



Bossa

SUSTAINABILITY
REPORT
2021

Company information

Bossa

Trade Name

Bossa Ticaret ve Sanayi İşletmeleri T.A.Ş.

Registered Capital

200,000,000 TL

Registered Office and Factory Address

Adana Hacı Sabancı Organize Sanayi
Bölgesi Acıdere OSB Mah. Celal Bayar Bul.
No:3 Sarıçam ADANA/TURKEY

Yüreğir Tax Office

1800041427

Mersis Number

0180004142700030

Telephone

+90 322 355 20 00

Adana Chamber of Commerce Registration
1327

Fax

+90 322 346 75 54

Borsa İstanbul Stock Market Listing Code
BOSSA

Paid Capital

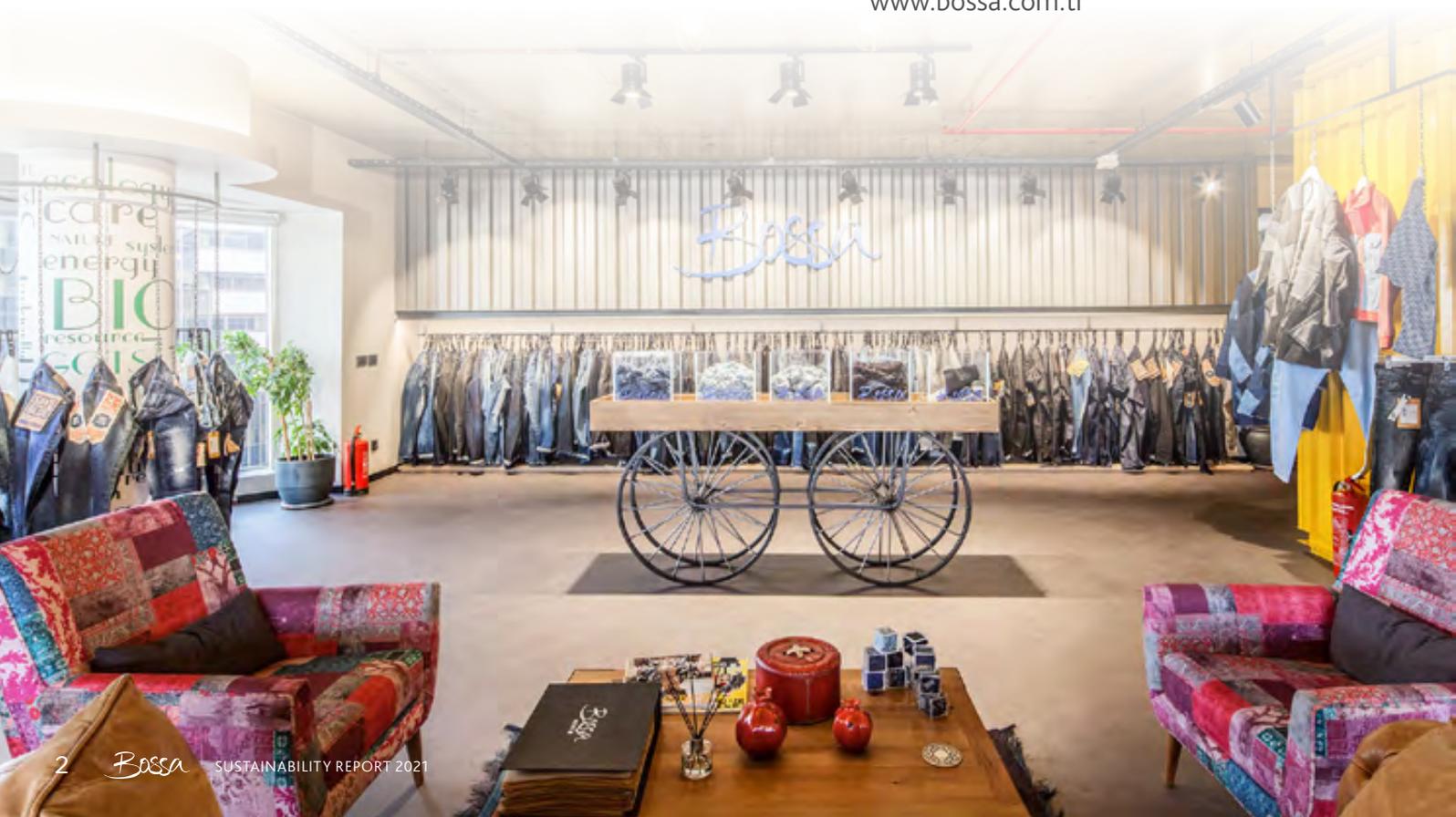
62,000,000 TL

Corporate e-mail

maliisler@bossa.com.tr

Web Address

www.bossa.com.tr



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About our report

This is Bossa's first sustainability report which reflects its economic, environmental, and social performance with exemplary practices. Through this report, we share the impacts of our activities, and the measurement, monitoring and improvement works we carried out on the management of those impacts with our key stakeholders, mainly our customers, shareholders, employees, and investors.



Notes:

1. In the digital version of our report, the bold texts with (👉) icon include links to the relevant topic or web site.
2. The average USD rates used for TL conversion are: 2019: 5.68 - 2020: 7.02 - 2021: 8.93

Scope of The Report and Topic Boundaries

The information in this report covers Bossa's activities between January 1, 2021, and December 31, 2021 without any restrictions. We also mention 2019 and 2020 data to make following of the trends possible.

We outlined the content of the report according to the views and suggestions of the internal and external stakeholders including customers, employees, and top management. We elaborate on the reporting boundaries of important topics in addition to our report content outlining process in the **Our Sustainability Impacts Along the Value Chain** section on page 39 of this report. 👉

Principles

Our report was prepared in accordance with the **GRI Standards**: Core option. We took GRI's materiality, stakeholder engagement, sustainability context and completeness principles into account in defining our strategic sustainability topics. 👉

With our practices aimed at our material topics, we serve a part of the **UN Sustainable Development Goals** directly. The details in this scope are available under **Our Contribution to Sustainable Development Goals** section on page 40 of this report. 👉

Reporting Cycle

We aim to publish our sustainability reports annually in the first quarter of the year.

GRI 102-45

Letter from the chairman

Dear Stakeholders,

In 2021, despite all the adverse effects of Covid-19 pandemics that continue to dominate the globe, we concluded another rewarding year at Bossa thanks to the care we commit to keep our employees safe and sound and our investments we undertook that support our production, sales, and sustainability. We continue our operations in our modern production plant with 50 million meters fabric production capacity in the Adana Hacı Sabancı Industrial Zone.

Financial Outcomes

We generated 1 billion 350 million TL sales volume and 556 million TL operational profit.

We took our place in the "Leading 500 Large Industrial Companies" list of İstanbul Chamber of Industry and Turkish Exporters Assembly's "First 1000 Exporters" list.

Export

We sell to 48 countries including Turkey in six continents where 90% of our exports are made to European countries. We have representatives in 30 countries notably Europe. Each consecutive year, we increase our export revenues through value-added products and contribute our support in the economy of our country.



Investments

In 2021, our Board of Directors made investment decisions totaling 45 million dollars. We made yarn and fabric investment in the scope of modernization and capacity enhancement along with recycling plant in line with our zero-waste target and additional solar energy plant investment.

Energy

In 2021, we generated 9 million kWh electricity thanks to our rooftop Solar Energy Power Plant (SEPP) investment which we continued throughout the year. The amount which accounts for 10% of our electricity consumption by the end of 2021 will reach 16% by 2022 end with the completion of 9.3 million USD investment. We converted 4% of the additional electricity we bought in 2021 to clean energy by international renewable energy certificates (IREC).

R&D

We allocated 574 thousand USD budget in 2021 for our R&D unit studies that began to operate as R&D Center in 2018. During the years 2019-2020, our gains from the commercial products developed in R&D totaled 18.2 million USD whereas this amount reached 21.5 million USD by the end of 2021.

Environment

Water saving, circular economy and zero waste are crucial agenda items in our sector and we place sustainable products in the heart of all our operations. The share of R&D spending that favors the environment reached 54% in total R&D budget in 2021.

We manage to save 85% water in dyeing, thanks to our "Saveblue" concept products. We collect used denim pants from consumers by "Post Consumer Denim" Project and recycle them to reuse in production.

In our 71st year, we look forward to the future...

We commit ourselves to represent Turkey successfully in global denim production through our collections that fully meet customer expectations and by our strong design team. I hereby thank our employees who reinforce Bossa's position in the sector, our shareholders who always support us, our customers, suppliers, and all stakeholders for their trust in our company.

Sincerely,

İbrahim Uçurum

Chairman of the Board of Directors



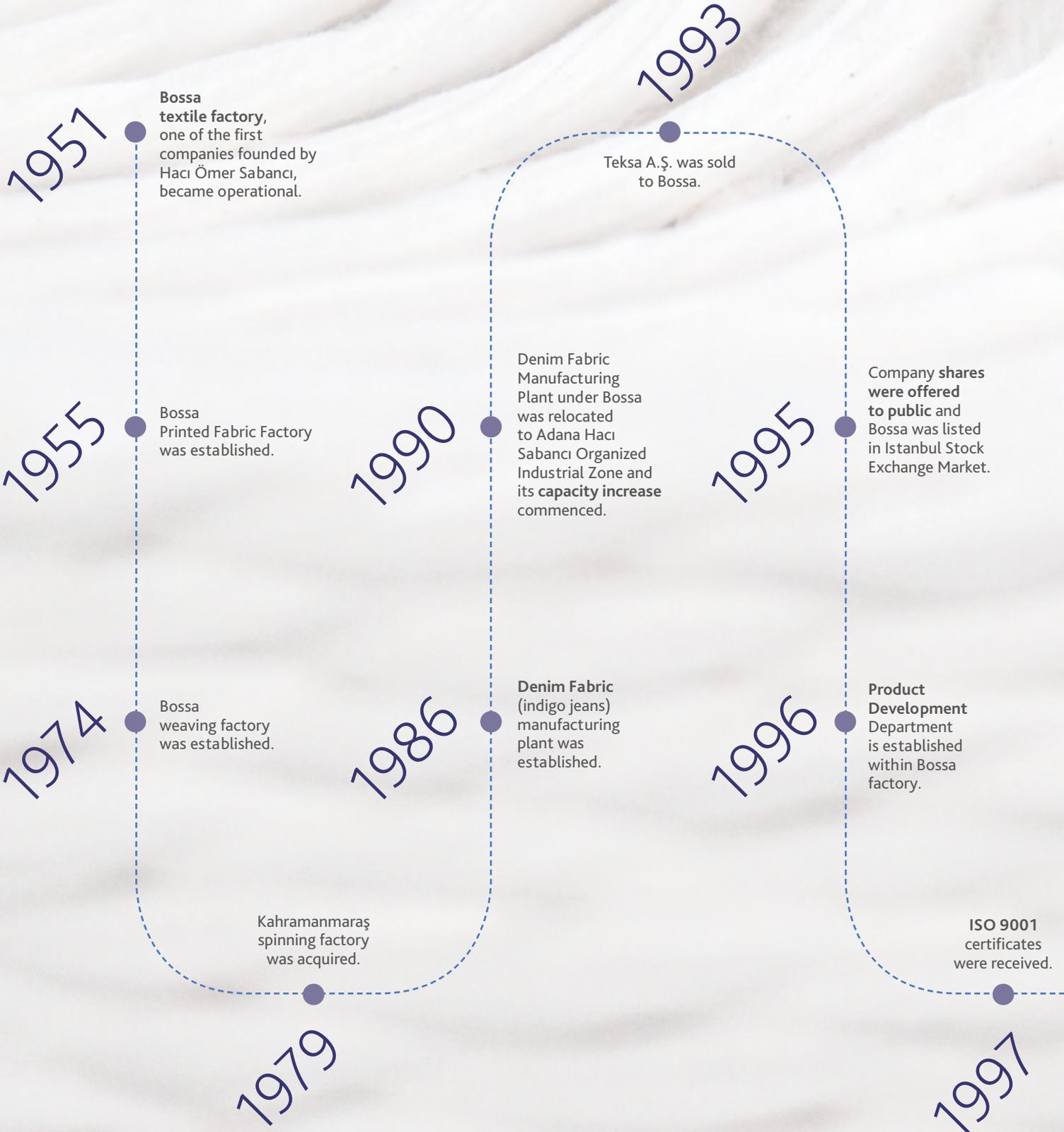


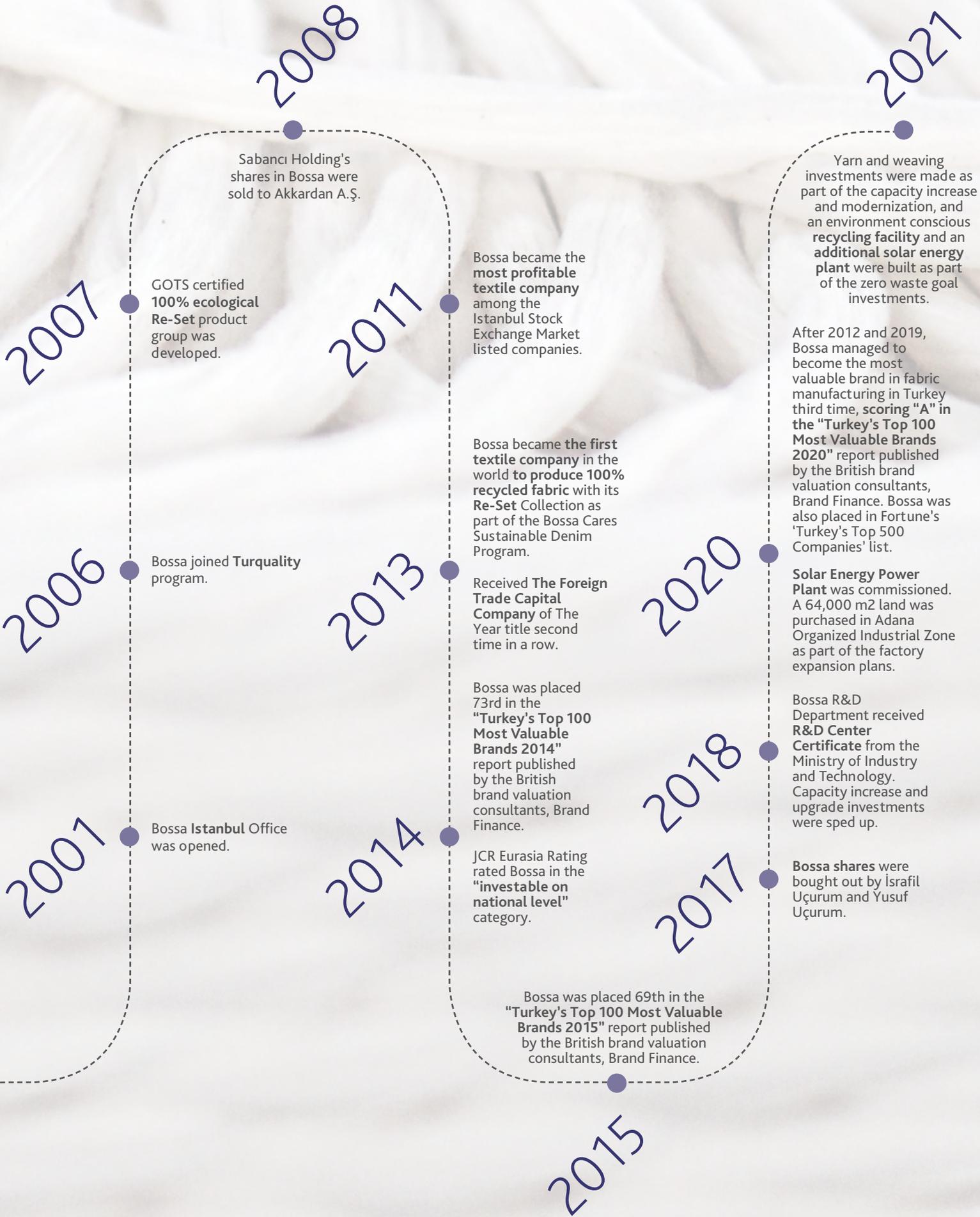
Corporate profile

We are a dynamic fashion supplier for 71 years, operating with the vision of meeting the expectations of our major player clientele in the apparel and fashion industry uninterruptedly through our innovative product range, total quality and business excellence goal in the denim field.

Milestones

In 2014, Bossa was voted as the Most Sustainable Denim Factory in the globally revered denim industry tradeshow, Kingpins.





2007

2006

2007

2008

2017

2013

2014

2020

2018

2017

2021

2015

GOTS certified 100% ecological Re-Set product group was developed.

Bossa joined Turquality program.

Bossa Istanbul Office was opened.

Sabancı Holding's shares in Bossa were sold to Akkardan A.Ş.

Bossa became the most profitable textile company among the Istanbul Stock Exchange Market listed companies.

Bossa became the first textile company in the world to produce 100% recycled fabric with its Re-Set Collection as part of the Bossa Cares Sustainable Denim Program.

Received The Foreign Trade Capital Company of The Year title second time in a row.

Bossa was placed 73rd in the "Turkey's Top 100 Most Valuable Brands 2014" report published by the British brand valuation consultants, Brand Finance.

JCR Eurasia Rating rated Bossa in the "investable on national level" category.

Bossa was placed 69th in the "Turkey's Top 100 Most Valuable Brands 2015" report published by the British brand valuation consultants, Brand Finance.

Yarn and weaving investments were made as part of the capacity increase and modernization, and an environment conscious recycling facility and an additional solar energy plant were built as part of the zero waste goal investments.

After 2012 and 2019, Bossa managed to become the most valuable brand in fabric manufacturing in Turkey third time, scoring "A" in the "Turkey's Top 100 Most Valuable Brands 2020" report published by the British brand valuation consultants, Brand Finance. Bossa was also placed in Fortune's 'Turkey's Top 500 Companies' list.

Solar Energy Power Plant was commissioned. A 64,000 m2 land was purchased in Adana Organized Industrial Zone as part of the factory expansion plans.

Bossa R&D Department received R&D Center Certificate from the Ministry of Industry and Technology. Capacity increase and upgrade investments were sped up.

Bossa shares were bought out by İsrail Uçurum and Yusuf Uçurum.

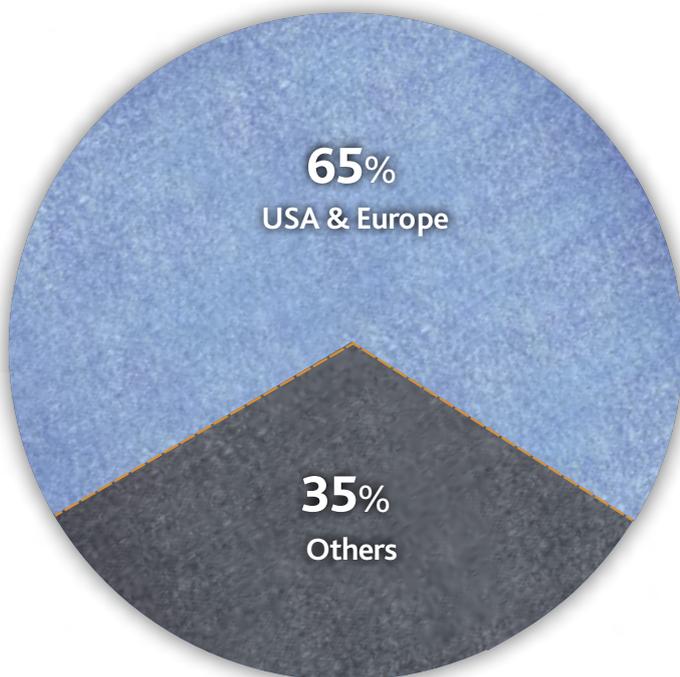
BOSSA and our markets

As Bossa we are an information, idea, and innovation network for denim industry, and we provide a forum for the international denim community.

Since the start of our first jeans supply chain tradeshow in New York in 2004, we expanded our mission of connecting the community together and carried our concept all around the world.

Founded in 1951, Bossa is one of the largest integrated textile establishments in Turkey with its Adana facility and nearly 1,351 employees. We continue our leading position in the sector with our high-quality innovative product portfolio, customer-oriented fast special service, structured widespread marketing network, correct market placement and competitive pricing which create difference and high satisfaction for our customers. We sell to 48 countries including Turkey in six continents where 90% of our exports are made to European countries.

