



SUSTAINABILITY REPORT

www.realkom.com



RealkomTekstil



RealkomJeans

2022

CHAIRPERSON'S STATEMENT

We have transformed our production activity, which has gained a rapid growth momentum, from a 5000 m2 area to a fully equipped production facility in a 45.000 m2 closed area, where technology and R&D activities are predominant. We have invested in 15,000 m2 facilities in our eastern provinces by maintaining the growth momentum thanks to the right policies we have implemented and by taking advantage of the incentives provided by our state. We are positioned as the leading and most equipped textile company of Turkey with our fully equipped Düzce factory and production facilities in Van – Batman.

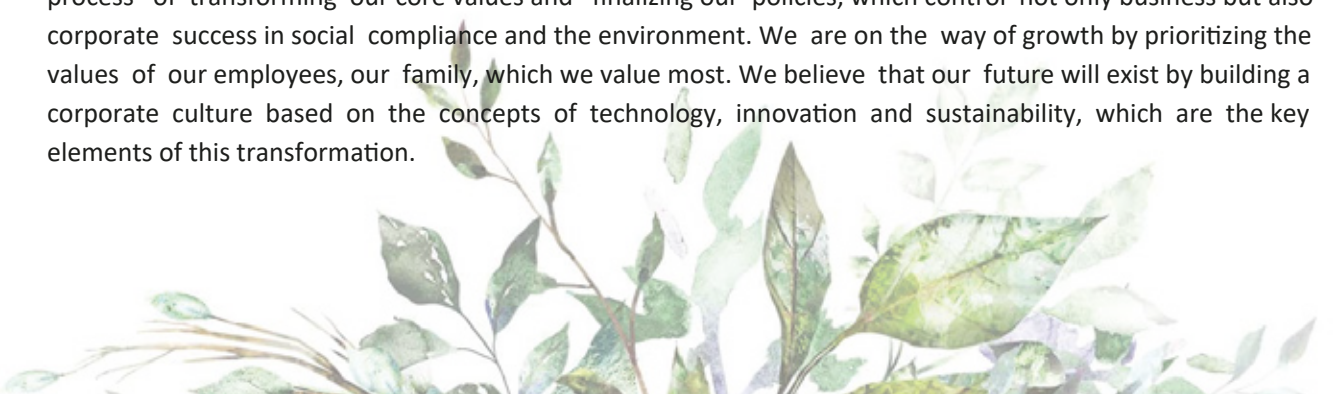
We also embarked on the path of digitalization to raise the understanding of quality and efficiency to a higher level, under the leadership of the necessity of high competition and sustainable production model. By supporting start-up companies, we started to build software that does not exist in the sector. We were able to get instant data from all production operations, for example, from sewing bands. By digitizing all known analogue machine parks, we access all technical data related to the product life cycle instantly. In this way, we can carry out business development activities in every operation, and we are moving towards the goal of maximizing our quality and efficiency.

Under the guiding light of sustainable development, the ready-made clothing industry has undergone a significant transformation. There is a growing interest in not only the environmental but also the social impacts of textile products. With the investments we made in this direction, we have greatly reduced our water, chemical and energy consumption. We reduced our water consumption, which is 80-90 liters per product in normal processes, to the amount of one glass of water. We have taken sustainable steps to a large extent by purifying and recycling the water we use. We plan to save a lot of energy by using the hydrogen we will obtain from wastewater in our steam boilers.

With solar power plant investments, which is another investment project, we will achieve great gains in energy consumption. We aim to turn our company's commercial vehicles into electric vehicles in a very short time and to minimize the carbon emissions we give to nature.

Thanks to another start-up support and substitution incentives for imported products, we can obtain most of the imported chemicals we use in our production from the domestic chemical production facility established together with the Department of Chemistry of Düzce University. Not only do we produce locally, we replace all our chemical consumption with environmentally friendly organic chemicals. In this way, we use only organic chemicals in Realkom's production washing line. We are the first denim company that can produce its own organic sustainable chemicals. This chemical production project of ours was deemed worthy of the most admired project award among Kosgeb projects in Ankara.

