



# AKÇAKAYA GROUP TEKSTİL AŞ.

Disclosure Report

Date Submitted: September 11th, 2024



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## Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

**This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company**



# Disclosure Questionnaire

## Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Energy and Emissions Intensive Industries</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Water Intensive Industries</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Litigation or Arbitration</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



## Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Energy and Emissions Intensive industry

AKÇAKAYA GROUP TEKSTİL AŞ. is involved in the production/sale of products, or is part of an industry that can potentially be classified as energy and emission-intensive, meaning that they are more likely to have significant impacts on the environment based on their carbon emissions associated with their operations and their contribution to climate change. Certified B Corps are required to make transparent their involvement in such activities or industries.

For more information about the company's practices regarding this topic, please visit the company's webpage/ sustainability report, accessible [here](#).



# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Water Intensive industry

AKÇAKAYA GROUP TEKSTİL AŞ. is involved in the production/sale of products, or is part of an industry that can potentially be classified as water intensive, meaning that they are more likely to have significant impacts on the environment, such as water stress or depletion of local water sources if water use is not appropriately managed. Certified B Corps are required to make transparent their involvement in such activities or industries.

For more information about the company's practices regarding this topic, please visit the company's webpage/ sustainability report, accessible [here](#).

# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Litigations, Arbitration and Penalties

<b>Issue Date</b>	2020-2024
<b>Topic</b>	Labor litigations, labor arbitration, supplier litigation and penalties related to tax and employee social security contribution
<b>Summary of Issue</b>	<p>Labor litigations and labor arbitration involve a range of actions filed by former employees relating to unfair dismissals and severance disputes.</p> <p>Supplier litigation related to payment dispute.</p> <p>A tax penalty and tax notice was imposed by a municipality as the company did not comply with the municipality's requirement.</p> <p>A penalty was imposed by the Social Security Institution as the company made an error in the document required for the short-time work allowance application.</p>
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	<p>As of 2024;</p> <p>The company has 4 cases related to labor due to unfair dismissal claims. 3 of the cases were settled at court with payment and 1 case was settled with payment out of court through mediation. All of the payment was valued at 0.341% of the company's revenue.</p> <p>The company has had 1 case pertaining to an ex-employee disputing the severance pay received upon leaving the company. The ex-employee has since received the remaining amount and the case was closed with a value of 0.066% of the company's revenue.</p> <p>The company has 1 case related to supplier dispute. The supplier claimed that the company had canceled orders causing a loss to the supplier. The case was settled with a value of 0.02% of the company's revenue.</p> <p>There is one case with the municipality. The company requested the cancellation of the tax loss penalty imposed. The case was waived using the rights granted by law regarding the restructuring of some receivables and some changes to the law.</p>

	A penalty was imposed by the Social Security Institution as the company made an error in the document required for the short-time work allowance application. The company had paid 0.018% of total revenue in the closure of this case.
<b>Impact on Stakeholders</b>	The primary impact related to labor and supplier litigation is a financial impact on former employees and the supplier. The main impact related to the company's penalties was for general society and law enforcement organizations.
<b>Implemented Management Practices</b>	<p>Akcakaya's Board of Directors, Human Resources (HR) Manager, Production Manager, and owners would have a formal meeting where strategic decisions are made, and action plans are formed in dealing with any legal case that has been brought upon the company.</p> <p>One of the Akcakaya's plan in mitigating such issues from reoccurring is to have their managers receive adequate training, particularly in the field of Law, Business Ethics and Accounting Legislation, and for them to share the knowledge with their team members. The company has already put this plan into action where it had a lawyer with the legal unit who had planned and provided legal training twice a year since 2021.</p> <p>Akcakaya has also recently hired a HR Manager who is well versed with the legislation. Since 2020, the company has placed a formal organizational chart to the company's communication board to create awareness on the hierarchical order.</p> <p>Relevant policies and procedures were written, and announcements were made on these. The company also ensures that these policies and procedures are included in its orientation programme for the newly hired.</p> <p>Acknowledging that it has room for improvement based on the lawsuit cases, the company's action plan is mainly directed at providing adequate training and information to all employees to handle situations in proper and ethical manner.</p> <p>The company frequently reviews and follows-up with the HR Manager to systematically advance the rights of all employees in line with the legal legislation. The company also conducts regular Employee Satisfaction surveys to strengthen its internal communications with employees.</p> <p>On employee compensations, Akcakaya's Financial Advisor ensures that the payments are made in accordance with legal regulations once the audit process is passed, and that the</p>



	personnel leaving are notified on the status.
	To avoid future legal issues with suppliers, Akcakaya has provided training to its management team and internal supply chain team. The company also conducted a customer satisfaction survey with its external suppliers. If any issues were identified through the survey, the company would work to resolve it immediately which would help improve its efficiency and relationships with suppliers.