suppliers: **767**

**420** number of local suppliers

**%54,75** local supplier rate

The percentage of payments made to local suppliers in total supplier payments **%50**

2022 Employee Satisfaction (Trust) Survey **%72**

**We manage our business “With Passion for the Planet” for a more equal world.**

Penti continues its efforts to reduce its carbon footprint on the world within the scope of its sustainability vision.



## Highlights at Penti Giyim Retail in 2022



With the use of Ecovero & Tencel fibres in our collection, we achieve 50% less carbon dioxide emission and 50% water saving.

We achieve 600% water saving by using digital printing technique in our beachwear products.

We contribute to reducing the amount of hygienic pad waste with our menstrual support panties and menstrual support bikini bottoms suitable for use during menstrual periods.

While our local product suppliers accounted for 70% of our entire supply chain in 2019, this ratio reached **91.32%** in 2022.

**By planning our supply chain largely within our country borders, we reduce transportation routes and time, save energy and minimise our carbon footprint.**

With our digital measurement application, we continue to reduce returns due to size mismatch by ensuring that customers buy the most suitable size for them in their online shopping.

With RPA (robotic process automation) technology, we increase labour productivity by reducing electricity consumption and carbon footprint as a result of the automation of processes we have implemented especially in HR and Accounting departments.

With the My Size One Size collection, which includes adaptive product technology that adapts to all sizes, we reduce product return rates due to fit and size; thus, we ensure energy saving and carbon footprint reduction. We minimise the need for new products with this functional collection that adapts to the changes in body sizes over time.

We support biodiversity and life in the seas with the coral planting project we carry out with Deniz Yaşamını Koruma Derneği. We provide continuous financial support to coral planting projects by donating a portion of our income from our special collections to Deniz Yaşamını Koruma Derneği.

We aim to raise awareness in children during the back-to-school period with the designs we make in the "World is Ours" collection, which we offer for sale in the children's category. By using fabrics made from sustainable cotton in our collection, we save water and energy and reduce our carbon emissions.





## Highlights at Penti Giyim Retail in 2022



### “Up to 120 hours of chlorine resistance with LYCRA® XTRA LIFE™; long-lasting, durable and ecological beachwear!”

In our beachwear products, we use our fabrics made of LYCRA® XTRA LIFE™ material, which is resistant up to 120 hours in intense chlorine environment and 10 times more resistant in water, to increase product durability, offer long-lasting products to our customers, and prevent the formation of clothing waste.

We have standardised the quality of cotton yarn used in the products in our Homewear and Socks categories, which include a large number of product options, and determined the combed cotton uster values. We supply better quality and durable products and produce long-lasting products with the regular controls we provide in the quality used.

In our Bra product groups, where we are the market leader, we continuously control our product durability thanks to the test methodology we have developed specifically for Penti with our external stakeholder Ekoteks Laboratuvar ve Gözetim Hizmetleri A.Ş. for cup strength, which is one of the main materials of the bra. We have developed raw materials

in accordance with Penti quality standards by determining nominated suppliers for underwire, underwire tape and elastic band materials, which are the other main materials of our underwear products that are sensitive and exposed to frequent use and frequent washing. We produce long-lasting and durable products by supplying the components of underwear products at the specified quality.

We published our **Restricted Chemicals Procedure** in order to prevent the use of raw materials that are harmful to both the environment and human health in the production and dyeing processes in the Penti value chain, to prevent the spread of chemicals harmful to the environment and to create a decent and safe work environment for employees. We create a safe supply chain and minimise our environmental footprint by publishing this procedure as a standard to all our existing and new suppliers and ensuring its implementation.

We use FSC-certified raw materials in all paper hangtag labels (except kraft labels) used in our products, we support the conscious use of raw materials against deforestation.

\*In 2022, our sustainable cotton usage reached 17.96% and our sustainable polyester usage reached 6.08%.



## Highlights at Penti Çorap Factory in 2022

The solar panels used in our facility since 2013 support the energy consumption of the treatment plant and provide an environmentally friendly energy source. We have determined our direct and indirect greenhouse gas emissions by adopting the latest version of the ISO 14064-1:2018 standard and calculating our annual carbon footprint.

Categories	t CO2e	
	Year 2021	Year 2022
<b>Category-1</b>		
Direct Greenhouse Gas Emissions	4.569,34	5.680,62
<b>Category-2</b>		
Indirect Greenhouse Gas Emissions from Imported Energy	9.366,85	13.828,89
<b>Category-3</b>		
Indirect Greenhouse Gas Emissions from Transportation	1.362,54	1.528,20
<b>Category-4</b>		
Indirect Greenhouse Sourced from Products and Services Used by the Organization Gas Emissions	20.171,28	27.743,74
<b>Category-5</b>		
Indirect Greenhouse Gas Emissions from Post-Production Use of Products Produced by the Organisation	1.043	888,93
<b>Category-6</b>		
Indirect Greenhouse Gas Emissions from Other Sources	-	-
<b>Total</b>	<b>39.443,06</b>	<b>49.670,38</b>

As a result of the calculations we have made, we are proud and pleased to share that our carbon emissions per dozen of equivalent production dozen in Scope 1 and 2 emissions, direct emissions and indirect emissions from imported energy decreased by 26% in 2022 compared to 2021 compared to the previous year.

Year	Scope-1&2 tCO2	Jersey Equivalent Product Dz	Dozen per tCO2
2021	13.936	4.026.697	0,0034
2022	19.510	7.536.857	0,0025

Total greenhouse gas emissions decreased by 32% in 2022 compared to 2021 when compared proportionally with production data.

### CO2 emission value per product 2022

Production Quantity **7.536.857,89** equivalent dozen

Total tonnes CO2e **49.670,38** tonnes CO2e

CO2 emissions per product **8,58** kg CO2e/equivalent dozen

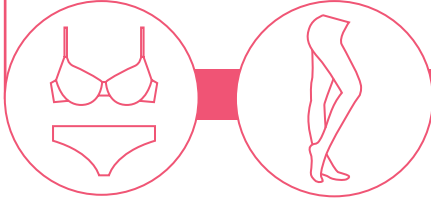
Throughout 2022, we carried out a total of nearly 50 audits and verifications at our factory, including customer audits, Higg Index 3rd party verifications and ISO certification audits. We consider these audits as a tool that contributes to our continuous improvement and we aim to increase our scores every year compared to the previous year.

	Higg FEM score; (Verified by Bureau Veritas.)		Higg FSLM (SLCP) score; (Verified by Bureau Veritas.)	
	Year 2021	Year 2022	Factory 1	%79,2
Factory 1	79,3	83,2	Factory 1	%79,2
Factory 2	78,7	76,9	Factory 2	%78,1
Türkiye Average	65,4	73,4		
European Average	43,7	76,4		
Global Average	59,1	59,6		

Our score, verified by the internationally recognised audit firm Bureau Veritas, is above the global, European and Turkish averages. This result reflects the effectiveness and success of our work in the field of sustainability.

In our reporting period, in 2022, we scored higher than our peer companies compared to the sector average in the 'Harmonised Sustainability Maturity Assessment' within the scope of the European Green Consensus and Sustainability Strategy for the Turkish Ready-to-Wear and Apparel Industry Project.

In 2022, 2 Kobetsu Kaizen projects were exhibited at the 8th Kaizen Sharing event of TMMOB Chamber of Mechanical Engineers.

FOR COMMUNITY *care**We embrace a beautiful future together with care*

## The highlights at Penti Giyim Retail and Penti Çorap Factory in 2022

Penti, with its support for women's rights and gender equality, advocates for women to exist equally and freely in all areas of life. At the centre of its corporate social responsibility strategy are the discriminatory practices that women and girls are exposed to in today's world, the problems they experience, and the empowerment of women and girls against all these. In this context, we make investments to support women's empowerment in the areas of combating discrimination and violence, education, health, family and economy.

The collaborations we establish with our stakeholders serve our purpose of planning social responsibility projects that will contribute to social development and welfare. As Penti, we believe that the development of society depends on the development of the economy and we share the value we create with the society. We continuously develop innovative business models and carry social responsibility for economic and social development.

Penti employees have social clubs that they can join according to their interests. Among these clubs is the Social Responsibility Club. In addition, our employees can voluntarily participate in the Gender Equality Team and support the development of egalitarian practices in the value chain and awareness raising activities.



- Penti won the "Innovative Product of the Year" award and supports comfort during periods with Period Slip, underlining that menstrual days are not "special" but "normal" days in life.
- Penti won the "Most Admired Talent Programmes of the Year" award; Young Maestro and TopTalent programmes offer career development opportunities to young talents.

- In 2022, we ranked 6th among the "Top 100 Companies Creating the Most Employment in OIZs".



- In cooperation with Best Buddies, Penti donates a portion of the revenue from the "Penti Loves Best Buddies Sweatshirt" product to an association that supports individuals with special needs.
- Social Responsibility Club contributes to education by providing school bags and stationery sets to students in various regions of Türkiye.



- Penti, in cooperation with Roche and MEMEDER, raises breast cancer awareness and organises awareness-raising talks on the subject.
- Penti runs the 44th Istanbul Marathon for the benefit of TEGV and collects donations for the "A Child Changes, Türkiye Develops" campaign.

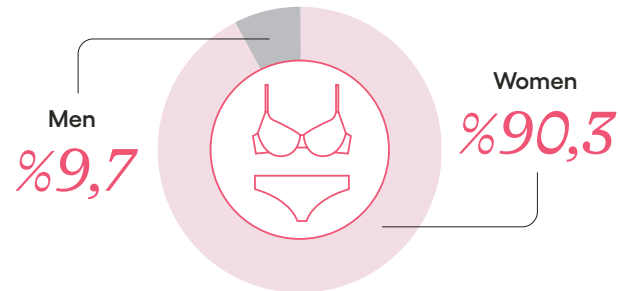




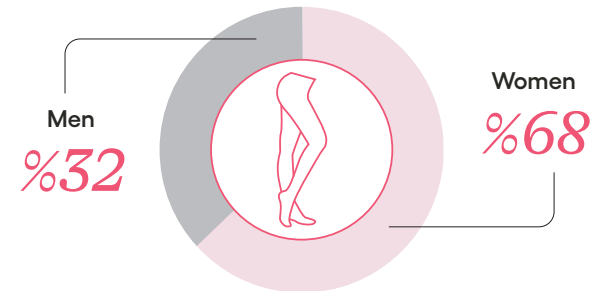
# PENTI GROUP WORKFORCE

*At Penti, we draw strength from our different tones and keep up with every rhythm together.*

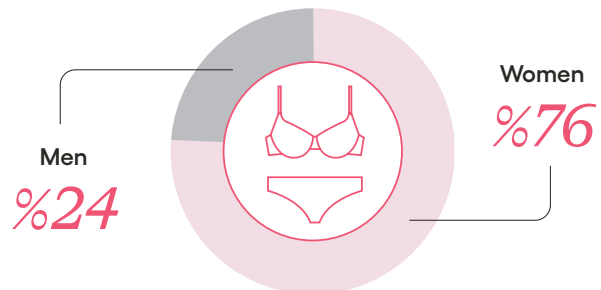
Penti Giyim Retail Number of Employees by Gender 2022



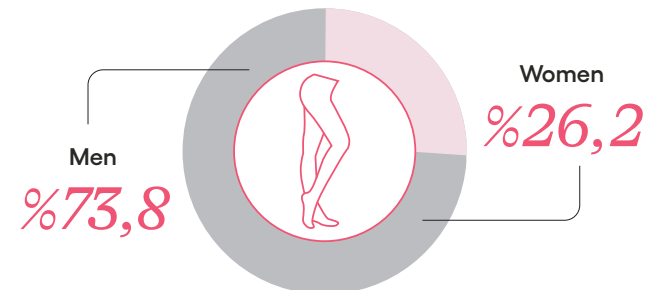
Penti Çorap Factory Number of Employees by Gender 2022



Penti Giyim Retail R&D, Innovation, Digitalization 2022



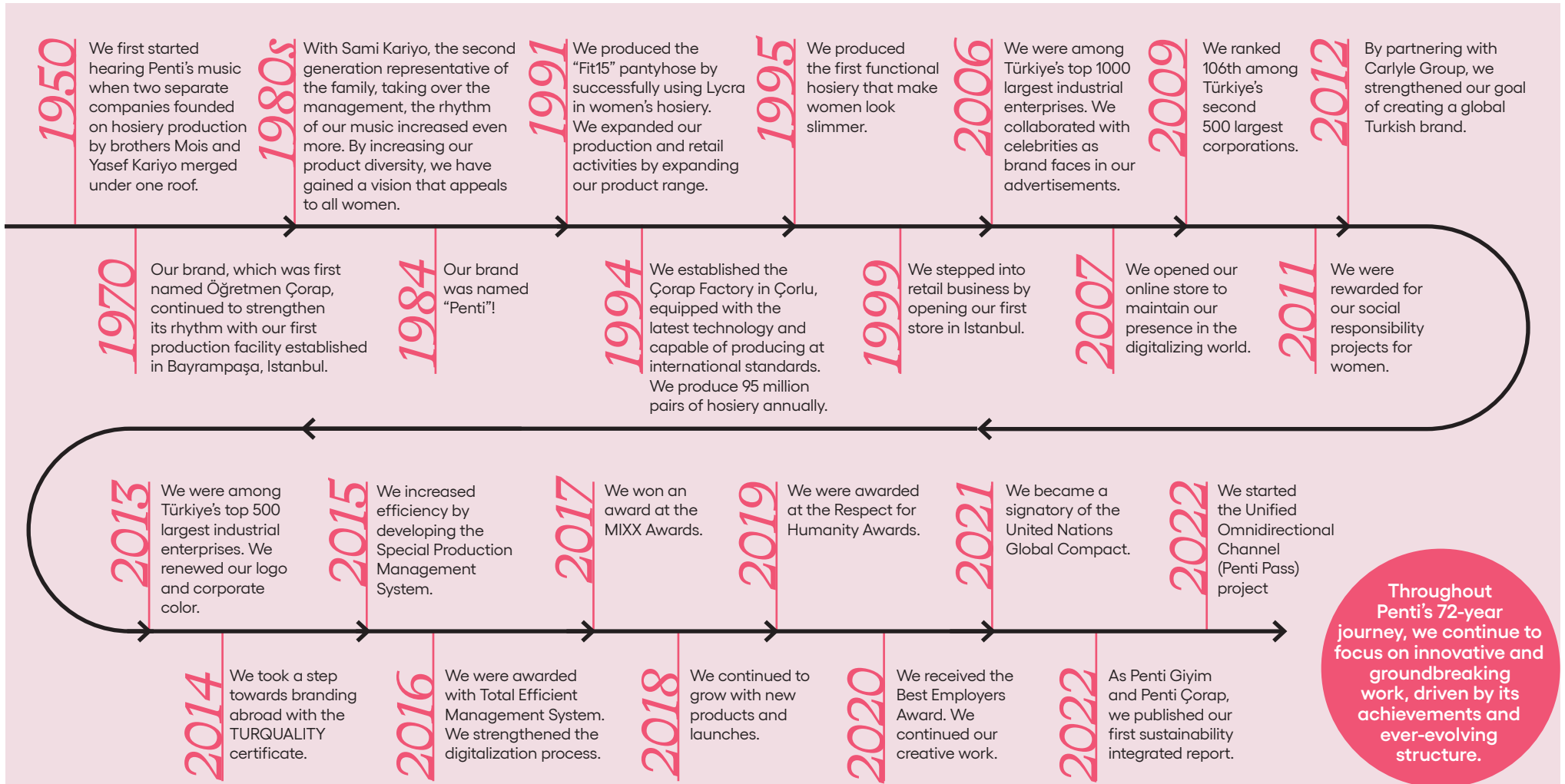
Penti Çorap Factory R&D, Innovation, Digitalization 2022



Men Women

# PENTİ HISTORY

## OUR MILESTONES



# PENTİ GİYİM RETAIL AND OUR CUSTOMERS

## OUR CUSTOMERS' VIEW OF PENTİ

Penti Giyim provides high brand awareness and customer satisfaction in various product categories. Our customers show high interest in our products, our service approach, which focuses on positive in-store experiences and satisfaction, forms the basis of our relationship with our customers.

As Penti Giyim, we carefully monitor the value our customers place on brand recognition and in-store experience in various product categories. According to the results of the study we conducted with Method Research Company in 2022;

We have a brand recognition of **97%** in the Underwear and Women's Hosiery Category, **95%** in Home Wear, and **98%** in Beach Wear.



We are the **“Market Leader”** in the categories of **Underwear, Beachwear, Home Wear and Hosiery.**





# OUR COLLABORATIONS AND INITIATIVES

## OUR MEMBERSHIPS AND INITIATIVES WE SUPPORT

As Penti, we care about providing support to platforms that shape the development of the sector at national and international level in the field of sustainability. In line with this purpose, we are members of various associations, institutes, unions and sectoral organisations. At the same time, we take an active role in the working groups and global collaborations of these organisations.

Thanks to the effective management structure we provide, we are proud to be in a leading position in the sectors we are in. We further strengthen our commitment to sustainability through the platforms we participate in. Through these platforms, we learn the best practices of the industry, share our experiences with other stakeholders and work together for the advancement of sustainability.

Thanks to our membership and active participation, we expand our sustainability vision, follow the latest developments and take the necessary steps to lead the industry. By maintaining our presence on both national and international platforms, we aim to create significant impacts in the field of sustainability.

### Initiatives we support

As Penti, we believe that equal opportunity is a right, not a privilege. In this context, we have been a signatory of the Women's Empowerment Principles (WEPs), one of the most prominent global initiatives created jointly with the United Nations Global Compact and the United Nations Entity for Gender Equality and the Empowerment of Women, since 8 March 2016.

We are a signatory of the United Nations Global Compact (UNGC), which encourages the private sector to engage in sustainable and socially responsible activities.

In support of



Established by UN Women and the UN Global Compact Office



We are among the companies actively participated in the Target Gender Equality Programme (Target Gender Equality) launched by the UN Global Compact on a global scale. By sharing the experiences and practices we have gained in this process with the business world, we undertake the mission of setting concrete goals and supporting other members of the business world. We carry out gender equality activities on a voluntary basis. For this purpose, we have formed the Gender Equality Team, which includes a total of 51 volunteers from factory, store and head office employees. Together with these valuable volunteers, we aim to raise awareness and create positive impacts in our value chain in the field of gender equality.



The climate crisis is one of the biggest threats facing the world today. Published reports show that the efforts against climate change are inadequate; in order to cope with this reality, it is aimed to reach the carbon neutrality target all over the world by 2050 and to keep average global temperatures under control at 1.5 degrees. As Penti, we have joined the Climate Goal Accelerator Programme (SDG Ambition Accelerator) led by the United Nations Global Compact (UNGC), aiming to make progress towards reducing greenhouse gas emissions in line with science-based targets.



In line with this purpose, we comply with international standards with the strength we derive from our deep-rooted history. While fully implementing the policies set forth by the initiatives we are a signatory to, we share our performance results with all our stakeholders in line with the principle of transparency.

In order to improve the quality of sustainability management, we actively participate in global and sectoral studies at the senior management level. In particular, monitoring global targets, transferring sectoral sustainability solutions to corporate memory and updating this memory are among the areas of work we prioritise.

# INSTITUTIONS AND ASSOCIATIONS WE ARE MEMBERS OF

We adopt the “Partnerships for the Goals” approach, which is Goal 17 of the United Nations Sustainable Development Goals. We maintain our membership in various institutions and associations both in Türkiye and abroad in accordance with the production processes in the business lines in which we operate.

## INSTITUTIONS AND ASSOCIATIONS WE ARE MEMBERS OF:

- İstanbul Hazır Giyim ve Konfeksiyon İhracatçıları Birliği (İHKİB)
- İstanbul Tekstil ve Hammaddeleri İhracatçıları Birliği (İTHİB)
- Türkiye İhracatçılar Meclisi (TİM)
- Türkiye Giyim Sanayicileri Derneği (TGSD)
- Birleşmiş Milletler Küresel İlkeler Sözleşmesi (UNGC)
- Birleşmiş Markalar Derneği (BMD)
- İstanbul Tekstil ve Konfeksiyon İhracatçı Birliği (İTKİB)
- Zincir Mağazalar Derneği (ZMD)
- Türkiye Odalar ve Borsalar Birliği (TOBB)
- Türkiye Perakendecilik Meclisi
- Çevre Koruma ve Ambalaj Atıkları Değerlendirme Vakfı (ÇEVKO)

As Penti, in order to understand the needs and expectations of all our stakeholders and to meet these needs and expectations, we take care to provide open and transparent target-oriented collaborations through various channels and channels.

