

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Mavi, incorporated in 1991 in Istanbul, is recognized as a highly successful **global lifestyle brand**, rooted in **32 years of denim expertise**. Mavi has been publicly traded since 2017 and has a presence in **37 countries**, including Turkey, the USA, Canada, Germany, and Russia, selling its products through approximately ~4,500 points, including **459 Mavi shops**.

Mavi, recognized as a trusted brand with high quality and right price positioning, is established in the apparel market between the high-end and premium segments. **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 5,670 employees**, whose hearts beat with denim, work 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.

As a leading global jeans and apparel brand, Mavi accelerated its sustainability efforts to drive its vision of industry leadership to encompass sustainability. Grounded in strategic priorities of sustainable growth through quality, Mavi's sustainability strategy was developed 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 as All Blue. All Better. For All. and identified our goals and the areas where we create value. Mavi's sustainability approach is driven by its core values and focused on four pillars: people, planet, denim, and community.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	February 1 2022	January 31 2023

W0.3

(W0.3) Select the countries/areas in which you operate.

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

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

TRY

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	TREMAVI00037
Yes, a Ticker symbol	MAVI

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Not very important	Vital	<p>Mavi operates as a lifestyle brand focused on retailing.</p> <p>Direct freshwater use: Our direct freshwater use takes place in our stores and offices. We use freshwater for cleaning, food service to our employees, drinking and toilets. Our operations consume very little amount of water. Due to the limited amount used, we deem our direct use of good quality freshwater "Not very important". In the future, our direct freshwater use can change in proportion to the number of employees and stores. If the number of our employees and stores increases, our direct freshwater use will increase accordingly.</p> <p>Indirect freshwater use: Indirect freshwater use is deemed "Vital" due to the fact that our business depends on the availability of cotton which is an agricultural product that requires freshwater during its cultivation. Freshwater is also used for dyeing and washing processes, especially during the manufacturing of our main product group, denim. In the future, our indirect freshwater use can change in proportion to the amount of products procured.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Important	<p>Mavi operates as a lifestyle brand focused on retailing.</p> <p>Direct recycled water use: Our direct water use takes place in our stores and offices. We use water for cleaning, food service to our employees, drinking and toilets. Our operations consume very little amount of water. Due to the limited amount used, we deem our direct use of recycled / brackish water "Not very important". In the future, if the freshwater reserves surrounding our offices and stores decline, recycled water will become much more important.</p> <p>Indirect recycled water use: The availability of sufficient amounts of recycled water is important as it signifies the capability of the manufacturer to recycle water. It is deemed as "Important" because as an apparel company, we would like to futureproof our business by lowering freshwater requirements wherever possible. As with freshwater, our indirect recycled water use can also change in proportion to the amount of products procured. In the future, due to freshwater shortages, recycled water and water recycling capabilities can become much more important and dependence on recycled water can increase.</p>

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Yearly	Values are extracted from water bills.	Water bills are collected from each country where Mavi is operating. An overwhelming majority of withdrawals are from municipal water systems. 13% of water is withdrawn for drinking water.
Water withdrawals – volumes by source	100%	Monthly	Values are extracted from water bills.	Water bills are collected from each country where Mavi is operating. An overwhelming majority of withdrawals are from municipal water systems. 13% of water is withdrawn for drinking water.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Monthly	Values are extracted from water bills.	Water bills are collected from each country where Mavi is operating. An overwhelming majority of withdrawals are from municipal water systems. 13% of water is withdrawn for drinking water.
Water discharges – total volumes	100%	Monthly	All withdrawals with the exception of those for drinking water, are discharged to municipal sewage systems. The amounts are obtained from water bills.	Mavi's water use is due to office and store activities. All withdrawals are discharged with the exception of withdrawals for drinking water.
Water discharges – volumes by destination	100%	Monthly	All withdrawals with the exception of those for drinking water, are discharged to municipal sewage systems. The amounts are obtained from water bills.	Mavi's water use is due to office and store activities. All discharge is to municipal sewage systems.
Water discharges – volumes by treatment method	100%	Monthly	All withdrawals with the exception of those for drinking water, are discharged to municipal sewage systems. The amounts are obtained from water bills.	All discharge is to municipal sewage systems and is treated by the municipality within municipal water treatment systems.
Water discharge quality – by standard effluent parameters	Not relevant	<Not Applicable>	<Not Applicable>	Why this water aspect is not relevant for the company: Mavi's water use is only limited to the office and stores. No manufacturing activity takes place within Mavi. Water use is only for WASH services and cafeteria activities, therefore there is no need to monitor water discharge quality by standard effluent parameters. The discharged water carries domestic wastewater characteristics. This water aspect is not expected to be relevant in the future due to Mavi's business model. Mavi does not own any manufacturing facilities and Mavi's water use will always be due to providing WASH services.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant	<Not Applicable>	<Not Applicable>	Why this water aspect is not relevant for the company: Mavi's water use is only limited to the office and stores. No manufacturing activity takes place within Mavi. Water use is only for WASH services and cafeteria activities, therefore there is no need to monitor water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances). The discharged water carries domestic wastewater characteristics. This water aspect is not expected to be relevant in the future due to Mavi's business model. Mavi does not own any manufacturing facilities and Mavi's water use will always be due to providing WASH services.
Water discharge quality – temperature	100%	Monthly	The amounts are obtained from water bills.	All water is obtained from municipal sources at their standard temperature and discharged without any treatment for temperature.
Water consumption – total volume	100%	Monthly	All water withdrawn is discharged with the exception of withdrawals for drinking water. The amounts are obtained from water bills.	The amounts are obtained from water bills. The only consumption is due to drinking water use. All municipal water withdrawals are discharged to municipal sewage systems.
Water recycled/reused	100%	Monthly	Currently, there is no water recycling/reuse.	Currently, there is no water recycling/reuse.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Monthly	Water use for WASH services is included in water bills.	All employees have access to fully functioning, safely managed WASH services.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	9.97	About the same	Investment in water-smart technology/process	About the same	Investment in water-smart technology/process	We are tracking our water use and assess if we need new investments to reduce our water use.
Total discharges	8.66	About the same	Investment in water-smart technology/process	About the same	Investment in water-smart technology/process	We are tracking our water use and assess if we need new investments to reduce our water use.
Total consumption	1.31	About the same	Investment in water-smart technology/process	About the same	Investment in water-smart technology/process	We are tracking our water use and assess if we need new investments to reduce our water use.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	51-75	About the same	Investment in water-smart technology/process	About the same	Investment in water-smart technology/process	WRI Aqueduct	We are tracking our water stress and assessing if we need new investments to reduce our water use.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	1.31	About the same	Investment in water-smart technology/process	Fresh surface water withdrawals are due to drinking water use. Mavi's bottled drinking water suppliers are responsible for surface water withdrawals.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	All of Mavi's water withdrawals are from municipal water systems with the exception of drinking water which is withdrawn from surface water. The only water use is due to WASH services and cafeteria activities. Brackish water use is not relevant.
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	All of Mavi's water withdrawals are from municipal water systems with the exception of drinking water which is withdrawn from surface water. The only water use is due to WASH services and cafeteria activities. Groundwater use is not relevant.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	All of Mavi's water withdrawals are from municipal water systems with the exception of drinking water which is withdrawn from surface water. The only water use is due to WASH services and cafeteria activities. Groundwater use is not relevant.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	All of Mavi's water withdrawals are from municipal water systems with the exception of drinking water which is withdrawn from surface water. The only water use is due to WASH services and cafeteria activities. There is no produced/entrained water.
Third party sources	Relevant	8.66	About the same	Investment in water-smart technology/process	All of Mavi's water withdrawals are from municipal water systems with the exception of drinking water which is withdrawn from surface water. The only water use is due to WASH services and cafeteria activities.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	All of Mavi's water discharge is to municipal sewage systems since the only water use is due to WASH services and cafeteria activities.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	All of Mavi's water discharge is to municipal sewage systems since the only water use is due to WASH services and cafeteria activities.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	All of Mavi's water discharge is to municipal sewage systems since the only water use is due to WASH services and cafeteria activities.
Third-party destinations	Relevant	8.66	About the same	Investment in water-smart technology/process	All of Mavi's water discharge is to municipal sewage systems.

