

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Mavi, incorporated in 1991 in Istanbul, is today recognized as a highly successful global lifestyle brand with strong denim roots. With presence in 33 countries including Turkey, USA, Canada, Germany, Russia and Australia, Mavi sells its products through approximately 4,500 points including 439 Mavi shops.

The Perfect Fit philosophy guides Mavi in designing the jeans that perfectly fit the lifestyles, body types and quality expectations of its customers. Mavi ranks among the world's leading premium denim brands. The denim category accounts for 42% of Mavi's global sales and lifestyle apparel for 58%.

Mavi runs an omnichannel model, selling its products through a directly operated retail network with stores located in major international fashion centers, as well as department stores and online retailers including Bloomingdale's, Nordstrom, Simons, Amazon, Zappos.com, Zalando.com, and David Jones. In 2020, 58% of revenues came from retail, with wholesale accounting for 29% and e-commerce 13% of sales.

Mavi's global strategy, All Blue, is built on 'sustainable growth through quality' and focused on people, nature, innovation, digitalization, and efficiency to drive the brand forward with a dynamic structure. Mavi works passionately to develop the world's best and most innovative jeans while keeping its focus on 'quality' for sustainable growth. Driven by respect for people, passion for innovation, and focus on data and efficiency in operations, Mavi is synonymous with quality.

Mavi's trusted brand image translates into high quality and strong pricing power with products positioned between the upper-end of the 'core' and the 'premium' segment of the ready-to-wear market. The loyalty program Kartuş, recognized as Turkey's best-in-class with 8.1 million members, serves as a key tool for Mavi to analyze and leverage customer data. With approximately 5.1 million members active in the last two years, Kartuş loyalty card is used in 75% of the retail transactions in Turkey.

Mavi has a unique brand position with fashion-savvy, young adult customers and collaborates with top local and international celebrities in its marketing communications. As a leading denim brand, Mavi shapes its communication strategies to align with its product development expertise and customer data.

With 4,060 employees globally, Mavi is recognized as an employer of choice by several rating platforms.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	February 1 2020	January 31 2021

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

TRY

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Retailing	<Not Applicable>
Palm oil	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Cattle products	Disclosing	Retailing	<Not Applicable>
Soy	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Coffee	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Distributing/packaging
Retailing/onward sale of commodity or product containing commodity

Form of commodity

Paper
Primary packaging
Secondary packaging
Cellulose-based textile fiber

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Germany
Israel
Russian Federation
Turkey

% of procurement spend

Don't know

Comment

Country / area of origin is only valid for packaging materials.

Cattle products

Activity

Retailing/onward sale of commodity or product containing commodity

Form of commodity

Hides/leather

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Turkey

% of procurement spend

Don't know

Comment

Country / area of origin is only valid for accessory product group which comprises 93.7% of our leather consumption.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	100%	The percentage is given as 100% due to the fact that all our products contain packaging in some way. The revenue percentage belonging to other Timber Product category commodities are not disclosed.
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	Please select	
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	<Not Applicable>
Cattle products	Consumption data available, disclosing
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity

Timber products

Data type

Consumption data

Volume

2093

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

Forest risk commodity

Cattle products

Data type

Consumption data

Volume

23.89

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

65.4

Please explain

The percentage given indicates our paper and cardboard use for letters, envelopes, shopping bags, and cardboard boxes for the year 2020. These products originate from Turkey, Germany, Russia, and Israel.

Forest risk commodity

Timber products

Country/Area of origin

Unknown origin

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

34.6

Please explain

The percentage given indicates our cellulose-based fiber (tencel, modal, lyocell, viscose) and paper consumption for our products for the year 2020.

Forest risk commodity

Cattle products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

93.7

Please explain

The percentage given indicates the genuine leather used for belts and wallets for the year 2020. All leather used for these products originate from Turkey. Compared to other materials, Mavi's leather use is insignificant. Leather constitutes only 0.17% of Mavi's material footprint and 7.3% of Mavi's material footprint stemming from accessories product category.