As a result of these investments, our production model can be characterized by the principles of low resource consumption, water recovery, use of recycled and organic raw materials, traceability and transparency. Our future projects will be to extend the digitalization project we started off to all our activities, to control the design, sales and production units fully digitally and to develop them with artificial intelligence. We are rapidly turning our route of being a technology-oriented textile company towards being a textile-oriented technology company. In the past years, we have expanded our management tools for sustainability services. We are in the process of transforming our core values and finalizing our policies, which control not only business but also corporate success in social compliance and the environment. We are on the way of growth by prioritizing the values of our employees, our family, which we value most. We believe that our future will exist by building a corporate culture based on the concepts of technology, innovation and sustainability, which are the key elements of this transformation.





REALKOM MANIFESTO

We set out a seal to contribute to a sense of the blue-green world.
A better blue life to achieve a SUSTAINABLE green world...

We wanted to seal the entire world with REALKOM SEAL at every stage.
We think a better blue world needs a unique touch of inspiration
and creation.

We're ambitious as the feeling arose from our capabilities.
We weave every idea and inspiration together, the inspiration we get
from our blue world with a vision that no one has had before,
we call it CREATIVITY.

We are confident because of the passion and the quality of our products.
We build unbreakable bridges between our clients, like our word is our
RELIABILITY.

We take every step in light of our policy of quality and we reach
all our goals with this policy. We trust our quality and we use all our
knowledge and experience to be the best. That's how we call
QUALITY.

We continuously change and constantly renew ourselves. We blaze
up innovative perspectives to our environment, clients and partners.
We become better than yesterday, each day. This is what we call
INNOVATION.

Our values from the essentials of the blue world, which makes us
who we are. We add all these values together and put another
brick above. We approach these values with an inclusive perspective to
create a greener world and unite around a seal. One for all, all for our blue-green
world. This is what we call INTEGRITY.

We take every step of ours into an Ecole, so that we can pass our experience on to the
next generations. Because we know that all of our efforts make sense if we can make
our world viable for future generations.

Our goal is to be an academy that guides the future and to create a blue-green school.

REALKOM ECOLE means building the future of our industry with the perspectives
we have developed and all the steps we take for a sustainable world.

We never compromise on the wisdom of the past and spread REALKOM SEAL
values to new generations while building the foundations of the sustainable world
with REALKOM ECOLE.

We see REALKOM SEAL and REALKOM ECOLE as two perfect parts of a blue-green world.
Because we know; to achieve a better blue life, we must have a sustainable green world.

