





This study supports the relevant United Nations Sustainable Development Goals.

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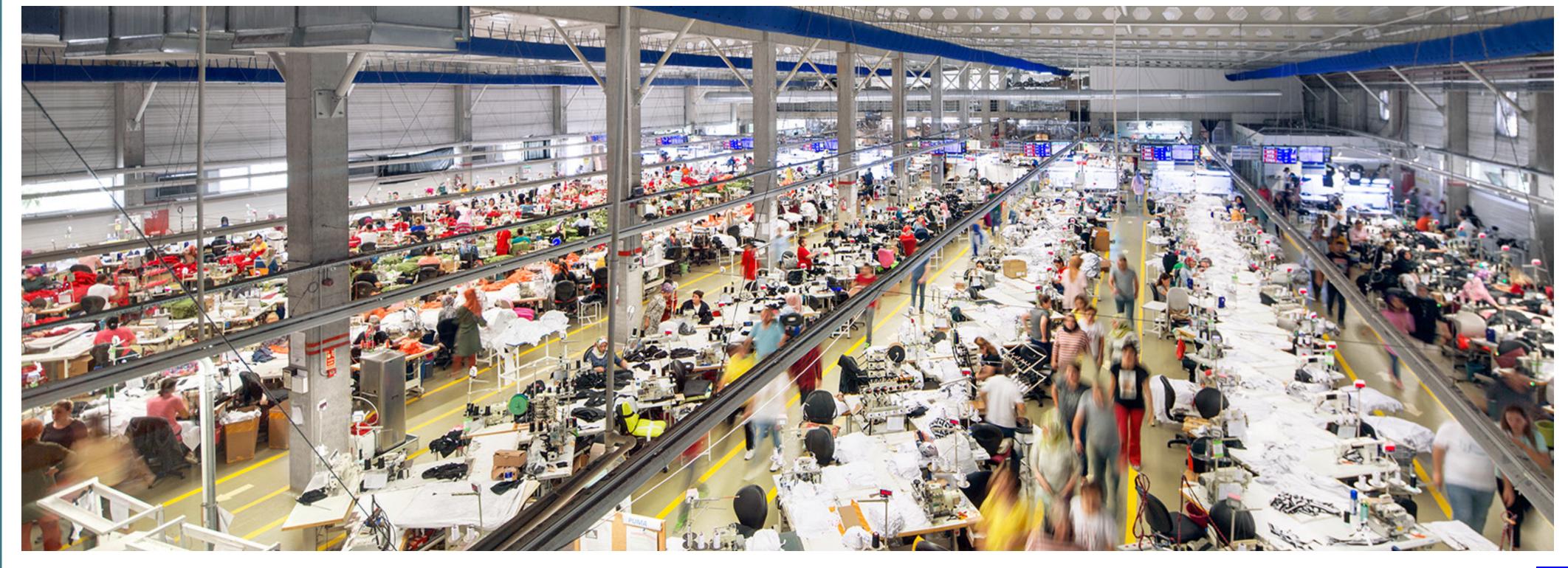
#### **ABOUT COMPANY**

Erateks Tekstil Saп. ve Tic. A.Ş
Zafer Mah. 140. Sok. No:45/1 34513, Esenyurt, İstanbul, Türkiye
12.521
4.680.175

Average Number of Employees in 2023 (person)

700

Erateks Tekstil San. ve Tic. A.Ş. was established in 1992 and carries out its operations in Turkey through two main plants located in Istanbul and Ordu. Erateks carries out the raw material and product development, production, sales, and export activities in cooperation with global brands, supply chains, and other stakeholders in the fashion industry.



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# **Karbon**Station

#### **ENVIRONMENTAL POLICY**

Today, climate change poses a major threat to the sustainability of our planet and life. In the face of this threat, we care about the right to life of future generations and all living things on the planet, and we fulfill our corporate responsibility in this regard through our efforts.

Under the guidance of Erateks leadership, the operational responsibility of the Corporate Sustainability Team, and in cooperation with other relevant stakeholders, we fight against climate change and take the necessary actions for environmental safety. In this context, Erateks has become a signatory to the United Nations Framework Convention on Climate Change - UNFCCC and committed to meeting the relevant requirements.

The main studies we have carried out in this context are; Corporate Carbon Footprint Analysis, HIGG Index, I-REC certified renewable energy consumption, energy efficiency studies, Zero Waste Basic certification, rainwater collection and utilization, reduction in total waste amount, switching from LNG to natural gas.

We are making decisive progress on environmental and water security issues. Sustainability strategies have been adopted to minimize our environmental impact and protect natural resources. We also manage water resources effectively through water-saving projects and recycling systems.

#### **CONTACT PERSON(S)**

Responsible person(s) participating and contributing to this Carbon Footprint study received awareness training on climate change, sectoral developments and ISO 14064-1:2018 standard.

#### Seda Toker Özgür

Head of Corporate Sustainability sedatoker@erateks.com

#### Dilan Dolaş Aytemur

Corporate Sustainability & HR Manager dilandolas@erateks.com

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#### INTRODUCTION

The Corporate Carbon Footprint Report included the greenhouse gas emissions of Erateks in the calendar year of 2023 and it was prepared in accordance with articles 9.3.1 and 9.3.2 of the ISO 14064-1:2018 standard.