Forest risk commodity

Cattle products

Country/Area of origin

Unknown origin

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

6.3

Please explain

The percentage given indicates the genuine leather used for leather parts in our other products for the year 2020. Compared to other materials, Mavi's leather use is insignificant. Leather constitutes only 0.17% of Mavi's material footprint and 7.3% of Mavi's material footprint stemming from accessories product category.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations
Supply chain
Other parts of the value chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods

Please explain

Mavi has established an Early Identification of Risk Committee under its Board of Directors. The Committee identifies the risks that may jeopardize the Company's existence, development and continuity ahead of time, thereby supporting the Board of Directors' implementation of risk-mitigation and management measures. The Committee reports to the Board of Directors at each meeting of the Board, and the Company forwards these reports to the independent auditors. The Board of Directors regularly assesses the risks that the Company faces based on the information provided by the Committee. Responsibility for the management and reporting of risks is supervised by the CFO in coordination with other departments. The risks are prioritized according to periodical reports at the meetings, and action plans and responsible departments are determined, and monitored with Critical Risk Indicators. The principal risks that the company is exposed to are categorized and followed under four main headings: financial risks, reputation risks, strategic and operational risks, and legal risks. Risks associated with timber products are defined under financial, reputation, strategic and operational risks headings.

Cattle products

Value chain stage

Direct operations
Supply chain
Other parts of the value chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods

Please explain

Mavi has established an Early Identification of Risk Committee under its Board of Directors. The Committee identifies the risks that may jeopardize the Company's existence, development and continuity ahead of time, thereby supporting the Board of Directors' implementation of risk-mitigation and management measures. The Committee reports to the Board of Directors at each meeting of the Board, and the Company forwards these reports to the independent auditors. The Board of Directors regularly assesses the risks that the Company faces based on the information provided by the Committee. Responsibility for the management and reporting of risks is supervised by the CFO in coordination with other departments. The risks are prioritized according to periodical reports at the meetings, and action plans and responsible departments are determined, and monitored with Critical Risk Indicators. The principal risks that the company is exposed to are categorized and followed under four main headings: financial risks, reputation risks, strategic and operational risks, and legal risks. Risks associated with cattle products are defined under financial, reputation, strategic and operational risks headings.

F2.1b

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

We use timber products in the form of cellulose-based fibers and packaging materials. We use cattle products in the form of leather for accessories and leather parts in our products. The availability of cellulose-based fibers and leather is assessed as part of our established enterprise risk management framework under the main risk heading "Strategic and Operational Risks" and explored in the risk definition "Inability to reach the product needed within the framework of the supply chain, resulting loss of sale" and measured through the duration (days) passed without procuring the desired product.

Quality of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

We use timber products in the form of cellulose-based fibers and packaging materials. We use cattle products in the form of leather for accessories and leather parts in our products. The availability of quality cellulose-based fibers and quality leather is assessed as part of our established enterprise risk management framework under the main risk heading "Strategic and Operational Risks" and explored in the risk definition "Inability to reach the product needed within the framework of the supply chain, resulting loss of sale" and measured through the duration (days) passed without procuring the desired product.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion

Relevant, not included

Please explain

We are still exploring the impact of the activity on the ecosystems and habitats of the forest risk commodities that we consume.

Regulation

Relevance & inclusion

Relevant, always included

Please explain

Mavi monitors the legal requirements related to forest risk commodities in the markets where it operates. Regulation risks are assessed under the main risk heading "Legal Risks" and explored under risk definition "Non-compliance with legal or regulatory requirements with serious consequences such as fines, additional tax burden, lawsuits including class action, incarceration of company leaders, loss of reputation or market share."

Climate change

Relevance & inclusion

Relevant, always included

Please explain

We use timber products in the form of cellulose-based fibers and packaging materials. We use cattle products in the form of leather for accessories and leather parts in our products. The effects of climate change on cellulose-based fibers and leather are assessed as part of our established enterprise risk management framework under the main risk heading financial risks and explored in the risk definition " % increase of sustainable raw material costs due to chronic physical effects of climate change and due to rising demand for said materials".

