

# Family Business for Sustainable Development

# Sustainability Indicators

# for Family Business

CASE STUDY

Sun Tekstil | Textiles

2nd Generation | Turkey



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Caroline Seow, then Head of Sustainability, FBN, was the lead author of the publication and conducted the case studies in cooperation with Andrew Bryson, Head of Business Transformation, FBN. As Co-chair of FBSD's Executive Board, Alfonso Libano, Vice Chairman, Cobega, S.A., and Chair, Polaris Committee, provided overall leadership.

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# 1. INTRODUCTION

2020 marks the start of a decade of decisive action to achieve humanity's shared vision – the Sustainable Development Goals (SDGs). While progress<sup>1</sup> is being made in many areas, it is recognized that, to meet these ambitious targets, more of the private sector needs to be activated.

To this end, Family Business Network (FBN) and the United Nations Conference on Trade and Development (UNCTAD) have partnered to launch the *Family Business for Sustainable Development* (FBSD) global initiative, to advance sustainability practices for family businesses and create a shared prosperity for all. Key components of the global initiative include:

- > [Family Business Sustainability Pledge](#)
- > [Sustainability Indicators for Family Businesses](#)

*The Family Business Sustainability Pledge (FBSP)* builds upon the experience of the 2011 FBN Pledge – *A Sustainable Future*. As a starting point for the FBSD initiative, UNCTAD and FBN jointly formulated key principles to guide the family business community in their actions to advance the SDGs. The pledge, entitled “*Defining Success Across Generations*,” is a global call to action for business-owning families, their firms, and the wider family business ecosystem to adopt a more purpose driven business model therefore contributing to global sustainable development, inclusive growth, and prosperity for all. The pledge also provides business-owning families with a simple framework to examine their existing commitments and further expand their shared definition of sustainability. Signatories pledge to promote sustainable growth, environmental stewardship, social inclusion, and good governance. The document builds upon the 2011 FBN pledge – *A Sustainable Future*.

The second and essential component of the initiative is a set of *Sustainability Indicators for Family Business (SIFB)*. The UNCTAD-FBN indicator framework provides a template for family firms to assess, track, measure and report their contribution to the SDGs.

Family businesses have unique ownership dynamics and governance characteristics that have an impact on performance. As such it is critical that the sustainability indicator framework recognizes the distinctive attributes of family business models and consider metrics that guide, further advance sustainability practices, and facilitate contributions to the SDGs.

The SIFB incorporate input from two key sources:

- a. *The UNCTAD ISAR Guidance on core indicators (UNCTAD GCI) for corporate reporting*<sup>2</sup>

The UNCTAD GCI are intended as an entry point to sustainability reporting and encompass 33 baseline indicators mapped to 13 specific SDGs. The core indicators are grouped into four areas: economic, environmental, social, and institutional. They focus on resource use, for example water, air, energy, and waste reduction; social

issues related to human capital development and gender equality; as well as institutional factors such as governance and transparency. The guidance aligns with similar related reporting frameworks, including the International Integrated Reporting Council (IIRC) reporting framework, the Global Reporting Initiative Standard (GRI) and the Sustainability Accounting Standards Board (SASB).<sup>3</sup> The guidance focuses on quantitative data to facilitate comparability and represent minimum disclosures that companies need to provide for governments to evaluate private sector contributions to the SDGs.

**b. *Family Business Indicators***

An initial set of indicators recognizing the distinctive attributes of family firms were developed collaboratively by a group of family businesses and sustainability experts, using FBN's Polaris Impact Assessment<sup>4</sup> (PIA) as a base for their discussions. The group also reviewed and drew insights from other existing assessment tools, including the B Impact Assessment from B Lab and Rewiring the Economy from the Cambridge Institute of Sustainability Leadership (CISL).<sup>5</sup>

To determine the composition, practicability, and relevance of the SIFB, three family businesses were invited to participate as pilot cases and provide input to the SIFB. Given the private nature of family businesses, a decision was made to select family businesses who were not yet reporting externally, yet willing to volunteer as pilots and to share their findings.

The case studies examined the core values of each family business, their motivations on sustainability and how this translates to policies and practices. The pilots were encouraged to report on as many of the indicators as possible. Their challenges, feedback on the indicators and suggested improvements were recorded. In each case, the national context – an overview of the home country's progress and contribution to SDGs – is provided in Annex 1.

The first set of case studies commenced in June 2020. Like many businesses, the three pilots have been impacted by the Covid-19 pandemic. This was a consideration in the data gathering process as resources were already strained in the companies. Corporate activities during the Covid-19 pandemic are described in Annex 2.

Further details on the methodology including selection of pilot cases and the development of the Sustainability Indicators for Family Business, are detailed in Volume 1 – Overview and Approach.

## 2. THE FAMILY BUSINESS – SUN TEKSTIL

### 2.1 Overview of the family business

Established in 1987, Sun Tekstil is an award-winning textile company and among the biggest 500 companies in Turkey. Headquartered in Izmir, the company fabricates fashion products from knitted and woven fabrics. Ekoten was set up in 1995 and in 2000 became a part of the SUN Group. Sun Tekstil and sister company Ekoten are located in the same area and are an integrated facility. Sun Tekstil is a leading apparel manufacturer. Ekoten Tekstil is one of the largest knitting fabric manufacturers in Turkey and Europe and one of the largest knitting fabric exporters of Turkey. Sun Tekstil produces on average, three million pieces of woven and knitted women's clothing per month. All of these are designed by Sun Tekstil's designers. In addition to Turkey, Sun Tekstil has design and marketing offices in Spain and the UK. Production facilities are in Turkey, Serbia, Sri Lanka and Albania.<sup>6</sup>

Founded by husband-and-wife Şükrü and Günseli Ünlütürk and Şükrü's brother Sabri, the vision of this second-generation family business is to be a pioneer in sustainability. The mission is to be a company that employees will be proud of with its commercial success, management style, technology and corporate permanence. The emphasis on the company being a force for good and creating positive impacts is reflected in its core values:

- > *We focus on efficiency and use resources effectively*
- > *We are open to change, development and innovation*
- > *We value our employees and other stakeholders*
- > *We contribute to the society and we respect the environment*
- > *We are fair, ethical and reliable*

The company has made a conscious effort to nurture the second generation with its values and ethos of sustainability and responsible ownership. These next generation members serve on the board alongside the current generation pioneers who hold the chairman roles of both Sun Tekstil and Ekoten.

Family members are active and respected advocates of a more purpose-driven model of capitalism in Turkey. Şükrü Ünlütürk is Vice President of Business for Goals a joint action platform established by Turkish Enterprise and Business Confederation (TURKONFED), Turkey Industry and Business Foundation (TUSIAD) and UNDP in 2019, to promote the SDGs and forge new partnerships. He is also the founding member of TAIDER (family business association) and served as Chairman of the Board of Aegean Exporters' Association (EİB). Günseli Ünlütürk is on the FBN International Board and serves on the Polaris and FBSD Steering Committee. Sun Group's chairman Sabri Ünlütürk is the current Chairman of the SUN Group and is also active in various NGOs. His wife, Elvan Ünlütürk is the current Chair of Sun Tekstil and also serves as the Vice Head of the UN Global Compact in Turkey.

Company turnover for Sun Tekstil and Ekoten in 2019 was United States dollars (USD) 266 million. Total assets are just over USD 111 million. Sun Tekstil is a wholly owned family

business and owns 94.5 per cent of Ekoten. Both Sun Tekstil and Ekoten are part of the SUN Group with a total of 1,852 employees – 51 per cent are women and 49 per cent are men (see Table 1).