## OUR COLLABORATIONS WITHIN THE SCOPE OF SUSTAINABILITY

- Cooperation with the Marine Life Conservation Association
- Product and awareness collaboration with Best Buddies Türkiye Association
- Support for Bahçeşehir University COOP and Reverse Mentoring Project
- Let's Do It Türkiye and Çorlu Municipality World Cleaning Day event
- DOHAS – Nature and Animal Lovers Association - Çorlu cooperation
- Employee Support line: Avita Bı'danış Always With You support
- Academic and technical education protocol with Namık Kemal University
- Retail Academy – retail training for university students from Penti unit leaders
- Sustainability Academy
- Cooperation with Tekirdağ Çorlu ORION Shopping Mall with a voluntarism project
- Winter hosiery support for high school and university students in cooperation with ÇYDD Foundation
- 2 projects in ISO Green transformation Awards 2022: Dyehouse drum revision and Dyehouse artificial intelligence projects
- Donation campaign for the “A Child Changes, Türkiye Develops” project by participating in the TEGV 44th Istanbul Marathon and running for the benefit of TEGV
- Cooperation with the Federation of Disabled People's Association
- Turkish RED CRESCENT Blood Donation Campaign
- Breast Cancer Awareness Project in collaboration with Roche and Memeder
- Donation campaign for Çorlu Apprenticeship Training Center Library.
- WE WOMEN Empowerment of Women in Social Life Project in cooperation with Lindex

# OUR COLLABORATIONS AND PARTNERSHIPS BY FIELDS

## INFORMATION TECHNOLOGIES

4ALabs	Encore	NCR
Adeo	Enderun	Nebim
Akademisoft	Esproit	NGTECH
Albern	Favoribil	NGtek
Alotech	Gais	NTT Data
Arena	Genc Telekom	Padima
Arteis	GlassHouse	Peoplebox
Asis	Gobito	Perkon
Aya Bilişim	Haratres	Plunom
Aynesoftware	IBSS	Pronet
B2BStore	ICT	Realcore
BGA	Idecon	REM
BG-TEK	Inform	RNG
Bicentrix	Innova	SAP
Biltam	Kartega	Skalla
Bimser	Kiwa	Solvoyo
BNK	KoçSistem	Sybercode
BTC	Kolay IK	Sympro
CED	KP Veri	Techmax
Clonera	Magarsus	Testinium
CQ	Manhattan	Treo
Data Market	MDP	Turknet
Dcat	Mersus	Uzman CRM
DogusKodizi	Meyer	Varuna
Easy IT	Microsoft	Vector
Elektroser	Montag	Wicasa
Elite	Nanodems	Yöntem

## DIGITAL & E-COMMERCE

<b>Penti Türkiye</b>	<b>Penti Romanya</b>
4aLabs	4aLabs
Adjust	Boosmart
Boosmart	CR Wizard
CR Wizard	Criteo
Criteo	D-Option
D-Option	Google
Gelir Ortakları	Haratres
Google	Inbound
Haratres	Meta
Inbound	(Facebook, Instagram)
Linkadoo	Related
Meta (Facebook, Instagram)	RTB House
More Than Social	
Personaclick	
RTB House	
SEM	
ZEO	

## SOCIAL RESPONSIBILITY, ENVIRONMENT, SUSTAINABILITY

Best Buddies  
Deniz Yaşamını Koruma Derneği  
Denizin Kadınları  
DOHAS (Doğa ve Hayvan Severler Derneği)  
Let's Do It Türkiye  
SDG Innovation  
SDG Map Türkiye  
Sürdürülebilir Kalkınma ve Dayanışma Derneği  
Sürdürülebilirlik Akademisi  
UN Global Compact

## GENDER EQUALITY

Yanımdayız Derneği  
UN Women

## ART AND CULTURE

Başka Sinema  
Kariyo & Ababay Vakfı

## QUALITY

AND Belgelendirme  
AQM  
Bureau Veritas  
Control Union  
DQS  
Ekoteks Laboratuvar ve Gözetim Hizmetleri  
Elevate  
Enderun Akademi  
Eurofins  
IDFL  
Intertek  
Kiwa  
SGS

## CRM

Acsight  
Codec  
EchoCCS  
Simple Danışmanlık  
Turkcell  
Wicasa



## CERTIFICATES WE HAVE

Since our establishment, we attach great importance to quality standards and documentation in our production processes. We contribute to the development of sustainability practices by adopting effective data monitoring, risk management and target setting activities through integrated management systems.

STANDARD/CERTIFICATE NAME	Penti Giyim	Penti Çorap	
		Factory 1	Factory 2
R&D Center Certificate	○	⊙	⊙
Amfori BSCI Certificate	○	⊙	⊙
Clean Chain	○	⊙	⊙
Eco-Factory Standard	○	⊙	⊙
EnYS	○	⊙	⊙
F&F Laboratory Accreditation Certificate	○	⊙	⊙
GRS Scope Certificate	○	⊙	⊙
Happy Place to Work Certificate (Happiest Workplace)	⊙	○	○
Higg Fem	○	⊙	⊙
ISO 10002 Customer Satisfaction Quality Management System	○	⊙	⊙
ISO 13485 Quality Management System for Medical Devices	⊙	○	○
ISO 14001 Environmental Management Standard	⊙	⊙	⊙
ISO 27001 Information Security Management System	⊙	⊙	⊙
ISO 45001 Occupational Health and Safety Standard	⊙	⊙	⊙
ISO 50001 Energy Management System	⊙	⊙	⊙
ISO 9001 Quality Management System Standard	⊙	⊙	⊙

We continue our activities by adhering to the principles of production in accordance with environmental norms and standards such as REACH, Blue Sign and ZDHC. As emphasised in the Penti Code of Business Ethics Employee Handbook and Restricted Chemicals Procedure, we carry out all our business processes in accordance with applicable legal regulations, guidelines and high ethical standards.

	Penti Giyim	Penti Çorap	
		Factory 1	Factory 2
Carbon Reduction Certificate	○	⊙	⊙
OEKO-TEX	○	⊙	⊙
Reach	○	⊙	⊙
Sedex Certificate	○	⊙	⊙
Design Center Certificate	⊙	○	○
Turquality	⊙	○	○
TÜBİSAD Atma Bağışla Certificate	○	⊙	⊙
YY5 Certificate	⊙	⊙	⊙
ZDHC	○	⊙	N/A
Amfori BSCI	○	⊙	⊙
ICS Environment	○	⊙	○

In 2023, Penti Giyim Retail aims to obtain the GRS (Global Recycled Standard) and OCS (Organic Content Standard) certifications in retail.

# OUR AWARDS AND ACHIEVEMENTS

We continue to receive awards in different fields for the successful projects we have implemented.

## WE MANAGE OUR BUSINESS *based on knowledge* FOR A MORE EQUAL WORLD.



### January 2022, Golden Leader Awards,

*Türkiye's Most Admired CEO (Mert Karaibrahimoğlu)*

Penti CEO Mert Karaibrahimoğlu was named "Türkiye's Most Admired CEO" at the Golden Leader Awards. Karaibrahimoğlu received this award for his success in making Penti one of the leading underwear and hosiery brands in Türkiye.



### June 2022

*The Most Successful Exporters  
(Penti Giyim & Penti Çorap, İHKİB)*

Penti was deemed worthy of the "Most Successful Exporters" award by the Turkish Exporters Assembly (TİM). Penti became one of Türkiye's top three exporting companies in the underwear and hosiery category.



### Penti is Türkiye's Favorite!

*MediaCat, Lovemarks, 2022*

Penti has been participating in the Lovemark survey since 2007 and has been selected as the Lovemark of the underwear category every year. Penti's Lovemark success has been achieved through the company's innovative products, sustainability efforts and leadership in customization.



### July 2022

*Brandverse Awards, 5 Awards: Launch & Relaunch Communication, Opinion Leaders & Influencer Campaign, Underwear, Clothing & Accessories, Brave Brands*

Penti won five awards at the Brandverse Awards. Penti was deemed worthy of awards in the categories of "Launch & Relaunch Communication", "Opinion Leaders & Influencer Campaign", "Underwear", "Clothing & Accessories" and "Brave Brands".



### March 2022, Happy Place to Work,

*Türkiye's Happiest Workplace" in the Underwear Industry*

Penti was chosen as "Türkiye's Happiest Workplace in the Underwear Sector" by Happy Place to Work. Penti received this award for the good working conditions it provides to its employees and its efforts to support work-life balance.



# OUR AWARDS AND ACHIEVEMENTS

## WE MANAGE OUR BUSINESS *with passion for the planet* FOR A MORE EQUAL WORLD.

**April 2022,**

Marketing Turkey, Innovative Product of the Year: Menstrual Support Pantyhose

Penti has been selected as the 'Innovative Product of the Year' by Marketing Turkey. Penti's Period Support Slip helps female users move comfortably and confidently during their menstrual periods.

## WE MANAGE OUR BUSINESS *with respect for people* FOR A MORE EQUAL WORLD.

**Şubat 2022,**

February 2022, Martech, Türkiye's Most Technological Brand in Underwear Category

Penti was chosen as "Türkiye's Most Technological Brand in the Underwear Category" by Martech. Penti received this award due to the importance it attaches to digitalization and its success in improving customer experience using technology.

**August 2022**

Most Popular Talent Programs of the Year: Young Maestro, TopTalent  
There is an Award for Young Maestro!

Penti won the "Most Admired Talent Programs of the Year" award. Penti's Young Maestro and TopTalent programmes attracted attention by supporting the career development of young talents and providing them with different experiences.

YOUNG  
MAESTRO

## WE MANAGE OUR BUSINESS WITH *care* FOR A MORE EQUAL WORLD.

**January 2022,**

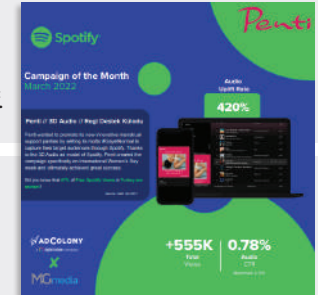
Shopping Malls and Investors Association, The Most Admired and Preferred Retail Brand in Women's Underwear and Hosiery

Penti was selected as the "Most Admired and Preferred Retail Brand in Women's Underwear and Hosiery" by the Shopping Centers and Investors Association. Penti received this award because it gained the appreciation and trust of consumers.

**April 2022**

Spotify Campaign of the Month Award goes to "Quite Normal"

Penti's "Quite Normal" campaign was selected as "Campaign of the Month" by Spotify. The campaign attracted attention by emphasizing that menstruation is a natural process and there is nothing to be ashamed of.



2022 - In the 'Top 100 Companies Creating the Most Employment in Organized Industrial Zones' category of the OSB Stars Survey, we ranked 6th.





# OUR AWARDS AND ACHIEVEMENTS

November 2022,

Felis Awards:

THE MOST LOVED PENTI RETURNED FROM FELIS WITH 14 AWARDS!  
This year, we reinforced our pride in being chosen as women's favorite brand with the 14 awards we won from Felis.

EN SEVİLEN PENTİ,  
felis'ten **14** ödülle döndü!

Kadınların en sevdiği marka seçiminin gururunu bu yıl,  
Felis'ten kazandığımız 14 ödül ile paylaştık.  
Bu güzel yolculukta bize destek olan, ilham veren,  
değer katan herkese teşekkür ederiz. *Biz de sizi seviyoruz.*

*Birlikte daha nice ödüllere.*



Penti

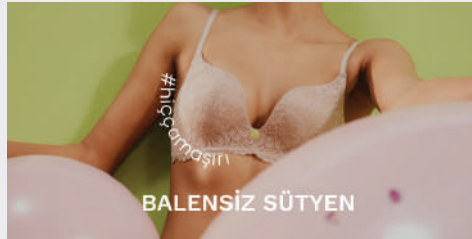


SECTION	CATEGORY	PROJECT NAME	COMPANY	ADVERTISER	AWARD
INTEGRATED FELIS (IN)	IN09. Retail	Gayet Normal	aRthuR İstanbul	Penti	Felis
PR FELIS (PR)	PR08. Communication Through Opinion Leaders	Gayet Normal	Golin İstanbul	Penti	Felis
CREATIVE STRATEGY (YS)	YS01. Exciting with Insight - Product	Gayet Normal	aRthuR İstanbul	Penti	Gold
CREATIVE STRATEGY (YS)	YS03. Game Changers - Product	Gayet Normal	aRthuR İstanbul	Penti	Gold + GRAND PRIZE
CRAFT FELIS (CR)	CR01. Advertising Text	Gayet Normal	aRthuR İstanbul	Penti	Success
CRAFT FELIS (CR)	CR16. Jingle/Original	Dünya Varmış	aRthuR İstanbul	Penti	Success
FILM FELIS (FL)	FL09. Retail	Gayet Normal	aRthuR İstanbul	Penti	Success
PR FELIS (PR)	PR07. Content Production	Gayet Normal	Golin İstanbul	Penti	Success
CURIOUS FELIS	CREATIVE STRATEGY (YS) YS09. Those Pursuing Their Goals - Social Benefit	Gayet Normal	aRthuR İstanbul	Penti	Bronze
CURIOUS FELIS	CREATIVE STRATEGY (YS)	Gayet Normal	aRthuR İstanbul	Penti	

## OTHER INFORMATION

### THE #HIÇÇAMAŞIRI FILM THAT WILL BE TALKED ABOUT A LOT!

“As a brand that understands women best, we designed the No Underwire #NoUnderwear collection considering every body type. This collection aims to offer comfort and support to women in every aspect of life, at every moment. We brought products that we could not show in advertisements to our customers with a creative approach.”



### WE ARE READY TO CHANGE THE POSSIBILITIES IN BREAST CANCER AWARENESS MONTH!

“With our collaboration with Roche and MEMEDER, we are raising awareness and changing the possibilities during Breast Cancer Awareness Month. We emphasized to our visitors the importance of breast cancer and regular breast checks with the talk we held in our Vadi Istanbul store. We also contributed to this important cause by using part of the proceeds from our bra sales to support breast cancer studies and donate bras.”

### ARE YOU READY TO BECOME BESTBUDDIES?

“BestBuddies, an international volunteering movement, helps individuals with special needs to build strong friendships that encourage greater participation in society. As Penti, we donated a portion of the sales revenue from the ‘Penti Loves Best Buddies Sweatshirt’ product we designed in cooperation with Best Buddies to the association. With these donations, we supported individuals with special needs to be more involved in social life. At the same time, we contributed to the volunteering movement by promoting the work of the association through our product.”



### ISTANBUL MARATHON WITH TEGV

“As Penti Giyim and Penti Çorap, we took part in the 44th Istanbul Marathon with our volunteers and formed our corporate running team for the benefit of TEGV (Educational Volunteers Foundation of Türkiye). We donated the donation we collected with the support of 115 donors to TEGV’s “Change a Child, Develop Türkiye” campaign.”

## SPEECHES AND CONFERENCES



**18 October 2022,**  
**CHRO Selim Arda Üçer,**  
speaking at the New Generation Leadership: Agile, Flexible and Goal-Oriented Panel at the EduPlus 7th Human Resources Management and Digitalization Summit

**24 June 2022,**  
**Penti Çorap - CEO Mehmet Karacalı,**  
At the NKU Sustainability and Traditional Materials Prefabrication Workshop, speaker

**3 June 2022,**  
**CHRO Selim Arda Üçer,**  
Retail and Trade Sector speech  
at the Employment and Fair Summit

**1-2 June 2022,**  
**CEO Mert Karaibrahimoğlu,**  
Retail Days Strategic Price Management in Retail Panel  
speech

**May 2022,**  
**CHRO Selim Arda Üçer,**  
Happy Place to Work CHRO Club meeting, Designing Digital Transformation Right speech

**12 May 2022,**  
**Purchasing & Quality Director Yunus Ünal and Senior Employee Happiness & Corporate Transformation Manager Müge Çevik Tuğcu,** speaker at Nişantaşı University 3rd Fashion Design Summit

**15 April 2022,**  
**CHRO Selim Arda Üçer,**  
speaker at Employer Brand Summit, Including Talent in Processes and Practices with Kyosei Philosophy at Penti

**24 February 2022,**  
**CEO Mert Karaibrahimoğlu's** speech at the Capital Magazine Women Friendly 100 Companies Survey Award Ceremony

**10 February 2022,**  
**COO Onur Güven,**  
speaker at the Global Career Summit organised by 3İK

**10 February 2022,**  
**CHRO Selim Arda Üçer,**  
speaker at HR Communicators, organised by 4C1H Employee Experience Consultancy and Employer Branding Agency

**8 February 2022,**  
**Purchasing & Quality Director Yunus Ünal,**  
Social Compliance in the Textile and Apparel Industry speech at the Istanbul Chamber of Industry Sustainability and Coordination Branch event

**22 January 2022,**  
**Senior Employee Happiness & Corporate Transformation Manager Müge Çevik Tuğcu's** speech at the Next Generation Talent Management, Performance and Remuneration Systems and Digitalisation Summit





## OUR ETHICAL BUSINESS APPROACH

Penti has adopted a business model based on managerial responsibility, focusing on corporate governance practices, respecting fair competition, sharing its understanding of corporate ethics with all stakeholders, and focusing on equality and diversity in accordance with human dignity.

Penti complies with local and international laws and regulations related to ethics in the Ethical Principles Guide, as well as the principles set out in the Universal Declaration of Human Rights. The company is committed to maintaining its ethical values, fair, transparent and honest business conduct even in geographies where the relevant legal regulations are limited or lacking.

Penti's survival as a reputable and reliable company requires all employees to have common values and to provide an honest, fair and respectful business environment to all stakeholders. The Penti Ethical Principles Guide summarizes the standards in our business. These standards include the promises we make to our employees, shareholders, customers, suppliers and society. Keeping our promises is the main principle of our company management.

Penti Business Ethics Guide includes the principles of ensuring a fair working environment, adopting anti-corruption, creating a workplace that respects employees, ensuring compliance with health, safety, environmental standards, honesty and reliability in relations with activities and business partners.

At Penti, we place great value on business ethics and transparency. We carry out our activities in accordance with our principles, values and laws. Ethics and compliance are at the centre of our business culture. We work with reference to international standards.

Work ethic is one of Penti's strengths. A harmonious environment and respectful working relationships are important. The Ethical Principles Guide summarizes the standards we adopt in our business. We expect all our employees to follow these principles. There are channels through which our employees can share their concerns. Business ethics violations can be reported via the Ethics Line.

We expect all our stakeholders to comply with our Ethical Principles and Policies. The competent body regarding ethics is our Ethics Board. As Penti, we strive to maintain our commitment to doing a respectable and reliable business.

# OUR ANTI-BRIBERY AND ANTI-CORRUPTION

## ANTI-BRIBERY AND ANTI CORRUPTION POLICY

▶ Penti Çorap Factory has implemented an Anti-Bribery and Anti-Corruption Policy to demonstrate its concern for business ethics. Because the issue is a legally punishable act as well as being business ethics, it is one of Penti's expectations that employees be sensitive to it and evaluate it as part of their personal duties and responsibilities regardless of their working life.

▶ Penti Çorap Factory takes a sensitive approach to bribery and corruption in order to protect the rights of all stakeholders, and we explicitly prohibit bribery and corruption in all of our activities.

▶ At Penti Çorap Factory, we protect the legal rights of government agencies, suppliers, customers, employees and other stakeholders. The accounting transactions are recorded completely, accurately, and fairly, and we implement internal control systems to prevent unrecorded transactions.

▶ As Penti Çorap Factory, we have adopted the principle of adhering to laws and regulations pertaining to bribery and corruption, universal legal rules, ethical and professional principles.

▶ Even if such practices are common in the country or industry, bribery or corruption may occur if individuals within the scope of the Anti-Bribery and Anti-Corruption Policy offer payment or anything of value to obtain a legal and unethical benefit, or obtain a similar benefit from other organizations and individuals, and it is prohibited to engage in any legal and unethical behavior that could be considered corrupt.

▶ Within the scope of this principle, it takes a "zero tolerance" approach to bribery and corruption; we are committed to conducting our business in a fair, honest, legal, and ethical manner.

▶ It makes no difference what the material value of the benefit is that is the subject of bribery and corruption is, or whether any action is taken for the other party in return. If the interest and/or offer has not yet been fulfilled, it will be a violation of the Anti-Bribery and Anti-Corruption Policy.

We determine our working principles in accordance with international standards. Our company activities are carried out in accordance with the Anti-Bribery and Anti-Corruption Policy. Within the framework of ethical business principles, the fight against bribery and corruption is a priority and forms the basis of our business culture. The rules for all suppliers are explained in detail in the Code of Business Ethics.

No tolerance is shown towards bribery and corruption. The anti-bribery and anti-corruption approach involves Penti employees as well as all relevant stakeholders, including suppliers and business partners.

Penti employees do not accept gifts or benefits that may affect impartiality. Likewise, they do not attempt to provide gifts or benefits that may influence third parties. As a signatory to the Global Compact, Penti commits to comply with the 17 principles of the Global Compact. The fight against bribery and corruption is also included in the Penti Code of Ethics.

The "Anti-Bribery and Anti-Corruption Policy", which clearly and transparently expresses our anti-bribery and anti-corruption commitments and approach, forms an integral part of Penti's Code of Ethics, and its main purpose is to provide the necessary information, to determine the responsibilities and rules to prevent bribery and corruption in all company activities.

During the year, no reports were made to the whistleblowing channels regarding the fight against bribery and corruption, and no employee was disciplined or otherwise penalised for this reason.

# OUR SUSTAINABILITY APPROACH



As Penti Giyim Retail and Penti Çorap Factory, we invested a total of 29,022,040 TL for the environment in 2022. Penti Çorap Factory allocated 7% of its 2022 revenue to sustainable investments. With these investments, we aimed to support environmentally friendly technologies and practices and strengthen our sustainability strategies.

In the past 72 years, we have acted with an understanding that offers solutions for the future. Throughout this process, we have prioritised efficiency, low energy consumption, reduced chemical use and more sustainable raw material use. We know that efficiency plays a critical role in making our operations more sustainable.

Valuing our employees and building close long-term relationships with our stakeholders has always been one of our priorities. We cooperate with various audits and third-party verifiers to ensure that our products, operations, locations and practices comply with sustainability principles.

Reflecting our belief in sustainable development, we share our results with full transparency. We believe this is the way to move forward and create a better future by sharing our commitments and goals with our communities.

**As Penti, on the basis of our sustainability understanding:**

**KNOWLEDGE...**

*Adherence to scientific bases*

**PASSION...**

*Compliance with the green economy*

**RESPECT...**

*An egalitarian and inclusive approach to business that acknowledges diversity*

**CARE...**

*Sharing all the value we produce fairly*





# OUR SUSTAINABILITY APPROACH

In line with our purpose, we accept the principles set out by the United Nations Global Compact as the basis of our way of doing business. We take care to reflect these values to all our stakeholders with whom we cooperate. At the same time, with our commitment to the UN's 2015-2030 Sustainable Development Goals, we demonstrate our determination to contribute to a sustainable future.

As a responsible brand, we aim to act in accordance with the principle of sustainability. For this purpose, we aim to be the pioneer of being a globally responsible brand by adopting environmentally friendly production methods and investments. By prioritising our responsibility to our planet, we are in search of new solutions in various areas.

In line with our commitment, we aim to achieve our sustainability goals by integrating new technologies that reduce the use of water, energy and chemicals into our production processes. In this context, we aim to increase the use of sustainable cotton and sustainable polyester to the rates we have determined.

Acting with an environmentally friendly production approach, we prefer recycled, recyclable and reusable materials for packaging and hangers. In addition, we continue to reduce energy consumption and waste generation in our production facilities.

In line with the goals of combating climate change and protecting biodiversity, we cooperate with expert companies to neutralise our carbon footprint. With these steps, we aim to progress towards protecting natural resources by reducing our environmental impact.

With our Better Life collections, which we present with the slogan “A Better Life”, we aim to lead the field of sustainable fashion. By ensuring the use of better materials in the production of these collections, we reduce energy and water consumption, and we also show that we have adopted a more sustainable production model by minimising our environmental impact.

BETTER LIFE



## OUR PRIORITIES

Penti conducts a detailed analysis every two years to determine its sustainability priorities. This analysis helps the company identify its economic, social and environmental priorities and shape its sustainability strategy. This analysis is based on the UN Global Compact and Global Reporting Initiative (GRI) Standards.

Penti considers both local and global trends and the impact of company strategies on stakeholder analysis when setting priorities. It aims to contribute to future operations by taking into account the expectations, perceptions and sustainability priorities of internal and external stakeholders. This approach is part of adopting sustainability as a business philosophy supported by concrete actions, not just a commitment.

