

mavi

2020

SUSTAINABILITY REPORT





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ABOUT THE REPORT

The first Sustainability Report of Mavi Giyim Sanayi ve Ticaret A.Ş. covers the sustainability performance of the company in the fiscal year from February 1, 2020 to January 31, 2021. The report provides information on the company's environmental, social, and governance activities based on Mavi's sustainability strategy "All Blue. All Better. For All." and the progress achieved in these areas.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards' "Core" option. In addition to the company's contribution to the United Nations Sustainable Development Goals (SDGs), the report also includes information on activities carried out in line with UN Global Compact (UNGC) and Women's Empowerment Principles (WEPs), both of which Mavi is a signatory.

To demonstrate Mavi's commitment to environmental performance as a material sustainability aspect, the Scope 1, Scope 2, and Scope 3 GHG emissions from the company's operations in Turkey have been independently assured in limited scope by PwC Turkey.

For all your questions, comments, and suggestions related to the report, please contact us at: sustainability@mavi.com

**All Blue.
All Better.
For All.**



CEO'S LETTER



Cüneyt Yavuz, CEO

As a leading global jeans brand with 30 years of denim expertise, we always look to the future, remaining passionately focused on the Mavi quality on our journey toward delivering the best.

Driven by our values and corporate culture, **we believe that a better world is possible with a better Mavi.** We take responsibility for sustainability and continue to innovate. Knowing that the steps we take together would lead to significant transformations, we accelerated our sustainability efforts with our All Blue approach, focusing on People, Planet, Community, and Denim in 2020.

Today, we are thrilled to present our first Sustainability Report and share our performance and commitments in this area with you.

While the last two years have primarily been shaped around the pandemic, this has also provided us as individuals and communities time to reflect on and realize the importance of sustainability for a better world.

We recognize that businesses, including our industry, need a sustainability transformation and understand that the responsibility to drive progress in this area falls on Mavi as a leading Turkish jeans and apparel brand. We believe that such a transformation can only be possible with the long-term efforts of organizations that manage their risks and opportunities effectively and focus on creating shared value.

We built our **All Blue** strategy on **sustainable growth through quality** with a focus on People, Planet, Community, and Denim. I am pleased to note that we made significant progress toward integrating sustainability into our corporate culture, vision, business practices, products, and growth targets this year. As our sustainability efforts gained more momentum in recent years, we defined our strategy with short-, medium- and long-term goals. With our commitment **"All Blue. All Better. For All."**, we invite all our stakeholders to accompany us on this transformation journey, which started with our employees. With this approach, we strive to do better every day and work for a better future for all. Furthermore, this strategy supports the United Nations Sustainable Development Goals and the United Nations Global Compact (UNGC) we have signed. In this report, you will see four pillars: **Better.Empower, Better.Protect, Better.Transform, and Better.Mobilize**, reflecting our efforts to empower, protect, transform, and mobilize.

We always draw strength from the people-oriented Mavi culture and **empower all our stakeholders across the value chain** to aim for the better. We provide a work environment where human rights are respected, and diversity and differences are embraced. As a signatory of the United Nations Women's Empowerment Principles (WEPs) and the 30% Club, we are committed to promoting gender equality. The female employment ratio currently stands at 54% and female representation on the Board at 33%, while women constitute 46% of all managers. As part of our commitments, we intend to improve these ratios further. Our sustainability-based principles and standards guide us in creating an inclusive and responsible value chain. For this purpose, we actively monitor the activities of our suppliers to achieve higher transparency and traceability. Furthermore, we contribute significantly to the national economy with a local supplier ratio of 80%.

Responsible production to protect nature is a top priority for us. Accordingly, we have committed to being a climate-positive company by 2050. As the first and only Turkish apparel brand to disclose its carbon footprint transparently, we submitted our report to the Climate Change Program, run by CDP (Carbon Disclosure Project), and received a score of B in environmental performance and A- in the Supplier Engagement Rating (SER), outperforming the global industry average. I am happy to share that we have been using renewable energy at our head office and more than a hundred stores since January 2021. Another example of our efforts in this area was opening our first highly energy-efficient eco store at the Zorlu Shopping Center in Istanbul. Moreover, the Life Cycle Assessment (LCA)

studies that we launched to analyze the environmental impact of our products guide us in determining the actions we will take to reduce our footprint.

Driven by innovation and technology, we transform denim and aim for our whole denim collection consists of sustainable All Blue products by 2030. This journey is already in motion, as our All Blue collection demonstrates. We created All Blue in response to consumer demand and designed eco-friendly, sustainable, and premium products focusing on the circular economy. As the collection grows in scope and variety, we drive change in consumption habits. All Blue is our most sustainable collection and the best representative of Mavi's denim innovation yet. All Blue products are made with organic, recycled, and upcycled materials and the manufacturing processes consume less energy, water, and chemicals. This year, we drove our All Blue sustainability strategy forward with the "Mavi Transformation Launched" narrative and launched the Mavi Pro Sport Repreve® line featuring products made from 593,750 recycled plastic bottles. With all these developments allowing us to use more and more sustainable raw materials, the All Blue collection doubled in scope year-on-year, capturing 39% sales growth, while the share of sustainable products in total revenues reached 6%.

We recognize that **the Mavi brand has the power to mobilize communities for social transformation**. We aim to empower youth and women by launching impact-driven and measurable social projects. Starting in 2025, we will allocate 1% of our EBITDA for social investments. Another target we have set is to reach 1 million people every year through projects aiming to raise sustainability awareness by expanding our positive social impact and placing our employees and customers at the heart of our efforts. Meanwhile, our exciting Indigo Turtles project is ongoing as we continue to protect biodiversity and raise awareness about the importance of volunteering. I am delighted to report that the number of hatchlings that made it to the sea exceeded 150,000 this year and tripled compared to the first year of the project, thanks to the team of experts at the Ecological Research Society and volunteers working tirelessly to save the sea turtles.

Long years of work to build a company with a solid foundation and robust financial management paid off during the pandemic. We know that managing the risks diligently and making data-driven decisions while remaining focused on sustainable, profitable growth and long-term goals is more crucial than ever. Consistently delivering successful financial results is a testament to this approach.

Mavi marked thirty years in 2021. We set out to write a unique brand story, and in defining Mavi, its values, and corporate culture, we always kept our focus on the horizon. Over the last three decades, we continued to update our goals and made strategic decisions to make our initial vision a reality.

Today, the world is so different from thirty years ago. We witnessed numerous changes in the economy, society, and our industry, navigated through many anticipated or unexpected challenges, and maximized our capability to adapt to the ever-evolving conditions.

Moving forward, the **"All Blue. All Better. For All."** strategy will guide our goals. I want to thank all our customers, suppliers, partners, shareholders, and especially our colleagues at Mavi for their contributions to our sustainability journey. I am pleased to present our first Sustainability Report, which provides an overview of our strategy and details about our ESG performance.

ABOUT MAVI

Mavi, incorporated in 1991 in Istanbul, is recognized as a highly successful **global lifestyle brand**, rooted in **30 years of denim expertise**. Mavi has been publicly traded since 2017 and has a presence in 33 countries, including Turkey, the USA, Canada, Germany, Russia, and Australia, selling its products through approximately 4,500 points, including 439 Mavi shops.

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 segments of the ready-to-wear market. **Perfect Fit** philosophy guides Mavi in designing jeans that perfectly fit its customers' lifestyles, body types, and quality expectations. Mavi ranks among the world's leading premium denim brands and stands apart as the preferred lifestyle brand across female and male consumer segments.

The loyalty program Kartuş, recognized as Turkey's best-in-class with more than 8 million members, serves as a key tool for Mavi to analyze and leverage customer data. Mavi has a unique brand position with fashion-savvy young adults and continues to gain **1 million new customers every year** with its vision of creating the **Happiest Mavi Customers**.

In line with its global strategy, **All Blue**, built on sustainable growth through quality, the company integrates sustainability into its corporate culture, vision, products, and growth targets, believing that **a better world is possible with a better Mavi**. A **global team of 4,060 employees**, whose hearts beat with denim, works passionately to develop the world's best and most innovative jeans, driving Mavi to the future on a path focused on people, planet, denim, and community.



MISSION

- To be a jeans-centered fashion brand that is close to our customers.
- To create an exceptional experience for our customers wherever our brand is represented.
- To maintain our passion for product quality and innovative design.
- To lead in product diversity, understanding of the digital world, shopping experience, and brand communications to welcome all.
- To embrace a people-oriented corporate culture that focuses on sustainability, ensures our employees' trust, customers' loyalty, and business associates' commitment.

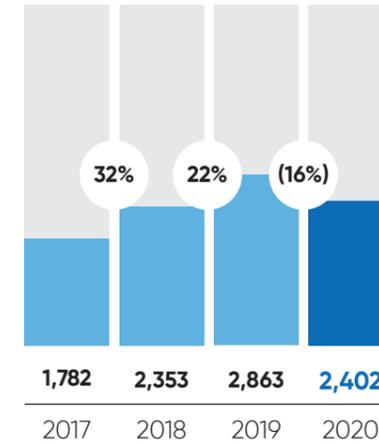
VISION

To be the market-leading jeans-centered fashion brand with a focus on sustainability wherever Mavi is represented.

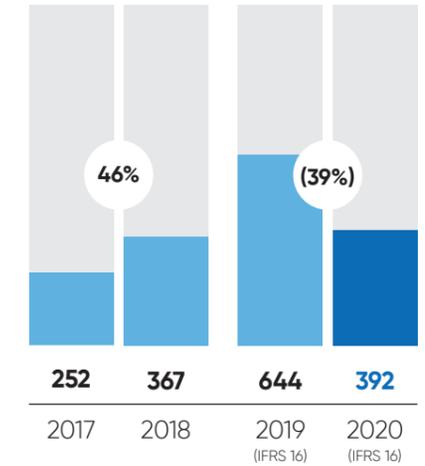


FINANCIAL PERFORMANCE

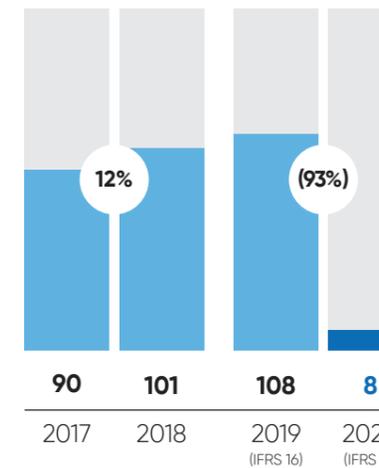
REVENUE (million TL)



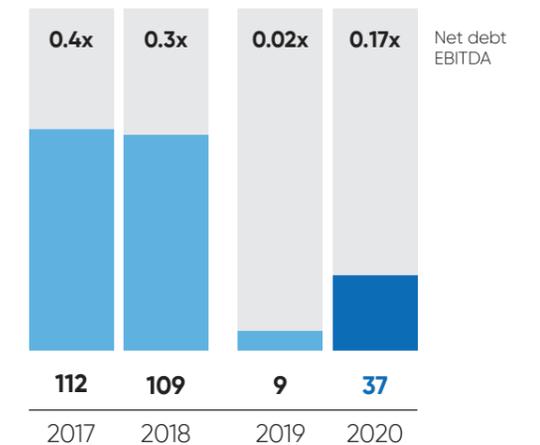
EBITDA (million TL)



NET INCOME (million TL)



NET DEBT (million TL)



CONSOLIDATED GLOBAL FIGURES



TURKEY

Retail stores: **320**
 Average store size: **498**
 Franchise stores: **64**
 Wholesale doors: **563**
 HQ and showroom: **1**
 Warehouse: **(3rd party)**
 Employees: **3,729**



EUROPE

Retail stores: **1**
 Wholesale doors: **~1,100**
 HQ: **1**
 Showroom: **10**
 Warehouse: **(3rd party)**
 Employees: **59**



USA

Wholesale doors: **~1,200**
 HQ: **1**
 Showroom: **3**
 Warehouse: **1**
 Employees: **65**



CANADA

Retail stores: **4**
 Wholesale doors: **~1,000**
 HQ and warehouse: **1**
 Showroom: **3**
 Employees: **66**



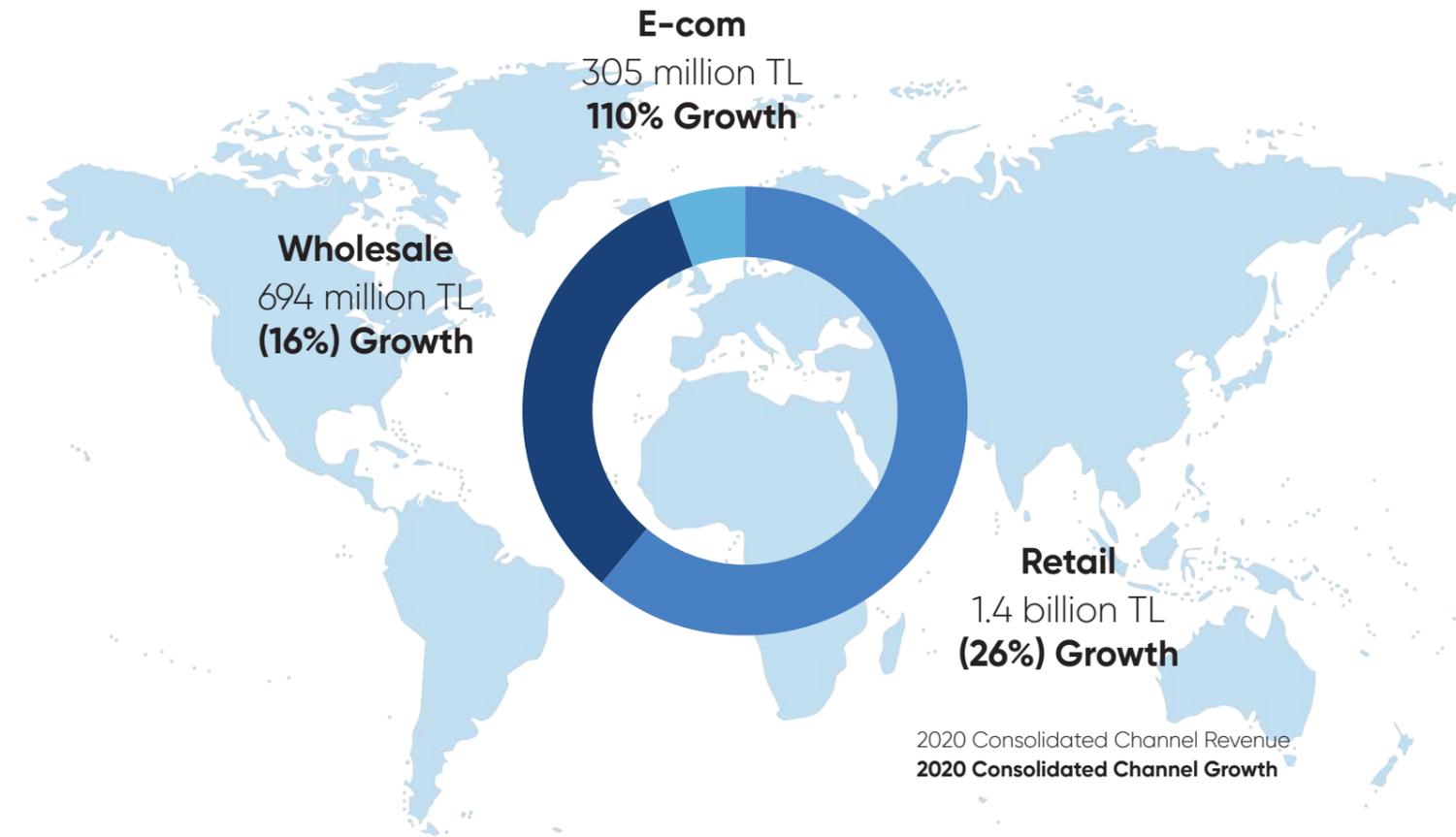
RUSSIA

Retail stores: **18**
 Franchise stores: **15**
 Wholesale doors: **139**
 HQ and showroom: **1**
 Warehouse: **(3rd party)**
 Employees: **141**



REST OF THE WORLD

Franchise stores: **17**
 Wholesale doors: **37**



MAVI AT A GLANCE

Global

2.4

Billion TL revenue

81%

Turkey

19%

International revenue

33

Countries

439

Mono-brand stores

~4,500

Points of sale

5

Net new store openings

(26%)

Retail revenue growth

110%

E-com revenue growth

13%

E-com share in sales

4.060

Employees

~80%

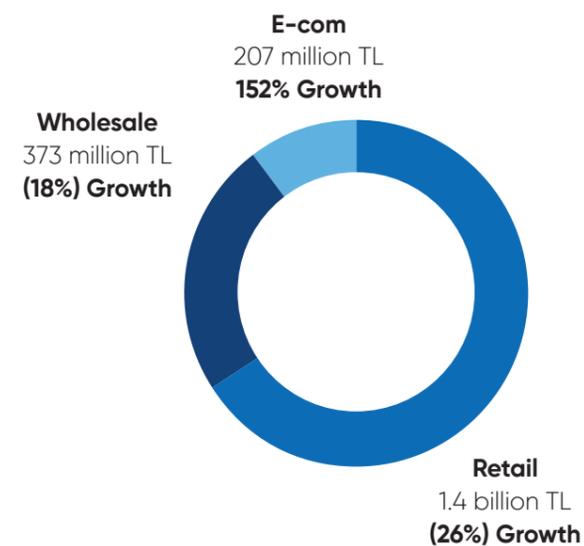
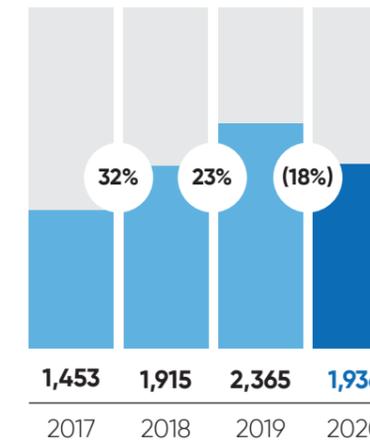
Local sourcing

120+

Global suppliers

Turkey

REVENUE (million TL)



2020 TR Channel Revenue
2020 TR Channel Growth

320 retail, **64** franchise stores,
563 wholesale doors

6 net store openings
7 retail store expansion

159.4k sqm total selling space, average
498 sqm per store

33% women, **67%** men
42% denim, **58%** lifestyle
(TL-value)

8.1m customers
5.1m active for the last two years

20%¹ market share, leader of
the Turkish denim market

¹According to IPSOS data, 14+ age



DIVERSIFIED AND RELIABLE SOURCING MODEL

As a denim-centric ready-to-wear company, Mavi does not engage directly in any production activities. We work with over 120 suppliers that manufacture at world standards through our global purchasing network.

Quality-Driven Efficient Sourcing Structure

<p>42% Denim 58% Lifestyle</p>	<p>~80% Made in Turkey</p>	<p>~20% imported</p>	<p>+120 responsible suppliers (18 strategic, 38 critical) 441 sub-suppliers</p>
<ul style="list-style-type: none"> • Turkey Retail Net Sales Split • Denim-lifestyle balance of sales 	<ul style="list-style-type: none"> • Quality textile ecosystem • Proximity improving speed and RFT 	<ul style="list-style-type: none"> • Mainly outerwear and accessories • 34 suppliers in 9 countries 	<ul style="list-style-type: none"> • Well-established, long term relationships • Internal audit team ensuring social compliance

MAVI DENIM BUSINESS

50% of Product Cost

Owned by Mavi	Controlled by Mavi	
<p>Design & Development</p> <ul style="list-style-type: none"> • Multinational denim design & development team • Fit blocks are created and owned by Mavi • Wash recipes and development managed by Mavi 	<p>Fabric & Raw Materials</p> <ul style="list-style-type: none"> • Direct relationship with denim fabric mills • Fabric selection and management are handled by Mavi teams • Working with top-quality mills in Turkey that manufacture for premium global denim brands • Fabric R&D, exclusive development and innovation bring distinguished quality and look 	<p>Manufacturing (Cutting, sewing and washing)</p> <ul style="list-style-type: none"> • Cutting, sewing & washing • ~70% from ERAK • Four manufacturers tendered for best price/quality
		<p>ERAK</p> <ul style="list-style-type: none"> • Best-in-class production facility • Sourcing to top global brands • Advantage on delivery times and manufacturing capacity • Competent cooperation in sustainability and innovation projects • Improved energy & water efficiency



AWARDS



Leading denim brand with 60% TOM (top of mind), 20% market share in 14+ segments, ranking among top four women's and men's apparel brands in Turkey (IPSOS)



Ranked among the top 10 brands in terms of the best pandemic response according to the "Brand Attitude" survey (Mediacat)



Ranked among Turkey's top 20 most reputable brands according to "Turkey Reputation Index" survey (Turkey Reputation Academy)



Bronze Effie in the fashion category for the "Mavi Benim" campaign with Serenay Sarıkaya at the prestigious Effie Awards of the advertising world



Ranked among top 10 most preferred menswear brands in the "My Brand" survey (Z Raporu)



Gold award winner in the apparel category at the A.C.E. (Achievement in Customer Excellence) Awards (Sikayetvar.com)



In the "Fortune 500" survey, Mavi is ranked 123rd among the largest 500 enterprises in Turkey, and 1st among jeans brands (Fortune)



Ranked among "Most Valuable and Strongest Brands in Turkey" according to Brand Finance's report



Ranked 3rd in the "Franchise 100" survey (Economist)



Bronze medal in the casual apparel category at the Social Media Awards Turkey Data Analytics Awards (Marketing Türkiye)



"The Most Admired Collaboration" award at Mavi Elma Awards with "Mavi and Merih Demiral" (Istanbul University School of Business)



Ranked among the top 3 apparel brands in the "Good Life Brands" survey (Marketing Türkiye)



Ranked 2nd in the apparel and retail fashion industry in "Turkey's Most Admired Brands" survey (Capital)



Ranked 47th in the "R&D 250" survey (Turkish Time)



Ranked 52nd among Turkey's best brands recognized for their company culture in the "Culture 100" survey (Fast Company)



Ranked 40th among women-friendly companies and 22nd among women executive-friendly companies (Capital)

MAVI'S SUSTAINABILITY JOURNEY

Mavi became one of the first brands worldwide to start the organic cotton movement with the Mavi Organic collection made with 100% organic Aegean cotton.

- » Indigo Turtles project was launched in partnership with the Ecological Research Society (EKAD) to protect the endangered sea turtles.
- » Indigo Turtles T-shirt collection was created with 100% organic cotton. Mavi customers began to support the efforts to protect baby sea turtles with each T-shirt they purchased.

- » Mavi's social compliance statement was added to the agreements, which the suppliers were asked to sign.
- » Mavi partnered with the eco-friendly material producer Lenzing and started using TENCEL™ branded lyocell and modal fibers.

2006

2010

2014

2017

2018

2019

- » Innovative and sustainable materials such as TENCEL™ and modal were introduced in the Mavi Premium line.
- » Mavi Kids T-shirt collection made with 100% organic cotton was launched.