**Table 1 – Employees of the SUN Group**

SUN Group	Holding Group	Female	Male	Total
<b>Sun Tekstil</b>	Apparel manufacturer	619	214	833
<b>Ekoten</b>	Knitting manufacturer	101	509	610
<b>Jimmy Key</b>	Retail	150	25	175
<b>AMES</b>	Technical knitted fabrics manufacturer	16	63	79
<b>TDU</b>	Defence system technical textile	5	21	26
<b>SUN Group</b>	Management	58	71	129
		<b>949 (51 %)</b>	<b>903 (49%)</b>	<b>1,852</b>

## 2.2 The company's motivation on sustainability

As a values-driven organisation, sustainability is embedded in the DNA of Sun Tekstil. Since establishment, the family business has sought to align business activities with the core family values. There is recognition that business needs to deliver for all stakeholders – employees, customers and communities where they operate in. The family business is environmentally conscious and prioritises the respectful use of resources and eco-efficiency measures. The company has a mandate to be a good neighbour and partner in the communities where they operate. Hence in addition to business processes that integrate sustainability into their operations, the company is active in philanthropy – partnering with NGOs in areas of education, internships and scholarships for the community.

For the last seven years, Sun Tekstil and Ekoten have embarked on voluntary audits for the business. The company made this decision to improve governance and transparency. Financial reports are audited by one of the big four independent audit companies. Pricewaterhouse Coopers (PwC) were the company's auditors in 2017, 2018 and 2019. Financial statements are prepared according to Turkish Accounting Standards which are a translation of International Accounting Standards and International Financial Reporting Standards. The reports are also sent to the Public Oversight Accounting and Auditing Board of Turkey.

The SUN Group has also voluntarily established corporate governance, audit and early detection of risk committees. This was undertaken without any regulatory pressure, as in accordance with Turkish Commercial Law, there is no obligation for non-publicly traded companies to establish such structures. However, recognising the importance of transparency, the family business has decided to implement these policies and apply best governance practices for all the group companies.



The main markets of the company are Spain, England and France. The company's largest customer is a Spanish retail group with registered brands in 123 countries and 6,477 stores in 95 countries. The Company's second largest customer group is located in the UK, followed by the customer group in France. These global brands continuously monitor and audit Sun Tekstil's activities and processes to ensure compliance with their regulations. For example, Inditex has green to wear standards and every year Sun Tekstil is audited by their assigned independent auditors. Standards and certifications that Sun Tekstil and Ekoten are aligned with and have been awarded include ISO 9001:2015 Quality, Global Organic Textile Standards (GOTS) Organic Cotton and Oeko-Tex. See Annex 3 for a more comprehensive listing.

The company's Carbon Disclosure Project (CDP) report – scope 1, scope 2 & scope 3 verifications – are performed by British Standards Institution (BSI). The company is also embarking on its first external sustainability report, which will include both environmental, social, and corporate governance (ESG) and SDG information.

### 2.3. Integration of sustainability into company's business model – Focus on SDGs

Sustainability is an integral part of Sun Tekstil's strategic framework. The company also works with policy makers and stakeholders to advocate for increased adoption of ESG standards for Turkey in general and for the textile industry in particular.

Sun Tekstil's customers are all signatories of The Fashion Pact – a global coalition of companies in the fashion and textile industry (ready-to-wear, sport, lifestyle and luxury) along with suppliers and distributors, all committed to common core environmental goals in three areas: stopping global warming, restoring biodiversity and protecting the oceans.

Cognizant of the impact and footprint of the fashion industry, Sun Tekstil adheres to the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List and continuously improves processes in accordance to new regulations and standards set by international bodies.

From the environmental perspective, the company prioritizes eco-efficiency projects. Departments dedicated to these activities are:

- > Operational Excellence Management,
- > Technological Development and Support Management,
- > Energy Management,
- > Social & Technical Compliance Department.

These departments, staffed by 94 executives, focus on innovation and sustainable solutions. Another department focusing on innovative solutions is the Research & Development Department. The Sun Tekstil Innovation Life Cycle is constantly updated in line with SUN Group's strategies and activities. In this context, the Digital Transformation and Sustainability Working Group was established in 2019 and research and development projects for this

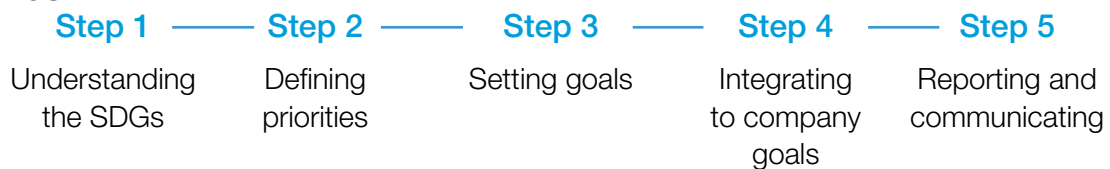
area have been initiated.

From the governance perspective, the company has set up a Corporate Governance Working Group, appointed independent board directors and instituted a sustainability committee.

From an employee and social perspective, the company has institutionalised annual employee satisfaction surveys and put in place a talent management and professional development programme, that includes technical and soft skills education. Nursery facilities are in place to help women employees. In addition, the company provides internships for high school and university students as well as scholarships for children of employees.

Sun Tekstil's focus on sustainability is evidenced by a high-level sustainability committee comprising board members, group general managers, human resource managers, corporate communication experts, sustainability executives and senior environmental engineers. The sustainability committee provides oversight and is the strategic and decision-making body for all sustainability related matters. Climate related issues and strategies, including risk assessments, are formulated and discussed during the sustainability committee meetings which are conducted every two months.

To better integrate and align their activities to the SDGs, Sun Tekstil is using the SDG Compass - the guide for business action on the SDGs prepared by UNGC, WBCSD and GRI.<sup>7</sup> The SDG Compass outlines a five-step roadmap for maximizing contribution to SDGs:



**Günseli Ünlütürk**  
Co-founder Sun Tekstil  
and Board Member

“We started the SDG compass roadmap in 2019. As SUN Group, we monitored and analyzed our activities and value chain. We took the comments of affected shareholders, analyzed sector reports and customer strategies. In line with the works that add values to our society and our business, we determined the SDGs we can contribute to. Our operations and activities are directly related to several of the 17 SDGs. We have identified four SDGs, which we believe we have the greatest leverage and power to contribute.”

Based on the SDG Compass Roadmap, the sustainability committee prioritized the following SDGs:



To better align company goals and contributions to the SDGs, the company instituted five sustainability working groups each led by members of the Sustainability Committee.

- > Sustainable Product Design and Development
- > Sustainable Human Resources Management
- > Environmental Sustainability
- > Sustainable Technologies and Digitalization
- > Corporate Governance



Integrating sustainability into the core business and governance and embedding sustainable development targets across all functions within the company is the key focus of these working groups. These groups are working to set company goals for short-term, medium-term and long-term. All Sun employees are invited to participate in these working groups.

## 3. MEASURING AND REPORTING ON THE SIFB

### 3.1 Testing and reporting on the UNCTAD GCI

The UNCTAD GCI encompass macro indicators that map to four key areas for businesses - economic, environmental, social and institutional. They are selected based on existing reporting frameworks and as such should be found in the majority of corporate reports. Intended as a starting point in a company's journey to SDG reporting, they represent the minimum disclosures that enterprises need to provide to stakeholders to demonstrate corporate accountability and transparency. In addition, they are likely to align to present and future mandatory sustainability reporting requirements by governments and financial regulators.

This section examines the company's responses to 33 core SDG indicators based on UNCTAD's ISAR Guidance in the areas of economic, environmental, social and institutional performance (see Table 2).<sup>8</sup> It is noted that the company has recorded and measured their performance on a number of these indicators. Please see Annex 4 for the sources for each specific indicator. At the time of the study, the data was used for internal purposes and was not published for the general public.