Impact on water security

Relevance & inclusion

Not considered

Please explain

Risks related to impact on water security is not yet considered.

Tariffs or price increases

Relevance & inclusion

Relevant, always included

Please explain

We use timber products in the form of cellulose-based fibers and packaging materials. We use cattle products in the form of leather for accessories and leather parts in our products. The price increase of cellulose-based fibers and leather is assessed as part of our established enterprise risk management framework under the main risk heading "Strategic and Operational Risks" and explored in the risk definition "Inability to reach the product needed within the framework of the supply chain, resulting in loss of sale" and measured through the duration (days) passed without procuring the desired product.

Loss of markets

Relevance & inclusion

Relevant, always included

Please explain

Mavi monitors the legal requirements related to forest risk commodities in the markets where it operates. "Loss of markets" is assessed under the main risk heading "Legal Risks" and explored under the risk definition "Non-compliance with legal or regulatory requirements with serious consequences such as fines, additional tax burden, lawsuits including class action, incarceration of company leaders, loss of reputation or market share."

Leakage markets

Relevance & inclusion

Not considered

Please explain

Leakage markets risks are not yet considered.

Brand damage related to forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

We use timber products in the form of cellulose-based fibers and packaging materials. We use cattle products in the form of leather for accessories and leather parts in our products. Brand damage related to forest risk commodities is assessed as part of our established enterprise risk management framework under the main risk heading reputation risks and explored in the risk definition "Permanent damage to reputation due to actions taken on sustainable products, climate change, circular economy, biodiversity, waste management, and chemicals that do not meet customer expectations ".

Corruption

Relevance & inclusion

Relevant, always included

Please explain

Mavi monitors the legal requirements related to forest risk commodities in the markets where it operates. "Corruption risks" are assessed under the main risk heading "Legal Risks" and explored under the risk definition "Non-compliance with legal or regulatory requirements with serious consequences such as fines, additional tax burden, lawsuits including class action, incarceration of company leaders, loss of reputation or market share".

Social impacts

Relevance & inclusion

Not relevant, explanation provided

Please explain

We are still exploring the social impact of the forest risk commodities that we consume.

Other, please specify

Relevance & inclusion

Not considered

Please explain

F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

Customers

Relevance & inclusion

Relevant, always included

Please explain

Competition within the apparel and lifestyle markets is getting more intense day by day. At Mavi, we recognize the risk of failure to respond to our customers' heightened awareness about forest-related issues, which could lead to lower demand for our products and decrease in our revenues. We created our sustainable "All Blue" collection, which includes products made with more efficient processes and manufactured with more sustainable materials to address our customers' demand for sustainable products. We engage with our customers on forestry-related issues via our annual report, advertisements, donations and collaborations, as well as our website.

Employees

Relevance & inclusion

Relevant, always included

Please explain

Our employees' actions are essential for our environmental performance. Especially employees in purchasing roles need to have adequate knowledge to discern sustainable forestry applications regarding material purchases. Therefore, we engage our employees through internal capacity building presentations and seminars. We aim to obtain employee-driven initiatives that support our sustainability journey through these capacity-building presentations and seminars. One such initiative was to start using FSC 100% recycled cardboard boxes, which an employee proposed. In 2021, we will start a sustainability management training program, which includes a responsible raw material management module. The training will be delivered to the employees in partnership with a leading Turkish university.

Investors

Relevance & inclusion

Relevant, always included

Please explain

As a public company, our investors' opinion on our environmental performance is important to us. We are in the phase of creating our sustainable materials strategy and we took the first steps toward it by converting our cardboard boxes that previously used conventional cardboard to those made with FSC 100% recycled cardboard. Targets related to our cellulose-based fibers use are in the process of being defined. We engage with our investors via annual reports, financial presentations, and investor meeting days.

Local communities

Relevance & inclusion

Relevant, always included

Please explain

Mavi is a brand connected with its local community. 80% of our products are sourced locally from Turkey. Possible forest-related issues within our local community could tarnish our reputation. We engage with our local community on forestry related issues via our annual report, advertisements, donations and collaborations, as well as our website.