- » Mavi started trading on Borsa Istanbul with IPO.
- » Social compliance guidelines were shared with the suppliers and social compliance audits started.
- » Mavi replaced the light bulbs in the stores with energy-saving LED luminaires.

- » Mavi's sustainable, eco-friendly products were grouped under the All Blue collection.
- » Leather was completely eliminated from back labels of jeans, which became all vegan.
- » Paper used in all product labels was reduced by half, shifting to recycled materials.
- » Packaging materials used in online shipments dropped from three to one, both in number and type.
- » Remote Energy Management System based on instant monitoring was launched in partnership with Reengen in 10 pilot stores.
- » Lighting fixtures in stores were replaced with LED luminaires for energy savings.
- » Mavi All Blue won in the "Most Sustainable Collection" category at the Rivet Awards.
- » Supplier Code of Conduct was published.

- » Mavi signed UN Global Compact.
- » Materiality analysis was completed.
- » Sustainability Committee and working groups were formed.
- » Activities to determine the sustainability strategy and goals began.
- » Mavi became the first Turkish apparel brand to disclose its carbon footprint transparently. With the first report submitted to the Carbon Disclosure Project's (CDP) Climate Change Program, Mavi received a score of B, outperforming the global industry.
- » Mavi earned A- in the Supplier Engagement Rating (SER) by the CDP platform, outperforming its peers.
- » The sustainable All Blue collection doubled in scope and variety.
- » All Blue collection was expanded with 100% organic cotton, eco-friendly T-shirts.
- » Mavi collaborated with Coca-Cola for an exclusive collection made with organic cotton and sustainable recycled materials.
- » Life Cycle Assessment (LCA) activities started.
- » Mavi switched to renewable energy at the head office and the stores with controlled meters.

2020

2021

- » Jeans made from recycled plastic bottles were introduced with the Mavi Pro Sport Repreve® collection and the "Mavi Transformation Launched" ad campaign was launched.
- » The sustainable Les Benjamins x Mavi collection was designed and produced with organic, recycled, and eco-friendly materials in collaboration with the luxury streetwear brand Les Benjamins.
- » The use of sustainable fibers was extended further with a global partnership with TENCEL™.
- » Better Cotton Initiative (BCI) certified cotton was used in the special 30th anniversary Maviterranean collection.
- » OCS (Organic Content Standard) and RCS (Recycled Claim Standard) certifications were obtained.
- » First reports were submitted to the CDP Water Security and Forests Programs. Mavi became the first and only Turkish company to report to the CDP Forests Program in Turkey.
- » The Remote Energy Management System with Reengen was deployed in all Mavi stores.
- » Women's Empowerment Principles (WEPs), the joint initiative of UNGC and Un Women, was signed.
- » Mavi joined the 30% Club, the initiative that aims for diversity in business.
- » CEO Water Mandate was signed.
- » Mavi CEO Cüneyt Yavuz entered the Fast Company Sustainability Leaders 50 Survey list at 18th place.
- » Board Diversity, Human Rights, Diversity and Inclusion, Biodiversity, Environment and Energy, Forest and Paper Products, and Animal Welfare policies were published.
- » All Blue won in the "Most Sustainable Collection" category at the Rivet x Project Awards for the second time.



04 MAVI'S SUSTAINABILITY EVOLUTION

- 4.1 Strategy: All Blue. All Better. For All.
- 4.2 Mavi's Sustainability Targets
- 4.3 2020 Highlights
- 4.4 Sustainability Management
- 4.5 Material Sustainability Issues

MAVI'S SUSTAINABILITY EVOLUTION

The textile industry is undergoing a transformation with the impact of global trends, including climate change, evolving consumer behavior, finite natural resources, technology, and digitalization. Meanwhile, the world is also going through challenging times brought about by the COVID-19 pandemic that started in early 2020. In this period, we saw that the companies that manage the environmental, social and corporate governance (ESG) risks and opportunities proactively tended to be less affected by the negative consequences of the pandemic.

As Turkey's leading jeans and apparel brand, we accelerated our sustainability efforts in 2020 to drive our vision of industry leadership to encompass sustainability. Grounded in strategic priorities, we developed our sustainability strategy to respond to the global trends that guide the textiles industry and to contribute to the United Nations Sustainable Development Goals (SDGs). We defined our sustainability strategy **All Blue. All Better. For All.** and identified the areas where we create value and our goals.



4.1 STRATEGY: ALL BLUE. ALL BETTER. FOR ALL.

We believe that a better world is possible with a better Mavi. On this journey to achieve the best, Mavi quality remains at the heart of what we do. Empowered by every individual we touch, particularly the Mavi employees, we all take responsibility for the better. We know that our every step and action will bring about massive transformations and we never stop exploring and innovating for a brighter future.

We care about today and start taking action for tomorrow now.

We grow with people who choose Mavi, inspire each other, and share our similar aspirations. **With a better Mavi, we are All Blue. All Better. For All.**

All Blue. All Better. For All.

Driven by our core values focused on People, Planet, Denim, and Community, we will:



BETTER.EMPOWER



BETTER.PROTECT



BETTER.TRANSFORM



BETTER.MOBILIZE



STRATEGY: ALL BLUE. ALL BETTER. FOR ALL.

PEOPLE

- People-oriented Mavi culture
- Inclusive business model and responsible value chain

PLANET

- Tackling climate crisis
- Ecosystem restoration



COMMUNITY

Mavi's impact-driven transformative power

DENIM

- Quality first
- Denim innovation and partnerships
- Responsible raw material sourcing

BETTER. EMPOWER



Driven by the people-oriented Mavi culture, we start transformation for a better future in our value chain, and fulfill our responsibility for providing fair living and working conditions for our employees, suppliers, and business partners. We are empowered by our employees and suppliers who share our responsibilities on our journey toward becoming better and support their development.

PEOPLE-ORIENTED MAVI CULTURE:

Our work culture is focused on people. In Mavi Culture, we uphold human rights, respect the diversity and differences of employees, and promote gender equality. We implement practices to support the professional development of employees across their career journey at Mavi.

INCLUSIVE BUSINESS MODEL AND RESPONSIBLE VALUE CHAIN:

Ensuring that environmental, social and governance principles and standards Mavi set are applied across the value chain is important to us. Therefore, we adopted an inclusive business model that aims to improve sustainability performances of all suppliers and support their development. We audit our suppliers and work to achieve traceability of the entire supply chain.

BETTER. PROTECT

As a denim-centric brand, we see the protection and restoration of what nature offers us as a fundamental responsibility. We promote a net-zero business model by tackling the climate crisis to protect natural resources and restore the ecosystem.

TACKLING CLIMATE CRISIS:

We are aware that the textile industry is responsible for generating significant amounts of greenhouse gas emissions across the value chain, from cotton grown in the fields to the end products purchased by the consumers. At Mavi, we focus on reducing our carbon footprint along the entire value chain to tackle the global climate crisis. We bring our suppliers into the process and encourage them to reduce their environmental impact caused by production. In addition to designing collections with innovative and sustainable materials, we also aim to increase the share of these products in our revenues gradually. As we invest more in sourcing renewable energy, we continue to launch pioneering projects such as energy efficient eco stores to pave the way for the industry.

ECOSYSTEM RESTORATION:

Mitigating the intense stress on nature and restoring the frail ecosystem is a key priority for us. Therefore, we focus on areas such as efficient use of water resources, controlled use of chemicals, packaging and waste management, and biodiversity across the supply chain. Accordingly, we encourage making sustainable products that require less water and recycling water in production processes. To protect the health of manufacturers and consumers, and minimize environmental impact, we strive to reduce the consumption of chemicals and comply with the Zero Discharge of Hazardous Chemicals (ZDHC) criteria. Furthermore, we aim to use only FSC-certified (Forest Stewardship Council) packaging, making sure that all packaging materials are recycled. We adopt the circular economy approach to waste management and work to reintroduce the scraps and other excess materials back into the system. We also develop and launch projects to raise social awareness about protecting biodiversity.



BETTER. TRANSFORM



We transform denim with our unique, innovative ideas and the power of technology. We involve our customers in the sustainability transformation process with quality and sustainable products and change their consumption habits. We aim to inspire the industry with innovative products with low environmental impact by embracing the circular economy model. We support this approach with innovation partnerships to shape the future of sustainable fashion. With responsible raw material sourcing and production, we spread this transformation to every aspect of the value chain, from the farmer to the end-consumer.

QUALITY FIRST:

Since the very beginning, we have continued to meet customer expectations with the right price-quality balance with our Perfect Fit philosophy guiding us. We now take it one step further to make quality and sustainable products accessible to all our customers. As a result, we help consumers make better choices with our eco-friendly All Blue collection.

DENIM INNOVATION:

We believe that the best denim is sustainable denim. Therefore, we invest more in R&D and product development. All Blue is our sustainability approach built on people, nature, innovation, digitalization, and efficiency. All Blue is also the name of our eco-friendly collection, developed with innovative methods and produced with less water, less chemicals, and less energy. We continue to lead the industry with the All Blue collection, made with recycled, upcycled and organic materials.

INNOVATION PARTNERSHIPS:

Partnerships play a key role in the sustainability transformation of our industry and driving innovation. We engage in innovation partnerships with various other brands, designers, and universities to expand our positive impact and inspire the industry.

RESPONSIBLE RAW MATERIAL SOURCING:

We encourage manufacturers to make responsible raw material choices and help them transform their production processes. We trace and steadily increase the ratio of sustainable materials (organic, recycled, upcycled, and BCI-certified cotton, recycled metal, etc.) in Mavi products.

BETTER. MOBILIZE

We aim to create shared values in the community and use Mavi's transformative and mobilizing brand power to achieve better. We are particularly focused on empowering young people and women for social development so that no one is left behind. We involve our customers and other stakeholders in this movement toward the better.

MAVI'S IMPACT-DRIVEN TRANSFORMATIVE POWER:

We intend to mobilize our stakeholders, especially our customers, by leveraging Mavi's brand power. Therefore, we launch impact-driven and measurable social projects that involve customers, employees, suppliers, universities, and non-governmental organizations (NGOs).



4.2 MAVI'S SUSTAINABILITY TARGETS



PEOPLE BETTER.EMPOWER



PLANET BETTER.PROTECT



DENIM BETTER.TRANSFORM



COMMUNITY BETTER.MOBILIZE

MAVI'S SUSTAINABILITY TARGETS

Having a fully inclusive and responsible value chain by 2030.

Becoming a climate-positive company by 2050.

Ensuring that the whole denim collection consists of sustainable All Blue products by 2030.

Driving an impact-focused and measurable social change.

MONITORING TARGETS

Keeping employee satisfaction and engagement scores over 70% every year.

Increasing female manager ratio to 50% and maintaining this balance by 2023.

Ensuring compliance of all main suppliers and their subcontractors with the Global Purchasing Principles and Supplier Code of Conduct by 2025.

Achieving 100% traceability in the supply chain by 2030.

Reducing Scope 1 + 2 GHG emissions 50% by 2030.

Reducing Scope 3 GHG emissions from purchased goods and services by 20% by 2030.

Becoming a carbon neutral company by 2040.

Continuing to procure all electricity for Mavi operations from renewable sources by 2030.

Conducting environmental audits at all critical suppliers and wet process sub-manufacturers by 2025.

Ensuring all strategic suppliers and wet process sub-manufacturers comply with the ZDHC MRSL¹ by 2030.

Ensuring that all label, cardboard, and paper packaging materials are FSC-certified² by 2025.

Sourcing 100% of the cotton used in denim products from sustainable resources³ by 2030.

Increasing the revenues of innovative products in the sustainable All Blue collection by 20% year on year through R&D activities and partnerships.

Keeping the social return of social investment programs at SROI>1⁴ levels.

Allocating 1% of EBITDA for social investments from 2025 onward.

Reaching 1 million people every year through sustainability awareness projects.



¹ ZDHC MRSL compliance: Zero Discharge of Hazardous Chemicals-ZDHC Manufacturing Restricted Substances List-MRSL

² FSC: Forest Stewardship Council

³ Sustainable materials: Organic, recycled, BCI cotton, etc.

⁴ SROI>1: Social return on investment (SROI) higher than investment.

4.3 2020 HIGHLIGHTS

BETTER.EMPOWER

54%

Female employment ratio

46%

Female manager ratio

80%

Local supplier ratio

BETTER.PROTECT

B

Our score in the CDP Climate Change Program

101

Stores using renewable energy

43

Products in Life Cycle Assessment (LCA)

26%*

Less water consumption

24%*

Less energy consumption

54%*

of products treated with laser and sustainable washing processes

BETTER.TRANSFORM

39%

All Blue collection's revenue growth in 2020

6%

Sustainable products' share in total revenues

593.750

Plastic bottles used to create the Mavi Pro Sport Repreve® collection

BETTER.MOBILIZE

150.000

Hatchlings reached the sea with the Indigo Turtles project

30

Female university students benefit from the TEV Mavi Scholarship Fund

25.000

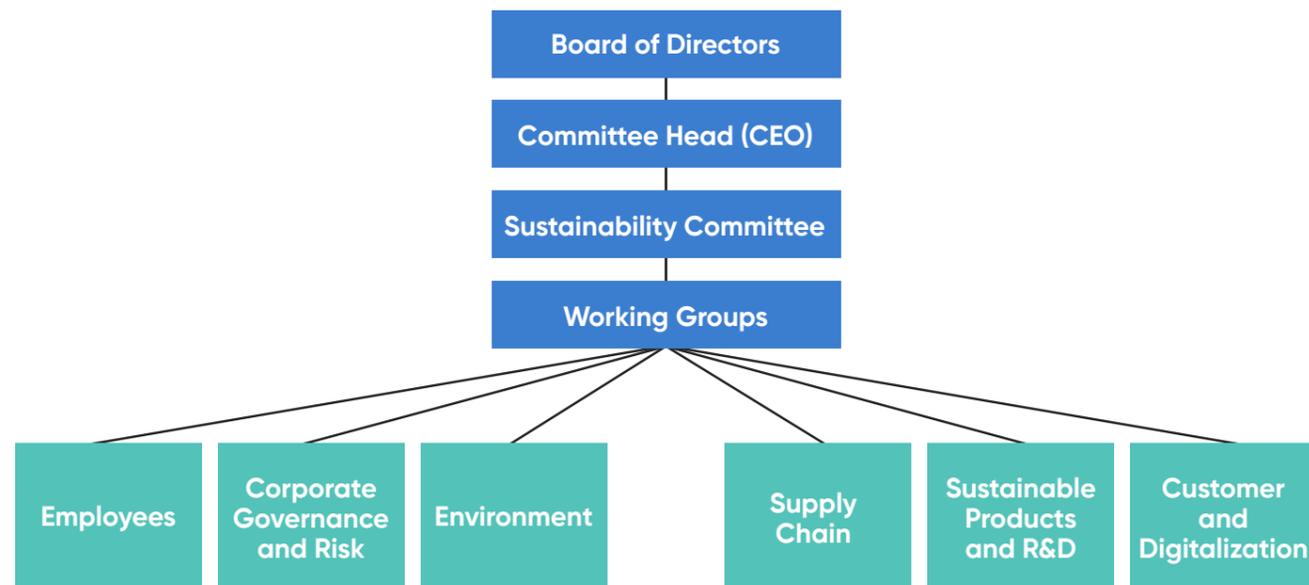
Saplings donated to TEMA Foundation

*In the manufacturing process with our strategic partner Erak

4.4 SUSTAINABILITY MANAGEMENT

A Sustainability Committee functions under the Mavi Board of Directors to ensure that sustainability management is carried out in integration with the company's business strategy and objectives. The Committee, headed by the CEO, has formed six working groups – Employees, Corporate Governance and Risk, Environment, Supply Chain, Sustainable Products and R&D, Customer and Digitalization – to report to the leadership team. Each working group consists of managers and employees from the relevant departments and follows a roadmap to assist in determining and realizing our sustainability goals. As of 2021, these groups proceed along their roadmaps, regularly updating their actions in line with the changes in the company's future plans and global developments.

For more information on the Mavi Sustainability Committee, its Duties and Working Principles, please click [here](#).



As a company that aspires to lead the industry's sustainability transformation, we recognize the importance of participating in the international sustainability platforms. Therefore, we have become a signatory of United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative. With this signature, we have declared our commitment to aligning our strategies, ways of doing business, and operations with the ten UNGC principles on human rights, labor, environment, and anti-corruption. Furthermore, we are a signatory of the United Nations Women's Empowerment Principles (WEPs) and a member of the 30% Club, confirming our concrete support of gender equality. As the first Turkish apparel brand to disclose its carbon footprint transparently, we submitted our report to the Climate Change Program, run by CDP (Carbon Disclosure Project), and received a score of B in environmental performance and A- in the Supplier Engagement Rating (SER). Marking another first in the Turkish apparel industry, we signed the CEO Water Mandate, a

UNGC initiative, to support the global effort to find sustainable solutions to the water issue. Furthermore, we joined the Climate Ambition Accelerator, a program led by the UNGC, aiming to achieve progress toward setting science-based emission targets.

4.5 MATERIAL ISSUES

We identified the material issues for sustainability and conducted a stakeholder analysis in accordance with the AA1000 Stakeholder Engagement Standard. These analyses involved obtaining the opinions of various internal and external stakeholders, including Mavi employees and franchisees, analysts, investors, financial institutions, business partners, and suppliers. We held one-to-one meetings with senior management, while the franchisees shared their opinions in a focus group study, and the other stakeholders were asked to respond to an online questionnaire. The external trends included the global risks published by the World Economic Forum (WEF), the industry-specific material issues prepared by the Sustainability Accounting Standards Board (SASB)*, Sustainable Development Goals (SDGs), and the priorities of other leading companies in the industry.

In the process, we used SASB's materiality analysis methodology, which allowed us to address each issue in terms of different impacts and opportunities. As a result of this analysis, we categorized material issues as medium, high, and very high priority and started working with our sustainability team on the six main topics.

Stakeholder Group	Stakeholders	Methods
Direct economic impact	Senior Management Employees Suppliers Franchisees Business Partners Investors Customers	Online surveys One-to-one meetings Focus group study
Indirect economic impact	Analysts Financial Institutions Media NGOs	Online surveys Literature reviews
New opportunity, knowledge, and approach drivers	Universities	Online surveys Literature reviews



MATERIALITY MATRIX



Very High Priority

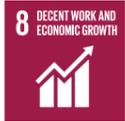
- 1 Water and wastewater
- 2 Customer satisfaction
- 3 R&D and innovation
- 4 Raw material management
- 5 Brand reputation
- 6 Human rights and fair working conditions
- 7 Climate change and energy
- 8 Wastes
- 9 Chemicals management

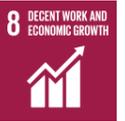
High Priority

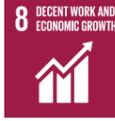
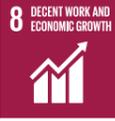
- 10 Digitalization and customer experience
- 11 Talent management
- 12 Supply chain management
- 13 Sustainable products
- 14 Women's empowerment
- 15 Circular economy
- 16 Business ethics
- 17 Risk management

Medium Priority

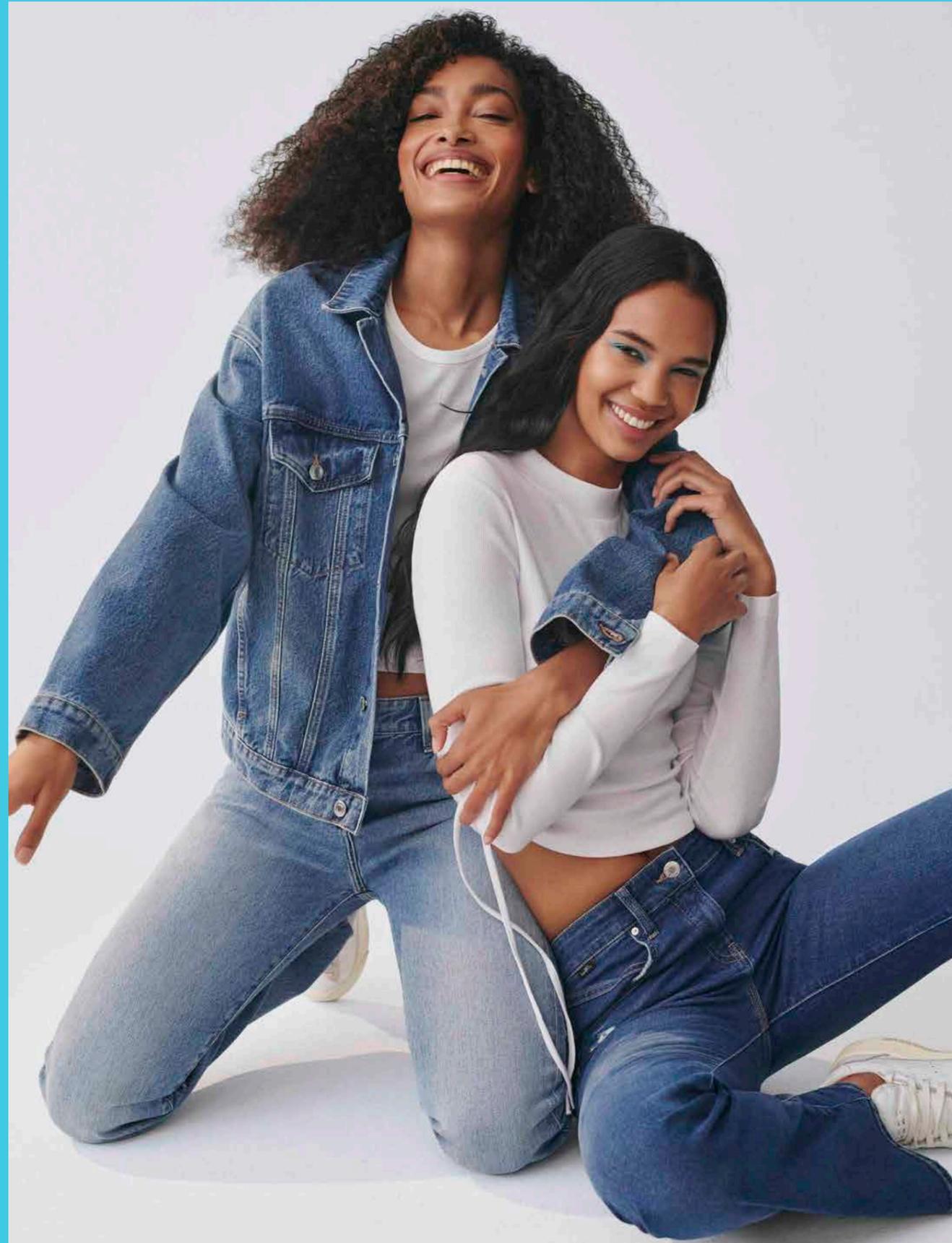
- 18 Employee loyalty and satisfaction
- 19 Data privacy and security
- 20 Occupational health and safety
- 21 Corporate governance
- 22 Youth empowerment
- 23 Equal opportunity and diversity
- 24 Industry-specific sustainability transformation
- 25 Entrepreneurship
- 26 Biodiversity
- 27 Community investment programs