OUR KEY FOCUS POINTS



Water and Wastewater Management



Social Responsibility and Occupational Health and Safety



Sustainable Supply Chain Management



Responsible Resource Management



Digital Transformation and Innovation



Chemical Management



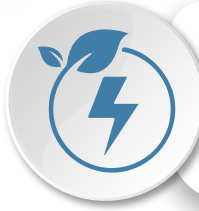
Product Management



Global Carbon Footprint



Sustainable Production



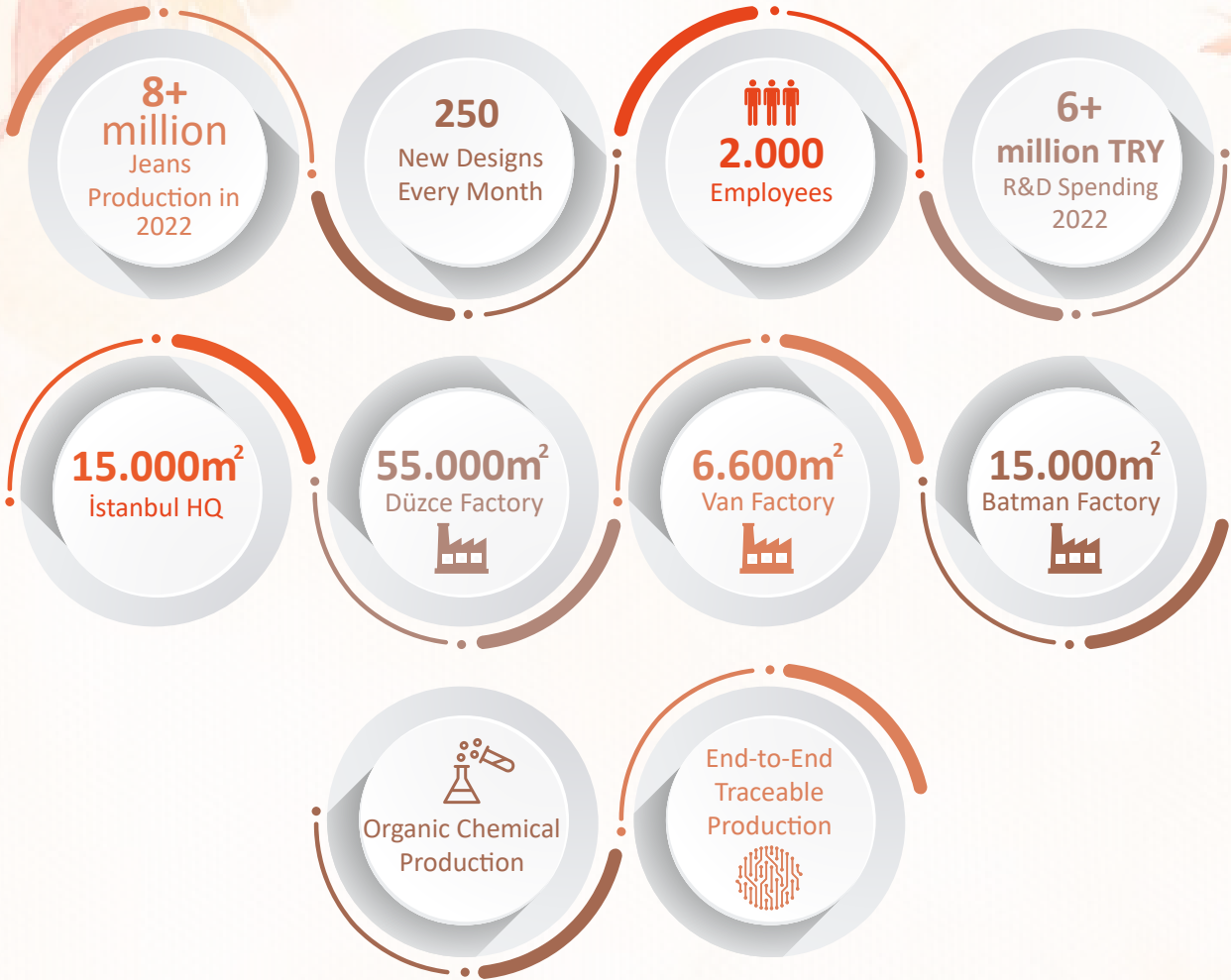
Energy Saving



Waste Management



BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION



R&D CENTER

Our R&D center, which is one of the first textile R&D centers in our country, was established in 2017 with the approval of the Ministry of Industry and Technology of the Republic of Turkey.



DIGITAL TRANSFORMATION, TECHNOLOGY & INNOVATION

Digital transformation and innovation is an essential part of Realkom. We rewrite the industry rules with innovative and experiential approaches and embark on an inspiring journey to the future.

We follow our production processes digitally from start to finish with our own software "RECORE". In this way, we can provide quick feedback to the relevant departments, produce instant solutions to potential problems and increase our production efficiency.

Our digital transformation modules;

A **CUTTING MODULE** that provides automatic control of the cutting work pieces and the suitability of the cutting with the pattern.



WAREHOUSE SOLUTIONS MODULE that provides inventory tracking at all stages of fabric processes of warehouse addressing with **barcode system** until cutting.



PRELIMINARY COST MODULE that provides the preliminary cost of the product by pulling data from the relevant modules.



