MAVİ GİYİM SANAYİ VE TİCARET A.Ş. - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Mavi, incorporated in 1991 in Istanbul, is today recognized as a highly successful global lifestyle brand with strong denim roots. With presence in 33 countries including Turkey, USA, Canada, Germany, Russia and Australia, Mavi sells its products through approximately 4,500 points including 439 Mavi shops.

The Perfect Fit philosophy guides Mavi in designing the jeans that perfectly fit the lifestyles, body types and quality expectations of its customers. Mavi ranks among the world's leading premium denim brands. The denim category accounts for 42% of Mavi's global sales and lifestyle apparel for 58%.

Mavi runs an omnichannel model, selling its products through a directly operated retail network with stores located in major international fashion centers, as well as department stores and online retailers including Bloomingdale's, Nordstrom, Simons, Amazon, Zappos.com, Zalando.com, and David Jones. In 2020, 58% of revenues came from retail, with wholesale accounting for 29% and e-commerce 13% of sales.

Mavi's global strategy, All Blue, is built on 'sustainable growth through quality' and focused on people, nature, innovation, digitalization, and efficiency to drive the brand forward with a dynamic structure. Mavi works passionately to develop the world's best and most innovative jeans while keeping its focus on 'quality' for sustainable growth. Driven by respect for people, passion for innovation, and focus on data and efficiency in operations, Mavi is synonymous with quality.

Mavi's trusted brand image translates into high quality and strong pricing power with products positioned between the upper-end of the 'core' and the 'premium' segment of the ready-to-wear market. The loyalty program Kartuş, recognized as Turkey's best-in-class with 8.1 million members, serves as a key tool for Mavi to analyze and leverage customer data. With approximately 5.1 million members active in the last two years, Kartuş loyalty card is used in 75% of the retail transactions in Turkey.

Mavi has a unique brand position with fashion-savvy, young adult customers and collaborates with top local and international celebrities in its marketing communications. As a leading denim brand, Mavi shapes its communication strategies to align with its product development expertise and customer data.

With 4,060 employees globally, Mavi is recognized as an employer of choice by several rating platforms.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	February 1 2020	January 31 2021	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Austria
Belgium
Canada
Czechia
Germany
Russian Federation
Switzerland
Turkey
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	Our CEO and CBO are both members of Mavi Sustainability Committee and The Approval Committee. Established and authorized by the Board of Directors, Mavi Sustainability Committee was founded to fulfil the duties of defining the sustainability strategy of Mavi, covering environmental, social and governance (ESG) aspects, and implementing, monitoring, overseeing, reviewing, enhancing, and developing sustainability policy, goals and practices. The Committee reports to the Board of Directors. The Approval Committee, formed within the Sustainability Committee, consists of six members: Chief Executive Officer (CEO), Chief Brand Officer (CBO), Chief Marketing Officer (CMO), Chief Purchasing and Supply Chain Officer, Chief Human Resources Officer (CHRO), and Chief Financial Officer (CFO). The Approval Committee gives the final approval for the projects presented by the sustainability working groups. In 2020, our CEO and CBO announced the formation of Mavi Sustainability Committee and six associated working groups, each focusing a different aspect of Mavi's sustainability journey. The Environment Working group is responsible for our climate strategy, projects, targets and risk assessments.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies	<Not Applicable>	The Sustainability Committee convenes at least twice a year as needed. The Committee Head issues the call to meeting and determines the agenda items to be discussed. The Committee convenes with the absolute majority of the members in attendance. The Committee reports to the Board of Directors.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The CEO is responsible for the company's strategic vision, which includes global product and market strategy. He also oversees day to day management of the company's product procurement, recruitment of senior level management, marketing direction, sales strategy, and investor relations. All of these divisions of Mavi's business are related with climate change and thus responsibility of managing the environmental factor for these business divisions is assigned to the CEO as the highest executive in the corporate management of the company.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	In 2019, Mavi commenced its sustainability transformation and renewed its Remuneration Policy with a view to encouraging the achievement of the Company's short- and long-term goals and ensuring sustainable performance. The new Remuneration Policy, which allows a performance-based long-term (3 year) incentive grant for executives with administrative responsibilities, is still in the planning stage.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction project Efficiency project Efficiency target Behavior change related indicator Supply chain engagement	

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	6	
Long-term	6	12	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Mavi defines substantive financial or strategic impacts as impacts of such magnitude that may jeopardize Mavi's existence, development and especially, continuity.

The major risks that the company is exposed to are categorized under four main headings: financial risks (exchange rate, liquidity, loans, interest rates and commodity prices), reputation risks, operational and strategic risks, and legal risks. The Early Identification of Risk Committee and the Board of Directors are periodically briefed about such risks. Climate change-related risk definitions are available in the financial, reputation and operational and strategic risk headings.

The main risk headings with their associated quantifiable indicators are as follows:

Financial risks: % increase in sustainable raw material costs due to chronic physical effects of climate change and rising demand for said materials

Strategic and Operational risks: % loss in manufacturer capacity due to acute effects of climate change such as natural disasters

