DeFacto Perakende Ticaret AS

2025 CDP Corporate Questionnaire 2025

Word version

Important: this export excludes unanswered questions
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Read full terms of disclosure

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C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☑ English

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

Select from:

☑ TRY

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☑ Privately owned organization

(1.3.3) Description of organization

When we set out as DeFacto in 2005, we aimed to bring a fresh perspective to Turkish fashion and to bring our quality and original designs to consumers all over the world. Since the day we were founded, we have achieved significant successes by keeping our excitement alive and continuing to work in line with our purpose. Today, as we continue our activities with the vision of becoming a global fashion brand, we touch millions of customers with nearly 500 physical and online stores in 100 countries. While adopting innovation and renewal as a corporate culture, we bring our customers together with our 9 sub-brands for the needs of consumers of all ages. We offer our DeFacto BABY, DeFacto KIDS, DeFacto FIT, DeFacto COOL, DeFacto LIFE, DeFacto MODEST, DeFacto PLUS, DeFacto STUDIO, DeFacto Fall in Love sub-brands to our customers all over the world through our stores and online channels. With our brands and sales channels, we work with a one-stop shop approach to enable our customers to meet all their needs from clothing to accessories, shoes, bags, and cosmetics from a single point. As DeFacto family with approximately 12,000 employees, we work hard to do better every day with our employees who are behind our success. In order for our team to feel comfortable and happy, we established the Happiness Directorate, a first in Türkiye. In this way, we take important steps to support the happiness, personal and professional development of our employees. As the founder of the concept of "Accessible Fashion", we deliver our quality products to consumers from all walks of life at affordable prices. We have four main sales channels for our customers to reach our products. In retail, our main channel, we serve with a total of more than 500 stores. We submitted our application to the Science Based Targets Initiative (SBTi) on September 12, 2023, and at the end of 2025 we received approval for our 2030 and 2050

emission reduction targets. With this approval, we have become the first company in Türkiye's textile retail sector to have long-term targets aligned with the SBTi (Science Based Target Initiative) approved.
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/30/2024

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:
☑ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:
☑ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:
☑ 1 year

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:
☑ 1 year

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☑ 1 year

[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

40682661179

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Not applicable – we do not publicly disclose financial statements

[Fixed row]

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

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

789000BXRA5X9NB48R62

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

[Add row]

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

Select all that apply

☑ Iraq
☑ Oman
☑ Congo
☑ Egypt
☑ Libya
☑ Albania
☑ Algeria
☑ Bahrain
☑ Georgia
☑ Germany
☑ Mauritius
☑ Qatar
☑ Cyprus
☑ Jordan
☑ Serbia
☑ Turkey
☑ Lebanon
☑ Morocco
☑ Somalia
☑ Ukraine
☑ Cameroon
☑ Tajikistan

☑ Azerbaijan
☑ Kazakhstan
☑ Kyrgyzstan
☑ Montenegro
☑ Uzbekistan
☑ Turkmenistan
☑ North Macedonia
☑ Bosnia & Herzegovina

(1.22) Provide details on the commodities that you produce and/or source.

Timber products

(1.22.1) Produced and/or sourced

Select from:
☑ Sourced

(1.22.2) Commodity value chain stage

Select all that apply
☑ Retailing

(1.22.4) Indicate if you are providing the total commodity volume that is produced and/or sourced

Select from:
☑ Yes, we are providing the total volume

(1.22.5) Total commodity volume (metric tons)

8535.2

(1.22.8) Did you convert the total commodity volume from another unit to metric tons?

Select from:
☑ Yes

(1.22.9) Original unit

Select all that apply

☑ Kilogram

(1.22.10) Provide details of the methods, conversion factors used and the total commodity volume in the original unit

We address our use of timber products under five main headings. These categories include timber products used in our packaging applications, such as paper, primary packaging, secondary packaging, and tertiary packaging (parcel, cardboard, labels, etc.), as well as cellulose-based fabrics (viscose, modal, lyocell, etc.) used in our products. In this context, we include our use of viscose, modal, lycocell (2,162,123 kg in total) in our timber product consumption in our use of cellulose-based fabrics. We also include our paper consumption (6,373,076.59 kg in total) that we use in our packaging processes in our timber consumption. We divided the total of these two main items, 8,535,199.59 kg consumption, by 1000 and processed 8,535.1 tons of consumption as an answer.

(1.22.11) Form of commodity

Select all that apply

☑ Cellulose-based textile fiber

☑ Paper

☑ Primary packaging

☑ Secondary packaging

☑ Tertiary packaging

(1.22.12) % of procurement spend

Select from:

☑ 11-20%

(1.22.13) % of revenue dependent on commodity

Select from:

☑ 100%

(1.22.14) In the questionnaire setup did you indicate that you are disclosing on this commodity?

Select from:

☑ Yes, disclosing

(1.22.15) Is this commodity considered significant to your business in terms of revenue?

Select from:

☑ Yes

(1.22.19) Please explain

Since we use paper-based packaging items in all our products, we have provided a 100% response for revenue related to these products. However, we do not disclose revenue from cellulose-based fabrics here as it contains commercial information within our company.
[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain

☑ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☑ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☑ Tier 4+ suppliers

(1.24.6) Smallholder inclusion in mapping

Select from:

☑ Smallholders not relevant, and not included

(1.24.7) Description of mapping process and coverage

We track information about our suppliers in the upstream and downstream of our value chain as much as possible. In particular, we have information about our suppliers in the upstream process, including the raw materials such as cotton, viscose, polyester (Tier-4) used in the production of our products, the suppliers that process (spinning, weaving or wet processing) these raw materials (Tier-3), the suppliers that transform the products(cutting or sewing) into fabrics and other materials (Tier-2), and finally the suppliers that convert the products into the final product (Tier-1). In the supplier tracking system we have established, we have full visibility into all Tier-1 suppliers. From there, we identify suppliers at other tiers. In 2024, we have 516 suppliers that we actively work with, while we define 59 suppliers as our strategic suppliers in this supplier ecosystem. In addition to this group representing our Tier-1 suppliers, we work with 3,696 factories through our suppliers, and these factories represent our Tier-2 and Tier-3 suppliers. Our local suppliers play a significant role in our supplier ecosystem. Our 284 suppliers, representing 55% of our suppliers, are local suppliers originating from Turkey. Among all our suppliers, Ozon Tekstil, a DeFacto subsidiary, is our largest supplier, with whom we work in cooperation. In addition to our local suppliers in Turkey, we have suppliers from 10 different countries (Bangladesh, China, Eygpt, India, Morocco, Pakistan, Uzbekistan, Spain, Portugal).
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

	Plastics mapping	Value chain stages covered in mapping
	Select from: ☑ Yes, we have mapped or are currently in the process of mapping plastics in our value chain	*Select all that apply* ☑ Direct operations ☑ Upstream value chain

[Fixed row]

(1.24.2) Which commodities has your organization mapped in your upstream value chain (i.e., supply chain)?

Timber products

(1.24.2.1) Value chain mapped for this sourced commodity

Select from:

☑ Yes

(1.24.2.2) Highest supplier tier mapped for this sourced commodity

Select from:

☑ Tier 1 suppliers

(1.24.2.3) % of tier 1 suppliers mapped

Select from:

☑ 100%

(1.24.2.7) Highest supplier tier known but not mapped for this sourced commodity

Select from:

☑ Tier 4+ suppliers

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

(2.1.4) How this time horizon is linked to strategic and/or financial planning

It was determined in accordance with the guidance of the Corporate Risk Management Procedure and the perspectives of our finance teams within the scope of strategic and financial planning.

Medium-term

(2.1.1) From (years)

1

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

It was determined in accordance with the guidance of the Corporate Risk Management Procedure and the perspectives of our finance teams within the scope of strategic and financial planning.

Long-term

(2.1.1) From (years)

3

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ No

(2.1.3) To (years)

10

(2.1.4) How this time horizon is linked to strategic and/or financial planning

It was determined in accordance with the guidance of the Corporate Risk Management Procedure and the perspectives of our finance teams within the scope of strategic and financial planning.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

☑ End of life management

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Not location specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ COSO Enterprise Risk Management Framework

☑ Enterprise Risk Management

☑ Internal company methods

International methodologies and standards

☑ ISO 14001 Environmental Management Standard

Other

☑ Desk-based research

☑ External consultants

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Drought

☑ Heat waves

☑ Heavy precipitation (rain, hail, snow/ice)

☑ Wildfires

Chronic physical

☑ Changing precipitation patterns and types (rain, hail, snow/ice)

☑ Changing temperature (air, freshwater, marine water)

☑ Heat stress

☑ Water availability at a basin/catchment level

☑ Water stress

Policy

☑ Changes to international law and bilateral agreements

☑ Changes to national legislation

☑ Increased difficulty in obtaining operations permits

☑ Lack of mature certification and sustainability standards

Market

☑ Availability and/or increased cost of certified sustainable material

☑ Availability and/or increased cost of raw materials
☑ Changing customer behavior

Reputation
☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback

Liability
☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply
☑ Customers
☑ Employees
☑ Investors
☑ Suppliers
☑ Regulators
☑ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:
☑ No

(2.2.2.16) Further details of process

In our Corporate Risk Management Procedure, we define the impact for DeFacto as "the positive/negative results that will occur if the risk occurs". In areas where we evaluate risk such as risk appetite and risk capacity, we proceed with the impact perspective of risks. Likewise, we prepare our risk map according to the levels of risks based on impact and probability values. For us, impact and dependency issues are part of our Corporate Risk Management Procedure. The risk management process is based on finding risks that will affect the creation of corporate values, goals and strategies, determining the positive or negative impacts of these risks, and managing risks in accordance with the company's corporate risk appetite. We define it as a systematic process that supports its management. There are four main stages of Enterprise Risk Management.1. Identification and definition of risks2. Analyzing and assessing risks3. Prioritization and management of risks4. Monitoring and reporting of risks At the stage of analyzing and assessing risks, the impact and dependency perspective of risks comes into play. In the process where we identify

our risks, we perform impact analyses while analyzing and evaluating risks. We use a 5-point scale for the impact of risks according to risk types. Risk types; - Financial impact: The negative impact on the company's financial structure and the resources it needs to sustain its financial activities. - Reputational (prestige) impact: A bad reputation for the company. Negative impact on employees, customers, subsidiaries and/or other key stakeholders. - Strategic impact: Potential strategic impact. Disruption of management, planning, key initiatives and execution. - Operational impact: Potential operational impact on sales and marketing, performance, supply chain, production, people, information technology, potential accidents and fixed assets. - Compliance impact: The impact of potential non-compliance with laws, regulations, standards and DeFacto's policies and procedures. The levels of these impacts are scored from 1 to 5 according to their financial impact. 5 is the highest impact, while 1 is the lowest. Below we list how the impacts are scored according to their financial dimensions. 5: One-time impact > EBITDA 5% OR Continuous impact < EBITDA 2.5% 4: EBITDA 3% < One-time impact < EBITDA 5% OR EBITDA 1.5% < Ongoing impact < EBITDA 2.5% 3: EBITDA 1% < One-time impact < EBITDA 3% OR EBITDA 0.5% < Ongoing impact < EBITDA 1.5% 2: EBITDA 1% < One-time impact < EBITDA 3% OR EBITDA 0.5% < Ongoing impact < EBITDA 1.5% 1: One-time impact < 0.5% of EBITDA OR ongoing impact < 0.25% of EBITDA. The same scale is applied quantitatively for the impact dimensions of reputation, strategy, operational and compliance risks. Explanations regarding each score are included in our Corporate Risk Management Procedure. Climate-oriented risks in these different impact dimensions are assessed in accordance with TCFD recommendations. If these risks prioritized according to the above-mentioned criteria are rated as critical and high-level risks, they are evaluated by the Sustainability Committee. After this assessment, critical risks are discussed at the Board of Directors level, and high-level risks are discussed at the C Level, and strategies (avoidance, mitigation, transfer) are developed to overcome them.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

☑ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

☑ End of life management

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Not location specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ WRI Aqueduct

Enterprise Risk Management

☑ COSO Enterprise Risk Management Framework

☑ Enterprise Risk Management

☑ Internal company methods

Other

☑ Desk-based research

☑ External consultants

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Drought

☑ Flood (coastal, fluvial, pluvial, ground water)

☑ Storm (including blizzards, dust, and sandstorms)

Chronic physical

☑ Changing precipitation patterns and types (rain, hail, snow/ice)

☑ Changing temperature (air, freshwater, marine water)

☑ Seasonal supply variability/interannual variability

☑ Water availability at a basin/catchment level

☑ Water stress

Policy

☑ Changes to international law and bilateral agreements

☑ Changes to national legislation

☑ Increased pricing of water

Market

☑ Availability and/or increased cost of certified sustainable material

☑ Availability and/or increased cost of raw materials

Technology

☑ Transition to water efficient and low water intensity technologies and products

Liability

☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

In our Corporate Risk Management Procedure, we define the impact for DeFacto as "the positive/negative results that will occur if the risk occurs". In areas where we evaluate risk such as risk appetite and risk capacity, we proceed with the impact perspective of risks. Likewise, we prepare our risk map according to the levels of risks based on impact and probability values. For us, impact and dependency issues are part of our Corporate Risk Management Procedure. There are four main stages of Enterprise Risk Management.1. Identification and definition of risks2. Analyzing and assessing risks3. Prioritization and management of risks4. Monitoring and reporting of risks At the stage of analyzing and assessing risks, the impact and dependency perspective of risks comes into play. In the process where we identify our risks, we perform impact analyses while analyzing and evaluating risks. We use a 5-point scale for the impact of risks according to risk types. Risk types; - Financial impact: The negative impact on the company's financial structure and the resources it needs to sustain its financial activities. - Reputational impact: A bad reputation for the company. Negative impact on employees, customers, subsidiaries and/or other key stakeholders. - Strategic impact: Potential strategic impact. Disruption of management, planning, key initiatives and execution. - Operational impact: Potential operational impact on sales and marketing, performance, supply chain, production, people, information technology, potential accidents and fixed assets. - Compliance impact: The impact of potential non-compliance with laws, regulations, standards and DeFacto's policies and procedures. The levels of these impacts are scored from 1 to 5 according to their financial impact. 5 is the highest impact, while 1 is the lowest. Below we list how the impacts are scored according to their financial dimensions. 5: One-time impact > EBITDA 5% OR Continuous impact < EBITDA 2.5% 4: EBITDA 3% < One-time impact < EBITDA 5% OR EBITDA 1.5% < Ongoing impact < EBITDA 2.5% 3: EBITDA 1% < One-time impact < EBITDA 3% OR EBITDA 0.5% < Ongoing impact < EBITDA 1.5% 2: EBITDA 1% < One-time impact < EBITDA 3% OR EBITDA 0.5% < Ongoing impact < EBITDA 1.5% 1: One-time impact < 0.5% of EBITDA OR ongoing impact < 0.25% of EBITDA. This year, we used the WRI Aqueduct Tool to assess our water-focused risks. We researched the risks of water stress and scarcity in 2023, 2030 and 2040 on the basis of the provinces in Turkey where our Head Office, warehouses and stores are located. In this context, we started to make water use-specific plans to prioritize very high and high-risk regions. We also invest in technologies that reduce water and eliminate water risk in our products. This year, we reduced the water use in the production phase of jeans 5 times compared to traditional methods with our jean model, which we launched to the market using wiser wash technology, which we carried out a product footprint study. If these risks prioritized according to the above-mentioned criteria are rated as critical and high-level risks, they are evaluated by the Sustainability Committee. After this assessment, critical risks are discussed at the Board of Directors level, and high-level risks are discussed at the C Level, and strategies (avoidance, mitigation, transfer) are developed to overcome them.

Row 3

(2.2.2.1) Environmental issue

Select all that apply

☑ Forests

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Not location specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ COSO Enterprise Risk Management Framework

☑ Enterprise Risk Management

☑ Internal company methods

Other

☑ Desk-based research

☑ External consultants

(2.2.2.13) Risk types and criteria considered

Chronic physical

☑ Change in land-use

☑ Changing precipitation patterns and types (rain, hail, snow/ice)

☑ Increased severity of extreme weather events

☑ Seasonal supply variability/interannual variability

Policy

☑ Changes to international law and bilateral agreements

Market

☑ Availability and/or increased cost of certified sustainable material

☑ Availability and/or increased cost of raw materials

Technology

☑ Data access/availability or monitoring systems

Liability

☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

In our Corporate Risk Management Procedure, we define the impact for DeFacto as "the positive/negative results that will occur if the risk occurs". In areas where we evaluate risk such as risk appetite and risk capacity, we proceed with the impact perspective of risks. Likewise, we prepare our risk map according to the levels of risks based on impact and probability values. For us, impact and dependency issues are part of our Corporate Risk Management Procedure. The risk management process is based on finding risks that will affect the creation of corporate values, goals and strategies, determining the positive or negative impacts of these risks, and managing risks in accordance with the company's corporate risk appetite. We define it as a systematic process that supports its management. There are four main stages of Enterprise Risk Management.1. Identification and definition of risks2. Analyzing and assessing risks3. Prioritization and management of risks4. Monitoring and reporting of risks At the stage of analyzing and assessing risks, the impact and dependency perspective of risks comes into play. In the process where we identify our risks, we perform impact analyses while analyzing and evaluating risks. We use a 5-point scale for the impact of risks according to risk types. Risk types; - Financial impact: The negative impact on the company's financial structure and the resources it needs to sustain its financial activities. - Reputational impact: A bad reputation for the company. Negative impact on employees, customers, subsidiaries and/or other key stakeholders. - Strategic impact: Potential strategic impact. Disruption of management, planning, key initiatives and execution. - Operational impact: Potential operational impact on sales and marketing, performance, supply chain, production, people, information technology, potential accidents and fixed assets. - Compliance impact: The impact of potential non-compliance with laws, regulations, standards and DeFacto's policies and procedures. The levels of these impacts are scored from 1 to 5 according to their financial impact. 5 is the highest impact, while 1 is the lowest. Below we list how the impacts are scored according to their financial dimensions. 5: One-time impact > EBITDA 5% OR Continuous impact < EBITDA 2.5% 4: EBITDA 3% < One-time impact < EBITDA 5% OR EBITDA 1.5% < Ongoing impact < EBITDA 2.5% 3: EBITDA 1% < One-time impact < EBITDA 3% OR EBITDA 0.5% < Ongoing impact < EBITDA 1.5% 2: EBITDA 1% < One-time impact < EBITDA 3% OR EBITDA 0.5% < Ongoing impact < EBITDA 1.5% 1: One-time impact < 0.5% of EBITDA OR ongoing impact < 0.25% of EBITDA. As a company in the textile retail sector, we may have impacts, commitments and risks regarding deforestation, especially in terms of our product packaging and cellulose-based fabrics. In this context, we try to eliminate our risks by working with certified suppliers. When there is an issue specific to deforestation among the risks we evaluate, we carry out our processes in accordance with our Risk Management System. If these risks prioritized according to the above-mentioned criteria are rated as critical and high-level risks, they are evaluated by the Sustainability Committee. After this assessment, critical risks are discussed at the Board of Directors level, and high-level risks are discussed at the C Level, and strategies (avoidance, mitigation, transfer) are developed to overcome them.
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☑ Yes

(2.2.7.2) Description of how interconnections are assessed

In our Corporate Risk Management Procedure, we define the impact for DeFacto as "the positive/negative results that will occur if the risk occurs". In areas where we evaluate risk such as risk appetite and risk capacity, we proceed with the impact and dependency perspective of risks. Likewise, we prepare our risk map according to the levels of risks based on impact and probability values. For us, impact and dependency issues are part of our Corporate Risk Management Procedure. The risk management process is based on finding risks that will affect the creation of corporate values, goals and strategies, determining the positive or negative impacts of these risks, and managing risks in accordance with the company's corporate risk appetite. We define it as a systematic process that supports its management. In the process where we identify our risks, we perform impact analyses while analyzing and evaluating risks. We use a 5-point scale for the impact of risks according to risk types. Risk types; Financial impact: The negative impact on the company's financial structure and the resources it needs to sustain its financial activities. Reputational impact: A bad reputation for the company. Negative impact on employees, customers, subsidiaries and/or other key stakeholders. Strategic impact: Potential strategic impact. Disruption of management, planning, key initiatives and execution. Operational impact: Potential operational impact on sales and marketing, performance, supply chain, production, people, information technology, potential accidents and fixed assets. Compliance impact: The impact of potential non-compliance with laws, regulations, standards and DeFacto's policies and procedures. The levels of these impacts are scored from 1 to 5 according to their financial impact. 5 is the highest impact, while 1 is the lowest. Below we list how the impacts are scored according to their financial dimensions. 5: One-time impact > EBITDA 5% OR Continuous impact < EBITDA 2.5% 4: EBITDA 3% < One-time impact < EBITDA 5% OR EBITDA 1.5% < Ongoing impact < EBITDA 2.5% 3: EBITDA 1% < One-time impact < EBITDA 3% OR EBITDA 0.5% < Ongoing impact < EBITDA 1.5% 2: EBITDA 1% < One-time impact < EBITDA 3% OR EBITDA 0.5% < Ongoing impact < EBITDA 1.5% 1: One-time impact < 0.5% of EBITDA OR ongoing impact < 0.25% of EBITDA. The same scale is applied qualitatively for the impact dimensions of reputation, strategy, operational and compliance risks. Explanations regarding each score are included in our Corporate Risk Management Procedure.
[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☑ Yes, we are currently in the process of identifying priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☑ Direct operations

(2.3.3) Types of priority locations identified

Sensitive locations

☑ Areas of limited water availability, flooding, and/or poor quality of water

Locations with substantive dependencies, impacts, risks, and/or opportunities

☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water

(2.3.4) Description of process to identify priority locations

This year, we used the WRI Aqueduct Tool to assess our water-focused risks. We researched the risks of water stress and scarcity in 2023 and 2030 on the basis of the provinces in Turkey where our Head Office, warehouses and stores are located. In this context, we started to make water use-specific plans to prioritize very high and high-risk regions. According to this assessment, we evaluated 62 different locations on a provincial basis. In 2023, 23 of these locations were evaluated as extremely-high risk and 14 as high risk within the scope of water stress. When we carry the same analysis to 2030, 2 locations with extremely-high risk turn into high risk.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☑ No, we have a list/geospatial map of priority locations, but we will not be disclosing it

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ EBITDA

(2.4.3) Change to indicator

Select from:

☑ % decrease

(2.4.4) % change to indicator

Select from:

☑ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

The risk management process is based on finding risks that will affect the creation of corporate values, goals and strategies, determining the positive or negative impacts of these risks, and managing risks in accordance with the company's corporate risk appetite. We define it as a systematic process that supports its management. In the process where we identify our risks, we perform impact analyses while analyzing and evaluating risks. We use a 5-point scale for the impact of risks according to risk types. In the process where we identify our risks, we perform impact analyses while analyzing and evaluating risks. We use a 5-point scale for the impact of risks according to risk types. The levels of these impacts are scored from 1 to 5 according to their financial impact. 5 is the highest impact, while 1 is the lowest. If a risk is rated out of 5 points, it means that it is a substantive effective risk for us. Below we list how the impacts are scored according to their financial dimensions. 5: One-time impact > EBITDA 5% OR Continuous impact < EBITDA 2.5%. From a strategic perspective, we define risks with a substantive impact as risks that have a significant impact on strategic plans and execution, and risks that cause the need for significant changes in strategies.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ EBITDA

(2.4.3) Change to indicator

Select from:

☑ % increase

(2.4.4) % change to indicator

Select from:

☑ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

In our Corporate Risk Management Procedure, corporate risk management is defined as a planned, harmonious, consistent and continuous process structured at every point and level of the organization in order to identify and evaluate the opportunities and threats that affect the achievement of an organization's goals, to determine and decide on the attitude to be taken against these opportunities and threats, and to report opportunities and threats. As can be understood from this

definition, our risk management processes also include an opportunity perspective. In this process, we evaluate our opportunities in terms of their strategic and financial impacts, just like our risks. We identify our opportunities that are strategically critical "opportunities that have a very significant impact on strategic plans and execution". We define our financially critical opportunities as those that have a one-time impact of 5% on EBITDA or an ongoing impact of at least 2.5% on EBITDA.
[Add row]

(2.5) 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?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☑ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

Textile product chemical analyses are implemented within the scope of the Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals. In addition, REACH ANNEX XVII and OEKO-100 standards are followed globally regarding textile chemicals and their hazards.
[Fixed row]

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

Row 1

(2.5.1.1) Water pollutant category

Select from:

☑ Microplastics and plastic particles

(2.5.1.2) Description of water pollutant and potential impacts

Microplastics and plastic particles can come from a variety of sources, being microfiber shedding one source. When synthetic textiles, such as polyester and nylon, shed microfibers during washing, these fibers can be released into the environment as microplastics, and might cause potential impacts on ecosystems, animals and people. As we are not textile producer, our only direct impact is related the using phase of the products such as domestic washing that generates microfiber shedding.

(2.5.1.3) Value chain stage

Select all that apply

☑ Downstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Provision of best practice instructions on product use

☑ Reduction or phase out of hazardous substances

(2.5.1.5) Please explain

At DeFacto, we carry out different actions to reduce microfiber shedding occurring as a consequence of the activity of our industry. We collaborate with suppliers and are generated R&D projects in this area so as to seek for solutions. For example, we are focusing on recycled polyester, which are made from textile residues from production or post-consumer textile waste from collected garments, we reduce the use of virgin materials used in raw material production. At the same time, we contribute to reducing the consumption of water, energy and natural resources thanks to the classification, milling and blending of recycled yarn and raw yarn steps followed during the production of recycled raw materials. This year, we designed a collection using Wiser Wash technology, which limits the environmental impact of denim fabric production. Using a mix of electric ozone gas and laser, Wiser Wash reduces the ecological and water footprint of products, resulting in more sustainable denim, while shortening the production process thanks to improved working conditions.
[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Forests

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Not an immediate strategic priority

(3.1.3) Please explain

As a fashion retailer, plastic consumption is not an immediate strategic priority.
[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Changes to national legislation

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.9) Organization-specific description of risk

*According to the draft "Regulation on the Operation of Carbon Markets" dated November 2023, the Turkish Emissions Trading System (ETS) will be implemented in 2026. According to the existing regulation, DeFacto is not yet subject to the ETS system and will not be affected by emission limitations due to its sector. However, the project, which will start as a pilot in 2025, will spread to other sectors in the coming years. Therefore, regulations on emission quotas and pricing pose a risk for DeFacto. Although a clear pricing structure for Turkey's ETS system has not yet been announced, the price per ton of carbon is expected to be a minimum of €20 (TRY 736) and a maximum of €50 (TRY 1,840). This range is accepted as a reference value for us. In our calculations, our operational emissions are determined as 22,352.32 CO2e tons in 2024. In case we enter the ETS system, we calculate a total impact of min 16,452,381.39 TRY, max 41,130,953.47 TRY by making a calculation over our total emissions (22,352.32 CO2e tons * 736 TRY and 22,352.32 CO2e tons * 1.840 TRY).*

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Litigation

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

*Although a clear pricing structure for Turkey's ETS system has not yet been announced, the price per ton of carbon is expected to be a minimum of €20 (TRY 736) and a maximum of €50 (TRY 1,840). This range is accepted as a reference value for us. In our calculations, our operational emissions are determined as 22,352.32 CO2e tons in 2024. In case we enter the ETS system, we calculate a total impact of min 16,452,381.39 TRY, max 41,130,953.47 TRY by making a calculation over our total emissions (22,352.32 CO2e tons * 736 TRY and 22,352.32 CO2e tons * 1.840 TRY). According to our Risk Management Procedure, the magnitudes of such a risk, which has an impact of 5 points, are foreseen as very high for us. The system, which will start piloting in 2026, is expected to be expanded between 2027-2030. In this case, it appears as a short-term risk according to our own risk definitions.However, since we do not know the sector-based emission limits in the ETS system, we take the minimum risk value as 0. In 2027, with the impact of our emission reduction efforts, perhaps our operational emission values will remain below the set limit and we will not face any additional costs in this context.*

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

0

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

0

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

16452381.39

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

41130953.47

(3.1.1.25) Explanation of financial effect figure

*Although a clear pricing structure for Turkey's ETS system has not yet been announced, the price per ton of carbon is expected to be a minimum of €20 (TRY 736) and a maximum of €50 (TRY 1,840). This range is accepted as a reference value for us. In our calculations, our operational emissions are determined as 22,352.32 CO2e tons in 2024. In case we enter the ETS system, we calculate a total impact of min 16,452,381.39 TRY, max 41,130,953.47 TRY by making a calculation over our total emissions (22,352.32 CO2e tons * 736 TRY and 22,352.32 CO2e tons * 1.840 TRY).*

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Increase environment-related capital expenditure

(3.1.1.27) Cost of response to risk

69719608

(3.1.1.28) Explanation of cost calculation

The energy efficiency measures implemented in our own stores have enabled us to achieve significant electrical savings and emission reduction, especially in air conditioning systems, given that these can achieve at least 20% better performance and energy efficiency compared to conventional equipment. That's why we focus on energy efficiency in lighting and air conditioning in our stores and buildings, and lighting and automation systems in our warehouses. Switching to LED systems in lighting systems and using energy-friendly air conditioning systems are among the steps we take in this context. In 2024, we added renewable energy use to our energy efficiency efforts. Thanks to the renewable energy investments we made in our Çerkezköy warehouse and Basın Ekspress store, we added clean energy solutions to DeFacto's energy consumption distribution. With the solar energy systems (GES) on the roof of our warehouse and store. We made a total CAPEX investment of TRY 69.7 million.

(3.1.1.29) Description of response

We address our climate-focused risks in line with the guidance of our integrated risk management procedure. According to our risk horizon definition, the establishment of the ETS system is seen as a medium-term risk. Scheduled to take effect after 2026, this system may also affect us if we do not reduce our emissions. The first action we took in this context was the planning for transition to renewable energy, which also contributes to the UN Sustainable Development Goals SDG 7 and SDG 13. This year, we started this process at two of our locations, using renewable energy thanks to the solar panels we installed. We are also working to produce energy efficient solutions in our stores and warehouses. Thanks to all these steps, we aim to eliminate such climate risks and reach our 2030 and 2050 emission reduction and zeroing targets.

