



ASTER TEXTILE
Annual Report 2021



We Innovate
We Create
We are Aster.

GLOBAL VISION

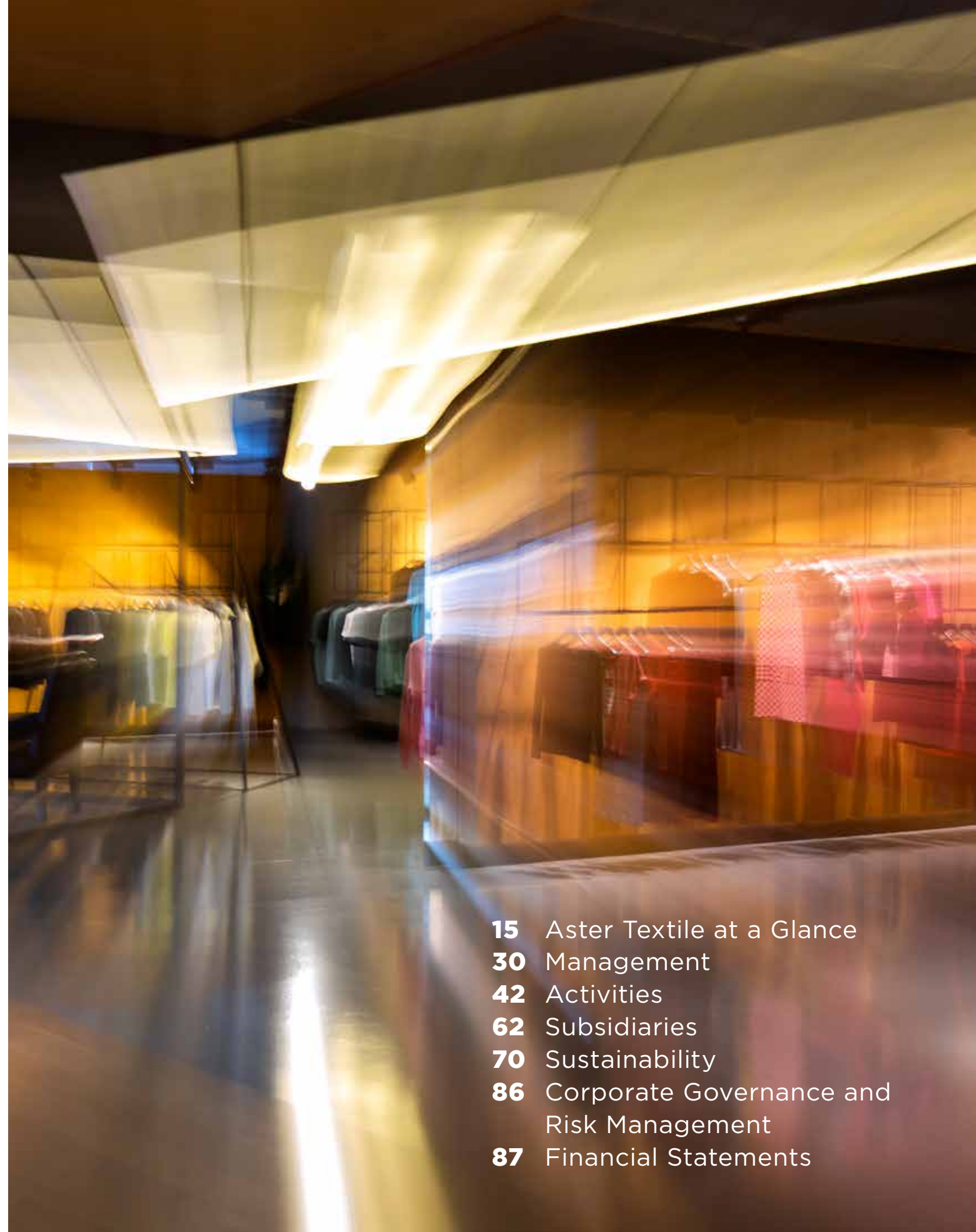
Established in Istanbul in 1993 as the Aster Companies Group, we are among the world's largest textile companies, driven by our global vision we have continued our strategic growth despite the challenges...

We steadfastly continued growing, maintaining our core values despite the challenges presented by the pandemic and by economic volatility.

Our "Thoughtful Fashion" approach empowers the Group to positively affect human life and the future of our planet and transform our efforts and knowledge into success.



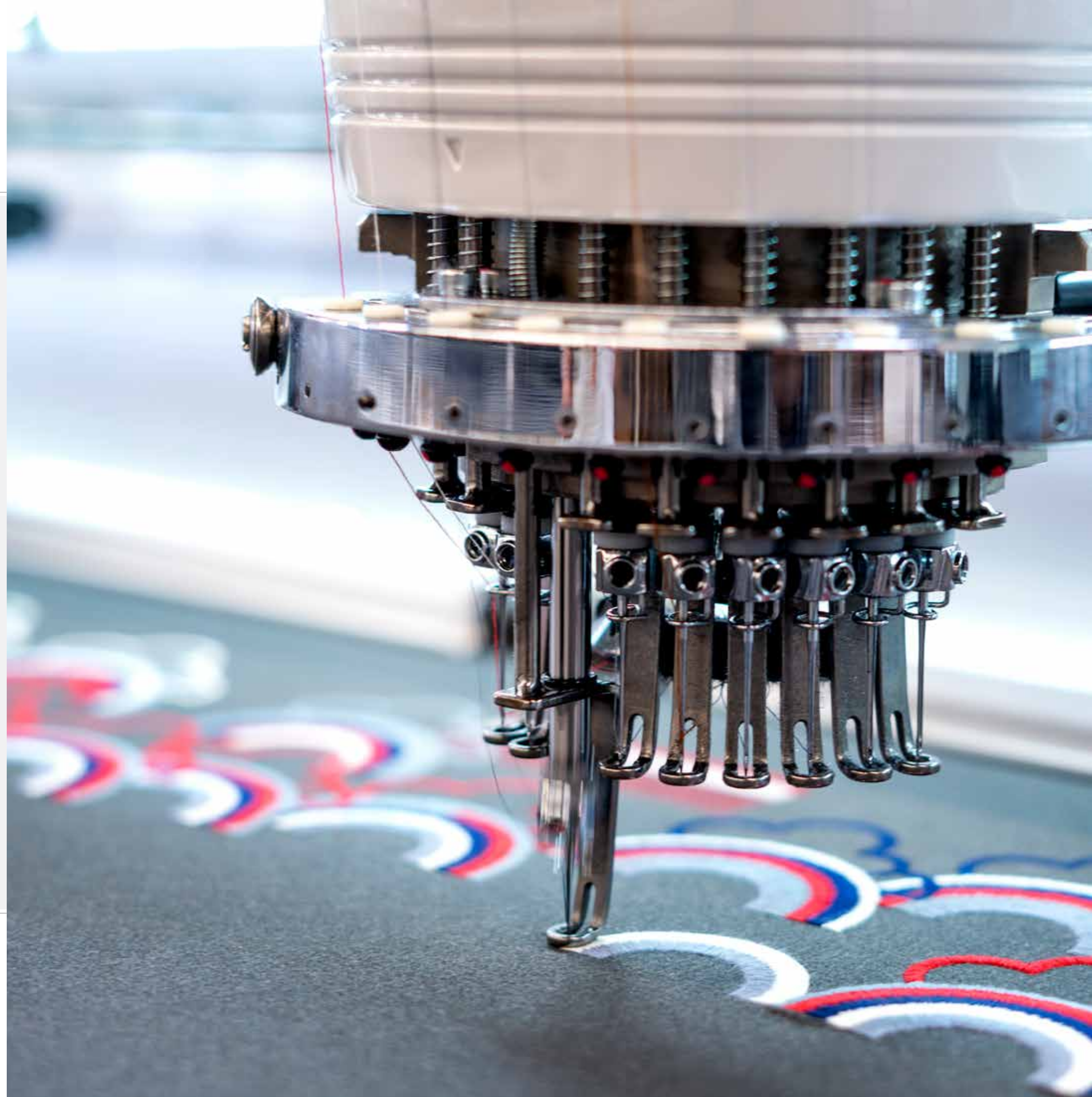
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CONTINUITY

In 2021, despite challenging conditions worldwide, we continued to produce for the world, fortified by 30 years of experience.

Throughout the year, production lines in our facilities were active. We maintained our operations and demonstrated an outstanding performance, consistently undertaking the responsibility to offer the best in product, quality and service to our business partners.





STRENGTH OF STRATEGIC INVESTMENT

Thanks to our broad and strategic investments, we continued to effectively manage capacity increases in our fields of activity.

We transformed our technological infrastructure and innovation investments into value for both our country and the global brands to which we provide services.

As one of Turkey's leading exporter companies in the ready-made garment and apparel industry, our growth and success is ongoing.

RESPONSIBLE PRODUCTION

We extend our success to many countries worldwide, serving a global customer base across a wide geography.

We use eco-friendly technologies at each stage of our production. We act in awareness of the future of our world and constantly adhere to our principles of respect for nature and humanity.





STATE-OF-THE-ART

Our long-term business partnerships with the world's leading brands are built on mutual trust.

We conduct robust R&D and innovation projects to offer the best and the newest, and we make a difference through our technology and the power of our experienced teams and colleagues.

While continuously increasing our productivity thanks to our flexible and agile corporate structure, we are able to achieve continuous successful growth.

01 ASTER TEXTILE AT A GLANCE

One of the world's leading
textile manufacturers...

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ASTER TEXTILE IN BRIEF

Today Aster ranks as one of Turkey's top 10 exporters of textiles and ready-made garments and has maintained its market leadership position by adhering to its core values.



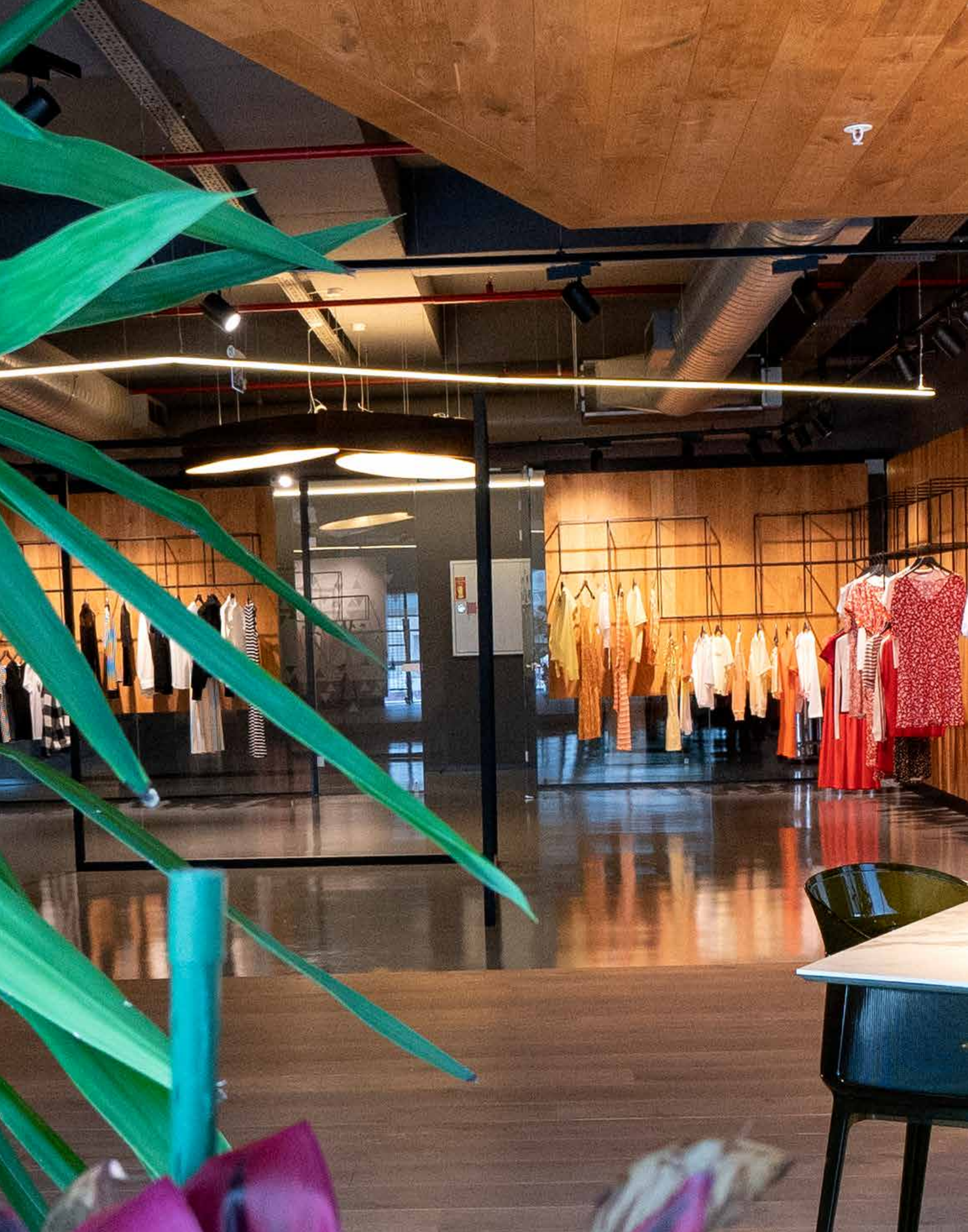
Aster Textile was founded in 1993 as a family business, in Istanbul, Turkey. Since that time, the Company has grown into one of the world's leading textile manufacturers. Today Aster ranks as one of Turkey's top 10 exporters of textiles and ready-made garments and has maintained its market leadership position by adhering to its core values.