**Table 2 - The UNCTAD GCI framework**

A	A	Economic area	Indicators	SDG indicator
1	A.1.	Revenue and/or (net) value added	A.1.1. Revenue	8.2.1
2			A.1.2. Value added	8.2.1; 9.b
3			A.1.3. Net value added	9.4.1
4	A.2.	Payments to the government	A.2.1. Taxes and other payments to the government	8.2.1; 9.4.1
5	A.3.	New investment/ expenditures	A.3.1. Green investment	17.1.2
6			A.3.2. Community investment	7.b.1
7			A.3.3. Total expenditures on research and development	17.17.1
8	A.4.	Local supplier programmes	A.4.1. Percentage of local procurement	9.5.1
				9.3.1



B	B	Environmental area	Indicators	SDG indicator
9	B.1.	Sustainable use of water	B.1.1. Water recycling and reuse	6.3.1
10			B.1.2. Water use efficiency	6.4.1
11			B.1.3. Water stress	6.4.2
12	B.2.	Waste management	B.2.1. Reduction of waste generation	12.5
13			B.2.2. Waste reused, re-manufactured and recycled	12.5.1
14			B.2.3. Hazardous waste	12.4.2
15	B.3.	Greenhouse gas emissions	B.3.1. Greenhouse gas emissions (scope 1)	9.4.1
16			B.3.2. Greenhouse gas emissions (scopes 2)	9.4.1
17	B.4.	Ozone-depleting substances and chemicals	B.4.1. Ozone-depleting substances and chemicals	12.4.2
18	B.5.	Energy consumption	B.5.1. Renewable energy	7.2.1
19			B.5.2. Energy efficiency	7.3.1
C	C	Social area	Indicators	SDG indicator
20	C.1.	Gender equality	C.1.1. Proportion of women in managerial positions	5.5.2
21	C.2.	Human capital	C.2.1. Average hours of training per year per employee	4.3.1
22			C.2.2. Expenditure on employee training per year per employee	4.3.1
23			C.2.3. Employee wages and benefits as a proportion of revenue, with breakdown by employment type & gender	8.5.1; 10.4.1
24	C.3.	Employee health and safety	C.3.1. Expenditures on employee health and safety as a proportion of revenue	3.8; 8.8
25			C.3.2. Frequency/incident rates of occupational injuries	8.8.1
26	C.4.	Coverage by collective agreements	C.4.1. Percentage of employees covered by collective agreements	8.8.2
D	D	Institutional area	Indicators	SDG indicator
27	D.1.	Corporate governance disclosures [1]	D.1.1. Number of board meetings and attendance rate	16.6
28			D.1.2. Number and percentage of female board members	5.5.2
29			D.1.3. Board members by age range	16.7.1

30			D.1.4. Number of meetings of audit committee and attendance rate	16.6
31			D.1.5. Compensation: total compensation per board member (both executive and non-executive directors)	16.6
32	D.2.	Anti-corruption practices	D.2.1. Amount of fines paid or payable due to settlements	16.5.2
33			D.2.2. Average number of hours of training on anti-corruption issues, per year per employee	16.5.2

### 3.2 Key findings of the UNCTAD GCI application in the company

Sun Tekstil is a family business with a very strong sustainability mandate. To this end, the company measures a number of sustainability metrics, seeks third party verification and strives for constant improvement.

With respect to the UNCTAD GCI, the family business is able to report on 29 of the 33 indicators. It is noted that Sun Tekstil uses a different computation for energy efficiency (B.5.2.) reporting this data in TEP (tons equivalent of petroleum) per ton fabric.

One of the challenges for Sun Tekstil was the initial request to report in USD. The Turkish lira had fallen 17 per cent against the USD in 2019. With this significant depreciation, year on year comparisons in USD did not accurately reflect the activities and performance of the company. This was overcome in the second draft by reporting in Turkish lira.

Sun Tekstil has advised that the 10 SDGs mapped in the GCI are comprehensive. They also overlap with the indicators and targets already prioritised by the company. The family business is now charting their SDG progress using the SDG Compass and are actively managing and measuring their improvements and contributions to the SDGs they have prioritised - SDGs 5, 8, 9 and 12.

As the SDGs are interlinked, Sun Tekstil is also able to measure their contributions to SDGs beyond the four prioritised SDGs. For example, target SDG 6.4 (increase water use efficiency) and SDG 7.2 (increase renewable energy) are calculated in Sun Tekstil under the measurements and improvements of SDG 12.2 (sustainable management and efficient use of natural resources) and SDG 12.5 (substantially reduce waste generation through prevention, reduction, recycling and reuse). The company is taking a holistic approach to its value chain, as they strive to identify more innovative solutions for the effective usage of resources.

Sun Tekstil is actively promoting gender equality in their research and development department (SDGs 5.1, 5.2 as well as 12.2 and 12.5) and developing new programmes including internships and talent management programmes for youth (SDG 8.5).

In terms of alignment with national statistics, the Turkish Statistical Institute published 100 indicators and their definitions in February 2020. Sun Tekstil has mapped the company's activities

to the national framework and is actively contributing to the following targets and indicators:

SDG 5.2.1	Proportion of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months, by form of violence and by age
SDG 5.5.2	Proportion of women and girls aged 15 years and older subjected to sexual violence by persons other than an intimate partner in the previous 12 months, by age and place of occurrence
SDG 8.5.2	Unemployment rate, by sex, age and persons with disabilities
SDG 9.4.1	CO <sup>2</sup> emission per unit of value added
SDG 9.5.1	Research and development expenditure as a proportion of GDP
SDG 9.5.2	Researchers (in full-time equivalent) per million inhabitants
SDG 12.4.2	Hazardous waste generated per capita; and (b) proportion of hazardous waste treated, by type of treatment

### 3.3 Testing and reporting on the family business indicators

The family business indicators draw from the Polaris Impact Assessment (PIA) and leading impact frameworks and examine the company's performance on specific family business and sustainability metrics (see Table 3). The family business indicators explore the company's culture, policies and practices on specific governance, supply chain, community and environmental practices and align responses to the relevant SDGs. Optional metrics on Sustainable Products and Services examine the family business's impact on the wider eco-system.<sup>9</sup>

**Table 3 – The family business indicators at a glance**

E	E	Family Business Area	Indicators	SDG indicator
34	E.1.	Governance area	E.1.1. Advocacy for social and environment standards	17.17
35			E.1.2. Review of social and environmental performance	16.6
36			E.1.3. Transparency of sustainability performance	16.6
37			E.1.4. Independent directors	16.7
38			E.1.5. Family governance	16.7
39			E.1.6. Responsible ownership	8.3-8.8
40	E.2.	Supply chain	E.2.1. Ethical supply chain policies	8.7
41			E.2.2. Ethical supply chain practices	
42	E.3.	Community impact	E.3.1. Philanthropy	17.17

Sustainable Products and Services (Optional)			
43	E.4.	Sustainable	E.4.1 Creating societal benefits
44		products and services	E.4.2 Improving your customers' environmental performance

### 3.4 Key findings of the family business indicators application in the company

The responses indicate that the company's culture, strategy and practices are aligned with the core values of the business. The family business actively contributes to the community and continually innovates products and processes to improve its environmental performance.

In addition to improving transparency and advocating for increased adoption of ESG standards, the company is also actively engaging employees, suppliers and customers on this journey. Worthy of note is the company's ability to align these processes, activities and contributions to the SDGs they have prioritised as material to their company.

In its determination to steer the company to a low carbon future, the company has aligned to international standards and is focussed on preparing sustainable collections for major customers. Sun Tekstil's goal is to manufacture 100 per cent sustainable collections by 2050.



## 4. SUN TEKSTIL'S PERFORMANCE ON THE SIFB

The data and practices recorded in this case study reflect the sustainability performance of the family business as of November 2020. They cover the economic, environmental, social and institutional areas of the UNCTAD GCI (Areas A, B, C and D) and the family business area (Area E).