Importance	Priority aspect	How we manage	Related SDG	Place in Strategy and Relevant Section
Very High Priority	Water and wastewater	We promote the production of sustainable products with less water and recycling water from manufacturing processes.	  	Better.Protect – Ecosystem Restoration
	Customer satisfaction	We meet customer expectations with the right price-quality balance and after-sales service approach to create the “Happiest Mavi Customers”.	 	Better.Transform – Quality First
	R&D and innovation	We aim to offer sustainable products like our innovative All Blue collection, which are made with less water, chemicals and energy consumption and contain responsible materials, to meet customer needs. Our R&D and innovation activities proceed at full steam to achieve this goal.	  	Better.Transform – Denim Innovation
	Raw material management	We encourage manufacturers to make responsible raw material choices to continuously increase the sustainable material content of Mavi products.	  	Better.Transform – Responsible Raw Material Sourcing
	Brand reputation	To maintain and enhance Mavi's global brand reputation, we never compromise on quality across the value chain and involve our stakeholders in the sustainability transformation by leveraging our brand power.	 	Better.Transform – Quality First Better.Mobilize – Mavi's Impact-driven Transformative Power

Importance	Priority aspect	How we manage	Related SDG	Place in Strategy and Relevant Section
Very High Priority	Human rights and fair working conditions	Our policies and business model guide us in providing fair work environments where human rights are respected for our employees and suppliers.	   	Better.Empower – People-oriented Mavi Culture & Inclusive Business Model and Responsible Value Chain Corporate Governance – Human Rights
	Climate change and energy	As part of our efforts to tackle climate crisis, we use renewable energy in our operations and work with suppliers to focus on energy efficiency. We reduce our conventional raw material consumption and increase the use of raw materials with less climate impact.	  	Better.Protect – Tackling Climate Crisis
	Wastes	We adopt the circular economy approach and work to manage wastes effectively through recycling, reuse, and energy recovery.	 	Better.Protect – Ecosystem Restoration
	Chemicals management	We increase the rate of products that contain less chemicals and prefer to work with manufacturers that hold ZDHC certification.	 	Better.Protect – Ecosystem Restoration

Importance	Priority aspect	How we manage	Related SDG	Place in Strategy and Relevant Section
High Priority	Digitalization and customer experience	We diversify and enrich the shopping and feedback channels through digitalization to provide better experiences for Mavi customers and improve customer satisfaction. With the digital transformation that started in 2020 with the move to SAP, we redesigned the operating procedures of all the departments, achieving more efficiency and digitalization in our operations.	 	Better.Transform – Quality First & Denim Innovation
	Talent management	We aim to attract new talent to our company, retain existing talent, and support the development of our colleagues.	  	Better.Empower – People-oriented Mavi Culture
	Supply chain management	We audit and monitor the ESG performance of our suppliers and take steps to improve their performance.	  	Better.Empower – Inclusive Business Model and Responsible Value Chain
	Sustainable products	With the All Blue collection, we consume less energy, water, and chemicals and prefer to use organic, recycled, and upcycled materials. We aim to expand the sustainable product range and increase its share in revenues.	  	Better.Transform – Denim Innovation

Importance	Priority aspect	How we manage	Related SDG	Place in Strategy and Relevant Section
High Priority	Women's empowerment	We seek to achieve balanced representation of women among employees and managers and focus on empowering women in the society through impact-driven projects within the company.	  	Better.Empower – People-oriented Mavi Culture Better.Mobilize – Mavi's Impact-driven Transformative Power
	Circular economy	We adopt a circular approach to waste management and work to reintroduce surplus materials and other waste into the system. We use recycled and upcycled materials to make innovative products with low environmental impact.	  	Better.Protect – Ecosystem Restoration Better.Transform – Denim Innovation
	Business ethics	We manage our relations with our stakeholders based on fairness, transparency, responsibility, and accountability principles in line with our ethical business approach of compliance with local and international legislation.	 	Corporate Governance – Business Ethics
	Risk management	We manage financial and non-financial risks with an integrated approach, proactively mitigate the risks, and seize opportunities.	 	Corporate Governance – Risk Management and Internal Control Systems



05

PEOPLE

BETTER.EMPOWER

5.1 People-oriented Mavi Culture

- Equal Opportunity and Diversity
- Talent Management
- Employee Development
- Employee Engagement
- Healthy and Safe Work Environment

5.2 Inclusive Business Model and Responsible Value Chain

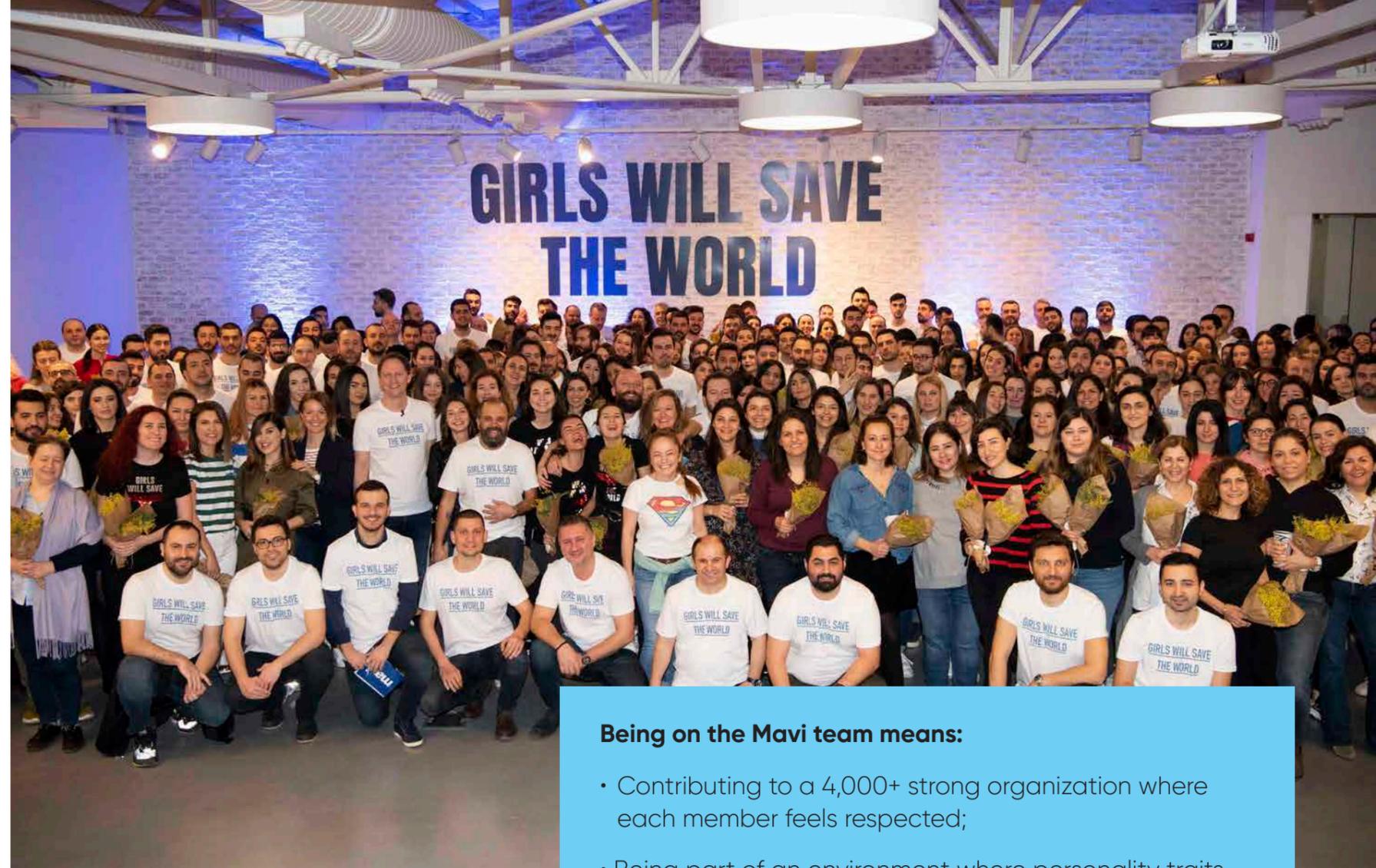
- Sustainability in the Supply Chain
- Social Compliance Audits

5.1 PEOPLE-ORIENTED MAVI CULTURE

Driven by the people-oriented Mavi culture, we start transformation for a better future in our value chain, and fulfill our responsibility for providing fair living and working conditions for our employees, suppliers, and business partners. We are empowered by our employees and suppliers who share our responsibilities on our journey toward becoming better and support their development.

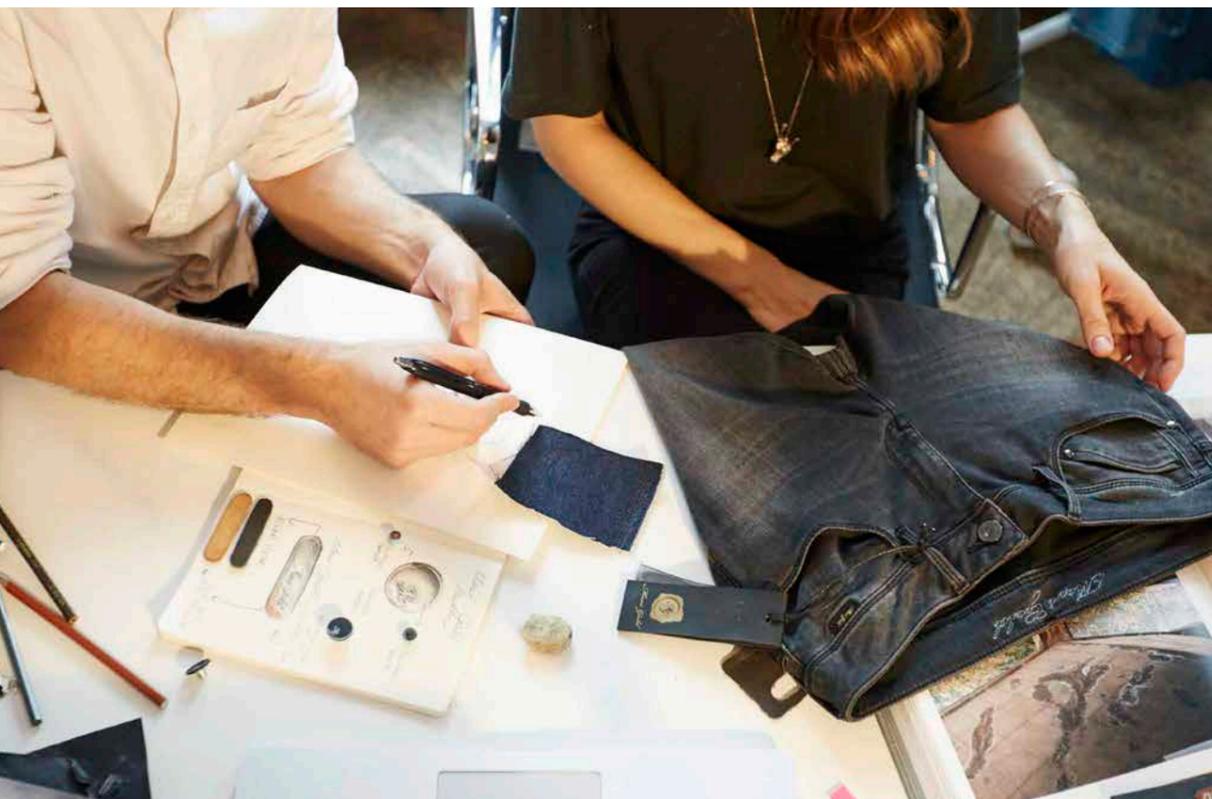
People are at the core of our work culture. Therefore, we uphold human rights, respect the differences of our employees, and promote gender equality in line with Mavi Culture. We also introduce various practices to support the employees' professional development throughout their careers at Mavi.

Our human resources approach is built on [Mavi's People and Its Principles](#). We provide a work environment where human rights are respected in conformity with the Universal Declaration of Human Rights, United Nations Global Compact (UNG), UN Convention on the Rights of the Child, International Labor Organization (ILO) conventions, Organization for Economic and Development Cooperation (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and applicable laws.



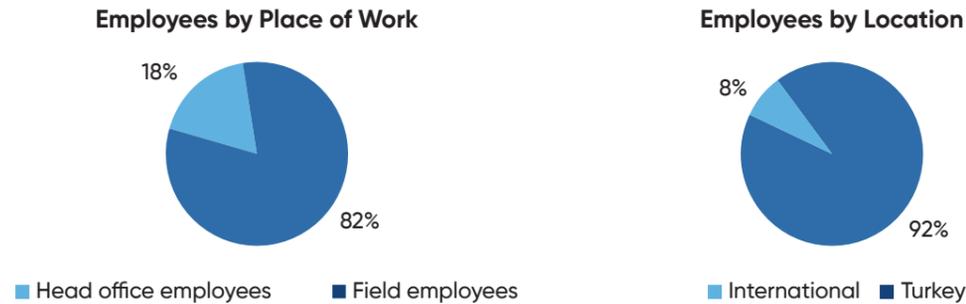
Being on the Mavi team means:

- Contributing to a 4,000+ strong organization where each member feels respected;
- Being part of an environment where personality traits and skills are appreciated, utilized effectively, and rewarded with proper compensation;
- Sincerely embracing, sharing, and pursuing the mission and responsibilities of an industry-leading brand;
- Acquiring the awareness of working every day to offer good things to people around the world;
- Doing your job with passion and caring for the expectations of the millions of people that engage with the global Mavi family;
- Keeping up with all business-related developments, remaining open to innovations, and consistently demonstrating professional dynamism.



EQUAL OPPORTUNITY AND DIVERSITY

At Mavi, we provide our team of 4,060 employees with a work environment where human rights are respected in compliance with national and international principles. Of the entire workforce, 92% is located in Turkey and 8% in the other markets where we operate. Head office employees account for 18% of the total human resource and the field employees for 82%. We offer employment opportunities to the youth and tap into the country's young and dynamic workforce potential. At Mavi, the average employee age is 27, with 74% under 30.



We recognize that a work environment where each individual is respected and inclusive practices are offered improves efficiency. Therefore, we promote cultural diversity and equal opportunity. We treat all employees equally in line with the [Mavi Diversity and Inclusion Policy](#). In all human resources processes, including recruitment, training and development, performance and talent management, career management, and remuneration, we act without any discrimination against gender, race, skin color, religious belief, spiritual or political ideology, ethnicity, economic status, sexual orientation, health condition, disability, age, or physical appearance.

At Mavi, we extend our gender equality approach to the career development and remuneration of all our employees, with performance being the only factor to affect differences in remuneration. We review base salaries and compensation packages regularly to ensure remuneration is not gender-biased. Accordingly, the gender wage ratio in 2020 was 4% in favor of women among store employees and 6% among head office employees (excluding the CEO).

Gender Equality

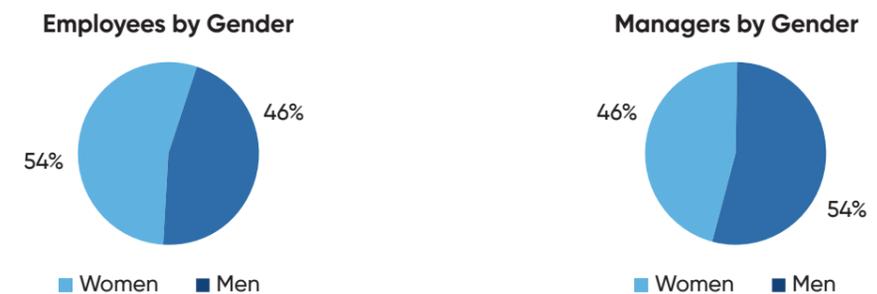
As part of our sustainability efforts, we remained focused on women's empowerment and became a signatory of the United Nations Women's Empowerment Principles (WEPs) in early 2021. Furthermore, we joined the 30% Club, a global platform that takes action to increase gender diversity at board and senior management levels. We promote the active participation of men in addressing all kinds of challenges and biases that cause gender-based discrimination. To serve this purpose, we are a member of the Yanındayız Association, whose mission is to contribute to the transformation of social life to achieve gender equality. Furthermore, we are proud to support female university students through

the Turkish Educational Foundation (TEV) Mavi Scholarship Fund. Participating in such international platforms is a testament to our commitment to promoting gender equality across all levels of the organization.

Women constitute 54% of our total workforce and approximately 46% of the managers. At the head office, women account for 59% of the employees and 66% of the managers.

We work to ensure a balanced male/female employment ratio both in the head office and in the field. In 2020, women accounted for 56% of all store recruitment and men for 44%. As part of the Career Management Procedure, 52% of the employees who were promoted to Maviolog status were women in 2020. The job description of a Maviolog, which is a basis for promotion in the stores, is to enhance the product knowledge of the teammates in the store where they serve, ensure that every customer leaves the store with the right product and combination, and create an excellent shopping experience for the customer. Our target is to raise the ratio of women store managers from 42% in 2020 to 44% in 2021.

To encourage women's participation in the workforce and help them achieve work/life balance, we offer all female employees with children in the 1-6 age group daycare support, shuttle, and breakfast. In 2020, 42 employees took maternity leave and 90% returned to work later. Private health insurance, which offers wide coverage and extra child coverage at discounted premiums after birth, is available for women employees. Annual check-up is an added benefit offered to women aged 40 and over. We recently renovated the nursing rooms for female employees who return to work after maternity leave to spend their nursing time in the early period of motherhood in a private, calm and comfortable space. Furthermore, we organize parenting seminars to help mothers and fathers improve their roles as parents.



"I work for a company that breaks the biases against working mothers. I have benefited from Mavi's daycare support since 2017. I am pleased to see how Mavi supports working mothers and provides a safe environment for our children."

Mürüvvet Yaş, Fit Technical Supervisor

TALENT MANAGEMENT

At Mavi, we strive to attract and hire the talent required for sustainable corporate success. We also aim to tap into the talent within the organization, help them unlock their potential, retain them and train the leaders of the future.

We design the Human Resources Policy and practices to support Mavi's strategic goals and the performance needed for sustainable growth. All the investment we make in human resources aims to reinforce Mavi's objective to become the employer of choice. Mavi's most important asset is its human resource. Therefore, ensuring that the employees work with high effectiveness and efficiency, and achieve ultimate satisfaction, loyalty and motivation, are among our key corporate objectives.

The Mavi Competency Model, introduced within the framework of talent management, defines the competencies and skills needed to drive the company further. This model also defines the personality and behavioral traits that the employees need to display to become the leaders that will support the company's vision.



Attracting and Retaining Talent

We aim to acquire young talent through an effectively planned talent attraction and recruitment process. For this purpose, we work in close collaboration with universities and student associations and organize a range of effective activities such as projects, internships, interview simulations, and case studies. Furthermore, we actively participate in career day events on digital platforms, which bring together universities from various provinces across Turkey. Taking part in these platforms allows us to communicate with the students to advise them about career and job opportunities and introduce the company's retail units and business practices. In 2020, we participated in more than 40 events on digital platforms, reaching 100+ universities and more than 8,000 students in Turkey and engaging with over 600,000. We provided training programs on interview tips and communication for more than 1,000 students and held interview simulations with 256 students.

Through an internal job application system, which prioritizes in-house applications, we support the career development of our employees. We announce all vacancies at Mavi on the intranet, which allows us to give the employee a chance to move between departments and/or stores and the head office. In 2020, eight store employees moved to head office positions while ten head office employees changed departments. Furthermore, we have an International Assignment Program for employees who intend to continue their careers in another country. With this program, we aim to transfer the important knowledge of the head office employees to different cultures to build a wealth of experience and support their career development in the international arena. Since 2016, six employees have benefited from this program and found the opportunity to work for Mavi's international operations.

We introduced the Employee Referral Program in Germany, enabling Mavi employees to refer candidates to vacant positions.

We carefully consider all the complaints and feedback received from the employees. Some issues communicated through the Ethics Line concern human and employee rights, while some are related to human resources practices. We have introduced certain measures to resolve these issues with a sustainable approach. Accordingly, a Retail HR Ethics Violations Monitoring manual was prepared to ensure that a system is in place for the employees who report ethics violations to get a response to their complaints and to define a standard complaint review process for the entire human resources team. Furthermore, a Change of Workplace Procedure that defines the principles for transferring to other stores and standardizes this process was published.

HUMAN RESOURCES

PRINCIPLES

To recruit young people and experienced professionals that will drive Mavi forward.

To establish and implement systems that enable the employees to train, develop, succeed, and rise professionally.

To invest constantly in developing the employees, to prepare and deliver training programs by identifying training needs.

To ensure that the employees are placed in positions that match their knowledge and skills, to introduce practices that elevate work effectiveness and productivity.

To increase employee loyalty through career opportunities and recognition.

To create and maintain a safe, healthy, and peaceful work environment in terms of environmental and occupational health and safety.

To fill vacant positions from existing human resource, where possible.

To recruit the most suitable candidates by considering the current and future needs, to offer equal opportunities to the candidates, and to ensure cultural diversity.



Performance Management

Talent management at Mavi includes a systematic assessment of the employees. To plan HR management processes accordingly, we apply a performance management system based on objective criteria in the annual performance assessments. The results obtained from these assessments are taken into consideration in career planning, identifying development needs, and establishing performance-based remuneration. Annual performance assessments provide all employees with feedback on their development and career plans.

In 2020, we worked on integrating the store employees' performance assessments, conducted in the second and sixth months of their employment at Mavi, into the digital platform.

As part of career planning, 193 people, including 49 head office employees and 144 store employees (54 sales representatives, 66 Maviolog employees, 16 assistant store managers, and 8 deputy store managers) were promoted to one higher position. The voluntary employee turnover rate was 12% at the head office and 21% in the stores. In 2020, the ratio of high-performing mid-level and higher managers who resigned was 5%.

CAREER LADDER AT MAVI STORES



Total Compensation

We continue to improve the compensation and benefits that we offer to encourage the employees' positive performance and ensure their satisfaction and loyalty.

Total Remuneration and Benefits

We support our employees with competitive remuneration and benefits that reward high performance. At Mavi, remunerations are aligned with the company's ethical values, internal

balances, and strategic goals while making sure that the employees are compensated in accordance with the highest standards and for their performance and the value that they create. We aim to ensure that a remuneration policy of similar pay for equal work is applied at Mavi and individual differences are based on performance. Therefore, we do not apply different remunerations for male and female employees. On the other hand, we monitor the economic conditions regularly to ensure that the employees maintain their positions in the job market and keep the compensation packages balanced and competitive. Furthermore, we strive to meet the employees' social needs and raise their working and living standards by offering a variety of fringe benefits, including personnel shuttles, lunch, private health insurance, company vehicle, Kartuş discounts, breakfast, and day care support, birth, and marriage subsidies, etc. Depending on the position and job categories, private health insurance, family benefits and annual check-ups can also be offered. A workplace physician is available to employees at the head office two days a week and a nurse every weekday.

The monthly salaries are determined on the basis of market and/or industry conditions, inflation rates, the employee's position, tenure in the company, qualifications, and individual performance. Base salaries are revised and determined annually following the recommendations of the Corporate Governance Committee. We also take into account salary surveys conducted by independent consulting firms in every pay raise period.