NGOs

Relevance & inclusion

Relevant, always included

Please explain

NGOs are important stakeholders for managing environmental risks as they can provide impartial guidance and publicity regarding these issues. We have an active engagement with a research organization on ecosystem conservation. As a Mediterranean fashion brand, Mavi has supported the activities of the Ecological Research Society (EKAD) with the Indigo Turtles project since 2014, helping to protect the endangered sea turtles. The aim of the project, which raises awareness about biodiversity, is to protect and ensure the continuity of the *Caretta caretta* and *Chelonia Mydas*, two species of sea turtles native to the Mediterranean for 110 million years. EKAD, which focuses its activities on Belek, the largest nesting area in the Mediterranean, has helped over 800 thousand *Caretta caretta* make it to the sea in the last 21 years. We are the supporter of ÇEVKO-Foundation of Environmental Protection and Recycling Packaging Waste for packaging recycling. Mavi running team, which consists 27 employees, ran for charity at the Vodafone Istanbul Marathon to support the "Tree Brotherhood" project of the Tema Foundation (Turkish Foundation for Combating Soil Erosion). The team raised TL 17,143 from 228 donors in the last Marathon organized in 2019, supporting the nature education of 171 children by helping them plant their own saplings in the Adım Adım Children's Memorial Forest in Edirne. Our engagements with NGOs are direct and concentrate on creating collaborations that raise awareness on specific issues in their focus.

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Relevant, not included

Please explain

We are still exploring forest-related impacts arising from our supply chain. Other forest risk commodity users at a local level will be added to our risk assessment once we have adequate data, which we expect to gather in the short term (0 to 3 years).

Regulators

Relevance & inclusion

Relevant, always included

Please explain

Regulators are actively considered in our risk assessment since they make the laws and regulations related to forests. Mavi monitors the legal requirements related to forests in the markets where it operates. We have not been subjected to any legal litigation related to forests. We engage regulators through legal disclosures and the Turkish government's public disclosure platform.

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

Suppliers are the stakeholders where our product and consequently our material impact originates from. Our suppliers' environmental performance is important to us. To better understand our supply chain in terms of environmental performance, we introduced our "Supplier Self-Assessment Questionnaire". The questionnaire had a total of 160 questions and was shared with all of our 115 tier 1 and 289 tier 2 suppliers. In the short term we aim to introduce environmental audits to our supply chain to improve the reliability of the environmental data provided by our suppliers. In the mid-term we aim to introduce incentives to suppliers that are exemplary in terms of their environmental performance. With our All Blue strategy, we aim to become a transformative force across our entire supply chain.

Other stakeholders, please specify

Relevance & inclusion

Not considered

Please explain

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	Yes
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

Mavi defines substantive financial or strategic impacts as impacts of such magnitude that may jeopardize Mavi's existence, development and especially, continuity.

The major risks that the company is exposed to are categorized under four main headings: financial risks (exchange rate, liquidity, loans, interest rates and commodity prices), reputation risks, operational and strategic risks, and legal risks. The Early Identification of Risk Committee and the Board of Directors are periodically briefed about such risks.

All risk headings have internal quantifiable indicators that describe the severity of impact. Our risk management process applies to both our direct operations and supply chain. "% increase of sustainable raw material costs due to chronic physical effects of climate change and rising demand for said materials" can be given as an example of a risk definition with a quantifiable indicator. 100% for this risk would be a substantive financial and strategic impact.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Shifts in consumer preference

Primary potential impact

Disruption to sales

Company-specific description

Deforestation is now a part of the sustainability measures that purpose-driven customers are aware of. Our customer base, especially in Europe and North America, is becoming more and more careful about the environmental impact of the companies that they support by purchasing their products. If Mavi fails to deliver its stance on deforestation, it could result in decreased sales.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

24020000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

It is quite difficult to estimate an accurate financial figure for the risk of losing revenues due to changing customer behavior, driven by heightened awareness of deforestation. A 1% decrease in sales due to lower demand means losing approximately TRY 24 million in revenues.