#### PURPOSE, SCOPE & OBJECTIVE

The aim of the Corporate Carbon Footprint Report is to calculate the greenhouse gas emissions and removals related to all the activities carried out within the boundaries of Erateks at the company level, and to make a greenhouse gas declaration according to the requirements of the ISO 14064-1: 2018 standard.

This report covers calculation methodologies of the greenhouse gas emissions within the scope of direct, indirect and other indirect emissions analysis. The study in this report aims to identify and sustainably improve the environmental impact of the company's activities.

#### BASE YEAR AND REPORTING PERIOD

This analysis is the Corporate Carbon Footprint of Erateks for the period January - December 2023. In this reporting study, the calendar year 2021 has been determined as the base year.

#### **REPORTING STANDARD**

This Corporate Carbon Footprint Report is planned and prepared according to ISO 14064-1:2018 standards and articles of 9.2 and 9.3.

#### **COMPANY BOUNDARIES**

All activities are carried out within and under the control of Erateks. The Carbon footprint generated within the company can be controlled. Thus, the company boundaries were determined according to the operational control principles.



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#### REPORTING BOUNDARIES

Greenhouse gas emission sources are determined and grouped according to the ISO 14064-1: 2018 standard.

Category 1 - Direct greenhouse gas emissions and removals

Category 2 - Indirect greenhouse gas emissions from imported energy

Category 3 - Indirect greenhouse gas emissions from transportation

Category 4 - Indirect greenhouse gas emissions from products used by the company

Category 5 - Indirect greenhouse gas emissions from the use of products manufactured by the company

Category 6 - Indirect greenhouse gas emissions from other sources

#### **MATERIALITY ASSESSMENT**

Emission sources determined throught materiality assessment in accordance with ISO 14064-1:2018 Standard Annex-H. Sources included in the inventory were calculated according to the materiality assessment, sources not included were defined as out-of-scope emission sources.

#### **EXCLUDED EMISSION SOURCES**

Due to the choice of the company, the emission sources that are out of scope are specified as o in the Corporate Carbon Footprint Emission Inventory List of the report.

#### DATA COLLECTION METHODOLOGY

The collection of activity data to be used in greenhouse gas calculations were made based on ISO 9001, ISO 14001, ERP, SAP and other relevant software owned by the company.

#### **EMISSION FACTOR SELECTION**

International Panel Climate on Change (IPCC), Department for Environment, Food and Rural Affairs (DEFRA) and national grid electricity emission factors were used for greenhouse gas calculations.

#### GLOBAL WARMING POTENTIAL SELECTION

IPCC Assessment Report 6 (AR6) parameters were used for carbon dioxide equivalent ( $CO_2e$ ) calculations.

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#### CALCULATION METHODOLOGY

The calculation methodologies described by the International Panel Climate on Change (IPCC), the Greenhouse Gas Protocol (GHG Protocol), and GHG Protocol Uncertainty Tool were used.

#### **EMISSION REMOVALS**

There is no emission removal activity to be declared in this reporting period.

#### **EMISSION REDUCTIONS / INCREASES**

The company's evaluation of the increase or decrease of carbon emissions compared to the based year is in the conclusion part of the report.

#### **EVALUATION OF UNCERTAINTIES**

Erateks' confidence range assessment was determined as 95% by GHG Protocol Uncertainty Tool. The assessment's meaning is the high category. A typical scale is given below in the table:

Data Accuracy	Interval as Percent of Mean Value
High	+/- 5%
Good	+/- 15%
Fair	+/- 30%
Poor	More than 30%



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Era	teks Corporate Carbon Footprint Emissions Inventory	Included E	Emission Source	Excluded Emission Source	O Not Available Within the Company
Gree	enhouse Gas Emissions	Remarks	2023 Total tCO₂e	Headquarters tCO₂e	Fatsa Factory tCO₂e
Cate	gory 1: Direct greenhouse gas emissions and removals		329,04	215,23	113,81
1.1	Direct emissions from stationary combustion				
	Natural gas used for heating		97,65		97,65
	Diesel used in generators	0			
	Petrol used in generators	0			
	Coal used for heating	0			
	LPG used in welding process	0			
1.2	Direct emissions from mobile combustion				
	Diesel used in company cars and heavy commercial vehicles		51,56	37,08	14,48
	Petrol used in company cars		19,87	19,87	
	Diesel used in construction machinery	0			
1.3	Direct process emissions from industrial processes				
	Oil consumption (hydraulic oil)	0			
	Grease consumption	0			
	Buying Adblue	0			
1.4	Direct emissions from leaching/leakage of greenhouse gases in anthropogenic systems				
	Refrigerants used in air conditioners		59,40	57,72	1,68
	Refrigerants/fluids used in refrigerators, water dispensers, deep freezers	0			
	Refrigerants used in fire extinguishers		100,56	100,56	0,001
	SF <sub>6</sub> gases used in transformers	0			
	Emissions from wastewater treatment plant	O			
1.5	Direct emissions from land use, land use change and forestry activities				
	Direct emissions from biomass	0			
Cate	gory 2: Indirect greenhouse gas emissions from imported energy		743,13	223,21	519,92
2.1	Indirect emissions from imported electricity				
	Electricity consumption		743,13	223,21	519,92
2.2	Indirect emissions from imported energy				
	Steam consumption	0			