Largest Markets According to Our Main Clients' Nations



U.S.A.
Australia
Austria
Bangladesh
Belgium
United Arab
Emirates
Bulgaria
Czech Republic
China
Denmark
Estonia
Ethiopia

Morocco
Finland
France
South Korea
India
The Netherlands
Hong Kong
U.K.
Spain
Israel
Sweden
Italy
Japan

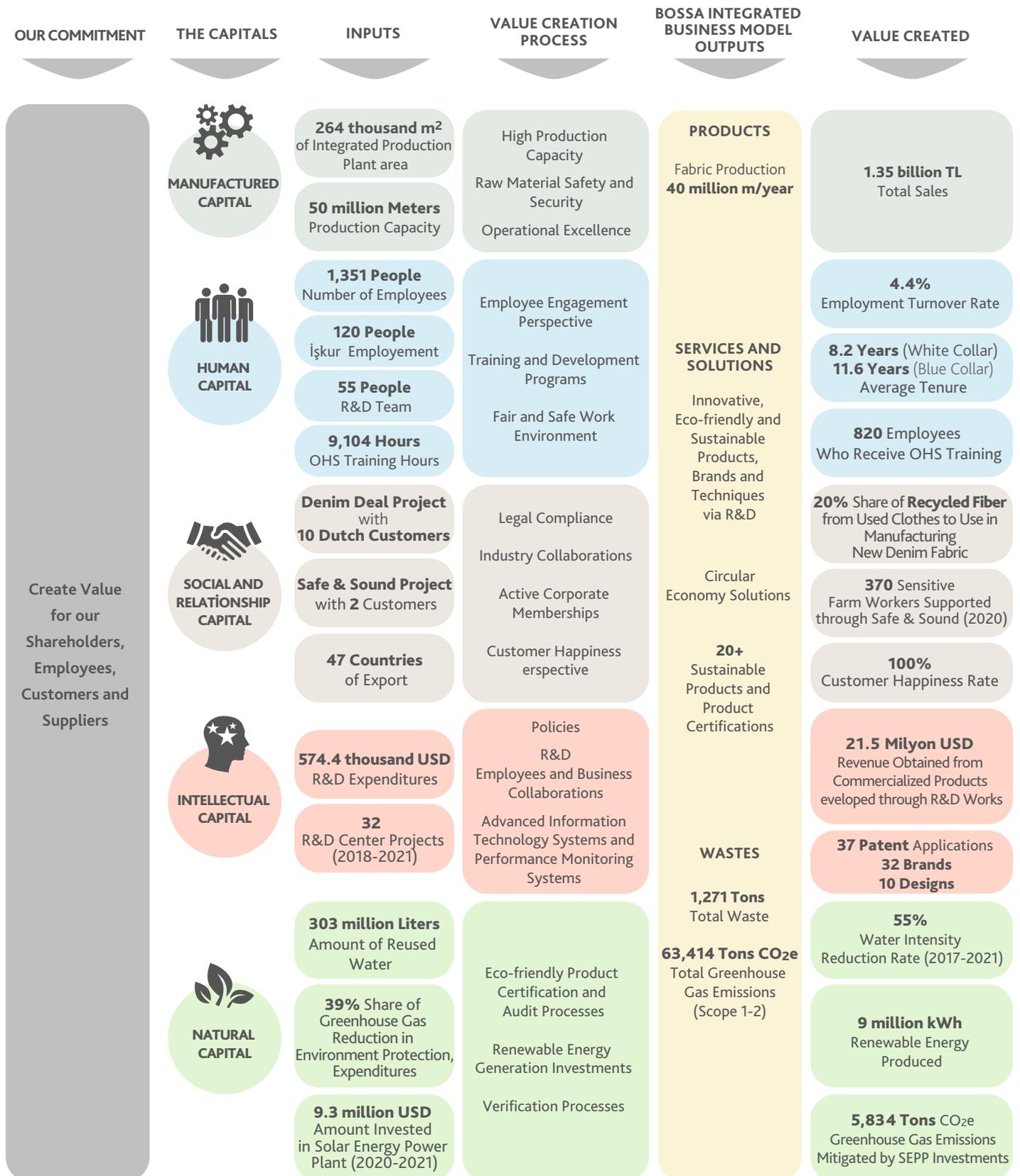
Cambodia
Canada
Lithuania
Hungary
Macedonia
Mauritius
Mexico
Egypt
Pakistan
Paraguay
Poland
Portugal
Romania

Russia
Serbia
Slovakia
Sri Lanka
Thailand
Tunis
Turkey
Ukraine
Jordan
Vietnam
Greece





Value Creation Business Model



The data in this page represent values of 2021-year-end if not stated otherwise.





Management approach

Our effective risk management, collaborations based on ethical principles with the world's leading fashion brands, R&D works which reinforce our trendsetting role in the sector and our pioneering innovative customer-oriented business model, form the foundations of our management approach in Bossa.

The Board of Directors and the Governance Structure

The Board of Directors is the top strategic decision-making and controlling body in our company. The Board of Directors play active roles in the determining the ESG issues, risks and opportunities that have priority, establishing the ESG policies and making the investment decisions that address them.

The members of the Board of Directors are responsible for serving for a fixed term from the moment they are appointed. The Board of Directors is responsible for fulfilling their duties transparently, accountably, fairly, and responsibly, looking after the company's interests in line with the corporate governance principles.

Bossa Board of Directors consists of eight members two of whom are independent. One of the board members is also a member of Early Risk Assessment Committee. One of the independent board members is the president of Early Risk Assessment Committee, president of Auditors Committee and member of Corporate Governance Committee, and the other independent board member is the president of the Corporate Governance Committee and member of the Audit Committee.

Corporate Governance Compliance Report is available [KAP website](#).



OUR BOARD OF DIRECTORS

İSRAFİL UÇURUM	Chairman
YUSUF UÇURUM	Vice Chairman
FATMA UÇURUM	Member
OĞUZ UÇURUM	Member
LEVENT UÇURUM	Member
ONUR UÇURUM	Member
İRFAN VURAL	Independent Member
BORA KOCAMAN	Independent Member

OUR MANAGEMENT TEAM

ONUR DURU	General Manager
FATMA KIVILCIM İLİKÇİ	Chief Financial Officer
TAYFUN AKBAY	Deputy General Manager (Sales and Marketing)
BESİM ÖZEK	Director of Strategy and Business Development
ALİ DÜLGER	Planning and Quality Group Manager
FUAT SAYILIKAN	Dyeing and Finishing Group Manager
SONER SAKIN	Finance Manager
MUSTAFA KEMAL İLİKÇİ	Accounting Manager
ALPER DENİZ	Procurement and Logistics Manager
MUSTAFA DENİZ	Machinery Maintenance and Energy Coordinator
İLKER CEYRAN	Weaving Group Manager
ERCÜMENT ARAS	Yarn Group Manager
YUNUS AYAR	Planning and Stock Control Manager
MÜGE TUNCEREN	Product Development Manager
BURCU DALAMAN ÖZEK	Sales Manager
CANAN YÜKSEL ÖZCAN	Sales Manager
SERDAL SIRLIBAŞ	R&D Center Manager
UĞUR BOZAN	Dyeing and Finishing Manager
NESLİHAN GÜNGÖR	Information Technology Manager
METİN BAYRAKTAR	Machinery Maintenance and Energy Manager
NEVRUZ ÖZAKIN	Sportswear Dyeing and Finishing Manager



Business Ethics Management

At Bossa, together with all our employees, we work in compliance with our written Code of Business Ethics, Anti-Bribery and Anti-Corruption Policy. We care about providing a positive and harmonious work environment that encourages collaboration for our employees in Bossa.

At Bossa, we work together with all our employees in accordance with our written Code of Business ethics. We support the codes under Honesty, Confidentiality, Conflict of Interest and Our Responsibilities titles with complementary policies namely Conflict of Interest Policy, Gifts, Benefits and Hospitality Policy, Protection of Confidential Information Policy, Building and Maintaining a Fair Working Environment Policy, and Bossa T.A.Ş. Stocks Trading Policy. We also have the Anti-Bribery and Anti-Corruption Policy in place as updated and approved by the top management on 22nd January 2019 following its first publication in 2016. We share regular updates and trainings to make sure that all our employees have the full grasp of the code of business ethics in line with these policies and we constantly monitor the exercising of the code by keeping suggestion and complaint mechanisms open.

Ethical Suggestions and Complaints

At Bossa, we care about providing a positive and harmonious work environment that encourages collaboration for our employees. For this purpose, we built a suggestions and complaints mechanism to prevent unethical behaviors that influences the work environment negatively. Thus, our employees can report possible unethical behaviors they may encounter that have a negative impact on the work environment, directly to the Ethics Board through the Complaint Boxes in place or by email to etik@bossa.com.tr personally or anonymously, without having to worry about losing their jobs. The number of complaints received was 85 in 2019, 23 in 2020, and zero in 2021. All notices which were suggestions were resolved in the same calendar year.

Ethics Board

The Ethics Board, which reports to the Bossa T.A.Ş. General Manager, was established to resolve conflicts of interest in line with The Code of Business Ethics (BOSS-ETİK), review reports of ethical code violations received, and offer recommendations on the directions, methods and practices that should be followed in handling of those violations. The Ethics Board's modus operandi in the reporting and resolution of the ethical code violations is available in detail in the **Code of Business Ethics** document.



The Ethics Board consists of:

Head – Bossa T.A.Ş. General Manager

Member – Bossa T.A.Ş. Strategy and Business Development Director

Member Consultant – Bossa T.A.Ş. Head of Staff and Administrative Affairs

Our Business Ethics Works in 2021

In 2021, our Ethics Board reviewed the existing Code of Business Ethics and began to work on a more comprehensive new Code of Ethics that will be more inclusive from employees' standpoint and address issues such as worker and human rights, prevention of discrimination and child labor, and freedom of association and collective bargaining. We aim to finalize the new Bossa Code of Ethics in the first quarter of 2022 and discuss it with our employees. We also decided to hire the services of an external auditing firm to have the existing reporting mechanism reviewed and audited for vulnerabilities. In 2021, all 160 of our white-collar employees participated in a two-hour online ethics training prepared by the Turkish Ethics and Reputation Society.

Risk Management

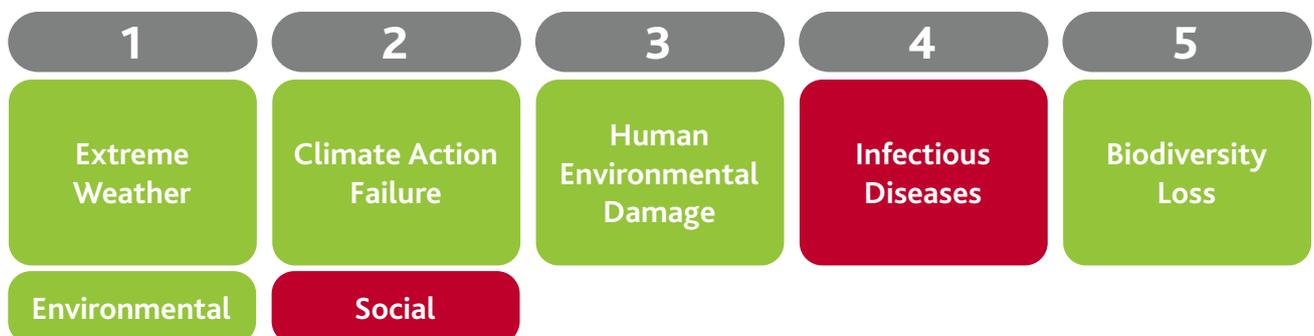
In Bossa, we conduct our risk management works taking all external factors into consideration including global risks and their possible impacts on our sector, sectoral trends, and legislative changes. We planned our actions against the social and environmental risks outlined by the World Economic Forum as well as the risks of potential changes in the international and national directives.

Our risk management policy in Bossa is shaped with a mindset that makes it possible to foresee, manage and monitor all potential risks in all processes, and plan and constantly improve all necessary actions in advance. It allows us to be able to review all risk levels in our operations and determine appropriate practices to eliminate those risks or at least bring them down to acceptable and practical levels. It enables us to make sure that the targets we set are communicated to all employees, the law and the statutory rules and orders in force are fully adhered to and our responsibilities to the environment we are interacting with, our customers, suppliers and employers are fulfilled.

2021 WEF World Economic Forum Risk Perception Survey

As Bossa, we conduct our risk management works taking all external factors into consideration, including global risks and their possible impacts on our sector, sectoral trends and legislative changes. Four out of five major environmental and social risks according to the WEF survey are directly related to our operations. How we manage those risks is laid out in the following pages.

WEF Top Global Risks by Likelihood



Source: WEF World Economic Forum Global Risk Report 2021

WEF Environmental Risks	Our Material Sustainability Topics	Actions We Take in Bossa
Climate Action Failure	Energy and Emissions Management	<p>We initiated our Solar Energy Power Plant investments in 2020. The electricity we produced from renewable/clean resources was 2.5 million kWh in 2020 and 9 million kWh in 2021. We will continue our investments in 2022.</p>
Natural Resource Crises	Water Management	<p>We are aware of the water risks and know that water is used extensively in cotton production. We as Bossa will initiate the investment project necessary to use water in a closed loop system. We will no longer discharge the used water, but rather reuse it by filtering and redeploying it in a closed circuit. Also, as the water resources diminish, the water for cotton production will be proportionally depleted as well. As a solution to this, we started the production investments at Bossa products and collections where less raw cotton and more recycled cotton will be used.</p>
Biodiversity Loss	Materials Management	<p>Annual total cotton production amount varies from 23 to 27 million tons. Price pressure is exacerbated during the years of low production. When and if total production decreases to 18 million tons for reasons such as climate change (floods, drought, etc.) and farmers preferring alternative crops to cotton, the cotton exchange market index price may rise from 120 to 180 points. We estimate that this may cause cotton price which is 3,00 USD/kg to reach 4,50 USD/kg. This price discrepancy may lead to 40 million USD annual additional cost. This financial impact is effectual for all stakeholders in the textile industry.</p> <p>In this scenario, Bossa and other companies that utilize alternative resources such as recycled fiber will be less impacted.</p> <p>The fiber we obtain by mechanically recycling, post-consumer clothing, garment and operating waste is a lower quality fiber compared to original one. However, Bossa R&D Center is working continuously to find ways to produce better quality yarn from this fiber.</p>
WEF Social Risks	Our Material Sustainability Topics	Actions We Take in Bossa
Infectious Diseases	Occupational Health and Safety	<p>We received TSE Covid 19 Safe Manufacturing Certificate in our facility where we took necessary measures as part of tackling Covid-19 in 2020.</p>

Other Risk Areas	Actions We Take in Bossa
<p>Areas that can pose a threat to the company in the medium term (3-5 years)</p>	<p>Green Deal: From 2025 on with the EU's new green roadmap, a carbon tax will be applicable for emission-intensive sectors like iron, steel, and energy. With the forecast that textile sector might also be counted along with them soon, Bossa must rebuild its production infrastructure to comply with the standards imposed by the new Green Deal to be able to continue to trade within this newly developing regulation. *Within this scope, we are adjusting to the process with our renewable energy investments and environment-friendly certified products.</p> <p>Human Resources: HR strategy is very important for Bossa. We pay attention to the works that will keep talent in the company and backup critical personnel.</p> <p>Market Risk: Pakistan/Bangladesh fabrics are becoming a competition to Bossa in European market, and the solution to that is to develop innovative fabric. We are working with our R&D team with an aim to differentiate ourselves from competition in that regard.</p> <p>Technological Risks: Our IT team carried out a drill against possible cyberattacks. The security of Bossa's IT system was approved. We are supporting our system with the Information Security Management System.</p>
<p>Law on Protection of Personal Data</p>	<p>Bossa completed the harmonization process with new law on protection of personal data and our HR team carried out the compliance arrangements with the updated laws.</p>
<p>Breakages in the global supply chain</p>	<p>We found alternative manufacturers for critical products. Our aim was not to buy products for cheaper, but rather to be able to continue production without interruption in case of a crisis and we achieved that.</p> <p>We started to work with new suppliers who supply alternative materials for the dye used in the denim production and with smaller carbon footprints in transportation. Besides these actions, we increased the use of more sustainable fibers, elastomer, tencel, modal, and hemp.</p>
<p>Variations in exchange rates</p>	<p>The fluctuations in the exchange rates don't pose a major risk since most of our sales at Bossa are made in reserve currency.</p>
<p>Increasing raw material prices</p>	<p>At Bossa, we sign long term supply contracts with our suppliers to minimize the impact in price fluctuations. As the raw material prices go up, so do our fabric prices. We regularly inform our customers on the current market positions and update them on the changes in our pricing accordingly.</p>

*In 2012 The European Commission had announced an agenda aimed at consumer products. The issues that concern textile and apparel sector from that agenda are: 1- An adequate living wage for the employees in the supply chain, 2- Transparency and sustainability in the supply chain 3- Developing technologies for the recycling of the raw materials, 4- Reinforcement of REACH (Regulation, Evaluation and Authorization of Chemicals) exercises and 5- Application of EU EcoLabel criteria in Textile.

R&D and Collaborations

Our R&D department received the R&D Center Certificate from The Ministry of Industry and Technology in the beginning of 2018. We successfully completed 22 of the 32 projects we started inhouse as R&D Center. The share of the R&D projects contributing to the environment within the overall R&D spending in 2021 was 54%.

Turning its technical and technological know-how into value adding applications, production processes and products since the day it was established, our R&D Center received the R&D Center Certificate from the Ministry of Industry and Technology in the beginning of 2018 and was thus qualified to benefit from the subsidies and exemptions provided to R&D centers. Currently our R&D Center continues its works with a strong team of 55 personnel of which 23 are researchers, 29 technicians and three are support staff.

As of today, 22 of the 32 projects we started inhouse as R&D Center has been successfully completed, and 10 are still ongoing. In addition to these, one of the two TÜBİTAK TEYDEB* projects have been completed, and the other one is underway. One TÜBİTAK 2244 Industrial PhD Project, and a Scientific Research Project that one of our graduate student employees is working on with a university are also ongoing. As Bossa we have applied for 37 patents to date. By 2021-year end, there is one patent application that the registration process is completed and two which are in the announcement stage and the registration processes continue.

R&D in Numbers	2019	2020	2021
R&D Expenditures (USD)	582,075	470,224	574,399
Revenues From the Commercialized Projects (USD)	3,685,728	14,462,551	21,463,217
Sum of the R&D Expenditures Contributing to Environment (USD)	369,517	365,304	310,268
Share of the R&D Expenditures Contributing to Environment (%)	63.48	77.69	54.02

*(TÜBİTAK) The Scientific and Technological Research Council of Turkey (TEYDEB) Technology and Innovation Support Programs Directorate



Name of the
Cotton is

Bossa

At Bossa we take pride in the everlasting and sustainable results of our collaborations that go back many years. A collaboration process began in the beginning of the 2000s when the cotton sample testing equipment at the Chamber of Industry used by the East Mediterranean Agricultural Research Institute went out of service and they reached out to Bossa for assistance. The subsequent collaboration between Bossa and the Institute came to fruition when the Institute named the cotton they bred after Bossa with the courtesy of the company management. "Bossa 159" is being produced since 2019.



