

Penti

2023 SUSTAINABILITY REPORT

We are working for a more *equal* world.

APPENDIX

3 About the Report
4 Messages from the Management
8 Our Story
48 We are working for a more *equal* world.

51 FOR DEVELOPMENT *knowledge*

53 Corporate Governance
58 Sustainability Management
61 Risk Management
62 Supply Chain Management

68 FOR PROTECTION *passion*

70 Our Environmental Management Approach to Fighting the Climate Crisis
72 Energy Efficiency and Emissions Reduction
82 Protection of Water Resources
85 Biodiversity

90 FOR EQUALITY *respect*

97 Our Working Life Focus
103 Performance and Talent Management
109 Gender Equality
116 Combating Child Labor
117 Occupational Health and Safety
122 Customer Health and Safety

125 FOR COMMUNITY *care*

129 R&D and Innovation Understanding
133 Digitalization
136 Corporate Social Responsibility
138 Customer Satisfaction

140 ANNEXES

Penti Çorap (Factory) | Penti Giyim (Retail)





About the *report*

We started to systematically monitor and report on our sustainability efforts with the United Nations Global Compact (UNGC), which we signed in 2021. As part of this process, in which we strive to advance our work every day, we have prepared our third report, "Penti 2023 Sustainability Report", taking into account national priorities, current trends, and changing local and global agendas. The content of this report was updated with contributions from the members of the "Penti Better Life Team" (Sustainability Committee) formed by the Sustainability Management and the "Reporting Team".

We have conducted extensive research and stakeholder analysis to identify the main topics for our report, which is aligned with the standards of the "Global Reporting Initiative" (GRI). Our approach to the UNGC principles and the GRI indicators used are described in detail in the Appendices section. We have prepared this report bilingually in Turkish and English. Our report covers the activities in 2023 of Penti Giyim Retail head office in Istanbul and Penti Çorap factories in 2 locations in Çorlu.

As Penti, we are committed to continuing to report on our sustainability performance on an annual basis, taking into account the expectations of our stakeholders. The report has not been subjected to third party verification. The preparation process of our report, the collection and evaluation of relevant data were carried out under the leadership of Sustainability Management, with inputs from internal units. SUCSR supported the preparation process and the creation of the report.

You are welcome to send us your feedback on our report and our sustainability efforts at sustainability@penti.com.tr. We greatly appreciate your comments and suggestions.

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Penti Çorap Factory: **figen.koksal@penti.com.tr**

SENIOR MANAGEMENT MESSAGES



Sami KARİYO

Penti Chairperson of the Board

Dear Stakeholders,

2023 marked a period in which we, as Penti, consolidated our commitment to sustainability and attracted worldwide attention for our innovative projects. We have further strengthened our leadership in the sector, particularly thanks to the progress made in our digitalization and sustainability processes. In line with the inspiration and unwavering guidance of our **74 years of experience** and the innovative ideas introduced by our professional team, we are maintaining our position as experts and leaders in each of the sectors in which we operate, and we remain being the first brand that comes to mind in our main categories, such as Underwear and Hosiery. We are constantly developing and empowering Penti, which I took over in the second generation, in collaboration with our employees, who enrich us every day in the third generation. I firmly believe that we will achieve many more successes in Penti of the best, and we are committed to **being guided by science, adapting to the functioning of our planet** in everything we do.

As an established fashion brand and manufacturer, Penti continues to expand both within Türkiye and abroad. As we position ourselves for tomorrow, we are not indifferent to the environmental threats that await us in the future. We strive to make the world a better place, with the goal of **a better life for all.** Our journey is guided by our corporate heritage and our sustainability model.

In line with our sustainability goals of **"all for the better together"**, this model has become a case study for the rest of the world to emulate. As part of a project and program created by our young talented colleagues in the company, our creative closed-loop waste management model, which we presented at the **UN Global Compact Leaders Summit** in New York, allowed us to take the lead in the retail industry. We were honoured to be the **exclusive company from Türkiye invited to the Summit.** At Penti, we encourage our young talent to excel and realize their potential by fostering a culture of **equal opportunity** and professional entrepreneurship.

As one of the country's first signatories to the Women's Empowerment Principles (WEPS), we remain committed to **empowering women and girls in all aspects of society**, ensuring gender equality and equal pay for equal work, and managing all our business processes in this direction. Since the day we were founded, we have been working in line with our mission to establish an **inclusive and equitable Penti value chain**. Every year, we emphasize the importance we attach to the employment of women by keeping the percentage of female employees among Penti Giyim and Penti Çorap employees well above the average in both the retail and production sectors, and by taking an exemplary stance in the business world in this regard. The proportion of women in our management team has increased to **82%**, demonstrating that women are actively involved in decision-making and management procedures. Irrespective of gender, we implement a **policy of Equal Pay for Equal Work** in return for business continuity and development efforts. We are implementing our Gender Equality Strategy not only within Penti, but also with our business partners to mainstream it, and we are organizing workshops and training to raise awareness of the issue across our entire value chain.

In our Penti Çorap factory, which happens to be one of our most productive units, we continue to design and invest in business processes that are in line with our eco-factory hallmark. By activating our solar power plant, which we recently invested in, we commenced producing and using our own energy in 2023 thanks to this power plant. We intend to increase this rate on a seasonal basis.

As Penti, we have invested over **100 million TL** for the environment in 2023 in line with our sustainability strategy. We are fully aware of the relevance of financial resources to our goal of a better future, and we prioritize the planet and development as we plan our corporate investments.

Penti aspires to be a community working for a better world, not just a brand. With your continued support, we are confident that we will continue to work resolutely towards a sustainable future and a better life for us all.

We extend our sincere appreciation to all our stakeholders, with particular emphasis on our employees, whose efforts are instrumental in upholding our accomplishments and principles, and we look forward to meeting them with renewed hope in the forthcoming year.

Sincerely...

SENIOR MANAGEMENT MESSAGES



Mert KARAİBRAHİMOĞLU

CEO, Penti Giyim

Dear Stakeholders,

Today, as sustainability is no longer an option but a necessity for both individuals and businesses, we all have a great responsibility for our planet and our future. At Penti, we continue to play a leading role in our industry by focusing on sustainability, innovation and social contribution. To this end, we have made significant progress in 2023 with the projects we have implemented throughout the entire value chain to make our products and business processes more sustainable.

We Are Incorporating Our Stores as Part of the Transformation

We have successfully completed our LED Transformation Project, which we have implemented in all our stores as part of our understanding of **"Energy Friendly and Conscious Retailing"** achieving annual energy savings of **68%**. We have set a target to reduce 1,**945 tons of carbon emissions** and **save 1,953 old-growth trees** through our green practices over the next five years.

At full implementation of our other project, the Energy Monitoring and Automation Project, we expect to save **1,165,500 kWh of energy**, **reduce 719 tons of carbon emissions and save 720 old-growth trees** across 50 stores within a year.

Our hanger recycling project has proven to be a great success, reaching 90% completion by the end of 2023 and recycling approximately **6 million hangers**. As we deliver new products to stores, we are reducing the number of hangers in order to reuse our more durable and, recyclable hangers repeatedly.

We Leverage Our Product Expertise For The Benefit Of Sustainability

By 2030, Penti is committed to sourcing 95% of its polyester and cotton from sustainable sources. As part of this, we are actively working to encourage using sustainable polyester and cotton. The percentage of sustainable cotton and polyester used in our collection during the reporting period was **28,22%** and **18,68%** respectively, in alignment with this goal. In order to produce sustainable products, using the recycled raw materials is not the only method we apply. In line with our quality perspective, we further enhance our **"product expertise"**, which we have never wavered from, with our **durable, long-lasting, and functional** products. With our technical team and their professional know-how, we stand out from the competition in the categories in which we specialize and offer innovative products. We created our own **Penti Loves Saúde** collection this year, blending our **product expertise** with our sustainability perspective. We used 100% recycled polyamide and organic cotton-modal blends in the collection and favoured clean and green advertising technologies that minimize carbon emissions in our marketing communications.

Sustainability is a Part of Penti's Culture

Not only within Penti, but throughout our entire value chain, our vision for a better life is being upheld. We stipulate decent working conditions in our supply chain, and through regular audits we ensure that wherever Penti operations are located, there are safe production units that comply with Penti values.

As we consider development and progress to be mutually exclusive, we approach our work from a "business partnership" perspective. As we adapt ourselves to the constantly evolving world trends and technologies, we also support our suppliers' development trajectories in this direction.This year we have intensified and diversified the trainings we routinely provide to our suppliers. Beyond technical issues such as product quality, durability, safety, working conditions and occupational health and safety, we also focused on trainings to raise awareness of human rights and gender equality, organized face-to-face trainings and made our online academy platform available to our suppliers. We have similarly successfully introduced and implemented the **Sustainability Academy**, which consists of 5 modules that we have developed with our internal trainers and internal resources, both within Penti and in our value chain. We have discussed and debated sustainability in the world and at Penti from many different perspectives. We are planning to continue our trainings and new projects intensively in 2024.

SENIOR MANAGEMENT MESSAGES



Mert KARAİBRAHİMOĞLU

CEO, Penti Giyim

At Penti we endeavour to retain **an entrepreneurial and professional spirit**. We believe that every colleague, regardless of age, experience, or position, can add value to the way we conduct business and can realize their potential if provided with an appropriate and egalitarian environment. With the project developed by our three young colleagues, this year we managed to be **the only company from Türkiye to be selected** for the UN Global Compact Leaders Summit in New York as part of the SDG Innovation Program. Thanks to this project developed in line with our sustainability strategy, we had the opportunity to represent our company on a global scale, and we took pride in this achievement as a company.

Our Human Resources practices contribute to a culture that supports equality and diversity in the workplace. With **47%** female representation on our Board of Directors, we aspire for our women employees to assume a more active role in management processes and decision-making mechanisms, and to this end we are developing career development strategies that will lead to an increase in this rate. At Penti, we are proud to have been recognized as a **"Best Workplace for Women"** by Great Place to Work®. We continue to augment our contribution to society through our Corporate Social Responsibility projects and take the essential steps towards a sustainable future. Our objective is to uphold and enhance our standing as a frontrunner brand in the industry, particularly in our efforts to promote gender equality and empower women.

To meet the requirements of the modern age, optimize our business processes, and enhance and pursue our exemplary projects in innovative solutions, we have **invested 53 million TL in our digitalization projects** in 2023. Thanks to our investments in innovation and technology, we have made great strides in our digital transformation projects.

We Are On A Sustainable Growth Path

Throughout the year, we demonstrated a global vision with nearly 600 stores and welcomed **76 million visitors in Türkiye**. **We achieved 14% year-on-year traffic growth on our e-commerce platform**, attracting a total of 83.2 million visitors. Internationally, we launched our operations in 3 new countries and reached a total of 189 stores in 35 countries excluding Türkiye.

One of the most significant aspects of our digital transformation in 2023 was the unabated growth of Penti Pass, our unified omnichannel project that we launched in 2022 in partnership with Manhattan Active® Omni, the world's leading omnichannel platform. By making ourselves more accessible, we have been able to process 445 thousand orders a yearby reducing delivery times and boosting customer satisfaction.

The Inspiration Behind Our Success: Kyosei

All of these achievements and our goals for the future are underpinned by the **Kyosei philosophy**, our corporate culture. In line with this philosophy, which literally means **"living and working together for a common purpose"** in Japanese, we say "we", not "I", and act for the **common benefit** of the greater whole. Likewise, in our approach to sustainability, we strive to ensure that our planet and all its elements live together in harmony, and we focus on the future rather than today, reflecting on the benefits for future generations. We recognize that we can only have a limited impact if we do all this alone, so we collaborate, strengthen each other every day, and act with **common sense.**

All Set For The Future

Our dedicated employees, business partners and customers have made these achievements possible. In the year ahead, I'm confident we can work even more effectively together to build on this story. As part of our Sustainable Products strategy, we aim to increase the proportion of sustainable solutions in our product range to 30%. One of the most significant environmental impacts of the textile industry in which we operate is waste. To address this issue, we intend to introduce a closed-loop business model where we manage our own waste and source raw materials from this waste. We will continue to introduce to our valued stakeholders our innovative product groups that highlight our product expertise, further strengthening the innovation muscle that has been at the heart of Penti since its establishment. We will continue our vigorous international operations and penetrate new markets. As one of the most influential brands in Türkiye, we will continue to inspire women and girls in particular, accompanying them at different milestones in their lives and leaving a strong mark together.

As one of the lovemarks in Türkiye, we are aware of our responsibilities throughout this long journey. I take this opportunity to express my gratitude to each and every one of you for your contributions and encouragement during all these endeavours. I would also like to extend my love and respect to all our stakeholders, in particular employees, and our customers who are our companions on this journey.

Sincerely...

SENIOR MANAGEMENT MESSAGES



Mehmet KARACALI

CEO, Penti Çorap

Dear Employees, Business Partners and Customers,

Our world is at a critical juncture that is calling for our urgent attention and action. At Penti Çorap, we perceive sustainability as a necessity rather than an option. We acknowledge that we bear a responsibility to ensure sustainability in today's rapidly evolving world.

The demand for sustainable operations is growing worldwide and we are proud to be at the forefront of this global transformation. We are making significant progress, particularly in the areas of ethical working conditions, water-saving dyeing methods and the use of recyclable materials.

It is our corporate responsibility to ensure that our products adhere to the most stringent sustainability and quality requirements. We are dedicated to upholding our position as an industry leader and to fulfilling our sustainability goals in the future. The impact of our manufacturing operations on society and the environment is of fundamental importance to us.

It is this vision and the steps we have taken that I would like to share with you.

2023 marked a year of **transformation** and **progress** for Penti Çorap. By setting new standards in energy efficiency and environmental awareness, we have further consolidated our **market-leading position in the sector.** Our progress towards a sustainable future has accelerated due to the actions we adopted in the fields of environmental sustainability and energy efficiency.

Our LED Conversion Project and the purchase of a "High Energy Efficiency Compressor" are the two major energy saving projects we have undertaken, together **saving 624,901 kWh of energy** annually. In all, these projects enabled us to **reduce 275 tons of CO2** emissions.

We have set bold and ambitious goals for the future of our planet. Our commitment to invest in renewable energy sources will significantly reduce our carbon footprint. In addition, we have achieved a wide range of environmental improvements, from dye house optimization to the installation of Solar Power Plants (SPPs), thanks to **investments worth more than EUR 3 million in environmental projects**. Our **exports** likewise recorded a remarkable upturn, reaching a record high of **57 million pairs.**

We have achieved a **local sourcing ratio of 88.7%**, underscoring our commitment to local development. In addition, we are streamlining our manufacturing processes with water and energy-saving innovative technologies. As Penti Çorap, our investment share relating to the UN Sustainable Development Goals has reached **8%.**

As a manufacturer of hosiery, we have a strong commitment to women in manufacturing. Our organization is predicated on the belief that women can thrive in any industry and hold a significant position in society. At Penti Çorap, **70.5% of the employees are women**. This is a relatively high employment rate considering the trend in our industry. Çorlu Chamber of Commerce and Industry granted us the **4th prize in Women's Employment** based on this rate.

Beyond merely protecting the environment, sustainability calls for audacious action and innovative inspiration.

We have set ambitious goals for 2024. We aim to increase the proportion of our sustainable product portfolio to **70%**, reduce our Scope 2 emissions by **80%**, **increase** the share of renewable sources of energy in our total consumption to **50%** and achieve **zero waste** in our facilities.

We intend to expand our sustainable supply chain initiatives and augment our R&D investments to attain these goals.

Research and Development (R&D) is recognized as a key factor in all these novel business procedures. Specifically, we invested **24.048.330 TL in R&D and innovation** during the reporting period. Furthermore, we employ state-of-the-art energy- and water-saving technologies to optimize our production processes.

Social sustainability is an integral part of sustainable development. To foster this awareness, we raise awareness and provide benefits to society through our corporate social responsibility projects, which address environmental and social issues.

I would like to extend my heartfelt gratitude to each and every one of you for your invaluable contributions and your confidence in a sustainable future. We at Penti Çorap will further advance our progress in the fields of environmental sustainability, energy efficiency and renewable energy in the years to come towards achieving the goals of sustainable development.

Each of our hosiery tells a story, woven with the exquisite texture of nature. In the hopes that your footsteps leave a friendly mark on the world...

Sincerely...

OUR *story*

Penti was established in 1950 as a modest family business. Since then it has undergone a remarkable transformation from a hosiery manufacturer to one of the leading brands in the lingerie industry.

Penti's focus on innovation and technology has played an important role in this journey of change and transformation. The company has always prioritized the needs and satisfaction of its customers, developing innovative products and services to exceed their expectations. As a result of this approach, Penti Çorap Factory has become one of the largest integrated women's hosiery manufacturers in Europe.

***In the Underwear and Hosiery category, our brand recognition reached 99%, up from 97%. In the Homewear category, our brand recognition increased from 95% to 98% in 2023.**

As Penti, we uphold our position as the first brand that comes to mind in the product groups in which we operate. Penti's aim is to maintain this success in the coming period and to become an indispensable choice for women all over the world and a brand that women are fond of.

We were named the most reputable brand in the Underwear category in the Türkiye Reputation Index Research. In the Cool Brands Research conducted by Marketing Türkiye, we received the title of "The Coolest Brand" in the Underwear category for 2023. Additionally, this year we were again selected as the "The Most Loved Underwear Brand" in the LoveMarks (The Most Loved Brands) research organized by MediaCat.

*Based on the findings of the Brand Health Research conducted by Future Bright Group Company in 2023 with 1800 participants in 12 provinces of Türkiye. (Adana, Ankara, Bursa, Edirne, Erzurum, Gaziantep, Istanbul, Izmir, Kayseri, Malatya, Samsun, Trabzon).



ABOUT US

The story of our brand began in 1950, when the brothers Mois and Yasef Kariyo founded two separate companies.

At a time when industrialization in our country was limited, the merger of two entrepreneurial brothers was an important turning point for our brand. In 1970, the name of our brand was established as "Öğretmen Çorap" (Teacher's Hosiery) and in the same year, we embarked on our development by establishing our first production facility in Bayrampaşa, Istanbul. The rationale for changing the name of our brand was that women's hosiery was generally preferred by teachers at that time. In the years that followed, we continued to grow as the Penti brand by focusing on innovation and diversity.

In the 1980s, under the guidance of Sami Kariyo, our brand focused on the needs of urban women, and thanks to this approach, we strengthened our position in the market and completed the branding process by adopting 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 designed to make women look slimmer, and from then on, our progressive and innovative brand spirit became visible. In 1999, we opened our first store in Istanbul. In the early 2000s, we expanded Penti stores all over Türkiye. In 2007, we introduced our online store and launched our e-commerce site www.penti.com/en/.

We opened our first international store in Romania in 2011 and currently export to 33 countries, offer Private Label products in 27 countries and exhibit a global vision with almost 600 stores. In 2013, we strengthened the position of our brand by being ranked among Türkiye's 500 largest industrial companies, and in 2014, we took an important step in the field of promotion and branding abroad by going beyond the borders of Türkiye by acquiring the TURQUALITY Certificate. In 2016, we won the Inovalig Award with our Total Efficient Management System.

We crowned our success in 2017 by winning an award at the MIXX Awards. In 2018, we expanded the diversity of our brand as we continued to grow with new products and launches.

In 2020, we once again demonstrated the value we attach to our employees by receiving the Best Employers Award. In 2021, we were ranked by Great Place to Work® as one of the world's best employers. In 2023, our employee-focused HR practices once again earned us a certification as a Happy Place to Work in the "Extraordinary Employee Experience Category".

En İyi İşverenler™ for Women
Great Place To Work. TÜRKİYE 2023

At Penti, we are firmly committed to gender equality and social transformation, and we ensure the active participation of women in business processes and management levels. 83.6% of our employees and 82% of our management staff are women. Following the evaluation of our survey results and Gender Equality Studies by Great Place to Work Türkiye, we were entitled to be included in the list of Best Workplaces for Women, which offers an equitable working environment for women.

As per the results of the Brand Health Survey conducted in 2023 with 1800 participants in 12 provinces of Türkiye (Adana, Ankara, Bursa, Edirne, Erzurum, Gaziantep, İstanbul, İzmir, Kayseri, Malatya, Samsun, Trabzon), **69% of the participants perceive Penti as a brand that always stands by women and supports them.**

Penti Stores welcomes more than 76 million visitors annually with 60 thousand square metres of store area across Türkiye and has a Customer Satisfaction Rate of over 90%.

As Penti Çorap Factory, we export to different markets worldwide. We export our products to major stores and chain stores in more than 50 countries, especially in the UK and France, as well as in the Netherlands, Germany and the Scandinavian countries.

Economic Indicators	Penti Giyim 2023	Penti Çorap 2023	Unit
Revenue	11.383.098.533	2.444.591.460	TL

We welcomed *76 million* visitors to our stores in Türkiye during the year.

In 2023, the total number of customers of Penti Çorap reached *490*.

As Penti Çorap, recorded a revenue increase in TL
32,40% from 2020 to 2021
221.89% from 2021 to 2022
76% from 2022 to 2023.

ABOUT US

Retailing

By the end of 2023, Penti Giyim had reached a network of 399 stores with a total sales area of 60,901 sqm with its operations in Türkiye.

These stores were visited by a total of 76 million customers during the year. During the year, we opened five new stores and expanded three existing stores in line with our growth strategy. **In addition, our retail sales increased by 104.41% on a Like-For-Like (LFL) basis compared to last year.**

Penti Giyim

		UNIT
Total number of stores in Türkiye (Including local retailers)	404	number
Total sales area in Türkiye	60,901	m^2
Total number of store visitors in Türkiye	76.000.000	persons

Penti Giyim's self-operated and franchised stores in the global market in 2023 are as follows:

- **Romania:** A total of **42** stores
- **Kazakhstan:** A total of **6** stores
- **Turkish Republic of Northern Cyprus:** A total of **3** stores

Including our franchise stores, the total number of stores in these countries is 189, and the total net area of our stores worldwide is 17,566 m^2. In 2023, a total of 11,930,055 people visited these stores worldwide.

In 2023, Penti Giyim pursued its growth strategy in the international market and opened **19** new stores worldwide. Our 2 existing stores were expanded to allow us to serve more customers. This expansion and new openings strengthen our company's global reach and raise brand awareness. Penti Giyim continues to expand its global retail network with **189** franchise stores in **35** foreign countries. The company welcomes its visitors in a total of **593** stores all over the world.

As Penti Giyim, we welcomed **76 million visitors** across Türkiye and during this period we achieved a **5% increase** in the number of visitors and a one-point improvement in our customer satisfaction score.

Penti pass

As part of our Penti Pass project, one of the most important steps in our digitalization strategy, we have successfully prepared 445 thousand orders. In line with our growth plans, we opened 5 new stores and expanded 3 of our existing stores. We achieved 10% growth in product sales compared to last year.

Our accomplishments in field operations:

- **We achieved 10% growth on sales of 46 million products.**
- We conducted 1,600 Regional Manager Audits.
- We conducted 1,570 External Audits.
- We received 3,207 feedback from our store employees.
- We conducted 7,794 surveillance and inspections in our stores using 2,600 cameras.
- We conducted 9,000 competitive intelligence surveys and reviewed the market.
- We visited 4,781 stores using the mystery shopper method.
- We organized 1,923 training sessions to improve the operational competence of our employees.
- A total of 3,169 new recruits joined the company.
- We realized 18 projects and 8 live broadcasts on social media and digital platforms.
- Through 386 newsletters, we communicated and exchanged information on 1,158 different topics.
- In total, we received support from 302 service providers.
- We dispatched 900,000 boxes of products from our warehouses.
- We fulfilled 445 thousand Penti Pass orders.

ABOUT US

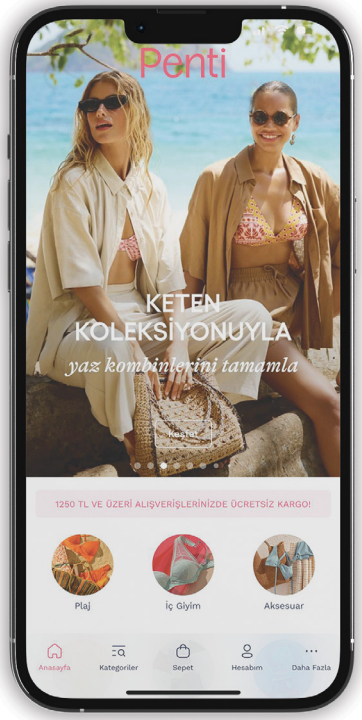
E-commerce

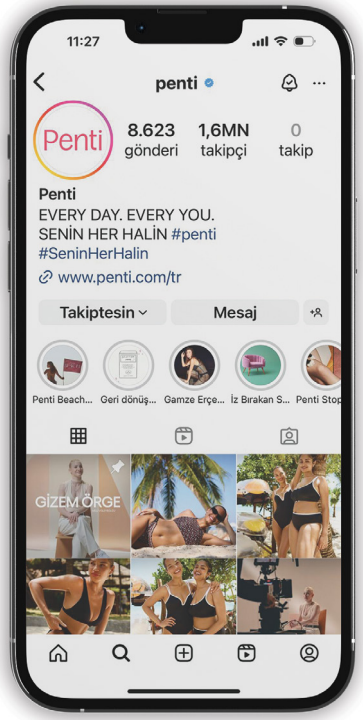
One of the cornerstones of our integrated multi-channel retailing approach is our e-commerce business.

Our e-commerce sites and mobile applications are the building blocks of our business. Our e-commerce platform received **83.2 million** unique visitors during the period, making us one of the most influential digital platforms in the sector. Our mobile application also proved popular with users, with **2.1 million** downloads and **2.2 million** active users. Given the sizeable guest base we host on our mobile application, the contribution of purchases made through our application to our total e-commerce revenue was **58%** in 2023.

E-commerce:

- **In 2023, the transaction traffic grew by 14% compared to 2022.**
- **In 2023, the number of active users of our mobile applications climbed by 94% compared to 2022.**
- **While CR was 1.22% in 2022, it increased to 1.62% in 2023, representing a rise of 33%.**
- **While ROI was 10 in 2022, it increased to 16 in 2023, representing a growth of 60%.**





Customer Satisfaction

We succeeded in maintaining the 85% service level target we set for our call center in 2023. Additionally, our customer satisfaction rate is above 85%, which marks a significant achievement for us.

We are constantly striving to further improve our customer satisfaction.

Our Social Media Outreach and Customer Loyalty Program

As of 2023, Penti has reached a large audience on social media and has a follower base of 1.6 million people. The range of our posts has reached around 170 million users.

While the number of customers included in our loyalty program was 2.9 million in 2022, we increased this number to over 5 million in 2023.

PENTİ BY NUMBERS

For development *knowledge*



Highlights at Penti Giyim Retail in 2023

- Our brand awareness in the Underwear and Hosiery category is *99%*.
- Our Homewear brand awareness has reached *98%*.
- According to the survey organized by Capital Magazine, we were ranked among the *500 largest* companies in Türkiye for the 5th time.
- We have set up an *Inventory Management Department*. Thus, we have optimized inventory loss rates and scrap & waste inventory management by making our inventory management and control functions more effective. We have tightened control over the process by which our products become scrap and waste, thereby contributing to our product sustainability.
- We have sold more than *8.5 million* bras.
- We have improved our *inventory turnover rate* by reducing the number of days in stock by *20 days* compared to the previous year.
- The successful implementation of our *Penti Pass** project has enabled us to optimize freight, reduce delivery times and enhance customer satisfaction by improving accessibility.

*Penti Pass: Order management with unified omnichannel



Highlights at Penti Çorap Factory in 2023

- As Penti Çorap A.Ş., we received the *4th prize* for the Women's Employment in the category of Industrialists Employing the Most Women in OIZs.
- Sustainability Investments - Our share allocated to the UN Sustainable Development Goals reached *8%.*
- We have invested *24 million TL* in R&D and innovation.
- Our export volume reached *57 million* pairs.
- The rate of our local suppliers is *88.7%*.
- We have recorded the number of our wholesale and branded customers at *461.*
- The number of private label export customers reached *29*.

PENTİ BY NUMBERS

For equality *respect*

For a more ***just*** and ***inclusive*** future



Highlights at Penti Giyim Retail in 2023

- We have been selected as one of the *Best Employers* (Best Workplaces for Women).
- We have been selected as the *Happy Place to Work* in the Underwear Industry.
- The proportion of women in managerial positions reached *82%*.



Highlights at Penti Çorap Factory in 2023

- We have been selected as one of the *Best Employers* (Best Workplaces for Women).
- Based on the results of the OIZ Stars survey conducted by the Ministry of Industry and Technology of the Republic of Türkiye, we were ranked *4th* in the category of Companies *Employing the Most Women* in OIZs.
- We received the *Employment* Honor Award, R&D center *Service* Honor Award, *Disabled Employment* Honor Award and *Women's Employment* Honor Award from Çorlu Chamber of Commerce and Industry.

PENTİ BY NUMBERS

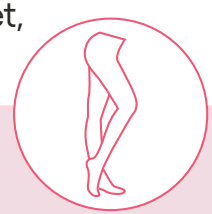
For protection *passion*

We are ***passionate*** about the protection of our planet, our source of inspiration.



Highlights at Penti Giyim Retail in 2023

- With the waste management business model we developed as part of the UN Global Compact SDG Innovation Program, we were *the only company from Türkiye invited* to present its project in the framework of the program at the UNGC Leaders Summit in New York.
- We have obtained *GRS* (Global Recycled Standard) and *OCS* (Organic Content Standard) certification in alignment with our 2023 target.



Highlights at Penti Çorap Factory in 2023

- Our total annual energy savings: *2,393,861* Kwh.
- Total annual greenhouse gas reduction: *370.9* tons CO_2.
- In the period under review, compared to the previous year, our carbon emissions per dozen decreased by *13%*.
- Total Carbon Emissions (tCO2) decreased by *11.75%* during the reporting period compared to the previous year.
- *Our Higg Fem 2023 score*, verified by an internationally recognized independent auditing firm, has resulted in both our Factory 1 and Factory 2 scores *surpassing the Turkish average*.

PENTİ BY NUMBERS

For community *care*

We embrace a lovely future together with *care*.

Highlights of Penti Giyim Retail and Penti Çorap Factory in 2023:



At Penti, we initiated a support movement and dedicated every action we took to women. We labelled all our actions “Pink” and launched the Pink Support Movement to provide women with equal shelter, food, safety, access to basic hygiene and education, especially in the earthquake affected region. We also highlighted our Women’s Day communications as Women’s Power (Kadınlar Gücü).