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Erat	teks Corporate Carbon Footprint Emissions Inventory	Included	Emission Source	O Excluded Emission Source	O Not Available Within the Company
Gree	nhouse Gas Emissions	Remarks	2023 Total tCO₂e	Headquarters tCO₂e	Fatsa Factory tCO₂e
Cate	gory 3: Indirect greenhouse gas emissions from transportation		237,30	112,77	124,53
3.1	Emissions from upstream transport and distribution of goods (to the organization)				
	Transport and distribution of goods by subcontractor	0			
3.2	Emissions from downstream transport and distribution of goods (outgoing organization)				
	Air Transport	•	18,15	18,15	
	Land Transport		118,56	44,5	74,06
	Water Transport	•	1,19	1,19	
3.3	Emissions from employee transportation				
	Diesel used in personnel service vehicles	•	62,52	15,93	46,59
3.4	Emissions from customer and visitor transportation				
	Customer and visitor transportation	0			
3.5	Emissions from business travel				
	Emissions from company air travel	•	18,91	16,96	1,95
	Emissions from company taxi trips	0			
	Emissions from accommodation	•	17,97	16,04	1,93
3.6	Emissions from remote workers				
	Office equipment and heat energy at home	0			
Cate	gory 4: Indirect greenhouse gas emissions from products used by the company		6.364,44	5.799,61	564,83
4.1	Emissions from purchased products				
	Water supply		1,28	0,14	1,14
	Purchasing paper-cardboard products		4,70	1,63	3,07
	Purchase of plastic products		3,93	0,13	3,80
	Purchase of food products		548,80	58,73	490,07
	Purchase of cotton		2.755,63	2.755,63	
	Purchase of polyester		2.957,19	2.957,19	
4.2	Greenhouse gas emissions from the services used				
	Emissions from the production, delivery and processing of fuels (WTT)	•	12,78	9,55	3,23

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Era	teks Corporate Carbon Footprint Emissions Inventory	Included	Emission Source	Excluded Emission Source	O Not Available Within the Company
Gree	nhouse Gas Emissions	Remarks	2023 Total tCO₂e	Headquarters tCO₂e	Fatsa Factory tCO₂e
4.2	Greenhouse gas emissions from the services used				
	WTT for business travel - Airplane Economy Class	•	2,16	1,94	0,22
	WTT due to business travel - Airplane Business Class	•	12,78	9,55	3,23
	WTT due to cargo and transportation	•	28,79	12,42	16,37
4.3	Emissions from capital assets (movable & immovable)				
	Purchase of electrical products	0			
	Purchasing office products	0			
4.4	Emissions from recycling and disposal of solid and liquid waste				
	Wastewater treatment	•	2,35	0,26	2,08
	Plastic waste recycling	•	0,18	0,04	0,14
	Recycling of paper-cardboard waste	•	0,62	0,42	0,20
	Recycling of scrap metal waste	•	0,04		0,04
	End-of-life tires	0			
	Recycling of glass waste	0			
	Recycling of construction products	0			
	Recycling of batteries	0			
	Commercial and industrial waste	0			
	Disposal of domestic solid waste	•	43,82	0,12	43,70
	Disposal of hazardous waste	•	0,01	0,001	0,01
	Disposal of medical waste	0			
	Disposal of textile waste		2,17	1,41	0,76
4.5	Emissions from the purchase/use of services not disclosed in the above subcategories				
	LPG cylinders used in the dining hall	0			
	Supply chain operations	0			
	TOTAL		7.673,91	6.350,82	1.323,09

