

W0. Introduction

W0.1

(W0.1) 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.

W0.2

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

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

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

Austria
Belgium
Canada
Croatia
Russian Federation
Switzerland
Turkey
United States of America

W0.4

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

TRY

W0.5

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

Companies, entities or groups over which operational control is exercised

W0.6

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

No

W1. Current state

W1.1

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

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

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for this coverage

Mavi is aware that the textile industry is undergoing a transformation with the impact of global trends, including climate change, changing consumer behaviors, finite natural resources, and especially water depletion. So, Mavi approaches sustainability holistically and manages its material issues with a broad perspective including the related stakeholders. Thus, monitoring and development of sustainability performances of our suppliers are among our key priority areas. In line with this approach, we conducted a "Supplier Self-Assessment Survey" to monitor our suppliers' current situation on the important environment, social, and governance issues and to realize the necessary actions along this path. The questionnaire has questions regarding water use, basin specific withdrawals, water management, wastewater legislation compliance, wastewater treatment, and practices that our suppliers conduct in order to reduce their water impact. The questionnaire had a total of 160 questions and was shared with all of our 115 tier 1 and 289 tier 2 suppliers. The survey incentivized our suppliers to complete the questionnaire by explaining our sustainability transformation as an apparel brand. 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.

Impact of the engagement and measures of success

The questionnaire had a total of 160 questions. We requested information on the quantity of water used, discharged and treated. We also requested details on water management applications, basin level withdrawals and any other water saving measures. The results of the survey provided us with valuable information about our suppliers' water performance. In the next step, the responses will be reviewed and every supplier will be scored in terms of their responses to the questions. After the evaluation of the responses, suppliers will be categorized according to their sustainability scores and monitored further based on their scores. We measure the success of this questionnaire by the percentage of suppliers that responded. 55% of Tier 1 and 49% of our Tier 2 suppliers answered the Supplier Self-Assessment Questionnaire.

Comment

At Mavi, we believe that continuous monitoring of the activities to understand sustainability performance and detecting sustainability risks are crucial to have a holistic sustainability approach. So, the supplier self-assessment survey is an important dimension of our sustainability management.

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Innovation & collaboration

Details of engagement

Encourage/incentivize innovation to reduce water impacts in products and services

% of suppliers by number

1-25

% of total procurement spend

26-50

Rationale for the coverage of your engagement

Mavi's All Blue collection reflects the company's sustainable production and marketing strategy. With the global All Blue strategy built on sustainable growth through quality, Mavi focuses on people, nature, innovation, digitalization, and efficiency as key values to drive the brand forward. Mavi takes utmost care to keep the discharged water from production below the legal limits. Mechanical, chemical, and biological membrane treatment systems are used at the manufacturing sites. With the enhancements implemented, fewer chemicals, less water, and less energy are used in the processes.

Impact of the engagement and measures of success

Starting with the All Blue collection, Mavi has shifted its focus toward the use of e-flow technology to reduce water consumption. With its quality supervision and design talent, Mavi collaborated with its strategic partners ERAK and Taypa to use the e-flow technology to reduce water, energy, and chemicals consumption, laser technology that guarantees product standards, reduces the use of chemicals and protects the health of the employees, and an automated dosing system that eliminates faulty and excessive use of chemicals in washing due to manual processes. With our strategic manufacturing partner ERAK, compared to last year, 26% less water was used in Mavi's product manufacturing.

Comment

As Mavi, we give importance to provide sustainable production with our suppliers thanks to our design expertise and quality supervision. Our All Blue strategy plays an accelerating role in turning manufacturers towards solutions to reduce resource use.

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Mavi's All Blue collection reflects the company's sustainable production and marketing strategy. With the global All Blue strategy built on sustainable growth through quality, Mavi focuses on people, nature, innovation, digitalization, and efficiency as key values to drive the brand forward.

Mavi collaborated with its strategic partners ERAK and Taypa to combine Mavi's expertise on product design and use the e-flow technology to reduce water, energy, and chemicals consumption. This technology enabled us to create "less water, less energy" category products for our All Blue collection. To engage our customers, we display energy and water efficient properties of these products on their respective labels and website pages. We measure the success of these products with sales quantity. In 2019, the All Blue collection had a revenue share of 1.94% in Turkey and 3.42% in Global operations. In 2020, the collection marked significant success and its share in revenues rose to 4.71% in Turkey and 6.07% in Global operations. Revenues generated by the All Blue collection grew by 39.1% year on year.

