Turkish Apparel Sector Sustainability Strategy and Action Plan

Executive Summary

Ankara - İstanbul

January 2023

EY
Building a better working world

Turkish Apparel

The project was conducted to develop strategies and policy recommendations for the Turkish apparel sector by the new targets and regulations/legislations of the sustainability-focused/oriented European Green Deal (EGD).

The EGD emerged to transform the social and economic structure of the European Union, focusing on sustainability and composing a structural framework in the interest of achieving climate goals.

The legislation within the scope of EGD is still in ongoing configuration. Nonetheless, the deal is an economic growth approach based on a circular economy, adopting the principles of raw material efficiency and renewable energy use. The EGD puts forward the need for a comprehensive transformation for other countries which are in a trade relationship with the EU because of the value chain approach that considers member states' institutions and companies responsible beyond the borders of the European Union.

For this reason, it is essential for the Turkish apparel sector to transform its production and supply structure to be EGD compliant.

According to this, the required legislation and the current situation must be analyzed to transform the Turkish apparel sector.

For the transformation, revealing the operational framework brought by the EGD legislation for the sector, measuring the current maturity of the sector in line with this operational framework, identifying the fields of development, and promoting sectoral strategies and action plans for such areas of development formed the need for improvement.

In this respect, the Turkish Apparel Sector Sustainability Strategy and Action Plan Project were implemented in December 2021 with the services of 5 business and professional organizations representing the Turkish apparel sector and technical consultancy of the EY Consulting Services Department. Three main phases were conducted between December 2021 and August 2022.

what kind of an operational framework the EGD defines, 3 research questions on the current EGD-compliant maturity status of the sector and the actions required by the EGD, and 3 primary stages that answer these research questions:

- The European Green Deal and the Analysis of Relevant Environmental and Industrial Strategies
  - In the European Green Deal phase and the Analysis of Related Environmental and Industrial Strategies and relevant parts of the report, the legislations and their effects on the apparel sector were analyzed, and critical findings were included.
- EGD-Compliant Sustainability Evaluations of Turkish Apparel and Textile Sectors
  - The phase of EGD-Compliant Sustainability Evaluations of Turkish Apparel and Textile Sectors presents the maturity levels of the companies and the company evaluations that came into view from the electronic survey study and interviews conducted with the apparel and textile sectors.
  - **The relevant survey study measures the maturity level of companies according to the EGD-Compliant Sustainability Maturity Model developed by EY. The Maturity Model consists of three main frameworks: Strategy, Implementation, and Reporting. 39 questions for the relevant topics are included under this framework. Most options in each question are designed to represent low and high maturity levels.**
- Transformation Priorities, Strategies and Actions
  - In the last stage of the project, transformation priorities were determined in line with the EGD legislation and company evaluations. Strategies for these priorities have been chosen, and actions have been designed to realize the relevant strategy.
  - **To ensure the adoption of strategies and actions by the operators and validation of the assessments, 8 focus group meetings were held with the participation of 73 officials working in the field of EGD from September to December 2022.**
  - **Both the methodology and strategies were evaluated in the İstanbul Apparel Exporters' Associations Sector Board and accepted as an action plan covering the entire sector.**

The study's findings and results are presented on the following pages.

By examining the documents and legislation related to the EGD, the stages of the value chain associated with the green transformation process of the sectors in the apparel and apparel value chain have been determined.

The following documents affecting the green transformation process of the sector were examined under the title of "Relevant European Green Deal and Analysis of Related Environmental and Industrial Strategies":

- Fit for 55 Package and subjacent policies
- Waste Framework Directive
- EU Circular Economy Action Plan
- Chemicals Strategy for Sustainability
- Corporate Sustainability Due Diligence
- EU Taxonomy Regulation
- EU Sustainable and Circular Textile Strategy
- The New Industrial Strategy for Europe

In these reviewed documents, a legal framework has been constructed in which the EGD will hold EU companies accountable not only for their operations within the EU borders but also for all global value chains and operations of business partners in value chains. A product is only sustainable if its whole value chain is sustainable.

Therefore, other sectors (suppliers) related to the apparel sector to be organized within the scope of EGD should also take proper measures toward green transformation.

Documents and regulations related to the EGD have revealed the elements of the apparel value chain that need critical transformation in the green transformation process. The value chain elements examined in this context which have critical importance in the EGD-compatibility are as follows:

- Product Development
- Raw Material Procurement
- Production Process
- Distribution
- Supply Chain Management (Transparency and Traceability)

The first measurement that the sectors must take for green transformation is product development.

Product development, the initial phase of the apparel value chain, constructs the first step toward sustainability. At this stage, responsibility falls mainly to the brands in the role of buyers.

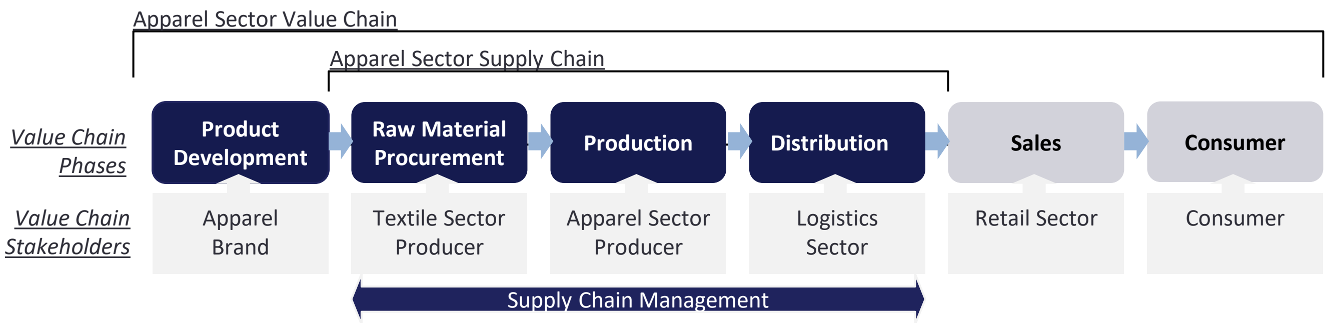
The European Commission aims to determine new eco-design requirements in accordance with the product groups considering the stages of the life cycles of the products. In this context, it is expected to regulate the requirements regarding the durability, reliability, maintenance, and renewal possibility of the products, the use of resources in the production process, and product recycling. Regulations in line with these requirements are aimed to be completed by 2024.[1]

Through these requirements, it is aimed that companies use eco-labels with eco-label regulation implementations. Thus, it is desired for brands and consumers to have more information about the sustainability and circularity of the products. The EU Eco Label, currently used by 7177 textile manufacturers, appeals to many distinctive sectors and determines the rules and standards suitable for the sectors.[2] The aim of the Digital Product Passport application is to provide information on the sustainability and circularity of products to consumers.