A **QUALITY CONTROL MODULE** that enables the creation of the quality report of the order in digital environment by entering data on the tablets of the **quality controls**, providing instant visibility of the errors in production and ensuring the **end - to - end traceability** of the order.



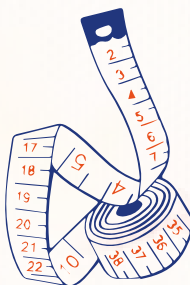
HUMAN RESOURCES MODULE that enables human resources operations such as employee entry and exit records, **salary, payments, payroll** to be carried out through a **single system**.



DIGITAL RECIPE MODULE where washing recipes are processed into digital media and thus the recipe costs are instantly calculated.



MEASUREMENT MODULE that provides measurement control and digital execution of measurement reports.



BARCODE MODULE that enables printing of barcodes specific to each **stage of production**.



PRODUCTION TRACKING MODULE

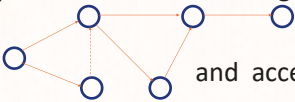


that provides the number of products and instant data notification with the

barcode system.



CRITICAL PATH MODULE that provides automatic foregrounding and acceleration of deadline processes according to the **tape of the order**.



EFFICIENCY MODULE that enables personnel productivity reports to be **made online**, and line-section productivity **reports** to be generated instantly.



PACKING LIST MODULE that **automatically** digitizes manually prepared packing lists and ensures accurate data.



ORDER TRACKING MODULE, which creates an **order ID card** by pulling data from the relevant modules, and displays all the locations where the order will pass and number of **work and time**.



GENERAL MANUFACTURING TRACKING MODULE that automatically compares the plan and actual dates of the **manufacturing orders**, and automatically warns the departments and related persons that may **face** delays.



BE AND
FASTER MORE
WITH EFFICIENT
**OPERATIONAL
EXCELLENCE!**

Our water management is the main focus of our policy development; which includes planning, quality protection, investment, monitoring, permitting, inspection, sanction and coordination activities that will ensure optimum beneficial use of water resources and control their negative effects.

WE ARE COMMITTED to increasing the use of organic chemicals in
our washing process from 70% to **100%** by **2025**.

FORMULATING SAFER CHEMICALS

IN OUR WASHING
PROCESSES, WE USE ORGANIC
CHEMICALS THAT ARE
FORMULATED AND PRODUCED
BY US.

70% ORGANIC CHEMICAL USE



The chemicals we formulate have
GOTS certificate and ZDHC ChemCheck
report.

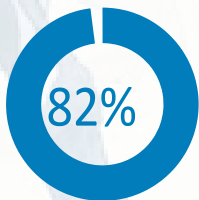
1 We provide maximum
traceability with our digital
chemical consumption
process which can be traced
throughout the production
line.

2 We provide impeccable
chemical inventory
traceability through
BHive.

3 We fully comply with MRSL
(Manufactured Restricted
Substance List) and RSL
(Restricted Substance List)
lists of our customers.

4 We are in compliance
with ZDHC MRSL
guidelines.

5 We aim to minimize our chemical
consumption with our planned
investment of automatic dosing
system in 2024.



ENVIRONMENTAL
WASTE REDUCED

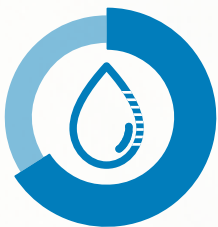


WATER SAVING
WAS ACHIEVED

Eco-friendly alternative to pumice stone used in standard stone washing; The use of pumice stone was completely eliminated by using the combination of synthetic stone + our own formulation of **organic chemicals**.

66%

WATER SAVINGS
were achieved by
washing without water
in the laundry
with the help of
WATERLESS ENZYME



60%
Water Saving

was achieved by applying
chemicals with
SMART FOAM



75%

rate of
laser use
in the dry process

In the neutral process,
sulphite, enzyme and **disperse**
processes were performed in a single bath,
resulting in



electricity



water saving

By using environmentally friendly
ozone technology,
which is an alternative to the traditional
bleaching process,

65%
water



energy
50%

60%
chemicals
and time



savings were achieved.