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Mavi has established an Early Identification of Risk Committee under its Board of Directors. The Committee identifies the risks that may jeopardize the Company's existence, development and continuity ahead of time, thereby supporting the Board of Directors' implementation of risk-mitigation and management measures. The Committee reports to the Board of Directors at each meeting of the Board, and the Company forwards these reports to the independent auditors. The Board of Directors regularly assesses the risks that the Company faces based on the information provided by the Committee. Responsibility for the management and reporting of risks is supervised by the CFO in coordination with other departments. The risks are prioritized according to periodical reports at the meetings, and action plans and responsible departments are determined, and monitored with Critical Risk Indicators. The principal risks that the company is exposed to are categorized and followed under four main headings: financial risks, reputation risks, strategic and operational risks, and legal risks. Climate change-related risk definitions are available in financial, reputation and operational and strategic risk headings. Physical and transitional risks related to climate change are explored under specific risk definitions within the four main headings. Risk assessment has revealed that costs associated with sustainable raw materials such as organic cotton, recycled cotton and Tencel keep increasing and supply for these materials are limited as more and more apparel companies are transforming their production to tackle climate change. To manage this risk, we are monitoring the percentage increase of sustainable raw material costs due to chronic physical effects of climate change and rising demand for said materials as a transition to a low carbon economy risk. Another risk that is revealed through our risk assessment is related to the acute effects of climate change. Increased chance and frequency of natural disasters can physically damage our supply chain's capacity to manufacture our products. To manage this risk, we are monitoring the percentage loss of the manufacturers' capacity due to acute effects of climate change such as natural disasters as a physical risk of climate change.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Mavi monitors and complies with all applicable regulations relevant to its operations. In Turkey, there is a greenhouse gas monitoring regulation in place since 2014. However, Mavi does not participate in any business activity that is subject to this regulation. Mavi's business does not involve any energy intensive processes. Regulation risks are assessed as part of our Corporate Risk Management activities.
Emerging regulation	Relevant, always included	Emerging regulations related to climate change and their associated risks can directly affect our costs and the way we do business across the markets where we operate. We always monitor upcoming regulations and comply with them accordingly. We are especially observing "European Green Deal", which was first presented in December 2019, and its "Carbon Border Adjustment Mechanism" since it can directly influence our European sales performance. Regulation risks are assessed as part of our Corporate Risk Management activities.
Technology	Relevant, always included	We always monitor innovations in our field of business. Our suppliers, especially denim fabric and blue jeans manufacturers that we work with provide us with industry leading technologies. Mavi collaborates with denim fabric manufacturers for product development and innovations. Mavi's innovation-based premium products in the denim sector is a major reason that elevates Mavi to the top segment of the international jeans market. Technology risks are assessed as part of our Corporate Risk Management activities.
Legal	Relevant, always included	Mavi monitors the legal requirements related to climate change in the markets where it operates. We have not been subjected to any legal litigation related to climate change. Legal risks are assessed as part of our Corporate Risk Management activities.
Market	Relevant, always included	Our customers' awareness on climate change is increasing day by day. At Mavi, we closely follow the market risks associated with climate change, and our sustainable collection "All Blue" was created as a measure to respond to this trend. Our competition is very active in communicating their sustainability efforts. Thus, Mavi has been increasing its frequency of product development and marketing efforts to stay ahead of the competition. The fabrics used in our products are made from cotton, synthetic fibers, and wool. All of these materials' production cycles can be affected by climate change, which can influence our costs and thus our market positioning. Market risks are assessed as part of our Corporate Risk Management activities.
Reputation	Relevant, always included	Mavi is a leading love brand in Turkey. Our customers' trust and perception is of utmost importance and defines the way we do our business. Our materiality assessment in 2019 revealed that climate change is a "very high priority" among our stakeholders. Failing to prove our commitment to fighting climate change could result in negative publicity and threaten our brand positioning. Mavi's utmost priority is to gain new customers, mainly from the younger generations. To stay relevant with our young customer base, Mavi will continue to develop and communicate its climate efforts and new sustainable product categories. Reputation risks are assessed as part of our Corporate Risk Management activities.
Acute physical	Relevant, always included	Climate-related acute physical risk is relevant to Mavi's business. Climate change alters characteristics of the atmosphere and can cause previously unseen extreme weather events. In recent years, Turkey has experienced such weather events in the form of hail and heavy rain. Many farmers lost their crops due to these events. Mavi can face disturbance in its supply chain if an extreme weather event disables a key supplier. Acute physical risks are assessed as part of our Corporate Risk Management activities.
Chronic physical	Relevant, always included	Atmospheric alterations caused by climate change can drastically effect agriculture through water supply in Turkey. OECD considers Turkey among the countries that have a future agricultural water risk. Our products and supply chain rely on agricultural products. Chronic changes in agricultural environment can drastically change our supply chain and costs. Chronic physical risks are assessed as part of our Corporate Risk Management activities.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Chronic physical	Rising mean temperatures

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
As a global lifestyle brand with strong denim roots, Mavi's product portfolio is largely dependent on commodities and materials that are affected by climate change. Textile products account for more than 90% of Mavi's revenues. OECD considers Turkey among the countries with a future agricultural water risk. At Mavi, nearly 80% of the entire collection is sourced locally from Turkey. Rising mean temperatures could exacerbate the water availability problem in Turkey and directly affect Mavi's supply chain and increase its costs and thus, reduce Mavi's competitiveness.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
6000000

Potential financial impact figure – maximum (currency)
10000000

Explanation of financial impact figure
The potential financial impact figures are calculated by considering 10 to 20% material cost increase for our sustainable products due to climate change.

Cost of response to risk
35000

Description of response and explanation of cost calculation
Cost of response to risk accounts for the cost of the audit mechanism required to obtain Organic Content Standard and Recycled Content Standard.

Comment
We are actively exploring certificates and capacity mechanisms regarding procurement of sustainable materials. Although it does not cover our full product portfolio, we have invested in Organic Content Standard and Recycled Content standard. Now Mavi can label its products with these certificates.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Competition in the apparel and lifestyle markets is getting more intense day by day. At Mavi, we should address the rising awareness of climate-related issues by showing our customers we are committed to reducing ours and by extension, their environmental impact. Failing to take actions to combat climate change and show our commitment to our customers could result in reduced demand for our products and decrease our revenues. To address the need for sustainable products, we have launched our most sustainable collection "All Blue," which includes products made with more efficient processes and manufactured with more sustainable materials.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
120100000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
It is quite difficult to estimate an accurate financial figure for the risk of losing revenues due to changing customer behavior, driven by heightened awareness of climate change. A 5% decrease in sales due to reduced demand means losing approximately TRY 120 million in revenues.