Primary response to risk

New product/technology development

Description of response

At Mavi, we strive to introduce sustainable products in the markets where we operate. Our sustainable All Blue collection more than doubled in scope and product variety in 2020. The denim products in the All Blue collection are made with innovative techniques, consuming less water and energy, and each pair of jeans is also all-vegan. Tencel modal and lyocell fibers are known for their forest preserving qualities since they are made from timber harvested from sustainably managed forests. These fibers are used in our All Blue collection.

Cost of response

800000

Explanation of cost of response

The amount represents payments made to three specialist employees, who research and innovate to create our All Blue collection.

Forest risk commodity

Cattle products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Shifts in consumer preference

Primary potential impact

Disruption to sales

Company-specific description

With the rise of the vegan movement, genuine leather products are getting bad publicity for containing animal-derived products. This trend can lead to a loss of sales.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

24020000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

It is quite difficult to estimate an accurate financial figure for the risk of losing revenues due to changing customer behavior, driven by heightened awareness of deforestation. A 1% decrease in sales due to lower demand means losing approximately TRY 24 million in revenues.

Primary response to risk

Implementation of environmental best practices in direct operations

Description of response

Mavi avoids using genuine leather whenever possible. In 2020, we consumed 180 tonnes of polyurethane for our leather-looking products such as jackets, belts, bags, wallets, hats and accessories. This polyurethane use enables us to avoid using 180 tonnes of genuine leather per year. Our genuine leather use for 2020 is 23.9 tonnes. This means that only 11.7% of the leather looking materials that Mavi consumed in 2020 are actually genuine leather. Additionally, we are only using polyurethane and jacron back labels for our jeans. This way not only we reduce the environmental load of our jeans, we make them completely vegan

Cost of response

0

Explanation of cost of response

Genuine leather costs are higher compared to materials like jacron and polyurethane. We phased out leather without any investment. The number "0" is valid.

F3.2**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

	Have you identified opportunities?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	Yes
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.2a**(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.****Forest risk commodity**

Timber products

Type of opportunity

Efficiency

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased efficiency of manufacturing and/or distribution processes

Company-specific description & strategy to realize opportunity

Mavi reuses 65% of the cardboard boxes that manufacturers use for delivery of Mavi's products. This enables us to avoid consuming 912 tons of cardboard boxes. Reusing cardboard boxes also create cost savings.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Low

Likelihood

Virtually certain

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

5075495

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Aside from reducing our material use and carbon footprint, reducing our cardboard box consumption by 65% creates approximately 5 million TRY savings. The financial impact is calculated based on the elimination of 912 tons of cardboard box, which cost TRY 5,561 per ton. We recently transitioned to FSC 100% Recycled materials for our cardboard boxes and product labels.

Forest risk commodity

Cattle products

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Supply chain

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

With the rise of the vegan movement, genuine leather products are getting bad publicity for containing animal-derived products. Mavi's all vegan approach to jeans differentiates the brand and it can help increase Mavi's sales. Mavi avoids using genuine leather wherever possible. In 2020, we consumed 180 tonnes of polyurethane for our leather-looking products such as jackets, belts, bags, wallets, hats and accessories. This polyurethane use enables us to avoid using 180 tonnes of genuine leather per year. Our genuine leather use for 2020 is 23.9 tonnes. This means that only 11.7% of the leather looking materials that Mavi consumed in 2020 are actually genuine leather. Additionally, we are only using polyurethane and jacron back labels for our jeans. This way not only we reduce the environmental load of our jeans, we make them completely vegan.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium-low