Establishments We Collaborate With	Purpose/Subject of the Collaboration	Collaboration Commenced	Collaboration Completed
Çukurova University	The Use and Performance of Soy Fiber in Denim and Sportswear Product Group (SAN-TEZ Industrial Thesis Project)	01.04.2020	01.04.2022
<p>As the consumer expectations change, the use of different fibers in the denim production increased. In this project we collaborate with Çukurova University, we will contribute to the denim and sportswear fabric production literature with the use of soy fiber. There have been studies where soy fiber was preferred particularly in cases where physical comfort was demanded and in the production of anti-bacterial textile. This project studies the contribution of soy fiber may offer to denim and sportswear fabric in the same direction. It is predicted that the softness properties of the soy fiber will offer a feeling of comfort in the use of denim and sport-specific garment made of fabric with soy fiber content.</p> <p>As Bossa, we are focusing on environment-friendly products that have become indispensable in the sector in the recent years and is becoming more important and demanded every day. Our aim is to achieve competitive advantage by increasing customer satisfaction with the final product of the project. With the product quality considered, we predict that our local brand value will also increase in the international market. The output of this project will also be the first product to have come out of our company in this scheme. Our works continue.</p>			
Uludağ University	Application of Nano Bubble and Ozone on Denim Products for Environment-Friendly Qualification (TEYDEB)	01.09.2020	31.03.2022
<p>The big role the textile sector is playing in environment pollution, protection of natural life, sustainability of resources, the developments in the environmental laws and the increase in competition all lay many responsibilities on Bossa's shoulders. One of them is to manufacture environmentally responsible, fit for purpose products using less water, less chemicals, less dye, less energy, and less time. Since the alternative product that will come out of the project will be environmentally friendly in comparison with the other products in its category, we are expecting it to be of preference in domestic and foreign markets. Our process development works will continue with the vision of producing the fabric required to increase Bossa's competitive advantage by giving less damage to nature at less cost.</p>			
Komonteks	Application of Nano Bubble and Ozone on Denim Products for Environment-Friendly Qualification (TEYDEB)	01.09.2020	31.03.2022
<p>We are collaborating with Komonteks company on the TEYDEB Ozone and Nano Bubble Project.</p>			
Çukurova University	Investigation of Clean Production Practices' Contribution to the Water Footprint and Sustainable Development Goals in a Denim Fabric Manufacturing Textile Factory (2244 Industrial PhD Project)	01.10.2020	30.04.2022
<p>The targeted project output is to achieve a production with less resource consumption without damaging the environment. We are also planning to gain competitive advantage by increasing customer satisfaction at the end of the project. Considering the product quality of our fabric production, which is already in demand among world famous brands, we are expecting this to increase the value of our local brand on international stage. The aim in this project is to reduce the water demand and GHG impact of the product. 20% water reduction will mean a proportional reduction in the sulfuric acid used in the wastewater. We continue working on the improvements.</p>			
Istanbul Technical University	Developing a Sustainable and Environment-Friendly Denim Production by Using Innovative Dyeing Prescriptions	01.04.2020	31.03.2022
<p>In this project, we are investigating the feasibility of using woad as a source of natural dyeing compound in the coloring of warps and fabrics. Our works continue.</p>			
Wiser Wash	Developing a Denim Fabric Suitable for Waterless Ozone Washing	2018	2019
<p>In collaboration with Wiser Wash, we developed a special fabric that is suitable for waterless ozone bleaching as part of sustainable manufacturing. We placed a joint-patent application for the developed fabric and the patent process is pending.</p>			

Producing Naturally Colored Cotton

In 2020, we collaborated with East Mediterranean Agricultural Research Institute as Bossa to produce a naturally colored cotton. Our goal with this project was to manufacture an eco-friendly dye-free fabric by using the cotton that came in two different colors directly as they came from the fields. We set the naturally colored cotton production target for the project at 100 kg in 2020, and four tons in 2021, and then gradually increase the yield every year thereof.



Textile sector is accepted as one of the most polluting sectors due to its use of high amounts of water and chemicals. This pollution especially stems from the dye and the chemicals that are used in the coloring of the fabric. The production of fiber from naturally colored cotton which is on an increasing demand in the world forms one of the branches of our research and development works that go back many years for managing our environmental impacts as Bossa to tackle climate change.

Goal of The Project

Our goal with this project was to manufacture a nature-friendly fabric by using the cotton that came in two different colors (brown and light brown) directly as they came from the fields. With this material, we aimed to both meet the growing demand in the market and to reduce our damaging impact on the environment through less use of water, dyes, and chemicals. The major difficulty we encountered in the project was the hardship and scarcity of the cotton farming. To overcome that, we placed a contract order where we promised to buy the whole production and we had the amount we targeted farmed out.

Our Collaborations

Our initial experiments with naturally colored cotton production as Bossa were in 2010. Then in 2020, we collaborated with The East Mediterranean Agricultural Research Institute on farming naturally colored cotton in Adana. We took part in the Institute's research and development works as yarn and fabric solutions partner. One of our goals in this project was to introduce the Adana cotton to the world and The Governorship of Adana played a major part in this process as another one of our fellow collaborators in the project. The project coordination within Bossa was carried out by our R&D Department with support from our Strategy and Business Development Department.

Target of The Project

We set the naturally colored cotton production target for the project at 100 kg in 2020, four tons in 2021, and then gradually increase the yield every year thereof.

Promotion of The Project

We began the project by having the cotton farming done in agreement with The East Mediterranean Agricultural Research Institute. In the next step we developed a fabric collection using the cotton harvested.

Fashion Designer Burçin Özdemir created a collection using 100% Bossa fabrics, and we showcased this collection at the historic Adana High School for Girls building in October 2021 with The Governorship of Adana as host.



Results and Gains

Economical Results and Gains

The cost of water and chemicals used in production was reduced.

We also contributed to the economical sustainability of both our company and our country by taking a big leap forward in becoming the main supplier to the world's pioneering fashion brands who adopt natural production.

Social Results and Gains

We contributed to both the farmers and the welfare of the people who work in cotton production through contract farming. We took an important step in promoting Adana cotton in the world.

Environmental Results and Gains

We obtained the cotton that enabled us to carry out production without the need for water and dye, thereby reducing our water consumption and preventing water and soil pollution.

Future of The Project

We will continue the contract cotton farming. Ensuring sustainability of the seeds as Bossa and the East Mediterranean Agricultural Research Institute, we will continue to promote Adana cotton. We are working on other colors besides the two colors that are currently being produced. Our goal is to develop and produce green colored cotton in 3 to 5 years, and then the cotton in denim color, blue.

In our next step, we are planning to create a new line with these fabrics and form a special section within the Bossa collection and go into capsule collection production with the leading brands in the world including the important brands in the US.

Sectoral Collaborations

As Bossa, we create environmental and social value not only in our own operations, but also across our entire value chain by working with both our customers and our suppliers in projects like “Denim Deal” which is an important step for sectoral circular economy, and “Safe and Sound” which aims sustainability in the supply chain.



Denim Deal



Considered as the most avant-garde initiative in the fashion industry today, Denim Deal was inceptioned by the House of Denim* and the Dutch Government with its groundworks began in 2017 and was brought to life with the participation of private sector brands and manufacturers in October 2020.

Goal of The Project

With global brands such as Scotch & Soda, Kuyichi, Mud Jeans and PVH Europe (Tommy Hilfiger) on board, the goal in this project is to make recycled cotton fiber accepted as the “new standard” with the representation of entire value chain through the participation of recycling companies, manufacturers, and local authorities. With the program, it is targeted that three million pieces with 20% recycled cotton fiber (Post-Consumer Recycle Denim-PCRD) will be manufactured collectively by the end of 2023. Along with this, it is also targeted that each brand will produce denim with at least 5% PCRD content in their respective individual collections as well. Denim Deal creates an opportunity for structuring a “reverse supply chain” for recycled cotton, thus a systemic transformation. According to Ellen MacArthur Foundation’s report titled “A New Textiles Economy”, currently the rate of garments produced from recycled garment is merely 1%.

Bossa's Role in Denim Deal

As Bossa, through our “Post Consumer Denim” project we are reintroducing the used jeans we collect from the consumers and reuse them through recycling back in production process since 2018. We turn the products various customers of ours collect in their stores across Europe back into fiber here in

Turkey and produce new denim fabric out of them. In this project, we took the used jeans collected by companies such as Nudie, Kuyichi, Mosh and Mango in Europe and Zara in Turkey from their consumers, and recycled them and used them back in their own new products again.

All these collaborations played an important role in us being a native member of the Denim Deal project as Bossa and became a catalyzer in increasing Bossa’s impact in the sustainable denim production journey. Having its center based in Amsterdam in The Netherlands, Denim Deal also has project partners in Turkey, Tunisia, and Pakistan. At Bossa, we are running this project under our Strategy and Business Development Department’s coordination with the participation of Sales and Marketing Departments. Bossa’s fellow stakeholders in the project consists of City of Amsterdam, The Dutch Environment and Economy Ministry, The Dutch Embassy in Turkey and 10 Dutch-based denim brands.

Milestones of The Project

During the project, the used garments collected in The Netherlands are separated according to their batches and colors in a sorting machine, and then delivered to the factories in Turkey and other countries where they are shredded and turned back into fiber. As Bossa, we turn these used denim jeans into fiber in shredding machines. And then use them in the production of a new denim fabric consisting of 20% the recycled fiber mixed with 80% cotton fiber.

The biggest challenge in this project was the fact that the production process required an immense amount of know-how and the production of fabric using fiber obtained from recycled clothing was a hard process. As Bossa we carried out a very intense R&D study and developed our process in that direction. Another challenge was the ban on the import of second-hand clothing into Turkey. We overcame this hurdle by holding talks with the ministries in Turkey and obtaining conditional permits

Results and Gains

Economical Results and Gains

While a kilogram of cotton takes 20 tons of water to produce, no water is used in the recycled fiber obtained from secondhand clothing and on top of that, a used material that is otherwise seen as a waste is brought back into the economy. Thus, we contribute to the development of the circular economy in Turkey and Europe. We ensure that growth comes in harmonizing with the EU Green Deal and Circular Economy strategies.

Social Results and Gains

Bossa created an awareness among both its employees and its customers by investing into this project and other recycling projects like it. Through this awareness we improved our prominence in the denim world and became a leader in recycling. Today we are running more than 20% of our production using recycled raw materials and supplies.

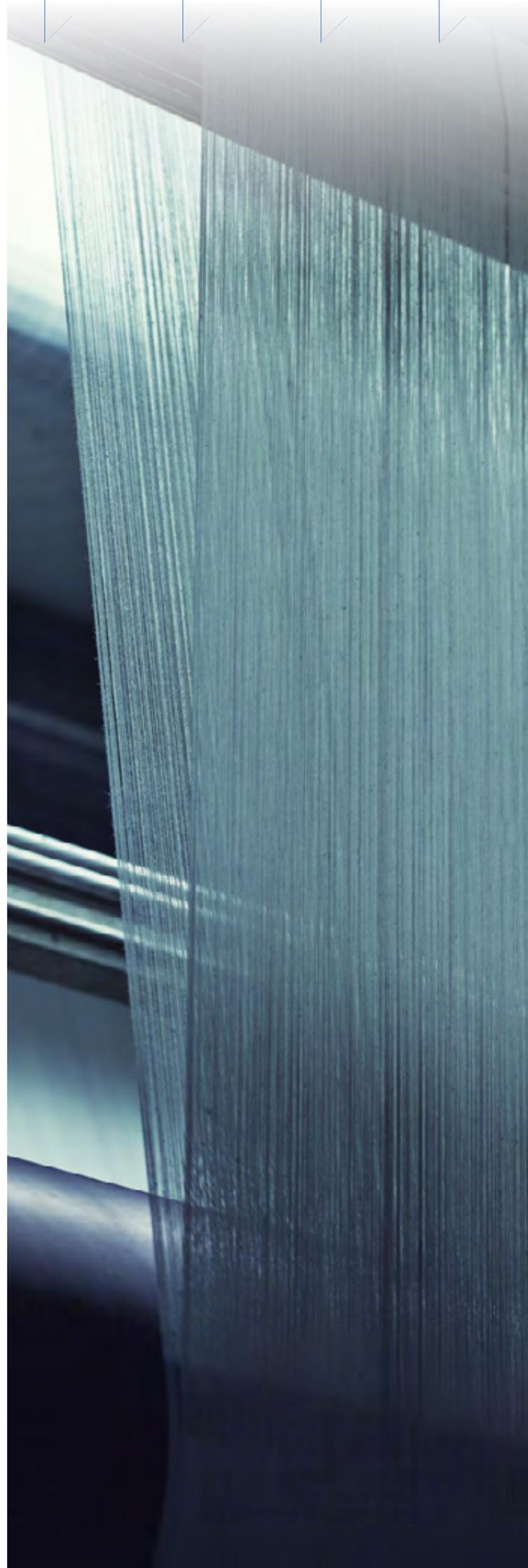
Environmental Results and Gains

We reduced both our water and raw material use. We began to use recycled fiber instead of cotton on a major scale, thus consume even fewer natural resources.

Future of The Project

We are building a recycling facility with a capacity of 400 tons/month within Bossa. We plan to increase the investment further in this process with this facility which will be operational at the beginning of 2022.

*House of Denim: A vocational school which trains designers to denim sector in The Netherlands offering hands-on tuition (Jean School). We are one of the main founding sponsors of the school and we have a Bossa Amsterdam Showroom and a company office in the center where the school is located. The campus is a home to denim-related symposiums, trainings, and exhibitions throughout the year.



Safe and Sound



In textile sector the supply chain begins in the field where the cotton is grown. Unfortunately, the agricultural sector is one of the sectors in the world where the exploitation takes place quite often. As the supply chain grows and gets intricate, the traceability of each level gets harder and harder. Seasonal workers are at the top end of the supply chain and enough sensitivity may not be paid to issues such as child labor and low pay in that area. GOTS social auditing does get performed in organic cotton production, but even there such auditing only starts from the ginning stage on. For a sustainable supply chain, the social inspection on the field is very important.

Our customers Outland Denim and Nudie Jeans started the Safe and Sound (Sağ Salim in Turkish) project along with Precision Solutions Group (PSG) and the support of Bossa in March 2020 to have the Turkish organic cotton inspected and certified by independent groups that it is produced to social criteria, thereby making sure that the most fragile ring in the supply chain operates in decent work conditions. The aim of Bossa and its projects partners is to achieve a social inspection in organic cotton that is like SEDEX.

First Steps for Social Compliance on the Field

In the first phase of the project where our Strategy, R&D and Sales departments were involved, the process was planned to cover the whole of two thousand tons of organic cotton Bossa used. All Bossa's organic cotton supply comes from the farms in the Aegean Region. In the past three years Bossa provided a substantial base support to the project by tracking the names of all farmers involved in the organic cotton supply, the locations of their fields, the cotton seeds used, the harvest down to the ginning process, and relaying it all to its customers.

We started the project with having meetings with farmers and explaining them the process. After that we prepared the questionnaire with the certification body USB. We talked with new brands and tried to get them involved in the process. We reviewed the questionnaire forms together with the brands and marked the areas for improvement. We took part in forums as speakers to explain the project and make it accepted worldwide during the implementation of the project.

Targeted Scope of The Project

As the second target step of the Safe and Sound Project, we decided to apply the process on the entire Turkish organic cotton production, which is 25 thousand tons a year. Then in the next phase, our objective is to have the entire world's organic cotton production subjected to this process, which is 240 thousand tons a year.

We carried out interviews with the daily workers on the field on topics such as fair pay, safe transportation to the fields, provision of sufficient clean water, decency of working conditions and protection against Covid-19. We provided appropriate protection equipment according to the feedback we received. The talks on fair and equal pay and the improvement works continue.

Expanding The Project

The brands that were involved in the project had an opportunity to have a direct contact with the cotton farm workers who are at the lowest end of the supply chain and the most fragile. The capacity development works that address the issues identified during the process are carried out with the local business partners and are still in progress. Outland Denim and Nudie Jeans aim to have other global brands involved in the program too. Within this scope, we had the opportunity of presenting this project to the entire denim sector through a forum we organized in the Kingpins tradeshow that was done online in 2021.

Results and Gains

Targeted Economical Gains

To make Aegean organic cotton a product of choice against an import organic cotton and protect and expand its market share in Turkey.

Social Results and Gains

We accomplished a first in our sector and performed a social audit on the field. For the first time we enabled the seasonal workers on the field have their voices heard and began to develop solutions in the issues identified.

In this project where we observe the practice of correct methodologies, we support the Aegean organic cotton which stood out as the main product in its field to gain a wider market share in the global market and other sectors.

Future of the Project

To have other brands involved in the project and spread it across the sector.





Sustainability management

At Bossa, where we lead the industry with our practices beyond legal expectations to protect employee health, natural resources, and environment since our foundation, we manage sustainability with a perspective to integrate approaches from globally recognized innovative products and renewable energy sources to investments that support circular economy.

Sustainability Management Structure

Our Sustainability Committee that reports to the Board of Directors oversees all sustainability works at Bossa. Sustainability Committee reports performance progress towards targets to the Board through Strategy and Business Development Department which assumes the sustainability coordination role.

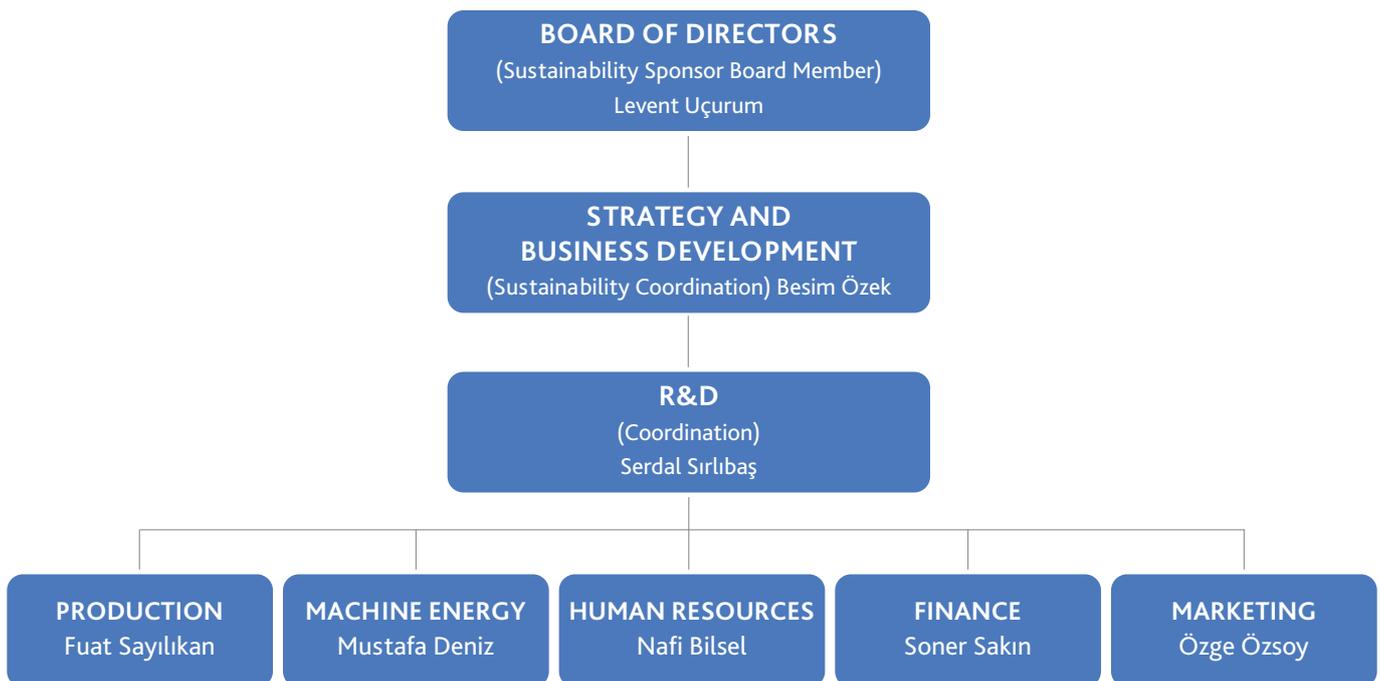
We oversee all sustainability works at Bossa via Sustainability Committee that reports our Board of Directors. The committee consists of select members from all departments. Sustainability Committee is responsible for setting sustainability targets, taking investment decisions to meet these targets, undertaking necessary actions, regularly publish sustainability reports and ensuring information exchange between stakeholders.

The committee meets regularly once in three weeks during report preparation and once quarterly during the rest of the year to review.

It reports performance progress towards targets to the Board through Strategy and Business Development Department which assumes the sustainability coordination role.

The Board of Directors determines material ESG issues, risks and opportunities and prepares relative ESG policies. For effective implementation of these policies, In-partnership directives, business procedures etc. can be prepared. The Board of Directors takes decisions for these policies and declares to the public.

BOSSA Sustainability Management Organization



Stakeholder

Engagement and Materiality Analyses

We define our key stakeholders at Bossa as people and organizations that have legal, financial, or operational obligations towards our company and are directly influenced by our activities and have impacts on our company to achieve its business targets by the decisions they make. In 2021, we conducted two separate online materiality surveys which we invited our Board of Directors, white collar staff along with our local and export customers.

Process to Identify our Key Stakeholders

According to the results of 2021 sustainability materiality survey that our Board and white-collar staff participated in, we evaluated our stakeholders in two groups. These groups are detailed in the below illustration.

Various dialog platforms are present at Bossa for effective regular communication with the key stakeholders that influence sustainability strategy and other stakeholders that may have indirect influence. Stakeholder Communication Platforms table is on page 79 of our report.