W1.2j

(W1.2) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	All of Mavi's water discharge is to municipal sewage systems since the only water use is due to WASH services and cafeteria activities. There is no additional treatment. The treatment is carried out by the municipality.
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	All of Mavi's water discharge is to municipal sewage systems since the only water use is due to WASH services and cafeteria activities. There is no additional treatment. The treatment is carried out by the municipality.
Primary treatment only	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	All of Mavi's water discharge is to municipal sewage systems since the only water use is due to WASH services and cafeteria activities. There is no additional treatment. The treatment is carried out by the municipality.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	All of Mavi's water discharge is to municipal sewage systems since the only water use is due to WASH services and cafeteria activities. There is no additional treatment. The treatment is carried out by the municipality.
Discharge to a third party without treatment	Relevant	8.66	About the same	Investment in water-smart technology/process	100%	Rationale for the level of treatment applied to discharge: All of Mavi's water discharge is to municipal sewage systems since the only water use is due to WASH services and cafeteria activities. The discharged water carries domestic wastewater characteristics. Thus, our discharge does not require any pretreatments before discharging to municipal sewage systems. We comply with the standards set by respective municipalities.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	All of Mavi's water discharge is to municipal sewage systems since the only water use is due to WASH services and cafeteria activities. There is no additional treatment. The treatment is carried out by the municipality.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	105920000	9.97	1062387161.48445	Total withdrawal efficiency is anticipated to increase due to water saving measures being planned. Revenues are also expected to increase.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	Mavi does not sell any product that contains substances that are deemed hazardous by a regulatory authority.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	Yes	<Not Applicable>	<Not Applicable>

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

- Basin status (e.g., water stress or access to WASH services)
- Supplier dependence on water
- Supplier impacts on water availability
- Supplier impacts on water quality

Number of suppliers identified as having a substantive impact

38

% of total suppliers identified as having a substantive impact

26-50

Please explain

Description of supplier's impact assessment on water security:

In 2022, we started conducting environmental audits to our suppliers and wet process sub-manufacturers. Via these audits, we assess environmental management systems, legal compliance, water and wastewater data, use of chemicals, wastes, air and noise emissions, energy management and greenhouse gas management.

The threshold used to identify a supplier's impact as 'substantive':

This year, 38 critical suppliers, which represent 72% of Mavi's procurement spent, are considered to have a substantive impact. The methodology to select critical suppliers includes a scoring composed of purchase volume, quantity, speed, flexibility, risk level, compliance, and cooperation level with Mavi. Suppliers must pass a threshold score according to the methodology to obtain the status of "critical". The threshold changes each year, according to the performance of suppliers.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	Yes, water-related requirements are included in our supplier contracts	<Not Applicable>

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Water-related requirement

Providing fully-functioning, safely managed WASH services to all workers

% of suppliers with a substantive impact required to comply with this water-related requirement

100%

% of suppliers with a substantive impact in compliance with this water-related requirement

100%

Mechanisms for monitoring compliance with this water-related requirement

Grievance mechanism/Whistleblowing hotline

On-site third-party audit

Supplier self-assessment

Response to supplier non-compliance with this water-related requirement

Suspend and engage

Comment

Access to fully functioning, safely managed WASH services to all workers is a legal requirement enforced by Mavi. In addition to legal compliance requirements, we started conducting environmental audits to all our critical suppliers and wet process sub-manufacturers. Critical and strategic suppliers compose our most important suppliers in terms of business continuity and sustainability. Mavi applies various 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 strategic and critical suppliers.

Water-related requirement

Complying with going beyond water-related regulatory requirements

% of suppliers with a substantive impact required to comply with this water-related requirement

100%

% of suppliers with a substantive impact in compliance with this water-related requirement

1-25

Mechanisms for monitoring compliance with this water-related requirement

On-site third-party audit

Response to supplier non-compliance with this water-related requirement

Retain and engage

Comment

We started conducting environmental audits to all our critical suppliers and wet process sub-manufacturers. Critical and strategic suppliers compose our most important suppliers in terms of business continuity and sustainability. Mavi applies various 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 strategic and critical suppliers.