### A. Economic Area

#### A.1 Revenue and net value added:

Sun Tekstil and its subsidiary Ekoten Tekstil have been offered to the public at a rate of 21 per cent as of May 2022. During the case study, the company declined to disclose some data, such as value added and net value added, due to the sensitivity of information. In addition, the company has declined to disclose the data in this area collected during the case study in this final report. Relevant information is on the investor relations tab of the company website.<sup>10</sup>

#### A.2 Payments to the government:

Ibid.

#### A.3 New investment/expenditures:

Ibid.

#### A.4 Local supplier/purchasing programmes:

##### A.4.1 Percentage of local procurement

	2018	2019	% Change
Percentage of local procurement	90%	90%	0

Ninety per cent of Sun Tekstil's procurements come from the domestic market, Turkey. This data is derived from Netsis, the company's ERP system. The company has declined to disclose absolute amounts for reasons of confidentiality.

### B. Environmental Area

#### B.1 Sustainable use of water:

##### B.1.1 Water recycling and reuse

	2018	2019	% Change
Absolute m <sup>3</sup>	140,000	140,000	0
Percentage	18%	18%	0%

The company reports that this eco-efficiency project, developed in 2014 saves 140 tons monthly

which equates to 18 per cent of usage. The company is now embarking on a different project with a goal of recycling 95 per cent of daily water with zero toxicity and eutrophication. This project is targeted for 2021.

#### B.1.2 Water use efficiency

	2018	2019
Absolute amount	43,057 m <sup>3</sup>	48,531 m <sup>3</sup>
Percentage	4.6%	5.4%

Currently, water coming from the underground water wells belonging to the enterprise is monitored by meters. The company is now embarking on a different project with a goal of recycling 95 per cent of daily water with zero toxicity and eutrophication. This project is targeted for 2021.

#### B.1.3 Water stress

Source	2018	2019	Comments
Ground water	437,057 m <sup>3</sup>	485,318 m <sup>3</sup>	99% from ground water
Municipal water	3,568 litres	4,528 litres	1% from municipal water

Water is supplied from underground wells belonging to the family business. The water drawn from the underground is stored in the in-house hard water well before progressing to the softening system. The company is now embarking on a different project with a goal of recycling 95 per cent of daily water with zero toxicity and eutrophication. This project is targeted for 2021.

### B.2 Waste management:

#### B.2.1 Reduction in waste generation

	2018	2019	% Change
Absolute amount kg	4,973,523	4,266,331	-14%
Percentage	51%	46%	

This includes the following waste categories in Sun Torbali Plant (approximately 5 per cent of the total production capacity), Ekoten, TDU and Ames excluding supply chain waste such as: domestic, hazardous, waste paper, nylon, and metal. Tracking of wastes is carried out according to categories and disposal method.

#### B.2.2 Waste reused, re-manufactured and recycled

	2018	2019	% Change
Absolute amount kg	2,076,943	1,460,641	-30%
Percentage	41%	34%	

The company is reducing waste by using composite boxes for fabric packaging and aims to reduce 80 per cent of plastic and paper consumption in its manufacturing processes by 2023.

Sun Tekstil is planning to recover 23 per cent of waste for energy and recycle and reuse 77 per cent of waste. The company aims to contribute to the circular economy by reducing landfill to zero within five years.

#### B.2.3 Hazardous waste

	2018	2019	% Change
Absolute amount kg	261,543	152,761	-42%
Percentage	5%	4%	

The wastes specified in the Waste Management Regulation are prepared in line with the EWC (European Waste Catalogue) codes. Hazardous waste in this report includes packages contaminated with dangerous substances, waste hydraulic oils, fluorescent lamps, print cartridges and toners, electronic waste, oil filters, absorbent cloths, and air filters.

### B.3 Greenhouse gas emissions:

#### B.3.1 Greenhouse gas emissions (Scope 1)

This indicator is defined as direct greenhouse gas (GHG) emissions per unit of net value added.

	2018	2019	% Change
Absolute in CO <sub>2</sub> metric tons	19,582	18,714	-4%

GHG emissions have decreased due to a shift in production to more value added and less polluting fabrics.

#### B.3.2 Greenhouse Gas Emissions (Scope 2)

This indicator refers to indirect GHG emissions (from consumption of purchased electricity, heat or steam) per unit of net value added.

	2018	2019	% Change
Absolute in CO <sub>2</sub> metric tons	2,935	3,393	16%

The company established a new knitted fabric plant in 2019 which accounts for the increase in GHG emissions Scope 2.

### B.4 Ozone-depleting substances and chemicals:

#### B.4.1 Ozone-depleting substances and chemicals

This indicator aims at quantifying an entity's dependency on ozone-depleting substances (ODS) and chemicals per net value added.

This indicator is not measured by the company. There are no immediate plans to collect this information. The company prepares a CDP report and has advised that this information is not required.

## B.5 Energy consumption:

### B.5.1 Renewable energy

This indicator is defined as the ratio of an entity's consumption of renewable energy to its total energy consumption during the reporting period.

	2019
Percentage of electricity coming from renewable resource	40%

There are two plants in Torbali – one for knitting and one for dyeing. The company has installed solar panels on the Ekoten knitting plant in Torbali. 40 per cent of electricity consumed is coming from this renewable energy resource.

There are plans to install new solar energy panels on the roof of the second plant used for dyeing in Torbali in late 2020 with the goal to get 70 per cent of energy from this renewable resource.

### B.5.2 Energy efficiency

This is defined as an entity's energy consumption divided by net value added.

	2018	2019	% Change
Energy consumed per ton of fabric	0,84 TEP/ton fabric	0,86 TEP/ton fabrics	14%

Sun Tekstil is using energy consumed per ton of fabric to measure energy efficiency. This is in line with their CDP report. The calculation is : Natural Gas Purchased ---> TEP = X ; Coal Purchased ---> TEP = Y; Purchased Electricity ---> TEP = Z; Diesel purchased ---> TEP = V. These values are summed up and divided by fabrics produced.

## C. Social Area

### C.1 Gender equality:

#### C.1.1 Proportion of women in managerial positions

	2018	2019
Proportion of women in managerial positions	56%	56%

SDG 5 (gender equality) is a top priority for Sun Tekstil who have put in place strong gender equality programmes including nursery facilities for workers and partnerships with universities to empower female students. The company was ranked 2<sup>nd</sup> in Female Friendly Companies by Capital – A Business magazine in Turkey. A more comprehensive list of their initiatives in Annex 5.



## C.2 Human capital:

### C.2.1 Average hours of training per year per employee

Absolute hours of training	2018	2019
White collar	2,320	4,228
Blue collar	12,146	9,492
Average hours of training	NA	NA

The company has provided total hours of training by worker type and is unable to give a breakdown for white- and blue-collar workers. The numbers above are provided by human resources (HR) and indicate total education hours. It includes inhouse education, but the majority of training is provided externally.

### C.2.2 Expenditure on employee training per year per employee

	2018	2019
Expenditure on training (USD)	67,410.77	89,217.99

The company does not capture the expenditure on employee training per year per employee. The HR department has provided the total expenditure on training.

### C.2.3. Employee wages and benefits as a proportion of revenue with breakdown by employment type and gender.

	2018	2019
Costs of employee workforce as proportion of revenue	5%	7%

This data indicates the total cost of the workforce in the reporting period as a proportion of total revenue. The data is from the HR department. There is no breakdown by employee type and gender

## C.3 Employee health and safety:

### C.3.1 Expenditures of employee health and safety in proportion of the revenue

	2018	2019
Total expenditures on employee health and safety - TL	112,224	420,299

## C.3 Employee health and safety:

### C.3.1 Expenditures of employee health and safety in proportion of the revenue

	2018	2019
Total expenditures on employee health and safety - TL	112,224	420,299

The company does not track the total expenditures of employee health and safety as a proportion of revenue.