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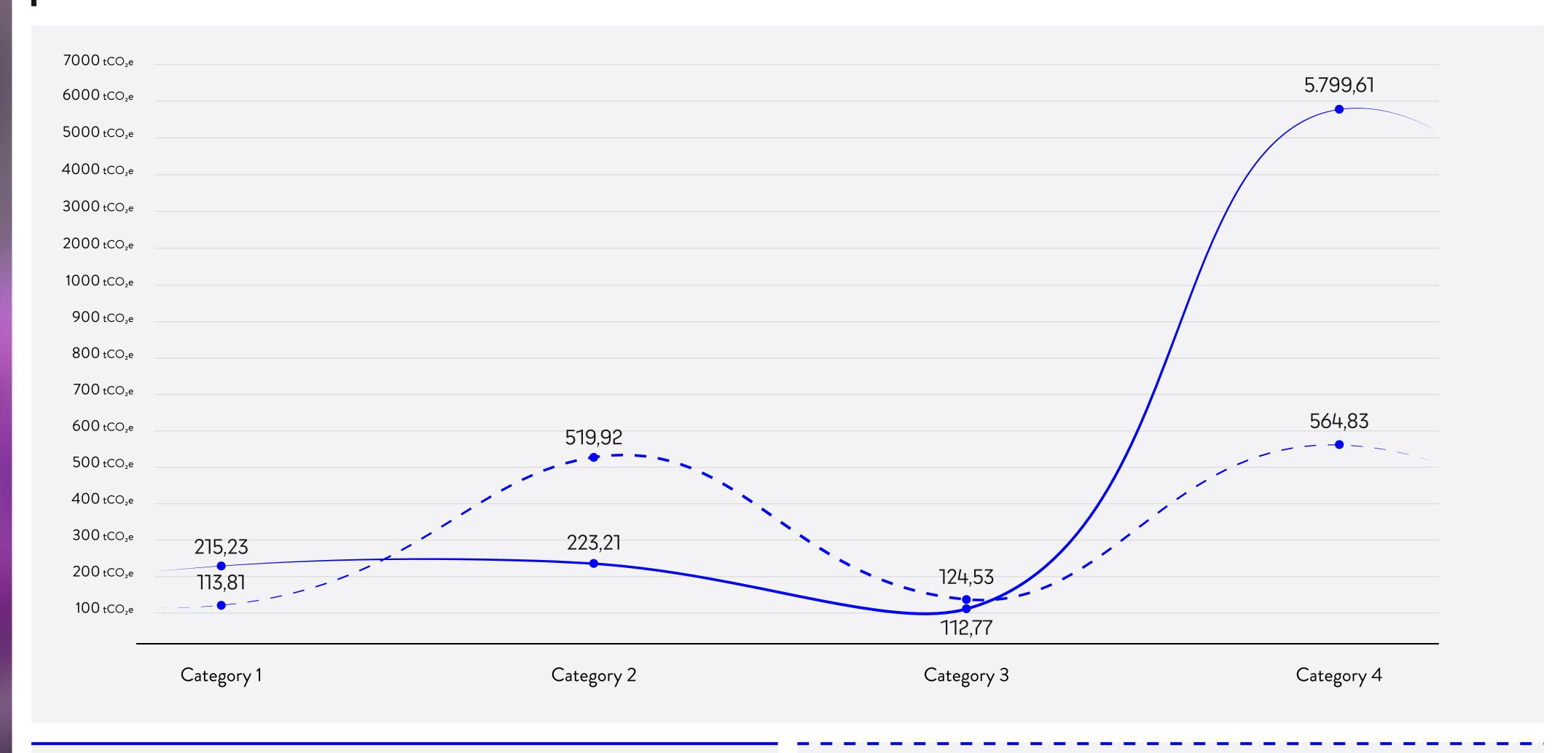
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#### GREENHOUSE GAS EMISSIONS BY CATEGORY



82,76% Headquarters 6.350,82 tCO2e

Fatsa Factory 1.323,09 tCO<sub>2</sub>e



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#### 329,04 tCO<sub>2</sub>e CATEGORY 1 TOTAL GHG EMISSIONS 100,56 tCO<sub>2</sub>e Fire Extinguishers 97,65 tCO<sub>2</sub>e Natural Gas Refrigerants 59,40 tCO<sub>2</sub>e Air Conditioning Diesel 51,56 tCO<sub>2</sub>e 16% Company Cars Petrol 19,87 tCO<sub>2</sub>e 6% Company Car

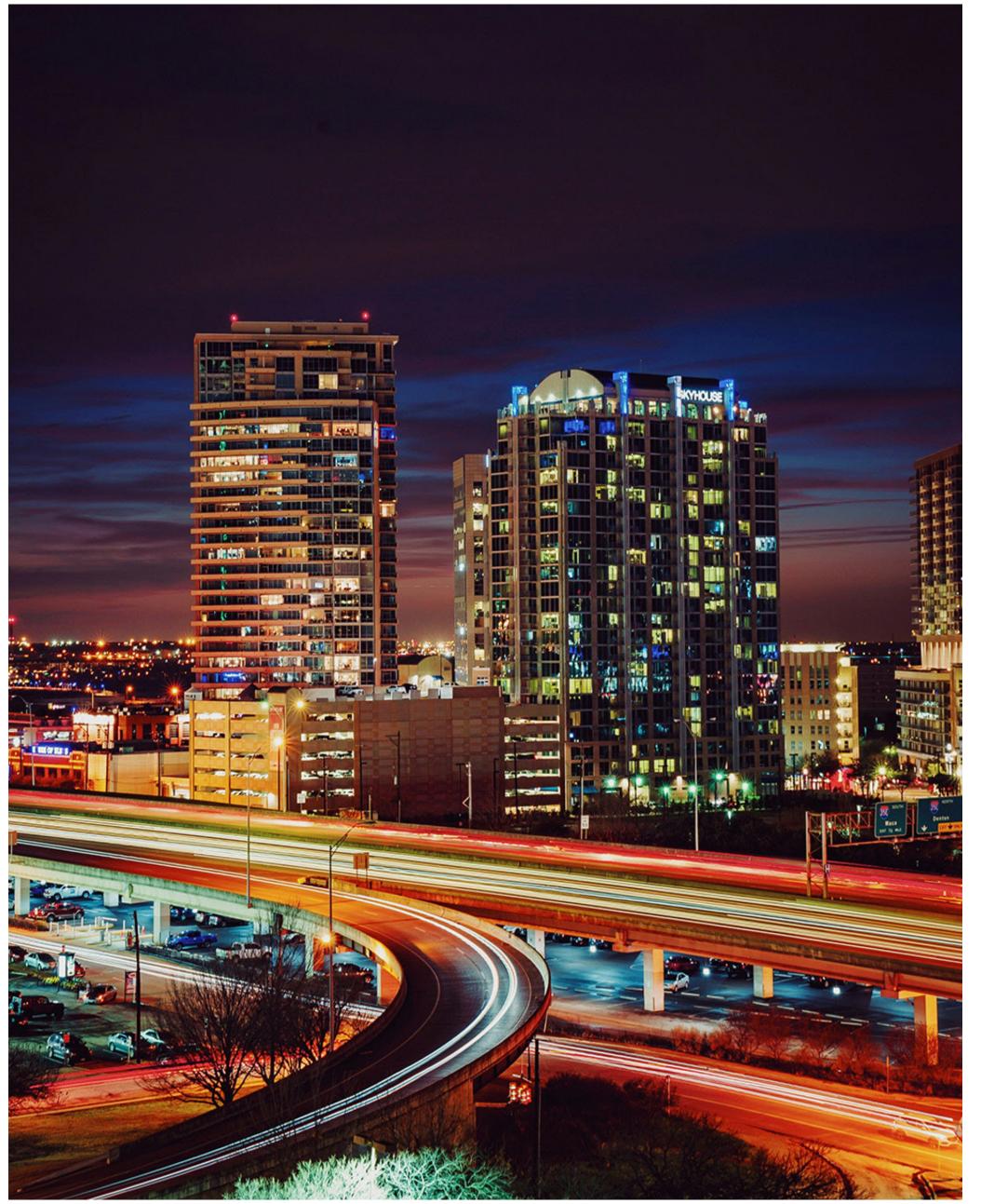
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CATEGORY 2 TOTAL GHG EMISSIONS	<b>743,13</b> tCO <sub>2</sub> e
Electricity ————————————————————————————————————	100% 743,13 tCO <sub>2</sub> e