We have a target to ensure all strategic suppliers and wet process sub-manufacturers comply with the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL) by 2030. We check ZDHC MRSL compliance via third-party environmental audits.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Information collection

Details of engagement

Collect water management information at least annually from suppliers

Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

Collect water quality information at least annually from suppliers (e.g., discharge quality, pollution incidents, hazardous substances)

Collect WASH information at least annually from suppliers

% of suppliers by number

26-50

% of suppliers with a substantive impact

100%

Rationale for your engagement

We started conducting environmental audits to all our critical suppliers and wet process sub-manufacturers. Critical and strategic suppliers compose our most important suppliers in terms of business continuity and sustainability. Mavi applies various 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 strategic and critical suppliers. We have identified 38 critical suppliers. Wet-process sub-manufacturers of these critical suppliers are within the scope of our environmental audits as well. In addition, we have a target to ensure all strategic suppliers and wet process sub-manufacturers comply with the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL) by 2030. These environmental audits will help us to determine the suppliers we must engage to realize our ZDHC target.

Impact of the engagement and measures of success

Details of the beneficial water-related outcomes of the engagement activity: The information collected will be used to measure the environmental performance of our suppliers across many pressing issues such as climate change, water security, biodiversity and chemicals management. Environmental performance data derived from audit data will be used to differentiate our best-performing suppliers in terms of sustainability. We are considering issuing incentives and longer-term business relationships with these best performances in terms of environmental stewardship. The environmental audits, followed by incentivizing best performers will in return ensure the environmental sustainability of both us, Mavi, and our suppliers will create stronger business relationships. In addition, the engagement realizes water, energy and emission savings at our suppliers due to feedback given to them at the end of their audit process.

A description of how the success of supplier engagement is measured: In 2022, we started conducting environmental audits to our suppliers and wet process sub-manufacturers. Via these audits, we assess environmental management systems, legal compliance, water and wastewater data, use of chemicals, wastes, air and noise emissions, energy management and greenhouse gas management. The scoring methodology to select critical suppliers includes a scoring composed of purchase volume, quantity, speed, flexibility, risk level, compliance, and cooperation level with Mavi. Suppliers must pass a threshold score according to the methodology to obtain the status of "critical". The current measure of success is visiting, providing environmental scoring and feedback to our suppliers to improve the environmental performance of our suppliers.

The metrics used for environmental scoring include data related to water use, chemical use, legal compliance and wastewater metrics. Our aim is to visit all of our critical suppliers by 2025.

Comment

We aim to introduce a sustainability scoring for our suppliers that integrated both environmental and social performance data.

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder

Customers

Type of engagement

Education / information sharing

Details of engagement

Share information about your products and relevant certification schemes

Rationale for your engagement

All Blue, Mavi's most sustainable collection to date, reflects the brand's commitment to a better planet and drives a change in consumers' shopping habits by raising awareness of sustainable products. The All Blue collection is made with innovative techniques and sustainable, upcycled materials, while using less water and energy. All Blue collection is a cornerstone for Mavi's sustainability strategy, enabling efficient and reduced use of resources and it contributes to Mavi's environmental sustainability targets. The products in Mavi's All Blue collection are made with organic, recycled or Better Cotton-certified cotton, recycled polyester, TENCEL™ modal and lyocell, cottonized hemp, and upcycled materials. 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.

Rationale for engagement:

All Blue collection products are offered in all of the markets that we operate and the information about All Blue's environmental properties, including less water use, are communicated with all of our customers.

Impact of the engagement and measures of success

In 2021, we launched a campaign to demonstrate our lesser impact Mavi Pro Sport collection within All Blue. The collection is also renewed also 2022. This collection was made with Repreve fiber which is a fiber made from recycled PET bottles. The campaign for the collection emphasized recycling and was a great success, reaching more than 40 million people, 80 million views and 22 million engagement numbers. In addition the rate of remembering the campaign was very high. The campaign heightened our customers' awareness on sustainable collections and increased the amount of customers that engage with us on our sustainability strategy. We are now receiving feedback from our customers regarding our sustainability campaigns, strategy and targets. How engagement success is measured:

We measure the success of our engagement with the share of All Blue products' sales within total revenues. The sales of the sustainable All Blue products accounted for 14% of total revenues in 2022.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	There were no fines related to environmental issues.

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	<p>Policies and processes and established standard:</p> <p>In 2022, Mavi was granted ISO 14001 Environmental Management System (EMS) certification for its head office building in Turkey. EMS set up for Mavi under ISO 14001 contains the possible list of pollutants and actions to minimize impact. In case of an event that can cause harm to the environment such as spills, accidents and leaks, resulting waste materials, including oil, should be collected in leakproof containers in compliance with the local regulations and sent for proper disposal.</p> <p>Indicators for pollutant identification:</p> <p>All possible events that may have a detrimental environmental impact are predefined within the environmental management system. The pollutants were identified with an external consultant during the setup of the environmental management system. Possible pollutants include cooking oil from the cafeteria, cleaning chemicals and grease required for the maintenance of elevators and other office machinery. In the event of an accident, the spread of pollution should be prevented by using absorbent materials according to the specified procedure and proper waste disposal in accordance with regulations should be ensured.</p>	<Not Applicable>

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Oil

Description of water pollutant and potential impacts

All possible events that may have a detrimental environmental impact are predefined within the environmental management system. The pollutants were identified with an external consultant during the setup of the environmental management system. Possible pollutants include cooking oil from the cafeteria, cleaning chemicals and grease required for the maintenance of elevators and other office machinery. According to the Ministry of Agriculture of Turkey, a liter of used cooking oil can contaminate a million liters of drinking water. In the event of an accident, the spread of pollution should be prevented by using absorbent materials according to the specified procedure and proper waste disposal in accordance with regulations should be ensured.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

Please explain

Cooking oil is properly stored under leakproof pallets within the cafeteria. The condition of this equipment is regularly assessed. Oil use for maintenance has less risk of spilling and hazardous waste due to the use of oil being handled by the contractors that are tasked with maintenance service.