### C.3.2 Frequency/incident rates of occupational injuries

This indicator related to the number of work days lost due to occupational accidents, injuries and diseases during the reporting period.

	2018	2019
Frequency rate	3.23	8.44
Incident rate	0.09	0.03

The incident rate (number of lost days) decreased in 2019 but there was an increase in frequency rates. This is attributed to inappropriate footwear worn by some employees in the factory. Sun Tekstil has taken steps to address this and in 2020 provided new footwear for all employees in the factory.

### C.4. Coverage by collective agreements:

	2018	2019
Percentage of employees covered by collective agreement	73%	70%

All blue collar workers in Ekoten are registered with the union. The change in percentage is due to an increase in the number of white collar workers. The figure is calculated by taking the number of employees registered with the union divided by the total number of employees.

## D. Institutional Area

### D.1 Corporate governance disclosures:

#### D.1.1 Number of board meetings and attendance rate

	2018	2019
Number of board meetings	12	11
Attendance rate	100%	100%

The family business holds monthly board meetings. The SUN Group has put in place governance committees, audit committees and early detection of risk committees. All of these committees are established voluntarily.

In accordance with Turkish Commercial Law, there is no legal requirement for non-publicly traded companies to set up these structures. However, recognizing the importance of transparency, the SUN Group has pro-actively implemented these policies and applied best governance structures for the group companies.

#### D.1.2 Percentage of female board members

Female Board Members	2018	2019
Number	3	4
Percentage	50%	50%

Females make up 50 per cent of the company's board members. There were six board members in 2018 and eight in 2019.

#### D.1.3 Board members by age range

Board members	2018	2019
Between 30 and 50	4	5
Over 50	2	3

#### D.1.4 Number of meetings of audit committee and attendance rate

	2018	2019
Number of audit committee meetings	7	7
Attendance rate	100%	100%

The audit committee includes family board members, independent board members and executive directors.

#### D.1.5 Compensation: total compensation per board member (both exclusive and non-exclusive directors)

The company captures this information but did not provide this as it is private and confidential.

### D.2 Anti-corruption practices:

#### D.2.1 Amount in fines paid or payable due to settlements

	2018	2019
Number of fines paid or payable due to settlements	0	0

The company did not incur any fines in 2018 or 2019.

#### D.2.2 Average number of hours of training on anti-corruption issues, per year per employee

	2018	2019
Number of hours of training on anti-corruption	8 hours	NA

In 2019, anti-corruption training has been incorporated into both the HR and corporate communication functions. As it is no longer tracked separately, Sun Tekstil has advised that the number is NA (not applicable).

Anti-corruption education is now part of the SUN Group's employee handbook and integrated into the company's ethical principles. These principles include:

- > Recruitment in all workplaces adhere to the principle of equal opportunity. Criteria such as religion, gender, ethnicity, marital status, and parental status cannot be decisive. The basic principle in recruitment is the employment of people who can provide the qualifications of the job as knowledge and skills.
- > Only the features and capabilities required by the work to be performed are taken into account during the promotion and appointment stages.
- > No discrimination is allowed between employees based on race, gender, religion, disability, family relationships or any other criteria that are not related to the qualifications and skills required for work.
- > The labour laws are fully followed.
- > Health and safety rules are fully applied in the workplaces.
- > Inconsistent Human Resources Management systems are avoided.
- > The importance of establishing and maintaining open and collaborative communication between all employees.

As a testament, Sun Tekstil has received consecutive awards for the Turkish Prize for Ethics. This prize (ETIKA) is awarded by the Turkey Ethical Values Center Association (EDMER) each year to companies with good practices to create awareness and to promote ethical awareness.

## E. Family Business Area

### E.1 Governance area:

#### E.1.1 Advocacy for social and environment standards

Does your company work with policy makers and/or stakeholders to develop or advocate for increased adoption of ESG standards?	Yes	SDG 17.17
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Family members are taking active roles in NGOs such as TUSIAD, ESIAD, (industry & business associations) and TAIDER (family business association). Key roles in these NGOs include:

- > Vice Chairman of UN Global Compact

- > President, UN Global Compact WEPS İzmir Platform
- > Vice Head, The Business4Goals Platform
- > Sustainability committee member, ESIAD

These associations are significant representatives of the business community in Turkey and they aim to advocate for sustainable growth.

#### E.1.2 Review of social / environmental performance

Since 2014, the company has prepared a CDP report. Verification of the data is done by an independent 3<sup>rd</sup> party for Scope 1 & 2 and partially for Scope 3.

The sustainability committee reviews the social and environmental performance of the company every two months.

Board members, general managers of the group companies, human resources manager, corporate communication expert, sustainability executive, senior environmental engineer are members of the committee.

#### E.1.3. Transparency of sustainability performance

Is the review made available in a report to relevant stakeholders e.g. employees, suppliers, customers and owners?	Yes	SDG 16.6
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Internal communication:

- > All significant sustainability initiatives are communicated via internal bulletins and posters to employees and on social media accounts.
- > Strategy plan meetings are additional platforms for communications.

External reporting:

- > Annual UNGC COP report (since 2014)
- > 2020 CDP report

The company is preparing an external sustainability report for the end of 2020.

#### E.1.4 Independent directors

Does the board include independent directors? Indicate number & percentage.	Yes	SDG 16.7
	2	
	25%	

#### E.1.5 Family governance

Is there a family constitution (rules of engagement) to ensure good governance of the business and family for the long term?	Yes	SDG 16.6
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The company has a family constitution which includes a focus on sustainability e.g., good governance. The document is kept updated and is monitored to ensure adherence.

#### E.1.6 Responsible ownership

As a family business, do you use resources and provide guidance to promote development-oriented policies and prepare the next generation to be responsible owners.	Yes	SDG 8.3 – 8.8
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Next generation members are actively participating and taking responsibilities in NGOs and related initiatives. e.g.

- > Attendance at UN SDG Young Innovators programme. This ten-month accelerator programme activates future business leaders and change-makers to solve the SDG challenges of their respective companies by developing innovative solutions.
- > Attendance at voluntary mentoring programmes of ESIAD, a regional business association.
- > Active roles in Historical Kemeralti Construction Investment Trade Inc. (TARKEM) – an organisation that is planning to create a new business model in İzmir by preserving the historical values while creating a new business model.<sup>11</sup>
- > Actively working in TAİDER, Kuzey Yıldızı Sustainability Awards Team.

## E.2 Supply chain:

#### E.2.1 Ethical supply chain policies

Does your company have a formal written supplier code of conduct that encourages ethical sourcing or holds suppliers accountable for social and environmental performance? This may include sourcing from social enterprises, women or minority owned businesses or policies on Fairtrade, anti-slavery, forced labour, child labour, anti-corruption etc.	Yes	SDG 8.7
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In addition, Sun Tekstil is audited by international organizations. Licenses and certifications directly related to ESG issues include ISO 45001 –Occupational Health & Safety Management, Higg Index, BSCI and ISO 14064 Carbon Management.

The company has a social compliance department for the auditing of suppliers with six employees focused on the social and technical compliance of the supply chain. The department conducts ethical social compliance audits on factories and monitors all social compliance status with categories such as:

- > employment freely chosen
- > freedom of association



- > health & safety
- > wages & working hours
- > discrimination
- > regular employment
- > child employment
- > technical status.

Sun Tekstil has been awarded the ETIKA Prize for Ethics by the Turkey Ethical Values Center Association (EDMER) – an award for companies with good practices and who promote ethical awareness.

#### E.2.2 Ethical supply chains practices

What is the estimated percentage of materials or products purchased by your company are sourced sustainability as outlined in B.1?	20-29%	SDG 8.7
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The company monitors this data for bigger suppliers but does not have data for smaller suppliers.