Key Stakeholders



2021 Results of Stakeholder Engagement Works

In 2021, we conducted two separate online materiality surveys which we invited our Board of Directors, white collar staff along with our local and export customers.

We developed customer survey by listing the material topics of the initial survey results and in a format to add open-ended answers. Our material topics according to stakeholder priorities are listed in the table below.

Mutual Material Topics /Priority	Board of Directors	Employees	Customer
Economic Performance	2	1	7
Materials Management	3	4	2
Water Management	4	5	1
Energy and Emissions Management	5	6	3
Employment and Employee Loyalty	6	2	6
Occupational Health and Safety	1	3	4
Training and Development	7	7	5
Additional Topics	Legal Compliance Diversity and Equal Opportunity	Legal Compliance Waste Management	Other feedbacks from our customers can be found in the following page.

Although Waste Management topic is not selected as material by our stakeholders since Bossa already has Zero Waste System, we nonetheless included this issue under Materials Management topic because of the attained importance from Bossa.

Customers' Reasons for Preferring Bossa *

- Ethical, corporate, transparent, and prone to collaboration approach to work
- Customer focus from development to production
- Fast, practical, and solution-oriented approach
- Having innovations in sync with the world
- Sustainability certifications
- Quality and color variety
- Product and service quality
- Sustainable, innovative, and recycled fabric

Other Feedbacks from Our Customers *

- LCA (Life Cycle Assessment)
- Renewable energy use
- Reclamation of outage clothing
- Elimination of hazardous chemicals
- Reduction of GHG emissions

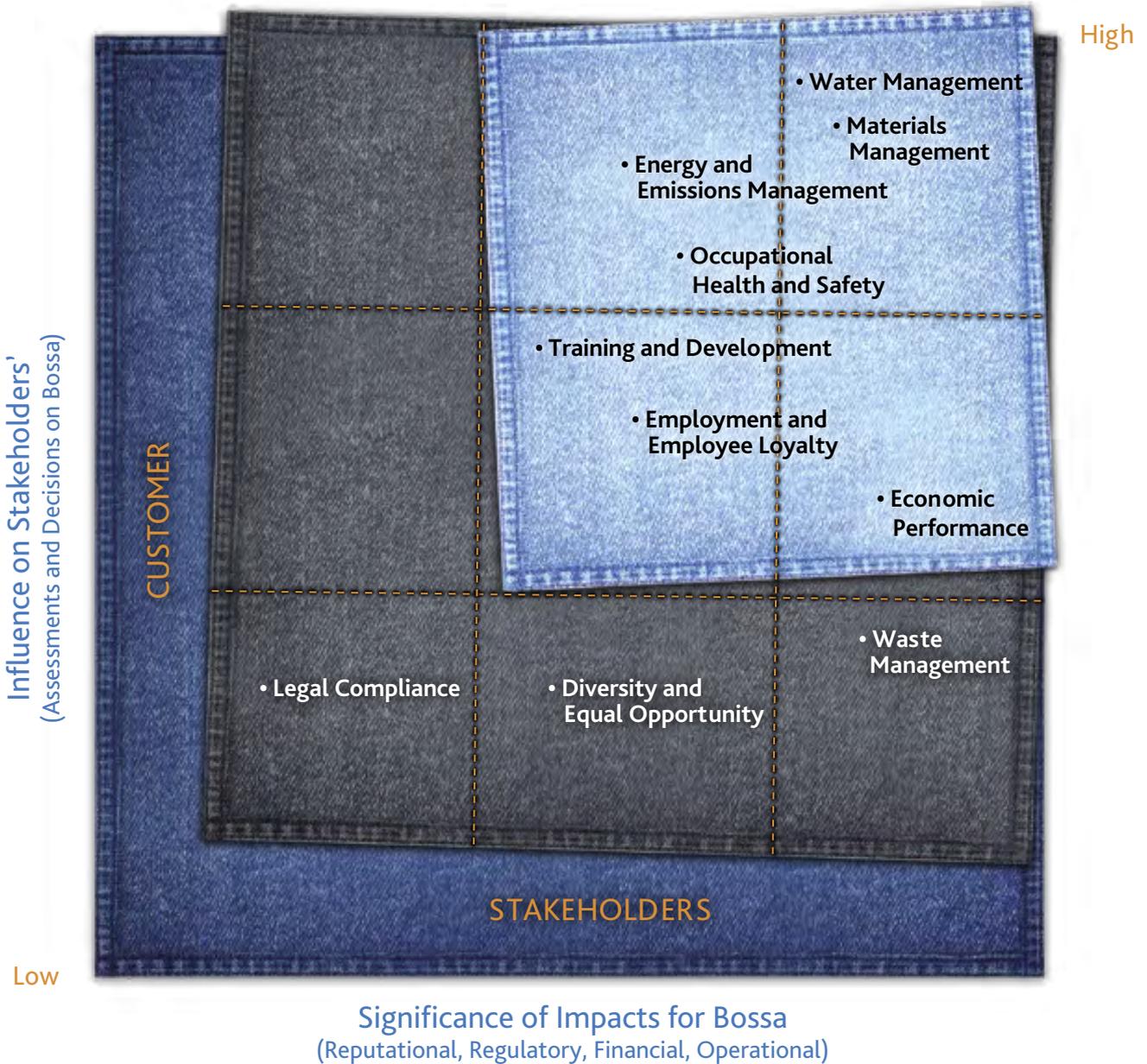
* 2021 Materiality Survey

GRI 102-43, 102-44

Our Material Topics

We prepared Bossa Materiality Matrix in line with the results of the analyses we conducted with internal and external stakeholders' participations. We plan to review material topics that we determined by considering the views of Board members, employees, and customers, biennially in the coming years and share upon our Board's approval.

BOSSA Bossa Materiality Matrix



GRI 102-44, 102-47



Sustainability Impacts Along the Value Chain

We oversee our social and environmental impacts in Bossa operation chain from cotton farmers to material suppliers, from product development and production to local and international customer management and logistics of our products.



GRI 102-44, 102-46, 102-47

Contributions on Sustainable Development Goals

We conduct all sustainability works at Bossa according to the material topics that we identified with our Board of Directors and key stakeholders. We received our customers' evaluations regarding Sustainable Development Goals via the Materiality Survey we conducted in 2021.

The SDGs that we support with our material topics and projects, practices, products, audits, and investments during 2019-2021 are presented in the table below.

	Customers' Priority	Sustainable Development Goal	Our Material Topics	Sustainable Products and Projects	
 <p>6 CLEAN WATER AND SANITATION</p>	82%	SDG 6 Clean Water and Sanitation	Water and Wastewater Management	SaveBlue Dye Art Per-Fit	
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	64%	SDG 7 Affordable and Clean Energy	Energy Management	Per-Fit LED Transition Energy Efficiency Projects	
 <p>3 GOOD HEALTH AND WELL-BEING</p>	50%	SDG 3 Good Health and Well-being	Occupational Health and Safety	Safe and Sound	
 <p>13 CLIMATE ACTION</p>	45%	SDG 13 Climate Action	Emissions Management	SEPP Investment LED Transition Energy Efficiency Projects	
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	45%	SDG 17 Partnerships for the Goals	Occupational Health and Safety Materials Management	Safe and Sound Re-Set Denim Deal Color Cotton	
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Not selected by our customers	SDG 12 Responsible Consumption and Production	Materials Management	Denim Deal Color Cotton Dye Art Re-Set	

Sustainability Targets

In Bossa, 50% of our collections and 30% of our total production consist of sustainable products.

Material Topic	Target and KPI	Base year Performance 2017	2020 Performance	2021 Performance	2022 Target	2025 Target	2030 Target
Water Management	Reduce water usage* intensity (l/m)	80.0	63.5	36.2	35.0	15.0	14.0
Raw Materials Management	Increase the share of recycled material usage**	5.0	4.0	6.4	8.0	13.0	20.0
Materials Management	Reduce dye and chemical usage intensity** (kg/m)	0.50	0.42	0.36	0.35	0.33	0.30
Energy and Emissions Management	Reduce energy**** intensity (MJ/m)	28.40	26.90	23.28	21.31	19.87	17.68
Occupational Health and Safety	Reduce accident frequency rate	7.63 (2019)	6.48	10.84	0	0	0
Training and Development	Increase training hours per person (All Employees)	N/A	New Target	1	5	10	15
Training and Development	Increase training hours per person (white-collar)	N/A	New Target	5.6	10	16	24
Employment and Employee Loyalty	Maintain employment turnover rate below 7	8 (2019)	5	4.4	4	3	2

*Water intensity is calculated for fabric production only. (The meters of water used elsewhere are separate from the operation site.)

**Recycled materials include pre- and post-consumer finished goods, fibers from fabric and yarn, elastane, and PES are included. Calculated on weight of total production.

***Dye and chemical intensity is calculated on total amount of dye, chemicals, caustic soda, and auxiliary chemicals used in production.

****Energy intensity is calculated on total amount of natural gas, diesel and electricity used.

All the data totals and intensity calculations are in **Performance Indicators** section of our report.







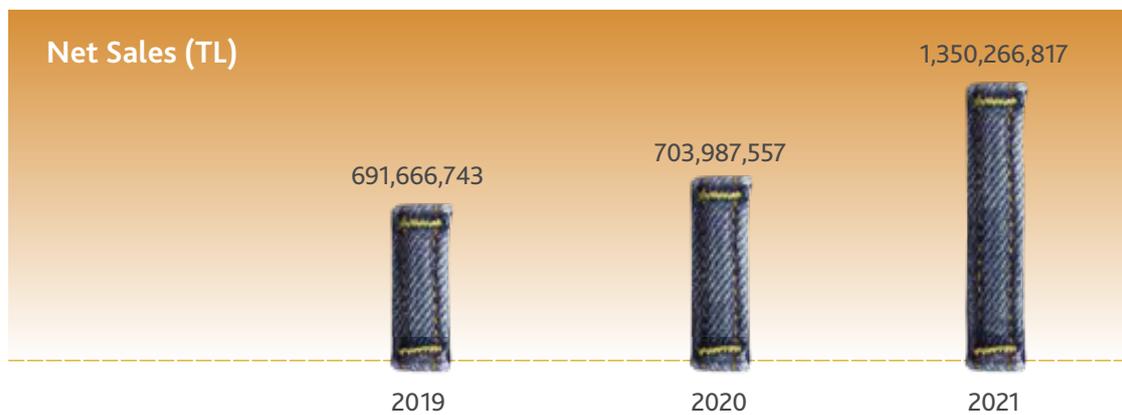
Economic performance

Bossa, which is among the Turkey's largest 500 companies, is also listed as one of the Turkey's 100 most valuable brands in the latest research by the international brand valuation company Brand Finance. Maintaining its leading position as the most valuable company in fabric production with "A" brand level, Bossa initiated a series of investments in 2021 for sustainable projects totaling 45 million dollars in value.

Economic Indicators and Sustainable Investments

In 2021, our financial results improved with respect to previous year. One of the reasons for this result was shifting global orders to Turkey due to disruptions in supply chain logistics because of Covid-19 pandemics in 2020. The second reason behind our successful performance results in 2021 is to always continue our customer focused Production & Development and R&D activities.

Summary of Economic Indicators



Sustainable Investments

We continue renovation and modernization investments at Bossa regularly every year for adapting to technological developments, maintaining production efficiency, and reducing costs. In 2021, our Board of Directors made a 45-million-dollar investment decision. Detailed information of the three Investment Incentive Certificates we obtained regarding our investment plan is published in the Official Gazette.

These investments include:

- 1- Yarn and fabric investments
- 2- Modernization and renovation investments in all plants
- 3- Recycling plant for zero waste target and
- 4- Solar energy plant investments.

Recycling Plant Investment

We plan to commission our recycling plant in the first quarter of 2022 which the construction is in progress and machinery investment is completed. At Bossa, we use 2,000 tons fiber in production monthly. Recycled fiber usage is 140 tons monthly. We can mix recycled fiber in the blend as 20%. We can produce 700 tons GRS certified fabric with 140 tons recycled fiber. 30% of Bossa's production is already GRS certified

and this ratio is way above industry average. The capacity of the new machinery investment will be 240 tons monthly. Our goal is to utilize 100% capacity of the recycling plant by the new yarn investments we will plan to undertake in the coming years.

Solar Energy Power Plant Investment

Solar Energy Data	2021 End*	2022 – 1st Quarter**	2022 – 4th Quarter***
Energy Value (kWh/year)	9,000,000	15,000,000	21,750,000
Share in Total Energy Requirement	9%	16%	16%
Total Area of Premises (m ²)	200,000	200,000	264,000
Area of Solar Panels (m ²)	46,000	68,000	93,000
Share in Total Area of Premises	23%	34%	35%
Investment Cost	3,050,000 USD	2,950,000 USD	3,300,000 USD

*By the end of 2021, solar panels are installed on all available roof tops.

**After fortifying the roofs that we could not previously utilize, new solar panel investment will be made in the first quarter of 2022 on the remaining roof tops.

***We plan to make additional solar panel investment along with new yarn factory that we plan to complete in the last quarter of 2022. We predict that solar power usage ratio will remain the same throughout 2022 due to increases in production area and electricity consumption in the new factory.





Environmental performance

At Bossa where we once started the environmental sustainability works in compliance with the legislations and ISO 14001 Environmental Sustainability System, we are now managing our environmental impacts with resource and energy efficient manufacturing, contribution to circular economy and product life cycle approaches within Bossa Cares Sustainable Denim Program framework.

Bossa Cares

Sustainable Denim Program

As Bossa, from the day our integrated fabric manufacturing facilities was first established, we have been proactive in the protection of environment and natural resources beyond legal compliance as well as raising environmental awareness with our projects and applications. We continue to manage our works to reduce our environmental impact and develop environmentally friendly sustainable products under Bossa Cares Sustainable Denim Program since 2013.

Bossa Cares Sustainable Denim Program

1 Resource and Energy Efficient Production

2 Contribution to Circular Economy

3 Life Cycle Assessment

Bossa CARES
SUSTAINABLE DENIM PROGRAM

Bossa Cares Program stands on three pivotal pillars and we are constantly reinforcing these pillars with sectoral and R&D collaborations.

We are trailblazing with environmentally and socially sustainable applications and products we develop through sectoral and R&D collaborations that give our company a competitive advantage in global markets.

Our facilities, manufacturing processes and products are subject to third party inspections as per international certifications we received within Bossa Cares scope.

The detailed information on these certifications and the inspections are available on page 76 of this report.

We did not receive any fines for in compliance to the environment law and regulations in this reporting period.

Our policies concerning the management of our environmental impact are available in **our website**.



1- Resource and Energy Efficient Manufacturing

Bossa was one of the three participant stakeholders of a European Union supported project named REEMAIN (Resource and Energy Efficient Manufacturing) between 2013-2017 along with an Italian company from steel sector and a Spanish company from food sector. To develop a methodology and platform to increase the efficiency of energy resources, REEMAIN brought together the latest information and experience gained from manufacturing

processes, energy simulation software tools, energy and resource planning and renewable energy generation and storage fields. By joining REEMAIN, Bossa not only contributed to the project but also benefited from its knowledge and experience accumulation and transitioned into a phase where it began to manage its environmental impacts in manufacturing processes way beyond the legal limits.



The first improvements implemented in Bossa as part of the project are as follows.

Practices	Results and Gains
Improvement of Spinning and Weaving Speeds in Machines	To achieve a reduction in electric consumption per unit produced, we optimized the speeds in spinning and weaving machines without sacrificing the quality and managed an energy saving of approximately 300,000 kWh a year.
Reduction of Process Time and Number of Steps (Dyeing and Finishing)	For every process in mercerizing machine, we reduced the water flow slowly without compromising from the quality and achieved approximately 55,000 m ³ of absolute water saving a year. Since the amount of water to be heated reduced, we also saved around 370,000 sm ³ of natural gas a year.
Waste Heat Recovery System	By pumping the hot wastewater discharged from the washing machine into a filtering tank where the heat got transferred to clean water, we saved the natural gas we would otherwise use to heat the clean water. Applying this system on two machines saved us approximately 700,000 sm ³ of natural gas a year.
Development of Environment Friendly Fabrics	We began to develop recycled organic and natural dyed denim fabrics. The details of these products are available in Sustainable Products section.
Wastewater Neutralization using CO ₂	We began to reduce the use of sulfuric acid (H ₂ SO ₄) in neutralization of wastewater discharged from the mill and use a less harmful CO ₂ instead. The details of the progress in this project are available in Materials Management section.



2- Contribution to Circular Economy

As Bossa, we developed new techniques that enable us to collect and recycle the cotton and fabric scraps produced at any stage in the manufacturing process. At the beginning of the process, the cotton bales are opened and blended, then cleaned and combed and carded into slivers. Following the roving and spinning stages, they are ready for the next step of the journey as yarns. A yarn on a large cone can be as long as 3 km. Broken yarns and slivers are separated at this stage to go back to recycling.

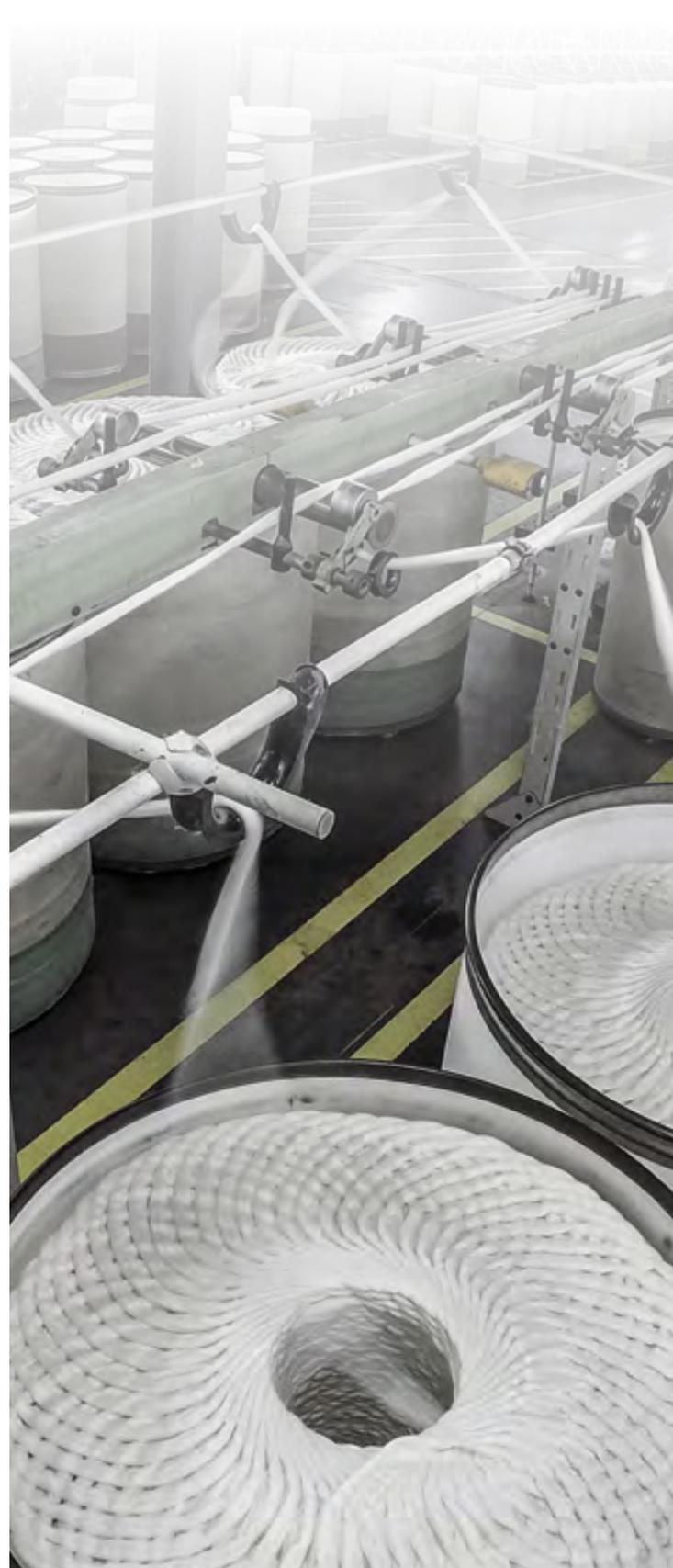
In the denim production, a group of yarns must be bound together to make a warp yarn to the fabric length. Denim fabric is special because the fabric-length warp yarn is also dyed, and since each yarn can be as long as 15 km, it is a very difficult task. Some of the warp yarn cannot make it to the next phase of production because of a broken yarn or weak color saturation, but they still get a second chance when they are sent back to recycling.