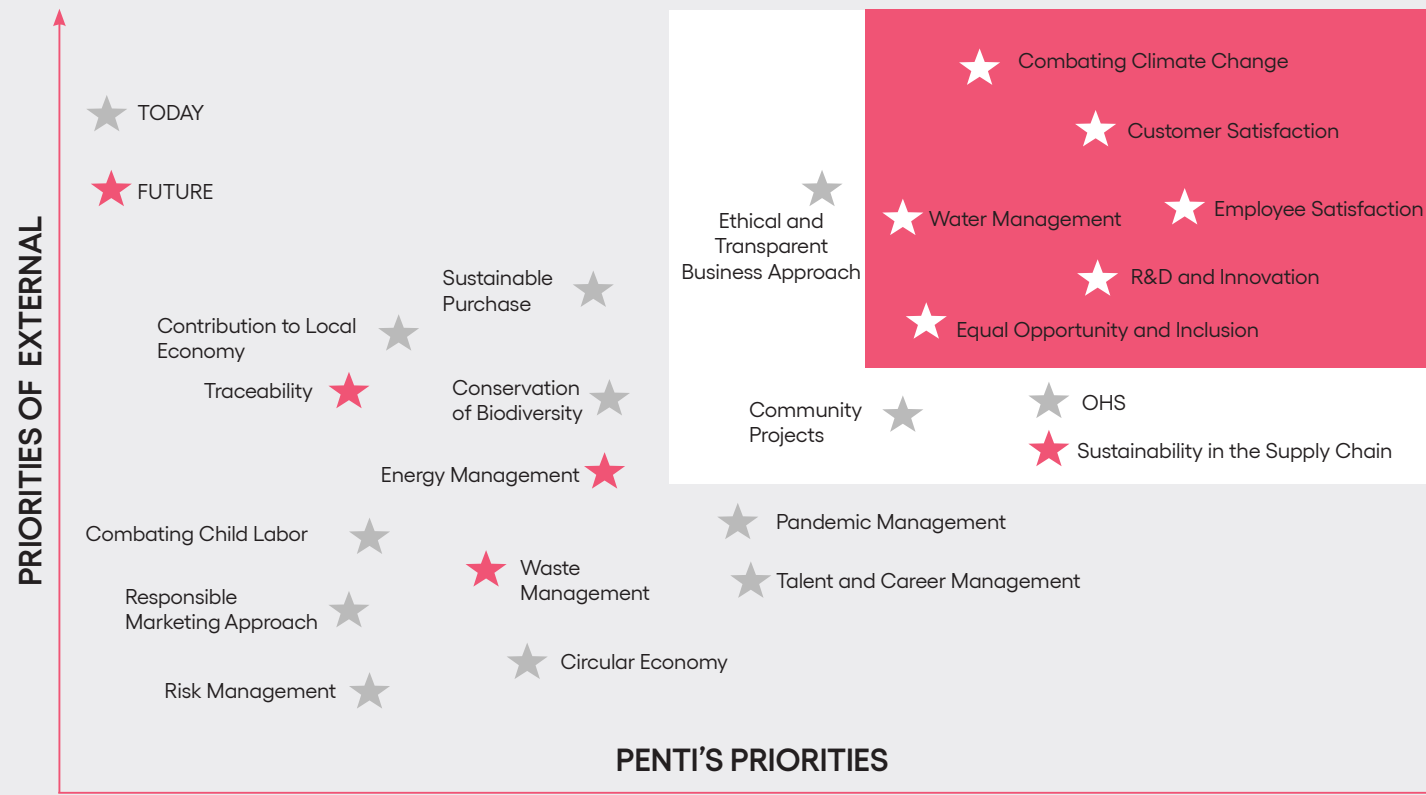
Penti's current materiality analysis was conducted by the Sustainability Committee in 2021. Within the scope of the analysis, 399 Penti employees and 214 external stakeholders were consulted. Internal stakeholders were grouped to represent all functions and departments, while external stakeholder feedback was obtained from stakeholder groups such as customers, suppliers, regulatory bodies and media.

In this analysis, in addition to the results of surveys conducted with internal and external stakeholders, reports of international organisations, environmental and social impact analyses, risk assessment results, global and sectoral trends and legal regulations are taken into consideration. In addition, feedback collected throughout the year and the outputs of national, international and sectoral events are also evaluated.

In line with the results, Penti's Sustainability Priorities Matrix is determined. Priority issues are identified under main headings as "High Priority Issue" and "Material Issue" and emphasised in the report. Other priorities are addressed in a more limited way. The next materiality analysis is planned for the end of 2023.



# OUR PRIORITIES



## HIGH PRIORITY ISSUES



- ▶ Customer Satisfaction
- ▶ Combating Climate Change
- ▶ Employee Satisfaction
- ▶ Water Management
- ▶ Equal Opportunity and Inclusion
- ▶ R&D and Innovation



## Fundamentals- -Values

- ▶ Corporate Governance
- ▶ Anti-Corruption
- ▶ Ethical and Transparent Business Approach

Corporate governance approach, anti-corruption, ethical and transparent business practices, which are among our material issues, constitute the basic elements that determine our business conduct and that we need to manage. Therefore, we regard these issues as the cornerstones of our business structure.

We place great emphasis on managing these high-priority issues through corporate governance principles, ethical standards and transparent business practices. These principles guide us at every stage of our business processes. Thanks to corporate governance principles, we are accountable to all our stakeholders by creating an effective management structure and decision-making processes. Anti-corruption is a fundamental part of our business conduct to protect integrity and fair competition. Ethical and transparent business practices help us build sustainable relationships by building credibility and reputation.

By adhering to these principles, we continue to work to demonstrate an exemplary attitude in the business world and increase our social impact.

# OUR RELATIONS WITH OUR STAKEHOLDERS



We define stakeholders as anyone who is in any way affected by the activities and products of our companies.

Penti's sustainability approach is based on a comprehensive approach that includes not only our own practices, but also the practices of all our stakeholders. We define our stakeholders as individuals and organisations that are affected by and influence our activities and that can contribute to our global goals and sustainability objectives. In stakeholder selection, we aim to cooperate by considering factors such as the potential to contribute to the social field, creativity and innovation.

While communicating with different stakeholder groups in various focus areas, we aim to align our decisions and actions with our sustainability priorities. We aim to achieve high communication rates in order to understand and respond to the expectations of our stakeholders. We actively continue our efforts in this direction.

Penti considers providing accurate and timely information to all stakeholders as part of its corporate responsibility. Therefore, we have established various communication platforms to support stakeholder communication. The current communication platforms for our stakeholders and the frequency of communication are detailed in the "Stakeholder Communication Platforms" table. Through these platforms, we aim to further strengthen our cooperation and sustainability efforts by ensuring effective and transparent communication with our stakeholders.



# OUR STAKEHOLDER MAP

## STAKEHOLDERS

## COMMUNICATION PLATFORM

## COMMUNICATION FREQUENCY



### EMPLOYEES

Penti head office, store and factory employees

- WeTalk
- Coffee chats with C-level executives
- Penti Assembly
- Penti Teams (Talent Management Team, Gender Equality Team, Savings Team, Customer Happiness Team, etc.)
- I-com  
[destek@pent.com.tr](mailto:destek@pent.com.tr)  
[ikbilir@pent.com.tr](mailto:ikbilir@pent.com.tr)  
[uruninceleme@pent.com.tr](mailto:uruninceleme@pent.com.tr)
- GPTW satisfaction surveys
- Manager – employee monthly one-to-one meetings
- Manager - employee quarterly T-talk performance evaluation meetings

- WeTalk / every quarter
- Coffee chats with C-level executives / every quarter
- Penti Assembly / every month
- Penti Teams (Talent Management Team – twice a year, Gender Equality Team – every month, Savings Team, Customer Happiness Team, etc.)
- I-com – every day  
[destek@pent.com.tr](mailto:destek@pent.com.tr) – daily  
[ikbilir@pent.com.tr](mailto:ikbilir@pent.com.tr) – daily  
[uruninceleme@pent.com.tr](mailto:uruninceleme@pent.com.tr) – daily
- GPTW satisfaction surveys – annually
- Manager – employee monthly one-to-one meetings – every month
- Manager – employee every quarter T-talk performance evaluation meetings – every quarter



### CUSTOMERS

- Penti social media accounts (Facebook, Twitter, Instagram, LinkedIn)
- Penti mobile application
- Penti.com
- Hr.penti.com (corporate website)
- Digital and print publication
- Television, radio, billboards, advertising broadcasts

- Regular communication
- TV commercial – several times a year



### INVESTORS

- Board presentations, board meetings
- Activity reports

- Every quarter



### CIVIL SOCIETY ORGANIZATIONS

- Penti social media accounts (Facebook, Twitter, Instagram, LinkedIn)
- Digital and print publication
- Television, radio, billboards, advertising broadcasts
- Sharing of joint projects

- Regular communication



# OUR STAKEHOLDER MAP

## STAKEHOLDERS

## COMMUNICATION PLATFORM

## COMMUNICATION FREQUENCY



### UNIVERSITIES

- Retail Academy
- University career days
- Participation as a speaker in university events

- Retail Academy – once a year
- University career days – many throughout the year
- Participation as a speaker at university events – many throughout the year



### MEDIA

- Marketing agencies
- Penti social media channels
- Digital and print publication
- Television, radio, billboards, advertising broadcasts
- [Penti.com](https://www.penti.com)

- Regular communication



### SUPPLIERS

- Supplier Collaboration information
- Supplier improvement meetings
- Supply Chain Management (SCM) Performance Results
- All operational communication should be carried out through the SCM digital supplier portal
- Supplier online satisfaction surveys

- Supplier Collaboration briefings – every day
- Supplier improvement meetings – every quarter
- Supply Chain Management (SCM) Performance Results - monthly
- All operational communication via the SCM digital supplier portal – every day



### DEALERS

- Penti social media channels
- Digital and print publication
- Television, radio, billboards, advertising broadcasts
- Penti.com & Penti.com.ro
- Order portal (b2b.penti.com)

- Regular communication
- Order portal; 4 times a year



### PUBLIC INSTITUTIONS

- Penti social media channels
- Digital and print publication
- Television, radio, billboards, advertising broadcasts
- [Penti.com](https://www.penti.com)

- Regular communication

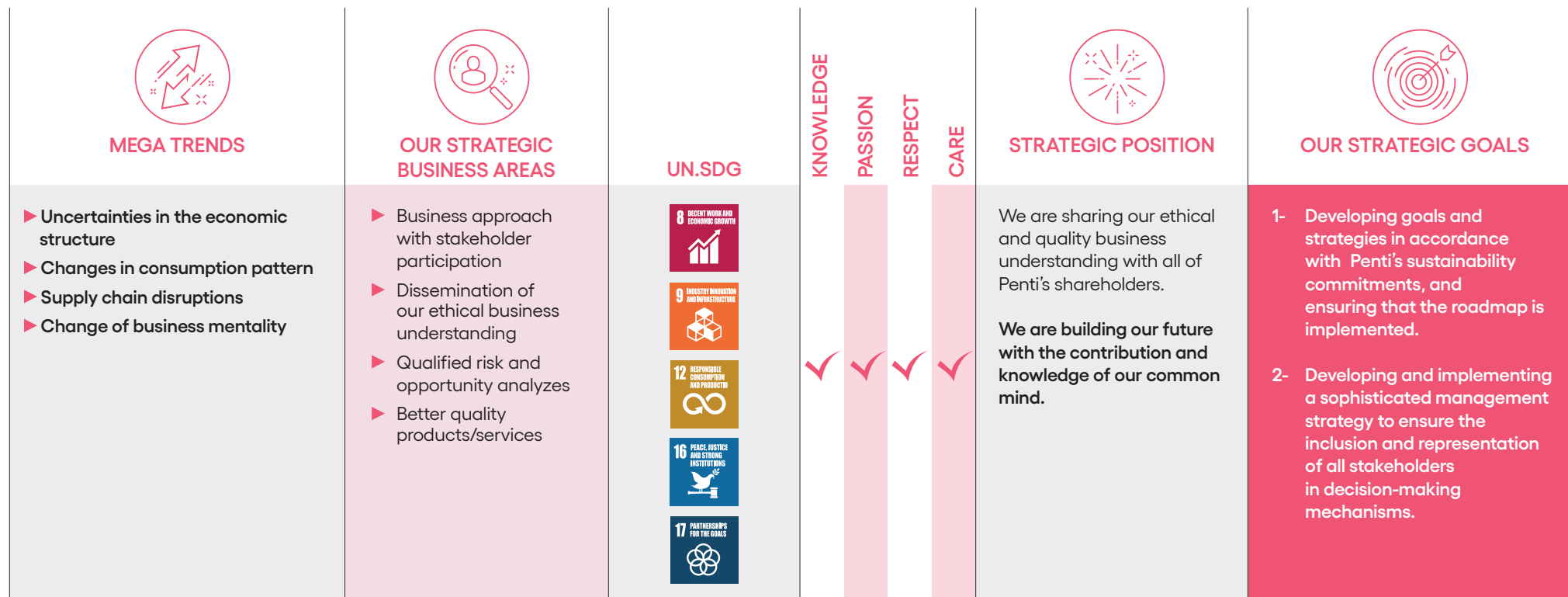
**WeTalk;** WeTalk is a quarterly event where the CEO of Penti Giyim Retail meets with all head office employees to discuss the company's current situation and developments, make announcements, and answer employee questions. Employees can ask any question they want anonymously or ask expressly before the event, and can take the floor during the event. In this event, it is aimed to have a transparent communication between the CEO, other Executive Board managers and employees.

# OUR SUSTAINABILITY GOALS

As Penti, our primary goal is to recognise and accept diversity in almost all areas of human activities, as in nature, and to ensure equality by creating an inclusive system accordingly.

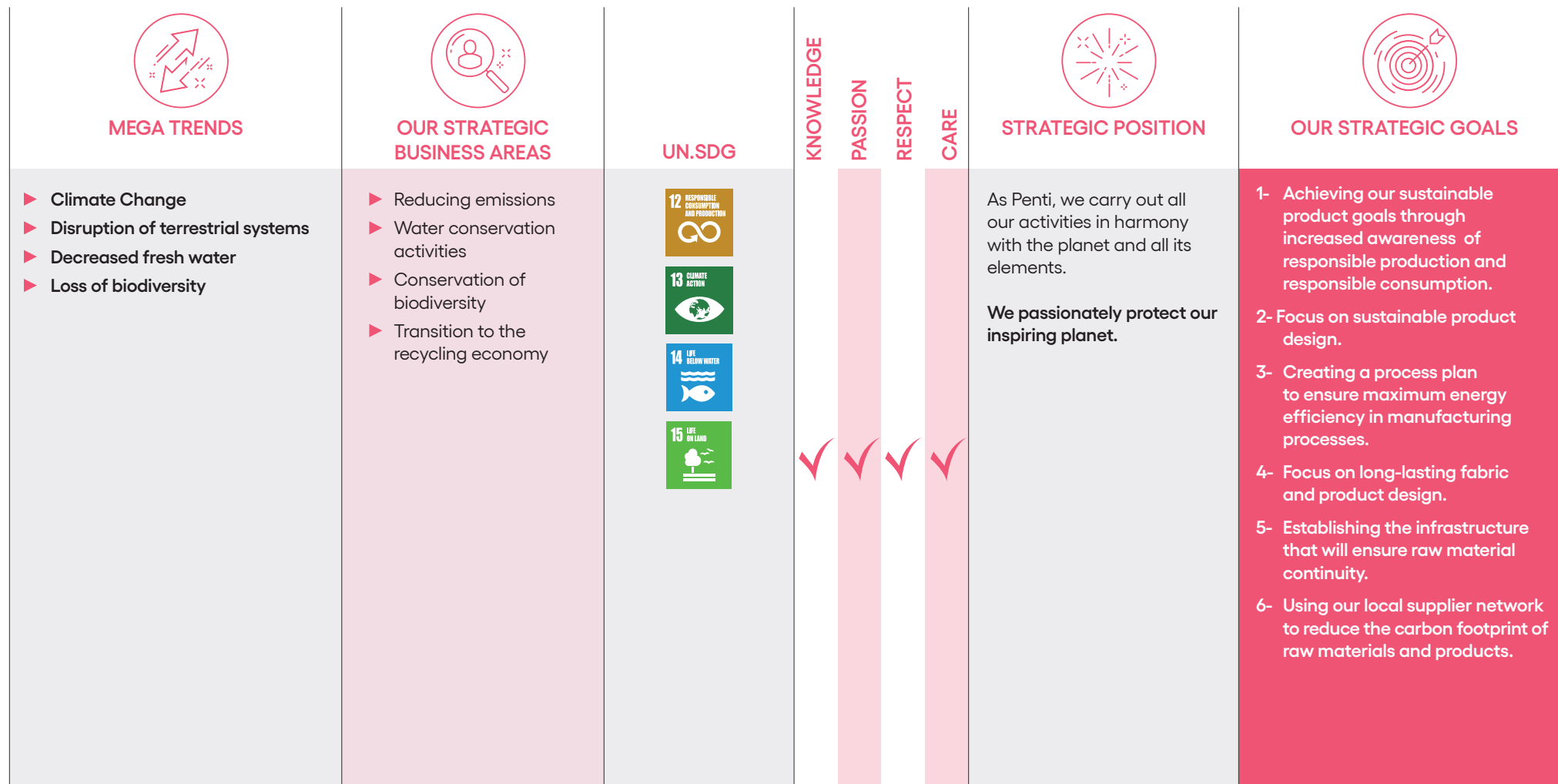
## RELATIONSHIP BETWEEN PENTİ STRATEGY AND SUSTAINABILITY MODEL

### OUR MANAGEMENT STRATEGY AND TRENDS











## CLIMATE CHANGE AND RISKS



## HUMAN HEALTH, EQUALITY AND INCLUSION

 <p><b>MEGA TRENDS</b></p>	 <p><b>OUR STRATEGIC BUSINESS AREAS</b></p>	<p><b>UN.SDG</b></p> 	<p><b>KNOWLEDGE</b></p> <p><b>PASSION</b></p> <p><b>RESPECT</b></p> <p><b>CARE</b></p>	 <p><b>STRATEGIC POSITION</b></p>	 <p><b>OUR STRATEGIC GOALS</b></p>
<ul style="list-style-type: none"> <li>▶ Risks to human health</li> <li>▶ Gender inequality</li> <li>▶ Devastating impact of inequalities</li> <li>▶ Change in talent needs</li> </ul>	<ul style="list-style-type: none"> <li>▶ Prioritization of human rights</li> <li>▶ Ensuring gender equality</li> <li>▶ Human health practices</li> <li>▶ Talent management practices</li> </ul>		<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>As Penti, we provide an equitable and inclusive business environment with all our stakeholders.</p> <p><b>We respect the health and future of our entire value chain.</b></p>	<ol style="list-style-type: none"> <li>1- Ensuring the continuity of an environment that fosters human-rights-compliant working conditions in all units of Penti value chain.</li> <li>2- In this context, providing trainings to all stakeholders to raise awareness of gender equality and emphasize its importance.</li> <li>3- Developing and disseminating Penti in-house practices as part of the gender equality program.</li> </ol>

## SOCIAL DEVELOPMENT AND INNOVATION

<ul style="list-style-type: none"> <li>▶ Impact of social inequalities</li> <li>▶ Geopolitical issues and inclusion</li> <li>▶ Innovation and R&amp;D need</li> <li>▶ New responsible business approach</li> </ul>	<ul style="list-style-type: none"> <li>▶ Accessibility to our products and services</li> <li>▶ Innovation understanding</li> <li>▶ Development of R&amp;D activities</li> <li>▶ Social responsibility projects</li> </ul>			<p>As Penti, we believe in collective improvement and development and share our value with the society.</p> <p><b>We embrace a beautiful future together with love.</b></p>	<ol style="list-style-type: none"> <li>1- Paydaşlarımızla kurduğumuz ortaklıklar doğrultusunda toplumsal gelişime ve refaha katkı sağlayacak sosyal sorumluluk projelerini planlamak</li> <li>2- Öncü marka kimliğimiz doğrultusunda tüketici ihtiyaçlarını en iyi şekilde karşılayan inovasyonları gerçekleştirmek</li> <li>3- Ürün erişilebilirliğinde ve müşteri deneyiminde teknolojiyi en iyi şekilde kullanmak.</li> </ol>
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# GLOBAL COMPLIANCE (SDG MAPPING)

The participation of every individual is necessary both for the protection of our resources and for achieving successful results in climate action. However, the realisation of this participation depends on increasing the general welfare and the ability of every individual to be active in this process in the economic-social sphere.

In this context, as Penti, our top priority is to ensure that diversity, which is the basic element of sustainability, is understood and accepted in every field in which we operate and to ensure equality by creating an inclusive system accordingly. Realising this goal

starts with ensuring gender equality in the social sphere and extends to ending all forms of discrimination. These efforts will encourage the participation of all humanity in development and support the building of a sustainable future through joint endeavour.

At Penti, we attach great importance to gender equality. The understanding of gender equality in our company culture includes women playing an active role in every stage of economic processes and having a production capability that supports their cultural development in the social field.

★ We can list the areas where we aim to make a material contribution to our global sustainability goals as follows:



Achieving Gender Equality



Reducing Inequalities



Establishing a Decent Work Environment and Supporting Economic Growth



Ensuring Quality Education



Healthy Individuals

★ Achieving all our goals will only be possible by actively supporting two more goals. These are:



Peace, Justice and Establishment of Strong Structures



Establishing the Partnerships for the Goals

★ Our priorities in the field of social responsibility aim to carry out all our production processes with an environment and people-oriented approach, but also with passion. In line with this aim, we can list the targets we focus on as the second group as follows:



Supporting Climate Action



Innovation in Industry and Building Resilient Infrastructures



Protection of Terrestrial Ecosystems

We regularly evaluate and report the progress we make in these areas in line with the targets we set with the sustainability priorities matrix.

# For a more equal world *we are working*

We work with knowledge, passion, respect and care to ensure a more equitable future in which the existence of all the elements of the planet that we call Earth and each individual and species of the global community that we call humanity is protected and their rights are defended.



As Penti, we address, monitor and regularly report and share the performance we exhibit while managing, producing and sharing our business under four main headings for all our stakeholders to be informed.

FOR A MORE EQUAL WORLD...







For development  
*knowledge*



## KNOWLEDGE

As Penti, we share our business approach, which includes ethics and quality, with all our stakeholders.

By involving our stakeholders  
With a more ethical business approach  
We capture the future.

**We are building our future with the contribution and knowledge of our common mind.**

For protection  
*passion*



## PASSION

As Penti, we carry out all our activities in harmony with the planet and all its elements.

We reduce our emissions  
Value our water  
Protect our biodiversity  
We care about recycling

**We passionately protect our inspiring planet.**

For equality  
*respect*



## RESPECT

As Penti, we provide an equitable and inclusive business environment with all our stakeholders.

We care about human rights  
Act with an egalitarian and inclusive attitude  
Care about human health  
Create opportunity for talents

**We respect the health and future of our entire value chain.**

For community  
*care*



## CARE

As Penti, we believe in collective development and progress and share our values with community.