Monthly Sales Commissions

Monthly sales commissions are an integral part of Mavi's compensation system, which rewards the store employees' commitment to certain criteria, including customer satisfaction (Happiest Mavi Customer), product reviews, store coordination, new customer acquisitions, and sales results.

Annual Bonuses

The objective of bonus payments is to improve the efficiency of the executives to reach the corporate targets, ensure the sustainability of performance, distinguish successful executives by emphasizing individual performance, and reward the executives who create added value for the company. Bonuses are paid if the EBITDA target set for the calendar year and approved by the Board of Directors is exceeded and in proportion to the extent that individual executives meet their own KPIs. Some of the top executive level KPIs include net indebtedness, opex management, inventory turnover, sell-through and mark-down ratios, new customer acquisition, new store ROI and ramp-up management, and capex management.

Long-term Incentives

The Board of Directors may grant executives with administrative responsibilities a performance-based long-term incentive by taking into account the net profit and share price targets set for a period of three years ("Incentive Period") in accordance with the principles defined by the Board itself.



EMPLOYEE DEVELOPMENT

Our brand identity as an industry leader is driven by our strong human resource, which continually helps the company move forward and keeps pace with change and innovations. Accordingly, we offer our employees numerous learning and development opportunities to improve their skills throughout their careers.

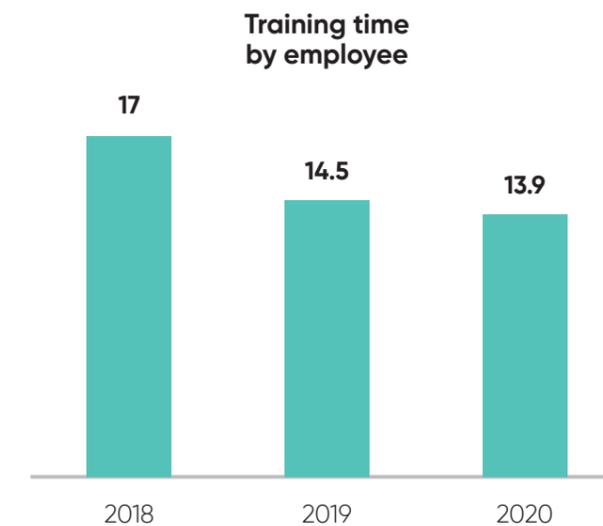
Our approach to in-house training has evolved from basic to personalized and targeted training programs. Since 2015, we have organized workshops consisting of 24 Go groups.

We identify the requirements for our training and development programs based on the performance system results and by conducting needs analyses via one-to-one interviews with all department managers. Then, we design individual development plans consisting of professional, technical, and personal development training modules for all employees in line with the Mavi Competency Model. In addition, we provide our employees with opportunities to attend conferences, seminars, and summits on a range of subjects in Turkey and abroad. Employees are also offered foreign language support.

We develop various tools to leverage digital resources in training programs. In this context, we compiled a Digital Training Library, created video training programs, and designed online Manager Development Programs.

In 2020, total training time was nearly 57,000 hours, with an average of 13.9 hours of training per employee.

For more information on the development training programs offered to the head office and store employees, please [go to](#):



EMPLOYEE ENGAGEMENT

We developed a suggestion system to encourage the active participation of the employees in the decision mechanisms and benefit from innovative ideas. We collect all the suggestions submitted to the suggestion/comment section of the Maviletisim platform and evaluate them systematically. The field team can also submit their suggestions and complaints via the "Jean Fikir" (Jean-ious") section on the Mavi Connect app.

In 2021, we conducted our first employee engagement and satisfaction survey, which we plan to repeat regularly. This will allow us to review the working conditions based on feedback about the expectations and needs of the employees and drive actions to improve employee satisfaction.

HEALTHY AND SAFE WORK ENVIRONMENT

Our top priority is to create and provide a secure, healthy and peaceful workplace that complies with environment and occupational health and safety. Therefore, we design activities to foster a culture of occupational health and safety (OHS) beyond legal requirements and manage the process with a systematic and proactive approach. The Occupational Health and Safety Committee is tasked with ensuring that occupational health and safety practices are implemented. This committee manages OHS-related processes including regular review of the occupational health and safety practices, recommends improvements and enhancements, and ensures regulatory compliance. The senior executive responsible for occupational health and safety is the Chief Human Resources Officer (CHRO), who reports directly to the CEO.

Risk analyses are conducted and emergency action plans are made by OHS specialists at the head office and stores, and preventive measures are implemented based on the findings. We monitor the OHS regularly. No workplace fatality has occurred at Mavi with only some minor incidents reported.

Occupational Health and Safety Performance	2018	2019	2020
Injury rate (IR)*	0.68	0.73	0.88
Occupational disease rate (ODR)	0.00	0.00	0.00
Lost day rate (LDR) **	1.06	0.65	1.30

* Injury rate is calculated using the formula (number of accidents x 200,000) / annual total working hours.

** Lost day rate is calculated using the formula of absenteeism due to Injury / annual total work x 200,000.

During the recruitment process, we ask employees to provide health information and health reports confirming suitability for the job. Workplace physician and OHS specialist are available to provide assistance to employees when needed. Employees in management and higher positions are entitled to private health insurance at the time they start their jobs while store managers, deputy managers and assistant managers earn this right six months into their jobs.

We hold training sessions to reinforce and raise occupational health and safety awareness. Training content also includes information on specific occupational health issues such as back pain, lumbar and neck disorders. In 2020, head office and store employees received a total of 4,984 person*hours of OHS training, averaging 8 hours per person while employees of the subcontractors took 4,524 person*hours of training. We repeat the training sessions at regular intervals.

To enhance workplace ergonomics, we implement various practices to improve lighting and indoor air quality, optimize noise, humidity and heat levels and upgrade equipment.

5.2 INCLUSIVE BUSINESS MODEL AND RESPONSIBLE VALUE CHAIN

As a denim-centric ready-to-wear company, Mavi does not engage directly in any production activities. However, we work with over 120 responsible suppliers with world-class production capabilities through our global sourcing network and 441 sub-manufacturers through these suppliers.

In addition to using general parameters such as product and service quality and capacity, we apply performance criteria, including quantity and revenue volume, speed and flexibility, contribution to collections, unique product creation capability, risk level, scope, compliance, and cooperation to evaluate and select our strategic and critical suppliers. Furthermore, we expect our entire value chain, especially our 18 strategic and 38 critical suppliers, to comply with and contribute to our sustainability goals and objectives.

Implementation of Mavi's ESG principles and standards across the value chain is important to us. Accordingly, we adopt an inclusive business model to improve the sustainability performance of all suppliers and support their development. We audit our suppliers and strive to achieve traceability across the supply chain.



Responsible sourcing strategies and actions play a key role in managing a sustainable value chain. With our sustainability 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. During the pandemic, we implemented the necessary measures across the value chain, placing people at the heart of our business while ensuring production continuity. We extended various means of support to our suppliers and business partners while focusing on improving the resilience of the supply chain to ensure that our suppliers could continue their business in these challenging times.

SUSTAINABILITY IN THE SUPPLY CHAIN

In all our activities, we aim to offer quality and innovative products by considering ESG responsibilities. We carry out relations with our suppliers in line with the [Supplier Code of Conduct](#) and Global Purchasing Principles. These guidelines, used to monitor the ESG performance of the suppliers, are in conformity with the Universal Declaration of Human Rights, the International Labor Organization (ILO), and the 10 Principles of the United Nations Global Compact (UNGC). We only work with suppliers that meet the high standards defined for supply chain management and support their continuous development. The majority of our production takes place in Turkey and nearly 80% of the suppliers are local manufacturers. The company also supports the socio-economic development of the country by making 75% of its total payments to local suppliers.

SOCIAL COMPLIANCE AUDITS

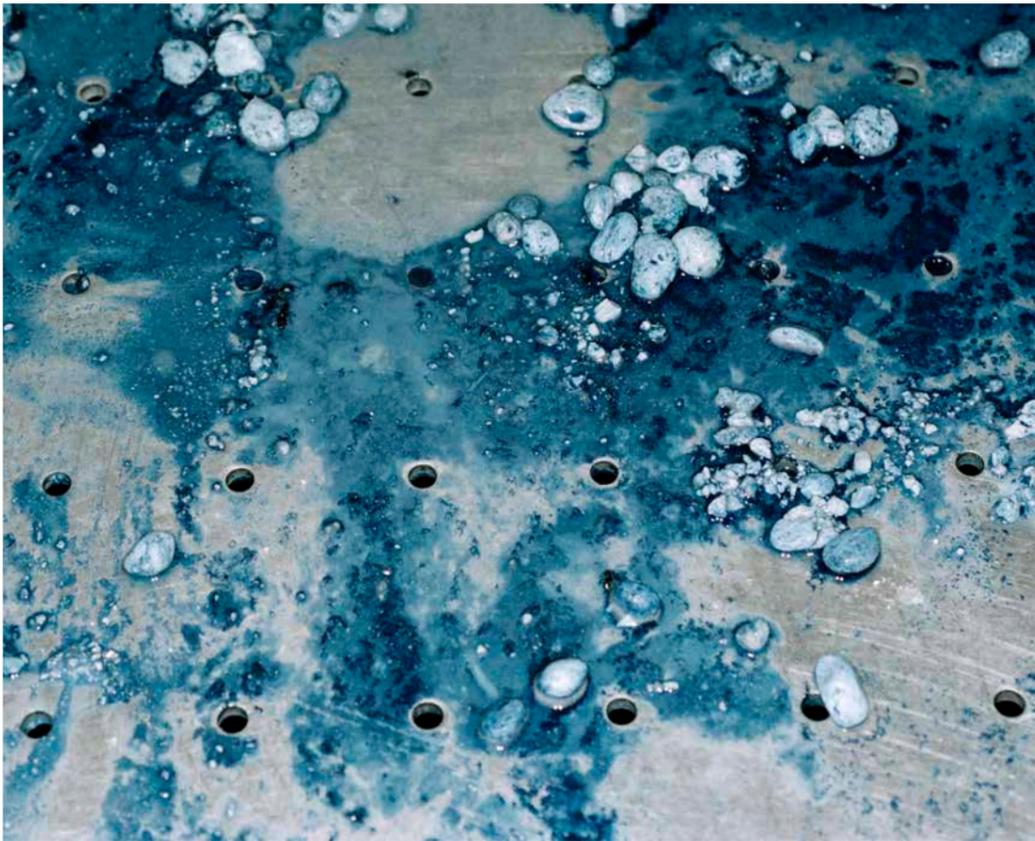
We conduct social compliance assessments for all the new suppliers that join the supply chain and only work with those that pass these inspections. Child labor and fire safety are crucial issues for Mavi; therefore we do not work with suppliers that fail to comply with the related practices. We terminate our relationship with any existing supplier when such non-compliance is determined. In addition to the Supplier Code of Conduct and Global Purchasing Principles introduced in March 2017, field and documentation audits have been conducted with suppliers and their subcontractors in all production categories since June 2017. The Social Compliance Department positioned under the Quality Assurance Department conducts inspections to determine social compliance in suppliers. These inspections focus on identifying the extent that the suppliers apply and comply with restrictions and regulations in areas such as child labor, health, safety, and the environment, working hours and payments, forced labor, the right to association and collective bargaining, discrimination, discipline, and management responsibility as required by international standards. Compliance with the Social Compliance Criteria established within the framework of ILO conventions, local legislation, and internationally accepted reporting standards (such as BSCI, SMETA, SA8000), including environmental criteria established under local legislation, management systems, operational efficiency, product safety, and risk assessment is verified by an integrated audit structure.

Due to the pandemic restrictions, we redesigned the social compliance audits. To ensure the continuity of these audits, we prepared self-assessment forms covering the COVID-19 compliance criteria, and in particular the topics specified as critical in the audit procedure, shared with all local and international suppliers and their subcontractors. Then, we conducted a more comprehensive self-assessment survey, including the sustainability criteria in the first half of 2021. We sent the survey consisting of 160 questions to 396 suppliers.

To analyze the social and environmental sustainability performances of suppliers based on their answers to the survey, we defined a scoring scale. Next, we scored each supplier responding to the survey in terms of their social and environmental risks. This analysis guided us in determining the scope of environmental audits we will conduct and the suppliers with high ESG risk.

In 2020, before the pandemic restrictions were imposed and in July, 52 main audits and 21 follow-up audits were conducted and 21% of existing suppliers were inspected. Upon detecting critical non-compliance in 6 subcontractors during the main audit and 3 in the follow-up audit, production for Mavi was halted in these facilities. Furthermore, 100% of new suppliers were assessed for social compliance before starting production. We prefer to work with suppliers who are members of the BSCI (Business Social Compliance Initiative) program or certified by Sedex (Supplier Ethical Data Exchange).

ERAK, one of the two major producers of Mavi, holds BSCI certificate while the other, TAYEKS, has BSCI and Sedex certificates.

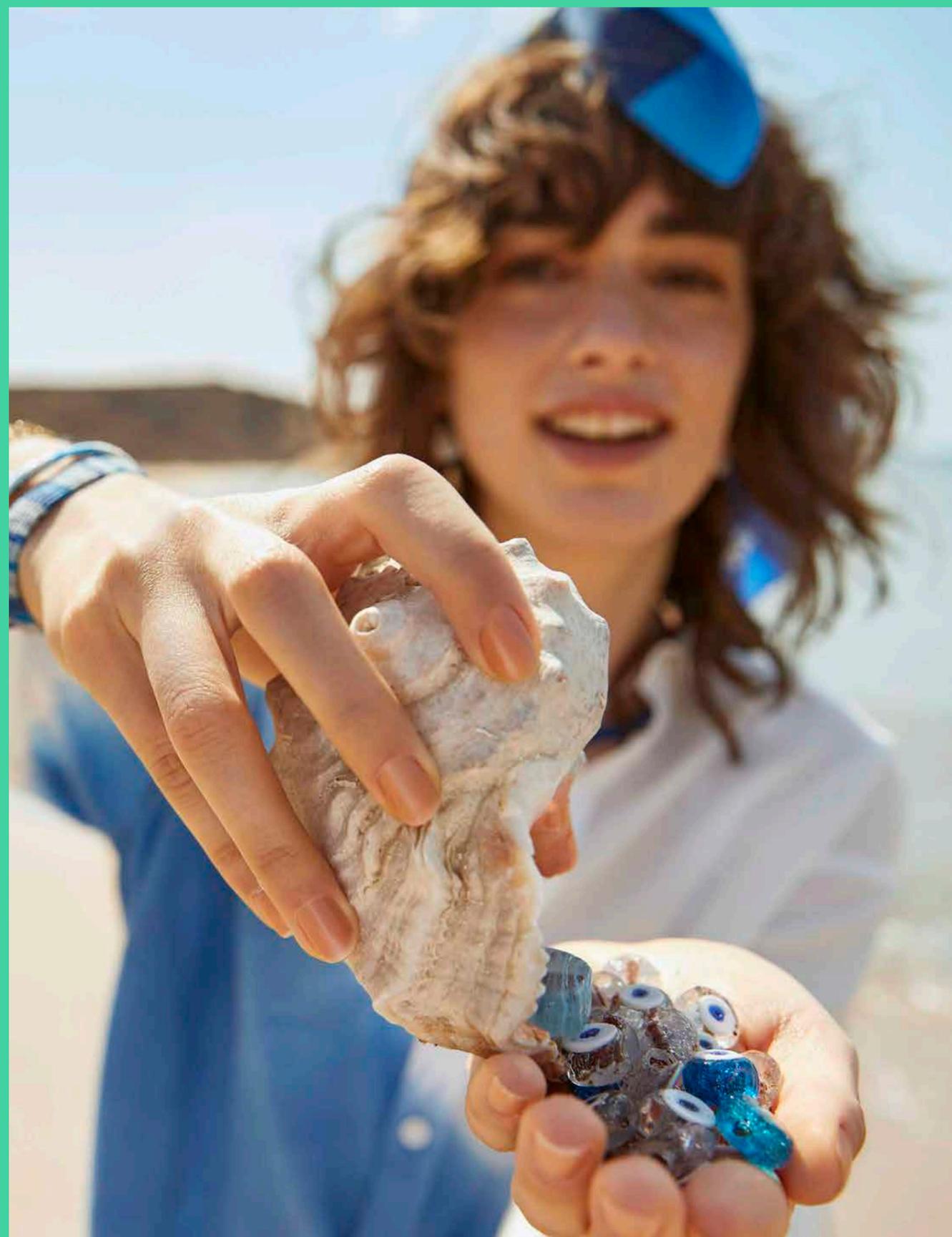


The purpose of these certifications and audits is to minimize environmental impact by prioritizing the health and social security of the employees across all production processes. During the audits, we inform the suppliers frequently to improve their sustainability performance.

If the audits of institutions such as Sedex and BSCI are valid for at least one year and their results are positive, Mavi agrees to work with the suppliers.

ERAK and TAYEKS are also included in the Higg Index, developed by SAC (Sustainable Apparel Coalition), which provides the tools to measure the sustainability performance of a company or product.

We take actions to improve environmental performance in the supply chain. Please see the [“Water, Energy, and Chemicals Management with the Suppliers”](#) section for more information on this topic.



06

PLANET

BETTER.PROTECT

6.1 Tackling Climate Crisis

6.2 Ecosystem Restoration

BETTER.PROTECT

As a denim-centric brand, we see the protection and restoration of what nature offers us as a fundamental responsibility. We promote a net-zero business model by tackling the climate crisis to protect natural resources and restore the ecosystem.

The majority of the impact that the apparel industry has on the environment is created in the raw material sourcing and textile production stages. However, the scale that the climate crisis, environmental pollution, and biodiversity loss reached calls for all to take action, regardless of their operational capacities. At Mavi, we take steps and develop projects and applications to improve our environmental performance related to water, waste, biodiversity, and in particular climate change. We also comply with environmental laws and other applicable regulations and disclose our compliance efforts.

In our environmental investments and expenditures, we aim for effective management of natural resources and protection of biodiversity, with particular focus on the efforts to tackle climate change. In 2020, our investments for these purposes amounted to TL 5.9 million.

B
CDP Climate
Change Program
score

5.9 million
TL investment

2,573.31
tonnes
CO₂ eq. emission
reduction



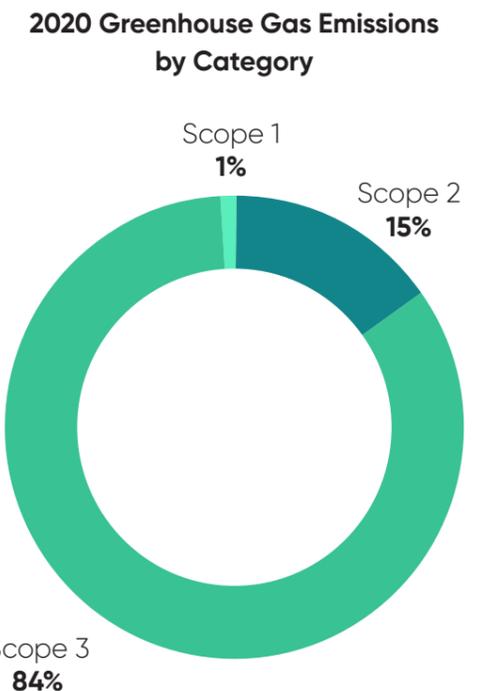
6.1 TACKLING CLIMATE CRISIS

The textile industry is responsible for generating significant amount of greenhouse gas emissions across the value chain, from growing cotton in the field to the final product sold to the consumer. At Mavi, our focus in tackling the global climate crisis is on reducing our carbon footprint along the entire value chain. Therefore, we involve our suppliers in the process to encourage the reduction of environmental impact of their production, design collections with innovative and sustainable products, and work to gradually increase the share of these products in total sales revenues. As we invest more in renewable energy, we also launch pioneering projects, such as the eco store with a focus on energy efficiency.

Reducing the Carbon Footprint

We became the first Turkish apparel brand to disclose its carbon footprint transparently by submitting our report to the Climate Change Program, run by CDP (Carbon Disclosure Project), the global disclosure system, and received a score of B in environmental performance. Based on the detailed analyses drawn from the report, we also earned A- in the Supplier Engagement Rating (SER). This rating aims to enable companies to measure the impact of their suppliers on climate change. In 2020, in our first submission to the program, which is open to all publicly traded companies in Turkey and which stands out as one of the world's most trusted scoring methodologies, we outperformed the global industry average in terms of both the CDP score and the SER rating. In 2020, our energy efficiency and renewable energy purchasing projects resulted in eliminating 2,573.31 tonnes of CO₂ eq. emissions per year.

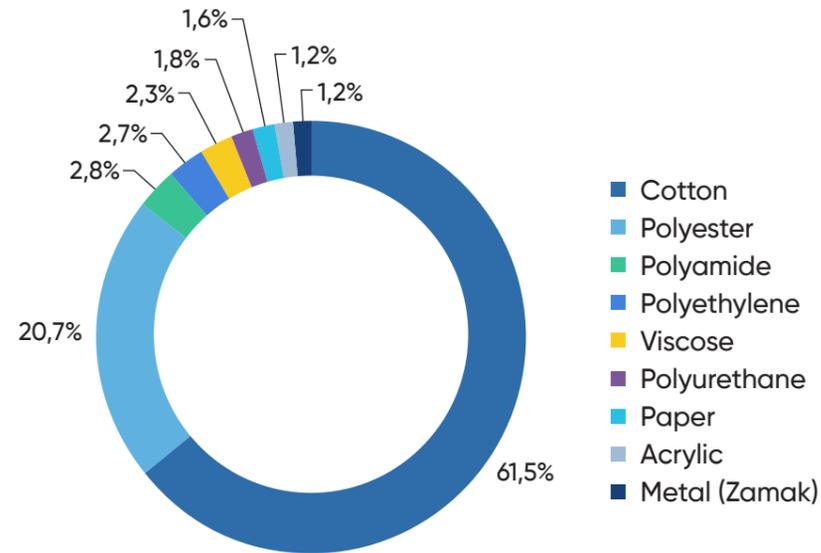
In 2020, Scope 1 emissions, the greenhouse gas emissions from directly owned or controlled sources, such as fuel consumed by vehicles or heating buildings, were measured as 773.9 tonnes of CO₂ eq. Meanwhile, Scope 2 greenhouse gas emissions from the consumption of purchased electricity, heating and cooling amounted to 17,024.7 tonnes of CO₂ eq. (location based). The other indirect greenhouse gas emissions from employee transportation and business trips, waste management and purchased goods are included in Scope 3. The Scope 3 emissions, which make up 84% of Mavi's total emissions, were measured as 93,480 tonnes of CO₂ eq.



Carbon Disclosure Project

In addition to the CDP Climate Change Program, we started responding to the Water Security and Forests Programs in 2021. With the programs, we will focus on water and raw material consumption across the supply chain and identify our risks in these areas. Furthermore, we aim to engage in partnerships for mapping risks and reducing our environmental impact through increased efficiency in water and raw materials.