As Realkom, we are dedicated to **RESPONSIBLE PRODUCTION** and **CONTINUOUS IMPROVEMENT**. In 2022, we reduced the water, chemical and energy consumption in our production facilities and improved the wastewater quality.

»»» **REDUCE EMISSIONS** (scope 1 and 2) FROM OUR OPERATIONS **BY 45%** BY 2030,

»»» TO BE A **CARBON NEUTRAL COMPANY** BY 2040,

»»» TO **REDUCE WATER USE PER UNIT OF PRODUCTION BY 70%** BY 2025,

»»» BY ENSURING OUR WASTEWATER RECYCLING FACILITY PROJECT TO BE OPERATIONAL BY 2025, **RECYCLING 80% OF OUR WASTEWATER AND REUSING IN OUR PROCESSES,**

»»» TO INCREASE THE USE OF **ORGANIC, BCI AND RECYCLED COTTON IN OUR PRODUCTS** **TO 50%** BY 2025,

»»» TO **REDUCE** THE WASTE FROM OUR PROCESSES **BY 60% BY PREVENTION, REDUCTION, RECYCLING AND REUSE** BY 2025, FROM OUR OPERATIONS

»»» TO **DONATE 100.000 SEEDS** BY 2030,

OUR SUSTAINABILITY PARTNERS



Since 2017, we have been measuring our environmental performance using the Higg Index FEM module and sharing our verified results with our stakeholders.



We comply with the values and principles within the BSCI Code of Conduct.



We support our work, which we carry out within the scope of "sustainable business practices" throughout our production chain, with Sedex.



We transparently share our wastewater reports, which are analyzed according to ZDHC parameters, on the Gateway portal with our shareholders.



With responsible production approach; We are included in the GRS (Global Recycled Standard), GOTS (Global Organic Textile Standard), OCS (Organic Blended Content Standard) and RCS (Recycled Claim Standard) systems.



We create our chemical inventory list with BHive and share it transparently with our stakeholders.



We use the EIM platform to monitor our environmental impacts from our washing process.



We follow all steps ,towards sustainable raw material use.



We implement the OEKE-TEX standard to ensure human-ecological product safety.



We apply ISO 45001 standard requirements to provide a safe and healthy working environment for our employees.



We have a quality management system that covers all stages from the design phase to production, marketing and after sales.



Our energy management system has been certified according to the ISO 50001 Energy Management System.



To protect our information assets against loss, damage and other risks, we apply the requirements of the ISO 27001 standard.



Our waste management system has been certified according to the Zero Waste Management System.



We have an environmental management system covering all stages from the design stage to production, marketing and after sales.

IN YEAR 2022 WE HAVE USED;

%20

RECYCLED COTTON



%20

ORGANIC COTTON



%60

BETTER COTTON



In our production facilities.






Reducing energy consumption and increasing energy efficiency is the focus of our Energy Management System. In this context, we have developed projects and invested in environmentally friendly technologies and products.



**OUR ENERGY MANAGEMENT SYSTEM IS
CERTIFIED ACCORDING TO ISO 50001.**

WE ARE COMMITTED
TO USING



%50

**RENEWABLE ENERGY
IN OUR OPERATIONS
UNTIL 2025**



IN 2022;

1

*Thanks to our new machines that help us to use energy more efficiently, we have saved 65% natural gas and 25% electricity in the washing section.

2

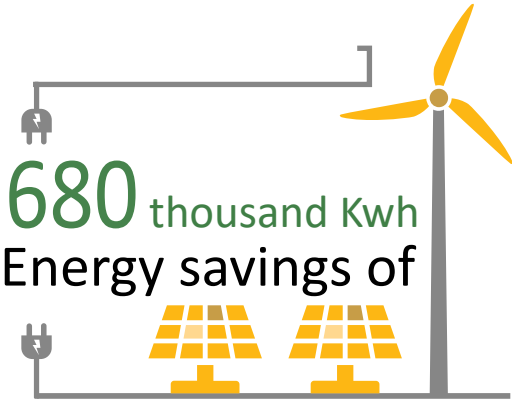
*Due to burner we use in our dryers, we have achieved high efficiency combustion and low fuel consumption.