The measures to be taken regarding releasing microplastics into the environment begin at the product development stage. Hence, regulating the different life cycle stages in which synthetic fibers spread into the environment gains more importance.

Therefore, in all regulations made by the European Commission in the fields of sustainability and circularity, it aims to make the use of sustainable, ecological, and recycled materials mandatory in the production process, starting from the design stage of the products.

Apparel Sector Value Chain and Stakeholders



Source: (1) European Commission, Sustainable Product Initiative, (2) EU Eco Label,

For the apparel sector to be sustainable, the textile sector, which is the apparel supplier, must also take EGD-compliant measures.

The raw material procurement phase of the apparel value chain is the stage where the necessary textile product is provided to the apparel manufacturer to produce the final product. For this reason, sustainable raw material attainment is a prerequisite for sustainability in the apparel sector since it is the primary raw material of production.

It is aimed to increase the collection, sorting, and recycling of textile wastes until 2025 within the scope of the Waste Framework Directive. To guide this process, the purpose is to establish institutions and propose additional legislation. Along with this directive, the target is to recycle 55% of household waste, including textile products, in 2025, 60% in 2030, and 65% in 2035.[1][2]

Dyeing and termination processes of textile products are estimated to cause 20% of the water pollution in the world. The aim is to extend digital methods that will reduce water consumption used in textile production and reduce water pollution. Thus, the goal is to use the obtained data in R&D studies and to come up with innovative solutions more quickly.[3]

It has been determined that using organic products reduces the environmental impact caused by textile products. Organic cotton causes 40% fewer CO^2 emissions than other cotton and can reduce water consumption by 90%. Therefore, with the new legislation, it is expected that the production and use of organic cotton will increase.[4]

The efficiency of the energy consumed in the production process, the circularity of the materials used, and the appropriate inclusion of the wastes in the recycling process are of critical significance in the circularity and sustainability of the sector.

The production phase is a crucial period to provide efficiency in sustainability due to its position as the basic operation process. At this juncture, the most significant liability lies on the apparel manufacturers, who carry out their production activities firsthand.

Increasing circularity is critical in the production phase, where waste and fire are composed the most. For this reason, it is aimed to evolve the linear production and business models that have the understanding of "Buy, make, sell, dispose" into a "buy, make, use, reuse" model. In this context, a waste hierarchy was established with the Waste Framework Directive, and the stages of reducing resource use, recycling, and eliminating waste were regulated.[5]

The Extended Producer Responsibility system is applied in European countries such as France, Netherlands, Sweden, and Norway. This system defines the principle of shared responsibility between the brand, the manufacturer, and its suppliers. It is of utmost importance to hold producers responsible for their waste production to prevent the formation of textile waste according to the Extended Producer Responsibility model.[6]

In documents such as the «Fit for 55 Package», regulations compatible with sustainability are designed on energy use in production, efficiency, and waste management. In these documents, goals for emission reduction, further incentives for renewable energy in industry, and the use of renewable gases are underlined. In the Strategy Document of the EU Commission General Directorate of Environment, in which the general framework of the EGD is drawn, wastes are also mentioned in detail. According to the document, prevention targets to reduce waste generation will be proposed.[7]

In the distribution part of the value chain, where the most emissions occur, regulations are being constituted to meet the EU's goal of carbon neutrality by 2050.

The distribution stage of the apparel value chain consists of logistics activities covering the delivery and distribution of the manufactured product that is placed to be displayed for consumption. This stage of the value chain is crucial due to the emission values in transportation.

For the logistics sector to be more sustainable, road transport activities and the emission values of vehicles should be regulated. There is a great interest in shifting the transportation modes for the logistics sector since the emissions of rail and sea transportation are lower compared to land transportation. In addition, the European Commission intends to reduce the CO^2 emissions of cars by 15% by 2025 and by 37.5% by 2030. In this respect, the European Commission plans to have at least 30 million zero-emission vehicles on the roads of Europe by 2030.[8] Besides, the requirements set by the Fit for 55 documents and the Carbon Border Adjustment Mechanism will be extended in the apparel sector over time, and emission reduction obligations will be imposed on the industry.

Source: (1)European Commission, EU Strategy for Sustainable and Circular Textiles, (2) European Commission, Waste Framework Directive, (3) Water Europe, Recognizing the Value of Water in the New EU Strategy for Sustainable Textiles, (4) CBI, The Sustainable Transition in Apparel and Home Textiles, (5) McKinsey, Refashioning clothing's environmental impact, (6) OECD, 20 years of EPR in France: Achievements, lessons learned and challenges ahead, (7) DG Environment, Strategic Plan 2020-2024, (8) European Parliament, CO_2 Emission Standards for New Cars and Vans

During the EGD-compatibility process, it has been revealed that the sectors must share relevant data with each other and the consumers.

Apparel supply chain management is significant for ensuring that the supply chain is transparent and traceable, ensuring sustainability for all value chain stakeholders, and preventing greenwashing (misleading statements about sustainability). In this context, it is aimed to prevent companies from providing information that may mislead consumers about their sustainability and environmentally friendly policies. The Single Market for Green Products Initiative seeks to reduce the exposure of greenwashing while the consumers are purchasing products and stabilize the sustainable product assessment process.