So, the scraps from the spinning, yarn dyeing, and weaving are collected in sacks and returned to recycling mill where a shredding machine turns those fabric, warp, and yarn pieces back into fiber. The recycled cotton fibers are then sent to E-Den, Bossa's spinning mill dedicated to recycled yarns and the process begins from square one again.

The recycled cotton is blended with virgin cotton, or sometimes it can be used on its own in a way to give the high performance you can expect from a Bossa denim fabric thanks to the advance technology and know-how. There are two advantages the recycled cotton provides:

- * Since the recycled cotton is made of indigo dyed yarns and fabric, it is already blue in color, so once it is dyed again as yarn, the fabric made with it has an even richer indigo tone.
- * Recycled cotton has a slightly textured structure to it which gives the fabric a wholesome volume.

The details regarding our new recycling facility investment that will be operational in 2022 are available under **Sustainable Investments** section on page 45 of this report.



3- Life Cycle Assessment (LCA)

To deepen our Bossa Cares approach and analyze our environmental impacts from the manufacturing stage of our raw materials and make our fabrics traceable, we started to perform life cycle assessments in our R&D Center's leadership since April 2018. In the analyses we perform using SimaPro software, which also has local solutions partner in Turkey, our primary goal is to reduce our water, energy and materials consumption per unit produced, hence reduce our emissions, and increase the number of our practices that minimize our environmental impacts.

In this process, we also started to collect further data such as the energy, water, chemicals, fuel etc. that are spent in the manufacturing, supply and transport of the raw materials that are needed for our own production. We added the data of the energy, water, chemicals, fuel etc. that we currently use in our own processes. We also began to register the scraps that come out during manufacturing by their types and

amounts. We built a model based on these data entered in the software and began to calculate the environmental impact by unit produced. Current difficulty in calculations is that the software does not have the data for all raw materials and supplies yet, but since its database is constantly updated, we believe we will reach more realistic figures day by day.

The correct analysis and sharing of the negative environmental impacts in the entire manufacturing, customer and consumer processes starting from the supply network will create more environmental awareness on both farming and industrial side and on the consumer side. This awareness will trigger more collaborations towards mutual targets. The current global environmental issues make this compulsory. And we as Bossa will continue to tell our suppliers what this project is and what it brings and encourage them to carry out works within the same scope and direct them to use techniques, materials, tools, and energy types that have less environmental impacts.

What is LCA?

LCA: Life Cycle Assessment is a systems approach which assesses a certain product, process, or activity's environmental performance "from cradle to grave".

LCA is a method used to define, report and audit environmental impact of a product or service in every phase of its life cycle starting from the supply of its raw materials and all its manufacturing processes right down to the delivery and utilization of it by the end user and handling of the waste that come out of it.

The Life Cycle Assessment analyses made in 'cradle to grave' scope are the starting point of the "Product Sustainability and Clean Manufacturing" works that manifest themselves in the minimization of every kind of natural resource and energy the manufacturers consume and all the solid, liquid and gas emissions they release back into the soil, water, and air during manufacturing process.

Values Monitored in LCA Study

- Resource run-out
- Resource run-out (fossil fuels)
- Global warming (GWP100a)
- Ozone Layer Depletion (ODP)
- Toxic impact on human life
- Toxic impact on freshwater habitat
- Toxic impact on marine life
- Toxic impact on terrestrial life
- Photochemical oxidation
- Acidization
- Eutrophication
- Total water usage

Sustainable Brands; Products and Techniques

The innovative and environment-friendly projects of our R&D Center at Bossa are transforming into brands that our customers demand. Through these projects developed, we efficiently manage our environmental and social impacts thanks to a variety of practices and techniques from reduction of hazardous chemicals use to drastic savings in water-energy-labor and to the use of recycled materials in production.

Related SDG	Product Group	Began	Sustainability Impact	Description
 		2006	Recycling and reusing of production scraps	Bossa's all-ecologic collection "Re-Set" developed step by step every season. Organic/BCI cotton, CMIA, naturally colored cotton farming, use of natural chemicals and dyeing compounds, achieving 100% recycled denim from recycled cotton/recycled PET are all outcomes of the journey we began with Re-Set.
 		2017	Reduction of chemicals use	With the "Dye Art" project, we developed a dyeing system additional to the existing (Indigo-Sulphur-Reactive) warp dyeing systems to reduce the use of Sulphur thanks to a new machine design.
 		2017	Protection of water resources	We are saving about 85% water in dyeing process thanks to the products in "Save Blue" concept.
 		2019	Protection of water resources	With the "Per-Fit" project, we developed a ready-to-wear fabric our customers can sew a garment out of without having to put through washing process. With this fabric dyeing management, we are manufacturing a sustainable fabric by saving from water, energy, chemicals, labor, and time.

Per Fit Industrial Washed Denim Fabric

With this project run by our R&D Center, we aimed to prevent the variations in color batches that may occur on denim fabric after industrial washing, and even further, to produce a denim fabric that our clients could use straight away without putting it through washing. The purpose was to bring the physical properties of the fabric such as its hand feel, shrinkage, and fastness with a series of processes to the level achieved after industrial washing, and spotting fabric errors that could be apparent after industrial washing at the manufacturing stage, thus increase the garment quality. This would ensure controlling the color of the end-product right at the fabric manufacturing stage.

The industrial washing machines used in the washing processes after sewing are generally a larger and more functional version of domestic type washing machines. Sewn garments go through a long and expensive washing process that involves compounds such as water, various chemicals, stones, and perlite grains in these large machines. At the end of this washing process, the fabrics get a worn-out look and a softer hand feel due to the abrasive effect of water, heat, and

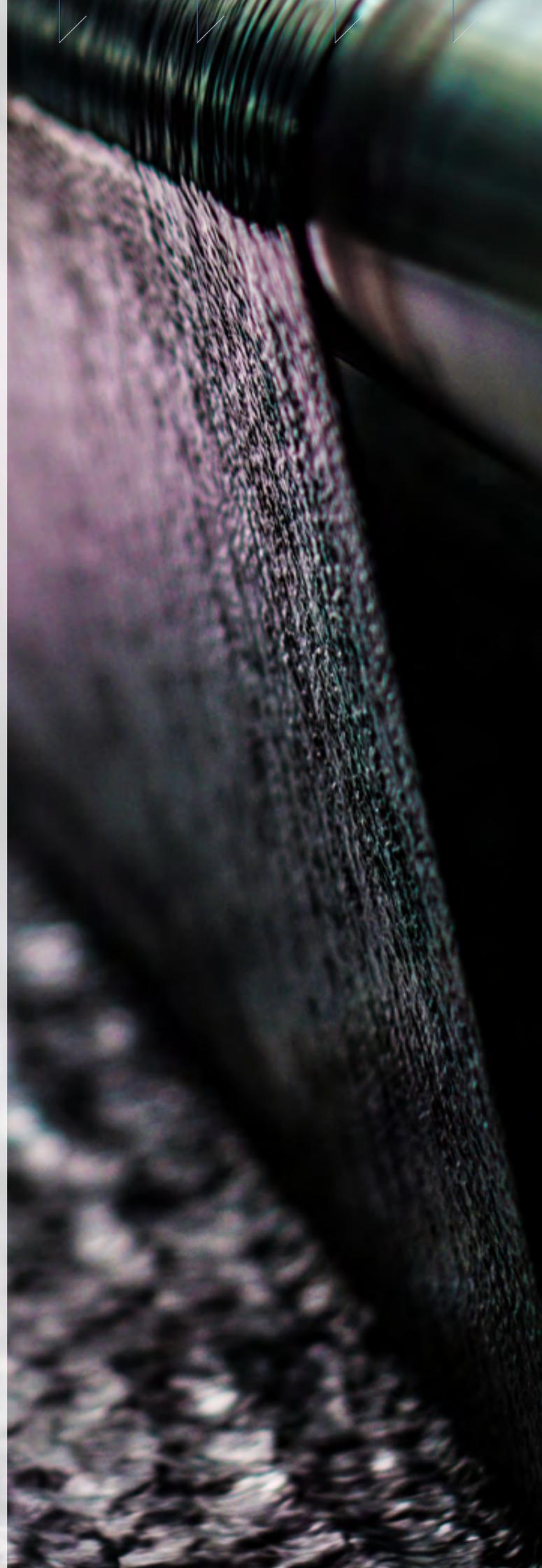
chemicals along with the grinding effect of stones and perlite grains. Also, the physical features like shrinkage and fastness are improved during this process so that they do not cause problems in end users' hands. However industrial washing can pose color inconsistencies from tank to tank. The stress of the industrial washing may also cause hidden flaws in fabric to become apparent that are otherwise hard to detect prior to washing.

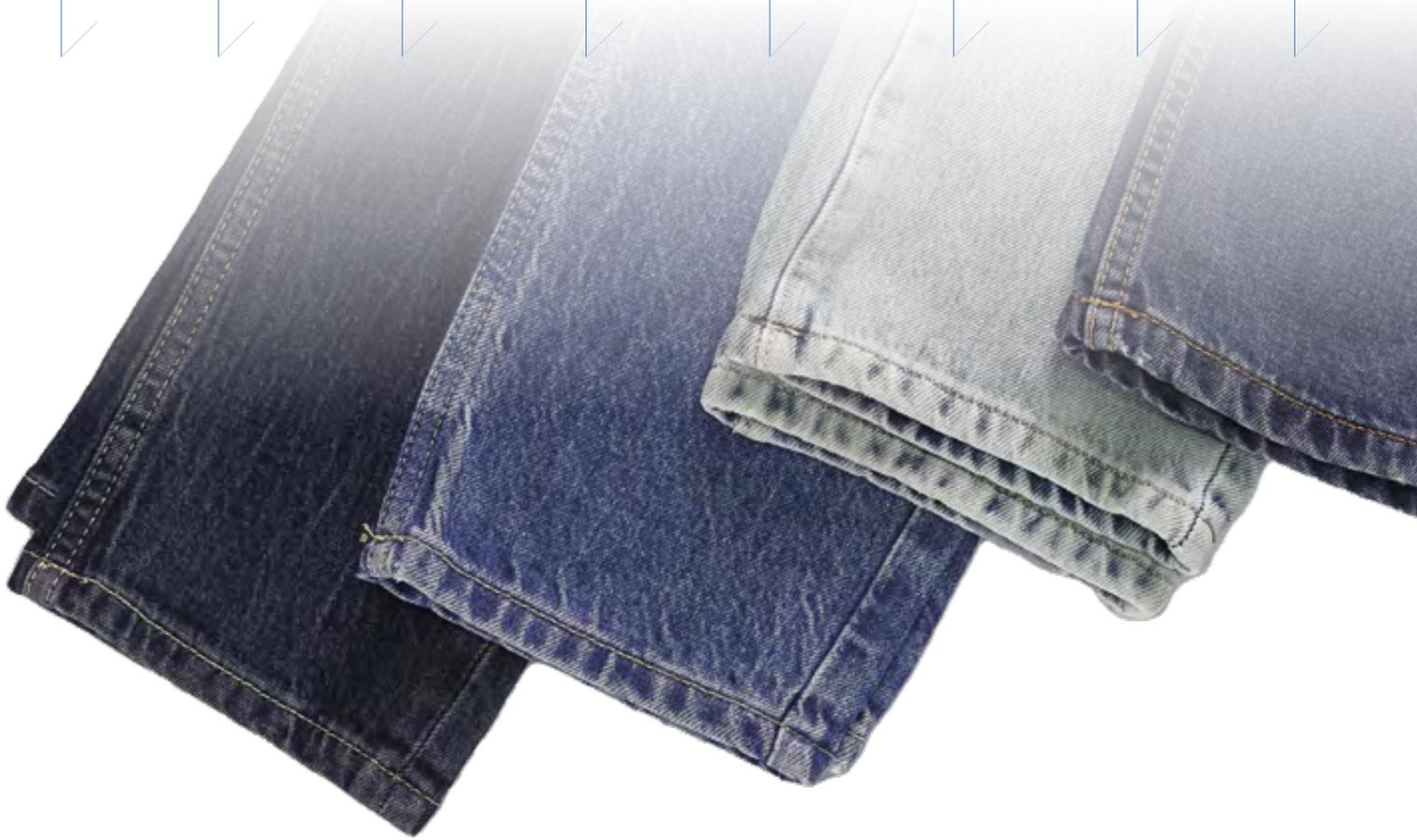
We developed various machines and processes at Bossa for washing techniques used to eliminate problems. Thus, we deliver to our customers fabrics with pre-adjusted shrinkage and fastness properties that they can use in garment production without having to wash, or with much shortened washing processes, where they can go straight into sewing without using stones/perlite grains and polluting environment, helping them save water, chemicals, energy, and labor. The sum of economic gains we provided through this project annually totals up to about 440 thousand USD.



Creating a New Concept Through Sustainable Fabric Dyeing Process

In this project we ran in collaboration with our R&D Center and Çukurova University Textile Engineering department, our aim was to produce a fabric that could get effect with a shorter process compared to the conventional dyeing method. We came up with an environmentally friendly product that attracted demand in both domestic and international markets and gave Bossa a competitive advantage thanks to reduction in processes and thus, its less demand of water, chemicals, dye, energy, and time. The economic gain we provided with this project annually sums up to about 1 million 761 thousand USD.





Making the Indispensable Value in Denim Sustainable

As the demand for denim fabrics increases every day, it is also getting important to add different features to the fabrics. Because of that, most of the products made of denim fabrics such as jeans, skirts, jackets, and shirts are given effect and bleached partially or with tremendous amounts of water, chemicals and energy spent on them after they are sewn.

In this project developed by our R&D Center, we used laser technology instead of manual sanding tools that are traditionally used in the local distressing and bleaching processes after sewing. This technology enables us to eliminate the use of hazardous materials in local bleaching effects and helps us save water-energy-labor drastically.

Parallel to the increasing variety in the denim fabric types, there is a wide product range within Bossa that came out because of extensive work done using different raw materials, dyeing compounds, and finishing processes.

In project studies, we test the laser practice on Bossa's innovative fabric types along with the existing known denim fabric types and compare the results with traditional washing methods.

The reductions in major production inputs per sample pair of jeans washing by applying laser practice

- Amount of water to be used throughout the washing processes per jeans (liter/unit)
- Amount of energy to be used throughout the washing processes per jeans (kwh/unit)
- Amount of chemicals to be used throughout the washing processes per jeans (l/unit)
- Number of people to work throughout the washing processes per jeans (person/unit) and
- Total time to be spent on the production of one lot (hours: minutes).

Since the inputs such as labor, chemicals, water use, process times and energy use will drop with the introduction of laser application, the values to be calculated per unit will also drastically drop. The economic gain we provided with this project annually sums up to about 528 thousand USD.

Water and Wastewater Management

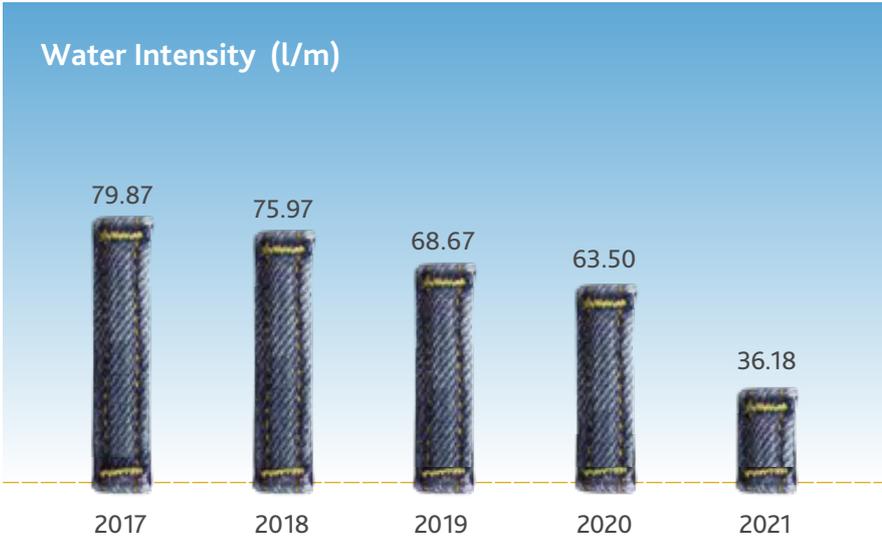
At Bossa we are constantly developing projects for the sake of efficient use of natural resources and sustainability of water resources to reduce water use and reuse it and experiment new techniques to reduce our water use per meter produced. We managed to drop our water intensity by 43% in 2021 in comparison to 2020, which we have been reducing gradually since 2017.

Our Material Sustainability Topics	The Size of Sectoral Impact	Our Impact-Reduction Goals at Bossa	Our Related Policy and Management System	Concerning Department
<p>Water and Wastewater Management</p>	<p>In the life cycle of a textile product, water use begins with the cotton farming. According to the report A New Textiles Economy by Ellen MacArthur Foundation, the global textile sector is consuming 93 billion m³ water a year, including cotton farming. And 85% of that water use is taking place in the dyeing stage. According to the World Resource Institute data, the textile sector is responsible for 20% of the global water pollution.</p> 	<p>Reducing water use, using, and discharging water in a way that will not cause damage to natural water resources, recycling and reusing water</p>	<p>ISO 14001 Environment Management System and Policy</p> 	<p>Machinery Maintenance, Energy, Dyeing and Finishing Departments and R&D Center</p>

Water is the most important input after cotton in denim production at Bossa. We are constantly developing projects to reduce water use and reuse the water for the sake of efficient use of natural resources and sustainability of water resources, we are persevering to reduce our use of water per meter produced by trying new techniques. Since the water as input is reduced, we proportionally can reduce our wastewater as well.

We calculate water intensity on the water amount used for fabric manufacturing directly. Since the

beginning of 2021, we are able to separate the amount used in garden irrigation, for hygiene and drinking thanks to the eight meters placed in necessary locations. We calculated the numbers for previous years proportionally. We succeeded in reducing our water intensity gradually by 55% since our base year, 2017. For the 15 liters water use target we set for each meter of fabric we produce, we are planning to undertake a water recycling investment in 2025.



We take every opportunity to share our good practices regarding water and our journey that take us to our goals with university students studying in relevant departments.



Recovering Wastewater from Water Softening and Reverse Osmosis System

In this project we initiated under the leadership of our Machine Maintenance and Energy Department in 2021, our goal was to reduce our water use by recovering 5% of our monthly total water consumption. We collected the wastewater produced by the water softening and reverse osmosis system in a pool via a new pipe installation and fed it back to hard water pipeline and used it as hard water. Thus, we dropped our monthly water use by 10,290 m³.

Since the new pump installed consumed about 2,800 kWh of electricity a month, after deducting the extra cost on the electricity bill, we started to save about 1,700 USD a month. We got our investment back in four months. Judging by the TS266 Drinking Water Standards projection of one person's daily water need being in the region of 150-200 m³, our calculations showed us that with just this investment alone, we recovered one person's water need for about 60 days from the process instead of drawing it from the network.

Application of Water-Saving Indigo and Sulfur Dyeing Technologies

In this project we began in the Rope Dye/Slasher Department led by our R&D Center in 2019, our goal was to achieve a water saving of 80% and above in dyeing process. We developed a new dyeing process that reduced the water use in indigo and sulfur warp dyeing processes in denim fabric production.

With the reduction of water use we subsequently reduced the wastewater and the pollution it caused with its discharge. Our market share and customer satisfaction increased thanks to this project with its strong environmental aspect. Through the conservative use of natural resources, we saved about 6 million USD a year. We continue to apply this project in all other colors that used to be dyed conventionally before.

Wastewater pH Neutralization

Our practice on reducing the sulfuric acid we use to bring our wastewater down to Industrial Zone discharge limits and the use of a less hazardous carbon dioxide in hybrid form is available in the **Materials Management** section on page 61 of our report.