Cost of response to risk
800000

Description of response and explanation of cost calculation
The amount given for cost of response to risk represents payments made to three specialist employees who can research and innovate to create our All Blue collection.

Comment
All Blue represents the expertise and mastery of Mavi for creating new, innovative and sustainable products. The All Blue collection more than doubled in scope and product variety in 2020. The denim products in the All Blue collection are made with innovative techniques, consuming less water and energy, and each pair of jeans is also all-vegan.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Emerging regulations related to climate change and their associated risks can directly affect our costs and the way we do business across the markets where we operate. In the future, Mavi may be subject to a carbon tax. At Mavi, we are taking steps to reduce our burden on the environment and increase our resilience to emerging regulations by incorporating sustainability practices across our value chain.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
6550970

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Most carbon tax policies are applied to energy and carbon intensive sectors and processes that rely on fossil fuels. Mavi's business does not require any energy or emission intensive processes. To calculate an estimate for potential financial impact, 53 EUR per ton of carbon dioxide equivalent emissions is assumed. Only Scope 1 and Scope 2 emissions (15450.4 ton CO2 eq.) were assumed to be taxed. (1 EUR = 8 TRY)

Cost of response to risk
3400000

Description of response and explanation of cost calculation
The amount presented accounts for the cost of procuring renewable (wind) electricity across 101 Mavi stores and our head office in Istanbul, Turkey.

Comment
To reduce our Scope 2 emissions, we've started procuring renewable electricity in 2020. 101 Mavi stores and the head office in Turkey are now powered by electricity generated with wind farms.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Competition in the apparel and lifestyle markets is getting more intense day by day. At Mavi, we should address the rising awareness of climate-related issues by showing our customers that we are committed to reducing ours and by extension, their environmental impact. Showing our commitment to our customers could result in increased sales. To address the need for sustainable products, we have launched our most sustainable collection "All Blue," which includes products made with more efficient processes and manufactured with more sustainable materials.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
240000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
It is quite difficult to estimate an accurate financial figure for the opportunity of gaining revenues due to changing customer behavior, driven by heightened awareness of climate change. A 10% increase in sales due to higher demand means gaining approximately TRY 240 million in revenues.

Cost to realize opportunity
800000

Strategy to realize opportunity and explanation of cost calculation
The amount given for cost of response to risk represents payments made to three specialist employees, who can research and innovate to create our All Blue collection.

Comment
All Blue represents the expertise and mastery of Mavi for creating new, innovative and sustainable products. The All Blue collection more than doubled in scope and product variety in 2020. The denim products in the All Blue collection are made with innovative techniques, consuming less water and energy, and each pair of jeans is also all-vegan.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resilience

Primary climate-related opportunity driver
Participation in renewable energy programs and adoption of energy-efficiency measures

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Mavi operates 320 retail stores in Turkey. Energy consumed by Mavi's stores creates a discernible cost and carbon emissions. In August 2020, we signed a renewable energy purchasing agreement to use electricity from renewable sources where possible. As of January 2021, wind energy is used at the head office and 101 Mavi stores in Turkey, where electricity meters are controlled by Mavi. Seven franchisees also voluntarily chose to source their energy from wind farms.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
728627

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
With our renewable electricity purchasing agreement, we are saving TRY 0.15 per kWh compared to purchasing from grid. The amount in financial impact section accounts for the savings from purchasing 4.9 million kWh of electricity for the 6 months from August 2020 to February 2021.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
No extra costs were paid to realize this opportunity. In fact, this opportunity brought cost savings from our electricity purchases.

Comment
This opportunity did not require an additional investment. The value "0" is valid.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Upstream

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient production and distribution processes

Primary potential financial impact
Reduced direct costs

Company-specific description
Mavi reuses 65% of the cardboard boxes that manufacturers use for delivery of Mavi's products. This enables us to avoid using 912 tonnes of cardboard boxes. Reusing cardboard boxes also create cost savings.

Time horizon
Long-term

Likelihood
Virtually certain

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
5075495

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Aside from reducing our material use and carbon footprint, reducing our cardboard box usage by 65% creates approximately TRY 5 million in savings. The financial impact is calculated based on the elimination of 912 tonnes of cardboard box, which cost TRY 5,561 per ton.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
No extra costs were paid to realize this opportunity. In fact, this opportunity brought cost savings from packaging purchases.

Comment
This opportunity did not require an additional investment. The value "0" is valid.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	Yes, in the next two years	No, we do not intend to include it as a scheduled AGM resolution item	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.2b

(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?

At Mavi, we began our sustainability transformation in 2019 with the launch of our global sustainability strategy "All blue". Our first greenhouse gas (GHG) inventory was prepared for 2019. We are shaping our internal reporting and data procedures to facilitate future GHG inventory preparation cycles. For instance, we installed smart electricity meters in all our stores in Turkey. Now we can monitor and report electricity consumption accurately even for the stores where we do not have the operational control of metering systems.

In CDP 2020, our GHG inventory only contained emissions from our operations in Turkey. This year, in CDP 2021, we are proud to report emissions from all countries where we have active operations. We aim to finalize our data collection procedures so that we can generate reliable, comparable annual data to prepare comparable annual GHG inventories.