We prioritized the applications of our disadvantaged candidates in the earthquake affected region with our Pink Support Movement ad content.



We ran for charity in the 45th Istanbul Marathon for the benefit of the Koruncuk Foundation for the Education of Girls. Seren Ay Çetin, who is our national pride with her achievements, accompanied our Penti family in this marathon and participated in the fund-raising campaign for the Koruncuk Foundation. As Penti, we also supported the Koruncuk Foundation’s goal this year, which is to enable 400 girls to continue their education and empower women and girls in all aspects of life.



In Breast Cancer Awareness Month, in collaboration with the Breast Health Association (MEMEDER), we aimed to raise awareness of breast cancer, the most common type of cancer, and implemented the PALPBOX Project. The PALPBOX project was conceived with the aim of raising women’s awareness of the need “to examine their own breasts on a regular monthly basis”. Unlike other types of cancer, breast cancer can be detected by manual examination in the absence of complaints or symptoms.

We had an outreach of 6 million women in October 2023 with our breast health awareness efforts.



By sponsoring the Flying Broom International Women’s Film Festival, the first women’s film festival in Türkiye, we aimed to raise social awareness about gender equality and to make women’s work visible.

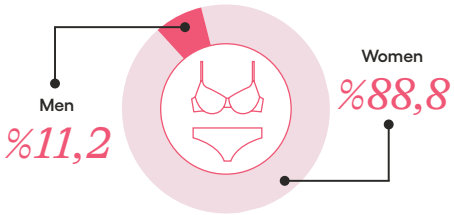


We sponsored the “Local Cooperation Against Violence and Gender Equality Panel from a Legal Perspective” organized by the Istanbul Metropolitan Municipality (IMM) in an effort to eliminate discrimination, inequality and violence against women.

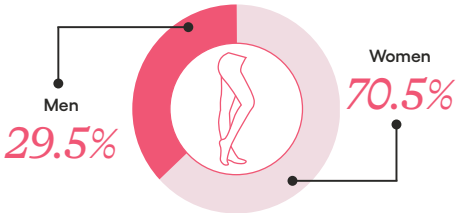
PENTİ GROUP WORKFORCE

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

Penti Giyim Retail Number of Employees by Gender 2023



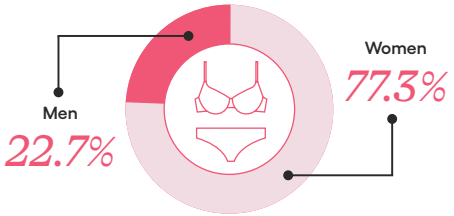
Penti Çorap Factory Number of Employees by Gender 2022



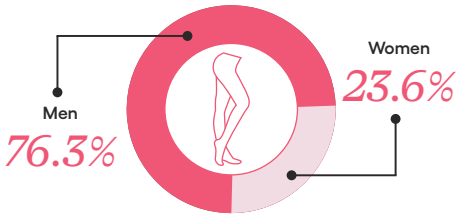
Penti Giyim Retail Distribution Of Employees By Generation

Baby Boomer	1%
X	4%
Y	44%
Z	51%

Penti Giyim Retail R&D, Innovation, Digitalization 2023



Penti Çorap Factory R&D, Innovation, Digitalization 2023



Penti Giyim - 2023

R&D, INNOVATION, DIGITALIZATION	WOMEN	MEN	TOTAL
Number of employees in R&D, innovation, digitalization departments (person)	41	12	53

Penti Çorap - 2023

R&D, INNOVATION, DIGITALIZATION	WOMEN	MEN	TOTAL
Number of employees in R&D, innovation, digitalization departments (person)	12	27	39

PENTİ HISTORY

Our Milestones

1950 – 2010

The company was founded by the Kariyo family in 1950.

We adopted the brand name Penti in 1984.

We have been a pioneer and leader in the market since 1994.

We established a brand new factory in 1995.

We opened our first Penti Store in 1999.

Underwear and Beachwear categories were added to our product portfolio in 2007.

We launched www.penti.com/en/ in 2007.

2010 – 2019

We have become the number one Underwear brand in Türkiye, holding the largest market share in each of the main categories.

We have created a product portfolio that spans multiple categories.

We opened the first international Penti Store in Romania in 2011.

We established a partnership with The Carlyle Group in 2012.

We launched the StarCard Loyalty Program in 2016.

We launched Penti Young (for children) and Penti Men in 2018 and 2019 respectively.

We have created the categories of Casual Wear and Sportswear in 2019.

As Penti Çorap, we became an R&D Center approved by the Ministry of Industry and Technology in 2019.

2020 – 2023

We received the 2020 Great Place to Work Best Employer Award.

We received the 2020 Stevie Awards for Great Employers Most Valuable Employer Award.

We were awarded 3rd place in the 2020 PERYÖN Human Value Awards in the category of Applications that Create Value in Difficult Times.

In 2021, we have reached over 3 million active StarCard memberships.

We became a signatory of the United Nations Global Compact in 2021.

We published the first integrated sustainability report of Penti Giyim Retail and Penti Çorap in 2022.

We initiated the Unified Omnidirectional Channel (Penti Pass) project.

We began implementing the Digitalized Supply Chain.

We have realized organic and inorganic international growth.

Penti renewed its brand identity in 2022 with a logo designed in collaboration with an Italian brand design and consultancy firm.

In 2022, the migration of the new e-commerce site infrastructure was completed and the Penti Mobile application went live.

As part of the program, we were the only company from Türkiye selected to present the SDG Innovation Project at the UN Global Compact Leaders Summit in New York in 2023.

Being a brand that is committed to the empowerment of women in every field, and inspired by our value of strength, we were entitled to be included in the list of Best Workplaces for Women, which can provide an equal working environment for women in 2023 with the evaluation of our survey results and Gender Equality work by Great Place to Work Türkiye.

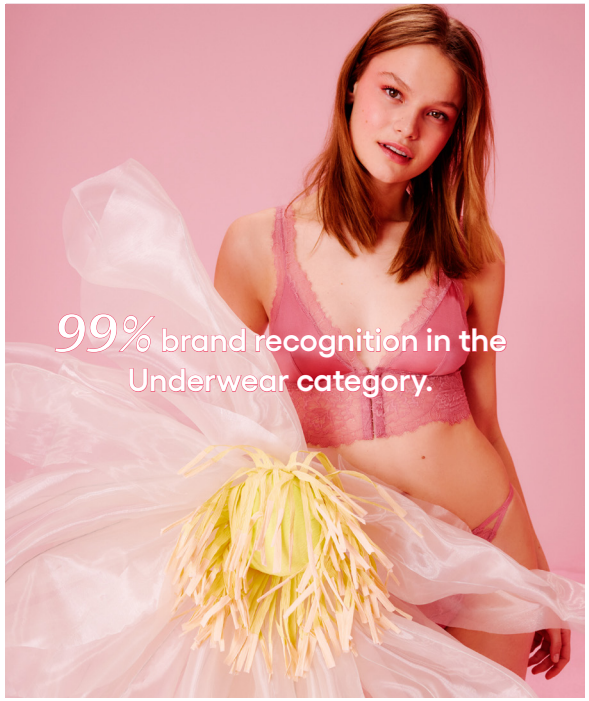
Our employee-focused HR practices have once again made us one of the Happy Place to Work certified companies in the Extraordinary Employee Experience Category in 2023.

Combining our 74 years of experience and achievements with today's needs, we continue to create projects that stand out for their innovative and groundbreaking creative approach.

For more detailed information about the history of Penti, please visit the link www.penti.com/en/about-us.

PENTİ GİYİM RETAIL and OUR CUSTOMERS

Our customers' perception of Penti







According to the research conducted*;

- *69%* of respondents are of the opinion that Penti is a brand that always stands by women and supports them,
- *72%* of respondents think that Penti's products are robust, can be worn for a long time and are durable, long-lasting products that do not wear out quickly,
- *68%* of respondents consider Penti as a brand that values and understands its customers,
- *66%* of respondents agree that Penti is a source of innovative, functional and problem-solving products.

*Based on the findings of the Brand Health Research conducted by Future Bright Group Company in 2023 with 1800 participants in 12 provinces of Türkiye. (Adana, Ankara, Bursa, Edirne, Erzurum, Gaziantep, Istanbul, Izmir, Kayseri, Malatya, Samsun, Trabzon).

OUR COLLABORATIONS and INITIATIVES

Our memberships and initiatives we support

As Penti, we are committed to supporting platforms that shape the development of the sector at national and international level in the field of sustainability.

To this end, we are a member of various associations, institutes, trade unions and sectoral organizations. At the same time, we take an active role in the working groups and global collaborations of these organizations. Thanks to our effective management structure, we are proud of our leading position in the sectors in which we operate. We further strengthen our commitment to sustainability through the platforms in which we participate. Through these platforms, we learn about industry best practices, share our experiences with other stakeholders and work together to advance sustainability. Through 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 national and international platforms, we aim to make a significant impact on sustainability.

Initiatives we support

- At Penti, we believe that equal opportunity is a right, not a privilege. In this context, since 2016, we have been a signatory to 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** a**nd the Empowerment of Women**. We are also a signatory to the **United Nations Global Compact** (UNGC), which encourages the private sector to engage in sustainable and socially responsible activities.

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

- We are among the companies actively participated in the Target Gender Equality Program launched by the UN Global Compact on a global scale. In 2023, we started participating in the **UN Global Compact Diversity and Inclusion** workshops. Based on the experience acquired in these workshops, which will be completed in 2024, we aspire to improve our internal diversity and inclusion practices in line with today's needs. Our gender equality work is carried out on a voluntary basis. To this end, in 2021 we established a Gender Equality Team made up of employees from our factories, stores and head office, and in 2023 we continued our work with 27 volunteers. Together with our valuable volunteers, we aim to raise awareness and make a positive impact on gender equality in our value chain.

United Nations Global Compact

- **The Penti SDG Innovation Project** is an innovative initiative that directly contributes to the Sustainable Development Goals. At the heart of the project is the recycling of pre- and post-consumer fabric and product waste and their use as raw materials. This process aims to reduce our environmental footprint by creating a circular business model. We at Penti are keen to work with a business partner who specializes in recycling and to establish a transparent and traceable waste management process in our supply chain. To support this process, we encourage our customers to actively participate in the waste management process and closed loop. Our project is designed to significantly reduce our carbon footprint by focusing on Scope 3 traceability, which is particularly limited in the textile retail industry. As a result, as Penti, we will turn waste into reusable raw materials, generating new products and reducing the demand for natural resources. Thanks to our SDG Innovation Project, we will contribute to the Sustainable Development Goals, such as Responsible Production and Consumption and Partnerships for the Goals. In this manner, the products produced will stand out as sustainable options that are long-lasting and suitable for reuse.

In recognition of this project, we were the only company from Türkiye invited by the program to make a presentation at the UN Global Compact Leaders Summit in New York.

SDG INNOVATION

UN GLOBAL COMPACT LEADERS SUMMIT



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 in Türkiye and abroad in line with the production processes of the business lines in which we operate. As Penti, to respond to and understand the needs and expectations of all our stakeholders, we are committed to open and transparent goal-oriented collaboration through various channels and mediums.

Institutions and Associations We Are Members Of:

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

Our Collaborations Within The Scope Of Sustainability:

- Cooperation with the Marine Life Conservation 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 Bi'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
- Cooperation with Tekirdağ Çorlu ORION Shopping Mall For a Volunteering Project "Kapaklar Can Olsun" (Let's Collect The Caps To Save Lives)
- Winter hosiery support for high school and university students in cooperation with ÇYDD Foundation
- Participation in a fundraising campaign for girls' education on behalf of the Koruncuk Foundation in the 45th Istanbul Marathon.
- 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	İnnova	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

E-COMMERCE

Penti Türkiye	Penti Romania
4aLabs	Akinon
Adjust	Boosmart
Boosmart	Criteo
Codec	D-Option
Criteo	Google
D-Option	Inbound
Google	Meta (Facebook, Instagram)
Haratres	Metrics 34
Inbound	Related
Lidio	RTB House
Linkadoo	
Meta (Facebook, Instagram)	
Medianova	
Metrics 34	
More Than Social	
Personaclick	
Param	
RTB House	
SEM	

Penti Çorap	
Digital House	Giz Software
COD Information Technologies	

CULTURE AND ARTS

Başka Sinema

Kariyo & Ababay Foundation

SOCIAL RESPONSIBILITY, ENVIRONMENT, SUSTINABILITY

Marine Life Protection Association

Women of the Sea

DOHAS (Nature and Animal Lovers Association)

Let's Do It Turkey

SDG Innovation

SDG Map

Türkiye Sustainable Development and Solidarity Association

UN Global Compact

Memeder

QUALITY

AND Belgelendirme

AQM

Bureau Veritas

Control Union

DQS

Ekoteks Laboratory and Inspection Services

Elevate

Eurofins

IDFL

Intertek

Kiwa

SGS

GENDER EQUALITY

Yanindayiz Association

UN Women

Koruncuk Foundation

Turkish Women's Associations Federation

Esas Sosyal

TRAINING & DEVELOPMENT

3IK Communications Agency

Adisa Consulting

Assessment Systems

Emine Banu Aksoy Coaching, Consulting

Enocta

Harrison Assessments

High Dreams Coaching and Mentoring Services

ICC Consulting

High Knowledge Training and Consulting

CRM

Acsight

Codec

EchoCCS

Simple Consulting

Turkcell

Wicasa

CERTIFICATES WE HAVE

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	○	●	●
Happy Place to Work Certificate	●	○	○
Great Place To Work Certificate	●	●	●
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 Standard	○	●	●
ISO 9001 Quality Management System Standard	●	●	●

Standard / Certificate name	Penti Giyim	Penti Çorap	
		Factory 1	Factory 2
Carbon Reduction Certificate	○	●	●
OEKO-TEX	○	●	●
Reach	○	●	●
Sedex Certificate	○	●	●
Design Center Certificate	●	○	○
Turquality	○	●	●
TÜBİSAD Atma Bağışla Certificate	○	●	●
YYS Certificate	●	●	●
ZDHC	○	●	○
ICS Environment	○	●	●
OCS (Organic Content Standard)	●	○	○
GRS (Global Recycled 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.

OUR AWARDS and ACHIEVEMENTS

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

Awards

Penti is the Coolest Brand of 2023!



As Penti, we have been deemed worthy of the "Coolest Brand Award" for 2023 in the "Underwear" Category. We are proud to receive this prestigious award in the "Cool Brands 2023" survey organized by Marketing Türkiye. This award confirms our leading position in the industry and our powerful image among consumers owing to Penti's innovative products and customer-oriented approach. As the Penti family, we will continue our efforts to consolidate our leadership in the sector by increasing our commitment to fashion and quality every day, aware that such successes are only achieved with the support of our customers.

Our Core Values Are Very Much At The Heart Of This Award! "Penti was included in the "Best Employers List".



The fact that we stood out in the evaluation process organized by Great Place to Work Türkiye, especially in the "Best Workplace for Women" category, demonstrates the importance we attach to our values and our employees as a company. This success is a reflection of Penti's corporate culture, which prioritizes the well-being and development of its employees. Our efforts to maintain our core values of gender equality, transparency and respect among employees in our work environment are being crowned with such awards. As the Penti family, we aspire to develop our work environment not only as a place to work, but also as a community where we can grow together, providing equal opportunities to all our employees and always being there for them.

Our CHRO Included in the Most Innovative HR Leaders List!



Selim Arda Üçer has been named in the "50 Most Innovative HR Leaders" list organized by Fast Company Türkiye, one of the leading publications in the business world. This achievement demonstrates that Penti's innovative approaches to HR strategies and employee-oriented policies are being recognized. Under Üçer's leadership, Penti's HR department made pioneering strides in internal innovation, improving employee experience and sustainable business practices. These approaches have enabled our company to make a difference not only in its market but also in the business world. At Penti, we believe that such achievements in Human Resources Management directly contribute to the overall success of our company. The work of Selim Arda Üçer and his team sets an example for other companies in the industry and highlights Penti as an example of excellence in the workplace.

Congratulations to our CMO Cristina Polini!



Cristina Polini, CMO of Penti, is included in the list of the "50 Most Effective CMOs"!

As Penti, we are proud that our Marketing Manager (CMO), Cristina Polini, has been included in the "50 Most Effective CMOs List" by the leading industry analysis platform. This achievement demonstrates Cristina's outstanding leadership and innovative approach to marketing strategies and brand management.

As Penti, under the guidance of Cristina Polini, we are developing customer-focused and data-driven marketing tactics. This has contributed significantly to the growth of our brand. Thanks to her vision, Penti's marketing activities have evolved, enhancing our interaction with consumers and increasing our brand value.

OUR AWARDS and ACHIEVEMENTS

Awards

We Returned From Effie With a Gold and a Silver Award!

Penti is very proud to have won a gold and a silver at the Effie Türkiye 2023 Awards. These awards recognize our effective campaigns and brand value. This achievement, made possible by the creativity and dedication of our team, confirms our leadership in the industry. We would like to thank all our employees and customers; these awards will serve as inspiration for future projects.



The Most Prestigious Brand Penti!

We, as Penti are very pleased to be recognized as the "Most Prestigious Brand" in the "Underwear" industry. This achievement is a manifestation of the quality of the products and services we provide to our customers. The passion and commitment of our team are one of the main reasons why Penti stands out in the industry.



We Returned from Felis with 9 Awards!

As Penti, we are thrilled to return from the Felis Awards with nine awards! This success recognizes our campaigns that offer the perfect fusion of creativity and innovation. Our projects implemented in collaboration with the Istanbul Grand Orchestra demonstrate our innovative approach to the industry and our desire to contribute to society. We would like to express our sincere gratitude to our team members and customers who have contributed to our success. These awards prove that Penti is not only a brand, but also a community builder. Our achievements motivate us to accomplish even more in the future.



Happy Place to Work!

As Penti, we are proud to be the winner of the "Extraordinary Employee Experience Award" by receiving the "Happy Place to Work Certificate" in 2023! This award is indicative of our prioritization of employee satisfaction and positive work experiences. Our efforts to increase the happiness and job satisfaction of our employees is one of the key elements that makes Penti truly special and distinguishes us in the industry. We would like to thank everyone who has contributed to this success. The award reinforces our mission to ensure that our people feel valued and supported at work.



The Most Technological Brand in Underwear: Penti!

As Penti, we have once again proven the perfect harmony between technology and fashion by winning the "Most Technological Brand Award" in the "Underwear" category. This prestigious award, granted by the Tech Brands Türkiye organization, is the outcome of our continuous efforts to improve the technological innovation and customer experience of our products. As Türkiye's Most Technological Underwear Brand, we will continue to make a difference in the industry with our innovative products.



OUR AWARDS and ACHIEVEMENTS

Awards

Congratulations to our Recruitment Champion Serkan Can Duman!



Serkan Can Duman, our Senior Talent Acquisition Specialist, has earned the title of "Recruitment Champion" through his diligence and dedication! Kariyer.net applauds Serkan for achieving this great success as part of Humankind Audiology, and as the Penti family, we are very proud of his accomplishments. Serkan contributes to the growth of our corporation with his outstanding performance and dedication in the recruitment processes and plays an important role in the acquisition of new talent.

Cyristal Apple Absolutely Loved "Yok Gibi" (Feels Like Nothing)!



Penti has achieved great success with its "Yok Gibi" (Feels Like Nothing) campaign in the Crystal Apple Advertising and Marketing Competition! Organized by the Advertising Association and one of the most prestigious competitions in the industry, our "Yok Gibi" (Feels Like Nothing) series received full marks from both the jury members and the audience. Our campaign won the Gold Award in the Crystal Apple category, once again demonstrating our creativity and innovative approach to advertising.

6 Awards for Penti from Brandverse Awards!



Penti achieved great success at the Brandverse Awards with the "What A Relief!" and "No-Bra Bra" campaigns! These innovative campaigns in the Underwear category demonstrated our creativity and leadership in the sector by winning a total of six awards: three gold, two silver and one bronze. These awards are proof that our brand and our work are being recognized in the international arena.

Award for Bravery and Impact Granted to Penti



As Penti, we have once again proven our pioneering and innovative stance in the industry by winning the "Bravery and Impact Award" at the CMO Awards with the "So Normal Campaign"! This award highlights the impact our bold and influential campaigns have had on the industry. As a Penti team, we continue to build the value and influence of our brand thanks to such achievements

New Awards to Penti from Reputation Academy



We, as Penti, were honored with the "Economy Benefit Index and Women's Brand Preference Index Awards" organized by the Reputation Academy. We stood out by being ranked first among the leading brands that contribute to the economy, as well as being the most reputable brand preferred by women.

OSB Stars Award for Penti



As Penti, we achieved a great success by being ranked fourth in the "Top 100 Companies Creating the Most Employment in Organized Industrial Zones" category at the OIZ Stars Awards, organized by the Ministry of Industry and Technology of the Republic of Türkiye. This award has crowned the value we place on women's employment and our efforts in this regard.

OUR AWARDS and ACHIEVEMENTS

Awards

Penti's Winning Streak Continues!

Penti won two gold and two bronze awards in the International Standards and Best For Great Employers 2023 competition! The Gold Award in the "Learning" category and the Bronze Award for our "Fifth Maestro Leadership Development" program confirmed the international recognition of the emphasis we place on employee development. These achievements prove that we are not only a pioneer in products, but also in employee experience and leadership development.



New Awards for Penti

As Penti, we achieved great success by winning four awards in total at the ceremony organized by Çorlu Chamber of Commerce and Industry. As Penti, our contributions to society and the economy in various categories were crowned with the Honour Awards for "Providing the Most Employment", "Providing the Most Employment for Women", "Providing the Most Employment for the Disabled" and "Research and Development Center Services".



Thanks to the Support of Countless Women, We Are Among the Best!

As Penti, we have maintained our leading position in the sector thanks to the support and trust of countless women, becoming one of the 500 most successful brands in Türkiye in the assessment carried out by S&P Capital Magazine. This success has been made possible by our innovative products and our commitment to women. The energy and passion of our brand has made us a prominent and reputable brand in the industry. We extend our deepest gratitude to everyone who has contributed to this success. We will continue to make a difference in the industry, inspired by the power of women.



Penti is Türkiye's Favorite Once Again

We have been selected as one of the most loved brands in Türkiye by MediaCat Lovemarks 2023 survey. This award is a reflection of customers' love and loyalty to Penti and proves that our brand has become not only a choice but also a symbol of love in the eyes of consumers. As women's best friend, we will continue to offer innovative products tailored to their needs and create a special bond with each of them.



The Most Popular Brand in Underwear and Hosiery Category is Penti!

According to the "Most Admired and Preferred Retail Brands" survey conducted by the Shopping centers and Investors Association (AYD) for the 14th time this year, we were recognized as the most admired brand in Türkiye in the women's Underwear and Hosiery category.



OUR AWARDS and ACHIEVEMENTS

Our Achievements

We manage our business "*Based on Knowledge*" for a more equal world.



Penti Giyim Retail

- According to the Tech Brands Türkiye Research, we have been selected as the **"Most Technological Underwear Brand in Türkiye"** for the second time this year.
- Our CMO Cristina Polini received the **"Bravery and Impact Award"** on behalf of Penti at the CMO Awards.
- Our CHRO Selim Arda Üçer was included in the **"50 Most Innovative HR Leaders List"** organized by Fast Company Türkiye.
- In the survey organized by Capital magazine, we were ranked among the **500 largest companies in Türkiye for the 5th time**.
- At The Hammers Awards ceremony, we received the **"Golden Hammers Award"** in 2 categories by being selected as **"Best Marketing Team of the Year"** and **"Best Online Purchasing Team of the Year"**.
- At the "Golden Leader Awards" organized by KREA M.I.C.E., our CEO Mert Karaibrahimoğlu received an award as one of **"Türkiye's 50 Most Admired Golden Leaders"**.
- According to research conducted by the Reputation Academy on the Economy Benefit Index and the Women's Brand Preference Index, we were ranked **first in the Diamond League** of the underwear industry for the **Economy Benefit Index** and the **Women's Brand Preference Index**.
- Based on the assessment made by İHKİB, we were among **the most successful exporters of 2022**, winning the **gold and bronze awards**.



Penti Çorap

- Penti Çorap A.Ş. received the "4th Prize in Women's Employment" at the **"OSBÜK OSB Stars Research Awards"** as the **"Industrialist Providing the Most Female Employment in OIZs"**.
- At the Çorlu Chamber of Commerce and Industry's Earthquake Risk and Awareness Summit, Penti Çorap received the **Industrial Earthquake Risk Shield Incentive Award** for being among the industrialists having prepared for and been conscious of earthquakes.

OUR AWARDS and ACHIEVEMENTS

Our Achievements

We manage our business *"With Respect For People"* for a more equal world.

- **As Penti, we were included in the Best Workplaces List in Great Place to Work® 2023, based on the evaluations made by our head office, field and factory employees.**
- **We have been included in the Best Workplaces for Women list by Great Place to Work Türkiye®, which provides an equal working environment for women.**



Penti Giyim Retail

- We have once again been awarded the Happy Place to Work certificate in the **"Extraordinary Employee Experience Category"**.
- At the **International Stevie Awards for Great Employers Competition,** we were awarded the Gold Award in the Talent Management Solution Category with our Penti Shirt Project and the Bronze Award with our Being Maestro Leadership Development Program.
- The Kariyer.net **Respect for Human Awards** recognized us with seven awards:
  - The Company **Contributing the Most to Employment** (2022 and 2023)
  - **Female Recruitment Champion** of the Year (2022 and 2023)
  - **Respect for Human** (2022 and 2023)
  - **Recruitment Champion** of the Year



Penti Çorap

- We received the **"Employment Honorary Award"** of Çorlu Chamber of Commerce and Industry.
- We received the **"R&D Center Service Honorary Award"** of Çorlu Chamber of Commerce and Industry.
- We received the "**Disabled Employment Honorary Award"** from the Çorlu Chamber of Commerce and Industry.
- We received the **"Women's Employment Honorary Award"** from the Çorlu Chamber of Commerce and Industry.
- We received a **"Certificate of Appreciation"** from the Çorlu Municipality Women's Council for the "Would you share your story" event and for organizing the Charity Bazaar for the benefit of the Nature and Animal Lovers Association (DOHAS).

OUR AWARDS and ACHIEVEMENTS

Our Achievements

We manage our business with "*Care*" for a more equal world.

Penti Giyim Retail

- In the MediaCat LoveMarks (Most Loved Brands) research, we were once again named **"Most Loved Underwear Brand"**.
- At the Felis Awards we won **1 Gold, 1 Silver, 1 Grand Prize**, **5 Felis** and **1 Best Case Writing Award** for our "Yok Gibi", "No-Bra Bra" and **"Penti loves Prince"** campaigns.
- At the Effie Awards we won a **Golden Effie** for our So Normal campaign and a **Silver Effie** for our No-Bra Bra campaign in the Fashion-Textile-Accessories category.



OTHER INFORMATION

Republic Day



Inspired by the Republic's strong and champion women athletes, we wanted to announce our support for women under the flag of the Republic and introduce our collection specially prepared for the Centennial. To this end, we produced both an advert and a photo shoot with our inspiring young athletes Aysu Türkoğlu, İlkin Aydın and Seren Ay Çetin. The idea was to announce our original commercial, which was exclusively prepared for the 100th anniversary and offered a different approach to the conventional October 29 commercials, through channels that offer maximum outreach. We also optimised our campaign to reach users who watched our video on YouTube for at least 30 seconds. We exceeded our planned reach targets and fully met our display and viewing benchmarks.

Penti No-Bra Bra



As Penti, we continue to support women with our #No-BraBra collection, offering comfort and freedom together. "No Underwire, But Uplift! No Lining, Simply Nothing! No Trouble, Full Comfort!" With this motto, we are expanding our No-Bra Bra collection, which offers comfort all day long in the office, on the street and at home, with practically no discomfort.

No-Bra Bra, which we introduced in previous seasons to support diversity and body positivity and to ensure that women feel comfortable and free at all times, is enriching its collection with new styles. In this line we offer models such as bralettes, cups, push-ups and T-shirt bras, especially non-underwired bras. Our designs, decorated with alternative colour options and lace, offer perfect harmony with a "non-existent" feeling.

Designed with women's needs in mind, this collection is a genuine reflection of Penti's unwavering support for women.



"One Stroke Is the Beginning Of All" - Penti Loves Aysu Türkoğlu

As Penti, the leader in the Beachwear category, we are creating an inspiring collection in collaboration with Aysu Türkoğlu, the youngest Turkish athlete to cross the English Channel. As one of the brands that best grasps women's needs, we team up with national swimmer Aysu to add a success story to our beachwear collections. We present the "Penti Loves Aysu Türkoğlu" collection with Aysu, who crossed the English Channel in 16 hours and 28 minutes.

In this collection, inspired by the needs of professional swimmers, we offer the ideal choice for swimming, blending fashion and technical details with Aysu's suggestions. Our 32-piece collection includes swimsuits, bikinis and beach accessories that stand out for their colours and patterns.

This special collection, which combines Aysu's inspirational story with our leading designs as Penti, will be promoted through our advertising campaign and we will donate a proportion of the revenue from sales to the Association for the Protection of Marine Life.

OTHER INFORMATION

Collaboration with Memeder to Raise Awareness of Breast Cancer

October is internationally recognized as “Breast Cancer Awareness Month”. Breast cancer is estimated to be the most common type of cancer by 2020. As a brand that stands out for innovations that meet the needs of women at every stage of their lives and that simplify their lives, we sought to raise awareness with a project that extends beyond taking responsibility for this issue. To this end, we have launched the PALPBOX project. PALPBOX is intended to make women aware of the necessity to “ examine their own breasts regularly every month “. Breast cancer can be detected by manual examination in the absence of any symptoms. We collaborated with the Breast Health Association (MEMEDER) to provide the most accurate information so that women may raise awareness in their immediate environment. **By October 2023, we had reached 6 million women through our breast health awareness efforts**. We also engaged our field teams as ambassadors for the project and trained our in-store bra experts in self-examination techniques. Our internal training videos were well received and watched with great interest by our field and office teams.







21 March World Down Syndrome Awareness Day

As Türkiye’s leading underwear brand, Penti, we attract attention with awareness-raising campaigns as well as our various collections. On March 21, World Down Syndrome Day, officially observed by the United Nations, we raise awareness under the motto “We Are Quite Normal With Our Differences”.