Zero leaks and contamination are our success criteria.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
International methodologies and standards
Other

Tools and methods used

WRI Aqueduct
Life Cycle Assessment
ISO 14001 Environmental Management Standard
Internal company methods
Materiality assessment

Contextual issues considered

Water availability at a basin/catchment level
Impact on human health
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities
Regulators
Suppliers

Comment

No additional comment.

W3.3b

(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	<p>Mavi has an Early Identification of Risk Committee under its Board of Directors. This committee proactively identifies risks that could impact the company's operations and implements risk mitigation measures. It consults with each department to assess short-, medium-, and long-term risks and opportunities. The Legal and Compliance Department monitors regulatory changes, while the Corporate Communications Department focuses on sustainability issues, including climate change and water-related concerns. The committee evaluates these risks and opportunities based on their financial impact and takes immediate action to reduce risks and enhance opportunities.</p> <p>We conduct product life cycle assessments in order to predetermine possible water risks of our products and where in the value chain these risks occur.</p> <p>With the ISO 14001 EMS Certification, we analyze and evaluate water risks within our direct operations.</p> <p>In addition, Mavi utilizes the WRI Aqueduct Tool to monitor and evaluate water-related risks. This tool enables a comprehensive assessment of factors such as water stress, basin water levels, and water quality across all business units and supply chain regions. Environmental audits are conducted on critical suppliers to assess their environmental impact, including gathering data on water withdrawals at the basin or catchment level. This data is then combined with the WRI Aqueduct tool to create a water scarcity and risk map for our direct operations and supply chain.</p>	<p>The vast majority of Mavi's water consumption is indirect and takes place within its supply chain, primarily associated with crop cultivation for textile fiber production. The lack of sufficient level and quality water in the basin carries operational and financial risks to our business. Therefore, water availability and water quality at a basin/catchment level are important for our production activities.</p> <p>Aligned with our policies, our primary emphasis lies in safeguarding ecosystems and habitats, preventing land degradation, and consistently enhancing and nurturing the resilience of natural ecosystems. Our objective is to sustainably manage our impact on biodiversity while constantly striving for improvement and development.</p> <p>Failure to comply with water-related regulations poses a dual risk for the company. Any resulting adverse events can harm its reputation, create regulatory risks, and have financial implications.</p> <p>Ensuring the availability of a fully operational WASH system to our employees is our commitment. Any circumstance that jeopardizes their health and safety not only poses operational risks but also has potential implications for our reputation.</p>	<p>An overwhelming majority of Mavi's water use is indirect and occurs within its supply chain, especially for crop cultivation required for textile fiber production. In terms of water issues, the most important stakeholders within our value chain are our suppliers.</p> <p>Mavi recognizes the influence of non-governmental organizations (NGOs) on local communities and actively involves their expertise in risk management processes. By leveraging their knowledge, Mavi seeks to identify alternative solutions to supply chain and operational challenges, ensuring the well-being of communities and the protection of their water resources.</p> <p>Also, Mavi faces operational and reputational risks, along with potential financial losses, if it experiences customer, employee, or investor attrition due to the mentioned water-related issues.</p>	<p>Mavi's Early Identification of Risk Committee first consults each department within the company to identify short-, medium- and long-term risks and opportunities associated with their activities. This way, Mavi's direct, upstream and downstream activities are assessed for risks and opportunities year around. The Legal and Compliance Department monitors and advises the Committee on regulatory changes that may lead to new risks and opportunities with financial consequences. Sustainability-related issues, including climate change and water-related issues, are monitored under Corporate Communications and the department advises the Committee on potential risks and opportunities related to climate change and water-related issues. These risks and opportunities are then assessed by the Committee according to their financial consequences and whether immediate action can be taken to reduce the probability of risks and increase the probability of opportunities.</p> <p>We conduct environmental audits on our critical suppliers. With these environmental audits, we are gathering data on water withdrawals at basin/catchment level and we combine this data with the WRI Aqueduct tool to create our supply chain's water scarcity/risks map. Mapping suppliers according to their potential water scarcity issues will give us an outlook on the future. Combined with the environmental audit results, these suppliers will be evaluated whether an alternative needs to be found or not.</p>

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only in our value chain beyond our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Definition of substantive impact when identifying or assessing water-related risks: Mavi is a denim-centric ready-to-wear retailing company. Any risk definition with a potential financial impact of TRY 30 million or higher is considered substantive. This amount can change our costs, sales performance, business and supply chain continuity and it is considered substantive.

Description of the quantifiable indicator(s) used to define substantive impact: At Mavi, the severity of these substantive financial impacts is measured with their associated monetary financial impact in TRY (currency). This monetary financial impact is calculated with scenarios that result in a loss for risks and a gain for opportunities.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	0	Less than 1%	Direct operation facilities use very little amount of water. Water use is due to WASH services and cafeteria service. We do not consider any of our facilities under substantive financial or strategic impact related to water risks.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Turkey	Other, please specify (Marmara Basin)
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Number of facilities exposed to water risk

0

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

Although our headquarters is situated in the Marmara basin, a basin with very high water stress, we don't consider the location to be exposed to water risks that could have a substantive financial impact due to little amount of water use.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Turkey	Other, please specify (Meriç - Ergene River Basin)
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Stage of value chain

Supply chain

Type of risk & Primary risk driver

Chronic physical	Water stress
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Primary potential impact

Disruption to sales due to value chain disrruption

Company-specific description

ERAK and TAYEKS, our biggest denim suppliers' facilities are situated in Meriç - Ergene River Basin. These two companies represent 80% of Mavi's denim production. The basin that they are situated in has a water scarcity score of 0.9, which is considered Extremely High on the WRI Aqueduct tool. Although the groundwater table decline for the basin is insignificant, the region may have water access problems in the future. Overall water risk of the basin is high due to the region being a concentrated textile manufacturing hub.

In the future, if there is a water shortage, we may encounter supply chain disruptions which may affect our sales.