After finalizing our data collection procedures, we are planning to use climate-related scenario analysis to set a science-based target for our activities and initiate a low-carbon transition plan to reduce our carbon footprint.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Mavi entered its sustainability transformation with the launch of its "All Blue" strategy. Our materiality assessment, which is being used as a guide to develop our sustainability strategy, revealed that climate change is a very high priority topic. As a leading global lifestyle brand, our reputation is of utmost importance to us. At Mavi, we should address the rising awareness of climate-related issues by showing our customers that we are committed to reducing ours and by extension, their environmental impact. To address the need for sustainable products, we have launched our most sustainable collection "All Blue" in 2019. With the All Blue collection, our strategy is to introduce products with lower environmental impact to the markets where we operate. We aim to expand the scope and product selection of the collection. The collection was initially offered to the North American and Turkish markets with a focus on women's denim. It is now offered in all the markets where we operate. It includes products made with more efficient processes and manufactured with more sustainable materials. These sustainable materials such as Tencel, organic cotton, and recycled cotton have lower carbon impact compared to conventional materials. In 2019, the All Blue collection had a revenue share of 1.94% in Turkey and 3.42% share in Global operations. In 2020, the collection marked significant success and its share in revenues rose to 4.71% in Turkey and 6.07% in Global operations. Revenues generated by All Blue collection grew by 39.1% year on year. We aim to increase the share of All Blue collection throughout Mavi's product portfolio year by year. In Fall 2020, All Blue collection doubled in scope and product variety. In the mid-term (3-6 years) we are planning to announce a climate-related target that aligns with our products and services. We will commit to ensuring that a considerable percentage of our strategic product portfolio is more sustainable and has lower impact.
Supply chain and/or value chain	Yes	Responsible sourcing strategies and actions play a key role in managing a sustainable value chain. With our All Blue strategy, we continue to introduce innovative, comprehensive, and sustainable practices to monitor the social, environmental and economic performance of stakeholders across the entire supply chain. Our strategy is to first understand, assess and then guide our supply chain partners to reduce our shared environmental burdens. To better understand our supply chain in terms of environmental performance, we introduced our "Supplier Self-Assessment Questionnaire". The questionnaire has questions regarding energy efficiency, energy sources used, greenhouse gas emissions, awareness on climate change and any other practices that our suppliers conduct in order to reduce their climate impact. The questionnaire had a total of 160 questions and was shared with all of our 115 tier 1 and 289 tier 2 suppliers. In the short term we aim to introduce environmental audits to our supply chain to improve the reliability of the environmental data provided by our suppliers. In the mid-term we aim to introduce incentives to suppliers that are exemplary in terms of their environmental performance. With our All Blue strategy we aim to become a transformative force across our entire supply chain. ERAK and TAYEKS, our two major suppliers that account for nearly 75% of the denim have practices in place to improve energy efficiency and water use. In 2020, ERAK consumed 26% less water and 24% less energy year-on-year while laser and sustainable washes and treatments accounted for 54% of denim production, thanks to the upgraded machinery park. The heat, hot water and steam generated during the production process (especially in washing and drying machines) are reused in the facility, ensuring efficient energy use and lower carbon impact in production.
Investment in R&D	Yes	At Mavi, our R&D activities and investments are focused on product design. Our strategy is to introduce innovative and attractive products to the markets that we operate in. As a leading global lifestyle brand, our reputation is of utmost importance to us. At Mavi, we should address the rising awareness of climate-related issues by showing our customers that we are committed to reducing ours and by extension, their environmental impact. Our strategy is to develop and design sustainable products that are also profitable. Major efforts and investments were made around designing with lower impact fabrics and fibers. In 2020, our design team increased the use of organic and recycled cotton. They also introduced denim products, manufactured with upcycled fabrics. Our strategy is to make sustainable denim a norm, not a premium exception. In the short-, medium- and long-term, we will keep increasing our sustainable product portfolio.
Operations	Yes	Climate-related risks influenced us to seek renewable energy use through our operations. They have also motivated us to increase material and energy efficiency. Aiming to reduce the environmental impact and in particular the carbon emissions of its stores, we designed a sustainable store concept and opened our first eco-store at the Zorlu Shopping Mall. The store, featuring an architectural design focused on consuming less energy and using less raw material, was built with materials with sustainability and greenhouse gas emission certifications. Drawing from the efficiency results of this store, an eco-store, built with 30% less raw material, consumes 25% less energy and 20% less water than a standard Mavi store. In the short-term we aim to increase the number of eco-stores. Mavi continually monitors opportunities to improve operations in terms of sustainability and efficiency. We introduced renewable electricity purchasing agreements for our stores where we can choose our electricity provider. With these agreements 101 of our stores and our head office now operate on wind electricity. We implemented energy efficiency measures like the installation of LED fixtures to replace conventional spot lightings and the installation of smart energy monitoring systems. These measures reduce our indirect costs and our carbon footprint. In the medium-term (3 to 6 years) we aim to introduce renewable electricity purchasing agreements to our offices, warehouses and showrooms within other markets that we operate.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs	With the introduction of our lesser impact, sustainable All Blue collections, our revenues increased. All Blue collection had a revenue share of 1.94% in Turkey and 3.42% share in 2019 Global operations. In 2020, the collection marked significant success and its share in revenues rose to 4.71% in Turkey and 6.07% in Global operations. Performance of All Blue collection influenced us to increase the scope and variety of the collection. We are investing more and more on sustainable materials through our suppliers and we are introducing new types of lesser impact products such as products prepared with upcycled materials. Our direct costs, especially the costs associated with lesser impact materials are increasing. In the mid-term (3 to 6 years) we are planning to introduce new investments to secure sustainable material supply capacity. Our most recent investment was the adoption of Organic Content Standard (OCS) and Recycled Content Standard (RCS). With this investment, we can label our products with OCS and RCS certificates. Climate-related risks and opportunities heavily influenced our financial planning regarding our indirect/operating costs. We invested TRY 1.2 million to transform one of our flagship stores to an eco-store that is built with 30% less material and consume 25% less energy. Additional we invested TRY 955 thousand for the installation of smart metering systems that increase energy efficiency through all of our stores in Turkey. In the short term (0 to 3 years) we aim to increase the number of stores that are converted to eco-stores.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a target in the next two years	We don't expect a major change in our Scope 1 emissions within the next five years. Scope 1 includes impacts related to our vehicle use and natural gas use in our offices. We don't have any measures to reduce these emissions at the moment. An increase between 0-5% is possible within the next 5 years relating to company growth. On Scope 2, we are actively taking actions to reduce our impact. In 2020, 101 stores in Turkey and our head office operated on renewable electricity for 6 months (August to January). These stores will continue to operate on renewable electricity for years to come. We can expect approximately 20% reduction in Scope 2 emissions considering these 101 stores and head office will operate on renewable electricity all the time. Our Scope 3 will increase because it is not complete as it is. The overwhelming majority of our Scope 3 emissions emerge from Purchased goods and services. Last year, we only accounted for denim products within the purchased goods and services category. This year we included the embodied carbon emissions for all raw materials that we use. We can expect that Scope 3 emissions will double within the next 5 years when we account for the remaning impact associated with manufacturing for all of our products.	Mavi began its sustainability transformation in 2019 with the launch of our global sustainability strategy “All blue”. Our first greenhouse gas (GHG) inventory was prepared for 2019. We are shaping our internal reporting and data procedures to facilitate future GHG inventory preparation cycles. For instance, we installed smart electricity meters in all of our stores in Turkey. Now we can monitor and report electricity consumption accurately even for the stores where we do not have the operational control of metering systems. In CDP 2020, our GHG inventory only contained emissions from our operations in Turkey. This year, in CDP 2021, we are proud to report emissions from all countries where we have active operations. We also increased our scope and added additional emission sources like logistics and increased detail on purchased products and services via improved LCA studies. We aim to finalize our data collection procedures so that we can generate reliable, comparable annual data to prepare comparable annual GHG inventories. Once we gather sufficient year-on-year comparable data, we aim to introduce an emissions target. Also, within the next two years, we are planning to implement a Science-based Target.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	
To be implemented*	0	0
Implementation commenced*	1	880
Implemented*	1	2348
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption	Wind