Aster Textile grows sustainably through international investments, including operations in Turkey, the United Kingdom, Serbia, and Bangladesh. Aster anticipates customer needs, developing and delivering in-demand products and solutions with highly experienced design and business development teams in Istanbul and London. Aster's entire business process, from initial design to delivery of products to client stores and warehouses, are managed by the Company's internal teams with meticulous attention to detail.

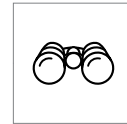
Headquartered in Istanbul, Aster Textile delivers creative, innovative, and high-quality products with a flexible service approach. The Company serves customers throughout the world, with production facilities and business partners in the Far East, and highly accomplished design and business development teams in the Istanbul and London offices. Working in the heart of global fashion culture, Aster Textile closely tracks international fashion trends and innovations across various product categories.

In addition to its head office in Istanbul, Aster Textile operates facilities in Kirklareli-Babaeski, Tokat-Erbaa, Tekirdag-Cerkezköy, Nevsehir-Kapadokya and Serbia-Niš on wholly owned enclosed areas totalling 116,915 m². As a global clothing company, Aster provides its products – primarily knit and woven fabric clothing collections, and sportswear collections for women, men, and children – over 20 international customers in several countries. In 2021, the second phase of the Tokat-Erbaa facility opened; the phase included integration with the printing facility and resulted in increased capacity. This new building is equipped with features such as rainwater collection and grey water reuse. Third-phase foundations have started in line with the facility's capacity expansion and integration investment plan.

At Aster, our strategies are based on our social values, our vision, and our mission. The core components of Aster's corporate strategic framework include strong partnerships with current and new clients. Accordingly, the organisation promotes a culture of sustainability, retaining skilled human resources and achieving growth as an industry leader with innovative product groups.

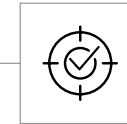


OUR VISION, MISSION, AND SOCIAL VALUES



OUR VISION

Together, we create contemporary and thoughtful fashion for you.



OUR MISSION

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

On this journey we endeavour to respect people, our planet and life, and we remain dynamic and contemporary by continuously learning, teaching and changing. We contribute to our society by raising awareness about the world and our shared responsibilities.



OUR SOCIAL VALUES

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

Through the Aster Foundation, we aim to bring about longterm improvements in the lives of our people and to the environment where they work. Committed to protecting the future of our planet, we undertake many efforts that are designed to raise the awareness of global environmental problems. We put social responsibility at the centre of all our business operations as well as our relations with the world beyond our company.

ASTER TEXTILE IN NUMBERS

In 2021, Aster Textile realised net sales of Euro 96.9 million and reached Euro 28.6 million gross profit.

NET SALES (MILLION EURO)

2020	72.5
2021	96.9

TOTAL EXPORTS (MILLION EURO)

2020	63.9
2021	84.3

GROSS PROFIT (MILLION EURO)

2020	21.0
2021	28.6

TOTAL INVESTMENTS (MILLION EURO)

2020	3.6
2021	16.2

TOTAL R&D INVESTMENTS (THOUSAND EURO)

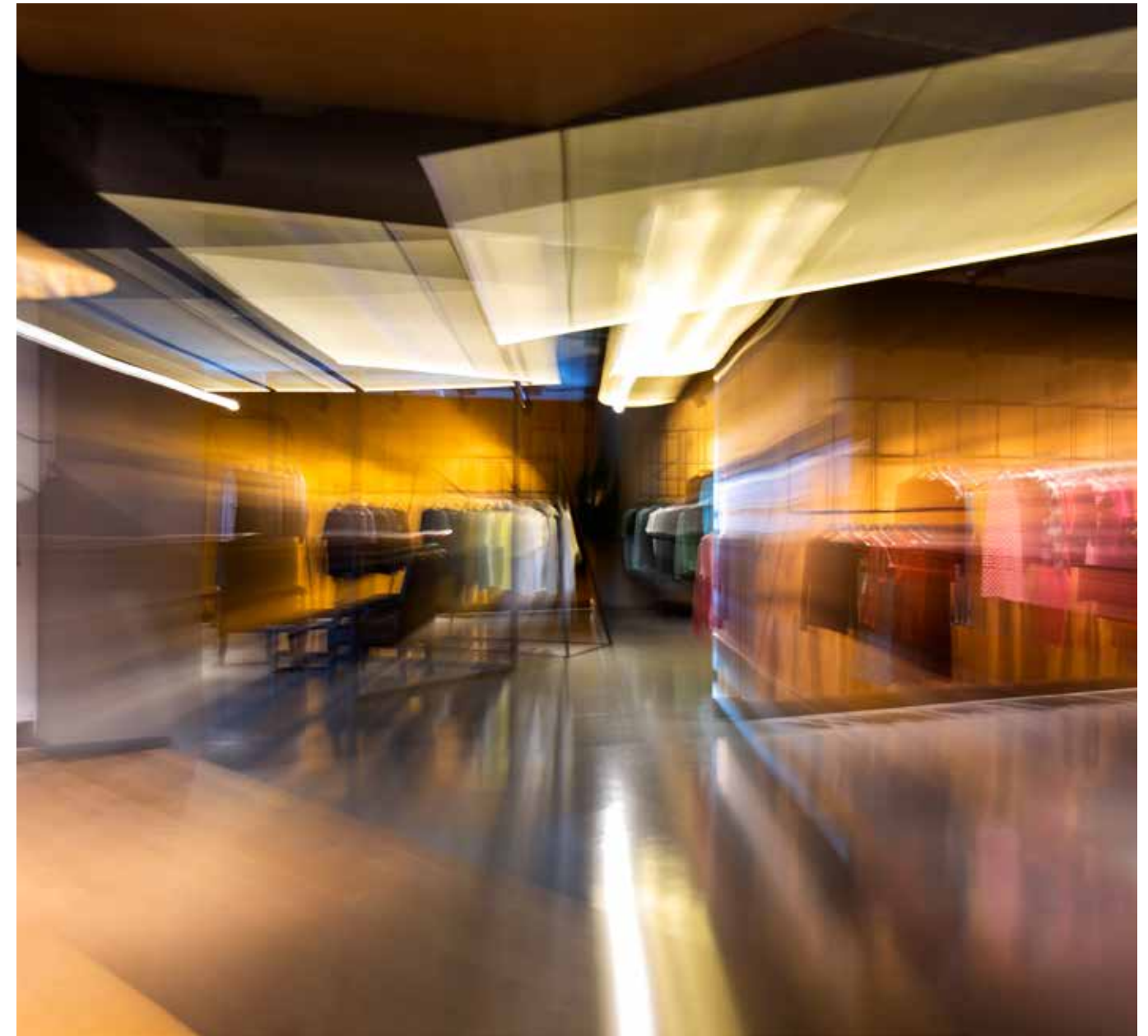
2020	948
2021	826

TOTAL EQUITY CAPITAL (MILLION EURO)

2020	32.8
2021	44.1

TOTAL ASSETS (MILLION EURO)

2020	123.5
2021	138.5

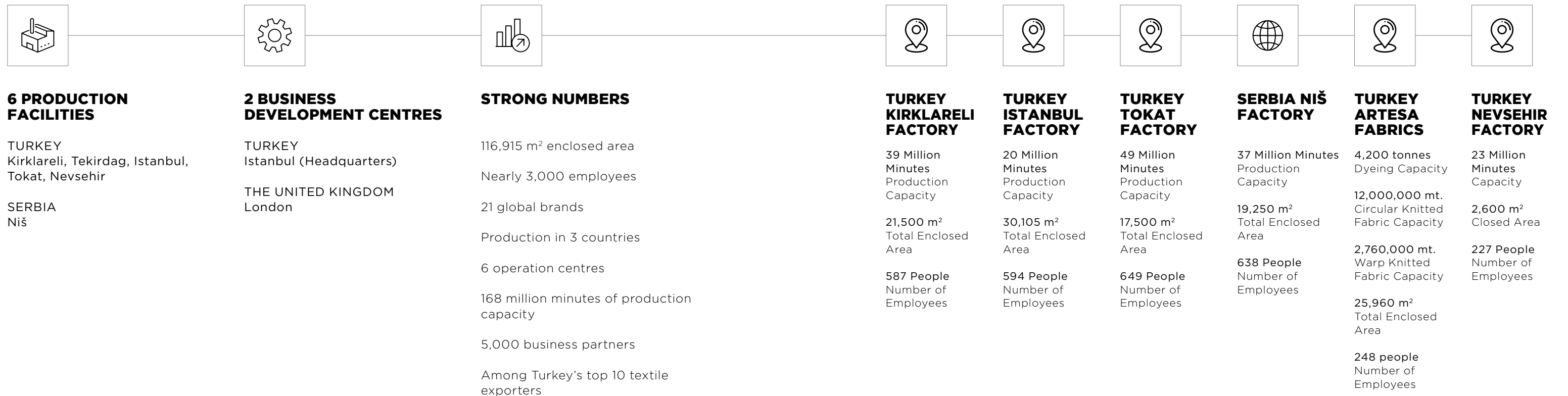


OPERATIONAL INDICATORS

END OF 2021	CAPACITY (MILLION MINUTES)	TOTAL ENCLOSED AREA (M ²)	NUMBER OF EMPLOYEES
Turkey-Istanbul	20	30,105	594
Turkey-Kirklareli	39	21,500	587
Turkey-Tokat	49	17,500	649
Turkey-Nevsehir	23	2,600	227
Serbia-Niš	37	19,250	638
Artesa		25,960	248
Total	168	116,915	2,943

LOCATIONS OF EXPORT/PRODUCTION

In addition to its head office in Istanbul, Aster Textile operates facilities in Kirklareli-Babaeski, Tokat-Erbaa, Tekirdag-Cerkezköy, Nevsehir-Kapadokya and Serbia-Niš on wholly owned enclosed areas totalling 116,915 m².