The availability of water is crucial for the operation of these facilities. Considering the significant water usage in denim production, the loss of access to water can disrupt production and lead to revenue loss. Denim constitutes 39% of Mavi's product sales, and if we assume that 80% of this denim requirement is sourced from these manufacturing centers, a two-week halt in operations due to water scarcity resulting from climate change could lead to an approximate 0.6% revenue loss. 2 weeks of water shortage can disrupt the product from manufacturing facilities for 1 week, due to backlog of products already manufactured. Therefore:

2022 revenue (TRY 10,592 million) x 39% (denim's share in sales) x 80% (ERAK and TAYEKS, manufacturers share in denim purchasing) x (2 / 52) (2 weeks out of 52, a year) x 1/2 (effect of counting backlog of products) = TRY 63.55 million

Timeframe

More than 6 years

Magnitude of potential impact

Medium-high

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

63552000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The two major manufacturers that account for approximately 80% of Mavi's denim supply are ERAK and TAYEKS. Both manufacturers' factories are located in the Marmara Basin in Istanbul, Turkey. Denim constitutes 39% of Mavi's product sales, and if we assume that 80% of this denim requirement is sourced from these manufacturing centers, a two-week halt in operations due to water scarcity resulting from climate change could lead to an approximate 0.6% revenue loss. 2 weeks of water shortage can disrupt the product from manufacturing facilities for 1 week, due to backlog of products already manufactured. Therefore:

2022 revenue (TRY 10,592 million) x 39% (denim's share in sales) x 80% (ERAK and TAYEKS, manufacturers share in denim purchasing) x (2 / 52) (2 weeks out of 52, a year) x 1/2 (effect of counting backlog of products) = TRY 63.55 million

Primary response to risk

Supplier engagement	Increase supplier reporting on water
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Description of response

Mavi focuses on water, energy and chemical management throughout the supply chain as well as its own operations. Together with audits, it develops various projects, collaborations and practices. Considering this potential risk, ERAK and TAYEKS, the two major manufacturers responsible for approximately 80% of Mavi's denim supply, have implemented initiatives aimed at improving energy and water efficiency. In the year 2022, there has been a 10% decrease in water consumption compared to the previous year.

In addition to water consumption reduction activities with ERAK and TAYEKS, in 2022, Mavi started to conduct environmental audits at select supplier facilities toward its 2025 target of having all critical suppliers and wet process sub-manufacturers undergo environmental audits. For field inspections, a 143-question checklist was created with Mavi's feedback and used in the audits conducted by a third-party environmental audit expert. During the audits, the suppliers' environmental performance was questioned on a number of topics, including their environmental management systems, legal compliance, water and wastewater data, use of chemicals, wastes, air and noise emissions, energy management and greenhouse gas management. The results of the audit reports provide key data for measuring Mavi's environmental sustainability performance, including its indirect water consumption profile.

At present, we are actively engaged in conducting a water risks analysis associated with our indirect water consumption. Our primary focus lies in evaluating the degree of risk pertaining to water scarcity in Turkey, within different water basins of the country. This assessment is being carried out internally by our own employees, entailing no supplementary financial investments. However, the water consumption data needed to complete the analysis is obtained via the third-party audits mentioned above. In 2022, auditing and gathering data (which included water withdrawal and discharge) from 68% of Mavi's critical suppliers and their wet process subcontractor manufacturing facilities costed Mavi TRY 254,525.

In the short term, by 2025, we aim to conduct audits to all of our critical suppliers and their wet process subcontractor manufacturing facilities. The data we gather via these audits will compose the basis of our supplier sustainability grading system.

Cost of response

254525

Explanation of cost of response

At present, we are actively engaged in conducting a water risks analysis associated with our indirect water consumption. Our primary focus lies in evaluating the degree of risk pertaining to water scarcity in Turkey, within different water basins of the country. This assessment is being carried out internally by our own employees, entailing no supplementary financial investments. However, the water consumption data needed to complete the analysis is obtained via the third-party audits mentioned above. In 2022, auditing and gathering data (which included water withdrawal and discharge) from 68% of Mavi's critical suppliers and their wet process subcontractor manufacturing facilities costed Mavi TRY 254,525.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Mavi operates as a lifestyle brand focused on retailing. Our direct water use takes place in our stores and offices. We use water for cleaning, food service to our employees, drinking and toilets. Our operations consume very little amount of water. Due to the limited amount used, we don't consider Mavi to be exposed to water risks in its direct operations that may have a substantive financial or strategic impact. In the future, our direct freshwater use can change in proportion to the number of employees and stores. If the number of our employees and stores increases, our direct freshwater use will increase accordingly. However, our use will never be comparable to manufacturers. We are focusing our efforts on water issues within our supplier chain.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Products and services

Primary water-related opportunity

Sales of new products/services

Company-specific description & strategy to realize opportunity

Explanation of why this opportunity is considered strategic for the company: All Blue, Mavi's most sustainable collection to date, reflects the brand's commitment to a better planet and drives a change in consumers' shopping habits by raising awareness of sustainable products. The All Blue collection is made with innovative techniques and sustainable, upcycled materials, while using less water and energy. All Blue collection is a cornerstone for Mavi's sustainability strategy, enabling efficient and reduced use of resources and it contributes to Mavi's environmental sustainability targets. The collection proves Mavi's commitment to sustainability, increasing revenues and improving brand image.

Explanation of the action being taken to realize the opportunity and examples of the actions taken: The products in Mavi's All Blue collection are made with sustainable organic, recycled or Better Cotton-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 first 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 are used to evaluate these processes.

Realized outcomes: All Blue products and our customer engagements related to the products' environmental performance educates our customers to seek lesser impact products. We measure the success of our engagement with the share of All Blue products' sales within total revenues. The sales of the sustainable All Blue products accounted for 14% of total revenues in 2022.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

296576000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

Figure given for potential financial impact accounts for 20% of our revenues generated from our All Blue, lower impact products. It is assumed that only 20% of the revenues stemming from our lower impact products account for its "lower impact" property and its effect of increasing brand value. 80% of the revenue from lower impact products is assumed to be stemming from product design, fashion properties, product placement and marketing.