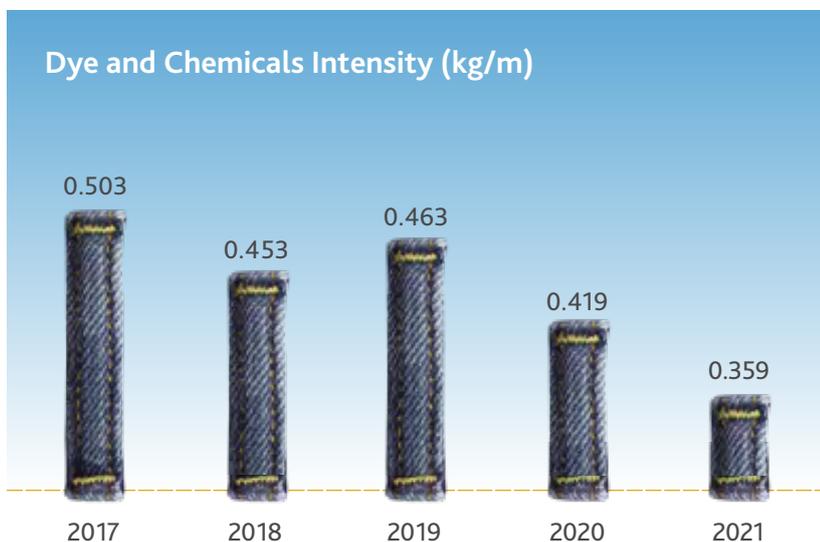
At Bossa we are tirelessly working on developing new techniques to reduce the material use and to reuse them in all our processes to protect the resources and environment. Since 2017 we reduce our use of dye and chemicals per meter of fabric, we produce gradually with techniques that do not compromise quality.



Materials Management

Our Material Sustainability Topics	The Size of Sectoral Impact	Our Impact-Reduction Goals at Bossa	Our Related Policy and Management System	Concerning Department
Materials Management	8.2 million tons of pesticide and synthetic fertilizer is used in the global cotton production every year. According to the report A New Textiles Economy by Ellen MacArthur Foundation , another considerable amount of 43 million tons of chemicals is being used in the dyeing and finishing processes in fiber and textile manufacturing.	Using recycled input materials, reducing the use of hazardous chemicals, recovering, and reusing materials	Chemicals Management Policy	OHS-Environment Department
Waste Management	The largest waste contributor in textile business is the end user waste. We are consuming 62 million tons of textile product every year globally. The most important emissions from fabric production are the wastewater, chemicals, fiber and yarn scraps and greenhouse gasses.	Reducing the production waste at the source, disposing waste with correct methods, and reusing them as input	ISO 14001 Environment Management System and Policy	OHS-Environment Department

The most essential inputs of production in Bossa are dyes and chemicals after cotton and water. We constantly work on new techniques and methods to reduce and reuse materials in our production processes for the sake of resource efficiency and environmental protection.



At Bossa we successfully produced first grade yarn from recycled fiber thanks to the increasing R&D works on recycled fiber use in denim fabric production every year. We developed processes that enable us to reuse all our textile scraps as input in our manufacturing process since 2019 to date.

Project Name	Start Date	Owner Department	Result	Gain
Reclaiming the Caustic Used in Mercerizing	2019	Denim Dye Finishing	We reduced the amount and environmental impacts of chemicals used and achieved saving.	127,008 USD/Year
Giving Way to Production Through Creel in Slasher Dyeing	2019	Denim Dye	Reduced technological scrap by batch by 50%.	358,840 USD/ Year
Extending the Length of Accumulator in Slasher Machine	2020	Denim Dye	Reduced the scrap average from 8.6% in 2019 to 7.9% in 2020.	141,125 USD/ Year

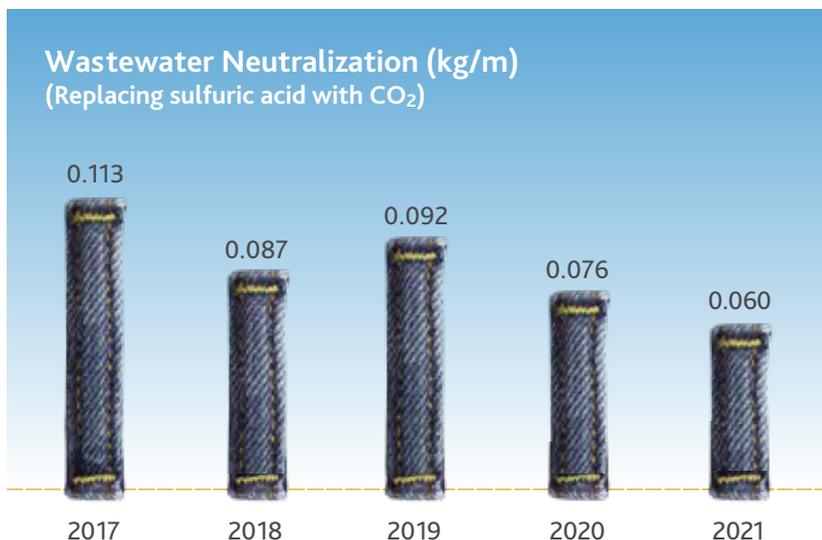
Using CO₂ in Wastewater pH Neutralization

Thanks to the CO₂ substitution works ran by Bossa Machine Maintenance and Energy Department in the pre-treatment facility since 2015, we reduced not only the damage the sulfuric acid gave to the environment but also the neutralization costs.

To bring the pH levels of our wastewater from 12 down to a level between 6.5-10 as per the Industrial Zone wastewater criteria, we switched from H₂SO₄ to a less damaging CO₂ use. For CO₂ to be fully effective the reaction periods had to be increased. We built a dedicated new pool which allowed for a longer water circulation. We replaced the wastewater treatment system to use CO₂ instead of H₂SO₄.

We built the new pre-treatment facility with the wastewater CO₂ dosing system automation incorporated.

We not only changed the substance used in the treatment, also reduced the dosage required per unit wastewater. Instead of the 2.91 kg of sulfuric acid per meter in the old system, we started to use 0.060 kg of CO₂ per meter. We realized that this measure did not have a noticeable effect on the energy consumption. We achieved a total saving of approximately 750 thousand USD in 2015-2021 period.



Project Name	Year	Place	Objective	Economic Gains
Reclamation of the Black Sulfur Solution Remaining after Dyeing Process	2019	Denim Dye Finishing	Reduction of chemical waste, Reclamation of the solution that would normally be discharged during type changes	235,884 USD/Year
Reclaiming the Excess Dye Solution in Fabric Dyeing	2019	Dye Finishing	Preservation and making use of the excess solution that would otherwise be discharged after dyeing process is finished	974,000 USD/Year

Waste Management

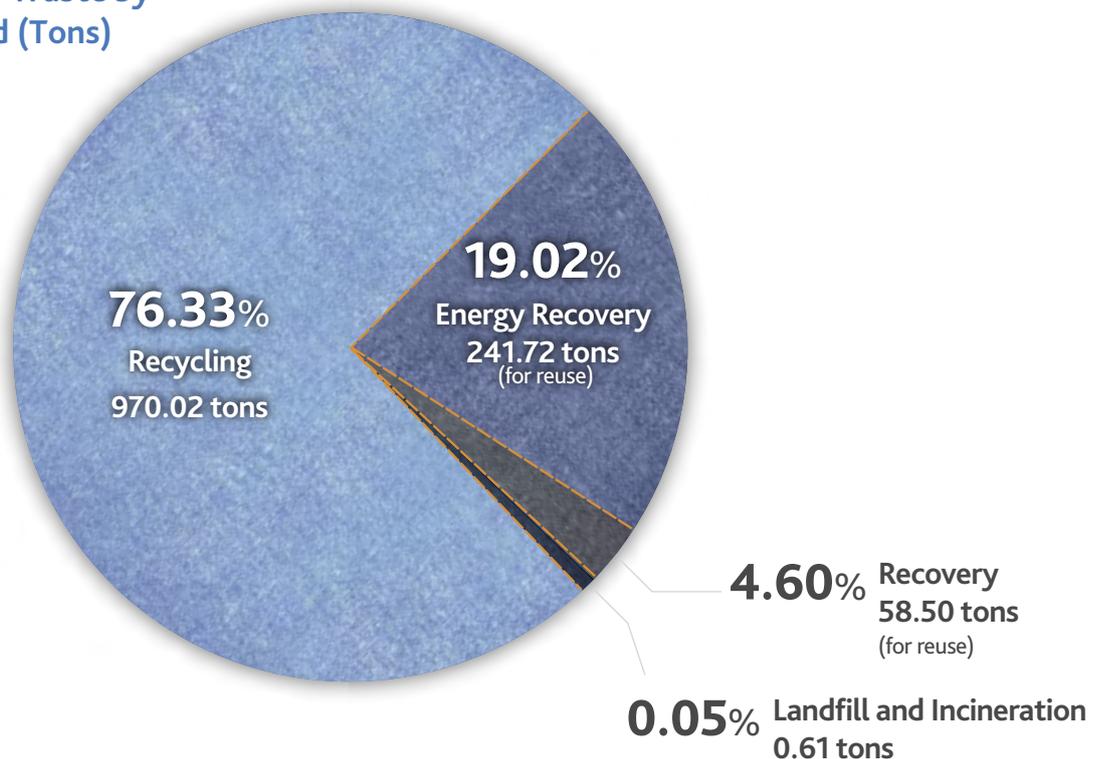
The percentage of the spending on waste elimination within our total environmental activity expenditure and environmental protection investments was 24% in 2021. We established the Zero Waste Management System at Bossa as mandated by the Zero Waste Directive published in the Official Gazette and put in force in 2019, and we qualified to receive the **Zero Waste Certificate** in 2020



Total Waste (Tons)
Hazardous and Non-Hazardous Waste



Total Hazardous Waste by Disposal Method (Tons)



Energy and Emissions Management

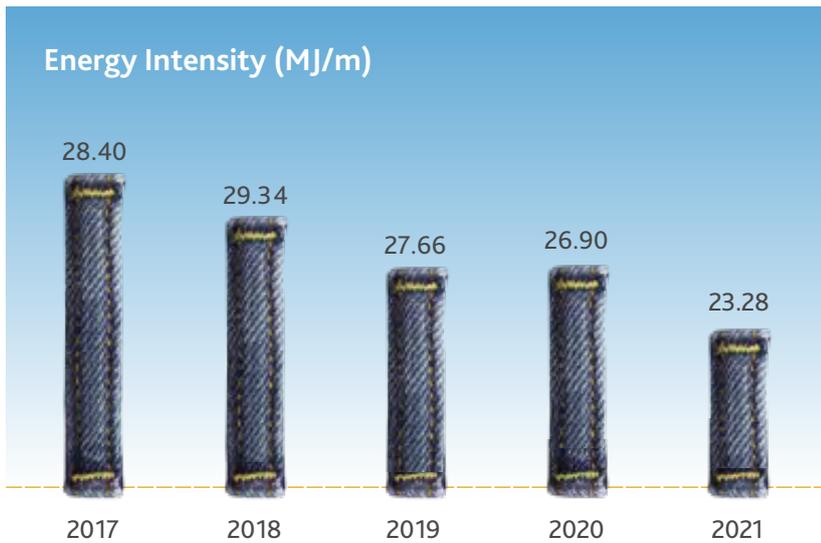
At Bossa, while we lower our carbon emissions by reducing our energy consumption through efficiency projects on one side, we generate clean energy and use it in our facilities on the other side. With the 9 million kWh of electricity, we generated in 2021, we saved 635 thousand USD while avoiding 5,834 tons* of CO₂e emissions.

Our Material Sustainability Topics	The Size of Sectoral Impact	Our Impact-Reduction Goals at Bossa	Our Related Policy and Management System	Concerning Department
Energy Management	In the global textile and fashion sector, energy is intensively consumed in fabric manufacturing, garment production and logistics of the products.	Using energy efficiently, reducing energy consumption, carrying out studies to reduce products' energy demand	ISO 50001 Energy Management System and Policy 	Machine Maintenance and Energy Department
Emissions Management	According to the report A New Textiles Economy by Ellen Mac Arthur Foundation , carbon equivalent of the global greenhouse gas emissions the textile production accounts for has reached 1.2 billion tons in 2015. 	Calculating carbon and other greenhouse gas emissions and taking measures to reduce them	ISO 14001 Environment Management System and Policy 	OHS-Environment Department

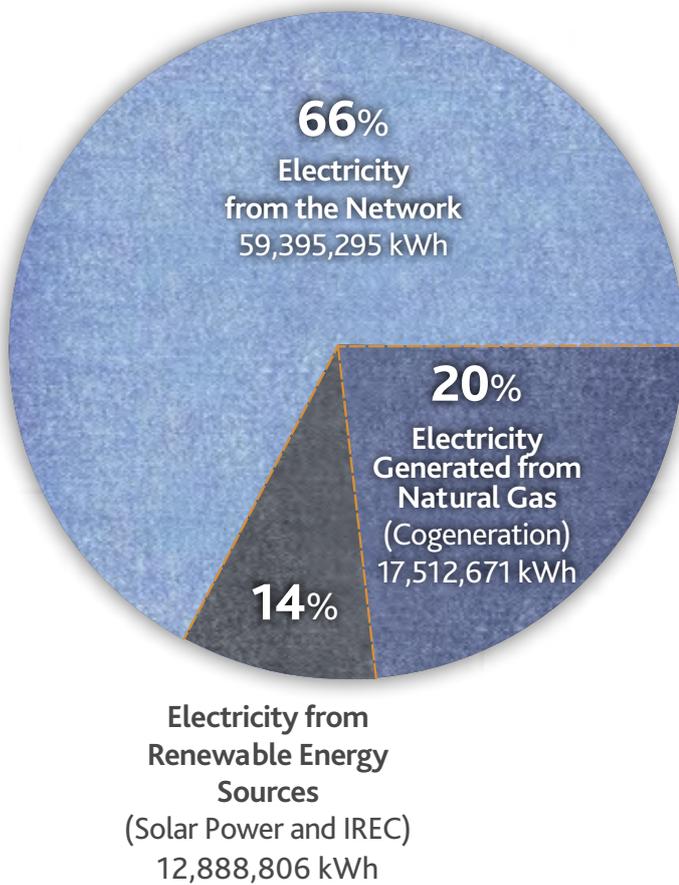
We use natural gas to generate electricity and steam at Bossa. In addition to gas, we use diesel in company cars. Since 2017, we targeted to reduce our natural gas consumption per meter fabric, we produced every year.



In 2020, we started to invest into solar energy and calculate our greenhouse gas emissions caused by our natural gas and diesel consumption as Bossa. In 2021, we decided to also include Scope 2 and review our energy and emission reduction targets. We are managing our other process emissions in line with the environment directives. The share of our spending on emission reduction within our general environmental operations management expenditure and environmental protection investments was 39% in 2021.



Bossa Energy Sources of Electricity (89,796,772 kWh/year)



5.6 MW Solar Energy Power Plant Investment

As part of the solar energy investments conducted by Machine Maintenance and Energy Department in 2020, we had the roofs of the spinning-weaving sections in our factory covered with solar electricity panels.

While we gained 142,450 USD in exchange for the 2,500,963 kWh electricity generated in 2020, we also avoided 1,621 tons* of CO₂e emissions.

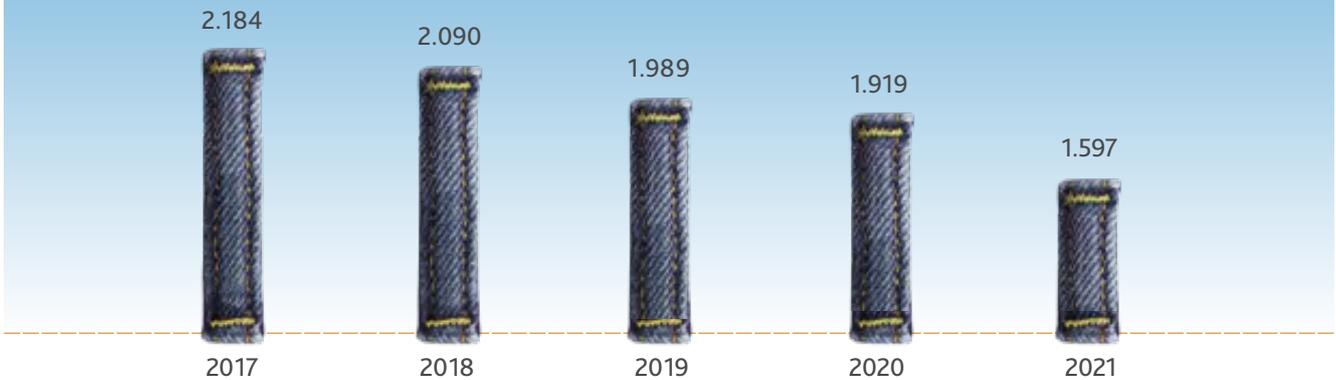
In 2021, while we gained 635 thousand USD in exchange for the 9 million kWh electricity generated, we also avoided 5,834 tons* of CO₂e emissions.

We are planning further solar energy investments on the roofs of finishing section and other sections. The details of our Solar Energy investments are available in the **Sustainable Investments** section of our report.



*According to the Turkish National Electricity Grid Emission Factor Information Form dated September 1, 2020, it is indicated that for every 1MWh of electricity generated through a solar or wind power plant, 0.6482 ton of CO₂ emission will be avoided.

Emissions Intensity (kg CO₂e/m) (Scope 1 + Scope 2)



LED Conversion Project in Bossa

As part of an Efficiency Increasing Project supported by the Energy Efficiency and Environment Directorate and conducted by our Machine Maintenance and Energy Department in 2021, we switched to LED lighting in 19 sections including spinning, weaving, finishing, dye, warehouses, laboratories, and support units. Approximately 14,000 luminaires with conventional bulbs were replaced with a more energy efficient LED types. We will reduce our greenhouse gas emissions even further by saving 2.2 million kWh of electricity annually compared to the old lighting system. We will reduce our energy cost by 110 thousand Euros in exchange for the energy saving we achieve. We will get a return on our after-subsidy investment in about 1.3 years.

Insulation of Side Surfaces on Drum Dryers

In 2021, we carried out another Efficiency Increasing Project supported by the Energy Efficiency and Environment Directorate and ran by our Machine Maintenance and Energy Department. We insulated the side surfaces of about 400 drum dryers across the factory to save natural gas. With this improvement, we are targeting to reduce 2,600,000 kWh of heat energy and save about 41 thousand USD per year.

Steam Pipeline and Valve Jacket Insulation

As part of the natural gas saving project, we conducted under the leadership of our Machine Maintenance and Energy Department in 2020, we insulated about 80 valves and their pipe connections in various diameters. Through the steam gain, we saved about 58,000 sm³ gas and approximately 13 thousand USD a year.

Heating of Flex-2 Drums with Flash Steam

As part of the natural gas saving project, we conducted under the leadership of our Machine Maintenance and Energy Department in 2020, we cut the live steam feeds going into the drums and replaced them with flash steam, and had the drums heated up with steam built through instant pressure drop in the flash steam tank instead. Through the steam gained we saved nearly 83,000 sm³ of natural gas and about 19 thousand USD a year.





Social performance

Our priority at Bossa is to protect health and security of our employees. While protecting employee rights, we prioritize human rights and define our code of conduct with our ethical principles.

We embrace an egalitarian management approach that focus on employee happiness and development.