Forests

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.2) Commodity

Select all that apply

☑ Timber products

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Lack of availability and/or increased cost of certified sustainable material

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.9) Organization-specific description of risk

As a textile retail company, we believe that one of our important responsibilities is to produce our products with sustainable fabrics and processes. Although we are not a direct manufacturer, thanks to the collaborations we have realized in our supply processes, in 2024, the share of these sustainably sourced products in all DeFacto ready-to-wear collections increased by 14% compared to last year and reached approximately 35%.In this context, our goal is to create 90% of our ready-to-wear collections from sustainable products in 2030. We currently have sustainable products in 6 categories: energy and water efficient, recycled, recycled filling,

organic cotton, sustainable forest and sustainable agriculture. We make our investments and process improvements based on this.Unfortunately, however, the prices of sustainable raw materials that we purchase for sustainable collections are higher than those of their non-sustainable counterparts. If we do not make the necessary efforts to reach our goal or if we fail to meet the expectations of consumers with a focus on sustainability, we may face risks such as losing our environmentally sensitive customers and reputional damage.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced demand for products and services

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The ratio of our sustainable product categories to our total revenue as of 2024 is 31%. In this context, if we fail to achieve our targets for our sustainable products, we may lose our customers who are sensitive to this issue. This customer loss may extend to the 31% of our revenue his risk we have identified may have a direct negative impact on our revenue.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

12774355610.21

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

12774355610.21

(3.1.1.25) Explanation of financial effect figure

The ratio of our sustainable product categories to our total revenue as of 2024 is 31%. If this risk materializes, we could risk losing our income from sustainable products. In 2024, our total revenue amounted to 40,682,661,179 TRY. The share of sustainable products in this income amounted to 12,774,355,610.206 TRY with a share of 31%. We consider this amount as the financial impact of risk.

(3.1.1.26) Primary response to risk

Policies and plans

☑ Increased use of sustainably sourced materials

(3.1.1.27) Cost of response to risk

4976862222

(3.1.1.28) Explanation of cost calculation

We are carrying out important activities to meet the expectations of consumers regarding sustainable products and to increase the ratio of products with sustainable features in ready-to-wear garments to 90% by 2030. In this context, we aim to fill our raw material pool from the products we purchase to fabrics with sustainable products. We use Organic Cotton, Better Cotton, Recycled Cotton and Polyester, Sustainable Viscose in our sustainable products. Also we have several sustainable collections such as Collection Design from Tea Leather, Regenerative Denim Collection, Olive Leather Collection and Wiser Wash Sustainable Denim Collection. In this context, the share of these sustainable products, including sustainable raw materials, in all our purchases in 2024 was 29.54%. In 2024, while our total procurement cost was 22,080,134,083.67 TRY, the impact of sustainable raw materials/products with 21.6% was 4,976,862,222 TRY.

(3.1.1.29) Description of response

We are carrying out important activities to meet the expectations of consumers regarding sustainable products and to increase the ratio of products with sustainable features in ready-to-wear garments to 90% by 2030. In this context, we aim to fill our raw material pool from the products we purchase to fabrics with sustainable products. In this context, the share of our 6 categories, which we call sustainable products, in all our purchases in 2023 was 21.6%. In 2023, while our total procurement cost was 2.791.995.264,04 TRY, the impact of sustainable raw materials/products with 21.6% was 603,070,977.03 TRY.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Water stress

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Turkey

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify :Marmara

(3.1.1.9) Organization-specific description of risk

By using the WRI Aqueduct Tool to assess our water-focused risks in our direct operations. We researched the risks of water stress and scarcity in 2024, 2030 and 2050 for all our locations and upstream value chain. In this context, we started to make water use-specific plans to prioritize Extremely High risk regions. According to this assessment, we evaluated 79 different locations on a provincial basis. In 2024, we have identified 3 locations substantive water-related dependencies, impacts, risks, and opportunities. Among these locations, there are our headquarter (İstanbul - Halkalı) and warehouse (Yassıören - E-commerce Warehouse) and our biggest suppliers factory. If our operations in these 3 locations stop due to water stress, it poses a critical risk to DeFacto's overall operations. However, when calculating the impact of this risk on DeFacto, we focused particularly on the Yassıören E-Commerce Warehouse, which is vital for all our online sales. If operations at this facility are halted, we may lose the revenue we generate through online channels until a new operations center is established. In particular, while our online sales represent 16.7% of our annual revenue, the fact that the Yassıören location, where our e-commerce warehouse is located, has water stress may pose a possible risk for us.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Closure of operations

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The area we consider risky in terms of water stress is actually Yassıören - E-commerce Warehouse, where we coordinate our online sales, which have a 16.7% share in our revenue. Although we do not use a lot of water due to the work done at this location, it is important for us to provide WASH services to our employees. In this context, we may experience revenue loss if operations stop for 15-30 days due to the risk of water stress.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

278377254.82

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

556754509.64

(3.1.1.25) Explanation of financial effect figure

The area we consider risky in terms of water stress is actually Yassıören - E-commerce Warehouse, where we coordinate our online sales, which have a 16.7% share in our revenue. Although we do not use a lot of water due to the work done at this location, it is important for us to provide WASH services to our employees. In this context, we may experience revenue loss if operations stop for 15-30 days due to the risk of water stress. We calculated this loss based on the revenue we generated from online channels in 2024. We considered the risk of revenue loss at minimum and maximum levels based on the assumption that we would have to give up this revenue between 15-30 days. In 2024, we calculated our 15-day revenue as 278,377,254.82 TRY and our 30-day revenue as 556,754,509.64 over our total online channel revenues of 6,773,846,534 TRY. These two values correspond to 1% of our total annual revenue.

(3.1.1.26) Primary response to risk

Policies and plans

☑ Amend the Business Continuity Plan

(3.1.1.27) Cost of response to risk

0

(3.1.1.28) Explanation of cost calculation

We make business continuity plans to ensure our business continuity and to prevent our critical locations from becoming inoperable. We have these plans for all our locations within the company. We do not pay an extra fee to create these existing plans. Our Business Continuity teams work continuously in this context.

(3.1.1.29) Description of response

We make business continuity plans to ensure our business continuity and to prevent our critical locations from becoming inoperable. We have these plans for all our locations within the company. We do not pay an extra fee to create these existing plans. Our Business Continuity teams work continuously in this context.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☑ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

41130953.47

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

We assess that as a textile company, our transitional risks related to climate change is more critical and substantive than physical risks. So we calculate that impact throughout Climate Change Risk 1. This risk is actually related to legislations linked to climate change (ETS - Carbon Pricing Mechanism). Since this risk will actually affect us within the scope of additional taxation, we think it will indirectly affect our revenue.

Forests

(3.1.2.1) Financial metric

Select from:

☑ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

12774355610.21

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ 31-40%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

We assess that as a textile company, our transitional risks related to forest is more critical and substantive than physical risks. calculate that impact throughout Forest Risk 1 which is change in customer behaviour. We see it as a risk that we will not be able to follow sustainable product preferences and in this context, we will not be able to generate the revenues that we currently generate from sustainable products.

Water

(3.1.2.1) Financial metric

Select from:

☑ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

556754509.64

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ 1-10%

(3.1.2.7) Explanation of financial figures

We assess that as a textile company, our physical risks related to water is more critical and substantive than transitional risks. In the analyzes we conducted within the scope of water stress, we found that 3 of our locations in particular are exposed to high risk that will affect our revenue. We tried to calculate the impact on our revenue in the event of a cessation of operations at these locations.
[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

Turkey

☑ Other, please specify :Marmara

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

2

(3.2.4) % of your organization’s total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 1-25%

(3.2.10) % organization’s total global revenue that could be affected

Select from:

☑ 11-20%

(3.2.11) Please explain

There are 2 critical locations for our company in the Marmara watershed. These are Head Office and Yassıören (E-Commerce Warehouse) locations. These locations Extremely High is located in areas with water stress. Even if these areas are not the businesses from which we directly generate revenue, there is a risk of 16.7% impact on our total revenue during the year, especially if our Yassıören E-Commerce warehouse stops working. We calculated this impact as the ratio of our revenue from online channels to our total revenue. Revenue: 40,682,661,179 TRY Revenue from Online Channels: 6,773,846,534 TRY Methodology: We determined this water stress risk level for the first time this year through the WRI Aqueduct Tool.

Row 2

(3.2.1) Country/Area & River basin

Turkey

☑ Kizilirmak

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Upstream value chain

(3.2.6) Number of facilities in upstream value chain exposed to water-related risk in this river basin

1

(3.2.10) % organization's total global revenue that could be affected

Select from:
☑ 11-20%

(3.2.11) Please explain

As part of our goal to reduce water impact in our supply chain by 25% by 2030, we are committed to reducing water usage in the production processes of Ozon Tekstil, our most important supplier. In this context, we encourage them to conduct all measurements to the fullest extent possible and closely monitor their performance.
[Add row]

(3.3) 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	Comment
	Select from: ☑ No	*We did not subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violation.*

[Fixed row]

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

Select from:

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

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Forests	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Water	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☑ Use of renewable energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Iraq

☑ Turkey

(3.6.1.8) Organization specific description

We attach importance to regular data monitoring within the scope of energy consumption reduction. In 2024, our total energy consumption amounted to 47,611.74 MWh. With the solar energy systems in our Çerkezköy warehouse and Basın Ekspress Cadde store, we consumed 1,603 MWh of renewable energy. We are working on renewable energy solutions to reduce our energy consumption from fossil fuels, one of the most important causes of climate change. With the solar energy systems (GES) on the roof of our warehouse and store, we consumed 1,603 MWh of renewable energy during the year. Until 2027, we plan to increase the scope of our SPP investments. We plan to switch to renewable energy with the installation of solar energy systems on the roof of our Yassıören warehouse and in 11 domestic and international stores. In this way, we aim to provide 1,144.79 MWh of clean energy transition in warehouse, 1,271.82 MWh in domestic stores, and 371.65 MWh in international stores. Thanks to all these investments, we aim to increase the share of renewable energy consumption in our total energy consumption to approximately 10%. These investments will not only help us achieve our medium- and long-term targets approved by the Science Based Targets initiative (SBTi), but also limit our rising OPEX expenses due to increasing energy prices. We see all these investments as an opportunity to reverse the trend of rising energy costs in our Turkish operations, which have been increasing every year.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

When examining the OPEX impact of these investments, we observe that operational costs related to energy consumption have been increasing year over year. In 2024, we incurred expenses totaling 465,553,642 TRY due to electricity consumption across all our operations. The unit price we paid was approximately 12,685 TRY in 2024 (with 36,700.6 MWh electricity consumption). When comparing the unit price with the previous year, we see that it has increased by approximately 30%. Based on this analysis, we anticipate that the same increase trend will continue in the coming years. In this case, we expect the unit price to reach 27,869 TRY/MWh by 2027, when we plan to complete our renewable energy investments. In 2024, we surpassed the OPEX caused by electricity consumption of 20,334,340 TRY with the 1,603 MWh of renewable energy we consumed. After completing all our planned investments by 2027, we aim to surpass the OPEX caused by electricity consumption of 122,625,078 TRY.

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

We attach importance to regular data monitoring within the scope of energy consumption reduction and efficiency. We monitor our energy consumption broken down on the basis of our operations. We identify our energy road steps and prioritize these areas. In 2024, our total electricity consumption amounted to 36,700.6 MWh. With the solar energy systems in our Çerkezköy warehouse and Basın Ekspress Cadde store, we consumed 1,603 MWh of renewable energy. We are working on renewable energy solutions to reduce our energy consumption from fossil fuels, one of the most important causes of climate change. With the other investments we will make by 2027, we aim to increase our renewable energy consumption to approximately 4,400 MWh/year and meet approximately 12% of our total energy consumption from renewable energy sources. When examining the OPEX impact of these investments, we observe that operational costs related to energy consumption have been increasing year over year. In 2024, we incurred expenses totaling 465,553,642 TRY due to electricity consumption across all our operations. The unit price we paid was approximately 12,685 TRY in 2024 (with 36,700.6 MWh electricity consumption). When comparing the unit price with the previous year, we see that it has increased by approximately 30%. Based on this analysis, we anticipate that the same increase trend will continue in the coming years. In this case, we expect the unit price to reach 27,869 TRY/MWh by 2027, when we plan to complete our renewable energy investments. In 2024, we surpassed the OPEX caused by electricity consumption of 20,334,340 TRY with the 1,603 MWh of renewable energy we consumed. After completing all our planned investments by 2027, we aim to surpass the OPEX caused by electricity consumption of 122,625,078 TRY.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

20334340

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

122625078

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

122625078

(3.6.1.23) Explanation of financial effect figures

In 2024, our total electricity consumption amounted to 36,700.6 MWh. With the solar energy systems in our Çerkezköy warehouse and Basın Ekspress Cadde store, we consumed 1,603 MWh of renewable energy. We are working on renewable energy solutions to reduce our energy consumption from fossil fuels, one of the most important causes of climate change. With the other investments we will make by 2027, we aim to increase our renewable energy consumption to approximately 4,400 MWh/year and meet approximately 12% of our total energy consumption from renewable energy sources. When examining the OPEX impact of these investments,

we observe that operational costs related to energy consumption have been increasing year over year. In 2024, we incurred expenses totaling 465,553,642 TRY due to electricity consumption across all our operations. The unit price we paid was approximately 12,685 TRY in 2024 (with 36,700.6 MWh electricity consumption). When comparing the unit price with the previous year, we see that it has increased by approximately 30%. Based on this analysis, we anticipate that the same increase trend will continue in the coming years. In this case, we expect the unit price to reach 27,869 TRY/MWh by 2027, when we plan to complete our renewable energy investments. In 2024, we surpassed the OPEX caused by electricity consumption of 20,334,340 TRY with the 1,603 MWh of renewable energy we consumed. After completing all our planned investments by 2027, we aim to surpass the OPEX caused by electricity consumption of 122,625,078 TRY.

(3.6.1.24) Cost to realize opportunity

104110720

(3.6.1.25) Explanation of cost calculation

This is the total of all GES investment costs we have incurred (Basın Exspress, Çerkezköy Warehouse) and planned (Yassıören Warehouse, Domestic Stores - 11 stores, International Stores - 3 stores). The total investment amount is expected to be TRY 104,110,720.

(3.6.1.26) Strategy to realize opportunity

We are working on renewable energy solutions to reduce our energy consumption from fossil fuels, one of the most important causes of climate change. Thanks to the renewable energy investments we made in our Çerkezköy warehouse and Basın Ekspress Cadde store, we added clean energy solutions to DeFacto's energy consumption distribution. With the solar energy systems (GES) on the roof of our warehouse and store, we consumed 1,603 MWh of renewable energy during the year. In 2025, we plan to increase the scope of our SPP investments. In our initial planning, we plan to switch to renewable energy with the installation of solar energy systems on the roof of our Yassıören warehouse and in 11 domestic and international stores. In this way, we aim to provide 1,144.79 MWh of clean energy transition in Yassıören warehouse, 1,271.82 MWh in domestic stores, and 371.65 MWh in international stores.

Forests

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.2) Commodity

Select all that apply

☑ Timber products

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

(3.6.1.8) Organization specific description

As a textile retail company, we believe that one of our important responsibilities is to produce our products with sustainable fabrics and processes. Although we are not a direct manufacturer, thanks to the collaborations we have realized in our supply processes and sustainable collections, in 2024, the share of these sustainably sourced products in all DeFacto ready-to-wear collections increased by 14% compared to last year and reached approximately 35%. In this context, our goal is to create 90% of our ready-to-wear collections from sustainable products in 2030. We currently have sustainable products in 6 categories: energy and water efficient, recycled, recycled filling, organic cotton, sustainable forest and sustainable agriculture. We make our investments and process improvements based on this. These actions proves our commitment to sustainability, increasing revenues and improving brand image. We offer these products with our DeFacto LIFE collections. Each DeFacto LIFE product is made from materials derived from sustainable sources such as organic cotton, Better Cotton cotton, regenerative agriculture and recycled polyester. In addition, we develop production methods that save energy and water, thus reducing the negative impact on nature.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

As a textile retail company, we believe that one of our important responsibilities is to produce our products with sustainable fabrics and processes. Although we are not a direct manufacturer, thanks to the collaborations we have realized in our supply processes and sustainable collections, in 2024, the share of these sustainably sourced products in all DeFacto ready-to-wear collections increased by 14% compared to last year and reached approximately 35%. In this context, our goal is to create 90% of our ready-to-wear collections from sustainable products in 2030. We currently have sustainable products in 6 categories: energy and water efficient, recycled, recycled filling, organic cotton, sustainable forest and sustainable agriculture. We make our investments and process improvements based on this. These actions proves our commitment to sustainability, increasing revenues and improving brand image. We offer these products with our DeFacto LIFE collections. Each DeFacto LIFE product is made from materials derived from sustainable sources such as organic cotton, Better Cotton cotton, regenerative agriculture and recycled polyester. In addition, we develop production methods that save energy and water, thus reducing the negative impact on nature.

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Our sustainable products, sustainability efforts and 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 sustainable products sales within total revenues. The ratio of our sustainable

product categories to our total revenue as of 2024 is 35%. In this context, this product range represent an opportunity to capture and enlarge our sales. In the short term (i.e. next year), we aim to increase this ratio to 40%. In this way, we believe that the impact of these products on our revenue will grow even more.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

12774355610

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

14599263555

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

145992633555

(3.6.1.23) Explanation of financial effect figures

As a textile retail company, we believe that one of our important responsibilities is to produce our products with sustainable fabrics and processes. Although we are not a direct manufacturer, thanks to the collaborations we have realized in our supply processes and sustainable collections, in 2024, the share of these sustainably sourced products in all DeFacto ready-to-wear collections increased by 14% compared to last year and reached approximately 35%. In 2024 our total revenue is 40,682,661,179 TRY. 35% of this total amount is equivalent to 12,774,355,610 TRY. Next year, we aim to increase the ratio of sustainable products in our revenue to 40%. So we calculate short time impact with this projection. Even if our income remains constant, we calculated that the opportunity effect would be 14,599,263,555 TRY when the share of sustainable products in total sales reaches 40%.

(3.6.1.24) Cost to realize opportunity

4976862222

(3.6.1.25) Explanation of cost calculation

We are carrying out important activities to meet the expectations of consumers regarding sustainable products and to increase the ratio of products with sustainable features in ready-to-wear garments to 90% by 2030. We are making specific investments in both partnerships and raw materials for sustainable collections. In this context, we aim to fill our raw material pool from the products we purchase to fabrics with sustainable products. We use Organic Cotton, Better Cotton, Recycled Cotton and Polyester, Sustainable Viscose in our sustainable products. Also we have several sustainable collections such as Collection Design from Wastea Leather, Regenerative Denim Collection, Olive Leather Collection and Wiser Wash Sustainable Denim Collection. In this context, the share of these sustainable products, including sustainable raw materials, in all our purchases in 2024 was 29.54%. In 2024, while our total procurement cost was 22,080,134,083.67 TRY, the impact of sustainable raw materials/products with 21.6% was 4,976,862,222 TRY.

(3.6.1.26) Strategy to realize opportunity

Our sustainability perspective includes triggering transformation not only in our own operations but also in our entire value chain. In this context, we work to ensure that our customers make sustainable choices, adopt sustainable shopping practices and minimize our environmental impact while creating our collections. In order to make sustainable and eco-friendly shopping choices easier for our customers, we use sustainable raw materials and design sustainable collections that conserve the Earth's resources. We offer these products with our DeFacto LIFE collections. Each DeFacto LIFE product is made from materials derived from sustainable sources such as organic cotton, Better Cotton cotton and recycled polyester. In addition, we develop production methods that save energy and water, thus reducing the negative impact on nature. In 2023, in addition to these production and design practices, we introduced our customers to collections that have proven to have much less environmental impact than traditional methods All materials have an impact on the environment from their production to their use and ultimately to their end-of-life and disposal. As DeFacto, we aim to sustainably source 90% of our products by 2030 in order to reduce our environmental impact and increase the sustainability of the raw materials used in the production of our products.

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Turkey

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Other, please specify :Marmara

(3.6.1.8) Organization specific description

This year, we designed a collection using Wiser Wash technology, which limits the environmental impact of denim fabric production. Using a mix of electric ozone gas and laser, Wiser Wash reduces the ecological and water footprint of products, resulting in more sustainable denim, while shortening the production process thanks to improved working conditions. Thanks to its special treatment process, Wiser Wash significantly reduces water and energy consumption without affecting the desired result. While it normally takes 16 liters of water to bleach a pair of jeans, this process reduces it to just one glass of water. It also reduces climate change impacts by 59%. Thanks to this product, on the one hand, we ensured less water consumption in production, and on the other hand, we had the opportunity to attract consumers who prefer more environmentally friendly products and sustainable products to our products.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Launched in 2023, we started using Wiser Wash technology, which consumes less water. We see the revenue we generate from this collection as an output of our R&D studies in the field of water efficiency. However, since we launched this product towards the end of the year, we cannot clearly calculate the impact on our revenue.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

Thanks to the investments and collaborations we have already made, we were able to use Wiser Wash technology without any extra investment.

(3.6.1.26) Strategy to realize opportunity

We have conducted an important study to demonstrate the positive impact of Wiser Wash technology on the relationship between denim and the environment. We have completed a comparative life cycle analysis of a denim product using conventional washing methods and a denim model produced using wiser wash technology. With this comprehensive analysis focusing on comparing the environmental impact of two different production methods, we aimed to provide our customers with valuable information on the environmental impact of our products, enabling them to make informed decisions and choose low emission products. In the life cycle

analysis, we adopted a cradle-to-grave approach and considered the entire life cycle, including raw material procurement, production process, packaging, logistics, and even the end-of-life use and disposal of the product. In the assessments we conducted using the IPCC 2013GWP100a method, the climate change impact category, ReCiPe Endpoint (H) V1. 13/ WorldReCiPe H/A calculation method. Denim produced using Wiser Wash, an innovative washing technology, produces the most emissions during the drying process, while reducing emissions from conventional washing by almost half. In addition, conventional washing uses much more water than modern washing. While 60 kg of water is consumed in conventional washing, 12 kg of water is consumed with Wiser wash. In addition, the washing phase of Wiser Wash causes much less wastewater than conventional washing.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:
☑ OPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

20334340

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:
☑ 1-10%

(3.6.2.4) Explanation of financial figures

We attach importance to regular data monitoring within the scope of energy consumption reduction and efficiency. We monitor our energy consumption broken down on the basis of our operations. We identify our energy road steps and prioritize these areas. In 2024, our total electricity consumption amounted to 36,700.6 MWh. With the solar energy systems in our Çerkezköy warehouse and Basın Ekspress Cadde store, we consumed 1,603 MWh of renewable energy. We are working on

renewable energy solutions to reduce our energy consumption from fossil fuels, one of the most important causes of climate change. With the other investments we will make by 2027, we aim to increase our renewable energy consumption to approximately 4,400 MWh/year and meet approximately 12% of our total energy consumption from renewable energy sources. When examining the OPEX impact of these investments, we observe that operational costs related to energy consumption have been increasing year over year. In 2024, we incurred expenses totaling 465,553,642 TRY due to electricity consumption across all our operations. The unit price we paid was approximately 12,685 TRY in 2024 (with 36,700.6 MWh electricity consumption). When comparing the unit price with the previous year, we see that it has increased by approximately 30%. Based on this analysis, we anticipate that the same increase trend will continue in the coming years. In this case, we expect the unit price to reach 27,869 TRY/MWh by 2027, when we plan to complete our renewable energy investments. In 2024, we surpassed the OPEX caused by electricity consumption of 20,334,340 TRY with the 1,603 MWh of renewable energy we consumed.

Forests

(3.6.2.1) Financial metric

Select from:

☑ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

12774335610

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 31-40%

(3.6.2.4) Explanation of financial figures

As a textile retail company, we believe that one of our important responsibilities is to produce our products with sustainable fabrics and processes. Although we are not a direct manufacturer, thanks to the collaborations we have realized in our supply processes and sustainable collections, in 2024, the share of these sustainably sourced products in all DeFacto ready-to-wear collections increased by 14% compared to last year and reached approximately 35%. Our sustainable products, sustainability efforts and customer engagements related to the products' environmental performance educates our customers to seek lesser impact products. We measure the success of our engagement and sustainable products investment with the share of sustainable products sales within total revenues. The ratio of our sustainable product categories to our total revenue as of 2024 is %35.

Water

(3.6.2.1) Financial metric

Select from:

☑ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

0

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ Less than 1%

(3.6.2.4) Explanation of financial figures

Launched in 2023, we started using Wiser Wash technology, which consumes less water. We see the revenue we generate from this collection as an output of our R&D studies in the field of water efficiency. However, since we launched this product towards the end of the year, we cannot clearly calculate the impact on our revenue.
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Non-executive directors or equivalent

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, but it is not publicly available

(4.1.5) Briefly describe what the policy covers

In 2024, we prepared a draft Gender Equality Policy for the DeFacto Board of Directors. The policy includes all our principles and working rules on this subject, and we aim to implement our Policy in 2025 after obtaining top management approval. At DeFacto Retail Trade Inc. (“DeFacto” or “Company”), one of our priorities is to create a work environment focused on diversity, equality, and inclusivity, where people can freely express their ideas and be heard. In line with our Code of Business

Ethics and Principles, we do not tolerate discrimination and strive to provide an equal atmosphere for all DeFacto employees and job applicants. In this context, achieving gender equality on the DeFacto Board of Directors ("Board of Directors") is considered a strategic priority. This DeFacto Board of Directors Gender Equality Policy ("Policy") has been adopted to achieve gender equality. This Policy aims to ensure gender balance on the Board of Directors, encourage women to advance to leadership positions, and increase diversity in management processes. It also aims to take the necessary steps to adopt a sustainable approach to gender equality in all of our Company's human resources practices.
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Forests	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board chair

☑ Chief Executive Officer (CEO)

☑ Chief Procurement Officer (CPO)

☑ Chief Sustainability Officer (CSO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Individual role descriptions

☑ Other policy applicable to the board, please specify :Sustainability Committee Policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Approving corporate policies and/or commitments

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Overseeing reporting, audit, and verification processes

☑ Overseeing and guiding the development of a business strategy

☑ Reviewing and guiding innovation/R&D priorities

☑ Monitoring supplier compliance with organizational requirements

☑ Monitoring compliance with corporate policies and/or commitments

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

A Sustainability Committee ("Committee") has been established to determine the sustainability strategy of Defacto Perakende Ticaret A.Ş. ("DeFacto") in the fields of environmental, social and economic management, to execute, monitor, audit, review, improve and develop policies, targets and practices in the field of sustainability and to report to the Board of Directors. The Sustainability Committee is formed and authorized with the approval of the Board of Directors. The Sustainability Committee consists of the following members. 1. CEO (who is also the Vice Chairman of the Board of Directors) 2. ONLINE GENERAL MANAGER 3. ALT.SALES CHNNL&BUS.DEV. GENERAL MANAGER 4. RETAIL & MARKETING GENERAL MANAGER 5. CSCO & CTO (also serves as a member of the Board of Directors) 6. CHRO 7. CPOs 8. CSO. Under the Sustainability Committee lies the Sustainability Program team. The Sustainability Committee gives final approval to the projects submitted by the Sustainability Program team and ensures their realization. The Sustainability Committee is chaired by the CEO. The Sustainability Program Leader carries out the coordination and secretariat of the Committee. All information regarding the duties of the Committee is included in the Sustainability Committee Working Procedures and Principles Procedure. Accordingly, the duties and responsibilities of the Committee are as follows: DUTIES and RESPONSIBILITIES: Identifies the material issues that need to be focused on sustainability, creates sustainability strategy, short, medium and long term goals, roadmaps and policies. Discloses to the public with the decision of the Board of Directors. Proactively manages environmental, social and economic risks and guides DeFacto's sustainability strategy. Follows the sustainability roadmap created to realize DeFacto's sustainability goals and the developments in its practices, determines performance criteria within the scope of the goals and audits the performance. Supports the transition to a low-carbon economy within the scope of combating climate change and ensures that projects are carried out to reduce carbon emissions in business processes.