W2. Business impacts

W2.1

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

No

W2.2

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

No

W3. Procedures

W3.3

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

Yes, water-related risks are assessed

W3.3a

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

Direct operations

Coverage

Full

Risk assessment procedure

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

Frequency of assessment

Every three years or more

How far into the future are risks considered?

3 to 6 years

Type of tools and methods used

Other

Tools and methods used

Internal company methods

Comment

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. Water-related risks are defined under financial, reputation, strategic and operational risks headings.

Supply chain

Coverage

Full

Risk assessment procedure

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

Frequency of assessment

Every three years or more

How far into the future are risks considered?

3 to 6 years

Type of tools and methods used

Other

Tools and methods used

Internal company methods

Comment

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. Water-related risks are defined under financial, reputation, strategic and operational risks headings.

Other stages of the value chain

Coverage

None

Risk assessment procedure

<Not Applicable>

Frequency of assessment

<Not Applicable>

How far into the future are risks considered?

<Not Applicable>

Type of tools and methods used

<Not Applicable>

Tools and methods used

<Not Applicable>

Comment

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, not included	Our main water use is through indirect consumption arising from our suppliers. We started collecting data from our suppliers on their water performance. One part of this was our "Supplier Self-Assessment Questionnaire". The questionnaire has questions regarding basin-specific withdrawals. 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. Once we have sufficient data and map our indirect water use, we will conduct a risk assessment regarding water availability at a basin level. We expect to complete this risk assessment within 0 to 3 years.
Water quality at a basin/catchment level	Relevant, not included	Our main water use is through indirect consumption arising from our suppliers. We started collecting data from our suppliers on their water performance. One part of this was our "Supplier Self-Assessment Questionnaire". The questionnaire has questions regarding basin-specific withdrawals. 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. Once we have sufficient and map our indirect water use, we will conduct a risk assessment regarding water quality at a basin level. We expect to complete this risk assessment within 0 to 3 years.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, not included	Our main water use is through indirect consumption arising from our suppliers. We started collecting data from our suppliers on their water performance. One part of this was our "Supplier Self-Assessment Questionnaire". The questionnaire has questions regarding basin specific withdrawals. The questionnaire had a total of 160 questions and was shared with our suppliers. Once we have sufficient data and map our indirect water use, we will conduct a risk assessment regarding stakeholder conflicts at a basin level. We expect to complete this risk assessment within 0 to 3 years.
Implications of water on your key commodities/raw materials	Relevant, always included	Our main water use is through indirect consumption arising from our suppliers. Indirect water use is vital for us due to the fact that our business depends on the availability of cotton which is an agricultural product that requires freshwater during its cultivation. Freshwater is also used for dyeing and washing processes, especially during the manufacturing of our main product group, denim. In the future, our indirect freshwater use can change in proportion to the amount of products procured. Availability of water defines the costs of the agricultural commodities that we use. This subject is explored along with climate change within 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" under Financial Risks heading.
Water-related regulatory frameworks	Relevant, always included	Mavi monitors legal requirements for water-related risks 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 material consequences such as fines, additional tax burden, lawsuits including class action, incarceration of company leaders, loss of reputation or market share"
Status of ecosystems and habitats	Relevant, not included	We are still exploring the status of ecosystems and habitats in the context of water-related risks.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Risks related to access to fully-functioning, safely managed WASH services are defined within the scope of Occupational Health and Safety regulations under the risk heading "Strategic and Operational Risks". We guarantee the availability of WASH services to all of our employees. Furthermore, the availability of WASH services is a part of our supply chain social audits.
Other contextual issues, please specify	Not considered	