Estimated annual CO2e savings (metric tonnes CO2e)
2348

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
728627

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	
Financial optimization calculations	

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Group of products

Description of product/Group of products
Mavi All Blue collection offers products made with more efficient processes and manufactured with more sustainable materials. The materials include upcycled fabrics, recycled cotton, Tencel, and organic cotton. The products in the All Blue collection are designed to address growing awareness of the environmental impacts of textile products. These products have lower emissions compared to our conventional products.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (LCA Data)

% revenue from low carbon product(s) in the reporting year
6.07

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Mavi is aiming to increase its use of sustainable, low-carbon fibers like recycled cotton, Tencel from Lenzing, and organic cotton. Recycled cotton generates approximately 80% to 90% lower emissions than virgin cotton. (Source: "LCA on Recycling Cotton", Marcus Wendin, 2016). According to an LCA study for man-made cellulose fibers, Tencel is almost carbon neutral. (Source: Life Cycle Assessment of man-made cellulose fibers, Li Shen & Martin Kumar Patel, 2010). According to Textile Exchange's LCA study on organic cotton, organic cotton provides a potential global warming saving of 46% compared to conventional cotton. (Source: "The Life Cycle Assessment of Organic Cotton Fiber - A Global Average", Textile Exchange, 2014). Upcycled fabrics reduce the need to produce new fabrics and with this attribute, reduces the overall climate impact of products. In 2020, sustainable products had a share of 6.07% in global revenues and 4.71% in Turkey revenues.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
February 1 2020

Base year end
January 31 2021

Base year emissions (metric tons CO2e)
773.9

Comment
Due to changes in methodology and expansion of scope, we decided to update our base year emissions. This year's emissions and base year emissions are the same.

Scope 2 (location-based)

Base year start
February 1 2020

Base year end
January 31 2021

Base year emissions (metric tons CO2e)
17024.7

Comment
Due to changes in methodology and expansion of scope, we decided to update our base year emissions. This year's emissions and base year emissions are the same.

Scope 2 (market-based)

Base year start
February 1 2020

Base year end
January 31 2021

Base year emissions (metric tons CO2e)
14676.6

Comment
Due to changes in methodology and expansion of scope, we decided to update our base year emissions. This year's emissions and base year emissions are the same.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
Other, please specify (Energy Policies of IEA Countries – Turkey 2016 Review, Climate Transparency 2019 Report, EPA eGRID2018 March 2020, Canada's submission to the UN Framework Convention on Climate Change (2019))

C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The emission factor to calculate Scope 2 purchased grid electricity emissions for Turkey were obtained from Energy Policies of IEA Countries – Turkey 2016 Review. The factor is 0.478 CO2 eq. / kWh The emission factors for purchased grid electricity for United States (New York: 0.271 kg CO2 eq. / kWh, New Jersey: 0.327 kg CO2 eq. / kWh) were taken from EPA Emission Factors (eGRID2018 March 2020. The emission factors for purchased grid electricity for Germany (0.38 kg CO2 eq. / kWh), Switzerland (0.01 kg CO2 eq. / kWh), Austria (0.13 kg CO2 eq. / kWh), Czechia (0.54 kg CO2 eq. / kWh) and Belgium (0, 15 kg CO2 eq. / kWh) were taken from Association of Issuing Bodies (AIB) 2019 European Residual Mix Factors. Version 1. The emission factors for purchased grid electricity for Canada (Vancouver: (0.012 kg CO2 eq. / kWh), Montreal: 0,001 kg CO2 eq. /kWH, Toronto: 0,029 kg CO2 eq. / kWh) are taken from Canada's submission to the UN Framework Convention on Climate Change (2019).

For calculations, if data for a specific location such as a store, warehouse or showroom was missing, the average consumptions per unit area obtained from other locations where data is available are used.