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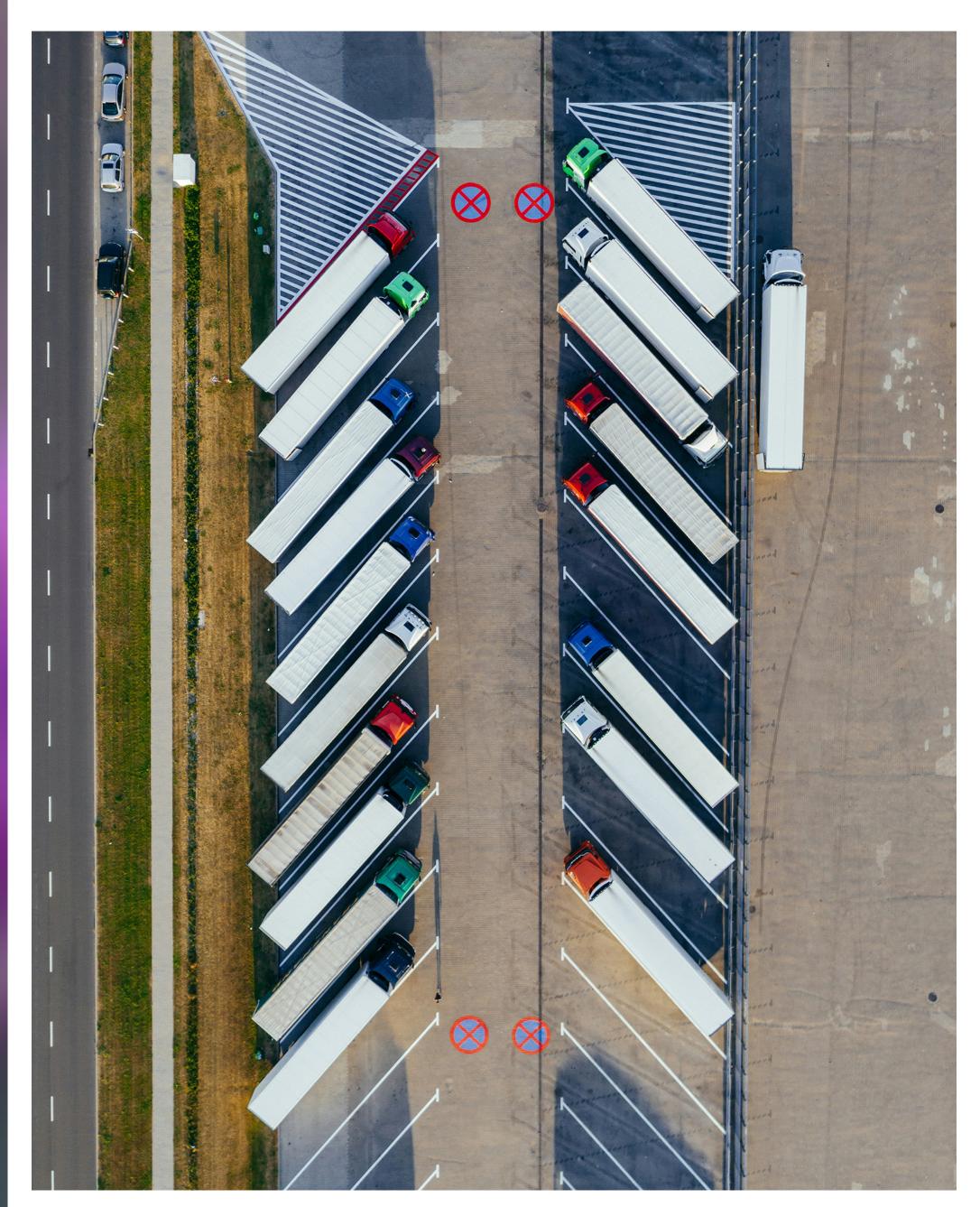
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#### 237,30 tCO2e CATEGORY 3 TOTAL GHG EMISSIONS 118,56 tCO<sub>2</sub>e Land Transport 49,96% 62,52 tCO<sub>2</sub>e Employee Services 26,35% Business Travel 18,91 tCO<sub>2</sub>e 7,97% Airplane 18,15 tCO<sub>2</sub>e Air Transport 7,65% Business Travel 17,97 tCO<sub>2</sub>e 7,57% Accommodation