Forests

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board chair

☑ Chief Executive Officer (CEO)

☑ Chief Procurement Officer (CPO)

☑ Chief Sustainability Officer (CSO)

☑ Board-level committee

(4.1.2.2) Positions’ accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify :Sustainability Committee Policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Approving corporate policies and/or commitments

☑ Reviewing and guiding innovation/R&D priorities

☑ Monitoring supplier compliance with organizational requirements

☑ Monitoring compliance with corporate policies and/or commitments

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Monitoring the implementation of the business strategy

☑ Overseeing reporting, audit, and verification processes

☑ Overseeing and guiding the development of a business strategy

(4.1.2.7) Please explain

A Sustainability Committee ("Committee") has been established to determine the sustainability strategy of Defacto Perakende Ticaret A.Ş. ("DeFacto") in the fields of environmental, social and economic management, to execute, monitor, audit, review, improve and develop policies, targets and practices in the field of sustainability and to report to the Board of Directors. The Sustainability Committee is formed and authorized with the approval of the Board of Directors. The Sustainability Committee consists of the following members. 1. CEO (who is also the Vice Chairman of the Board of Directors) 2. ONLINE GENERAL MANAGER 3. ALT.SALES CHNNL&BUS.DEV. GENERAL MANAGER 4. RETAIL & MARKETING GENERAL MANAGER 5. CSCO & CTO (also serves as a member of the Board of Directors) 6. CHRO 7. CPOs 8. CSO. Under the Sustainability Committee lies the Sustainability Program team. The Sustainability Committee gives final approval to the projects

submitted by the Sustainability Program team and ensures their realization. The Sustainability Committee is chaired by the CEO. The Sustainability Program Leader carries out the coordination and secretariat of the Committee. All information regarding the duties of the Committee is included in the Sustainability Committee Working Procedures and Principles Procedure. Accordingly, the duties and responsibilities of the Committee are as follows: DUTIES and RESPONSIBILITIES: Identifies the material issues that need to be focused on sustainability, creates sustainability strategy, short, medium and long term goals, roadmaps and policies. Discloses to the public with the decision of the Board of Directors. Proactively manages environmental, social and economic risks and guides DeFacto's sustainability strategy. Follows the sustainability roadmap created to realize DeFacto's sustainability goals and the developments in its practices, determines performance criteria within the scope of the goals and audits the performance. Supports the transition to a low-carbon economy within the scope of combating climate change and ensures that projects are carried out to reduce carbon emissions in business processes. Directs studies on the efficient use of water consumption, studies on sustainable textile products and sustainable product practices.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board chair

☑ Chief Executive Officer (CEO)

☑ Chief Procurement Officer (CPO)

☑ Chief Sustainability Officer (CSO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify :Sustainability Committee Policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets
☑ Overseeing the setting of corporate targets
☑ Monitoring progress towards corporate targets
☑ Approving corporate policies and/or commitments
☑ Reviewing and guiding innovation/R&D priorities
☑ Monitoring supplier compliance with organizational requirements
☑ Monitoring compliance with corporate policies and/or commitments
☑ Approving and/or overseeing employee incentives
☑ Overseeing and guiding major capital expenditures
☑ Monitoring the implementation of the business strategy
☑ Overseeing reporting, audit, and verification processes
☑ Overseeing and guiding the development of a business strategy
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

A Sustainability Committee ("Committee") has been established to determine the sustainability strategy of Defacto Perakende Ticaret A.Ş. ("DeFacto") in the fields of environmental, social and economic management, to execute, monitor, audit, review, improve and develop policies, targets and practices in the field of sustainability and to report to the Board of Directors. The Sustainability Committee is formed and authorized with the approval of the Board of Directors. The Sustainability Committee consists of the following members. 1. CEO (who is also the Vice Chairman of the Board of Directors) 2. ONLINE GENERAL MANAGER 3. ALT.SALES CHNNL&BUS.DEV. GENERAL MANAGER 4. RETAIL & MARKETING GENERAL MANAGER 5. CSCO & CTO (also serves as a member of the Board of Directors) 6. CHRO 7. CPOs 8. CSO. Under the Sustainability Committee lies the Sustainability Program team. The Sustainability Committee gives final approval to the projects submitted by the Sustainability Program team and ensures their realization. The Sustainability Committee is chaired by the CEO. The Sustainability Program Leader carries out the coordination and secretariat of the Committee. All information regarding the duties of the Committee is included in the Sustainability Committee Working Procedures and Principles Procedure. Accordingly, the duties and responsibilities of the Committee are as follows: DUTIES and RESPONSIBILITIES: Identifies the material issues that need to be focused on sustainability, creates sustainability strategy, short, medium and long term goals, roadmaps and policies. Discloses to the public with the decision of the Board of Directors. Proactively manages environmental, social and economic risks and guides DeFacto's sustainability strategy. Follows the sustainability roadmap created to realize DeFacto's sustainability goals and the developments in its practices, determines performance criteria within the scope of the goals and audits the performance. Supports the transition to a low-carbon economy within the scope of combating climate change and ensures that projects are carried out to reduce carbon emissions in business processes. Directs studies on the efficient use of water consumption, studies on sustainable textile products and sustainable product practices.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board chair

☑ Chief Executive Officer (CEO)

☑ Chief Procurement Officer (CPO)

☑ Chief Sustainability Officer (CSO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify :Sustainability Committee Policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Approving corporate policies and/or commitments

☑ Reviewing and guiding innovation/R&D priorities

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Overseeing reporting, audit, and verification processes

☑ Overseeing and guiding the development of a business strategy

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Monitoring supplier compliance with organizational requirements

☑ Monitoring compliance with corporate policies and/or commitments

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

A Sustainability Committee ("Committee") has been established to determine the sustainability strategy of Defacto Perakende Ticaret A.Ş. ("DeFacto") in the fields of environmental, social and economic management, to execute, monitor, audit, review, improve and develop policies, targets and practices in the field of sustainability and to report to the Board of Directors. The Sustainability Committee is formed and authorized with the approval of the Board of Directors. The Sustainability Committee consists of the following members. 1. CEO (who is also the Vice Chairman of the Board of Directors) 2. ONLINE GENERAL MANAGER 3. ALT.SALES CHNNL&BUS.DEV. GENERAL MANAGER 4. RETAIL & MARKETING GENERAL MANAGER 5. CSCO & CTO (also serves as a member of the Board of Directors) 6. CHRO 7. CPOs 8. CSO. Under the Sustainability Committee lies the Sustainability Program team. The Sustainability Committee gives final approval to the projects submitted by the Sustainability Program team and ensures their realization. The Sustainability Committee is chaired by the CEO. The Sustainability Program Leader carries out the coordination and secretariat of the Committee. All information regarding the duties of the Committee is included in the Sustainability Committee Working Procedures and Principles Procedure. Accordingly, the duties and responsibilities of the Committee are as follows: DUTIES and RESPONSIBILITIES: Identifies the material issues that need to be focused on sustainability, creates sustainability strategy, short, medium and long term goals, roadmaps and policies. Discloses to the public with the decision of the Board of Directors. Proactively manages environmental, social and economic risks and guides DeFacto's sustainability strategy. Follows the sustainability roadmap created to realize DeFacto's sustainability goals and the developments in its practices, determines performance criteria within the scope of the goals and audits the performance. Supports the transition to a low-carbon economy within the scope of combating climate change and ensures that projects are carried out to reduce carbon emissions in business processes. Directs studies on the efficient use of water consumption, studies on sustainable textile products and sustainable product practices.
[Fixed row]

(4.2) Does your organization’s board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

☑ Executive-level experience in a role focused on environmental issues

Forests

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

☑ Executive-level experience in a role focused on environmental issues

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

☑ Executive-level experience in a role focused on environmental issues

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes
Forests	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes

	Management-level responsibility for this environmental issue
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning
☑ Implementing the business strategy related to environmental issues
☑ Managing annual budgets related to environmental issues
☑ Managing major capital and/or operational expenditures relating to environmental issues
☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other
☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:
☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ Quarterly

(4.3.1.6) Please explain

A Sustainability Committee ("Committee") has been established to determine the sustainability strategy of Defacto Perakende Ticaret A.Ş. ("DeFacto") in the fields of environmental, social and economic management, to execute, monitor, audit, review, improve and develop policies, targets and practices in the field of sustainability and to report to the Board of Directors. The Sustainability Committee is formed and authorized with the approval of the Board of Directors. The Sustainability Committee is chaired by the CEO. DUTIES and RESPONSIBILITIES: Identifies the material issues that need to be focused on sustainability, creates sustainability strategy, short, medium and long term goals, roadmaps and policies. Discloses to the public with the decision of the Board of Directors. Proactively manages environmental, social and economic risks and guides DeFacto's sustainability strategy. Follows the sustainability roadmap created to realize DeFacto's sustainability goals and the developments in its practices, determines performance criteria within the scope of the goals and audits the performance. Supports the transition to a low-carbon economy within the scope of combating climate change and ensures that projects are carried out to reduce carbon emissions in business processes. Directs studies on the efficient use of water consumption, studies on sustainable textile products and sustainable product practices.

Forests

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Implementing the business strategy related to environmental issues

☑ Managing annual budgets related to environmental issues

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

A Sustainability Committee ("Committee") has been established to determine the sustainability strategy of Defacto Perakende Ticaret A.Ş. ("DeFacto") in the fields of environmental, social and economic management, to execute, monitor, audit, review, improve and develop policies, targets and practices in the field of sustainability and to report to the Board of Directors. The Sustainability Committee is formed and authorized with the approval of the Board of Directors. The Sustainability Committee is chaired by the CEO. DUTIES and RESPONSIBILITIES: Identifies the material issues that need to be focused on sustainability, creates sustainability strategy, short, medium and long term goals, roadmaps and policies. Discloses to the public with the decision of the Board of Directors. Proactively manages environmental, social and economic risks and guides DeFacto's sustainability strategy. Follows the sustainability roadmap created to realize DeFacto's sustainability goals and the developments in its practices, determines performance criteria within the scope of the goals and audits the performance. Supports the transition to a low-carbon economy within the scope of combating climate change and ensures that projects are carried out to reduce carbon emissions in business processes. Directs studies on the efficient use of water consumption, studies on sustainable textile products and sustainable product practices.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Implementing the business strategy related to environmental issues

☑ Managing annual budgets related to environmental issues

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

A Sustainability Committee ("Committee") has been established to determine the sustainability strategy of Defacto Perakende Ticaret A.Ş. ("DeFacto") in the fields of environmental, social and economic management, to execute, monitor, audit, review, improve and develop policies, targets and practices in the field of sustainability and to report to the Board of Directors. The Sustainability Committee is formed and authorized with the approval of the Board of Directors. Under the Sustainability Committee lies the Sustainability Program team. The Sustainability Committee gives final approval to the projects submitted by the Sustainability Program team and ensures their realization. The Sustainability Committee is chaired by the CEO. All information regarding the duties of the Committee is included in the Sustainability

Committee Working Procedures and Principles Procedure. Accordingly, the duties and responsibilities of the Committee are as follows: DUTIES and RESPONSIBILITIES: Identifies the material issues that need to be focused on sustainability, creates sustainability strategy, short, medium and long term goals, roadmaps and policies. Discloses to the public with the decision of the Board of Directors. Proactively manages environmental, social and economic risks and guides DeFacto's sustainability strategy. Follows the sustainability roadmap created to realize DeFacto's sustainability goals and the developments in its practices, determines performance criteria within the scope of the goals and audits the performance. Supports the transition to a low-carbon economy within the scope of combating climate change and ensures that projects are carried out to reduce carbon emissions in business processes. Directs studies on the efficient use of water consumption, studies on sustainable textile products and sustainable product practices.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Implementing the business strategy related to environmental issues

☑ Managing annual budgets related to environmental issues

☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

A Sustainability Committee ("Committee") has been established to determine the sustainability strategy of Defacto Perakende Ticaret A.Ş. ("DeFacto") in the fields of environmental, social and economic management, to execute, monitor, audit, review, improve and develop policies, targets and practices in the field of sustainability and to report to the Board of Directors. The Sustainability Committee is formed and authorized with the approval of the Board of Directors. The Sustainability Committee is chaired by the CEO. DUTIES and RESPONSIBILITIES: Identifies the material issues that need to be focused on sustainability, creates sustainability strategy, short, medium and long term goals, roadmaps and policies. Discloses to the public with the decision of the Board of Directors. Proactively manages environmental, social and economic risks and guides DeFacto's sustainability strategy. Follows the sustainability roadmap created to realize DeFacto's sustainability goals and the developments in its practices, determines performance criteria within the scope of the goals and audits the performance. Supports the transition to a low-carbon economy within the scope of combating climate change and ensures that projects are carried out to reduce carbon emissions in business processes. Directs studies on the efficient use of water consumption, studies on sustainable textile products and sustainable product practices.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

5

(4.5.3) Please explain

At the highest level, both our CEO and Board Member have a climate-oriented goal. Thanks to the OKR (Objectives and Key Results) system, that organize DeFacto's performance management processes, these targets are distributed throughout the company in sub-divisions. In this way, our climate-focused targets are not only a top management target, but also one of the targets embedded in the performance report of the entire company. In total, there are 17 senior managers in our senior management team, 2 of whom have direct climate-focused targets.

Forests

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

5

(4.5.3) Please explain

As a textile retail company, we believe that one of our responsibilities is to increase the share of sustainable textiles in our products. In this context, we aim to replace viscose, modal or x-type fabrics that may have an impact on deforestation with sustainable alternatives. Our ultimate goal ensuring that 90% of our Ready-to-Wear Collections are sustainable. In this context, our CEO and CSO (Chief Sustainability Officer) have targets. In total, there are 17 senior managers in our senior management team, 2 of whom have direct climate-focused targets.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

5

(4.5.3) Please explain

The top management's goals also include a focus on sustainability-oriented innovation. Although it does not refer directly to water consumption, it has been evaluated as a goal aimed at reducing water consumption indirectly. This year, sustainability-oriented innovation was evaluated in terms of reducing water use in product manufacturing processes. In 2024, water consumption was reduced thanks to jeans produced with Wiser Wash technology. Thanks to our collection, where we use Wiser Wash technology, which limits the environmental impact of denim fabric production, we offer more sustainable denim products to our customers by reducing the ecological and water footprint of our products. Thanks to its special treatment process, Wiser Wash significantly reduces water and energy consumption without affecting the desired result. While it normally takes 16 liters of water to bleach a pair of jeans, this process reduces it to just one glass of water.
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Salary increase

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Shift to a business model compatible with a net-zero carbon future

Emission reduction

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Targeting is tracked in the CEO scorecard and it is carried out on an annual basis. At the same time, sustainability has been added to the principles reflecting the DNA of the Company in order to ensure that all employees focus on the concept of sustainability. One of our 7 Principles is "Your World, Treat It Well", which is evaluated by all employees and managers on an annual basis and followed up with development planning actions in line with the GAP. Through our net zero and emission reduction target, our CEO has also followed KPIs in his performance management/evaluation process. Increase share of renewable energy Reduction in absolute emissions in line with our 2030 and 2050 emission targets Implementation of an emissions reduction initiative to accomplish our climate targets. These KPIs, which are included in the annual performance evaluation, have a positive impact on annual salary increases and bonus entitlements if the required company performance is achieved.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Yes, these targets are directly related to our 2030 and 2050 emission reduction targets. As DeFacto, we have two following targets; - Reduce our Scope 1 and 2 greenhouse gas emissions by 55% - Zero emissions from our operations Since we have a performance system that spreads targets from the highest level to the lowest, these targets, which are included in our CEO's performance evaluation, are also embedded in the targets of the entire company.

Forests

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Salary increase

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

As a textile retail company, we believe that one of our responsibilities is to increase the share of sustainable textiles in our products. In this context, we aim to replace viscose or modal fabrics that may have an impact on deforestation with sustainable alternatives. Our ultimate goal ensuring that 90% of our Ready-to-Wear Collections are sustainable. In this context, our CEO and CSO (Chief Sustainability Officer) have targets. Their KPI is percentage of sustainable products in pur ready to wear collection. This KPIs, which are included in the annual performance evaluation, have a positive impact on annual salary increases and bonus entitlements if the required company performance is achieved.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Yes, this target is directly related to our 2030 environmental targets. As DeFacto, we have following target; - Ensuring that 90% of our Ready-to-Wear Collections are sustainable Since we have a performance system that spreads targets from the highest level to the lowest, these targets, which are included in our C-levels performance evaluation, are also embedded in the targets of the entire company.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Salary increase

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

Strategy and financial planning

☑ Increased investment in environmental R&D and innovation

Resource use and efficiency

☑ Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations)

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Targeting is tracked in the CEO scorecard and it is carried out on an annual basis. At the same time, sustainability has been added to the principles reflecting the DNA of the Company in order to ensure that all employees focus on the concept of sustainability. One of our 7 Principles is "Your World, Treat It Well", which is evaluated by all employees and managers on an annual basis and followed up with development planning actions in line with the GAP. Through our net zero and emission reduction target, our CEO has also followed KPIs in his performance management/evaluation process. The top management's goals also include a focus on sustainability-oriented innovation. Although it does not refer directly to water consumption, it has been evaluated as a goal aimed at reducing water consumption indirectly. This year, sustainability-oriented innovation was evaluated in terms of reducing water use in product manufacturing processes. In 2024, water consumption was reduced thanks to jeans produced with Wiser Wash technology. Thanks to our collection, where we use Wiser Wash technology, which limits the environmental impact of denim fabric production, we offer more sustainable denim products to our customers by reducing the ecological and water footprint of our products. Thanks to its special treatment process, Wiser Wash significantly reduces water and energy consumption without affecting the desired result. While it normally takes 16 liters of water to bleach a pair of jeans, this process reduces it to just one glass of water.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Yes, this target is directly related to our 2030 environmental targets. As DeFacto, we have following target; - Ensuring that 90% of our Ready-to-Wear Collections are sustainable

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Board Chair

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Salary increase

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Reduction in absolute emissions in line with net-zero target

Emission reduction

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Targeting is tracked in the Board Chair scorecard and it is carried out on an annual basis. At the same time, sustainability has been added to the principles reflecting the DNA of the Company in order to ensure that all employees focus on the concept of sustainability. One of our 7 Principles is "Your World, Treat It Well", which is evaluated by all employees and managers on an annual basis and followed up with development planning actions in line with the GAP. Through our net zero and emission reduction target, our Board Chair has also followed KPIs in his performance management/evaluation process.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Yes, these targets are directly related to our 2030 and 2050 emission reduction targets. As DeFacto, we have two following targets; - Reduce our Scope 1 and 2 greenhouse gas emissions by 55% - Zero emissions from our operations Since we have a performance system that spreads targets from the highest level to the lowest, these targets, which are included in our CEO's performance evaluation, are also embedded in the targets of the entire company.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply
☑ Climate change
☑ Forests
☑ Water
☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(4.6.1.4) Explain the coverage

As DeFacto Perakende Ticaret A.Ş. ("DeFacto or the Company"), we undertake to carry out our activities in compliance with environmental laws and standards. With this policy, we aim to protect nature and the environment with the contribution of both our internal and stakeholders within the scope of our fields of activity, and to progress by using resources effectively with the aim of protecting the ecological balance. Basic Principles As DeFacto, we adopt the following principles in accordance with ISO 14001:2015 standard: To ensure the protection of the environment by minimizing the factors affecting environmental pollution inside or outside the company, To use resources effectively and rationally with the aim of protecting the ecological balance, To develop recycling practices that will reduce our resource consumption, to use sustainable cotton and recycled polyester in our raw materials, to work with our suppliers for this purpose and to be a guide in sustainable textile studies, To organize training and awareness-raising activities related to the environment within and outside the Company, and to contribute to the development of environmental awareness by supporting such activities, Working to increase water efficiency in production and create innovative sustainable products, To build a sustainable future using fashion's sphere of influence and to ensure continuous improvement and development for this purpose, To effectively use the ISO 14001:2015 environmental management

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

☑ Commitment to net-zero emissions

Water-specific commitments

☑ Commitment to reduce water consumption volumes

☑ Commitment to reduce water withdrawal volumes

☑ Commitment to water stewardship and/or collective action

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with the Paris Agreement

☑ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

☑ Yes, in line with another global environmental treaty or policy goal, please specify :ISO 14001:2015

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

PO.EMS.001_EN_3 Environmental Policy .pdf
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ CEO Water Mandate

☑ UN Global Compact

☑ Better Cotton Initiative (BCI)

☑ Forest Stewardship Council (FSC)

☑ Science-Based Targets Initiative (SBTi)

☑ World Business Council for Sustainable Development (WBCSD)

(4.10.3) Describe your organization's role within each framework or initiative

In 2014, we signed the United Nations Global Compact. We are one of the first two signatories of the United Nations Global Compact (UN Global Compact) in the apparel and fashion industry in Türkiye. By signing the CEO Water Mandate, we carried our water commitments to the global platform. We became one of the first Turkish brands to sign the CEO Water Mandate, one of the initiatives of the United Nations Global Compact. We are a brand that knows the value of water and strives to leave a clean environment for future generations. In this context, we took our place among the signatories of the CEO Water Mandate, which works for the protection and effective use of resources. We are proud to be among the signatories of the CEO Water Mandate, an initiative of the United Nations Global Compact, as we continue to offer products with production processes that respect nature, while maintaining our commitment to production techniques that minimize water use and reduce ecological footprint. In terms of water efficiency and wastewater management, we apply environmentally friendly production techniques with a view to protecting water resources from the design stage of our collections. We use materials certified to consume less water such as certified LENZING, ECOVERO Viscose, EURPOEAN FLAX linen, recycled fabrics. With collections such as Natural Dye-Ficus and Wiser Wash, we save over 80 percent water. As part of our efforts to improve water management, we are proud to be a signatory in this field. We believe that being part of such an important platform that enables companies to share best practices and partner to find solutions to urgent water issues related to scarcity and access to water and sanitation will lead us to even greater success in this field. In order to ensure that 100% of our shopping bags, cardboard, paper and other packaging is sustainably FSC certified, we have made all of our price tags FSC certified. At the same time, we have ensured that our inner label with washing instructions are made of 100% recycled materials and 70% of our waist labels are made of FSC certified materials. We create our product packaging packages from 100% recyclable packaging. We are the second Turkish member of Better Cotton, a non-profit organization that educates farmers on the principles of honorable work, efficient water use, and soil and natural environment protection. Better Cotton is supplied through a chain of custody model called mass balance, where Better Cotton farmers benefit from demand for Better Cotton in volumes equivalent to the quantities supplied. With our Better Cotton membership, which supports environmental health and the development of cotton farmers, we support more than 2.4 million cotton farmers in 25 countries, including Türkiye, to implement sustainable agriculture principles. As a result of our Better Cotton membership, which we launched in 2022, By the end of 2024, we increased our total cotton consumption by 9% compared to the previous year and realized 25% of our cotton consumption as Better Cotton. We aim to increase this rate to 50% in 2027. As we continue our work in this direction, we are working on a roadmap to reach our net zero target. We initiated the SBTi-compliant target-setting process on September 12, 2024; restructured our 2030 and 2050 emission reduction targets and received approval on January 24, 2025. With this approval, we became the first and only company in the Turkish Textile Retail sector to have SBTi (Science Based Target Initiative) compliant long-term targets approved. In 2024, we also became a member of World Business Council for Sustainable Development Türkiye. The Business Council for Sustainable Development Türkiye (BCSD Türkiye) was established under the leadership of 13 private sector organizations to support sustainability efforts in Türkiye.

BCSD Türkiye is the local network and partner of the World Business Council for Sustainable Development (WBCSD) in Türkiye. As part of BCSD Türkiye, we are involved in the working groups on Circular Products and Materials.
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

(4.11.4) Attach commitment or position statement

MANDATE.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

☑ Non-government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

Through CDP reporting, we disclose information on our GHG emissions, energy, targets on net zero or emission reduction, climate- and water-related risks, and opportunities. This reporting contributes to greater transparency and accountability in environmental performance. With our commitment to CEO Water Mandate, we disclose a commitment to advancing water stewardship practices and transparently reporting on our efforts to address water-related issues.

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

A structured process has been implemented to ensure that external engagement activities are aligned with environmental commitments and the transition plan, supporting consistency and transparency across all initiatives and partnerships Firstly, since 2014, we are a member of the United Nations Global Compact. Through our membership in the Global Compact, we demonstrate our commitments to human rights and the environment in many areas. We also reflect our performance in line with the Global Compact's focus areas in our annual COP reporting. This year, we have taken our commitments in this area a step further by becoming part of the UNGC Faster Forward program. In order to reach the United Nations 2030 Sustainable Development Goals (SDGs) faster, we became one of the companies from Türkiye to commit to the "Moving Forward Faster" initiative. We have strengthened our commitments to demonstrate stronger performance toward achieving UNGC goals in the areas of Gender Equality, Climate Action, Living Wage, and Water Resilience. Additionally, as a signatory of the CEO Water Mandate, we emphasize our water-focused commitments.This initiative involves transparent reporting on efforts to address water-related issues, advancing sustainable water management practices throughout our operations and supply chain. In addition, we report on the CDP and disclose information regarding our GHG emissions, energy consumption, targets related to climate crisis, climate-related risks, and water-related risks and opportunities.
[Fixed row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via other intermediary organization or individual

(4.11.2.2) Type of organization or individual

Select from:

☑ Non-Governmental Organization (NGO) or charitable organization

(4.11.2.3) State the organization or position of individual

Business Council for Sustainable Development (BCSD) Türkiye Integrated Reporting Turkey Network (ERTA)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

☑ Forests

☑ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position

As members of the Business Council for Sustainable Development (BCSD) Türkiye and the Integrated Reporting Türkiye Network (ERTA), we contribute to advancing sustainability within the Turkish private sector alongside other leading companies. Through our active engagement with these platforms, we ensure that our environmental initiatives are aligned with national and international sustainability agendas, reinforcing the consistency between our external engagements and our environmental commitments.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

10866.26

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The funding is provided to ensure the BCSD Türkiye and ERTA as our membership fee. Through this founding, these two NGOs can continue its activities for promoting the sustainability of businesses in Türkiye. The amount is given in USD with a currency rate of 35.34 TRY/USD.

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization’s engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation
[Add row]

(4.12) Have you published information about your organization’s response to environmental issues for this reporting year in places other than your CDP response?

Select from:
☑ Yes

(4.12.1) Provide details on the information published about your organization’s response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:
☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply
☑ GRI

(4.12.1.3) Environmental issues covered in publication

Select all that apply
☑ Climate change
☑ Forests
☑ Water
☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

☑ Content of environmental policies

☑ Value chain engagement

☑ Dependencies & Impacts

☑ Public policy engagement

☑ Water accounting figures

☑ Water pollution indicators

(4.12.1.6) Page/section reference

Page: 4-59

(4.12.1.7) Attach the relevant publication

DeFacto_ER_24_EN-1 Final.pdf

(4.12.1.8) Comment

As DeFacto Perakende Ticaret A.Ş., we are pleased to publish our second integrated report this year, following the first one we published last year. Throughout our more than 10-year reporting journey, we aim to inform our stakeholders by presenting more transparent, performance-oriented reports that highlight our areas for development each year. Thanks to our integrated thinking approach, we link our corporate strategy with our sustainability strategy and report the value we create on behalf of all our stakeholders, using the resources we have. We continue to include our performance, targets, existing, and planned projects within our integrated thinking approach, which we laid the foundations for last year. The most significant change in our report this year is our materiality analysis, which we have renewed to strengthen our strategic foundations. Thanks to our materiality analysis, which we updated by incorporating the opinions of both external and internal stakeholders, we clarified the issues we need to focus on under the three main focuses that comprise our strategy. This year, we are transforming our strategy into a motto and summarizing our sustainability approach with the words "Nature", "Transformation", and "Value". With this understanding, we call "Triple D", we make a difference in our sector with a focus on sustainability.

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☑ Yes

(5.1.2) Frequency of analysis

Select from:

☑ Annually

Forests

(5.1.1) Use of scenario analysis

Select from:

☑ No, but we plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☑ Not an immediate strategic priority

(5.1.4) Explain why your organization has not used scenario analysis

As a textile retail company, our impact on forests comes through cellulose-based fabrics and packaging materials with a focus on timber products. In this context, we aim to use FSC certified sustainable packaging in our primary and secondary packaging processes. As for fabrics, we are working on sustainable alternatives. In this context, we believe that we have a limited impact on deforestation within the scope of the measures we take and our targets. At this stage, we are not conducting a scenario analysis in this context. At the same time, we are not a textile manufacturer, we are a retail company. For this reason, we are currently monitoring our impact on timber products through our consumption, carbon, water and material footprint calculations.

Water

(5.1.1) Use of scenario analysis

Select from:

☑ Yes

(5.1.2) Frequency of analysis

Select from:

☑ Annually

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization’s scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Customized publicly available climate transition scenario, please specify :Science Based Target

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

We conducted scenario analyses for our SBTi processes. We conducted these analyses for both our interim emission reduction target and our long-term net zero target for our Scope 1 and 2 emissions. As a result of these analyses, we set our targets of 55% emission reduction in Scope 1 and 2 emissions in 2030 and net zero emissions in 2050. We realized these targets and scenario analyses using SBTi Tools. While performing scenario analyses, an analysis was also carried out in accordance with the projections of the increase in the number of our employees until 2030. In this context, we conducted studies on 9 different scenarios such as BAU, BAU IPM, Net Zero TR, Linear RE, etc. When conducting scenario analyses, the most significant challenge for us was accessing Türkiye-focused data, as most of our operations are localized and our critical locations are located in Türkiye. Our assessments were particularly limited in terms of physical risks.

(5.1.1.11) Rationale for choice of scenario

The chosen tool and focus are directly aligned with DeFacto's SBTi-approved targets and water risk exposure as a fashion retailer operating in water-stressed regions. As most of DeFacto's operations, including its headquarters and warehouse network, are located in Türkiye—a country already experiencing high water stress—this analysis provides essential inputs to climate risk management, resilience planning, and sustainable site selection. Additionally, the approach aligns with TCFD and CDP expectations for physical risk assessment in high-risk sectors like apparel.

Water

(5.1.1.1) Scenario used

Water scenarios

☑ WRI Aqueduct

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Chronic physical

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

DeFacto has conducted a forward-looking, water-related scenario analysis focused on physical climate risks, using the WRI Aqueduct Water Risk Atlas. The analysis assessed current and future water stress exposure for DeFacto's operational locations in Türkiye and selected international markets. The assessment was conducted for the base year (2023), medium term (2030), and long term (2050), enabling insights into both short- and long-term risk trajectories. Assumptions: The WRI Aqueduct Water Risk Atlas accurately reflects projected water stress conditions for 2030 and 2050 under a business-as-usual (BAU) scenario. Climate-related changes in water availability will continue along observed trajectories unless significant global mitigation efforts are made. Locations for which DeFacto has geospatial data (e.g., headquarters, warehouses, a portion of retail stores) are representative of broader operational risk. Nature of scenario: Physical risk – chronic water stress DeFacto's operational water demand remains relatively stable over the modeled timeframe, assuming no significant increase or decrease in store footprint or water-intensive processes. Limitations Regulatory and policy responses to water stress (e.g., restrictions, pricing changes) remain unpredictable and were not explicitly modeled. Water demand from competing users (e.g., municipalities, agriculture) and its impact on commercial water access may vary significantly across geographies and are not fully captured in the tool's outputs. The tool assumes stationary infrastructure and land-use planning, which may change over time as governments and businesses adapt to water risks. Despite these limitations, the scenario analysis provides a robust initial framework to assess physical water risk exposure and inform DeFacto's resilience planning. The company intends to enhance future assessments through expanded geolocation data and potentially more advanced scenario modeling.