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	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 water-related issues that 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 less water and less energy processes and manufactured with more sustainable materials to address our customers' demand for sustainable products. We engage with our customers on water-related issues via our annual report, advertisements, donations and collaborations, as well as our website.
Employees	Relevant, always included	Risks related to access to fully-functioning, safely managed WASH services are defined within the scope of Work Health and Safety regulations under the risk heading "Strategic and Operational Risks". We guarantee the availability of WASH services to all of our employees. Furthermore, the availability of WASH services is a part of our supply chain social audits.
Investors	Relevant, always included	As a public company, our investors' opinion on our environmental performance is important to us. We engage with our investors via annual reports, financial presentations and investor meeting days.
Local communities	Relevant, always included	Mavi is a brand connected with its local community. 80% of our products are sourced locally from Turkey. Possible water-related issues within our local community could tarnish our reputation. We engage with our local community on water-related issues via our annual report, advertisements, donations and collaborations, as well as our website.
NGOs	Relevant, always included	NGOs are important stakeholders for managing environmental risks as they can provide impartial guidance and publicity regarding these issues. Our engagements with NGOs are direct, and concentrate on creating collaborations that raise awareness on specific issues in their focus.
Other water users at a basin/catchment level	Relevant, not included	We are still exploring water-related impact of our supply chain. Other water users at a basin 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	Relevant, always included	Regulators are actively considered in our risk assessment since they make the laws and regulations related to water issues. Mavi monitors the legal requirements related to water issues in the markets where it operates. We have not been subjected to any legal litigation related to water issues. We engage regulators through legal disclosures and the Turkish government's public disclosure platform.
River basin management authorities	Relevant, always included	Authorities are actively considered in our risk assessment since they make the laws and regulations related to water issues. Mavi monitors the legal requirements related to water issues in the markets where it operates. We have not been subjected to any legal litigation related to water issues. We engage authorities through legal disclosures and the Turkish government's public disclosure platform.
Statutory special interest groups at a local level	Not relevant, explanation provided	We are still exploring water-related impacts of our supply chain. Currently, we don't have any information regarding statutory special interest groups at a local level.
Suppliers	Relevant, always included	Suppliers are the stakeholders where our product, and consequently our main water impact originates from. Our suppliers' environmental performance is important to us. We started collecting data from our suppliers on their water performance. One part of this was our "Supplier Self-Assessment Questionnaire". The questionnaire has questions regarding basin specific withdrawals, water management, wastewater legislation compliance, wastewater treatment, and practices that our suppliers apply to reduce their water impact. 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. Once we have sufficient data and map our indirect water use, we will conduct a risk assessment regarding water quality at a basin level. We expect to complete this risk assessment within 0 to 3 years.
Water utilities at a local level	Relevant, sometimes included	Water utilities at a local level is included in our risk assessment procedure as a part for providing WASH services to our employees and to the employees in our supply chain. The availability of WASH services is a part of our supply chain social audits.
Other stakeholder, please specify	Not considered	

W3.3d

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

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. Water related risk definitions are available in financial, reputation and operational and strategic risk headings.

W4. Risks and opportunities

W4.1

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

No

W4.1a

(W4.1a) 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 due to 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.

W4.2b

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

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Mavi operates as a lifestyle brand focused on retailing. Our direct water use takes place in our stores and offices. We use water for cleaning, food service to our employees, drinking and toilets. Our operations consume very little amount of water. Due to the limited amount used, we don't consider Mavi to be exposed to water risks in its direct operations that may have a substantive financial or strategic impact. In the future, our direct freshwater use can change in proportion to the number of employees and stores. If the number of our employees and stores increase, our direct freshwater use will increase accordingly.

W4.2c

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

	Primary reason	Please explain
Row 1	Evaluation in progress	Our main water use is through indirect consumption arising from our suppliers. We started collecting data on water performance. One part of this was our "Supplier Self-Assessment Questionnaire". The questionnaire has questions regarding water use, basin specific withdrawals, water management, wastewater legislation compliance, wastewater treatment, and practices that our suppliers conduct in order to reduce their water impact. 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. Once we have adequate data and map our indirect water use, we will conduct a water-related risk assessment, which we expect to undertake in the next two years.