Calculation:

Potential financial impact figure = Revenues from All Blue products in 2022 (TRY 1,482,880,000) x 20% = TRY 296,576,000

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of the scope (including value chain stages) covered by the policy Description of business dependency on water Description of business impact on water Commitment to align with international frameworks, standards, and widely-recognized water initiatives Commitment to prevent, minimize, and control pollution Commitment to reduce or phase-out hazardous substances Commitment to reduce water withdrawal and/or consumption volumes in supply chain Commitment to water stewardship and/or collective action Commitments beyond regulatory compliance Reference to company water-related targets Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	Our water-related policies are presented within our "Environment and Energy Policy". This policy is applied company-wide without exception. Water is a critical resource for Mavi, a company that operates in the textile and apparel industry, which ranks among the top industries with the highest water consumption. Mavi recognizes that access to clean water and sanitation is a human right and takes actions for efficient water use. As a signatory to the CEO Water Mandate, Mavi works to reduce the quantity of water consumed in its operations and minimize wastewater. Furthermore, Mavi collaborated with its business partners to develop innovative practices to minimize water consumption and wastewater quantities. In addition, Mavi does not source products from companies that fail to comply with water and wastewater regulations. In line with Sustainable Development Goal 14: Life Below Water, Mavi aims to conserve marine and coastal ecosystems in the basins where its supply chain facilities are located. Mavi strives to improve the quality of water emissions resulting from its operations. Our water-related targets are: "Conducting environmental audits at all critical suppliers and wet process sub-manufacturers by 2025" and "Ensuring all strategic suppliers and wet process sub-manufacturers comply with the Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List by 2030". Environment and Energy Policy.pdf MAVI-ANNUAL-REPORT-2022.pdf

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Chief Executive Officer (CEO)	Mavi's Chief Executive Officer (CEO) and Chief Brand Officer (CBO) are the board members responsible for water-related issues. CEO and CBO are also members of Mavi's Sustainability Committee which fulfills the duties of defining the sustainability strategy of Mavi, covering environmental, social and governance (ESG) aspects, and implementing, monitoring, overseeing, reviewing, enhancing, and developing sustainability policy, goals and practices. The Committee is headed by the CEO and meets at least twice a year. Mavi has six working groups formed to support the implementation of the Sustainability Committee resolutions. The Environment Working Group is responsible for Mavi's climate and water strategy, projects, targets and risk assessments. The Approval Committee formed within the Sustainability Committee gives the final approval for the projects presented by the sustainability working groups. The Approval Committee consists of six members: Chief Executive Officer (CEO), Chief Brand Officer (CBO), Chief Marketing Officer (CMO), Chief Purchasing and Supply Chain Officer, Chief Human Resources Officer (CHRO), and Chief Financial Officer (CFO). Water-related Decision Example: As a result of the strategic leadership of Mavi's CEO, the decision to conduct environmental inspections in the wet process facilities to identify water consumption in the supply chain and related water risks in 2022 was made. This decision was driven by the CEO's role as a board member responsible for water-related issues and as a member of Mavi's Sustainability Committee.

W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Providing employee incentives Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	Mavi’s Sustainability Committee is responsible for defining the sustainability strategy of Mavi, covering environmental, social and governance (ESG) aspects, and implementing, monitoring, overseeing, reviewing, enhancing, and developing sustainability policy, goals and practices. The Environment Working Group under Sustainability Committee defines Mavi’s climate strategy and works on plans, projects, targets and risk assessments about climate change and other environmental issues. The Environment Working Group reports to the Sustainability Committee. The Committee convenes at least twice a year and is headed by the CEO. The Committee reports to the Board of Directors.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>Mavi’s CEO has well-defined key performance indicators (KPIs) that focus on environmental and sustainability issues, including climate- and water-related concerns. Mavi’s CEO and CBO showcase their competence in water-related issues through their active involvement in key committees and working groups. Under the leadership of the CEO, the Sustainability Committee oversees Mavi’s climate strategy, with the Environment Working Group playing a vital role. This group defines Mavi’s approach to addressing climate change, overseeing projects, setting targets, and conducting risk assessments related to environmental concerns. As members of the Sustainability Committee, the CEO and CBO contribute to defining Mavi’s sustainability strategy, covering environmental, social, and governance aspects. They also participate in the Approval Committee, which grants final approval for sustainability projects. Overall, their engagement in these roles demonstrates their competence in managing water-related issues and promoting sustainability at Mavi.</p> <p>Active engagement in the Sustainability Committee and the Environment Working Group is a critical criterion for assessing water-related competence. As the head of the Sustainability Committee, the CEO plays a central role in defining the company’s sustainability strategy, including water-related aspects. Regular participation in meetings, decision-making processes, and support for sustainability resolutions further highlight their expertise.</p> <p>Additionally, Mavi’s CEO stands alongside more than 220 CEOs in endorsing the CEO Water Mandate, a testament to their unwavering dedication to water stewardship. Committed to implementing water stewardship projects within the company, the CEO has received in-depth briefings regarding the six commitment areas of the CEO Water Mandate and their far-reaching impact on Mavi’s operations. This thorough understanding equips the CEO to lead transformative endeavors and drive the adoption of sustainable water practices throughout the organization.</p>	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Water-related responsibilities of this position

Managing water-related risks and opportunities
 Monitoring progress against water-related corporate targets
 Integrating water-related issues into business strategy
 Providing water-related employee incentives

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The CEO is responsible for the company’s strategic vision, which includes global product and market strategy. He also oversees the day-to-day management of the company’s product procurement, recruitment of senior-level management, marketing direction, sales strategy, and investor relations. All of these divisions of Mavi’s business are related to water-related issues and thus responsibility for managing the environmental factor for these business divisions is assigned to the CEO as the highest executive in the corporate management of the company. The CEO, along with the Sustainability Committee, reports on progress, targets and goals regarding water-related issues to the board once a year.