Sun Tekstil is focused on manufacturing sustainable collections for their major customers. The company has set the following goals for preparing sustainable collections:

- > 25% in 2020
- > 50% by 2025
- > 100% by 2050

### E.3 Community impact:

#### E.3.1 Philanthropy

Do you use family business or family funds (for e.g. through a family foundation) to support the local community or communities where you operate?	Yes, see table	SDGs 1, 2, 3, 6, 7, 10
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No	Basic needs – Food, water, energy, shelter, sanitation, communications, transport, credit, and health for all	SDGs 1, 2, 3, 6, 7, 10
Yes	Well-Being – Enhanced health, education, justice, and equality of opportunity for all	SDGs 3, 4, 5, 10, 11, 16
Yes	Decent work – Secure, socially inclusive jobs and working conditions for all	SDGs 8, 9, 10
Yes	Resource security – Preserve stocks of natural resources through efficient and circular use	SDG 12

Yes	Healthy ecosystems – Maintain ecologically sound landscapes and seas for nature and people	SDGs 14, 15
Yes	Climate stability – Limit GHG levels to stabilise global temperature rise under 2°C	SDGs 9, 13

If 'Yes' for E.3.1., please indicate or quantify impacts and outcomes attained If available.

The company has philanthropic projects in a range of activities. For example, the creation of the Sun Tekstil Forest in 2018 (SDG 15). The outcomes of a number of projects are measured and tracked e.g.

SDG 12 - Waste management reduction activities have saved

- > 280,000 kg paper = 4,811 trees = 9,000,000 litres of water
- > 99,000 kg plastics = 7,900 Kw = 2,300 litres water
- > 820,000 kg waste fabrics = 140 tonnes of cotton recycled

For a more comprehensive range, please see Annex 5.

Please indicate source of funds - family foundation / family business / other

	Family funds
X	Family business funds
	Other

#### E.4 Sustainable products and services (optional questions):

##### E.4.1 Creating societal benefits

In what way(s) does your company's services or products benefit society.		See table	Various SDGs
Yes	Provision of basic services, health care or health products to improve health & wellbeing in the community	SDGs 2, 3	
No	Education (general, technical), support of knowledge, arts, cultural heritage	SDGs 4, 5, 11	
Yes	Improved economic opportunity or social economic empowerment	SDGs 1, 5, 8, 10	
No	Provides/facilitates market access through previously unavailable infrastructure	SDGs 9, 11, 16	
No	Capacity Building for non-profit, social enterprises	SDGs 4, 16, 17	

If yes for E.4.1., please share details.

- > Sun Tekstil has ventured into medical textiles - textiles which are used for first aid, clinical, surgical and hygienic purposes.

- > Sun Tekstil has incorporated women empowerment initiatives into their operations - these include on-the-job training, livelihood opportunities and mentorship programmes.

If yes for E.4.1., please indicate or quantify impacts and outcomes attained, if available.

NA

#### E.4.2 Improving your customers environmental performance

In what way or ways do your services or products enable your clients and customers to protect the environment or improve their environmental performance.		See table	Various SDGs
No	Provides or is powered by renewable energy or cleaner-burning energy than market alternatives e.g., solar panel manufacturers, hybrid vehicles	SDGs 7, 9	
No	Conserves resources e.g., water recycling systems, energy efficient appliances	SDGs 6, 11, 12,	
Yes	Reduces waste e.g., recycling technologies/services	SDGs 9, 12	
No	Conserves land, biodiversity, wildlife e.g., sustainably harvested agricultural products	SDGs 14, 15	
Yes	Reduces or is made of less toxic/hazardous substances	SDGs 11, 14, 15	
No	Educates, measures, researches or provides information to solve environmental problems e.g. sustainability consulting	SDGs 9, 11, 13	

If yes for E.4.2., please share details.

The company has worked to reduce packaging and has further implemented reuse of packaging for its products to customers. Sun Tekstil has achieved Global Recycled Standard (GRS) - a certification that:

- > verifies the recycled content of their products (both finished and intermediate) and
- > verifies responsible social, environmental, and chemical practices in their production.

Sun Tekstil products are made of sustainability sourced products with less toxic and hazardous substances.

Standards, memberships, and certifications to date include:

- > Global Organic Textile Standards (GOTS) Organic Cotton
- > Organic Context Standard (OCS)
- > BCI (Better Cotton Initiative)
- > Fairtrade Cotton
- > Higg Index – Sustainable Apparel Coalition viii
- > ZDHC Gateway
- > Cleanchain

> Oeko-Tex

Oeko-Tex signifies that the product is free from harmful chemicals and safe for human use.

Sun Tekstil did not provide information on four of the indicators. The indicators and rationale for not reporting are captured in Table 4.

**Table 4 – SIFB not disclosed**

Indicators not disclosed	Comments
A.1.2. Value added A.1.3. Net value added	This information is sensitive, and the company has declined to disclose the data. There was concern that disclosure of both these indicators would impact adversely the competitive advantage of the company. This may not be the case for big, diversified companies with many product lines and service offerings. However, for more specialised companies with narrow product portfolios, this information may enable competitors to discern margins and other competitive information. Hence reporting on this data, may put the company at risk.
B 4.1. Ozone depleting substances and chemicals	No data is collected by the company to calculate and measure this indicator.
D.1.5. Compensation: total compensation per board member (both executive and non-executive directors)	This is a family-owned company, and board members are also shareholders. This information was not shared.

## 5. REFLECTIONS AND NEXT STEPS

In 2019, the family business made a conscious decision to measure their performance and contribute to the SDGs more actively. Based on the analysis, identification of risks, gaps, and opportunities, working groups were established to enable the company to better innovate as they steer the company towards a low carbon future. The company is in the process of establishing goals for the next 1-3-5 years.

The goal setting is still a work in progress, but the company has shared an initial draft:

- > The Sustainable Product Design & Development working group aims to produce 50 per cent sustainable products by 2030 and 100 per cent by 2050.
- > The Environmental Sustainability working group plans to decrease waste disposal for landfill from 74 per cent to 34 per cent for 2020 to 0 per cent by 2025.
- > The Sustainable Technologies & Digitalization group is constantly analysing processes for better performance and more efficient use of natural resources for the operational excellence management, technological development and support management, energy management departments.
- > The Sustainable Human Resources group analyses the needs of the companies annually and sets yearly targets for assessments, employee satisfaction surveys and development programmes.
- > The Corporate Governance working group is working to enhance internal procedures on corporate governance, audit and early detection of risk, social media policy, commercial information, and secret retention policy, etc.

Another important project for the family business is to establish an online platform for sustainable fashion and circular design education for students and all professionals working in this sector – initiatives that will increase contributions to SDG 4 and SDG 9. Annex 5 shows more details.

The company is also developing a net zero strategy. It is in its infancy and no details are available.

The family business has made delivering for all stakeholders – employees, the community, the environment – central to their mission. As such, there is a constant and continuous emphasis on maximising the interests of all these groups and integrating quality, environmental and social considerations in all their decisions and activities.



**Günseli Ünlütürk**

Co-Founder, Sun Tekstil

“ In our experience, the SIFB has helped us develop some additional processes for sustainability reporting, contributed to the development of our first public-facing sustainability report, and highlighted the importance of aligning the sustainability agenda with the values and purpose of our business. ”



# ANNEXES

## Annex 1 – The National Context: Turkey's Contribution to the SDGs

Turkey has integrated SDGs into National Development Plans (NDPs) and sectorial strategies. Since the Rio UN Conference on Environment and Development in 1992, Turkey has reflected the concept of sustainable development in its NDPs, which represent the highest level of political framework. Following its reflection in the plan, the concept of sustainable development has also been integrated into sectorial and thematic national policy and strategy documents.