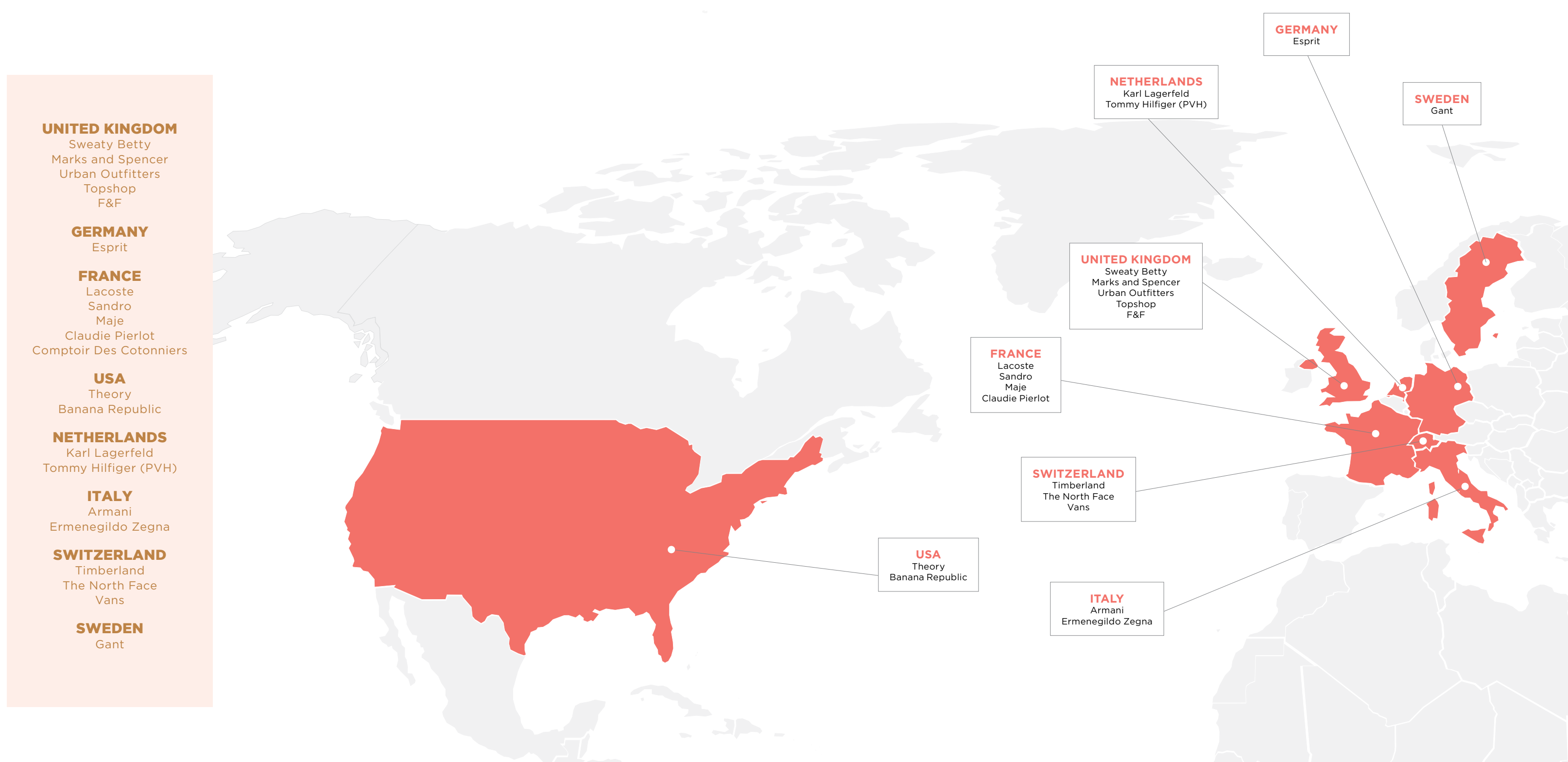
OUR JOURNEY TO “THOUGHTFUL FASHION”

In 2021, we established an Activewear and Sportswear Division to expand our product groups in this segment.



STRATEGIC PARTNERSHIPS

Strategic partnerships with 21 global brands...
Several countries in Europe, UK and USA



UNITED KINGDOM

Sweaty Betty
Marks and Spencer
Urban Outfitters
Topshop
F&F

GERMANY

Esprit

FRANCE

Lacoste
Sandro
Maje
Claudie Pierlot
Comptoir Des Cottonniers

USA

Theory
Banana Republic

NETHERLANDS

Karl Lagerfeld
Tommy Hilfiger (PVH)

ITALY

Armani
Ermenegildo Zegna

SWITZERLAND

Timberland
The North Face
Vans

SWEDEN

Gant

GERMANY
Esprit

NETHERLANDS
Karl Lagerfeld
Tommy Hilfiger (PVH)

SWEDEN
Gant

UNITED KINGDOM
Sweaty Betty
Marks and Spencer
Urban Outfitters
Topshop
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FRANCE
Lacoste
Sandro
Maje
Claudie Pierlot

SWITZERLAND
Timberland
The North Face
Vans

USA
Theory
Banana Republic

ITALY
Armani
Ermenegildo Zegna

CERTIFICATES AND AWARDS

CERTIFICATES



AWARDS & PUBLICATIONS



SUSTAINABLE BUSINESS AWARDS 2020

Aster's "Second Life Movement" project was a finalist in both in the "Sustainable Innovation" and "Waste Management" categories.

AYDIN UNIVERSITY, TEXTILE, FASHION, ART AND DESIGN SYMPOSIUM

Aster published its circular business model transformation journey as an academic article. The article, "Transition to Circular Business Model Design: Specific Application in The Textile Sector" was presented in the "Sustainability" session of the Symposium in November 2020.

THIRD INTERNATIONAL PEARSON CONFERENCE, OCTOBER 2021

Aster published its second article on the importance of regional cooperation in recycling. The article, "Recycling Application with Regional Cooperation for Garment Waste," was presented at the Conference in October 2021.

DUNYA NEWSPAPER, WEEK MAGAZINE INTERVIEW

As part of its journey to achieve a zero waste and circular business model, Aster Textile develops viable and sustainable projects for recycling and re-use every year. The global garment production process generates a huge amount of waste material, including small pieces of fabric resulting from the cutting operations. Aster Textile has created a traceable system for tracking its production waste. With this new system the Company is able to return a much higher percentage of waste back to usable fabric. Not only Aster Textile is giving its waste a "2nd Life", the Company is closing the loop.

02 MANAGEMENT

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by corporate values

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Organisational Chart





MESSAGE FROM THE CHAIRMAN AND GENERAL MANAGER

We uphold the entrepreneurial spirit and excitement of our first day in all our activities and our investments. As the world undergoes rapid change, we have adopted the principle of growth in different fields, driven by innovation and sustainability.

Esteemed Stakeholders,

As a family business founded in 1993 in Istanbul, Turkey, Aster has grown into one of the world's leading textile companies, with operations in Turkey, the United Kingdom, Serbia, and Bangladesh. The Company's perfectionist approach and its continuous investments make Aster Companies Group preferred partner both abroad and in Turkey.

Today, we export to several countries, providing "thoughtful fashion" to our customers, who are leaders in the global fashion industry. Aster is a strategic business partner, with a client portfolio featuring over 20 global brands.

Our performance is driven by our corporate values, strengthened by a quarter century of achievement, and our modern competencies reinforced by strategic transformation programmes.

96.9 EUR MILLION
NET SALES

84.3 EUR MILLION
TOTAL EXPORTS

We are an exemplar for our stakeholders on both domestic and international platforms, leading the industry with future-oriented, multidimensional programmes that incorporate digital transformation, innovation, agile management, and a focus on sustainability.

WE HAVE MAINTAINED OUR SUSTAINABLE GROWTH

As a leading player in the Turkish textile industry, Aster increasingly contributes to Turkey's competitive strength through its sustainability principles, advanced technology, and digitalisation investments.

The textile industry delivered a successful performance in 2021. In line with intense demand and production, we observed a surge in exports after 7 years. Turkey's textile export revenues reached more than 20 billion dollars. Ready-made clothing and apparel exports rose by 18.3% year on year, despite the raw material availability crisis that continued throughout the year; these numbers are extremely promising developments for our industry.

The local-to-local strategy of global brands has intensified considerably over the past two years. Simply put, logistics costs have increased four- to five-fold with the effect of the pandemic, thus brands are opting for cooperation with local third parties. The strategy of buying locally has also gained traction in terms of sustainability. Ultimately, buying locally significantly reduces both transportation costs and the carbon footprint.

MESSAGE FROM THE CHAIRMAN AND GENERAL MANAGER

As a result of our continuous investments in the Tokat-Erbaa facility, the second phase became operational this year, integrating with a printing facility and further increasing our capacity.

WE WILL CONTINUE OUR INVESTMENTS IN ACTIVEWEAR AND SPORTSWEAR

As Aster Textile, we focused on increasing our global competitiveness, especially during the pandemic. Our competencies were tested by profound global challenges, particularly the impact of the recent pandemic, and were proven successful; despite these challenges, we maintained our sustainable growth momentum.

While reviewing our sales targets, we have aimed to increase profitability via measures to provide cost advantages. We implemented technological renewal investments and are improving our operations, especially in terms of product technologies. With this understanding, in 2021, we invested approximately Euro 16 million to modernise and increase our production line.

We have upheld the entrepreneurial spirit and excitement of our first day in all our activities and our investments. As the world undergoes rapid change, we have adopted the principle of growth in different fields, motivated by innovation and sustainability.

As Aster, we have touched the lives of countless people by producing for the world's leading brands for three decades. By advancing ourselves through enhanced processes, and increasing our capacity and human resources, we help our customers realise their visions and goals.

In 2021, we established an Activewear and Sportswear Division to expand our product groups in this segment. Recent expansion into the Active Sportswear sector led Aster Textile to become vertically integrated into synthetic fabrics, with a growing business in sportswear finished products. Aster Textile has now fully realised its new divisions and is successfully producing for existing clients and new leading global sportswear brands alike.

Our Activewear products utilise the power of Artesa, one of our Group companies, by implementing a vertical business model in which fabric production is undertaken by Artesa, with product development and production performed by Aster. In the meantime this year, with the new acquisition of Belleza Textile, Artesa expanded its knitting capacity even further.

As a result of our continuous investments in the Tokat-Erbaa facility, the second phase became operational this year, integrating with a printing facility and further increasing our capacity. This new building is equipped with features such as rainwater collection and grey water reuse. We plan to continue our investment in the Tokat-Erbaa facility to increase our inhouse capacity with the foundation of the third phase including the embroidery department in accordance with the Company's vertical integration strategy.

WE TAKE A HOLISTIC APPROACH TO ECONOMIC, SOCIAL AND ENVIRONMENTAL SUSTAINABILITY

The impact of the textile industry – in which the supply chain spans a vast geography and a range of cultures, both socially and environmentally – is a proof that our work affects many other areas. We consistently strive to become a part of the solution and direct our investments accordingly.

We take a holistic approach to economic, social and environmental sustainability, consistently striving to improve our management systems and continued our zero waste, circular economy, inequality reduction and gender equality programmes, as well as our corporate social responsibility projects.

As a leader in sustainable fashion design and production, we aim for excellence in the design-production-service model by establishing a global perspective in our sector. In this context, we were among the sector's first participants in the United Nations Global Compact and the Women's Empowerment Principles, taking steps to safeguard our future.

As a part of our sustainability commitment, we can proudly share that all our electricity has been transformed into 100% renewable sources in Turkey thus achieving zero emission in our Scope 2 GHG.

SUSTAINABLE AND PROFITABLE GROWTH

As Aster Textile, we always aim to offer greater value to all our stakeholders and to provide sustained service to our clients.

In the coming period, Aster will focus on diversifying its brand portfolio with new products in line with our global vision and sustainable and profitable growth objectives.

Aster Companies Group's other strategic priorities include developing ideas and products that differentiate us from the competition and providing solutions for new business models in line with digitalisation. Accordingly, we will accelerate efforts initiated in 2019 to establish an in-house R&D department and increase our IT infrastructure investments. We will continue investing on our future with a sustainable approach as we adopt the best environmental practices while providing social benefits through corporate responsibility initiatives. In this context, we intend to convert all our factories to solar energy.