0,50%

Water Transport

1,19 tCO<sub>2</sub>e

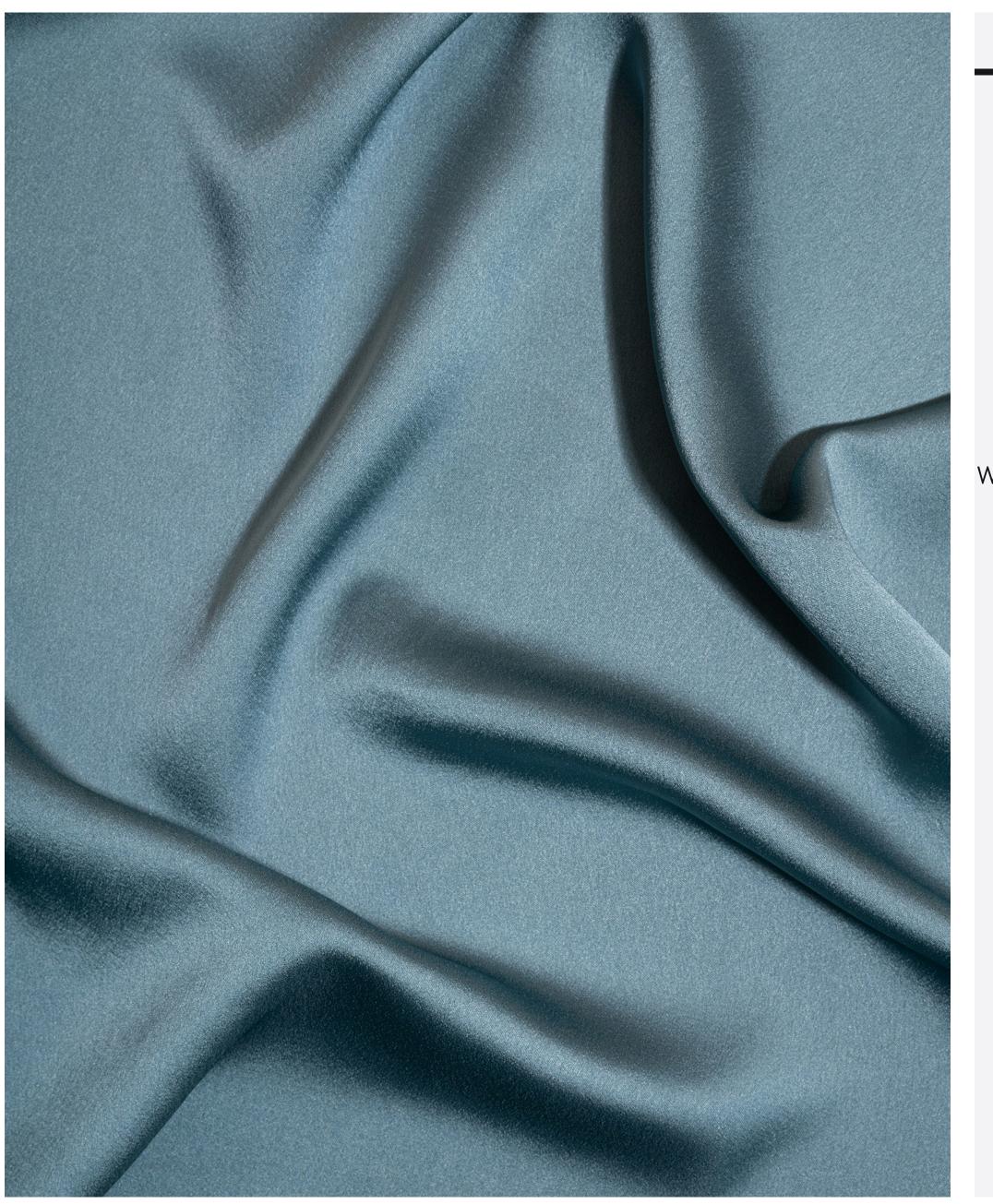
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CATEGORY 4 TOT	6.364,44 tCO <sub>2</sub> e		
Purchase of Polyester Fabric	<del></del>	46,46%	2.957,19 tCO <sub>2</sub> e
Purchase of Cotton Fabric		43,3%	2.755,63 tCO <sub>2</sub> e
Purchase of Food		8,62%	548,80 tCO <sub>2</sub> e
Disposal of Domestic Waste		- 0,69%	43,82 tCO <sub>2</sub> e
WTT - Delivery (Air, Land, Water)		0,45%	28,79 tCO <sub>2</sub> e
WTT - Fuels (production, delivery and processing		0,2%	12,78 tCO <sub>2</sub> e
Purchase of Paper Products		0,07%	4,70 tCO <sub>2</sub> e
Purchase of Plastic Products		0,06%	3,93 tCO <sub>2</sub> e
Wastewater Treatment		0,04%	2,35 tCO <sub>2</sub> e
Disposal of Textile Waste		0,03%	2,17 tCO <sub>2</sub> e
WTT - Business Travel (Air - Economy Class)		0,03%	2,16 tCO <sub>2</sub> e
Water Supply		0,02%	1,28 tCO₂e
Recycle of Paper Waste		0,01%	0,62 tCO <sub>2</sub> e
Recycle of Plastic Waste		0,003%	0,18 tCO <sub>2</sub> e
Recycle of Scrap Metal Waste		0,001%	0,04 tCO <sub>2</sub> e