(5.1.1.11) Rationale for choice of scenario

We conducted a scenario analysis in the locations where our headquarters, warehouses and stores are located with a focus on water stress. As a result of this analysis, we calculated the severity of the risks we face in 2023 and 2030 at the locations where we operate with a focus on water stress. We used WRI Aqueduct Tool for this analysis. According to this analysis, we have an extreme high-risk water stress risk in 2023 at 23 locations in 22 provinces. In 2030, we foresee that we have extreme high-risk water stress risk in 22 locations in 21 provinces. This may pose some risks for our WASH activities to provide the water use that our employees and customers need.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP1

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Chronic physical

☑ Reputation
☑ Technology
☑ Acute physical

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 1.6ºC - 1.9ºC

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2030
☑ 2050

(5.1.1.9) Driving forces in scenario

Stakeholder and customer demands
☑ Consumer sentiment
☑ Consumer attention to impact

Regulators, legal and policy regimes
☑ Global regulation
☑ Level of action (from local to global)
☑ Methodologies and expectations for science-based targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)

Direct interaction with climate

☑ Perception of efficacy of climate regime

Macro and microeconomy

☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

*We carried out an important study this year to guide us on our decarbonization roadmap. Overview of Scenario Approach DeFacto has conducted a climate-related scenario analysis to assess the resilience of its business model against future climate-related risks and opportunities. Two publicly available scenarios were selected based on IPCC and NGFS frameworks: * Scenario 1 – "Orderly Transition": RCP 2.6 + SSP1, aligned with NGFS "Net Zero 2050" pathway * Scenario 2 – "Hot House World / Delayed Transition": RCP 6.0 + SSP3, aligned with NGFS "Current Policies" and "Delayed Transition" pathways The scenarios were used to evaluate both transition risks and physical climate impacts, with a combination of qualitative insights and semi-quantitative estimates. Localized risks were considered in geographies where DeFacto has concentrated operations—particularly Türkiye. Scenario 1 – Orderly Transition (RCP 2.6 / SSP1) Assumptions: * Strong global climate coordination; emissions peak by 2025 * The intense impact of climate-focused national and international regulations * Rapid decline in demand for fossil fuels; increasing prominence of renewable energy * Carbon pricing reaches ~$75–100/tCO$_2$e by 2030 * Consumers increasingly demand sustainable products * ESG regulations expand across supply chains * Increased scrutiny of stakeholders regarding environmental and social performance * Faster adaptation of climate technologies and reduction in their costs. The most significant challenge we faced in conducting the scenario analyses was accessing Turkey-focused data, as a large portion of our operations are localized and our critical locations are located in Türkiye. In particular, our assessments were limited in terms of physical risks.*

(5.1.1.11) Rationale for choice of scenario

DeFacto selected two distinct climate scenarios—one aligned with a 1.5°C pathway (RCP 2.6 / SSP1) and one with a >3°C pathway (RCP 6.0 / SSP3)—to reflect the range of plausible futures relevant to its business model and geographic footprint. These scenarios were chosen because they represent: Transition Uncertainty: RCP 2.6/SSP1 captures the implications of rapid decarbonization, carbon pricing, and strong policy coordination—important for understanding the regulatory and consumer shifts DeFacto may face in the EU and Türkiye. Physical Risk Escalation: RCP 6.0/SSP3 simulates a future with weak climate policy and high emissions, helping DeFacto assess its exposure to climate hazards in regions such as Turkey, Bangladesh, and Pakistan where major operations and suppliers are located. Alignment with Science-Based Targets: DeFacto has a near-term emissions reduction target approved by the Science Based Targets initiative (SBTi), aligned with limiting global warming to 1.5°C. The inclusion of a 1.5°C scenario (RCP 2.6) ensures that the scenario analysis reflects the company's decarbonization ambitions and provides insights into how its strategy performs under a low-carbon transition. Consistency with Global Frameworks: Both scenarios are widely used in TCFD, IPCC, and NGFS modeling frameworks, ensuring compatibility with global climate risk disclosure standards. By using this dual-scenario approach, DeFacto can evaluate both the benefits and challenges of aligning with a low-carbon future, as well as the risks of delayed transition—informing its long-term strategy, investment planning, and supply chain resilience.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 6.0

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP3

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 3.5ºC - 3.9ºC

(5.1.1.7) Reference year

2024

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

(5.1.1.9) Driving forces in scenario

Stakeholder and customer demands

☑ Consumer sentiment

☑ Consumer attention to impact

Regulators, legal and policy regimes

☑ Global regulation

☑ Level of action (from local to global)

☑ Methodologies and expectations for science-based targets

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

Direct interaction with climate

☑ Perception of efficacy of climate regime

Macro and microeconomy

☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

*We carried out an important study this year to guide us on our decarbonization roadmap. Overview of Scenario Approach DeFacto has conducted a climate-related scenario analysis to assess the resilience of its business model against future climate-related risks and opportunities. Two publicly available scenarios were selected based on IPCC and NGFS frameworks: * Scenario 1 – "Orderly Transition": RCP 2.6 + SSP1, aligned with NGFS "Net Zero 2050" pathway * Scenario 2 – "Hot House World / Delayed Transition": RCP 6.0 + SSP3, aligned with NGFS "Current Policies" and "Delayed Transition" pathways The scenarios were used to evaluate both transition risks and physical climate impacts, with a combination of qualitative insights and semi-quantitative estimates. Localized risks were considered in geographies where DeFacto has concentrated operations—particularly Türkiye. Scenario 2 – Hot House World / Delayed Transition (RCP 6.0 / SSP3) Assumptions: * There is a lack of coordination in global climate policies, which is why regulatory pressure remains very low in the short and medium term; emissions remain high * Average global temperature increases >3°C by 2100 * Intensifying physical climate risks, especially in South Asia and Mediterranean regions * Consumer awareness of sustainable products remains low. * Türkiye will be seriously affected by climate change, both physically and socio-economically. The most prominent risks are water stress, extreme heat waves, forest fires, and a decline in agricultural production. * Climate technologies are not compatible with decarbonization strategies. There is an environment in which companies with net zero targets can achieve this transformation with high investment amounts. The most significant challenge we faced in conducting the scenario analyses was accessing Turkey-focused data, as a large portion of our operations are localized and our critical locations are located in Türkiye. In particular, our assessments were limited in terms of physical risks.*

(5.1.1.11) Rationale for choice of scenario

DeFacto selected two distinct climate scenarios—one aligned with a 1.5°C pathway (RCP 2.6 / SSP1) and one with a >3°C pathway (RCP 6.0 / SSP3)—to reflect the range of plausible futures relevant to its business model and geographic footprint. These scenarios were chosen because they represent: Transition Uncertainty: RCP 2.6/SSP1 captures the implications of rapid decarbonization, carbon pricing, and strong policy coordination—important for understanding the regulatory and consumer shifts DeFacto may face in the EU and Türkiye. Physical Risk Escalation: RCP 6.0/SSP3 simulates a future with weak climate policy and high emissions, helping DeFacto assess its exposure to climate hazards in regions such as Turkey, Bangladesh, and Pakistan where major operations and suppliers are located. Alignment with Science-Based Targets: DeFacto has a near-term emissions reduction target approved by the Science Based Targets initiative (SBTi), aligned with limiting global warming to 1.5°C. The inclusion of a 1.5°C scenario (RCP 2.6) ensures that the scenario analysis reflects the company's decarbonization ambitions and provides insights into how its strategy performs under a low-carbon transition. Consistency with Global Frameworks: Both scenarios are widely used in TCFD, IPCC, and NGFS modeling frameworks, ensuring compatibility with global climate risk disclosure standards. By using this dual-scenario approach, DeFacto can evaluate both the benefits and challenges of aligning with a low-carbon future, as well as the risks of delayed transition—informing its long-term strategy, investment planning, and supply chain resilience.

[Add row]

(5.1.2) Provide details of the outcomes of your organization’s scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

The climate-related scenario analysis conducted by DeFacto has influenced the company’s overall risk assessment, strategic direction, and financial planning processes. We analyzed two distinct climate scenarios to explore the potential physical and transitional impacts across short-, medium-, and long-term time horizons. - Scenario 1 (Optimistic): RCP 2.6 / SSP1 – 1.5°C-aligned pathway - Scenario 2 (Pessimistic): RCP 6.0 / SSP3 – 3.5°C+ pathway These scenarios were selected based on their alignment with DeFacto’s approved Science-Based Targets and to reflect a plausible range of climate futures, particularly in our primary operational geography: Türkiye. Impact on Risk and Opportunity Assessment Under the 1.5°C scenario, DeFacto faces moderate transitional risks, particularly from increased regulatory pressure such as CBAM (Carbon Border Adjustment Mechanism), eco-design standards, and extended producer responsibility (EPR) schemes. These have been incorporated into DeFacto’s compliance roadmap and product labeling strategy. In contrast, the 3.5°C scenario presents severe physical risks for Türkiye — including extreme heat waves, water stress, and supply chain disruptions due to increased climate volatility in sourcing regions. This has driven deeper integration of climate risk into site selection and supplier due diligence processes. Impact on Business Strategy The optimistic scenario accelerated DeFacto’s commitment to sustainable product lines and low-carbon logistics, as consumer demand is expected to shift significantly toward climate-conscious brands in this future. Conversely, the high-warming scenario reinforced the need for business model resilience, leading to strategic diversification of warehousing locations and a reevaluation of sourcing dependency on climate-vulnerable geographies. In both scenarios, strategic engagement with suppliers has become a core pillar of the climate strategy — especially to manage Scope 3 emissions and shared resilience planning. Impact on Operational Decisions The scenario analysis has informed operational planning, including: Expansion of renewable energy use in stores and distribution centers. Creation of internal supplier engagement programs focused on climate-related disclosures and improvements. Impact on Financial Planning Projected carbon pricing under the 1.5°C scenario (up to $100/tCO$_2$e) was integrated into long-term cost

models, affecting product pricing strategies and investment allocation, particularly in materials R&D and logistics. DeFacto has begun embedding climate risks into capital expenditure planning, including climate adaptation measures in new facility investments, and considering insurance premium adjustments based on exposure levels. In short, the scenario analysis has not only refined DeFacto's understanding of climate-related risks and opportunities, but also influenced strategic choices, operational priorities, and financial planning. By combining qualitative insights with semi-quantitative modeling of regulatory costs, supply disruptions, and market shifts, DeFacto is taking a proactive approach to ensure business resilience in multiple plausible climate futures.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

The analysis revealed that X locations in Türkiye (2024) are currently exposed to extremely high water stress, and X locations are expected to remain in this risk bracket in 2030, signaling no meaningful risk reduction under a business-as-usual trajectory. Yurt dışı lokasyonlar eklenebilir. As climate change continues to impact water availability in Türkiye and other regional markets, access to sufficient water for WASH (Water, Sanitation, Hygiene) services in stores and offices could be disrupted, especially during heatwaves or drought periods. Potential for future regulatory restrictions (e.g., caps on commercial water use or increased tariffs) could affect operational continuity and cost structures. Reputational risk may also arise if stakeholder expectations for sustainable water stewardship are not met, particularly in communities with competing water needs. Strategic and financial planning implications: Water risk data is being integrated into facility planning and store expansion strategies, prioritizing water-scarce locations for efficiency upgrades. Learnings from the scenario analysis are guiding DeFacto's upcoming Water Stewardship Strategy, which includes employee awareness campaigns, internal audits, and design of water-saving interventions (e.g., waterless fixtures, water-efficient cooling systems). The scenario findings also support DeFacto's broader climate resilience planning and contribute to cross-functional sustainability decisions at the leadership level. The findings have reinforced the need to align DeFacto's environmental goals with broader climate resilience planning, ensuring water risk is integrated into sustainability KPIs and Board-level reporting. Capital planning has incorporated forecasted water-related risks for existing and potential facilities, allowing for more robust investment appraisal and contingency funding. For example, sites in high-stress zones may require future investment in water-efficient

technologies, on-site reuse systems, or infrastructure adaptation. By systematically linking scenario results to core business functions, DeFacto ensures that water-related physical risks are not only identified but proactively managed across strategic and financial decision-making processes.
[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

☑ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☑ No, and we do not plan to add an explicit commitment within the next two years

(5.2.6) Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion

DeFacto operates primarily in the textile retail sector with no direct involvement in fossil fuel extraction or production activities. However, some indirect exposure exists through energy consumption in operations and logistics. The company does not explicitly commit to ceasing all spending or revenue generation linked to fossil fuel expansion at this stage because: The current business model relies on energy inputs, some of which are sourced from fossil fuels, especially in regions where renewable energy infrastructure is still developing. A responsible transition requires a phased, science-based approach that balances environmental objectives with operational continuity and economic feasibility. DeFacto is actively reducing its fossil fuel dependence through energy efficiency projects, renewable energy investments (e.g., solar panels in logistics centers), and sustainable product innovation. The company is committed to aligning with SBTi targets and progressively

decarbonizing its value chain, thereby minimizing indirect fossil fuel exposure over time. This approach ensures a practical, resilient transition without risking supply chain disruption or financial instability.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

DeFacto actively collects feedback from shareholders on its climate transition plan through a combination of governance oversight, transparent reporting, and open communication channels: The Sustainability Committee, comprising senior management, regularly reviews climate strategies and ensures shareholder insights are integrated into the planning process. Climate transition progress and strategy details are disclosed annually in the Integrated Report, which serves as a key communication tool with shareholders. Additionally, DeFacto explicitly invites stakeholders to share ideas, comments, and suggestions related to the Integrated Report and sustainability activities via email at sustainability@defacto.com.tr. This open invitation facilitates continuous stakeholder engagement and transparency. This multi-layered approach ensures DeFacto incorporates shareholder perspectives effectively into its climate transition journey.

(5.2.9) Frequency of feedback collection

Select from:

☑ More frequently than annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

DeFacto's climate transition plan is built on several key assumptions and dependencies, including: Continued advancement and availability of renewable energy infrastructure, especially in Turkey and international markets where the company operates. Regulatory environments evolving toward stricter emissions standards and incentives for sustainable business practices. Technological innovations enabling scalable, cost-effective low-carbon manufacturing and logistics solutions. Stable supply chain access for sustainable raw materials and energy-efficient products. Ongoing stakeholder engagement, including investor support and consumer demand growth for sustainable apparel. Alignment with Science Based Targets initiative (SBTi) pathways to ensure climate goals are ambitious and credible.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

DeFacto has made significant progress towards its climate transition objectives: Monitored Scope 1 and 2 emissions and develop adaptation projects through energy efficiency upgrades and the installation of solar panels at key logistics centers. The company has set Science Based Targets initiative (SBTi) approved emission reduction goals, demonstrating its commitment to align with global climate ambitions. As part of its sustainability strategy, DeFacto aims to sustainably source 90% of

its ready-to-wear collections by 2030 to minimize environmental impact and increase the use of sustainable raw materials. In this target journey, the share of sustainably sourced products in DeFacto's ready-to-wear collections increased by 14% in 2024 compared to the previous year, reaching approximately 35%. Launched the Wiser Wash denim collection, reducing water use by 80% and carbon footprint by 59% compared to conventional products. Initiated comprehensive Scope 3 emissions mapping, targeting completion by 2025 to inform value chain decarbonization strategies. Integrated climate risk assessments using WRI Aqueduct data for operational sites in Turkey and select international locations. Strengthened sustainability governance by establishing a dedicated Sustainability Committee overseeing climate initiatives and reporting to the Board. Advanced the development of a formal climate transition plan with clear milestones and interim targets expected to be published in 2025. These actions demonstrate DeFacto's commitment to a responsible and transparent climate transition aligned with global best practices.

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

DeFacto_ER_24_TR Final.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ No other environmental issue considered

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☑ Products and services

☑ Upstream/downstream value chain

☑ Investment in R&D

☑ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

One of DeFacto's sustainability goals is to make 90% of its ready-to-wear collection from sustainable products by 2030. Within the scope of this goal, this ratio increased by 14% compared to the previous year, reaching 35% by the end of 2024. As a textile retailer, setting this goal has a two-way connection with our risks and opportunities. In particular, Gen Z's growing interest in sustainable products and the sustainable raw material transformation in the industry have been a driving force for us to establish ourselves in this market. If we fall behind this trend, we may face the risk of losing market share and reputation. At the same time, by continuing to pursue our existing goal, we have the opportunity to gain a significant share in the sustainable product market. We have a collection that demonstrates sustainability features in terms of climate and water focus: a collection using Wiser Wash technology, which limits the environmental impact of denim fabric production. Using a mix of electric ozone gas and laser, Wiser Wash reduces the ecological and water footprint of products, resulting in more sustainable denim. Thanks to its special treatment process, Wiser Wash significantly reduces water and energy consumption without affecting the desired result. While it normally takes 16 liters of water to bleach a pair of jeans, this process reduces it to just one glass of water. It also reduces climate change impacts by 59%. We have conducted an important study to demonstrate the positive impact of Wiser Wash technology on the relationship between denim and the environment. We have completed a comparative life cycle analysis of a denim product using conventional washing methods and a denim model produced using wiser wash technology. With this comprehensive analysis focusing on comparing the environmental impact of two different production methods, we aimed to provide our customers with valuable information on the

environmental impact of our products, enabling them to make informed decisions and choose low emission products. In the life cycle analysis, we adopted a cradle-to-grave approach and considered the entire life cycle, including raw material procurement, production process, packaging, logistics, and even the end-of-life use and disposal of the product. While 60 kg of water is consumed in conventional washing, 12 kg of water is consumed with Wiser Wash. Thanks to this collection and technology, we offer consumers looking for sustainable product alternatives, especially in the highly environmentally impactful denim category, a range of options. At the same time, the risk of water stress and scarcity is one of the risky issues, especially in the production of jeans, which are water-intensive. Thanks to the production of products with this technology by our suppliers, we aimed to reduce water consumption by 5 times compared to traditional methods and to reduce water-oriented risks during production.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Forests

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

All materials have an impact on the environment from their production to their use and ultimately to their end-of-life and disposal. As DeFacto, we aim to sustainably source 90% of our products by 2030 in order to reduce our environmental impact and increase the sustainability of the raw materials used in the production of our products. In this target journey, the share of these sustainably supplied products in all DeFacto ready-to-wear collections increased by 6% compared to last year and amounted to approximately 21% in 2023. In addition to our ready-to-wear products, we also care that our accessories within our products have sustainable features. While 50% of all trims were sustainably sourced in 2023, we aim to increase this ratio to 100% in 2025. We also produce 100% of our metal buttons from recycled materials and provide 100% recycled shopping bags to our customers. For our sustainable products, we also try to decrease the impact of cellulose based fibers such as viscose. Sustainable viscose is an all-natural material derived from trees grown for industrial purposes in a controlled manner and with programs that guarantee reforestation. This sustainable raw material, whose production process is water-friendly and reduces greenhouse gas emissions, helps us protect biodiversity and prevent climate change. As DeFacto, we also benefit from the power of sustainable viscose material and use viscose fibers obtained from renewable wood resources

certified by the Forest Stewardship Council® (FSC) or LENZING™ ECOVERO™ with an environmentally friendly production process that ensures the control of the entire process from raw material to the final product. However, access to sustainable raw materials is a challenge for us. In order to achieve these ambitious goals, we want to produce our products with sustainable fabric alternatives (modal tencel, viscose lenzing or lyocell tencel) that do not affect deforestation, but the prices of these raw materials are quite high compared to traditional raw materials. This not only increases our operational costs but also restricts us in terms of supplier selection and increases our raw material costs.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Forests

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Our sustainability perspective includes triggering transformation not only in our own operations but also in our entire value chain. In this context, we work to ensure that our customers make sustainable choices, adopt sustainable shopping practices and minimize our environmental impact while creating our collections. In order to make sustainable and eco-friendly shopping choices easier for our customers, we use sustainable raw materials and design sustainable collections that conserve the Earth's resources. We offer these products with our DeFacto LIFE collections. Each DeFacto LIFE product is made from materials derived from sustainable sources such as organic cotton, Better Cotton cotton and recycled polyester. In addition, we develop production methods that save energy and water, thus reducing the negative impact on nature. In this context, our R&D efforts plays a crucial role. For example, we are generating vegan leather from apple peel and pulp and also from olive waste. In our Olive Leather collection, which we designed with 100% vegan and recyclable materials, we used artificial leather produced from olive waste. There were also pieces such as bags, wallets, belts and shoes in natural and classic colors with vegan olive leather, which does not contain any animal fibers such as wool, fur and silk and at the same time does not use animal substances at any stage of the production process. We also reduced greenhouse gas emissions during the production phase by 94% with the use of vegan leather. We collaborate with our suppliers and industry players to develop ideas for our sustainable products. In this way, we have the chance to attract customers who prefer environmentally sensitive sustainable products and make them a DeFacto customer.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Changes in mean temperatures can affect our direct operations by imposing a risk on increasing direct costs. Energy is a critical component of the fashion retailing business, and its efficiency and low impact use is playing a critical role for DeFacto's "Inspiring by the Nature" Strategy. Our first steps to realize our 2030 and 2050 emission reduction targets start with energy reduction, renewable energy transformation and energy efficiency projects. In our different scenario analysis, we are realized that the general increase in temperatures will affect a part of our stores worldwide. According to these studies, the energy needs in relation to the cooling of our stores will increase thus increasing the associated energy costs. The energy efficiency measures implemented in our own stores have enabled us to achieve significant electrical savings, especially in air conditioning systems, given that these can achieve at least 20% better performance and energy efficiency compared to conventional equipment. That's why we focus on energy efficiency in lighting and air conditioning in our stores and buildings, and lighting and automation systems in our warehouses. Switching to LED systems in lighting systems and using energy-friendly air conditioning systems are among the steps we take in this context. In 2024, we added renewable energy use to our energy efficiency efforts. Thanks to the renewable energy investments we made in our Çerkezköy warehouse and Basın Ekspress Cadde store, we added clean energy solutions to DeFacto's energy consumption distribution. With the solar energy systems (GES) on the roof of our warehouse and store, we consumed 1,603 MWh of renewable energy during the year. Thanks to the measures we have taken and the investments we have made to reduce our energy consumption and shift to clean energy, we are able to reduce our operational expenses in the medium and long term, even though our short-term CAPEX investments are increasing. With energy prices rising every day, especially for fossil fuels, we aim to take advantage of this opportunity with our energy-efficient operational approach.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Forests

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

All materials have an impact on the environment from their production to their use and ultimately to their end-of-life and disposal. One of DeFacto's sustainability goals is to make 90% of its ready-to-wear collection from sustainable products by 2030. Within the scope of this goal, this ratio increased by 14% compared to the previous year, reaching 35% by the end of 2024. In addition to our ready-to-wear products, we also care about the sustainable features of our accessories and product labels. We prioritize our trims and metal buttons within sustainable accessories. By 2024, 100% of our metal buttons are produced from recycled materials and we sustainably source approximately 70% of all trims. In 2027, we aim to sustainably source 100% of our trims. To strengthen the sustainable features of our labels, we focus on washing instruction labels and price label cards. All of our cardboard price tag cards are FSC-certified and sustainable. In addition, we supply 100% of the washing instruction labels from recycled materials from our existing textile accessories. We also provide our customers with 100% recycled shopping bags. For our sustainable products, we also try to decrease the impact of cellulose based fibers such as viscose. Sustainable viscose is an all-natural material derived from trees grown for industrial purposes in a controlled manner and with programs that guarantee reforestation. This sustainable raw material, whose production process is water-friendly and reduces greenhouse gas emissions, helps us protect biodiversity and prevent climate change. As DeFacto, we also benefit from the power of sustainable viscose material and use viscose fibers obtained from renewable wood resources certified by the Forest Stewardship Council® (FSC) or LENZING™ ECOVERO™ with an environmentally friendly production process that ensures the control of the entire process from raw material to the final product. Thanks to the use of sustainable raw materials, we took advantage of the opportunity to attract consumers whose interest and demand for sustainable products has increased. Also, there is a risk behind this type of products which is the difficulty of finding sustainable raw materials and their higher prices compared to conventional raw materials.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The issue of water and water management has become more central and important to sustainable development, particularly in the textile sector. Increasing water scarcity and/or deterioration in water quality are among the reasons for the growing importance of these concepts. As DeFacto, our understanding of efficient water consumption consists of two pillars: "reducing our water consumption from our own operations" and "creating our products with raw materials and production processes that require less water use, starting from the design stage". In order to understand our water usage-related impact in these two areas as accurately as possible, we conducted a Water Footprint Assessment. Through this assessment, we sought to understand the impacts caused by water usage and pollution. In this process, we evaluated not only water consumption and discharges but also all inputs that could affect water, such as energy and material consumption, and all outputs obtained from the life cycle database of these inputs. We categorized inputs and outputs within our operational control as “direct” and those outside our operational control as “indirect.” The aim of this study was to identify DeFacto's environmental impacts on water, determine at which stages these impacts are most concentrated, and identify recommendations for improvement. In addition to this analysis, we conducted a location-based water stress analysis to understand our water stress risk. Using the WRI Aqueduct Tool, we analyzed which of our locations (headquarters, offices, warehouses, and stores) in Turkey and all of our overseas operations are at risk of water stress. We designed this analysis to assess both short-term and long-term impacts, with a focus on the 2030-2050 timeframe. As a result of all these efforts, we identified the areas where we need to reduce water usage, both by location and by activity. Our Water Footprint Assessment identified the areas with the highest impact within our operations as water used for WASH services in our stores and water used for electricity consumption. In the Water Stress Risk analysis, we identified critical locations for us, with our Istanbul Headquarters building and Yassıören Warehouse identified as critical locations.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Revenues

(5.3.2.2) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

☑ Forests

☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

One of DeFacto's sustainability goals is to make 90% of its ready-to-wear collection from sustainable products by 2030. Within the scope of this goal, this ratio increased by 14% compared to the previous year, reaching 35% by the end of 2024. Collections that use sustainable alternatives to viscose, a cellulose-based raw material, in our sustainable product definition (forest impact), collections produced using less water and energy, such as Wiser Wash (climate and water), and collections made from cotton sourced through regenerative agriculture (climate and water). As a textile retailer, setting this goal has a two-way connection with our risks and opportunities. In particular, Gen Z's growing interest in sustainable products and the sustainable raw material transformation in the industry have been a driving force for us to establish ourselves in this market. We believe that if we fail to adapt to these two trends in the medium term, the risks will become more acute for us (losing market share and reputation) and we will miss out on opportunities (gain a significant share in the sustainable product market). In the long term, we aim to fully align with sustainable product transformation in line with our 2030 target. In 2024, our collections, which we refer to as sustainable products, accounted for 31.4% of our total revenue. If we had not expanded this product family and kept pace with the transformation in the industry, we would have faced the risk of losing this revenue stream.

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Direct costs

(5.3.2.2) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Energy unit prices continue to rise every day in the regions where we operate. On the other hand, as air temperatures rise and the number of hot days increases, the cooling needs of stores in particular are also increasing. These two factors are increasing operational expenses related to energy consumption. In 2024, we incurred expenses totaling 470,237,816 TL due to electricity and natural gas energy consumption across all our operations. In 2023, this figure was 368,139,450 TL. This situation led to a 28% increase in operational expenses related to energy consumption. The increase in the number of our stores naturally leads to higher consumption costs, but our analyses indicate that the significant increase in energy unit prices and, in particular, our higher energy usage for cooling are driving up our operational expenses. To reverse this trend, we continue to invest in automation systems, energy efficiency initiatives, and renewable energy projects. This situation presents a significant risk for us, particularly in the context of energy management. In addition to reducing our emissions, we must continue working on energy efficiency and automation initiatives, as well as finding solutions to generate our own clean energy, in order to limit operational expenses caused by energy consumption.

Row 3

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Capital expenditures

(5.3.2.2) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Changes in mean temperatures can affect our direct operations by imposing a risk on increasing direct costs. Energy is a critical component of the fashion retailing business, and its efficiency and low impact use is playing a critical role for DeFacto's "Inspiring by the Nature" Strategy. Our first steps to realize our 2030 and 2050 emission reduction targets start with energy reduction, renewable energy transformation and energy efficiency projects. In our different scenario analysis, we are realized that the general increase in temperatures will affect a part of our stores worldwide. According to these studies, the energy needs in relation to the cooling of our stores will increase thus increasing the associated energy costs. The energy efficiency measures implemented in our own stores have enabled us to achieve significant electrical savings, especially in air conditioning systems, given that these can achieve at least 20% better performance and energy efficiency compared to conventional equipment. That's why we focus on energy efficiency in lighting and air conditioning in our stores and buildings, and lighting and automation systems in our warehouses. Switching to LED systems in lighting systems and using energy-friendly air conditioning systems are among the steps we take in this context. In 2024, we added renewable energy use to our energy efficiency efforts. Thanks to the renewable energy investments we made in our Çerkezköy warehouse and Basın Ekspress Cadde store, we added clean energy solutions to DeFacto's energy consumption distribution. With the solar energy systems (GES) on the roof of our warehouse and store, we consumed 1,603 MWh of renewable energy during the year. In 2024, we made a total CAPEX investment of TL 69.7 million for our energy efficiency and renewable energy transition efforts.

Row 4

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Direct costs

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

We face a similar situation regarding water consumption. Türkiye is a country experiencing water stress and scarcity. Since a significant portion of our operations are based in Türkiye, we view the rising unit water prices—driven by this risk—as a potential operational expense burden. When comparing 2023 to 2024, we see that our payments related to water consumption have increased by 71%. Our goal is to reverse this trend by simultaneously reducing our water footprint and lowering water-related operational costs.

[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition
	Select from: ☑ Yes	*Select all that apply* ☑ Other methodology or framework

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization’s climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☑ Other, please specify :The share of revenues generated by sustainable products

(5.4.1.5) Financial metric

Select from:

☑ Revenue/Turnover

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

12774355610.21

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

31.4

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

35

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

70

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization’s climate transition

One of DeFacto's sustainability goals is to make 90% of its ready-to-wear collection from sustainable products by 2030. Within the scope of this goal, this ratio increased by 14% compared to the previous year, reaching 35% by the end of 2024. Collections that use sustainable alternatives to viscose, a cellulose-based raw material, in our sustainable product definition (forest impact), collections produced using less water and energy, such as Wiser Wash (climate and water), and collections made from cotton sourced through regenerative agriculture (climate and water). As a textile retailer, setting this goal has a two-way connection with our risks and opportunities. In particular, Gen Z's growing interest in sustainable products and the sustainable raw material transformation in the industry have been a driving force for us to establish ourselves in this market. We believe that if we fail to adapt to these two trends in the medium term, the risks will become more acute for us (losing market share and reputation) and we will miss out on opportunities (gain a significant share in the sustainable product market). In the long term, we aim to fully align with sustainable product transformation in line with our 2030 target. In 2024, our collections, which we refer to as sustainable products, accounted for 31.4% of our total revenue which is equal to 12,774,355,610.21 TRY (Our total revenue is 40,682,661,179 TRY).
[Add row]

(5.9) 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?

(5.9.1) Water-related CAPEX (+/- % change)

0

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

10

(5.9.3) Water-related OPEX (+/- % change)

10

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

10

(5.9.5) Please explain

2024 was an important year for us in terms of understanding our water footprint and identifying where our greatest impacts lie. We measured our direct and indirect water use throughout our operations and value chain. This water footprint study, which went beyond water withdrawal, discharge, and consumption metrics, helped us understand where we need to focus our water efficiency efforts. As a textile retailer without production activities, our water withdrawal is primarily used for WASH services and drinking water. Our main impact, however, is concentrated in our supply chain, particularly among our suppliers. Although we did not make any water-focused CAPEX investments this year, we are planning specific initiatives to enhance operational water efficiency in the coming year. On the OPEX side, we are evaluating the amount we pay for water usage. When comparing 2023 to 2024, we observe an 11% increase in operational expenses due to water usage. As a company with operations concentrated
[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☑ Yes	*Select all that apply* ☑ Carbon

[Fixed row]

(5.10.1) Provide details of your organization’s internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:
☑ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

☑ Incentivize consideration of climate-related issues in risk assessment

☑ Influence strategy and/or financial planning

☑ Navigate regulations

(5.10.1.3) Factors considered when determining the price

Select all that apply

☑ Alignment to scientific guidance

☑ Alignment with the price of allowances under an Emissions Trading Scheme

☑ Scenario analysis

(5.10.1.4) Calculation methodology and assumptions made in determining the price

Over the last decade, Türkiye has been preparing to deploy carbon pricing instruments to help achieve its mitigation targets. Türkiye's parliament adopted the country's first Climate Law, which was published in the Official Gazette on 9 July 2025 and entered into force immediately. This landmark legislation, Türkiye's first comprehensive climate law, establishes the legal basis for the Turkish Emission Trading System (TR ETS) and creates key institutional frameworks including a Carbon Market Board to oversee the system. he draft regulation outlines the operational framework for the TR ETS, including an intensity-based cap system, free allocation methodology based on benchmarks, and coverage of installations in power and industry sectors with emissions above 50,000 tonnes CO2e. Although the carbon price has not yet been determined within the scope of this system, minimum and maximum carbon pricing forecasts are being made, as stated in various ministry sources. While the focus is on a minimum price of €20 (736 TRY) or a maximum price of €50 (1,840 TRY), we at DeFacto are also monitoring all developments in this area and basing our carbon reduction-focused investments on this price range.