Likelihood

Virtually certain

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

24020000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

It is quite difficult to estimate an accurate financial figure for the opportunity of gaining revenues due to changing customer behavior, driven by heightened awareness of deforestation and veganism. A 1% increase in sales due to higher demand means gaining approximately TRY 24 million in revenues.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Chief Executive Officer (CEO)	Our CEO and Chief Brand Officer (CBO) are both members of our Board, Mavi Sustainability Committee and The Approval Committee. Established and authorized by the Board of Directors, Mavi Sustainability Committee was founded to fulfill the duties of defining the sustainability strategy of Mavi, covering environmental, social and governance (ESG) aspects, and implementing, monitoring, overseeing, reviewing, enhancing, and developing sustainability policy, goals and practices. The Committee reports to the Board of Directors. In 2020, our CEO and CBO announced the formation of Mavi Sustainability Committee and six associated working groups, each focusing a different aspect of Mavi's sustainability journey. The Environment Working group is responsible for our forests strategy, projects, targets and risk assessments.
Other, please specify (Chief Brand Officer (CBO))	Our CEO and Chief Brand Officer (CBO) are both members of our Board, Mavi Sustainability Committee and The Approval Committee. Established and authorized by the Board of Directors, Mavi Sustainability Committee was founded to fulfill the duties of defining the sustainability strategy of Mavi, covering environmental, social and governance (ESG) aspects, and implementing, monitoring, overseeing, reviewing, enhancing, and developing sustainability policy, goals and practices. The Committee reports to the Board of Directors. In 2020, our CEO and CBO announced the formation of Mavi Sustainability Committee and six associated working groups, each focusing a different aspect of Mavi's sustainability journey. The Environment Working group is responsible for our forests strategy, projects, targets and risk assessments.

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	<ul style="list-style-type: none"> Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy 	The Sustainability Committee convenes at least twice a year as needed. The Committee Head issues the call to meeting and determines the agenda items to be discussed. The Committee convenes with the absolute majority of the members in attendance. The Committee reports to the Board of Directors.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Both assessing and managing forests-related risks and opportunities	Half-yearly	The CEO is responsible for the company's strategic vision, which includes global product and market strategy. He also oversees day to day management of the company's product procurement, recruitment of senior level management, marketing direction, sales strategy and investor relations. All of these divisions of Mavi's business are related with forest-related issues and thus responsibility of managing the environmental factor for these business divisions is assigned to the CEO as the highest executive in the corporate management of the company. The CEO, along with the Sustainability Committee, reports on progress, targets and goals regarding forest-related issues to the board twice a year.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

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

MAVI FAALIYET RAPORU_2020_ENG.pdf

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy, but it is not publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Recognition of the overall importance of forests and other natural ecosystems Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy Description of forests-related standards for procurement	Mavi's Forestry and Paper Products Policy is currently being prepared.

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	Recognition of potential business impact on forests and other natural ecosystems Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy Description of forests-related standards for procurement	Mavi's Forestry and Paper Products Policy is currently being prepared.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	No	<Not Applicable>	<Not Applicable>	We don't have a cattle products specific policy at the moment. Conditions related to cattle products are reviewed as part of our Global Procurement Principles.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

No

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, forests-related issues not yet reviewed, but there are plans to do so in the next two years	<Not Applicable>	We are planning to review forests-related issues within the context of long-term business objectives in the next two years.
Strategy for long-term objectives	No, forests-related issues not yet reviewed, but there are plans to do so in the next two years	<Not Applicable>	We are planning to review forests-related issues within the context of strategy for long term objectives in the next two years.
Financial planning	No, forests-related issues not yet reviewed, but there are plans to do so in the next two years	<Not Applicable>	We are planning to review forests-related issues within the context of financial planning in the next two years.

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

No

F6.1b

(F6.1b) Why do you not have target(s) for increasing sustainable production and/or consumption of your disclosed commodity(ies) and what are your plans to develop these in the future?