For the progress of the community  
And the economic development  
We consider the constant innovation  
As our social responsibility

**We embrace a lovely future together with care.**

**Knowledge;** represents our business approach of managing with the expert, qualified, and egalitarian management of Penti, which has been able to conduct risk and opportunity analyses in a healthy and accurate manner since the company's establishment, and ensuring an ethical ground in order to enable the representation of all stakeholders and their participation in decision-making processes.



**Passion;** represents protecting our planet's resources and our unique value, water, zeroing carbon and all types of greenhouse gas emissions, and ensuring the continuity of biodiversity in nature, including in our production processes and customer use of our products; and how we do business in harmony with the green and circular economy.



**Respect;** represents our effort to protect the physical and mental health of the people we come into contact with in our demand and value chain, particularly our employees, to ensure their fundamental rights and freedoms, and to create a more egalitarian ecosystem that perceives and covers diversity and supports the development of each individual.



**Care;** represents our principles of shared progress, which attaches importance to research and development activities that will contribute to the common development and growth of our global society and planet, of which we are a part, and makes the economic and social value it generates accessible to all of its stakeholders.







# FOR DEVELOPMENT *knowledge*

We may have huge problems on a global scale.  
We can solve it all.

We, as humanity, know that we can solve these huge problems. We believe that the way to solve our problems is to work on scientific foundations and that there is no obstacle that we cannot overcome with rationality and knowledge.



As Penti, we share our business approach, which includes ethics and quality, with all our stakeholders.

- By involving our stakeholders
- With a more ethical business approach
- With better quality products/services
- And with our risk analysis, we capture the future

**We are building our future with the contribution and knowledge of our common mind.**

On a global scale, the sustainable protection of natural resources and the continuity of our social-economic systems can only be realised through an egalitarian and participatory management approach based on a rational business approach. To this end, Penti continuously endeavours to improve our management quality and develop our egalitarian decision-making capabilities in line with the requirements of the age.

The place of ensuring gender equality in management gains importance by building decision-making processes in which all stakeholders are fairly represented and integrating our egalitarian and inclusive business approach based on ethical values into our ecosystem. This brings with it an understanding of business that needs to be addressed with a knowledge-based approach.

# CORPORATE GOVERNANCE



In our second generation, under the leadership of Sami Kariyo, we transformed retailing and evolved into the Penti brand of today. With our ability to adapt to rapidly evolving and changing conditions, we aim to bring our brand together with future generations by building the Penti of tomorrow step by step.

Kyosei represents our corporate philosophy. This Japanese word means “living and working together for a common purpose”. The foundation of our philosophy is built on people living and working together for the common good.

As Penti, we have been operating for many years with an approach that aims continuous improvement and transforms what we have learnt into smart steps. We realise our philosophy in a more concrete way every day and disseminate it to the masses. We implement the teachings of this philosophy under four main headings.

## SUSTAINABLE PROFITABLE BUSINESS MODEL

We make our sustainability a reality at the levels of strategy, product, growth and accessibility.

## TRUST WITHIN PENTI

The steps we attach importance to when creating our collaboration within Penti are Common Mind, Management with Teams, Penti Experience, Penti Health and Continuous Learning.

## NON-PENTI COLLABORATIONS

The steps we attach importance to when creating our collaboration outside Penti are Customer Experience, Supplier Experience, Non-Governmental Collaborations and University Collaborations.

## GLOBAL PARTNERSHIPS

### OUR INTERNATIONAL COMPANIES;

With our overseas stores and companies, we strive to increase our presence globally every day.

- Our companies in Romania, Kazakhstan, Cyprus and Serbia.

### OUR BUSINESS PARTNERS;

We support global initiatives in many countries.

131 partners in **32** countries

### OUR TRADE NETWORK;

By expanding our trade network day by day, we try to spread the Penti experience in every aspect.

Export to **33** countries

Private Label export to **27** countries

Import from **6** countries

The sustainability of our operations is realised through effective corporate governance practices based on solid foundations. While our corporate values and ethical principles guide our activities, we act in full compliance with legal requirements. At the same time, we constantly increase our efforts to create value for our stakeholders.



# CORPORATE GOVERNANCE

## PENTI MISSION

OUR MUSIC  
IN PENTI

Enriching and facilitating women’s lives with our personalised products and services and providing experiences that make them feel special,

Creating extraordinary satisfaction in our customers by going beyond expectations,

Becoming a source of trust, appreciation and happiness in our consumers with our claim to make a difference and our passionate service approach.

## PENTI VISION

OUR RHYTHM  
IN PENTI

By reinforcing our leadership in the product groups in which we operate,

By strengthening our presence in international markets,

By moving towards becoming a global brand,

By maintaining and strengthening our universal position as the supplier of many world-famous, reputable brands and Europe’s largest integrated thin women’s hosiery manufacturer,

It is formed by rapidly reflecting our clear leadership in the “Hosiery” product group to all our main product groups.

As Penti, we have been concretising and disseminating our philosophy to the masses day by day by constantly aiming for the better and transforming what we have learnt into smart steps with our openness to development.



# OUR CORPORATE MANAGEMENT

The Internal Audit Department, Investor Relations Department, Risk Management, Internal Control Unit, Social Compliance and Technical Audit Departments and Sustainability Department carry out their duties reporting to the Board of Directors. These departments carry out the tasks assigned by the Management Committee.

Within the scope of Environmental, Social and Corporate Management policies established within Penti;



Information Security Policy	✓	✓	Crisis/Emergency Management Policy	✓	
Information Systems General Usage Policy	✓		Environment and Energy Policy	✓	✓
Personnel Security Policy	✓		PDPL Personal Data Processing and Protection Policy	✓	✓
Password Management Policy	✓		PDPL Policy on Processing and Protection of Employee Personal Data	✓	✓
Clean Desk Clean Screen Policy	✓		PDPL Personal Data Storage and Destruction Policy	✓	✓
E-Mail Policy	✓		PDPL Personal Data Protection Governance and Audit Policy	✓	✓
Mobile Device Security Policy	✓		PDPL Policy on the Security of Special Personal Data	✓	✓
Information Assets Data Destruction Policy	✓		Foreign Materials and Metal Policy	✓	
Remote Connection Policy	✓		Quality Policy	✓	✓
Information Transfer Policy	✓		Social Compliance Policy	✓	✓
Information Security Policy for Supplier Relations	✓		Breastfeeding Policy	✓	
Anti-Malware Policy	✓		Anti-Bribery and Anti-Corruption Policy	✓	
Change Management Policy	✓		Social Compliance Policy	✓	
Software Development Policy	✓		Gender Equality Policy	✓	
Encryption and Key Management Policy	✓		Occupational Health and Safety Policy	✓	
Access Management Policy	✓				
Server Security Policy	✓				
Internet Access and Usage Policy	✓				
Physical Security Policy	✓				
Network Management Policy	✓				
Network Devices Security Policy	✓				



## OUR CORPORATE MANAGEMENT

The implementation and supervision of these policies are carried out by the Executive Board. The Executive Board also monitors sustainability management policies and strategies.

Our Executive Board is at the highest level of our corporate governance practices. The diversity and experience of Executive Board members contribute to decision-making processes. It aims to add wealth and provide value to all stakeholders. With this understanding, Penti delegates the duties of chairperson of the board and CEO to separate individuals. Our financial statements are prepared in accordance with International Independent Auditing Standards and monitored by the Internal Audit Unit. Our Executive Board is the highest decision-making body in the management of sustainability issues.

Equality of opportunity is one of the primary sustainability goals for Penti. With the understanding that long-term success depends not only on increasing the share

of women in the organisation but also on their active role in management processes, our Board of Directors at Penti Giyim Retail consists of 8 members. Our female ratio in the executive board is 37.5%.

Establishing stakeholder relations and ethical standards to realise Penti's corporate goals is managed by the "Penti Management Team". This team focuses on making Penti's ecosystem more fair and equitable, and promoting and protecting gender equality. The Team monitors Penti's activities, ensures ethical compliance and works to protect stakeholder rights. The ratio of women in the management team is 44%.

**As Penti, we share our ethical and quality business approach with all our stakeholders.**

- Participated by our stakeholders
- A more ethical business approach
- With better quality products/services
- We capture the future with our risk analyses.

We are building our future with the contribution and knowledge of our common intelligence.



# OUR STRATEGY MAP



## Our values

### STRENGTH

Creating opportunities for women to be empowered in all areas of society,

### TRUST

Keeping our customers at the focus of all our organizations and processes,

### PARTNERSHIP

Working with pleasure, achieving our goals through cooperation and teamwork,

### COURAGE

Encourages taking initiative, paves the way for in-house entrepreneurship,

### COMPETITION

We derive strength from continuous development for our leadership and competitiveness.

WE ARE NOT A TEAM  
BECAUSE WE WORK TOGETHER  
WE ARE A TEAM  
BECAUSE WE RESPECT  
AND CARE FOR EACH OTHER

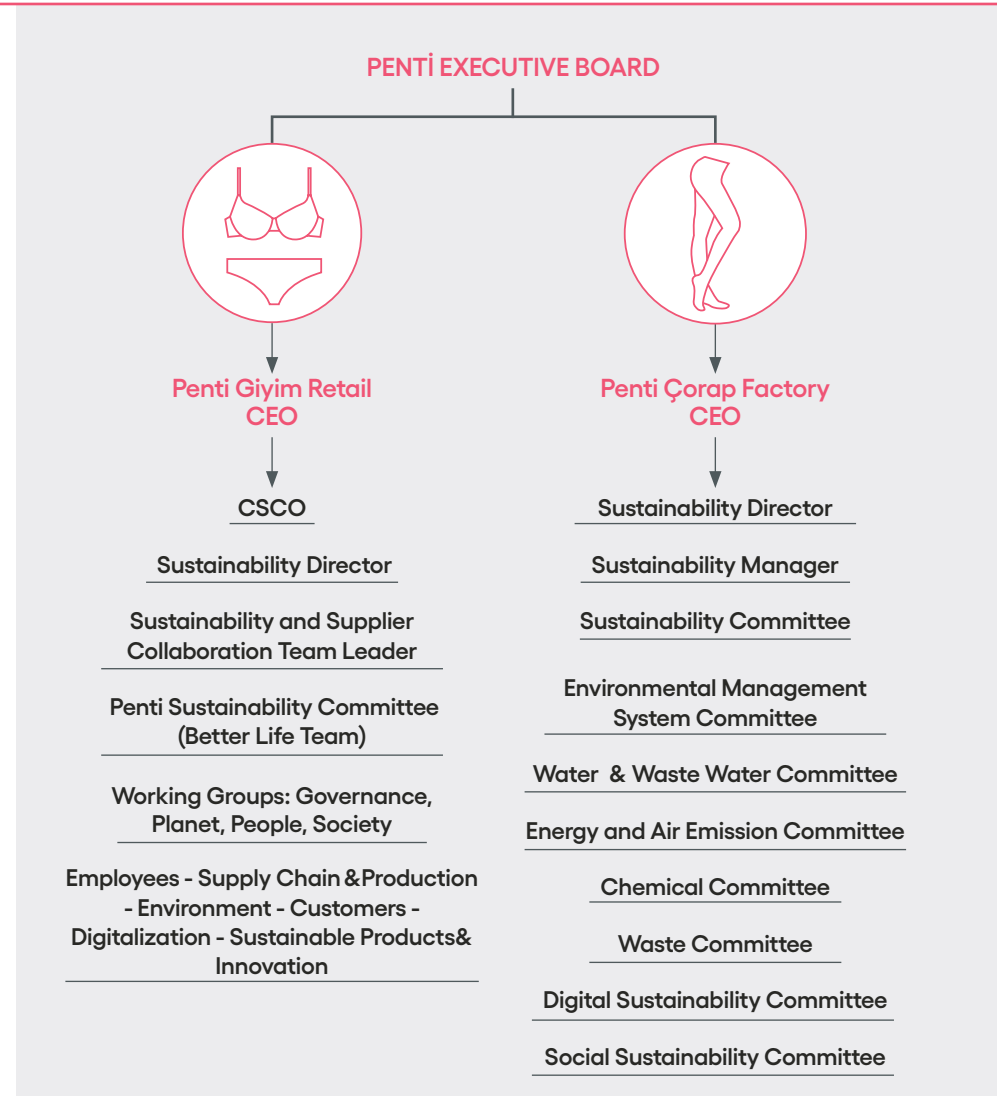


# SUSTAINABILITY MANAGEMENT

Penti's Sustainability Management forms a fundamental part of the company's corporate strategy and business operations, while at the same time involving a broad stakeholder engagement. This approach aims to effectively integrate sustainability throughout the company.

Penti's sustainability organisation is led by two main units, Penti Giyim Retail and Penti Çorap Factory, reporting to the Executive Board. Penti Giyim Retail Sustainability Committee consists of different unit and department participants from Penti head office and stores and is led by the Sustainability Director. In 2022, the committee undertook critical tasks such as reviewing the sustainability strategy in line with risks and opportunities and updating sustainability targets. It also ensured that sustainability performance is monitored and reported in all Penti companies. The Penti Sustainability Committee meets regularly to ensure broad participation and provides equal opportunities for participation and interaction across all subsidiaries and departments.

Sustainability management at Penti is guided by dedicated teams and committees responsible for developing, monitoring and reporting on material areas. Each team focuses on defined targets, activities and results. In this way, sustainability goals are regularly reviewed and effectively implemented.







## OUR “BETTER LIFE TEAM” SUSTAINABILITY COMMITTEE

The team that develops, protects and disseminates Penti’s sustainability approach is the “Better Life Team”. This team aims to embrace sustainability as a part of the company culture and takes a leading role in determining sustainability plans, roadmaps, policies and strategies.

The main objective of the “Better Life Team”, which works to develop, protect and disseminate Penti’s sustainability approach, is to contribute to a more equitable and livable planet for all our stakeholders.

The work of the team, which focuses on determining the sustainability goals and commitments of Penti, is supported by following the developments in the field of sustainability on a global scale.

Penti shapes its sustainability road map and strategies with the ‘Better Life Team’.

BETTER LIFE

“Better Life Team” includes representatives from many departments such as Sustainability, Innovation & Quality Assurance, Buying, Category Management, Design, Marketing, IT, Visual Merchandising, Architecture, Operations, Financial Reporting, Accounting, E-Commerce,

CRM, HR. Representatives ensure that sustainability is managed with common sense and stakeholder participation within the company with the experiences they have gained from their areas of expertise.

## OUR MANAGEMENT TEAMS



Penti's management processes include eight different teams.

We see the **“TeamTalk”** team as the relational basis for ensuring harmony and dynamism between global needs and sustainability. As Penti, we support the participation of internal stakeholders in processes and decision-making mechanisms with the Team Talk initiative. It is possible to realize the ideas and projects of our stakeholders in each business unit in a healthy way with Team Talk.

The **“Gender Equality”** Team works to increase women's visibility and initiative in both social and business life. The achievement of the UN 2030 Sustainable Development Goals depends on the achievement of gender equality on a global and local scale and the joint efforts of the entire population, especially in decision-making processes. The Gender Equality Team raises awareness on diversity and inclusion, observes internal practices from these perspectives, and causes a positive impact on the Penti value chain through projects.

**“Customer Happiness Team”** functions in accordance with the meaning of customer satisfaction in our age. Today, ensuring customer satisfaction is not just about quality products. Satisfaction has moved beyond this narrow meaning and has settled on

an understanding that is sensitive to the environment, has high social responsibility, and is compatible with the sustainability of our planet, and customers prefer brands that carry this perspective. At this point, the Customer Satisfaction Team prioritises the satisfaction of our customers and at the same time manages the processes that will ensure peace and trust.

The **“Talent Management Team”** works to ensure that employees not only focus on today, but also capture tomorrow with a broader perspective. Penti is aware of the need for its employees in the main and sub-sectors to continuously improve themselves in order to keep up with changes, especially technological developments, and to ensure continuity of employment. Penti also knows that the way to implement sustainability strategies and fulfil targets and commitments will be possible with a team with developed skills. The Talent Management Team transparently carries out processes for employee development and promotion processes.

**“Investments Team”** is important in terms of making the right investments in every field in order for both Penti and the global Sustainable Development Goals to achieve their

goals. The team aims to reduce risks and support new opportunities.

**“Saving Team”** supports resource conservation and green business approach by encouraging energy and water saving, and provides sustainable financing. As humanity, we are in a period in which we have a great responsibility towards our planet and life. In this respect, it is important that we protect our resources and fulfil the requirements of the circular economy. Our team carries out activities to facilitate the creation of projects in the entire value demand chain, especially with internal stakeholders, and strives to increase the number, maturity and realisation of these projects.

**“PDPL Team”** aims to protect personal data and create an ethical environment. Sustainability is also a sharing area that pays attention to the meticulous protection of personal data and ownership, and to the realisation of this in a fair and ethical ecosystem construction. It is in everyone's interest that this sharing takes place on a basis that will contribute to the common development of individuals and organisations. Penti PDPL Team works to provide and develop this environment.

**Better Life Team** manages sustainability processes.





## OUR RISK MANAGEMENT

Penti carries out activities in the field of corporate risk management in accordance with international standards to ensure that its stakeholders, assets and operations are safe. Within this framework, necessary steps are taken for the identification and effective management of risks. Risk management activities, which are an integral part of corporate governance, are carried out within the framework of corporate risk management principles. Corporate risk management studies, which are positioned as a component of decision-making processes, include analysing opportunities as well as risks.

Penti carries out risk management with a structure that encourages multi-stakeholder participation, closely follows changes and follows international standards and developments. This approach forms an integral part of all processes and activities of Penti. As a company, we conduct risk and opportunity analyses in pre- and post-production periods and involve our customers.

We communicate the analyses to all stakeholders using different communication languages and channels. This approach is seen as a valuable tool not only for the benefit of Penti, but also to contribute to a better and more equitable life for stakeholders.

We regularly review and update our sustainability targets in line with the results of the risk and opportunity analyses we carry out. Financial and non-financial impact assessments also form an integral part of our risk management procedure.

Penti successfully directs its growth strategies with a holistic development approach by accurately assessing risks and opportunities. Thanks to this approach, both the sustainability of the company is ensured and the trust and satisfaction of stakeholders are kept at the highest level.



# SUPPLY CHAIN MANAGEMENT



For sustainable production, we work with suppliers who respect the human rights and environmental protection. For us, one of the most important conditions of sustainability is that the supply chain is managed in accordance with the functioning of our planet and that the stakeholders in the chain comply with the criteria. The reliability of the supply chain and its global compliance in economic, environmental and social areas are of critical importance in the healthy creation of the total value we offer to all our stakeholders in every dimension. We continue our activities with more than 1,200 suppliers in Türkiye and abroad with the companies that we periodically audit and are on the approved supplier list.

The most emphasised sustainability element of international organisations is the difficulty of designing and managing a supply chain.

As Penti, we act with the commitment to maintain our activities at the highest environmental and ethical standards.

Penti is committed to adopting activities that comply with environmental and ethical standards. We expect our business partners to ensure full compliance with the law and ethical values, as well as accept the Penti Code of Conduct, Environmental Policy and Restricted Chemicals Procedure.

Our supply chain consists of over 1,200 partners; this includes responsible main suppliers and sub-contractors. We identify our strategic and critical suppliers based on factors such as quality, innovation capabilities, risk profile and co-operation performance. In this context, we aim to align our sustainability goals with a total of 11 strategic and 18 critical suppliers.

We expect our suppliers to respect human rights, uphold environmental standards and commit to fair, equitable and inclusive business conditions. We also require them to implement the Code of Ethics for Buying. We carry out our supplier selection processes on the basis of compliance with the rules and approved supplier list. We demand compliance with ethical and compliance

principles in our supply chain and ensure control in this regard through regular audit programmes and site visits. We determine the sustainability conditions that our suppliers must comply with, based on the main audit points and the principles in the Supplier Social Compliance Procedure. This approach aims to achieve our ethical, environmental protection and sustainable management goals.

- **Audit Integrity**

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- **Child Labor**

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- **Senior Management Taking Precautions on Critical Issues**

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- **Modern Slavery**

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- **Sexual, Verbal, Physical, Emotional Violence and Harassment**

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- **Legal Environmental Requirements**

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- **Legal OHS Rules**

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- **Legal Working Conditions**

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- **Respect for the Right to Collective Labor Agreement**

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- **Anti-Discrimination and Equality**

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- **Compliance with Environmental Regulations**

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Penti evaluates its suppliers carefully. Quality, sustainability and social compliance criteria are periodically reviewed and supply chain performance is continuously measured.

Penti's business partner Ekol Logistics has obtained the 'Sustainable Logistics Certificate' for all its facilities and has met logistics, energy and management standards.

We manage supplier relations and performance measurement processes under the "Supplier Collaboration and Development" unit. We expect a minimum 85% inspection (quality control) pass rate from our suppliers every month and monitor this performance with the Supply Chain Management (SCM) system. In 2022, we continued the supplier information communication we started in 2021 at the same pace.

As Penti Çorap Factory, 18% of yarn suppliers and 9% of packaging materials are among our priority suppliers. Higg FEM memberships help us monitor environmental impacts. In 2019, we did not have a Higg FEM membership, but in 2021, 19 suppliers received membership. In 2022, 9 more suppliers received membership. We closely monitor the Higg FEM membership status of important suppliers.

As Penti Çorap Factory, we handle our business processes in four main stages starting from our suppliers to the customer and we carry out detailed audits at every stage. We aim to ensure sustainability and quality by meticulously managing every step of our supply chain. In addition, in order to evaluate our suppliers in more detail, we categorise them into five main groups such as Yarn, Accessories, Packaging, Dye/ Chemicals and Indirect Purchasing.



Penti Giyim Retail	2022	2021	2020	2019
Total number of suppliers	527	621	579	637
Total number of local suppliers	481	568	536	576
Total number of new suppliers	82	245	205	324
Ratio of payments made to local suppliers in total supplier payments	87,84	91,7	87,7	87,9



Penti Çorap Factory	2022	2021	2020	2019
Total number of suppliers	767	665	686	757
Total number of local suppliers	420	610	627	693
Total number of new suppliers	142	166	159	-



Penti conducts a comprehensive assessment programme to ensure the social and technical competence of its suppliers. The aim of this programme is to ensure that its suppliers comply with international standards and Penti's high standards.

Penti evaluated 187 suppliers, including main and sub-contractors, within the scope of this programme in 2022. According to the results of the evaluations, 60% of the suppliers were assessed as compliant, 21% as open to improvement and 19% as unworkable. Suppliers assessed as open to improvement are encouraged to make the necessary improvements within the period determined by Penti. Suppliers assessed as unworkable are blocked from Penti's supply chain.