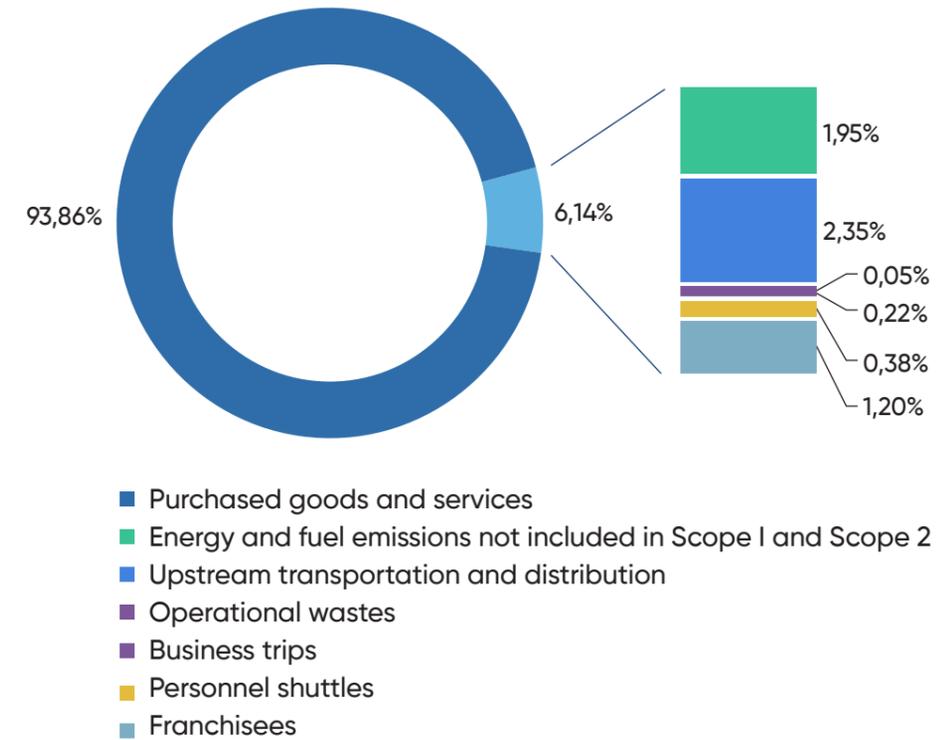
We became the first Turkish company to respond to the CDP Forests Program, which allowed us to map our approximate material/raw material footprint. Accordingly, around 82% of our footprint consists of polyester and cotton alone. At Mavi, we aim to concentrate on these fibers, expand our mapping, and achieve progress toward our sustainable raw material target.



We expanded the scope of our reporting by including our international operations in our submission to the 2021 CDP Climate Change Program. Furthermore, including greenhouse gas emissions from our material footprint in our Scope 3 reporting brought us one step closer to our emission profile to fully reflect our value chain. Our next goal is to include greenhouse gas emissions from the production processes of our non-denim products.

In addition to these programs, we also help our business partners manage their environmental impact with the CDP Supply Chain Module. Accordingly, we shared the specific carbon footprint of 11 products with a business partner, enabling them to measure and better manage their Scope 3 emissions in 2021.

Mavi's Scope 3 Emissions



Renewable Energy and Energy Efficiency

We take significant steps toward purchasing renewable energy to reduce carbon emissions created through electricity consumption. Accordingly, we signed a renewable energy purchasing agreement with Selenka Energy to use electricity from renewable sources where possible. As of January 2021, wind energy is used at the head office and 101 Mavi stores, where electricity meters are controlled by Mavi. With our guidance, seven franchisees also voluntarily chose to source their energy from wind farms.

"We have been a Mavi franchisee since 2006. In the period we have worked with Mavi, I see that we grew together and adopted Mavi's values as our own. Mavi guides us in eco-friendly retailing with its All Blue and Mavi Pro Sport Repreve® collections, sustainable store concept, and similar efforts. Thus, we found the opportunity to evaluate where we stand and exchanged ideas with our colleagues about what we can do as a business and as individuals. In 2020, we started to procure renewable electricity for our high street stores."

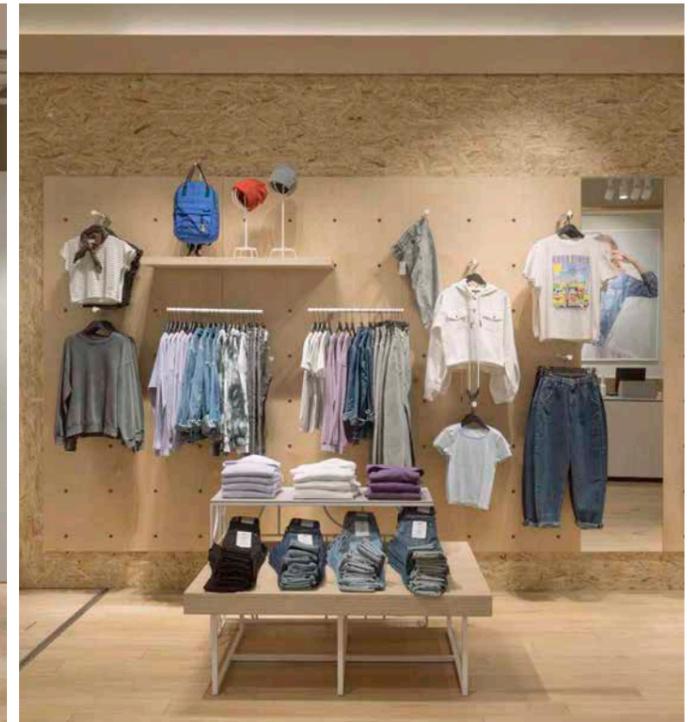
Cem Soydan, Mavi Franchisee

Remote Energy Management System

In 2019, we partnered with Reengen, an IoT (Internet of Things) platform for integrated energy, to conduct an energy efficiency and management study in 10 pilot stores. Energy consumption was regularly monitored with energy analyzers placed in the stores and unnecessary energy consumption was identified. With the pilot study delivering positive results, the scope of the agreement was expanded in August 2020 to cover all Mavi stores. The alert system enabled the stores and the head office to prevent unnecessary energy consumption. In light of the data from the pilot study and the data provided by Reengen based on studies in similar industries, the energy consumption in the stores is anticipated to decrease by 8% with the deployment of alert devices and increased user awareness. The installation of the Reengen system also allowed us to monitor the energy consumption amounts in the shopping mall stores that do not have electricity meters controlled by Mavi. Starting from 2021, full energy consumption data will be reported with actualized values.

Mavi Eco-Store Concept

To reduce the environmental impact and in particular the carbon footprint of its stores, we designed a sustainable store concept and opened our first eco store at the Zorlu Shopping Mall in Istanbul. 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, we see that an eco-store built with 30% less raw materials, consumes 25% less energy and 20% less water than a standard Mavi store.

- Aisle systems were redesigned to reduce the total quantity of materials we used in the construction of the eco-store. The new design features lacquered MDF panels, cabinet style product sections, raw OSB and natural coated walls instead of plaster primer and paint, as well as naturally painted cork wall tiles and two-dimensional section and column systems.
- With a new, industrial ceiling design, we eliminated many systems and materials used in the old store design, reducing resource consumption. The ventilated air is released directly into the store through the open ceiling system, preventing capacity loss in the process. More efficient lighting fixtures resulted in reduced electricity consumption while the waste heat generated by the luminaires in the store also decreased.
- In the design process of the eco-store design, the life cycle assessment reports of the selected products, required to have international sustainability certifications, were studied and the locally produced options were prioritized.



THE ENVIRONMENTAL IMPACT THAT ONE PAIR OF TESS GOLD LUX MOVE TENCEL™ JEANS CREATES DURING PRODUCTION

(EXCLUDING THE LOGISTICS, SALES AND CUSTOMER EFFECTS)



CLIMATE CHANGE

(CARBON FOOTPRINT)
7,64 KG CO₂ EQ.



30KM DRIVEN BY AN AVERAGE CAR.

WATER CONSUMPTION

861 LITRES



WATER USE OF AN AVERAGE PERSON IN TURKEY FOR 3.8 DAYS.

LAND USE

3 M²/YEAR



TWO PEOPLE HOLDING HANDS TOGETHER WOULD MAKE ONE SIDE OF A SQUARE THIS SIZE

EUTROPHICATION

0,0132 KG PO₄ EQ.



ACIDIFICATION

32.3 GRAM SO₂ EQ.



OZONE LAYER DEPLETION

8.69 X 10⁻⁷ CFC-11 EQ.



PHOTOCHEMICAL OXIDATION

1.5 GRAM C₂H₄ EQ.



- The drywalls, paints, ceramic tiles on the floors of the fitting rooms, and the finishes of the cashier's desk have Greenguard Gold certification, which guarantees that the materials emit minimal volatile organic compounds not to harm human health.

- The drywalls used in the store have an Environmental Product Declaration (EPD) document, which ensures that the environmental impact of the products is disclosed transparently according to international standards across the entire life cycle.

- The wood-based wall coverings are FSC-certified (Forest Stewardship Council), meaning that they are sourced from sustainable forestry products. The natural cork tiles on the section walls are also sustainable.

• While designing the eco-store, the materials already available in the store were considered for reuse as much as possible to eliminate the impact of procuring new materials. With this approach, we reused the cashier's desk, the wood-based panels on the back wall of the cashier's desk, and the parquet flooring, reducing waste generation and consumption of new resources.

People-focused Lighting and Its Effects Study

We work to introduce more efficient and healthier lighting systems by utilizing LED lighting technologies in our stores. Accordingly, the visual architecture team developed a project to study how the lighting in the stores where employees and customers spend long periods affect human health and performance. With the project, launched in response to the call for "On-Demand R&D" as part of TÜBİTAK-TEYDEB's Innovation Grant Program, the effects and interconnection of changes in light colors and luminous intensity with employee performance and customers' shopping behavior are studied. This helps Mavi save energy in luminaires through the use of automated lighting systems and LEDs in the stores. We also aim to create a healthier and more comfortable shopping experience for our customers and a more efficient work environment for our employees while strengthening our industry leadership in this field.

Life Cycle Assessment

In 2020, we started Life Cycle Assessment (LCA) studies to identify the environmental impact of our products. 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.

As a denim-centric lifestyle brand, we prioritized denim products in the LCA studies. 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, we contacted 12 domestic and international suppliers that produced these 50 fabrics to exchange data and build life

cycle inventories. The data we obtained enabled us to build a significant fabric database, which will form the foundation of the life cycle inventory of several products.

Following the creation of the database, 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. Next, we worked with two major accessory suppliers to create the inventories of 85 different denim accessories. This study allowed us to differentiate between the impact of accessories such as buttons, rivets, plackets, flaps, and snap fasteners.

Using the information compiled in the inventory, environmental impacts including global warming potential (carbon footprint), eutrophication, acidification, ozone layer depletion, photochemical oxidation, cumulative energy demand, and water consumption during the manufacturing processes of 43 selected Mavi products were calculated.

In addition to the calculated environmental impacts, we studied the environmental footprint of each product with the Environmental Footprint method, which includes the effects of ionizing radiation, toxicity, land use, and resource consumption, to prepare for future policies. Environmental Footprint is an environmental impact calculation methodology published by the Product Environmental Footprint (PEF) program of the European Union (EU). A part of the Single Market for Green Products Initiative, the PEF is a multi-criteria measure of the environmental performance of a good or service throughout its life cycle. This program is currently being developed to be used in the future EU policies.

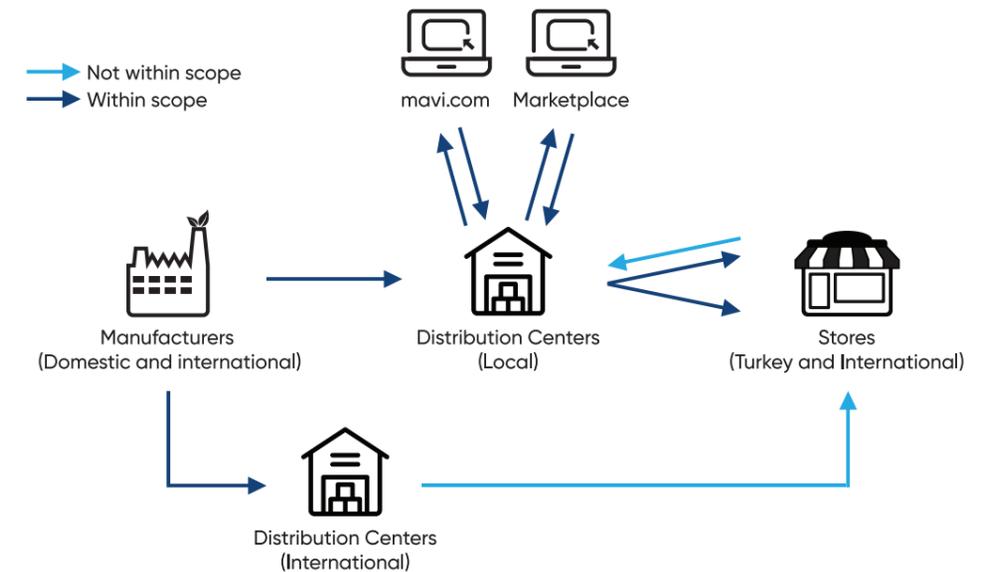
Using LCA, we analyzed the environmental impact, and in particular the carbon footprint, water consumption and environmental footprint of the products in detail, drilled down to production stages. In addition to offering a roadmap, these results also provided direction to the denim design and product development teams to consider reducing environmental impact in their decision-making processes. This inventory now enables us to compare the environmental impact of fabric suppliers and their different fabrics. As the LCA studies continue, we aim to expand the scope with the non-denim hero product groups in the next stage.

Logistics Activities

To calculate our logistics-related greenhouse gas emissions, we mapped our logistics network based on data obtained from our suppliers such as shipping volume, departure and destinations, and engine class. We calculated the greenhouse gas emissions of our logistics activities from manufacturers to distribution centers to stores, marketplaces, and Mavi.com customers. We now aim to include inter-store shipments, returns and international movements with a very small share in our logistics footprint within our scope.

Since December 2020, we have partnered with a logistics provider and shifted to intermodal shipment for land transportation to Mavi Germany, achieving more fuel efficiency in product shipments. The reduction in fuel consumption with this mode of transportation results in lower Scope 3 greenhouse gas emissions from logistics.

Logistics activities included within the scope of emission calculations



"We have been a solution partner to Mavi for over a decade, providing services with our supply chain centers and transportation services. Our joint efforts to reduce packaging waste set an example for our other operations. Furthermore, our activities such as conversion to LED lighting, reducing electricity consumption, and related greenhouse gas emissions support Mavi's work toward improved operational sustainability."

Enise Ademoğlu Matbay, Corporate Sustainability Director, Ekol

With our strategic manufacturing partner **ERAK**, compared to last year;

26%
LESS WATER

24%
LESS ENERGY

54%
OF TOTAL DENIM
PRODUCTION IS DONE
WITH LASER AND
SUSTAINABLE
WASH TREATMENT

6.2 ECOSYSTEM RESTORATION

Our priority is to reduce the stress on nature and protect the fragile ecosystem. Therefore, we focus on using water resources efficiently, controlling the use of chemicals, packaging and waste management, and biodiversity across the supply chain. Accordingly, we encourage making sustainable products that require less water and recycling water in production processes. To protect the health of manufacturers and consumers and minimize environmental impact, we aim to reduce the use of chemicals and comply with the ZDHC criteria. We recognize the importance of using recycled materials in packaging and plan to use only FSC certified packaging. Furthermore, we adopted a circular approach to waste management and work to reintroduce waste and other wastes into the system. We also develop projects to raise social awareness about protecting biodiversity.

"As a denim expert and strategic partner to Mavi for 30 years, we are delighted to accompany this leading brand on its journey since its establishment. The commitment of global brands that work with us certainly positively impacts the innovations we introduce in production for a more sustainable world. Mavi focuses on creating value with a passion for making the best and highest quality jeans, and this approach motivates us at Erak and inspires confidence. Therefore, sharing the same sustainability vision with Mavi thrills us immensely. As a result of our joint efforts, we consumed 26% less water and 24% less energy last year, while laser and sustainable washes and treatments accounted for 54% of our denim production. We are confident that our partnership will thrive as we continue to innovate with the power of technology."

Erak management

Water, Energy, and Chemicals Management with the Suppliers

We focus on more efficient energy and water use and reducing environmental impact both in our own operations and across the supply chain. In addition to conducting inspections, we develop various projects, collaborations, and applications for this purpose. ERAK and TAYEKS, the two major suppliers of Mavi 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 in production. Furthermore, 56% of the electricity that ERAK used in the last three years came from natural gas cogeneration.

All the chemicals that these two major suppliers use are ZDHC (Zero Discharge of Hazardous Chemicals) certified. These chemicals undergo tests and controls and are used only after approval. In line with international and local regulations, the companies work to minimize the employees' contact with these chemicals, and only safe chemicals that are not harmful to humans are preferred.

We take utmost care to keep the discharged water from production below the legal limits. Mechanical, chemical and biological membrane treatment systems are used at the manufacturing sites. With the enhancements implemented, fewer chemicals, less water, and less energy are used in the processes. Starting with the All Blue collection, we have shifted our focus toward the use of e-flow technology to reduce water consumption.

Waste Management

In 2020, our operations generated 2,417 tonnes of non-hazardous waste - including the wastes within the scope of Recycling Participation Share (GEKAP) - and 17% of this waste was delivered to recycling while 10% was burned for energy recovery. In logistics, 65% of the boxes that manufacturers use for delivery of Mavi products are reused. All packaging waste is delivered to licensed waste collectors for recycling.

Biodiversity

The population sizes of mammals, birds, amphibians, reptiles, and fish have shown an average 68% decrease in the last 50 years.⁵ Meanwhile, the increasing urbanization, deforestation, and changing consumer habits are impacting natural life more than ever. This interaction with nature became more apparent during the COVID-19 pandemic. The effects of humans and human-related activities on biodiversity should be studied and programs and projects should be developed to protect the species in their natural habitats if we want to prevent future pandemics and stop the endangered species from extinction.

⁵ World Wildlife Foundation, Living Planet Report 2020

Indigo Turtles Project

As a Mediterranean fashion brand, we have 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 one million *Caretta caretta* make it to the sea in the last 22 years. The number of nests, which was only 500 when the activities started in the region, has reached 3,200 levels in 2020. The number of hatchlings that made it to the sea exceeded 150,000, breaking a record and tripling the number of 2014. Facing many difficulties, only 40% of hatchling turtles reach the water and only one in a thousand survives. This is why the Indigo Turtles project raises awareness about supporting the survival efforts of the sea turtles and the importance of volunteering. Hundreds of university volunteers join the Indigo Turtles project and camp on the 30km-long beaches for four months, working tirelessly under the scorching sun every day to protect the mature female turtles' eggs from external factors and help hatchlings climbing out of their nests to reach the water. Along with hundreds of university volunteers from Turkey and around the world, customers, scholars, social media followers, brand ambassadors, and employees of Mavi also join the project voluntarily. To date, 120 people from Mavi including directors, managers, and employees have joined the project while 41 people from social media followers, customers, and women scholars have supported the works of EKAD every year in the June-September period. Since the launch of the project, each customer that purchased an Indigo Turtles T-shirt adopted five sea turtles and contributed to the efforts. The T-shirts, designed for all customer groups, are sold in Turkey as well as online stores in the US, Canada, and Germany. Every year, thousands of Mavi customers become voluntary ambassadors of the project with their T-shirts. Supported by the awareness seminars we host at universities, the project gains more recognition as the number of applications to volunteer increases every year. In 2020 and 2021, only university students could volunteer for the program due to the COVID-19 pandemic restrictions.



	2014	2015	2016	2017	2018	2019	2020	2021
Number of nests	1,998	2,111	2,478	2,283	2,069	2,165	3,191	3,850
Number of adult turtle eggs	149,850	151,992	183,372	157,527	144,830	155,880	232,943	300,300
Number of hatchlings	75,824	75,540	106,172	81,284	79,512	77,472	130,914	168,000
Number of hatchlings that reach the sea	56,643	64,901	92,236	69,942	63,291	66,561	114,375	150,800

"Climate change, environmental pollution, and loss of habitat and biodiversity, caused by rapid industrialization and growing population, are threatening the future of humankind and call for urgent action. We have launched the Indigo Turtles project with Mavi in 2014 and worked to protect nature, especially sea turtles since then. Every year, we help hundreds of thousands of sea turtles reach the sea with the support of Mavi. I am pleased to note that this project also raised awareness of the community about protecting biodiversity. The growing number of volunteers who want to join the Indigo Turtles project is testament to the heightened awareness in the society."

Dr. Ali Fuat Canbolat, President, Ecological Research Society (EKAD)



07

DENIM

BETTER.TRANSFORM

7.1 Quality First

- . Product Quality and Safety
- . Perfect Fit Strategy
- . Customer Satisfaction and Communication

7.2 Denim Innovation

- . All Blue: Mavi's Most Sustainable Collection

7.3 Innovation Partnerships

7.4 Responsible Raw Material Sourcing

BETTER.TRANSFORM

We transform denim with our unique, innovative ideas and the power of technology. We involve our customers in the sustainability transformation process with quality and sustainable products and change their consumption habits. We aim to inspire the industry with innovative products with low environmental impact by embracing the circular economy model. We support this approach with innovation partnerships to shape the future of sustainable fashion. With responsible raw material sourcing and production, we spread this transformation to every aspect of the value chain, from the farmer to the end-consumer.

7.1 QUALITY FIRST

The Perfect Fit philosophy that has guided us since the very beginning allows us to meet customer expectations with the right price-quality balance. Now, we take this one step further to make quality and sustainable products accessible to all our customers. With our eco-friendly All Blue collection, we play a role in helping consumers make more informed choices.



PRODUCT QUALITY AND SAFETY

At Mavi, we aim to bring quality and safe products to our customers by ensuring the highest standards across the value chain. The quality control team of experts under the Global Purchasing Directorate is responsible for product quality and assurance and conducts regular quality controls in all processes from production to distribution. The interim controls during production and final controls for the finished products are performed by Mavi's quality control team and accredited independent inspectors.

We perform regular inspections to measure and score quality at the companies in the supply chain. This assurance process enables our suppliers to produce according to the specified quality and safety standards and procedures. The Mavi Manufacturer Handbook, where these standards are explained in procedures, is shared with the suppliers. These standards include Global Purchasing Principles, Fabric Performance Standards, Ecological and Physical Test Matrices, Audit Procedure, Error Definitions, Error Examples, and Measurement Guide.

At the sample stage, we carry out technical product refinements for fit, performance, and functionality. We carefully evaluate customer feedback and aim for the highest product quality through the work of the product development and procurement teams and improvements made with manufacturers.

We test every fabric, model, and related options in international test laboratories and follow the world standards defined by global organizations to the letter. We require chemical analyses and quality performance tests from the manufacturers to check that the products are manufactured in the declared standards. The products, beginning at the sample stage, are tested by third-party laboratories for levels of chemicals. Furthermore, raw materials are tested under the manufacturers' responsibility within the scope of EU legislation (REACH - Registration, Evaluation, Authorization and Restriction of Chemicals) for other chemicals. The tests are conducted according to specified criteria by accredited laboratories, the results are evaluated and only the approved products are shipped. Each item is tested and products that fail to conform are canceled and not purchased.

mavi
allblue

no filter
all vegan
less water
much love!