Currently, water-related reporting to the board is revolving around environmental audits. With these environmental audits, we are gathering data on water withdrawals at basin level and we combine this data with the WRI Aqueduct tool to create our supply chain’s water scarcity/risks map.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Sustainability targets of Mavi are included as criteria within the long-term incentive plans of top-level executives.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization’s water commitments	Please explain
Monetary reward	Chief Executive Officer (CEO) Chief Purchasing Officer (CPO)	Improvements in wastewater quality – supply chain Reduction of water pollution incidents Reduction or phase-out of hazardous substances	Monetary reward incentive is tied to the achievement of sustainability targets which include "Ensuring all strategic suppliers and wet process sub-manufacturers comply with the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List by 2030". ZDHC is one of the biggest initiatives that aims to improve wastewater quality and remove hazardous chemicals from the environment. Shaping our target around ZDHC’s standards ensures that our target is competitive and comparable. Also, Mavi conducted inspections in high-water-consumption wet process facilities. The company also requires suppliers to comply with wastewater regulations and encourages them to reduce chemical usage and use natural materials. These measures aim to mitigate water-related risks within the supply chain. Mavi’s focus on these improvements aligns with its commitment to sustainable water management practices.	Monetary reward incentive is tied to the achievement of sustainability targets which include "Ensuring all strategic suppliers and wet process sub-manufacturers comply with the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List by 2030".
Non-monetary reward	Chief Executive Officer (CEO) Chief Purchasing Officer (CPO)	Improvements in wastewater quality – supply chain Reduction of water pollution incidents Reduction or phase-out of hazardous substances	Non-monetary reward incentive is tied to the achievement of sustainability targets which include "Ensuring all strategic suppliers and wet process sub-manufacturers comply with the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List by 2030". ZDHC is one of the biggest initiatives that aims to improve wastewater quality and remove hazardous chemicals from the environment. Shaping our target around ZDHC’s standards ensures that our target is competitive and comparable. Also, Mavi conducted inspections in high-water-consumption wet process facilities. The company also requires suppliers to comply with wastewater regulations and encourages them to reduce chemical usage and use natural materials. These measures aim to mitigate water-related risks within the supply chain. Mavi’s focus on these improvements aligns with its commitment to sustainable water management practices.	Non-monetary reward incentive is tied to the achievement of sustainability targets which include "Ensuring all strategic suppliers and wet process sub-manufacturers comply with the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List by 2030".

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

MAVI-ANNUAL-REPORT-2022.pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	<p>Our aim is to minimize Mavi's negative impacts on the environment. The majority of water use is within our supply chain. Wastewater is a great concern, especially with denim production.</p> <p>We aim to conduct environmental audits at all of our critical suppliers and wet process sub-manufacturers. With this objective, we will better understand our water impact and initiate water-related requirements to our suppliers by 2035. We also initiated a target to ensure all strategic suppliers and wet process sub-manufacturers comply with the Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List by 2030.</p> <p>Environmental audits started in 2022 and we now have audited 68% of the facilities belonging to critical suppliers and their wet process manufacturing suppliers. In the short term, we aim to develop a sustainability scoring system for our suppliers. The score will combine social and environmental sustainability performance. In the long term, we aim to utilize this score to improve the sustainability performance of our suppliers.</p>
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	<p>Our aim is to minimize Mavi's negative impacts on the environment. The majority of water use is within our supply chain. Wastewater is a great concern, especially with denim production.</p> <p>We aim to conduct environmental audits at all of our critical suppliers and wet process sub-manufacturers. With this objective, we will better understand our water impact and initiate water-related requirements to our suppliers by 2035. We also initiated a target to ensure all strategic suppliers and wet process sub-manufacturers comply with the Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List by 2030.</p> <p>Environmental audits started in 2022 and we now have audited 68% of the facilities belonging to critical suppliers and their wet process manufacturing suppliers. In the short term, we aim to develop a sustainability scoring system for our suppliers. The score will combine social and environmental sustainability performance. In the long term, we aim to utilize this score to improve the sustainability performance of our suppliers.</p>
Financial planning	Yes, water-related issues are integrated	11-15	<p>Our aim is to minimize Mavi's negative impacts on the environment. The majority of water use is within our supply chain. Wastewater is a great concern, especially with denim production.</p> <p>We aim to conduct environmental audits at all of our critical suppliers and wet process sub-manufacturers. With this objective, we will better understand our water impact and initiate water-related requirements to our suppliers by 2035. We also initiated a target to ensure all strategic suppliers and wet process sub-manufacturers comply with the Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List by 2030.</p> <p>Environmental audits started in 2022 and we now have audited 68% of the facilities belonging to critical suppliers and their wet process manufacturing suppliers. In the short term, we aim to develop a sustainability scoring system for our suppliers. The score will combine social and environmental sustainability performance. In the long term, we aim to utilize this score to improve the sustainability performance of our suppliers.</p> <p>Environmental audits required additional financial planning due to the costs associated with conducting them. In 2022, audits required an investment of TRY 254,525.</p>

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

92

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

Mavi's business operations use very small amounts of water. There were no major water-related capital expenditures in the last two years. Currently, there are no major water-related capital expenditures planned.