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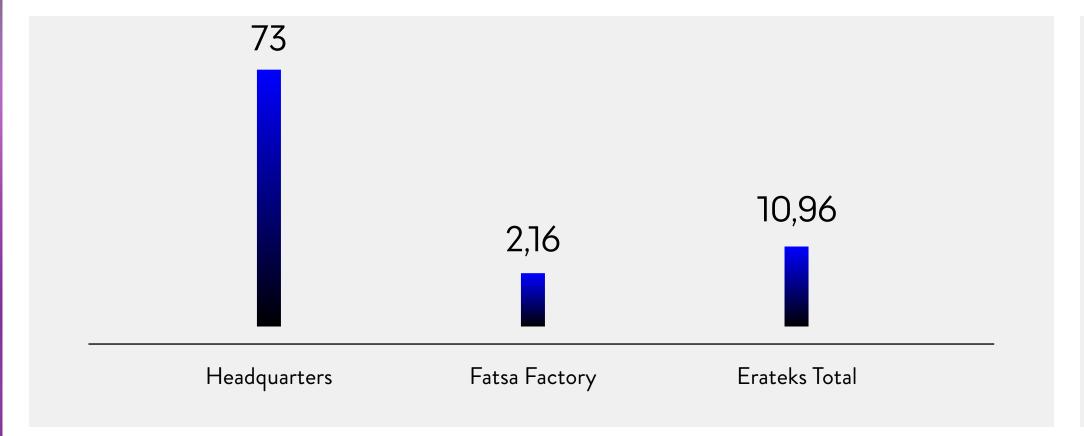
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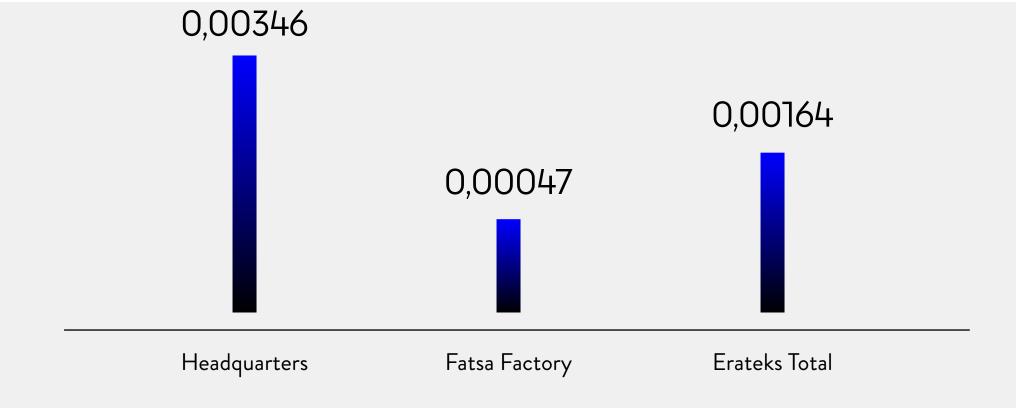
#### **EMISSION INTENSITY**

Emission intensity within the organization is monitored by the number of employees and the amount of emissions per annual production amount. The table below shows the emission intensity values per employee and per production unit in the reporting period.