	Primary reason	Please explain
Timber products	We are planning to introduce a target in the next two years	We are planning to introduce a target to utilize only FSC certified materials for all of our cellulose-based packaging materials (product labels, envelopes, cardboard boxes, and paper shopping bags). Recently, we converted all of our cardboard boxes to FSC 100% Recycled. After reviewing the design aspects, we will convert envelopes, paper shopping bags and product labels to FSC certified versions as well. The target is expected to be implemented in the second half of 2021. Its progress will be measured by % of packaging materials compliant with FSC certification by mass.
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	Important but not an immediate business priority	When compared to other materials, Mavi's leather use is insignificant. Leather constitutes only 0.17% of Mavi's material footprint and 7.3% of Mavi's material footprint stemming from accessories product category. Targets on leather use are important but not an immediate business priority.
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	We collect country level origin data from our tier 1 suppliers for our packaging materials.	Specific product line(s)	Cellulose-based textile fibers are excluded from this traceability system.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	Yes	We collect country level origin data from our tier 1 suppliers for our leather use for accessories.	Specific product line(s)	Leather use in belts and wallets is excluded from this traceability system.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Country	65.4
Cattle products	Country	93.7

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	No, we have not adopted any third-party certification schemes for this commodity	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	No, we have not adopted any third-party certification schemes for this commodity	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	No, but we plan to develop one within the next two years	We are planning to set a target to utilize only FSC certified materials for all of our cellulose-based packaging materials (envelopes, cardboard boxes and paper shopping bags). Recently, we converted all of our cardboard boxes to FSC 100% Recycled. After reviewing the design aspects, we will convert envelopes, paper shopping bags and product labels to FSC certified versions as well. The target is expected to be implemented in the second half of 2021. Its progress will be measured by % of packaging materials compliant with FSC certification by mass.
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	No	
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	We are not working with smallholders.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	We are not working with smallholders.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping	Supplier questionnaires on environmental and social indicators	100%	To better understand our supply chain in terms of environmental performance, we introduced our "Supplier Self-Assessment Questionnaire". The questionnaire had a total of 160 questions and was shared with all of our 115 tier 1 and 289 tier 2 suppliers. In the short term we aim to introduce environmental audits to our supply chain to improve the reliability of the environmental data provided by our suppliers. In the mid-term we aim to introduce incentives to suppliers that are exemplary in terms of their environmental performance. With our All Blue strategy, we aim to become a transformative force across our entire supply chain.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	Yes, working with direct suppliers	Supply chain mapping	Supplier questionnaires on environmental and social indicators	100%	To better understand our supply chain in terms of environmental performance, we introduced our "Supplier Self-Assessment Questionnaire". The questionnaire had a total of 160 questions and was shared with all of our 115 tier 1 and 289 tier 2 suppliers. In the short term we aim to introduce environmental audits to our supply chain to improve the reliability of the environmental data provided by our suppliers. In the mid-term we aim to introduce incentives to suppliers that are exemplary in terms of their environmental performance. With our All Blue strategy we aim to become a transformative force across our entire supply chain.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping	Supplier questionnaires on environmental and social indicators	To better understand our supply chain in terms of environmental performance, we introduced our "Supplier Self-Assessment Questionnaire". The questionnaire had a total of 160 questions and was shared with all of our 115 tier 1 and 289 tier 2 suppliers. In the short term we aim to introduce environmental audits to our supply chain to improve the reliability of the environmental data provided by our suppliers. In the mid-term we aim to introduce incentives to suppliers that are exemplary in terms of their environmental performance. With our All Blue strategy we aim to become a transformative force across our entire supply chain.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	Yes, working beyond first tier	Supply chain mapping	Supplier questionnaires on environmental and social indicators	To better understand our supply chain in terms of environmental performance, we introduced our "Supplier Self-Assessment Questionnaire". The questionnaire had a total of 160 questions and was shared with all of our 115 tier 1 and 289 tier 2 suppliers. In the short term we aim to introduce environmental audits to our supply chain to improve the reliability of the environmental data provided by our suppliers. In the mid-term we aim to introduce incentives to suppliers that are exemplary in terms of their environmental performance. With our All Blue strategy we aim to become a transformative force across our entire supply chain.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.10

(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

UN Global Compact
Forest Stewardship Council (FSC)