(5.10.1.5) Scopes covered

Select all that apply

☑ Scope 1

☑ Scope 2

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☑ Static

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

736

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

1840

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

☑ Capital expenditure

☑ Dependencies management

☑ Operations

☑ Risk management

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

☑ No

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

100

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☑ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

Over the last decade, Türkiye has been preparing to deploy carbon pricing instruments to help achieve its mitigation targets. Türkiye's parliament adopted the country's first Climate Law, which was published in the Official Gazette on 9 July 2025 and entered into force immediately. This landmark legislation, Türkiye's first comprehensive climate law, establishes the legal basis for the Turkish Emission Trading System (TR ETS) and creates key institutional frameworks including a Carbon Market Board to oversee the system. he draft regulation outlines the operational framework for the TR ETS, including an intensity-based cap system, free allocation methodology based on benchmarks, and coverage of installations in power and industry sectors with emissions above 50,000 tonnes CO2e. Although the carbon price has not yet been determined within the scope of this system, minimum and maximum carbon pricing forecasts are being made, as stated in various ministry sources. While the focus is on a minimum price of €20 (736 TRY) or a maximum price of €50 (1,840 TRY), we at DeFacto are also monitoring all developments in this area and basing our carbon reduction-focused investments on this price range. As a company with emission reduction targets for 2030 and 2050, carbon pricing helps us make strategic decisions on how it will change our risks, impact, investment decisions, and, consequently, our operations. We monitor developments in the TR ETS for carbon pricing and guide our internal calculations on what pricing will be based on research findings. The most critical issue for us is the carbon impact on CAPEX calculations for investments we will make under emission reduction initiatives. When calculating the depreciation of investments, we also factor in the carbon impact. Additionally, if we were to be included in the TR ETS regulation, we would calculate the risk of the carbon unit price or carbon tax we would need to pay based on the carbon price we have mentioned.
[Add row]

(5.11) Do you engage with your value chain on environmental issues?

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:
☑ Yes

(5.11.2) Environmental issues covered

Select all that apply
☑ Climate change
☑ Forests

☑ Water

Smallholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

☑ Judged to be unimportant or not relevant

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

Given the scale of its operations, DeFacto procures from industrial, large-scale manufacturers. There are no procurement areas where sourcing from smallholders is feasible.

Customers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ Yes

(5.11.2) Environmental issues covered

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Plastics

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ Yes

(5.11.2) Environmental issues covered

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Plastics

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

☑ Yes

(5.11.2) Environmental issues covered

Select all that apply

☑ Climate change

☑ Water

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

	Assessment of supplier dependencies and/or impacts on the environment
Climate change	*Select from:* ☑ No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years
Forests	*Select from:* ☑ No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years
Water	*Select from:* ☑ No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Procurement spend

☑ Product safety and compliance

☑ Regulatory compliance

☑ Strategic status of suppliers

(5.11.2.4) Please explain

We expect our suppliers to act by adopting our Sustainable Supplier Code of Conduct's principles as well as complying with the responsibilities imposed by legislation and laws without exception. These principles, which represent our understanding of corporate and ethical business ethics, consist of 11 main headings including environmental protection. We explain our most basic expectations from our suppliers and underline the areas where they should show sensitivity. In this context, before we start working with our suppliers, we expect them to commit to full compliance with our Sustainable Supplier Code of Conduct. If we encounter any non-compliance in these areas during our regular supplier audits, we immediately review our business relationship with our supplier in accordance with the procedure. In line with their commitment, our leading suppliers are regularly subjected to thirdparty audits by SEDEX, BSCI, and accredited institutions. In this way, we ensure transparency and accountability of our suppliers' sustainability performance. When we identify situations that do not comply with our principles, we give our suppliers a certain time for improvement and carry out the necessary controls. We aim to regularly monitor and evaluate the performance of our suppliers and keep them at the expected level, and we strive to build a sustainable structure in our product and service quality. As a result of these evaluations, we determine the performance scores of our suppliers.

Forests

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Material sourcing

☑ Procurement spend

☑ Product safety and compliance

☑ Regulatory compliance

☑ Strategic status of suppliers

(5.11.2.4) Please explain

We expect our suppliers to act by adopting our Sustainable Supplier Code of Conduct's principles as well as complying with the responsibilities imposed by legislation and laws without exception. These principles, which represent our understanding of corporate and ethical business ethics, consist of 11 main headings including environmental protection. We explain our most basic expectations from our suppliers and underline the areas where they should show sensitivity. In this context, before we start working with our suppliers, we expect them to commit to full compliance with our Sustainable Supplier Code of Conduct. If we encounter any non-compliance in these areas during our regular supplier audits, we immediately review our business relationship with our supplier in accordance with the procedure. In line with their commitment, our leading suppliers are regularly subjected to thirdparty audits by SEDEX, BSCI, and accredited institutions. In this way, we ensure transparency and accountability of our suppliers' sustainability performance. When we identify situations that do not comply with our principles, we give our suppliers a certain time for improvement and carry out the necessary controls. We aim to regularly monitor and evaluate the performance of our suppliers and keep them at the expected level, and we strive to build a sustainable structure in our product and service quality. As a result of these evaluations, we determine the performance scores of our suppliers.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Procurement spend

☑ Product safety and compliance

☑ Regulatory compliance

☑ Strategic status of suppliers

(5.11.2.4) Please explain

We expect our suppliers to act by adopting our Sustainable Supplier Code of Conduct's principles as well as complying with the responsibilities imposed by legislation and laws without exception. These principles, which represent our understanding of corporate and ethical business ethics, consist of 11 main headings including environmental protection. We explain our most basic expectations from our suppliers and underline the areas where they should show sensitivity. In this context, before we start working with our suppliers, we expect them to commit to full compliance with our Sustainable Supplier Code of Conduct. If we encounter any non-compliance in these areas during our regular supplier audits, we immediately review our business relationship with our supplier in accordance with the procedure. In line with their commitment, our leading suppliers are regularly subjected to thirdparty audits by SEDEX, BSCI, and accredited institutions. In this way, we ensure

transparency and accountability of our suppliers' sustainability performance. When we identify situations that do not comply with our principles, we give our suppliers a certain time for improvement and carry out the necessary controls. We aim to regularly monitor and evaluate the performance of our suppliers and keep them at the expected level, and we strive to build a sustainable structure in our product and service quality. As a result of these evaluations, we determine the performance scores of our suppliers.
[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization’s purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

We expect our suppliers to act by adopting our Sustainable Supplier Code of Conduct’s principles as well as complying with the responsibilities imposed by legislation and laws without exception. These principles, which represent our understanding of corporate and ethical business ethics, consist of 11 main headings including environmental protection. In this context, before we start working with our suppliers, we expect them to commit to full compliance with our Sustainable Supplier Code of Conduct. If we encounter any non-compliance in these areas during our regular supplier audits, we immediately review our business relationship with our supplier in accordance with the procedure. In line with their commitment, our leading suppliers are regularly subjected to thirdparty audits by SEDEX, BSCI, and accredited institutions. In this way, we ensure transparency and accountability of our suppliers' sustainability performance. When we identify situations that do not comply with our principles, we give our suppliers a certain time for improvement and carry out the necessary controls. We aim to regularly monitor and evaluate the performance of our suppliers and keep them at the expected level. As a result of these evaluations, we determine the performance scores of our suppliers. Our suppliers must

minimize environmental impact by complying with all relevant environmental laws and regulations, based on the applicable legal requirements for environmental awareness.

Forests

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

We expect our suppliers to act by adopting our Sustainable Supplier Code of Conduct's principles as well as complying with the responsibilities imposed by legislation and laws without exception. These principles, which represent our understanding of corporate and ethical business ethics, consist of 11 main headings including environmental protection. In this context, before we start working with our suppliers, we expect them to commit to full compliance with our Sustainable Supplier Code of Conduct. If we encounter any non-compliance in these areas during our regular supplier audits, we immediately review our business relationship with our supplier in accordance with the procedure. In line with their commitment, our leading suppliers are regularly subjected to thirdparty audits by SEDEX, BSCI, and accredited institutions. In this way, we ensure transparency and accountability of our suppliers' sustainability performance. When we identify situations that do not comply with our principles, we give our suppliers a certain time for improvement and carry out the necessary controls. We aim to regularly monitor and evaluate the performance of our suppliers and keep them at the expected level. As a result of these evaluations, we determine the performance scores of our suppliers. Our suppliers must minimize environmental impact by complying with all relevant environmental laws and regulations, based on the applicable legal requirements for environmental awareness.

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

We expect our suppliers to act by adopting our Sustainable Supplier Code of Conduct's principles as well as complying with the responsibilities imposed by legislation and laws without exception. These principles, which represent our understanding of corporate and ethical business ethics, consist of 11 main headings including environmental protection. In this context, before we start working with our suppliers, we expect them to commit to full compliance with our Sustainable Supplier Code of Conduct. If we encounter any non-compliance in these areas during our regular supplier audits, we immediately review our business relationship with our supplier in accordance with the procedure. In line with their commitment, our leading suppliers are regularly subjected to thirdparty audits by SEDEX, BSCI, and accredited institutions. In this way, we ensure transparency and accountability of our suppliers' sustainability performance. When we identify situations that do not comply with our principles, we give our suppliers a certain time for improvement and carry out the necessary controls. We aim to regularly monitor and evaluate the performance of our suppliers and keep them at the expected level. As a result of these evaluations, we determine the performance scores of our suppliers. Our suppliers must minimize environmental impact by complying with all relevant environmental laws and regulations, based on the applicable legal requirements for environmental awareness.
[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Compliance with an environmental certification, please specify :Environmental laws and regulations

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Certification

☑ Grievance mechanism/ Whistleblowing hotline

☑ Supplier scorecard or rating

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.12) Comment

Suppliers are periodically checked throughout the process in which they produce for DeFacto in order to ensure that the products produced comply with our company's quality standards and are realized in accordance with the supplier relationship rule set. Our priorities during production are occupational health and safety,

labor law practices, human rights, environmental management and anti-corruption. In order to ensure continuity in terms of performance and efficiency, we expect our suppliers to continuously improve their performance, thus reaching and remaining at the Gold level. With the new evaluation system we have put into effect, suppliers that reach the Gold level and ensure sustainability make a request for sub-supplier identification in order to increase their own capacity, and more production capacity is opened after the controls. The production capacities defined for Silver and Bronze level suppliers are revised according to their performance. The capacity of the supplier whose last three-month performance average decreases and who does not take the agreed actions is reduced. In addition to suppliers that do not show improvement in the following three months, we stop working with suppliers who act contrary to our sustainability reports that we publish every year, exhibit unethical attitudes, do not respect human rights and similar situations, and prevent them from working again.

Forests

(5.11.6.1) Environmental requirement

Select from:

☑ Compliance with an environmental certification, please specify :Environmental laws and regulations

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Certification

☑ Grievance mechanism/ Whistleblowing hotline

☑ Supplier scorecard or rating

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.12) Comment

Suppliers are periodically checked throughout the process in which they produce for DeFacto in order to ensure that the products produced comply with our company's quality standards and are realized in accordance with the supplier relationship rule set. Our priorities during production are occupational health and safety, labor law practices, human rights, environmental management and anti-corruption. In order to ensure continuity in terms of performance and efficiency, we expect our suppliers to continuously improve their performance, thus reaching and remaining at the Gold level. With the new evaluation system we have put into effect, suppliers that reach the Gold level and ensure sustainability make a request for sub-supplier identification in order to increase their own capacity, and more production capacity is opened after the controls. The production capacities defined for Silver and Bronze level suppliers are revised according to their performance. The capacity of the supplier whose last three-month performance average decreases and who does not take the agreed actions is reduced. In addition to suppliers that do not show improvement in the following three months, we stop working with suppliers who act contrary to our sustainability reports that we publish every year, exhibit unethical attitudes, do not respect human rights and similar situations, and prevent them from working again.

Water

(5.11.6.1) Environmental requirement

Select from:

☑ Compliance with an environmental certification, please specify :Environmental laws and regulations

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Certification

☑ Grievance mechanism/ Whistleblowing hotline

☑ Supplier scorecard or rating

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.12) Comment

Suppliers are periodically checked throughout the process in which they produce for DeFacto in order to ensure that the products produced comply with our company's quality standards and are realized in accordance with the supplier relationship rule set. Our priorities during production are occupational health and safety, labor law practices, human rights, environmental management and anti-corruption. In order to ensure continuity in terms of performance and efficiency, we expect our suppliers to continuously improve their performance, thus reaching and remaining at the Gold level. With the new evaluation system we have put into effect, suppliers that reach the Gold level and ensure sustainability make a request for sub-supplier identification in order to increase their own capacity, and more production capacity is opened after the controls. The production capacities defined for Silver and Bronze level suppliers are revised according to their performance. The capacity of the supplier whose last three-month performance average decreases and who does not take the agreed actions is reduced. In addition to suppliers that do not show improvement in the following three months, we stop working with suppliers who act contrary to our sustainability reports that we publish every year, exhibit unethical attitudes, do not respect human rights and similar situations, and prevent them from working again.
[Add row]

(5.11.7) Provide further details of your organization’s supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to mitigate environmental impact

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

As a result of supplier evaluation processes, we identify areas for improvement and share the results with our suppliers. We determine the actions that will improve their performance together, and we observe whether the actions are implemented and their results through recurring audits. Our industrial engineers regularly visit our suppliers and provide guidance for capacity studies. We also hold one-on-one meetings with our stakeholders during our field visits. As a result of the training we provide to our suppliers, we ensure that they move forward with us in the steps we take as DeFacto. Our suppliers benefit from our supplier-focused training on the DeFacto Business Academy platform, which includes our training and development programs. We expect our suppliers to decide to work together to complete the audit, fabric quality, fabric supply, and supplier development trainings assigned to them within a week. In 2024, we offered our suppliers training programs in 17 different categories in total. At the same time, we examine the creations of our suppliers together and exchange ideas through the Supplier Days we organize for the development of our suppliers.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement :Environmental laws and regulations

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Forests

(5.11.7.1) Commodity

Select from:

☑ Timber products

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to mitigate environmental impact

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

As a result of supplier evaluation processes, we identify areas for improvement and share the results with our suppliers. We determine the actions that will improve their performance together, and we observe whether the actions are implemented and their results through recurring audits. Our industrial engineers regularly visit our suppliers and provide guidance for capacity studies. We also hold one-on-one meetings with our stakeholders during our field visits. As a result of the training we provide to our suppliers, we ensure that they move forward with us in the steps we take as DeFacto. Our suppliers benefit from our supplier-focused training on the

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(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement :Environmental laws and regulations

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to mitigate environmental impact

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

As a result of supplier evaluation processes, we identify areas for improvement and share the results with our suppliers. We determine the actions that will improve their performance together, and we observe whether the actions are implemented and their results through recurring audits. Our industrial engineers regularly visit our suppliers and provide guidance for capacity studies. We also hold one-on-one meetings with our stakeholders during our field visits. As a result of the training we provide to our suppliers, we ensure that they move forward with us in the steps we take as DeFacto. Our suppliers benefit from our supplier-focused training on the DeFacto Business Academy platform, which includes our training and development programs. We expect our suppliers to decide to work together to complete the audit, fabric quality, fabric supply, and supplier development trainings assigned to them within a week. In 2024, we offered our suppliers training programs in 17 different categories in total. At the same time, we examine the creations of our suppliers together and exchange ideas through the Supplier Days we organize for the development of our suppliers.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement :Environmental laws and regulations

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information about your products and relevant certification schemes

☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ 1-25%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Our sustainability perspective includes triggering transformation not only in our own operations but also in our entire value chain. In this context, we work to ensure that our customers make sustainable choices, adopt sustainable shopping practices and minimize our environmental impact while creating our collections. In order to make sustainable and eco-friendly shopping choices easier for our customers, we use sustainable raw materials and design sustainable collections that conserve the Earth's resources. We offer these products with our DeFacto LIFE collections. Each DeFacto LIFE product is made from materials derived from sustainable sources such as organic cotton, Better Cotton cotton and recycled polyester. In addition, we develop production methods that save energy and water, thus reducing the negative impact on nature. In 2024, the share of these sustainably sourced products in all DeFacto ready-to-wear collections increased by 14% compared to last year and reached approximately 35%. AAt the same time, our collections with sustainable features (Wastea Leather, Olive Leather, Regenerative Denim, Wiser Wash) help our customers make conscious purchasing decisions.

(5.11.9.6) Effect of engagement and measures of success

As a textile retail company, we believe that one of our important responsibilities is to produce our products with sustainable fabrics and processes. Although we are not a direct manufacturer, thanks to the collaborations we have realized in our supply processes, 35% of our products in 2024 consisted of sustainable products. In this context, our goal is to create 90% of our ready-to-wear collections from sustainable products in 2030. We offer these products with our DeFacto LIFE collections. Each DeFacto LIFE product is made from materials derived from sustainable sources such as organic cotton, Better Cotton cotton and recycled polyester. In addition, we develop production methods that save energy and water, thus reducing the negative impact on nature. We currently have sustainable products in 6 categories: energy and water efficient, recycled, recycled filling, organic cotton, sustainable forest and sustainable agriculture. We make our investments and process improvements based on this. These actions proves our commitment to sustainability, increasing revenues and improving brand image In 2024, we introduced 2 new different product range into our sustainable products: REGENERATIVE DENIM COLLECTION and WASTEA LEATHER COLLECTION.

Forests

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information about your products and relevant certification schemes

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Our sustainability perspective includes triggering transformation not only in our own operations but also in our entire value chain. In this context, we work to ensure that our customers make sustainable choices, adopt sustainable shopping practices and minimize our environmental impact while creating our collections. In order to make sustainable and eco-friendly shopping choices easier for our customers, we use sustainable raw materials and design sustainable collections that conserve the Earth's resources. We offer these products with our DeFacto LIFE collections. Each DeFacto LIFE product is made from materials derived from sustainable sources such as organic cotton, Better Cotton cotton and recycled polyester. In addition, we develop production methods that save energy and water, thus reducing the negative impact on nature. In 2024, the share of these sustainably sourced products in all DeFacto ready-to-wear collections increased by 14% compared to last year and reached approximately 35%. AAt the same time, our collections with sustainable features (Wastea Leather, Olive Leather, Regenerative Denim, Wiser Wash) help our customers make conscious purchasing decisions.

(5.11.9.6) Effect of engagement and measures of success

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Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information about your products and relevant certification schemes

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Our sustainability perspective includes triggering transformation not only in our own operations but also in our entire value chain. In this context, we work to ensure that our customers make sustainable choices, adopt sustainable shopping practices and minimize our environmental impact while creating our collections. In order to make sustainable and eco-friendly shopping choices easier for our customers, we use sustainable raw materials and design sustainable collections that conserve the Earth's resources. We offer these products with our DeFacto LIFE collections. Each DeFacto LIFE product is made from materials derived from sustainable sources such as organic cotton, Better Cotton cotton and recycled polyester. In addition, we develop production methods that save energy and water, thus reducing the negative impact on nature. In 2024, the share of these sustainably sourced products in all DeFacto ready-to-wear collections increased by 14% compared to last year and reached approximately 35%. At the same time, our collections with sustainable features (Wastea Leather, Olive Leather, Regenerative Denim, Wiser Wash) help our customers make conscious purchasing decisions.

(5.11.9.6) Effect of engagement and measures of success

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Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify :NGO

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Engage with stakeholders to advocate for policy or regulatory change

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 1-25%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As members of the Business Council for Sustainable Development (BCSD) Türkiye and the Integrated Reporting Türkiye Network (ERTA), we contribute to advancing sustainability within the Turkish private sector alongside other leading companies. Through our active engagement with these platforms, we ensure that our environmental initiatives are aligned with national and international sustainability agendas, reinforcing the consistency between our external engagements and our environmental commitments.

(5.11.9.6) Effect of engagement and measures of success

As members of the Business Council for Sustainable Development (BCSD) Türkiye and the Integrated Reporting Türkiye Network (ERTA), we contribute to advancing sustainability within the Turkish private sector alongside other leading companies. Through our active engagement with these platforms, we ensure that our environmental initiatives are aligned with national and international sustainability agendas, reinforcing the consistency between our external engagements and our environmental commitments.

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

While making our calculations, we proceeded by including the head office, warehouses and stores that we have operational control over. As a textile retail company, we do not have production. We carry out our operations by selling only through franchise or our own stores. When calculating our emissions, we included our own operations in Scope 1 and 2, and the operations that we do not own but indirectly affect in our Scope 3 calculations. Since we are not yet a publicly traded company, we thought it was more logical to proceed with operational control and perform our calculations within this scope.

Forests

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

While making our calculations, we proceeded by including the head office, warehouses and stores that we have operational control over. As a textile retail company, we do not have production. We carry out our operations by selling only through franchise or our own stores. When calculating our emissions, we included our own operations in Scope 1 and 2, and the operations that we do not own but indirectly affect in our Scope 3 calculations. Since we are not yet a publicly traded company, we thought it was more logical to proceed with operational control and perform our calculations within this scope.

Water

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

While making our calculations, we proceeded by including the head office, warehouses and stores that we have operational control over. As a textile retail company, we do not have production. We carry out our operations by selling only through franchise or our own stores. When calculating our emissions, we included our own operations in Scope 1 and 2, and the operations that we do not own but indirectly affect in our Scope 3 calculations. Since we are not yet a publicly traded company, we thought it was more logical to proceed with operational control and perform our calculations within this scope.

Plastics

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

While making our calculations, we proceeded by including the head office, warehouses and stores that we have operational control over. As a textile retail company, we do not have production. We carry out our operations by selling only through franchise or our own stores. When calculating our emissions, we included our own operations in Scope 1 and 2, and the operations that we do not own but indirectly affect in our Scope 3 calculations. Since we are not yet a publicly traded company, we thought it was more logical to proceed with operational control and perform our calculations within this scope.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

While making our calculations, we proceeded by including the head office, warehouses and stores that we have operational control over. As a textile retail company, we do not have production. We carry out our operations by selling only through franchise or our own stores. When calculating our emissions, we included our own operations in Scope 1 and 2, and the operations that we do not own but indirectly affect in our Scope 3 calculations. Since we are not yet a publicly traded company, we thought it was more logical to proceed with operational control and perform our calculations within this scope.
[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☑ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☑ Yes, a change in boundary

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

In 2024, DeFacto made a significant improvement in its emissions accounting methodology related to Scope 3 categories. While there was no change to the organizational boundary or reporting year definition for Scope 1 and 2 emissions, Scope 3 inventory was revised to reflect updated data availability and increased methodological precision. Specifically, upstream emissions associated with Ozon Tekstil, a key strategic supplier. This inclusion resulted from improved internal data collection systems and enhanced supplier collaboration, enabling more accurate emission factors and activity data to be applied. To uphold year-on-year comparability and adhere to the GHG Protocol's principle of consistency, the company recalculated its 2023 Scope 3 emissions using the same updated methodology. Both 2023 and 2024 inventories now reflect the expanded dataset, improving transparency and reliability in DeFacto's value chain emissions reporting. When the Scope 3 categories are reviewed, it is observed that changes have occurred in the data for the categories of purchased goods and services, fuel- and energy-related activities, upstream transportation and distribution, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products, and franchises. Additionally, the capital goods category, which was not included in Scope 3 emissions last year, has been included this year, thereby ensuring the broadest possible coverage across the value chain. This change does not affect Scope 1 or Scope 2 emissions boundaries or calculation methods. The organizational boundary for direct emissions remains based on the operational control approach, and the reporting year continues to follow the calendar year (January–December).
[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☑ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply

☑ Scope 3

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

In 2024, DeFacto made a significant improvement in its emissions accounting methodology related to Scope 3 categories. While there was no change to the organizational boundary, reporting year definition or calculation methodology for Scope 1 and 2 emissions, Scope 3 inventory was revised to reflect updated data availability and increased methodological precision. Specifically, upstream emissions associated with Ozon Tekstil, a key strategic supplier. This inclusion resulted from improved internal data collection systems and enhanced supplier collaboration, enabling more accurate emission factors and activity data to be applied. To uphold year-on-year comparability and adhere to the GHG Protocol's principle of consistency, the company recalculated its 2023 Scope 3 emissions using the same updated methodology. Both 2023 and 2024 inventories now reflect the expanded dataset, improving transparency and reliability in DeFacto's value chain emissions reporting. When the Scope 3 categories are reviewed, it is observed that changes have occurred in the data for the categories of purchased goods and services, fuel- and energy-related activities, upstream transportation and distribution, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products, and franchises. Additionally, the capital goods category, which was not included in Scope 3 emissions last year, has been included this year, thereby ensuring the broadest possible coverage across the value chain.

(7.1.3.4) Past years' recalculation

Select from:

☑ Yes

[Fixed row]

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

Select all that apply

☑ Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

☑ 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories

☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

☑ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

☑ US EPA Emissions & Generation Resource Integrated Database (eGRID)

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

(7.3.1) Scope 2, location-based

Select from:

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

(7.3.2) Scope 2, market-based

Select from:

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

(7.3.3) Comment

Scope 2 emissions include electricity use for all DeFacto locations where operational control is possible. For calculation, if data for a specific location such as a store or warehouse was missing, the average consumption per unit area obtained from other locations where data is available is used. Market-based emissions include reduced emissions due to renewable energy purchases for stores and head office in Türkiye. As we do not use ant I-REC certification for renewable energy consumption, our Scope-2 market based and location based emission are same.
[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☑ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

4590.9

(7.5.3) Methodological details

We use our 2023 calculations as the base year both to set our emission reduction targets and to initiate and have our SBTi processes approved. In this context, we calculated our Scope 1 emissions by including the consumption of our own operations within our organizational boundaries, namely our Headquarters building, our stores owned by us and other areas where DeFacto has direct operations. Within these organizational boundaries, our Scope 1 emissions were calculated by including our natural gas, diesel (stationary), diesel (on-road), diesel (off-road) and gasoline energy consumption that we use for our own operations. There is no change in our previous year's calculation methodology and organizational boundaries within the framework of our Scope 1 emissions.

Scope 2 (location-based)

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

15884.9

(7.5.3) Methodological details

We use our 2023 calculations as the base year both to set our emission reduction targets and to initiate and have our SBTi processes approved. In this context, we calculated our Scope 2 emissions by including the consumption of our own operations within our organizational boundaries, our Headquarters building, our stores owned by us and other areas where DeFacto has direct operations. Within these organizational boundaries, our Scope 2 emissions were calculated by including our electricity energy consumption that we use for our own operations. There is no change in our previous year's calculation methodology and organizational boundaries within the framework of our Scope 2 emissions. We calculated our Scope 2 emission by using the electricity emission factor from the Ministry of Energy and Natural Resources along with loss rates provided by the Energy Market Regulatory Authority.

Scope 2 (market-based)

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

15884.9

(7.5.3) Methodological details

We use our 2023 calculations as the base year both to set our emission reduction targets and to initiate and have our SBTi processes approved. In this context, we calculated our Scope 2 emissions by including the consumption of our own operations within our organizational boundaries, our Headquarters building, our stores owned by us and other areas where DeFacto has direct operations. Within these organizational boundaries, our Scope 2 emissions were calculated by including our electricity energy consumption that we use for our own operations. There is no change in our previous year's calculation methodology and organizational boundaries within the framework of our Scope 2 emissions. We calculated our Scope 2 emission by using the electricity emission factor from the Ministry of Energy and Natural Resources along with loss rates provided by the Energy Market Regulatory Authority. As we do not use ant I-REC certification for renewable energy consumption, our Scope-2 market based and location based emission are same.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

269568.08

(7.5.3) Methodological details

This category includes emissions associated with product, packaging, auxiliary material, and food purchases. DEFRA emission factors, the Ecoinvent database, the IPCC 2021 method, and the OpenLCA life cycle assessment software were used to calculate emissions from raw material consumption within Scope 3 - Category 1. In addition, academic articles such as Shen et al. and Bianco et al. were consulted for certain items. Emissions from electricity used in clothing, yarn, and fabric production were calculated using the Ministry of Energy and Natural Resources' emission factors. For purchased services, EPA Supply Chain Emissions Factors were used for consulting, licensing fees, and data center services, while DEFRA factors were used for food services.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

6134.39

(7.5.3) Methodological details

The calculation was based on the amount spent on capital goods. For the inclusion of emissions from capital goods within Scope 3 – Category 2 in the calculation, since activity data breakdown was not available, the relevant coefficients were averaged using EPA Supply Chain Emissions Factors and included in the calculation.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

6467.72

(7.5.3) Methodological details

Natural gas, gasoline, and diesel consumption used for WTT emissions, including electricity distribution losses, are included. DEFRA emission factors have been used for emissions prior to “well-to-tank” (i.e., before reaching the tank) fuels within Scope 3 – Category 3.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

13940.14

(7.5.3) Methodological details

This category includes emissions from transporting products from suppliers to DeFacto, as well as transport to points of sale. Emissions were calculated using Defra's emission factors and the respective transport volumes.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

38.28

(7.5.3) Methodological details

This category includes emissions from wastewater treatment and the disposal of waste generated by DeFacto's operations, calculated using Defra's emission factors.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

2114.35

(7.5.3) Methodological details

This category encompasses emissions from various types of travel undertaken by DeFacto employees, including road, sea, and rail transport. Emissions were calculated using Defra's emission factors, distances traveled, and average taxi prices per kilometer. Different distance and service classes of flights were taken into account.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

6635.49

(7.5.3) Methodological details

Employee commuting category includes emissions due to employee shuttles, calculated using distances and Defra emission factors.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

46849.13

(7.5.3) Methodological details

This category includes emissions due to energy use in stores where operational control is not possible. These stores include stores outside Türkiye and stores located in shopping malls. Emissions were calculated using factors from IPCC, Ministry of Energy and Natural Resources and UNFCCC.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

7691.63

(7.5.3) Methodological details

This category includes emissions from transporting sold products to its final destination. Emissions were calculated using Defra’s emission factors and the respective transport volumes. It also includes transport of operational waste, also calculated with DEFRA's emission factors.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

DeFacto products require no additional processing, resulting in zero emissions in this category.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

26.39

(7.5.3) Methodological details

Scope 3 – Category 11 calculations for direct emissions resulting from the use of candles and deodorant products are based on carbon dioxide and butane coefficients obtained from DEFRA.

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

30561.38

(7.5.3) Methodological details

This category includes emissions from the disposal of ready-to-wear products. Scope 3 – Category 12 calculations assume that all products sold are waste, and DEFRA emission factors have been used as emission factors.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

There are no other downstream leased assets, resulting in zero emissions.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

3560.61

(7.5.3) Methodological details

This category includes emissions from electricity usage in franchise stores, with emission factors sourced from the UNFCCC.

Scope 3 category 15: Investments

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

1440.39

(7.5.3) Methodological details

This category includes Scope 1 and Scope 2 emissions from Ozon Tekstil, DeFacto’s garment manufacturing subsidiary.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

There are no other upstream, resulting in zero emissions.