Throughout 2022, a total of 29 improvement meetings were held with 14 different main suppliers who play an important role in our cooperation. In these carefully planned meetings, issues such as meticulously evaluating supplier performances, examining customer feedback, analysing order and production processes were discussed.

In line with the performance tracking system and improvement efforts carried out by the Supplier Cooperation & Development Unit, the number of gold and silver rated main suppliers in Penti's supply chain increased from 16 in 2021 to 27 in 2022.

Penti maps its suppliers according to their risk levels. This mapping is used to determine the risk level of suppliers and the measures Penti will take against these risks. High-risk suppliers are audited more frequently by Penti and these audits are more comprehensive.

A total of 26,982 final quality control procedures were carried out in 2022 within the scope of Penti product quality standards. These quality control procedures ensured that suppliers' products were meticulously evaluated for quality and conformity before delivery.

During the production process, 650 inline inspections were carried out in order to control product quality and take quick action in case of any problems. These inspections helped to identify potential problems in advance by ensuring that the production process proceeds in accordance with quality standards.

Penti continuously monitors the social and technical competence of its suppliers. This monitoring helps to ensure that suppliers meet Penti's high standards.

These assessments of Penti's suppliers are an important step towards ensuring the social and environmental sustainability of the supply chain. Through these assessments, Penti takes the necessary measures to ensure that its suppliers comply with international standards and Penti's high standards and to support the sustainability of the supply chain.

## SELF INSPECTION TRAINING AND CERTIFICATE PROCESSES

In line with the targets set by Penti, steps were taken towards the goal of providing self-inspection capability to 3 suppliers in order to increase product quality and inspection performance. Within this framework, 3 suppliers carefully selected by the Penti Inspection team were included in the training process to develop self-inspection skills.

The training process included a comprehensive learning and practice period. The trainings were supported by written and practical exams. After completing the training, a total of 3 suppliers who succeeded in the exams were entitled to receive the self-inspection authorisation required to assess product quality through their own internal audits.

A total of 4 people of these successful 3 suppliers received their self-inspection certificates. These certificates reflect the suppliers' ability and responsibility to effectively manage product quality standards in co-operation with Penti. This step emphasises Penti's commitment to quality management and its determination to strengthen supplier cooperation.



# FOR PROTECTION *passion*

Our planet is 4.5 billion years old.  
We have been with it for 200 thousand years.  
Since we are born, we are passionately attached  
to this one-of-a-kind planet and its perfect system  
to its air, water, resources, and all of its vitality,  
which loves us, that is, our species





As Penti, we carry out all our activities in harmony with the planet and all its elements.

- We reduce our emissions,
- Value our water,
- Protect our biodiversity,
- We care about recycling.

## We passionately protect our inspiring planet.

Thanks to our technological investments, we carry out our production with the aim of zeroing our emissions by consuming less energy and water every day, and we share this protective production approach with our entire demand value chain.





## OUR ENVIRONMENTAL MANAGEMENT APPROACH TO FIGHTING THE CLIMATE CRISIS

The World Economic Forum (WEF) has published several reports on the climate crisis and environmental management in 2022. These reports address the threats posed by the climate crisis to the global economy and society and the steps to be taken to mitigate these threats.

According to WEF's 2022 reports, the climate crisis poses a serious threat to the global economy and society. Climate change leads to various problems such as natural disasters, agriculture and food security, water scarcity, health problems and migration.

The Intergovernmental Panel on Climate Change (IPCC) report once again emphasised that human activities trigger climate change. Negative impacts around the world are worsening day by day. The impacts of climate change are increasing in severity. In this context, as Penti, we reduce the risks associated with access to natural resources by using natural resources in a sustainable manner. At the same time, we are also taking important steps to combat the climate crisis.

As Penti, we base our environmental management approach on the principle of providing sustainable benefit for our planet and all its elements. We evaluate and manage this benefit based on the universal perspective reflected by our vision and mission. With the aim of creating sustainable value, we passionately protect our planet, from which we draw inspiration.

In this context, we support the circular economy with the activities we carry out in all of our business groups. We work with a perspective inspired by nature; we manage and develop projects to reduce our environmental impact. At the same time, we fully comply with national and international legal regulations. Most importantly, we take steps with the awareness of sharing these processes with our stakeholders in the interaction area.

Reducing greenhouse gas emissions resulting from our activities is at the centre of our efforts to combat and adapt to climate change. The energy efficiency projects we implement in our facilities play an important role in achieving our emission reduction targets.



We invested  
**29,022,040 TL**  
for the environment in 2022.

## OUR ENVIRONMENTAL MANAGEMENT STRATEGY

With its environmental policy, our company aims to effectively manage the environmental impacts of our activities and continuously improve our environmental performance. The basic principles and objectives of our environmental policy are built on managing our business processes in an environmentally sustainable manner and minimising environmental risks.

We also attach great importance to environmental issues in our social compliance and technical audits. Our environmental procedures, environmental permits and Environmental Impact Assessment (EIA) reports are rigorously reviewed and updated when necessary. Waste storage and disposal processes are also regularly audited and compliance is ensured. When deficiencies are identified in these audits, corrective steps are quickly taken to prevent environmental risks and non-compliance.

**We have published our Restricted Chemicals Procedure in order to prevent the use of raw materials that are harmful to both the environment and human health in the production and dyeing processes in the Penti value chain, to prevent the spread of chemicals harmful to the environment and to create a decent and safe work environment for employees.** We create a safe supply chain and minimise our environmental footprint by publishing this procedure as a standard to all our existing and new suppliers and ensuring its implementation.

Our environmental management approach includes the identification and minimisation of environmental risks and continuous monitoring of environmental performance. Our goal is to ensure environmental sustainability and minimize our impact on the environment by protecting natural resources. More detailed information is available in our environmental policy and related documents.

## ENVIRONMENTAL MANAGEMENT

Penti Giyim's Environmental Policy defines the company's environmental risks and material issues. This policy defines the environmental compliance standards of all elements in Penti's value chain. The suitability of waste storage and disposal is regularly audited and potential problems are considered as major findings. Within the scope of environmental management, Penti Giyim monitors performance in areas such as energy, emissions, biodiversity, waste, waste water and water consumption. Energy consumption and emissions are monitored and improvements are made, especially through practices such as LED conversion project in stores and energy efficiency monitoring.

Penti Çorap's Environmental Management Policy has been determined, as well. Within the framework of this policy, there are specific targets

and approaches to monitor environmental and energy performance. In addition, the maintenance and energy team monitors performance in accordance with this policy. There is a Sustainability Committee within the company in relation to environmental management. This committee addresses issues such as environmental management system, water and wastewater management, energy and air emissions, waste management and chemical management. Each committee consists of experts in the relevant field and monitors environmental performance and oversees the implementation of policies and targets. Penti Çorap applies ISO 14001:2015 Environmental Management System Standard for environmental management. In addition, it uses environmental standards and documents such as OEKOTEX-2023 and Global Recycle Standard (GRS). These standards support efforts to achieve environmentally friendly production and sustainability goals.

## ENERGY EFFICIENCY AND EMISSION REDUCTION

The European Union's Fit for 55 plan and Net Zero targets by 2050 have brought the energy sector to a new perspective. Following the ratification of the Paris Agreement, Türkiye adopted the Net Zero target by 2053 and demonstrated its commitment to combat climate change. The first Climate Council organised in Türkiye in 2022 formed the basis for the preparation stages of the Climate Law. In this process, the 2022 National Energy Plan published by the Ministry of Energy and Natural Resources and the Carbon Market Regulation, which will enter into force soon, are considered as important steps towards making energy efficiency investments even more effective in facilities.

Türkiye was one of the first sectors to announce its action plan in line with green transformation targets, starting with the textile sector. Within this framework, issues such as reducing water pollution, sorting waste at source, adopting circular economy models and reducing the use of chemicals stand out.

As Penti, we have created new strategies and road maps and initiated our green transformation processes in order to minimise the effects of the climate crisis, increase resilience and protect natural resources. We are guiding this transformation with the targets we set in sectoral and cross-sectoral issues.

Penti carries out various policies and projects to ensure that the textile industry becomes more sustainable. These projects include efforts to focus on resilience and climate adaptation, development and capacity building.

- **Penti Pass:** With this project, smart algorithms are used to optimize demand, replenishment and supply in stores. This reduces fuel spent in logistics and cargo processes and reduces carbon emissions. **Additionally, it saves paper, energy and resources by reducing cancellation and return processes.**
- **Product Allocation and Transfer Management Project:** With this project, Penti increases efficiency by enabling stocks to be directed to the right channel, at the right time and in the right quantities. This business process manages stocks more efficiently, with the aim of minimizing unnecessary costs and environmental impacts.
- **Markdown Optimization Project:** This project ensures standardization of discounts and campaigns applied in different channels. This increases operational efficiency and reduces unnecessary paper consumption.
- **Digital Measurement Application:** This application aims to reduce returns by offering customers who shop online the opportunity to choose the most suitable size.
- **My Size One Size Collection:** This collection consists of products made from special flexible fabrics and aims to reduce returns due to size mismatch by adapting to different sizes.
- **People Box:** Resume and recruitment processes are carried out digitally. Paper usage in the process is reduced, CV information is kept confidential and compliance with PDPL processes is ensured.

In 2022, our use of sustainable cotton reached **17.96%** and our use of sustainable polyester reached **6.08%**. In this way, we aimed to increase the use of more environmentally friendly materials.

We carry out studies in all our operations in line with the aim of reducing energy consumption and increasing energy efficiency. For this purpose, we have been measuring and reporting the energy consumption of all our companies since 2011. Likewise, we carry out various projects to ensure energy efficiency in Penti buildings. Our goal is to use resources more effectively and minimize our environmental impact by reducing greenhouse gas emissions.

As Penti Çorap, we saved 660,000 kWh of energy by purchasing 'High Energy Efficiency Compressor' during our reporting period. We reduced carbon emissions by 200 tons of CO<sub>2</sub>.

## AS PENTI ÇORAP, OUR ENERGY PERFORMANCE IN 2022;

Our total annual energy savings:

**1.535.065** kWh

Our total annual greenhouse gas reduction:

**2300** tons of CO<sub>2</sub>

We implement various projects to reduce energy consumption in our production facility. We aim to reduce energy intensity by optimizing production processes. At the same time, we take various measures to increase energy efficiency. We use appropriate methods and analyzes to track, evaluate and report all these processes.

To achieve its sustainability goals, Penti Giyim Retail focused on sourcing its products from closer distances. In this context, while the rate of local suppliers was 70% in 2019, this rate reached 90% in 2021 and 91.32% in 2022. In this way, we achieved a significant distance shortening and route optimization in the production and supply chain of products.

We have completed the project to transition to LED spotlight use in our stores as of 2022. With this transformation, we achieved 68% annual energy efficiency.

As Penti Çorap Factory, we installed solar energy panels in 2013 in order to evaluate the solar energy potential in our campus and started to benefit from renewable solar energy. In the reporting year, the amount of electrical energy we obtained from solar energy was recorded as 12 kWh.

In line with its sustainability strategy and targets, Penti aims to expand the use of renewable energy and increase renewable energy investments in its own facilities.

Penti is aware of its responsibility for transparency in reporting greenhouse gas emissions. Thanks to the projects we carry out with our suppliers, we reduce the weight of packaging in our product portfolio. This effort not only minimises our waste volume, but also helps us reduce indirect carbon emissions generated during packaging production.

**Penti Çorap aims to invest in a 4.1 MW capacity Solar Power Plant (GES) in 2023.**



## ENERGY EFFICIENCY AND EMISSION REDUCTION STUDIES

Penti Çorap’s total environmental investments and expenditures in 2022 were recorded as 5,347,032 TL. These investments and expenditures reflect the company’s commitment to achieving environmental sustainability goals and minimising environmental impacts. Penti Çorap invests in various environmental projects and improvements in accordance with its environmental management policies.

As Penti Çorap, the projects we have realised in the field of energy efficiency and emission reduction during the reporting period are as follows:

The main purpose of the “Dyehouse Waste Water Heat Recovery” project was to reduce natural gas consumption by recovering the heat energy of the waste water of the dyehouse. As a result of this project, the heat energy of 820m<sup>3</sup> waste water per day was recovered. This project contributed to both increasing energy efficiency and reducing carbon emissions. The impact on carbon emissions was equivalent to 2,000 TON CO<sub>2</sub>.

Within the scope of the “Saving Lighting Project”, lighting fixtures were revised in order to make our lighting systems more efficient and reduce energy consumption. Thanks to the project, 260,000 kWh of energy was saved annually and this corresponded to a financial saving of 800,000 TL. Our project is ongoing. The energy savings achieved through the revision of lighting fixtures also reduced carbon emissions. As a result of this project, approximately 100 tonnes of CO<sub>2</sub> emissions were prevented.

The main purpose of the “Purchase of High Energy Efficient Compressors” project was to replace the compressor systems in our factory with modern and highly efficient compressors that would provide high energy efficiency. As a result of the project, an annual energy saving of 660,000 kWh was achieved, with a financial value of 1,980,000 TL. In addition, the impact of the project on carbon emissions was also remarkable. It contributed to the prevention of approximately 200 tonnes of CO<sub>2</sub> emissions.

### IN-HOUSE ENERGY CONSUMPTION - Penti Energy Consumption by Fuel Type



#### In-house Energy Consumption - Penti Giyim Retail

	2020	2021	2022 (headquarters + stores)
Electricity	205.510 (MWh)	205.510 (MWh)	11.317.118 (kWh)
Fuel-Oil	189.005 (Lt)	218.840 (Lt)	57.826 (Lt)



#### Internal Energy Consumption - Penti Çorap Factory

	2020	2021	2022
Electricity	18.552 (MWh)	21.685 (MWh)	31.874.013 (MWh)
Fuel-Oil	17.716 (MWh)	17.990 (MWh)	27.887 (kWh)
Diesel	96.320 (Lt)	106.774 (Lt)	125.491 (Lt)



## ENERGY EFFICIENCY AND EMISSION REDUCTION STUDIES

Penti Çorap Factory strengthens its environmentally friendly approach by utilising renewable energy sources. It supports efforts to reduce carbon emissions by using renewable energy sources such as solar energy. At the same time, investments to increase energy efficiency are maintained and steps are taken to minimize environmental impact.

We are recording a continuous increase in our energy production from renewable energy sources. Our renewable energy generation, which was 8.9 kWh in 2020, increased to 11.7 kWh in 2021, showing a noticeable increase. And in 2022, this upward trend continued and reached 12 kWh.

### Energy Consumption from Renewable Energy Sources - Penti Çorap Factory

2020	2021	2022
8,9 (kWh)	11,7(kWh)	12(kWh)

### Energy Intensity - Total Energy Consumption of Penti Çorap Factory

2020	2021	2022
32.471 (kWh)	35.231 (kWh)	54.125 (kWh)

### Energy Intensity (Total energy/Production total dozen) Penti Çorap Factory

2020	2021	2022
8,27 (kWh/dz)	8,30 (kWh/dz)	6,86 (kWh/dz)

Penti Çorap Factory regularly monitors its carbon footprint to measure the impact of SDCC and ETS. It sets carbon reduction targets through sustainability committees. The factory works with targets such as saving in energy use, using renewable energy, reusing waste energy. These targets are also in line with the objectives of the Environmental Management System Committee to reduce natural resource consumption.

Penti's carbon footprint calculations include the activities carried out at the Penti Çorap Factory. The calculations include Scope-1 (direct), Scope-2 (indirect energy) and Scope-3 (all indirect) greenhouse gas emissions that occurred within Penti Çorap in 2022.

Year	Total tCO2	Jersey Equivalent Product Dz	Dozen per tCO2
2021	39.443,06	4.026.697	0,00979
2022	49.670,38	7.536.857	0,0065
Difference Between 2021 and 2022			0,0032
Ratio Between 2021 and 2022			% 32

Categories	t CO2e	t CO2e
	Year 2021	Year 2022
Category-1 Direct Greenhouse Gas Emissions	4.569,34	5.680,62
Category-2 Indirect Greenhouse Gas Emissions from Imported Energy	9.366,85	13.828,89
Category-3 Indirect Greenhouse Gas Emissions from Transportation	1.362,54	1.528,20
Category-4 Indirect Greenhouse Sourced from Products and Services Used by the Organization Gas Emissions	20.171,28	27.743,74
Category-5 Indirect Greenhouse Gas Emissions from Post-Production Use of Products Produced by the Organisation	1.043	888,93
Category-6 Indirect Greenhouse Gas Emissions from Other Sources	-	-
<b>Total</b>	<b>39.443,06</b>	<b>49.670,38</b>

In addition to all these regulations, Penti fully fulfils the requirements of environmental legislation. In this context, air emission measurements are legally required and are regularly monitored with a 2-year measurement period. During these measurements, important parameters such as nitrogen oxides (NOx), sulphur dioxide (SOx), volatile organic compounds (VOC) and particulate matter (PM) are meticulously evaluated. Within this framework, Penti does not have any emission parameter that exceeds the limit values set by the regulation. In this way, full compliance with environmental legislation is ensured.

The results of the air emissions measurements we carried out as Penti Çorap in 2021 are as follows:

<b>Penti Çorap Air Emissions</b>	<b>2021</b>	<b>Unit</b>
Particulate Matter (Dust)	<b>0,148</b>	<b>kg/hour</b>
NOx	<b>0,466</b>	<b>kg/hour</b>
SOx	<b>0,133</b>	<b>kg/hour</b>
Volatile Organic Compounds (VOC)	<b>0,0987</b>	<b>kg/hour</b>

Penti Çorap will measure its air emissions in 2023. This data is a reflection of our efforts to monitor and control air emissions as part of our environmental management and sustainability efforts. We aim to increase our positive impact on air quality by continuing our environmentally friendly practices in the future.



We not only adopt environmentally oriented practices in our own operations, but also identify our business partners with a sustainability perspective in our supply chain management. Ekol Logistics, our business partner in our Warehouse and Logistics processes, has been entitled to receive the “Sustainable Logistics Certificate” covering all its facilities, including the facility where it manages the Penti operation. With this certificate, it has met the standards set in many areas such as management systems, energy systems and logistics services in all of its facilities and transport.

Ekol Logistics’ activities have also been certified by the independent Bureau Veritas with the “sustainable logistics gold level”.



## PROTECTION OF WATER RESOURCES

Unbalanced distribution of water resources in the world, deficiencies in water planning, and the use of water without taking sustainability as a basis threaten the continuity of life and species on earth. Significant water problems arise at local and international scales due to population growth, industrialisation, urbanisation and changes in consumption habits. It is time for measures and strategies to be determined and radical changes to be made in business models, taking into account the unbalanced distribution of water resources around the world, so that the negative impact on the climate crisis can be turned into a positive one.

As Penti, we are implementing important projects on reducing water use and water recovery. These projects aim to ensure the sustainable use of water resources and increase water savings.

Water is the foundation of sustainable development and a vital resource. The amount of water on earth is very limited and the effects of the climate crisis threaten water resources. Significant efforts are being carried out in Türkiye for the protection and sustainable use of water resources.

Penti is aware that climate change, population growth and changes in consumption habits make it difficult to access clean and safe water. For this reason, it adopts a responsible water management approach in accordance with the requirements of the ISO 14001 standard.

Penti includes water risks in its assessment of sustainability and climate change risks prior to new investments and operations. In this context, risks such as water scarcity, water pollution and water quality are evaluated. Penti works to take the necessary measures to reduce these risks.

Penti is aware that the textile industry is one of the most intensive areas in terms of water consumption. Therefore, it makes strategic approaches and investments to reduce water consumption in production. Although there is no significant impact on water scarcity in the short term, efforts are made to protect water resources by being aware of the possible effects in the medium and long term.

In addition to these efforts, indirect impacts on water resources are also tried to be reduced by paying attention to processes such as prevention of air pollution, efficient use of energy, and reduction of waste.



As Penti Giyim Retail, the most important water reduction and water recovery projects we have realised during the reporting period are as follows:

Penti increases the use of sustainable cotton in its collections in order to achieve its sustainability targets. In this context, it invests in projects such as Best Cotton and Supima Cotton.

- **Best Cotton project** refers to a type of cotton grown in a way that aims to reduce pressure on the local environment and improve the livelihoods and well-being of farming communities. **Within the scope of this project, 15% less water, 14% less pesticides and 18% less synthetic fertilisers are used compared to conventional cotton.** Within the framework of this approach, support programmes are offered to farmers to ensure soil health, protection of natural habitats and efficient use of water.
- **Supima Cotton** is a type of cotton with a fibre structure 1.5 times longer than conventional cotton. This feature makes the garments more durable and long-lasting. The fibre structure also makes it possible to have a softer texture. Clothes produced with this type of cotton remain in more vivid colours and longer without pilling, and the products can be used for a longer life.
- **Ecovero** and **Tencel** fibres consume 50% less water compared to conventional cotton. Thanks to the use of these fibres, Penti has managed to reduce water use significantly.

With these projects, Penti aims to significantly reduce water use in total and minimise the amount of consumption and waste by switching to sustainable cotton use.



- The use of digital printing in swimwear products saves 600% water compared to the traditional printing method.

#### As Penti Çorap;

As Penti Çorap Factory, we took an important step in 2019 and implemented a rainwater collection system. Thanks to this system, we utilise the rainwater we collect as domestic water. With this practice, we both support our environmental sustainability goal and protect water resources by reducing the amount of water drawn from nature.

“Project for Increasing Machine Capacity with Rotary Boiler Drum Revision” has achieved great success. Thanks to this project, 32,438 m<sup>3</sup> of water was saved and 269,233 TL of financial savings were achieved for our business. The focus of our project is the revision process carried out on the dyeing machine. Thanks to this revision, the capacity of our machine has been increased by 17%. Dye batches, which were previously dyed at 120 kilograms at a time, have become 140 kilograms in the same time. This increase has provided our company with production flexibility.

Within the scope of the “Project on the Use of Soft Water Instead of Dyeing Plant Reverse Osmosis Water”, trials for the use of soft water instead of reverse osmosis water, which is widely used in dyeing baths and has high production costs, started in 2022. As a result of the trial studies, a gradual transition to the use of soft water was achieved with the successful revision of the processes. As a result of these efforts, a financial saving of 293,480 TL was achieved. In addition, 23,000 m<sup>3</sup> of water was saved, contributing to the more effective use of water resources.

Within the scope of our project, which we call “Studies on Dyeing Static Boiler Products in Rotary Boilers”, we aim to make the dyeing process of products produced in static boilers more efficient and sustainable. The dyeing works carried out using rotary boilers have enabled more products to be dyed in the same period of time and reduced the use of water. As a result of these studies, 28,084 m<sup>3</sup> of water was saved. In addition, it made a significant contribution to reducing the costs of our business, resulting in financial savings of 233,099 TL.