Jurisdictional approaches

<Not Applicable>

Please explain

As a company that aspires to lead the industry's sustainability transformation, Mavi recognizes the importance of taking part in the international sustainability platforms. Accordingly, Mavi became a signatory of United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative. With this signature, the company has declared its commitment to aligning its strategies, ways of doing business, and operations with the ten UNGC principles on human rights, labor, environment, and anti-corruption. All of our cardboard boxes used to transport our products are FSC 100% Recycled certified. After reviewing the design aspects, we will convert our product labels, envelopes and paper shopping bags to FSC certified versions as well. We expect to implement a cellulose-based packaging material target in the second half of 2021. Its progress will be measured by % of packaging materials compliant with FSC certification by mass.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

UN Global Compact

Jurisdictional approaches

<Not Applicable>

Please explain

As a company that aspires to lead the industry's sustainability transformation, Mavi recognizes the importance of taking part in the international sustainability platforms. Accordingly, Mavi became a signatory of United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative. With this signature, the company has declared its commitment to aligning its strategies, ways of doing business, and operations with the ten UNGC principles on human rights, labor, environment, and anti-corruption.

F6.11

(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

F6.11a

(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Biodiversity offsetting

Primary motivation

Voluntary

Description of project

As a Mediterranean fashion brand, Mavi has supported the activities of the Ecological Research Society (EKAD) with the Indigo Turtles project since 2014, helping to protect the endangered sea turtles. The aim of the project, which raises awareness about biodiversity, is to protect and ensure the continuity of the Caretta caretta and Chelonia Mydas, two species of sea turtles native to the Mediterranean for 110 million years. EKAD, which focuses its activities on Belek, the largest nesting area in the Mediterranean, has helped over 800 thousand Caretta caretta make it to the sea in the last 21 years. The number of nests, which was only 500, when the activities started in the region has reached 3,200 levels last year. Facing many difficulties, only 40% of hatchling turtles reach the water and only one in a thousand survives. This is why the Indigo Turtles project raises awareness about supporting the survival efforts of the sea turtles and the importance of volunteering. Hundreds of university volunteers join the Indigo Turtles project and camp on the 30km-long beaches for four months, working tirelessly under the scorching sun every day to protect the mature female turtles' eggs from external factors and help hatchlings climbing out of their nests to reach the water. Along with hundreds of university volunteers from Turkey and around the world, customers, scholars, social media followers, brand ambassadors, and employees of Mavi also join the project voluntarily. To date, 120 people from Mavi including directors, managers, and employees have joined the project while 41 people from social media followers, customers, and women scholars have supported the works of EKAD every year in the June-September period. Since the launch of the project, each customer that purchased an Indigo Turtles T-shirt adopted five sea turtles and contributed to the efforts. The T-shirts, designed for all customer groups, are sold in Turkey as well as online stores in the US, Canada, and Germany. Every year, thousands of Mavi customers become voluntary ambassadors of the project with their T-shirts. Mavi has played an effective role in raising awareness about the project and contributed to increasing the number of applications to volunteer every year. In 2020, only university students could volunteer for the program due to the COVID-19 pandemic restrictions.

Start year

2014

Target year

Indefinitely

Project area to date (Hectares)

9

Project area in the target year (Hectares)

9

Country/Area

Turkey

Latitude

36.828148

Longitude

31.195557

Monitoring frequency

Annually

Measured outcomes to date

Biodiversity

Please explain

With Ecological Research Society (EKAD), we are monitoring various metrics to measure the effectiveness of our Indigo Turtles project. Compared to 2014, number of turtle nests increased by 60% (1998 to 3191) and the number of hatchlings that reach the sea increased by 100% (56643 to 114375) in 2020.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

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

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Limited availability of certified materials

Comment

Forest risk commodity

Cattle products

Coverage

Supply chain

Primary barrier/challenge type

Lack of regulatory control and enforcement from local governments

Comment

Forest risk commodity

Cattle products

Coverage

Supply chain

Primary barrier/challenge type

Cost of sustainably produced/certified products

Comment

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Increased demand for certified products

Comment

Forest risk commodity

Cattle products

Coverage

Supply chain

Main measure

Increased knowledge on commodity driven deforestation and forest degradation

Comment

F17 Signoff

F-FI

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

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

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