Thus, Turkey was among the 22 countries, which submitted the first Voluntary National Review (VNR) Reports to the High-Level Political Forum (HLPF) in 2016, demonstrating its strong commitment towards the 2030 Agenda for Sustainable Development.

Turkey's first VNR report laid down a roadmap elaborating the planned steps to achieve SDGs. Its second VNR report of 2019 focused on the status of progress towards the SDGs. An overview of progress in this VNR proposes that SDG 1, SDG 3, SDG 6, SDG 7, SDG 9 and SDG 11 stand out as goals towards which significant progress has been achieved. While there is progress on other SDGs, it is required to accelerate efforts to address gaps in implementation and increase quality. In this respect, there is a need to enhance financial and technical capacities for some of the goals.<sup>12</sup>

The Sustainable Development Report 2020 (SDR2020) presents and aggregates data on country performance towards the SDGs. It complements efforts of national statistical offices and international organizations to collect data on and standardize SDG indicators. Sources include the UN, the World Bank, research institutions and NGOs. The 2020 SDG index, a key feature of the report, ranks Turkey 70th out of 166 surveyed nations in terms of performance towards the SDGs.<sup>13</sup>

## Annex 2 – Covid-19 Response of the Company

Like so many companies across the globe, Sun Tekstil was adversely impacted by the Covid-19 virus. Factories were closed and there was a complete stoppage of business for two months. Despite this, the family business continued to pay salaries to all employees. Sun Tekstil also provided financial support to suppliers experiencing monetary difficulties. This enabled their partners to support their employees and, as a result, no workers were laid-off in the Sun Tekstil supply chain.

Sun Tekstil started to produce multi-wear three-layer fabric masks which were distributed to all employees. Other precautions taken were the creation of an isolation room next to the security unit of the main plant in Torbalı and the installation of thermal cameras, sanitizer points and waste bins in all plants to collect used masks and gloves.

Conscious of the psycho-social impacts of Covid-19, the company organized online seminars during the shutdown and made motivational calls to employees. The family business convened a webinar for all employees on "Our Emotional Reactions and Psychological Resilience during the Pandemic Process" with an expert psychologist.

Sun Tekstil also used this opportunity to create an online training guide for employees in line with their sustainable human resources goals. In collaboration with the Franklin Covey Education Center, a "Talent Management Workshop in Times of Change" was also organized.

The SUN Research and Development Centre also contributed to the efforts of Tordemir, another family business which is developing and producing biological sampling cabins for use during the Covid-19 pandemic. Sun Tekstil has distributed 28 sampling cabins or booths to hospitals in the Aegean Region and Izmir.

### Annex 3 – Certifications and Memberships

Certifications and standards that Sun Tekstil and Ekoten have received and are aligned with include:

- > ISO 9001:2015 Quality
- > ISO 14001:2015 Environment
- > ISO 45001 Health and Safety
- > ISO 50001:2011 Energy and ISO 14064:2006
- > GHG Inventory Management Systems
- > Global Recycled Standard (GRS)
- > Global Organic Textile Standards (GOTS) Organic Cotton
- > Organic Content Standard (OCS)
- > Better Cotton Initiative (BCI)
- > Fairtrade Cotton
- > Higg Index – Sustainable Apparel Coalition
- > ZDHC Gateway
- > Cleanchain
- > Oeko-Tex

## Annex 4 – Sources of Data

Indicators		Tracked	Source
A.1.1	Revenue	Yes	Finance Department
A.1.2	Value added	Yes	Finance Department
A.1.3	Net value added	Yes	Finance Department
A.2.1	Taxes and other payments to the government	Yes	Finance Department
A.3.1	Green investment	Yes	Finance Department
A.3.2	Community investment	Yes	Finance Department
A.3.3	Total expenditures on research and development	Yes	Finance Department
A.4.1	Percentage of local procurement	Yes	ERP System, Netsis
B.1.1	Water recycling and reuse	Yes	Internal data
B.1.2	Water use efficiency	Yes	Internal data
B.1.3	Water stress	Yes	Internal tracking
B.2.1	Reduction of waste generation	Yes	Internal tracking
B.2.2	Waste reused, re-manufactured and recycled	Yes	Internal tracking
B.2.3	Hazardous waste	Yes	Internal tracking
B.3.1	Greenhouse gas emissions (scope 1)	Yes	CDP Report
B.3.2	Greenhouse gas emissions (scope 2)	Yes	CDP Report
B.4.1	Ozone-depleting substances and chemicals	No	NA
B.5.1	Renewable energy	Yes	Internal tracking
B.5.2	Energy efficiency	Yes	Internal tracking
C.1.1	Proportion of women in managerial positions	Yes	HR Department
C.2.1	Average hours of training per year per employee	Yes	HR Department
C.2.2	Expenditure on employee training per year per employee	Yes	Finance Department

C.2.3	Employee wages and benefits as a proportion of revenue, with breakdown by employment type and gender	No	HR Department
C.3.1	Expenditures on employee health and safety as a proportion of revenue	Yes	Finance Department
C.3.2	Frequency/incident rates of occupational injuries	Yes	Accounting Department
C.4.1	Percentage of employees covered by collective agreements	No	HR Department
D.1.1	Number of board meetings and attendance rate	Yes	Legal Department
D.1.2	Number and percentage of female board members	Yes	Legal Department
D.1.3	Board members by age range	Yes	Legal Department
D.1.4	Number of meetings of audit committee and attendance rate	No	NA, Management
D.1.5	Compensation: total compensation per board member (both executive and non-executive directors)	No	NA, Management
D.2.1	Amount of fines paid or payable due to settlements	No	NA, Management
D.2.2	Average number of hours of training on anti-corruption issues, per year per employee	Yes	Legal Department

## Annex 5 – Initiatives by Sun Tekstil Aligned to the SDGs

<b>SDG 5 Gender Equality</b>	<ul style="list-style-type: none"> <li>&gt; The Women Empowerment Principles Signatory &amp; Global Compact WEPs Izmir Platform President</li> <li>&gt; Awarded 2<sup>nd</sup> in Capital (Business Magazine in Turkey) Female Friendly Companies</li> <li>&gt; Nursery support is provided for all Sun Group employees</li> <li>&gt; On-the-job training programme in co-operation with Government Empowerment Agency (hiring women who completed this programme)</li> <li>&gt; Supporting female university students for business life through special projects (Change Leaders Association)</li> <li>&gt; Productive Women Project to help housewives with limited opportunities by selling their hand-knitted bags</li> <li>&gt; Arranging trainings for all employees about domestic violence and family communication</li> <li>&gt; MIG-Score Project Partnership with ILO &amp; Inditex for increasing awareness of gender equality in supply chain</li> </ul>
<b>SDG 8 Decent Work and Economic Growth</b>	<ul style="list-style-type: none"> <li>&gt; Best Managed Companies Award of Deloitte Private</li> <li>&gt; Etika Reward (Turkey Ethical Value Center)</li> <li>&gt; Sun Design Project (special programme that prepares students of fashion and graphic design of international and national universities for business life)</li> <li>&gt; Increase in ranking of Top 500 Industrial Enterprises of Turkey</li> <li>&gt; Scholarships for employee's children</li> <li>&gt; Scholarships for university students through NGO - ECEV Foundation</li> <li>&gt; Internship programmes based on self-development for university students Almost 1,000 books are available in the company's library. Employees can donate books and have the chance to read the latest publications</li> <li>&gt; 'Back to School' Project for the employees who have not completed their education</li> <li>&gt; Coaching programmes in tech-high schools with volunteer employees</li> <li>&gt; Talent management programmes &amp; assessment centre &amp; employee satisfaction surveys</li> </ul>