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
773.9

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Gross global Scope 1 emissions include natural gas use and fuel consumption for vehicles at all Mavi locations (Turkey, United States, Canada, Europe and Russia). For calculation, if data for a specific location such as a store, warehouse or showroom was missing, the average consumptions per unit area obtained from other locations where data is available are used.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
Scope 2 emissions include electricity use for all Mavi locations (Turkey, United States, Canada, Europe, and Russia) and district heating use for Mavi Canada and Mavi Russia. For calculation, if data for a specific location such as a store, warehouse or showroom was missing, the average consumptions per unit area obtained from other locations where data is available are used. Market based emissions include reduced emissions due to renewable energy purchases for stores and head office in Turkey.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
17024.7

Scope 2, market-based (if applicable)
14676.6

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Market based emissions include reduced emissions due to renewable energy purchases for stores and head office in Turkey. Based on obtained monthly IREC certificates, wind energy's emission factor was taken as 0 kg CO2 / kWh.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
87742

Emissions calculation methodology
Emission amount given accounts for the embodied carbon emissions for 99% by mass of Mavi's material footprint and Mavi's jean production (cradle to gate, excluding raw materials transport). Only the embodied carbon for fibres, raw materials for man made fibres and other raw materials are accounted for non-denim products. Non-denim products' impacts stemming from yarn, fabric and manufacturing processes are not included. Emission factors are derived from internal LCA results obtained using Ecoinvent database.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
45

Please explain
The percentage belongs to impact of jeans sold in 2020. The fabrics used in the denim orders of 2019 were analyzed in detail and 50 fabrics that constitute more than 50% of the fabric consumption were identified. Then, 12 domestic and international suppliers that produced these 50 fabrics were contacted to obtain their data and to build life cycle inventories. Next, 70 products that best represent these fabrics were identified and the life cycle inventory of these products was created on the garment side in collaboration with ERAK, Mavi's strategic business partner that supplies 70% of the denim production. Using information compiled in the inventory information, the environmental effects, including Global Warming Potential (Carbon Footprint), Eutrophication, Acidification, Ozone Layer Depletion, Photochemical Oxidation, Cumulative Energy Demand, and Water Consumption during the manufacturing production processes of 42 selected Mavi products were calculated. The impacts of these 42 products are used to calculate and average carbon factor for men's' and women's jeans.

Capital goods

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Mavi does not own any production or logistics facilities which constitutes capital. Thus, this category is negligible.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1818.8

Emissions calculation methodology
The value given accounts for the emissions related to transmission and distribution (T&D) losses of Mavi's electricity use.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
T&D loss percentages are taken as 14.5% for Turkey, 10% for Russia, 4% for Germany, 5% for Austria, 7% for Switzerland, 5% for Belgium and 5% Czechia (World Bank). For US, T&D factor of 0.0097 kg CO2 eq. / kWh was used for New York and 0.0117 kg CO2 eq. / kWh for New Jersey. For Canada, T&D factor of 0.0005 kg CO2 eq. / kWh for Vancouver, 0.0004 kg CO2 eq. / kWh for Montreal and 0.001 kg CO2 eq. / kWh for Toronto were used. (EPA and Canada's submission to UN Framework Convention on Climate Change).

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
2194

Emissions calculation methodology
DEFRA 2021 factors used for road, sea and air transport. HGV (All Diesel) - All Rigids - Average Laden (0.2078 kg CO2 eq. per tonne.km) is used for road transport emission calculations. Sea tanker - Products tanker - average (0.009034 kg CO2 eq. per tonne.km) is used for sea transport emission calculations. Finally, Freight flights - International - Direct effects of CO2, CH4, N2O only (0.53867 kg CO2 eq. per tonne.km) is used for air transport calculations.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
All data are taken from our logistics partners. Emissions include transport of Mavi's goods from Tier 1 suppliers to logistics centers both in Turkey and international operations. The emissions also include E-commerce deliveries in Turkey and transport of goods from logistics centers to stores in Turkey and Russia. The emissions are not complete as is, it lacks transport of international E-commerce sales, inter-country transport for EU, US and Canada, and international trade (logistic operation where the product does not enter Turkey at all). However, these transport activities compose a very small part of our logistics operations. We aim to disclose a complete upstream transportation and distribution emissions next year.

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
48.1

Emissions calculation methodology
DEFRA 2021 combustion, closed loop recycling and landfill emissions factors were used to calculate the emissions stemming from office waste, packaging waste and textiles waste.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
The emission figure includes emissions from office waste generated in Europe and Canada operations, all packaging released to market in Turkey (in accordance with Recovery Participation Share Regulation) and combustion of textile waste.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
201.3

Emissions calculation methodology
Calculated using DEFRA's Business travel -air conversion factors for 2021. Short-Haul Economy Class = 0.15102 kg CO eq per km. Short-Haul Business Class = 0.22652 kg CO2 eq. for per km. Medium-Haul Economy Class = 0.14787 kg CO2 eq. per km. Medium-Haul Business Class = 0.42882 kg CO2 eq. per km. Long-Haul Economy Class = 0.14625 kg CO2 eq. per km. Long Haul Business Class = 0.40781 kg CO2 eq. per km.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain
This category includes air travel related emissions for 2020. The short, medium and long-haul flights and business, economy classes were differentiated by using different conversion factors.

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
357.4

Emissions calculation methodology
Calculated using DEFRA's local bus conversion factor for 2020. 1 person.km with local bus = 0.11774 kg CO2 eq.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Mavi head office employees have access to personnel shuttles. The number of monthly shuttle users is available, and a daily distance of 25 km was assumed. This amount represents the climate change impact of the shuttle service offered to Mavi head office employees.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Mavi does not own or control any upstream leased assets. Therefore, this category is not relevant to Mavi's impact.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Mavi's stores are located in many different locations such as avenues, streets and shopping malls. It is difficult to obtain accurate data on transport occuring after a product is sold to calculate an adequate scenario for this category of impact.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Mavi's products does not require any additional processing after purchase, therefore this category is not relevant to Mavi's impact.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
It is difficult to obtain accurate data to assume a laundry and drying scenario that reflects our customers habits to calculate these emissions. Calculating laundry and drying scenario has a lower priority.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
It is difficult to obtain accurate data to estimate our customers behavior on disposal of our products. Calculating end of life treatment of our sold products has a lower priority.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Mavi does not own or control any downstream leased assets. Therefore this category is not relevant to Mavi's impact.