W4.3

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

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

W4.3a

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

Type of opportunity

Products and services

Primary water-related opportunity

Sales of new products/services

Company-specific description & strategy to realize opportunity

Mavi's All Blue collection reflects the company's sustainable production and marketing strategy. With the global All Blue strategy built on sustainable growth through quality, Mavi focuses on people, nature, innovation, digitization, and efficiency as key values to drive the brand forward. Mavi collaborated with its strategic partners ERAK and Taypa to combine Mavi's expertise on product design and use the e-flow technology to reduce water, energy, and chemicals consumption. This technology enabled us to create "less water, less energy" category products for our All Blue collection. We measure the success of these products with sales amounts. In 2019, the All Blue collection had a revenue share of 1.94% in Turkey and 3.42% in Global operations. In 2020, the collection marked significant success and its share in revenues rose to 4.71% in Turkey and 6.07% in Global operations. Revenues generated by the All Blue collection grew by 39.1% year on year.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

136210717

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

The amount given represents the sales amount of our All Blue collection for the year 2020. In 2019, the All Blue collection had a revenue share of 1.94% in Turkey and 3.42% in Global operations. In 2020, the collection marked significant success and its share in revenues rose to 4.71% in Turkey and 6.07% in Global operations. Revenues generated by the All Blue collection grew by 39.1% year on year.

W6. Governance

W6.1

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

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

W6.1a

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

	Scope	Content	Please explain
Row 1	Company-wide	Description of business impact on water Company water targets and goals Commitment to water stewardship and/or collective action	Mavi's environment and energy policy is currently in the process of preparation. The policy prioritizes 7 main areas. "Water and Wastewater" is one of the areas addressed in this policy. Within the policy, we also acknowledge the apparel and textiles industries' impact on water. We declare a goal to reduce water use and minimize wastewater amounts through our business. We also commit to improve the water quality discharged from our activities.

W6.2

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

Yes

W6.2a

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

Position of individual	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. The Approval Committee, formed within the Sustainability Committee, consists of six members: Chief Executive Officer (CEO), CBO, Chief Marketing Officer (CMO), Chief Purchasing and Supply Chain Officer, Chief Human Resources Officer (CHRO), and Chief Financial Officer (CFO). The Approval Committee gives the final approval for the projects presented by the sustainability working groups. 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 with our water strategy, projects, targets and risk assessments. Moreover, we signed UN Global Compact's CEO Water Mandate to commit to action across six key elements (Direct Operations, Supply Chain & Watershed Management, Collective Action, Public Policy, Community Engagement and Transparency) and report annually on progress.
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. The Approval Committee, formed within the Sustainability Committee, consists of six members: Chief Executive Officer (CEO), CBO, Chief Marketing Officer (CMO), Chief Purchasing and Supply Chain Officer, Chief Human Resources Officer (CHRO), and Chief Financial Officer (CFO). The Approval Committee gives the final approval for the projects presented by the sustainability working groups. 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 with our water strategy, projects, targets and risk assessments. Moreover, we signed UN Global Compact's CEO Water Mandate to commit to action across six key elements (Direct Operations, Supply Chain & Watershed Management, Collective Action, Public Policy, Community Engagement and Transparency) and report annually on progress.

W6.2b

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

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	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.

W6.3

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

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

Chief Executive Officer (CEO)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

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

W6.4

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

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

W6.5

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

No

W6.6

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

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

MAVI FAALIYET RAPORU_2020_ENG.pdf

W7. Business strategy

W7.1

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

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	<Not Applicable>	
Strategy for achieving long-term objectives	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	<Not Applicable>	
Financial planning	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	<Not Applicable>	

W7.2

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

Row 1

Water-related CAPEX (+/- % change)

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

Water-related OPEX (+/- % change)

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

Please explain

W7.3

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

	Use of climate-related scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	

W7.4

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

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Our company sets no targets or goals	<Not Applicable>	<Not Applicable>

W8.1c

(W8.1c) Why do you not have water target(s) or goal(s) and what are your plans to develop these in the future?

	Primary reason	Please explain
Row 1	We are planning to introduce a target or goal within the next two years	Our main water use is through indirect consumption arising from our suppliers. We started collecting data from our suppliers on their water performance. One part of this was our "Supplier Self-Assessment Questionnaire". The questionnaire has questions pertaining to water use, basin-specific withdrawals, water management, wastewater legislation compliance, wastewater treatment, and practices that our suppliers conduct in order to reduce their water impact. 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. Once we have adequate data and map our indirect water use, we will conduct a risk assessment regarding water quality at a basin level. We expect to complete this risk assessment within 0 to 3 years. The results of this risk assessment will shape our water related targets and goals and our intention is to set up targets for our strategic suppliers to have water reducing / efficient processes.

W9. Verification

W9.1

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

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

W10. Sign off

W-FI

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

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

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

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

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

Please confirm below

I have read and accept the applicable Terms