## WATER USE

### Penti Çorap Water Usage

	2020	2021	2022	Unit	Description
Groundwater (Well water)	178.100	235.693	351.461	m <sup>3</sup>	Well water
Rainwater (if any; collected, accumulated)	497	731	470	m <sup>3</sup>	Rain harvesting
Total Water Consumption	178.597	236.424	351.931	m <sup>3</sup>	Total water consumption
Production dz	3.926.816,02	4.242.350,16	7.889.994,56	dz	Production level data is given to the ironing.
WATER USE INTENSITY (total use / total production)	-	0.06	0.04	m <sup>3</sup> /dz	m <sup>3</sup> /dz

By 2022, Penti Çorap recorded a significant reduction in our water use. Water use intensity decreased from 0.06 m<sup>3</sup>/dz to 0.04 m<sup>3</sup>/dz, a 33% reduction. This reduction is a result of our environmental sustainability efforts and our commitment to use water resources more efficiently.

### Penti Çorap Wastewater Amount

	2022	Unit
Total wastewater	316.738	m <sup>3</sup>

Penti Çorap Factory failed to fully comply with its environmental management commitments in 2022 and faced an environmental fine. In this period, it failed to meet the average value in consecutive sample analyses carried out within the scope of wastewater internal monitoring. This caused the company to face an environmental fine amounting to 98,637 TL.

Penti is aware of its responsibility to the environment and continues its efforts to fully fulfil its commitments in environmental management. This fine encourages the company to comply with environmental standards more carefully and rigorously. In the future, Penti will continue to increase its efforts to operate in a more environmentally sensitive and sustainable manner.

### PENTİ ÇORAP FACTORY

	Groundwater (Well Water)
2019	296.505 m <sup>3</sup>
2020	178.100 m <sup>3</sup>
2021	235.693 m <sup>3</sup>
2022	351.461 m <sup>3</sup>

### Rain water

2019	59 m <sup>3</sup>
2020	497 m <sup>3</sup>
2021	731 m <sup>3</sup>
2022	470 m <sup>3</sup>

### WASTEWATER (m<sup>3</sup>)

### PENTİ ÇORAP FACTORY

2019	252.029 m <sup>3</sup>
2020	152.800 m <sup>3</sup>
2021	220.733 m <sup>3</sup>
2022	316.738 m <sup>3</sup>

### PENTİ GİYİM RETAIL

2020	784 m <sup>3</sup>
2021	605 m <sup>3</sup>

## BIODIVERSITY

Penti believes that the protection of biodiversity is important for sustainable development. Therefore, it carries out studies to protect biodiversity in production processes and supply chain.

### CORAL PLANTING PROJECT WITH DENİZ YAŞAMINI KORUMA DERNEĞİ (THE ASSOCIATION FOR THE PROTECTION OF MARINE LIFE)



In May 2022, we collaborated with the Association for the Protection of Marine Life through the Coral Planting Project. Within the scope of this project, we supported coral planting for the protection of marine life. In 2023, as a continuation of this project, we prepared a swimwear collection with Aysu Türkoğlu. We donate a portion of the income from this collection to the Association for the Protection of Marine Life.

We work with the Marine Life Conservation Association to revitalize and protect coral beds in the Sea of Marmara. We are strong advocates for the protection of coral ecosystems.

Penti fights against deforestation by procuring cellulosic fibers (Naia, Tencel, Ecovero) from sustainable industrial forests. The Ecovero viscose used by Penti uses 33% less chemicals than conventional. Tencel fibers use 50% less natural resources than Lyocell and are completely biodegradable in freshwater and marine environments. Naia is biodegradable.

The labels we use as product hangtag labels (except kraft labels) are FSC certified. We strive to focus on the best alternatives against deforestation in our packaging materials.

Penti requires Oekotex certificate from all raw material suppliers proving that harmful and prohibited chemicals are not used.

We published our Restricted Chemicals Procedure in order to prevent the use of raw materials that are harmful to both the environment and human health in the production and dyeing processes in the Penti value chain, to prevent the spread of chemicals harmful to the environment and to create a decent and safe work environment for employees. We create a safe supply chain and minimise our environmental footprint by publishing this procedure as a standard for all our existing and new suppliers and ensuring its implementation.

Penti takes all necessary measures to protect the flora and fauna in all its activities and to manage the impacts that may occur in order to fulfil its commitments to protect biodiversity.



## THE WORLD IS OURS COLLECTION

We aim to raise awareness among children during the back-to-school period with the designs we made in the “World is Ours” collection, which we offered for sale in the Kids Category in 2022. By using fabrics made from sustainable cotton in our collection, we save water and energy and reduce our carbon emissions.



Penti has no activities in high biodiversity areas or habitats on the IUCN Red List.

## CIRCULAR ECONOMY AND RESOURCE SUSTAINABILITY

Türkiye is taking important steps towards the transition to a circular economy. Studies such as the National Cyclical Action Plan, Long-Term Climate Change Strategy and Action Plan and Green Deal Action Plan support efforts in this field. Within the scope of these efforts, actions such as the implementation of eco-design criteria in the textile sector, access to repair and reuse facilities, high rates of separate collection of textile waste and extended producer responsibility have been put into effect.

Penti is committed to contributing to the efficient and effective use of resources for a sustainable future. Accordingly, it has set targets for the transition to a circular economy.

- By 2030, we aim to source 95% of our products containing cotton and polyester from sustainable materials.

Within the scope of this goal, we envisage to gradually increase the use of sustainable cotton and sustainable polyester. We aim to increase the use of sustainable cotton and sustainable polyester to 45% by 2025, 60% by 2027 and 95% by 2030.

- We aim to eliminate single-use plastic in our packaging and hangers by using 100% recycled and reusable materials.

Disposable plastic causes significant damage to the environment and human health. Therefore, we aim to eliminate single-use plastic in our packaging and hangers. To this end, we have started using reusable and recyclable hangers made from 100% recycled material in all our stores.

We are committed to working with all stakeholders in our supply chain to achieve these goals. We will ensure that resources are used efficiently and effectively during the production and packaging of our products. We will also encourage our consumers to raise awareness about sustainability.





Penti supports the efficient and effective use of resources for a sustainable future. In this direction, it believes in the importance of the transition to a circular economy and continues its efforts in this field.

Penti aims to play a leading role for a sustainable future with its efforts to transition to a circular economy.

## WASTE MANAGEMENT

Although it seems to make our lives easier, plastics and packaging, which directly harm the environment when not used correctly, are closely monitored due to Europe's carbon neutrality target. In Türkiye, the use of plastic bags has decreased by 75% since plastic bags started to be sold for a fee in 2019. In addition, within the scope of the Packaging Waste Management System (GEKAP), packaging waste is subject to taxation. Within the scope of this obligation, plastic packaging waste was also taxed. With this tax, a tax of 0.80 euro per kilogram has been introduced for non-recycled plastic packaging as of 1 January 2021. Another issue within the scope of GEKAP is the deposit return system. With the deposit return system, it is aimed to increase recycling in our country.

Waste management is seen as an important area by Penti to reduce environmental risks and achieve sustainability goals.

Penti Giyim considers that waste management is directly related to the reduction of environmental impacts and waste quantities. Although the total financial savings of these projects are not clearly stated, it is aimed to create positive effects on costs with waste reduction and sustainability advantages in the long term.

Penti attaches great importance to waste management. In this context, it has established a Waste Management Procedure. The purpose of this procedure is to effectively manage the waste generated within the company and minimize waste generation by adopting the "Zero Waste" approach.

### ZERO WASTE APPROACH:

Systems are being developed to minimise waste generation. Waste generation is minimised by reviewing every step of the production and operation processes.

### EVALUATION AND RECYCLING:

The output of each resulting process is evaluated. Value-containing outputs are integrated into the circular economy for recycling or recovery.

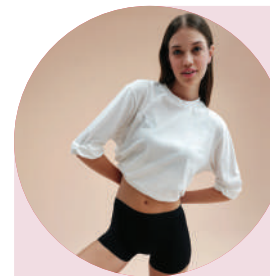
### RECOVERY AND DISPOSAL:

Resources that we cannot recover within the company are sent to relevant organizations. These processes are closely monitored. Wastes that cannot be recycled are sent for disposal through authorized institutions and organizations.

### RESPONSIBILITY AND COLLABORATION:

It is the responsibility of all our employees, especially our management staff, to follow operating conditions in accordance with the waste management procedure. Cooperation and participation are important in this process.

Penti carries out important work on waste management to achieve its sustainability goals. In this context, it has undertaken the following projects in 2022:



### MENSTRUAL SUPPORT PANTIES & BIKINI BOTTOMS (PERIOD SLIP):

Penti Giyim is looking for environmentally friendly and sustainable alternatives in menstrual products. In this context, it aims to reduce the amount of waste caused by disposable products by using environmentally friendly materials in products such as menstrual support panties and bikini bottoms. The aim of this project is to minimise the environmental impact of the products used and to offer products that comply with sustainability strategies.



### SWITCHING TO KRAFT BAGS, AND SUSTAINABLE HANGERS:

Our search for sustainable alternatives in packaging and usage products continues. In this context, we aim to reduce the use of plastic by switching to kraft paper bags instead of plastic bags.

We also aim to reduce waste generation by using reusable and recyclable, sustainable and environmentally friendly

hangers made from 100% recycled materials in our stores. These projects aim to reduce the use of plastic and encourage the transition to more environmentally friendly alternatives.

- Plastic reduction: Plastic reduction is achieved with our products containing sustainable polyester.
- Paper and cardboard reduction: Paper/cardboard reduction is achieved in product packaging.
- It is ensured that the boxes used in transfers from the supplier to the warehouse and from the warehouse to the stores are included in the reuse and recycling mechanism process.

### PREVENTING OUTLET AND SCRAP PRODUCTS FROM BEING WASTED:

Products are kept within the circular economy by selling them at more affordable prices in "outlet" stores. Products that have simple production-related defects (button breakage, skipped stitching, zipper errors, etc.) or minor damage in the aisle should be repaired and kept on sale, and they are not be separated as scrap products.

It is ensured that products that cannot be worn again are not destroyed and sent for recycling.

Approximately 4.5 tonnes of waste reduction was achieved through bottom of bobbin resets at Pentti Çorap Factory, Dohas Association pallet support, Dohas Association domestic waste support. The transition to e-payroll instead of paper payroll and the use of recyclable bags prevented the generation of 633,300 pieces of waste. In 2022, 13.6 million parcels and boxes were produced from 100% recycled paper.

## Waste Projects Carried out by Pentti Çorap during the Reporting Period

### IBC WASTE IRON UPCYCLING PROJECT

The IBC Waste Iron Upcycling Project aimed to effectively recycle the waste iron accumulated in our workplace. With an environmentally friendly approach, we contributed to the protection of natural resources and reduced our carbon footprint. Thanks to the project, financial savings of 397,920 TL were achieved.

### CUTTING AND REUSING BOBBINS IN A SPINNING MILL PROJECT

Our Project of Cutting and Reusing Bobbins in the Spinning Mill resulted in financial savings of 555,000 TL. The project has been completed.

### ZERO CARDBOARD CUP USAGE PROJECT

We reduced the waste of 87,000 paper cups and saved 18,300 TL in annual paper cup costs within the scope of the project to reset the use of paper cups.

### EVALUATION OF DOMESTIC WASTE PROJECT

In this project, 4.5 tons of food waste was given to stray animals, and the project continues.

### ENERGY RECYCLING PROJECT OF VEGETABLE OILS

In the energy recycling project of vegetable oils, 15.51 metric tons of carbon dioxide reduction was achieved by giving waste oils to Kolza Biodiesel company.

### LABORATORY PAPER USAGE REDUCTION PROJECT

With our laboratory paper usage reduction project, we reduced the annual consumption of 2400 cardboards during the reporting period. In the laboratory, tests will be reduced by printing test cards from 2 cards to a single card.

### E-PAYROLL TRANSITION PROJECT

With the E-Payroll Transition Project, we saved 12,000 pieces of paper waste and 10,000 TL in paper payroll costs annually.

### Amount of Non-Hazardous Waste (Ton)

#### Penti Giyim Retail

Total Non-Hazardous Waste	150 (Ton)
Recycled	20 (Ton)
Recovered for Energy Purposes	50 (Ton)

As Penti Çorap, the distribution and changes of our hazardous waste amounts are as follows:

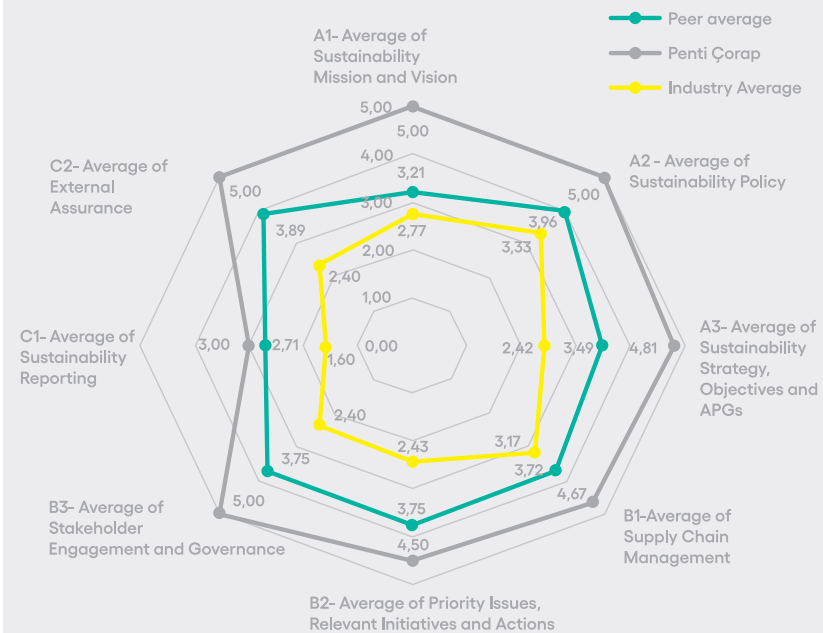
Hazardous Waste Amount	2020	2021	2022
<b>Penti Çorap Factory</b>			
Medical waste going to the regular storage/solid waste landfill	0,005	0,005	0,003
Electronic waste	0,06	0,111	0,83
Other (Treatment sludge, electronic waste, contaminated packaging)	29,576	29,576	51,569
Total Amount of Hazardous Waste	21,685	29,692	52,402

This data reflects the results of our efforts to safely dispose of our wastes and minimise their impact on the environment as part of our efforts to manage and reduce our hazardous waste. In 2022, a 40% decrease in the amount of hazardous waste was recorded.

The distribution and changes in the amount of non-hazardous waste at Penti Çorap are as follows:

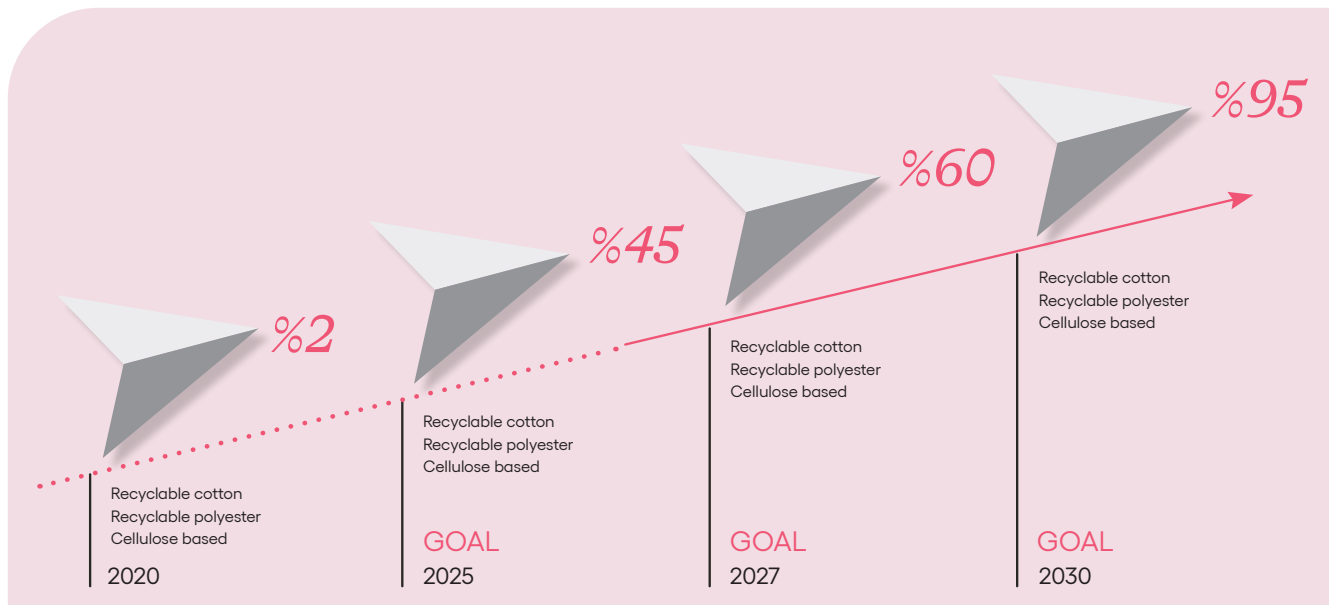
Non-Hazardous Waste Amount	2020	2021	2022
<b>Penti Çorap Factory</b>			
Other:	798,683	906,594	1170,550
Total Amount of Non-Hazardous Waste	798,683	906,594	1170,550

Maturity Results for Penti under the AYM - Compatible Sustainability Maturity Model for Ernst & Young Ready-made Clothing and Apparel Industry Comparing to the April 2022 Sector (n=190) and Peer (n=14) Average



In every evaluation element, Penti is more mature than the industry and peer average. Particularly noteworthy as a development area is Element C1, where the maturity level is less than 4. It is estimated that by implementing actions for C1, whose importance is anticipated to increase in the medium term, the company will become more mature and more competitive in the market.

# OUR SUSTAINABLE PRODUCTS



Penti aims to play a pioneering role for a sustainable future by continuing its efforts to develop sustainable products in the coming period.

Penti continues to progress in line with its targets in the use of sustainable materials in its collections in 2021 and 2022. In 2021, we reached 9.4% in sustainable cotton use and 2.9% in sustainable polyester use. **In 2022, our sustainable cotton usage reached 17.96% and sustainable polyester usage reached 6.08%.**

In 2022, we accelerated our efforts in the field of sustainability. In this context, we implemented a series of projects to increase the use of sustainable materials.

In order to increase the use of sustainable cotton, we collaborated with sustainable cotton certified producers. In order to increase the use of sustainable polyester, efforts were made to extend the use of recycled polyester.

Penti aims to source 95% of our products containing cotton and polyester from sustainable materials by 2030. In this direction, it gradually increases the use of sustainable cotton and recycled polyester. Penti aims to increase the use of sustainable cotton and recycled polyester to 45% by 2025, 60% by 2027 and 95% by 2030.

Penti works passionately for a sustainable world. In this direction, it pays attention to the efficient and effective use of resources at every stage from the design of its products to the end consumer.

The textile industry is a sector that has a significant environmental and social impact worldwide. Penti

continues to work for the sustainability of the textile industry.

The main features of Penti's sustainable products are:







Penti applies alternative methods to reduce carbon emissions during the production of its products. For example, it focuses on using renewable energy sources in production facilities and improving wastewater treatment processes.

Penti uses quality materials and workshop to ensure the longevity of its products. Additionally, it pays attention to the designs of its products to ensure that they are easy to maintain and repair.





## PERFORMANCE MONITORING AND TRACKING RATES

	Cellulose Based		Nylon Polyamide				Cotton				Polyester				Pcs Total	% Total
	Cellulose Based (viskon, modal, tencel, astatat)		Conventional		Sustainable		Conventional		Sustainable		Conventional		Sustainable			
	Pcs	%	Pcs	%	Pcs	%	Pcs	%	Pcs	%	Pcs	%	Pcs	%		
 <b>ACCESSORIES</b>													2	100,00%	2	100,00%
 <b>SOCKS</b>	69	100,00%	2	100,00%			823	88,02%	112	11,98%	19	100,00%			1025	100,00%
 <b>HOMEWEAR</b>	168	100,00%	7	100,00%			449	81,58%	112	18,42%	367	99,36%	5	1,91%	1108	100,00%
 <b>OUTWEAR</b>	36	100,00%	57	100,00%			73	55,61%	43	44,39%	182	97,85%	8	4,30%	399	100,00%
 <b>UNDERWEAR</b>	37	100,00%	863	99,76%	2	0,24%	490	82,67%	131	17,65%	132	91,23%	40	26,32%	1695	100,00%
 <b>BEACHWEAR</b>	71	100,00%	412	100,00%			33	89,22%	11	32,35%	288	98,70%	9	3,90%	824	100,00%
<b>Grand Total</b>	<b>381</b>	<b>100,00%</b>	<b>1341</b>	<b>99,85%</b>	<b>2</b>	<b>0,15%</b>	<b>1868</b>	<b>82,00%</b>	<b>409</b>	<b>17,96%</b>	<b>988</b>	<b>93,92%</b>	<b>64</b>	<b>6,08%</b>	<b>5053</b>	<b>100,00%</b>

In 2022, our sustainable cotton usage reached 17.96%, and our sustainable polyester usage reached 6.08%.

As Penti Çorap, in 2022, 81% of our recycled material usage is recycled nylon, and 19% is recycled polyester.



# FOR EQUALITY *respect*

For a more just and inclusive future...

Our population has grown from 4 million to 7.8 billion in 12 thousand years. By 2050, we will be 10 billion individuals. When we are 10 billion, as we were when we were 4 million, we will continue to believe that each individual can add value to our common existence, and we will continue to respect each individual.



The textile industry is an important part of the world economy. This sector employs millions of people and is an important branch of economic activity worldwide. However, in all this labour force, social injustices are also caused or exploited. The textile sector must play an important role and take responsibility for a more equitable and inclusive future.

As Penti, we provide an equitable and inclusive business environment together with all our stakeholders.

- We care about human rights,
- Act with an egalitarian and inclusive attitude,
- Cares about human health,
- We create opportunity for talents.

## **We respect the health and future of our entire value chain.**

Penti is a company that sets exemplary practices in sustainability and inclusion. Throughout the entire value chain, the company strives to improve occupational health and safety, create an inclusive work environment that respects diversity, and protect fundamental human rights.



At Penti, we ensure that all our employees have fair and equal opportunities without discrimination on any grounds such as religion, language, race, gender, sexual orientation, ethnicity, age or disability.

Penti's management approach is based on the Japanese concept of "Kyosei", which means "living and working together to create the common good". We have created the necessary mechanisms to ensure and monitor equality by reflecting this philosophy to internal practices. We organise our practices on issues such as equal pay for equal work, gender equality, use of egalitarian language, equality in training and benefits in a way to ensure equal benefits for every individual regardless of position, location, age, gender and sexual orientation. We also conduct internal communications, trainings and projects to raise awareness on gender equality.