Franchises

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1118.4

Emissions calculation methodology
The emission factor used for this calculation is based on IEA's Energy Policies of IEA Countries - Turkey. (Emission Factor: 0.478 kg CO2 eq. / kWh) The amount accounts for the emissions related to the electricity use of franchise stores in Turkey.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
The emission values reflect the impact of electricity use for 66 Mavi franchise stores in Turkey. All electricity consumption amounts are taken from franchisees.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Impacts belonging to investments are not relevant to Mavi's business. Therefore, this category is not calculated.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No other upstream emissions are relevant to Mavi's business.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No other downstream emissions are relevant to Mavi's business.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.0000064

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
15450.44

Metric denominator
unit total revenue

Metric denominator: Unit total
2401808070

Scope 2 figure used
Market-based

% change from previous year
40

Direction of change
Decreased

Reason for change
Improved data accuracy for consumption values, use of renewable energy in 101 stores and Mavi head office, and reduction of energy consumption at stores during the COVID-19 lockdown days all contributed to the reduction of our intensity figure. We are still shaping our internal reporting and data procedures to facilitate future GHG inventory preparation cycles. For instance we installed smart electricity meters in all our stores in Turkey. Now we can monitor and report electricity consumption accurately even for the stores where we do not have the operational control of metering systems. In CDP 2020, our GHG inventory only contained emissions from our operations in Turkey. CDP 2020's intensity figure was calculated with emissions stemming from operations in Turkey as numerator and revenues generated in Turkey as denominator. This year, in CDP 2021, we are proud to report emissions from all countries where we have active operations. We also expanded our scope and added additional emission sources like logistics and increased detail on purchased products and services via improved LCA studies. We aim to finalize our data collection procedures so that we can generate reliable, comparable annual data to prepare comparable annual GHG inventories.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	765.6	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	0.405	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	7.88	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Turkey	542.6
United States of America	18.5
Europe	187.3
Canada	4.47
Russian Federation	21

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Natural gas use for heating and cooking	201.9
Fuel use by vehicles	572

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Turkey	12385.3	10037.2	25911	4912.4
United States of America	18.8	18.8	63.1	0
Europe	38.2	38.2	106.2	0
Canada	147.7	147.7	1017.2	0
Russian Federation	4434.6	4434.6	23720.9	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
District heating (natural gas)	4373.7	4373.7
Electricity consumption	12651	10302.9

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

This is our first year of reporting, so we cannot compare to last year

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Please select
Consumption of purchased or acquired cooling	Please select
Generation of electricity, heat, steam, or cooling	Please select

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	3626	3626
Consumption of purchased or acquired electricity	<Not Applicable>	4912	22027	26939
Consumption of purchased or acquired heat	<Not Applicable>	0	23879	23879
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	4912	49531	54444

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
1102

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.18316

Unit
kg CO2e per KWh

Emissions factor source
UK Government GHG Conversion Factors for Company Reporting (DEFRA 2021)

Comment

Fuels (excluding feedstocks)

Diesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
2374.2

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.51233

Unit
kg CO2e per liter

Emissions factor source
UK Government GHG Conversion Factors for Company Reporting (DEFRA 2021)

Comment

Fuels (excluding feedstocks)
Petrol

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
149.8

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.19352

Unit
kg CO2e per liter

Emissions factor source
UK Government GHG Conversion Factors for Company Reporting (DEFRA 2021)

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method
Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type
Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Turkey

MWh consumed accounted for at a zero emission factor
4912.4

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Mavi Reporting Principles_EE-ALL.pdf

Page/ section reference
Page 1-5

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
70

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Mavi Reporting Principles_EE-ALL.pdf

Page/ section reference
Page 1-5

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
73

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Mavi Reporting Principles_EE-ALL.pdf

Page/ section reference
Page 1-5

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
68

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Waste generated in operations

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Mavi Assurance Report_14.09.21.pdf

Page/section reference
1-5

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
87.5

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect climate change and carbon information at least annually from suppliers

% of suppliers by number
0.9

% total procurement spend (direct and indirect)
31.6

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
Mavi started Life Cycle Assessment (LCA) studies to identify the environmental impact of its products. As a denim-centric lifestyle brand, Mavi prioritized denim products in the LCA studies. Life cycle assessment involves calculating and reporting how a product, service, process, or activity affects the environment throughout its life using a specific methodology. This enables scientific calculation and reporting of the products' environmental impact across all the related production, shipping, consumer use, and waste disposal processes. This approach also facilitates the decision-making process by considering sustainability starting from the design stage of the product.

Impact of engagement, including measures of success
The fabrics used in the denim orders of 2019 were analyzed in detail and 50 fabrics that constitute more than 50% of the fabric consumption were identified. Then, 12 domestic and international suppliers that produced these 50 fabrics were contacted to obtain their data and to build life cycle inventories. Next, 70 products that best represent these fabrics were identified and the life cycle inventory of these products was created on the garment side in collaboration with ERAK, Mavi's strategic business partner that supplies 70% of the denim production. Using information compiled in the inventory information, the environmental effects, including Global Warming Potential (Carbon Footprint), Eutrophication, Acidification, Ozone Layer Depletion, Photochemical Oxidation, Cumulative Energy Demand, and Water Consumption during the manufacturing production processes of 42 selected Mavi products were calculated. It has been found out that although climate impact of fibers such organic cotton, recycled cotton and Tencel are clearly less than conventional fibers and fiber constitutes the majority of the climate impact of our products, the total climate impact is influenced by many factors including type of energy, design and wash types. The aim behind this engagement was to explore our products' environmental impacts. As a measure of success for this engagement we can state "Number of products that can be assessed environmentally via LCA studies". The number for this year is 42.

Comment
Thanks to LCA studies, the environmental effects can be analyzed in detail, drilled down to production stages, provided direction to the denim design and P&D teams to consider reducing environmental impact in their decision-making processes. With the results, Mavi can choose to eliminate high impact materials, processes and manufacturers.