Occupational Health and Safety

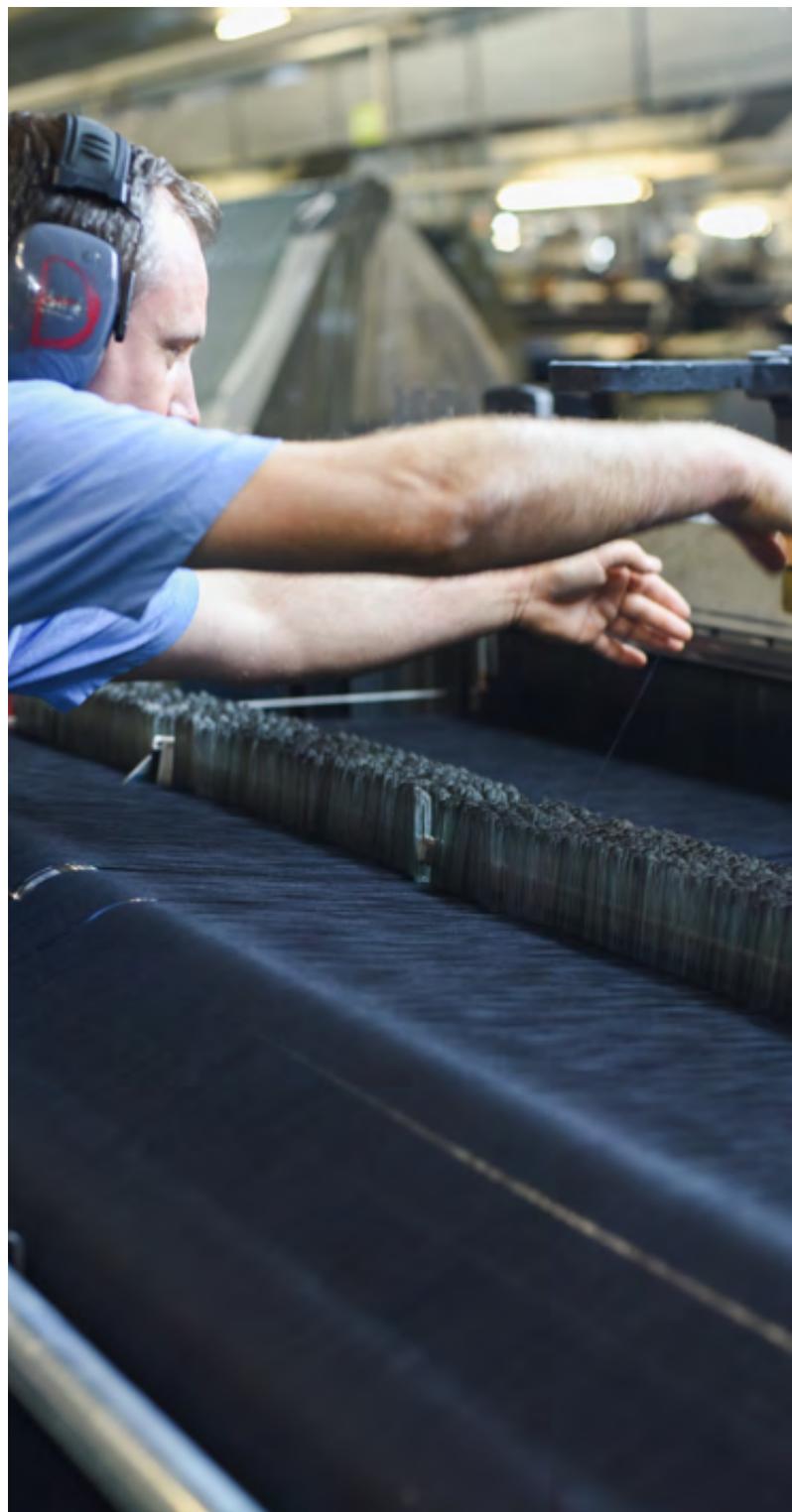
As Bossa, we implement leading edge management systems in our premises and strive to reach zero accident target while embracing health and safety of our employees as our priority. In 2020, we received Covid 19 TSE Safe Production Certificate thanks to all the precautions we took in our premises.

The pandemics the world's been going through since 2020 revealed the importance of employee health and safety in businesses. As Bossa, we implement leading edge management systems in our premises and strive to reach zero accident target while embracing health and safety of our employees as our priority. We constantly improve occupational health and safety management system to ensure a safe work environment thanks to continuous field audits we undertake for legal compliance, employee feedbacks and internal and independent audits.

Our Management System

Our TSE TS ISO 45001 Occupational Health and Safety Management System we implement at Bossa aims to protect our employees, subcontractors, and our guests within our premises.

To protect our employees against work accidents and occupational diseases, be prepared for emergency situations, that is to ensure safe work environment, we diligently implement the training programs we prepared with the support from our top management and in line with the ISO 45001 Management System Policy for the purpose of raising employee awareness, and we keep all documents in the QDMS system available for all department heads and employees.



Risk Management

We conduct comprehensive risk assessments regularly for all routine and nonroutine activities within the factory considering all area and equipment. We ensure that dangerous situations and behaviors are eliminated, and high and very high risks are reduced to reasonable levels thanks to the timely actions we take upon the work we conduct according to the risk assessment regulation. Our main objective is to prevent dangers before happening. If this is not possible, we recruit control methods such as substitution methods, collective protection practices and PPE usage.

All employees can communicate "near miss" notices regarding the actual and potentially dangerous situations they face within the premise. They communicate all risks and dangers they identify through their personal computers or by filling out near miss forms in the dining hall. These notices are evaluated in OHS Unit in no time and the related staff and departments are informed. The discordance is resolved quickly and monitored afterwards.

Health Service

In our premise, we provide health services to Bossa and subcontractor employees that they benefit with ease. In our health unit, a full-time workplace doctor, a part-time workplace doctor and a workplace nurse handle onboarding and regular checks, first aid in case of accidents and general health services.

Protective Equipment Usage

At Bossa, it is mandatory for all factory staff to wear steel toe shoes and seasonal work clothing provided by the company within the factory along with the Personal Protective Equipment (PPE) fit for their jobs.

Accident Types and Occupational Diseases

During the reporting period, our employees had various accidents such as hand stuck in moving parts, cuts and lacerations, chemical spills and splashes, bodily stress, hits, and falls.

Potential occupational illnesses in denim production can be illnesses caused by cotton dust, noise related hearing loss and illness caused by chemicals. During the reporting period, neither a Bossa employee nor a subcontractor employee had occupational illness whatsoever.

Pandemics Management

We quickly took precautions for our premise when Covid 19 pandemics hit. These precautions are still valid.

- Temperature is checked at the factory entry.
- We rearranged seating according to social distancing within the factory.
- Reduced the capacity of staff transport 50% and ensured everyone is seated alone.
- In the first three months, instead of using dining hall, we provided lunch boxes. Then we used the dining hall with a special seating arrangement.
- We placed sanitizers in many spots across the factory.
- We've been distributing masks since the beginning of the pandemics.
- We established a vaccination clinic within the factory and supported all Bossa employees for vaccination.
- We held regular PCR tests.

Thanks to all these precautions, we received **Covid 19 TSE Safe Production Certificate** in 2020 including all subcontractors as well.



Employment and Employee Loyalty

We care for long-term employment of our skilled and talented employees, having low employee turnover rate and providing our employees with a happy and safe work environment. 51% of our blue-collar employees and 36% of our white-collar employees have been working for more than 10 years at Bossa.

We care for long-term employment of our skilled and talented employees, having low employee turnover rate and providing our employees with a happy and safe work environment. Our Human Resources Policy consists of three basic elements. These are Equality at Recruitment Policy, Social Responsibility Policy and Requests and Complaints Policy.



Human and Employee Rights

Bossa Ethics Board is responsible for resolving all notifications and complaints regarding human and employee rights.

Collective Bargaining

We support collective bargaining right of Bossa employees. All 100% of our blue-collar employees are covered by the collective bargaining agreement. The major components of this agreement are Occupational Health and Safety, Working Conditions (including overtime), Training, Career Management and Duties and Responsibilities of Union Representatives.

Preventing Child Labor

At Bossa, forced labor and child labor are out of question both legally and due to our human resources policy. Legally, teenagers who completed 15 years of age may work in specified jobs. As Bossa, we promise to exactly comply with legal regulations.

Preventing Discrimination

We employ ethical compliance processes that prevent all types of discrimination including age, gender, race, religion, ethnicity, sexual orientation, belief, civil, social, or economic status, disability, political view, engaging in union activities and membership, pregnancy, national service status both in recruitment stage and throughout employment duration.

(GRI 102-41)

Additional Benefits Provided for Employees

We provide group health insurance for our white-collar staff. Blue-collar employees fully exploit their additional rights stated in collective bargaining agreement. These are bonus, holiday allowance, leave travel allowance, family-marriage-birth-death allowance, and clothing aids.

In October 2021, we began to give monthly non-refundable grants to our white-collar, blue-collar and subcontractor employees' children who continue to 4-years undergraduate and graduate university programs.

2021 Performance

By the end of 2021, average tenure of our white-collar employees is 8.2 years and blue-collar employees is 11.6 years. This tenure is 8.5 years for our female staff and 11.2 years for male staff.

During 2020-2021 term, all three female and 85 male employees returned to work after parental leave and continued their work at Bossa for at least 12 more months. In 2021 our employee turnover rate dropped to 4.4 with a 12% decrease.

Average Tenure (Year)	2019	2020	2021
White Collar	7.67	8.55	8.23
Blue Collar	10.45	12.33	11.57
Average Tenure (Year)	2019	2020	2021
Female	7.75	8.92	8.49
Male	10.1	11.79	11.15



Training and Development

We provide all our employees with a variety of trainings to improve their technical knowledge and skills according to their needs. We continued training in 2021 with online and classroom trainings organized by Textile Employers Union, ADASO Adana Chamber of Industry, University and AOSB Adana Organized Industrial Site and supported the professional development of our 378 employees with 12 different training topics.

We believe that skilled employees are one of the most important core elements of corporate sustainability. We provide all our workers various trainings that are aimed at increasing their technical knowledge and skills according to their needs. In addition to the external trainings we buy, we get internal training support from our department chiefs and executives in occupational health and safety, quality assurance and information technologies.

We plan personal development trainings annually, but there can be trainings we organize spontaneously depending on the demand as well. We supported our employees' professional development in 2021 by continuing the trainings that were interrupted for a long while due to the pandemics with the online and classroom programs arranged in cooperation with the Textile Employers' Union or AOSB. Our 378 employees received 1,159 hours training.



NAME OF TRAINING	TRAINER	TRAINING LEVEL	NUMBER OF PARTICIPANTS
Ethics Training (Inspiring Examples of Corporate Ethic and Compliance Culture Deployment Practices)	2 Hours Training Video Prepared by TEİD Ethics and Reputation Society	Manager / Supervisor/ Expert / Clerk	160
Sustainability Training	Besim Özek	Manager / Supervisor/ Expert	23
Sustainability Training	Adana Chamber of Industry	Manager / Supervisor/ Expert	23
Corporate Social Responsibility Training	İntertek	Expert	1
Lean Training / Lean Philosophy, Value and Waste concepts, 5S, Autonomous Maintenance	Adana Chamber of Industry	Supervisor/ Expert / Clerk/ Foremen	17
Creative and Innovative Thinking Techniques	Sürekli Gelişim Danışmanlık ve Eğitim Şirketi	Supervisor/ Expert / Clerk	19
Coaching Skills Training for Managers – Mentor Development Seminar	Baltaş Eğitim ve Danışmanlık	Manager	15
Coaching Skills Training for Managers – Mentee Preparation Seminar	Baltaş Eğitim ve Danışmanlık	Expert	18
Anger and Stress Control	İzgören Akademi Eğitim Danışmanlık	Supervisor/ Expert / Clerk	26
Time Management and Planning	İzgören Akademi Eğitim Danışmanlık	Supervisor/ Expert / Clerk	13
ISO 9001 Quality Management System Basic Training	TSE	Supervisor/ Expert / Clerk	17
ISO 9001 Risk Based Process Management Training	TSE	Supervisor/ Expert / Clerk	17
ISO 19011 Integrated Internal Auditor Training	TSR	Supervisor/ Expert / Clerk	17
Woven Fabric Analysis Training	Ege University	Manager / Supervisor/ Expert / Clerk	12





Annexes

Certifications and Audits

Product/Production Certifications and Related Audits	Auditor Institution	Frequency of Audit	Materials Management	Wastewater Management	Occupational Health and Safety	Employment and Work Conditions
GOTS 	Verification Company / Certification	Annual	✓		✓	✓
OCS 	Verification Company / Certification	Annual	✓		✓	✓
OCS BLENDED	Verification Company / Certification	Annual	✓		✓	✓
OCS 100	Verification Company / Certification	Annual	✓		✓	✓
RCS 	Verification Company / Certification	Annual	✓		✓	✓
RCS BLENDED	Verification Company / Certification	Annual	✓		✓	✓
RCS 100	Verification Company / Certification	Annual	✓		✓	✓
GRS 	Verification Company / Certification	Annual	✓		✓	✓
OEKO-TEX STD 100 	Oeti	3 Years	✓	✓	✓	✓
FAIRTRADE 	Flocert	4 Years	✓		✓	✓
SEDEX	Verification Company	Annual			✓	✓
ZDCH Waste Water	Verification Company	Annual	✓	✓		
INDITEX	Verification Company	Annual	✓	✓	✓	✓
HM	Verification Company	Annual			✓	✓
SLCP Social Responsibility Project	Assessment System				✓	✓
BCI	Certification		✓			
COTTON USA	Certification		✓			
US COTTON TRUST PROTOCOL 	Certification		✓			
GS1 TURKEY REGISTRY CERTIFICATE	Certification		✓			
GMO FREE TURKISH COTTON	Certification		✓			

Product / Production Certifications and Audits	Auditor Institution	Frequency of Audit	Water Management	Wastewater Management	Waste Management	Energy Management	Emissions Management
HIGG FEM	Verification Company	Annual	✓	✓	✓	✓	✓

Product / Production Certifications and Audits	Auditor Institution	Frequency of Audit	Occupational Health and Safety	Labor and Working Conditions
HIGG FSLM	Verification Company	Annual	✓	✓

LYCRA COMPANY and LENZING: We send our fabric for testing to receive certification from the company. Detailed information regarding Bossa's global sustainability certifications are located on **our website**.



Corporate Memberships

Non-Governmental Organizations	Role/Contribution of Bossa Representative
ATO - Adana Chamber of Commerce	Member
ADASO - Adana Chamber of Industry	President of Adana Chamber of Industry Assembly
ATB - Adana Commodity Exchange	Member
ADSİAD - Adana Industry and Business Organization	Member
Sectoral Societies and Associations	Role/Contribution of Bossa Representative
PTSB – Cotton Textile Industry Association	Board Member
UPK – National Cotton Council	Board Member (Eight years)
İPUD – Better Cotton Practices Association	Member
AKİB - Mediterranean Exporter Associations	Member
İTHİB – Istanbul Textile and Raw Materials Exporters Association	Board Member
TGSD – Turkish Clothing Manufacturers' Association	Member
TTSİS – Turkish Textile Industry Employers' Union	Advisory Board Member
Sectoral Initiatives and Co-operations	Role/Contribution of Bossa Representative
Ellen MacArthur Foundation	Sectoral data sharing
Denim Deal	Active role in the establishment



Stakeholder Communication Platforms

Our regular dialogue platforms with all our stakeholders are presented in below table.

Stakeholders	Communication Platform	Goal/Subject of Communication	Communication Frequency
Key Stakeholders			
Employees	Internet, bulletin boards	Internal communication	As and when required
	Sustainability Survey	Review material sustainability topics	Once a year
Customers	One-to-one meetings, conventions, e-bulletin, Bossa Mobile Application, Blue Magazine	Communicate developments regarding company, products, and sectoral trends	Several times a year
	Sustainability Survey	Review material sustainability topics	Once a year
Shareholders	General Assembly	Disclose annual performance outcomes	As and when required by legal procedures
	Sustainability Survey	Review material sustainability topics	Once a year
Financial Institutions	Website, Public Disclosure Platform	Content and document sharing in line with legal procedure	As and when required
Investors	Website, Public Disclosure Platform	Content and document sharing in line with legal procedure	As and when required
Suppliers	Website, conventions, one-to-one meetings	Communicate developments regarding company, products, and sectoral trends	Once every six months
Other Stakeholders			
Universities and Academic Environment	One-to-one / online meetings	Information exchange with the academicians	Four times a year
Public and Regulatory Bodies	One-to-one / online meetings	Information Exchange regarding AOSB- Chamber of Industry -ITHIB	Once a year
Non-Governmental Organizations	One-to-one / online meetings	Active membership practices	Once a year
Media	Website	Information sharing about the operations of company	Continuous
Local Administrations	One-to-one meetings, phone/e-mail	Information sharing about the operations of company	As and when required
Employer's Union	One-to-one meetings, phone/e-mail	Sharing information on sectoral developments	As and when required
Labor Union	One-to-one meetings	Social expectations of employees	Weekly (with the Branch)
Local Community (People living around the premise)	Website, social media	Information sharing about the operations of company	As and when required



Performance Indicators

Social Performance Indicators

Employment Data			
By Gender	2019	2020	2021
Female	110	111	107
Male	1,230	1,246	1,244
Total	1,340	1,357	1,351
By Work Status and Gender	2019	2020	2021
White Collar - Female	64	63	62
White Collar - Male	136	150	144
Blue Collar - Female	46	48	45
Blue Collar - Male	1,094	1,096	1,100
Total	1,340	1,357	1,351
By Contract Type and Gender	2019	2020	2021
Permanent - Female	110	111	107
Permanent - Male	1,230	1,246	1,244
Total	1,340	1,357	1,351



Turnover Rate	2019	2020	2021
Employee Turnover Rate*	7.0	5.0	4.4
Average Tenure (Year)	2019	2020	2021
All Employees	9.95	11.59	10.95
Average Tenure (Year)	2019	2020	2021
White Collar	7.67	8.55	8.23
Blue Collar	10.45	12.33	11.57
Average Tenure (Year)	2019	2020	2021
Female	7.75	8.92	8.49
Male	10.1	11.79	11.15

* Calculation formula: Leaving Employees / total employees x 100



Occupational Health and Safety Data

Bossa Employees	2019	2020	2021
Incident Frequency Rate*	7.63	6.48	10.48
Incident Frequency Rate (Recorded)**	19.45	20.74	30.14

Subcontractor Employees	2019	2020	2021
Incident Frequency Rate*	18.89	24.93	16.75
Incident Frequency Rate (Recorded)**	37.79	40.51	43.07

*Calculated with important work accidents that result in more than three lost workdays. Fatal incidents are excluded.

**All work incidents including fatality.

Occupational Health and Safety Data Disclosures

First aid cases are included in incident frequency rate if they result in lost workdays.

Lost workdays are calculated on calendar days.

It starts with the day of the accident.

Fatalities are regarded as +1 accident in recorded incident frequency rate.

Incident Frequency Rate: Incidents/1,000,000 workhours.

$IFR = \frac{\text{Total number of Incidents}}{(\text{Total Employees} \times 300 \text{ Days} \times 7.5 \text{ Hours}) - (\text{Total Lost Days} \times 7.5 \text{ Hours})} \times 1,000,000$

Occupational Health and Safety Trainings	2020		2021	
	Number of Employees receiving OHS Training	Total OHS Training Hours	Number of Employees receiving OHS Training	Total OHS Training Hours
	581	6,508	820	9,104

Other Employees Covered by OHS Management System	Number	Share in Total (%)
People who are not company employees, but their works and workplaces are monitored by the company and who are covered by OHS Management System. (Dining hall, private security, interns, contract workers, workers from İŞKUR)	55	0.05
People who are not company employees, but their works and workplaces are monitored by the company and who are covered by OHS Management System that is subject to internal audit. (Dining hall, private security, workers from İŞKUR)	37	0.03
People who are not company employees, but their works and workplaces are monitored by the company and who are covered by OHS Management System subject to internal audit and certified by an independent body. (Dining hall, private security)	35	0.03



Environmental Performance Indicators

Environmental Investments			
Environmental Spending (USD)	2019	2020	2021
Waste Disposal	5,634	3,832	21,823
Waste Recycling	727	1,160	2,338
Emissions Management	21,303	0	18,862
Consultancy	3,964	5,564	4,854
Total	31,629	10,556	47,878

Water Management Data					
Water Withdrawal (l/year)	2017	2018	2019	2020	2021
From 3rd Party (Network -Industrial Zone, etc.)	2,361,772,000	2,530,870,000	2,696,452,000	2,025,633,000	1,631,840,000
Water Discharge (l/year)	2017	2018	2019	2020	2021
To 3rd Party (Sewage-Industrial Zone, etc.)	2,080,091,000	2,229,938,000	2,312,891,000	1,722,340,000	1,474,169,000
Water Intensity*	2017	2018	2019	2020	2021
Water Intensity (l/m)	79.87	75.97	68.67	63.50	36.18
Reused Water Amount (l)	2017	2018	2019	2020	2021
Water Reused	70,853,000	88,580,000	107,858,000	178,256,000	303,038,000

*Water intensity is calculated for fabric production only. The meters of water used elsewhere are separate from the operation site.