	<ul style="list-style-type: none"> <li>&gt; 13,720 hours allocated to trainings in 2019</li> <li>&gt; Increase in employment number by hiring 370 new employees in 2019 (+252 women; + 118 men)</li> </ul>
<b>SDG 9 Industry, Innovation and Infrastructure</b>	<ul style="list-style-type: none"> <li>&gt; Increase in number of academic articles, patents &amp; utility models (39 articles with 5 utility models, 2 patents &amp; 3 industrial designs)</li> <li>&gt; Sponsorship in academic conferences (7th International Technical Textiles Congress)</li> <li>&gt; Reward of The Best Innovative Firm in 10th International R&amp;D Project Market for Textile Industries in Turkey</li> <li>&gt; 1<sup>st</sup> place with Sun Design Project among textile talent programmes</li> <li>&gt; 48 projects in R&amp;D Center</li> <li>&gt; 116 institutions for partnership in R&amp;D Center Network</li> <li>&gt; Participating in Textile Engineering Improvement Project with Aegean Region Exporters' Association</li> <li>&gt; Reward system for employees among for the projects &amp; personnel suggestion system outputs</li> </ul>
<b>SDG 12 Responsible Consumption and Production</b>	<ul style="list-style-type: none"> <li>&gt; The group aims to integrate quality, environment and occupational health and safety policies into all processes</li> <li>&gt; Created Sun Tekstil Forest in 2018</li> <li>&gt; Solar Energy Investment in Ahmetli Plant</li> <li>&gt; Waste management reduction activities saved</li> <li>&gt; 280,000 kg paper = 4,811 trees = 9,000,000 litres of water</li> <li>&gt; 99,000 kg plastics = 7.900 Kw = 2,300 litres water</li> <li>&gt; 820,000 kg waste fabrics = 140 tonnes of cotton recycled</li> <li>&gt; Fabric bags have been donated to create awareness for Zero Waste Project supported by government</li> <li>&gt; 886 metric tonnes Scope 1 + Scope 2 emissions reduction compared to previous year</li> <li>&gt; In every year, new investments are budgeted for waste reduction/ renewable energy</li> </ul>



## NOTES AND REFERENCES

<sup>1</sup>Sustainable Development Report 2020 – The Sustainable Development Goals and Covid-19, Cambridge University Press.

<sup>2</sup>Based on UNCTAD Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals.

<sup>3</sup>UNCTAD; UN environment, May 2019 Methodology for SDG indicator 12.6.1.

<sup>4</sup>The Polaris Impact Assessment (PIA) is a customised version of B Lab's B Impact Assessment (BIA) developed by B Lab and FBN specifically for family businesses.

<sup>5</sup>CISL (2015, July; updated 2017, Nov). Rewiring the Economy: Ten tasks, ten years. Cambridge, UK.

<sup>6</sup>Suntekstil and Ekoten backgrouders are available at [www.geleceksunda.com](http://www.geleceksunda.com) [www.linkedin.com/company/suntekstil/](http://www.linkedin.com/company/suntekstil/), and [www.ekoten.com.tr/en/basinodasi/11.12.2017](http://www.ekoten.com.tr/en/basinodasi/11.12.2017).

<sup>7</sup>[SDG Compass](#).

<sup>8</sup>UNCTAD Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals.

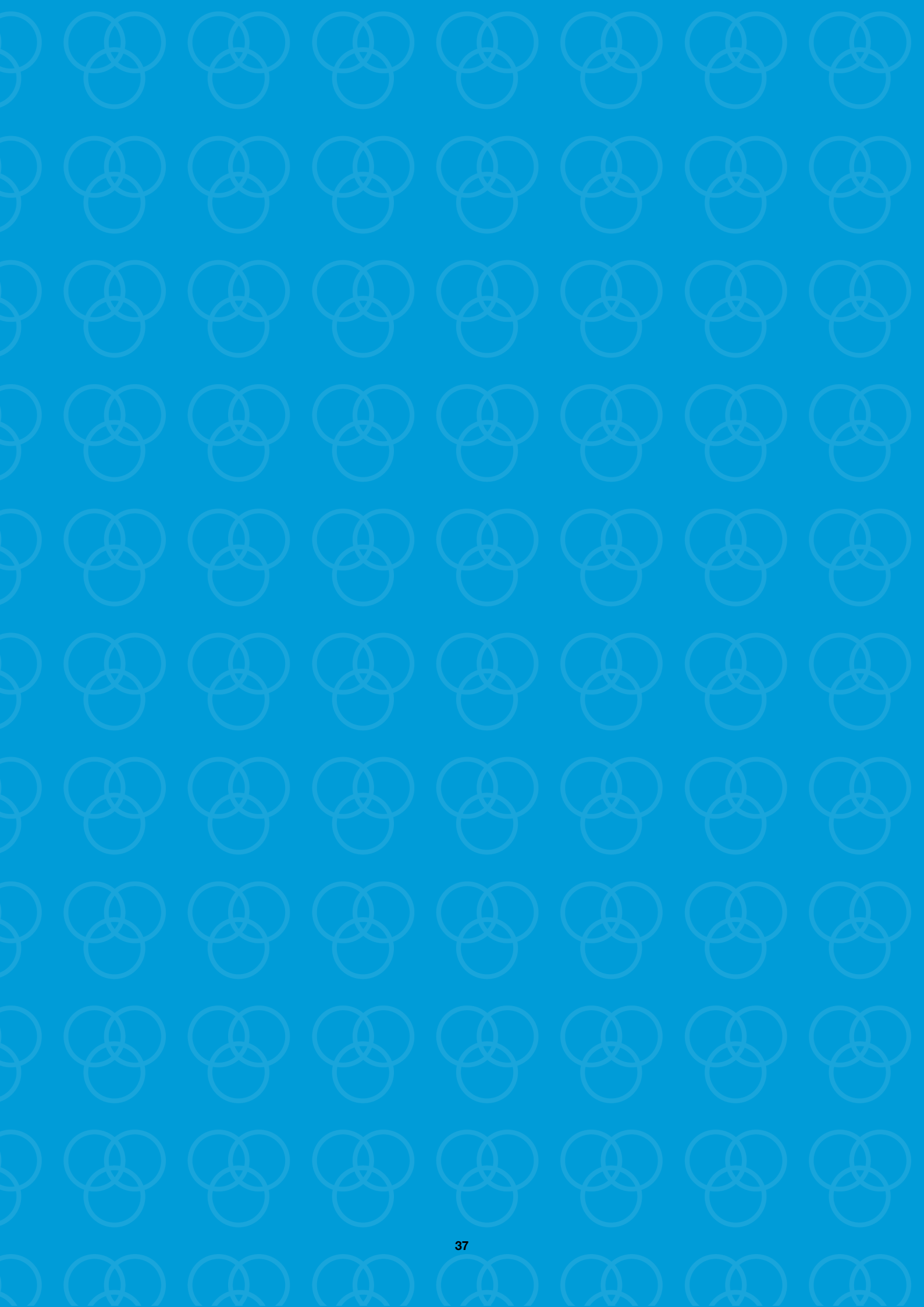
<sup>9</sup>The SIFB provides a suggested mapping of the SDGs to a company's products, services, and operations. The mapping is by no means exhaustive, and companies may identify additional or alternate SDGs that are more relevant to the enterprise.

<sup>10</sup><https://www.suntekstil.com.tr/en/investor-relations> For further information please contact: [yatirimci.iliskileri@suntekstil.com.tr](mailto:yatirimci.iliskileri@suntekstil.com.tr).

<sup>11</sup>[Information on Tarkem](#).

<sup>12</sup>[Turkey's SDGs 2nd VNR 2019](#).

<sup>13</sup>Sustainable Development Report 2020 – [The Sustainable Development Goals and Covid-19, Cambridge University Press](#).





Family Business for Sustainable Development