Down syndrome is a genetic difference caused by the uniqueness of the triplication (trisomy) of the 21st chromosome. While millions of people worldwide have this condition, it is estimated that there are around 100,000 individuals in Türkiye living with Down syndrome. As Penti, we declare that we stand with people with this difference and their families to defend their rights on World Down Syndrome Day, and we aim to raise social awareness on this significant day.

Istanbul Marathon with Koruncuk Foundation

As Penti, we attended the 45th Istanbul Marathon with our volunteers and formed our corporate running team for the benefit of Koruncuk Foundation. We participated in the marathon with a fundraising campaign for girls’ education, with the assistance of our national athlete Seren Ay Çetin, and we raised funds for the Koruncuk Foundation’s campaign to provide education for 400 girls.

SPEECHES and CONFERENCES

Speeches

Throughout 2023, Penti Giyim and Penti Çorap executives participated in many important summits and events, reinforcing their leadership in the sector and sharing their invaluable experience.

- **February 2023:** CMO Cristina Polini attended and delivered a speech at the Global Career Summit organized by 3İK.
- **March 2023:** At the International Textile and Fashion Congress (ITFC 2023) we presented our project paper on women's panties designed and produced using a pantyhose knitting machine.
- **April 2023:** CMO Cristina Polini attended the Global CMO Meeting organized by Fast Company to share her insights and experience on the sector.

  Our CRM Director, Hande Korkmaz, shared her experience and Penti corporate culture and told her inspiring story to university students at the Online Career Summit event organized by 3İK.
- **May 2023:** Our Marketing Director Gizem Burcu Bağcı shared the inspiring story of the "Penti So Normal" campaign at the Maltepe University Ad O'Clock Advertising Days.

  Penti Retail Academy contributed to the events organized on 11th and 12th May as part of the Koza Youth Project initiated by the Turkish Human Management Association to provide internship opportunities to young people affected by the earthquake, to offer equal opportunities and to prepare them for professional life. Penti Retail Academy contributed to the events organized on 11th and 12th May as part of the Koza Youth Project initiated by the Turkish Human Management Association to provide internship opportunities to young people affected by the earthquake, to offer equal opportunities and to prepare them for professional life.
- **June 2023:** CHRO Selim Arda Üçer elaborated on the common sense management approach at the Employer Brand Summit organized by 3İK.

  Müge Çevik Tuğcu, Director of Employee Engagement and Experience, spoke about "Penti's Rhythm" at the face-to-face meeting of the Turkish Employee Experience Community.

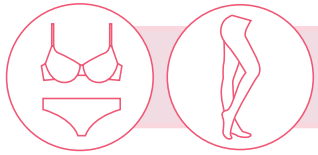
  Our e-commerce director Mehmet Türkel met with students from the e-commerce course at Boğaziçi University and talked about e-commerce and multi-channel retailing at Penti.
- **September 2023:** Sustainability and Supplier Collaboration Team Leader Deniz Saldıran Kaya, Design Team Leader Kevser Üstün Topsakal, and Financial Planning and Analysis Team Leader Rufat Dönmez, represented Penti, the only company invited from Türkiye, at the UN Global Compact Leaders Summit in New York with the projects they developed as part of the Global Compact SDG Innovation Program and made a presentation.

  Our e-commerce director Mehmet Türkel delivered a presentation to Türkiye's leading retail companies at the Shopping Festival event organized by Google on 27 September, explaining Penti's successful projects in the field of digital marketing.
- **November 2023:** Marketing Director Gizem Burcu Bağcı shared her experience on the brand-agency relationship in the "Creators Academy - You Are as Creative as the Customer" session at the Brandweek 2023 Conference.
- **December 2023:** Deniz Saldıran Kaya, Sustainability & Supplier Collaboration Team Leader, delivered a presentation titled "Our Sustainability Journey at Penti" at the Bahçeşehir University Sustainability in the Industry Summit.



SPEECHES and CONFERENCES

Contribution to Society and Cooperation



We at Penti conduct a number of social responsibility projects in cooperation with non-governmental organizations and local administrations.

- We organized a bazaar for the benefit of stray animals in cooperation with the Nature and Animal Lovers Association (DOHAS) and Çorlu Municipality. We also held a meeting with Çorlu Municipality under the title "Can You Share Your Story?" and donated story books as part of the occasion.
- We participated in the 45th Istanbul Marathon in cooperation with Koruncuk Foundation.
- We held a "Global Climate Change Volunteer Event" for 4th grade students at TEGV Çorlu Branch Dreams Workshop.
- We organized a volunteering event called "Kapaklar Can Olsun (Let's Collect The Caps To Save Lives)" and bought food for stray animals and volunteered to build a hut out of wooden pallets at DOHAS Shelter.
- In 2023, we redirected 4,869 kg of our collected domestic waste to stray animals to reduce our household waste.
- We supported the conference organized by Bahçeşehir and Boğaziçi University student clubs as a product sponsor.
- Our volunteers delivered 20 tons of food assistance to earthquake survivors.
- We provided financial support to children in the Doğubeyazıt district of Ağrı province through the "Branch of Hope Project".
- We participated in the "Management and Career Summit" organised by Bilgi University's Entrepreneurs of Bilgi Club and shared our goals and aspirations with the students.
- Optimed Hospital provided women's health training to our female employees.

OUR ETHICAL BUSINESS APPROACH

At Penti, we focus on corporate governance practices, support fair competition and adopt a business model that respects human dignity.

Our Ethical Principles Guide emphasizes compliance with local and international laws and regulations and the Universal Declaration of Human Rights. This guide expresses the company's commitment to conduct business in a fair, transparent and accountable manner, even in regions where the relevant legal regulations are limited or lacking.

Penti's sustenance as a reputable and reliable company requires that all employees share common values and provide an honest, fair and respectful business environment for all stakeholders. The Ethical Principles Guide outlines the standards of our business and our commitments, and transparency and compliance are at the heart of our business culture. We adopt international standards in business ethics and anti-corruption and prioritize creating a workplace that respects our employees and adheres to health and safety standards.

The Ethics Guide also provides channels such as the Ethics Line. We expect all our stakeholders to comply with our ethical principles and policies. As Penti, we strive to maintain our commitment to conduct business in a respectable and reliable fashion.

OUR ANTI-BRIBERY and ANTI-CORRUPTION POLICY

At Penti, we determine our working principles in compliance with international standards and conduct our business activities subject to the Anti-Bribery and Anti-Corruption Policy.

As part of our ethical business principles, the fight against bribery and corruption is a priority and a foundational part of our business culture. The provisions for all suppliers are detailed in the Code of Business Ethics. Penti has zero tolerance for bribery and corruption. The anti-bribery and anti-corruption approach involves Penti employees and all relevant stakeholders, including suppliers and business partners.

Penti employees do not accept gifts or benefits that may impair their impartiality. Nor do they seek to provide gifts or benefits that may influence third parties. As a signatory to the Global Compact, Penti is committed to 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", an integral part of Penti's Code of Ethics, outlines Penti's commitment and approach to anti-bribery and corruption in a concise and transparent manner, and its main function is to provide the necessary information, define responsibilities and establish rules to prevent bribery and corruption in all company activities.

During the reporting year, no reports of bribery and corruption were made to the whistleblowing channels and no employee was disciplined or otherwise sanctioned relating to bribery and corruption.



Our Sustainability *Approach*

For the past 74 years, we have conducted our business with an understanding that offers solutions for the future. Throughout this process, we have prioritized efficiency, low energy consumption, reduced chemical use and use of more sustainable raw materials. We recognize that efficiency plays a critical role in ensuring the sustainability of our operations.

OUR SUSTAINABILITY APPROACH

We care about our employees and stakeholders, and we always firmly believe in their value. We are committed to protecting the asset we have developed through our corporate culture. We prioritize building strong, long-term relationships with our employees and stakeholders, and we aim to increase employee satisfaction by prioritizing their development and happiness.

We collaborate with a range of third-party auditors and verifiers to ensure that our products, operations, sites and practices adhere to sustainability principles.

In line with our commitment to sustainable development, we share our performance with full transparency. We firmly believe that sharing our commitments and goals with our communities is the best approach to moving forward and building a better future.



At Penti, on the basis of our sustainability understanding:



Adherence to scientific bases



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



Compliance with the green economy



Sharing all the value we produce fairly



OUR SUSTAINABILITY APPROACH

In alignment with our objective, we embrace the principles of the United Nations Global Compact as the foundation of our business. At the same time, our commitment to the UN Sustainable Development Goals 2015-2030 demonstrates our determination to contribute to a sustainable future. As part of our efforts to mitigate climate change and protect biodiversity, we are working with competent organizations to offset our carbon emissions and reduce our impact on the environment.

As a responsible brand, we strive to be a global leader in adopting environmentally friendly production methods and investments. We are integrating new technologies that reduce the use of water, energy and chemicals into our manufacturing processes and plan to increase the use of sustainable cotton and polyester.

We take an environmentally friendly approach to production, preferring recycled, recyclable and reusable materials for packaging and hangers. We also continue to reduce energy consumption and waste in our production facilities. With our Better Life Collection, which we present under the slogan “A Better Life”, we aim to lead the industry in sustainable fashion. By sourcing better materials in the production of these collections, we reduce energy and water consumption and demonstrate that we have adopted a more sustainable production model by minimizing our environmental impact.

BETTER LIFE

OUR SUSTAINABILITY APPROACH

At Penti Çorap, we have structured our management organization and decision-making processes in compliance with the principles of continuous development and transparency.

As part of the innovations introduced in 2023, our Sustainability Department was disengaged from the IT department and directly incorporated into the senior management of the factory. This structure ensures a more strategic and efficient implementation of our sustainability efforts. Our sustainability efforts continue under the Sustainability Department as part of the Total Productive Maintenance (TPM) methodology. The division has a key role to play in reaching our organization's sustainability goals.

Our Sustainability Committee meets regularly twice a month to review sustainability strategies, projects and progress reports. Our Sustainability Committee is made up of different subcommittees, including the Environmental Management System Subcommittee, the Water and Wastewater Subcommittee, the Energy and Air Emissions Subcommittee, the Chemical Management Subcommittee, the Waste Subcommittee, the Digital Sustainability Subcommittee and the Social Sustainability Subcommittee. Each subcommittee is led by senior managers who are experts in their field and who develop customized strategies to achieve the sustainability goals that have been set.





OUR PRIORITIES

Every two years, Penti conducts a rigorous review of its sustainability initiatives. The company uses this research to determine which social, environmental and economic priorities to focus on when developing its sustainability plan. The research is predicated on the standards of the Global Reporting Initiative (GRI) and the UN Global Compact.

We plan strategic contributions to our future operations by assessing stakeholder expectations and views and analyzing local and global trends. The Sustainability Committee's most recent prioritization analysis in 2023 involved 409 of our employees and 88 external stakeholders. While internal stakeholders represented all functions, external stakeholder feedback was gathered from groups such as customers, suppliers, regulators and the media. The study we conducted in 2023 was based on Double Materiality Analysis. In 2023, we became one of the first companies in Türkiye to implement double materiality analysis, which emphasizes the integration of our financial performance and sustainability goals.

Data from external stakeholders were analyzed according to their level of expertise under each ESG topic. These analyses have enabled us to adopt a broader view of our sustainability performance, re-assessing all our risks and clarifying the materiality of our priorities.

Double materiality is a study that analyzes the two-way (outside-in and inside-out) impact of stakeholder prioritization findings (internal/external) on the organization's policy, strategy and performance relating to ESG issues and its financial prospects.

There are three dimensions to the double materiality analysis matrix:
Dimension 1: ESG Internal/External Stakeholder Prioritization. Colors indicate the ESG scope of the issue, and its position on the graph indicates the degree of internal/external stakeholder PRIORITY.
Dimension 2: ESG Internal/External Stakeholder Materiality. Colors indicate the PROCESS position of the issue for the company and sizes indicate the MATERIALITY degree of external stakeholders.

Based on the results, the priority issues categorized as "Continuity", "Compatibility" and "Transition" are identified as "High", "Medium" and "Low" and highlighted in the report. We are planning our next prioritization analysis for the end of 2025.

OUR PRIORITIES



HIGH PRIORITY ISSUES

- Combating Climate Change
- Employee Satisfaction
- Customer Satisfaction
- Water Management
- Protection of Biodiversity
- Equal Opportunities and Inclusion
- R&D & Innovation

FOUNDATIONS – VALUES

- Corporate Governance
- Fight Against Corruption
- Ethical and Transparent Business Approach

OUR RELATIONS WITH OUR STAKEHOLDERS

Our definition of stakeholders is anyone who has an interest in, or is in any way affected by, the activities and products of Penti. Penti's sustainability strategy is based on an all-encompassing approach that not only considers our own practices, but also those of all our stakeholders.

Individuals and organisations that are affected by, have influence over, and have the potential to advance our sustainability and global goals are referred to as stakeholders. When selecting stakeholders, we seek to collaborate by considering factors such as their potential to contribute to society, creativity and innovation.

In communicating with different stakeholder groups on a variety of issues, 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 our stakeholders' expectations. We are actively continuing our efforts in this direction. Penti believes that providing accurate and timely information to all stakeholders is part of its corporate responsibility.

We have therefore established various communication platforms to support stakeholder communication. The current stakeholder communication platforms and the frequency of communication are detailed in the map of "Stakeholder Communication Platforms". Through these platforms, we aim to further strengthen our collaboration 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, Z Generation Team, etc.) • I-com destek@penti.com.tr P'Assist uruninceleme@penti.com.tr • GPTW, HPTW and Internal Customer Satisfaction • 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@penti.com.tr – **every day** P'Assist – **every day** uruninceleme@penti.com.tr – **every day** • GPTW, HPTW and Internal Customer Satisfaction – **annually** • Manager – employee monthly one-to-one meetings – **every month** • Manager - employee quarterly T-talk performance evaluation meetings – **every quarter**
CUSTOMERS	• Penti social media accounts (Facebook, Twitter, Instagram, Linkedin) • Penti mobile application • www.penti.com/en/ • 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/ NON-GOVERNMENTAL ORGANIZATIONS	• Penti social media accounts (Facebook, Twitter, Instagram, Linkedin) • Digital and print publication • Television, radio, billboards, advertising broadcasts • Sharing of joint projects	• **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. We come together with our field employees at WeTalk events moderated by our COO.

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 times in a year** • Participation as a speaker in university events **– many times in a year**
MEDIA	• Marketing agencies • Penti social media channels • Digital and print publication • Television, radio, billboards, advertising broadcasts • www.penti.com/en/	• **Regular communication**
SUPPLIERS	• Supplier Collaboration Communication • Supplier improvement meetings • Supply Chain Management (SCM) Performance Results • All operational communication to be carried out through the SCM digital supplier portal • Online supplier satisfaction surveys	• Supplier Collaboration Communication **– 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**
OUR INVESTMENT PARTNERS (DEALERS)	• Penti social media channels • Digital and print publication • Television, radio, billboards, advertising broadcasts • www.penti.com/en/ & www.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 • www.penti.com/en/	• **Regular communication**

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 in accordance.

RELATIONSHIP BETWEEN PENTİ STRATEGY AND SUSTAINABILITY MODEL

Our Management Strategy and Trends

MEGA TRENDS

- Uncertainties in the economic structure
- Changes in consumption pattern
- Supply chain disruptions
- Change of business mentality

OUR STRATEGIC BUSINESS AREAS

- Business approach with stakeholder participation
- Dissemination of our ethical business understanding
- Qualified risk and opportunity analyzes
- Better quality products / services

UN.SDG



KNOWLEDGE ✓ | PASSION ✓ | RESPECT ✓ | CARE ✓

STRATEGIC POSITION

We are sharing our ethical and quality business understanding with all of Penti's shareholders.

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

OUR STRATEGIC GOALS

1- Developing goals and strategies in accordance with Penti's sustainability commitments, and ensuring that the roadmap is implemented.

2- Developing and implementing a sophisticated management strategy to ensure the inclusion and representation of all stakeholders in decision-making mechanisms.

OUR SUSTAINABILITY GOALS

RELATIONSHIP BETWEEN PENTİ STRATEGY AND SUSTAINABILITY MODEL

Climate Change and Risks

MEGA TRENDS

- Climate Change
- Disruption of terrestrial systems
- Decreased fresh water
- Loss of biodiversity

OUR STRATEGIC BUSINESS AREAS

- Reducing emissions
- Water conservation activities
- Conservation of biodiversity
- Transition to the recycling economy

UN.SDG



KNOWLEDGE ✓ PASSION ✓ RESPECT ✓ CARE ✓

STRATEGIC POSITION

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

We passionately protect our inspiring planet.

OUR STRATEGIC GOALS

1- Achieving our sustainable product goals through increased awareness of responsible production and responsible consumption.

2- Focus on sustainable product design.

3- Creating a process plan to ensure maximum energy efficiency in manufacturing processes.

4- Focus on long-lasting fabric and product design.

5- Establishing the infrastructure that will ensure raw material continuity.

6- Using our local supplier network to reduce the carbon footprint of raw materials and products.

OUR SUSTAINABILITY GOALS

RELATIONSHIP BETWEEN PENTİ STRATEGY AND SUSTAINABILITY MODEL

Human Health, Equality and Inclusion

MEGA TRENDS

- Risks to human health
- Gender inequality
- Devastating impact of inequalities
- Change in talent needs

OUR STRATEGIC BUSINESS AREAS

- Prioritization of human rights
- Ensuring gender equality
- Human health practices
- Talent management practices

UN.SDG



KNOWLEDGE ✓ PASSION ✓ RESPECT ✓ CARE ✓

STRATEGIC POSITION

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

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

OUR STRATEGIC GOALS

1- Ensuring the continuity of an environment that fosters human-rights- compliant working conditions in all units of Pent value chain.

2- In this context, providing trainings to all stakeholders to raise awareness of gender equality and emphasize its importance.

3- Developing and disseminating Penti in-house practices as part of the gender equality program.

Social Development and Innovation

- Impact of social inequalities
- Geopolitical issues and inclusion
- Innovation and R&D need
- New responsible business approach

- Accessibility to our products and services
- Innovation understanding
- Development of R&D activities
- Social responsibility projects



KNOWLEDGE ✓ PASSION ✓ RESPECT ✓ CARE ✓

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

We embrace a beautiful future together with love.

1- To plan social responsibility projects that contribute to social development and well-being, in line with the partnerships we establish with our stakeholders.

2- Realize innovations that best meet consumer needs in line with our leading brand identity.

3- Make the best use of technology in product accessibility and customer experience.

OUR GLOBAL COMPLIANCE

The participation of every individual is necessary both to protect our resources and to achieve successful results in climate action. However, the realization of such participation depends on increasing the collective welfare and enabling every individual to be active in the economic and social spheres.

In this context, our top priority as Penti is to ensure that diversity, which is a fundamental element of sustainability, is understood and accepted in every field in which we operate, and to ensure equality by creating an inclusive system accordingly. Achieving this goal begins with ensuring gender equality in the social sphere and extends to eliminating all forms of discrimination. These efforts will promote the participation of all humanity in development and support the building of a sustainable future through joint endeavour.

At Penti we value gender equality. Our understanding of gender equality in our corporate culture includes women playing an active role in every stage of the economic process and having a productive capacity that supports their cultural development in the social field.

The areas in which we aim to make a material contribution to our global sustainability goals are the following:



Achieving Gender Equality | Reducing Inequalities | Establishing a Decent Work Environment and Supporting Economic Growth | Ensuring Quality Education | Healthy Individuals

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

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

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

We are working for a more *equal* world

BETTER LIFE





For a more *equal* world...

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

As Penti, we address, monitor and regularly report and share our performance in managing, producing and sharing our business under four main headings to keep all our stakeholders 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.

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.



For protection *passion*

PASSION

As Penti, we carry out all our activitie 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.

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.



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.

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.



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.

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 are well aware that our history as humanity is written together and that every step we take as Penti has an impact on a global scale.

We advance all our business processes with this sense of responsibility and act in accordance with the guidance of science.

FOR DEVELOPMENT *knowledge*

We believe that with common sense, free sharing of ideas and equal participation of all our stakeholders, we can solve today's problems and minimize the effects of the threats that await us in the future.

As Penti, we focus on continuously improving our management quality and developing our egalitarian decision-making abilities in line with the requirements of the age.

The relevance of gender equality in management is enhanced by the establishment of egalitarian and inclusive decision-making processes, based on ethical values, in which all stakeholders are fairly represented. This process should be managed with a knowledge-based approach and ensure the integration of our business approach into our ecosystem.

Penti shares its business approach, including ethics and quality, with all 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 build our future with the contribution and knowledge of our collective mind.



CORPORATE GOVERNANCE

In our second generation, under the leadership of Sami Kariyo, we have transformed the retail business and developed into the Penti brand of today.

With our ability to adapt to rapidly evolving and changing circumstances, we aim to connect our brand 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 philosophy is grounded in people living and working together for the common good.

At Penti, we have been working for many years adopting an approach based on continuous improvement and translating what we learn into smart steps. We practise our philosophy in a more concrete way every day and extend it to the wider public. We implement the tenets of this philosophy under four main headings.

Sustainable Profitable Business Model

At the levels of strategy, product, growth and accessibility, we make our sustainability a reality.

Trust Within Penti

In building our collaboration, we value common sense, leading with teams, Penti experience, staying healthy and continuing to learn.

Non-Penti Collaborations

Our external collaborations are founded on the experiences of our guests, suppliers, civil society, and academic institutions.

Global Partnerships

We are further extending our presence in Romania, Cyprus and Serbia through our international companies. We support our global initiatives with 135 business partners in 32 countries and expand our trade network by exporting to 33 countries and under private label to 27 countries. And we import from 6 countries.

We support the sustainability of our operations through effective corporate governance practices based on sound principles. While our corporate values and ethical principles guide our activities, we fully comply with legal requirements. We are constantly improving our efforts to create value for our stakeholders.



Penti *mission*

OUR MUSIC IN PENTI

To enrich and facilitate women's lives with our personalized products and services, and to offer them experiences that make them feel special,

To create exceptional satisfaction in our customers by exceeding their expectations,

To become a source of trust, appreciation and happiness for our consumers through our aspiration to make a difference and our passionate approach to service.

Penti *vision*

OUR RHYTHM IN PENTI

To consolidate our leadership in the product groups in which we operate, by strengthening our presence in international markets,

To advance towards becoming a global brand,
To maintain and strengthen our universal position as a supplier to many world-renowned and respected brands and as Europe's largest integrated manufacturer of thin women's hosiery,

To consolidate our undisputed leadership in "hosiery" product group and rapidly extend it to all our main product groups.

CORPORATE GOVERNANCE

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

Within the framework of the Environmental, Social and Corporate Management Policy established within Penti;

Corporate Governance Policies	Penti Çorap	Penti Giyim
Information Security Policy	✓	✓
Information Systems General Usage Policy	✓	
Personnel Security Policy	✓	
Password Management Policy	✓	
Clean Desk Clean Screen Policy	✓	
E-mail Policy	✓	
Mobile Device Security Policy	✓	
Information Assets Data Destruction Policy	✓	
Remote Connection Policy	✓	
Information Transfer Policy	✓	
Supplier Relations Information Security Policy	✓	
Anti-Malware Policy	✓	
Change Management Policy	✓	
Software Development Policy	✓	
Encryption and Key Management Policy	✓	
Access Management Policy	✓	
Server Security Policy	✓	
Internet Access and Usage Policy	✓	
Physical Security Policy	✓	
Network Management Policy	✓	

Corporate Governance Policies	Penti Çorap	Penti Giyim
Network Device Security Policy	✓	
Crisis/Emergency Management Policy	✓	
Environment and Energy Policy	✓	✓
PDPL Personal Data Processing and Protection Policy	✓	✓
PDPL Policy on the Processing and Protection of Personal Data of Employees	✓	✓
PDPL Personal Data Storage and Disposal Policy	✓	✓
PDPL Personal Data Protection Governance and Audit Policy	✓	✓
PDPL Policy on the Security of Special Personal Data	✓	✓
Foreign Materials and Metals Policy	✓	
Quality Policy	✓	✓
Social Compliance Policy	✓	✓
Breastfeeding Policy	✓	
Anti-Bribery and Anti-Corruption Policy	✓	
Gender Equality Policy	✓	✓
Health and Safety Policy	✓	
Environmental Policy	✓	✓

CORPORATE GOVERNANCE

These policies are implemented and supervised by the Executive Board. The Executive Board also oversees sustainability management policies and strategies. Our Executive Board represents the highest level of our corporate governance practices. The diversity and experience of the Board members contributes to the decision-making process. It aims to create wealth and value for all stakeholders. With this in mind, Penti delegates the roles of Chairperson 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 in opportunity is one of our key sustainability goals as Penti. We believe that long-term success requires the participation of women in the organization and their active role in management processes. Our Executive Board consists of 10 members and the proportion of female board members is 30%. Our Board of Directors manages the establishment of stakeholder relationships and ethical standards to achieve Penti's corporate goals.

Promoting and protecting gender equality is a focus of the Board of Directors. The Board monitors Penti's activities, ensures ethical compliance and works to protect the rights of stakeholders. The proportion of female directors is 47%.



OUR STRATEGY MAP

FINANCIAL	Increase existing income and generate new sources of income	Profitability	Improve cost structure		
CUSTOMER	Always be reachable	Exceeding customer expectations by quickly adapting the best	To distinguish ourselves through the innovative products and services we provide	Improving the brand's image in the eyes of customers	Gain new customers
OPERATIONAL	In-depth knowledge and understanding of the customer	Creating differentiated products with lean processes and design	Maximizing the total benefit of the product journey, starting from idea	In collaboration with our suppliers, we will develop environmentally friendly products for a more sustainable world.	
LEARNING AND DEVELOPMENT	Being proactive in terms of organizing, managing information, and managing people	Working together in teams to accomplish common goals			

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

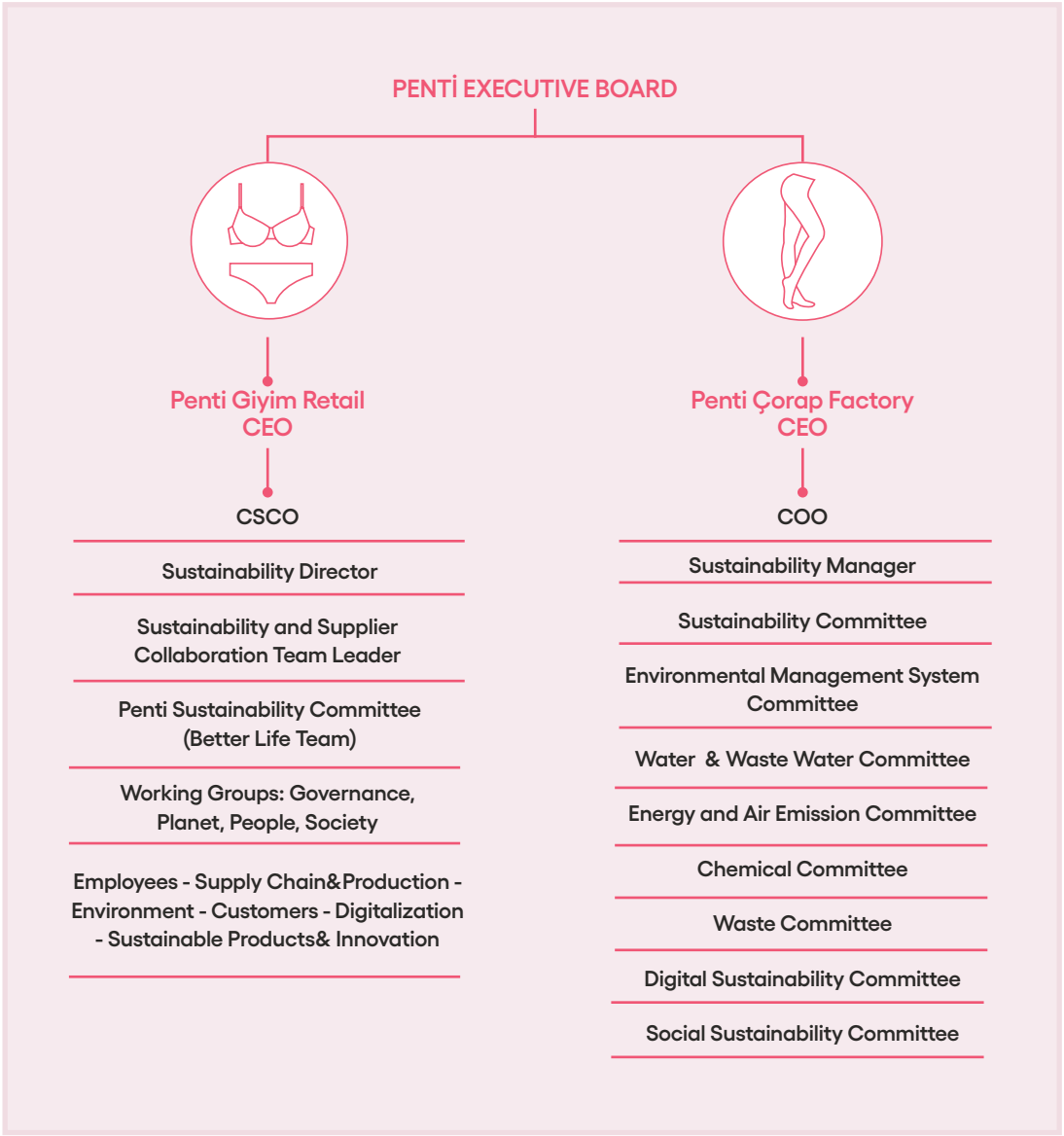
We derive strength from continuous development for our leadership and competitiveness.

SUSTAINABILITY MANAGEMENT

Penti's Sustainability Management is a fundamental part of the corporate strategy and business operations, while at the same time involving a broad engagement with stakeholders. 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, which report to the Executive Board. Penti Giyim Retail's Sustainability Committee is composed of different units and departments from Penti and is led by the Sustainability Director. In 2023, the committee undertook key tasks such as reviewing the sustainability strategy in line with risks and opportunities and updating the sustainability targets. It has also ensured that sustainability performance is monitored and reported in all Penti companies. The Penti Sustainability Committee meets regularly to ensure broad participation and equal opportunities for participation and interaction across all subsidiaries and departments.

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



"BETTER LIFE TEAM"

Sustainability Committee

The team that develops, protects and disseminates Penti's approach to sustainability is the "Better Life Team". This team aims to incorporate sustainability as part of the corporate culture and takes a leading role in defining 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 liveable planet for all our stakeholders.

"Better Life Team" comprises 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. The representatives use their expertise to ensure that sustainability is managed with common sense and stakeholder involvement.