3

*As a result of the improvements made in our production processes with our energy studies, we removed the use of steam in the factory.



The gains we have achieved in 2022 thanks to our waste management;



70% eco-friendly machines are used in production and 100% environmentally friendly in the R&D center.



Our own production of GOTS certified organic chemicals are used in our wet processes.



Water and wastewater management is a critical part of sustainability performance.

We treat and discharge our industrial wastewater in accordance with the Water Pollution Control Regulation and ZDHC wastewater directives.

OUR WASTEWATER;

- ◆ is analyzed **ONCE A WEEK**, in our laboratory, according to the Water Pollution Control regulations and,
- ◆ **ONCE A YEAR** it is analyzed in accordance with ZDHC wastewater guidelines in an authorized laboratory.



Ø ZDHC
Zero Discharge of
Hazardous Chemicals

WE ARE COMMITTED
to launch our
WASTEWATER RECOVERY FACILITY
by **2025**,



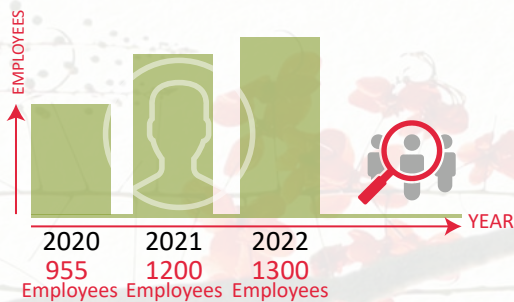
RECYCLING
80%
of OUR WASTEWATER,
and reusing it in our washing process.



Since 2001, we have been creating economic mobility, increasing social welfare and contributing to the development of the economy with the employment opportunities we have provided in our production facilities.