#### TOTAL EMISSIONS PER EMPLOYEE tCO2e / employee



#### TOTAL EMISSIONS PER PRODUCT tCO2e / unit



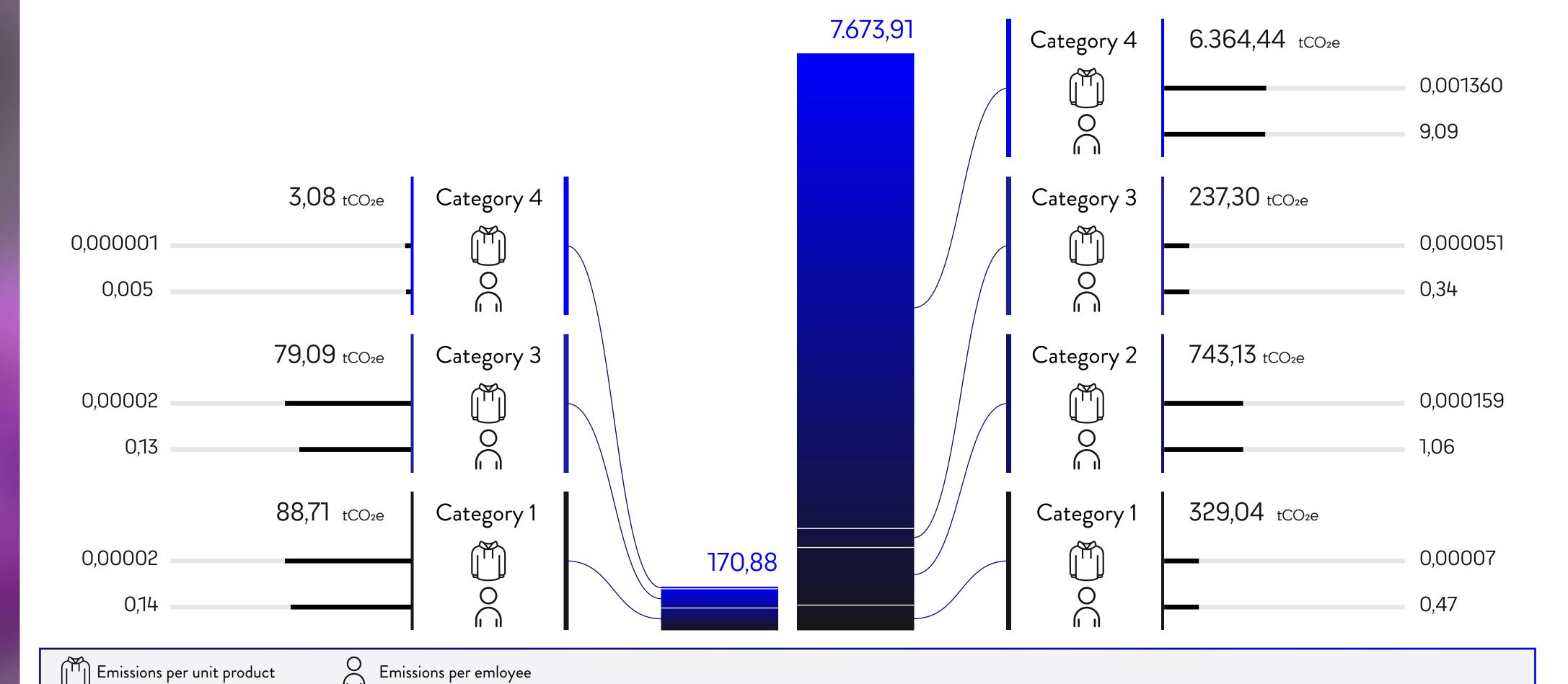


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- · Base year calculations didn't include Category 2 because of I-REC certification. Although I-REC certification continues in 2023, relevant category calculations are demonstrated in this study due to transparency principle of our corporate sustainability committment.
- The significant increase in emissions in Category 4 is due to the inclusion of additional purchased materials.
- The significant increase in total emissions is again due to the expanded scope of the calculation based on Categories 3 and 4.



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#### MITIGATION ACTIONS

- · Renewable Energy Certificate (I-REC) is applied for electricity use during the reporting period. The I-REC expands the organization's electricity service options, conveys environmental attributes and claims for the use of renewable electricity, and supports the development of renewable electricity. It represents the environmental benefits of specific actions that can help reduce greenhouse gas emissions.
- · The certificate verifies that the renewable electricity comes from a low or zero emission source that reduces the organization's emissions associated with electricity use for category 2. Thus, the organization has offset its market-based category 2 emissions by 98%.
- Erateks donated 112 saplings to TEMA in order to offset the emissions caused by the purchased paper-cardboard products category.



#### CONCLUSION

- 1 Erateks Tekstil's Corporate Carbon Footprint Calculation and Reporting has been calculated for 2023 only for Categories 1, 2, 3 and 4.
- **2 -** Erateks Tekstil's total carbon footprint for 2023 for Category 1, 2, 3 and 4 operations is calculated as **7.673,91** tCO<sub>2</sub>e.
- 3 Category 1 accounts for 4% of the total carbon emission amount of the organization. Fire extinguishers consumption in the business was identified as the main emission source in this category and accounts for 31% of total Category 1 emissions.
- 4 Category 2, electricity consumption, accounts for 10% of Erateks Tekstil's total emissions. However, since the company uses IREC certified electricity, emissions in this category have been offset by 98%.
- 5 Category 3 accounts for 3% of Erateks Tekstil's total carbon footprint, with emissions from road transportation accounting for 50% of the emissions in this category.
- 6 Category 4 accounts for 83% of Erateks Tekstil's total carbon footprint. The purchase of polyster-fabric in the business has been identified as the main source of emissions in this category and accounts for 46,46% of total Category 4 emissions.
- 7 The company's emissions per employee is calculated as 10,96 tCO₂e in 2023.
- 8 The company's emissions per unit production is calculated as 0.00164 tCO₂e in 2023.



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No one should be left behind.

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