The need for every step of the value chain to become transparent and visible has been initiated with the EGD process. For a smooth information transaction on sustainability, the aim is to implement such service through applications like Digital Product Passport and the Digital Single Market. In addition, the tracking of not only products but also wastes is specified in the Waste Framework Directive.(1)

The requirement to monitor each stage of the supply chain and the due diligence for each supplier has emerged due to the EGD process. Within this framework, the need for companies to take strategic measures in terms of environmental, social, and governance and adopt an administrative mentality has arisen. Measurements were taken to identify, mitigate and prevent adverse human rights and environmental impacts in companies' value chains concerning the Corporate Sustainability Due Diligence.(2)

In the EGD-compatibility process, 6 critical transformation priorities have been determined to meet the changes in the value chains of the sectors and the published legislation.

The regulations received with the EGD process will cause substantial changes in the elements of the supply chain. The Turkish apparel sector value chain needs transformation strategies in this process to effectively carry out the EGD-compliant green transformation.

As such, legislative reviews, essential topics that the companies should focus on, and 6 transformation priorities were determined. These measures are evaluated as one of the most important stages to be followed for the green transformation process in the apparel sector.

1. Governance (Stakeholder Contact)

2. Digitalization

3. Financing the Transformation

4. Social Compliance and Green Capabilities

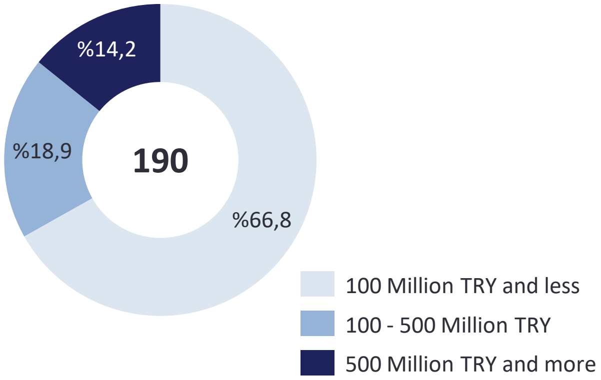
5. Green Transformation

6. Circularity

Source: (1) European Commission, Circular Economy Action Plan, European Commission, Waste Framework Directive, (2) Corporate Sustainability Due Diligence

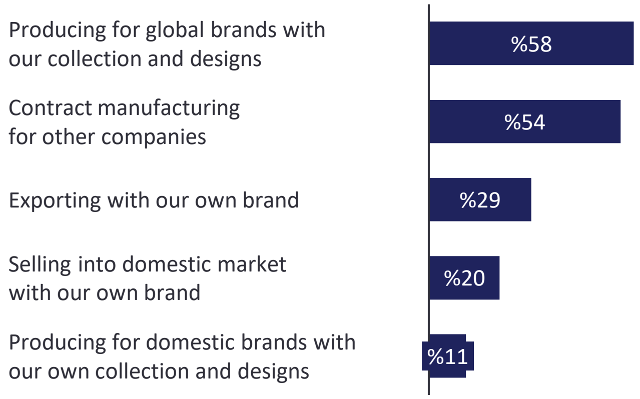
The survey study reached out to 190 apparel companies that carry out 15% of Türkiye's apparel exports. The answers from apparel companies were analyzed with EY's Green Deal-Compliant Sustainability Maturity Model. In this way, insights into various sectoral topics were obtained.

Companies' net sales (n=190)



Most of the companies that participated in the survey study are SMEs. 66,8% of companies have 100 Million TRY and less net sales. On the other hand, 14,2% have 500 Million TRY and more net sales, and 18,9% have 100 – 500 Million TRY net sales.

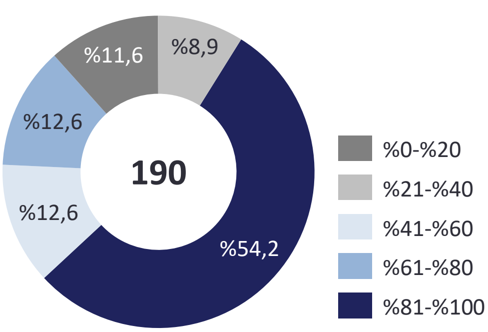
Companies' operation types (n=190)



The demands of the brands about the green transformation are critical because the Turkish apparel sector is a producer sector for World brands.

58% of companies produce for global brands with their collection and designs, while 54% are contract manufacturing for other companies.

Companies' export rates (n=190)

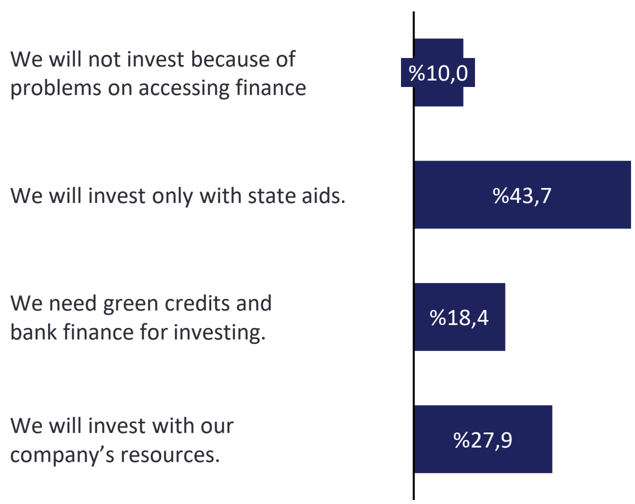


The apparel companies that participated in the survey are producer&exporter companies. These companies export a significant part of their production. %54,2 of companies ship more than 80% of their production.

55% of the companies stated that sustainability will be essential for their own Operations and the brands they produce in the upcoming period.

The most important sustainability issues that the companies focus on are using recycled and sustainable materials.

Companies' investment types (n=190)



As for sustainability financing, most companies stated that they can only make investments with state aid or incentives.

In this context, while 43,7% of the companies need government support, 18,4% stated they can continue their investments with bank loans and green finance options.

The EGD-Compliant Sustainability Maturity Model results showed that prominent topics in the apparel sector's goals usually have a backward linkage with the textile sector.

The top three goals of apparel sector companies are increasing sustainable suppliers, digitalizing the processes and services, and increasing the usage of recycled materials. 2 of these 3 topics are directly linked with the textile sector. Therefore, it is clear that the apparel sector's expectations from the textile sector will increase in the sustainable transformation process.

In addition to these, increasing renewable energy and energy efficiency, reducing waste and recycling are also important topics for companies to develop projects and targets.

Considering the current quality and quantity of supply of recycled materials, the apparel sector may need help accessing raw materials in the medium term.

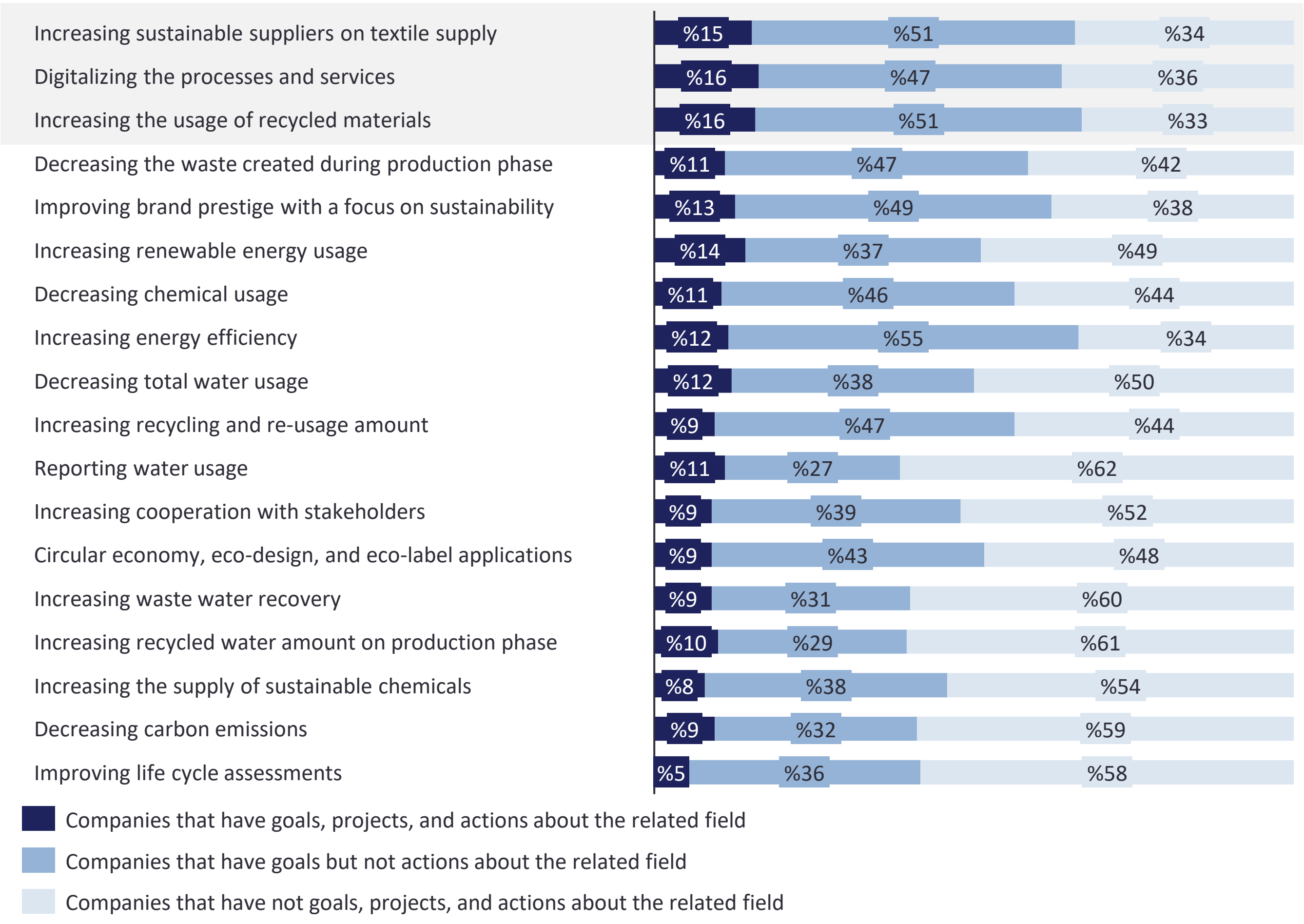
Similar to recycled material usage, apparel companies aim to increase the use of sustainable materials. Currently, usage of sustainable materials is at 37,9%; however, the sector seeks to increase this percentage to 50,1 in the next 3 years.

According to the companies' answers, 67,3% of the sector aims to increase their digitalization in the near future.

It is noteworthy that companies with a net sales size of 500 million TRY and more have a higher level of maturity in all sustainability topics, such as waste recycling and reuse, water saving, renewable energy and energy efficiency, and reduction of carbon emissions.

In particular, SME companies need to set targets and take action on related issues to achieve green transformation.

Companies' goals on sustainability topics (n=190)



The EGD legislation underlines the necessity of ensuring sustainability in every phase of the value chain to ensure the whole is sustainable. In this direction, apparel companies' expectations from their suppliers (textile companies) have been evaluated.

The most significant majority of apparel companies, with 41,1%, only control the quantity and quality of orders.

Information technologies are used sparingly while monitoring supply chain operations. 33,7% of the companies stated that they installed IT systems but only used them internally.

When asked about their expectations from their suppliers, participant apparel companies stated that **chemical usage, recycled material usage, and energy efficiency** were the most important topics. Thus, it is reiterated that textile companies may have difficulty in providing recycled products to apparel companies over time.

Effective communication and cooperation of all stakeholders are essential to ensure the sustainability of the value chain as a whole. As to the Turkish apparel sector, it is observed that the general maturity level in stakeholder communication could be higher.

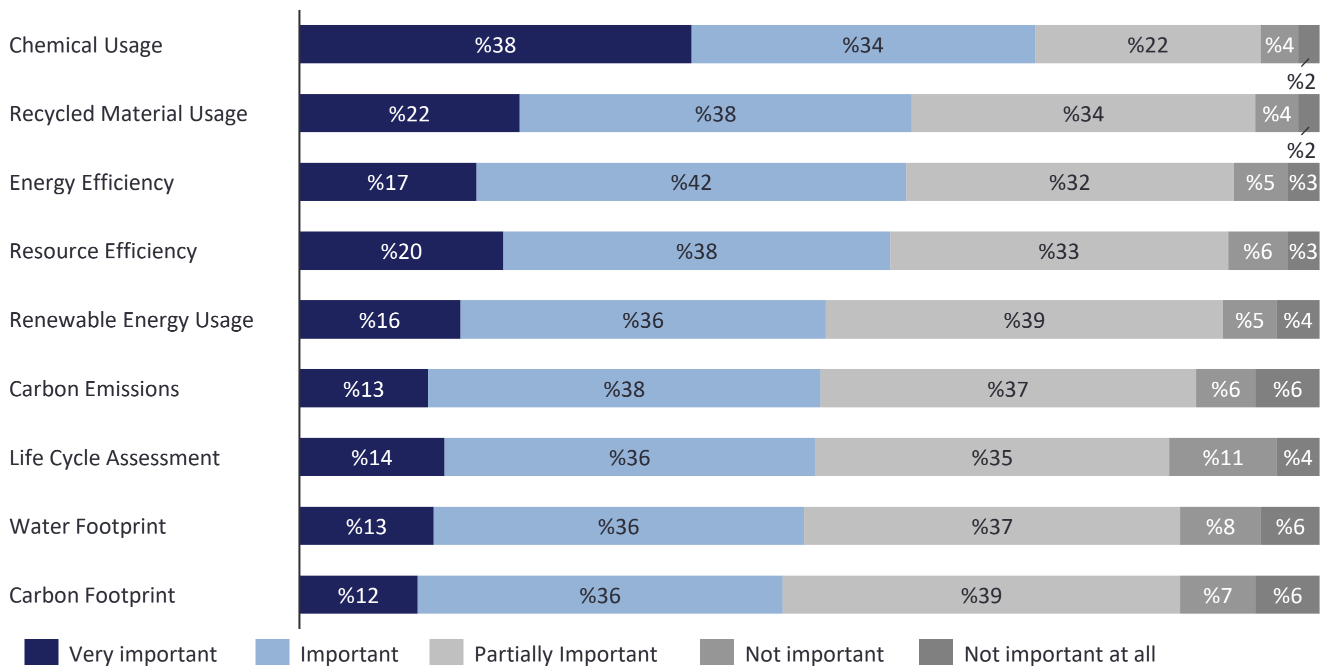
Most of the companies (40.5%) do not have a plan to communicate with relevant stakeholders on sustainability. The rate of companies stating that they do not have any communication with external stakeholders is 31.6%.

In addition, companies do not have a defined governance structure. The majority of companies, 32.6%, stated that they do not have a structure for sustainability management.

Certificates and standards are essential to measuring the sustainability actions and maturity levels of companies. It has been indicated that the expectations of multinational brands, in this regard, have increased.

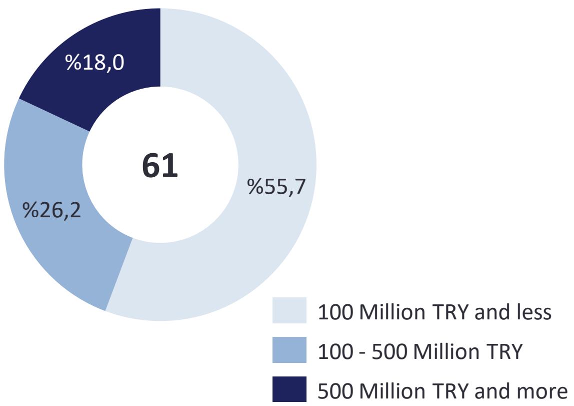
In this respect, Global Organic Textile Standards (GOTS) and Sedex and Organic Content Standard (OCS) stand out among the certificates held by apparel companies.

Companies' current sustainability expectations from their suppliers (n=190)



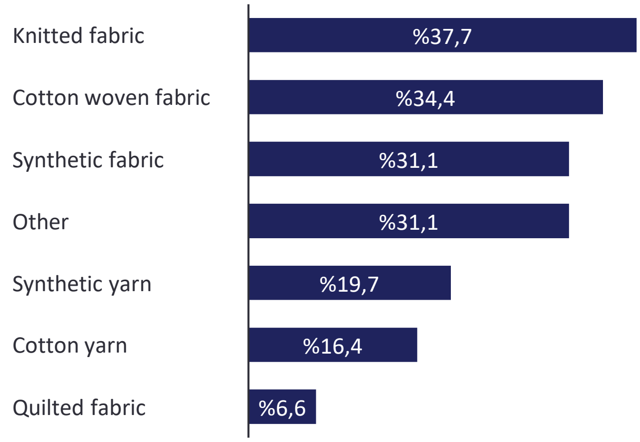
A survey study has been conducted with the textile sector representatives, which have an important place in the apparel sector. 61 textile companies, which carry out 8% of sectoral exports, have participated in the survey. It is vital to analyze the textile sector's sustainability, as the apparel sector can only be sustainable if its value chain is sustainable.

Companies' net sales (n=61)



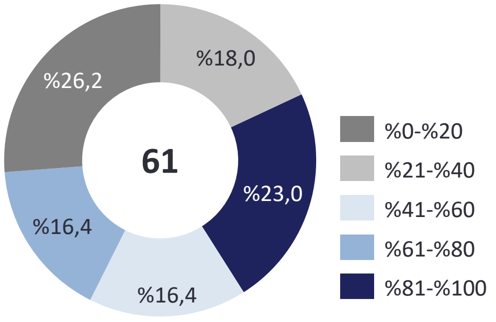
18% of survey participants are textile companies with 500 Million TRY and more net sales, and 26,2% of the companies have net sales between 100 – 500 Million TRY. It is seen that SMEs have an important place in the textile sector.

Product Groups Produced by Companies (n=61)



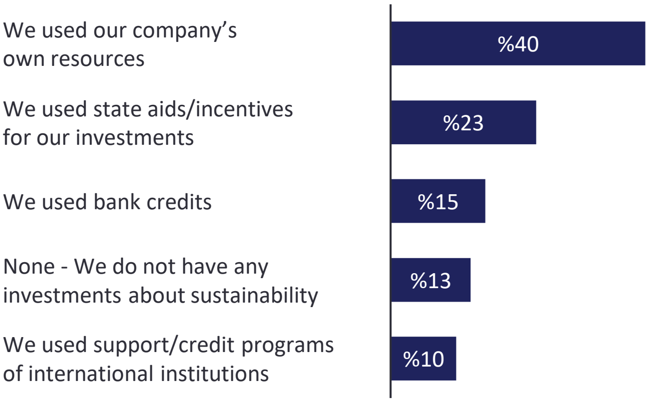
The product groups have been evenly distributed among the survey participants. 37,7% of companies produce knitted, 34,4% cotton woven, and 31,1% synthetic fabrics. **About sustainability, 49,2% of textile companies stated that apparel companies they work with regards sustainability as very important, while 41% stated important.**

Companies' export rates (n=61)



The textile sector produces goods for both domestic and foreign markets. 23% of survey participants from the textile sector export more than 80% of their goods, while 26,2 export less than 20% and sell their goods into the domestic market.

Companies' investment types (n=61)



Most of the textile companies that answered the survey stated that they use their companies' own resources in their investments. However, companies need state aid for future investments.

40% of textile companies use the company's own resources, while 23% use state aids/incentives.

The most important expectations of textile companies from their suppliers are chemical usage and recycled material usage.

About these topics, textile companies reflected apparel companies' expectations of their own suppliers.

At the same time, these two topics are the most important in the related legislation for the textile and apparel sectors. Thus, there is a reason to increase and support the expectations for topics such as chemical and recycled material usage.

OEKO-TEX and BCI come forward among the certificates held by textile companies. However, the percentage of companies with ISO – Carbon Footprint, Water Footprint, and Life Cycle Assessment certificates is low.

During the green transformation, supplier companies have started paying more attention to sustainability certificates and standards. In this context, apparel companies expect textile companies to have more sustainability certificates.

In the survey study results, 54,1% of textile companies have OEKO-TEX, and 45,9% have BCI. Certificates such as ISO Carbon Footprint, Water Footprint, and Life Cycle Assessment are in the lower ranks.

It is noteworthy that the sector has low maturity in these topics, while the importance of them is expected to increase in the upcoming period for the textile sector.

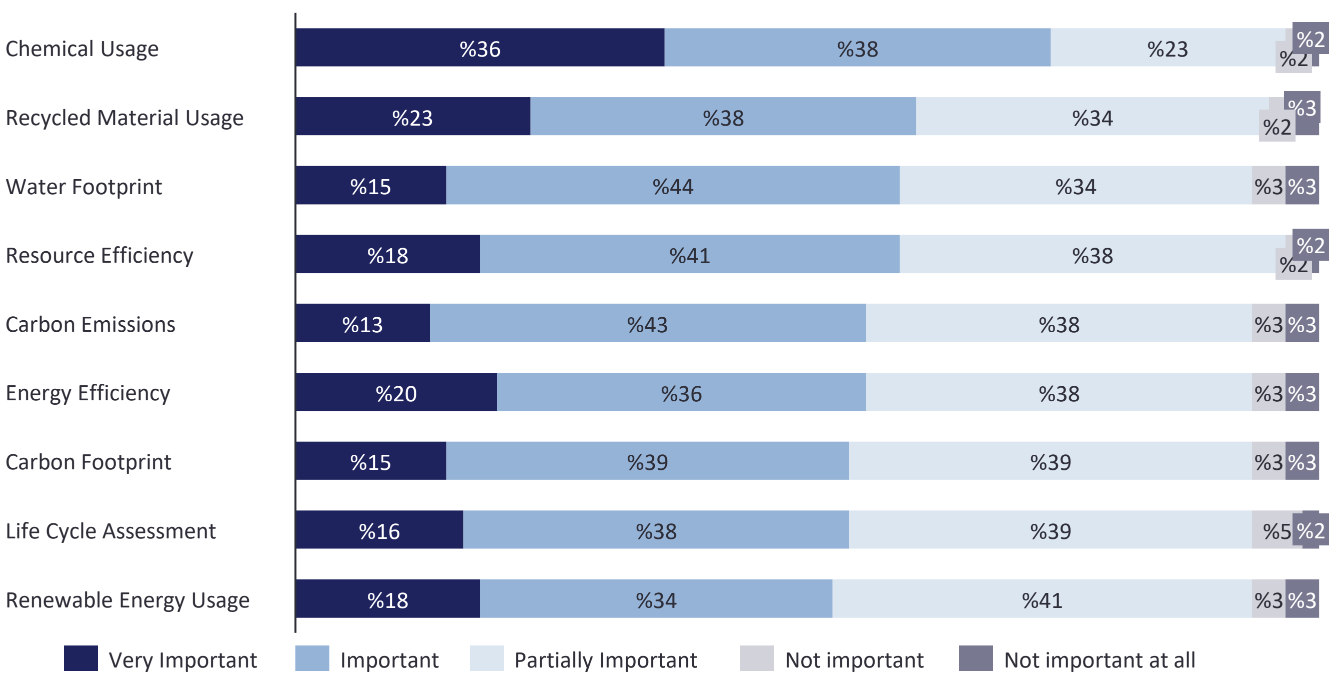
In the near future, the main agenda will be whether the textile sector will meet the apparel sector's demand for recycled and sustainable materials.

Textile companies currently provide products with an average of 28,8% recycled materials, while the apparel sector aims to increase this percentage to 40,5%. For sustainable materials, the textile sector's 37,6% products are sustainable, while the apparel sector targets to reach 50,1% in the near future.

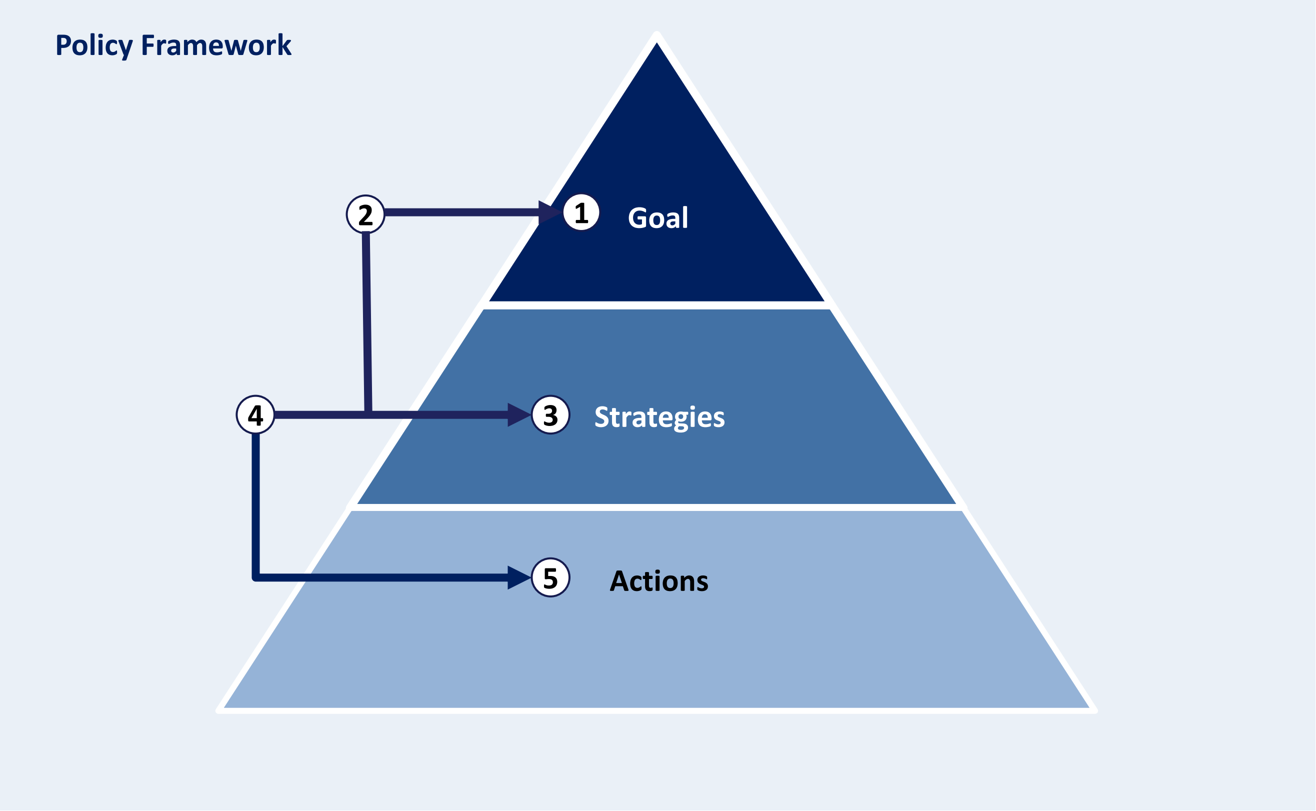
In this context, there is a need for models that will strengthen and support the supply of recycled and sustainable materials, which are expected to increase rapidly.

Trade policy measures also make it difficult for the apparel sector to supply raw material deficit through imports. Therefore, it is critical to ensure sustainable raw materials for the apparel sector and exempt sustainable raw materials from trade policy measures.

Companies' current sustainability expectations from their suppliers (n=61)



In order to adapt to the Green Deal's policy framework and distinguish the Turkish apparel sector in global competitiveness, a policy framework that includes goals, strategies, and actions has been designed.



Policy Framework: The policy framework designed for conducting Green Deal-compliant transformation covers the goal, strategies, and actions.

1 – Goal: Providing rapid, efficient, and Green Deal-compliant sustainability transformation to the Turkish apparel sector and distinguishing the sector even more in global competitiveness.

2 – Transformation Priorities: 6 transformation priorities that the European Green Deal points out to reach the goal.

3 – Strategies: Designed concerning Green Deal-compliant transformation priorities. 6 strategies that cover transformation priorities with the help of legislation analysis.

4 – For conducting the transformation strategies, Apparel Exporter Association's action areas and public authorities' working fields are considered. In this framework, **national and sectoral strategies and action plans** have been analyzed, and communications with related stakeholders have been conducted.

5 – Actions: Actions have been positioned under 6 strategies to actualize the apparel sector's short and medium-term goals. In this context, 40 actions have been prepared.

6 transformation priorities have been determined to provide a Green Deal-compliant green transformation for the Turkish apparel sector. 6 primary strategies and 40 actions that will ensure the implementation of strategies have been designed.

Value Chain Stages: Product Development → Raw Material Procurement → Production → Distribution

Transformation Priorities	Strategies
1. Governance (Stakeholder Contact)	S1 – Increasing the stakeholder contact on the national and international fields, improving the governance structure
2. Digitalization	S2 – Improving digital transformation's speed, scope and depth
3. Financing the Transformation	S3 – Utilizing national and international finance tools in maximum for financing the transformation
4. Social Compliance and Green Capabilities	S4 – Supporting necessary skills development for the transformation and providing decent work environment
5. Green Transformation	S5 – Accelerating and elaborating Turkish apparel sector's green transformation compliant with national and international legislations
6. Circularity	S6 – Improving and spreading circularity practices in Turkish apparel sector

The importance of 6 transformation priorities designed for the Turkish apparel sector has been underlined with the survey and results of the Green Deal-compliant Sustainability Maturity Model.

1. Governance (Stakeholder Contact)
S1 – Increasing the stakeholder contact on the national and international fields, improving the governance structure

Survey study has emphasized the necessity of improving stakeholder contact. 31,6% of the companies stated that they have no cooperation or contact with stakeholders. Additionally, 32,6% of the companies specified that they have no structure for sustainability governance. The companies need to take steps regarding stakeholder contact to manage their green transformation.

2. Digitalization
S2 – Improving digital transformation's speed, scope and depth

According to data gathered in the survey, only 16% of the companies have goals and projects about digitalization. It is considered that the use of digital tools that helps tracking supply chain operations. 24,7% of companies do not use any IT systems. As a result, the apparel sector needs to take steps for digital transformation.

3. Financing the Transformation
S3 – Utilizing national and international finance tools in maximum for financing the transformation

61% of survey participants have used their own financial resources in their sustainability investments. However, 43,7% of companies need state aid to continue their investments. Hence, supporting the finance of transformation is a necessity, and providing this support from both national and international sources are critical

4. Social Compliance and Green Capabilities
S4 – Supporting necessary skills development for the transformation and providing decent work environment

It is noted that 64% of survey participants have at least one social compliance certificate. Supporting skills development for the continuation of universal values, improving the supply chain, and providing qualified employees for the apparel sector is necessary.

5. Green Transformation
S5 – Accelerating and elaborating Turkish apparel sector's green transformation compliant with national and international legislations

55,3% of companies that participated in the survey have considered sustainability as «very important.» 44% of these companies stated that the importance of sustainability will increase even more. The increase in sustainability demands from the brands after the Green Deal indicates this situation. Naturally, compliance with national and international legislation is essential.

6. Circularity
S6 – Improving and spreading circularity practices in Turkish apparel sector

The survey study has determined that brands that apparel companies work with emphasize using recycled materials. The apparel sector aims to increase use by up to 43,1%. However, only 15% of companies have projects and actions about recycling and re-usage.

Strategies and related actions (1/2)

Strategies	Actions
S1 – Increasing the stakeholder contact on the national and international fields, improving the governance structure	S1.A1. Activation of the **«Turkish Apparel Sustainability Platform»** to ensure the coordination of the harmonization process in the sector
	S1.A2. Establishment of an advisory board consisting of sectoral and academic representatives as a feedback mechanism to monitor sustainability in the sector
	S1.A3. Establishment of the Sustainable Apparel **R&D and Eco-Design Collaboration Platform** to increase communication with the relevant sectors and the academic environment
	S1.A4. Establishment of an **Apparel Sustainability Committee**, analysis and development of the need and capacity of the supply chain that comes with the EGD over the concept of sustainable suppliers
	S1.A5. Developing a green transformation roadmap and conducting awareness programs for **complementary sectors in the supply chain**
	S1.A6. Conducting EGD-Compliance and **Sustainability Information Campaign** in the sector
	S1.A7. Reporting the comparative analysis of Turkish-made products in terms of durability and longevity compared to their competitors by conducting a «**Durable Fast Fashion Consumer Research**»
	S1.A8. Preparation of **Sustainability Standards/Documents Guide** with national/international validity in the sector
	S1.A9. Preparation of **competitor country EGD-compliance comparative analysis** and execution of Sustainable Procurement Promotion Campaign
	S1.A10. Developing a promotional campaign setup to strengthen the perception of «**Sustainable Turkish Apparel**»
	S1.A11. Developing activity models that will contribute to the perception of «Sustainable Turkish Apparel»
	S1.A12. Improving a **Brand-Manufacturer-Sub-Supplier International Mentoring Program** to develop application examples in compliance with the EGD
S2 – Improving digital transformation's speed, scope and depth	S2.A1. Determining the current maturity levels and development areas of sector companies with the **Digital Transformation Maturity Assessment Study**
	S2.A2. Establishing a sector-specific **Digital Transformation Center** setup to support digital transformation in the sector and strengthening its institutional capacity
	S2.A3. Establishing the Digital Single Market compliance strategy and determining the **Digital Transformation Roadmap** as a guide for the sector companies
	S2.A4. Constitution of **Digital Transformation Training and Consultancy packages** that companies can benefit from in all their processes, from Design to Production and Marketing
	S2.A5. Conducting communication and awareness studies for the development of an e-commerce infrastructure integrated with the **EU Digital Single Market strategy**
	S2.A6. Introducing the **Green Transformation Technology Necessity Map**
	S2.A7. Clarifying the **Digital Product Passport** setup and completing the relevant legislative arrangements

Strategies and related actions (2/2)

Strategies	Actions
S3 – Utilizing national and international finance tools in maximum for financing the transformation	S3.A1. Conducting a **national economic footprint study** that reveals the role of the apparel sector in national development in order to direct state aids and incentives
	S3.A2. Conducting **green transformation financing needs analysis** for apparel sector's transformation
	S3.A3. Designing **EGD-Compliant Green Transformation State Support Package** for the apparel sector and contacting relevant institutions
	S3.A4. Designing an **Exemplary Green Banking Product** for financing the transformation by determining the expectations and needs of the banking sector
	S3.A5. Organizing **informative project development trainings** for companies on sustainability incentive/support/credit mechanisms
S4 – Supporting necessary skills development for the transformation and providing decent work environment	S4.A1. Developing **«Sustainable Management and Production Continuing Education Model for Apparel Sector»**
	S4.A2. Developing **«Sustainable Fashion and Eco-Design Continuing Education Model»**
	S4.A3. Taking actions for increasing **EKS308 certificate's** international acceptability and implementation
	S4.A4. Preparing **guides to introduce new responsibilities about social compliance to Turkish companies** required by regulations published/being published in EGD package
S5 – Accelerating and elaborating Turkish apparel sector's green transformation compliant with national and international legislations	S5.A1. Making legislative arrangements for **excluding sustainable raw materials from the scope of import policy measures**
	S5.A2. Creating **Life Cycle Assessment and Calculation Methods Guide** and communicating with the sector
	S5.A3. Conducting a study for the **additional audit burden analysis** caused by regulations published/being published by the EGD package and developing suggestions for decreasing the burden
	S5.A4. Developing models for testing, providing certificates, and increasing traceability of **organic and sustainable Turkish cotton** with national and international validity
	S5.A5. Preparation of **«Greenhouse Gas Emmision Measurement and Reduction Guide»** for companies
	S5.A6. Establishing the **Carbon Service Center** to reduce carbon footprint of the sector
	S5.A7. Preparing **Information Guides and BAT (Best Available Techniques) Practice Guidelines** for sustainability legislations
	S5.A8. Creating a **Water Recovery and Chemicals Guide** for the apparel sector
S6 – Improving and spreading circularity practices in Turkish apparel sector	S6.A1. Designing and establishing a **recycling center/system** for the conversion of apparel wastes into secondary raw materials
	S6.A2. Creating **Recycling/Waste Management Guides** for circular economy and ecosystem and communicating with the sector
	S6.A3. Determining sectoral position of **Extended Producer Responsibility** and developing possible responsibility/cost sharing proposals and communicating with the European Commission, Ministeries and buyer groups
	S6.A4. Establishing **Circularity Platform** that will bring companies producing recycled products and apparel companies together