PERFECT FIT STRATEGY

Our Perfect Fit strategy means that we understand and track the customer needs while offering high quality for great value in response to expectations. We follow the latest global fashion trends as well as those in our local and international markets to identify the target consumers' requirements and offer the optimal options to meet their needs. This brings global recognition to Mavi as a denim-focused lifestyle brand that offers high quality, premium-priced apparel for men and women, and particularly for world-class quality denim products.

In 2020, we offered our expanded sustainable collection All Blue, the "Legendary Jean Series" that maximizes comfort with the use of new technical fabrics, 15 new jeans fits for women to appeal to all age groups, styles, and sizes, and the enriched sporty line Team Mavi. Being the preferred brand in jeans as well as casualwear elevated the customer's interest in Mavi during the pandemic when shopping behavior changed and smart-casual became the style choice. We continued to stand apart by understanding and responding to the needs of all age groups. We maintained our market share in women's while growing men's share.

Mavi is the leader of the Turkish denim market with 20% share and ranks among the top four womenswear and menswear brands in the apparel market. In addition to ranking first in top-of-mind jeans brand awareness and powerful brand recognition in Turkey, we also stand apart as the preferred jeans brand across both male and female consumer segments. With a diverse design team that feels the market and an R&D team with strong technical expertise, our broad denim assortment for all markets includes more than 200 fits and over 1,500 model options. The CRM applications used in analyzing matrices of jeans fits and customer demographics serve as a key tool in differentiating the brand. During the pandemic, we focused on doing what we do best, interpreting change from a denim culture perspective and maintaining our leadership with jean innovations.

mavi
allblue

no filter
all vegan
less water
much love!



CUSTOMER SATISFACTION AND COMMUNICATION

One of our top priorities is creating the “Happiest Mavi Customers”. To spread this approach that places customer happiness at its heart across the field, we formed a special project group, GoCustomer. Employees from the marketing, HR, sales, and training departments actively participate in this group, which works throughout the year to deliver an excellent shopping experience to the customer with premium products and service quality.

Our best-in-class loyalty program (Kartuş) has grown to 8.1m members since its launch in 2007. We effectively use the Kartuş data to develop opportunities and advantages that respond to customer expectations and needs and run personalized campaigns and communications to drive customer frequency, basket size, and lifetime value.

Responding to the evolving needs and expectations of the consumers creates a significant competitive advantage. Therefore, companies that focus their skills and assets from human resources to data-driven tools on understanding the changing consumer behaviors are able to adapt to the evolving conditions faster. At Mavi, we adapt to the rapidly changing dynamics of the fashion industry without compromising quality and brand reputation in the eyes of the customer and continue to create the Happiest Mavi Customers. In 2020, Mavi’s efforts in this area were recognized with the gold award in the apparel category at the A.C.E. (Achievement in Customer Excellence) Awards.

We diversify and enrich the shopping and feedback channels through digitalization to provide better experiences for Mavi customers and improve customer satisfaction. With the digital transformation that started in 2020 with the move to SAP, we redesigned the operating procedures of all the departments, achieving more efficiency and digitalization in our operations.

Mavi customers are able to provide feedback regarding products or services and communicate their thoughts and ideas about Mavi and all kinds of recommendations to us by phone, email, social media channels, and stores. In November 2019, we made a major organizational change and signed an agreement with Global Bilgi to outsource our call center operations, which were managed in-house until then. In this new system, the customer relations teams continue to provide service at the head office while Global Bilgi has a dedicated team of 48 at its Bursa location to serve only Mavi. With the new structure that integrates the customer call center processes in stores and e-commerce, we now serve our customers from 8:00 am to 12:00 am seven days a week. The call center team manages the flow of communications and responds to customers by taking the necessary actions. In 2020, we resolved 89% of the complaints communicated to Mavi. According to the surveys conducted by the call center, customer satisfaction was 91.79% as of year-end 2020.



One of Mavi's happiest customers

" It was my early university years, when Mavi Jeans was just born.

It was new and fresh like us; it was full of energy...

I bought my first pair of Mavi Jeans and jacket in 1991; back then, its logo was different (that logo is still on my jacket, sorry, :) now my daughter's jacket).

It was the birth of a great Turkish brand.

My daughter, who started studying Fashion Design at Ege University this year, loves my old jacket and wears it all the time.

I had that jacket on when I kissed my daughter's mom for the first time. I wore it during our first trips together and in so many exciting moments.

Yes, that jacket carries thirty years of wonderful stories.

I just wanted to share this happiness with you.

All the best "

At Mavi, we manage customer relations according to the EN 15838 Customer Contact Centers –Requirements for Service Provision and ISO 10002 Customer Satisfaction Management System. The sales representatives and managers at Mavi stores received 16,111 hours of customer relations training, which included topics such as customer psychology, handling customer objections, happiest Mavi customer, seamless shopping experience, customer relationship management, and next-generation customer experience. We also apply a Returns and Exchange Procedure, which defines the rules that all stores should follow.

We procure services from a third-party to monitor all customer posts and engagements on social media about Mavi. With this service, we gain valuable insights about Mavi and respond swiftly to the issues that require action. Over 90% of the content shared and the conversations on social media regarding Mavi are positive.

We conduct regular surveys to collect information on the brand's impression among customers and consumers' shopping habits in relation to the Mavi brand, products and ad campaigns. The secret customer surveys at Mavi stores and franchisees enable inspection of every single sales point, and monitoring and reporting on their service quality. Net Promoter Score (NPS) is monitored with secret customer surveys. In 2020, we outperformed the industry average with an NPS score of 41.6 according to the results of the secret customer survey.

Our [Information Security Policy](#) defines the actions required for implementing, running, monitoring, reviewing, maintaining, and enhancing information security. Our customers can access the Privacy Notice for Protection of Personal Data at the stores, on the [website](#), the Mavi mobile app, or via the call center at all times.

7.2 DENIM INNOVATION

We believe that the best denim is sustainable denim and continue to invest more in R&D and product development processes. Our sustainable collection All Blue is built on people, nature, innovation, digitalization, and efficiency as key values of the brand. With the innovative All Blue collection, we consume less energy, water, and chemicals and prefer to use organic, recycled, and upcycled materials, driving denim innovation in the industry.

Turkey maintains an unrivalled position worldwide in terms of R&D investments, innovation and technology development in denim fabric and blue jeans manufacturing, giving us a competitive edge in shaping the industry. We combine our denim expertise with the product development team, optimally leveraging Turkey's high quality supply ecosystem. As a denim innovator, we have become a force to contend with in setting quality and price in the market. For our design and product teams, accurate interpretation of fashion trends for the brand and the customer with their technical expertise is a key priority. To ensure the softness, comfort and wearability that we aim to deliver to the customer, our R&D activities focus on detailed fabric research, product trials and wearability tests together with suppliers.

The budget allocated for R&D in 2020 corresponded to 1.4% of our revenues. The sales of the sustainable products accounted for 6.07% of total revenues. Furthermore, the sales of our All Blue collection increased by 39% year-on-year. To date, we conducted product Life Cycle Assessment (LCA)* on 2.3% of all denim products. Currently, the R&D employees constitute 3% of the white-collar workforce.

* For more information on LCA, please see the [Life Cycle Assessment](#) section.

Mavi's Denim Innovations in 2020

- Cooperation with Lenzing continued for TENCEL™ fabrics used in the Gold collection. A soft and premium look is achieved with luxury fiber blends (TENCEL™, viscose, and modal, etc.).
- Street ICON Women's Denim Series brought a new twist to the denim world with special fabrics and washes, details such as buttons, rivets, and back patches made with the latest techniques, and the latest highlights of street fashion.
- For the A.C.A.I.P style in the Fall-Winter 2020 and Spring-Summer 2021 collections, we designed a special elasticated waistline and developed a denim fabric for a perfect fit and comfortable wear for all sizes.
- The Mavi Black Pro collection featured techno-reflective details, bringing a trendy, young and comfortable look to menswear.

- We designed Efsane, the Legendary Jean Series featuring styles such as KRMZBYZ, with modernized tapes, KVNÇ, with a new printing technique, and TOKK, with a true denim look and wear.

" Sustainable fashion is now more than just a fashion trend; it has become a part of the environmentally conscious consumers' lifestyle. Mavi is a leading apparel brand in Turkey, making its mark with sustainability practices in all business processes. In addition to drawing a sustainability roadmap and using sustainable materials and production techniques without sacrificing quality, Mavi also shares what it does with the consumer in a simple and transparent manner. For TENCEL™, it is a pleasure to partner with Mavi."

Bengi Ergon Kaya, Regional Marketing Manager, Lenzing Turkey – TENCEL™



ALL BLUE: MAVI'S MOST SUSTAINABLE COLLECTION

All Blue, Mavi's most sustainable collection yet, reflects our love of nature in various ways and drives a change in shopping habits by instilling an awareness about sustainable products in the consumers. The All Blue collection, which doubled in size and scope last year, is made with innovative techniques and sustainable, upcycled materials, and using less water and energy.

The products in Mavi's All Blue collection are made with sustainable organic, recycled or BCI-certified cotton, recycled polyester, TENCEL™ modal and lyocell, cottonized hemp, and upcycled materials. The sustainable fiber content in fabrics is shaped around Mavi's quality focus, design approach, and product performance specifications.

All Blue products contain sustainable fibers and are made with efficient technologies that consume less water and energy than conventional production techniques. Mavi collaborates with its strategic partners ERAK and Tayeks 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. Environmental impact measurement methods such as EIM Score and LCA can be used to evaluate these processes.

The products - true, unfiltered versions of denim - are 100% vegan and the patches and labels are made from recycled paper.

The pioneering role we play in sustainability resonates with our customers and is recognized on international platforms. In 2021, All Blue won the "Most Sustainable Collection" category at the third edition of the Rivet x Project Awards, which recognize the brands bringing newness and creativity to the global denim market. Leading denim brands gathered in Las Vegas to present their collections at Project, where Rivet, a brand of Sourcing Journal, a leader in B2B trade media, uncovered the best in denim across seven categories. The Rivet team assessed brands that bring innovation and creativity to denim design, product development, and sustainability. Mavi was recognized with the same award at 2019 The Rivet Awards.

Sustainable Product Focus Areas in 2020

- We aim to develop environment-friendly products for Mavi and expand the sustainable product collection every year.
- In Fall 2020, the All Blue denim collection doubled in scope and variety.

- We increased the use of recycled and organic raw materials in fabrics (Two upcycled products derived from waste fabrics were offered to the customers in Spring – Summer 2020)
- We reduced the use of water, energy, and chemicals in fabrics, washing processes and accessories.
- We began to use TENCEL™, the eco-friendly fiber, more in the collections.
- We increased the use of laser in distressed and worn treatments (54%, up 2% compared to 2019).
- We used all-vegan materials on the product accessories.
- We used minimum 60% recycled yarn in all the woven labels inside the waistlines of the All Blue collection pieces.
- We preferred paper label suppliers with FSC certification.
- For paper materials on the product, we used 50% recycled and recyclable paper on average.
- We produced the jacron back patches from FSC-certified raw materials.
- For the Fall-Winter 2020 and Spring-Summer 2021 collections, we reduced the number of samples for global markets by 18%, achieving more efficiency in the collection preparation stage.

NATURE-FRIENDLY PRODUCTS

Our “Nature-Friendly” collection features pieces made from 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.

“ It takes more than 400 years for a plastic bottle to degrade in nature. Mavi and Unifi have partnered to give new life to waste plastic bottles by recycling them and creating the Mavi Pro Sport Repreve® products. In addition to reducing the carbon footprint of its products, Mavi is taking an important step toward environmental sustainability. ”

Özgür Atsan, General Manager, Unifi Turkey

7.3 INNOVATION PARTNERSHIPS

Partnerships play a significant role in the sustainability transformation of our industry and driving innovation. We engage in innovation partnerships with various other brands, designers, and universities to expand our positive impact and inspire the industry.

The Latest Version of Recycling: Mavi Pro Sport Repreve® Collection

We drive our sustainability efforts forward with the “Mavi Transformation Launched” narrative in 2021. With work ongoing to develop environment-friendly products for a sustainable future, we designed Mavi Pro Sport, a collection made with Repreve® blend fabrics. In total, 593,750 plastic bottles were recycled, which corresponds to eight bottles per product in the Pro Sport collection.

The eco-friendly fabrics are made with Repreve® recycled performance fiber of Unifi, the trusted, sustainable global solutions provider and one of the most advanced recycling facilities in the US. These fabrics are not only breathable, but they also have wicking and thermal regulation properties while meeting superior health and hygiene standards with the OEKO-TEX Annex 6 certification.

Mavi Pro Sport Repreve® Collection's features:

- Repreve® blend sustainable fabric made of recycled PET bottles
- Breathable texture, moisture wicking, and heat regulation
- Technology and innovation for freedom of movement
- Flexibility with high stretch content to ensure day-long recovery
- Outstanding Mavi Black Pro branding and the comfort of sporty jeans
- OEKO-TEX EK-6 Hygiene certification for compliance with advanced health and hygiene standards

Mavi Pro Sport Repreve® is a part of the All Blue collection, all-vegan, and made with less water and less energy. This eco-friendly collection offers smart and casual styles with high stretch content to ensure day-long recovery and technology to enhance freedom of movement.

"MAVI TRANSFORMATION LAUNCHED" FOR A SUSTAINABLE FUTURE

Recycled plastic bottles and materials
came to life as jeans with Mavi's 30-year denim expertise.



mavi

#maviallblue

Les Benjamins X Mavi

In SS21, we launched a collaborative capsule collection with the luxury streetwear brand Les Benjamins. Inspired by Mavi's 30-year denim archives, the collection fused the urban-tech sensibility of Les Benjamins into each piece, featuring carpet patterns and combining the functionality, modernity, and youthfulness of jeans with sustainable materials. All the denim and non-denim products in the 50-piece collection, designed separately for men and women, were made with organic, recycled, and eco-friendly materials.

Coca-Cola x Mavi

We partnered with Coca-Cola for a collaborative collection to contribute to a better future. The 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.

University Collaborations

We teamed up with Marmara University's Textile Engineering Department to create a sustainable and environment-friendly product line colored with dyes containing natural raw materials. With the project titled "Sustainable Approaches to Coloring Knit Finishes" for non-denim product groups, we aim to design products that align with sustainable fashion design and have low impact on environmental pollution.

"At Orta Anadolu, we aim to manufacture durable, circular products with long lifecycles, high quality, and low environmental footprint. Therefore, we use our resources efficiently to build a denim ecosystem with sensitivity to people and the environment. We do not follow the fast fashion trends and the throw-away consumption model. All the products are precious, whether we make, you sell, or consumers purchase them. We want our products to be cherished and associated with happy memories. We also wish to reintroduce end-of-life items into the system as raw materials. Accordingly, we invest in next-generation sustainability solutions to create technological breakthroughs to achieve circularity in production by recycling and recovering all possible resources, thriving in this field every day. We fully believe in the power of collaborations and working with like-minded solution and business partners. As we move forward on the sustainability path, we take great pride in accompanying Mavi, which aims for sustainable growth through quality with a holistic approach."

Dr. Sedef Uncu Aki, Director, Orta Anadolu



7.4 RESPONSIBLE RAW MATERIAL SOURCING

We encourage manufacturers to make responsible raw material choices and help them transform their production processes. We trace and steadily increase the ratio of sustainable materials (organic, recycled, upcycled and BCI-certified cotton, recycled metal, etc.) in Mavi products.

We received OCS and RCS certificates in 2021, earning the right to sell products with proven organic and recycled content across the supply chain. RCS certification verifies recycled content, and OCS certification verifies organically grown content, ensuring that these materials can be traced from their origins to the final product. In 2022, we plan to introduce RCS- and OCS-certified products in our new collections. In addition to Mavi's two major suppliers, ERAK and TAYEKS, Rimaks is also a manufacturer with international Global Organic Textile Standard (GOTS) and Organic Content Standard (OCS) certifications. Overall, 24 suppliers have the capability to manufacture organic jeans.

For 2022, we have plans to use BCI-certified cotton and support Better Cotton, the world's leading sustainability initiative for cotton. BCI's mission is to help cotton communities survive and thrive, while protecting and restoring the environment. Accordingly, BCI addresses cotton production with its environmental, social and economic impacts; trains farmers with the necessary knowledge, skills and tools, and aims to continuously improve agricultural practices. As a result, farmers who grow cotton by following factors such as mitigating the harmful effects of plant protection practices, managing and using water resources effectively, ensuring soil health, protecting and enriching biodiversity, maintaining fiber quality, and improving the welfare of agricultural workers, attain an internationally recognized standard. At Mavi, we remain focused on more responsible raw material sourcing by purchasing our cotton from such sustainable sources.



08 COMMUNITY BETTER.MOBILIZE

Mavi's Impact-driven Transformative Power

BETTER.MOBILIZE

We aim to create shared values in the community and use Mavi's transformative and mobilizing brand power to achieve better. We are particularly focused on empowering young people and women for social development so that no one is left behind. We involve our customers and other stakeholders in this movement toward the better.

Mavi's Impact-driven Transformative Power

We intend to mobilize our stakeholders, especially our customers, by leveraging Mavi's brand power. Therefore, we launch impact-driven and measurable social projects that involve customers, employees, suppliers, universities, and non-governmental organizations (NGOs).



Indigo Turtles

We have 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. Facing many difficulties, only 40% of hatchling turtles reach the water and only one in a thousand survives. This is why the Indigo Turtles project raises awareness about supporting the survival efforts of the sea turtles and the importance of volunteering. Young volunteers join the Indigo Turtles project and camp on the 30km-long beaches for four months, working tirelessly under the scorching sun every day to protect the mature female turtles' eggs from external factors and help hatchlings climbing out of their nests to reach the water. Along with hundreds of university volunteers from Turkey and around the world, customers, scholars, social media followers, brand ambassadors, and employees of Mavi also join the project voluntarily. To date, 120 people from Mavi including directors, managers, and employees have joined the project while 41 people from social media followers, customers, and women scholars have joined the Indigo Turtles camp and supported the efforts in the June-September period. Since the launch of the project, each customer that purchased an Indigo Turtles T-shirt adopted five sea turtles and contributed to the efforts. The T-shirts, designed for all customer groups, are sold in Turkey as well as online stores in the US, Canada, and Germany. Every year, thousands of Mavi customers become voluntary ambassadors of the project with their T-shirts. Supported by the awareness seminars we host at universities, the project gains more recognition as the number of applications to volunteer increases every year. In 2020 and 2021, only university students could volunteer for the program due to the COVID-19 pandemic restrictions.

Mavi Scholarship Fund

Since 2016, Mavi has granted annual scholarships to female students in a number that corresponds to the age of the company. For the 2020–2021 academic year, 30 students received grants under the Mavi Scholarship project, which supports them throughout their university education. We also supported the education of one student as part of Koç University's Anatolian Scholars program, which gives a second chance to successful students that achieve scores in the top 1% in the university exams despite limited education privileges but are unable to qualify for scholarships.

Mavi's Social Responsibility Activities

- Following our slogan "Mavi Stands by the Community," we joined forces with our manufacturers to produce protective face masks to assist in the fight against the COVID-19 pandemic. In addition to the medical masks and overalls, we also provided clean clothes to support the healthcare professionals working tirelessly on the frontlines. Furthermore, we made a monetary contribution to the social solidarity campaign of the Ministry of Family and Social Services.

- During the wildfires in July 2021, we stood by the affected people and animals. We extended our support to the Ahbap Association, which carried out coordinated and planned activities in all the affected areas, and the Animal Rights Federation (HAYTAP), which mobilized efforts for the rescue, treatment, and transportation of animals.

- On behalf of the entire Mavi family, we donated 25,000 saplings to the TEMA Foundation for the reforestation of the areas damaged by the wildfires.

- We aim to create sustainable social benefit through social responsibility activities that draw inspiration from and empower young people. With the slogan "Mavi Stands by University Students," we supported the #YouthLifePoints campaign of "Askıda Ne Var," a social enterprise that provides free products and services to university students. In 2021, we donated 100 Mavi gift cards - worth TL 250 - to support the university students during the back-to-school period.

- Recognizing that there is power in unity we supported the education of young athletes on May 19th, Commemoration of Atatürk, Youth and Sports Day, with the participation of football player Merih Demiral and through the Turkish Educational Foundation.

- We celebrated April 23rd, National Sovereignty and Children's Day by supporting the Inclusive Education activities carried out by UNICEF Turkey, which aims to ensure that every child has access to education, and the music, painting, dance, game and invention workshops organized by the SosyalBen Foundation.

- On Mother's Day, we supported the Mother Child Education Foundation (AÇEV), which supports and empowers mothers on their journey as parents.

- On Father's Day, we extended help to AÇEV's "Father Support Program", which aims to assist fathers in spending more time with their children to build healthy communication, raise awareness about their needs, and develop loving behaviors instead of violence.

- As Mavi volunteers, we participated in the World Cleanup Day event, organized by Let's Do It Turkey and held simultaneously across the world to draw attention to environmental pollution and eliminate trash blindness.

- In the 43rd Istanbul Marathon, The Mavi Running Team ran for charity and raised funds for the Tree Fellowship project of TEMA Foundation. The donations we collected contributed to educating children about the environment and planting saplings on behalf of children in the Hayrettin Karaca Tree Fellowship Forest.





09

CORPORATE GOVERNANCE

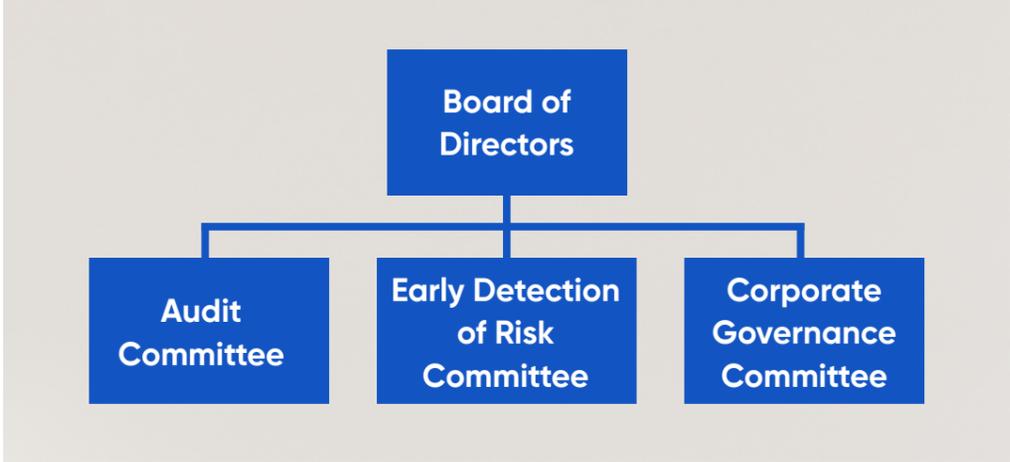
- 9.1 Business Ethics
 - Anti-bribery and Anti-corruption
- 9.2 Human Rights
- 9.3 Risk Management and Internal Control Systems
 - Internal Control and Internal Audits

CORPORATE GOVERNANCE

The responsible and profitable business model that we have built over the years respects people and the environment and is based upon corporate governance principles. Accordingly, we adopt a fair, transparent, accountable, and responsible business approach and aim to create shared values with our employees, customers, suppliers, investors, and shareholders for all our stakeholders.