We look with confidence to the future, maintaining our ongoing growth with an integrated system that provides benefit to our value-added brand customers. Our business partners and employees, who share our common vision and values, both motivate and inspire us in achieving our goals on this journey.

I, therefore, take this opportunity to thank all my colleagues, our supportive business partners, and our valued customers for the support and encouragement.

Kind regards,

İSMAİL KOÇALI
Chairman and General Manager

MESSAGE FROM THE VICE-CHAIRMAN

Innovation and creativity are key factors underpinning the sustainable growth and success of Aster Companies Group. Aster updates its global resources supply and investment operations in parallel to the ever-changing requirements of the market.

Esteemed Stakeholders,

As a leading player in the Turkish textile industry, Aster constantly increases its contribution to national competitiveness through its sustainability principles, technological infrastructure, digitalisation, investments, advanced design skill, technical strength, and comprehensive product range.

As a company operating on three continents and exporting to the global market, with pioneering initiatives in the textile and ready-made clothing sector, our goal is to create value for the future.

Aster is known and preferred at home and abroad. The Company's perfectionist approach and continuous investment make it a preferred strategic partner for many brands and its suppliers.

Combining its experience in production with its modern and flexible structure, Aster deploys the latest technologies across all its business processes, producing the highest quality products for the international markets in which it operates.

With nearly 3,000 employees and a production capacity of 168 million/minute in 2021, the Company continues to offer optimal solutions to the demands of today's challenging global market conditions.

As Aster, our strategy is shaped by our vision, mission, and social values. At the core of this strategy is a commitment to a strong partnership with both existing and newly acquired customers, as well as the dissemination of a culture of sustainability, the innovative product line of an industry leader, and our qualified human resources. Throughout our existence, we have closely observed global changes and their effects on Earth and our sector with the onset of the pandemic, we understood even more clearly the need to contribute to the rhythm of the natural cycle. Indeed, with this awareness, the key concept we need to focus on is "sustainability."

Thanks to the effective financial and operational strategies we implemented throughout the year, we continue to advance boldly towards our goals of sustainable growth. In challenging periods, when we needed a common spirit and guiding compass, Aster's uncompromising values enable us to pursue a shared future.

MESSAGE FROM THE VICE-CHAIRMAN

With its uninterrupted investments, Aster will continue to increase its product variety and quality, expand its customer and business partner base.

In 2021, we intensified our work with Brand Market by developing new business relationships in this segment. Taking advantage of the strength and desire we derive from these relationships we establish strong local collaborations and support our suppliers. Currently, 60% of our production capacity is internal; the Company's targets include boosting its in-house and overall capacity. In addition, we plan to add value to our country's economy via employment generation and support.

AGILE MANAGEMENT APPROACH, STRONG R&D FOCUS

Thanks to its extensive production capacity, Aster can respond to the varied needs of its clients, from luxury product groups to high-volume production programmes. Through its operations, Aster uses the Lean Production System, developed to provide the highest efficiency at all stages of production. We continue to extend the agile management approach across all our companies with comprehensive programmes, developing our internal communication mechanisms accordingly.

Innovation and creativity are key factors underpinning the sustainable growth and success of Aster Companies Group who updates its global resources supply and investment operations in parallel to the ever-changing requirements of the market.

In the last two years, we made substantial investments in 3D design software, acting in response to the high environmental impact, labour, and time loss resulting from physical sample production. With CLO 3D, we are able to present an unlimited number of digital samples to our customers thus reducing total sampling time and cost up to 50% comparing to the classical methods.

Aster also carries its collections and pre-production sample processes to its digital showroom with the CLO 3D Simulation infrastructure as well as investing in a second 3D software programme, "Browzwear". In doing so, we significantly reduced the volume of physical sample sending and, by using less raw material, we also prevented energy and water loss. As a result, this makes a significant contribution to sustainability processes.

With its uninterrupted investments, Aster will continue to increase its product variety and quality, expand its customer and business partner base, and advance towards its goal of becoming one of the world's leading textile companies.

All our stakeholders, especially our employees, contribute to our achievements. The still greater success we will achieve in the future will also be thanks to you. I would like to thank all parties who have enabled the sustainability of Aster Companies Group's success by constantly advancing us towards a better future.

Kind regards,

KADİR KOÇALI
Vice-Chairman

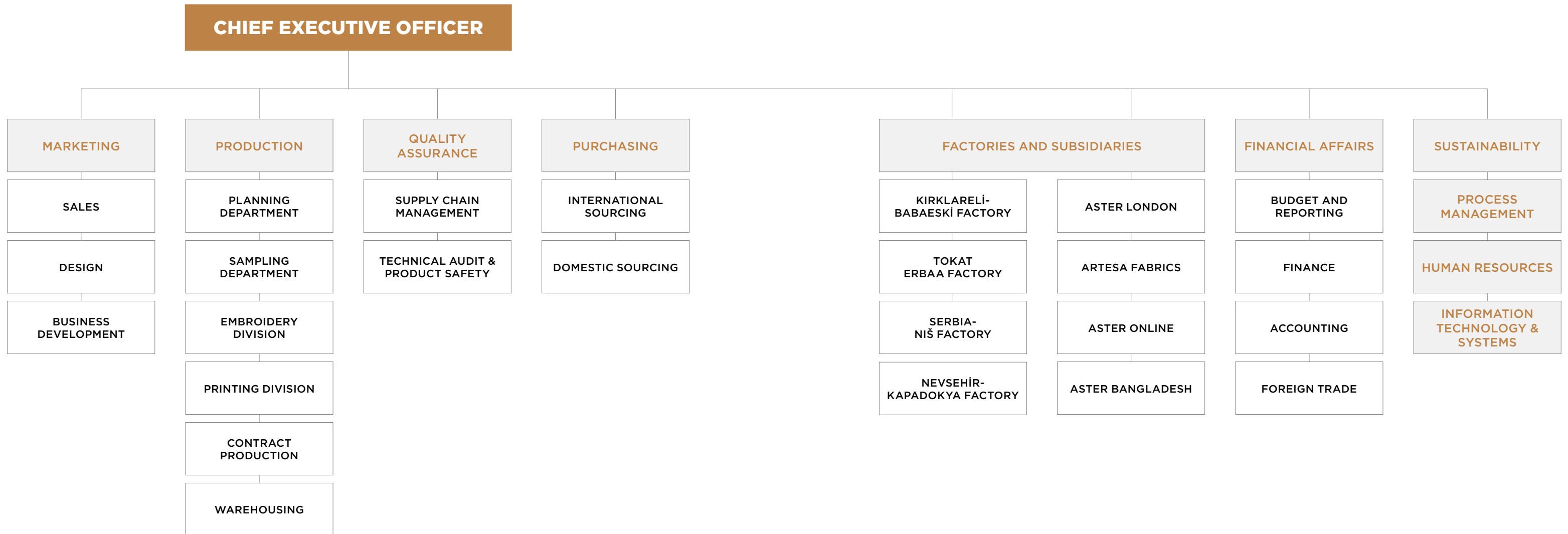


BOARD OF DIRECTORS

Aster Textile's managing body is the Board of Directors, composed of six board members. The current board members were selected with the resolution of the General Assembly dated October 11, 2021.

Name Surname	Title
İsmail KOÇALI	Chairman and General Manager
Kadir KOÇALI	Vice Chairman
Ali KOÇALI	Board Member
Sarı KOÇALI	Board Member
Sait ULUĞ	Board Member
Derya DEMİR	Board Member

ORGANISATIONAL CHART



03 ACTIVITIES

Perfectly adapting development in product groups around the world

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Embroidery and Printing

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Operational Centres



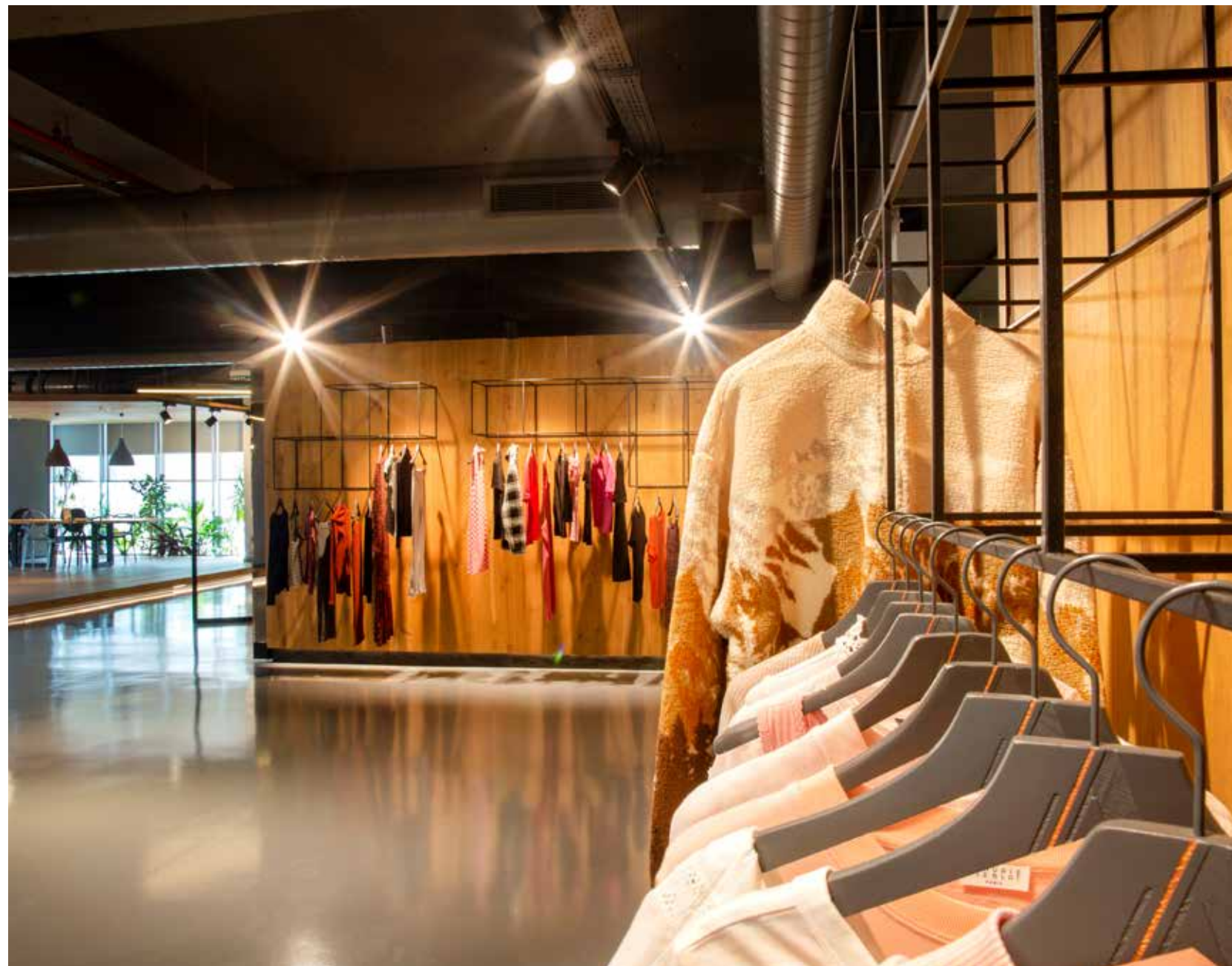
FASHION AND DESIGN

Innovation and high technology are the drivers of our continued growth and success...

Aster Textile operates in the two commercial, cultural and fashion hubs of London and Istanbul, supporting its global and visionary approach to the ever-changing fashion industry. The dynamic design and development teams working at these centres, veterans of the industry, are best placed to respond to market intelligence with new product offerings of excellent quality, and track updates in product groups.

Through experienced and intuitive design and research processes the Aster Textile Design & Development teams have a reputation for securing the most relevant and valuable product across all Division clients. Furthermore, regular presence at the major global fashion, fabric, and technology fairs allows to anticipate customer needs better and launch sophisticated product lines accordingly.

Aster Companies Group's agility, sophisticated design and technical capabilities, extensive product range, quality-price balance, and production flexibility make it a preferred partner for its portfolio of strategic business partners comprising around 20 global brands. From Premium Luxury partnerships responsible for delivering craftsmanship and high-quality finish, volume High Street Retail clients where fashion intelligence and speed to market is key, to Branded client collaborations that rely on a high level of consistency in brand identity and quality, the Aster Textile teams are relied upon to deliver the most commercial product solutions.



The Digital Technology throughout the Aster Textile organisation has transformed the way our teams and our clients operate in the industry. Not only have these platforms successfully reduced the wasted raw materials that were a common result of the development process, the digital systems for garment and colour management have also enabled a far wider opportunity in product development and an extremely accurate technical performance.

At its Istanbul headquarters, Aster's Design R&D Centre develops products that surpass the competition in style and quality. The Centre's expert team has had a catalytic effect on the structural transformation of the textile industry in terms of its creativity and originality.

Recent expansion into the Active Sportswear sector has resulted in Aster Textile becoming vertically integrated in synthetic fabrics and with a growing business in sportswear finished products. Aster Textile has now fully realised its Active Division and is successfully developing across existing clients and new global sportswear leading brands.

The Digital Technology throughout the Aster Textile organisation has transformed the way our teams and our clients operate in the industry.

BUSINESS DEVELOPMENT AND SUPPLY

With a peerless reputation for high-quality standards, Aster Textile sets an example for ethical business practices in the industry.



DELIVERING SAFE AND TRACEABLE PRODUCTS ON TIME

Aster Textile's success and sustainable growth are attributable to the Group's innovation and creativity; responsive and agile across the entire organisation, Aster has a solid reputation for delivering timely, market-leading solutions to the global marketplace. Even as logistical challenges arising from the pandemic drove a global shift in the textile sector's sourcing strategies, as well as a rising demand for secure manufacturing capacity, Aster Textile proved capable of meeting this demand, offering increased production capacity to fulfil the diverse and changing requirements of its global clients.

With a peerless reputation for high-quality standards, Aster Textile sets an example for ethical business practices in the industry. A responsible and innovative champion for ethical and sustainable fashion, Aster Textile conducts continuous research and investment in leading-edge manufacturing technology. The Group's

commitment to sustainability makes it a partner respected for delivering environmentally safe and traceable products. In addition, Aster requires that its suppliers adhere to the Group's published Code of Conduct.

Aster Textile has marked notable advances, including a fully circular cotton product utilising cutting waste. Previously, this was a synthetic blended product; currently, the fabric is available as 50% sustainable cotton and 50% reformed waste cotton, per the Group's "THE 2ND LIFE MOVEMENT" brand.

Aster's Business Development Centres are valuable sources of market intelligence and knowledge. At these centres, highly experienced and innovative technical and support teams develop specialised features, qualities, techniques, products, and production processes: this proactive working model is a key element of the Group's leadership in the global fashion market.

Aster manages its R&D processes under four main categories such as



In terms of business development, Aster Textile shapes its activities and expands its client portfolio by tracking the industry, as well as by monitoring various trends and technological and developmental innovations. In addition to supporting existing clients in its portfolio with customised solutions, the Group maintains close contact with potential customers in the global market and includes them in its short- and mid-term planning strategies.

In product development stage, Aster's highly experienced design and business development teams work to accurately anticipate clients' evolving needs and deliver the optimal solutions. The Group launches product development solutions by considering the latest industry sector developments, technological advancements and fashion trends, and integrating these accordingly. Developing new products in response to evolving trends, Aster Textile also focused on sustainable raw material bases and reusable circular products in 2019. Its efforts in this area include; the expansion of the activewear product group, the creation of recycled collections utilising production cloth waste under the brand "2ND LIFE MOVEMENT.", the development of certified products containing recycled and organic materials and the enrichment of the product range with natural dyeing and processes.

Aster Textile believes that conducting forward-thinking projects requires a well-managed process management approach.

In process development, relevant departments analyse operational processes, and coordinate and implement upgrade tasks to the ERP system per annual targets and strategies to realise the Group's corporate vision and mission. Feasibility studies are conducted for operational improvement potentialities in hardware and software, and recommendations are presented to Aster's senior management for approval.

In its technology development activities, Aster Textile undertakes strategic collaborations with specialised global enterprises and professionals in all business processes. When investing in new technologies, Aster prefers solutions that facilitate the development and production of innovative products and designs. Accordingly, the Group monitors technological advances and innovations, reinforcing its competitiveness with a diverse product and design portfolio. Aster Textile also develops operational solutions to continuously improve production processes, with the primary objective of boosting efficiency and quality.

MANUFACTURING AND DELIVERY

Aster fulfils the diverse needs of its clients, which range from luxury product groups to high-volume production programmes, thanks to its extensive production capacity.

There are six production facilities owned by Aster Companies Group in Turkey and Serbia. Aster, one of the largest and most modern facilities in their respective regions, combines its production experience with flexibility and innovation, using the latest technologies to manufacture and deliver high-quality products to markets throughout the world. Having nearly 3,000 employees and 168 million minutes of production per month, Aster provides optimal solutions to the customer demands of today's challenging global marketplace.

RESPONDING TO DIVERSE CLIENT NEEDS

Aster fulfils the diverse needs of its clients, which range from luxury product groups to high-volume production programmes, thanks to its extensive production capacity. The Group implements the Lean Production System across all its operations to provide the highest efficiency in every stage of production.

Aster Textile incorporated barcoding programmes, which are accepted by the entire textile industry, into its internal ERP system. This effort ensures product monitoring from the semi-finished stage to packaging and final delivery, boosting efficiency across the entire process.



ASTER'S FLEET IS DRIVING HIGH SERVICE QUALITY

Aster makes significant gains in terms of time by deploying its fleet to deliver semi-finished and finished goods. The processing of these goods, following completion of their production and finalisation of quality control stages, is controlled at the Aster warehouse facilities until delivery. Products at the delivery stage are securely transported to various sales locations worldwide by customer-approved logistics providers. Maximum efficiency is targeted at the production stage as well as during pre-and post-production, while the service quality provided to customers is continuously enhanced.

Aster provides optimal solutions to the customer demands of today's challenging global marketplace.

EMBROIDERY AND PRINTING

Having received Global Organic Textile Standard (GOTS) production certification, Aster Textile avoids using any prohibited materials in line with its sustainability principles.

EMBROIDERY

CUTTING-EDGE TECHNOLOGY THAT SETS THE PACE FOR THE SECTOR

Consistently tracking global fashion trends, Aster Textile's Embroidery Department provides high-quality, elaborate, and distinctive embroidery-related services to clients. The embroidery design and production teams deliver innovative services, supported by the R&D and design teams in contributing to Aster's production goals.

Thanks to ongoing investments in 2021 and 2022, dedicated embroidery departments are being established for the Group's facilities in Istanbul, Babaeski, and Tokat, featuring a daily total production capacity of between 2,000 and 20,000 pieces, dependent on design and pattern technique.

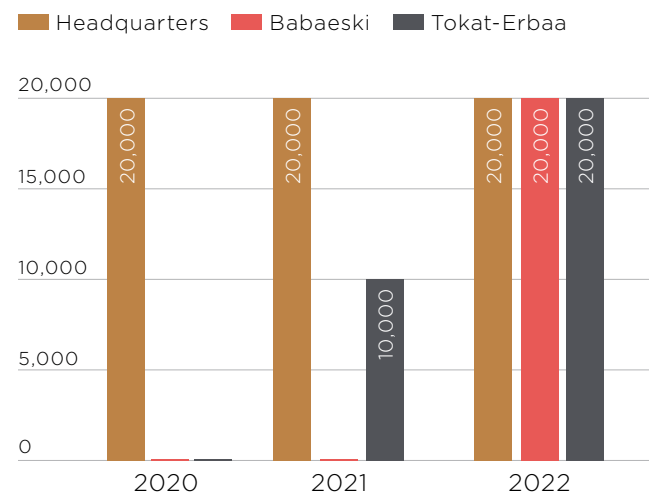
A COMPREHENSIVE EMBROIDERY DEPARTMENT

Equipped with leading-edge machinery, Aster's Embroidery Department can apply outline embroideries, embossed embroideries, appliqué-cut, and laser-cut embroideries in every technique. The Department can also perform sequin inlaid embroidery work and all kinds of distinctive and innovative embroidery techniques. The Group's embroidery team leads the Turkish textile industry by utilising a state-of-the-art technology design programme that enables whole set movements of the embroidery machine, as well as a laser cutting system, integrated design techniques, and digital and screen printing.

SUSTAINABLY CREATIVE PRODUCTION

Having received Global Organic Textile Standard (GOTS) production certification, Aster Textile avoids using any prohibited materials in line with its sustainability principles. Embroidery with recycled fibres can also be performed in accordance with customer demands.

EMBROIDERY DAILY CAPACITY



PRINTING

AN ADVANCED FACILITY WITH MYRIAD APPLICATIONS

With establishing a printing facility equipped with advanced technology machinery as the best one in its region, Aster aims to offer more effective processes for printed products, which have a prominent presence in its collections. In awareness of its environmental responsibility, the facility complies with Aster's sustainability principles.

Aster Textile is differentiated in the industry by machinery featuring digital printing assembled on partial screen-printing equipment: The Group established a digital hybrid system allowing it to integrate digital printing with any combination of HD printing, puff printing, foil printing, glitter printing, and partial screen printing.

Aster's headquarters and its Erbaa facility have dedicated printing departments with a daily capacity of 15,000 to 20,000 pieces in Partial screen printing; including a daily digital printing capacity of between 1,500 to 2,500 pieces in its headquarters.

HUMAN ERROR CONSIGNED TO HISTORY

Through integrating innovative solutions, the digital recipe system and traceability, eco-friendly production planning is ensured with the greatest attention to quality and accuracy. Throughout the process, from design to shipment, potential human errors are precluded by systems such as fully automated placement on sampling and production; automated systems for application, printing, and exposure, and other cutting-edge processes.

SUSTAINABILITY AS A STANDARD

In line with Aster's sustainability principles, all chemicals used are selected from products bearing the Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), Organic 100 Content Standard (OCS), and Recycled Claim Standard (RCS) certificates; and all auxiliary chemicals are water-based.

WATER USE EFFICIENCY ENSURED

As a result of feasibility studies conducted in line with environmental awareness, the automatic cleaning and opening machinery used in Printing Department operations was designed to significantly reduce water consumption. Any water used becomes reusable following a purification process at the treatment stage.

OPERATIONAL CENTRES

Thanks to the efforts of Aster's experienced design and business development teams, the Group offers optimized, tailored services and solutions to clients.

HEADQUARTERS

The Aster Companies Group, headquarters is located on an enclosed area of 30,105 m² in the Esenyurt region of Istanbul and is wholly owned by the Group. Four hundred seventy one employees currently work at the Aster headquarters in the Financial Affairs, Information Technology & Systems, Human Resources, Sales & Marketing, Purchasing, Production, Planning, Design, and R&D departments. The sampling development, printing, embroidery, and production lines of the Aster Atelier, which develops and manufactures products for the Premium segment, are also at the Aster headquarters. The annual production capacity of Aster Atelier is approximately 20 million minutes.

INNOVATIVE RESPONSE TO GLOBAL TRENDS

Aster participates in all of the major global fashion, fabric, and technology shows. R&D and Design Centre conduct extensive research in order to anticipate its clients' potential needs and develop sophisticated product development solutions. Therefore, Aster launches product development solutions based on accurate and comprehensive market data. Thanks to the efforts of Aster's experienced design and business development teams, the Group offers optimized, tailored services and solutions to clients.

30,105 m²

Total Enclosed Area of Headquarters

594

Number of Employees



OPERATIONAL CENTRES

In their respective regions, Aster Textile factories are among the largest and most technologically advanced facilities.

ASTER TEXTILE FACTORIES

HIGH-QUALITY PRODUCTS FROM STATE-OF-THE-ART FACILITIES

In their respective regions, Aster Textile factories are among the largest and most technologically advanced facilities. Its extensive experience in production is complemented by flexibility and modernity, ensuring high-quality products are delivered to markets around the globe by leveraging the latest technologies across all processes.

OPTIMISING THE PRODUCTION PROCESS

Aster's factories utilise Method Time Measurement (MTM), an internationally recognised system standard, to measure methods and processes, including evaluating the work content and optimising production systems before and during production.



EFFICIENCY MEASURED FOR LEANER OPERATIONAL PERFORMANCE...

Production Engineering departments comprised of textile and industrial engineers conduct labour and machine layout planning at Aster's factory facilities. In addition, the Production Engineering departments boost efficiency values by closely monitoring operator competencies and performing lost time analysis in conjunction with Product Management.

Each facility's efficiency is monitored daily, weekly, and monthly. The Aster Senior Management team reviews factories' efficiency at monthly meetings, controlling and defining new actions as necessary.

Aster Textile utilises lean production systems in every phase of production to maximise productivity. Aster places great importance on automation across all its factory operations, continuously improving its production system infrastructure according to emerging technological developments.

...AND FULLY CERTIFIED

All Aster factories hold Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), Recycled Claim Standard (RCS), and Organic 100 Content Standard (OCS) production certifications. Aster also holds ISO 27001 Information Security Management System, ISO 9001 Quality Management System, and ISO 14001 Environmental Management System certificates.

KIRKLARELI BABAESKİ FACTORY
TOKAT-ERBAA FACTORY
SERBIA NIŠ FACTORY

OPERATIONAL CENTRES

The facility includes a Physical Test Laboratory accredited by all Aster clients and equipped with the latest testing technology most widely used in the industry.

KIRKLARELI BABAESKİ FACTORY

AN ACCREDITED FACILITY WITH ROOM FOR GROWTH

The Kirklareli Babaeski factory joined the Aster Companies Group on July 1, 2010, on wholly owned land of 74,000 m². In 2015, the facility was expanded by 10,000 m² to a 21,500 m² enclosed area. The factory's enclosed area has the potential for further expansion up to 37,000 m² in the coming period. Additionally, an embroidery section will become operational within 2022 as part of the Company's vertical integration initiative.

The facility includes a physical test laboratory accredited by all Aster clients and equipped with the latest testing technology most widely used in the industry. This facility executes a broad range of tests with ISO and AATCC methods such as pH, pilling, physical performance and durability, colour fastness, chemicals, and the effects of washing and cleaning.



21,500 m²

Total Enclosed Area

587

Number of Employees

OPERATIONAL CENTRES

Printing and embroidery sections were added to the factory's capability, and its third phase is under construction, bringing the total area to 21,666 m² by the end of 2022.

TOKAT-ERBAA FACTORY

The Tokat-Erbaa factory, located in the Erbaa Organised Industrial Zone on a land tract of 3,500 m², was incorporated into the Aster Companies Group with its 188 employees in August 2013. In October 2017, the factory was moved to a new facility within the Organised Industrial Zone, with an enclosed area of 9,500 m² on a wholly owned land tract of 30,022 m².

In 2018, the new Tokat-Erbaa factory building was granted the "Best Industrial Building" grand prize at the Sign of the City Awards, which recognises excellence and the setting of urban architecture standards.

Following investments in 2020 and 2021, the Tokat-Erbaa Factory currently operates on a total area of 17,500 m². Printing and embroidery sections were added to the factory's capability, and its third phase is under construction, bringing the total area to 21,666 m² by the end of 2022.

17,500 m²

Total Enclosed Area

649

Number of Employees



OPERATIONAL CENTRES

The factory manufactures knitted and woven garments, with fabric and accessories imported from Aster Textile Turkey.

SERBIA NIŠ FACTORY

Established in Niš, Serbia as an Aster Companies Group subsidiary, the production factory was incorporated into the Group on December 30, 2015. The factory manufactures knitted and woven garments, with fabric and accessories imported from Aster Textile Turkey. The finished goods are either stored in the factory warehouse or delivered to clients by transit trade.

The Aster Doo Niš factory operates on wholly owned land of 19,250 m².

The Aster Doo Niš factory building received the "Best Industrial Building" runner-up prize in 2016 at the Sign of the City Awards.



19,250 m²

Total Enclosed Area

638

Number of Employees

04 SUBSIDIARIES

Innovative Group of companies
operating worldwide...

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Artesa Kumaş San. ve Dış Tic. A.Ş.

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Aster Global Pazarlama ve Dış Ticaret A.Ş.

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Aster Tekstil D.O.O. Niš

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Aster Textile London Limited

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Aster Giyim Online Satış A.Ş.



ARTESA KUMAŞ SAN. VE TİC. A.Ş.

Artesa's vision is to become a global fabric brand, providing innovative product solutions for the leisure-active sportswear, outerwear, swim, and shapewear markets; accordingly,

Founded in 1990, Artesa is a leading textile company specialising in producing high-performance, functional synthetic fabrics. Artesa employed 248 staff in 2021.

The factory operates in the Cerkezkoş Organised Industrial Zone and is located on a land area of 38,000 m² with a 25,961 m² enclosed area.

Artesa is among Turkey's major dyeing plants engaged in synthetic textured fabric dyeing and finishing.

Artesa has a monthly average dyeing capacity of 550 tons, including one million meters of circular knitted fabric, and 230,000 meters of warp-knitted fabric.

Artesa's vision is to become a global fabric brand, providing innovative product solutions for the leisure-active sportswear, outerwear, swim, and shapewear markets; accordingly, Artesa seeks to develop strategic partnerships with major global active sportswear brands. Artesa is acutely aware of its corporate responsibility to safeguard the natural environment and thus is committed to using new and advanced technologies, equipment, and systems to minimise its negative environmental impact and reduce energy and

water consumption. Using recycled synthetic fibres in most of its production, Artesa is highly experienced in the knitting, dyeing and finishing stages of these sustainable materials.

The shift in end-user preferences to eco-friendly, sustainable products that can be used comfortably in everyday life has increased rapidly, while the use of active sportswear and performance products made of synthetic textured fabrics has expanded. These clothing categories have emerged as wardrobe staples, stretching beyond their utility as sports clothes for workouts and at gyms and fitness centres. The rising popularity of healthy lifestyle trends, wellbeing and mobility in all areas of life also positions active sportswear as commonly worn apparel. In addition, active sportswear products are found in middle and luxury segment brands, widening their use beyond traditional sports brands.

Artesa offers a wide range of high-quality and contemporary fabric collections developed through strong technical know-how and its experience as a strong market player.

The Company's major customers include leading brands such as Decathlon, Penti, Gant, Tommy Hilfiger, Esprit, M&S, Lacoste, and The North Face.

Embroidery department investments at the Tokat-Erbaa and Babaeski facilities are planned within the framework of the in-house capacity development and vertical integration strategic plan. As well, the new facility and machinery investment at the Artesa Knitting and Dyeing sections is due for completion, enabling the dyeing of natural fibre. Additionally, the third phase of the Tokat-Erbaa facility will commence this year.

25,960 m²

Total Enclosed Area

248

Number of Employees



ASTER GLOBAL PAZARLAMA VE DIŞ TİCARET A.Ş.

Aster Global operates as the foreign trade company of Aster Textile Group in Turkey.



2010

Date of Establishment

Aster Global Pazarlama ve Dış Ticaret A.Ş. was founded on June 1, 2010. Aster Global operates as the foreign trade company of Aster Textile Group in Turkey. With twelve employees, Aster Global acts as an intermediary in selling products manufactured by Aster Textile directly to foreign markets.

ASTER TEKSTİL D.O.O. NIŠ

Aster Textile D.o.o. Niš engages in production in the t-shirt, sweatshirt, and trousers product groups in mainly knitted and woven collections for women, men, and children.



2015

Date of Establishment

Established on December 30, 2015, in Niš, Serbia, Aster Textile D.o.o. Niš manufactures knitted and woven garments from fabric and accessories imported from Aster Textile. The factory delivers finished goods to its warehouse or customers by transit trade. Aster Textile D.o.o. Niš engages in production in the t-shirt, sweatshirt, and trousers product groups in mainly knitted and woven collections for women, men, and children. The factory is located on a land tract of 19,250 m².

ASTER TEXTILE LONDON LIMITED

All products designed in London are developed in our Istanbul HQ or by our business partners in Bangladesh, then presented to Aster Textile's global clients for selection.



2012

Date of Establishment

Aster Textile London Limited operates as a design and sales office in central London since 2012. Design and Business Development teams with extensive industry experience benefit from close geographic proximity to customers in the European market. A design and sales team develops and launches business development solutions based on forecasts of potential customer needs. Aster Textile London has partnered with internationally recognized brands such as Marks & Spencer, Esprit, Sandro and Maje.

To keep Aster offerings current and relevant, the London Business Development team closely monitors emerging fashion trends. All products designed in London are developed in our Istanbul HQ or by our business partners in Bangladesh, then presented to Aster Textile's global clients for selection.

ASTER GİYİM ONLINE SATIŞ A.Ş.

Aster Online was established with the vision of being in direct contact with the consumer.



2021

Date of Establishment

After nearly 30 years of experience in the industry, Aster Giyim Online Satış A.Ş. was established with the vision of being in direct contact with the end consumer. Aster will transfer the long-standing accumulation of its at the point of direct access to customers.

05 SUSTAINABILITY

Sustainable projects for recycling and re-use every year...

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Sustainability at Aster Textile

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Innovation and R&D

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Information Technologies

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Human Resources

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Environmental Awareness

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People and Society



SUSTAINABILITY AT ASTER TEXTILE

Aster Textile formed a holistic sustainability strategy to manage its economic, environmental, and social impacts under one roof, and integrated this strategy into its business model.

Aster Textile operates in the ready-made clothing industry, which faces many social and environmental challenges. In accordance with its responsible management approach, Aster executes its vision of “Thoughtful Fashion” to help discover solutions to these issues.

Aster Textile formed a holistic sustainability strategy to manage its economic, environmental, and social impacts under one roof, and integrated this strategy into its business model. Committed to developing an inclusive approach, Aster focused on essential practices that comply with the feedback and expectations of its stakeholders. The strategy is distributed across five main categories, with each category defining various actions to create value in the area of sustainability:

PILLARS OF ASTER TEXTILE'S SUSTAINABILITY STRATEGY

- Sustainable Products
- Sustainable Supply Chain
- Human Health and Welfare
- Responsible Management
- Environmental Awareness

Aster established a Sustainability Committee to evaluate the efficiency of the strategy and the values created. The Committee also ensures that action plans outlined in the strategy are implemented in accordance with the relevant timelines.

The Sustainability Committee meets every six months to carry out monitoring and assessment activities and share the results with the Senior Management.



INNOVATION AND R&D

Aster utilises CLO 3D and Browzwear, leading 3D design softwares, to design samples in unlimited amounts with minimal time and cost, positively contributing to the Group's sustainability efforts.

Aster Textile is closely involved in monitoring emerging technologies and innovations. The Group deploys new technologies particularly in response to the high cost of development samples; conventional methods lead to a high environmental impact due to the waste of excess materials and inefficient time and labour during the sample production process. Accordingly, Aster utilises CLO 3D and Browzwear, leading 3D design softwares, to design samples in unlimited amounts with minimal time and cost, positively contributing to the Group's sustainability efforts.

Using these 3D simulation platforms, Aster Textile transfers its collections and pre-production sample processes to its dedicated digital showroom. With avatars created exclusively for Aster's business partners, the delivery of physical samples is significantly decreased. As a result, less raw materials, energy, and water are used; in addition, the packaging materials required for the sampling and transportation processes are eliminated, substantially reducing the carbon footprint of these processes.

DigiEye and DigiView investments are allowing Aster Textile to minimise its environmental impacts related to sample delivery and delivery costs. These solutions enable the completion of colour approval processes without the need for air transport of a physical package, and within 24 hours – far less than the seven or more days required by conventional methods. Resulting in a lower carbon footprint, this method also provides increased agility during the sales process, and a substantial competitive advantage.

Another significant innovative initiative, Industry 4.0 digital transformation, is implemented by Aster Textile in order to achieve access to real-time quality, productivity, and production information during the production process. With a tablet application that automatically updates every 30 seconds, the instant efficiency values of Aster operators can be monitored, and individual and band efficiencies determined. Upon completion of a project's pilot phase, product and time losses can be prevented quickly and effectively, thanks to instant data tracking.

Using the CLO 3D simulation platform, Aster Textile transfers its collections and pre-production sample processes to its dedicated digital showroom.



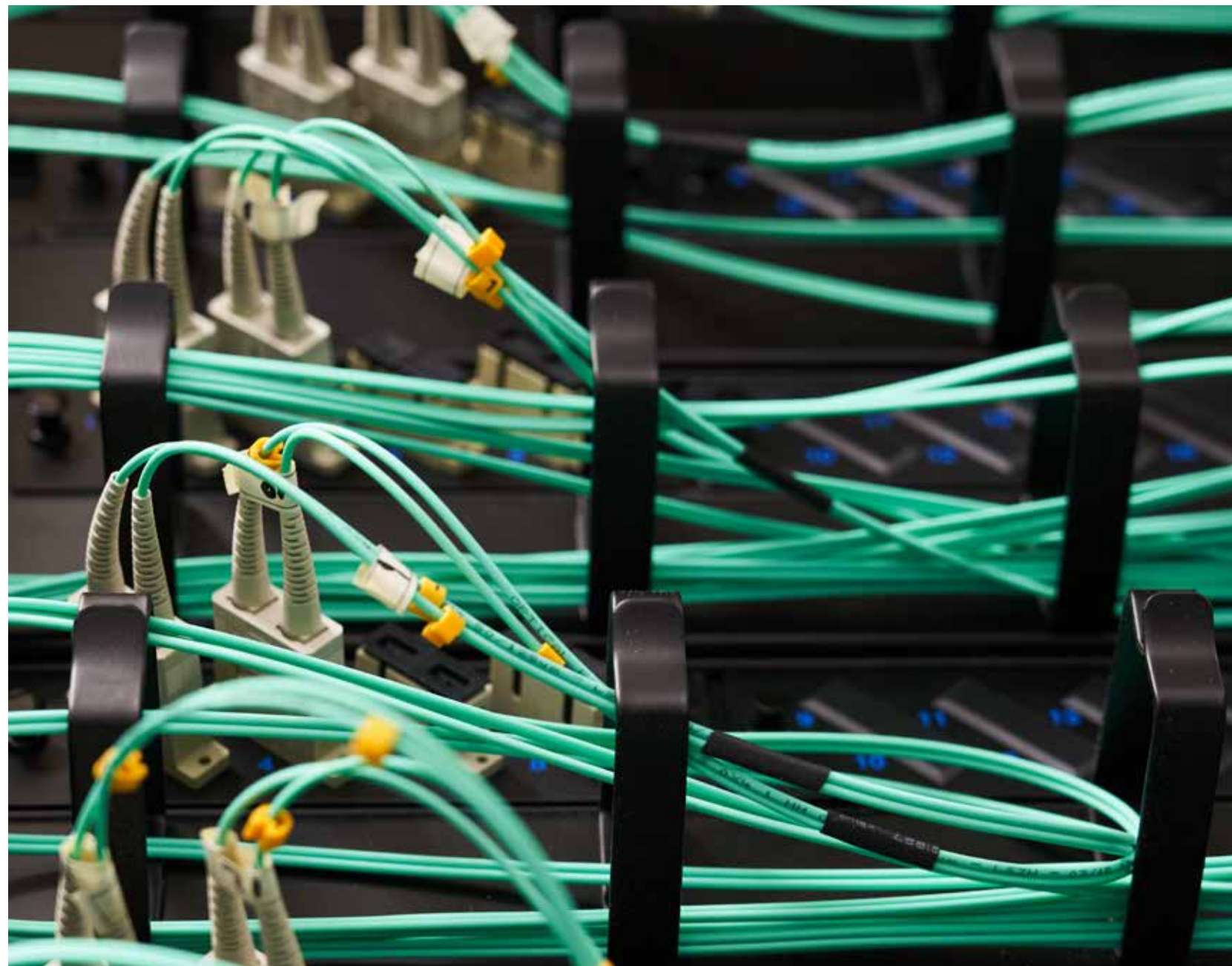
INFORMATION TECHNOLOGIES

Aster is committed to protecting its information assets and managing them effectively to serve the Group's corporate mission, vision, and strategies.

In line with evolving IT trends, Aster remains focused on technological innovations that can affect production in the coming period, thereby improving the Group's competitiveness. In determining various technologies, the parameters under consideration include the effects of these developments on nature and the environment. Studies on essential topics such as paper usage within the Group, virtualisation technologies, and energy consumption with cloud technologies continue in this context; the Group's aim is to further increase savings in energy costs by scaling IT operations and IT designs in accordance with "Green IT" and minimising energy use. The Information Technologies team consistently works with the knowledge that technology and science can be vital tools for bestowing a more liveable environment to future generations and reducing negative impacts on the country and the wider world.

Aster is committed to protecting its information assets and managing them effectively to serve the Group's corporate mission, vision, and strategies. According to its Information Security Management System (ISMS) Policy, Aster effectively manages and continuously improves its reliable and transparent ISMS to ensure internal and external customer satisfaction.

Aster effectively manages and continuously improves its reliable and transparent ISMS to ensure internal and external customer satisfaction.



In 2021, Aster conducted the following initiatives related to information technologies:

- Aster changed its server infrastructure to an energy-efficient system, thus improving performance while decreasing overall electricity consumption.
- Aster moved to a leasing model for its server infrastructure, allowing it to renew its technology every three years, thus increasing efficiency, resolving problems more quickly and economically, and reducing overall energy consumption.
- In parallel, Aster also updated its Gerber licences, therefore achieving higher marker efficiency.
- Together with in-house software development and IoT implementations through cloud services, Aster integrates its daily operations with digitalised solutions, including but not limited to Smart 3D pattern placement, Automised Digital Measurement Control, and a fully digitalised visual Aster Design Depot.
- Aster's well-established and flexible infrastructure such as broad bandwidth, online support, remote accessibility, and cutting-edge investment prepared the Group for pandemic-related challenges; systems like Remote working and online inspection were already in place for employees and business partners.
- Optimate software was implemented to effectively monitor and manage the ISMS system, activities, and risks.
- In addition to the terrestrial line, a radiolink line was added to improve Internet access.

HUMAN RESOURCES

Aster Textile's human resources policy is centred on the principles of anti-discrimination, equality, fairness, and objectivity; this policy is a critical component of Aster's corporate culture.

Aster Textile organises periodic year-end goal assessment meetings with the participation of the Senior Management, in which business and performance results are evaluated.

Employee satisfaction and motivation are key to achieving the company's goals and success. At Aster, all communications are transparent and based on trust. Aster Textile's human resources policy is centred on the principles of anti-discrimination, equality, fairness, and objectivity; this policy is a critical component of Aster's corporate culture.

HUMAN RESOURCES PRACTICES

Selection and Placement

At Aster, employees are recruited without prejudice based on gender, religion, sect, race, skin colour, political view, sexual orientation, and ethnicity. Employees face no discrimination based on these or similar criteria during their tenure.

When recruiting new employees, applications submitted through both online portals and personal applications are considered. The Group enriches its candidate pool by posting vacant positions internally, as well as through research conducted via online portals.

A formal candidate selection process, which varies according to the job position, is applied during recruitment. The screening process includes case studies, presentations, foreign language proficiency testing, and personality inventory applications; reference checks are conducted in the last stage. Candidates who successfully complete the selection process are included in the Orientation Programme upon commencing employment at Aster.

Selection and Placement, Performance Management, Training and Development Planning, and Talent Management are in the process of integration with Aster Academy:

ASTER ACADEMY

Our Goal:

The Academy was established to empower and support our human resources - our most important asset - in their personal and professional development, as well as in adapting to a changing world. The Academy is dedicated to training qualified human resources for the sector.

Leadership Academy - "Leaders of Aster"

The Leadership Academy was established to train the Leaders who will carry Aster Textile into the future. The Academy supports and augments managerial skills.

Coaching and Mentoring - "Talents of Aster"

Internal coaches are trained via this programme. The coaches accompany and guide the career trajectories of outstanding employees who make a difference in their current position.

Technical and Vocational Training - "Aster's Trainers"

This training programme increases the technical knowledge and skills of Aster's employees and complements the vocational trainings provided throughout their employment development.

New Graduate Training Programme - "The Future of Aster"

This programme addresses recently graduated young talents who possess the desire and determination to learn about Aster and join the Company.



Competency and Skill Training - "Aster's Dynamics"

This training initiative was established to provide employees with the knowledge and skills required to adapt to changing world dynamics, as well as to ensure efficient and beneficial business processes.

Talent Management

Aster participates in annual University Career Days, where promising students are invited to join the Aster family. New graduates who join the Aster team are included in a six-month training programme for personal and professional development, and subsequently placed in roles according to their interests and talents.

Aster forms a potential manager pool based on regular annual assessments. High-potential employees identified at Human Resources Planning Meetings are provided with special training and development opportunities, and supported in preparing for their next-level position.

The "Talent Management Assessment" roadmap is defined and integrated with the Aster Academy.

Aster is committed to creating and fostering a working environment where employees have a voice and actively participate in the Company's operations. Aster's Great Idea initiative solicits employee opinions and suggestions on business processes and work-life in general; practical and feasible ideas are considered and evaluated. Aster also has an open-door policy that allows employees to communicate demands, requests, suggestions, and opinions to the Human Resources Department.

Aster is committed to creating and fostering a working environment where employees have a voice and actively participate in the Company's operations.

ENVIRONMENTAL AWARENESS

One of the primary goals of the Aster Textile sustainability strategy is to use low-impact materials whenever possible and minimize the negative impact of waste in our industry.

2ND LIFE MOVEMENT® - ASTER CIRCULAR BUSINESS MODEL

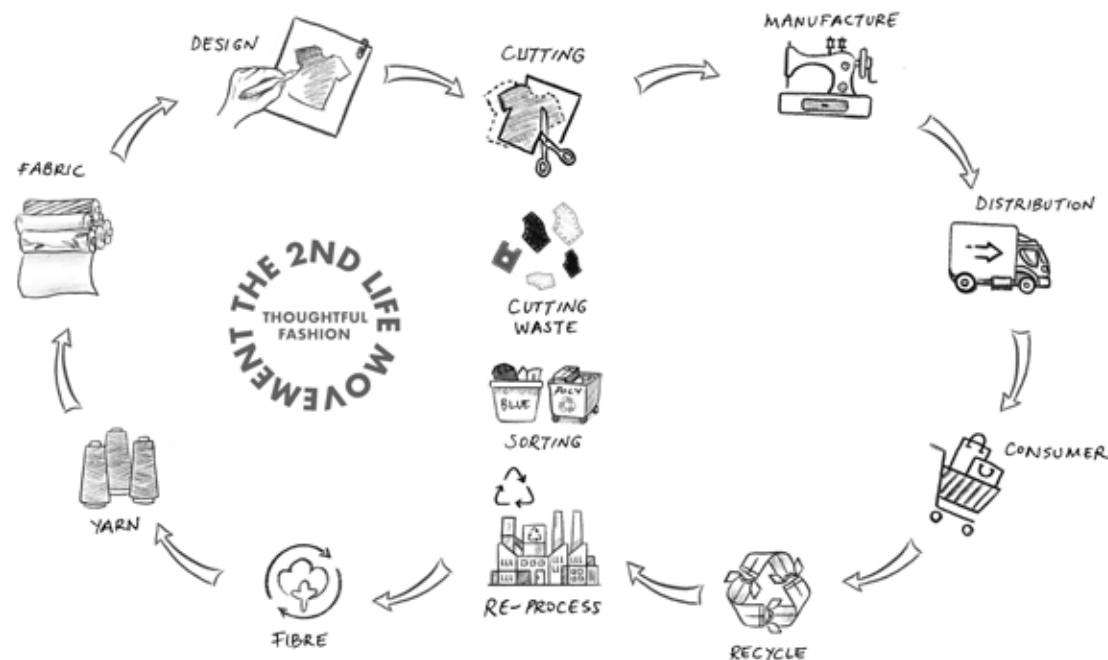
From the foundation of Aster Textile in 1993, we have strived to add value and meaningfulness to our world and community. In addition to our responsibility to deliver the best for our business partners, we are aware that safeguarding the world's future is of the utmost importance. Our commitment to this responsibility is central to our "Thoughtful Fashion" vision.

One of the primary goals of the Aster Textile sustainability strategy is to use low-impact materials whenever possible and minimize the negative impact of waste in our industry. The Aster R&D team develops and manages innovative operations to ensure that we are constantly challenging our process in terms of "responsible production". As such, we created the 2ND LIFE MOVEMENT, a closed-loop circular model intended to breathe new life into otherwise negative waste materials.

The 2ND LIFE MOVEMENT also provides a framework for the development and realization of sustainable and responsible programmes and processes in the Aster Textile production cycle.

As Aster Textile, we adopted a Circular Business model that is based on sustainability and innovation; we integrate this model into our strategies and operations to maximise resource productivity and environmental benefits.

Accordingly, we cooperate with NGOs, academies and companies engaged in regenerated cotton yarn production and recycled yarn infrastructure in order to process our fabric waste correctly. In addition, we consistently accelerate our internal product R&D and collaborations to achieve higher yarn qualities and fabric variety for redeployment into our collections.



ASTER CARBON FOOTPRINT

We calculate our Scope-1 and Scope-2 GHG emissions internally in accordance with the ISO 14064-1 Standard for quantifying and reporting GHG emissions at the organisational level.

We currently track our energy consumptions and GHG emissions per product, allowing us to develop our roadmap for enhanced efficiency. At the same time, we improve our HIGG Facility Environmental Module Index score by covering more sections in detail.

From 2021, all our electricity has been generated from 100% Renewable Sources verified with global I-REC certification, thus achieving "Zero Emission" from Scope-2 GHG, and reducing our total GHG Emissions by 50% in Scope 1 and Scope 2.

SUSTAINABLE INVESTMENTS

Printing Facility

We established the printing infrastructure in our headquarters with a zero-waste approach. All the water used in wet processes goes through a closed water treatment system, and we are able to reuse wastewater in our processes.

Rainwater Collection System

While expanding our facilities, we invested in a rain collection system for the Tokat facility, allowing us to store up to 105 tonnes of water. We use 10.5% of our total water consumption through this system.

ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEMS

We acquired ISO 14001 certification, the international standard for environmental management systems.

PEOPLE AND SOCIETY

In the coming year, Aster plans to boost its collaboration with social initiatives related to industry and civil society groups together with its stakeholders.



In addition to contributing to the economy, Aster Textile Group focuses on adding social value and supporting social development. The Group supports efforts that will yield social benefit by developing social responsibility projects with its stakeholders. Aster executes initiatives supporting culture and the arts, education, and the natural environment that appeal to all segments of society. These efforts demonstrate Aster's commitment to being a good corporate citizen.

Aster adopts a responsible investment approach when planning its investments. In the coming year, Aster plans to boost its collaboration with social initiatives related to industry and civil society groups together with its stakeholders. Aster also aims to continue its support of social responsibility projects carried out by employees through social clubs, and expand the scope and impact of these projects.

Aster plans to implement long-term social improvement efforts via the Aster Foundation, which was established in 2014. Aster has provided scholarship support to many students in need throughout their educational career.

Aster's contributions to education are not limited to scholarships. In 2017, Birsen Koçali Alış Primary School in Kars-Arpaçay was built with the Aster's support. The school consists of classrooms, a kindergarten, library, cafeteria, and teachers' lodging facilities. Aster representatives regularly meet with students and hold activities at the school.

Aster encourages volunteer efforts in many areas, including the arts, healthcare, animal rights, the environment and human rights. Aster Textile Group cooperates with Turkey's leading civil society organizations that focus on these issues. To date, Aster has entered into unique collaborations with the Foundation for Children with Leukemia (LÖSEV), Tohum Autism Foundation, Koruncuk Foundation and Çağdaş Yaşamı Destekleme Derneği (Association for Supporting Contemporary Life) and Kanser Savaşçıları Derneği (Cancer Survivors Association).

Aster Textile Group also remains committed to acting in an environmentally responsible way, in conjunction with its stakeholders, across the organization and in all its business operations.

TARGET GENDER EQUALITY PROGRAMME

As a signatory to the Women's Empowerment Principles and UN Global Compact, Aster Textile was one of the first companies to participate in the "Target Gender Equality" programme in 2020-2021. The programme was launched in 19 countries by the United Nations Global Compact with the goal of increasing women's representation on company boards and in executive management positions.

TGE is an accelerator programme that drives business success, sustainability and contribution to Sustainable Development Goal 5.5, "Ensure women's full and effective participation and equal opportunities for leadership" through:

- facilitated performance analysis,
- capacity building workshops,
- peer-to-peer learning,
- multi-stakeholder dialogue at the country-level.

SUSTAINABLE SUPPLY CHAIN

We established the Aster Supplier Code of Conduct, consisting of twelve main criteria that 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 Labour Organisation main standards and the Universal Declaration of Human Rights.

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

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

PEOPLE AND SOCIETY

We moved to the HIGG Facility Social and Labour Module in order to measure and improve our impact with a universal and completely transparent tool.

HIGG FSLM MODULE 2021

RECRUITMENT AND HIRING

98.0%
Self

94.5%
Verified

WORKING HOURS

91.6%
Self

92.1%
Verified

WAGES AND BENEFITS

100.0%
Self

96.3%
Verified

EMPLOYEE TREATMENT

90.9%
Self

90.9%
Verified

EMPLOYEE INVOLVEMENT

95.1%
Self

95.4%
Verified

HEALTH AND SAFETY

93.5%
Self

94.4%
Verified

TERMINATION AND RETRENCHMENT

93.8%
Self

93.8%
Verified

MANAGEMENT SYSTEMS

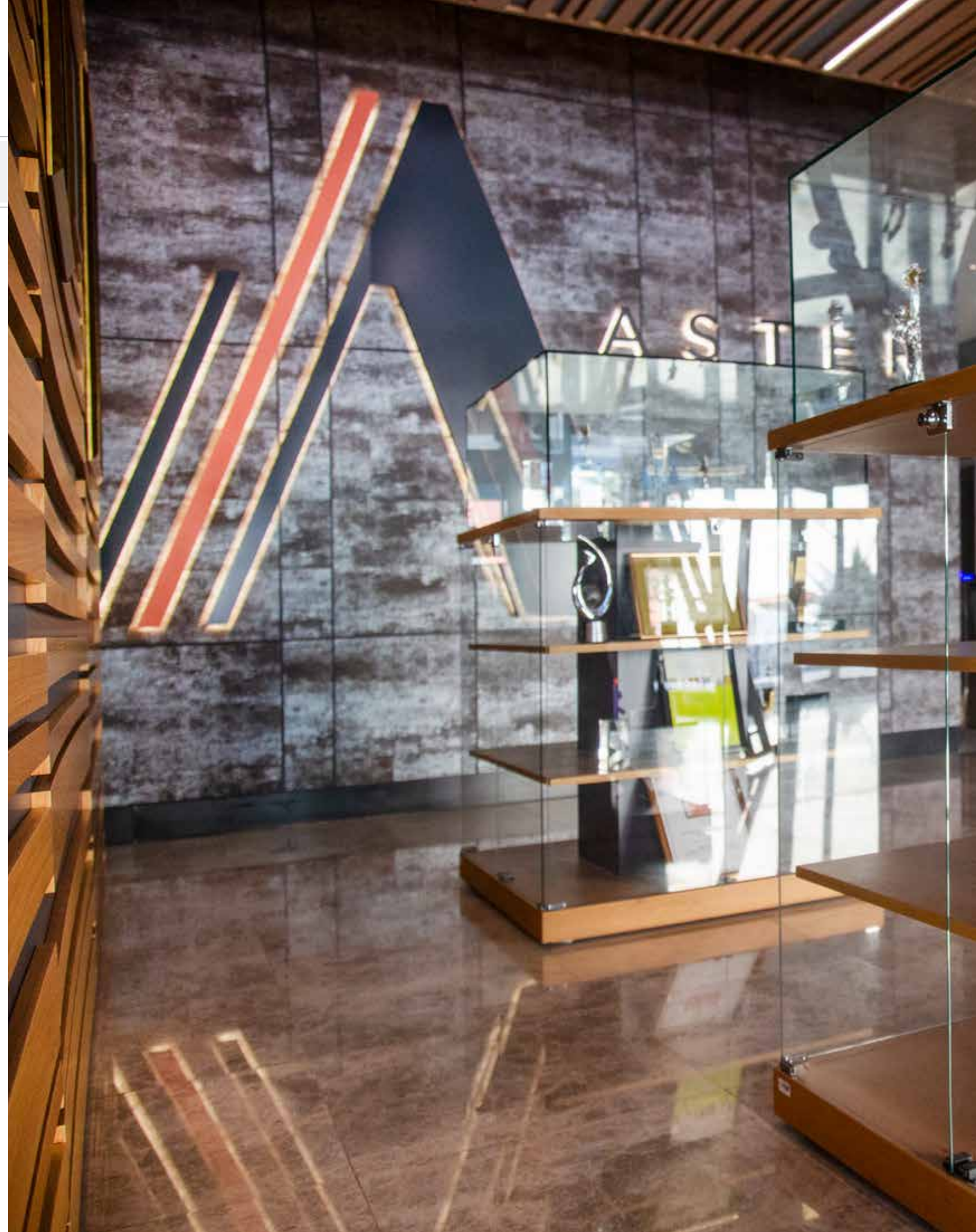
79.2%
Self

75.3%
Verified

TOTAL

83.3%
Self

82.5%
Verified



CORPORATE GOVERNANCE AND RISK MANAGEMENT

JCR Eurasia Rating evaluated Aster Tekstil on a national scale of investment grade, and based on its "Stable" outlook, revised its Long Term National Rating from 'A (tr)' to 'A+ (tr)' and its Short Term National Rating from "A-1 (Trk)" to 'J1 (tr)'.

The Long Term International Foreign and Local Currency Ratings of Aster Tekstil have been assigned at "BB/Stable". The Short Term International Foreign and Local Currency Ratings have been assigned at "J3/Stable".

In its evaluation, JCR Eurasia considered the following: the Group's satisfactory EBITDA creation capacity at the end of 2021, improvement in net profitability, export-oriented sales approach that encourages the growth of overseas operations and revenue performance, customer portfolio consisting of internationally known brands, low level of bad debts, ongoing investments and sustainable order size that provide production efficiency and predictable income, years of owning production facilities in Turkey and Serbia, the pressure of the current debt structure on the foreign exchange position, dependence on raw material imports that may put pressure on profit margins, the high level of competition in the export market in the textile industry, and increase in commodity prices and uncertainties because of geopolitical risks arising from the Russia-Ukraine tension.

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