Penti builds its commitments to sustainability and inclusion on the protection of fundamental human rights, the recognition of diversity and the establishment of an inclusive and equitable work environment. Based on these commitments, Penti creates a working environment where rights are protected, skills are updated and developed, physical and mental health are protected, and the way should be paved for people who are respected for all their differences to actively contribute to the common goals of their production for the construction of a more livable future.

Penti continues to work on sustainability and inclusion throughout its entire value chain. In this context, efforts are carried out to increase the use of human health and environmentally friendly sustainable materials, improve worker health and safety, and create an equitable and inclusive work environment that respects diversity.

## NOW HR IS IN THE FIELD EVERY MONTH!

Now every month

Each member of our Human Resources team started visiting all Penti stores every month, starting from Istanbul!

In the first month, we had the opportunity to chat face to face and listen to 105 Penti members from 23 stores, one by one.

We will continue to meet you by continuing our visits with HR in the field!





## OUR WORKING LIFE

**Our work culture is rooted in the philosophy of working together, and the foundation of our business is rooted in respect for people.**

In line with our Kyosei philosophy, it is critical for us to balance the expectations and satisfaction of customers, employees and shareholders, which are the most important elements of social sustainability performance.

With the strength we derive from our entire value chain, we keep a respect-oriented rhythm for a better life and a better world. In this direction, we work with the awareness of our responsibility to offer a more equal world to our employees, suppliers and all our stakeholders.

At Penti, employees are in an egalitarian and inclusive work environment created with the power of respect.

Our respect for human beings is at the centre of everything we do. Human rights are our top priority in all our processes and in every work we carry out.

Penti continues to work with a focus on working life throughout the entire value chain. In this context, the targets it focuses on are:

- Creating a diverse and inclusive work environment
- Ensuring the health and safety of employees
- Supporting the training and development of employees
- Ensuring the protection of employee rights
- Creating a diverse and inclusive work environment

Penti does not accept discrimination among employees based on language, race, color, gender, sexual orientation, political thought, belief, religion, sect, age, physical disability and similar reasons.

- It organizes trainings to raise awareness about diversity and inclusion.
- It creates suitable job opportunities for disabled employees.
- It adopts a fair and egalitarian approach in employee recruitment and promotions.
- It ensures worker health and safety.
- It implements the policy of equal pay for equal work.

Penti takes the necessary precautions to ensure worker health and safety in all its production facilities.

- Occupational health and safety experts are assigned to workplaces.
- Provides training to employees on occupational health and safety.
- It provides occupational health and safety equipment in workplaces.
- It supports the training and development of employees.
- It ensures the suitability of working conditions through regular Social Compliance and Technical Audits.



Penti keeps employee health among its most important issues.

We started the online dietitian consultancy process for our employees in 2023, in cooperation with Memorial Hospital, within the scope of our WellTogether program.

Penti offers various training and development opportunities to support the professional development of its employees.

Penti provides all its employees with working conditions that comply with international human rights standards.

Penti's work with a focus on working life has increased employee satisfaction and loyalty, strengthened its employer brand and contributed to the creation of a sustainable business model.

Penti supports diversity and inclusion by valuing people in every aspect of working life. Penti will continue to work to ensure that all employees have a safe and respectful working environment based on rights and equality.

**Number of Employees Benefiting from Maternity/Parental Leave at Penti Giyim Retail**

	Female	Male
2020	120	14
2021	43	18
2022	84	3

Believing in the balance between family and work life, Penti encourages its employees to be with their children during critical periods in their educational life. Recognising the importance of the excitement on the first day of school, Penti gives Penti parents the opportunity to take half a day off every year so that they can experience this special moment with their children.

**Number of Employees Returning to Work After the End of Maternity/Parental Leave at Penti Giyim Retail**

	Female	Male
2020	101	14
2021	35	18
2022	62	3

In order to realize our policy priorities, as Penti Employees;

**We develop our skills**

**Cooperate**

**We learn a lot from each other and our experiences**

**Decide together**

**We embrace the goals together.**

## PENTI'S ACHIEVEMENTS IN WORKING LIFE

In 2022, Great Place to Work® was selected as the “**Best Employer**” by Türkiye.

In 2022, it was ranked among the “**Best Employers**” by Great Place to Work® Europe.

In 2022, it ranked first in Türkiye's Best Employers list as a production, textile and retail company from Europe.

## WE RECOGNIZE THE PENTI RHYTHM WHEREVER WE HEAR IT, BECAUSE A PENTI EMPLOYEE

Knows that everyone has different talents and dances in harmony with these different talents!

Strength comes from working together!

Identifies areas of improvement in his business and takes bold steps towards these needs!

Is aware of the importance of different perspectives, and highlights his competence by enriching his work!

It aims to grow more, affects more people!

Wears cufflinks, explains strategy, rolls up his sleeves and carries out the operation!

Share their competencies with each other and transform them into the most meaningful business results together!

Believes in gender equality!

It respects everyone's diversity, regardless of language, religion, race or ethnicity!

We attach great importance to talent programmes for young and bright minds to discover their music at Penti and keep up with the rhythm of this energetic world.

With four different talent development programmes named Retail Challenge, Young Maestro, Young Rhythm and Echo, we both bring the Penti brand together with brand new souls and write our name on the first steps of lifelong learning.





## GENDER EQUALITY

### WE EXIST TO FREE THE POWER OF BEING A WOMAN!

Penti focuses on gender equality as an important part of its sustainability strategy and carries out various activities to empower women and girls and ensure gender equality.

Penti considers it an important value to make gender equality a corporate culture and to create opportunities for the empowerment of women and girls.

**Penti's gender equality activities are carried out in line with the following goals:**

- To prevent discrimination among all employees based on language, race, color, gender, sexual orientation, political thought, belief, religion, sect, age, physical disability and similar reasons, and to eliminate gender-based prejudice and discrimination.
- Raising awareness about gender equality

#### Women's Empowerment

Penti creates opportunities for women to be more involved in economic and social life.

- Penti carries out various positive discrimination practices for women to take more place in the business world. In this context, it carries out activities such as training and development programmes, career opportunities and wage equality for its employees.
- Penti implements various programmes to support women in areas such as employment, education and health. In this context, it carries out activities such as flexible working models to ensure the work-life balance of employees, support programmes for working mothers, financing support for women entrepreneurs, and purchasing sensitive to gender equality.

87.2% of employees in managerial positions at Penti Giyim Retail are women.

Penti develops various policies and practices to ensure gender equality.

Penti has a Gender Equality Team to raise awareness about gender equality and coordinate work on this issue.

Penti is preparing an action plan that includes its goals on gender equality and the steps it will take to achieve these goals.

Penti provides training on gender equality to all its employees.





## CULTURE OF GENDER EQUALITY

At Penti, all employees work together under equal conditions regardless of language, race, colour, gender, sexual orientation, political opinion, belief, religion, sect, age or physical disability, and a working environment that advocates equal opportunity is created for all individuals where they can freely show their talents.

Penti strives to make gender equality a corporate culture.

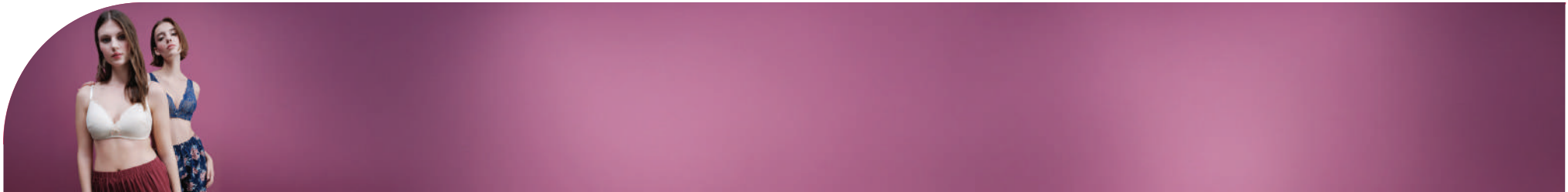
- Penti has a volunteer team from head office, store and factory employees to promote the culture of gender equality.
- Penti conducts various campaigns to raise awareness on gender equality.
- Penti prepares various content to raise awareness on gender equality.

Penti believes that gender equality is an important value for the entire society. In this regard, it carries out studies to ensure equality for all individuals in various fields.



As Penti, we see that Gender Inequality is a global problem and we have created a blog series prepared by Penti's Gender Equality Team for people who want to respond to and stay informed about the issue of Gender Inequality. The purpose of this series is to provide employees with more in-depth information in this field. With this content, Penti aims to make its employees more conscious of gender equality and raise awareness on this issue. **# I Heard But I Don't Know**





### Interviews and Candidate Experience

Penti carries out a series of studies to ensure gender equality in interview processes and to prevent discriminatory practices. In this context, “Interview Communication Training” is provided for all managers. In the training, topics such as questions that should and should not be asked in interviews, prejudices based on gender, age or any identity trait and how to prevent them are discussed. In addition, a “Guide on Questions to Ask and Not to Ask in Interviews” was prepared. This guide aims to facilitate language exchange during the interview processes of interviewing managers. In this way, it is aimed to create an inclusive experience free from discrimination not only for employees but also for candidates.

### Language

Penti is running a campaign called “We Cross It Out!” to raise awareness of sexist expressions in the language. Within the scope of this campaign, sexist expressions and stereotypes embedded in our language are highlighted. It is believed that the change will start in language.

“We Cross It Out!” started as an in-company communication activity last year. The project was strongly embraced within the company and turned into a product. Crossed-out sexist discourses and their correct usage were designed and turned into products as women’s and men’s socks with the contributions of the Design Department in the Socks Category, one of the strongest categories of Penti. The socks offered for sale with the slogan “We Are Breaking The Taboos “ were also loved by our customers. This project of the Gender Equality Team spread first to the entire company and then to our external stakeholders and provided wide awareness.

The team also completed their work on the “Dictionary of Gender Equality in Language”. This dictionary works on a digital platform where sexist expressions in the language will be included.

### Dictionary of Gender Equality in Language

As Penti Gender Equality Team, we adopt the following goals for gender equality.

- To create a corporate culture free from discriminatory language and prejudices.
- Changing our language to achieve gender equality.
- To build a working environment where everyone can feel equal and free.

To achieve these goals, we created the Equality in Language Dictionary. This dictionary aims to raise awareness of discriminatory and sexist expressions and to adopt more inclusive and egalitarian expressions that can be used instead of these expressions.

- By reviewing texts with discriminatory and sexist expressions, you can find expressions that can be used instead of these expressions in the dictionary.
- The dictionary can help you recognise discriminatory expressions in language.
- The dictionary aims to raise awareness on gender equality.

In order for the Equality in Language Dictionary to become widespread and contribute further to gender equality, we invite everyone to promote and use the dictionary.



## Communication

Penti actively uses internal communication channels to increase gender awareness. In this context, blog posts, videos and events on the theme of gender equality are organized.

### Combating violence against women

Penti also attaches great importance to the fight against violence against women. In this context, every year on 25 November, the International Day for the Elimination of Violence Against Women, it participates in a 16-day activism movement with UN Women. In addition, various events and trainings are organized to raise awareness about combating violence against women.

Penti's gender equality efforts cover the company's entire value chain. Penti aims to raise awareness of all its employees, suppliers and stakeholders about gender equality and to carry out studies on this issue.

### Mansplaining-lediniz? / lentiniz!



## Employee Engagement

Penti is a company that prioritises increasing employee loyalty and ensuring the happiness of its employees. In this direction, it carries out various practices to meet the needs and expectations of its employees.

Penti organises an employee satisfaction survey every year to measure employee satisfaction. For 2022, the employee satisfaction rate is 81%.

	2020	2021	2022
Employee Satisfaction Score	%69	%62	%81

Penti implements the following practices for employee happiness and interaction with employees:

- Penti organised activities such as online concerts, chair yoga, olive tastings, etc. to enable its employees to socialise and develop themselves.
- Penti has social clubs that employees can join according to their interests. These clubs are Cinema Club, Music Club, Travel Club and Social Responsibility Club. Club members come together to plan various activities.
- Penti celebrates one day of every month as Appreciation Day. On this day, employees, regardless of position, recognise each other for their high performance, support and friendship.
- In 2021, with people worldwide turning towards physical and mental health, Penti launched the Well Together project. Within the scope of this project, activities such as meditation, yoga, as well as dietitian support, awareness talks, webinars such as methods of coping with stress and anxiety were organised. The programme continued in 2022 with different projects.



## PERFORMANCE AND TALENT MANAGEMENT

Penti sees performance and talent management as an important tool to maximise the potential of its employees and help the company achieve its strategic goals. Talent and employee experience and management is the main agenda on the agenda of every manager in the company. Because we know that the happiness of our employees means strengthening the brand's steps towards the future.

Penti's performance and talent management approach focuses on improving the performance and potential of its employees. Penti uses a variety of practices and tools to help its employees achieve alignment between individual and company goals.

- Penti regularly evaluates the performance of its employees. These assessments aim to determine the level of achievement of the employee's goals, strengths, weaknesses and development needs.
- Penti uses various tools and practices to identify and develop the potential of its employees. These tools include performance appraisals, 360-degree feedback, talent scans and development plans.
- Penti offers various resources and opportunities to help employees achieve their career goals. These resources include mentoring and coaching programmes, training and development programmes and promotion opportunities.



Training programs for employees and managers (PG+PÇ)	Training Hour	Number of Employees Benefiting from Training	Training Hour	Number of Employees Benefiting from Training
Education Year	2022	2022	2021	2021
Cultural Programs (Rhythm of Penti, Corporate Orientation, Gender Equality Training, Kyosei Training, Rhythm of Values)	1,77	7978	2,88	7.448
Being Maestro Leadership Development Program (Training and Development Programs for All Manager Positions)	0,33	22,43	0,22	404
Schools (Supply Chain, E-Commerce, IT, Marketing)	1,48	4631	0,52	83
Specialization Programs (Underwear Academy, Mybra Program)			0,3	422
Technical Trainings (Excel, Adobe Training)	2,55	11122	0,2	53
Competency Development (From Communication to Collaboration, Emotional Intelligence, Internal Trainer Training, Rhythm of Happiness, Learning to Learn)	0,73	974	0,41	754
Mandatory Trainings (PDPL, Information Security, OHS, First Aid, ISO 9001)	0,72	1023	0,73	1.868



Training programs (PÇ) for employees and managers	Training Hour	Number of Employees Benefiting from Training	Training Hour	Number of Employees Benefiting from Training
Education Year	2022	2022	2021	2021
Basic Trainings (On-the-Job and Orientation, OHS, Fire, Environment and Waste, First Aid, etc.)	15,26	1036	30,2	642
Operational Trainings (Job Trainings, On-Machine Trainings, Machine Operating Instructions, etc.)				
Development Oriented Trainings (TPM, Single Point Trainings, ISO Trainings, External Trainings)				









## Total Number of Employees Subject to a Regular Performance and Career Development Evaluation

		
	FEMALE	MALE
2020	253	163
2021	291	189
2022	201	129

UNDER 30		
		
	FEMALE	MALE
2020	94	5
2021	79	5
2022	43	15

30 - 50 YEARS		
		
	FEMALE	MALE
2020	451	76
2021	472	82
2022	142	105

OVER 50		
		
	FEMALE	MALE
2020	6	3
2021	11	4
2022	16	9



## COMBATING CHILD LABOR

Child labour has been a problem in almost all countries of the world since the early ages. Today, it continues to exist in different forms in all parts of the world regardless of the level of development.

The United Nations has issued various international conventions and declarations to combat child labour. These documents recommend member states and the private sector to take necessary measures to prevent child labour and protect children.

Penti believes that child labour is one of the world's biggest human rights violations and hinders children's education and development. Penti is extremely sensitive to this issue and takes all necessary measures to prevent child labour in its value chain.

Penti, in compliance with international conventions and declarations to combat child labour;

- Penti encourages its suppliers to take necessary measures to prevent child labour in their workplaces. To this end, it has published a Code of Conduct inviting its suppliers to act in accordance with international conventions and declarations on child labour.
- It subjects its suppliers to regular inspections regarding child labor. These audits evaluate suppliers' policies and practices regarding child labor.
- Penti trains its employees on child labor.
- Penti constantly improves its efforts to combat child labor and increases its commitments in this regard.
- In case of any non-compliance regarding child labor detected during regular Social Compliance and Technical Audits, the relevant workplace in the supply chain is blocked and cannot be included in the Penti value chain.

## OCCUPATIONAL HEALTH AND SAFETY

Penti considers protecting the health and safety of its employees and other people in the workplace as one of its top priorities. In this direction, Penti aims to make occupational health and safety a culture and ensures full compliance within the scope of OHS by following the requirements of legal legislation, national and international standards.

Penti has a department responsible for occupational health and safety. This department is responsible for the development and implementation of occupational health and safety policies and practices.



Penti regularly organises OHS committee meetings. In these meetings, OHS risks in the workplace are evaluated and necessary measures are taken.

The department records all occupational accidents and near-miss incidents that occur in the workplace. Penti conducts root cause analyses for occupational accidents and near-miss incidents. It carries out health checks of its employees at the first employment and periodically. It carries out risk analyses to identify all hazards in the workplace and the risks arising from these hazards.

Penti prepares emergency action plans to respond to emergencies. Penti conducts regular ambient measurements to assess the suitability of air, noise, lighting and other factors in the workplace in terms of health and safety.

Penti provides training to its employees on occupational health and safety. These trainings help employees understand the dangers they may face in the workplace and protect themselves. In addition, Penti offers private health insurance to head office employees. This insurance supports employees in covering their health treatments.

Penti continuously improves its work on occupational health and safety and is committed to maintaining its leadership in this field.



## PENTİ ÇORAP FACTORY OHS

We recognise people as our most valuable asset in all our business activities. We prioritise the safety and health of our employees. For this purpose, we implement the Occupational Health and Safety Management System. We periodically review our system, monitor its performance and ensure its continuous improvement.

In our factory, there is an OHS (Occupational Health and Safety) Board for effective management of occupational health and safety issues. Since we are in the least hazardous group, our Board meets regularly every 3 months. The structure of our OHS Board includes various specialities. It consists of individuals specialised in different fields such as employer representative, occupational health and safety specialist, workplace physician, employee representative, headworker and human resources specialist. This board holds regular meetings to ensure the implementation of occupational health and safety policies, assess risks, take measures and protect the health and safety of employees at the highest level.

We carry out comprehensive risk assessment studies to identify occupational health and safety risks. At the same time, we have started pilot region practices to reduce and prevent the risks identified as a result of risk assessments.

We take actions by analysing occupational accidents in order to prevent the occurrence of occupational accidents. Thanks to these analyses, the causes and effects of accidents are better understood and measures are taken to prevent similar accidents. Working conditions are continuously improved with the actions taken to prevent recurrence of accidents.

We take safety precautions in devices and equipment to prevent work accidents. As an example, when an accident occurred in automatic sewing by putting a hand into the gear

of the panty cutting apparatus, a protective apparatus was developed for the gear part to prevent a similar situation from happening again. Such protective measures are implemented to increase the safety of employees and prevent accidents.

These application examples are a reflection of our approach to continuous improvement and taking measures in the field of occupational health and safety. We continue to develop new projects and practices to prevent occupational accidents and protect the health of employees.

We organise OHS trainings to raise awareness of our employees on occupational health and safety issues and to ensure a safe working environment. We plan occupational health and safety trainings in less hazardous workplaces at least once every 3 years for 8 hours. In this way, we aim to ensure that our employees are informed about safe working conditions and minimise risks.

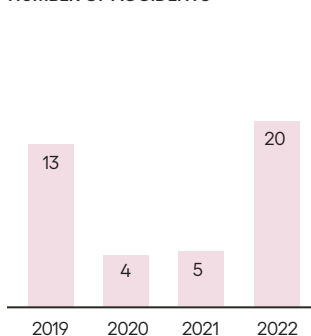
In 2022, we organised a total of 740 hours of OHS training to reflect the importance we attach to occupational health and safety training. These trainings help our employees develop safe working habits and anticipate risks in advance. Training statistics are an indicator of our commitment to increase our employees' awareness of occupational health and safety and to create a safe work environment.

According to our occupational health and safety statistics for 2022, our accident frequency rate was recorded as 7.17%. In the same period, our accident severity rate was calculated as 0.09%. These statistics reflect how much attention we pay to the safe working conditions of our employees and the effectiveness of our occupational safety policies.

- A total of 263 days were lost due to occupational accidents in 2022. In order to reduce these lost days, we continuously conduct accident analyses and prevent similar accidents from happening again by taking actions. No cases of occupational diseases have been encountered, and we are pleased to see that our efforts to protect the health of our employees have yielded results.

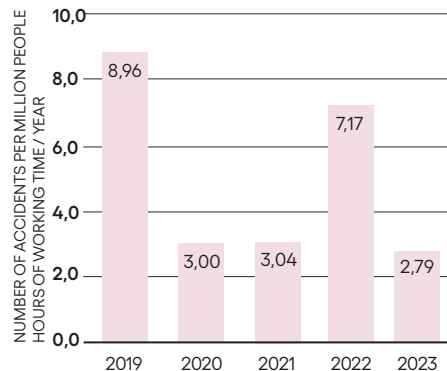
### WORKPLACE ACCIDENT OCCURRENCE

NUMBER OF ACCIDENTS



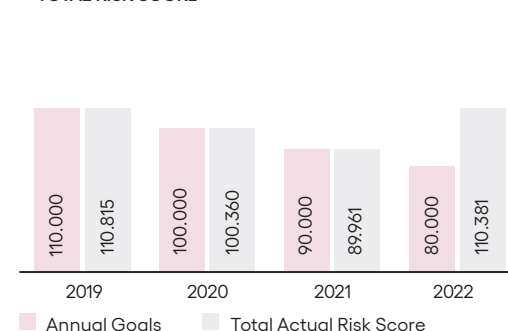
### ACCIDENT FREQUENCY RATE

NUMBER OF ACCIDENTS PER MILLION PEOPLE HOURS OF WORKING TIME / YEAR



### TOTAL RISK SCORE TARGET REALIZATION

TOTAL RISK SCORE







## CUSTOMER HEALTH AND SAFETY

To ensure customer health and safety, Penti takes measures that comply with, and in some cases exceed, textile industry standards. Penti’s efforts demonstrate its leadership in this field.

In 2022, we integrated new processes and technologies to reduce the use of water, energy and chemicals in our production processes. In cooperation with industry stakeholders, we aimed to minimise the environmental impact at every stage of our products. **In this direction, we created and published the “Prohibited Chemicals Procedure” based on ZDHC standards with the aim of removing harmful chemicals from our supply chain and production processes.**

Penti considers protecting the health and safety of its customers as one of its top priorities. In this direction, it continuously improves its work to ensure that its products and services are safe.

- Penti continuously conducts research and development to ensure that its products and services are safe. Efforts are made to test products and services, assess their compliance with safety standards and reduce safety risks.
- Penti informs its customers about the safe use of its products and services. Product labels, user manuals and training programmes ensure that customers are informed about safe use.
- Penti regularly monitors and audits the safety of its products and services. These audits ensure that safety risks are identified and necessary precautions are taken.

Penti carries out comprehensive quality control and audit activities to ensure the quality and safety of its products

and services. In 2022, quality control was carried out **26,982** times on the products produced by our suppliers. Of these quality controls, 78% were passed, 14% were not ready for quality control, and 8% were failed.

In 2022, the rate of passing Inspection the first time was 82%. 82% of the products received approval from the first quality control. In 2020, the rate of approval from the first quality control was 61%, while in 2019 it was 58%. As can be seen from these figures, we see a vertical increase in the rate of approval from the first quality control every year. Quality control processes were carried out by Penti’s own Quality Control (Inspection) team and by Intertek Test Services as an external stakeholder in international operations.

In the Penti office, 250 in-house washing tests were carried out and reported to test the quality and durability of products and raw materials. In addition to these tests, every 6 months, the quality of Homewear and Underwear (NOOS & Fashion) products, which are determined from the stores and are constantly on sale, were obtained and washing resistance tests were carried out and reported. Thus, Penti continues its regular controls in line with its goal of always offering durable and long-lasting products to its customers.

**26.982**  
quality controls

**82%**  
of products were approved  
by the first quality control

### TOTAL NUMBER OF FABRIC AND PRODUCT TESTS

A total of 47,710 product and fabric tests were conducted in the accredited and independent Ekoteks Laboratory in 2022.

### TOTAL NUMBER OF FINISHED PRODUCT TESTS:

**7539**

### TOTAL NUMBER OF FABRIC TESTS:

**40.171**

### TOTAL NUMBER OF TESTS:

**47.710**



## PRODUCT RISK ASSESSMENT MEETINGS

Penti organises risk assessment meetings to ensure the safety and quality of its products before they are offered for sale. In these meetings, products are evaluated by technical teams in line with criteria such as product safety, product quality, fabrics used in the product, accessories, sewing quality and wearing comfort. Action is taken on any issue deemed risky. In this way, it is ensured that durable and safe products are produced.

**In 2022, nearly 14 thousand models were included in the risk assessment process by Penti.**

## QUALITY

### Control Processes

#### Quality Control and Online Order Management Processes

In 2022, the Quality Department rigorously audited the process of managing online orders in the warehouse where we receive 3rd party service. These audits led to the creation of the “Customer Returns Quality Control Process”, where customer orders and returns must be monitored for quality. This process was effectively implemented by our warehouse, ensuring that the right products of the right quality were delivered to the customer in full and on time.

#### Product Technology and Stitching Standards

During the reporting period, “Stitching Standards” were established for Garment Tech & Inspection teams. These standards aim to determine product approvals and ensure the consistency of stitching. In this way, it is ensured that all products produced are in compliance with Penti quality standards, durable and long-lasting.

#### Product Standards Handbook

“Penti Standards Handbook” was prepared by the Product Technology team during the reporting period. This handbook comprehensively explains the technical sewing standards, raw material usage, fit and sample approval processes of the products. In this way, it is ensured that all products produced are in compliance with Penti quality standards, durable and long-lasting.

#### Testing Processes

##### Product and Raw Material Quality Tests

At Penti head office, 250 internal facility washing tests were carried out to evaluate the durability of products and raw material qualities and the results were reported. In addition, every 6 months, the quality of Home Wear and Underwear (NOOS & Fashion) products selected from the stores and on continuous sale were tested for their washing durability and the results were reported.

##### Product and Fabric Safety Tests

In accordance with the standards set by Penti, a total of 47,710 physical and chemical tests were carried out to ensure the quality and safety of the products. With these tests, it was ensured that the products comply with quality and safety standards.

These processes were carried out meticulously to ensure product quality and safety, strengthen supplier cooperation and increase customer satisfaction. The results obtained formed the basis of continuous improvement and quality management processes.



# FOR COMMUNITY *care*

Our development and progress is only possible when we are a community.

Our development and progress is only possible when we are a community.

While researching, developing and sharing the values we produce, we always remember that we are a community and we take care to pay attention to the harmony and common prosperity of all individuals and elements of this global society.



As Penti, we believe in collective development and progress, and we share our value with the society.

- For the progress of the community
- And the economic development
- We consider the constant innovation
- As our social responsibility

**We embrace a lovely future together with care.**

As Penti, we do not limit sustainability only to the steps we take in the field of environment and products; we are also aware that sustainability is an inevitable necessity for all living things on our planet. We respect and treat nature and all the beings in it with care. We adopt an egalitarian, inclusive, libertarian approach that embraces diversity and differences, stands against discrimination and supports talents for every individual we interact with in our value chain. We continue our existence with this philosophy.





We aim to contribute to the society through social responsibility projects by caring about social development. Especially as the favourite brand of women, we accept it as a mission to support the empowerment of women and girls in society. We attach importance to increasing women's employment, contributing to their development and adopt gender equality as a fundamental value. Our continuous development approach emphasises that the most valuable promise of our brand to women is to both inspire them and offer solutions to their problems.

Penti is a company based on adding value to the society and developing together. Accordingly, it attaches great importance to social benefit projects.

Penti's social benefit projects focus on important areas such as gender equality, empowerment of women and girls in all areas of society and sustainability. The company carries out activities in these areas together with its employees, suppliers, customers and other stakeholders.

As Penti, we believe in co-development and progress, and we share the value we create with the society. We consider it our social responsibility to be in constant innovation for the development of society and the development of the economy, and we embrace a lovely future together with care.

Achieving success in management, production and the construction of a healthy ecosystem needs systematic research and development activities required by all three areas.

Extending economic and social welfare and ensuring that everyone has access to this welfare shapes it as the right choice to share the value we create with people by using all kinds of means.

This understanding lies at the basis of modelling and implementing our social benefit projects that will transfer this value we create directly and indirectly to all our stakeholders, and we strive to ensure the participation of all our stakeholders and customers, especially our employees, in our activities in this field.

We also offer Gender Equality training and seminars to our suppliers. In this way, we support the development of not only Penti employees but also our suppliers with whom we do business.

Penti takes an active role in social benefit projects as a requirement of its social responsibility for the progress of society and the development of the economy. These projects are supported by Penti's employees, suppliers, customers and other stakeholders.



## R&D AND INNOVATION APPROACH

Investment growth rate from 2020 to 2021 is

**25.7%** and from 2021 to 2022 is  
**109.16%**

Penti is a company that follows global trends closely and reflects these trends on its products and services. Penti's R&D and innovation efforts focus on meeting the changing needs and expectations of consumers by following global trends.

We continue our innovative product developments at Penti Giyim Retail.

In 2022, as Penti Giyim Retail, we patented many of our innovative products and registered them as utility models:

- Utility Model Invention Title: A Flexible Fabric
- Utility Model Invention Title: A Top for Every Size

Additionally, we completed 7 different projects in 2022 with our Design Center certificate:

1. New Generation Bra and Bralette Collection Offering Comfort and Functionality at the Same Time
2. New Technology Corset Collection Project for Post-Pandemic, Having Moderate Recovery Features and Giving the Feeling of Nothing
3. Special Day Support Panties with Biocidal Features
4. Legging Collection with Tight Knitting Technique that Prevents Transparency, Gathering and Push-Up Features

5. Active Collection with Flexibility and Firming Properties with Printing Technique

6. Special Design Panties Collection Developed in Collaboration with Penti Çorap R&D Center

7. Leakproof Panties Collection with Different Liquid Holding Capacities, Appealing to a Wide Range of Customers

Work on 5 different projects that we started in 2022 continues in 2023. With these projects, we aim to develop innovative solutions in the Underwear sector, in which we are experts.

We continue to make a difference in our Penti Çorap Factory by taking strength from our hosiery expertise and our pioneering identity in the sector.

As Penti Çorap, we attach great importance to our research and development activities in order to catch global innovative approaches and lead the sector. In order to be a pioneer in the sector with our leading position in hosiery production and to continue our R&D activities within a corporate structure, we established Penti Çorap San. Tic. A.Ş. R&D Centre approved by the Ministry of Industry and Technology in 2019. Our R&D Center operates within our organizational structure, reporting to our Deputy General Manager.

**47** experienced employees

Our centre has a total of 47 experienced employees, including 24 researchers, 18 technicians and 5 support staff with undergraduate and higher education levels. Our R&D Centre continues its activities by developing short, medium

and long term R&D and design strategies. We aim to lead the sector by closely following our innovative approaches and technological developments.

Penti's R&D and innovation studies in line with global trends:

- Penti carries out important work in the field of sustainability. The company increases the use of recycled materials in its products, increases energy efficiency in production processes and works on waste reduction.
- Penti develops new products to meet women's needs for comfort and support during physical activity. The company uses new technologies and materials in these products.
- Penti also carries out important work in the field of customization. The company develops a variety of applications and technologies to meet consumers' personal needs and preferences.

Penti's R&D and innovation studies, which follow global trends, contribute significantly to the success of the company. Thanks to these efforts, Penti meets the changing needs and expectations of consumers and maintains its leading position in the sector.

Penti Çorap,

- Development of Environmentally Friendly Sustainable Production Methods
- Development of Hosiery to Meet Competitive Market Conditions
- Increasing Machine Efficiencies

As Penti Çorap, we protect the environment and respond to customer needs at the highest level by maintaining our leadership in the sector with our strategic approach.

## AS PENTI ÇORAP FACTORY, OUR LONG-TERM R&D STRATEGIES

Ensuring that the annual growth of the company is increased by 10% by commercializing project outputs that create competitive added value,

Adapting the Industry 4.0 Revolution to the existing infrastructure to ensure that the system is sustainable with environmentally friendly and resource-saving behaviors, to ensure higher efficiency, to increase flexibility in production and to reduce costs,

Increasing the number of personnel employed in the R&D Center within 5 years. Reducing waste by extending product life with high durability, reduced leakage effects and socks Project.

Virtual reality technology allows consumers to experience underwear products virtually. This technology helps consumers better understand the actual size and features of the products. By using this technology, Penti aims to enable consumers to purchase underwear products more comfortably and easily.

Augmented reality technology allows consumers to place underwear products in the real world. This technology helps consumers to better understand how the products will look and how they will stand. By using this technology, Penti aims to enable consumers to experience underwear products in a more realistic way.

We collaborated with Manhattan Associates, the world's leading OmniChannel platform. Within the scope of this collaboration, we started to offer our customers an excellent and personalised shopping experience at all touch points such as stock and product management, e-commerce, store and call centre starting from the supply chain with our project called Penti Pass.

In order to achieve sustainable success in the future, it is of great importance to understand all the needs of your target audience and to respond to these needs not only product-oriented but also at every stage of the shopping process. As Penti, we accept innovation as a fundamental part of our way of doing business. We not only design and produce our products in accordance with the changing and evolving needs of women, but also make intensive efforts in the fields of technology and e-commerce in order to respond quickly to customer demands and improve the shopping experience.

In 2023, one of the most important expectations of customers is to have an uninterrupted shopping experience. In this

context, we make it our mission to liberate and facilitate women's shopping experience from a holistic perspective, without discriminating between online and offline. To this end, we are reshaping our merchandising approach and increasing our investments by focusing on technological developments in order to provide better service to customers.

2020 was a year in which we focused on increasing e-commerce sales. As a result of these efforts, our e-commerce sales in 2020 increased by 13.6% compared to the previous year, 2019, reaching TL 1.2 billion. We maintained this successful performance in 2021 and continued to grow by increasing our e-commerce sales by 26% compared to the previous year. Compared to 2021, our e-commerce sales increased by 31% in 2022.

Penti uses social media as an important tool to interact with its customers. The company is active on platforms such as Instagram, Facebook, Twitter and YouTube. Through these platforms, Penti introduces new collections, organises campaigns and receives customer feedback.

Penti uses artificial intelligence in many areas from production to marketing. The company uses AI to optimise production processes, better understand customer needs and deliver personalised experiences.

Penti focused on personalising its customers' shopping experience using AI in 2022. The company uses artificial intelligence to make recommendations to customers based on their past purchases.

### DIGITALIZATION

## WE WORK TO ENRICH WOMEN'S SHOPPING EXPERIENCES

### Underwear in a Digitalizing World

The underwear industry has been undergoing a significant digital transformation in recent years. Leading players in the industry are trying to improve customer experience and reach new markets by using technologies such as e-commerce, social media and artificial intelligence.

Penti is working to shape the future of the underwear industry in the digitalizing world. In this context, it plans to offer consumers an innovative shopping experience by using technologies such as virtual reality and augmented reality.

Penti aims to maintain its leading position in the underwear and women's hosiery industry by continuing its investments in the digital field.

As Penti, we attach great importance to the installation of all kinds of software in order to optimise our management and production systems. By closely following technological developments, we put software into use that can make our business processes more efficient. In this way, we can manage our operations more effectively, optimise our production processes and make our operation more streamlined.

#### **Automation of the Presentation Process Prepared for Franchise Dealers**

We have completed the project of automating the presentation file of Penti's B2B ST site to dealers with its new interface with the great energy and cooperation of our Information Technologies, International Franchise and Category departments.

With this project, the interface and infrastructure of our B2B ST site has been updated and the presentation files prepared manually by our category teams before each season have been automated.

Thanks to this project, operational efficiency has been increased by saving 30 human-days.

#### **Cash Flow Report**

We have implemented an important project in our financial transformation with the Penti Cash Flow Report.

With this project, we can instantly report actual cash flow realizations,

It provides group consolidation through a single company (parent company),

It reduces workload by providing operational efficiency,

Measures planned vs. actual cash flow deviations and takes preventive actions,

We will be minimizing the risk of error in our planning.

#### **RPA FashionDays Invoicing Process (Romania)**

We have completed the FashionDays Invoicing Process (Romania) project, one of Penti's RPA projects, with the great energy and cooperation of the E-Commerce and Information Technologies departments.

With this project, the process of transferring and invoicing the products and returns sold on the E-commerce FashionDays site to the Nebim system on a daily basis has been automated.

Thanks to the robot, our 150 minutes/day process has been reduced to 7-8 minutes and operational efficiency has been achieved.

#### **Penti Management System (PMS)**

With the Penti Management System (PMS), we carried our sustainability efforts to the digital platform.

PMS is our internal software developed entirely by our own software team, open source, integrated with SAP, with a mobile application, which we aim to digitalise our factory and increase its competitiveness. An embezzlement module was created in PMS. Blue-collar premium system was commissioned. We moved disciplinary, work accident and near-miss reports to the online system.

In our Penti Çorap Factory, we aim to produce user-friendly solutions to the problems of our personnel with the Total Productive Management System (TPM), Integrated Management System (ISO 9001, ISO 14001, ISO 27001, ISO 50001, ISO 45001) and information technologies, in short "all our work flow processes".



## CORPORATE SOCIAL RESPONSIBILITY

Penti's corporate social responsibility projects are shaped in parallel with the company's core values and priorities. The company focuses on the environment and women's problems and carries out important work in these areas.

Penti made significant investments in corporate social responsibility projects in 2022. With these projects, the company aims to support different segments of society and contribute to building a sustainable future.

- As the brand that understands women best, Penti collaborated with Breast Health Association (MEMEDER) and Roche Türkiye in 2022 to draw attention to the importance of early diagnosis in the fight against breast cancer and to raise awareness during Breast Cancer Awareness Month. Within the scope of the "With Women's Touch, Change the Possibilities" campaign, Penti organised a "Pink Ribbon Wearing Day" event on 26 October. Penti continues to raise breast cancer awareness and contribute to the health of the society.

- Penti organises various programmes and trainings to support women entrepreneurship. For example, it provides financing and mentoring support to women entrepreneurs through the "Penti Women Entrepreneur Programme".
- Penti carries out activities to protect the environment. For example, it uses environmentally friendly technologies in production processes and supports recycling projects.
- Penti believes that all children have equal rights and strives to complete their education! Participating in N Kolay 44th Istanbul Marathon, Penti team started a donation campaign for Turkish Education Volunteers Foundation (TEGV) and organised "Run for Goodness" platform. In addition, national athlete Derya Ateşli participated in this marathon on behalf of Penti, and the Penti team run with the slogan "A Child Changes, Türkiye Develops."
- Penti supports the marine ecosystem by collaborating with the "Association for the Protection of Marine Life" on

protected islands such as Tavşan Island and Yassı Island in the Marmara Sea as part of its sustainability efforts. This cooperation includes supporting the Association for the Protection of Marine Life's coral planting in order to prevent fishing nets from damaging corals, especially in the Marmara Sea. Penti, accompanied by expert divers, examined the corals in the Marmara Sea and supported new coral planting activities.





## CUSTOMER SATISFACTION

Penti carries out various studies to maximise customer satisfaction. Penti focuses on producing quality and durable products. The company tests its products at international standards and continuously improves its quality control processes.

- Penti, while offering quality products, tries to meet the needs of its customers with its affordable pricing policy.
- Penti, by training its customer service teams, tries to provide fast and quality service to its customers. The company provides support to customers via phone, e-mail and social media.
- Penti uses social media as an important tool to interact with its customers. The company receives customer feedback via social media and uses this feedback in product and service development processes.

Consumer habits have gradually started to attach great importance to the shopping experience as well as the products. Especially the speed of the post-order process has become a critical factor for customers. In this context, the demand for services such as fast delivery, same day shipping and same day delivery has increased. As Penti, we aim to increase customer satisfaction by responding to these demands.

The ability of our customers to access their products quickly and smoothly has become an important priority for us. For this reason, we adopt the strategy of shipping 95% of orders on the same day. At the same time, we aim to further improve the customer experience by offering fast delivery

projects and same-day delivery options. In addition, we focus on providing solutions for the specific needs of each customer by creating personalised experiences.

In order to ensure customer satisfaction and improve our business processes, we invest in technology and e-commerce to respond quickly and effectively to all stages of the shopping experience. We also integrate our store stocks into e-commerce sales to ensure that products reach consumers quickly. With these efforts, we aim to increase our competitiveness by responding to our customers' expectations more effectively and quickly.

### **We hear the voice of the customer through different channels**

Through the call center, we listen to and resolve customer product complaints on all matters related to Penti (such as stores, store personnel, online transactions, return-exchange requests, price/design/quality). The goal of the call center is to close every ticket opened and to process and meet every customer request. We also have an 80% overall satisfaction target on the call center side.

Our performance in customer satisfaction is increasing day by day. The 2021 score was determined as an average of 8.7 out of 10. In the same period, the NPS (Net Promoter Score) value, which measures customer experience, was recorded as 61.8. This positive trend continued in 2022. Penti's 2022 NPS score increased significantly compared to the previous year, reaching 72.3. In the same period, the average was determined as 8.9 out of 10. As a result of the studies, a 16.9% increase in customer satisfaction was achieved.

Penti will continue its efforts to increase customer satisfaction in 2023. Our goals are quite ambitious and we will direct our efforts determinedly to achieve these goals. Our goal is to increase customer satisfaction to 80% in 2023. The target is an average score of 9.2.

The comments of our customers who apply to our stores with any feedback about Penti products and services are evaluated by the store personnel and entered into the I-COM (Information-Communication) platform, which provides communication between the head office and the store, for review by the relevant teams in the head office. Notifications on this platform are reviewed by the relevant teams at head office. In 2022, 4,339 notifications were entered into I-COM on topics such as price, design, function, packaging and quality of products, 3,372 notifications in 2021 and 2,338 notifications in 2020.

The Innovation & Quality Assurance and Buying Departments, which manage product development and purchasing processes, visited 91 different Penti stores throughout 2022, experienced customer satisfaction processes in the store and measured customer product satisfaction. With regular visits made every quarter, points where customers were dissatisfied with the products were identified and remedial actions were taken. During the interviews with Penti Sales Consultants, useful feedbacks were received to improve the products.



### Customer Mind & Customer Feedback

In 2022, Penti maintained its customer-oriented approach and continued to evaluate customer feedback effectively.

Four Customer Mind meetings were held throughout the year. In these meetings, a total of 285 actions were determined for all categories.

**A total of 24,048 negative comments (with 1 and 2 points) made for Penti products on Marketplace sales platforms were analysed and reported one by one, and actions were created and assigned to the relevant teams accordingly.**

In I-COM, 4339 product comments and customer feedback from store personnel were analysed, and quality complaints were reported to the relevant teams on a monthly basis.

**110 thousand customer comments, including positive, negative and neutral comments, were analysed on many different platforms related to Penti products throughout 2022.**

If the customer requests a return or exchange, the relevant products are examined by the store and directed to the Product Analysis Team at the head office. The decision on the products examined is notified to the store to be communicated to the customer.



Every two months, we have Customer Mind meetings in which both head office and field staff participate. Teams from Innovation & Quality Assurance, Buying, Category Management, Marketing, Design, and Operations attend these sessions and decide on initiatives for improving customer satisfaction and product development by analyzing feedback from customers on social media, the marketplace, and in-store.

### Customer Satisfaction and Return Processes

In order to increase store satisfaction, the “Return & Exchange Process Guide”, which includes the steps to be followed in product exchange and return requests, was created in 2022. Online classroom trainings on this guide were given to store managers by the Quality team and Operations Managers.

### Store Return and Exchange Processes

“PROCEDURE FOR RETURN & EXCHANGE, PRODUCT REVIEW and WAREHOUSE RETURN PROCEDURE IN STORES” was created and published to regulate the return, exchange and product inspection processes in stores. This procedure is a guide in which the processes in the stores are clearly defined.

## EMPLOYMENT DEVELOPMENT

The International Labour Organization (ILO) estimates that the transition to a sustainable and circular economy could create 24 million new job opportunities globally by 2030. The Green Jobs Report prepared by UNEP and ILO sets out new job descriptions for protecting natural resources and the physical environment and improving environmental quality in the fields of production, research and development and services. According to this definition, a sustainable employment policy should create decent jobs that value people as well as the environment, give importance to issues such as employee rights and occupational safety, share aspects that are open to development and aspects to be appreciated, and provide career opportunities.

Penti implements its employment policy with a holistic and inclusive approach. In this perspective, the Company believes that it opens the doors to an inclusive and sustainable future by offering fair income and safe working conditions without discrimination. The Company is aware that its most important asset is its qualified human resources and respect for people. It also contributes to the employment of our country through localisation and localisation policies.



## THANK YOU

We thank you for reading our sustainability report, “Our Common Story”, which describes our work with knowledge, passion, respect and care for a more equal world. As a global, multidimensional, pioneering and leading organization, we will continue to work to fulfil our responsibilities to all our stakeholders and to our world.





# ANNEXES

## Sustainability Report 2022

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