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect climate change and carbon information at least annually from suppliers

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
Mavi is aware that the textile industry is undergoing a transformation with the impact of global trends, including climate change, changing consumer behavior, finite natural resources, technology, and digitization. So, Mavi approaches sustainability holistically and manages its material issues with a broad perspective including the related stakeholders. Thus, monitoring and development of sustainability performances of our suppliers are among our key priority areas. In line with this approach, we conducted a "Supplier Self-Assessment Survey" to monitor our suppliers' current situation on the important environment, social, and governance issues and to realize the necessary actions along this path.

Impact of engagement, including measures of success
The 160-question survey was shared with all of our 115 tier 1 and 289 tier 2 suppliers. We collected information about supplier's performance on the key sustainability issues such as GHG data and energy use, water, chemicals, waste, subcontractor management, health and safety, biodiversity, and sustainability management. The results of the survey provided us valuable information about our suppliers' performance on the sustainability issues. In the next step, the responses will be reviewed and every supplier will be scored in terms of their responses to the questions. After the evaluation of the responses, suppliers will be categorized according to their sustainability scores and will be monitored further based on their scores. We measure the success of this questionnaire by the percentage of suppliers that answered it. 55% of Tier 1 and 49% of our Tier 2 suppliers answered the Supplier Self Assessment Questionnaire.

Comment
At Mavi,, we believe that continuous monitoring of the activities to understand sustainability performance and detect the sustainability risks is crucial to have a holistic sustainability approach. So, the supplier self-assessment survey is an important dimension of our sustainability management.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
0

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
With the ongoing sustainability transformation, Mavi's sustainable All Blue collection, which also reflects Mavi's sustainable production and marketing strategy, more than doubled in scope and product variety in 2020. Recycled cotton, organic cotton, and upcycled materials are used in all denim pieces in the collection, which is produced with efficient washing methods that consume less water, causing less climate impact overall. The denim products developed with sustainable methods feature all-vegan materials and the labels are made from recycled paper. Mavi collaborated with its strategic partners ERAK and Taypa to use the e-flow technology to reduce water, energy, and chemicals consumption, laser technology that guarantees product standards, reduces the use of chemicals and protects the health of the employees, and an automated dosing system that eliminates faulty and excessive use of chemicals in washing due to manual processes. Our online, sales and marketing teams worked together to reinforce our brand image with sustainability. All Blue products' climate and environmentally friendly properties are displayed on product labels and are also shared on product pages within our E-Commerce website. Moreover, Mavi's "Eco-Friendly" collection features pieces made from eco-friendly cotton, organic cotton, and recycled yarn to protect soil, energy, and water resources. Featuring graphics that draw attention to environmental responsibility, this exclusive line continues to expand each season.

Impact of engagement, including measures of success
Mavi has many initiatives to serve the customers sustainable products. Our customers enjoyed the style and the environmental benefits provided by our All Blue and Eco-Friendly collections. All Blue collection had a revenue share of 1.94% in Turkey and 3.42% share in 2019 Global operations. In 2020, the collection marked significant success and its share in revenues rose to 4.71% in Turkey and 6.07% in Global operations. Revenues generated by the All Blue collection grew by 39.1% compared to last year. Our strategy was to introduce these sustainable collections with comparable pricing to our other products. Sustainable fashion should be the norm, not the premium exception. We engage and raise our customers' awareness by advertisements, campaigns in our communication channels.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Mavi believes in the power of collaboration to create a sustainable future. For this purpose, Mavi partnered with Coca-Cola and created The Coca Cola X Mavi Collection. The plastic bottles collected as part of the Kollekt initiative, launched as a pilot project in Kemer in cooperation with the Coca-Cola Foundation, Nature Conservation Center (DKM), and the United Nations Development Program (UNDP) to promote recycling through community engagement, found new life in the Coca-Cola X Mavi Collection. Featuring nine different T-shirts with various messages for respecting nature, the collection is made from recycled PET, cotton or 100% organic cotton.

We cooperated with our global partner Lenzing for Tencel's 25th anniversary. Environment-friendly TENCEL™ branded lyocell and modal fibers are obtained from renewable wood raw materials from sustainably managed forest areas. This cooperation is very valuable for us to create more sustainable products. Mavi is also one of the biggest supporters of TENCEL™'s #FindTheGoodOne environmental awareness campaign.

Another collaboration agreement was made with the Turkish streetwear brand Les Benjamins. Inspired by Mavi's 30 years of denim experience, a collection is created by combining Les Benjamins' signature rug motifs and urban lines with Mavi's mastery of jeans. The products in this collection will be made from organic, eco-friendly, recycled sustainable materials and manufactured with sustainable laser washes. The collection will launch in 2021.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?
No

C12.3g

(C12.3g) Why do you not engage with policy makers on climate-related issues?

We have an active engagement with a research organization on ecosystem conservation. As a Mediterranean fashion brand, Mavi has supported the activities of the Ecological Research Society (EKAD) with the Indigo Turtles project since 2014, helping to protect the endangered sea turtles. The aim of the project, which raises awareness about biodiversity, is to protect and ensure continuity of the Caretta caretta and Chelonia Mydas, two species of sea turtles native to the Mediterranean for 110 million years. EKAD, which focuses its activities on Belek, the largest nesting area in the Mediterranean, has helped over 800 thousand Caretta caretta make it to the sea in the last 21 years. We don't consider this project to be directly related to climate change.

We want to increase our leadership by taking an active role in climate-related issues, becoming a visionary company and offering sustainable products while decreasing our environmental impact . Public engagement is one of our long-term aims to reach that position.

We are currently exploring engagement options with public policy authorities on climate-related issues.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
MAVI FAALIYET RAPORU_2020_ENG.pdf

Page/Section reference
Pages 47-49, 75-79, 101, 107-111

Content elements
Governance
Risks & opportunities
Emissions figures

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	2401808070

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?
No

SC1.1