Scope 3: Other (downstream)

(7.5.1) Base year end

12/30/2023

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

There are no other downstream, resulting in zero emissions.
[Fixed row]

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

6130.66

(7.6.3) Methodological details

Natural gas consumption among fuel consumption at locations under company control evaluated under Scope 1, fuel consumption of fixed vehicles under company control, and fuel consumption of mobile combustion vehicles evaluated under fuel consumption of vehicles under company control have been assessed. For locations where fire suppression system gas refills and leaks are tracked under the same Scope 1, calculations include a 4% leakage loss for gases used in fire suppression

devices in addition to refills. The emission factors used for natural gas, diesel, gasoline consumption, and refrigerant gas leaks and refills within Scope 1 were obtained from the IPCC. The emission factor for R290 gas, which was included in the inventory this year, was obtained from the emission factors published by DEFRA for 2024.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

4590.9

(7.6.2) End date

12/30/2023

(7.6.3) Methodological details

Natural gas consumption among fuel consumption at locations under company control evaluated under Scope 1, fuel consumption of fixed vehicles under company control, and fuel consumption of mobile combustion vehicles evaluated under fuel consumption of vehicles under company control have been assessed. For locations where fire suppression system gas refills and leaks are tracked under the same Scope 1, calculations include a 4% leakage loss for gases used in fire suppression devices in addition to refills. The emission factors used for natural gas, diesel, gasoline consumption, and refrigerant gas leaks and refills within Scope 1 were obtained from the IPCC. The emission factor for R290 gas, which was included in the inventory this year, was obtained from the emission factors published by DEFRA for 2024.
[Fixed row]

(7.7) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

16221.67

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e)

16221.67

(7.7.4) Methodological details

The data required for the electricity consumption assessed under Scope 2 has been shared in kWh units among the General Directorate, Çerkezköy Warehouse, Yassıören Warehouse, DeFacto Technology, and domestic stores whose electricity bills are issued to DeFacto. No energy other than electricity is imported. The proof document submitted for electricity consumption at DeFacto Technology includes all consumption at Yıldızpark Teknokent. Of the total area of 26,463.58 m2, only 428.04 m2 belongs to DeFacto. The electricity consumption amount has been distributed proportionally to the square meter. DeFacto has two solar energy systems installed at its Çerkezköy Warehouse and Basın Ekspres Caddesi store, which generate electricity. The emission factor for this production has been assessed as 0 kg CO2e/kWh. In 2024, a total of 3,600,518.00 kWh of electricity was produced at these two locations, and the emissions caused by 1,603,236.38 kWh of this were calculated using an emission factor of 0 kg CO2e/kWh. For electricity consumption in Turkey under Scope 2, the emission factor published by the Ministry of Energy and Natural Resources has been used. As we do not use ant I-REC certification for renewable energy consumption, our Scope-2 market based and location based emission are same.

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

15884.91

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e)

15884.91

(7.7.3) End date

12/30/2023

(7.7.4) Methodological details

The data required for the electricity consumption assessed under Scope 2 has been shared in kWh units among the General Directorate, Çerkezköy Warehouse, Yassıören Warehouse, DeFacto Technology, and domestic stores whose electricity bills are issued to DeFacto. No energy other than electricity is imported. The proof document submitted for electricity consumption at DeFacto Technology includes all consumption at Yıldızpark Teknokent. Of the total area of 26,463.58 m2, only 428.04 m2 belongs to DeFacto. The electricity consumption amount has been distributed proportionally to the square meter. DeFacto has two solar energy systems installed at its Çerkezköy Warehouse and Basın Ekspres Caddesi store, which generate electricity. The emission factor for this production has been assessed as 0 kg CO2e/kWh. In 2024, a total of 3,600,518.00 kWh of electricity was produced at these two locations, and the emissions caused by 1,603,236.38 kWh of this were

calculated using an emission factor of 0 kg CO2e/kWh. For electricity consumption in Turkey under Scope 2, the emission factor published by the Ministry of Energy and Natural Resources has been used. As we do not use ant I-REC certification for renewable energy consumption, our Scope-2 market based and location based emission are same.
[Fixed row]

(7.8) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

266342.48

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Supplier-specific method
☑ Hybrid method

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

68

(7.8.5) Please explain

This category includes emissions associated with product, packaging, auxiliary material, and food purchases. Material emissions were calculated using the purchased material amounts and the Ecoinvent database. Process emissions related to product manufacturing were estimated using Ecoinvent, academic studies, and data from Ozon Tekstil, DeFacto’s garment manufacturing subsidiary. Additionally, emissions from purchased consulting services were calculated using factors from the EPA.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

6550.87

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

☑ Hybrid method

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

100

(7.8.5) Please explain

Emissions from capital assets consist of domestic CAPEX, foreign CAPEX, headquarters CAPEX, and logistics center CAPEX expenditures. All relevant values have been calculated by collecting data from the relevant units and business partners.

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

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

6196.5

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Average data method

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

0

(7.8.5) Please explain

This category includes embodied emissions from purchased fuels, calculated using the Ecoinvent database. It also encompasses electricity-related emissions associated with grid losses, calculated using the electricity emission factor from the Ministry of Energy and Natural Ressources, along with loss rates provided by the Energy Market Regulatory Authority.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

12198.07

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Average data method

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

0

(7.8.5) Please explain

This category includes emissions from transporting products from suppliers to DeFacto, as well as transport to points of sale. Emissions were calculated using Defra's emission factors and the respective transport volumes.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

21.1

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Average data method

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

0

(7.8.5) Please explain

This category includes emissions from wastewater treatment and the disposal of waste generated by DeFacto's operations, calculated using Defra's emission factors.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1329.61

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

☑ Hybrid method

☑ Average data method

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

100

(7.8.5) Please explain

This category encompasses emissions from various types of travel undertaken by DeFacto employees, including road, sea, and rail transport. Emissions were calculated using Defra's emission factors, distances traveled, and average taxi prices per kilometer. Different distance and service classes of flights were taken into account.

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

4211.04

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

☑ Hybrid method

☑ Average data method

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

100

(7.8.5) Please explain

Employee commuting category includes emissions due to employee shuttles, calculated using distances and Defra emission factors.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

48318.22

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Average data method

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

0

(7.8.5) Please explain

This category includes emissions due to energy use in stores where operational control is not possible. These stores include stores outside Türkiye and stores located in shopping malls. Emissions were calculated using factors from IPCC, Ministry of Energy and Natural Ressources and UNFCCC.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

8746.82

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Average data method

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

0

(7.8.5) Please explain

This category includes emissions from transporting sold products to its final destination. Emissions were calculated using Defra’s emission factors and the respective transport volumes. It also includes transport of operational waste, also calculated with Defra's emission factors.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

DeFacto products require no additional processing, resulting in zero emissions in this category.

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

32.79

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method
☑ Hybrid method
☑ Average data method

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

0

(7.8.5) Please explain

This category includes emissions associated with washing, ironing, and drying ready-to-wear products. Energy, detergent, and water usage for these processes were obtained from an academic study and multiplied by the number of products sold. Emission factors were sourced from academic studies, the Ministry of Energy and Natural Ressources, and Defra.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

26682.32

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Hybrid method
☑ Average data method

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

0

(7.8.5) Please explain

This category includes emissions from the disposal of ready-to-wear products. It is assumed that 50% of sold products are recycled, 25% are landfilled, and 25% are incinerated. Emission factors were sourced from Defra.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

There are no other downstream leased assets, resulting in zero emissions.

Franchises

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

5192.67

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

☑ Hybrid method

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

100

(7.8.5) Please explain

This category includes emissions from electricity usage in franchise stores, with emission factors sourced from the UNFCCC.

Investments

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1197.59

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

☑ Hybrid method

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

100

(7.8.5) Please explain

This category includes Scope 1 and Scope 2 emissions from Ozon Tekstil, DeFacto's garment manufacturing subsidiary.

Other (upstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

There are no other upstream, resulting in zero emissions.

Other (downstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

There are no other downstream, resulting in zero emissions.
[Fixed row]

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

12/30/2023

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

269568.08

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

6134.39

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

6467.72

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

13940.04

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

38.28

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

2114.35

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

6635.49

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

46849.13

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

7691.63

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

26.39

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

30561.38

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

3560.61

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

1440.39

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

During the process of having our medium- and long-term targets approved by the SBTi, we made some changes to our 2023 emissions, which represent our base year emissions, and broadened the scope. The capital goods category was added to our Scope 3 emissions, while increases and decreases were calculated in other categories.
[Fixed row]

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

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

[Fixed row]

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

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☑ Reasonable assurance

(7.9.1.4) Attach the statement

2024 TSE Güvence Beyanı - EN.pdf

(7.9.1.5) Page/section reference

Page: 1-2

(7.9.1.6) Relevant standard

Select from:

☑ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

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

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☑ Reasonable assurance

(7.9.2.5) Attach the statement

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(7.9.2.6) Page/ section reference

Page: 1-2

(7.9.2.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

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

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

- ☑ Scope 3: Franchises
- ☑ Scope 3: Investments
- ☑ Scope 3: Capital goods
- ☑ Scope 3: Business travel
- ☑ Scope 3: Employee commuting
- ☑ Scope 3: Waste generated in operations
- ☑ Scope 3: End-of-life treatment of sold products
- ☑ Scope 3: Upstream transportation and distribution
- ☑ Scope 3: Downstream transportation and distribution
- ☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- ☑ Scope 3: Use of sold products
- ☑ Scope 3: Upstream leased assets
- ☑ Scope 3: Downstream leased assets
- ☑ Scope 3: Processing of sold products
- ☑ Scope 3: Purchased goods and services

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Reasonable assurance

(7.9.3.5) Attach the statement

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(7.9.3.6) Page/section reference

Page: 1-2

(7.9.3.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

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

Select from:

☑ Increased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

708.53

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

3.17

(7.10.1.4) Please explain calculation

Thanks to the renewable energy investments we made in our Çerkezköy warehouse and Basın Ekspress Cadde store, we added clean energy solutions to DeFacto's energy consumption distribution. With the solar energy systems (GES) located on the roofs of our warehouse and store, we consumed 1,603 MWh of renewable energy during the year. Thanks to this investment, we prevented 708.53 tons of CO2e emissions by avoiding the same amount of electricity being drawn from the grid. However, the expansion of our operations and the opening of 47 new stores during the year meant that this improvement was not sufficient to reduce our total emissions. In 2024, we focused on reducing our Scope 2 emissions, which account for 75% of our total emissions, and observed a more limited increase in Scope 2 emissions compared to Scope 1 emissions. The steps we took in the renewable energy sector were effective in reducing our Scope 2 emissions. To reverse this upward trend, we plan to expand the scope of our GES investments in 2025. In our initial plan, we aim to transition to renewable energy by installing solar energy systems on the roof of our Yassıören warehouse and in 11 domestic and international stores.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

421.7

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

1.89

(7.10.1.4) Please explain calculation

As a growth-oriented company, we are carrying out store conversion projects to keep our energy consumption within certain limits as our number of stores increases. The use of energy-efficient climate control systems is one of the first steps we have taken in this regard. Through the climate automation system we launched in 2024 with an investment of over 4.8 million TL, we aim to achieve energy savings by centrally controlling the climate settings of 102 stores. Through this project, we achieved 231.9 MWh of energy efficiency in 2024. As a result, we prevented the emission of 102.5 tons of CO2e by not drawing the same amount of electricity from the grid. Thanks to this investment, we prevented the emission of 708.53 tons of CO2e by blocking the same amount of electricity that would have been drawn from the grid. Thanks to the energy monitoring projects we completed planning for in 2024, we now remotely track energy management using more accurate and real-time data. As a result, in 2024, we prevented 722.18 MWh of energy consumption and 319.2 tons of CO_2e emissions. However, the expansion of our operations, coupled with the opening of 47 new stores during the year, meant that these improvements were insufficient to reduce our total emissions. In 2024, we focused on reducing our Scope 2 emissions, which account for 75% of our total emissions, and observed a more limited increase in Scope 2 emissions compared to Scope 1 emissions. To reverse this trend, we plan to increase the number of stores participating in the transformation to 152 by opening 50 additional stores in 2025.

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in our emissions related to divestment in 2024.

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in our emissions related to acquisitions in 2024.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in our emissions related to mergers in 2024.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

3006.74

(7.10.1.2) Direction of change in emissions

Select from:

☑ Increased

(7.10.1.3) Emissions value (percentage)

12.02

(7.10.1.4) Please explain calculation

The unique 9% increase in our Scope 1+2 emissions in 2024 is due to the expansion of our operations. Our energy consumption from operations has increased due to the 47 new stores we opened during the year. In 2024, as we focused on reducing our Scope 2 emissions, which account for 75% of our total emissions, we observed a more limited increase in Scope 2 emissions compared to Scope 1 emissions. The emission quantity resulting from the expansion of our operations was calculated based on the total of the emission quantities we mitigated through the following steps: the increase in emissions under Scope 1+2 (1,876.51 tons of CO2e), the change in renewable energy consumption (708.53 tons of CO2e avoided emissions), and other emission reduction activities (421.7 tons of CO2e avoided emissions).

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in our emissions related to change in methodology (Scope 1+2) in 2024.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in our emissions related to change in boundry in 2024.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in our emissions related to change in physical operating conditions in 2024.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no change in our emissions related to unidentified situations in 2024.

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There is no other reason related to emission change in 2024.
[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

☑ Location-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:

☑ No

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

Select from:

☑ Yes

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

Row 1

(7.15.1.1) Greenhouse gas

Select from:

☑ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

6088.24

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

☑ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

11.61

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:
☑ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

30.8

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)
[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

Albania

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Algeria

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Azerbaijan

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Bahrain

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Bosnia & Herzegovina

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Cameroon

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Congo

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Cyprus

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Egypt

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Georgia

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Germany

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Iraq

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Jordan

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Kazakhstan

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Kyrgyzstan

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Lebanon

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Libya

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Mauritius

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Montenegro

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Morocco

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

North Macedonia

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Oman

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Qatar

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Serbia

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Somalia

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Tajikistan

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Turkey

(7.16.1) Scope 1 emissions (metric tons CO2e)

6130.66

(7.16.2) Scope 2, location-based (metric tons CO2e)

16221.67

(7.16.3) Scope 2, market-based (metric tons CO2e)

16221.67

Turkmenistan

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Ukraine

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Uzbekistan

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0
[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply
☑ By activity

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	*Stationary combustion*	*1040.92*
Row 2	*Mobile combustion*	*1118.95*
Row 3	*Fugitive Emissions*	*3970.78*

[Add row]

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

Select all that apply
☑ By activity

(7.20.3) Break down your total gross global Scope 2 emissions by business activity.

	Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	*Electricity consumption for office and retailing activities (location based)*	*16221.67*	*16221.67*

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

6130.66

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

16221.67

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

16221.67

(7.22.4) Please explain

Within our own operational boundaries, we do not have any other emission source other than the consolidated accounting group.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

Within our own operational boundaries, we do not have any other emission source other than the consolidated accounting group.
[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ Yes

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

Ozon Tekstil

(7.23.1.2) Primary activity

Select from:

☑ Apparel design & manufacturing

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

724

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

474

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

474

(7.23.1.15) Comment

In our Scope 3 emissions, we include our emissions from Ozon Tekstil in the Investments category.
[Add row]

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

Select from:

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

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

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ No
Consumption of purchased or acquired steam	*Select from:* ☑ No
Consumption of purchased or acquired cooling	*Select from:* ☑ No
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

[Fixed row]

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

9307.9

(7.30.1.4) Total (renewable + non-renewable) MWh

9307.90

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

36700.6

(7.30.1.4) Total (renewable + non-renewable) MWh

36700.60

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

1603.24

(7.30.1.4) Total (renewable + non-renewable) MWh

1603.24

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

1603.24

(7.30.1.3) MWh from non-renewable sources

46008.5

(7.30.1.4) Total (renewable + non-renewable) MWh

47611.74
[Fixed row]

(7.30.6) Select the applications of your organization’s consumption of fuel.

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

[Fixed row]

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

Sustainable biomass

(7.30.7.1) Heating value

Select from:

☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

DeFacto has no sustainable biomass consumption.

Other biomass

(7.30.7.1) Heating value

Select from:

☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

DeFacto has no other biomass consumption.

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

DeFacto has no other renewable fuel consumption.

Coal

(7.30.7.1) Heating value

Select from:

☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

DeFacto has no coal consumption.

Oil

(7.30.7.1) Heating value

Select from:

☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

4579.7

(7.30.7.8) Comment

DeFacto's oil consumption includes Diesel (stationary), Diesel (on-road) and Diesel (off-road) fuel consumption. These consumptions were determined as 309.92 MWh and 843.13 MWh, respectively. This resulted in a total oil-based fuel consumption of 3,421.61 MWh during the year.

Gas

(7.30.7.1) Heating value

Select from:

☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

4728.2

(7.30.7.8) Comment

Natural gas fuel consumption is included in DeFacto's gas consumption. This consumption was determined as 4,728.24 MWh.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

DeFacto has no non-renewable fuel consumption.

Total fuel

(7.30.7.1) Heating value

Select from:

☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

9307.9

(7.30.7.8) Comment

DeFacto only has oil (diesel and benzine) and natural gas consumption as fuel consumption. That's why, we calculate total consumption through the sum up of these two fuels.
[Fixed row]

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

3600.52

(7.30.9.2) Generation that is consumed by the organization (MWh)

1603.24

(7.30.9.3) Gross generation from renewable sources (MWh)

3600.52

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

1603.24

Heat

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0
[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:
☑ Turkey

(7.30.14.2) Sourcing method

Select from:
☑ None (no active purchases of low-carbon electricity, heat, steam or cooling)

(7.30.14.10) Comment

We meet our renewable energy consumption through our own on-site solar power plants. We do not purchase renewable energy from external sources.
[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Albania

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Algeria

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Azerbaijan

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Bahrain

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Bosnia & Herzegovina

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Cameroon

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Congo

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Cyprus

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Egypt

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Georgia

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Germany

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Iraq

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Jordan

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Kazakhstan

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Kyrgyzstan

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Lebanon

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Libya

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Mauritius

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Montenegro

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Morocco

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

North Macedonia

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Oman

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Qatar

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Serbia

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Somalia

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Tajikistan

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

36700.6

(7.30.16.2) Consumption of self-generated electricity (MWh)

1603.24

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

38303.84

Turkmenistan

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Ukraine

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

Uzbekistan

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00
[Fixed row]

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

Row 1

(7.45.1) Intensity figure

0.0000194

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

22352.32

(7.45.3) Metric denominator

Select from:
☑ unit total revenue

(7.45.4) Metric denominator: Unit total

1151055098.18

(7.45.5) Scope 2 figure used

Select from:

☑ Location-based

(7.45.6) % change from previous year

2.35

(7.45.7) Direction of change

Select from:

☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Change in revenue

(7.45.9) Please explain

The data used to calculate intensity in 2023 is as follows: Revenue ($): 1,029,643,536.6 Scope 1+2 Emissions: 20,475.8 The data used to calculate intensity in 2024 is as follows: Revenue ($): 1,151,055,098.18 Scope 1+2 Emissions: 22,352.3 The decrease in intensity compared to the previous year is due to the increase in Scope 1+2 net emissions being lower than the increase in revenue. Revenue increased by 11.7% compared to the previous year, while emissions increased by 9%.

Row 2

(7.45.1) Intensity figure

11.4

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

22352.32

(7.45.3) Metric denominator

Select from:

☑ Other, please specify :product sales volume (ton)

(7.45.4) Metric denominator: Unit total

35678.52

(7.45.5) Scope 2 figure used

Select from:

☑ Location-based

(7.45.6) % change from previous year

1.05

(7.45.7) Direction of change

Select from:

☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Other, please specify :Change in sold product volume

(7.45.9) Please explain

The data used to calculate intensity in 2023 is as follows: Sold Product (ton): 32,340.75 Scope 1+2 Emissions: 20,475.8 The data used to calculate intensity in 2024 is as follows: Sold Product (ton): 35,678.52 Scope 1+2 Emissions: 22,352.3 The decrease in intensity compared to the previous year is due to the increase in Scope 1+2 net emissions being lower than the sold products. Number of sold product increased by 10.3% compared to the previous year, while emissions increased by 9%. [Add row]

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

Row 1

(7.52.1) Description

Select from:

☑ Other, please specify :Water

(7.52.2) Metric value

235840.84

(7.52.3) Metric numerator

m3

(7.52.4) Metric denominator (intensity metric only)

0

(7.52.5) % change from previous year

11

(7.52.6) Direction of change

Select from:

☑ Decreased

(7.52.7) Please explain

The data related to the calculation is explained below. Water Consumption - 2023 (m³): 264,745.18 Water Consumption - 2024 (m³): 235,840.84 Decrease ratio: 11% [Add row]

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

Select all that apply

☑ Absolute target

☑ Intensity target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

DeFacto Perakende Ticaret A.S. - Near-Term Approval Letter - Friday 24 January 2025.pdf

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

12/30/2023

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)

☑ Perfluorocarbons (PFCs)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Location-based

(7.53.1.11) End date of base year

12/30/2023

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

4590.9

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

15884.91

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

20475.810

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

55

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

9214.115

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

6130.66

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

16221.67

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

22352.330

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ Yes, it covers land-related emissions only (e.g. FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

-16.66

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

We do not have any exclusions in our targets. As indicated by SBTi, DeFacto commits to reduce absolute Scope 1 and Scope 2 GHG emissions 55% by 2030 from a 2023 base year. Within Scope 3, we have an intensity target in the category of purchased products and services, which represents 76% of our total Scope 3 emissions.

(7.53.1.83) Target objective

As indicated by SBTi, DeFacto commits to reduce absolute Scope 1 and Scope 2 GHG emissions 55% by 2030 from a 2023 base year.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

DeFacto, which is taking steps toward building a better future for the planet, people, and society through nature-sensitive production processes, circular economy practices, and socially impactful initiatives, aims to achieve net-zero emissions across its entire value chain by 2050. Aware of the critical importance of investing in technology and research to reduce emissions, the company is developing innovative solutions and transforming its production processes with environmentally friendly technologies. While using innovative materials that have a lower environmental footprint, require fewer resources, and reduce dependence on traditional textiles, the company is also implementing solar energy systems (GES) in its warehouses and stores. Renewable electricity purchases supported with I-REC certifications, energy efficiency measures to reduce our diesel, natural gas electricity use, transition to plug-in and EV vehicles from diesel vehicles and in the future, electrification of assets where we can't reduce emissions.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 2

(7.53.1.1) Target reference number

Select from:

☑ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

DeFacto Perakende Ticaret A.S. - Net-Zero Approval Letter - Friday 24 January 2025.pdf

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

12/30/2023

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)

☑ Perfluorocarbons (PFCs)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Location-based

(7.53.1.11) End date of base year

12/30/2023

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

4590.9

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

15884.91

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

20475.810

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2050

(7.53.1.55) Targeted reduction from base year (%)

90

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

2047.581

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

6130.66

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

16221.67

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

22352.330

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ Yes, it covers land-related emissions only (e.g. FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

-10.18

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

We do not have any exclusions in our targets. As indicated by SBTi, DeFacto commits to reduce absolute Scope 1 and Scope 2 GHG emissions 55% by 2030 from a 2023 base year. Within Scope 3, we have an intensity target in the category of purchased products and services, which represents 76% of our total Scope 3 emissions.

(7.53.1.83) Target objective

DeFacto Perakende Ticaret A.S. commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2050 from a 2023 base year.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

DeFacto, which is taking steps toward building a better future for the planet, people, and society through nature-sensitive production processes, circular economy practices, and socially impactful initiatives, aims to achieve net-zero emissions across its entire value chain by 2050. Aware of the critical importance of investing in technology and research to reduce emissions, the company is developing innovative solutions and transforming its production processes with environmentally friendly technologies. While using innovative materials that have a lower environmental footprint, require fewer resources, and reduce dependence on traditional textiles, the company is also implementing solar energy systems (GES) in its warehouses and stores. Renewable electricity purchases supported with I-REC certifications, energy efficiency measures to reduce our diesel, natural gas electricity use, transition to plug-in and EV vehicles from diesel vehicles and in the future, electrification of assets where we can't reduce emissions. We've initiated a sustainable materials strategy where we've set targets for lower emission alternatives to fibers that we use. As an example, we have a target to source 50% of our cotton use from Better Cotton by 2027. We also aim to use 100% recycled polyester and lower-impact cotton by 20230. Also, we aim to generate more revenues per product.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 3

(7.53.1.1) Target reference number

Select from:

☑ Abs 3

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

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(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

12/30/2023

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)
☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Hydrofluorocarbons (HFCs)
☑ Perfluorocarbons (PFCs)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1
☑ Scope 2
☑ Scope 3

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Location-based

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 14 – Franchises
☑ Scope 3, Category 15 – Investments
☑ Scope 3, Category 2 – Capital goods
☑ Scope 3, Category 6 – Business travel
☑ Scope 3, Category 7 – Employee commuting
☑ Scope 3, Category 4 – Upstream transportation and distribution
☑ Scope 3, Category 9 – Downstream transportation and distribution
☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)
☑ Scope 3, Category 11 – Use of sold products
☑ Scope 3, Category 8 - Upstream leased assets
☑ Scope 3, Category 1 – Purchased goods and services
☑ Scope 3, Category 5 – Waste generated in operations
☑ Scope 3, Category 12 – End-of-life treatment of sold products

(7.53.1.11) End date of base year

12/30/2023

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

4590.9

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

15884.91

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

269568.08

(7.53.1.15) Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

6134.39

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

6467.73

(7.53.1.17) Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

8953.22

(7.53.1.18) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

38.29

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

2114.34

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

6635.49

(7.53.1.21) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

46849.13

(7.53.1.22) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

7691.61

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

26.39

(7.53.1.25) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

30561.38

(7.53.1.27) Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

3560.61

(7.53.1.28) Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

1442

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

390042.660

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

410518.470

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.36) Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

(7.53.1.38) Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

(7.53.1.39) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

(7.53.1.42) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

100

(7.53.1.43) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

(7.53.1.46) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

100

(7.53.1.48) Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

100

(7.53.1.49) Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2050

(7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

0.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

6130.66

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

16221.67

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

266342.48

(7.53.1.60) Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

6550.87

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

6196.5

(7.53.1.62) Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

12198.07

(7.53.1.63) Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

21.1

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

1329.61

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

4211.04

(7.53.1.66) Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

48318.22

(7.53.1.67) Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

8746.82

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

32.79

(7.53.1.70) Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

26682.32

(7.53.1.72) Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

5192.67

(7.53.1.73) Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

1197.59

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

387020.080

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

409372.410

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ Yes, it covers land-related emissions only (e.g. FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

0.28

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

We do not have any exclusions in our targets. As indicated by SBTi, DeFacto Perakende Ticaret A.S. commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

(7.53.1.83) Target objective

DeFacto Perakende Ticaret A.S. commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

DeFacto, which is taking steps toward building a better future for the planet, people, and society through nature-sensitive production processes, circular economy practices, and socially impactful initiatives, aims to achieve net-zero emissions across its entire value chain by 2050. Aware of the critical importance of investing in technology and research to reduce emissions, the company is developing innovative solutions and transforming its production processes with environmentally friendly technologies. While using innovative materials that have a lower environmental footprint, require fewer resources, and reduce dependence on traditional textiles, the company is also implementing solar energy systems (GES) in its warehouses and stores.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

[Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

Row 1

(7.53.2.1) Target reference number

Select from:

☑ Int 1

(7.53.2.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.2.3) Science Based Targets initiative official validation letter

(7.53.2.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.2.5) Date target was set

12/30/2023

(7.53.2.6) Target coverage

Select from:

☑ Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Nitrogen trifluoride (NF3)

☑ Sulphur hexafluoride (SF6)

(7.53.2.8) Scopes

Select all that apply

☑ Scope 3

(7.53.2.10) Scope 3 categories

Select all that apply

☑ Category 1: Purchased goods and services

(7.53.2.11) Intensity metric

Select from:

☑ Other, please specify :Metric tons of CO2e

(7.53.2.12) End date of base year

12/30/2023

(7.53.2.15) Intensity figure in base year for Scope 3, Category 1: Purchased goods and services

19.82

(7.53.2.32) Intensity figure in base year for total Scope 3

19.8200000000

(7.53.2.33) Intensity figure in base year for all selected Scopes

19.8200000000

(7.53.2.36) % of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

98.52

(7.53.2.53) % of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

67.96

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

67.96

(7.53.2.55) End date of target

12/30/2030

(7.53.2.56) Targeted reduction from base year (%)

51.6

(7.53.2.57) Intensity figure at end date of target for all selected Scopes

9.5928800000

(7.53.2.59) % change anticipated in absolute Scope 3 emissions

64

(7.53.2.62) Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services

14.07

(7.53.2.79) Intensity figure in reporting year for total Scope 3

14.0700000000

(7.53.2.80) Intensity figure in reporting year for all selected Scopes

14.0700000000

(7.53.2.81) Land-related emissions covered by target

Select from:

☑ Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)

(7.53.2.82) % of target achieved relative to base year

56.22

(7.53.2.83) Target status in reporting year

Select from:

☑ Underway

(7.53.2.85) Explain target coverage and identify any exclusions

Great majority of DeFacto's emissions are due to purchased products. We aim to reduce these emissions. These emissions constitute 76% of our Scope 3 emissions (when use of sold products not included in the boundary, as suggested by Apparel sector guidance). This meets the required minimum threshold by SBTi. DeFacto is a ready-to-wear retail company. The vast majority of our Scope 3 Category 1 emissions come from textile products. We divide these emissions into two categories: the carbon footprint from material use and the emissions from the processes involved in creating the products we purchased. Additionally, this category includes emissions from purchased consulting services and food purchases for the Head Office cafeteria.

(7.53.2.86) Target objective

DeFacto Perakende Ticaret A.S. commits to reduce scope 3 GHG emissions from purchased goods and services 51.60% per TRY value added by 2030 from a 2023 base year. Great majority of DeFacto's emissions are due to purchased products. We aim to reduce these emissions. These emissions constitute 76% of our Scope 3 emissions (when use of sold products not included in the boundary, as suggested by Apparel sector guidance). This meets the required minimum threshold by SBTi. We intend to use gross profit in million TRY as "value added".