OUR MANAGEMENT TEAMS

At Penti, we have ten different teams, including the "Better Life Team", which are responsible for the development, protection and dissemination of our understanding of sustainability.

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 through the TeamTalk initiative.

The "Gender Equality Team" works to increase the visibility and initiative of women in society and business, and supports our efforts to achieve the UN's 2030 Sustainable Development Goals.

The "Customer Happiness Team" takes a modern approach to customer satisfaction and provides services in line with our sustainable and ethical approach to business.

The "Talent Management Team" encourages the continuous development of our employees and assists them in adapting to technological and sectoral changes.

The "Investments Team" ensures that strategic investments for the benefit of Penti's success and global goals are being undertaken.

The "Savings Team" implements strategies to conserve resources such as energy and water, and promotes sustainable financing.

The "PDPL Team" aims to protect personal data and create an ethical business environment, building an ethical ecosystem that contributes to the common development of individuals and institutions.

"Penti Assembly" ensures that the company is evaluated from the employees' perspective, that the efficiency of operational processes is strengthened and that the Penti culture is kept vivid and disseminated.

In 2023, our new team, the Penti employees, made up of members of Generation Z, united under the roof of TeamZ and set up a special team where they will exchange ideas with our CEO.

These teams are responsible for the management of our sustainability processes and the strengthening of the company's entire value chain.



OUR RISK MANAGEMENT

By conducting corporate risk management operations in compliance with international standards, Penti guarantees the safety of its stakeholders and their assets.

We consider it essential for decision-making processes to identify and efficiently manage both opportunities and risks. In this particular context, we conduct risk management operations within a dynamic framework that promotes involvement from multiple stakeholders, monitors ongoing modifications, and incorporates them into all business processes.

We consider risk and opportunity analysis from a broad perspective, from pre-production to post-production of Penti. We communicate the analysis to all stakeholders using different communication languages and channels to ensure transparency and participation. This strategy is a key tool for regularly reviewing and updating our sustainability goals; assessing financial and non-financial implications is an integral part of our process.

At Penti, we take a holistic approach to development, assessing risks and opportunities to effectively manage growth strategies. In this way, we ensure the sustainability of the company and maximize the trust and satisfaction of our stakeholders.

In particular, we have focused on the risks associated with climate change and have carried out detailed analyses, set strategic objectives and taken decisions in this area. We are developing policies and low-carbon strategies for possible future carbon taxes under the Carbon Border Adjustment Mechanism (CBAM). This will enable us to comply with new regulations and maintain our competitiveness.

Our Risk Management Strategy focuses on the identification and assessment of risks. We rigorously assess climate-related risks and identify countermeasures. We take measures such as increasing energy efficiency, expanding renewable energy sources and managing water and other natural resources effectively to raise sustainability standards throughout the supply chain and reduce environmental impact.

At Penti, we have initiated our work on the **Business Continuity Plan** 2023 in connection with our Risk Management and Disaster & Crisis Management agendas, which are our priorities. In line with this work, Penti's operations can be continued or recovered in a timely manner in the event of an interruption or crisis that may occur due to reasons such as war, terrorist attacks, strikes, lockouts, riots, epidemics, fires and natural disasters, IT-based attacks and business interruptions at business partners, and has been organized with the aim of minimizing the negative technological, operational, financial, legal and reputational impact, managing problems, determining the actions and precautions to be taken in any unexpected and emergency situation, and protecting the Company's assets and reputation.

The Business Continuity Plan covers management processes and strategies to be prepared in an organized manner against the risks that may arise in the event of disruption to the company's business continuity due to emergencies and unexpected situations arising from information systems, supply chain and physical security. As part of the project, a risk table was prepared and a **Crisis Management Team** was established.



PENTİ GİYİM
SUPPLY CHAIN MANAGEMENT

Our supply chain management methodology adopts an approach that upholds human rights and protects the environment. Supply chain management is offered in accordance with the way our planet and all its components function in the light of these standards. All parties involved in our value chain are expected to comply with the criteria we have established in these management procedures. We manage our supplier relationships in line with Penti's efforts to ensure sustainability in all business activities and dimensions.



Penti is continuing to restructure its supply chain in this manner in accordance with the sustainability strategy it established in 2021. Every business partner in our supply chain, which comprises over 950 suppliers, is meticulously selected, and supplier relationships are managed in accordance with ethical principles, environmental regulations, and sustainability commitments. Our suppliers accept that they have a responsibility to establish and uphold an atmosphere at work that respects human rights, is inclusive, egalitarian, and conforms with environmental regulations, as well as to adhere to Penti's strict commitment to legal compliance and ethical values.

In this process, documents such as the "Penti Supplier Code of Conduct", the "Environmental Policy" and the "Restricted Chemicals Procedure" became the pillars of agreements with suppliers. Penti has designed these principles and procedures to be applied at every level of the supply chain, making sustainable production and supply chain management an integral part of Penti's corporate identity.

Transparency and regular audits in supplier relations are characteristic of Penti's way of doing business. Regular inspection programs and site visits are carried out to verify supplier compliance. These audits and feedback contribute to Penti's commitment to sustainability.

This overall process aims to make Penti's supplier management processes not only for the benefit of the company, but also to contribute to a better and more equitable life for all stakeholders. The supply chain is not merely a flow of materials, but also a conduit through which values and principles are transferred.

PENTİ GİYİM
SUPPLY CHAIN MANAGEMENT

Penti is not just concerned with the operations of the present; it also proactively assesses and manages any risks and threats that may arise in the future.

Our supply chain is an essential component of our risk management strategy precisely because it guarantees business continuity and is one of our major sustainability stakeholders. It carries out risk mapping in the strategies it plans with its business partners, develops contingency plans and workable solutions to potential risks, and strives for business continuity.

This is the story of how Penti ensures sustainability for today and tomorrow.

- Audit Integrity
- Child Labor
- Senior Management Taking Precautions on Critical Issues
- Modern Slavery and Forced Labor
- Sexual, Verbal, Physical, Emotional Violence and Harassment
- Legal Environmental Requirements
- Legal OHS Rules
- Legal Working Conditions
- Respect for the Right to Collective Labor Agreement
- Anti-Discrimination and Equality
- Compliance with Environmental Regulations

In addition to quality, Penti places great importance on sustainability and social compliance criteria when selecting suppliers. These criteria are regularly reviewed and the performance of the supply chain is constantly measured to maintain the company's high standards.

Ekol Logistics, one of Penti's business partners, has successfully met the logistics, energy and management standards and has been awarded the "Sustainable Logistics Certificate". This accomplishment demonstrates that supplier relationships and performance measurement processes are meticulously managed by the "Supplier Collaboration and Development" unit. Furthermore, the Supply Chain Management (SCM) system monitors the **minimum 85% quality control pass rate expected from suppliers.**

Throughout the year, a total of 35 improvement meetings were held with 16 key suppliers who play a critical role in the co-operation with Penti. During these meetings, suppliers' performances were meticulously evaluated, customer feedback was reviewed, and ordering and production processes were analyzed. **Gold and Silver Key Suppliers climbed from 16 in 2021 to 27 in 2022 and 53 in 2023, based on findings from the Supplier Collaboration & Development Unit's performance tracking system.**

Classifying and mapping suppliers according to their risk level enables more frequent and comprehensive inspections of high-risk suppliers. **29,260 final quality controls and nearly 1,500 inline inspections** in 2023 ensured that product quality is constantly maintained and that any problems are swiftly identified and resolved.

Penti evaluated **130 suppliers**, including main and sub-suppliers, as part of this comprehensive assessment program. The findings indicated that **60%** of suppliers are compliant, **21%** are open to improvement and **19%** are unworkable. Suppliers with room for improvement were encouraged to deliver improvements within a given timeframe, while those deemed unworkable were removed from the supply chain.



PENTİ GİYİM
SUPPLY CHAIN MANAGEMENT

Approval Process of A New Supplier

The process of selecting both raw material and product suppliers for the Penti value chain is managed very diligently. With the primary aim of improving the existing supply chain day by day, Penti can add suppliers to its value chain who meet its standards, in parallel with its growth objectives over the years.

The evaluation process of our supplier candidates begins with the Social Compliance and Technical Audit phase. Should any supplier fail to pass this audit, they will not be accepted into the Penti Supply Chain, despite meeting other quality and price criteria.

Suppliers who successfully complete the audit process are expected to fully comply with and commit to upholding our core standards such as Supplier Code of Conduct Environmental Policy and Restricted Chemicals Procedure.

Once a commitment has been made, the raw material processes and production conditions are examined to ensure quality values in compliance with Penti's product standards. The business partnership process is initiated by identifying suppliers who are suitable for Penti's product expertise.

SELF INSPECTION TRAINING AND CERTIFICATE PROCESSES

The aim was to provide the three identified suppliers with a self-inspection capability. The Penti Inspection team carefully selected three suppliers to develop this capability, the suppliers continued their inspection processes under these authorities in 2023 and were continuously trained and monitored by the Penti Quality Control team. The training process included periods of in-depth learning and practice and was supported by written and practical examinations.

This achievement underlines Penti's firm commitment to quality management and its determination to strengthen collaboration with its suppliers. This process is an example of how Penti is strengthening its collaboration with its suppliers to develop a sustainable and independent quality assessment capability.

Penti Giyim Retail	2023	2022	2021	2020	2019
Total number of suppliers (including main and sub-suppliers)	488	527	621	579	637
Total number of local suppliers (including main and sub-suppliers)	413	481	568	536	576
Total number of new suppliers (including main and sub-suppliers)	73	82	245	205	324

PENTİ ÇORAP SUPPLY CHAIN MANAGEMENT

Our Supplier Selection and Evaluation Methods

At Penti, we take an approach that seeks excellence in every link of our supply chain. By prioritizing sustainability and quality in our supplier relationships, we select the companies we add to our approved supplier list in accordance with these principles. Our approach includes a transparent and comprehensive assessment process.

We identify and assess our suppliers to meet our company's quality standards and ensure that our supply chain is strong and effective. This process covers a wide range of purchases, from yarn to packaging, from dyes/chemicals to indirect purchasing. Our authorized personnel at all levels, from the COO to the Purchasing Manager, carry out their assigned tasks with dedication.

Penti Çorap Factory	2023	2022	2021	2020	2019
Total number of suppliers	515	527	621	579	637
Total number of local suppliers	457	481	568	536	576
Total number of new suppliers	86	82	245	205	324



PENTİ ÇORAP
SUPPLY CHAIN MANAGEMENT

Our Supplier Selection and Evaluation Methods

We prioritize diversity and accessibility in our search for new suppliers. We cover a wide range of areas, from trade fairs to industrial records, from digital research to technical visits. We follow a detailed process to determine whether new candidates in our supply chain are suitable to work with us. New suppliers are required to provide relevant information about our business by completing the "Factory Supplier Information Form" as a first step. This form allows us to have an understanding of the candidate's general competencies and way of doing business. Suppliers who successfully complete the first stage complete the "Factory Suppliers Preliminary Evaluation Form" for a more in-depth preliminary assessment. This form plays a critical role in assessing the operational compliance and risk profile of our suppliers. Suppliers receiving a score of 65 and above go through our "Operational Risk Assessment" process. This assessment is important in minimizing potential risks and is used by our Purchasing Manager to determine the need for a potential supplier visit.

Suppliers of yarn and packaging materials are crucial for Penti Çorap Factory.

Higg FEM memberships help us monitor environmental impacts. In 2021, 19 suppliers received membership. In 2022, a further 9 suppliers and in 2023, 7 new suppliers were awarded membership. These memberships allow us, as Penti, to accurately monitor and manage our environmental impact.

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



PENTİ ÇORAP
SUPPLY CHAIN MANAGEMENT

Our Supplier Selection and Evaluation Methods

OUR SUPPLIER AUDIT PROCESS: CONTINUITY OF QUALITY AND COMPLIANCE

At Penti, we attach great importance to quality and continuity in supplier management. In this context, we consider the evaluation of our raw material suppliers as an important process within our annual procedures. We carry out supplier audits at least once a year to ensure that our current standards are maintained and to encourage continuous improvement.

We carry out supplier audits on pre-planned dates under the guidance of our Purchasing Specialist and Purchasing Manager. We conduct our audit activities under the guidance of the Penti Management System (PMS) to ensure consistency and a high level of transparency in our processes. We take a proactive approach to our supplier relationships and maintain a continuous improvement dialogue with each supplier based on the results of our assessments.

ASSESSMENT SCALE

- **Excellent performance 90-100 A CLASS**
- **Adequate Performance 80-75 CLASS B**
- **Open to Improvement 75-0 CLASS C**

At Penti, we strive for excellence in our supplier relationships and regularly evaluate the performance of our suppliers. As part of this evaluation, we decide to review our relationship with suppliers who have received a “C” class rating three times in a row. We expect every company on our supplier list to meet our high standards. Those that do not meet these criteria are removed from our list by our Purchasing Manager.

Subsequent to each audit, we identify any non-conformities and communicate the necessary corrective actions to our suppliers. We expect our suppliers to agree to these actions and report back to us. If a supplier does not complete these actions within the specified time, and we observe the same nonconformities during the next audit, we record this situation as a major non-conformity and take the necessary action.

FOR PROTECTION *passion*

Our planet is 4.5 billion years old. We have been on it for about 200 thousand years.

Since we were born, we have been passionately attached to this one of a kind planet and its perfect system of air, water, resources and all its vitality that loves us, our species.







FOR PROTECTION *passion*

This unrivalled planet treats us, the Humanity, with boundless generosity and always supports its existence.

The passionate bond we form with this magnificent and perfect system not only provides us with life, but also imposes a deep responsibility and duty to protect it. In this magical cycle, while each of us is filled with a sense of universal belonging, the duty to protect and care for our planet falls on our shoulders.

At Penti, everything we do is in harmony with the planet and its elements.

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

We are passionate about protecting our inspiring planet.

Thanks to our technological investments, we run our production with the aim of achieving zero emissions by using less energy and water every day, and we share this green production approach with our entire supply chain.

OUR ENVIRONMENTAL MANAGEMENT APPROACH TO FIGHTING THE CLIMATE CRISIS

At Penti, our environmental management strategy is based on the principle of providing continuous benefit to our planet and all its elements.

We evaluate and manage this benefit with the universal perspective we take from our vision and mission. With the aim of creating sustainable value, we are passionate about protecting our planet, which is our source of inspiration. In this context, we contribute to the circular economy through our activities in all our business lines. We work from a nature-inspired perspective, managing and developing projects to reduce our environmental impact. At the same time, we fully comply with national and international legislation. Most importantly, we take action with the awareness of sharing these processes with our stakeholders in the field of interaction.

Reducing greenhouse gas emissions from our operations is at the very center 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 emissions reduction targets.

We have invested over *100 million TL* for the environment in 2023.

OUR ENVIRONMENTAL MANAGEMENT STRATEGY AT PENTİ

The aim of our environmental policy is to effectively manage the environmental impacts of our activities and to constantly improve our environmental performance.

The principles and objectives of our environmental policy are built on managing our business processes in an environmentally sustainable manner and minimizing environmental risks.

We also pay close attention 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 as needed. Waste storage and disposal processes are also regularly audited to ensure compliance. Where deficiencies are identified during these audits, corrective action is taken quickly to prevent environmental risks and non-compliance. We have published our Restricted Chemicals Procedure 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 that are harmful to the environment and to provide a decent and safe working environment for employees. We create a safe supply chain and minimize our environmental footprint by publishing this procedure as a standard to all our existing and new suppliers and ensuring its implementation.

Our approach to environmental management involves identifying and minimizing environmental risks and continuously monitoring environmental performance. Our aim is to ensure environmental sustainability and minimize our impact on the environment by conserving natural resources. Further information is available in our environmental policy and related documents.

ENVIRONMENTAL MANAGEMENT

The Penti Environmental Policy defines the environmental risks and priorities of our company. This policy defines compliance with environmental standards for all elements of the Penti value chain.

As Penti, we constantly monitor our performance in areas such as energy, emissions, biodiversity, waste, waste water and water consumption as part of our environmental management. We keep our energy consumption and emissions under control and make improvements, particularly through the LED Transformation Project and energy efficiency monitoring in our stores.

We obtained GRS (Global Recycled Standard) and OCS (Organic Content Standard) certification, which we were aiming for 2023.

Penti Çorap Factory has an internal Sustainability Committee relating to environmental management.

This committee addresses issues such as the 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.

- **Environmental Management System Committee**
- **Water-Wastewater Management Committee**
- **Energy and Air Emissions Management Committee**
- **Waste Management Committee**
- **Chemical Management Committee**

At Penti Çorap, we adhere to international standards such as OEKOTEX-2024 and Global Recycle Standard (GRS), notably the ISO 14001:2015 Environmental Management System Standard, to manage and continuously improve our environmental impact.

As Penti Çorap, we allocated a total of **3 million 110 thousand Euros** for environmental investments and expenditures during the reporting period. Among the investments we have made are the optimization of the reducer used in the dyehouse, the purchase of a new compressor, the installation of a centrifugal chiller, the conversion of lighting fixtures to LED technology and the installation of a Solar Power Plant (SPP).

During the period under review, no fines were imposed on Penti for environmental offences.

OUR ENVIRONMENTAL *Policy*

We carry out all our activities in harmony with the goal of a sustainable and better life.

We take steps to minimize our environmental footprint, air, water and soil pollution and carbon emissions.

We provide all necessary resources for sustainable remedial action.

We define all our strategies to fully achieve our 2030 product sustainability goals.

We take care to use sustainable and recyclable materials in all areas.

We ensure that the products we offer our customers are sustainable in every aspect.

We minimize our waste from production and post-production processes and develop recycling projects.

We draw attention to issues that will affect future generations, such as sustainable development, climate change and biodiversity, and aim to protect our ecosystem.

We take action to create environmental awareness and individual responsibility among all our stakeholders.

We accept our responsibility to leave a liveable planet for future generations and to create a decent, equitable and inclusive living environment for everyone.

We work to continuously increase and improve our sustainability performance.

Penti BETTER LIFE

ENERGY EFFICIENCY AND EMISSION REDUCTION AT PENTİ GİYİM

At Penti, we have developed new strategies and roadmaps and initiated our green transformation processes to minimize the impact of the climate crisis, increase resilience and protect natural resources.

We govern this transformation through the targets we have set in sectoral and cross-sectoral areas. We are implementing a range of strategies and projects to make the textile industry more sustainable. These projects include efforts to increase development and capacity, with a focus on resilience and climate adaptation. In particular, through the Penti Pass project, we are leveraging smart algorithms to optimize supply and demand in stores, reduce fuel consumption in logistics and freight processes, and reduce carbon emissions. We are also saving paper, energy and resources by reducing the number of cancellations and returns.

A Better Life with Our Energy-Friendly Stores

At Penti, we are committed to an energy efficient and environmentally conscious approach to retailing towards a sustainable future. The projects we have implemented in our stores and plan to continue in the coming years aim to reduce the environmental impact of not only our products, but also our operations.

Thanks to our environmentally responsible practices, we estimate that we have saved

1,953
old-growth trees

Our energy efficiency projects are targeted to reduce carbon emissions by

1,945 tons

We estimate that our stores will save a combined

3,155,643 kW
of electricity over the next five years
by improving their energy efficiency.



ENERGY EFFICIENCY AND EMISSION REDUCTION AT PENTİ GİYİM

With the **Product Allocation and Transfer Management Project**, we are improving our efficiency by directing inventory to the right channel, at the right time and in the right quantities. With this business process, we aim to manage inventory more efficiently and reduce excessive costs and environmental impact.

With the **Markdown Optimization Project**, we increase operational efficiency and reduce extra paperwork by standardizing discounts and promotions across channels.

With **People Box**, we digitalize the resume and recruitment process, reduce the use of paper in the process, and comply with PDPL processes by keeping resume information confidential.

With **Penti Pass**, we optimize order processes and manage order shipments effectively.

We use **3D drawing applications** to streamline the design and sampling process, reducing the number of samples and thus the use of raw materials. We minimize our carbon footprint by reducing the number of samples we receive from our suppliers.

We carry out studies in all our operations with the aim of reducing energy consumption and increasing energy efficiency. To this end, we have been measuring and reporting the energy consumption of all our companies since 2011. Likewise, we carry out multiple 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.

While our use of sustainable cotton was *17,96%* in 2022, this rate increased to *28,22%* in 2023, marking an increment of *57,3%*. Our use of sustainable polyester increased by *197,4%*, from *6,08%* in 2022 to *18,68%* in 2023.

With these rates, we have managed to significantly increase the use of environmentally friendly raw materials in line with our sustainable product targets, reaching the levels we set for 2023 in our collection.

As Penti Giyim Retail, we focus on sourcing our products from local sources to achieve our sustainability goals.

In this context, a strategy of procuring products from local suppliers has been adopted in order to meet sustainability goals. **As of 2023, the proportion of local suppliers is 84.6%.**

With this change, we have significantly reduced distances and optimized routes in the production and supply chain of our products. Ongoing collaboration with local suppliers has made a significant contribution to sustainability, route optimization and carbon footprint reduction objectives and has enabled these rates to be maintained at high levels.

In 2023, we successfully completed the Transition to LED Spotlight Use project we initiated in 2022 in our stores. Thanks to this conversion, **we achieved an annual energy efficiency of 68%**.

Penti is aware of its responsibility to report greenhouse gas emissions in a transparent manner. We are able to reduce the packaging weight of our product lines through projects we undertake with our suppliers. **Thanks to these efforts, we are able to reduce the amount of waste we produce as well as the indirect carbon emissions associated with the production of packaging.**

Ekol Logistics, our business partner in the warehousing and logistics processes at Penti Giyim, has been awarded the 'Sustainable Logistics Certificate', which is applied to all its facilities, including the one where it manages the Penti operation. **This certificate confirms that their facilities and operations meet standards defined in many areas, such as management systems, energy systems and logistics services.**

ENERGY EFFICIENCY AND EMISSION REDUCTION AT PENTİ GİYİM

CATEGORY	CELLULOSE BASED				COTTON				POLYESTER				PCS TOTAL	PCT TOTAL
	CONVENTIONAL		SUSTAINABLE		CONVENTIONAL		SUSTAINABLE		CONVENTIONAL		SUSTAINABLE			
	PCS	PCT (%)	PCS	PCT (%)	PCS	PCT (%)	PCS	PCT (%)	PCS	PCT (%)	PCS	PCT (%)		
ACCESSORIES	-	-	-	-	27	100,00%	-	0%	38	74,51%	13	25,49%	78	100%
SOCKS	32	94,12%	2	5,88%	512	71,40%	205	28,60%	15	100,00%	-	0,00%	766	100%
OUTERWEAR	70	92,11%	6	7,89%	92	68,66%	42	31,34%	187	87,79%	26	12,21%	423	100%
HOME WEAR	122	100,00%	-	0%	255	56,04%	200	43,95%	310	91,45%	29	8,55%	916	100%
UNDERWEAR	18	81,82%	4	18,18%	501	84,49%	92	15,51%	216	69,90%	93	30,10%	924	100%
BEACH WEAR	72	100,00%	-	0%	22	59,46%	15	40,54%	235	77,30%	69	22,70%	413	100%
TOTAL	314	96,32%	12	3,68%	1409	71,78%	554	28,22%	1001	81,32%	230	18,68%	3520	100%

In 2023, the use of sustainable cotton in our collection reached *28.22%* and the use of sustainable polyester reached *18.68%*.

OUR ENERGY PERFORMANCE IN 2023 AS PENTİ ÇORAP

Our total annual energy savings ▶ *2,393,861 Kwh*

Our total annual green-house gas reduction ▶ *370.9 tons CO_2*

We are implementing a number of projects to reduce energy consumption in our production facilities. We aim to reduce energy intensity by optimizing our production processes.

At the same time, we take a series of measures to increase energy efficiency. We use effective methods and analyzes to track, evaluate and report on these processes.

As Penti Çorap, we purchased “High Energy Efficiency Compressor” in 2022 and saved **660,000 kWh** of energy in 2023 and reduced carbon emissions by **200 tons of CO_2**.



ENERGY EFFICIENCY AND EMISSION REDUCTION STUDIES

As Penti Çorap, we had a solar power plant investment target of 4.1 MW capacity in 2023. We have decided to commission this application at the end of 2023 and aim to generate electricity in 2024.

As Penti Çorap, the total environmental investments and expenditure we have undertaken in 2023 was recorded at 3 million 110 thousand euros. These investments and expenditure indicate our company's commitment to achieving environmental sustainability goals and minimizing environmental impacts. We invest in various environmental projects and improvements in accordance with our environmental management policy.

The following energy efficiency and emissions reduction projects were carried out during the reporting period:

The main objective of the Dyehouse Wastewater Heat Recovery Project was to recover the heat energy from the dyehouse wastewater, thereby reducing natural gas consumption. **This project saved 139,000 m3/year of natural gas. We reduced carbon emissions by 72.3 tons/year.**

As part of the Saving Lighting Project, we redesigned our lighting fixtures to make our lighting systems more efficient and reduce our energy consumption. Thanks to this project, we achieved an annual energy saving of 260,000 kWh in 2022, which corresponds to a financial saving of 800,000 TL. The energy savings we achieved by revamping the lighting fixtures also reduced our carbon emissions, and as a result of this project, we avoided approximately 100 tons of CO2 emissions. Our project continued in 2023. In 2023, we achieved **annual energy savings of 164,101 kWh/year.**

The main objective of the High Energy Efficient Compressor Procurement Project was to replace the compressor systems in our factory with modern and high efficiency compressors that provide high energy efficiency. **As a result of the project, we have achieved annual energy savings of 460,800 Kwh/year, at an investment cost of 35,500 Euros. The project's impact on carbon emissions was also remarkable. The project contributed to the avoidance of approximately 200 tons of CO_2 emissions.**

As Penti Çorap Factory, we use renewable energy resources and strengthen our environmentally friendly approaches.

We support efforts to reduce carbon emissions by using renewable resources such as solar energy. In addition, we continue to invest in energy efficiency and take steps to minimize our environmental impact. We observe a steady increase in our energy production from renewable sources. Our renewable energy production, which was **8.9 KWh** in 2020, grew significantly to **11.7 KWh** in 2021 and reached **12 KWh** in 2022. In 2023 this figure reached **9,8 KWh**.

Penti Çorap Factory	2020	2021	2022	2023
Energy Consumption from Renewable Energy Resources	8,9 (kWh)	11,7 (kWh)	12 (kWh)	9,8 (kWh)
Energy Intensity – Total Energy Consumption	36,268 (kWh)	36,675 (kWh)	59,761 (kWh)	62.744 (kWh)
Energy Intensity – Total Energy/Total Production in Dozen	9,23 (kWh/dz)	9,35 (kWh/dz)	7,57 (kWh/dz)	7,9 (kWh/dz)

As Penti Çorap Factory, we regularly monitor our carbon footprint.

We set our carbon reduction targets through our sustainability committees. Our factory works with targets such as energy saving, use of renewable energy and reuse of waste energy. These targets are compatible with our Environmental Management System Committee's targets to reduce the consumption of natural resources.

ENERGY EFFICIENCY AND EMISSION REDUCTION STUDIES

At Penti, our 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 within Penti Çorap in 2023, and these calculations are made in accordance with the ISO 14064-1 2018 standard.

YEAR	Total tCO_2	Jersey Equivalent Product Dz	tCO_2 per Dozen
2021	39,443.06	4,026.697	0.00979
2022	49,670.38	7,356.857	0,0065
2023	43,846.03	7,923.843	0.00553
Difference Between 2021 and 2022	-	-	0,0032
Ratio Between 2021 and 2022	-	-	32%
Difference Between 2022 and 2023	-	-	0.00097
Ratio Between 2022 and 2023	-	-	13.00%

	t CO_2e		
CATEGORIES	2021	2022	2023
Category-1: Direct Greenhouse Gas Emissions	4,569.34	5,680.62	6,065.40
Category-2: Indirect Greenhouse Gas Emissions from Imported Energy	9,366.85	13,828.89	5,726.48
Category-3: Indirect Greenhouse Gas Emissions from Transportation	1,362.54	1,528.20	1,243.00
Category-4: Indirect Greenhouse Gas Emissions from Products and Services Used by the Organization	20,171.28	27,743.74	30,096.26
Category-5: Indirect Greenhouse Gas Emissions from Post-Production Use of Products Produced by the Organisation	1,043.00	888.93	714.90
Category-6: Indirect Greenhouse Gas Emissions from Other Sources	-	-	-
TOTAL	39,443.06	49,670.38	43,846.03

ENERGY EFFICIENCY AND EMISSION REDUCTION STUDIES

Penti fully complies with environmental legislation. In this context, air emission measurements are required by law and are regularly monitored with a measurement period of two years.

During these measurements, important parameters such as nitrogen oxides (NOx), sulphur dioxide (SOx), volatile organic compounds (VOC) and particulate matter (PM) are carefully evaluated. Within this framework, Penti does not have any emission parameter that exceeds the limits set by the regulations. This ensures full compliance with environmental legislation.

As Penti Çorap, we measured air emissions in 2021 and 2023. This data reflects our efforts to monitor and control greenhouse gas 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. Not only are we adopting environmentally friendly practices in our own operations, but we are also identifying our business partners with a sustainability perspective in our supply chain management.

Ekol Logistics, our business partner in Penti Giyim's warehousing and logistics processes, has been awarded the 'Sustainable Logistics Certificate' for all its facilities, including the facility where it manages Penti's operations. This certificate shows that their facilities and transport meet the standards set in many areas such as management systems, energy systems and logistics services.

The results of the air emissions measurements conducted by Penti Çorap in 2021 and 2023 are as follows:

Penti Çorap Air Emissions	2021	2023	Unit
Particulate Matter (Dust)	0.148	0.141	kg/hour
NOx	0.466	0.8371	kg/hour
SOx	0.133	0	kg/hour
Volatile Organic Compounds (VOC)	0.0987	0	kg/hour

We measure emissions every 2 years. The 2023 report is valid until August 2025.

Our Higg Fem 2023 score, verified by an internationally recognized independent auditing firm, was above the Turkish average for both Factory 1 and Factory 2.

Penti Çorap 2023 HIGG FEM		Average
Factory 1	Self Evaluation	83
	Verification	70,93
Factory 2	Self Evaluation	80
	Verification	67,02
Türkiye Average (Verified)		53,22

ENERGY EFFICIENT AND ENVIRONMENTAL FRIENDLY TECHNOLOGY APPLICATIONS

A Better Life with Our Energy-Friendly Stores



As Penti, we have implemented energy-friendly and conscious store practices to support a sustainable future. As part of this, the Energy Monitoring and Automation Project, led by our Technical Projects team, aims to increase energy efficiency and reduce operational costs.