Materials Management Data					
Dyestuff and Chemical Intensity	2017	2018	2019	2020	2021
Dyestuff and Chemical Intensity (kg/m)	0.503	0.453	0.463	0.419	0.359
Wastewater Neutralization	2017	2018	2019	2020	2021
Wastewater Neutralization (kg/m)	0.113	0.087	0.092	0.076	0.060
Caustic Soda Intensity	2017	2018	2019	2020	2021
Caustic Soda Intensity (kg/m)	0.290	0.290	0.240	0.220	0.180

Waste Management Data					
Total Waste by Disposal Method (Tons) (Hazardous & Non-Hazardous)	2017	2018	2019	2020	2021
Recovery (for reuse purposes)	162.30	159.00	156.05	109.99	58.50
Recycling	1,965.90	939.24	877.08	812.50	970.02
Landfill	0.59	0.80	0.67	0.02	0.55
Energy Recovery (for reuse purposes)	38.71	105.14	169.60	120.12	241.72
Incineration	0.10	0.08	0.09	0.08	0.06
Total	2,167.61	1,204.26	1,203.48	1,042.71	1,270.85

Energy Management Data					
Energy Consumption from Non-renewable Direct Energy Sources	2017	2018	2019	2020	2021
Natural Gas (sm ³) Direct Consumption	11,763,556	11,244,264	12,916,430	10,876,137	13,092,183
Natural Gas (sm ³) Used in Cogeneration	1,912,354	6,426,747	6,510,293	3,897,686	4,583,430
Diesel (liter)	40,739	53,708	33,323	29,642	25,044
Indirect Energy Supplied and Consumed from Non-Renewable Energy Sources	2017	2018	2019	2020	2021
Electricity (kWh)	63,135,210	55,102,307	63,668,052	51,600,249	59,395,295
Indirect Energy Supplied and Consumed from Renewable Energy Sources	2017	2018	2019	2020	2021
Electricity (kWh) (IREC)	0	0	0	1,600,000	3,960,000
Indirect Energy Generated and Consumed from Renewable Energy Sources	2017	2018	2019	2020	2021
Electricity (kWh) (SEPP)	0	0	0	2,500,963	8,928,806
Total Electricity Consumption	2017	2018	2019	2020	2021
Electricity (kWh)	63,135,210	55,102,307	63,668,052	55,701,212	72,284,101
Total Electricity Consumption	2017	2018	2019	2020	2021
Electricity (kWh)	28.40	29.34	27.66	26.90	23.28

Emissions Management Data					
Scope 1 (kg CO ₂ e)	2017	2018	2019	2020	2021
TOTAL (Natural Gas, Diesel)	27,937,004	36,101,046	39,618,293	30,140,938	36,032,857
Scope 2 (kg CO ₂ e)	2017	2018	2019	2020	2021
TOTAL (Electricity)	29,105,332	25,402,164	29,350,972	23,787,715	27,381,231
Total Scope 1 & 2 (kg CO₂e)	2017	2018	2019	2020	2021
TOTAL	57,042,336	61,503,210	68,969,265	53,928,653	63,414,088
Emissions Intensity (kg CO ₂ e/m)	2017	2018	2019	2020	2021
Scope 1 (kg CO ₂ e/m)	1.070	1.227	1.142	1.073	0.908
Scope 2 (kg CO ₂ e/m)	1.114	0.863	0.846	0.847	0.690
Emissions Intensity (kg CO₂e/m)	2.184	2.090	1.989	1.919	1.597

DEFRA 2021: Natural gas is 2.03473 kg CO₂e/m³ and Diesel is 2.70553 kg CO₂e/litre
 IEA 2017: Electricity is 0.461 kg CO₂e/ kWh

GRI Content Index



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Turkish version of the report.

GRI 101: FOUNDATION 2016

GRI 102: GENERAL DISCLOSURES 2016		Location of Disclosure
Organizational Profile		Page / Disclosure
102-1	Name of the organization	2
102-2	Activities, brands, products, and services	10, 52
102-3	Location of headquarters	2
102-4	Location of operations	2
102-5	Ownership and legal form	Corporation
102-6	Markets served	10-11
102-7	Scale of the organization	13
102-8	Information on employees and other workers	10, 81-82
102-9	Supply chain	22, 31-32
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102-11	Precautionary Principle or approach	48-51
102-12	External initiatives	4
102-13	Membership of associations	78

GRI 102: GENERAL DISCLOSURES 2016		Location of Disclosure
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102-14	Statement from senior decision-maker	5
102-15	Key impacts, risks, and opportunities	20-22
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	19
102-17	Mechanisms for advice and concerns about ethics	19
Governance		
102-18	Governance structure	16, 34
Stakeholder Engagement		
102-40	List of stakeholder groups	35
102-41	Collective bargaining agreements	70
102-42	Identifying and selecting stakeholders	35
102-43	Approach to stakeholder engagement	36
102-44	Key topics and concerns raised	36-37
Reporting Practice		
102-45	Entities included in the consolidated financial statements	4
102-46	Defining report content and topic boundaries	39
102-47	List of material topics	37, 39
102-48	Restatements of information	First Report
102-49	Changes in reporting	First Report
102-50	Reporting period	4
102-51	Date of most recent report	First Report
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	99
102-54	Claims of reporting in accordance with the GRI Standards	4
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102-56	External assurance	Not done

GRI 200-300-400 TOPIC SPECIFIC STANDARDS 2016

GRI 200 ECONOMIC STANDARDS SERIES		Location of Disclosure
GRI 201 Economic Performance 2016		Page
GRI 103 Management Approach Disclosures 2016	103-1 Explanation of the material topics and its boundary	39
	103-2 The management approach and its components	44
	103-3 Evaluation of the management approach	44
GRI 201 Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	21

GRI 400 SOCIAL STANDARDS SERIES		Location of Disclosure
GRI 401 Employment 2016		Page
GRI 103 Management Approach Disclosures 2016	103-1 Explanation of the material topics and its boundary	39
	103-2 The management approach and its components	70-71, 83
	103-3 Evaluation of the management approach	70-71
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	71
	401-2 Benefits provided to full-time employees that are not provided to part-time employees	71
	401-3 Parental leave	71
GRI 403 Occupational Health and Safety 2018		
GRI 103 Management Approach Disclosures 2016	103-1 Explanation of the material topics and its boundary	39
	103-2 The management approach and its components	68-69
	103-3 Evaluation of the management approach	68-69
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	68
	403-2 Hazard identification, risk assessment, and incident investigation	69
	403-3 Occupational health services	69
	403-5 Worker training on occupational health and safety	84
	403-8 Workers covered by an occupational health and safety management system	85
	403-9 Work-related injuries	69
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GRI 404 Training and Education 2016		
GRI 103 Management Approach Disclosures 2016	103-1 Explanation of the material topics and its boundary	39
	103-2 The management approach and its components	72-73
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GRI 404 Training and Education ,2016	404-1 Average hours of training per year per employee	41
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	404-3 Percentage of employees receiving regular performance and career development reviews	70

GRI 300 ENVIRONMENTAL STANDARDS SERIES		Location of Disclosure
	GRI 301 Materials 2016	Page
GRI 103 Management Approach Disclosures 2016	103-1 Explanation of the material topics and its boundary	39
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	103-3 Evaluation of the management approach	60-62
GRI 301 Materials 2016	301-1 Materials used by weight or volume	87
	301-2 Recycled input materials used	29-30, 41
	301-3 Reclaimed products and their packaging materials	29-30, 41
GRI 302 Energy 2016		
GRI 103 Management Approach Disclosures 2016	103-1 Explanation of the material topics and its boundary	39
	103-2 The management approach and its components	63-65
	103-3 Evaluation of the management approach	63-65
GRI 302 Energy 2016	302-1 Energy consumption within the organization	88
	302-3 Energy intensity	88
	302-4 Reduction of energy consumption	88
	302-5 Reductions in energy requirements of products and services	88
GRI 303 Water and Effluents 2018		
GRI 103 Management Approach Disclosures 2016	103-1 Explanation of the material topics and its boundary	39
	103-2 The management approach and its components	56-58
	103-3 Evaluation of the management approach	56-58
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	56-58
	303-2 Management of water discharge-related impacts	56-58
	303-3 Water withdrawal	86
	303-4 Water discharge	86
GRI 305 Emissions 2016		
GRI 103 Management Approach Disclosures 2016	103-1 Explanation of the material topics and its boundary	39
	103-2 The management approach and its components	63-65
	103-3 Evaluation of the management approach	63-65
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	89
	305-2 Energy indirect (Scope 2) GHG emissions	89
	305-4 GHG emissions intensity	89
	305-5 Reduction of GHG emissions	89
GRI 306 Waste 2020		
GRI 103 Management Approach Disclosures 2016	103-1 Explanation of the material topics and its boundary	39
	103-2 The management approach and its components	60-62
	103-3 Evaluation of the management approach	60-62
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	60-62
	306-2 Management of significant waste-related impacts	60-62
	306-3 Waste generated	87
	306-4 Waste diverted from disposal (reuse, recycle etc.)	87
	306-5 Waste directed to disposal (incineration, landfilling etc.)	87

CAPITAL MARKETS BOARD SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Category	Principle Name and Code	Principle Explanation	Compliance Status	Explanation
General	A1. Strategy, Policies and Goals	The Board of Directors determines ESG priority issues, risks and opportunities and establishes ESG policies accordingly. In terms of the effective implementation of these policies; In-partnership directives, business procedures etc. can be prepared. The Board of Directors takes decisions for these policies and declares to the public.	Full	Board of Directors and Governance Structure Stakeholder Engagement and Materiality Analysis
		Determines the Incorporation Strategy in accordance with the ESG policies, risks, and opportunities. Determines the short- and long-term goals in line with the Incorporation strategy and ESG policies and declares to the public.	Full	Sustainability Targets
	A2. Implementation and Monitoring	Determines and publicly discloses the committees / units responsible for the implementation of ESG policies. The responsible committee / unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year and in any case within the maximum periods determined for the public disclosure of the annual activity reports in the relevant regulations of the Board.	Full	Sustainability Management Structure
		Forms implementation and action plans in line with the determined short- and long-term targets and declares to the public.	Full	R&D and Collaborations Industry Co-operations Sustainability Investments
		Determines the ESG Key Performance Indicators (KPI) and announces them on a yearly basis. In the presence of verifiable data, it presents KPIs with local and international sector comparisons.	Full	Performance Indicators (Since Bossa has yarn production as well, the comparison should be made accordingly with companies of identical processes. Our priority is to enhance our performance constantly by meeting our internal targets.
		Announces the innovation activities that improve the sustainability performance for business processes or products and services	Full	R&D and Collaborations
	A3. Reporting	Reports its sustainability performance, goals, and actions at least once a year and makes it public. Announces the information on sustainability activities within the scope of the annual report.	Full	We publish our Sustainability Reports since 2019.
		It is essential to share information that is important for stakeholders in terms of understanding the position, performance, and development of the Incorporation in a direct and concise manner. It can declare detailed information additionally and data on the corporate website and prepare separate reports that directly meet the needs of different stakeholders.	Full	We publish our Sustainability Reports since 2019.
		Takes maximum care in terms of transparency and reliability. Announces detachedly all kinds of development on the priority issues in disclosures and reporting within the scope of balanced approach.	Full	We publish our Sustainability Reports since 2019.
		Gives information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.	Full	Our Contribution to Sustainable Development Goals
		Makes an explanation regarding the lawsuits filed and / or concluded against environmental, social, and corporate governance issues.	Full	Bossa Cares Sustainable Denim Program
	A4. Verification	If verified by independent third parties (independent sustainability assurance providers) declare its sustainability performance measurements to the public and endeavors to increase such verification processes.	Full	Verification was not conducted in 2020-2021. Our 2022 target is to conduct third party verification of all energy, emissions, and water data.

Category	Principle Name and Code	Principle Explanation	Compliance Status	Explanation
Environmental	B. Environmental Principles	Announces the policies and practices, action plans, environmental management systems (known as the ISO 14001 standard) and programs in the field of environmental management.	Full	Bossa Cares Sustainable Denim Program Sustainable Brands, Products and Techniques
		Complies with environmental laws and other relevant regulations and announces them.	Full	Bossa Cares Sustainable Denim Program
		Announces the limitations regarding with the reporting conditions and data collecting process, reporting date, reporting period, boundary of the environmental report to be included in the report which is going to be prepared within the scope of Sustainability Principles.	Full	Sustainability Impacts in the Value Chain
		Announces the senior responsible individual, relevant committees, and their duties in the Incorporation on the issue of environment and climate change.	Full	Sustainability Management Structure
		Announces the incentives it offers for the management of environmental issues, including the achievement of objectives.	Full	Incentive of 0.2% of the R&D project spending is allocated to employees (separate from the budget) for their approved and implemented R&D ideas. .
		Announces how environmental issues are integrated into business targets and strategies.	Full	Sustainable Brands, Products and Techniques
		Announces the sustainability performances for business processes or products and services and the activities to improve this performance.	Full	Water and Wastewater Management Materials Management Energy and Emissions Management
		Announces how it manages environmental issues along the Incorporation value chain and integrates suppliers and customers into its strategies, not just in terms of direct operations.	Full	Stakeholder Engagement and Materiality Analysis
		Whether it is involved in policy-making processes in environmental issues (sectoral, regional, national, and international), announces the co-operations it has made with the associations, related organizations, and non-governmental organizations it is a member of about environment and if any, the duties it has taken and the activities it supports	Full	Corporate Memberships
		In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect) 1), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) reports periodically comparable information on its environmental impacts.	Full	Environmental Performance Indicators
		Describes the standard, protocol, methodology and base year details used to collect and calculate its data.	Full	Environmental Performance Indicators
		Describes the status of the environmental indicators for the reporting year (increase or decrease) in comparison with previous years.	Full	Environmental Performance Indicators
		Sets short and long-term goals to reduce their environmental impact and announces these goals. It is recommended that these goals should be determined based on science as suggested by the United Nations Conference of the Parties on Climate Change. If there is progress in the reporting year according to the targets set before, it provides information on the subject.	Full	Although our current targets are not science-based targets, we made significant progress in setting science-based targets thanks to LCA works.

Category	Principle Name and Code	Principle Explanation	Compliance Status	Explanation
Environmental	B. Environmental Principles	Announces the strategy and actions to combat the climate crisis.	Full	Sustainable Investments
		Describes the program or procedures for preventing or minimizing the potential negative impact of the products and / or services it offers; announces the actions of third parties to reduce greenhouse gas emissions	Full	Sustainable Brands, Products and Techniques Certifications
		Announces the actions taken to reduce its environmental impacts, the total number of projects and initiatives carried out and the environmental benefits / profits and cost savings they provide.	Full	Water and Wastewater Management Materials Management Energy and Emissions Management
		Reports the total energy consumption data (excluding raw materials) and explains the energy consumption as Scope-1 and Scope-2.	Full	Environmental Performance Indicators
		Provides information on electricity, heat, steam and cooling generated and consumed in the reporting year.	Full	Energy and Emissions Management
		Conducts studies on increasing the use of renewable energy, transition to zero or low carbon electricity and explains these studies.	Full	Energy and Emissions Management
		Announces the renewable generation of energy and the usage data.	Full	Sustainability Investments Energy and Emissions Management
		Runs energy efficiency projects and announces the amount of energy consumption and emission reduction by means of these studies.	Full	Energy and Emissions Management
		Reports the amount of water withdrawn, used, recycled, and discharged from underground or above ground, its sources, and procedures (Total water withdrawal by source, water sources affected by water withdrawal; percentage and total volume of recycled and reused water, etc.).	Full	Water and Wastewater Management Environmental Performance Indicators
		Announces whether the operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).	Full	Our activities are not subject to any carbon pricing system.
		Announces the carbon credit information accumulated or purchased during the reporting period.	Full	No carbon credit is accumulated or bought during the reporting period.
		Announces the details if carbon pricing is applied within the Incorporation.	Full	Carbon pricing is not used.
		Announces all compulsory and voluntary platforms where it discloses environmental information.	Full	A voluntary member of Ellen Mac Arthur Foundation and we supply data for their research works.

Category	Principle Name and Code	Principle Explanation	Compliance Status	Explanation
Social	C1. Human Rights and Employee Rights	Establishes the Corporate Human Rights and Employee Rights Policy in which full compliance with the legal framework and legislation regulating the human rights and business life in Turkey, the Universal Declaration of Human Rights, ILO Conventions that Turkey committed to implement is committed. Discloses the policy in question and the roles and responsibilities associated with its implementation.	Full	Bossa Code of Business Ethics
		Provides equal opportunity in recruitment processes. Considering the supply and value chain effects, it includes fair workforce, improvement of labor standards, women's employment, and inclusion (such as non-discrimination on women, men, gender, religious belief, language, ethnicity, race, age, disability, refugee etc.) in its policies.	Full	Bossa Code of Business Ethics
		Announces the measures taken along the value chain for the protection of groups vulnerable to certain economic, environmental, social factors (low-income groups, women, etc.) or minority rights / equality of opportunity.	Full	Safe and Sound
		Reports developments regarding discrimination, inequality, human rights violations, forced labor and preventive and corrective practices. Announces the regulations for not employing child labor.	Full	Safe and Sound
		Announces policies regarding investment in employees (training, improvement policies), compensation, vested benefits, right to unionize, work / life balance solutions and talent management. Determines dispute resolution processes by creating mechanisms for employee complaints and dispute resolution. Regularly announces the activities carried out to ensure employee satisfaction.	Full	Business Ethics Management
		Establishes occupational health and safety policies and declares to the public. Announces precautions taken to prevent occupational accidents and protect health and accident statistics.	Full	Occupational Health and Safety
		Establishes data protection and protection of personal data policies and declares to the public.	Full	Personal Data Protection Law Disclosure Notice
		Establishes an ethical policy (including works such as business, business ethics, compliance processes, advertising and marketing ethics, open information etc.) and declares to the public.	Full	Bossa Code of Business Ethics
		Announces the work within the scope of social investment, social responsibility, financial inclusion, and access to finance.	Full	Employment and Employee Engagement (We provide education scholarships.)
		Organizes information meetings and training programs for employees on ESG policies and practices.	Full	Stakeholder Engagement and Materiality Analysis (White collar employees contributed by participating in sustainability strategy survey.)

Category	Principle Name and Code	Principle Explanation	Compliance Status	Explanation
Social (continued)	C2. Stakeholders, International Standards, and Initiatives	Carries out its activities in the field of sustainability by considering the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society, and non-governmental organizations, etc.).	Full	Stakeholder Engagement and Materiality Analysis (Our customers contributed by participating in sustainability strategy survey.)
		Regulates and publicly discloses a customer satisfaction policy regarding the management and resolution of customer complaints.	Full	Customer Management System Policy
		Conducts stakeholder communication continuously and transparently; announces which stakeholders, for what purpose, on what issue and how often it communicates and the developments in sustainability activities.	Full	Stakeholder Communication Platforms
		Publicly discloses the international reporting standards it has adopted (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD) etc.)	Full	2021 Integrated Report prepared according to GRI Core Level.
		Announces the international organizations or principles of which it is a signatory or member (Equator Principles, United Nations Environment Programme Finance Initiative (UNEP-FI), United Nations Global Principles (UNGC), United Nations Principles for Responsible Investment (UNPRI) etc.), the international principles it has adopted (such as the International Capital Markets Association (ICMA) Green / Sustainable Bond Principles) to the public.	Full	We are not a signatory to the listed institutions. Voluntary member of Ellen Mac Arthur Foundation.
		Makes concrete efforts to be included in Borsa Istanbul Sustainability Index and international sustainability indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, etc.)	Full	We plan to apply for BIST index assessments in 2022.
Corporate Governance	D. Corporate Governance Principles	Exerts maximum effort to comply with all Corporate Governance principles as well as the mandatory Corporate Governance principles within the scope of the Capital Markets Board Corporate Governance Communiqué numbered II-17.1.	Full	We prepare Corporate Governance Report.
		Considers the sustainability issue, the environmental impacts of its activities and the principles in this regard while determining its corporate governance strategy	Full	We prepare Corporate Governance Report
		As stated in the Corporate Governance Principles, it takes the necessary measures to comply with the principles regarding the stakeholders and to strengthen the communication with the stakeholders. Applies to the opinions of stakeholders in determining measures and strategies in the field of sustainability.	Full	We prepare Corporate Governance Report
		Works on raising awareness about sustainability and its importance through social responsibility projects, awareness activities and trainings.	Full	Training and Development
		Strives to become a member of international standards and initiatives on sustainability and to contribute to studies.	Full	We are a member of Ellen Mac Arthur Foundation.
		Announces the policies and programs for anti-bribery and anti-corruption in terms of the principle of tax integrity.	Full	We provide training in Anti-bribery and anti-corruption. Denunciations can be made to ethics line and resolved by ethics committee.

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