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

All materials have an impact on the environment, from their production to their use and ultimately to their end-of-life and disposal. As DeFacto, we aim to sustainably source 90% of our ready to-wear collections by 2030 in order to reduce our environmental impact and increase the sustainability of the raw materials used in the production of our products. In this target journey In 2024, the share of these sustainably sourced products in all DeFacto ready-to-wear collections increased by 14% compared to last year and reached approximately 35%. We plan to achieve the greatest reduction in the products and services we purchase through our sustainable collections. We plan to reduce our emissions in this area by purchasing raw materials with a low environmental impact.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 2

(7.53.2.1) Target reference number

Select from:

☑ Int 2

(7.53.2.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.2.3) Science Based Targets initiative official validation letter

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(7.53.2.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.2.5) Date target was set

12/30/2023

(7.53.2.6) Target coverage

Select from:

☑ Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)

☑ Perfluorocarbons (PFCs)

(7.53.2.8) Scopes

Select all that apply

☑ Scope 3

(7.53.2.10) Scope 3 categories

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 6: Business travel

☑ Category 8: Upstream leased assets

☑ Category 12: End-of-life treatment of sold products

(7.53.2.11) Intensity metric

Select from:

☑ Other, please specify :Metric tons of CO2e per million TRY value added

(7.53.2.12) End date of base year

12/30/2023

(7.53.2.15) Intensity figure in base year for Scope 3, Category 1: Purchased goods and services

19.82

(7.53.2.17) Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

0.48

(7.53.2.20) Intensity figure in base year for Scope 3, Category 6: Business travel

0.16

(7.53.2.22) Intensity figure in base year for Scope 3, Category 8: Upstream leased assets

3.44

(7.53.2.26) Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products

2.25

(7.53.2.32) Intensity figure in base year for total Scope 3

26.1500000000

(7.53.2.33) Intensity figure in base year for all selected Scopes

26.1500000000

(7.53.2.36) % of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

98.52

(7.53.2.38) % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

100

(7.53.2.41) % of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

100

(7.53.2.43) % of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

100

(7.53.2.47) % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

100

(7.53.2.53) % of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

99.51

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

99.51

(7.53.2.55) End date of target

12/30/2050

(7.53.2.56) Targeted reduction from base year (%)

97

(7.53.2.57) Intensity figure at end date of target for all selected Scopes

0.7845000000

(7.53.2.59) % change anticipated in absolute Scope 3 emissions

8

(7.53.2.62) Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services

14.07

(7.53.2.64) Intensity figure in reporting year for Scope 3, Category 3: Fuel- and energy-related activities

0.33

(7.53.2.67) Intensity figure in reporting year for Scope 3, Category 6: Business travel

0.07

(7.53.2.69) Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets

2.55

(7.53.2.73) Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products

1.41

(7.53.2.79) Intensity figure in reporting year for total Scope 3

18.4300000000

(7.53.2.80) Intensity figure in reporting year for all selected Scopes

18.4300000000

(7.53.2.81) Land-related emissions covered by target

Select from:

☑ Yes, it covers land-related emissions only (e.g. FLAG SBT)

(7.53.2.82) % of target achieved relative to base year

30.44

(7.53.2.83) Target status in reporting year

Select from:

☑ Underway

(7.53.2.85) Explain target coverage and identify any exclusions

Great majority of DeFacto's emissions are due to purchased products. We aim to reduce these emissions. These emissions constitute 76% of our Scope 3 emissions (when use of sold products not included in the boundary, as suggested by Apparel sector guidance). This meets the required minimum threshold by SBTi. DeFacto is a ready-to-wear retail company. The vast majority of our Scope 3 Category 1 emissions come from textile products. We divide these emissions into two categories: the carbon footprint from material use and the emissions from the processes involved in creating the products we purchased. Additionally, this category includes emissions from purchased consulting services and food purchases for the Head Office cafeteria. As this target is also reflects our net zero ambition, we include Scope 3 emissions related to fuel and energy related activities, business travel, upstream leased assets and end of life treatment of sold products which represent %90 of our total Scope 3 emissions.

(7.53.2.86) Target objective

DeFacto Perakende Ticaret A.S. also commits to reduce scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, business travel, upstream leased assets and end of life treatment of sold products 97% per million TRY value added by 2050 from a 2023 base year.

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

All materials have an impact on the environment, from their production to their use and ultimately to their end-of-life and disposal. As DeFacto, we aim to sustainably source 90% of our ready to-wear collections by 2030 in order to reduce our environmental impact and increase the sustainability of the raw materials used in the production of our products. In this target journey In 2024, the share of these sustainably sourced products in all DeFacto ready-to-wear collections increased by 14% compared to last year and reached approximately 35%. We plan to achieve the greatest reduction in the products and services we purchase through our sustainable collections. We plan to reduce our emissions in this area by purchasing raw materials with a low environmental impact. We will also combat emissions generated after product use thanks to the sustainability features of our products. At the same time, we aim to keep our fuel and energy-related emissions to a minimum through renewable energy production and clean energy use options.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

☑ Yes

[Add row]

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

Select all that apply

☑ Net-zero targets

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☑ NZ1

(7.54.3.2) Date target was set

12/31/2022

(7.54.3.3) Target Coverage

Select from:

☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Abs1

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.54.3.7) Science Based Targets initiative official validation letter

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(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)

(7.54.3.10) Explain target coverage and identify any exclusions

There is no exclusions for our net zero target. We commit to become net zero emissions from our operations

(7.54.3.11) Target objective

DeFacto Perakende Ticaret A.S. commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:
☑ No

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:
☑ No, but we plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:
☑ Underway

(7.54.3.19) Process for reviewing target

As our new zero target is approved by SBTi, we must publicly report the progress against any published targets on an annual basis along with your company-wide GHG emissions inventory.
[Add row]

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

Select from:

☑ Yes

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e
Under investigation	*0*	*`Numeric input*
To be implemented	*1*	*2145.41*
Implementation commenced	*2*	*610.52*
Implemented	*3*	*2170.85*
Not to be implemented	*0*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy generation

☑ Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1749.12

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

21923381

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

63795559

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

This initiative covers the installation of rooftop Solar Power Plants (SPP) on designated DeFacto warehouses, with the aim of increasing the use of renewable energy, contributing to sustainability goals, and optimizing energy costs. A similar plan is in place for a designated DeFacto store, and 11 stores have been identified as suitable for installation. In our efforts to reduce energy consumption from fossil fuels—one of the main causes of climate change—we are focusing on renewable energy solutions. Through renewable energy investments at our Çerkezköy warehouse and Basın Ekspres Cadde store, we have integrated clean energy solutions into DeFacto's overall energy consumption mix. Thanks to the rooftop solar power systems (SPP) at our warehouse and store, we achieved 1,603 MWh of renewable energy consumption during the year.

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Automation

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

102.53

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

1285147

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

8323019

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

By centrally controlling the air conditioning set points of 102 stores where installation has been completed, the aim is to achieve electricity savings. As a growth-oriented company, we are carrying out store transformation projects to keep our energy consumption within certain limits despite the increase in the number of our stores. The use of energy-efficient climate control systems is one of the key steps we are taking in this regard. In 2024, with an investment of over TRY 4.8 million, we launched an air conditioning automation system that allows us to centrally control the set points of 102 stores, aiming to save electricity. Through this project, we achieved 231.9 MWh in energy efficiency in 2024.

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Building Energy Management Systems (BEMS)

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

319.2

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

4000888

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

4955800

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Store electricity consumption is monitored remotely, with the aim of controlling usage by issuing alerts on issues such as out-of-hours consumption and excessive energy use. The system has been implemented in Iraq, where store managers have been assigned specific roles and responsibilities to actively monitor store consumption.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☑ Dedicated budget for energy efficiency

(7.55.3.2) Comment

By centrally controlling the air conditioning set points of 102 stores where installation has been completed, the aim is to achieve electricity savings. As a growth-oriented company, we are carrying out store transformation projects to keep our energy consumption within certain limits despite the increase in the number of our stores. The use of energy-efficient climate control systems is one of the key steps we are taking in this regard. In 2024, with an investment of over TRY 4.8 million, we launched an air conditioning automation system that allows us to centrally control the set points of 102 stores, aiming to save electricity. Through this project, we achieved 231.9 MWh in energy efficiency in 2024.

Row 2

(7.55.3.1) Method

Select from:

☑ Employee engagement

(7.55.3.2) Comment

We provide training to our employees to instil environmental and climate awareness.

Row 3

(7.55.3.1) Method

Select from:

☑ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

This initiative covers the installation of rooftop Solar Power Plants (SPP) on designated DeFacto warehouses, with the aim of increasing the use of renewable energy, contributing to sustainability goals, and optimizing energy costs. A similar plan is in place for a designated DeFacto store, and 11 stores have been identified as suitable for installation. In our efforts to reduce energy consumption from fossil fuels—one of the main causes of climate change—we are focusing on renewable energy solutions. Through renewable energy investments at our Çerkezköy warehouse and Basın Ekspres Cadde store, we have integrated clean energy solutions into DeFacto's overall energy consumption mix. Thanks to the rooftop solar power systems (SPP) at our warehouse and store, we achieved 1,603 MWh of renewable energy consumption during the year.
[Add row]

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☑ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ No taxonomy used to classify product(s) or service(s) as low carbon

(7.74.1.3) Type of product(s) or service(s)

Other

☑ Other, please specify :Textile Garment

(7.74.1.4) Description of product(s) or service(s)

In our textile manufacturing, we traditionally utilize silicone softeners to achieve the desired softness. However, we have adopted an alternative fabric manufacturing technique to soften our appropriate products without the need for washing, thereby conserving water and reducing wastewater. These innovative less water products eliminate the requirements for washing and ironing, leading to substantial savings in water and energy. In 2023, we launched our Wiser Wash Sustainable Jean Collection and in 2024 we continue to offer this collection to our customers. We designed a collection using Wiser Wash technology, which limits the environmental impact of denim fabric production. Using a mix of electric ozone gas and laser, Wiser Wash reduces the ecological and water footprint of products, resulting in more sustainable denim, while shortening the production process thanks to improved working conditions. Thanks to its special treatment process, Wiser Wash significantly reduces water and energy consumption without affecting the desired result.While it normally takes 16 liters of water to bleach a pair of jeans, this process reduces it to just one glass of water. It also reduces climate change impacts by 59%.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Other, please specify :LCA, IPCC 2013GWP100a method, the climate change impact category, ReCiPe Endpoint (H) V1. 13/ WorldReCiPe H/A calculation method.

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Cradle-to-grave

(7.74.1.8) Functional unit used

One piece of denim. A denim produced with conventional methods weighs 0.636 kg, but 0.654 kg when produced with modern (Wiser Wash) technology.

(7.74.1.9) Reference product/service or baseline scenario used

With this analysis focusing on comparing the environmental impact of two different production methods, we aimed to provide our customers with valuable information on the environmental impact of our products. In the life cycle analysis, we adopted a cradle-to-grave approach and considered the entire life cycle, including raw material procurement, production process, packaging, logistics, and even the end-of-life use and disposal of the product.

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Cradle-to-grave

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

0.0066

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

There is a 6.6 kg CO2e emission difference between the conventional production of denim and its production with modern technology. In order to compare the emissions of the two products at the point of production, when the use and end-of-life phases are excluded, the production process of conventional denim causes 24.9 kg CO2eq, while 1 denim production causes 18.448 kg CO2eq emissions when produced with modern technology.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.1

[Add row]

(7.79) Has your organization retired any project-based carbon credits within the reporting year?

Select from:

☑ No

C8. Environmental performance - Forests

(8.1) Are there any exclusions from your disclosure of forests-related data?

	Exclusion from disclosure
Timber products	*Select from:* ☑ No

[Fixed row]

(8.2) Provide a breakdown of your disclosure volume per commodity.

	Disclosure volume (metric tons)	Volume type	Sourced volume (metric tons)
Timber products	*8535.2*	*Select all that apply* ☑ Sourced	*8535.2*

[Fixed row]

(8.5) Provide details on the origins of your sourced volumes.

Timber products

(8.5.1) Country/area of origin

Select from:

☑ Bangladesh

(8.5.2) First level administrative division

Select from:

☑ Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

496.23

(8.5.5) Source

Select all that apply

☑ Single contracted producer

☑ Contracted suppliers (manufacturers)

(8.5.7) Please explain

For the SBTi process, we calculated our material footprint in detail. During this calculation, we listed all our purchases related to timber product. In this context, we include our use of viscose, modal, lycocell (2,162,123 kg in total) in our timber product consumption in our use of cellulose-based fabrics. We also include our paper consumption (6,373,076.59 kg in total) that we use in our parcel, carton, label and packaging processes in our timber consumption. In 2024, we have a total of 516 suppliers. Six percent of these suppliers are located in Bangladesh. The specified purchase amount represents the amount purchased from Bangladeshi suppliers within the total purchases.

Timber products

(8.5.1) Country/area of origin

Select from:

☑ Turkey

(8.5.2) First level administrative division

Select from:

☑ Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

4697.67

(8.5.5) Source

Select all that apply

☑ Single contracted producer

☑ Contracted suppliers (manufacturers)

(8.5.7) Please explain

For the SBTi process, we calculated our material footprint in detail. During this calculation, we listed all our purchases related to timber product. In this context, we include our use of viscose, modal, lycocell (2,162,123 kg in total) in our timber product consumption in our use of cellulose-based fabrics. We also include our paper consumption (6,373,076.59 kg in total) that we use in our parcel, carton, label and packaging processes in our timber consumption. We divided the total of these two main items, 8,535,199.59 kg consumption, by 1000 and processed 8,535.1 tons of consumption as an answer. In 2024, we have a total of 516 suppliers. 55% of these suppliers are located in Turkey. The specified purchase amount represents the amount purchased from Turkish suppliers within the total purchases.

Timber products

(8.5.1) Country/area of origin

Select from:

☑ China

(8.5.2) First level administrative division

Select from:

☑ Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

2266.13

(8.5.5) Source

Select all that apply

☑ Single contracted producer

☑ Contracted suppliers (manufacturers)

(8.5.7) Please explain

For the SBTi process we started this year, we calculated our material footprint in detail. During this calculation, we listed all our purchases related to timber product. In this context, we include our use of viscose, modal, lycocell (1,802,207.54 kg in total) in our timber product consumption in our use of cellulose-based fabrics. We also include our paper consumption (6,941,735.38 kg in total) that we use in our parcel, carton, label and packaging processes in our timber consumption. We divided the total of these two main items, 8,743,942.92 kg consumption, by 1000 and processed 8,743.9 tons of consumption as an answer. In 2024, we will have a total of 516 suppliers. Twenty-five percent of these suppliers are located in China. The specified purchase amount represents the amount purchased from Chinese suppliers within the total purchases.

Timber products

(8.5.1) Country/area of origin

Select from:

☑ Egypt

(8.5.2) First level administrative division

Select from:

☑ Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

810.51

(8.5.5) Source

Select all that apply

☑ Single contracted producer

☑ Contracted suppliers (manufacturers)

(8.5.7) Please explain

For the SBTi process, we calculated our material footprint in detail. During this calculation, we listed all our purchases related to timber product. In this context, we include our use of viscose, modal, lycocell (2,162,123 kg in total) in our timber product consumption in our use of cellulose-based fabrics. We also include our paper consumption (6,373,076.59 kg in total) that we use in our parcel, carton, label and packaging processes in our timber consumption. We divided the total of these two main items, 8,535,199.59 kg consumption, by 1000 and processed 8,535.1 tons of consumption as an answer. In 2024, we have a total of 516 suppliers. Nine percent of these suppliers are located in Egypt. The specified purchase amount represents the amount purchased from Egyptian suppliers within the total purchases.

Timber products

(8.5.1) Country/area of origin

Select from:

☑ India

(8.5.2) First level administrative division

Select from:

☑ Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

99.25

(8.5.5) Source

Select all that apply

☑ Single contracted producer

☑ Contracted suppliers (manufacturers)

(8.5.7) Please explain

For the SBTi process we started this year, we calculated our material footprint in detail. During this calculation, we listed all our purchases related to timber product. In this context, we include our use of viscose, modal, lycocell (1,802,207.54 kg in total) in our timber product consumption in our use of cellulose-based fabrics. We also include our paper consumption (6,941,735.38 kg in total) that we use in our parcel, carton, label and packaging processes in our timber consumption. We divided the total of these two main items, 8,743,942.92 kg consumption, by 1000 and processed 8,743.9 tons of consumption as an answer. In 2024, we have a total of 516 suppliers. Of these suppliers, 1% are located in India. The specified purchase amount represents the amount purchased from Indian suppliers within the total purchases.

Timber products

(8.5.1) Country/area of origin

Select from:

☑ Morocco

(8.5.2) First level administrative division

Select from:

☑ Unknown

(8.5.4) Volume sourced from country/area of origin (metric tons)

165.41

(8.5.5) Source

Select all that apply

☑ Single contracted producer

☑ Contracted suppliers (manufacturers)

(8.5.7) Please explain

For the SBTi process we started this year, we calculated our material footprint in detail. During this calculation, we listed all our purchases related to timber product. In this context, we include our use of viscose, modal, lycocell (1,802,207.54 kg in total) in our timber product consumption in our use of cellulose-based fabrics. We also include our paper consumption (6,941,735.38 kg in total) that we use in our parcel, carton, label and packaging processes in our timber consumption. We divided the total of these two main items, 8,743,942.92 kg consumption, by 1000 and processed 8,743.9 tons of consumption as an answer. In 2024, we have a total of 516 suppliers. Two percent of these suppliers are located in Morocco. The specified purchase amount represents the amount purchased from Moroccan suppliers within the total purchases.
[Add row]

(8.7) Did your organization have a no-deforestation or no-conversion target, or any other targets for sustainable production/ sourcing of your disclosed commodities, active in the reporting year?

Timber products

(8.7.1) Active no-deforestation or no-conversion target

Select from:

☑ Yes, we have a no-deforestation target

(8.7.2) No-deforestation or no-conversion target coverage

Select from:

☑ Business activity

(8.7.5) Other active targets related to this commodity, including any which contribute to your no-deforestation or no-conversion target

Select from:

☑ Yes, we have other targets related to this commodity

[Fixed row]

(8.7.1) Provide details on your no-deforestation or no-conversion target that was active during the reporting year.

Timber products

(8.7.1.1) No-deforestation or no-conversion target

Select from:

☑ No-deforestation

(8.7.1.2) Your organization’s definition of “no-deforestation” or “no-conversion”

As a textile retail company, we address deforestation in 2 focal areas. One is not to cause deforestation within the scope of fabric production by turning to sustainable alternatives in cellulose-based plant-based fabrics. The other is not to cause deforestation due to the paper/cardboard we use in our primary and secondary packaging such as labels, boxes, cardboard packages.

(8.7.1.3) Cutoff date

Select from:

☑ No cutoff date

(8.7.1.6) Target date for achieving no-deforestation or no-conversion

Select from:

☑ 2024

[Add row]

(8.7.2) Provide details of other targets related to your commodities, including any which contribute to your no-deforestation or no-conversion target, and progress made against them.

Timber products

(8.7.2.1) Target reference number

Select from:

☑ Target 1

(8.7.2.2) Target contributes to no-deforestation or no-conversion target reported in 8.7

Select from:

☑ Yes, this target contributes to our no-deforestation target

(8.7.2.3) Target coverage

Select from:

☑ Business activity

(8.7.2.4) Commodity volume covered by target (metric tons)

Select from:

☑ Other volume, please specify :% of FSC certified cardboard box

(8.7.2.5) Category of target & Quantitative metric

Third-party certification

☑ % of volume third-party certified

(8.7.2.7) Third-party certification scheme

Chain-of-custody certification

☑ FSC Recycled certification

(8.7.2.8) Date target was set

12/31/2022

(8.7.2.9) End date of base year

12/30/2023

(8.7.2.10) Base year figure

0

(8.7.2.11) End date of target

12/30/2024

(8.7.2.12) Target year figure

100

(8.7.2.13) Reporting year figure

100

(8.7.2.14) Target status in reporting year

Select from:

☑ Achieved

(8.7.2.15) % of target achieved relative to base year

100.00

(8.7.2.16) Global environmental treaties/ initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Sustainable Development Goals

(8.7.2.17) Explain target coverage and identify any exclusions

There is no exclusions, this target is related all of our products.

(8.7.2.19) List the actions which contributed most to achieving or maintaining this target

To strengthen the sustainable features of our labels, we focus on washing instruction labels and price label cards. All of our cardboard price tag cards are FSC-certified and sustainable.

(8.7.2.20) Further details of target

To strengthen the sustainable features of our labels, we focus on washing instruction labels and price label cards. All of our cardboard price tag cards are FSC-certified and sustainable.
[Add row]

(8.8) Indicate if your organization has a traceability system to determine the origins of your sourced volumes and provide details of the methods and tools used.

Timber products

(8.8.1) Traceability system

Select from:

☑ Yes

(8.8.2) Methods/tools used in traceability system

Select all that apply

☑ Chain-of-custody certification

☑ Value chain mapping

☑ Supplier engagement/communication

(8.8.3) Description of methods/tools used in traceability system

We make certification inquiries to our suppliers to monitor our existing targets within the scope of sustainable products and sustainable packaging. For FSC-certified packaging, we ask our suppliers for the proof documents of these certificates. To strengthen the sustainable features of our labels, we focus on washing instruction labels and price label cards. All of our cardboard price tag cards are FSC-certified and sustainable. At the same time, in line with our goal of creating 90% of our total product portfolio from sustainable products, we are working to replace cellulose-based fabric types such as Lyocell, Modal, Viscose, which may have a deforestation effect, with Viscose Lenzing, Modal Tencel and Lyocell Tencel alternatives. In these efforts, we expect our suppliers to comply with the necessary criteria and have the necessary certificates to ensure that the products and fabrics we purchase have the relevant properties. Sustainable viscose, an all-natural material derived from industrially grown trees grown in a controlled manner and with programs that guarantee reforestation, plays an important role in our sustainable raw material approach. This sustainable raw material, whose production process is water-friendly and reduces greenhouse gas emissions, helps us protect biodiversity and prevent climate change. We use viscose fibers from renewable wood sources certified by the Forest Stewardship Council® (FSC) or LENZING™ ECOVERO™ through an environmentally responsible production process that controls the entire process from raw material to final product.
[Fixed row]

(8.8.1) Provide details of the point to which your organization can trace its sourced volumes.

Timber products

(8.8.1.1) % of sourced volume traceable to production unit

100

(8.8.1.2) % of sourced volume traceable to sourcing area and not to production unit

0

(8.8.1.3) % sourced volume traceable to country/area of origin and not to sourcing area or production unit

0

(8.8.1.4) % of sourced volume traceable to other point (i.e., processing facility/first importer) not in the country/area of origin

0

(8.8.1.5) % of sourced volume from unknown origin

0

(8.8.1.6) % of sourced volume reported

100.00
[Fixed row]

(8.9) Provide details of your organization's assessment of the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of its disclosed commodities.

Timber products

(8.9.1) DF/DCF status assessed for this commodity

Select from:

☑ No, but we plan to do so within the next two years

(8.9.6) Is a proportion of your disclosure volume certified through a scheme not providing full DF/DCF assurance?

Select from:

☑ No

(8.9.7) Primary reason for not assessing DF/DCF status

Select from:

☑ Not an immediate strategic priority

(8.9.8) Explain why you have not assessed DF/DCF status

We make certification inquiries to our suppliers to monitor our existing targets within the scope of sustainable products and sustainable packaging. For FSC-certified packaging, we ask our suppliers for the proof documents of these certificates. At the same time, in line with our goal of creating 90% of our total product portfolio from

sustainable products, we are working to replace cellulose-based fabric types such as Lyocell, Modal, Viscose, which may have a deforestation effect, with Viscose Lenzing, Modal Tencel and Lyocell Tencel alternatives. In these efforts, we expect our suppliers to comply with the necessary criteria and have the necessary certificates to ensure that the products and fabrics we purchase have the relevant properties. We believe that these measures are critical given the impact of the sector we are in on deforestation. For this reason, we are not considering taking DF/DFC assurance for deforestation at this stage. However, we may consider this issue in the coming periods.
[Fixed row]

(8.10) Indicate whether you have monitored or estimated the deforestation and conversion of other natural ecosystems footprint for your disclosed commodities.

	Monitoring or estimating your deforestation and conversion footprint
Timber products	*Select from:* ☑ Yes

[Fixed row]

(8.10.1) Provide details on the monitoring or estimating of your deforestation and conversion footprint.

Timber products

(8.10.1.1) Monitoring and estimating your deforestation and conversion footprint

Select from:
☑ We estimate the deforestation and conversion footprint based on sourcing area

(8.10.1.2) % of disclosure volume monitored or estimated

100

(8.10.1.3) Reporting of deforestation and conversion footprint

Select all that apply

☑ During the reporting period

(8.10.1.5) Known or estimated deforestation and conversion footprint in the reporting period (hectares)

0

(8.10.1.9) Describe the methods and data sources used to monitor or estimate your deforestation and conversion footprint

We cover 4 different product items within the scope of Timber products. One of them is paper and cardboard packaging and the other three are 3 different types of fabrics that are at risk of deforestation. These fabric types are lyocell, modal and viscose. The suppliers from which all these products are purchased are monitored by our purchasing department. Since we make local purchases, it is easier for us to follow up, while we can follow up our purchases from abroad to the factories. If our suppliers also have suppliers, we also follow our tier-2 and tier-3 suppliers with our questions where there is a risk, even if it is not in our own system. In 2023, while purchasing 7,343,845 products (lyocell, modal and viscose), we purchased 90% of these products from Turkey, 6.53% from Bangladesh ant the rest of 3% from Morocco, Egypt, India and Myanmar. Also we are purchasing paper from China and Turkey. In 2023, we purchased 29,038 kg of paper (98% of from China, 2% of from Turkey).
[Add row]

(8.11) For volumes not assessed and determined as deforestation- and conversion-free (DCF), indicate if you have taken actions in the reporting year to increase production or sourcing of DCF volumes.

	Actions taken to increase production or sourcing of DCF volumes
Timber products	*Select from:* ☑ No, but we plan to within the next two years

[Fixed row]

(8.14) Indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards, and provide details.

(8.14.1) Assess legal compliance with forest regulations

Select from:

☑ Yes, from suppliers

(8.14.2) Aspects of legislation considered

Select all that apply

☑ Environmental protection

☑ Labor rights

☑ Human rights protected under international law

☑ Tax, anti-corruption, trade and customs regulations

(8.14.3) Procedure to ensure legal compliance

Select all that apply

☑ Supplier self-declaration

☑ Third party databases

(8.14.5) Please explain

We cover 4 different product items within the scope of Timber products. One of them is paper and cardboard packaging and the other three are 3 different types of fabrics that are at risk of deforestation. These fabric types are lyocell, modal and viscose. The suppliers from which all these products are purchased are monitored by our purchasing department. Since we make local purchases, it is easier for us to follow up, while we can follow up our purchases from abroad to the factories. If our suppliers also have suppliers, we also follow our tier-2 and tier-3 suppliers with our questions where there is a risk, even if it is not in our own system. We assess the compliance of our suppliers with forest regulations, focusing on aspects such as labor rights, human rights protected under international law, and compliance with tax, anti-corruption, trade, and customs regulations.
[Fixed row]

(8.15) Do you engage in landscape (including jurisdictional) initiatives to progress shared sustainable land use goals?

(8.15.1) Engagement in landscape/jurisdictional initiatives

Select from:

☑ No, we do not engage in landscape/jurisdictional initiatives, but we plan to in the next two years

(8.15.2) Primary reason for not engaging in landscape/jurisdictional initiatives

Select from:

☑ Benefits of engaging in landscapes/jurisdictions unclear

(8.15.3) Explain why your organization does not engage in landscape/jurisdictional initiatives

As engaging in landscape/jurisdictional approaches is not an immediate priority, we also can not clearly asses benefits of engaging in landscapes/juridictions. [Fixed row]

(8.16) Do you participate in any other external activities to support the implementation of policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains?

Select from:

☑ Yes

(8.16.1) Provide details of the external activities to support the implementation of your policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains

Row 1

(8.16.1.1) Commodity

Select all that apply

☑ Timber products

(8.16.1.2) Activities

Select all that apply

☑ Involved in industry platforms

☑ Engaging with non-governmental organizations

(8.16.1.3) Country/area

Select from:

☑ Turkey

(8.16.1.4) Subnational area

Select from:

☑ Not applicable

(8.16.1.5) Provide further details of the activity

While addressing deforestation through our products and packaging, we support the fight against deforestation through other steps we take to support sustainable practices. For example, as a member of the UN Global Compact since last year, we have become a member of the CEO Water Mandate, where we take action on water, hygiene and the Sustainable Development Goals. In this context, we report on the following 6 issues. 1. Direct activities of the company 2. Supply chain and watershed management 3. Collective action 4. Public policies 5. Community engagement 6. Transparency At the same time, within the scope of our goal of becoming one of the net zero companies in 2050, this year we included our net and intensity targets in Scope 1, 2 and 3 in the SBTi process. We expect our applications to be finalized in this context. Our Scope 3 target is a target we set for the goods and services we purchase. Therefore, every positive step we take on packaging and fabrics will reduce our impact on deforestation.
[Add row]

(8.17) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?

Select from:

☑ No, but we plan to implement a project(s) within the next two years

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

☑ No

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

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

The water supplied to all workplaces, whether for processing, sanitation or consumption, is withdrawn from authorised public supply networks. Water withdrawal is calculated through direct meter readings and bill charges from public water utilities companies. Regarding our own stores, it has been calculated based on the net expenditure per store. We track the data through monthly invoices coming to all our locations.

(9.2.4) Please explain

We monitor our water withdrawals through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. This includes our headquarter (İstanbul - Halkalı), warehouses (Çerkezköy and

Yassıören), DeFacto Technology Services Office, all stores located within the country, offices located abroad, all stores and franchise stores located abroad and warehouses located abroad. Total of withdrawals (except for the consumption of limited amounts of drinking water) are from municipal water systems.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

The water supplied to all workplaces, whether for processing, sanitation or consumption, is withdrawn from authorised public supply networks. Water withdrawal is calculated through direct meter readings and bill charges from public water utilities companies. Regarding our own stores, it has been calculated based on the net expenditure per store. We track the data through monthly invoices coming to all our locations.

(9.2.4) Please explain

We monitor our water withdrawals through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. This includes our headquarter (İstanbul - Halkalı), warehouses (Çerkezköy and Yassıören), DeFacto Technology Services Office, all stores located within the country, offices located abroad, all stores and franchise stores located abroad and warehouses located abroad. Total of withdrawals (except for the consumption of limited amounts of drinking water) are from municipal water systems.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

The water supplied to all workplaces, whether for processing, sanitation or consumption, is withdrawn from authorised public supply networks. Water withdrawal is calculated through direct meter readings and bill charges from public water utilities companies. Regarding our own stores, it has been calculated based on the net expenditure per store. We track the data through monthly invoices coming to all our locations.

(9.2.4) Please explain

We monitor our water withdrawals through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. This includes our headquarter (İstanbul - Halkalı), warehouses (Çerkezköy and Yassıören), DeFacto Technology Services Office, all stores located within the country, offices located abroad, all stores and franchise stores located abroad and warehouses located abroad. Total of withdrawals (except for the consumption of limited amounts of drinking water) are from municipal water systems. The water supplied to all workplaces, whether for processing or consumption, is withdrawn from authorised public supply networks.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

The water supplied to all workplaces, whether for processing, sanitation or consumption, is withdrawn from authorised public supply networks. Water discharged is calculated through direct meter readings and bill charges from public water utilities companies. All withdrawals with the exception of those for drinking water, are discharged to municipal sewage systems. We track the data through monthly invoices coming to all our locations.

(9.2.4) Please explain

The water supplied to all workplaces, whether for processing, sanitation or consumption, is withdrawn from authorised public supply networks. Water discharged is calculated through direct meter readings and bill charges from public water utilities companies. All withdrawals with the exception of those for drinking water, are discharged to municipal sewage systems. We track the data through monthly invoices coming to all our locations.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

The water supplied to all workplaces, whether for processing, sanitation or consumption, is withdrawn from authorised public supply networks. Water discharged is calculated through direct meter readings and bill charges from public water utilities companies. All withdrawals with the exception of those for drinking water, are discharged to municipal sewage systems. We track the data through monthly invoices coming to all our locations.