The project started as a pilot in our Vadi Istanbul, Nişantaşı Street and Bahariye Street stores and was extended to around 50 stores during the year. Our pilot stores were selected as ideal test areas to optimize energy consumption and reduce our environmental footprint.

The temperature of the store is remotely monitored and maintained at the ideal temperature to ensure the comfort of our staff and visitors. Carbon dioxide levels are measured regularly to monitor air quality in the vault and cabin areas. The on/off status of lighting and electrical equipment is remotely controlled to maximize energy savings. Temperature monitoring in electrical panels and an early warning system ensure the safety of our employees and storage equipment.

Our goals for the implementation of our project at full capacity:

- 3 million 175 thousand TL energy cost savings in 50 stores in one year,
- 1,165,500 kW hours of energy savings,
- 719 tons of carbon emission reduction,
- Rescue of 720 old-growth trees.

LED Conversion Project

As Penti Çorap, we implemented the LED Conversion Project, which we started in 2022 and completed in 2023, to maximize energy efficiency in the thread, automatic sewing, warehouses, and jersey departments. This conversion strengthens our overall sustainability strategy by contributing to the company's environmental and energy policy, while also helping to reduce the impact of climate change, in line with the "Climate Action" goal of the United Nations Sustainable Development Goals. The main objective of the project is to reduce electrical energy consumption, which will lead to a significant reduction in operational costs and thus cost savings.

Our LED Conversion Project saved a total of 164,101 kWh of electricity in departments from the spinning mill to warehouse lighting, increasing our annual efficiency potential to 437,289 TL. The total investment in the project was 610,400 TL and we calculated a return on investment (ROI) of 17 months.

DEPARTMENT	ELECTRICITY SAVINGS (kwh)	ANNUAL POTENTIAL RETURNS (TL)
SPINNING MILL	61.459 kwh	174.353 TL
AUTOMATIC SEWING	34.214 kwh	84.509 TL
JERSEY	39.916 kwh	102.586 TL
WAREHOUSE ILLUMINATION	28.512 kwh	75.841 TL
TOTAL EARNINGS	164.101 kwh	437.289 TL
TOTAL COSTS (Led Light Emitting Diod, Workship)	610.400 TL	
ROI	17 MONTHS	

ENERGY EFFICIENT AND ENVIRONMENTAL FRIENDLY TECHNOLOGY APPLICATIONS

The Transition to LED Spotlight Use In Our Stores Project

The Transition To LED Spotlight Project, which reflects our environmental awareness and commitment to sustainability as Penti, has been successfully implemented in our stores. This initiative has delivered considerable environmental and economic benefits within a year.

Below is the overall result of our project:

- 1,254,221.28 kW hours of energy savings,
- 773,854.53 tons of carbon emission reduction,
- Rescue of 780 old-growth trees.

Warehouse LED Retrofit and Radar Sensor Installation Project

As part of the Warehouse LED Retrofit and Radar Sensor Installation Project, which we carried out in line with Penti's sustainability goals:

- We have saved 291,392.65 kW of energy over the year.
- Through our improvement efforts, we have reduced carbon emissions by 179,789.26 tons per year.
- Our green initiatives have rescued the equivalent of 179 old-growth trees.

Energy Saving Project Through Heat Pump Selection

Our goals for the next five years in the "Energy Saving Project Through Heat Pump Selection", which we have implemented in our factory as part of Penti's energy efficiency strategies, are as follows:

- To achieve energy savings of 444,530 kW per year,
- To reduce a total of 0.274 tons of carbon emissions with the application,
- To generate a total economic saving of 1,973,432 TL,
- Contribution to the conservation of 274 old-growth trees through energy and carbon savings.

In-Store Air Conditioning Equipment

With the air conditioning equipment that we use in our shops and stores:

- We have set a target of reducing CO2 emissions by 274 tons per year.
- Our energy savings will be 444,530 kW in total.
- Through energy saving and emission reduction efforts, we will ensure the protection of 274 old-growth trees.

SPP Project

As Penti Çorap, we supported the transition to renewable energy sources with the "SPP Project". The project covers 50% of the electricity needs of Factory-2 and 16% of the factory's overall needs with solar energy. An efficiency of 20,800.000 TL is predicted in 2024, calculated for a period in which the unit price of electricity is calculated at TL 4.16/kWh. The project will reduce carbon emissions by 2,200 tons.

B3T3 Machine Manufacturing Project

As Penti Çorap, we increased the production capacity with "B3T3 Machine Manufacturing Project" in 2023. We realized 105,400 dozen in automatic packaging and 168,250 dozen in semi-automatic production of cellophane products. With this new machine design, we achieved a significant increase in production efficiency and integrated it into the company's overall production strategy.

ENERGY EFFICIENT AND ENVIRONMENTAL FRIENDLY TECHNOLOGY APPLICATIONS

Dyehouse Wastewater Heat Recovery Project

As Penti Çorap, we developed the "Dyehouse Wastewater Heat Recovery Project", which we began in 2022 and completed in 2023, to minimize the energy waste resulting from the dyehouse activities. Under the project, we use the energy of the heated water in the dyehouse section by using underground storage and heat exchangers. We recycled it and used it to reheat water. With this method we have saved **9%** of natural gas consumption and also made a significant contribution to our environmental and energy policy by reducing **2,000 tons** of CO2 emissions. The project directly contributes to "Climate Action", one of the Sustainable Development Goals.

With the Dyehouse Wastewater Heat Recovery System Project, we saved **139,000 m³** of natural gas consumption and contributed **1,665,000 TL** to efficiency. Additionally, thanks to this system, we reduced carbon emissions by **0.07233 tons**, significantly reducing our environmental impact.

New Generation Efficient Compressor

As Penti Çorap, we implemented the "New Generation Efficient Compressor Project" during the reporting period to contribute to energy efficiency and sustainability goals. This project replaces the existing **110 kW** compressors, providing higher efficiency with lower energy consumption. While the previous compressors consumed **6.6 kWh** of electricity per head, the new Atlas **250 kW** compressor saves **15%** energy by consuming only **5.6 kWh** for **1 m³** of air. The project has saved **140 kWh** of electricity across the factory, with an annual saving of **100,000 Euros**.



PROTECTION OF WATER RESOURCES

The unbalanced distribution of the world's water resources, poor water planning and unsustainable water use threaten the survival of life and species on Earth.

Population growth, industrialization, urbanization and changing consumption patterns are resulting in severe water problems at local and international levels. It is time to adopt measures, strategies and radical changes in business models that take into account the unbalanced distribution of water resources around the world, to reverse the negative impact on the climate crisis.

As Penti, we are implementing important projects to reduce water consumption and recover water. 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 finite and the consequences of the climate crisis are threatening water resources. Significant efforts are being carried out in Türkiye for the protection and sustainable use of water resources.

At Penti, we are well-aware that climate change, population growth and changing consumer patterns are challenging access to clean and safe water. We therefore adopt a responsible approach to water management in line with the requirements of the ISO 14001 standard. When assessing sustainability and climate change risks prior to new investments and operations, we also consider water risks. We assess risks such as water scarcity, water pollution and water quality, and take the necessary measures to reduce these risks.

Penti is aware that the textile industry is one of the most intensive sectors in terms of water consumption. Therefore, the company 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 with an awareness of possible impacts 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.



PROTECTION OF WATER RESOURCES

As Penti Giyim Retail, the major water reduction and recovery projects that we have initiated in 2022 and implemented during the reporting period are as follows:

To meet our sustainability goals, we are increasing the use of sustainable cotton in our collections. We invest in projects such as **Best Cotton and Supima Cotton**. The **"Best Cotton Project"** supports sustainably grown cotton with the aim of reducing the impact on the local environment and improving the livelihoods and well-being of farming communities. The project uses **15% less water, 14% less pesticides and 18% less synthetic fertilizer** than conventional cotton. This approach provides support programs for farmers and encourages the protection of soil health, natural habitats and the efficient use of water.

Supima cotton is a type of cotton with a fibre structure that is one and a half times longer than conventional cotton. This makes clothing more durable and long-lasting. Its fibre structure also gives it a softer texture. Clothing made with this type of cotton has more vibrant colours, lasts longer without pilling and has a **longer shelf life.**

Ecovero and Tencel fibres use 50% less water than conventional cotton. Thanks to the use of these fibres, we have managed to significantly reduce our water consumption.

We launched **7 different** o**ptions** and **67,000 products** with the Un-Dyed Collection in the Underwear category. In this collection, we saved an average of **32,500 litres** of water and **217 litres** of dyes and chemicals by using sustainable raw materials and non-dyed accessories. Thus, while minimizing water consumption, we have significantly reduced the environmental impact of wastewater and chemicals from the dyeing process.



As Penti Giyim, we have developed our product range by using **100% sustainable cotton** and polyester in our **Anime Collection**, which we designed for **Generation Z** during the reporting period, to raise environmental awareness and support sustainability.

By switching to sustainable cotton, we aim to significantly reduce the total amount of water used and minimize consumption and waste.



Founded in 2019 by **designer Gizem Kiracı** as a swimsuit brand that creates timeless styles and later defined as comfortable and stylish, **Saúde** offers sportswear collections inspired by their personal styles and focuses on naturalness and sustainability for women with this special collection. With its eco-friendly approach, superior fabrics, shape quality and comfortable designs, "**Penti Loves Saúde"** exceeds the realm of sportswear and adds a truly impressive signature to women's style in everyday life. Each piece has the characteristics of an **"invested piece"**, as if tailored for the individual. The collection includes crop tops, leggings, overalls, T-shirts, sweatshirts and tracksuit bottoms. Penti and Saúde have taken conscious steps in the creation of the collection, using **fully recycled polyamide and organic cotton-modal blends** in their designs; beyond the products, they favour clean infrastructure advertising technologies that **minimize carbon emissions** and reduce data processes in campaign communications. In line with this marketing strategy, we **won 3 awards** at the Martech Awards in the categories of "Best Use of Media Technology", "Most Technological Brand in the Underwear Industry" and "Best Technology in the Apparel Industry" with our Carbon Calculator project, which we developed for our Saúde collection and which reduces our digital footprint.

As Penti Giyim, we reduced our water use intensity from *182.48* m³ in 2022 to *170* m³ in the reporting period.

WATER USE

Penti Çorap Water Usage

As Penti Çorap Factory, we made a major breakthrough in 2019 by implementing the Rainwater Harvesting System. Thanks to this system, we use the collected rainwater as potable water.

Thanks to this application, we both support our environmental sustainability goal and protect water resources by reducing the amount of water withdrawn from nature. We continued this project, which we started in 2019, during the reporting period, consistently maintaining our sustainable practices.

As Penti Çorap, our total water consumption in 2023 was recorded as **328,000 m³** including **246 m³** of water collected and saved through rainwater harvesting.

For Penti Çorap, there was a significant decrease in our water consumption in 2022. Our water use intensity decreased by **33%** from **0.06 m³/dz** to **0.04 m³/dz**. This rate was maintained throughout our reporting period. This value demonstrates that a total of **7,923,843 dozen** were produced in 2023.

In 2023, as Penti Çorap, the amount of wastewater we reused through purification processes amounted to **296,441 m³**.

As Penti Çorap, the most important of our water reduction and recovery projects during the reporting period was the **"Rotary Boiler Drum Revision and Machine Capacity Increase Project"**. The goal of this project, which started in 2021, was to increase the capacity of existing machines and processes so that they could dye more products. The revisions were implemented in stages, and we completed the revision of all rotary boilers in early 2023, achieving a capacity increase of approximately **40% per machine**. These improvements have led to a significant reduction in water consumption. For example, before the improvements, water consumption for a dozen products was **47.82 litres** in 2020, but this was reduced to **44.46 litres** in 2021, **42.05 litres** in 2022 and **38.98 litres** in 2023. With these developments, we saved **66,895 tons** of water in 2023, or **23%** of our total annual water consumption.

Penti Çorap Water Usage	2020	2021	2022	2023	Description
Groundwater (Well water)	178.100 m³	235.693 m3	351.461 m3	327.532 m3	Well water
Rainwater (if any; collected, accumulated)	497 m³	731 m³	470 m³	246 m³	Rain harvesting
Total Water Consumption	178.597 m³	236.424 m³	351.931 m³	327.778 m³	Total water consumption
Production (dz)	3,926,816.02	4,242,350.16	7,889,994.56	7,923,843	Production level data is given for ironing.
Water Use Intensity	-	0.06 m³/dz	0.04 m³/dz	0.041 m³/dz	Total use / total production

Penti Çorap Factory	2019	2020	2021	2022	2023
Wastewater	252,029 m³	152,800 m³	220,733 m³	316,738 m³	296,441 m³



BIODIVERSITY

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

Penti fights deforestation by sourcing cellulose fibres (Naia, Tencel, Ecovero) from sustainable industrial forests. The Ecovero viscose used by Penti uses 33% fewer chemicals than conventional viscose. Tencel fibres use 50% fewer 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 Restricted Chemicals are not used.

We have published our Restricted Chemicals Procedure 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 that are harmful to the environment and to establish a decent and safe work environment for employees. We create a safe supply chain and minimize 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.

We do not operate 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 our efforts relating to this field.

As part of these efforts, measures such as the implementation of eco-design criteria in the textile sector, access to repair and re-use 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. As part of this goal, we plan to gradually increase the use of sustainable cotton and polyester. We aim to increase the use of sustainable cotton and polyester to 45% by 2025, 60% by 2027 and 95% by 2030. **In line with these targets, the use of sustainable cotton in our collection reached 28,22% and the use of sustainable polyester reached 18,68% during the reporting period.**

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. As part of this project, our goal is the replacement of **6 million plastic hangers** with recyclable hangers on an annual basis.

The project, which was launched in 2022, was 90% completed by the end of 2023, with the recycling of approximately six million hangers. We have increased the durability of our new product deliveries to stores by reducing the amount of product delivered on hangers and ensuring the reuse of our recyclable hangers. The project uses recycled, reusable and recyclable hangers.

As Penti, we are committed to ensuring the efficient and effective use of resources in the manufacturing and packaging of our products and to encouraging our consumers to be aware of sustainability. We support the efficient and effective use of resources for a sustainable future. In this regard, we believe in the importance of the transition to a circular economy and continue our work in this field.



WASTE MANAGEMENT

Waste management is critical to Penti's sustainability goals by minimizing environmental risks. As Penti Giyim, we carry out our activities in this field by focusing on reducing environmental impact and waste.

Although we do not clearly state the total financial savings of these projects, we aim to reduce the amount of waste in the long term and create positive effects on costs thanks to the sustainability benefits. At Penti, we place a high priority on waste management. In this regard, we have implemented the Waste Management Procedure. With this procedure, we aim to effectively manage waste within the company and to minimize waste generation with the "Zero Waste" principle.

Our Zero Waste Approach

We develop processes to minimize the generation of waste. We try to minimize waste by detailing production and processing steps.

We evaluate the results of each process and integrate value-added outputs into the circular economy through recycling or recovery.

As Penti, we direct resources that cannot be recycled internally to competent organizations. We carefully monitor these processes and dispose of non-recyclable waste through authorized facilities.

Maintaining working conditions in accordance with waste management procedures is the remit of all employees, especially management. This process is based on cooperation and active participation.

In terms of waste management, we at Penti are taking important steps to reach our sustainability goals. To this end, we have carried out a number of projects in 2023.

Products are kept within the circular economy by being sold at more affordable prices in outlet stores. Products with simple manufacturing defects (broken buttons, missing seams, faulty zips, etc.) or minor damage in the aisle should be repaired and kept on sale rather than discarded as scrap. We encourage products that cannot be worn again to be recycled rather than disposed off.

We aimed to reduce paper consumption by switching to digital business card applications for our corporate business cards in 2023. This transition will eliminate the use of approximately 4,000 paper business cards per year.

Waste Projects Carried out by Penti Çorap during the Reporting Period

Training and Audit Program for Waste Separation

To measure and reduce waste more accurately, we provided **regular waste separation** training in seven maintenance workshops and carried out monthly inspections. We are continuing the project.

Domestic Waste Evaluation Project

In 2023, we reduced the amount of domestic waste by using **4.8 tons** of domestic waste to **feed stray animals**.

Supplier Waste Reuse Project

We cut the bobbins from suppliers and re-use them in the production process, reducing the need to purchase new bobbins and substantially reducing the amount of waste.

- **Waste Reduction: 80,344 Pcs**
- **Financial Savings: 555,177 TL (period 2022-2023)**

Laboratory Paper Usage Reduction Project

Thanks to the measures we have taken to reduce paper consumption in our laboratories, we have **reduced our annual cardboard consumption by 2400 tons.**

As Penti Çorap, our waste management activities in 2023 are remarkable as a reflection of our commitment to environmental sustainability. In the hazardous waste category, we managed a total of **32.40 tons** of hazardous waste, including **0.001 tons** of solid waste allocated for regular storage, **0.04 tons** of electronic waste and **32.36 tons** of other hazardous waste. As regards non-hazardous waste, we successfully managed a total of **1257.2 tons** of waste.

Penti Çorap Factory Hazardous Waste Amount (ton/year)	2020	2021	2022	2023
Medical waste going to the regular storage/solid waste landfill	0.005	0.005	0.003	0.001
Electronic waste	0.06	0.111	0.83	0.04
Other (Treatment sludge, electronic waste, contaminated packaging)	29.576	29.576	51.569	32.36
Total Amount of Hazardous Waste	21.685	29.692	52.402	32.40

OUR SUSTAINABLE PRODUCTS

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.

Consistent with these targets during the reporting period, the use of sustainable cotton in our collection reached 28,22% and the use of sustainable polyester reached 18,68% in 2023. As Penti, we consider the effective and efficient use of resources from the design of each product to the end user and continue our efforts to reduce the environmental and social impact of the textile industry.

Our sustainable product strategies include reducing carbon emissions during the manufacturing phase and improving wastewater treatment processes. We use high quality materials and workship to ensure that our products last longer, and we pay attention to design to ensure that our products are easy to maintain and repair. We aim to lead a sustainable future by continuing our sustainable product development efforts in the period ahead. Throughout 2021 and 2022, we met targets to increase the use of sustainable materials in our collections, increasing the use of sustainable cotton to 9,4% and sustainable polyester to 2,9% in 2021. In 2022, these percentages increased to 17,96% and 6,08% respectively. During our reporting period, the use of sustainable cotton reached 28,22% and the use of sustainable polyester reached 18,68%.

As in 2022, we accelerated our sustainability efforts and developed projects to increase the use of sustainable materials during the reporting period. We collaborated with certified producers to increase the use of sustainable cotton and conducted several studies to extend the use of recycled polyester.



SUSTAINABLE RETAILING

Sustainable Materials and Innovative Applications

At Penti, we advocate the use of environmentally friendly materials for a sustainable future. By using greener materials in our stores and production processes, we aim to reduce our impact on the environment and offer more sustainable products to our consumers.

NEW CONCEPT IN OUR TAKSİM STORE

We have implemented our new sustainable concept in our Taksim store, which is the forerunner of our innovative architectural projects. For the curved walls at the back of the store and the cabin corridors, we chose sustainable materials with high resilience. These materials are characterized by their long-lasting use and low environmental impact.

Brand of Firsts: Sustainable Material Use

Breaking new ground in the retail industry, we used Vescom brand Fibra fabric, which contains 20% recycled content, in our stores. This material attracts attention with both its durability and environmental impact reduction.

We were the first brand to use it in the Turkish retail sector.

The Heraklite material used in the seating areas of our stores is made from recycled wood flour (wood wool). This is a significant approach to utilising waste materials and reducing our environmental footprint.



We are committed to enhancing our "A Better Life" vision by increasing our investment in sustainable alternatives in the future.



FOR EQUALITY *respect*

For a more just and inclusive future...

Our population has grown from 4 million to 8 billion in 12 thousand years. By 2050, it is presumed that we will be 10 billion individuals.

Regardless of how much our population grows in the future, as in the past, we will continue to believe that each individual can add value to our common existence, and we will continue to respect each individual.



FOR EQUALITY *respect*

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

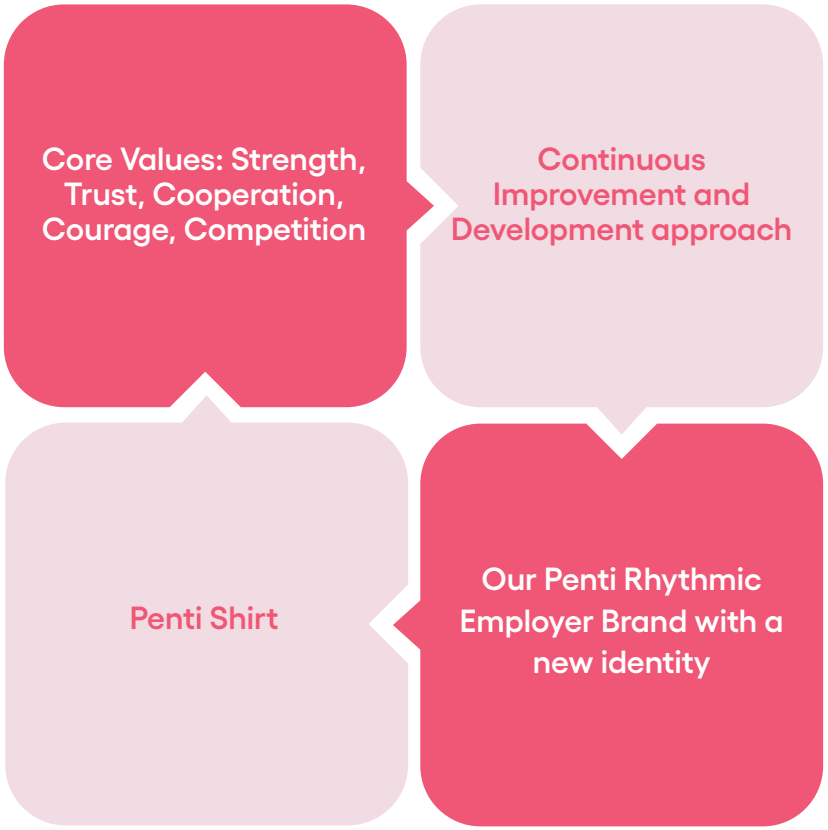
- ★ We care about human rights,
- ★ Act with an egalitarian and inclusive attitude,
- ★ Prioritize human health,
- ★ We provide opportunities to unleash the potential of every talent.

We respect and strive to protect the health and sustainable future of our entire value chain. As a company, we are committed to improving the health and safety of employees at every stage of the value chain, to creating a working environment that respects diversity and is inclusive, and to continuously uphold fundamental human rights.



"CULTURE"

We work for a *stronger* Penti, a *better* Life, a *better* World as defined by our management philosophy, Kyosei.



- Common Sense Approach, Management with Teams (e.g. Gender Equality Team, Sustainability Team, Savings Team, Customer Happiness Team, Talent Management Team, PDPL Team, Penti Assemblies)
- As part of our Gender Equality perspective and our Power value, we support the employment of women to empower women in all areas of society. We raise awareness of gender pay gaps and implement equal pay for equal work policies. We provide "incentives for gender equality" and "pro-women solution practices" in our talent acquisition processes.
- With Penti's Rhythm, we want to build a long-term relationship by recruiting candidates who best fit the Penti culture with their innovative, active, believe in continuous development, energetic and self-confident characters.
- Our talent programs enabling us to reach out to young people: Young Maestro, Young Rhythm, Echo Reverse Mentoring Program
- Our program to familiarize young people with the industry: Retail Academy
- Employee Experience
- Personal and professional development opportunities, 360-degree learning experience at Penti Workshop
- Our work-life balance programme: Welltogether (Penti's Physical, Psychological and Social Wellbeing Program)
- As part of Welltogether; Bi'Danış Employee Support Line, Social Clubs, Webinar, Special Parental Leave Days, Meditation, Dietician Applications, Appreciation Day

OUR HUMAN RESOURCES MANAGEMENT: PROGRESS AND INTEGRATION

In 2023, as the Penti family, we further developed our human resources policies and goals for our employees. Throughout the year, we focused on increasing the knowledge and competence of our employees through training that contributes to a culture of continuous improvement.

We encouraged employee participation in innovation and process improvement through an active suggestion and reward scheme. In addition, we increased employee satisfaction and job satisfaction by meticulously implementing the collective bargaining agreement at the Penti Çorap factory and effectively addressing employee requests and complaints.

2023 has been a year of ramped up recruitment and uninterrupted production. Our 24/7 production was continuous until the last two months, which accelerated our recruitment processes. We have designed the benefits we offer our employees to support both their professional and personal needs. Bonuses, food allowances, performance bonuses, childcare facilities, complementary health insurance, family and education assistance, scholarships for female students, seniority differentials, distribution of company products and referral point rewards are just a selection of the wide range of benefits we offer.

We have set our human resources targets using criteria such as training hours per person for each category of employee (manual/blue-collars and white-collars), turnover rate, number of suggestions and employee satisfaction surveys. Each metric guides us on our path to continuous improvement, establishing a direct nexus between the development of our employees and the overall success of our organization.

Fringe Benefits at Penti Giyim Retail

Benefits available to all employees

- Discount rights for Penti employees and their families for institutions with which special agreements are made.
- The right to use the BiDanış (Let's Consult) application free of charge.
- Well-Being Program where certain activities are organized every month for all Penti employees.
- Daily meal allowance.
- All Penti Penti employees are entitled to a 50% personnel discount in stores.

Special benefits for the head office employees

- Private health insurance offered to Penti Employees who have completed 2 months.
- 1 salary bonus for all Penti Employees who achieve their KPIs.
- Home allowance to support working remotely.
- Transport service offered to headquarter employees.
- Birth and marriage package.
- Hybrid work opportunity.
- Service opportunity, title and role-based vehicle availability.
- Company mobile phone and line depending on position.

Special benefits for field workers

- Sales bonuses based on monthly target attainment.
- Travelling expenses for field sales representatives.

REPORTING PERIOD OF PENTİ GİYİM RETAIL (2023)
Highlights

- Our employees deemed us worthy of the HPtW award for the second year in a row.
- We conducted If Not Me, Who training with our suppliers.
- BiDanış (Let's Consult) – Employees' Support Line
- ChatGPT prepared our Gender Equality blog post and Software Development Specialist advert, which we shared in July, by using artificial intelligence applications in our HR applications.
- As a result of the evaluation of our survey results and gender equality studies, we were included in Great Place to Work Türkiye's "Best Workplaces for Women" list, which includes companies that can provide an equal working environment for women.
- Our CMO, Cristina Polini, was deemed worthy of an award in the Brand/ Marketing category at the Women Making a Difference event organized by MediaCat to honour successful women in the business and creative world.
- We started communicating periodic news/trends to all employees through the Futuretellers team.
- We created the Fun Works team to maximize the moments when we laugh together, have more fun together and work with joy. The team organized the Bowling Tournament and ColorRun events.
- Through our collaboration with İMA (Istanbul Fashion Academy), we have supported the fashion designers of the future and offered them the opportunity to experience many stages in a one-year project, from the principles of designing for the brand to the production of samples and the design process.
- We came together under the roof of TeamZ with Generation Z Penti Employees and created a team to exchange ideas with our CEO.
- To be part of the Pink Friday campaign and share the excitement, 50 of our friends from head office worked in stores in Istanbul and across Türkiye.
- By holding 9 departmental workshops, we created an environment where we listened to our employees. Guided by their recommendations, the 2024 HR and management team provided input into the business plan.
- We introduced the HR systems to all employees with 32 face-to-face HR Kitchen Trainings, identified development areas and provided input for our 2024 HR development areas projects.
- On 23 April, we hosted Penti families with their children in our Trump office and watched the Little Prince play together at Trump AVM.
- We enjoyed our traditional pyjama party.
- We worked with the Sustainability Unit on sustainability, and together with internal trainers within the company, we set up our Sustainability Academy, which consists of 5 modules and provides training by discussing the topics of what Penti is doing in this regard, what is happening in the world and how a Penti employee contributes to sustainability.
- We provided Manager Training and Development training to 252 field managers who were promoted in 2023.

REPORTING PERIOD OF PENTİ GİYİM RETAIL (2023)
Highlights

- To make our store employees feel that we stand with them, we prepared specially designed New Year cards for each store together with our friends at the head office. The cards are sent to all stores in all regions of Türkiye in the first week of the new year.
- At Penti we have a central internal promotion rate of 65% and a field internal promotion rate of 28%. Our promotion processes include all Penti employees, regardless of outsourcing or part-time work. Our female employees are not disadvantaged by periods of maternity leave or unpaid leave, or by the seniority of employees who change departments.
- We paired 8 of our managers at Penti with students at Bahçeşehir University in a reverse mentoring process, one of the innovative learning processes we call Yankı (Echo). We encouraged new recruits to adopt sustainable living practices by providing them with reusable water bottles in their welcome kits.
- At Penti, we ensure that all our employees benefit from fair and equal opportunities without being discriminated against in any aspect such as religion, language, race, gender, sexual orientation, ethnicity, age or disability. Our management approach resonates with the Japanese concept of "Kyosei", which means "living and working together to create common benefit".

By translating and incorporating this philosophy into our internal practices, we have created the necessary mechanisms to ensure and monitor equality. We commit to providing equal benefits to everyone, regardless of position, location, age, gender or sexual orientation, in areas such as equal pay for equal work, gender equality, use of gender-neutral language, equal access to training and benefits. We also conduct in-house communication, training and projects to raise awareness of gender equality.

- As Penti, we underpin our commitment to sustainability and inclusion with the protection of fundamental human rights, the recognition of diversity and the creation of an inclusive and equal work environment. In line with these commitments, to build a better future, we create a working environment where rights are protected, skills are updated and developed, physical and mental health is protected, and we pave the way for people, respected for their differences, to actively participate in common goals.
- We continue our work on sustainability and inclusion throughout the value chain. We aim to increase the use of sustainable materials that are friendly to human health and the environment, improve the health and safety of employees, and create an equitable and inclusive work environment that respects diversity.

SUSTAINABILITY ACADEMY



In 2023, as Penti, we launched the "Penti Workshop - Sustainability Academy" to raise awareness and provide training in sustainability to all our employees. This platform is designed for everyone who wants to adopt and implement our company's sustainability philosophy and models. 361 Penti employees have participated in our different modules and we have completed a total of 752 hours of training.