ISTANBUL HQ - DUZCE PRODUCTION CENTER



VAN PRODUCTION CENTER



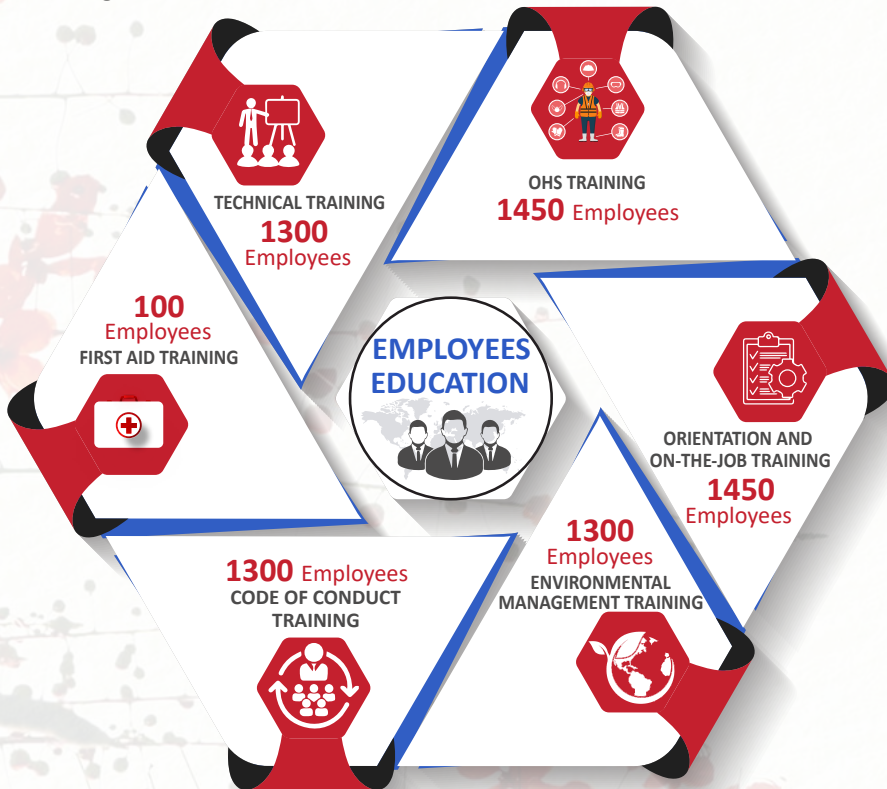
BATMAN PRODUCTION CENTER





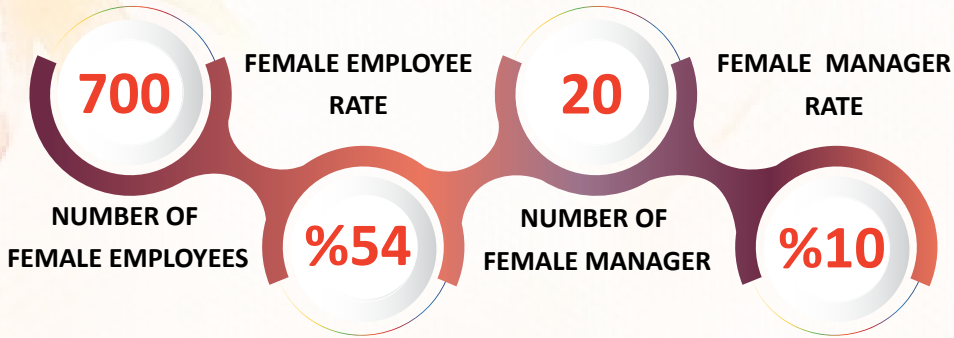
ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

Realkom has adopted the principle of creating training and development opportunities for all its employees in line with its vision and comprehensive qualified education policy. Our qualified education policy, which is shaped around organizational, functional, individual needs and expectations, is extremely important for our organizational structure.





ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS



We believe in equality;

- To protect individuals' right to live with dignity, to enable them to live a life free from all kinds of discrimination and to realize their potential,
- To empower women not only as mothers but also as women and to actively participate in all areas of life,
- To ensure that workplaces are safe spaces, free from discrimination and violence, where employees are efficient, creative and productive,
- We believe that it is valuable for the peaceful development of society and for sharing gender-equal values.



DEVELOPMENT OF LITERACY SKILLS

DEVELOPMENT OF MATH SKILLS

DEVELOPMENT OF LIFE SKILLS



In 2022, Realkom–AÇEV in line with the cooperation “WOMEN EMPOWERMENT PROGRAMME FOR OUR FEMALE WORKERS” project was started.



OUR 422 FEMALE EMPLOYEES ATTENDED THE PROJECT



Since its establishment, Realkom, with the awareness of its responsibility for decent work and sustainable economic growth, has been contributing directly to the social and economic development of the societies in which it operates by focusing on local employment practices in all areas of its operations.

**DYNAMIC, SUSTAINABLE,
INNOVATIVE and HUMAN-CENTERED**
WE ARE WORKING HARD
to build economies.



WE ARE AIMING
TO INCREASE THE
employment rate of women
EVERY YEAR SO THAT
women are economically
stronger.

WE ARE SHAPING
our supply chain to add value to
PEOPLE and OUR PLANET



We have done **R&D** studies together with **Düzce University**, together we've produced organic chemicals as an alternative to the hazardous chemicals used in our production processes, and they are now being used in our washing processes.



GOTS CERTIFIED
ORGANIC
CHEMICALS
20

GLOBAL PARTNERSHIP
for sustainable development
is one of our focal points.



WE FULLY COMPLY with
 **ZDHC** wastewater guidelines in all
our production facilities.

In 2022,
%80 of our manufacturers
COMPLETED their
environmental performance
assessments using the
platform. 

We share our wastewater test results transparently with our stakeholders on **Higg Index** and **ZDHC** Gateway platforms.



REALKOM