Our corporate culture is underpinned by our mission of becoming a company that remains close to its customers, is passionate for its product quality, earns the trust of its employees, and builds long-term partnerships. We apply a sustainable ESG business model combined with a strong corporate governance approach and maintain our success trend.

As laid out in the [Board Diversity Policy](#), we recognize that a truly diverse Board, consisting of directors that bring their individual expertise, skills, industry experience, professional background, and tenure, will improve the decision-making processes and benefit all stakeholders. The Board is composed of six members, including three independent directors. Women make up 33% of the Board of Directors. Different individuals assume the duties of Board Chair and Chief Executive Officer.



The Board of Directors has formed an Audit Committee, an Early Identification of Risks Committee, and Corporate Governance Committee to facilitate its functioning.

Our shares have been publicly traded on Borsa Istanbul since 2017. Therefore, we have implemented all mandatory corporate governance principles set out in the Corporate Governance Communiqué of the Capital Markets Board (CMB). We are hard at work to achieve full compliance with non-mandatory corporate governance principles. We disclosed the status of our compliance in the [2020 Annual Report](#) in line with the CMB's Sustainability Principles Compliance Framework and declared our commitment to take steps toward improving our ESG performance.

9.1 BUSINESS ETHICS

As a brand that elicits confidence from the consumer, Mavi is a reputable business partner for suppliers and offers its employees a career open to development as it nurtures a strong sense of belonging and loyalty. These attributes are rooted in principles that we embrace and practice in all our business affairs. Since the very beginning, our core principles, which ensure the sustainability of its corporate direction, have been uncompromising integrity, fairness, and full compliance with laws and codes of conduct. Working under the Mavi umbrella demands professional and honest behavior under all conditions and identifying one's personal reputation with that of the brand and the organizational structure. Accordingly, we expect each Mavi employee to respect all living creatures and the environment, maintain a sense of social responsibility and internalize all aspects of the business code of conduct.



We secure our brand image by ensuring that the employees put the brand's interests above their own and avoid any behavior to the detriment of the Company and its reputation. [Mavi's People and Its Principles](#) booklet sets out the framework of our codes of conduct and guides us in all our business processes. The booklet is available on the corporate website and intranet (Maviletişim) for all stakeholders. We expect all our colleagues to embrace Mavi's business ethics and fully comply with the codes of conduct and relevant procedures. The principles that govern key aspects such as protecting brand interests, preserving company assets, privacy and information security, non-discrimination, and anti-bribery and anti-corruption lay out the responsibilities with which the employees and executives are required to comply.

Whenever Mavi employees encounter unethical behavior in the workplace, they may communicate their complaints anonymously by calling the Ethics Line. Ethics Line is a 24/7 support system managed by a third party, completely independently from the company management, and enables all Mavi employees to report non-compliances, voice their concerns, or ask questions. The Ethics Line can be accessed by phone, email or via the website.

- Ethics Line – phone: 0212 979 70 09
- Ethics Line – email: mavi@etikhat.com
- Ethics Line – website: www.remedetikhat.com.tr

Ethics Line is a channel where all employees can communicate verbally in their native language and voice their complaints without having to disclose their identity. Confidentiality can be a concern for those who want to communicate in writing by sending emails, and therefore, no information, including the IP of the senders who wish to remain anonymous, is shared with Mavi.

We are currently in the process of opening the Ethics Line to all stakeholders. [The Supplier Code of Conduct](#) includes a complaints procedure regarding code violations and irregularities. Code of conduct violations or irregular transactions can always be communicated unanimously, if desired, by sending an email to compliance@mavi.com. Customers may also report irregular and unethical transactions by phone or email.

The Ethics Board, consisting of three main members (and one reserve), is responsible for investigating and resolving complaints and reports of code of conduct infractions. The head and members of the Ethics Board act independently of their departmental managers and the corporate hierarchy, i.e., without external influence. No one may exert pressure on the Ethics Board and its decisions are implemented promptly. In 2020, 127 reports received via the Ethics Line were all investigated and 113 (89%) were resolved. We carry out various activities to raise the awareness and knowledge level of our employees on this topic. For head office employees, we provide a "Corporate Compliance and Ethics" training, which includes the [Anti-Bribery and Anti-Corruption Procedure](#), and its annex, Entertainment Expenses and Gifts Guidelines. In 2020, 103 people in manager and higher positions took the Corporate Compliance and Ethics training.

ANTI-BRIBERY AND ANTI-CORRUPTION

At Mavi, we do not tolerate any form of bribery and corruption. The [Anti-Bribery and Anti-Corruption Procedure](#), which lays out the Company's stance against bribery and corruption, is available on the corporate website and intranet (Maviletişim) for all stakeholders. With this procedure, we aim to comply with the anti-bribery and anti-corruption laws and regulations in all the countries where we operate, ethical and professional principles, as well as universal codes. The procedure applies to directors and employees at all Mavi companies in Turkey and abroad as well as suppliers, franchisees, and their employees. Business partners, including consultants, lawyers and external auditors are also subject to this procedure. The company's anti-bribery and anti-corruption practices are defined in "[Mavi's People and Its Principles](#)".

Our key anti-bribery and anti-corruption principles include:

- Bribery and corruption will not be tolerated under any circumstances whatsoever.
- In carrying out their duties, Mavi employees will not receive commission or monetary gains under any other name. Nor will they make any proposition to that effect.
- When doing business with individuals or institutions, public or private, no offer of special favors will be made to the parties involved. No agreement, written or verbal, will be made to that effect.
- No concessionary gains will be made available or proffered in relationships with third parties, whether individuals or institutions.
- Maximum care will be taken to avoid raising suspicion or making such an impression, even if said behavior is intended otherwise.

[The Supplier Code of Conduct](#) stipulates that all business partners and their employees are obligated to act ethically and morally to avoid any personal dependence, obligation, or influence in all their business dealings in line with anti-bribery and anti-corruption principles. We expect all employees and business partners to behave professionally with a sense of fairness and in full compliance with all applicable national and international laws and regulations.

We regard relations with suppliers and state institutions, payment terms, human resources processes, accounting and purchasing processes as activities prone to high risk of corruption. Operational processes with high risk are within the purview of the Audit Committee. An annual audit calendar is prepared with the approval of the Audit Committee, which consists of independent board members. In 2020, 75% of the processes prone to corruption risk were audited, and the findings were shared with the Company's senior management and the Audit Committee. In 2020, the Ethics Line did not receive any reporting of bribery or corruption.

9.2 HUMAN RIGHTS

At Mavi, we provide a work environment where human rights are respected in conformity with the Universal Declaration of Human Rights, United Nations Global Compact (UNGC), UN Convention on the Rights of the Child, International Labor Organization (ILO) conventions, Organization for Economic and Development Cooperation (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and applicable laws.

[Mavi's People and Its Principles](#) document and [Mavi Human Rights Policy](#) set out the responsibilities and obligations of the employees while the [Supplier Code of Conduct](#) stipulates what the Company expects from its suppliers and partners in terms of human rights.

We expect our suppliers and business partners to commit to providing basic human rights and working conditions. When requested by Mavi, all suppliers and business partners are required to allow their workspaces and production facilities to be inspected as part of social audits for compliance with the Code of Conduct. In scheduled and/or ad hoc inspections, they will be asked to provide access to facilities and relevant information and documentation. If discrepancies are found during the audits, we ask the suppliers and business partners to immediately rectify/remedy these issues within a reasonable time for such actions. In the event that a supplier or business partner breaches the Code of Conduct, Mavi reserves the right to terminate its business relationship with the said company. During social compliance audits, we review OHS and vocational regulations in terms of human rights risks. In the pre-pandemic period in 2020 and in July, we conducted 52 main audits and 21 follow-up audits. Furthermore, 21% of our current suppliers underwent social compliance audits.

9.3 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Early Identification of Risk Committee identifies the risks that may jeopardize Mavi'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 board meeting, and these reports are then forwarded to the independent auditors. The Board of Directors regularly assesses the risks that the company faces based on the information provided by the Committee.

The Early Identification of Risk Committee convenes at least six times a year and submits opinions to the Board of Directors to identify the risks that might affect the company's stakeholders and especially the shareholders, and to establish the internal control

mechanisms that include risk management and information systems processes to minimize the impact. In the fiscal year 2020, the Committee submitted six written reports to the Board of Directors, with four on enterprise risk management that involves detection of risks and determining the steps and actions to avoid or mitigate risks, and two on the efficacy of the risk control mechanisms in place.

The CFO is responsible for the management and reporting of the risks and works in coordination with other departments. Based on periodical reports, potential risk exposure and probability values are determined. Then, these risks are assigned to responsible officers to take action according to their materiality levels.

In these processes, we follow the actions on "Very High" and "High Risks" diligently. The principal risks that Mavi is exposed to are categorized and followed under four main headings: financial risks, reputation risks, strategic and operational risks, and legal risks. As part of the efforts toward full compliance with the Communiqué on Information Systems Management, which entered into force on January 5, 2018, upon publication in the Official Gazette, No. 30292, Mavi obtained the ISO 27001 Information Security Management System certification, and all processes are now carried out according to the ISO standards. Furthermore, we continue to offer our products and services in conformity with the ISO 9001 Quality Management System standard, which we have implemented since 2020, at the levels that our customers expect of us.

The standard definitions, job descriptions, authorization system, policies, and written procedures that are part of the workflows constitute the internal control system. The senior management of the company and its subsidiaries hold responsibility for internal control mechanisms. The Internal Audit Department, under the supervision of the Audit Committee, controls the effectiveness of the Internal Control System by conducting periodic audits and evaluations to establish and manage an effective Internal Control System. The internal control system is periodically reviewed and audited by the Internal Audit Department.

Risk Category	Description and Management
Financial risks	<p>The exchange rate risks that could arise from the changes in the value of Turkish Lira against other currencies with respect to assets and liabilities in such currencies, and liquidity and cash flow issues in line with working capital requirements are among the key financial risks. To keep financial risks under control, we monitor various financial indicators, including Net Financial Debt/EBITDA and liquidity ratios, foreign exchange position, maturity and distribution of debt, ensuring that they are maintained within specified limits. In managing foreign exchange risk, we prefer natural hedges and also utilize financial hedge instruments related to commodity imports regularly and systematically. In the fiscal year 2020, all foreign currency liabilities on the balance sheet were hedged with natural and financial hedge instruments in line with the decision to minimize open position on the balance sheet. We also follow the chronic physical effects of climate change and the increasing costs of sustainable raw materials driven by rising demand among our financial risks.</p> <p>Macroeconomic developments such as slowing economic growth, decline in consumer confidence index, and tighter consumer spending are also considered among financial risks. To detect the risks that may arise in such conditions early on, we monitor specific macroeconomic indicators regularly. We have defined strategic policies such as not exceeding minimum liquidity levels, keeping indebtedness levels low, and having adequate and diverse credit lines.</p>
Operational and strategic risks	<p>Our significant operational risks include failing to realize expansion plans due to inability to secure required retail space, the need to increase operating capital due to ineffective inventory management and decline in profitability, disruption or halting of suppliers' services due to natural disasters resulting from climate change. We introduce continuous improvements in all our systems to increase efficiency of the operational processes. We have formed a cross-functional project team (Go Operations), which works toward concrete measurable targets for the last three years.</p> <p>Key strategic risks include the issues and decisions that can adversely affect the future existence and sustainability of the company such as material mistakes in assumptions and measurements in short-, medium-, and long-term business plans, making insufficient or misguided investments, and failing to anticipate evolving consumer preferences, fashion trends and the competitive landscape. We create three-year strategic roadmaps, with the first year in detail and the subsequent two years in macro scale, and annually review and update this roadmap in light of the latest developments.</p> <p>We exercise due diligence in selecting the markets where we will operate strategically and avoid direct investments in risky geographical zones. Our R&D and innovation culture serves to maintain our competitive strength.</p> <p>This risk group includes infectious diseases, extreme weather events, failure to tackle climate crisis, human-caused environmental damage, as well as digital power concentration, digital inequality, and cybersecurity, which are among the highest possible risks of the next decade, as stated in the World Economic Forum's 2021 Global Risks Report. The working groups carry out activities to identify the measures that can be taken against these risks.</p>

Reputation risks	The franchise activities that are not directly under our control, failure of the franchisees and wholesalers to act in accordance with our product quality, pricing and marketing strategy and other conditions, social and/or environmental violations across the product lifecycle from production to sales caused by suppliers, dealers, sales teams or support staff that may harm brand image are among our reputation risks. For this purpose, we have incorporated relevant provisions that impose various obligations into the agreements and established control and audit processes for compliance.
Legal risks	Legal regulations and changes that may diminish competitive strength, social, legal or political instability or material legislative changes that may adversely affect trade with countries of operation or sourcing, security breaches that may result in third party access to customer information, environmental law, trade regulations, personal data protection legislation, OHS, and failure to comply with statutory and other regulatory provisions within the scope of consumer protection issues are considered legal risks.

INTERNAL CONTROL AND INTERNAL AUDITS

The Internal Audit Department, established during the public offering process in 2017, reports directly to the Audit Committee, which consists of members of the board of directors, within the organizational structure of the company in accordance with the principle of independence. The Internal Audit Department's duties include checking the reliability and accuracy of the financial statements of the company and its subsidiaries, ensuring that the activities are carried out in accordance with applicable laws and accepted ethical codes of the company, analyzing processes and identifying current and potential risks to improve the effectiveness and efficiency of operations, and contributing to finding solutions to minimize such risks.

The Internal Audit Department reviews the processes every year and creates a risk-focused annual audit plan. The internal audit activities are carried out in line with this plan. In 2021, the head office employees took Corporate Risk Management training.

The Board of Directors establishes internal control mechanisms by considering the views of relevant board committees to include risk management information systems and processes, which can mitigate the effects of risks that may have an impact on the interests of stakeholders, and shareholders in particular. The internal control system is composed of standard definitions, job descriptions, authorization system, policies, and written procedures included in the workflows. The senior management of the company and its subsidiaries hold responsibility for ensuring that the internal control mechanisms function. The internal control system is periodically reviewed and audited by the Internal Audit Department for effectiveness. The Audit Committee is regularly briefed about the internal control system and internal audits.



10 APPENDICES

- 10.1 Brand Values
- 10.2 Memberships
- 10.3 New Practices During the Pandemic
- 10.4 Employee Engagement-Trainings
- 10.5 Stakeholder Engagement
- 10.6 Performance Indicators
 - Social Performance Indicators
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 - GRI Content Index

10.1 BRAND VALUES

Mavi is a people-focused brand, and its core business is denim. Mavi is inspired by the denim lifestyle.

Mavi's Core Values

Quality:

Mavi delivers quality at every touchpoint for all its employees, customers, and stakeholders.

- At Mavi, the focus is always on people, its human resource, and its customers.
- Mavi-branded products are best-in-class in terms of quality.
- Mavi's quality resonates with all areas of service and operations.
- Mavi carries out all communications in alignment with its brand values to ensure the same level of quality across the board.

Trustworthiness:

- People-focus and integrity are key values of Mavi's brand identity.
- Mavi is true to its word, consistent in its plans and reliable in its operations.
- Mavi leadership remains committed to its decisions.

Leadership:

- Mavi knows the responsibilities that come with being a leader in its respective segments.
- Mavi is a true denim expert, empowered by its manufacturing heritage.
- Mavi always aims for excellence in its markets based on its own high standards, driving the market and inspiring with its innovations.
- As a brand that embraces all, Mavi designs its products and services through in-depth analyses in its territories.

Sincerity:

- Mavi is a brand that everyone can identify with and find something for themselves in.
- Mavi's Perfect Fit philosophy means that there is a perfectly fitting Mavi for everyone.
- Mavi is a brand that evokes accessibility, authenticity, warmth, and positivity.

Complementary Values

Love of Customers

Mavi is lovingly dedicated to its customers, and works diligently to maintain the relationships it builds with the aim of ensuring ultimate customer satisfaction and loyalty. The deep emotional bond with its customers is an integral part of its commitment to creating the "Happiest Mavi Customer."

Inspiration

Mavi cultivates the youthful and creative spirit of jeans to continually renew itself. The brand strives to instill different perspectives in people and to add value and newness to their lives, believing that inspiring others is priceless.

Openness To Change And Diversity

Mavi is always contemporary and of the moment, constantly adapting itself and capturing the spirit of the times. Mavi respects diversity and differences of opinion, striving to anticipate what comes next and embracing the newness.

Responsibility

Mavi is sensitive toward people, nature, the environment, its ecosystem and global balances. The brand aims to spread these sensibilities across its communities and remains focused on action, knowing that observing alone is not enough.



10.2 MEMBERSHIPS

- United Nations Global Compact (UNGC)
- United Nations Women's Empowerment Principles (WEPs)
- 30% Club
- CEO Water Mandate
- Yanındayız Association
- United Brands Association of Turkey (BMD)
- Ethics and Reputation Society (TEİD)
- Turkish Investor Relations Society (TÜYİD)
- Corporate Governance Association of Turkey (TKYD)
- The Institute of Internal Auditing – Turkey (TİDE)
- Istanbul Chamber of Commerce

10.3 NEW PRACTICES DURING THE PANDEMIC

Working Model, Social Distancing, and Hygiene Measures

As always, we maintained our “People First” approach during the pandemic. In the early days of the outbreak, a Pandemic Board was formed with members from different departments and a professor specialized in this field. We drafted a very detailed plan covering the measures and shared it with all the employees. To protect the health of all Mavi employees, customers and business partners, we temporarily halted the operations in all the stores in March and switched to a remote working model for the head office employees.

With all hygiene and social distancing measures implemented over two months, all the stores were reopened in June while the head office moved to a shift system. In this new period, the teams returned to the office taking turns (working at the office for a week and from home for a week) in line with the social distancing rules, keeping the number of people limited based on their workload. With this practice, the number of people working at the office was halved. Pregnant women, mothers with children under 12, employees living with people over 65, employees with chronic illnesses or physical disabilities continued to work from home. We rescheduled the stores’ shift plans and hours according to the social distancing rules by considering the maximum visitor capacities. Store opening and closing hours were set to comply with the restrictions.

We also used the latest technological solutions to ensure the safest and most hygienic work environment. In addition to conventional hygiene measures, offices and stores were disinfected periodically with next-generation Nano Technological Antimic System, an antiviral, antibacterial, and environment-friendly process used especially in hospitals. The same technology was also applied to ventilation systems to clean the air continually. The disinfection mats coated with the Antimic system were placed at the entrance of the office building and the street stores to prevent the transmission of viruses by shoes. We placed hand sanitizers in all common areas.

We provided face masks, and when needed, face shields and gloves for all employees. Temperatures of all employees entering the main building were scanned with thermal cameras. Anyone showing a fever of 38°C or more was directed away from other employees and the work environment and taken to the isolation room where the workplace physician/workplace nurse decided on the next actions.

As part of the social distancing and hygiene measures, we made changes in the layouts of the offices and the stores. Transparent shields were placed between all the adjacent desks in the office and the reception desk as well as in front of the cash registers to maintain social distance. All the windows at the head office were modified to let in fresh air and effective air purifiers were installed in the common areas.



Hello Mavi
It's great to be back again.

We ensure a safe shopping experience, enhanced with social distancing and superior hygiene measures.

Mavi stores are regularly disinfected with antiviral, antibacterial and environment friendly Antimicrobial Nanotechnology.

Hope you will stay positive and healthy while protecting each other.

mavi



Merhaba Mavi

Yüzümüzü gülümseten, sıcak mesajlar için mağazalarımıza çok teşekkürler...



Çok güzel bir hafta sonu dileriz,

Mavi

Hello Mavi

The Mavi US Specialty Team has a note to all of us!

Hello from the Mavi US Specialty Store Team! Here is a glimpse of our weekly team meeting, which has helped us to feel more connected by seeing each other and sharing our experiences...



Lots of love,
Mavi

Hello Mavi

Today we would like to share recommendations from the **Marketing Team from Mavi Germany**:



Lena

Listen: J Balvin - Colores (Good vibes 😊)

Read: Lee Miller: A Life (Biography)
(She is an American war photographer and photojournalist, Vogue's "modern girl", model, muse and reporter)

Watch: Unorthodox Mini Series



*beautiful
Frankfurt



Kathleen

Listen: Adriano Celentano – Azzurro

Cook: Pasta and Cappuccino 😊

Watch: The Awakening of Motti Wolkenbruch



#homeoffice



Elena

Read: The Bad Girl by Mario Vargas Llosa

Watch: Stranger Things and Dark



#staycreative

Please keep in touch and send your photos, videos, notes and tips to hellomavi@mavi.com

Keep in touch.
Best,

Mavi

To minimize contact, all the doors in the office were replaced with contactless photocell versions and a contactless card pass system was installed at the building entrance.

The maximum number of visitors that the stores could accommodate at a time were designated according to the World Health Organization's guidelines for social distancing of minimum two meters. Store staff responsible for hygiene were positioned at store entrances to limit entry above capacity. At the cashier's desk, transparent shields were placed between the cashier and the customer and the cash registers were spaced more widely to ensure social distancing.

We redefined the capacities of the meeting rooms according to the social distancing rules. If attendance in person was required, the meetings were held with only the maximum number of people allowed. Meetings were taken to the digital platforms.

The rules and layouts of the dining room and the cafeteria at the head office were redesigned. The dining room was used alternately by the teams at designated times. Breakfast boxes/lunch boxes, prepared and packaged in the building, were served for breakfast and lunch to minimize contact.

Meanwhile, we rearranged the personnel shuttles and transportation rules to allow for social distancing measures in the new period. More vehicles were added to the personnel shuttle system where needed. Hand sanitizers were placed in each personnel shuttle bus, which also required everyone to wear face masks. The use of all company vehicles was limited to maximum two people at a time, with only the driver and a single passenger in the rear seat. All the vehicles were frequently disinfected.

Continuous Communication

In 2020, many of the routine meetings with wide participation could not be held due to COVID-19. However, we continue to hold online MassMavi meetings to ensure seamless communication with the employees. To maintain strong communication as part of the brand culture, "Hello Mavi" emails were sent out every morning to encourage the employees to start the day with more motivation. The weekly "I love Mavi" emails aimed to help the employees spend their days in lockdown more efficiently. We also refreshed Maviletişim, the in-house communication portal, with user-friendly features and design, and a mobile app version. Furthermore, the Mavi Connect app enabled continuous communication with the store employees. During the pandemic, the Mavi Management Team regularly met every morning and action plans were updated based on the information exchanged between the Turkish and international offices. We also introduced an employee support program that the head office and store employees and their families could contact for psychological support 24/7. With the employee support program, we aimed to assist Mavi employees and their families as they tried to deal with the negative effects of the pandemic. Furthermore, workshops were organized to help parents cope with the situations in this period. We took the talent acquisition and recruitment strategy to online platforms. The interviews and all orientation training programs were held online to protect the health of the candidates and the employees. Meanwhile, we enriched our work on developing the employer brand further in collaboration with digital career platforms.