(9.2.4) Please explain

The water supplied to all workplaces, whether for processing, sanitation or consumption, is withdrawn from authorised public supply networks. Water discharged is calculated through direct meter readings and bill charges from public water utilities companies. All withdrawals with the exception of those for drinking water, are discharged to municipal sewage systems. We track the data through monthly invoices coming to all our locations.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

The water supplied to all workplaces, whether for processing, sanitation or consumption, is withdrawn from authorised public supply networks. Water discharged is calculated through direct meter readings and bill charges from public water utilities companies. All withdrawals with the exception of those for drinking water, are discharged to municipal sewage systems. We track the data through monthly invoices coming to all our locations.

(9.2.4) Please explain

We monitor our water withdraws/discharges through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. This includes our headquarter (İstanbul - Halkalı), warehouses (Çerkezköy and Yassıören), DeFacto Technology Services Office and stores. Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. In water footprint calculations, we proceeded with direct and indirect consumption logic. All withdrawals are discharged with the exception of withdrawals for drinking water. 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

(9.2.1) % of sites/facilities/operations

Select from:

☑ Not relevant

(9.2.4) Please explain

Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. The volume discharged by effluent parameter is not a relevant water aspect. All of the water used at DeFacto's facilities is discharged into municipal wastewater systems which count with the appropriate treatment methods so as to ensure effluent parameters remain at the correct level.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☑ Not relevant

(9.2.4) Please explain

Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. The volume discharged by emissions to water is not a relevant water aspect. The discharged water carries domestic wastewater characteristics. All of the water consumed at DeFacto's facilities is discharged into municipal wastewater systems which count with the appropriate treatment methods so as to ensure emissions (nitrates, phosphates, pesticides, and/or other priority substances) remain at the correct level.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

The water supplied to all workplaces, whether for processing, sanitation or consumption, is withdrawn from authorised public supply networks. Water discharged is calculated through direct meter readings and bill charges from public water utilities companies. All withdrawals with the exception of those for drinking water, are discharged to municipal sewage systems. We track the data through monthly invoices coming to all our locations.

(9.2.4) Please explain

Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. There is not an industrial process involved which can require subsequent refrigeration, for instance. The discharged water carries domestic wastewater characteristics. All water is sourced from municipal supplies at their regular temperature and discharged without undergoing any temperature treatment.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. Water consumption is calculated through direct meter readings and bill charges from public water utilities companies.

(9.2.4) Please explain

Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. Water consumption is calculated through direct meter readings and bill charges from public water utilities companies.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Currently, there is no water recycling/reuse.

(9.2.4) Please explain

Currently, there is no water recycling/reuse.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. Water consumption is calculated through direct meter readings and bill charges from public water utilities companies.

(9.2.4) Please explain

In all our own facilities DeFacto counts with fully-functioning, safely managed WASH services available to all our employees with free access at any time. [Fixed row]

(9.2.2) 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?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

235.84

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Change in accounting methodology

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in efficiency

(9.2.2.6) Please explain

We changed our calculation methodology this year compared to last year in our water-focused reporting. While last year we only reported on locations in Türkiye, this year we are reporting on our total water consumption, including overseas locations (30 countries). Last year, we reported our water withdrawal as 124.18 m3 within the scope of CDP reporting. This year, our reporting for Türkiye + international locations is reported as 235.84 m3. It was not meaningful to compare the data from the previous year with such a high reporting boundary expansion. For this reason, we are conducting our water withdrawal-focused analyses using 2024 as the base year. We will also set our targets based on 2024. Another reason for designating this year as the first year of measurement is that we have obtained independent assurance in the areas of water withdrawal, discharge, and consumption.

Total discharges

(9.2.2.1) Volume (megaliters/year)

92.88

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Change in accounting methodology

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in efficiency

(9.2.2.6) Please explain

We changed our calculation methodology this year compared to last year in our water-focused reporting. Last year, we only reported on locations in Türkiye, but this year we are reporting on our total water consumption, including overseas locations (30 countries). It was not meaningful to compare the data from the previous year with such a high reporting boundary expansion. For this reason, we are conducting our water discharged-focused analyses using 2024 as the base year. We will also set our targets based on 2024. Another reason for designating this year as the first year of measurement is that we have obtained independent assurance in the areas of water withdrawal, discharge, and consumption.

Total consumption

(9.2.2.1) Volume (megaliters/year)

142.96

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Change in accounting methodology

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in efficiency

(9.2.2.6) Please explain

We changed our calculation methodology this year compared to last year in our water-focused reporting. Last year, we only reported on locations in Türkiye, but this year we are reporting on our total water consumption, including overseas (30 countries). Last year, as part of our CDP reporting, we calculated our water consumption based solely on our employees' drinking water usage and reported it as 0.25 m³. This year, we have expanded our reporting scope to include both Türkiye and international locations, and due to the change in our reporting methodology, our 2024 reporting shows a total water consumption of 142.95 m³. It was not meaningful to compare the data from the previous year with such a high reporting boundary expansion. For this reason, we are conducting our water consumption-focused analyses using 2024 as the base year. We will also set our targets based on 2024. Another reason for designating this year as the first year of measurement is that we have obtained independent assurance in the areas of water withdrawal, discharge, and consumption
[Fixed row]

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

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

☑ Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

185.68

(9.2.4.3) Comparison with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

☑ Change in accounting methodology

(9.2.4.5) Five-year forecast

Select from:

☑ Lower

(9.2.4.6) Primary reason for forecast

Select from:

☑ Investment in water-smart technology/process

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

78.73

(9.2.4.8) Identification tool

Select all that apply

☑ WRI Aqueduct

(9.2.4.9) Please explain

In fact, we conducted an analysis of water withdrawal from water-stressed areas last year as well. However, this analysis, which only covered our operations in Türkiye, was somewhat limited. For this reason, this year we conducted a broader study that included all of our locations around the world. Thanks to this new system, which includes our overseas stores, offices, and warehouses in the calculation, we are now monitoring water withdrawal, discharge, and consumption data at all of our locations. Although our main activities take place in Türkiye, we did not find it meaningful to compare this new calculation, which includes our international operations (30 countries) accounting for 39% of our total water withdrawal as of 2024, with the previous year. The main reason for this was that we determined that the high increase rates we would observe were due to the expansion of reporting boundaries rather than performance. In the coming years, we will be conducting comparisons based on our full-scope performance, including all locations. We use the WRI Aqueduct tool to understand how much water we withdraw from water-stressed areas. By entering province and coordinate information, we observe where our risk is Extremely High and High for our stores, offices, headquarters, and

warehouses. We conduct this analysis not only for the reporting year but also for the years 2030 and 2050. In the analysis we conducted for 2024, we are leveraging these studies to strengthen our water efficiency efforts. Water consumption at DeFacto occurs for several main reasons: our employees' use of WASH services, cleaning, and drinking water. Since we do not engage in production, we do not use water for production purposes. We are focusing our water efficiency efforts particularly on our mains water extraction/consumption. In this context, we aim to reduce water usage across all our locations, with a particular focus on high-water-stress locations, through smart water technologies, automation systems and awareness campaigns we plan to implement in high-water-stress locations.
[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:
☑ Relevant

(9.2.7.2) Volume (megaliters/year)

122.77

(9.2.7.3) Comparison with previous reporting year

Select from:
☑ This is our first year of measurement

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:
☑ Change in accounting methodology

(9.2.7.5) Please explain

Fresh surface water withdrawals are due to drinking water use. DeFacto bottled drinking water suppliers are directly responsible for surface water withdrawals. We changed our calculation methodology this year compared to last year in our water-focused reporting. Last year, we only reported on locations in Turkey, but this year we are reporting on our total water withdrawals, including overseas (30 countries). It was not meaningful to compare the data from the previous year with such a high reporting boundary expansion. For this reason, we are conducting our water withdrawal-focused analyses using 2024 as the base year. Another reason for designating this year as the first year of measurement is that we have obtained independent assurance in the areas of water withdrawal, discharge, and consumption.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

Water use at DeFacto facilities is mainly for cleaning and sanitation. Total of withdrawals (except for the consumption of limited amounts of drinking water) are mainly from municipal water systems. So, we do not use any brackish surface water/seawater.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

Water use at DeFacto facilities is mainly for cleaning and sanitation. Total of withdrawals (except for the consumption of limited amounts of drinking water) are mainly from municipal water systems. So, we do not use any groundwater.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

Water use at DeFacto facilities is mainly for cleaning and sanitation. Total of withdrawals (except for the consumption of limited amounts of drinking water) are mainly from municipal water systems. So, we do not use any groundwater.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

Water use at DeFacto facilities is mainly for cleaning and sanitation. Total of withdrawals (except for the consumption of limited amounts of drinking water) are mainly from municipal water systems. So, we do not produce/entrained water.

Third party sources

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

113.07

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Change in accounting methodology

(9.2.7.5) Please explain

Water use at DeFacto facilities is mainly for cleaning and sanitation. Total of withdrawals (except for the consumption of limited amounts of drinking water) are mainly from municipal water systems. 99.8% of our water withdrawal is related to municipal (third party sources) water. We changed our calculation methodology this year compared to last year in our water-focused reporting. Last year, we only reported on locations in Turkey, but this year we are reporting on our total water withdrawals, including overseas (30 countries). It was not meaningful to compare the data from the previous year with such a high reporting boundary expansion. For this reason, we are conducting our water withdrawal-focused analyses using 2024 as the base year. Another reason for designating this year as the first year of measurement is that we have obtained independent assurance in the areas of water withdrawal, discharge, and consumption.
[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

☑ Not relevant

(9.2.8.5) Please explain

We monitor our water withdraws/discharges through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. All withdrawals are discharged with the exception of withdrawals for drinking water. So, we have not any water discharged to fresh surface water.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

☑ Not relevant

(9.2.8.5) Please explain

We monitor our water withdraws/discharges through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. All withdrawals are discharged with the exception of withdrawals for drinking water. So, we have not any water discharged to brackish surface water/seawater.

Groundwater

(9.2.8.1) Relevance

Select from:

☑ Not relevant

(9.2.8.5) Please explain

We monitor our water withdraws/discharges through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. All withdrawals are discharged with the exception of withdrawals for drinking water. So, we have not any water discharged to groundwater.

Third-party destinations

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

92.88

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Change in accounting methodology

(9.2.8.5) Please explain

We monitor our water withdraws/discharges through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. All withdrawals are discharged with the exception of withdrawals for drinking water and discharged by third-party destinations (municipal sources). We changed our calculation methodology this year compared to last year in our water-focused reporting. Last year, we only reported on locations in Turkey, but this year we are reporting on our total water discharged, including overseas (30 countries). It was not meaningful to compare the data from the previous year with such a high reporting boundary expansion.
[Fixed row]

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

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

We monitor our water withdraws/discharges through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. All withdrawals are discharged with the exception of withdrawals for drinking water. There is no additional treatment. The treatment is carried out by the municipality.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

We monitor our water withdraws/discharges through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. All withdrawals are discharged with the exception of withdrawals for drinking water. There is no additional treatment. The treatment is carried out by the municipality.

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

We monitor our water withdraws/discharges through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. All withdrawals are discharged with the exception of withdrawals for drinking water. There is no additional treatment. The treatment is carried out by the municipality.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

We monitor our water withdraws/discharges through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. All withdrawals are discharged with the exception of withdrawals for drinking water. There is no additional treatment. The treatment is carried out by the municipality.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

92.88

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Change in accounting methodology

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 100%

(9.2.9.6) Please explain

We monitor our water withdraws/discharges through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. All withdrawals are discharged with the exception of withdrawals for drinking water. There is no additional treatment. The treatment is carried out by the municipality. We changed our calculation methodology this year compared to last year in our water-focused reporting. Last year, we only reported on locations in Turkey, but this year we are reporting on our total water discharged, including overseas (30 countries). It was not meaningful to compare the data from the previous year with such a high reporting boundary expansion.

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

We monitor our water withdraws/discharges through our water footprint study. Our water footprint study was prepared by accepting the system boundaries operational control approach. All our own facilities are included in the DeFacto's water monitoring. Water use at DeFacto facilities is mainly for cleaning and sanitation, and its discharge into municipal wastewater systems is guaranteed. All withdrawals are discharged with the exception of withdrawals for drinking water. There is no additional treatment. The treatment is carried out by the municipality.
[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

2

(9.3.3) % of facilities in direct operations that this represents

Select from:

☑ 1-25

(9.3.4) Please explain

We have identified three critical locations in terms of our impact, risks, and opportunities related to water use in our direct operations. In determining these locations, we focused on areas that could cause critical disruptions to our business continuity and areas with "Extremely High" water stress. The locations we identified under this scope are one of our warehouses in Istanbul with "Extremely High" water stress (Yassıören (E-Commerce Warehouse)) and our Headquarter. Although our operations do not directly involve production activities and our water consumption is limited to WASH services and drinking water, a potential water shortage at these three locations—where critical operations are conducted and critical decisions are made—could impact the continuity of our operations.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

1

(9.3.4) Please explain

In our upstream value chain, we have a very critical supplier: Ozon Tekstil. Ozon Tekstil, which carries out almost all of its production for DeFacto, is our largest product supplier. Due to its production processes, Ozon Tekstil has a relatively higher water consumption than DeFacto, so we closely monitor its water withdrawal, discharge, and consumption data. Additionally, we assess the water stress risk using the WRI Aqueduct tool, incorporating the geographical coordinates of the factory's location. In the analysis we conducted as of 2024, we observed that the integrated production facility where Ozon Tekstil carries out its production processes is located in an area with "Medium-High" water stress.
[Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:
☑ Facility 1

(9.3.1.2) Facility name (optional)

Headquarter (İstanbul - Halkalı)

(9.3.1.3) Value chain stage

Select from:
☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply
☑ Dependencies
☑ Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Turkey

☑ Other, please specify :Marmara

(9.3.1.8) Latitude

41.049688

(9.3.1.9) Longitude

28.80788

(9.3.1.10) Located in area with water stress

Select from:

☑ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

10.68

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0.15

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

10.53

(9.3.1.21) Total water discharges at this facility (megaliters)

5.26

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ This is our first year of measurement

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

5.26

(9.3.1.27) Total water consumption at this facility (megaliters)

5.42

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ This is our first year of measurement

(9.3.1.29) Please explain

We actually conducted a water withdrawal/discharge and consumption analysis last year as well. However, this analysis was somewhat limited as it only covered our operations in Türkiye. For this reason, we conducted a broader study this year that included all of our locations worldwide, and we designated 2024 as the first year of comprehensive reporting. Although our main activities take place in Türkiye, we did not find it meaningful to compare this new calculation, which includes our overseas operations accounting for 39% of our total water withdrawal, 19% of our water discharge, and 20% of our water consumption as of 2024, with the previous year. The main reason for this is that we have determined that the high increase rates we would observe are due to the expansion of reporting boundaries rather than performance. In the coming years, we will be comparing our full-scope performance, which includes all our locations. Water usage at DeFacto occurs for several main reasons: use of WASH services, cleaning, and drinking water. We calculate withdrawals from fresh surface water based on the drinking water, and withdrawals from third-party sources based on the water we use from municipal sources for WASH services and cleaning. There is no water drawn or used for production-related purposes or from other sources. The portion of the water we draw that is not used for drinking water is discharged into municipal sources, and we ensure that municipalities perform proper treatment.

Row 2

(9.3.1.1) Facility reference number

Select from:

☑ Facility 2

(9.3.1.2) Facility name (optional)

Warehouse (Yassıören - E-commerce Warehouse)

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

☑ Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Turkey

☑ Other, please specify :Marmara

(9.3.1.8) Latitude

41.192055

(9.3.1.9) Longitude

28.61229

(9.3.1.10) Located in area with water stress

Select from:

☑ Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

11.86

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0.19

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

11.67

(9.3.1.21) Total water discharges at this facility (megaliters)

5.83

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ This is our first year of measurement

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

5.83

(9.3.1.27) Total water consumption at this facility (megaliters)

6.03

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ This is our first year of measurement

(9.3.1.29) Please explain

We actually conducted a water withdrawal/discharge and consumption analysis last year as well. However, this analysis was somewhat limited as it only covered our operations in Türkiye. For this reason, we conducted a broader study this year that included all of our locations worldwide, and we designated 2024 as the first year of comprehensive reporting. Although our main activities take place in Türkiye, we did not find it meaningful to compare this new calculation, which includes our overseas operations accounting for 39% of our total water withdrawal, 19% of our water discharge, and 20% of our water consumption as of 2024, with the previous year. The main reason for this is that we have determined that the high increase rates we would observe are due to the expansion of reporting boundaries rather than performance. In the coming years, we will be comparing our full-scope performance, which includes all our locations. Water usage at DeFacto occurs for several main reasons: use of WASH services, cleaning, and drinking water. We calculate withdrawals from fresh surface water based on the drinking water, and withdrawals from third-party sources based on the water we use from municipal sources for WASH services and cleaning. There is no water drawn or used for production-related purposes or from other sources. The portion of the water we draw that is not used for drinking water is discharged into municipal sources, and we ensure that municipalities perform proper treatment.

Row 4

(9.3.1.1) Facility reference number

Select from:

☑ Facility 3

(9.3.1.2) Facility name (optional)

Ozon Tekstil

(9.3.1.3) Value chain stage

Select from:

☑ Upstream value chain

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

☑ Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Turkey

☑ Kizilirmak

(9.3.1.10) Located in area with water stress

Select from:

☑ No

(9.3.1.13) Total water withdrawals at this facility (megaliters)

7.53

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Much lower

(9.3.1.21) Total water discharges at this facility (megaliters)

4.06

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Much lower

(9.3.1.27) Total water consumption at this facility (megaliters)

0.45

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ Much lower

(9.3.1.29) Please explain

As part of our goal to reduce water impact in our supply chain by 25% by 2030, we are committed to reducing water usage in the production processes of Ozon Tekstil, our most important supplier. In this context, we encourage them to conduct all measurements to the fullest extent possible and closely monitor their performance. In 2024, Ozon Tekstil, which withdraw 4.5 megaliters of water, discharged 4.0 megaliters of water, and consumed 0.45 megaliters of water, achieved a reduction of approximately 40% in all these areas thanks to the efficiency projects it implemented.
[Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

The assurance process was conducted in accordance with the ISAE 3000 International Assurance Standards – "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" – Global Reporting Initiative (GRI) The assurance process was conducted in accordance with the Sustainability Reporting Standard requirements, and limited assurance was applied in accordance with ISAE 3000 (Revised) standards.

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

We do not seek independent opinions in this regard.

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

We do not seek independent opinions in this regard.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

The assurance process was conducted in accordance with the ISAE 3000 International Assurance Standards – "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" – Global Reporting Initiative (GRI) The assurance process was conducted in accordance with the Sustainability Reporting Standard requirements, and limited assurance was applied in accordance with ISAE 3000 (Revised) standards.

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

We do not seek independent opinions in this regard.

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

We do not seek independent opinions in this regard.

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☑ Not verified

(9.3.2.3) Please explain

We do not seek independent opinions in this regard.

Water consumption – total volume

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

The assurance process was conducted in accordance with the ISAE 3000 International Assurance Standards – "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" – Global Reporting Initiative (GRI) The assurance process was conducted in accordance with the Sustainability Reporting Standard requirements, and limited assurance was applied in accordance with ISAE 3000 (Revised) standards.
[Fixed row]

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

(9.5.1) Revenue (currency)

40682661179

(9.5.2) Total water withdrawal efficiency

172501107.44

(9.5.3) Anticipated forward trend

This year, for the first time, we measured our water withdrawal data and conducted an analysis of the water we extracted from water-stressed regions for all our domestic and international location. At the same time, we conducted a Water Footprint study to determine our direct and indirect water usage. As a result of all these studies, we identified the areas where our water withdrawal is most intensive. We will continue our efforts to reduce our impact in the coming period.
[Fixed row]

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

	Products contain hazardous substances	Comment
	Select from: ☑ No	*DeFacto does not sell any product that contains substances that are deemed hazardous by a regulatory authority.*

[Fixed row]

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

(9.14.1) Products and/or services classified as low water impact

Select from:
☑ Yes

(9.14.2) Definition used to classify low water impact

We designed a collection using Wiser Wash technology, which limits the environmental impact of denim fabric production. Using a mix of electric ozone gas and laser, Wiser Wash reduces the ecological and water footprint of products, resulting in more sustainable denim, while shortening the production process thanks to improved working conditions. Thanks to its special treatment process, Wiser Wash significantly reduces water and energy consumption without affecting the desired result. While it normally takes 16 liters of water to bleach a pair of jeans, this process reduces it to just one glass of water. We have conducted an important study to demonstrate the positive impact of Wiser Wash technology on the relationship between denim and the environment. We have completed a comparative life cycle

analysis of a denim product using conventional washing methods and a denim model produced using wiser wash technology. With this comprehensive analysis focusing on comparing the environmental impact of two different production methods, we aimed to provide our customers with valuable information on the environmental impact of our products, enabling them to make informed decisions and choose low emission products. In the life cycle analysis, we adopted a cradle-to-grave approach and considered the entire life cycle, including raw material procurement, production process, packaging, logistics, and even the end-of-life use and disposal of the product. Denim produced using Wiser Wash, an innovative washing technology, produces the most emissions during the drying process, while reducing emissions from conventional washing by almost half. In addition, conventional washing uses much more water than modern washing. While 60 kg of water is consumed in conventional washing, 12 kg of water is consumed with Wiser wash. In addition, the washing phase of Wiser Wash causes much less wastewater than conventional washing.

(9.14.4) Please explain

We designed a collection using Wiser Wash technology, which limits the environmental impact of denim fabric production. Using a mix of electric ozone gas and laser, Wiser Wash reduces the ecological and water footprint of products, resulting in more sustainable denim, while shortening the production process thanks to improved working conditions. Thanks to its special treatment process, Wiser Wash significantly reduces water and energy consumption without affecting the desired result. While it normally takes 16 liters of water to bleach a pair of jeans, this process reduces it to just one glass of water. We have conducted an important study to demonstrate the positive impact of Wiser Wash technology on the relationship between denim and the environment. We have completed a comparative life cycle analysis of a denim product using conventional washing methods and a denim model produced using wiser wash technology. With this comprehensive analysis focusing on comparing the envi
[Fixed row]

(9.15) Do you have any water-related targets?

Select from:
☑ Yes

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

Water pollution

(9.15.1.1) Target set in this category

Select from:
☑ No, and we do not plan to within the next two years

(9.15.1.2) Please explain

Our purpose around water pollution is to continue advancing towards the implementation of Zero Discharge of Hazardous Chemicals (ZDHC) organisation's platforms and solutions.

Water withdrawals

(9.15.1.1) Target set in this category

Select from:

☑ Yes

Water, Sanitation, and Hygiene (WASH) services

(9.15.1.1) Target set in this category

Select from:

☑ Yes

Other

(9.15.1.1) Target set in this category

Select from:

☑ No, but we plan to within the next two years

(9.15.1.2) Please explain

We do not have any other targets.
[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:

☑ Target 1

(9.15.2.2) Target coverage

Select from:

☑ Suppliers

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☑ Reduction in total water withdrawals

(9.15.2.4) Date target was set

12/30/2023

(9.15.2.5) End date of base year

12/30/2023

(9.15.2.6) Base year figure

15.37

(9.15.2.7) End date of target year

12/30/2030

(9.15.2.8) Target year figure

11.53

(9.15.2.9) Reporting year figure

11.22

(9.15.2.10) Target status in reporting year

Select from:

☑ Achieved

(9.15.2.11) % of target achieved relative to base year

108

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

We are progressing towards our goal of reducing water impact in our supply chain by 25% by 2030. To achieve this goal, we aim to develop a shared awareness with our suppliers on water and wastewater management, increase technical capacity, and jointly undertake projects that will reduce water consumption. Among all our suppliers, Ozon Tekstil, a DeFacto subsidiary, is our largest supplier with whom we work in cooperation. We make joint planning and annual capacity allocation agreements with our suppliers in order to manage their production schedule effectively. Ozon Tekstil was the supplier with the most critical importance in our goal of reducing our suppliers' water-oriented impacts by 25% in 2030. For this reason, we first prioritized their realization of this goal.

(9.15.2.15) Actions which contributed most to achieving or maintaining this target

Within the scope of the Green Ozon project, 3% water saving was achieved by installing water-saving faucet apparatus in the sinks used for hygiene purposes in order to reduce domestic water use. In order to reduce water use in production processes, a water-efficient process improvement step was taken by starting to perform printing mold washing processes with a pressurized water gun and 2% water saving was achieved.

(9.15.2.16) Further details of target

The data we have provided refers to water usage in megaliters.

Row 2

(9.15.2.1) Target reference number

Select from:

☑ Target 2

(9.15.2.2) Target coverage

Select from:

☑ Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Water, Sanitation, and Hygiene (WASH) services

☑ Other WASH, please specify :Number of employees provided with WASH services

(9.15.2.4) Date target was set

12/31/2023

(9.15.2.5) End date of base year

12/30/2023

(9.15.2.6) Base year figure

12981

(9.15.2.7) End date of target year

12/30/2024

(9.15.2.8) Target year figure

11955

(9.15.2.9) Reporting year figure

11955

(9.15.2.10) Target status in reporting year

Select from:

☑ Achieved

(9.15.2.11) % of target achieved relative to base year

100

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

Since the day we were established, we provide WASH services to 100% of our employees. The target covers all employees.

(9.15.2.15) Actions which contributed most to achieving or maintaining this target

In all our locations, we have procedures and policies on employee health and seamless access to clean water and drinking water for our employees. Within the scope of employee health and safety, necessary audits are carried out throughout the year. We make sure that WASH services reach our employees without any problems.

(9.15.2.16) Further details of target

The data we have provided refers to number of employees
[Add row]

C10. Environmental performance - Plastics

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

(10.1.1) Targets in place

Select from:

☑ Yes

(10.1.2) Target type and metric

Plastic polymers

☑ Reduce the total weight of virgin content in plastic polymers produced and/or sold

Plastic packaging

☑ Reduce the total weight of plastic packaging used and/or produced

☑ Eliminate problematic and unnecessary plastic packaging

☑ Eliminate single-use plastic packaging

☑ Increase the proportion of plastic packaging that is recyclable in practice and at scale

(10.1.3) Please explain

To address plastic pollution, we have maintained our focus on eliminating plastic and replacing materials in plastic packaging that are not reused, recycled, or responsibly managed during and after use. Specifically, all of our cardboard price tag cards are FSC-certified and sustainable. In addition, we supply 100% of the washing instruction labels from recycled materials from our existing textile accessories. We also provide our customers with 100% recycled shopping bags. We have also reduced the use of unnecessary polybags and optimized their size for product transit.
[Fixed row]

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

Production/commercialization of plastic polymers (including plastic converters)

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

As a fashion retailer, we do not produce plastic polymers.

Production/commercialization of durable plastic goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

As a fashion retailer, we do not produce or commercialize durable plastic goods.

Usage of durable plastics goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

☑ Yes

(10.2.2) Comment

As a fashion retailer, we do not produce durable plastic goods and/or components. However, some of our fabrics used in our products or our packaging materials contain polymers such as Polyurethane, Polypropyene, Polyamide, Polythene, Polystyrene and Polyester.

Production/commercialization of plastic packaging

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

As a fashion retailer, we do not produce or commercialize plastic packaging.

Production/commercialization of goods/products packaged in plastics

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

As a fashion retailer, we do not produce any goods or products packaged in plastics. However, some of the products we sell cause plastic consumption in primary packaging (on the product) or secondary packaging (in which the product is placed) when they are presented to our customers.

Provision/commercialization of services that use plastic packaging (e.g., food services)

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

As a fashion retailer, we do not provide or commercialize services that use plastic packaging.

Provision of waste management and/or water management services

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

As a fashion retailer, we do not provide of waste management and/or water management services.

Provision of financial products and/or services for plastics-related activities

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

As a fashion retailer, we do not provide any financial products and/or services for plastic related activities.

Other activities not specified

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

As a fashion retailer, we have not ant other activities.

[Fixed row]

(10.4) Provide the total weight of plastic durable goods and durable components produced, sold and/or used, and indicate the raw material content.

Durable goods and durable components used

(10.4.1) Total weight during the reporting year (Metric tons)

17496.15

(10.4.2) Raw material content percentages available to report

Select all that apply

☑ None

(10.4.7) Please explain

Some of our fabrics used in our products or our packaging materials contain polymers such as Polyester (11,052.64) Polyethylene (2,425.46 ton), Polyurethane (1,054.94 ton), Nylon (806.38 ton) and Acrylic (2,156.71 ton).
[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☑ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

☑ Land/water management

☑ Education & awareness

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?
	Select from: ☑ No, we do not use indicators, but plan to within the next two years

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

	Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity	Comment
Legally protected areas	*Select from:* ☑ No	*We have not any activities located in or near to legally protected areas.*
UNESCO World Heritage sites	*Select from:* ☑ No	*We have not any activities located in or near to UNESCO World Heritage sites.*
UNESCO Man and the Biosphere Reserves	*Select from:* ☑ No	*We have not any activities located in or near to UNESCO Man and the Biosphere Reserves sites.*
Ramsar sites	*Select from:* ☑ No	*We have not any activities located in or ner to Ramsar sites.*
Key Biodiversity Areas	*Select from:* ☑ No	*We have not any activities located in or near to Key Biodiversity Areas.*
Other areas important for biodiversity	*Select from:* ☑ No	*We have not any activities located in or near to any other areas important for biodiversity.*

[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Base year emissions

☑ Product footprint

(13.1.1.3) Verification/assurance standard

Climate change-related standards
☑ ISO 14064-1

(13.1.1.4) Further details of the third-party verification/assurance process

For us, our 2023 emissions are also our base year emissions and country breakdown emissions with a focus on Turkey. For this reason, the independent assurance we receive for our emissions in 2023 ensures the verification of both our base year and country-based emissions. In addition, this year we had an LCA conducted for our low carbon product, Wiser wash, and we had this LCA audited by third parties. You can see the relevant document in the attachments.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Defacto LCA Report_12.03.2024-signed.pdf
[Add row]

(13.2) 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.

(13.2.1) Additional information

In 2024, DeFacto made notable strides in sustainability by advancing climate action, water stewardship, and deforestation-free sourcing. The company reinforced its science-aligned goal to reduce carbon emissions by 55% by 2030 and achieve net-zero by 2050, while continuing to improve energy efficiency across operations. Through innovative denim finishing techniques, DeFacto significantly reduced water consumption per garment, supporting its broader commitment to resource conservation. Additionally, the company expanded the use of recyclable and sustainable packaging materials across its supply chain. In the forests domain, DeFacto enhanced traceability by sourcing cotton through the Better Cotton Initiative and prioritizing deforestation-free suppliers. The company shares all progress made in these areas with its stakeholders through its annually published integrated report.

(13.2.2) Attachment (optional)

DeFacto_ER_24_EN-1 Final.pdf

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

CEO

(13.3.2) Corresponding job category

Select from:

☑ Chief Executive Officer (CEO)

[Fixed row]

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

Select from:

☑ Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute