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IN LINE WITH OUR PRINCIPLES OF TRANSPARENCY AND ACCOUNTABILITY, WE ARE PRESENTING OUR PERFORMANCE IN ENVIRONMENTAL, SOCIAL, ECONOMIC, AND ETHICAL RESPONSIBILITIES WITH YOU, OUR STAKEHOLDERS, THROUGH OUR **ASTER TEXTILE SUSTAINABILITY REPORT 2019-2020.**

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MESSAGE FROM THE CEO

We are aware that leading this transformation is a crucial responsibility that has many aspects, *and we are proud to embark on this journey.*



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Dear valued stakeholders,

We are pleased to share with you our Aster Textile Sustainability Report, which contains the work we have carried out on our journey towards sustainability, in light of our vision of “Thoughtful Fashion.”

Since our foundation, we have been striving to create value for all our stakeholders by integrating our approach of responsible management in all of our work processes. Our solidarity with our stakeholders, built on ethics, trust and honesty, is the main reason behind our reaching sustainable growth. Founded as a family company, Aster Textile has maintained its leading position in the industry, ranking among Turkey’s top 10 exporting companies last year. Our power to obtain such an achievement even under such difficult and challenging circumstances has motivated us for the upcoming term.

While creating our strategy for sustainability, we considered the dynamics of our industry as well as the expectations and demands of our stakeholders. We paid special attention to ensure that our sustainability strategy covers our supply chain structure, extremely important in the textile industry. We included our sensitivity for the environment as well as human health and welfare in the main components of our strategy, a strategy that reflects our working model of respect for human rights and the environment. In this regard, in 2019 we took our place among supporters of globally influential enterprises and initiatives on sustainable development. Having signed the United Nations Global Compact, we promised to act in line with global principles of the agreement and we also aimed to share our new business culture and social responsibility consciousness with our stakeholders. Soon after this, we became a signatory of another initiative that we regard as important for gender equality, namely the Women’s Empowerment Principles, and we will continue to support this initiative in the upcoming terms. We associated the steps we will take as part of our sustainability strategy with Sustainable Development Goals. In this regard, we will undertake more projects and work that would support Sustainable Development Goals in the upcoming terms. Circular economy practices offer significant opportunities for our industry. Thanks to our work in recent years, we have succeeded in integrating the circular economy model in our working processes as part of our notion of creating sustainable products. We are putting various projects into practice by following all developments in

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our industry. With the awareness inherited to us from our corporate culture, we believe that being respectful of the Earth’s resources reflects our respect for the world, the environment, humanity, the next generations and ourselves.

We know qualified human resource is the most important value of our company. We continuously support our employees’ development by investing in their knowledge, experience, and development. We have adopted a human resources management approach that respects the rights of the employees and supports equality and fairness and we attach great importance to ensuring gender equality. The safety and health of our employees are among our priorities. I would like to emphasize that we continue to improve our work safety management system which we established to ensure that our employees work in a safe environment, and to create an awareness of safety culture.

Our integrated quality approach is among what differentiates us in our industry. The fact that we aim at perfection in production and service quality boosts our prestige in the eyes of our clients. We focus on innovative solutions, not difficulties. We believe that every problem has a solution and that we, leaders of the industry, hold the keys to the lock. This is where our desire to perform our work passionately is nourished.

We continue our work on social investment for a future based on welfare and trust. The Aster Foundation established with these goals has been touching the lives of hundreds of young people every year by supporting them throughout their education life. The projects created by our employees as an example of social sensitivity are each a source of pride for us. While planning our investments, we act in line with principles of responsibility and we pay special attention to the protection of our community and the environment.

We will continue to take firm steps in our sustainability journey with the support of our stakeholders. We extend our gratitude to all our related stakeholders who have contributed to the achievements we have succeeded; our co-workers, clients, executive board members, suppliers and our business partners.

Best regards,

CEO
İsmail KOÇALI

ABOUT THE REPORT



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We are pleased to share with you the Aster Textile Sustainability Report, which contains the work we have carried out on *our journey towards sustainability, in light of our vision of “Thoughtful Fashion”*.

The Aster Textile Sustainability Report 2019-2020 includes indicators performed between Jan. 1, 2018 and Dec. 31, 2019 as well as activities in 2020. The report was prepared to fulfill the requirements of the new generation reporting approach of the Global Reporting Initiative (GRI), namely GRI Standards: Core.

Aster Textile became a signatory of the United Nations Global Compact (UNGC) in 2019. The UNGC Index at the end of the report shows where the activities carried out by Aster Textile in line with 10 global principles can be found.

The Aster Textile Sustainability Report includes all the operations of Aster Textile carried out in Turkey, Serbia, and the United Kingdom. “Aster Textile” and “our company” are used in the report to refer to all operations of Aster Textile carried out in Turkey, Serbia, and the United Kingdom.

All data related to the report has been brought together thanks to the contributions of the related departments of Aster Textile under the leadership of the Sustainability Department. The report was not subjected to external auditing.

The report focuses on issues that are regarded as important and of priority for Aster Textile and the company’s stakeholders. An inclusive stakeholder participation process was adopted while determining Aster Textile’s sustainability priorities. The details of this with regards to the process of determining priorities mentioned in the report are presented under the title of “Sustainability Priorities.” The United Nations Global Compact and the United Nations Sustainable Development Goals (SDGs) were regarded as leading inputs for the report.

The Aster Textile Sustainability Report was prepared in Turkish and English.

We would be glad to hear your opinions and suggestions relating to our work on sustainability as well as on the content of this report. You can deliver your opinions and suggestions to us through sustainability@astertextile.com



FOUNDED IN
İSTANBUL IN 1993
AS A FAMILY
COMPANY,
ASTER TEXTILE
HAS ACHIEVED
SUSTAINABLE
GROWTH WHILE
RETAINING ITS
CORE VALUES.

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Together with Business Development Centers in Istanbul and London, production facilities in Turkey and Serbia and additional investment partnerships in the Far East, Aster Textile is among Turkey's top 10 export companies in the industry.

We have adopted a business model that creates value for all our stakeholders within the framework of our sustainability priorities by placing the "Thoughtful Fashion" vision at the center of our sustainability approach.

01

ABOUT
ASTER



We strive to offer creative, innovative and high-quality products to our global customers with the most flexible service possible. *We continue to offer the best solutions under today's compelling global market conditions.*

ABOUT ASTER



ABOUT ASTER



Founded in İstanbul in 1993, Aster Textile operates as one of the leading textile companies in the world in the ready-made clothing industry. Established as a family company, now continues production in 3 different countries after achieving a sustainable growth thanks to international investments. Having ascended to leadership in its industry after significant achievements, Aster Textile is among the top 10 exporters of Turkey in its sector.

Our company, which has its headquarters in İstanbul, has a total number of 4 production facilities in Turkey and Serbia in addition to a business development center that is operating in the United Kingdom.

Our Vision

“THOUGHTFUL FASHION”
...together we create contemporary and responsible fashion for you.

Our Mission

To become one of the top five textile export companies in Turkey by offering products with high added value, flexibility, entrepreneurial spirit and innovative structure, without compromising our ethical values.

We respect people, planet and life, and we stay youthful through learning, teaching and changing.

We contribute to our society by increasing the awareness of all individuals.

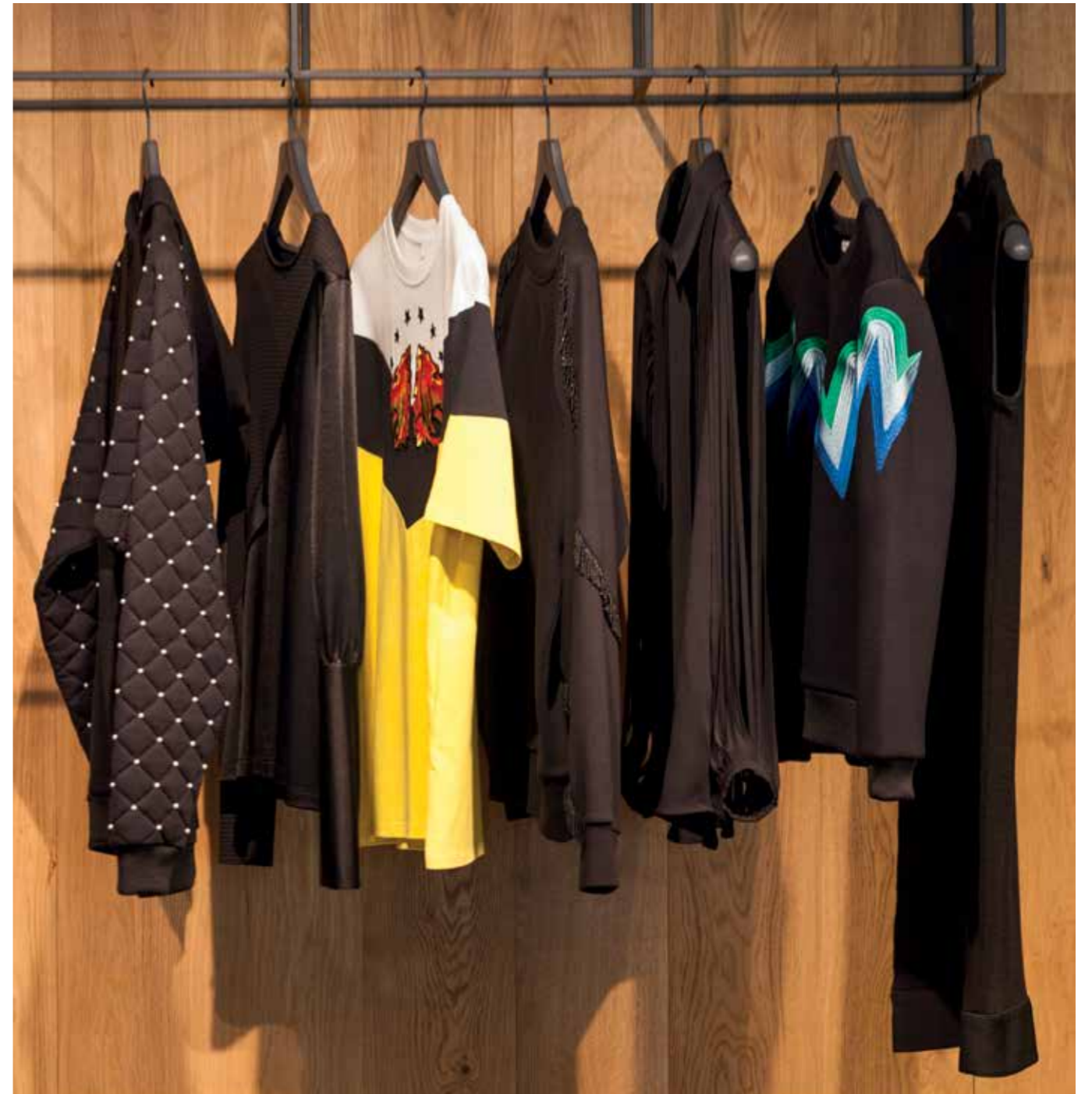
Our Social Values

We respect the rights, differences and values of all our employees as well as the other members of society.

Through the Aster Foundation, we strive to bring long-term improvements to the lives of our people and to the environment they are working in.

Aiming to protect the future of the planet, we are undertaking many projects that seek to create awareness regarding global environmental problems.

We believe that social responsibility awareness lays the groundwork for all our operations as well as our relations with the world beyond our company.



Our Certificates



OUR AWARDS

- We were ranked among Turkey's top 100 "shining" companies in 2018 in a list jointly prepared by the Turkish Enterprise and Business Confederation (TURKONFED) and London Stock Exchange.
- Decent Workplace Environment: Sign of the City Awards, Best Industrial Building Award 2018

At Turkey's most prestigious real estate award ceremony, Sign of the City Awards 2018, we were honored with "The Best Industrial Logistics Building (Completed Projects)" with our factory in the Erbaa district of Tokat province.

- kariyer.net Respect for People Award (2018)

Aster Textile was honored with the "Respect for Human Award" by Turkey's largest human resources platform kariyer.net. This organization annually grants the Respect for Human Awards to promote attentive work in the industry and to share this work with the public. The platform's criteria included quick responses to applicants, private feedback, fast evaluation of applications, creating employment and having the highest number of applicants.



Fashion & Design

Thanks to our global and visionary approach, we closely follow fashion trends and innovations. Our highly experienced design and business development teams in Istanbul and London work closely with the world's most exciting fashion culture.

We attend all the global fashion, fabric and technology fairs and carry out extensive research in order to foresee our customers' possible needs. This delivers product development solutions with whole and complete data.



By combining fashion trend with Aster's innovative infrastructure and knowledge, our aim is to offer the most appropriate services and solutions in line with our customers' needs and vision.



ABOUT ASTER

ABOUT ASTER

// We have 4 separate production facilities in Turkey and Serbia. Our factories are among the largest and the most state-of-the-art facilities of the regions they are located in.

Business Development & Supply

Innovation and creativity are key factors behind our growth and success. We update our global resource supply and investment operations in parallel with the ever-changing requirements of the market.

Our Business Development Centers contribute to our success by providing a unique body of knowledge to our corporation. Our highly experienced technical and support teams push the boundaries to develop special qualities, techniques, products and production processes. This decisive way of working has elevated us to become a leader in the global fashion market.

Our goal is to become the best in our industry with our products, quality, and service.

Production & Shipment

We have 4 separate production facilities in Turkey and Serbia. Our factories are among the largest and the most state-of-the-art facilities of the regions they are located in. We combine our experience in the field of production with our flexible and modern structure. We use the latest technologies through all our work processes to produce high-quality products and present them to the global markets we operate in.

Thanks to our broad production capacity we are able to respond to the varying needs of our customers, from luxury product groups to high-volume production programs. We use the "Lean Production System" in every phase of production to achieve the highest productivity.



ABOUT ASTER

ABOUT ASTER

// With more than 2000 employees and a production capacity of 2 million units per month, we continue to provide solutions that best respond to needs under today's challenging global market conditions.

IMPORTANT MILESTONES IN THE JOURNEY OF ASTER TEXTILE, WHICH TOOK A FIRST STEP

IN THE SECTOR IN 1993 WITH ITS VISION OF BECOMING AN INTERNATIONAL BRAND

ABOUT ASTER

ABOUT ASTER

1997

By moving to our facility in Avcilar, we expanded our production capacity and customer portfolio.

2000

We entered the European market which we believed would bring us notable successes, a move whose foundations were laid in the past.

2010

We invested in our Kırklareli - Babaeski production facility to expand our capacity.

2012

We invested in our Tokat-Erbaa production facility in order to increase our in-house capacity.

2016

We invested in Serbia for our new production facility in Nis.

2018

We established our in-house Embroidery facility equipped with the latest technology.

2020

We integrated to the technical and activewear product group by acquiring Yalçın Textile Dyeing and Finishing Company.

1993

Aster Textile, with the vision of becoming a global manufacturer, founded in Istanbul.

1998

We launched Aster's transformation in cooperation with the most successful global consultancy company in our sector.

2004

We established our design department and started to present our own collections to our customers.

2011

We opened our London Design and Business Development Center.

2014

We invested in our Esenyurt Headquarters building, whose architecture we attach great importance to.

2017

We received our ISO 270001 Information Security Management System and ISO 9001 Quality Management System Certificate.

2019

We took our place among the signatories of the United Nations Global Compact. We became one of the first textile companies to sign Women's Empowerment Principles (WEPS). We established our printing infrastructure in our headquarters with a closed loop / zero waste approach.

CORPORATE MANAGEMENT

We have shaped our corporate management practices around the principles of transparency and fair behavior.

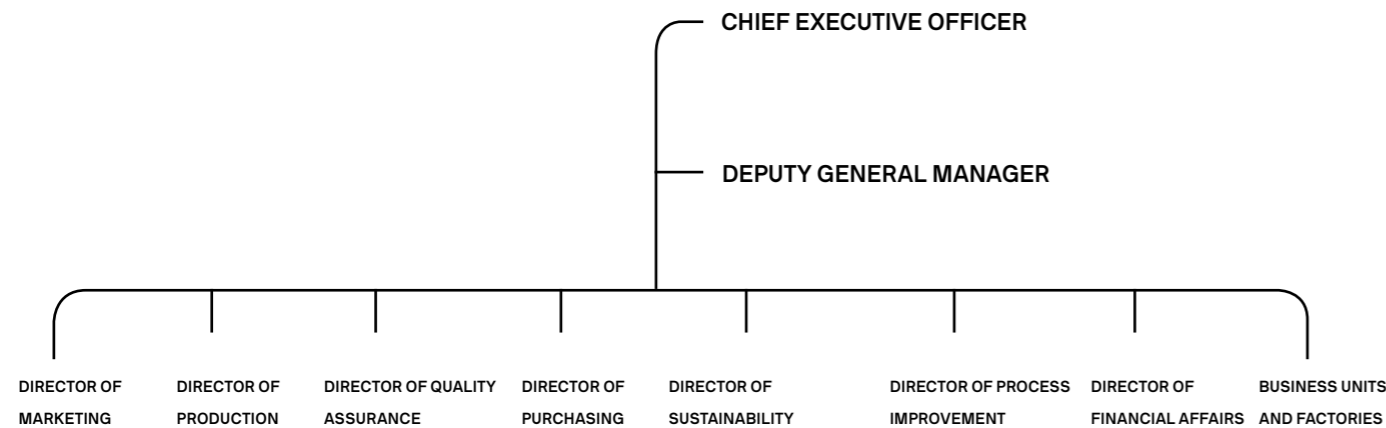
Our corporate management approach helps us in creating added value for all our stakeholders.

CORPORATE MEMBERSHIPS AND INITIATIVES WE ARE SIGNATORY OF

- United Nations Global Compact (UNGC)
- Women's Empowerment Principles (WEPs)
- Turkish Industry and Businessman Association (TUSIAD)
- Istanbul Textile and Apparel Exporters' Associations (İTKİB)
- Family Business Association (TAİDER)
- Business Council for Sustainable Development Turkey (BCSD Turkey) Material Marketplace

ASTER TEXTILE ORGANIZATIONAL STRUCTURE

Aster Textile's economic, environmental and social performance is monitored by our CEO. Our Sustainability Department guides our CEO while performing this responsibility. Performance results acquired are reviewed periodically by the senior management and the CEO.



INNOVATION AND R&D

We closely follow innovative technologies in our industry and utilize them as a response to the high sample costs in the textile and ready-made clothing industry. Conventional methods lead to a higher environmental impact, due to the inefficient use of time and labour, and the waste of excess materials during the sample production process.

In this regard, one of the leading technologies that we make use of is 3D design software. Samples that are produced in limited amounts with conventional methods can be designed in unlimited amounts with minimum time and cost thanks to CLO 3D, positively contributing to our sustainability processes. With our CLO 3D simulation infrastructure, we develop our collections and pre-production sample processes in our digital showroom.

We are able to minimize sending physical samples thanks to avatars created exclusively for our business partners. The result is the opportunity;

- To use less raw materials, energy, and water.
- To eliminate packaging materials and transportation during sampling processes.
- To reduce our carbon footprint.

Through innovative technology we are able to complete processes which conventional methods required over 1 week, within 24 hours thanks to our DigiEye and DigiView investments, thus minimizing our environmental effects relating to sample delivery, and also our delivery costs. As a result, while acquiring a competitive advantage, we reduce our carbon footprint and gain agility during the sales process.

The Industry 4.0 digital transformation process we have been carrying out with Boss Solutions is another innovative project we have implemented. This project aims at digital data management during the pre-production process, and access to real-time quality, productivity and production information. With a tablet application that updates itself every 30 seconds, we can monitor the instant efficiency values of our operators and determine individual and band efficiencies. After the completion of the project's pilot phase, we will be able to eliminate product and time losses efficiently, thanks to instant data tracking.

DESIGN AND FABRICS R&D

Pioneered by our Business Development Center in London and our design team in İstanbul, Aster Textile creates a rich design and product range. We offer creative solutions with various techniques and designs: from special mixtures such as wool, silk, and cashmere in premium collections to natural fibers, organic and recycled qualities offered in all segments.

Our efforts to upgrade our design power are underway with our own digital printing, our embroidery infrastructure, our newly founded dye-house and the in-house printing unit that became operational in 2020.



STAKEHOLDER DIALOGUE

We define all people and institutions who are both affected by the operations of our company and at the same time are influential in our company's operations as our stakeholders. Our employees, Management,

customers, business partners, labor unions, state institutions, industry-related associations and institutions and non-governmental organizations are defined as our stakeholder groups.

STAKEHOLDER GROUP	CHANNEL OF COMMUNICATION	FREQUENCY OF COMMUNICATION
Management	Management Assessment Meetings	Monthly
Employees	Employee Satisfaction Survey	Yearly
	Open Door Policy	Continuous
	"I have an idea" practices	Continuous
	Meeting, assessment, and announcements	Continuous
Customers	Aster Blog	Continuous
	Customer Satisfaction Surveys	Yearly
	Inside and Outside Meetings	Continuous
Suppliers	Business Development Centers	Continuous
	Supplier Assessments	Quarterly
	Supplier Training and Field Visits	Continuous
Industry-related Associations and Institutions	Inspections	Continuous
	Inside and Outside Meetings	Project-based
Civil society organizations	Voluntary activities	Continuous
	Donations and Sponsorships	Continuous
	Projects	Project-based
Local Governments, Universities and Academic Institutions	Internal and External Reports	Project-based
	Projects	Project-based
All Stakeholders	Social Media and Corporate Website	Continuous
	Aster Blog	Continuous

OUR APPROACH TO SUSTAINABILITY

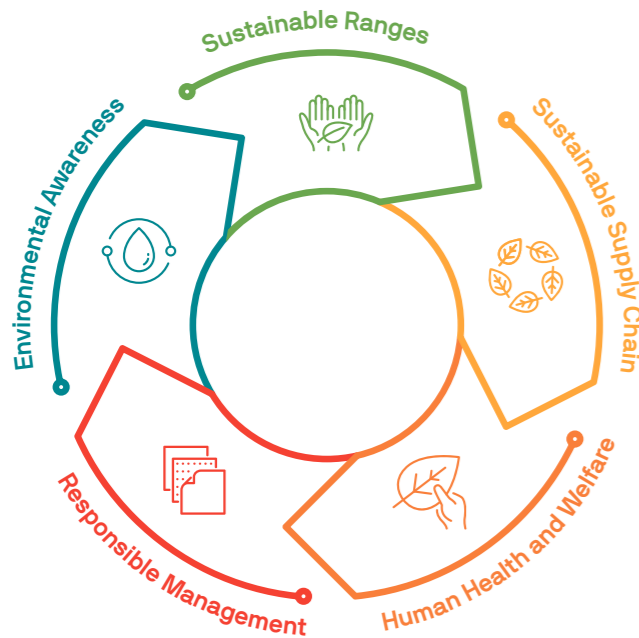
The ready-made clothing industry in faces many challenges relating to social and environmental issues. As a reflection of our understanding of responsible management, we act on our vision of **"Thoughtful Fashion"** to contribute to solutions to these problems.

In 2019, we drafted our sustainability strategy in order to be able to gather our economic, environmental and social effects under a single roof, and we integrated this strategy in our working model. Paying attention to preparing an inclusive strategy, we focused on the important practices that meet the opinions and expectations of our stakeholders. Our strategy is divided into 5 main categories and each category defines various actions to create value in the area of sustainability.

Our committee gathers every 6 months to carry out monitoring and assessment and to share the results with Senior Management.

The Sustainability Committee, which includes all relevant departments, operates in the development, execution and preparation of business plans for projects related to sustainability management.

Pillars of the Aster Textile Sustainability Strategy



We formed a Sustainability Committee to evaluate our strategy's efficiency and the values we created, and to ensure that action plans mentioned in our strategy are implemented in accordance with our timelines.

Structure of the Sustainability Committee



SUSTAINABILITY PRIORITIES

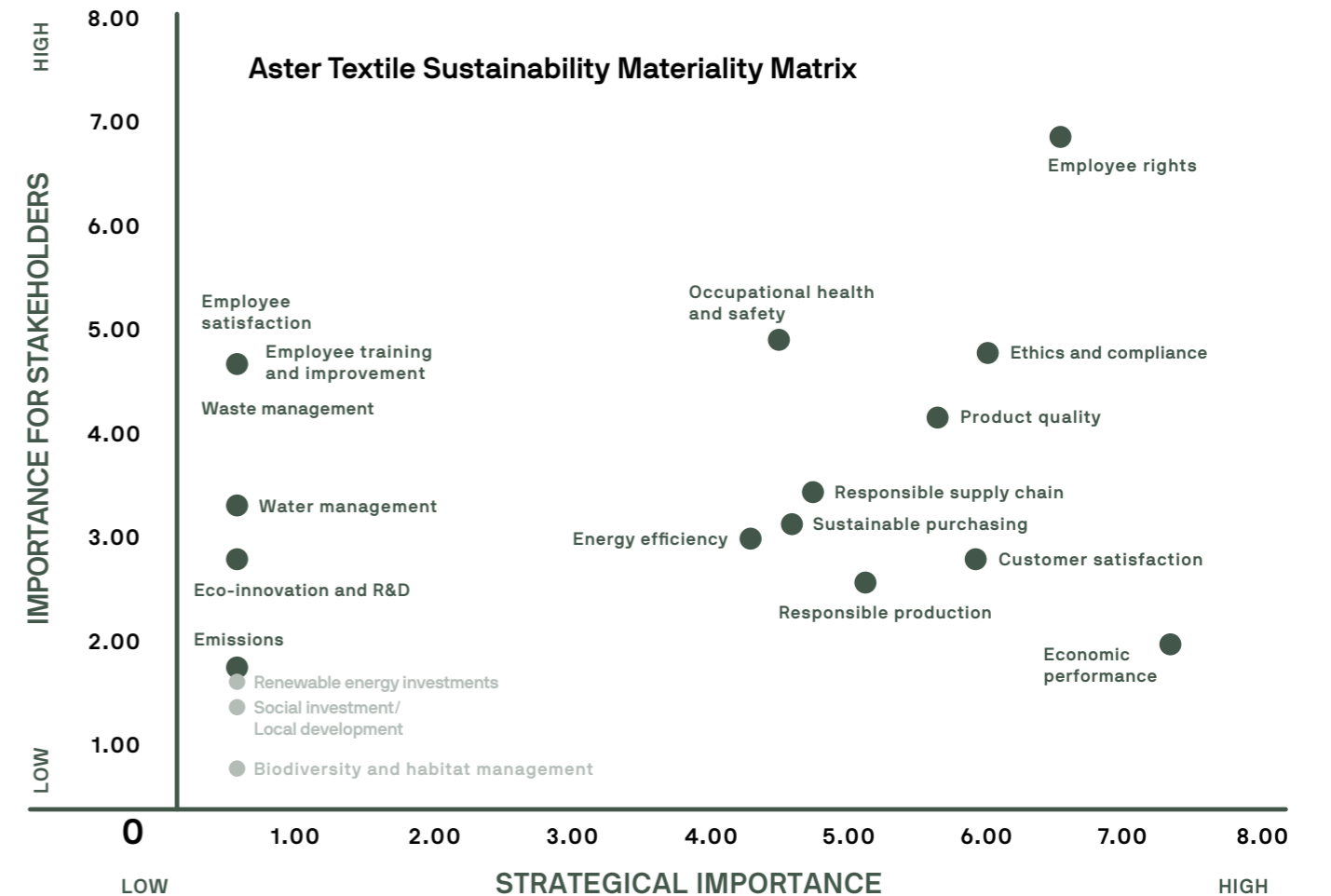
We determined our sustainability priorities to guide our sustainability studies and to outline areas where we should be directed in a way that will include our stakeholders' expectations and opinions.

While determining the sustainability issues that should be prioritized, we benefited from the ready-made clothing industry's trends and feedback we received from our stakeholders. We also studied the GRI Standards sustainability reporting guidance and the GRI report entitled: "Sustainability Topics for Sectors: What do stakeholders want to know?"

We carried out a prioritization workshop to determine our strategically important sustainability topics with the participation of our Senior Management and department managers.

We conducted face-to-face workshops with stakeholder groups and outlined surveys to understand our stakeholders' sustainability priorities. While determining stakeholders who will attend prioritization studies, we paid special attention that the selected persons and institutions represent the stakeholder group.

Seeking to ensure that participants have basic information on sustainability and a common language on the issue, we started Prioritization Workshops with sustainability training. During the workshops and surveys, we conducted, we shared sustainability issues that might be prioritized with our stakeholders and we asked them to list issues that they believe should be priority. All studies were carried out to understand the expectations of our stakeholders, their recommendations for improvement, and to strengthen our dialogue with them.



ASTER SUSTAINABILITY PRIORITIES

- Employee Rights
- Ethics and Compliance
- Occupational Health and Safety
- Product Quality
- Responsible Supply Chain
- Sustainable Purchasing

A total of 102 representatives of stakeholders contributed to efforts to list Aster Textile's sustainability priorities. This included stakeholder dialogue studies we conducted with Aster Textile Senior Management, Aster Textile employees, suppliers, state and local institutions, industry-related associations and civil society organizations. Primary issues identified by our Senior Management and our stakeholders were consolidated and the Sustainability Priorities of Aster Textile were determined.

Education and occupational safety emerged as leading sustainability priorities for our employees during the prioritization workshops. Additionally, stressing that the problem of unregistered workers in the ready-made clothing industry should be addressed, employees stated that social compliance is also an issue that needs to be considered. On the side of our suppliers, supplier chain supervision was particularly defined among the priorities.



// Yapmış olduğumuz Önceliklendirme Çalıştayları'nda çalışanlarımız açısından özellikle öne çıkan başlıklar eğitim ve iş sağlığı konuları oldu.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS AND ASTER TEXTILE

The Sustainable Development Goals comprise a global agenda to end poverty, protect the planet, and ensure all people enjoy peace and prosperity.

We aim to help efforts to reach sustainable development goals in the ready-made clothing industry we operate in accordance with our institutional priorities, by doing our part as Aster Textile.

As a result of an assessment we made after taking our sustainability strategy and sectorial dynamics into consideration, we determined that the goals listed below are particularly compatible with our work processes.





ASTER TEXTILE COMPLIES WITH THE HUMAN RIGHTS AND WORKING PRINCIPLES IN THE UN GLOBAL COMPACT.



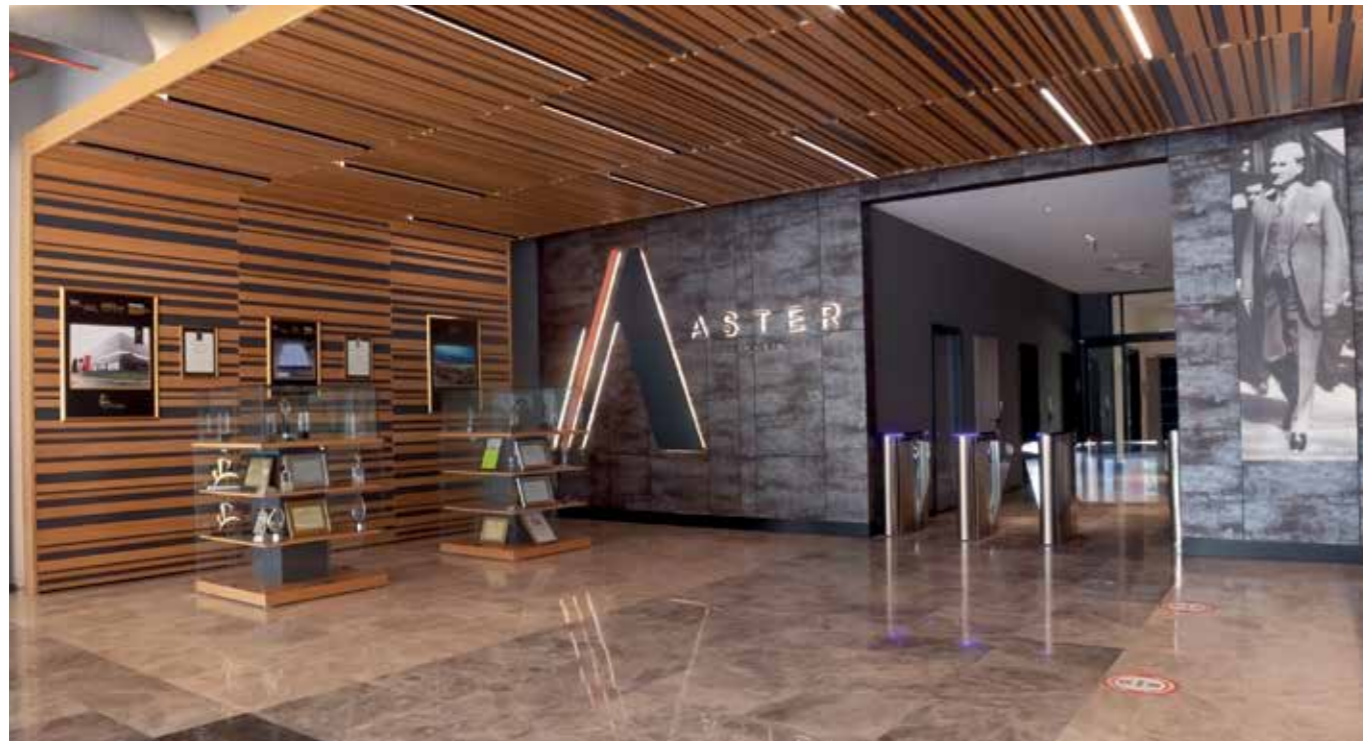
By placing quality and customer satisfaction as the focus of all the work we do, we maintain relationships based on trust and cooperation throughout our value chain.

02

RESPONSIBLE MANAGEMENT AND ETHICS



Our commitment to values of trust and honesty is the leading reason behind our being one of the most respected companies in our industry. We build relationships based on the principle of transparency with our stakeholders. When planning the steps we will take, we always keep the principle of accountability in mind.



ETHICS AND COMPLIANCE

Our Code of Conduct is based on internationally accepted standards including the International Labor Organization Core Conventions, the Universal Declaration of Human Rights, and the principles of the United Nations Global Compact. We incorporated our principles into a detailed "Employee Manual" to inform all our employees. Our main principles are as follows:

- Prevention of Child Labor
- Prevention of Forced Labor
- Prevention of Discrimination
- Humane Treatment
- Wages and Benefits
- Working Hours
- Freedom of Association and Participation in Management
- Healthy and Safe Workplace Conditions
- Environmental Management
- Anti-Corruption and Anti-Bribery

Our employees cannot be discriminated against based on gender, religion, sect, race, color, political view, sexual preference or ethnicity. When faced with the violation of any professional principles, our employees can convey this violation to the Human Resources Department as part of our open-door policy.

These reports are registered and evaluated by the Disciplinary Committee. Various measures are implemented as a result of violations of professional principles, from warnings to dismissals.

As an important part of our ethical ways of working, bribes or any other undeserved gains that aim at obtaining unlawful advantages can neither be requested nor offered, directly or indirectly, in our company.

We expect all our business partners to be included in our chain of values and to be in harmony with Aster Textile's ethical culture. Through this we aim to strengthen our relationships with our business partners and improve our fair and responsible supply chain. In this regard, we share our "Aster Supplier Professional Principles" with our business partners before our contract goes in to effect. We supervise the performances of our suppliers in complying with these principles through periodical supplier inspections.

Risk Management

It is necessary for companies to create risk control mechanisms to ensure sustainability. Inspections and checks are the main tools of risk management. Results of inspections conducted at designated risk control points are periodically evaluated by Senior Management.

The main risk groups listed with an understanding of risk management as follows:

Information Safety Risks

In line with the requirements of the ISO 27001 standard, we have created the Information Security Management System. The efforts in this field are carried out according to the Information Security Management System policy.

Operational Process Risks

As part of ISO 9001, Risk Assessments are performed for operational processes.

Supply Chain Risks

As part of the Responsible Supply Chain approach, Supplier Risk Assessments are performed for various risk factors.

Sustainability Risks

Risk factors concerning environmental, social, and economic matters are assessed in the studies conducted by the Sustainability Committee.

PRODUCT QUALITY

At the heart of everything we do is quality.

We have a talented team and a vision that is focused on offering the best during every process, aiming at perfection in the quality of production and service.

Offering our customers high-quality products that comply with their needs and expectations is among our top priorities. We implement the ISO 9001 Quality Management System to efficiently manage our quality processes. We identify quality risks for every phase of our production processes, and we implement necessary measures against the risks identified.

ASTER TEXTILE QUALITY POLICY

- To offer value-added products with flexibility, entrepreneurial spirit and innovative structure in accordance with the expectations of our customers.
- To carry out studies based on productivity and profitability by targeting continuous improvement and development for sustainable success.
- Working to create a corporate culture that respects humanity and nature, believing in the power of teamwork.

We believe that we will produce high quality products with low costs by managing our activities in an integrated manner with Quality Management Systems. We will deliver them on time, meeting the expectations and requirements of our customers, and thus, we will increase our competitive power and market share.



Our teams of experts in the textile industry field of quality assurance and quality control perform the necessary controls at all stages of the production process.



We perform quality assurance tests of the fabrics and accessories we use in our Physical Test Laboratory, which is accredited by our customers. Our laboratory is periodically inspected by our customers and independent auditing institutions. Additionally, correlation studies and current standard method training and practices continue regularly in our laboratory. In our Physical Test Laboratory, we have an investment in knowledge and equipment that can manage a wide range of standards and demands, supporting our broad customer portfolio.

Some of the main tests carried out at our laboratory are:

- Color fastness to Washing, Perspiration, Dry and Wet Rubbing
- Bursting and Tear Strength, Stretch and Recovery, Seam Slippage
- Random Tumble, Martindale and ICI Pilling
- Compressive Strength, Phenolic Yellowing, and pH
- Shrinkage, appearance and skewness tests after washing

Our teams of experts in the textile industry field of quality assurance and quality control perform the necessary controls at all stages of the production process.

Along with product quality, product safety is also one of the issues we carefully manage.

One of the product safety risks in the textile industry is the risk posed by a broken needle remaining in the product. In order to eliminate this risk, all of our products are controlled by metal detectors positioned at the end of the production lines.

Every year we set targets that will help us move the quality of our products to the next level and we periodically assess our performance in reaching these targets.

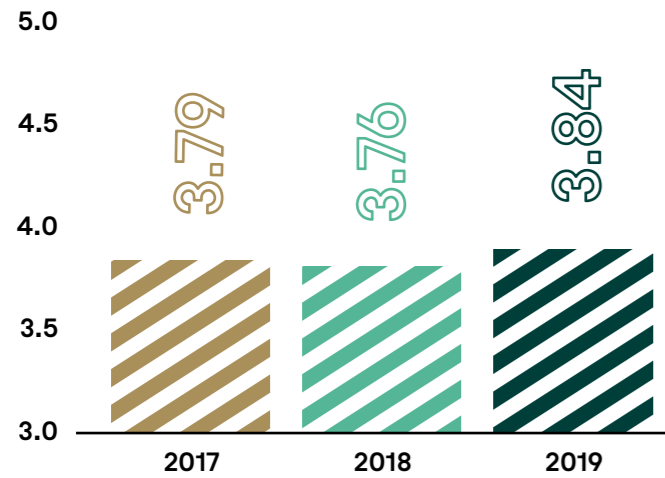
CUSTOMER SATISFACTION

In line with our customer-oriented approach, our top priorities include offering creative, innovative, and quality products with the most flexible service, understanding and maximizing the satisfaction of our customers. Customer satisfaction is of critical importance for long-term success and we analyze the needs and expectations of our customers and follow the results of these analyses to ensure we deliver this at the highest level.

By conducting researches with internal and independent institutions, we measure the experience points of our customers and implement development programs for areas that are open to improvement. We conduct our customer satisfaction survey on the criteria of:

- Communication
- Flexibility
- Talent for Design & Innovation
- Product Quality
- Price
- Delivery Performance
- Ability to comply with new processes

Customer Satisfaction Rates



In light of the feedback we received from the customer satisfaction survey we conducted in 2019, we have carried out many improvements.

We implemented action plans with the participation of our different departments on issues such as communication and response times with customers, flexibility and the ability to respond to new or different processes.

One of the mechanisms we use to encourage feedback from our customers is our Customer Complaints Management Process. The process of receiving complaints, conveying them to relevant units, resolving the complaints and informing the customers is carried out by our Marketing Department in our Enterprise Resource Planning (ERP) system.

SUSTAINABLE SUPPLY CHAIN

Companies in the ready-made clothing industry have indirect social and environmental impact resulting from the supply chain and apart from their own operations. As a responsible producer, we conduct various studies to manage the effects arising from our supply chain and to minimize these effects.

We believe that establishing trust and collaborative relationships are among the fundamental requirements of a transparent, fair and responsible supply chain.

OUR SUPPLIER CODE OF CONDUCT PRINCIPLES

- Transparency and Cooperation
- Compliance with Laws and Regulations
- Prevention of Child Labor
- Prevention of Forced Labor
- Prevention of Discrimination
- Humane Treatment
- Wages and Benefits
- Working Hours
- Freedom of Association
- Healthy and Safe Workplace Conditions
- Environmental Management
- Anti-Corruption and Anti-Bribery



We established the Aster Supplier Code of Conduct, consisting of 12 main criteria which include the approaches we expect from our suppliers, along with the values of our company. This Code of Conduct is in accordance with internationally recognized standards, including the United Nations Global Compact Principles, the International Labor Organization main standards and the Universal Declaration of Human Rights.

We declare our Code of Conduct to our suppliers at the stage of signing a contract and we expect them to fully comply with these principles.

While building our supply chain, we attach importance to giving priority to local suppliers to support local development. Our entire supply chain is classified under 5 main categories according to their activities:

- Subcontracted service suppliers
- Embroidery, printing, dyeing and handcrafting service suppliers
- Fabric suppliers
- Accessories suppliers
- Technical service suppliers

Selection and Evaluation of Suppliers

As Aster Textile, our suppliers are inspected and evaluated in line with social compliance criteria by our Social Compliance Department. As the Social Compliance Department, our criteria are shared with our suppliers and the first field inspections are carried out. Within the framework of the findings that emerge, action plans are created and thus we aim to improve and maintain the social compliance processes of our suppliers.

In line with the principle of transparency, which is also a basis for our professional principles, social compliance inspections can be carried out at all our suppliers, including our own facilities, by our customers or approved audit firms authorized by our customers, and civil society institutions they are members of.

As Aster Textile, we never compromise our social compliance criteria in line with our human-oriented policies and commitments for "Responsible Production" and "Decent Work and Economic Growth," which are among United Nations Global Development Goals:



Our Zero Tolerance points:

- Transparency
- Prevention of Child Labor
- Prevention of Force Labor
- Prevention of Discrimination
- Humane Treatment
- Legal Minimum Wage
- Non-registered Employment
- Occupational Health and Safety
- Anti-Corruption and Anti-Bribery

We do not work with suppliers who fail to comply with any of these points.

Evaluation processes are completed for our suppliers whom we obtain materials (fabric and accessories) and services (subcontractors, dyeing, printing, embroidery and handcrafting) that have a direct impact on the production quality.

// **Evaluation of subcontractors;**

The criteria listed below are taken into consideration while evaluating organizations which supply subcontracting services for us:

- Technical Audit
- Social Compliance
- Quality

As part of social compliance, contract workshops are subjected to field inspections every 3 months and classified according to their inspection scores.



Improvement studies are planned for the contract workshops that fall below the minimum points outlined in our procedures, and the categories where they received low scores.

// **Evaluation of fabric and accessory suppliers:**

The evaluation of our fabric and accessory suppliers in terms of social compliance is carried out through the preliminary evaluation form.

Suppliers are also evaluated based on quality, deadline, and test result reports. Our fabric and accessory suppliers



are classified according to the scores they received in accordance with all these criteria.

If our company decides not to continue working with the supplier at the end of this process, the supplier is removed from the approved supplier list.

Additionally, our suppliers which have wet processes and intensive volumes of work with us go through a wastewater test twice a year, conducted by accredited test laboratories in accordance with ZDHC (Zero Discharge of Hazardous Chemicals) and these test results are shared in the ZDHC system.





BRINGING THE WELLBEING OF OUR EMPLOYEES AND COMMUNITY TO THE HIGHEST LEVEL IS THE BASIS OF OUR SOCIAL VALUES.



We allow all our employees to develop themselves by providing an equitable, trusting and transparent working environment.

Through the Aster Foundation, we implement long-term improvement projects for the community.

03

HEALTH AND WELFARE



The success we achieve in our business is an indicator of the quality of our employees. *Our employees are the most important asset in our company, with their quick adaptation to changing conditions, their talents and their diversity.*

HEALTH AND WELFARE



// Our employees are the most important asset in our company, with their quick adaptation to changing conditions, their talents and their diversity.



OUR APPROACH TO HUMAN RESOURCES

We believe that employee satisfaction and motivation are critical for organizations to achieve their goals and make a difference. Our communication with our employees is based on trust and transparency.

The basis of our human resources policy--our principle of anti-discrimination, equal, fair and equitable approach is an important building block of our corporate culture.

2.000+ employees working at all locations

Our workforce consists of **68%**  **WOMEN** **32%**  **MEN**

HEALTH AND WELFARE



// The basis of our human resources policy--our principle of anti-discrimination, equal, fair and equitable approach is an important building block of our corporate culture.

We shaped our selection and placement processes in line with our goal to incorporate this qualified workforce that will maximize the performance of our company, discover experienced, creative, proactive talents, and carry our institution to the future. We treat all of our candidates in the recruitment processes equally, and we conduct the orientation process of the selected candidates by receiving feedback from them through periodic interviews.

The fact that our employees internalize the corporate culture and participate actively in all business processes is one of the leading factors that differentiate our institution in the industry.

Gender and age breakdowns of our employees are further detailed in the appendix section (performance data) of the report.

EMPLOYEE RIGHTS

As Aster Textile, with our commitment to being a “human-oriented” institution for 27 years, providing our employees with a safe and healthy working environment is one of our sustainability priorities.

Our number of female employees constitutes 68 percent of our total number of employees in all our locations. In order for sustainable human development to be completely achieved, it is inevitable for men and women to contribute on an equal basis. In this sense, we institutionally attach importance to ensuring gender equality and apply the policy of equal pay for equal work. We advocate gender equality within our institution, as it should be throughout all parts of life. We have adopted a way of doing business that respects employee rights in line with the requirements of the United Nations Global Compact, of which we became a voluntary signatory. We have been one of the first signatories of the Women’s Empowerment Principals in our industry, pioneers in our industry in the field of women’s employment and empowerment. We operate a nursery in our facilities located in the Kırklareli Babaeski Organized Industrial Zone to help with the return of our female employees to business life. Additionally, we are providing support to the Organized Industrial Zone Management in their efforts to build a nursery for the employees of our facilities located in the Tokat Erbaa Organized Industrial Zone. Construction works will soon be completed and will be available for the children of our colleagues. Previously, we had a contract with a different kindergarten in this area but taking its distance from our factory and the education hours at the school into consideration, we decided to have a special kindergarten for Aster workers, and we prioritized this project. Children aged between 0 and 60 months will be able to receive education in our school. This as a result of our project performed with the assistance of the Governor’s Office, the Development Agency, Ministry of Industry, and the local municipality together with other local administrators.



We pay 12 salaries for our employees annually and increase wages at the beginning of each year. We also pay bonuses every year based on the performance results of the company as well as individual performance results. In addition, our departments that achieve the targets set at the beginning of the year are entitled to receive a success bonus.

Workplace cafeterias are available in all our facilities for lunch. Shuttle buses are available for easy transportation of our employees to the company. Our company provides company cars and clothing gift cards for employees in accordance with the requirements of their positions. We regularly present gift cards to our employees throughout the year. We cooperate with institutions working in the field of education and health, supporting our employees and their families to benefit from these institutions at a discount.

Through the Aster Foundation, we are proud to support the education of the families of our employees. We offer scholarships to a university student from each family every year. In addition, we provide stationary support to the children of all our employees.

EMPLOYEE TRAINING AND DEVELOPMENT

Having adopted a human-oriented corporate culture since our establishment, the information capital of our employees has the highest value for us. We encourage the continuous development of our employees with training programs and experiences provided for them in the global business environment. Since we are aware of the value that being an ever-learning institution will add to our company, we try to provide all kinds of learning opportunities to our employees. We believe that the investment we have made for the training and development of our employees will always have positive effects on the overall performance of our company.

In 2019, we organized a total of 22,590 hours of training at all our locations.

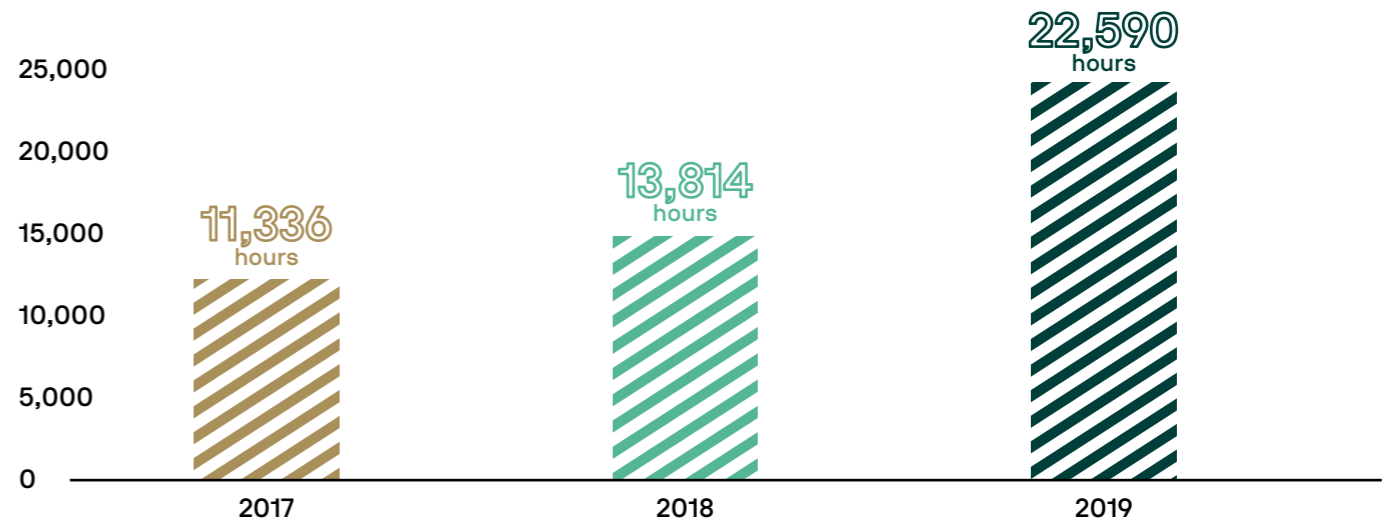
STAKEHOLDER OPINION



Avşar Zarman
Embroidery Department
Head

I have been working at Aster Textile since 2017. Aster Textile is a company on the path of becoming an institution, but it is originally a family firm. It is a qualified company which did not lose its focus on humanity while continuing its growth. The importance it attaches to education and the fact that its employees are open to professional and personal development is an indicator of the value the company gives to its employees. We own the industry’s few infrastructures in both embroidery and printing units. When our colleagues’ knowledge and competencies come together with this equipment, we can perform unique works in many fields such as product development, innovation, energy efficiency, and data security.

Annual Training Hours



We create development programs for our employees in line with their career goals, from the recruitment process onwards. As part of our orientation training programs for our newly recruited employees, we inform them about Aster Textile Professional Principles, the prevention of discrimination, harassment and ill-treatment, legislation on working life and our wish-complaint mechanisms. The employees then participate in on-the-job training of relevant departments. During these instances of training, we convey our principles, vision, mission and values along with a detailed presentation of our institution.

In addition, we prepare different training programs at the beginning of every year to support the social rights of our employees. In line with the company's needs, we support our employees with personal development and coaching training on different topics as part of our programs such as Executive Training and Leadership Training. Another area that we believe to be an important training platform for our employees includes the meetings where we gather with experts in our industry and experts in personal development areas. Meetings that are quite informative and eye-opening for our teams.

In a move to encourage our employees who want to pursue a master's degree, we offer them the benefit of discounts

as part of the arrangements we have made with some private universities.

We attach importance to the fact that our employees develop their competencies in their subjects with their technical capacities and that they start to feel this development from the first months of their employment. We support our employees' career journeys with various training programs, and we aim to train pioneering, acting, unifying, motivating, and impressive leaders of the future within the institution.

We are planning to bring the Aster Academy to life, which we hope will set an example for our industry on employee training development. With the Aster Academy, we aim to provide our employees with access to training content online through the creation of digital training platforms.

Undoubtedly, one of the main factors that has paved the way for Aster's success in sustainability is the value it attaches to people. Acting on this understanding and focusing on leadership and social sensitivity, we encourage our colleagues to be individuals who can continuously improve themselves in every sense by supporting their personal and career development.



Leadership and coaching program:

We aim to create a working environment where people are happy to work with each other through our Leadership and Coaching Training Program, which began with the Values Workshop and is carried out under the motto "Count me in".

Training, implementation, and group studies are available for both our blue-collar and white-collar employees as part of the program.

As part of this program, a team of 75 employees, which consisted of executives, team leaders and experts, received leadership and coaching training in 2019. Also within the scope of this program, a full-day communication training program is underway for all our blue-collar employees.

Executive Training Program:

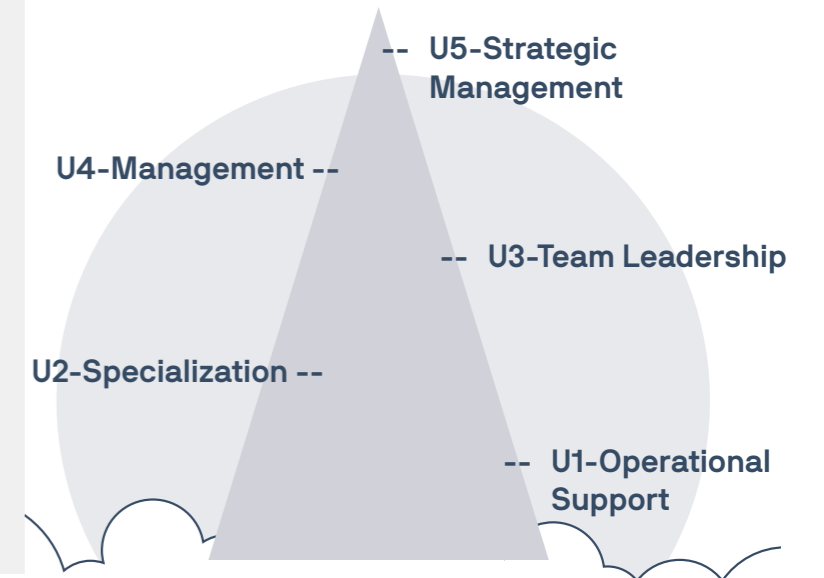
Our graduate employees who join our company every year through career days held at universities, attend long-term Executive Training Programs, being brought together with professionals in different fields after completing their orientation training.

Performance Management and Career Planning

We launched a career management system ten years ago to improve the performances of our employees and support their careers.

We launched a career management system ten years ago to improve the performances of our employees and support their careers. We are aware of the fact that we can reach our company's strategic goals only with proficient employees and we attach great importance to career planning in this regard. We help our employees at all ranks in their efforts to reach their potential through performance and career planning. As part of these efforts, we lend an ear to our employees in face-to-face meetings to allow them the opportunity to shape their careers.

We implement a 5-stage career management system at Aster Textile. We created each of these stages in accordance with performance criteria, seniority, and occupational criteria. Our employees who meet the criteria set for promotion from one position to another, is promoted and continues his or her career journey steadily.



We put our employees through performance and career development assessments twice a year. The assessment results of our performance management system provide input to our career management plans and the wage system.

Data on our employees who passed through regular performance and career development assessments are separately detailed in the appendix section (performance data) of the report.

Wage System and Career Planning for the Blue-Collar

We created a training and support program for our blue-collar employees to develop their technical skills and competencies with a system based on appreciation and performance. Our blue-collar employees are able to plan their career steps through this program, which is regularly measured twice a year with an assessment system based on a competence matrix. Therefore, an additional Career Bonus to the basic wage is available to the employee for the technical skills and competencies acquired through the program.

PERFORMANCE MANAGEMENT SYSTEM

Technical Skills



Product Efficiency

Factory Efficiency



EMPLOYEE PARTICIPATION AND SATISFACTION

In order to understand the expectations and needs of our employees and take employee loyalty to the next level, we have been conducting our employee satisfaction surveys regularly since 2019. At the end of these surveys, we share our employees' opinions on corporate perception, training, development, performance management, career planning, and infrastructure opportunities with Senior Management. We create improvement plans in accordance with the results of these surveys. As for our graduate employees, we perform the survey to hear about their experience during the orientation process.

Satisfaction scores in accordance with employee satisfaction results for 2019:

LOCATION	EMPLOYEE SATISFACTION OVER 5 POINTS
Headquarters	3.5
Tokat Erbaa Facility	3.8
Kirklareli Babaeski Facility	3.5

We pay attention to creating and improving suitable environments for our employees to have a say and participate in all processes within the company.

We take the opinions and suggestions of our employees on working processes and working life through a practice called Great Idea. At the same time, we adopt an open-door policy which gives our employees the opportunity to convey all their demands, requests, suggestions and opinions to the human resources department. .



We share our business performance results with our employees at our year-end goal assessment meetings *and* inform our employees about our company's targets for the next year.



We celebrate the birthdays of all our employees, our colleagues who have recently become mothers, and other special days in order to keep the spirit of volunteering and solidarity alive. For this purpose, we donate to a non-governmental organization that creates social benefits in their names as a birthday gift

We also hold special events to recognize and create awareness around important national and international days.

Our Social Clubs

We organize various activities to give our employees the opportunity to spend more time with each other and to get to know each other more closely, which we believe will keep their motivation high.

Our Motivation Club prepares gifts for our employees on special occasions. As well as organizing trips to various locations for our employees, our Social Responsibility Club also aids with campaigns to help the needy.

We also encourage our workers to attend sports activities to give them the opportunity to be engaged in social activities outside work, and to promote healthy.



We would like to leave a world that is liveable for the next generations and this is a crucial part of our corporate citizenship approach.

In this regard, we carry out various projects to protect our natural resources and minimize our environmental impacts. With this object in mind, we regularly have tree-planting activities at our factory. We also organize trainings to our employees and their families in order to raise environmental awareness.



OCCUPATIONAL HEALTH AND SAFETY

Creating a safe and healthy working environment for our employees and minimizing any possible accident is one of our sustainability priorities. What lies in the basis of our occupational health and safety management approach is to identify proactive behavior and risks in advance and take any necessary precautions. Our board of directors is the decision-making body on issues related to occupational safety and health. Our primary goals are creating a health and safety culture within our company and increasing the level of awareness on this issue.

We consider our people as the essential asset in all our activities. Our primary working goal is to minimize incidents and constantly improve our conditions in order to maintain a healthy and safe working environment.

In our company, all kinds of precautions are taken to ensure occupational health and safety.

A wide range of tools and equipment are made available for this purpose.

In order to create a healthy and safe working environment;

- ✓ National legislation and internationally recognized standards on Occupational Health and Safety are followed,
- ✓ The risks in the existing working environment are detected and the necessary precautions are taken,
- ✓ Activities are planned to ensure continuous improvement in the existing working environment,
- ✓ Awareness on Health and Safety is raised among all employees and business partners, and it is intended to make these individuals more competent in this field,
- ✓ All employees are provided with "Occupational Health and Safety" training upon the beginning of their employment and annually,
- ✓ The health and safety practices are reviewed and the areas open to improvement are detected monthly together with the Occupational Health and Safety Committee.

Current occupational health and safety topics, information and public sentiment are reviewed and respected. The development of the occupational health and safety culture and the improvement of the standards are ensured in cooperation with all stakeholders.

Our occupational safety professionals in our facilities are experts in their fields and regularly conduct risk assessment studies on machine safety, process safety, emergency management, and management of chemicals. We create occupational health and safety work plans, in the light of risk analysis findings, internal audits, and feedback from employees. Our occupational safety work plans are reviewed by the Occupational Health and Safety Boards, which are established separately in our facilities, and submitted to relevant bodies for approval. Our Occupational Health and Safety Boards hold monthly gatherings with the participation of safety experts, the workplace physicians, production team leaders, worker representatives, the human resources manager, and the factory director.



We have held elections to choose our workers' representatives in all our factories in a democratic election environment with the participation of our customers and external observers.

Our employees go through periodical health check-ups conducted by the workplace doctors. In addition, we hold various types of training and seminars throughout the year to raise awareness of our employees on health and related topics. Some of the training we organized in 2019 for this purpose as follows:

- Self-Care during Pregnancy
- Autism Awareness
- Personal Hygiene
- Prevention of Muscular and Skeletal System Diseases
- Conflict and Stress Management

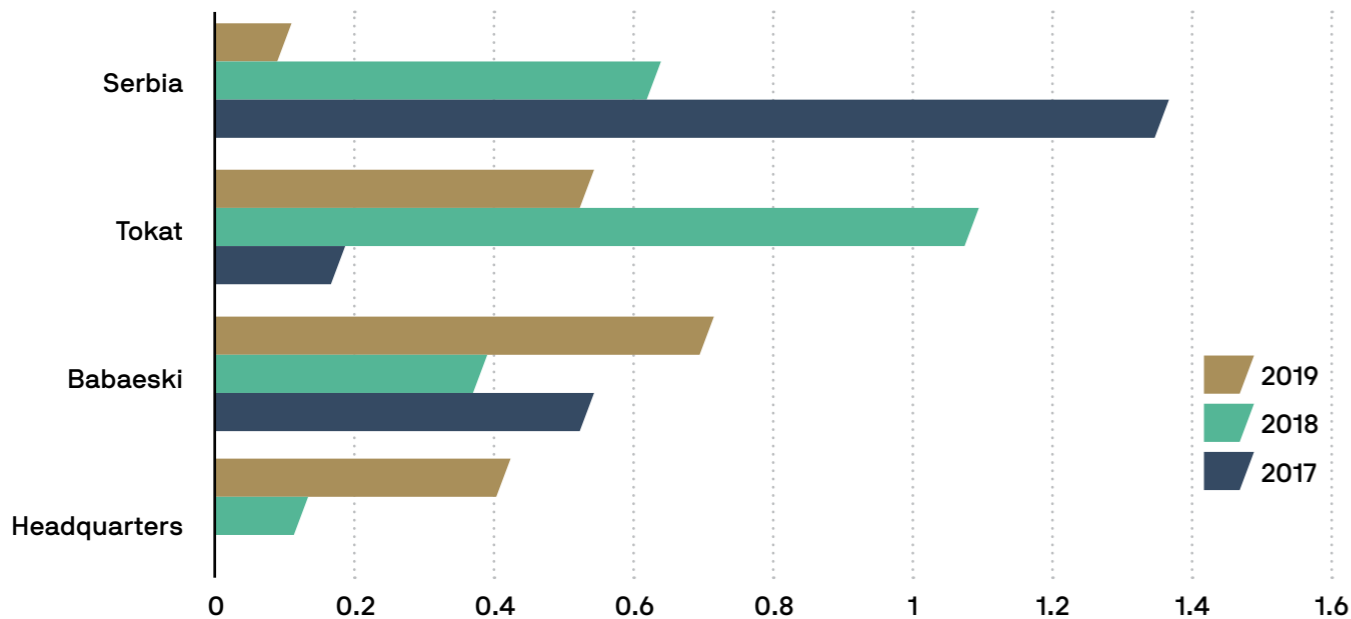
We review and assess our performance on occupational health and safety during our Occupational Health and Safety Board meetings. In this sense, accident frequency rates and occupational safety trainings are among our most important performance indicators. No major accident occurred during the reporting period.



FAIR LABOR ASSOCIATION

We exert special efforts to ensure not only our employees but also our suppliers have safe and healthy professional working environments. In this regard, we joined "the Project for Improvement of Working Conditions in SMEs in the Clothing and Textile Industry," a multi-stakeholder project pioneered by the Fair Labour Association and supported by the Ministry of Family, Labour and Social Services, global clothing brands, unions and employer organizations. As part of this, we support our suppliers' improvement by including them in the project.

Work Accident Frequency Rate



Our workplace doctors follow and check our employees' health. Necessary technical measures are taken, and personal protective equipment is used for health-threatening conditions.

In this sense, frequency rates of accidents and occupational safety training we provided are among our most important performance indicators.

STAKEHOLDER OPINION



Sultan Ateş
Quality Operator-
Workers' Representative

I have been working for Aster Textile as an operator since 2013. Work safety issues are closely followed in our factory. Preventive actions are taken with constant inspections and board meetings. Our annual instances of training are regularly monitored and our health checks performed. Our workplace physician provides regular training and briefings on occupational safety. We regularly convene our occupational safety board, focusing on points we think pose a danger and creating action plans. All employees are equipped with the necessary equipment with regards to occupational safety and their proper usage is regularly controlled.

As workers' representatives, we also take responsibility for informing the employees and raise awareness on this issue. The most important issue that distinguishes our factory from other enterprises is that occupational safety is the top priority of our enterprise.

In addition to training on occupational health and safety that should be provided as part of our legal requirements, we also organize training on various extra topics to raise awareness of our employees.

OUR PASSION TO CREATE A DECENT WORKING ENVIRONMENT WAS CROWNED WITH THE SIGN OF THE CITY AWARDS



Our Serbia-Niche Facility and Tokat-Erbaa Facility were honored with the Best Industrial Building Award in 2017 and 2018, respectively, by the Sign of the City Awards, which continues to play a leading role in maintaining the dynamism of the real estate world and determining the standards of qualified urbanization. Our passion to create decent working environments was crowned with the Sign of the City Awards.

COMMUNITY

Apart from contributing to the economy, we also care about bringing social benefit and support social development. In this context, we strive to shoulder projects that will yield social benefit by developing social responsibility projects with our stakeholders. We pioneer projects on culture and arts, education, and environmental responsibilities that appeal to all segments of the society, which forms part of our initiatives for corporate citizenship.

When planning our investments, we also take responsible investment principles into consideration. We also plan to improve our collaboration with social initiatives concerning our industry and civil society groups together with our stakeholders in the upcoming period. Also, in the upcoming period, we aim to continue our support for social responsibility projects our employees are carrying out through our social clubs and to increase these projects' scope and effects.

We want to put long-term social improvement projects into practice through the Aster Foundation we founded in 2014. In this context, we have been touching the lives of many students and their families through scholarships granted to needy students throughout their education life. Having reached out to over 300 students since its establishment, the Aster Foundation has granted scholarships totaling TL 875,000. We reached 10 more students in 2019 through our donations to various civil society organizations and we provided TL 330,000 in support.



Our contributions to education are not limited to scholarships. In 2017, we built the Birsen Koçali Alış Primary School in the Arpaçay district of Kars province. The school consists of classrooms, a kindergarten, a library, a cafeteria, and a teacher's lodging. We regularly get together with the children and hold various activities with the Aster team and our CEO.

In order to ensure that our industry has qualified human resources, we cooperate with educational institutions in various projects to promote our students' knowledge and background in this field. We aim to attract the young generation to our company and our industry as part of our internship programs and our cooperation with schools on topics such as technical competence and adaptation to professional life. Within this framework, we created a training program called "3+1" in cooperation with vocational higher education schools. As part of this program, we give students the opportunity to attend



full-time internship programs at our company during one term of their last year at school. Additionally, our company managers will attend hands-on courses in fashion design departments in the upcoming term.

In 2019, we came together with students of Marmara University's Fashion Design Department and we shared our experiences on Sustainable Fashion Design.

We encourage voluntary work on many issues, including arts, health, animal rights, environment and human rights. We cooperate with our country's leading civil society organizations which carry out efforts on these issues. We had separate instances of cooperation with the Foundation for Children with Leukemia (LÖSEV), Tohum Autism Foundation, and the Koruncuk Foundation.

On April 2 World Autism Awareness Day, we held Autism Awareness Training at our facilities as part of the "Give a Blue Light" campaign, launched to draw attention to autism, and we contributed to the campaign with various other fundraising activities.

We collected donations for the Koruncuk Foundation and the Tohum Autism Foundation during the 2018-2019 İstanbul Marathon to contribute to their campaign.

We did not forget about our friends living at shelters either and we provided a warm environment for them with cushions we produced from waste fabrics.

We will always act in full awareness of our responsibility for nature and our stakeholders in all projects we will carry out in the future as well.





ASTER TEXTILE HAS ADOPTED AN ENVIRONMENT MANAGEMENT MODEL BASED ON ENVIRONMENTAL SUSTAINABILITY BY MONITORING THE IMPACTS AND THE ASPECTS OF ITS PRODUCTS AND ACTIVITIES.



We are working to reduce our carbon footprint within the framework of our circular business model.

04

OUR ENVIRONMENTAL AWARENESS



We are developing new methods to minimize negative environmental impacts in all processes *from the designing phase of our products to their final end use.*



// When making our company's strategic plans, we always take our responsibility for the protection and effective usage of natural resources into consideration.

OUR ENVIRONMENTAL AWARENESS

OUR ENVIRONMENTAL AWARENESS

ENVIRONMENTAL MANAGEMENT

Efficient management of our natural resources is of crucial importance for sustainable development. When making our company's strategic plans, we always take our responsibility for the protection and effective usage of natural resources into consideration. Identifying environmental risks and the protection of natural resources is the basis of our environmental approach.

We always fully comply with both national and international legal legislation and regulations on the protection of the environment.

When planning our investments, we evaluate our environmental impacts and we prefer to employ eco-friendly technologies. Adopting an integrated approach in managing all environmental issues, we strive to become an exemplary institution in our industry.

Efficient management of our natural resources is crucial for sustainable development. While making our company's strategic target plans, we always consider the responsibility of protecting natural resources and using them efficiently. Identifying environmental risks and ensuring the protection of natural resources is the basis of our environmental approach.

We always fully comply with all national and international legal legislation related to environmental protection. Our activities;

- ✓ Passing a clean and healthy environment sensitive to climate change to future generations.
- ✓ Efficient use of energy and natural resources.
- ✓ Acting with the goal of zero waste by continuously researching and developing the reuse possibilities of waste within the scope of the circular business model.
- ✓ Choosing environmentally friendly technologies by evaluating the environmental impact in investment plans.
- ✓ Reducing negative environmental impacts in all processes from the design stage to the products' end-use.
- ✓ Prioritizing climate change and sustainability in all activities.
- ✓ Increasing the environmental awareness of our employees and community.

In line with these principles, we work with all our strength to be an exemplary organization in our sector, within an environmental management system based on continuous development.

We try to form ties with business partners, suppliers and sub-contractors who share similar views with us on environmental management. For this reason, we implement an eco-friendly purchasing policy. From the raw materials used in production to the materials to be used in packaging, we purchase recyclable, reusable or recycled materials.

We created our Environmental Management System in order to systematically follow our strategy, targets and activities and to implement these practices simultaneously at our facilities. We started working to improve our environmental management program and to implement management meetings where environmental issues will be annually reviewed. Within this framework, we aim to review our environmental performance criteria to enhance their traceability.

In line with our Sustainability Strategy, we have been working to reduce the carbon footprint at our facilities. We set up the Green Office Working Group and organized training to raise environmental awareness among our employees. With these efforts, we aim to change our consumption patterns both in our professional and private lives, thereby reducing our individual and institutional carbon footprint.

With these efforts, we aim to change our consumption patterns both in our professional and private lives, thereby reducing our individual and institutional carbon footprint.

As Aster Textile, we are a member of the Higg Index as manufacturer, which was developed by the Sustainable Apparel Coalition to accurately measure and score a company or product's sustainability performance. Implementing the Facility Environmental Module (Higg FEM) of this index within our corporation, we identify areas of improvement. Afterward, creating and regularly reviewing actions is among our working plans for the upcoming period.

OUR ECO-FACTORY PRACTICES

With the Eco-Factory studies, we launched in 2011 at our Babaeski Facility, we minimized our environmental impacts through innovative technologies. The main revisions made within this scope are:

- Setting up roof sunlight lighting systems at production areas in order to make maximum use of sunlight
- Equipping all steam and heating systems with insulation systems to minimize energy losses
- Engaging energy efficient steam boilers and compressor systems
- Infrared sensor equipment in lighting systems
- Installing water flow-reducing kits at all faucets to save water
- Assembly of analyzers for energy and water amounts
- Usage of LED lighting and servomotors in sewing machines
- Usage of configuration applications that reduce compressed air consumption in overlock machines
- Transition from LPG to natural gas

Our main goal in all practices as part of our Eco-Factory project is to maximize energy efficiency. We managed to save a daily amount of 227 kWh of energy through all these practices aimed at maximizing energy efficiency.

Thanks to our Eco-Factory practices, we saved **%30** in electricity and **%37** in water

In parallel with our Eco-Factory understanding, we continue our pre-feasibility studies in order to benefit from solar energy within the scope of our strategy for renewable energy investments.

Energy Management

The increasing need for energy has caused an increase in greenhouse gas emissions and thus great changes in our climate system. Ongoing changes affect all continents. We are aware of the fact that we have to focus on energy efficiency to fight climate change. As Aster Textile, we effectively implemented energy efficiency practices in our facilities thanks to our Eco-Factory project.

Our total energy usage amount per 1 million products in 2019 was **1,714 MWh**

Water Management

Access to clean water is among today's global critical issues. With full awareness of this, all industrial organizations should consider water efficiency as an important agenda item.

As Aster Textile, we closely follow our water consumption levels and we implement measures to reduce. Our total water consumption in 2018 was 27.6 mega-liters, and our water consumption in 2019 was 25.5 megaliters.

We are discharging wastewater at our facilities to a channel in accordance with standards stipulated by legal regulations. We also follow the quality of our wastewater periodically.



In 2019, we were listed among the finalists at Sustainable Professional Awards, which encourages inspiring projects on sustainability. *We will always continue our efforts which will enable us to direct and pioneer our industry in this area.*



OUR CIRCULAR BUSINESS MODEL

Material Management

Unlike the linear economy model, we are familiar with, the circular economy is a new production model in which resource productivity and environmental benefit are at the maximum level. As Aster Textile, we adopted this new model which is based on sustainability and innovation, and we are integrating it within our strategies. In this context, we became a member of "Turkey Material Marketplace" launched by the Business Council for Sustainable Development Turkey (BCSD Turkey).



Honored with the World Economic Forum's 2016 Circular Digital Disruptor Award, Turkey Materials Marketplace is a digital platform created to allow raw materials, by-products, surpluses and used materials left over from one company's production to be input into another company's production. As Aster Textile, we joined this platform since we believed that this move will contribute to our efforts in the search for alternative resources.

One of the main goals of our sustainability strategy is to focus on the use of low-impact material.

We attended the Circular Business Model Design Training, which was organized for the first time in Turkey by BCSD Turkey and CIRCO. In this context, we cooperated with companies with regenerated cotton yarn production and recycled yarn infrastructure in order to process our fabric waste correctly, to remove them from waste status and allow this waste to become the raw material of fabric production. Thanks to these practices, Aster Textile's fabric waste is turned into high-quality yarn and fabric and is included in our production processes to be used in our collections. In this way, we contribute to our target of using low impact materials and our sustainable product collections. Similarly, we develop collaborations with our relevant suppliers in order to utilize plastic waste from hangers and packaging in the re-production process.



By recycling 50 tons of cotton waste every year we save a total amount of 500,000 m³ of water, which would otherwise be used to produce this amount of fabric.

We are able to present our collections of verifiable and traceable fabric and product collections as a whole and with logo usage rights to our customers, through our certifications in all our production facilities and processes such as embroidery, printing, and washing. The certificates we hold on sustainable fabric and product collections are:

- Recycled Claim Standard
- Organic Content Standard
- Responsible Wool Standard
- Global Organic Textile Standard

In addition to our special R&D and collection studies such as Vegan Dyeing and usage of chemicals that reduce water and energy consumption, our rich fabric collections certified by BCI, Lenzing, FSC, and Unifi have been present for long years.

STAKEHOLDER OPINION



Aybüke Çelebi
Account Manager

I have been working at Aster Textile for 7 years. I believe that Aster Textile has a strong motivation to do every job it does in the best way and its openness to change. We can find the opportunity to participate in the works that will be pioneers in the sector with the expert teams working at Aster Textile. It was a very exciting experience for me to become a participant on behalf of Aster Textile in the SHAPE Europe & Eurasia 2019 project, which is an example of these works, jointly run by Global Shapers Community and Impact Hub. We came together for two days to discuss our solutions to Istanbul's textile problems within the framework of circular economy and to develop projects.

The outputs of this workshop are to create an R&D environment to design biodegradable textiles, to set up collection / separation systems for the recycling of textile wastes, to develop a system that will collect micro-plastics in the washing machine and to make it mandatory. It was a very stimulating experience to work with people who brought different experiences from very different points on the subject.



Sustainability and developments in the Circular Economy have become more important throughout the world. We were invited by Esprit, one of our customers, to the "Sustainability Panel" held as part of the 2019 Business Partners Summit held in Düsseldorf. Our marketing director, Ali Koçali, attended the panel as a speaker and shared our institutional studies, achievements and experience on sustainability with the participants.



Waste Management

We implement a waste management system at our facilities which is based on source separation. In line with our zero-waste policy, we plan applicable and sustainable projects aiming at recycling and regaining waste material every year. We have established a trackable system by closely monitoring our waste material amounts. We send our waste material to recycling facilities that have permission and documents required by legal regulations.



UNITED NATIONS GLOBAL COMPACT (UNGC) INDEX



United Nations Global Compact (UNGC) Index

TOPIC	GLOBAL COMPACT PRINCIPLES	SECTION / PAGE
Human Rights	Principle 1- Businesses should support and respect the protection of internationally proclaimed human rights.	Message from the CEO Responsible Management and Ethics Human Health and Welfare
	Principle 2- Business should make sure that they are not complicit in human rights abuses.	
Labour Principle	Principle 3- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human Health and Welfare Responsible Management and Ethics
	Principle 4- Elimination of all forms of forced and compulsory labour.	
	Principle 5- Elimination of the effective abolition of child labour.	
	Principle 6- Elimination of discrimination in respect of employment and occupation.	
Environment Principle	Principle 7- Businesses should support a precautionary approach to environmental challenges.	Our Environmental Awareness
	Principle 8- Businesses should undertake initiatives to promote greater environmental responsibility.	
	Principle 9- Businesses should encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption Principle	Principle 10- Businesses should work against corruption in all its forms, including extortion and bribery.	Responsible Management and Ethics



APPENDIX



APPENDIX-1 Reporting Principles

GHG emissions has been calculated internally in accordance with the ISO 14064-1 Standard for quantifying and reporting GHG emissions at the organization level. Emission factors are based on GHG Protocol Technical Guidance, published data and statistics from IEA(International Energy Agency) and national legislation.

Scope-1:

- Vehicle Fleet
- Heating (*natural gas only*)
- Generators

*There is no release/change of gas due to refrigeration or air conditioning installation.

Scope-2: Purchased electricity

SCOPE	SOURCE	EMISSION FACTOR	REFERENCE
Scope -1	Vehicle Fleet	2.672 kg CO ₂ e/lt	GHG
	Natural Gas Consumption	0.499 kg CO ₂ e/kWh	IEA – TEIAS
	Generators	2.672 kg CO ₂ e/lt	GHG
	Emissions from refrigerants	2088 kg CO ₂ e/lt	GHG
Scope-2	Purchased Electricity	0.478 kg CO ₂ e/kWh	IEA - TEIAS

APPENDIX-2 Social Performance Indicators

TOTAL EMPLOYEES BY REGION	CONTRACT	2019	
		MEN	WOMEN
Headquarters	Permanent	229	151
	Temporary	0	0
Tokat	Permanent	221	277
	Temporary	0	0
Babaeski	Permanent	159	431
	Temporary	0	0
Serbia	Permanent	65	440
	Temporary	18	149
UK	Permanent	5	16
	Temporary	0	0
Total		697	1,464

		2019	
		MEN	WOMEN
By Contract	Permanent	679	1,315
	Temporary	18	149
By Employment	Full-time	697	1,463
	Part-time	0	2

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS (BY REGION)		2017		2018		2019	
		NUMBER (#)	RATIO (%)	NUMBER (#)	RATIO (%)	NUMBER (#)	RATIO (%)
Turkey	Headquarters	287	84%	259	77%	114	30%
	Babaeski	-	-	-	-	353	76%
	Tokat	-	-	233	85%	146	90%
UK	London	31	100%	31	100%	22	100%

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS (BY GENDER)		2017		2018		2019	
		NUMBER (#)	RATIO (%)	NUMBER (#)	RATIO (%)	NUMBER (#)	RATIO (%)
Headquarters	Men	156	70%	144	77%	36	16%
	Women	131	70%	115	77%	78	51%
Tokat	Men	-	-	85	81%	56	95%
	Women	-	-	115	89%	76	84%
Babaeski	Men	-	-	-	-	75	64%
	Women	-	-	-	-	278	80%
Other Countries (UK)	Men	5	71%	4	57%	3	60%
	Women	25	89%	25	89%	18	90%

APPENDIX

APPENDIX



PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS		2017		2018		2019	
		NUMBER (#)	RATIO (%)	NUMBER (#)	RATIO (%)	NUMBER (#)	RATIO (%)
Turkey	Senior Management	8	100%	10	83%	-	-
	Middle Management	24	60%	16	43%	5	20%
	Supervisory	14	100%	35	41%	35	40%
	Other	241	15%	398	31%	559	43%
UK	Senior Management	-	-	-	-	-	-
	Middle Management	10	100%	11	100%	5	100%
	Supervisory	7	100%	7	100%	3	100%
	Other	13	100%	11	100%	13	100%

APPENDIX-3 Environmental Performance Indicators

TOTAL WATER CONSUMPTION (MEGALITER)	2017		2018		2019	
	ALL REGIONS	REGIONS WITH WATER STRESS	ALL REGIONS	REGIONS WITH WATER STRESS	ALL REGIONS	REGIONS WITH WATER STRESS
Headquarters	5.66	-	5.47	-	6.09	-
Babaeski	12.57	-	12.13	-	10.03	-
Tokat	-	-	7.06	-	6.77	-
Serbia	-	-	2.98	-	2.68	-
Total	18.23	-	27.64	-	25.57	-

ENERGY CONSUMPTION (MWH)	2017	2018	2019
Electricity	2,307.72	3,989.83	2,929.35
Natural Gas	2,292.6	2,476.53	2,587.84
Fuel (generators)	12.37	14.39	13.82
Total	4,612.69	6,480.75	5,531.01
Energy consumption per million pieces	2284.08	1005.71	977.09



WASTE TYPE	LOCATION	2017 (KG.)	2018 (KG.)	2019 (KG.)
Paper and Cardboard Packaging	Babaeski	121,240	114,240	72,620
	Tokat	18,396	22,995	30,660
	Serbia	18,140	24,721	15,475
Plastic Packaging	Babaeski		1,800	930
	Tokat	7,938	9,922	13,230
	Serbia	5,534	7,427	5,441
Hazardous waste	Babaeski		667	1,261
	Tokat	-	-	15
	Serbia	-	-	-
Fabric Scraps	Babaeski	483,240	555,010	409,959
	Tokat	45,411	56,764	70,955
	Serbia	121,860	123,268	69,346

APPENDIX

GHG EMISSIONS (tCO ₂)	2017	2018	2019
Scope 1			
CO ₂	1,686	1,727	1,750
CH ₄	-	-	-
N ₂ O	-	-	-
Scope 2			
CO ₂	1,103	1,907	1,400
CH ₄	-	-	-
N ₂ O	-	-	-

GHG EMISSIONS (tCO ₂)	2017	2018	2019
Scope 1			
Vehicles	532	480	448
F-Gases (air conditioning etc.)	-	-	-
Heating - Natural Gas	1,144	1,236	1,291
Generators	10	11.6	11
Scope 2			
Electricity consumption	1,103	1,904	1,400

APPENDIX

Reporting Consultancy



Report Design

MYRA

For more information



astertextile.com

İSTANBUL

Selahaddin Eyyubi Mahallesi
1538 Sokak No: 43-45
Esenyurt İstanbul / Turkey
t/ +90 212 456 56 00

LONDON

28-30 Hanway Street, London
W1T 1UL / United Kingdom
t/ +44 207 6377179

NIŠ (Serbia)

Bulevar Sv. Cara Konstantina
80-86,1800 Nis / Serbia
t/ +381 69 321 8539

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