10.4 EMPLOYEE DEVELOPMENT – TRAININGS

Development of Head Office Employees

We offer training opportunities to our head office employees for their professional, technical, and personal development and support them with classroom trainings, while planning and encouraging their participation in events such as summits, seminars, and conferences. We plan the training programs for individual development based on basic and functional competencies to help the participants understand the behaviors expected of the employee, display the behaviors required for the role and prepare for the next role. In 2020, 457 head office employees took 2,525 person*hours of training.

We also organize onboarding programs to help the newly recruited employees become familiar with corporate culture, the company's operations, organizational structure, and practices so that they could adapt more easily to their new responsibilities.

We drafted a Development Handbook for all competency levels defined in the Mavi Competency Model, which includes developmental activities that the employees can apply at work and in their free time. This handbook promotes behavioral change through activities that support various aspects in both professional and personal life.

Leadership Development Model with the MaviKampüs program

We launched the MaviKampüs program in 2016 to support the personal and professional development of the managers that will drive Mavi's strategic goals further. The program, carried out in partnership with Koç University, is based on Mavi's leadership development model and strategic priorities and enables the managers to build awareness about their personal development areas and enhance their leadership and managerial skills.

"I have worked at Mavi since 2017. The Mavi Kampüs program I took gave me a new perspective about how to look at situations and taught me how to stay relevant in a constantly changing and evolving environment. I also learned important leadership skills. I believe that the courses on 'Adapting to Digital Transformation' and 'What We Don't Notice In Life and Work' were especially good at developing myself. The program was beneficial for my personal development, and also gave me an opportunity to meet colleagues from other departments."

Yasin Can Kayalı, Product Planning Manager, Mavi

Mentoring Program

We launched a mentoring program to build on Mavi's corporate culture and to pass on knowledge and experiences to new generation employees. With the mentoring program, which provides personal and professional development opportunities through interaction between the mentor and mentee, we aim to support the employees' personal growth and deepen their loyalty to the company.

In the program's fifth term that started in 2020, 32 mentees and 28 mentors took the training; however, only 11 mentees and 10 mentors were able to complete the schedule due to the pandemic.

Technology and Product Development Training Program

We partnered with Istanbul Technical University to organize the Technology and Product Development Training Program to enhance the technical knowledge of the design and product development teams. 29 employees participated in the fabrication module, 26 in the color module, and 22 in the fiber, yarn, and sustainable fiber training programs.

Turkey Sales Group Development Center Practice

We launched the Development Center Practice to develop the Mavi Turkey Sales team and support the managers' leadership skills. With this activity, we evaluated the competencies of the sales group based on the sales-specific criteria of the Mavi Competency Model. To date, 12 people have participated in the practice. Following this activity, we designed two-year development roadmaps, personalized for the participants.

Regional Manager Development Program

With this program, we aim to elevate the current performance level of the employees and identify the strengths and development areas based on the competencies that they should possess while performing their jobs and their individual competencies. In 2020, 24 employees participated in the program.

On to the Field

We continued the "On to the Field" movement launched with the vision of "Happiest Mavi customers" and organized store visits in Istanbul, Ankara, and Moscow for head office employees. 32 employees from different departments and positions volunteered to participate in this movement, which aims to reinforce the relationship and communication between the head office and the field and served in different store positions for a day under the leadership of the Store Manager. With this project, volunteering employees not only supported the stores on a busy day but also found the opportunity to see how their work reflected on the field and identified development areas in the processes by directly engaging with Mavi customers.

Go Mavi Culture

With our Go Mavi culture, which aims for continuous progress and development at Mavi, we create various working and project groups with our colleagues and organize extensive monthly, annual, and seasonal meetings to encourage employee participation in management.

- **MassMavi meetings:** Open to all head office employees, these meetings provide a platform for departments to share their monthly business plans.
- **Management Forum meetings:** The company's activities over the previous six months are presented at these biannual meetings, open to all head office employees.
- **Marketing Direction meetings:** These are seasonal meetings where brand strategy and priorities are evaluated together with customer, market, product, and competition analyses and results are shared with the management teams, particularly the sales and category departments.
- **GoMavi:** This refers to the working/project groups that consist of a multidisciplinary team with members from all functions within the company including mid-level and senior managers in line with the GoMavi culture, which aims to achieve continuous progress and improvement at Mavi. These working groups convene at the GoForward meeting held at the beginning of each year to determine Mavi's priorities and goals and continue to work in coordination with the teams to meet the set targets. In meetings titled GoHappiestMaviCustomer, GoJeans, GoYouth, GoYouthJeans, GoYouthWomen, GoYouthMen, GoYouthAccessories, GoRetailefficiency, GoB-C, GoSocialCompliance, GoWholesale, GoOnlineDigital, GoStockTurnover, GoMarkdown, GoProductCosting, GoSavingCash, GoSystems GoSystems-FinanceReporting, GoSystems-BI, GoSystems-Product/Master, GoSystems-Retail, GoInternational, and GoTalent, experts in various areas share their know-how and experiences.
- **Field Strategy and Goal Meetings:** Outdoor meetings for store managers and assistant store managers. Through presentations by directors about the company's strategies, common goals are set and a common culture is built across Mavi.

Even though many of the routine meetings with wide participation could not be held due to COVID-19, we increased the frequency of online MassMavi meetings to maintain continued communication with the employees in 2020.

Adding variety to work life with GoSocial

At Mavi, we organize a range of arts and sports activities to reinforce the sense of belonging and team spirit among our colleagues and enhance their social life. The social clubs established under the GoSocial umbrella include yoga, photography, sailing, painting, handcrafts, and rowing clubs. The employees also represent Mavi at various intercompany

tournaments such as basketball, running, bowling and tennis throughout the year. In 2020, club activities could not be effectively carried out due to the pandemic; however, yoga classes continued online to keep the employees healthy and fit. The traditional New Year's Eve party also took place online.

Sustainability Training Programs

In 2021, a group of 120 people, including senior management, the Sustainability Committee, and volunteers, took an 10-week sustainability training provided by Boğaziçi University Lifelong Education Center. The training, which consisted of 10 modules, covered topics such as the basics of sustainability, system transformation, integrated approach and ESG management, innovation, intrapreneurship, volunteering, and inclusion and diversity. We aim for more employees to benefit from the trainings in the times to come.

Development of Store Employees

Creating the happiest Mavi customers is the foremost priority of the field teams. We deliver an intensive training program throughout the year to ensure that store employees provide world-class service to Mavi customers. In 2020, the digital infrastructure was reinforced and the frequency of training programs and communications increased as the share of digital content in trainings tripled year on year.

General Training Programs for Store Managers

Orientation Training: In total, 36 store managers and deputy store managers, recently recruited or newly promoted, took orientation training.

Classroom Training: 338 store managers and deputy store managers took 1,648 person*hours of classroom training in total on topics such as Main Responsibilities of a Store Manager, Experience Workshop, Team Management and Development, and Leadership.

On-the-job Training: 345 store managers and deputy store managers took 3,501 person*hours of on-the-job training in total.

Digital Training: 347 store managers and deputy store managers were assigned a total 2,038 person*hours of training on the digital training and communication platform Mavi Connect.

Leadership Development Training: Designed to develop leadership skills for manager and higher-level positions, these professional and technical trainings cover specific topics required for each function.

Store Manager Development Program

With the Store Manager Development Program, we offer store managers an opportunity

to develop their knowledge, skills and competencies in leadership and technical topics in line with Mavi's strategic priorities. The program consists of 11 modules, including eight main and three intermediate modules, and a graduation project. We plan the training program with the relevant departments to deliver one module every month. The main modules cover technical subjects related to key responsibilities while the intermediate modules focus on topics to develop behavioral skills. Each training period ends with a test the following month to measure technical knowledge about the relevant module. Test results and assessment data make up the scorecard of the store managers. Once all the modules are completed, store managers prepare a project on a topic assigned to them and present it to the selection committee. In 2020, nine employees participated in the program.

"The Store Manager Development Program consists of useful modules to assist in our personal and professional development. In addition to shaping our career path at Mavi, the training also develops us personally and socially, while equipping us with different skills. At a time when communication was very important to me, I learned how to communicate well and how to become result and solution-oriented. I also discovered my strengths and development areas."

Hafize Şahin, Store Manager, Mavi

Store Mentoring Program

We organize the store mentoring program to enable Mavi Store Managers to pass on Mavi's corporate culture and their knowledge and experiences to new generation employees and support their leadership and personal development. Once the current sales management team internalizes the process, the next goal is to spread the mentoring program across the stores.

In 2020, 12 mentors, including the management team's in manager and higher positions, and 31 mentees, including store manager, regional manager and sales manager, participated in this program.

Training Programs for Deputy SM/Maviolog/Sales Reps/Cashier/Warehouse Employees

Orientation Training: 236 newly hired store employees in positions other than store manager and deputy store manager took 1,573 person*hours of orientation training in total.

Classroom Training: 1,850 employees in relevant positions took 5,650 person*hours of classroom training in total in topics such as Being a Mavi Employee, Customer Relations Management, Handling Customer Complaints, and KVKK, etc.

On-the-job Training: A total of 1,850 field employees took 15,405 person*hours of on-the-job training on topics such as 7 Steps of Sales Modules, Persuasion, Upselling, Handling Customer Objections, and Customer Psychology, etc.

Digital Training: 2,810 store employees were assigned a total of 15,446 person*hours of digital training.

Mavi Strategy and Goal Meetings

Every year, store managers attend three-day sales meetings where the directors share the company strategy in presentations to build on joint goals and the culture of Mavi. In 2020, these meetings were not organized due to the pandemic.

Maviolog

The job of a Maviolog is to enhance the product knowledge of the teammates in the store where they serve, ensure every customer leaves the store with the right product and combination, and create an excellent shopping experience for the customer. We select the employees to serve as Maviologs very carefully, and train them specifically to provide customers with product and style advice in line with Mavi's identity as a denim specialist and fashion brand. As part of the program running since 2012, the number of Maviolog employees working at Mavi stands at 208 as of year-end 2020.

We added digital training content to improve the styling skills of Maviolog employees, ensure that they recommend the right product to the right customer by helping them understand the customer's style, suggest products based on different body types, recognize the language of colors, and offer practical style combinations. We use three apps in the concepts "What to Recommend Today," "Grab and Go" and "Where Are We Going?" to reinforce theory with practice.

Secret Customer Surveys and Field Development

Secret customer surveys are conducted 12 times a year to assess the performance of the field teams and the results are regularly monitored by the sales, marketing, training, and HR teams. In 2020, field visits could not take place in the second half of March, April, May and December, and in January 2021 due to the pandemic. In the remaining months of 2020, 2,934 secret customer visits took place in more than 380 stores in 68 cities. In all the visits, NPS scores were measured in objective and subjective standards. We used these results to identify development areas and stores that have room for improvement, and planned training programs accordingly.

10.5 STAKEHOLDER ENGAGEMENT

Stakeholder Group	Communication Methods
Employees	Maviletişim and Maviconnect internal communication portals, digital channels (website and social media platforms), internal meetings (Massmavi, Management Forum, Go meetings, etc.), info mailings, employee engagement and satisfaction survey, campaign impact surveys, volunteering activities, social clubs, field visits, annual reports, and sustainability reports
Customers	Sales points (stores, mavi.com and marketplaces), digital channels, call center, satisfaction surveys, annual reports and sustainability reports, media coverage
Suppliers	Supplier meetings, field visits, audits, innovation projects, annual reports and sustainability reports, digital channels
Franchisees	Franchisee meetings, field visits, one-to-one meetings, annual reports and sustainability reports, digital channels
Shareholders, Investors, and Analysts	General Assembly meetings, material disclosures, press releases, one-to-one meetings and correspondence, broker and bank reports, periodic briefings, annual reports and sustainability reports, digital channels
Non-Governmental Organizations	Social responsibility projects, one-to-one meetings, participation in meetings and working groups, seminars and conferences, annual reports and sustainability reports, digital channels
Universities	Training programs, internship programs, career days, conferences, Mavi Scholarship Fund, industry-specific projects, digital channels, annual reports, and sustainability reports
Media	Press conferences and launch events, special features and interviews, press releases, digital channels, annual reports, and sustainability reports

10.6 PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS

Employees by Gender and Category	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Total employees	2,071	1,840	2,209	1,877	2,211	1,849
Head office employees	422	301	420	289	418	296
Store employees	1,635	1,472	1,775	1,519	1,793	1,553
Employees with disabilities	14	67	14	69	16	73
Total	3,911		4,086		4,060	

Employees by Working Duration	2018		2019		2020	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Employees	3,101	810	2,862	1,224	2,790	1,270

Employees by Location	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
U.S.A.	38	24	33	23	37	28
Canada	42	22	49	25	43	23
Russia	76	36	84	46	97	44
Europe	47	38	40	27	33	26
Turkey	1,868	1,720	2,003	1,756	2,001	1,728

Subcontractor Employees by Gender	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Subcontractor employee by gender – total	21	73	20	82	18	91
Subcontractor Employees by Working Duration	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Subcontractor employees by work time – total	84	10	92	10	97	12

Employees by Year	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
0-5 years	1,688	1,480	1,781	1,472	1,715	1,338
5-10 years	296	281	332	318	377	395
10+ years	87	79	96	87	119	116

Newly Hired Employees*	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Newly hired employees – total	1,482	1,045	1,470	1,030	705	555
-30 years old	1,680	1,388	1,784	1,391	1,727	1,281
30-50 years old	380	437	413	465	466	543
+50 years old	11	15	12	21	18	25

*Number of newly hired employees refers only to Turkish operations.

Employee Turnover*	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Number of voluntary resignations	1,179	976	1,326	978	662	557
-30 years old	1,129	914	1,264	903	618	519
30-50 years old	50	62	62	74	44	37
+50 years old	0	0	0	1	0	1

* Number of voluntary resignations refers only to Turkish operations.

Managers and Executives by Gender and Age	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
-30 years old	72	92	63	77	50	50
30-50 years old (including ages 30 and 50)	157	208	176	212	202	238
+50 years old	2	5	1	8	4	12
All employees with manager titles	315	351	324	359	344	370
Junior level managers	229	292	227	289	231	303
Mid-level managers	40	30	51	32	62	33
Senior managers	46	29	46	38	51	34
Employees in revenue-generating functions	1,687	1,592	1,828	1,644	1,834	1,629
Board of Directors	1	5	1	5	2	4

Performance Management	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Employees subjected to regular performance and career development reviews	289	197	288	194	294	185
Employees assessed according to measurable goal realization	289	197	288	194	294	185

Parental Leave*	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Employees who took parental leave – total	90	0	59	0	42	0
Employees who returned to work after parental leave – total	79	0	52	0	38	0

*Number of employees who took parental leave and returned to work later refers only to the Turkish operations.

Training Times	2018	2019	2020
Total training time	66,535	59,082	56,505
Average training time by employee	17.0	14.5	13.9

OHS Training	2018	2019	2020
Total training time	2,192	8,264	4,984
Training time by employee	4	8	8

OHS Training – Subcontractors	2018	2019	2020
Total training time	1,756	3,212	4,524
Training time by employee	18.7	31.5	41.5

ENVIRONMENTAL PERFORMANCE INDICATORS

Greenhouse Gas Emissions (tonnes CO ₂ eq.)*	2018	2019	2020
Scope 1***	-	-	773.9
Scope 2 (location based)**	-	-	17,024.7
Scope 2 (market based)**	-	-	14,676.6
Scope 3	-	-	93,480

* We calculate our greenhouse gas emissions according to the GHG Protocol. Scope 1 refers to Mavi's emissions from natural gas and fuel consumption; Scope 2 refers to emissions from electricity and heat energy purchased for the Mavi organization; and Scope 3 includes franchisees, personnel shuttles, business trips, operational waste, upstream transportation and distribution, energy consumption not included in other scopes, and the procured services and goods.

**Scope 1 and Scope 2 emissions refer to the operations in Turkey, the USA, EU, Canada, and Russia.

Raw Materials and Other Materials Used in Packaging (tonnes)	2018	2019	2020
Paper	-	-	1,895.57
Plastic	-	-	85.43
Glass	-	-	23.02

Non-hazardous Waste Quantity (tonnes)	2018	2019	2020
Total non-hazardous waste	-	-	2,417.11
Recycled	-	361.19	413.10
Burned (recovered as energy)	-	165.23	244.84

Water Withdrawal Quantity (m ³)	2018	2019	2020
Municipal water	-	-	8,849.94

10.7 INDEX

UNGC REFERENCES

Impact Area	Principles	Related Section in the Report
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Better.Empower – People-oriented Mavi Culture & Inclusive Business Model and Responsible Value Chain Corporate Governance – Human Rights
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Better.Empower – People-oriented Mavi Culture & Inclusive Business Model and Responsible Value Chain
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	
	Principle 5: Businesses should uphold the effective abolition of child labor.	
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Better.Protect – Tackling Climate Crisis & Ecosystem Restoration
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance – Business Ethics

WEPS REFERENCES

Principles	Related Section in the Report
Principle 1: Establish high-level corporate leadership for gender equality	Better.Empower – Equal Opportunity and Diversity Corporate Governance (Introduction)
Principle 2: Treat all women and men fairly at work – respect and support human rights and nondiscrimination	
Principle 3: Ensure the health, safety and well-being of all women and men workers	
Principle 4: Promote education, training, and professional development for women	
Principle 5: Implement enterprise development, supply chain and marketing practices that empower women	
Principle 6: Promote equality through community initiatives and advocacy	
Principle 7: Measure and publicly report on progress to achieve gender equality	

GRI CONTENT INDEX

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Omission	
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
GRI 102: General Disclosures 2016	Kurumsal Profil			
	102-1	2	-	
	102-2	8	-	
	102-3	160	-	
	102-4	12, 13	-	
	102-5	Shareholder Structure & Subsidiaries	-	
	102-6	12, 13	-	
	102-7	14, 15	-	
	102-8	143, 144	-	
	102-9	17, 68	-	
	102-10	This is the first sustainability report of the company.	-	
	102-11	122-124	-	
	102-12	131	-	
	102-13	131	-	
	Strategy			
	102-14	4-7	-	
	102-15	122-124	-	
	Ethics and Integrity			
102-16	119, 120	-		
102-17	120	-		
Governance				
102-18	44, 118, 119	-		

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Omission
GRI 102: General Disclosures 2016	102-19	44	-
	Stakeholder Engagement		
	102-40	45, 142	-
	102-41	There are no employees covered by collective bargaining agreements.	-
	102-42	45, 142	-
	102-43	45, 142	-
	102-44	47-51	-
	Reporting Practice		
	102-45	11	-
	102-46	2	-
	102-47	47-51	-
	102-48	This is the first sustainability report of the company.	-
	102-49	This is the first sustainability report of the company.	-
	102-50	2	-
	102-51	This is the first sustainability report of the company.	-
	102-52	The reporting cycle is annual.	-
	102-53	2	-
	102-54	2	-
	102-55	150-156	-
	102-56	2	-
GRI 200: Economic Performance Series 2016			
Economic Performance			
GRI 103: Management Approach 2016	103-1	2020 Annual Report , p. 31	-
	103-2	2020 Annual Report , p. 31	-
	103-3	2020 Annual Report , p. 31	-

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Omission
GRI 201: Economic Performance 2016	201-1	11	-
	202-3	2020 Annual Report , p. 258-259	-
GRI 300: Environmental Standart Series 2016			
Energy			
GRI 103: Management Approach 2016	103-1	49, 74	-
	103-2	49, 74	-
	103-3	49, 74	-
GRI 302: Energy 2016	302-1	Mavi CDP Climate 2021 Report , p. 20, 21	-
Water and Effluents			
GRI 103: Management Approach 2016	103-1	48, 86	-
	103-2	48, 86	-
	103-3	48, 86	-
GRI 303: Water and Effluents 2018	303-3	147	-
Biodiversity			
GRI 103: Yönetim Yaklaşımı 2016	103-1	86, 87	-
	103-2	86, 87	-
	103-3	86, 87	-
GRI 304: Biodiversity 2016	304-3	87	-
Emissions			
GRI 103: Management Approach 2016	103-1	49, 74, 75	-
	103-2	49, 74, 75	-
	103-3	49, 74, 75	-

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Omission
GRI 305: Emissions 2016	305-1	75, 147	-
	305-2	75, 147	-
	305-3	75, 147	-
	305-4	Mavi CDP Climate 2021 Report , p. 19	-
Waste			
GRI 103: Management Approach 2016	103-1	49, 86	-
	103-2	49, 86	-
	103-3	49, 86	-
GRI 306: Waste 2020	306-3	86, 147	-
	306-4	86, 147	-
GRI 400: Social Standard Series 2016			
Employment			
GRI 103: Management Approach 2016	103-1	54, 55, 61	-
	103-2	54, 55, 61	-
	103-3	54, 55, 61	-
GRI 401: Employment 2016	401-1	144	-
	401-2	57, 62, 63	-
	401-3	57, 146	-
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	66-67	-
	103-2	66-67	-
	103-3	66-67	-

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Omission
GRI 403: Occupational Health and Safety 2018	403-1	66-67	-
	403-2	66-67	-
	403-3	66-67	-
	403-5	67, 146	-
	403-9	66	-
	403-10	66	-
Training and Education			
GRI 103: Management Approach 2016	103-1	65	-
	103-2	65	-
	103-3	65	-
GRI 404: Training and Education	404-1	65	-
	404-2	65	-
	404-3	62, 145	-
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1	56, 57	-
	103-2	56, 57	-
	103-3	56, 57	-
GRI 405: Diversity and Equal Opportunity 2016	405-1	56, 57, 145	-
	405-2	56	-
Supplier Social Assessment			
GRI 103: Management Approach 2016	103-1	68-71	-
	103-2	68-71	-
	103-3	68-71	-
GRI 414: Supplier Social Assessment 2016	414-1	69-71	-

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Omission
Material Topics That Are Not Covered by the GRI Standards			
Customer Satisfaction			
GRI 103: Management Approach 2016	103-1	48, 97-99	-
	103-2	48, 97-99	-
	103-3	48, 97-99	-
R&D and Innovation			
GRI 103: Management Approach 2016	103-1	48, 100-107	-
	103-2	48, 100-107	-
	103-3	48, 100-107	-
Raw Material Management			
GRI 103: Management Approach 2016	103-1	48, 86, 93	-
	103-2	48, 86, 93	-
	103-3	48, 86, 93	-
Brand Reputation			
GRI 103: Management Approach 2016	103-1	48, 92, 112	-
	103-2	48, 92, 112	-
	103-3	48, 92, 112	-
Chemical Management			
GRI 103: Management Approach 2016	103-1	49, 85, 86, 93	-
	103-2	49, 85, 86, 93	-
	103-3	49, 85, 86, 93	-

THANK YOU

We are pleased to present this report, in which we provide details about the activities we carry out in line with Mavi's sustainability strategy "All Blue. All Better. For All." We believe that a better world is possible with a better Mavi. We recognize the responsibilities that fall on us as Turkey's leading jeans and apparel brand and we will move forward with our sustainability commitment.

For all your questions, comments, and suggestions related to the report, please contact us at: sustainability@mavi.com



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