The Sustainability Academy is structured around five main modules:

- Sustainability at Penti
- Bi'Bilene Sor (Ask An Expert) About Sustainability
- Sustainability On The Field
- Workshops with Suppliers
- Sustainable Fashion

The purpose of the Academy is to raise sustainability awareness and to build capacity throughout the company. The Academy will be a key instrument in achieving Penti's sustainability goals and will play a vital role in involving all our stakeholders in this process. In addition, through this training we aim to equip our employees with the knowledge and competencies enabling them to make sustainable decisions.

OUR FOCUS ON 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 essential for us to balance the expectations and satisfaction of customers, employees and shareholders, which are the most important elements of social sustainability performance.

Based on the strength we draw 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 work in an egalitarian and inclusive environment built on the power of respect. Our respect for people is at the heart of everything we do. Human rights are our top priority in all our processes and in all the work we do.

Penti does not accept discrimination between employees on the basis of language, race, color, gender, sexual orientation, political opinion, creed, religion, sect, age, physical disability and similar grounds. Penti takes the necessary precautions to ensure due diligence of the health and safety of its employees in all its production facilities.

The health of our employees is one of our priorities. As part of our WellTogether program, we began offering online nutritional advice to our employees in collaboration with Memorial Hospital in 2023. We also offer various training and development opportunities to support our employees' professional development.

We provide all our employees with working conditions that meet international human rights standards. The company's activities focused on working life have improved employee satisfaction and retention, strengthened the employer brand and contributed to the creation of a sustainable business model.



OUR FOCUS ON WORKING LIFE

Penti's Achievements in Working Life

As Penti, we were the winner of seven awards in Kariyer.net's Respect for Human Awards.

- **The Company Contributing the Most to Employment (2022 and 2023)**
- **Female Recruitment Champion of the Year (2022 and 2023)**
- **Respect for Human (2022 and 2023)**
- **Recruitment Champion of the Year**

These awards recognize our pioneering approach to human resources management and the equal and fair opportunities we offer our employees. Each award symbolizes our people-focused approach and excellence in recruitment processes.

Our employee-focused HR practices have once again earned us a place among **Happy Place to Work** certified companies in the **"Extraordinary Employee Experience Category"**. This achievement demonstrates the superior experience we offer our employees and the importance we attach to their satisfaction at work.

WE RECOGNIZE THE PENTI RHYTHM WHEREVER WE HEAR IT

BECAUSE A PENTI EMPLOYEE

Knows that everyone has different talents and dance in harmony with those different talents! Takes their strength from working together! Identifies areas for improvement in the business and takes bold steps to address those needs! Recognizes the importance of different perspectives and highlights competence by enriching their work! Wants to grow more, influence more people! Wears cufflinks, explains strategy, rolls up sleeves and gets on with it! Shares their skills and translates them into the most meaningful business results together! Believes in gender equality! 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 programs called Retail Challenge, Young Maestro, Young Rhythm and Echo, we are connecting the Penti brand with brand new spirits and making our mark on the first steps of lifelong learning.

DIVERSITY AND INCLUSION IN EMPLOYMENT

In 2023, we continued our activities as Penti Giyim and Penti Çorap with a total of 4,040 employees.

Within Penti Giyim, we continued our determination to provide equal employment opportunities to our 2,883 employees, **2,561 women** and **322 men**, regardless of gender, and to support them in their career paths. **98%** of these employees work full-time and **2%** work part-time.

At Penti Çorap, we employ a total of 85 people, **34 women** and **51 men**, in white-collar positions, while we increase our production capacity with **782 women** and **290 men** in blue-collar positions. The number of Penti Çorap employees covered by collective agreements is **965**. This accounts for **83,4%** of our workforce. **79,5%** of our unionized employees are women and **20,5%** are men.

During our reporting period, **58%** of the 12 subcontracted employees working at Penti Giyim were women and **42%** were men. This distribution reflects our company's commitment to gender diversity and fair employment opportunities, extending to subcontracted work. Half of our subcontractors work full-time and half work part-time.



DIVERSITY AND INCLUSION IN EMPLOYMENT

Employee Dynamics by Age Distribution: Assessment for 2023

2In 2023, the age distribution of employees in our Penti Giyim and Penti Çorap divisions successfully reflects the career opportunities and diversity policies our company offers to individuals of all ages.

At Penti Giyim we have a total of 1,612 employees under the age of 30, of whom 92% are women and 8% are men. This age group represents the young and dynamic workforce of our company. The 30 to 50 age group is our second largest age group with a total of 1,231 employees, 86% of whom are women and 14% men. This group forms our backbone in terms of experience and expertise, ensuring the stability and continuity of our business processes. There are 40 employees over the age of 50, of whom 57% are women and 43% are men. This senior group serves as mentors to younger employees and ensures the continuity of our corporate culture.

On the other hand, at Penti Çorap, we cherish a diverse employee structure in terms of age distribution. Our employees under 30 years of age represent approximately 22% of our total number of employees, and our employees between 30 and 50 years of age represent 71,6% of our total number of employees. Our experienced employees aged over 50 represent approximately 6.1% of our total workforce. The energy and innovative ideas of young employees and the knowledge and leadership of experienced employees strengthen the dynamic and innovative spirit of our company and contribute to our sustainable growth.

At Penti, ensuring that employees from different age groups can work together in harmony both maximizes our business performance and encourages the transfer of knowledge and experience among our employees.

Penti Giyim Retail - 2023

NUMBER OF EMPLOYEES BY AGE	WOMEN	MEN	TOTAL
Under 30 years old	1484	128	1.612
Between 30 and 50 years old (30 and 50 years old individuals are included)	1054	177	1.231
Above 50 years old	23	17	40

Penti Çorap - 2023

NUMBER OF EMPLOYEES BY AGE	WOMEN	MEN	TOTAL
Under 30 years old	193	64	257
Between 30 and 50 years old (30 and 50 years old individuals are included)	576	253	829
Above 50 years old	47	24	71

DIVERSITY AND INCLUSION IN EMPLOYMENT

An Innovative and Dynamic Team: 2023 Recruitment Statistics

We have aligned our recruitment strategies with our diversity and inclusion goals, attracting new talent from a wide range of ages and genders into the business.

As Penti Giyim, we recruited a total of 3,297 new employees during the year. 86,4% of these employees are under the age of 30, demonstrating our company's investment in its innovative and dynamic workforce. We recruited 13,2% of individuals between the ages of 30 and 50, and these employees have made significant contributions to the development of our business processes. In addition, 9 employees over the age of 50 enriched the company's knowledge by guiding younger employees in strategic roles and mentoring positions with their experience.

As Penti Çorap, we added 660 new employees to our team and showed a structure that reflects our company's diversity policy. 75% of these new employees were women and 25% were men. In terms of age groups, we hired 232 young talents under the age of 30 and found that this dynamic group brought energy and innovation to our company. 405 employees between the ages of 30 and 50 contributed their experience and professionalism to strengthen our company. 23 employees over the age of 50, with nearly equal gender representation, contributed their valuable knowledge to our team.

Penti Giyim Retail - 2023

MATERNITY AND PARENTAL LEAVE	WOMEN	MEN	TOTAL
Number of employees benefiting from Maternity/Parental Leave	127	3	130
Number of employees returning to work after maternity/parental leave ends	80	1	81

Penti Giyim Retail - 2023

NUMBER OF NEW RECRUITED INDIVIDUALS	WOMEN	MEN	TOTAL
Number of new recruits during the year	2,963	334	3,297
Under 30 years old	2,615	236	2,851
Between 30 and 50 years old (30 and 50 years old individuals are included)	341	96	437
Above 50 years old	7	2	9

Penti Çorap - 2023

NUMBER OF NEW RECRUITED INDIVIDUALS	WOMEN	MEN	TOTAL
Number of new recruits during the year	495	165	660
Under 30 years old	178	54	232
Between 30 and 50 years old (30 and 50 years old individuals are included)	305	100	405
Above 50 years old	12	11	23

Penti Çorap - 2023

MATERNITY AND PARENTAL LEAVE	WOMEN	MEN	TOTAL
Number of employees benefiting from Maternity/Parental Leave	24	8	32
Number of employees returning to work after maternity/parental leave ends	5	8	13

DIVERSITY AND INCLUSION IN EMPLOYMENT

Diversity and Equal Opportunity: Our employees with disabilities and of foreign nationality

In 2023, the employment policies of Penti Giyim and Penti Çorap were supported by important data in terms of diversity and equal opportunities.

As Penti Giyim, we strive to meet our legal obligations regarding our disabled employees. In this context, we employed a total of 46 disabled employees, of which 17 were female and 29 were male.

As Penti Çorap, we created significant diversity in the workforce by employing a total of 24 people with disabilities, 15 female and 9 male, during the reporting period.

Penti Giyim Retail - 2023

	WOMEN	MEN	TOTAL
Number of employees with disabilities by gender (number of persons)	17	29	46
Number of foreign employees (number of persons), if any	1	1	2

Penti Çorap - 2023

	WOMEN	MEN	TOTAL
Number of employees with disabilities by gender (number of persons)	15	9	24
Number of foreign employees (number of persons), if any	0	0	0

Employment in R&D, Innovation and Digitalization

As Penti Giyim, we have demonstrated an effective structure in this field with a total of 53 employees in the R&D, Innovation and Digitalization departments and 39 employees in Penti Çorap.

R&D and innovation studies are not limited to product development, but form the basis of our company's adaptation to the future and continuous development, while digitalization efforts not only increase the efficiency of operations, but also create elements that enrich the customer experience and consolidate our market leadership.

Penti Giyim Retail - 2023

	WOMEN	MEN	TOTAL
Number of employees in R&D, innovation, digitalization departments	**41**	**12**	**53**

Penti Çorap - 2023

	WOMEN	MEN	TOTAL
Number of employees in R&D, innovation, digitalization departments	12	27	39

PERFORMANCE AND TALENT MANAGEMENT

At Penti, we regard performance and talent management as a critical tool for maximizing the potential of our people and contributing to the achievement of the company's strategic goals.

We support this strategy with various practices and tools to enhance the performance and potential of our employees. Through regular performance appraisals, 360-degree feedback, talent screening and individual development plans, we help our employees to align their individual goals with those of the company.

At the end of 2023, 71% of the 56 employees promoted at Penti Giyim Retail's head office were women. 68% of head office employees have been promoted at least once at Penti.

This process includes a transparent and objective appraisal system that allows employees to identify their strengths, weaknesses and development needs. In addition, our mentoring and coaching programmes help employees to achieve their career goals by offering a variety of training, development and promotion opportunities.



PERFORMANCE AND TALENT MANAGEMENT

Penti Performance Evaluation Processes

At Penti, our management team are actively involved in the performance evaluation process. The performance targets of these teams are monitored by the company's Corporate Transformation Unit. The unit oversees the performance target process for managers and office personnel as part of the company's overall performance management strategy.

Our field employees are managed by the Retail Operations Unit. This group includes store employees and other field personnel; annual performance targets are set and monitored by this unit.

In 2023, 384 employees at Penti Giyim were subject to regular performance and career development evaluations, of which 251 were women and 133 were men. At Penti Çorap, 15 employees were included in this evaluation process.

Our performance evaluation process begins with the setting of strategic objectives at the beginning of the year. This process is carried out through the "Tempo Performance System" and consists of two main periods per year: The main period and the interim period.

The main period begins in January and continues with the setting of objectives for employees to achieve throughout the year and their entry into the system.

The interim review takes place in the middle of the year and assesses the performance of employees during the first half of the year. This evaluation allows the corrective action necessary to achieve the objectives by the end of the year to be taken.

Year-end evaluation: This is an end-of-year assessment of the success of the objectives started in January. As a result of these evaluations, employees are evaluated based on their performance and feedback is given.



During the evaluation process, managers and employees work together on objectives, and it is the employee's responsibility to enter these objectives correctly into the system. Harmonization workshops are organized by Human Resources to ensure that the objectives are compatible and in line with the company strategy. In addition, employees are assessed in accordance with the "Penti Shirt Competencies" and "Leadership Journey Competencies" criteria, and these competencies are appraised by managers.

PERFORMANCE AND TALENT MANAGEMENT

Employee Feedback and Suggestion Mechanism

Penti has established a system for our employees to raise and submit complaints relating to working conditions on a confidential basis. We operate this system through channels that enable our employees to share their concerns in confidence. Complaints can be reported as business ethics violations through the Ethics Line. We protect the confidentiality and sensitivity of complaints at the highest level.

Our Ethics Board is our authorised body for ensuring compliance with our ethical principles and policies, and we expect all our stakeholders to comply with these rules. Complaints are assessed by the Ethics Board and appropriate action is taken following the necessary investigations. In this process, we ensure that the voices of our employees are heard through a fair and transparent assessment.

At Penti Çorap, we attach great importance to providing a transparent and secure communication channel for our employees' feedback and complaints about working conditions. For this purpose, we have established a confidential mechanism through which our employees can communicate their wishes and complaints directly to the management through the Penti Management System (PMS) module. This system is based on ensuring that our employees can freely express all their feedback and that their voices are heard.

We do not sanction our employees for voicing their complaints and concerns. On the contrary, we encourage and value such feedback. We know that this feedback contributes to the continuous improvement and development of our business. Senior management is required to provide protective measures to ensure that our employees are not retaliated against for reporting.

We evaluate feedback according to the nature and relevance of the issue. We treat personal matters confidentially with those directly involved. General issues may be included in the minutes of relevant meetings and are posted on notice boards throughout the company.

In 2023, we received 386 feedback/complaints from our employees at Penti Çorap. Among the feedback, the most emphasized issues were the quality of food services, improvement of personal rights and improvement of service opportunities. Taking the feedback into consideration, we swiftly took measures to continuously improve the satisfaction of our employees and the working conditions in our company.

In terms of catering, we have reviewed our menus to provide more appropriate solutions to our employees' dietary preferences and needs for healthy options. We have updated our HR policies to better meet the individual and family needs of our employees. We optimized service routes and hours to make it easier for our employees to get to work.



PERFORMANCE AND TALENT MANAGEMENT

Our Competency and Development Focused Training Programs

The long-term goal we have set ourselves as Penti Giyim for 2023 is to enhance the competencies and skills of all our employees by providing training that supports their individual and professional development.

In line with this vision, we have developed various programs that will enable our employees to continuously learn and develop. In the short term, we aim to contribute to the learning and development of our employees through specific programs such as the Leadership School, Sustainability Academy and My Bra Academy. We have designed these programs to play a critical role in achieving our long-term goals and to enable Penti employees to excel in all areas.

In 2023, we provided 31,878 hours of training as Penti Giyim. We organized this training to improve our employees' knowledge and skills on various subjects other than occupational health and safety. We provided a total of 29,667 hours of training to our female employees and 2,211 hours to our male employees. On average over the year, we provided 10 hours of training per female employee and 8 hours per male employee.

We organized specific training for our 361 employees on topics such as sustainability and the UN Sustainable Development Goals. These training sessions totalled 802 hours. We organized the training programs to raise awareness of global issues and to generate solutions to these issues. We support our efforts to create a sustainable future, both personally and corporately, by increasing our employees' knowledge and awareness of these issues.

As Penti Giyim, we have provided an average of two hours of training per person to ensure that our subcontracted workers acquire awareness and develop as part of our corporate culture. Our training topics include issues of social importance such as "Gender Equality", "If Not Me, Who", "Combating Violence Against Women" and "Combating Sexual Abuse of Children".

During our reporting period, as Penti Giyim, we conducted a series of training programs for the development of our employees and managers.

Being Maestro: This program is focused on business strategies and enables our managers to transform their management competencies into personal learning journeys and improve their leadership skills. We provided a total of 5796 hours of training and 255 managers attended.

Sustainability Academy: In our Academy, which consists of 5 different modules, we have organized training on sustainability trends and developments at global and Penti scale with the participation of our internal trainers and external experts. We targeted only Penti employees in the different modules and also included our suppliers in the training.

My Bra Academy: The aim of this expertise program is to further enhance our expertise in those categories where we are at the forefront of the industry and to make the guest experience unique. 372 of our employees participated in the program and we provided a total of 2992 hours of training.

Experience-Based Sales Training: 205 of our employees participated in this program, where we aim to make the guest experience unique by strengthening professional skills. We provided a total of 1640 hours of training.

Internal Trainer Training Program: The aim was to develop the trainer competencies of our employees who are competent in their field and to transfer their knowledge and experience to other colleagues, thus enriching the corporate memory. As part of a program totalling 1170 hours, 45 of our employees received this training.

PERFORMANCE AND TALENT MANAGEMENT

Our Competency and Development Focused Training Programs

During the reporting period, Penti Çorap offered various training programs to its 1075 employees in addition to occupational health and safety training. 72% of the participants in these programs are female employees. While the number of white-collar employees participating in training was 101, the number of blue-collar employees participating in training was 974, which is a remarkable rate. In total, we provided 12,950 hours of training to female employees and 4299 hours to male employees. This equates to an average of 11 hours of training for women and 5 hours for men.

Our training strategy aims to contribute to the long-term personal and professional development of our employees. As part of this, we have developed a "Knowledge Skills Matrix" to identify the current skills and development needs of each employee. Our short-term goals are to use this matrix to provide on-demand training to enhance employees' competencies and to address their deficiencies. Our long-term goals are to use this matrix as a guide to strengthen employees' continuous learning and adaptability, improve their leadership and management skills, and contribute to the overall performance of the company through innovative mindsets.

In 2023, we provided a total of 521 hours of technical training to blue-collar employees. The number of participants was 521, and each employee received an average of one hour of training. The training aimed to take employees beyond manual labour by increasing their knowledge and skills in basic mechanics, electricity and pneumatics. The training enables workers to fully master the technical features of the equipment and encourages them to make valuable contributions to our culture of continuous improvement.

Penti Giyim Retail - 2023

TRAINING HOURS	WOMEN	MEN	TOTAL
Training excluding OHS training	29,667	2,211	31,878
Average hours of training per employee during the year	10.0	8.0	
TRAININGS			
Total number of employees receiving training, excluding OHS training	3,892	364	4,256
Number of white-collar employees receiving training excluding OHS training	283	126	409

Penti Çorap - 2023

TRAINING HOURS	WOMEN	MEN	TOTAL
Total training hours excluding OHS	12,950	4,299	17,249
Average hours of training per employee during the year	11	5	16
TRAININGS	**WOMEN**	**MEN**	**TOTAL**
Total number of employees receiving training, excluding OHS training	776	299	1,075
Number of white-collar employees receiving training, excluding OHS training	41	60	101
Number of blue-collar employees receiving training, excluding OHS training	735	239	974

TRAININGS	2023
Number of employees provided with training on ethical principles	611
Total training hours on ethical principles	611
Number of employees trained on anti-bribery and anti-corruption	611
Hours of training on anti-bribery and anti-corruption	611
Number of employees receiving environmental training	625
Total training hours on environmental issues	625
Percentage of security personnel trained in human rights policies or procedures relevant to operations	0,6%

Volunteering

Within Penti Giyim, we have Gender Equality and Sustainability Teams, which have been set up by volunteer members of our employees. A total of 52 employees are involved in these teams. Our volunteers develop projects to raise awareness of these issues and add value to the individual, society and nature in all Penti units, including head office, stores and factory, and in all business processes.

EMPLOYEE ENGAGEMENT

Penti is a company that gives priority to increasing the loyalty and satisfaction of its employees. To this end, it implements various practices to meet the needs and expectations of its employees.

Penti organises an annual employee satisfaction survey to measure employee satisfaction. For 2023, the employee satisfaction rate was recorded at 84%, indicating that our employees are largely satisfied with the company's policies and practices.

EMPLOYEE SATISFACTION SCORE	2020	2021	2022	2023
	69%	62%	81%	84%

These results have contributed to Penti being rated as a "Great Place to Work" and a "Happy Place to Work".

As Penti, we are implementing various and innovative practices to boost employee satisfaction and interaction.

Online Activities: We organize activities such as online concerts and chair yoga to encourage social interaction and personal development among our employees. These activities allow employees to interact with each other and disconnect from the stress of daily work.

Social Clubs: There are various social clubs that employees can join according to their interests, such as the Cinema Club, Music Club, Travel Club and Social Responsibility Club. These clubs offer their members the opportunity to get together around common interests and plan various activities.

Appreciation Day: We have designated one day a month as Appreciation Day. On this day, employees have the opportunity to recognize and celebrate each other's high performance, support and friendship. This helps to create a constructive environment in the workplace.

Well Together Project: We organize meditation, yoga and similar activities as part of the Well Together Project, which we initiated in 2021 and continued in 2023. We also organize webinars on topics such as nutritional support, awareness conversations, and methods of coping with stress and anxiety.

GENDER EQUALITY

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

Penti considers it an inalienable asset to make gender equality part of its 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 on the basis of language, race, colour, gender, sexual orientation, political opinion, creed, religion, sect, age, physical disability and similar grounds, and to eliminate gender bias and discrimination.
- ★ To raise awareness of gender equality and organizing training, projects and campaigns relating to gender equality.

Through these efforts, we as Penti aim to make continuous progress in gender equality and women's empowerment in our interaction with internal and external stakeholders.



GENDER EQUALITY

Women's Empowerment

At Penti, we offer a diversity of opportunities for women to play a more active role in economic and social life. To increase the representation of women in the business world, we adopt equal opportunity practices and implement training and development programs, career opportunities and wage equality for our employees.

Furthermore, we are developing a number of programs to support women in areas such as employment, education and health, as well as offering practices such as flexible working models to ensure work-life balance, support programs for working mothers and financial support for women entrepreneurs. By adopting the "equal pay for equal work" policy in the workplace, we regularly review our remuneration practices to ensure that employees in the same position are paid fairly.

82% of employees in managerial positions at Penti Giyim Retail are women. This rate is an indicator of our company's commitment to gender equality.

As Penti, we have set up a Gender Equality Team to raise awareness and coordinate work in this area, and have drawn up an action plan on the subject. By training our employees on this issue, we aim to create an equal and free working environment for all.

In an effort to make gender equality a corporate culture, we have set up a team of volunteers from our head office, stores and factories to promote this culture. Through various campaigns, projects and content on gender equality, we aim to raise awareness and ensure equality for society at large. As part of these efforts, we provide our employees with in-depth information in this area through a series of blogs prepared by our Gender Equality Team, which helps our employees to become more informed and aware.



GENDER EQUALITY

Women's Empowerment

As a brand committed to the empowerment of women in all fields, inspired by our values of strength, and based on the surveys conducted by Great Place to Work Türkiye and the evaluation of our gender equality efforts, we were entitled to be included in the list of Best Workplaces for Women, which provides an equal working environment for women.

With the support of countless women, we were selected as one of the best companies to work for. Research proves that both our employees and our customers perceive Penti as a brand that always stands by and supports women.

This perception was also confirmed by the Brand Health Research conducted by Future Bright Group in 2023 with 1800 participants across Türkiye. In the research, conducted in the provinces of Adana, Ankara, Bursa, Edirne, Erzurum, Gaziantep, Istanbul, Izmir, Kayseri, Malatya, Samsun and Trabzon, our brand was described as a driving force for women's empowerment.



Within the framework of Gender Equality Studies, as Penti, we do not only develop projects for our own stakeholders, but also support different entities such as institutions, organizations and initiatives that work in this field and aim to create benefits. In this context, we sponsored the "Local Cooperation Against Violence and Gender Equality Panel from a Legal Perspective" organized by Istanbul Metropolitan Municipality (IMM) to eliminate discrimination, inequality and violence against women. Aysu Türkoğlu, with whom we have collaborated on various projects, was also a speaker on the panel. The aim of the event was to raise awareness and advocate for social change on gender equality.

By donating to the Flying Broom International Women's Film Festival, Türkiye's first women's film festival, we intended to raise social awareness of gender equality and make women's work visible.

At Penti, we take a number of measures to ensure gender equality and prevent any form of discrimination during the interview process. In this context, the company provides "Interview Communication Training" to all managers. The training covers questions that should and should not be asked in interviews, biases based on gender, age, marital status or other identity characteristics, and how to avoid these biases. We have also produced a "Guide on Questions to Ask and Not to Ask in Interviews" to assist managers in easily modifying the language they use in interviews. With these guides and training, Penti aims to provide a non-discriminatory, inclusive experience not only for our current employees but also for job applicants.



Penti is running a campaign called "We Cross It Out!" to raise awareness of sexist expressions in the language. This campaign questions sexist expressions and stereotypes embedded in our language and encourages change by crossing them out, highlighting the role of language in social change.

This project, led by the Gender Equality Team, created widespread awareness, first within the entire company and then extending to external stakeholders. We also completed work on the "Dictionary of Gender Equality in Language" and made it available through a digital platform that challenges sexist expressions in language.

We effectively use internal communication channels to raise gender awareness. In this context, we carry out awareness-raising activities by producing various blog posts, videos and organizing events on the themes of gender equality.

GENDER EQUALITY

Combating violence against women

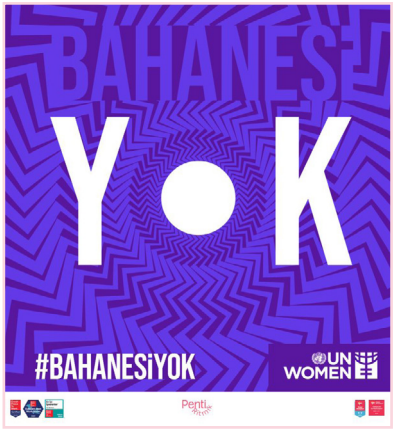
Penti also attaches great importance to the fight against violence against women. Every year on 25 November, the International Day for the Elimination of Violence against Women, Penti participates in a 16-day activism movement with UN Women. In addition, various events and training sessions are organized 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 gender equality among all its employees, suppliers and stakeholders, and to carry out studies on the subject.

GENDER EQUALITY

As Penti Giyim, we can list the activities we have carried out in 2023 under the leadership of our Gender Team as follows:

- We highlighted our advertising content with our "Pink Support Movement" campaign, which prioritizes our disadvantaged candidates in the earthquake region.
- By integrating our digital processes, we continued to raise awareness with our theme-based blog posts. We created our blog post on body positivity entitled "Culture of Judging and Not Accepting Bodies" with ChatGPT.
- We sponsored a session of the Gender Equality Panel, organized to support the success of young women. We were inspired by the brave speakers on the panel and will continue to support women's struggle for equality.
- We challenged social norms by pushing beyond male stereotypes with empowering and loving messages that emphasize that fathers and dads are human too.
- We continue to take steps to ensure gender equality in our language. In our interview with the UN Global Compact and UN Global Compact Türkiye, we emphasized that we promote inclusion, justice, rights and opportunities for women.
- We have tried to raise awareness through the trainings we organized during Breast Cancer Awareness Month and by disseminating information through the wearing of palpation badges during this process.
- We celebrated the Centenary of our Republic with a focus on women and called for an article on the theme of Women of the Republic.
- We celebrated the International Day of the Girl Child on 11 October every year and underline the importance of this special day.
- This year, we made a step towards achieving good by running in the 45th Istanbul Marathon, which is called the run of the century, on behalf of the Koruncuk Foundation for Girls' Education. Serenay Çetin, our national pride and source of inspiration, joined us in this purposeful race.
- We organized Gender Training and "If Not Me, Then Who?" workshops for our suppliers we collaborate with. Through these activities, we carried out a social role awareness exercise. We contacted 55 employees of our suppliers in two training sessions in 2023.



- In partnership with UN Women, we participated in a 16-day activism movement starting on 25 November, the International Day for the Elimination of Violence against Women. We emphasized Penti's firm stance on the issue by saying "#noexcuses". We intended to draw attention and raise awareness by wearing purple. On 5 December, the anniversary of women's right to vote and be elected in Türkiye, we celebrated this important day by training 250 of our employees in self-defence techniques to raise awareness in the fight against violence. On the final day of the campaign, 10 December, Human Rights Day, we continued our efforts to raise awareness by publishing the Universal Declaration of Human Rights. We also conducted a survey for all employees asking "Have you ever done this?" The answers to all the questions in the survey are posted on Penti's LinkedIn page.

















Gender equality is part of our DNA. We will continue on this journey towards gender equality by adopting an inclusive approach to communication that is free from violence and sexist communication. Together, we will continue to make our mark on equality.

GENDER EQUALITY

Our Approach

At Penti, we are aware of and act on the goal of "Gender Equality", which is Article 5 of the United Nations Sustainable Development Goals.

The global perspective we have as a company is defined by the emphasis on equality and justice in all our processes. We carry out our responsibilities in a transparent and fair manner, regardless of gender.

- We value diversity and categorically reject any form of discrimination. We do not allow our employees to be treated differently on the basis of race, language, religion, belief, ethnicity, age, gender, sexual orientation and many other grounds.
- We respect individual rights and cultural diversity and prohibit any conduct that involves discrimination or harassment.
- We have zero tolerance for psychological violence, mobbing and harassment of any employee in the workplace.
- In the face of any misconduct, our management takes an active role in resolving the issue and we do not simply disregard the problem.
- By being fair in the distribution of work and tasks, we enable everyone to fulfil their potential.
- We adopt a policy of equal pay for equal work and encourage equal opportunities for the empowerment of women.
- We recognize the special needs of our female employees and develop long-term solutions.
- We use multiple communication channels effectively to increase the satisfaction of all our employees.
- We conduct promotions and appointments through a fair and transparent process.
- We regularly raise our employees' awareness of gender equality.
- We produce pioneering gender equality projects and play a leading role in society.

Through these policies, we aim to create positive change not only in the business world, but also in society as a whole in terms of ensuring gender equality.



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

	2020	2021	2022	2023
Women	253	291	201	254

	Under 30			
	2020	2021	2022	2023
Women	94	79	43	60
Men	5	5	15	23

	30-50 years			
	2020	2021	2022	2023
Women	451	472	142	186
Men	76	82	105	108

	Over 50			
	2020	2021	2022	2023
Women	6	11	16	9
Men	3	4	9	11

Penti Giyim Retail - 2023

	WOMEN	MEN	TOTAL
Number of managers by age	86	2	88
Under 30	466	77	543
Between 30 and 50 (including 30 and 50)	10	5	15
Over 50	9	0	9



COMBATING CHILD LABOR

At Penti, we recognize that child labour is one of the most serious human rights violations in the world and we are extremely sensitive to the issue.

We act in compliance with the conventions and declarations developed by the United Nations and other international organizations to combat child labour. We encourage all our business partners in the supply chain to comply with these documents.

In collaboration with our suppliers, we have published the Supplier Code of Conduct to ensure that they take the necessary measures to prevent child labor in the workplace. In addition, we regularly audit our suppliers and evaluate their policies and practices regarding child labor. We exclude the manufacturer from the Penti supply chain in production units where we determine non-compliance.

We organize training programs to raise awareness of child labor among our employees and through these training programs we raise their awareness and ensure that they are well informed about the combat against child labor.

OCCUPATIONAL HEALTH AND SAFETY

At Penti, we approach the health and safety of our employees with the utmost care and make it one of our primary business objectives. We aim to make occupational health and safety an integral part of our corporate culture and are constantly striving to fully comply with legal requirements, national and international standards.

As the Penti family, we embrace a people-centered approach to everything we do. Occupational Health and Safety is one of the issues we are most concerned about with regard to each of our employees. In this respect, we regularly review our current OHS management system and ensure continuous improvement by monitoring our performance.

- We take all necessary precautions to ensure the health and safety of all our employees, subcontractors, visitors and those working outdoors at our workplaces and other relevant locations.
- We foresee potential accident risks and unsafe situations through an effective risk assessment process and aim to eliminate these risks.
- We consider the health, safety and social welfare of our employees, visitors and subcontractors and focus on minimizing potential material and moral losses.
- By adopting the “Zero Accident Principle”, we take precautions to minimize the adverse impact on occupational health and safety in all our activities.
- We organize the necessary training to ensure that our OHS management system is fully adopted and implemented by our employees and subcontractors.
- We provide safe and healthy working conditions to prevent injuries and health problems.
- We actively encourage the consultation and participation of interested parties and employee representatives in our OHS activities.
- We are committed to continuous improvement through regular reviews in line with the objectives we have set to ensure the continuity of our OHS management system.



OCCUPATIONAL HEALTH AND SAFETY

At Penti Çorap, the health and safety of our employees is a priority. In this context, we have a specially established Occupational Health and Safety (OHS) Board in our factory. As we are in the least hazardous group category, this Board meets every three months. Our Board is a multidisciplinary structure consisting of an employer representative, an OHS specialist, a workplace physician, an employee representative, a headworkerheadworker and a human resources specialist.

Penti has a designated occupational health and safety department. This department is responsible for developing and implementing the company's occupational health and safety policies and practices. Regular OHS committee meetings are held to assess workplace risks and take the necessary precautions.

We meticulously record all occupational accidents and near misses that occur in the workplace. By analyzing the root causes of these events, we develop strategies to prevent similar events from recurring. In addition, we conduct health screening for all employees when they start work and at periodic intervals.

At Penti, we conduct periodic risk analyzes to identify all workplace hazards and the risks they pose. We plan for rapid and effective action against potential emergencies with preparedness plans. We regularly measure air quality, noise levels, exposure to light and other factors in the workplace and assess the compliance of the working environment with health and safety standards.

While conducting comprehensive risk assessment studies, we have initiated pilot zone practices to reduce identified risks. In addition, we are taking preventive action by analyzing workplace accidents and taking steps to avoid recurrence by rigorously investigating the root causes of accidents.

We, at Penti Çorap, have significantly improved our Occupational Health and Safety (OHS) practices in 2023. Our work accident prevention and risk reduction practices include:

- We have installed guards to prevent the risk of trapping hands and burns that may occur when the hot pack cutter's control knob is used on the floor and with a foot.
- The gaps around the moving parts of the weaving machines, where there is a risk of fingers getting caught, have been made safe by covering the open parts of the overlock unit with a metal plate when it is in the upright position.
- We have taken measures to improve occupational safety by adding mechanisms to protect personnel from splashes of pressurized hot water during the sampling process from rotary boilers. By training personnel in this process, we have ensured that the procedure is carried out correctly and effectively. We have also developed systems that allow the boiler door to open automatically when the water level returns to normal; we have introduced safety measures to ensure that it does not open when the water level is abnormal.

We organise health and safety training for our employees to ensure they are aware of potential hazards and can protect themselves. We also support head office employees in meeting their health needs by offering private health insurance. We offer a package that includes comprehensive health screening for our female employees aged 40 and above.

In 2023, we provided a total of 2088 hours of training to our 522 employees to raise awareness on Occupational Health and Safety (OHS). We achieved an increase of approximately 182,16% in the number of training hours provided in 2023 compared to 2022. Our training encompasses subjects such as OHS legislation, risk assessment methods, emergency management and occupational accident prevention strategies. The average training time per employee was approximately 4 hours.

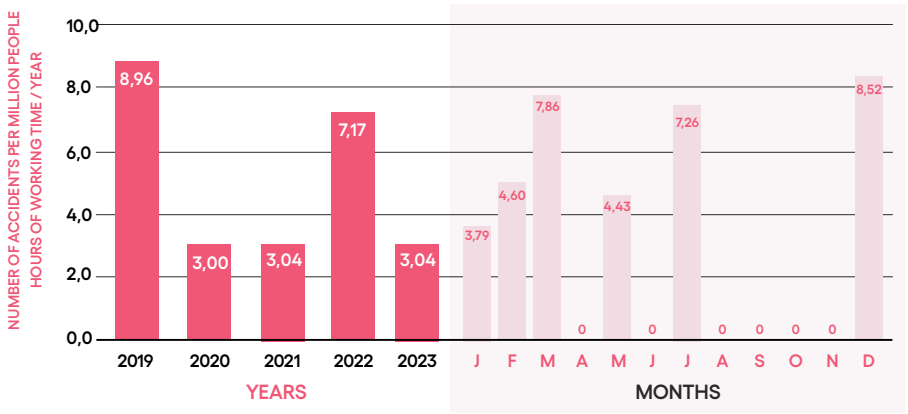
OCCUPATIONAL HEALTH AND SAFETY

Our OHS Statistics

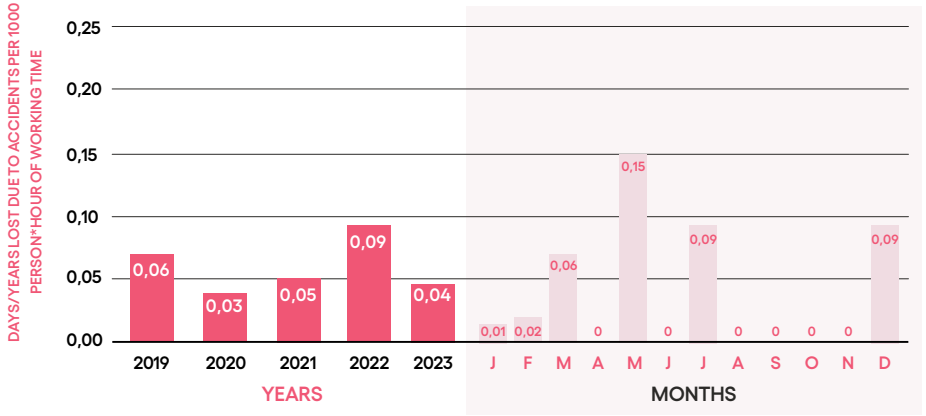
At Penti Çorap, we constantly monitor the accident frequency rates in our work environment, where our health and safety standards are maintained at a high level, and we develop strategies to minimize these rates. Thanks to the data from 2019 to 2023, the measures we have taken and the training we have implemented, we have significantly reduced the accident frequency rates. The fact that we achieved our target of a zero-accident rate, particularly in certain months, proved the relevance of our measures. These achievements stand out as an indicator of our dedicated work as a team on occupational safety and our concept of continuous development.

As a leading company in ensuring the health and safety of our employees, we constantly monitor the severity rate of accidents in our factories. By ensuring a steady reduction in these rates over the last five years, we achieved a rate below our target in 2023. This achievement demonstrates the effectiveness of our proactive safety measures and risk assessment processes. In particular, accident severity rates of zero show how successful we are in preventing potential accidents and protecting the lives of our employees. These rates are also the outcome of our investment not only in safety equipment, but also in the awareness of our employees. Our commitment to a safe working environment is reflected not only in our policies but also in our performance.

ACCIDENT FREQUENCY RATE



FACTORY ACCIDENT SEVERITY RATE



The graph represents more than just a situation that can be expressed in numbers; it is a testament to the efforts we are making to ensure that our employees can continue their work safely every day. We will continue our efforts to reduce accident rates in the future. Every zero symbolizes a potential accident prevented and a life saved. Not only is this a target, but it also demonstrates the value we place on the well-being of our employees.

OCCUPATIONAL HEALTH AND SAFETY

Our OHS Statistics

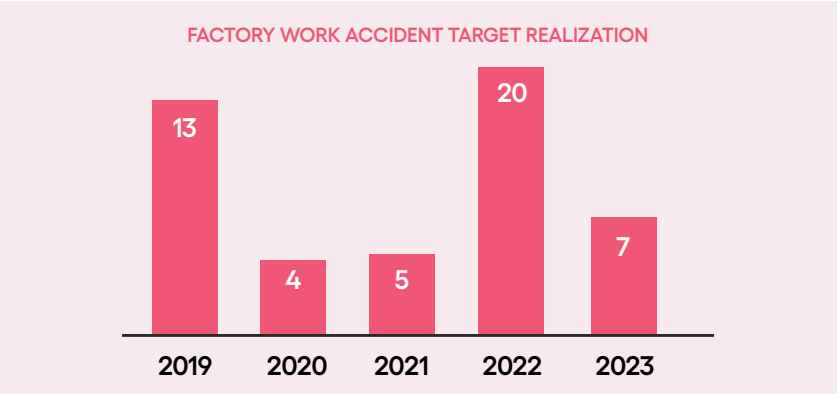
FACTORY WORK ACCIDENT TARGET REALIZATION

Number Of Accidents Leading To Three Lost Working Days

Our proactive approach to Occupational Health and Safety delivered significant achievements last year.

Near misses: We identified a total of 25 near misses. Near misses contribute significantly to our ability to take precautionary measures by identifying potential risks at an early stage and are an integral part of our risk management strategy.

This year we had an accident that resulted in seven lost working days, totalling 80 lost working days. These incidents are warning signs that prompt us to review and improve our safety measures.



The accident frequency rate for our workforce was recorded at 3,04. This represents the number of accidents per million hours worked and allows us to compare our safety performance with industry standards.

The recorded accident severity rate of 0,04 represents the number of days lost per thousand hours worked. This low level is an important indicator that the impact of accidents is under control, but we shall continue to work towards our goal of zero accidents.

Penti Çorap

OHS STATISTICS	2023
Number of near misses	25
Number of accidents leading to lost working days (3 days or more)	7
Number of fatal accidents	0
Lost days	80
Accident frequency rate (number of accidents*1000000/total working hours)	3,04
Accident severity rate (number of lost days*1000/total working hours)	0,04

OCCUPATIONAL HEALTH AND SAFETY

Projects for the Mitigation of Occupational Health and Safety Risks

One of the most effective OHS projects we implemented as Penti Çorap during the period under review was to improve safety on the high platforms in the Ironing Department.

We had previously identified major risks of falls and accidents for operators working on 29 machines due to the lack of proper fall protection on the sides, front and rear of the platforms. To eliminate this risk, we added protective barriers to the sides, front and especially the back of the platforms to prevent operators from falling backwards from the work chair in the event of a fall. Thanks to this improvement, we have successfully removed the risk of employees falling or suffering more serious injuries in our workplace.

One of the OHS projects that we prioritised as Penti Çorap in 2023 was related to the plastic chair legs that broke while working in the Ironing Department. This situation posed a serious safety risk for employees working on 17 machines. As part of our project, we replaced all the plastic chair legs with more durable metal legs, substantially reducing the risk of falls and injuries to our employees. This simple but effective change eliminated employee absenteeism, created a safer working environment and improved our OHS performance.

Among the OHS improvement projects carried out in our DyeingDepartment in 2023, a critical initiative to improve operator safety when using rotary boilers stood out. These boilers involved potential hazards that could lead to accidents caused by the rotation of the drum during the removal of products after the dyeing process. We identified the risk of our operators touching the high-speed rotating drum while removing product from open vessel covers and suffering an occupational injury as a result. To eliminate this major risk, we made significant improvements to the drum brake systems. This enabled the drums to be quickly stopped when the boilers were no longer in use, ensuring a safe working environment. This upgrade has substantially reduced the risk of injury to our employees and prevented loss of workforce.

In 2023, a total of 214 work accidents were reported at Penti Giyim's head office and stores. There were no fatalities as a result of these accidents. The total number of lost days reported due to occupational accidents was 325.



OCCUPATIONAL HEALTH AND SAFETY

At Penti, we prioritize the health and safety of our customers and take measures that meet and exceed textile industry standards. Our approach is an important factor in reinforcing our company's leadership in this field.

Research indicates that *72%* of respondents have a positive view of the durability, long-lasting use and longevity of Penti branded products. *

These results underline the extent to which our customers value the longevity and high quality of our products. With our sustainable production approach, we aim to continue to offer our users products of the highest quality, both in aesthetic and functional terms.

At Penti, we have integrated new processes and technologies aimed at reducing the use of water, energy and chemicals in production processes by 2022. In collaboration with industry stakeholders, we aim to minimize environmental impact at every stage of our products. In this context, we have developed and implemented the "Restricted Chemicals Procedure" based on ZDHC (Zero Discharge of Hazardous Chemicals) standards to remove harmful chemicals from the supply chain and production processes.

We conduct ongoing research and development to ensure the safety of our products and services. We evaluate and test the compliance of products and services with safety standards and take the necessary steps to mitigate safety risks.

We use labelling, user manuals and training programs to inform customers about the safe use of our products and services. The purpose of these information activities is to ensure that our customers use our products in a proper and safe manner.



*Based on the results of the Brand Health Research conducted by Future Bright Group Company in 2023 with 1800 participants in 12 provinces of Türkiye. (Adana, Ankara, Bursa, Edirne, Erzurum, Gaziantep, Istanbul, Izmir, Kayseri, Malatya, Samsun, Trabzon).

OCCUPATIONAL HEALTH AND SAFETY

Product and Service Security Audit

We at Penti regularly monitor and audit the security of our products and services. Audits allow us to identify safety risks and take the necessary precautions by intervening promptly when required.

These practices not only increase customer satisfaction, but also demonstrate that we are taking a proactive role in protecting the health and safety of our customers.

	2023	2022	2021
Pass rate for first-time inspection	76%	82%	%72
Number of inspections	29,507	26,982	13,983

80% of these quality inspections passed, 10% were not ready for quality inspection and 10% failed.

Comparing 2022 to 2023, there was a 9,36% increase in the number of inspections carried out.

The first-time success rate fell from 82% in 2022 to 76% in 2023. This predicament was an evident consequence of Penti's steadily increasing quality standards over time. We have tightened controls and increased expected standards to match the quality of the product. Our goal is to maintain the current stringent procedures and increase the first-time pass rate to 85% in the coming years.

At Penti, we carry out extensive testing to ensure the quality and safety of our products. While the total number of tests carried out on the fabrics used in our products was 28,500, the number of tests carried out on the finished products was 7700. These rates show that we apply strict control mechanisms at both the raw material and finished product stages. A higher number of fabric tests allows us to identify potential problems in the early stages of the production process, while final product tests aim to ensure maximum consumer safety before our products are released to the market.

In 2023, we have implemented various audit and control processes to ensure product quality and supply chain management.

We performed a total of 29,260 final quality control inspections on our products. This figure is indicative of the level of importance the company attaches to the final quality control of its products before they are released to the market. During the inspections, we thoroughly examined the compliance of the products with the standards and their capacity to meet consumer expectations.

In addition, we reviewed a total of 340,377 comments posted on various platforms about Penti products. These reviews provided valuable feedback on the performance of the products in the market and we analyzed the impact of the products on consumer satisfaction by categorizing them as positive, negative or neutral reviews.

We completed 130 audits for product suppliers in the areas of technical and social compliance. The protection of social and technical standards across the supply chain and the assurance of sustainability principles' observance are two major reasons why these audits are crucial. Our dedication to sustainable production processes and ethical business conduct is further demonstrated by the way we handle our suppliers.

In 2022:

- Quality control was carried out *26,982* times.
- *82%* Of the products received approval from the first quality control.
- Total number of fabric and product tests: in 2022, a total of *47,710* product and fabric tests were performed in accredited and independent third-party laboratories.
- Total number of finished product tests: *7,539*
- Total number of fabric tests: *40,171*
- Total number of tests: *47,710*

In 2023:

- Total number of tests performed on fabrics used in products: *28,500*
- Total Number Of Finished Product Tests: *7,700*

PRODUCT RISK ASSESSMENT MEETINGS

At Penti, we organize and conduct comprehensive risk assessment meetings diligently to ensure that our products meet safety and quality standards before they are released to the market. These meetings include assessments based on many criteria such as product technical specifications, safety standards, quality of materials used, stitch quality and wear comfort.

Our technical teams examine every product in detail, identify potential risks and take the necessary action to avert any risks. Our teams meticulously handle any issues that arise during risk assessment meetings, ensuring that products are manufactured to the highest possible quality and safety standards.

As Penti, we included nearly 14 thousand models in the risk assessment process in 2022, and with this comprehensive evaluation study, we aimed to ensure that the products would succeed in the market and be used safely by consumers. In 2023, we expanded the process compared to the previous year by including nearly 18 thousand models in this process.

Quality Control Processes

Quality Control and Online Order Management Processes

We prioritize customer satisfaction and product quality in warehouse operations where we use third-party services. In 2023, meticulous inspections carried out by the Quality Assurance Department contributed greatly to improving the management of e-commerce orders.

Effective Use and Customer Satisfaction

Thanks to the warehouse's effective implementation of this process, we have raised the quality standards of the products delivered to customers. This has both increased customer satisfaction and reduced the return rate. Delivering the right products on time and in full was a factor that had a direct impact on the quality of our customer service.

At Penti, we have developed carefully designed processes and standards to improve product quality and customer satisfaction. We have implemented a detailed quality management system, from product technology and sewing settings to fabric and product safety tests.

Testing Processes

Product and Raw Material Quality Tests

At our head office, we conducted 250 internal washing tests to measure the durability of our products and raw materials in 2022, and raised this figure by 42% to 355 in 2023. Results have been reported for both years.

Every six months, we tested the wash durability of a selection of home wear and underwear products from our stores that are constantly on sale, and reported the results.

Product and Fabric Safety Tests

In 2022, we carried out a total of 47,710 physical and chemical tests in independent laboratories to assure the quality and safety of our products in accordance with established standards. In 2023, we conducted a total of 36,200 physical and chemical tests, 28,500 on our fabrics and 7,700 on our finished products. These tests guarantee that our products meet quality and safety standards.

These processes are carried out meticulously to ensure the quality and safety of Penti's products, to strengthen collaboration with suppliers and to increase customer satisfaction, and the results obtained form the basis of continuous improvement and quality management processes. We test the durability of our products, starting from the yarn material, which is the main raw material of textile products. As Penti, we are committed to providing products made from long-lasting yarns with the same Penti quality by testing the materials we use in our products for compliance with global yarn standards.

FOR COMMUNITY *care*

Every single positive development we make should be for the benefit of the whole, beyond our individual gains.

A just future can only be achieved through the equal and inclusive coexistence of all species.







FOR COMMUNITY *care*

Our development and progress is only possible once we become a community. As we explore, develop and share the values we produce, we always remember that we are a society, and we develop and grow with the power of being a community. As we share this world, we do not forget that each of us holds a place in this great family, and we aim to offer every individual and every element of global society the opportunity to live in harmony. We prefer to say "we" rather than "I".

- ★ 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 in light of these values.

Penti's understanding of sustainability goes beyond environmental and product management and has a broader vision fused with social justice and ethical values. This holistic approach reflects a deep sense of responsibility to care for the well-being of all living things on our planet.

FOR COMMUNITY *care*

We are committed to providing a fair and inclusive environment for everyone. By embracing diversity and difference, we aim to create a liberal and fair working environment for everyone. Through our anti-discrimination policies, we provide opportunities for everyone to reach their full potential.

We integrate our profound respect for nature into our business processes and develop meticulous strategies to reduce environmental impact, protect natural resources and support biodiversity. These efforts are aimed at preserving ecological balance rather than environmental sustainability.

We aspire to create value for all stakeholders by endeavouring to manage the social, environmental and economic impacts of our activities in a balanced way. This overarching philosophy shapes our company's raison d'être and the way it operates. We exist not to grow, but to protect as we growing.

Penti extends its understanding of social responsibility by supporting the social empowerment of women and girls, promoting gender equality and supporting sustainable development. Beyond contributing to society, the company has adopted social development as its mission and is committed to take decisive steps in this direction.

Penti has launched a number of projects and initiatives to empower women and girls in society. The main focus is on raising the employment rate of women and encouraging their education and careers.

Penti values social responsibility projects. These projects are concerned with important issues such as gender equality, the empowerment of women and girls in all fields and sustainability. The company carries out its work in this field in cooperation with its suppliers, employees, customers and other stakeholders.

Penti aims to deliver a broad impact by training and educating not only its own employees, but also including suppliers.

Penti is dedicated to contributing to the development of society and the economy as part of its social responsibility, and is committed to constantly innovating and developing projects in this respect.



CONTINUOUS SUPPORT and SOLIDARITY: PENTI'S DISASTER RESPONSE STRATEGY

The 6th of February 2023 is engraved in our memories as a day that profoundly marked the history of Türkiye. On that day, the devastating earthquake that directly affected ten provinces of our country and caused lingering pain was one of the most destructive disasters our country has ever experienced. The earthquake once again revealed the vital importance of the guidance of science and respect for nature. We at Penti have all bitterly experienced that `adapting to the functioning of our planet`, which we emphasize in all our processes, is not a choice but an obligation, and we have acted with this awareness.

"We Stand By You With All Our Might In What We Do Best"

Immediately after the earthquake struck, the Penti family mobilized. In line with the established list of priority needs, we began to deliver our relief supplies to the region. The unity and solidarity we have demonstrated in these difficult times has helped us to remember those we have lost and to rekindle our hope for life. The extraordinary efforts of Penti employees and supporters reminded us that we are not alone.

Penti's Emergency Response: "We Will Heal Our Wounds Together"

Our pre-planned relief package included much-needed underwear, hosiery and thermal products, particularly for women, men and children. In collaboration with the Disaster and Emergency Management Agency (AFAD) coordination centers, we quickly delivered these critical items to the disaster area.





Long-Term Assistance and Relief Operations

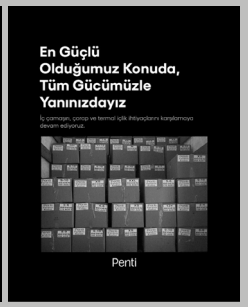


Penti carried out extensive support activities through the **"Pink Support Movement"** to respond to the needs of the disaster victims and actively contribute to the recovery process in the region. Under the leadership of our Earthquake Coordination Team, we implemented a strategic and sustainable plan of action. In addition to the regular distribution of hygienic toiletries, we extended our support through corporate donations with the Ahbap Association and provided containers for temporary shelter for the survivors.

We produced 1,000,000 pieces of women's and children's underwear and pyjamas as part of our production and donation activities. We offered these products for sale at no profit and used the proceeds to support the earthquake survivors.

In addition, to meet the need for extra thick hosiery for cold weather, we partnered with local communities and charities to donate large quantities of hosiery.







As part of our employment and rehabilitation activities, we initiated a dedicated application process for individuals affected by the earthquake and prioritized the recruitment of disadvantaged candidates. Our approach will contribute to long-term employment in the region.

Everything we do at Penti is guided by science-based approaches and sustainability principles. We will continue our commitment to provide ongoing support and develop long-term projects for the recovery of the region and our country. We firmly believe that through this challenging process, we will advance to become a more resilient society by healing our wounds together.

R&D AND INNOVATION APPROACH

Investment growth rate from 2020 to 2021 is *25,7%*, from 2021 to 2022 is *109,16%* and from 2022 to 2023 is recorded as *61,75%*.

At Penti, we strongly believe in innovation, with our identity as a brand that closely follows global fashion and retail trends and reflects them in our products. Our company's R&D studies and innovation approaches aim to provide prompt and effective solutions to the ever-changing needs of consumers.

Sector Leadership and Customer Orientation

Our R&D and innovation efforts strengthen our industry leadership as Penti and increase customer satisfaction. Our aim is to continually offer our customers new and improved products that meet their expectations.

Penti Çorap Factory maintains its leading position in the industry by drawing strength from its expertise in hosiery production and continues to make a difference with its innovative and sustainable approaches. Penti Çorap San. Tic. A.Ş. R&D center was approved by the Ministry of Industry and Technology in 2019. The R&D center operates as the center of R&D and innovation activities of our company.

• R&D Center and Personnel Structure

R&D Center operates within our organizational structure, reporting to our Deputy General Manager and the center has a total of 39 experienced employees, including 22 post-graduate researchers, 14 technicians and 3 support personnel. The team's mission is to lead the industry by developing short, medium and long-term R&D and design strategies and by monitoring innovative approaches and technological developments.



R&D AND INNOVATION APPROACH

Sector Leadership and Customer Orientation

- **Sustainable Production Practices**
  We at Penti are making strides in sustainability by increasing the use of recycled materials in our products, improving the energy efficiency of our production processes and working to reduce waste.

- **Product Development**
  We invent new products to meet women's needs for comfort and support during physical activity. We design these products using new technologies and materials, and offer customized solutions for women's needs.

- **Innovative Product Technologies**

  Comfort Flex Technology
  This product, which provides comfort and support during physical activity, is made from recycled materials. While the product increases the user's freedom of movement with its flexible fabric that conforms to the body, we are simultaneously taking an important step towards environmental sustainability.

- **Sustainable Production Methods and Operational Efficiency**

  Environmentally Friendly Production Methods
  At Penti, we embrace sustainable production techniques and create ecologically friendly production methods. This approach contributes to resource efficiency and helps us reduce our impact on the environment.

- **Product Development Suitable for Competitive Market Conditions**
  As Penti, we respond to the changing expectations of consumers by developing hosiery that will adapt to competitive market conditions.

- **Machine Efficiency Improvements**
  To reduce manufacturing expenses and boost production capacity, we carry out studies to improve machine efficiency in production lines.

- **Penti Çorap Factory**
  Penti Çorap Factory has designed its R&D strategies based on sustainable growth, environmental compliance and industrial innovation.

  Commercialization and Growth Goals
  The aim is to increase our annual growth by 10% by commercializing project outputs that are competitive and add value. This strategy will enable the company to diversify its revenue streams and increase its market share through the introduction of innovative products and solutions.

  Environmentally Friendly and Resource Saving Systems
  Our goal at Penti is to make the system sustainable by adopting environmentally friendly and resource-saving behaviours. In this regard, we plan to adapt Industry 4.0 technologies to the existing infrastructure for increased efficiency, production flexibility and cost reduction.

- **R&D center and Employment Growth**
  Our aim is to expand Penti's innovative capacity by increasing the number of employees in the R&D center within 5 years. We anticipate that new projects and product development activities will be accelerated as more researchers and technicians become involved.

As Penti Çorap, we have allocated a budget of *24,048,330 TL** for R&D and innovation in the year 2023.

*15,231,537 TL incentive spending, 8,816,793 TL non-incentive spending.

Our best practices in R&D are listed below:

- Polyethylene Project
- Fit15 High Tensile Project
- White Thermal Children's Hosiery Project
- Recycled Hosiery Design and Development Project
- Ecocell Yarn Project
- Umorphil Yarn Project
- Coloured Natural Cotton Project: Cashmere Project



R&D AND INNOVATION APPROACH

Penti Giyim Design Center

As Penti Giyim, we are entitled to receive a Design Center Certificate after applying to the Ministry of Industry and Technology in 2019, and we have been operating as a Design Center for five years. We continue to apply for registration certificates from relevant institutions for product development in product categories where we are market leaders. We are harnessing the power of innovation in our DNA, thanks to our product expertise, to offer better products to our customers every day. We invested a total of 32,370,147.54 TL in our R&D studies in 2023.

With the support of 52 people in our Design Center and our expert teammates in the relevant departments, our utility model applications for 3 different products were approved by the Turkish Patent and Trademark Office in 2023. This brings the total number of registered utility models to 13. We have completed the application process for all 3 models and aim to complete the process in 2024.

Our utility models (petty patents) registered in 2023:

BALANCE BOOSTING LEGGINGS: The invention relates to a leggings structure which increases the balance of the user's body during activity, characterized in that the fabric consists of at least two pieces, including edge stitching on the inner or outer edge, joined together by said edge stitching, and contains an inner layer with at least one of the minerals calcium, aluminium, sodium and magnesium on at least the inner surface of said fabric.

A FUNCTIONAL OUTERWEAR: The invention is characterized in that it comprises two cups connected to the outer fabric from the side and upper portions, a portion smaller than the top of the hangers being located in the upper portion of said outer fabric, a lateral support cord connected to the outer edge of each cup to ensure that said cups are connected to the edge portion by means of a lateral connecting seam, a front connecting hanger connected to each cup allowing the two cups to be connected to each other from the front portion, a hook consisting of at least one piece allowing the two cups to be connected to each other from said front connecting seam, a front connecting hanger connected to each cup and allowing the two cups to be connected to each other from the front portion, a hook consisting of at least one piece and allowing the two cups to be connected to each other from the front connecting hangers, and a top connecting hanger. The invention relates to an upper garment consisting of at least two integral parts and having the characteristic of being gathered in the bosom region.

SUITABLE PANTIES FOR MENSTRUAL PERIODS: The invention relates to a panty which comprises at least one absorbent inner layer on the upper part of the said impermeable outer layer on the inner part of the absorbent multi-layer structure forming the crotch section, an odour-preventing top layer containing seaweed which comes into contact with the skin on the upper part of the said absorbent inner layer, an upper supporting edge on the front upper part, a lower supporting edge on the back lower part and a sealing edge fold on the edge parts to ensure sealing, in particular at the edge and in the inner region, to ensure the connection of the said absorbent multi-layer structured crotch section to the said panty, a lower support edge on the rear lower part and a sealing edge fold on the edge parts to ensure sealing, in particular at the edge and in the inner region, to ensure the connection of said absorbent multi-layer structured crotch section to the fabric, suitable for use during women's menstrual periods, not allowing the passage of liquids and having absorbent properties in the crotch section, having a waist elastic on the upper part of the fabric and having a sealing outer layer, in particular on the outer part of the crotch section.



We continue to share and announce our improvement studies via different channels to publicize them in the academic field, to establish academic collaborations and to inspire young professionals who want to work on such issues. In this context, we published our Sleep Quality Improving Pajama Innovation in Tekstil & Teknik magazine with our article that we prepared digitally and in print.

R&D AND INNOVATION APPROACH

Penti Giyim Design Center

We collaborated with the students of the Istanbul Fashion Academy and implemented an industry project. We asked the students to prepare a collection for Penti according to the brief we gave them about our brand's activewear collection. We displayed the winning collections in the showcase of our Nişantaşı store, one of our flagship stores.

Our 2023 Projects Developed in Our Design Center:

- Collection Designed with Ecological Printing Technique and Ecological Dyes: We carried out a master's thesis application with one of our students at Mimar Sinan Fine Arts Faculty with our sustainable project that we developed against the intensive use of chemicals in printing processes.



- Sustainable active collection developed in partnership with Saúde: Inspired by nature, we designed this collection in collaboration with the Saúde brand. The collection includes crop tops, leggings, overalls, T-shirts, sweatshirts and tracksuit bottoms, all made from durable fabrics that can be used for many years. We have used fully recycled polyamide and organic cotton-modal blends in the product designs.

- Functional Hosiery Collection Developed in Collaboration with Penti Çorap R&D Center: With our functional sock product made in collaboration with Penti Çorap Factory, we have developed solutions for people who work on their feet for long hours or have problems with blood circulation by regulating blood circulation.



- Aysu Türkoğlu Swimwear Collection: In our swimwear collection that we have developed together with Aysu Türkoğlu, we have designed for the needs of professional swimmers. In our 32-piece collection, we have included bodysuits, swimsuits, bikinis and beach accessories that are eye-catching with their colours and patterns.

- Underwear and Hosiery Collection with Reflective Thread: In our underwear and hosiery, which are the product groups we specialize in using reflective thread that glows in the dark, we have used special thread that absorbs sunlight during the day, which we call glow-in-the-dark underwear.

- Durable Beach Collection Improved with Lycra® Xtra Life™: In our beachwear products, we increased product durability by using fabrics made of LYCRA® XTRA LIFE™ material, which is durable up to 120 hours in intense chlorine environments and 10 times more durable in water, and we aim to offer long-lasting products to our customers and prevent the formation of clothing waste.

- Reusable Absorbent Pads with Seaweed Fibre: We have developed our sustainable absorbent pads with seaweed fibre, which hold liquid and are suitable for use with all bras and as an alternative to disposable pads, which we will offer for sale in 2024.

- Two-in-One Croplet Collection: We have created a collection that can be used for everyday wear as well as special occasions by adding new alternatives to our functional tops, for which we have registered a utility model.

DIGITALIZATION

Penti Giyim invested *53 million TL* in digitalization during the period under review.

Research reveals that 66% of respondents stated that they could find innovative, functional and problem-solving products in the Penti brand. This rate underlines the innovative approach of our brand and its ability to provide solutions to our customers' needs*.

By embracing digital transformation in the underwear industry, we are redefining the customer experience and making effective use of technology in the process. We aim to offer consumers a more interactive and personalized shopping experience by investing in innovative technologies such as Virtual Reality (VR), Augmented Reality (AR) and OmniChannel platforms.

By using 3D drawing applications in the design and sampling processes, we have reduced the number of samples and the use of raw materials in these processes and accelerated our workflow. We have reduced our carbon footprint by curbing our sample freight processes with our suppliers.

In 2023, we rebranded our former order management project called "Manhattan" as "PentiPass" to reshape the customer experience and enhance brand loyalty.

Innovations Introduced by PentiPass

The PentiPass Program offers special privileges to our customers, personalises their shopping experience and provides a channel-independent customer experience. The benefits of the program include access to an expanded product range in our stores and on penti.com, faster stock replenishment and special discounts.

Our Growing Network and Enhanced Customer Satisfaction with PentiPass

In 2023, as Penti, we took a big step to increase customer satisfaction and accessibility. We expanded the store network of our PentiPass Program, reaching **288 stores**. This expansion has significantly increased the variety of products we offer our customers and our stock capacity. PentiPass sets an innovative example in the retail industry by offering a channel-independent customer experience in Türkiye. We successfully fulfilled **445 thousand** PentiPass orders in 2023.

We increased product availability by increasing the volume of stock visible in e-commerce by around **5 million** and contributed **1.63%** to the stock turnover rate.

We designed PentiPass in line with our sustainability goals. The program allows us to respond more quickly to our customers' needs and expectations, while reducing our environmental impact and increasing our social contribution. Thanks to PentiPass, we did not carry out our planned **495,000** outlet product transfers, minimizing our carbon footprint by reducing the number of product deliveries.

This innovative approach strengthens our unified omnichannel approach to retailing while reinforcing our sustainability leadership.

* Based on the results of the Brand Health Research conducted by an independent research company in 2023 with 1800 participants in 12 provinces of Türkiye. (Adana, Ankara, Bursa, Edirne, Erzurum, Gaziantep, Istanbul, Izmir, Kayseri, Malatya, Samsun, Trabzon).

DIGITALIZATION

Strategies For The Future

By actively following technological developments and e-commerce trends, we aim to further improve the shopping process to meet customer expectations in 2023.

Our goal is to tackle and simplify women's purchasing from a comprehensive viewpoint by eliminating the boundaries between online and offline experiences. Here, we are boosting our expenditures in technology while also restructuring the retail strategy.

Penti holds a leading position in the underwear industry thanks to its successful applications in e-commerce and digital strategies.

The Digitalization of Category Management Proceeds!



We are aware that it is in our DNA as Penti to innovate and constantly improve. That's why we're taking our category management digitalization processes one step further!

We are dedicated to leveraging technology to make all our processes more efficient, faster and flawless. Thanks to digitalization, we are able to respond promptly and effectively to the needs of our valued customers. Thanks to the EBA Bulk Approval screen application, we have saved 320 person-hours per year.

Digitalization Continues in Our Financial Affairs Processes!



We continue the digital revolution in finance. The process of entering rental payments and invoices is now much faster and error-free!

Our new system manages these processes via our robots, saving us time and minimizing errors. So now our robot will keep records safely and quickly.

Thanks to these innovations, we continue to manage your financial transactions more transparently and effectively. As Penti, we are determined to continue our commitment to innovation in all areas.

Digitalization Continues in Our Logistics Warehouse Processes!



Innovation in Penti Logistics
A revolution is happening in our warehouse! We have taken the digitalization of our logistics processes one step further by installing our state-of-the-art robots.

Now our daily warehouse deliveries are faster, smarter and have a near-zero error rate! Our new robot friend has mastered preparing and packing orders quickly. Thanks to this innovation, we are counting the days to serve you faster!

We strive to offer you a better shopping experience by saving 468 hours of lost time.

Digitalization Continues with Param and Lidio Integration!



Penti Turns Over a New Page in the FinTech World!
We explore new options to make your shopping experience easier at all times. That's why we've revamped our payment processes with our exciting collaboration with "Param" and "Lidio"!

Now shopping at Penti is smarter, faster and much safer. Our new payment integration aims to offer our customers not only fashion but also technology.

With this venture into the FinTech world, we are working to simplify life by offering innovative payment solutions for shopping.

DIGITALIZATION

Penti Management System (PMS)

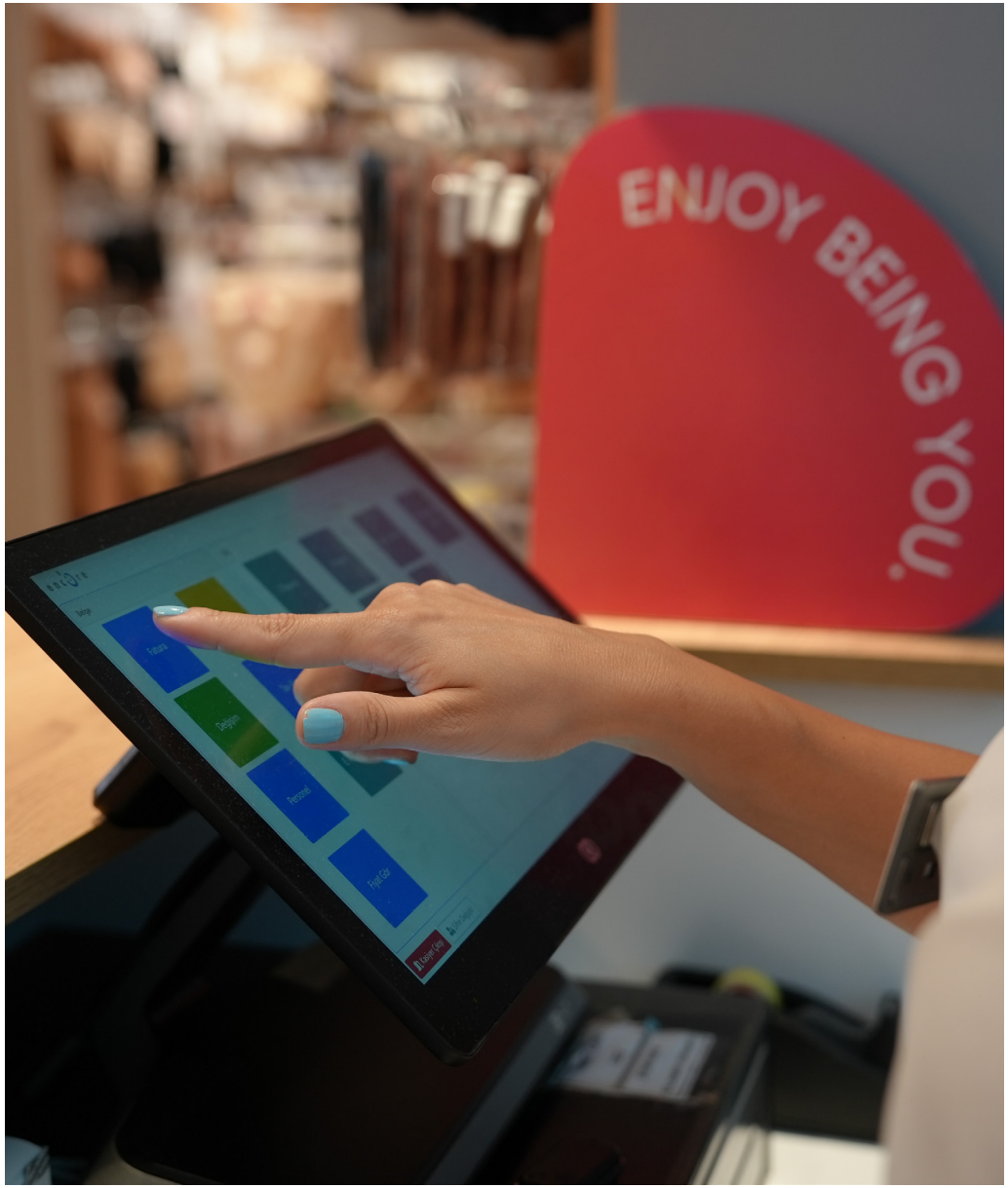
Our Penti Management System (PMS), developed by our own software team, supports our sustainability efforts and digital transformation processes. This system makes a significant contribution to the digitalization of the factory and enables us to manage work flows effectively.

Penti Management System (PMS) Features

PMS has an open-source structure and is integrated with SAP systems, allowing data flow and business processes to be managed smoothly. Thanks to the system's mobile application, our employees can access the system from anywhere and perform the necessary transactions using their mobile devices. The system includes a special module for the digital management of employee equipment and other debit requirements. It manages the bonus system based on the performance of blue-collar employees working in production in a digital environment. It records disciplinary breaches, accidents at work and near misses via the online system, allowing this data to be easily managed and analyzed.

Integrated Management Systems and Total Productive Management (TPM)

The Penti Çorap Factory incorporates integrated management systems that operate in accordance with the ISO 9001, 14001, 27001, 50001 and 45001 standards.





CORPORATE SOCIAL RESPONSIBILITY

At Penti, we aligned our Corporate Social Responsibility (CSR) projects with our core values and strategic priorities, with a particular focus on environmental protection, women's empowerment and women's issues. In 2023, we continued our efforts to create social impact by making significant investments in these areas.

As Penti, the total amount of charitable donations we made in the framework of social investments in 2023 amounted to *12 million 545 thousand TL.*

Environmental Sustainability Projects

Green sustainability projects are highly valued by us. These projects include our efforts to increase the use of recyclable materials, improve waste management systems and reduce our carbon footprint. These efforts help to conserve natural resources and minimize environmental impact.

Women Empowerment

Our aim is to increase women's employment and support their educational and leadership potential by creating programs that improve the status of women in society. Activities such as leadership development seminars, career development workshops and mentoring programs for women are all part of these projects.

Social Contribution and Collaborations

We collaborate with local and international organizations to support different segments of society. These collaborations include social projects for disadvantaged groups, particularly women and young people. Through these projects, we aim to raise social awareness and advocate for social justice.

Building a Sustainable Future

Our corporate social responsibility activities seek not only to meet today's needs, but also to build a sustainable future. To this end, we aim to create long-term positive effects by constantly developing projects in the fields of education, health, the environment and gender equality.

Penti Giyim achieved a remarkable progress in its philanthropic activities in 2023, reaching approximately 12.3 million TL.

CORPORATE SOCIAL RESPONSIBILITY



Pink Support Movement

We initiated the Pink Support Movement as Penti and dedicated it to women. This movement aims to support underprivileged and disadvantaged groups. Particularly in earthquake-prone areas, the organisation conducts research to provide women with equal access to housing, food, security and educational opportunities. The mission of the Pink Support Movement is to empower and support women through a variety of initiatives.

CUSTOMER SATISFACTION

Based on the Brand Health Survey conducted in 2023, 68% of participants perceived Penti as a brand that values its customers and addresses their needs. This outcome is a reference to the value we place on our customer satisfaction and the firm rapport we establish with them.*

Throughout 2023, our Innovation & Quality Assurance and Buying departments visited 132 different Penti stores, personally experienced customer satisfaction processes and measured customer product satisfaction. During these regular quarterly visits, issues raised by our customers concerning our products were identified and remedial actions were quickly implemented. In addition, meetings with Penti's Sales Consultants provided valuable feedback to further improve our products.

We are focused on providing quality products, affordable pricing, responsive service and effective customer support strategies to maximize customer satisfaction and create competitive advantage.

Quality and Affordable Pricing

Our quality is assured through continuous testing to international standards and improved quality procedures. This is how we produce durable and high-quality products.

We endeavour to meet the needs of our customers by offering quality products at affordable prices.

Technology and E-Commerce Investments

To ensure customer satisfaction and improve business processes, we make significant investments in technology and e-commerce to respond promptly and effectively to all stages of the shopping experience.

By integrating store inventories with e-commerce sales, we ensure that products reach customers in a timely manner.

Customer Service and Social Media Interaction

Our customer service teams undergo on-going training to provide fast, high quality service via phone, email and social media channels.

We use social media to interact with our customers and collect feedback. We incorporate the feedback we receive into our product and service development processes.

* Based on the results of the Brand Health Research conducted by an independent research company in 2023 with 1800 participants in 12 provinces of Türkiye. (Adana, Ankara, Bursa, Edirne, Erzurum, Gaziantep, Istanbul, Izmir, Kayseri, Malatya, Samsun, Trabzon).

CUSTOMER SATISFACTION

We hear the voice of the customer through different channels

Our aim is to increase our competitiveness in the sector by adopting a number of strategies that prioritize customer satisfaction. We provide effective customer service through call centers, customer feedback platforms and store visits.

Call Center Operations

Through the call center, we listen to and resolve customer product complaints on all matters relating to Penti (e.g. stores, store personnel, online transactions, return/exchange requests, pricing/design/quality).

We operate a system that aims to close every ticket opened and to meet customer requirements 100% of the time. We have a target of 80% overall customer satisfaction.

The customer satisfaction score increased from an average of 8.7 out of 10 in 2021 to 8.9 in 2022. At the same time, the Net Promoter Score (NPS) increased from 61.8 in 2021 to 72.3 in 2022.

Customer Feedback Platforms

Penti collects customer feedback by establishing effective communication between stores and head office through the I-COM (Information-Communication) platform. We also continue to analyze customer feedback relating to products on all market platforms and social media channels where our products are offered for sale, and plan development actions.

We analyzed almost 400,000 positive, negative and neutral customer comments that we received through various channels in 2023 in our Customer Mind meetings. We have identified areas for improvement and developed corrective and remedial action plans.

Customer Mind

We organize bimonthly Customer Mind meetings with the participation of both head office and field employees. The Innovation & Quality Assurance, Purchasing, Category Management, Marketing, Design and Operations teams attend these meetings and define actions for product development and improving customer satisfaction by analyzing comments received from customers via the Marketplace, social media and stores.

Store Visits and Customer Experiences

The Innovation & Quality Assurance and Purchasing Departments visited 132 different Penti stores in 2023, experienced customer satisfaction processes and measured customers' product satisfaction.

Any concerns expressed related to dissatisfacion during these visits were addressed by taking remedial actions and feedback from the sales consultants was incorporated into the product development process.

Goals Reached in 2023 and Goals Set for 2024

At Penti, we aspired to increase customer satisfaction to 80% by 2023. Our customer satisfaction in 2023 exceeded 85%. Our company is determined to continuously improve the customer experience and make technological investments.

To increase customer satisfaction and optimize store operations, we have standardized the returns and exchanges process. We have devised detailed procedures and guides to make these processes more efficient.

ANNEXES

GRI Content Index

GRI 1

Penti has prepared this report in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.

GRI Standard	Disclosure	Reference
GRI 1: Basic Principles 2021		
GRI 2: General Disclosures 2021		
GRI 2: General Disclosures 2021	2-1 Corporate Profile	Our Story(p.8)
	2-2 Organizations included in sustainability reporting	About the Report (p.3)
	2-3 Reporting period, frequency and contact information	About the Report (p.3)
	2-4 Information revised from previous reports	No information has been revized.
	2-5 External Audit	No external audit service was received within the scope of the report.
	2-6 Activities, value chain and other business relationships	Our Story (p.8) Penti in Numbers (p.12-14) Penti Giyim Supply Chain Management (p.62-67)
	2-7 Employees	Penti in Numbers (p.12-14)
	2-8 Subcontractors	Diversity and Inclusion in Employment (p.99)
	2-9 Governance Structure	Corporate Management (p.53-57) Sustainability Management (p.58) Better Life Team Sustainability Committee (p.59) Management Teams (p.60)
	2-10 Process for determining the competencies and qualifications of the members of the highest governance body	Restriction - Penti does not make this information available to the public due to the privacy policy of the organization.
	2-11 Chair of the highest governance body	Corporate Management (p.53-57)
	2-12 Role of the highest governance body in managing the impacts of the organization's activities	Sustainability Management (p.58) Better Life Team Sustainability Committee (p.59) Management Teams (p.60)
	2-13 Responsibility for managing the impacts of activities	Sustainability Management (p.58)
	2-14 The role of the highest governance body in sustainability reporting	Sustainability Management (p.58)
	2-15 Processes to prevent conflicts of interest	Our Ethical Business Approach (p.34)

ANNEXES

GRI Content Index

GRI 1

Penti has prepared this report in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.

GRI Standard	Disclosure	Reference
GRI 1: Basic Principles 2021		
GRI 2: General Disclosures 2021		
GRI 2: General Disclosures 2021	2-16 Process for escalating critical issues to the highest governance body	Sustainability Management (p.58)
	2-17 Competencies of the highest governance body	Sustainability Management (p.58)
	2-18 Assessment of the performance of the highest governance body	Restriction - Penti does not make this information available to the public due to the privacy policy of the organization.
	2-19 Wage price policies	Gender Equality (p.110)
	2-20 Wage determination process	Gender Equality (p.110)
	2-21 Annual total wage rate	Restriction - Penti does not make this information available to the public due to the privacy policy of the organization.
	2-22 Statement on sustainable development strategy	Sustainability Management (p.58)
	2-23 Policy Commitments	Corporate Management (p.53-57)
	2-24 Implementation of Policy Commitments	Corporate Management (p.53-57)
	2-25 Processes for remediation of negative impacts	Our Ethical Business Approach (p.34) Anti-corruption and anti-bribery (p.34) Our Priorities (p.39-40) Sustainability Management (p.58) Risk Management (p.61)
	2-26 Mechanisms for seeking advice and raising concerns about issues related to ethical and legal conduct	Our Ethical Business Approach (p.34)
	2-27 Legal compliance	Our Ethical Business Approach (p.34)
	2-28 Corporate Memberships	Institutions and Associations of which we are a member (p.20) Our Collaborations and Partnerships by Sector (p.21)
	2-29 Stakeholder participation	Our Relations with Stakeholders (p.41) Our Stakeholder Map (p.42)
	2-30 Employees covered by collective agreements	Diversity and Inclusion in Employment (p.99)

ANNEXES

GRI Content Index

GRI 1

Penti has prepared this report in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.

GRI Standard	Disclosure	Reference
GRI 3: Material Issues 2021		
GRI 3: Material Issues 2021	3-1 Process for determining material issues	Our Priorities (p.39-40)
	3-2 List of material issues	Our Priorities (p.39-40)
	3-3 Material issue management	Our Sustainability Approach (p.35-38) Our Sustainability Goals (p.44-46) Sustainability Management (p.58-59)

GRI Standard	Disclosure	Reference
Climate Change		
GRI 3: Material Issues 2021	3-3 Material issue management	Passion for Protection (p.69) Our Environmental Management Approach to Fighting the Climate Crisis (p.70) Our Environmental Management Strategy as Penti (p.70) Environmental Management (p.71) Penti Giyim Energy Efficiency and Emissions Reduction (p.72-74) Penti Çorap 2023 Energy Performance (p.75) Energy Efficiency and Emissions Reduction Studies (p.76-78) Energy Efficiency and Environmentally Friendly Technology Applications (p.79-81) Protection of Water Resources (p.82-83) Water Use (p.84) Biodiversity (p.85) Circular Economy and Resource Sustainability (p.86) Waste Management (p.87) Our Sustainable Products (p. 88) Sustainable Retailing (p.89)

ANNEXES

GRI Content Index

GRI 1

Penti has prepared this report in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.

GRI Standard	Disclosure	Reference
Climate Change		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Penti Giyim Energy Efficiency and Emissions Reduction (pp.72-74) Energy performance of Penti Çorap in 2023 (p.75) Energy Efficiency and Emissions Reduction Studies (p.76-78) Energy Efficiency and Environmentally Friendly Technology Applications (p.79-81)
	302-2 Energy consumption outside the organiation	Penti Giyim Energy Efficiency and Emissions Reduction (pp.72-74) Energy performance of Penti Çorap in 2023 (p.75) Energy Efficiency and Emissions Reduction Studies (p.76-78) Energy Efficiency and Environmentally Friendly Technology Applications (p.79-81)
	302-3 Energy density	Penti Giyim Energy Efficiency and Emissions Reduction (pp.72-74) Energy performance of Penti Çorap in 2023 (p.75) Energy Efficiency and Emissions Reduction Studies (p.76-78) Energy Efficiency and Environmentally Friendly Technology Applications (p.79-81)
	302-4 Mitigation of energy cımsumption	Penti Giyim Energy Efficiency and Emissions Reduction (pp.72-74) Energy performance of Penti Çorap in 2023 (p.75) Energy Efficiency and Emissions Reduction Studies (p.76-78) Energy Efficiency and Environmentally Friendly Technology Applications (p.79-81)
	302-5 Reducing the energy required in products and services	Penti Giyim Energy Efficiency and Emissions Reduction (pp.72-74) Energy performance of Penti Çorap in 2023 (p.75) Energy Efficiency and Emissions Reduction Studies (p.76-78) Energy Efficiency and Environmentally Friendly Technology Applications (p.79-81)
GRI 305: Emissions 2016	305-1 Direct greenhouse gas emissions (Scope 1)	Energy Efficiency and Emissions Reduction Studies (p.76-78)
	305-2 Indirect greenhouse gas emissions (Scope 2)	Energy Efficiency and Emissions Reduction Studies (p.76-78)
	305-3 Other indirect greenhouse gas emissions (Scope 3)	Energy Efficiency and Emissions Reduction Studies (p.76-78)
	305-4 Greenhouse gas emission intensity	Energy Efficiency and Emissions Reduction Studies (p.76-78)
	305-5 GHG emission reduction	Penti Giyim Energy Efficiency and Emissions Reduction (pp.72-74) Energy performance of Penti Çorap in 2023 (p.75) Energy Efficiency and Emissions Reduction Studies (p.76-78) Energy Efficiency and Environmentally Friendly Technology Applications (p.79-81)
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other major air emissions	Energy Efficiency and Emissions Reduction Studies (p.78)

ANNEXES

GRI Content Index

GRI 1

Penti has prepared this report in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.

GRI Standard	Disclosure	Reference
Climate Change		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Circular Economy and Resource Sustainability (p.86) Waste management (p.87)
	306-2 Management of significant waste-related impacts	Circular Economy and Resource Sustainability (p.86) Waste management (p.87)
	306-3 Waste by type and disposal method	Waste management (p.87)
	306-4 Waste diverted from disposal	Waste management (p.87)
	306-5 Waste sent for disposal	Waste management (p.87)
Water Management		
GRI 3: Material Issues 2021	3-3 Management of the Material Issue	Environmental Management (p.71) Protection of Water Resources (p.82-83) Water Use (p.84)
GRI 303: Water and Wastewater 2018	303-1 Organisation's water policy and management approach (water management)	Environmental Management (p.71) Protection of Water Resources (p.82-83) Water Use (p.84)
	303-2 Management of impacts related to water discharge	Protection of Water Resources (p.82-83) Water Use (p.84)
	303-3 Water withdrawal by source	Protection of Water Resources (p.82-83) Water Use (p.84)
	303-4 Water Discharge	Protection of Water Resources (p.82-83) Water Use (p.84)
	303-5 Water consumption	Protection of Water Resources (p.82-83) Water Use (p.84)
Protection of Biodiversity		
GRI 3: Material Issues 2021	3-3 Management of the Material Issue	Environmental Management (p.71) Biodiversity (p.85)
GRI 304: Biodiversity 2016	304-2 Major impacts of activities, products and services on biodiversity	Biodiversity (p.85)
	304-3 Habitat protection or restoration	Biodiversity (p.85)
	304-4 Species on the IUCN Red List of Threatened Species and the National List of Protected Species with habitats in areas affected by the operations	Biodiversity (p.85)

ANNEXES

GRI Content Index

GRI 1

Penti has prepared this report in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.

GRI Standard	Disclosure	Reference
Customer Satisfaction		
GRI 3: Material Issues 2021	3-3 Management of the Material Issue	Customer Health and Safety (p.122-123) Product Risk Assessment Meetings (p.124)
Employee Satisfaciton		
GRI 3: Material Issues 2021	3-3 Management of the Material Issue	Our Working Life Focus (p.97-98) Diversity and Inclusion in Employment (p.99-102) Performance and Talent Management (p.103-107) Employee Engagement (p.108)
GRI 404: Training and Learning 2016	404-1 Average Annual Training Hours per Employee	Performance and Talent Management (p.107)
	404-2 Employee Skills Upgrade Programs and Transition Assistance Programs	Performance and Talent Management (p.103-107)
	404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews	Performance and Talent Management (p.104)
Equal Opportunity and Inclusion		
GRI 3: Material Issues 2021	3-3 Management of the Material Issue	Our Working Life Focus (p.97-98) Diversity and Inclusion in Employment (p.99-102) Performance and Talent Management (p.103-107) Employee Engagement (p.108)
GRI 401: Employment 2016	401-1 Recruitment and turnover of employees	Diversity and Inclusion in Employment (p.99-102)
	401-2 Rights granted to full-time employees that are not granted to temporary or part-time employees	Diversity and Inclusion in Employment (p.99-102)
	401-3 Parental Leave	Diversity and Inclusion in Employment (p.99-102)
GRI 405: Diversity and Opportunity 2016	405-1 Diversity of governing bodies and employees	Penti in Numbers (p.13)
	405-2 Ratio of Basic Wages and Salaries of Women to Men	Gender Equality (p.110)
R&D and Innovation		
GRI 3: Material Issues 2021	3-3 Management of the Material Issue	R&D and Innovation Approach (p.129-132)

ANNEXES

United Nations Global Compact (UNGC) Content Index

Principles	References
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Corporate Management (p.53-57) Our Ethical Business Approach (p.34) Gender Equality (p.109-115) Employee Engagement (p.108)
Principle 2: make sure that they are not complicit in human rights abuses	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Corporate Management (p.53-57) Our Ethical Business Approach (p.34) Gender Equality (p.109-115) Diversity and Inclusion in Employment (p.99-102)
Principle 4: the elimination of all forms of forced and compulsory labour	
Principle 5: the effective abolition of child labour	
Principle 6: the elimination of discrimination in respect of employment and occupation	
Principle 7: Businesses should support a precautionary approach to environmental challenges	Penti's Environment Management Strategy (p.70-71) Digitalization (p.133-135) Penti Giyim Energy Efficiency and Emissions Reduction (p.72-81) Protection of Water Resources (p.82-84) Waste Management (p.87) Biodiversity (p.85) Circular Economy and Resource Sustainability (p.86) R&D and Innovation Approach (p.129-132)
Principle 8: undertake initiatives to promote greater environmental responsibility	
Principle 9: encourage the development and diffusion of environmentally friendly technologies	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Our Ethical Business Approach (p.34) Anti-corruption and anti-bribery (p. 34)

ANNEXES

UN WOMEN'S Empowerment Principles (UN WEPs)

PRINCIPLES	REFERENCE
Principle 1: Establish high-level corporate leadership for gender equality	Message from the Management (p. 4-7) Corporate Management (p.53-57) Diversity and Inclusion in Employment (p.99-102)
Principle 2: Treat all women and men fairly at work – respect and support human rights and non-discrimination, bu ilkelerin desteklenmesi	Corporate Management (p.53-57) Gender Equality (p.109-115) Employee Engagement (p.108) Diversity and Inclusion in Employment (p.99-102)
Principle 3: Ensure the health, safety and well-being of all women and men workers	Gender Equality (p.109-115) Employee Engagement (p.108) Occupational Health and Safety (p.117-121)
Principle 4: Promote education, training and professional development for women	Performance and Talent Management (p.103-107)
Principle 5: Implement enterprise development, supply chain and marketing practices that empower women	Diversity and Inclusion in Employment (p.99-102) R&D and Innovation Approach (p.129-132)
Principle 6: Promote equality through community initiatives and advocacy	Diversity and Inclusion in Employment (p.99-102) Corporate Social Responsiblity (p.136-137)
Principle 7: Measure and publicly report on progress to achieve gender equality	Message from the Management (p. 4-7) Corporate Management (p.53-57) Diversity and Inclusion in Employment (p.99-102) Social Performance Data (p.139-140) Employee Demographics (p.115)

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