Our water OPEX is composed of water consumption fees for our offices, stores and warehouses. In 2022, our direct water consumption increased from 7,824 m3 to 8,643 m3, which means an increase of 10%. Due to the small amount of water we use, we consider water increase less than 15% "about the same". Our locations and applications that use water did not change. However, our OPEX related to water increased by 92%. This is due to increased water prices in Turkey which is exacerbated by the Turkish lira inflation which was around 65% according to Turkish Statistical Institute.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	Mavi uses tools to assess water-related risks.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	<p>Mavi developed its near-term 2030 Scope 1 and Scope 2 GHG reduction targets via Science Based Targets Initiative's (SBTI) guidance. Using the Absolute Contraction Approach (ACA), which promotes an overall reduction in the amount of GHGs emitted to the atmosphere in the target year relative to the base year, we chose a 1.5°C temperature alignment scenario to determine the amount of GHG reduction required for our Scope 1 + 2 targets. Science Based Targets uses an envelope of climate scenarios composed of scenarios from the IPCC and IEA. For the target to be in line with 1.5°C scenario, a minimum of 4.2% reduction of GHG emissions in annual linear terms is required.</p> <p>We defined our Scope 1 + 2 GHG reduction target as "reducing absolute scope 1 and 2 GHG emissions 70% by 2030 from a 2019 base year".</p> <p>In addition, Mavi developed its raw materials sourcing strategy to support its Science Based Targets, aligned with the 2°C scenario.</p> <p>We analyzed the results of RCP 4.5 and RCP 8.5 scenarios and how these scenarios can affect our business. Academic studies by the Turkish State Meteorological Service reveal that RCP 4.5 and RCP 8.5 would result in an average temperature increase between 1 and 2 degrees Celsius for the period 2016-2040 and 1.5 to 4 degrees Celsius for the period 2071-2099. These temperature increases would mean increased rain during winter and decreased rain during spring, summer, and autumn within the majority of Turkey. The rainfall regime could also be more sporadic. Especially the Tigris-Euphrates River system is at great risk. We are still exploring the parts of our supply chain that rely on at-risk resources. Along with our Scope 3 emissions target, we developed our raw materials sourcing strategy, and we start our environmental audits to assess our suppliers' environmental parameters such as water use in 2022.</p>	<p>Mavi used the WRI Aqueduct Water Risk Atlas tool to assess water risks. Suppliers within the Tigris-Euphrates River system are at great risk of operational disruption due to reduced water availability according to RCP 4.5 and RCP 8.5 climate scenarios.</p> <p>In addition, Mavi's biggest denim suppliers ERAK and TAYEKS' facilities are both situated within the Meriç - Ergene Basin. This basin has very high water stress due to concentrated textiles manufacturing within the region.</p> <p>Facilities within these basins may start to lose access to water or face increased prices which may affect Mavi's competitiveness via increased costs and reduced manufacturing capacity.</p>	<p>Our main water use is through indirect consumption arising from our suppliers. In order to assess water consumption within the supply chain and identify associated water risks in 2022, Mavi conducted environmental inspections specifically in the wet process facilities, where both water consumption and wastewater discharge are higher compared to other facilities. With these environmental audits, we are gathering data on water withdrawals at basin/catchment level and we combine this data with the WRI Aqueduct tool to create our supply chain's water scarcity/risks map.</p> <p>We'll use this map to define suppliers that rely on water within a location with a water scarcity problem. Our first cluster of environmental audits are completed by the end of 2022. The audits were carried out at 68% of the wet process supplier and subcontractor facilities. The results of the audit reports provide key data for measuring Mavi's environmental sustainability performance.</p> <p>Within a year, we aim to develop a sustainability scoring system for our suppliers. The score will combine social and environmental sustainability performance. Within 5 years, we aim to utilize this score to improve the sustainability performance of our suppliers, which will include water-related metrics.</p>

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

We are currently exploring water impacts within our supply chain. Once we have adequate data, we will explore water pricing practices.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	<p>All Blue, Mavi's most sustainable collection to date, reflects the brand's commitment to a better planet and drives a change in consumers' shopping habits by raising awareness of sustainable products. The All Blue collection is made with innovative techniques and sustainable upcycled materials while using less water and energy. All Blue collection is a cornerstone for Mavi's sustainability strategy, enabling efficient and reduced use of resources and it contributes to Mavi's environmental sustainability targets.</p> <p>We deem our All Blue products as "Less Water" if they are made using processes that are more water-efficient compared to conventional processes.</p> <p>Mavi's 2022 All Blue collection features Mavi Hemp Denim, sustainable jeans made with hemp fibers that minimize water usage, promote soil biodiversity, and incorporate recycled cotton and eco-friendly elements.</p>	<Not Applicable>	<p>The products in Mavi's All Blue collection are made with sustainable organic, recycled or Better Cotton-certified cotton, recycled polyester, TENCEL™ modal and lyocell, cottonized hemp, and upcycled materials. 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, 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 are used to evaluate these processes.</p>

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Yes	<Not Applicable>
Water withdrawals	No, but we plan to within the next two years	Our direct water use is insignificant. However, our indirect use is very significant and we are currently assessing our supply chain to determine water withdrawal amounts. In the future, we plan to set targets for water withdrawals within our supply chain.
Water, Sanitation, and Hygiene (WASH) services	Yes	<Not Applicable>
Other	No, and we do not plan to within the next two years	There are no other water-related targets.

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number

Target 1

Category of target

Water pollution

Target coverage

Company-wide (including suppliers)

Quantitative metric

Reduction of hazardous substance use

Year target was set

2022

Base year

2021

Base year figure

0

Target year

2030

Target year figure

100

Reporting year figure

44

% of target achieved relative to base year

44

Target status in reporting year

New

Please explain

We started conducting environmental audits to all our critical suppliers and wet process sub-manufacturers. Critical and strategic suppliers compose our most important suppliers in terms of business continuity and sustainability. Mavi applies various 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 strategic and critical suppliers. We have identified 38 critical suppliers. Wet-process sub-manufacturers of these critical suppliers are within the scope of our environmental audits as well. Along with our audits, we will question ZDHC MRSL compliance for improved wastewater performance. By 2030 we aim to reach 100% ZDHC MRSL compliance with our strategic suppliers and their wet process sub-manufacturers. In 2022, 68% of the facilities within the target scope were audited. 65% of these facilities were ZDHC MRSL compliant which results in 44% overall compliance verified with audits.

Target reference number

Target 2

Category of target

Water, Sanitation and Hygiene (WASH) services

Target coverage

Company-wide (direct operations only)

Quantitative metric

Other, please specify (Number of employees provided with WASH services)

Year target was set

2022

Base year

2021

Base year figure

5111

Target year

2023

Target year figure

5670

Reporting year figure

5670

% of target achieved relative to base year

100

Target status in reporting year

Achieved

Please explain

Mavi provides WASH services to 100% of its employees since 1991, the year Mavi was founded. The target covers all employees.

The target year is given as 2023 due to Mavi's 2022 financial year ending in on January 31st, 2023.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we are waiting for more mature verification standards and/or processes

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain	Supply chain: Overwhelming majority of our plastics use is due to our polyester and polyurethane fiber use. There are also clear plastic bags used to transport products without spilling or dirtying them from suppliers to stores. Finally, plastic strings are used for labelling. Direct operations: We eliminated plastic shopping bags and cargo bags within our operations. The only remaining plastic use is due to single use cardboard cups with plastic lining, 20 liter water bottles used to order drinking water to offices and stores.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Not assessed – but we plan to within the next two years	<Not Applicable>	

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Not assessed – but we plan to within the next two years	<Not Applicable>	<Not Applicable>	

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	No – but we plan to within the next two years	<Not Applicable>	<Not Applicable>	

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	No	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

W11. Sign off

W-FI

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

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms