

Governed first by our principles of social compliance with the 'people first' approach
With our environment - friendly production based on international standards
Social projects embracing the community
And visionary, innovative and competitive products
We produce for the whole world

Yeşim Tekstil Sanayi ve Ticaret A.Ş.
Ankara Yolu, Gürsu Kavşağı 16580
Kestel / Bursa
Tel : +90 224 280 86 00
Fax: +90 224 331 72 22
www.yesim.com

 **yeşim**

About the Report:

Yeşim Tekstil pledges to conform to and implement the principles of the agreement at each and every stage of production and governance and to monitor compliance.

The report briefly explains previous practices within the organization of the company under the Global Compact Agreement and mainly highlights the work carried out in 2011. The information provided in the report is supported by statistical data, model practices and photographs.

Yeşim Tekstil aims at diffusing sustainability efforts to all work processes and making sure that its suppliers and contract manufacturers also adopt these principles. The efforts made by the company to this end and the targets for the year 2012 and subsequent years are communicated in the report together with the relevant data.

Contents:

2- About the report	11- Social Responsibility Policy
3- Message from CEO	20- «Green Factory» work
5- Information about Yesim Tekstil	21- Environment Health Safety Policy
7- Yesim Tekstil achievements in 2011	28- Social responsibility works
8- Innovation in Yesim Tekstil	34- Measurement
9- Lean Management System	35- Sharing community
10-Social Compliance in Yesim Tekstil	



Global Compact Agreement

Yeşim Tekstil has pledged to conform to the principles of this international agreement on human rights, labor standards, the environment and the struggle against corruption. Yeşim Tekstil transparently shares the details of its work under the Global Compact Agreement in the global network since 2008.

Global Compact Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights,	P.11-18
Principle 2: Businesses should make sure that they are not complicit in human right abuses,	P.11-18
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	P.18

Labor Standards

Principle 4: Businesses should effectively eliminate all forms of forced and compulsory labor,	P.11,14.,15.
Principle 5: Businesses should effectively abolish child labor,	P.11.,14.,15
Principle 6: Businesses should effectively eliminate discrimination in respect of employment and occupation,	P.11.,14.,15 ,18

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges,	P.21-27
Principle 8: Businesses shall undertake and encourage initiatives to promote greater environmental responsibility,	P.21-27.
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies,	P.21-27

Anti-Corruption

Principle 1: .Businesses should work against all forms of corruption, including extortion and bribery.	P.14
---	------



Şenol Şankaya

Message from CEO

Yeşim Tekstil is a company that has always led the industry by prioritizing social responsibilities since the very date of its establishment and conducted exemplary projects in line with its “People First” approach. Through work health and safety applications, management systems aiming to protect the employees’ rights, environmental efforts and social responsibility projects focused on embracing the community, which it has been implementing for years, our company has clearly defined its difference, developing into a manufacturer brand selected by world-famous brands.

Having been undertaking these efforts for years already, the company managed to integrate them into its work processes, basing these activities on an applicable and developable systematic in accordance with international standards and is monitoring them against continuous performance criteria. It is our priority at Yeşim Tekstil that each of our efforts and projects contributes first to our employees and stakeholders and then to the whole society in general thus ensuring sustainability. As a company aware of its responsibilities and manufacturing with respect to its employees, community and the world we live in, we are happy of the fact that these values of ours make us valuable in the eyes of our customers.

In 2005, our company was awarded SA 8000, the world’s most prestigious social compliance certificate. By obtaining this certificate, we have declared our commitment to satisfy and initiate necessary steps to achieve social compliance requirements not only at our facilities, but also at the facilities of our contract production and other suppliers. Our signature of the Global Compact in 2006, issue of a joint declaration with a number of global corporations in 2008 under the Financial Times initiative to mark the 60th anniversary of the signature of the Human Rights Declaration and signature of the declaration titled “Management is Women’s Right” in Turkey in 2009 are indicators of our commitment on the matter.

All of the efforts we have undertaken for social responsibility have been extremely useful for us both inside and outside the company.

Benefits of the efforts can be summarized as follows:

Benefits inside the company:

*We have started to more clearly highlight the commitment of our top management to the environment, community and governance reaching out to the employees.

*We have managed to increase our employees' corporate loyalty and motivation through all the applications we have accomplished for them.

*The company integrated its corporate citizenship activities with work operations and encouraged the employees towards an increase in the positive social effects of the values chain.

*We have had an opportunity to demonstrate how we have operationally implemented written requirements on social responsibility and environment incorporated into our company's mission and values.

*In-house applications for progress evaluation we have implemented have led to improvement in our performance in this regard.

* These good practices we have implemented in the social responsibility framework have brought us into contact with global brands and brought us new customers, thus leading to higher financial gains for our company.

Benefits outside the company:

*Making business with world-famous brands has opened us doors towards strategic partnership with them.

*The atmosphere of more transparency and trust has increased our company's esteem.

*The sustainability vision, strategy and implementation plan have provided a framework for the development of relations with all our stakeholders.

*Our cooperation has provided valuable learning opportunities for all our stakeholders.

By signing the Global Compact, we have undertaken to share globally all our projects and efforts that have been conducted for years. For us, this is the most crucial point in signing this agreement. Launched years ago by Şükrü Şankaya, a founder of Nergis Holding and our company with the "People First" motto, these efforts have been internalized and gathered under a corporate roof by us during the recent years.

It is our purpose to share this approach and applications dating back to our corporate history in a global network by signing this agreement and lead the whole world and primarily the textile and garment industry on these issues. We at Yeşim Tekstil commit ourselves to continuing to perform our responsibilities towards our employees and the community, as we have so far always done.

Senol Şankaya
Chief Executive Officer





Yeşim Tekstil

With a total operation area of 325 thousand square meters in Bursa, of which 144 thousand are indoor space, Yesim Tekstil, which has knitting, dyeing, and confection departments, is one of the leading integrated facilities.

Our Vision

To become the model strategic manufacturing partner to the world's leading brands in both apparel and home textiles

Mission

- To be a pioneer in the textile sector, manufacturing top-quality products and making significant investments both in qualified people and the latest technology.
- To ensure the highest levels of customer satisfaction.
- To protect the environment and foster environmental consciousness among staff, suppliers and the public at large.
- To fulfill our obligations to the community and always act in a socially responsible manner.
- To set an example for other companies by always putting "People first".

Our Values

- Achieve mutual & sustainable growth with our key customers and manufacturing partners
- Set the international benchmark for corporate responsibility in textile manufacturing
- Be an industry leader in innovation and implementing new technologies & processes
- Evolve our supply chain providing transparency and trust for our customers
- Continue to partner with our customers to shorten end to end production times
- Process oriented quality management system



Yesim Tekstil, who manufactures for the internationally renowned brands, is in strategic partnership with companies like Nike, Burberry, Esprit in apparel and Matheis-Schlafgut in home textiles sectors.

Our Certifications

- SA8000
- BSCI(Business Social Compliance Initiative)
- GSV(Global Security Verification)
- "Oekotex Standard 100"
- GOTS (manufacture from %100 organic cotton)
- OE (manufacture from not totally %100 organic cotton)

2011;
Exports : 236.410.025,57 USD
Revenue : 596.343.571,90 TL

Capacity of Daily Production

- Knitting** 50 tons/day
- Dyeing** 100 tons/day
- Printing** 100.000 meters/day
- Apparel** 150.000 units/day
- Home Textile** 100.000 units/day





Yeşim Tekstil employs 2500 individuals in house and provides employment opportunities to around 10.000 individuals in the aggregate including domestic and international subcontractor.

Number of Female Employees : 1350
Number of Male Employees : 1150
Number of Interns : 50

A total of 300 employee's children in the 0-6 age group are cared for and educated free of charge in the day-care facilities of Yeşim.

Achievements in 2011

Yeşim Tekstil was awarded by various institutions and organizations based on its 2010 data and performance.

- Listed as the 216th largest company in the "500 Largest Industrial Companies" list issued by the Chamber of Industry of İstanbul.
- Ranked 55th in the list of "1000 Largest Exporters of Turkey" issued by Turkish Exporters Assembly.
- Ranked 4th in the "250 Largest Firms" survey conducted by the Chamber of Commerce of Bursa.
- **"Award of Prize in Textile and Apparels"** by Uludağ Textile Exporter's Association and Apparel Exporter's Association.
- "Human Respect Award" by Kariyer.net at the Human Resources Summit
- "2011 Protect Award" by Burberry for its sensitivity towards the environment, social responsibility and employees.
- The Governorship of Bursa has awarded Yeşim with an acknowledgement plaque for its contribution to the promotion and development of the city, following the award granted by Burberry.
- Yeşim was awarded the Gold Image and Silver Image trophies at the Specialty Graphic Imaging Exhibition organized in the U.S.A. with its printing techniques.

True North

Our true north is an indication of the direction of our company. Every individual in Yeşim Textile aligns each study in accordance with true north direction of the company.

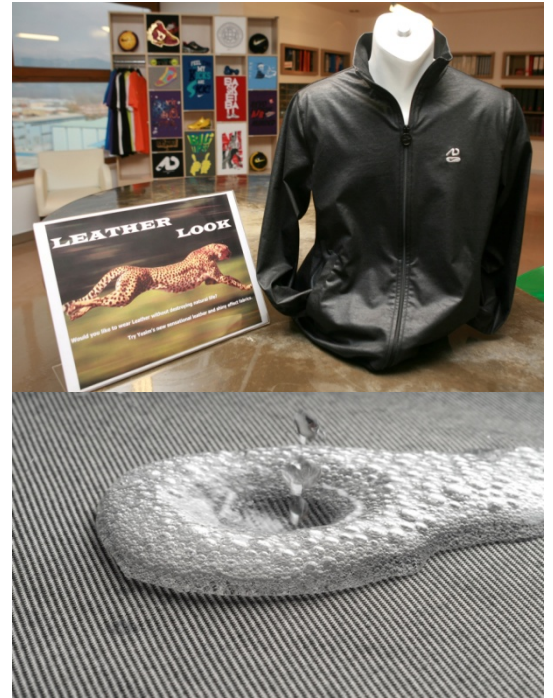


- Customer
- Profitability
- Speed
- Innovation
- Competency



For our customer our innovative fabrics

- Water, stain and soil repellant fabric
- Easy Care & Non-Iron fabric
- Quick drying & self-wicking fabric
- Anti-bacterial fabric
- Odour neutralising fabric
- UV protection fabric
- Leather like cotton fabric
- Miracle design fabric
- Nano hybrid fabric
- Organic cotton fabric
- Recycled cotton&polyester fabric
- BCI cotton fabric
- Thermoregulation climatic fabric
- Aesthetic fabric using PVA melting yarns



Positioning itself as a global firm in the textile industry, whose existence is maintained through superior technology, high quality human resources and professional management structure, Yeşim Tekstil has survived until today thanks to its “innovative” approach.

Yeşim Tekstil, which is an innovative company that has innovation in the core of its corporate objectives, is in a process of continuous self-renewal, closely following sectoral trends and incorporating them with a requisite degree of production and management flexibility. Yeşim was awarded with the “Innovation” trophy by Uludağ Exporter’s Association in 2010.

Yeşim Lean production system



We proceed towards the future with our lean production and management model

Yeşim Tekstil has launched the Lean Thinking project, which is one of the most effective production and management models today with respect to efficiency, quality, human resources, process improvement and profitability, back in 2006, which is currently being implemented at full pace in each and every stage of production and management.

Lean Thinking aims at generating a production and management model which reduces processes that do not add value, as well as wastes, by focusing on value in each process. Kaizen techniques of continuous improvement with small steps play a very important role and significantly contribute to this process.

The extension of the target approach to management, which is a major lean technique, throughout the workforce and the continuous monitoring of the performance indicators of each individual unit are key factors that contribute to Yeşim Tekstil's progress towards its "True North" business results.

All our employees have fully adopted the concepts of communication, sharing, team work team spirit and creating value as part of lean production, which is a human focused management system. This is the major source of Yeşim Tekstil's success in Lean Production.

Yeşim aims at focusing on sustainability to a higher extent in 2012. Different from the previous years Human Resources and Lean Production will be included under the sustainability framework this year. The vision of the company on this issue is to adopt a lean approach in sustainability and to achieve its goals through authorizing its human resources.

The lean management approach and continuous improvement policy which is adopted for production through kaizen methodology is included in the sustainability targets for 2012 with concurrent strategies. Yeşim Tekstil will raise awareness within its organization and at its suppliers in line with these targets and handle this issue through a wider perspective by conducting audits.

LEAN ACHIEVEMENTS

Yeşim has improved its 2. Quality by 62%, repairs by 79%, stains by 56% and efficiency by 30% and reduced stocks by 40% through Lean Management efforts.

Transportation is reduced and an area of approximately 17,000 m² is gained by reducing the stocks and approximation of processes.

Yeşim Tekstil has carried out 11.000 kaizen (improvement) tasks until now with the participation of 2100 white and blue collar employees.



**Social Compliance at
YEŞİM**





Social Responsibility Policy

Our company; having adopted "people first" philosophy and signed the Global Compact; is aware of its social responsibilities and commits itself to the following;

◆ Child Labour

Not to employ any worker under the age of 18 and act in accordance with the laws of child and young labour employment

◆ Forced and Compulsory Labour

Not to employ any worker bounded by contract, by force or without consent

◆ Occupational Health and Safety

To adopt a proactive approach based on risk analysis, to ensure that all employees are actively participating in implementation of health and safety procedures and to provide a working environment that gives priority to the general health of employees

◆ Freedom of Association and Right to Collective Bargaining

To respect the right of employees to bargain through their authorized union

◆ Discrimination

Not to employ workers according to their race, colour, language, religion, ethnical background, pregnancy, marital status or gender but to employ according to the skills required to perform the job and refer to the same criteria for compensation, benefits and promotions

◆ Dicipinary Practices / Harassment and Abuse

Behave respectfully to the personality of all the employees and not to implement any corporal punishments, not to let verbal, physical or psychological coercion or harassment of any kind

◆ Working Hours

To comply with laws and regulations controlling working hours and seek consensus of the worker for overtime

◆ Compensation and Benefits

To respect normal or overtime working wages and social benefits described in laws, regulations or in collective bargaining agreement

◆ Environment

To follow the current environment laws and to prevent environmental pollution based on environmental aspect & impact analysis, reduce pollution at source

◆ Customs Compliance

To respect all local and international Customs Laws and to adopt programs that will ensure these laws are respected and prevent any illegal materials to be transported

◆ Security

To ensure that no materials (drugs, explosives, biological substances or illegal goods) that may violate security are included in transboundary shipments

◆ Supplier / Sub-contractor Relations

To evaluate social compliance activities of its suppliers, to monitor evaluation results with action plans and gradually increase their social compliance level

◆ Management System

To implement, maintain and continually improve the social compliance, health and safety and environmental management activities under a framework of a management system which is composed of laws and regulations in force, customer codes and SA 8000 Managemet System Standard.

Şenol Şankaya
Chief Executive Officer

HUMAN RIGHTS



«People First»

"Never forget that your colleagues and employees are human beings just like yourself, and that it is your duty to treat them well".

This paternal advice rang in the ears of Yesim Tekstil founder Sukru Sankaya when he first started in business, and remains at the heart of the company's "People First" vision, its corporate culture and all its policies.

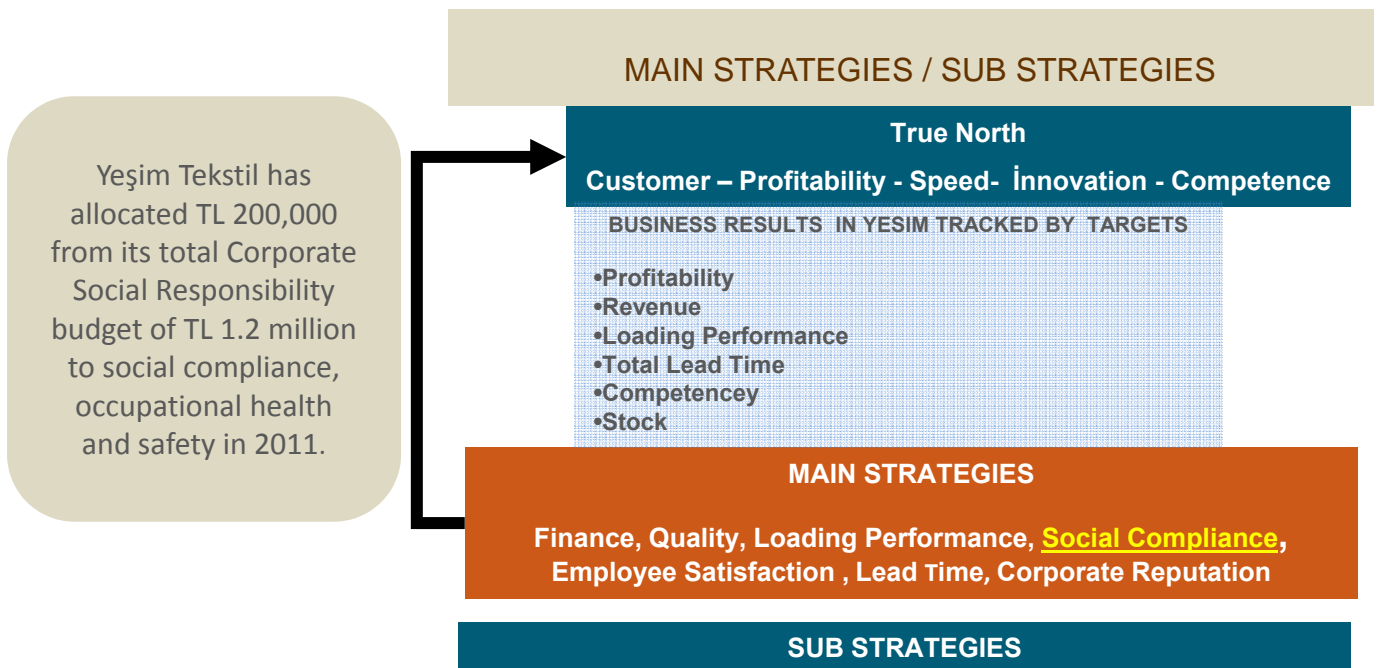
Social Compliance is an integrated part of our business processes

Yeşim Tekstil has a Social Compliance Department under its Human Resources Department which ensures that all expectations regarding social compliance are notified and implemented.

This department conducts audits both at the main plant and at the suppliers and reports the improvement areas to the respective departments and companies and supports

and encourages all suppliers with a view to fulfilling expectations regarding social compliance.

This department also accompanies the customers and auditors during social compliance audits carried out by third party organizations and customers.



HUMAN RIGHTS



«Trainings for health and safety»

The Social Compliance – Environment – Occupational Health and Safety Board, comprising 30 members, convenes regularly on a monthly basis and adopts resolutions and the minutes of these meetings are recorded and communicated to the relevant departments. Occupational health and safety efforts are based on trainings.

Yeşim Tekstil delivers training in house, to make sure that all its employees participate in occupational health and safety practices through a system which gives priority to the health of its employees. Trainings were delivered to a total of 3423 employees in 2011.

Social Compliance-Occupational Health and Safety Trainings delivered in 2011

TRAINING TOPIC	Duration (hours)	Number of participants
OCCUPATIONAL HEALTH AND SAFETY TRAINING BASED ON CORRECTIVE AND PREVENTIVE ACTIONS	0.5	179
SEGREGATING WASTES AT SOURCE	1	6
FOOD POISONING AND WAYS OF PROTECTION –HYGIENE	1	16
OHS TRAINING FOR FORKLIFT OPERATORS	1	61
FIRST AID TRAINING	8	82
GENERAL FIRST AID TRAINING	0.5	42
SAFETY PROCEDURES	1	40
HYGIENE TRAININGS	0.5	21
QUALITY POLICY – SOCIAL RESPONSIBILITY POLICY	0.5	1734
OHS TRAINING FOR EMPLOYEES HANDLING CHEMICALS	1	3
SOCIAL COMPLIANCE OCCUPATIONAL HEALTH AND SAFETY AND BASIC ENVIRONMENTAL TRAINING	2	1239
GRAND TOTAL	17	3423

Training Delivered to SubContracts in 2011

TRAINING TOPIC	Duration (hours)	Number of participants
COMMUNICATING THE NEW QMS QUESTIONNAIRE	1	3
SUPPLIER QUALITY SYSTEM TRAINING	7	5
GRAND TOTAL	8	8

HUMAN RIGHTS



«Social Compliance is secured»

Social Compliance activities are followed by continuous internal and external audits conducted both at Yeşim Tekstil and suppliers and improvement is measured.

Continous monitoring through audits

Scheduled internal audits are conducted at the suppliers every year in accordance with the annual main plant and supplier audit plan.

In case a need arises for new suppliers, substantive scheduled or unscheduled audits are conducted at new suppliers on social compliance, environment, occupational health and safety, in accordance with the social compliance questionnaire for suppliers and social compliance manual for suppliers upon request by the production department. The audit plan is prepared on an annual basis in a way to ensure that the main plant, all contract manufacturers, printing and embroidery firms are audited once every 6 months. The audits are conducted by the Social Compliance Team of Yeşim, comprising members who are competent and authorized on this issue.

Our Company was subjected to the following social compliance audits in 2011:

Intertek –BSCI Audit (December 2011)
Nike GSV – Intertek Audit (May 2011)
Intertek – SA 8000 Certificate Renewal Audit (June 2011)
Sustain –Social Responsibility Audit (September 2011)
Tchibo Social Compliance Audit (STR) (December 2011)
Aeon – ISIS Consultancy Audit (December 2011)

Social Compliance certificates

BSCI (Business Social Compliance Initiative) Certificate: Yeşim has received a BSCI certificate in 2011. The main objective of BSCI Procurement Rules is to ensure specific social and environmental standards on the basis of internationally accepted conventions. By signing the BSCI Procurement Rules, companies undertake to accept the social and environmental standards specified in these rules, to implement these rules and to take measures in their corporate policies for compliance with these rules.

GSV (Global Security Verification) Certificate: The objective of this certificate is to ensure safety of entry, exit, loading, unloading, transportation and storage activities, to ensure safety at the plant, to create a work environment free of undisclosed goods and to make sure that such goods are not loaded. Yeşim Tekstil has received the GSV certificate in 2011, certifying that it fully meets the expectations of its customers with respect to safety.

SA8000: After receiving the SA8000 certificate in 2005, Yeşim Tekstil was entitled to receive this certificate for the 3rd time following the audit conducted in June 2011.

Through this certificate Yeşim covenants to meet international social compliance and environmental standards and to ensure that its subcontractors and suppliers also fulfill such requirements.

HUMAN RIGHTS



«The most prestigious social compliance certificate»

Yeşim Tekstil is the first company in the ready to wear sector in Turkey to receive the SA8000 certificate which was renewed for the 3rd time in 2011. There are only a few companies in the world which manage to renew this certificate for the 3rd time.



SA8000 is an important part of our business processes

Yeşim Tekstil aims at incorporating Social Responsibility requirements in its corporate culture. Consequently it implements social compliance standards within its organization.

Through the Social Compliance Standards, Yeşim Tekstil covenants to ensure that its employees receive all their rights under the law and the respective standards while delivering its products or services, to comply with occupational health and safety rules and to act in compliance with the prevention of environmental pollution. Yeşim Tekstil covenants to implement these principles which are also included in the Global Compact Agreement in good faith and to allow 3rd parties to conduct audits.

Customers from the U.S.A. and EU countries in the ready-to wear and household textiles sector evaluate their suppliers with respect to good quality, fair price, on time delivery and compliance with social responsibility standards and place their orders accordingly. Consequently Yeşim Tekstil is subjected to social compliance audits by its customers and potential customers throughout the year on the principles of the Global Compact and on other issues.

The SA8000 certificate and the good results achieved from the audits conducted by the customers assure that Yeşim Tekstil fulfills all the requirements of the Global Compact Agreement.

SA 8000 AUDIT DATES	STATUS
April 05	Certificate is Maintained
November 05	Certificate is Maintained
May 06	Certificate is Maintained
February 07	Certificate is Maintained
August 07	Certificate is Maintained
May 08	Certificate is Renewed
December 08	Certificate is Maintained
June 09	Certificate is Maintained
December 09	Certificate is Maintained
June 10	Certificate is Maintained
December 10	Certificate is Maintained
June 11	Certificate is Renewed
February 12	Certificate is Maintained
Target: August 12	To Maintain the Certificate

HUMAN RIGHTS



«The satisfaction of our employees is important»

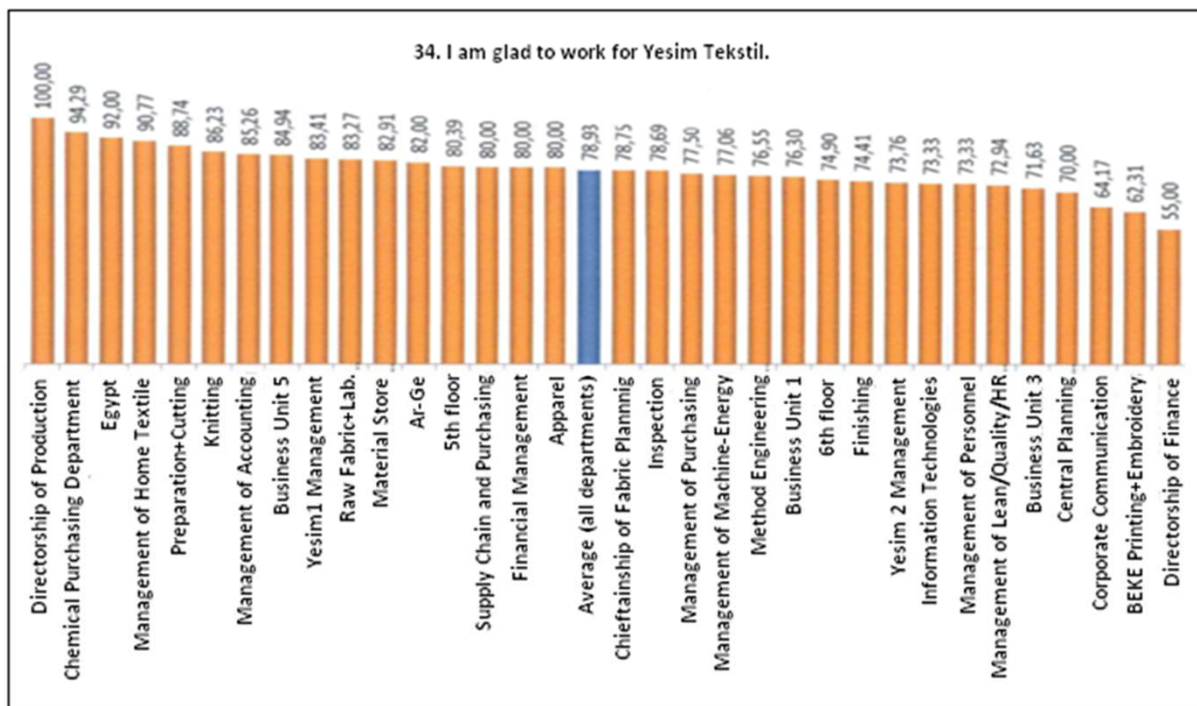
The satisfaction of the employees of Yeşim Tekstil has been measured through Employee Satisfaction Surveys since 2006. Actions are taken for improvement on the basis of the results of these surveys.

Employee Satisfaction Surveys

Employee Satisfaction Surveys are made every year periodically applying to all employees. The questionnaires are completed anonymously and then collected from each individual department and assessed at Uludag University. The satisfaction levels of each department is specified and improvement opportunities are identified as a result of the analysis made by Uludag University.

The results of the survey are communicated to all department managers and the actions taken on the basis of these results are monitored by the Human Resources Department.

2219 of a total of 2534 employees have returned the questionnaires at the survey conducted on 14.04.2011. According to this data the rate of general participation in the Employee Satisfaction Survey was 87%.



HUMAN RIGHTS



«Legal working conditions»

Our employees work under conditions which comply with national and international standards and receive wages according to these standards. The wages of all employees who have worked for Yeşim Tekstil in excess of 4 months are higher than the minimum wage.

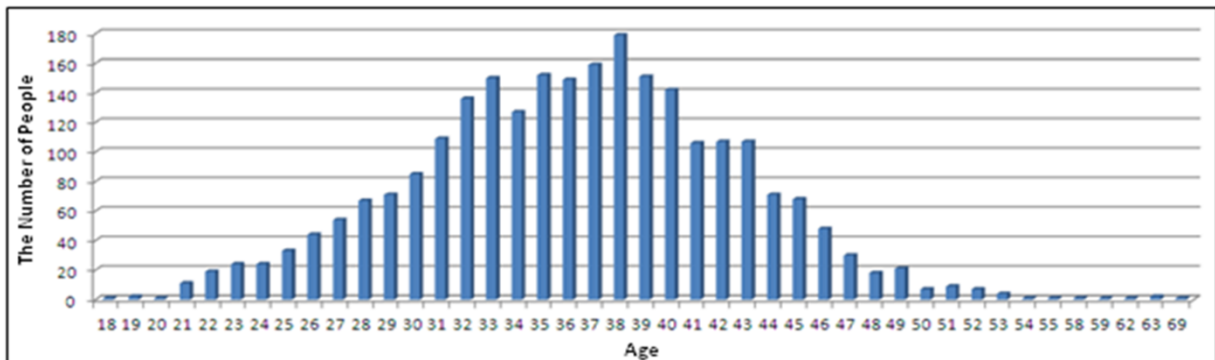
Working conditions in compliance with the law

The provisions of the “Labor Law” numbered 4857 as ratified by the Council of Ministers and the provisions of the “Collective Bargaining Agreement” which was entered into by and between the employer and TEKSİF (The Union of Textile, Knitting and Garment Industry Workers of Turkey”) are applied by Yeşim Tekstil. The administrative staff (“white collar”) are subjected to the provisions of the Labor Law and the workers (“blue collar”) are subjected to the provisions of the Collective Bargaining Agreement.

When compared to the Labor Code, the Collective Bargaining Agreement always provides more favourable conditions for the workers. Yeşim Tekstil recruits its employees in accordance with this collective bargaining agreement since 1983, when the cooperation with TEKSİF was started.

No forced labor or contracted labor is employed at the company under these laws. All new recruits completing the probation period (1-3) depending on the nature of their position are considered as permanent staff.

The wages are determined on the basis of the minimum wages defined by the Ministry of Labor and Social Security. New recruits are paid minimum wage for a period of 4 months following recruitment and then their wages are increased at the rates specified in the Collective Bargaining Agreement. The wages of all employees who have worked for Yeşim Tekstil in excess of 4 months are higher than the minimum wage.



Yeşim Tekstil does not employ workers under the age of 18. The age distribution of our employees is provided in the graphic.

HUMAN RIGHTS



«The consideration for labor is valuable»

Employees of Yeşim Tekstil receive the consideration for their efforts not only through wages but also through social benefits.

Social assistances at Yeşim Tekstil

- *"Education grant" for all schooled children of employees,
- *Marriage grant to employees who get married',
- *Maternity benefits at childbirth',
- *Funeral grants those who lose their first degree relatives',
- *Circumcision grants to parents of boys',
- *Military service allowance to those who leave their jobs for military service',
- *Reimbursement of meal ticket fees to those employees who are on fast during Ramadan'
- *Child allowance for parents, separately for each child',

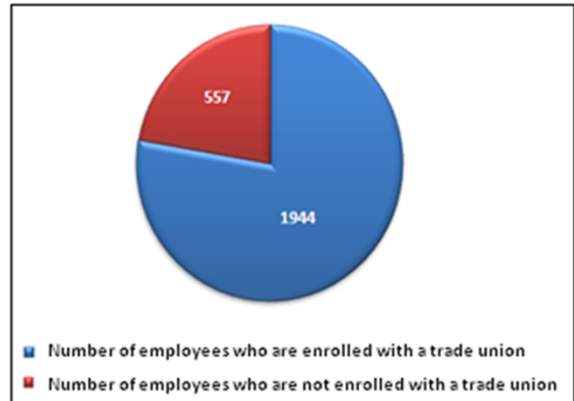
- *Holiday allowance for those who take annual leave,
- *Payment of bonuses every month at the amount of 5 days wage',
- *Religious holiday allowance for all employees,
- *Heating allowance for all employees each month,
- *Gifts to all employees once a year from the products manufactured by the company,
- *Free shuttle service for all employees,
- *Free lunch to all employees every day,
- *Provision of 40 kg of foodstuff to all employees quarterly'
- *Free of charge kindergarten service

Yeşim Tekstil complies with the requirement of employing disabled persons at the rate of 3% pursuant of the Labor Law.

It is not required to be citizen of the Republic of Turkey to be employed at Yeşim Tekstil.

Although the Labor Law does not require employment of ex-convicts, Yeşim Tekstil employs 2 ex-convicts.

Yeşim Tekstil allows its employees to enroll with a trade union however it is not compulsory



HUMAN RIGHTS



«The kindergarten brings color to our plant»

Our modern kindergarten which is offered to the children of our employees free of charge provides an affectionate, peaceful and safe environment to them.



The kindergarten which is provided free of charge to the employee's children in the 0-6 year old age group is an ultra modern facility with a capacity of 1000 children, meeting all the needs of the children. The kindergarten at Yeşim provides education to some 300 children currently, with a curriculum in line with the curriculum of private nursery schools aiming at supporting personal and social development of the children.

Peace of mind to employees whose children attend the kindergarten

The kindergarten is staffed by a team of 23 qualified and licensed specialists comprising 1 manager, 2 shift wardens, 10 teachers, 1 nurse and 10 child minders to ensure the health, education and happiness of the children.

Yeşim's kindergarten is open 6 days a week between 07.00-23.00 hours. Not only mothers but also fathers are allowed to bring their children pursuant to the kindergarten regulations. A survey was conducted in 2011 to measure parent satisfaction. The results of the survey were communicated to everyone and action for improvement was taken on the basis of these results.



Personel development of the children is very important

New courses were added to the curriculum of the kindergarten in 2011 with a view to contributing to the personal development of the children with different topics.

According to the new educational programme physical education and drama courses are provided to the 5 year old age group and physical education, English, chess and drama courses to the 6 year old age group.





ENVIRONMENT – HEALTH – SAFETY POLICY (EHS)

Our company being aware of its social responsibilities and have a vision of "becoming a manufacturing partner of global brands in the garment & home textile industry" commits to;

- *Continually follow and comply with the local legislation and customer codes of conduct on environment and occupational health and safety*
- *Prevent environmental pollution on its source*
- *Control environment, health and safety risks by a proactive approach*
- *Prevent occupational injuries and illnesses*
- *Conduct training programs in order to increase employee awareness about personal responsibilities on environment and occupational health and safety*
- *Implement health, safety and environmental practices according to international management system standards*
- *Contribute to the EHS improvement of its sub-contractors parallel to Yesim EHS Policy.*

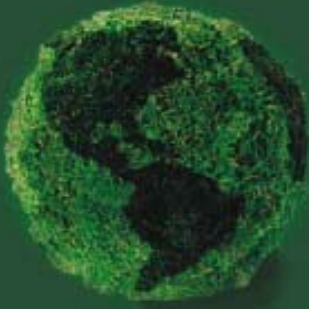
Provide continual improvement by including the environmental and occupational health and safety objectives into company's strategic objectives

A handwritten signature in blue ink, appearing to read 'Senol Sankaya', with a small 'S' and '1' below it.

**Senol Sankaya
Chief Executive Officer**

ENVIRONMENT

WE ARE
DREAMING
OF A GREENER
WORLD



«Yeşim; The Green Factory»

Yeşim Tekstil is committed to preserve the environment at each and every stage of production through its environmentally friendly sustainable activities, energy friendly projects and recycling efforts.

Environmental awareness in production

Yeşim Tekstil has fulfilled its social responsibilities since the first day of its incorporation, aiming at carrying out its production activities in line with the green factory approach with a view to acting as a role model for its customers, contract manufacturers and suppliers and raising public awareness.

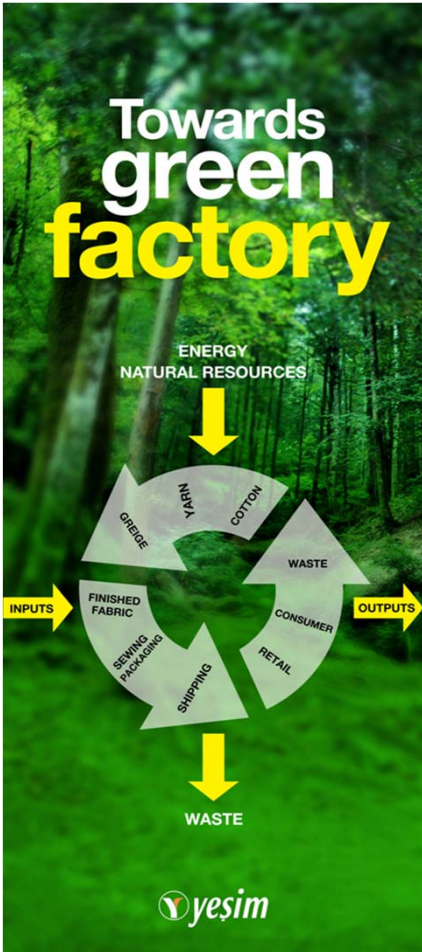
Yeşim has fully integrated the environmental projects which have been carried out for years in its business processes.

These activities which are carried out with a human focus are based on viable and improvable systematics in accordance with international standards and monitored through performance metrics.

These activities are guided via the Global Compact Agreement, SA800, Oekotex Standard 100, GOTS and OE certificates.

Activities causing waste water, hazardous waste and solid waste generation and air pollution are monitored through a separate Environmental Management System in accordance with the regulations issued by the Ministry of Forestry and Environment of the Republic of Turkey.

The primary environmental objective of Yeşim is to make sure that each and every project adds value to our employees, stakeholders and to the public in general to ensure sustainability.



Yeşim Tekstil has allocated TL 650,000 from its total Corporate Social Responsibility budget of TL 1.2 million to environmental projects in 2011.

ENVIRONMENT



«Our goal ; to reduce consumption in production»

Environmental activities of Yeşim are encouraged and monitored by the CEO Şenol Şankaya and the entire senior management team.

Environmentally friendly projects in 2011

*Sustainable yarn usage

The percentage of organic yarns used in production was 17%, 18% and 30% in 2009, 2010 and 2011 respectively. Efforts are initiated to participate in the BCI (BETTER COTTON INITIATIVE). We aim at participating in this initiative in 2012.

*Sustainable cotton usage

Projects carried out by COTTON INC AND PE INTERNATIONAL on cotton were supported by Yeşim who was awarded a plaque for its good practices.

*Carbon footprint studies

Studies were carried out to determine the carbon footprint of a t-shirt in cooperation with BEBKA –BUTEKOM-UTİB and Bursa Technical University.

Projects to be carried out in 2012

*Projects for reducing water and energy consumption in the dyehouse

-Project for saving time, water and energy in preliminary finishing. This project aims at achieving water savings at the rate of 30-35 % per year and energy savings at the rate of 20-25% per year.

-Project for dyeing with low liquor ratio in the dyeing machine. This project aimed at achieving water savings at the rate of 30% and energy savings at the rate of 25% in the dyeing process.

-The project for using ozone in the washing process instead of water and chemicals.

-Project for water free polyester and cotton dyeing

Energy saving projects that were carried in 2011 and the outcomes of these projects

ENERGY	PROJECT	OUTCOME
Electricity	<ul style="list-style-type: none"> -Using Variable Speed Fan Motors in Drying Machines. -Using Variable Speed Fan Motor in Ram Machines. - Using Variable Speed Fan Motors in the Air Handling Unit in the KnittingSection. 	<ul style="list-style-type: none"> Reduction in CO² emissions at the rate of 1.406.745kg/year. Reduction in CO² emissions at the rate of 1.010.930kg/year. Reduction in CO² emissions at the rate of 649.152kg/year.
Natural gas	<ul style="list-style-type: none"> -Heat Recovery System -Replacing the Hot Oil System with Direct Combustion System in Ram Machines. 	<ul style="list-style-type: none"> Reduction in CO² emissions at the rate of 15.000.000kg/year. Reduction in CO² emissions at the rate of 3.250.000kg/year.
Water	<ul style="list-style-type: none"> Coolant Recovery in Horizontal Dyeing Machines-Reducing the Liquor Ratio in Horizontal Dyeing Machines. Before: 1:10 – 1:8 After: 1:8 – 1:6 	<ul style="list-style-type: none"> Reduction in water consumption at the rate of 1.782m³/day Improvement from 145lt/kg to 110lt/kg.

ENVIRONMENT

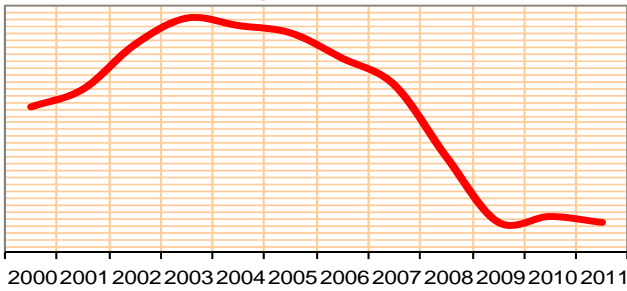


«Water is life, we appreciate its value»

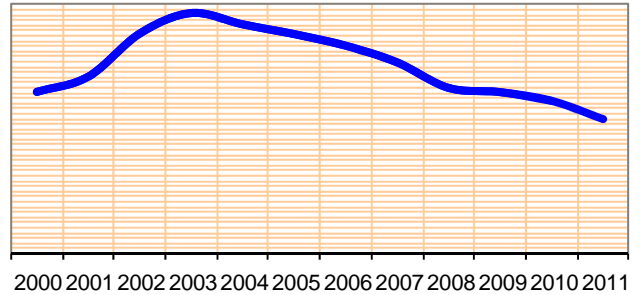
Yeşim has commissioned its in house treatment plant in 2000, treating and discharging 10.000 tons of water to the nature every day. This plant is one of the first in house examples in the textile sector with its capacity and its construction at international standards.

Energy consumption between years 2000 and 2011

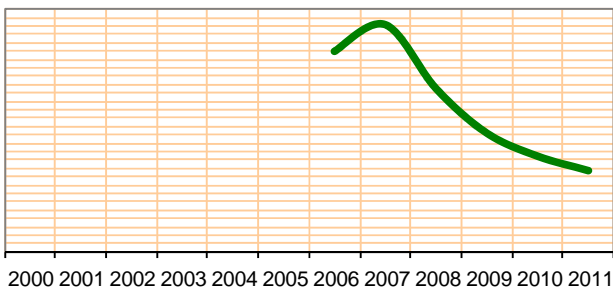
Naturel gas consumption (Kw)



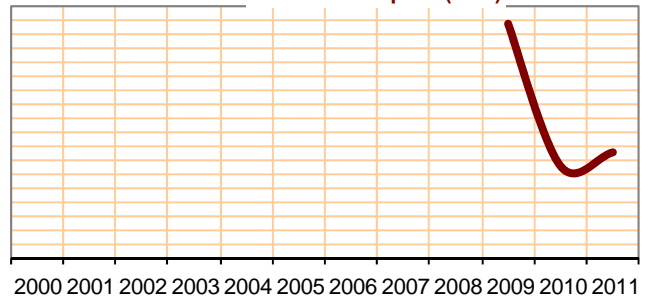
Electricity consumption (Kw)



Water consumption (m³)



Coal consumption (ton)



No major defect was found during the environmental audits that were carried out in 2011 and no environmental accident was experienced.

Efforts will be initiated in 2012 to obtain a TS EN 14001 Environmental Management System Certificate and OHSAS 18001 certificate.

ENVIRONMENT



«Environment is our social responsibility»

Yeşim Tekstil carries out numerous initiatives under the scope of its social responsibility in addition to social compliance requirements with respect to the environment.



Junior TEMA project

Students in the 6 year old age group leave the nursery school as a voluntary member of TEMA since 2011 under the project carried out jointly by TEMA and Yeşim kindergarten.

The children receive training on preserving the environment throughout the year in line with the curriculum of the nursery school under the scope of this project and participate in activities and events. At the end of the academic year the children in the 6 year old age group are given badges at the graduation ceremony to symbolise the training they have received and they are enrolled with TEMA as members, and this membership will continue until they are 18 years old. 60 children who have graduated in 2011 have become «Junior TEMA» members.



Projects that were carried out jointly with Tema until now

- Twin Village Project (Şükriye village-2000)
- Sukru Sankaya Commemoration Forest (2006)
- Friends of Recycling Schools Project (2007)
- Let's Avert Global Warming (2007)
- TEMA advertisement published free of charge in the Önce İnsan magazine(2009-2011)
- Junior TEMA Project (2011)

«Green IT» initiatives carried out by the information Technologies Department of Yeşim Tekstil

- BLADE Servers which require lesser space, energy and air conditioning were started to be used in 2008 to initiate Green IT initiatives within the organization of Yeşim.
- DELL Vostro products with an environmental approach and LCD monitors were purchased after 2008 to support the Green IT initiative.
- We have started to dispose of our electronic waste through certified recycling companies in 2009. (We currently work with the companies Exitcom-Doğa Entegre)
- In 2012 we plan to rearrange the system room to make it compatible with the standards in an effort to take a further step under the scope of the Green IT initiative.



ENVIRONMENT



«Environmentally friendly production»

Yeşim Tekstil aims at reducing the adverse impacts of the products it manufactures on the environment, during their life cycle, to the extent possible. To this end Yeşim Tekstil engages in alternative efforts for environmentally friendly products and endeavours to consume resources to a lesser extent, to recycle and reuse the products.

Wastes are collected safely

-Used vegetal oils collected at canteen. Used vegetal oils given without cost to licensed recycling companies.

-Oily rags are collected separately from other wastes at maintenance departments. Disposed at cement factories or disposing facilities (IZAYDAS). Oily rags are sent to IZAYDAS (national waste disposing facility).

-Contaminated barrels, chemical containers, IBC's are sent to hazardous waste area (temporarily) from chemical and dye preparing areas. Contaminated barrels, chemical containers, IBC's are transported to licensed recycling facilities by licensed transporting companies.

-Fluorescent lamps are collected in safe containers and separated from other wastes. Send to IZAYDAS and waiting for the acceptance. Fluorescent lamps are temporarily stored at waste storage area.

-Used electrical equipments are collected in labeled containers at waste storage area. Applied to a licensed recycling company and the application has accepted. Waste electrical equipments are collected at the hazardous waste storage area. When the waste quota gets full, electrical wastes are sent to the licensed recycling company.

- Medical wastes are taken by the licensed vehicle of local waste company (ERA)



Waste papers are collected on a regular basis and delivered to licensed recycling companies.




Waste batteries are collected and delivered to recycling companies which destroy the batteries safely.



Waste plastics are collected and delivered to licensed recycling companies.



CSR Activities Report

 **yesim**

SOCIAL RESPONSIBILITY



«Yeşim is aware of its social responsibilities»

Yeşim Tekstil meets social compliance requirements regarding production and also carries out social responsibility projects voluntarily. The social responsibility projects mainly address our employees, the environment, education and sports activities.

Travel and Entertainment Club

Trip to Uludağ (15 January 2011)
Trip to Ankara (19 November 2011)
Trip to İstanbul (23 October 2011)

Women and Children's Club

The seminar on "Communication with the children and domestic communication delivered by Pelin Kohn (26 January 2011)
"Pregnancy- Gynecological Disorders" seminar delivered by M.D. Nuray Kitapçioğlu (11 March 2011)

Fashion Club

"2011-2012 Trends" seminar delivered by WGSN (27 January 2011)
"Organic Fashion and Trends" seminar delivered by Nejla Güvenç (17 March 2011)
"Designs and Trends" seminar delivered by Günseli Türkay (14 June 2011)
"Jewelry Design" seminar delivered by Deniz Kaprol (27 September 2011)
"2012-2013 Trends" seminar delivered by WGSN (26 December 2011)

Innovation and Technology Club

"Entrepreneurship and e-Trade" seminar delivered by Murat Yanıklar (3 March 2011)
"Cloud Computing" seminar delivered by Hakan Dinçel (17 November 2011)
e-bulletins are published periodically.

Futurists Club

Seminar with Alphan Manas on "the Future and Entrepreneurship" (10 February 2011)
"The 2. Futurists Summit Presentation" was made to Yeşim Tekstil employees. (25 October 2011)
e-bulletins are published periodically.

Positive Thinking Club

"Positive Management" seminar delivered by Fatmanur Erdoğan (6 May 2011)
"Yoga Seminar" delivered by Yoga Akademi (4 October 2011)
"EFT" seminar delivered by Oytun Okkir (16 November 2011)
"EFT" seminar delivered by Oytun Okkir to a group requesting a special session (20 November 2011)
"NLP" seminar delivered by Nuran Boyraz (6 December 2011)
"Breathing Techniques" seminar delivered by Mustafa Kartal (29 December 2011)

Social Responsibility Club

New Year Charity Lottery for the benefit of TEV (30 December 2011)

The Clubs encourage personal development

Yesim Textile has put various social activity clubs into practice for its staff in order to enliven social life and contribute their social and personal developments. In these clubs, the staff is organizing different activities voluntarily.



SOCIAL RESPONSIBILITY



«Yeşimspor introduces youth to basketball»

Yeşimspor Club was founded in 2003 with a view to providing wider possibilities for sporting activities to the youth of Bursa and training basketball players for the team. Providing hundreds of children with the opportunity to engage in sports activities, the club has enjoyed considerable success both at local and national level.

Achievements of Yeşimspor

2003 – 2004 Season

A Team: 3rd after group semi-finals in the Regional League
Young men's team: 4th in Bursa
Young team: Bursa champions
Boys' team: Bursa champions and 3rd in Turkey
Adult men's team: EBBL Group Champions

2004- 2005 Season

Young men's team: 2nd in Bursa
Young team: 3rd in Bursa
Boys' team: Turkey champions
Young boys: Bursa champions
Boys' team: Bursa champions

2005-2006 Season

A-Team: 8th after Play Off
Young men's team: 2nd in Bursa
Boys' team: Bursa champions and 4th in Turkey
Boys' team: 2nd in Bursa and 4th in Turkey
Young boys: Bursa champions
ELEMENTARY SCHOOL YOUNG ATHLETES'
TURKISH CHAMPIONSHIP (2006)

2006-2007 Season

A-Team: 8th in group
Young men's team: 2nd in Bursa
Boys' team: 2nd in Turkey
Young boys: Bursa champions

2007-2008 Season

Boys' team: 2nd in Bursa
Boys' team: 1st in Bursa and 8th in Turkey

2008-2009 Season

2nd place in Bursa Domestic League Under-15 Category
1st place in Bursa Domestic League Under-13 Category
2nd place in Bursa Domestic League Under-12 Category
YOUNG-AGE ATHLETES' TURKEY CHAMPIONSHIP (2009)

2009-2010 Season

2nd in Bursa in the adolescent and young athletes category

2010-2011 Season

Boys' team: 2nd Bursa, 13th in Turkey
Boys' team: Bursa champions, 10. in Turkey



Şükrü Şankaya Soccer School

Moral and material support is provided to Şükrü Şankaya Soccer School which was founded by the Professional Soccer Players Association of Bursa in 2009, allowing hundreds of children to engage in sports activities under professional conditions.

30 children were allowed to attend Şükrü Şankaya Summer Soccer School in summer 2011 free of charge under the quota provided to the children of Yeşim employees.

SOCIAL RESPONSIBILITY



«Sharing is good»

Yeşim Tekstil considers it as a part of its social responsibility to share its resources and facilities with the society.

A helping hand to Van following the earthquake disaster

Yeşim has sent 5000 home textile products comprising duvet cover sets, bed sheets and blankets and 10.000 sweat suits for children, gentlemen and ladies to the inhabitants of Van which has suffered an Earthquake disaster in October.

Additionally Yeşim employees have donated foodstuff packs of 40 kg provided by the company, to Van. Yeşim employees have sent 5000 kg of foodstuff to Van in the aggregate.

Subsequently 350 children's sweat suits and 300 duvet cover sets were sent to the earthquake area in Van through aid campaign organized by various groups.



Institutions and organizations to which products were donated in 2011

-250 t-shirts were donated to AIESEC (March)

-300 sweat suits were donated to the Association of Beşiktaş Fans in Bursa. (March)

-1000 t-shirts and 500 sweat shirts were produced for the 23rd of April Children's Day organized by the Governor's Office of Bursa. (April)

-Sweat suits were given to 25 children and recycle t-shirts were given to 30 teachers as presents for the "This is My Work" contest which is organized jointly by the Ministry of National Education and Tübitak. (April)

-200 duvet cover sets and bed sheets were donated to the Turkish Red Crescent.(June)

-50 sweat suits were donated to the Association of Street Children in Need of Protection (December)



Yeşim Tekstil has allocated TL 350.000 from its Corporate Social Responsibility budget of TL 1.2 million to social responsibility initiatives in 2011.

SOCIAL RESPONSIBILITY



Şükrü Şankaya-The Founder of Yeşim Tekstil

«We support education in cooperation with the Turkish Education Foundation »

Yeşim Tekstil supports the education of successful young individuals in poor financial standing through the «Şükrü Şankaya Education Fund» which is established in the memory of Şükrü Şankaya in cooperation with TEV .

TEV Şükrü Şankaya scholarship fund grows every day

TEV Flowers for Special Days

The cooperation between Yeşim and TEV in the field of social responsibility continues steadily since 2006.

TL 17.000 was donated to the fund in 2011 with the support provided to the Happy Day Flowers campaign of TEV.



New Year Charity Lottery for the benefit of TEV Şükrü Şankaya Fund

Yeşim aims at including its employees in the initiatives carried out for TEV and to raise their awareness in social responsibility.

The new year charity lottery which was organized under the leadership of the Environment and Social Responsibility Club with the participation of Yeşim employees, has raised TL 5000, which was entirely donated to TEV Şükrü Şankaya Fund.

Blood donation to the Turkish Red Crescent

Yeşim organizes a blood donation campaign every year within the company in cooperation with Bursa Branch of the Turkish Red Crescent in line with its social responsibility understanding. Bursa Branch of the Turkish Red Crescent had visited Yeşim twice in 2011 to draw blood from donors.

Supporting the disabled

Yeşim employees supported the campaign for collecting plastic lids initiated by various institutions and organizations to buy Wheel chairs for the disabled. The same campaign was extended to the kindergarten with a view to raising the awareness of the children and teaching them to help those in need in their younger ages by making them collect lids.

SOCIAL RESPONSIBILITY



«The name of Şükrü Şankaya lives in education»

The mission of Şükrü Şankaya, one of the founders of Yeşim Tekstil who endeavoured his best efforts to support education is pursued by the company. Yeşim Tekstil considers supporting education as a part of its social responsibility.



Şükrü Şankaya Primary School

Şükrü Şankaya Primary School which was commissioned in 1951 as the only school in the region, was renewed, repaired and modified in 1990 by the late Şükrü Şankaya, the founder of our company upon the suggestion by Bursa Governor's office. New sections were added to the school in the academic year 2006-2007. All the needs of the school are met by Yeşim Tekstil since then. About 1500 children received education in this school.

Older sections of the school were renewed in 2011. A budget at the amount of TL 25.000 was allocated for these repairs.



Şükrü Şankaya Anatolian High School

This school which was erected and donated to the Ministry of National Education in 1996 by Şükrü Şankaya, is one of the most successful high schools in Bursa. Yeşim has later added a computer laboratory to the school. The company contributes to the needs of the school in every academic year.



Yeşim has supplied the sweat suits of the students and had bought a cleaning robot for the school. A budget at the amount of TL 10.000 was allocated for these expenses.

MEASUREMENT



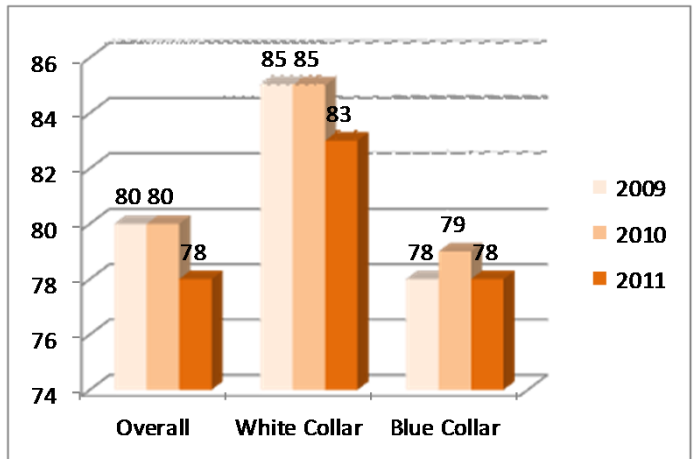
«Awareness of our employees is important»

The Employee Satisfaction survey which is carried out on an annual basis to measure how the social responsibility initiatives of the company are evaluated by our employees includes questions on awareness.

Yesim performs its social responsibilities

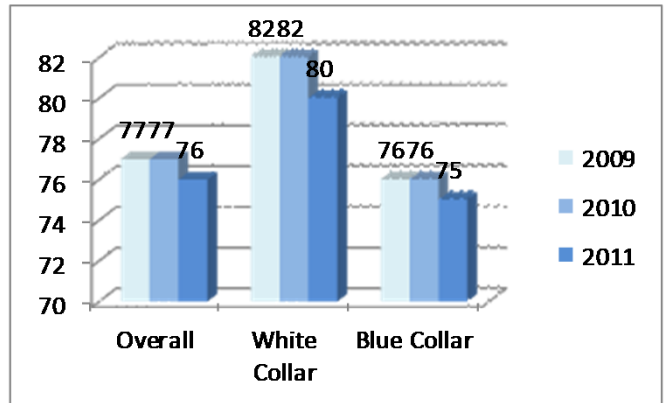
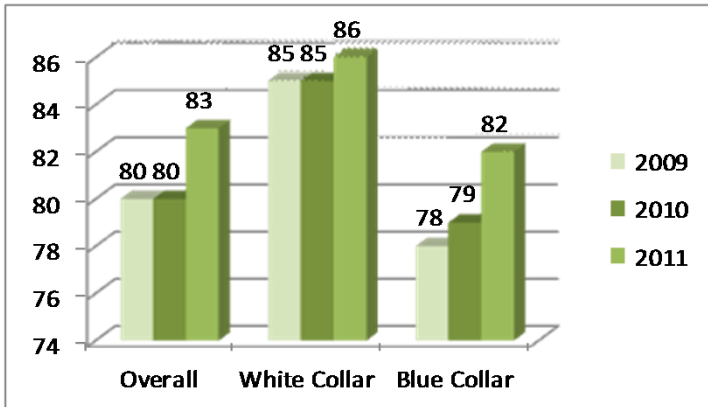
We are guided by the surveys

Yesim shares the social responsibility initiatives it carries out with its employees through various communication channels. The Employee Satisfaction Survey aims at learning the opinion of the employees on this issue. Action plans are prepared and implemented on the basis of the survey results.



Yesim demonstrates high environmental awareness and take actions to protect the environment.

I find Yesim Tekstil's social volunteering project sufficient and adequate



SHARING WITH THE SOCIETY



«Önce İnsan (People First) Magazine disseminates the messages of the company »

The Önce İnsan Magazine which is the corporate publication of Yeşim Tekstil disseminates the social compliance and social responsibility initiatives to the society. Additionally it publishes information on social responsibility and environment in each issue to raise awareness among its readers on these topics.

Dissemination of the Global Compact agreement

The following communication channels were used to disseminate the information contained in the 2010 Global Compact report after it was published.

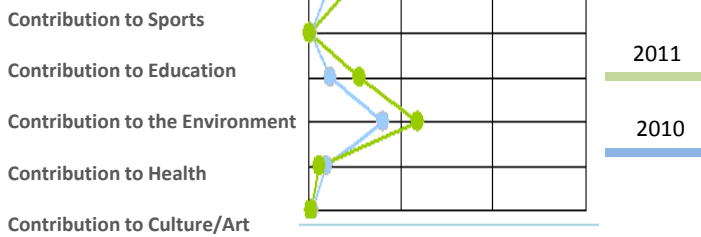
- The new report was published on the corporate web page of Yeşim (www.yesim.com).
- An article was featured in Yeşim's corporate magazine Önce İnsan on the publication of the report. The magazine was published in digital medium at the web site www.onceinsan.com, disseminating this information also on the internet.
- It was sent to all customers, subcontractors and suppliers as an e-bulletin.
- It was shared by the facebook page of Yeşim, which has around 5000 members.
- It was published in the intranet portal to disseminate the relevant information.
- It was featured in our corporate newspaper «Önce İnsan» and shared with all employees.



The Önce İnsan newspaper which is published only for Yeşim employees raises awareness of our employees in each issue on the environment, social compliance, occupational health and safety page and gives information regarding the developments.

The distribution of features on social responsibility in the press analysis report issued by Press Monitoring Center PRNET is as follows.

The social responsibility perception of our company in the corporate reputation analysis report issued by Reputation Analysis Center AVD is as follows:



When analysed from the 'SOCIAL RESPONSIBILITY' perspective it is seen that the readers have a positive perception with respect to contribution to the environment and contribution to education.

	2010		2011	
	Number of articles	Access	Number of articles	Access
January	6	103.845		
February				
March	1	48	11	3.055.698
April			4	207.621
May			2	42.243
June	1	238.449		
July	6	270.237		
August			4	202
September			5	113.724
October			2	738.984
November				
December			1	475.737
Total	14	660.531	29	4.836.007

SHARING WITH THE SOCIETY



«Information is reproduced by sharing»

Yeşim shares the initiatives it has undertaken under the scope of sustainability for a more beautiful world on national and international platforms.

Yeşim supports the UN Program



Yeşim was invited to a meeting of an expert group by UNIDO under the SME program for the textile and garment industry in Turkey which is carried out under the leadership of the UN. At this meeting which was held on March 2011, the objective was to seek the opinions of all rings of the textile value chain on corporate social responsibility.

At the meeting which was held on İTKİB's premises, Yeşim Tekstil shared its best practices regarding social responsibility with other participants, raising awareness on sustainability and the Global Compact agreement.

A message to support social responsibility

Yeşim Tekstil was included in the booklet to be published under the project titled Promoting Registered Employment in Textile and Clothing Sector implemented in cooperation by the UNDP and İTKİB and funded by the EU as a best practice.

The vision of Şenol Şenkaya, the CEO of Yeşim Tekstil, regarding social responsibility and the value added to the company by this vision were featured in this booklet.

Yeşim attends sustainability seminar

Yeşim Tekstil shared its initiatives regarding sustainability in the fourth Corporate Sustainability Certification Program organized in cooperation by various institutions such as the Regional Environment Center REC Turkey, Boğaziçi University and UNDP in 2011.

This program where Dilek Cesur, the Corporate Communication Manager of Yeşim Tekstil participated as a speaker was held at the BTS building in Boğaziçi University. Under the framework of this program which was held as a round table conference, in addition to Yeşim Tekstil, Coca Cola and HP also shared their initiatives regarding sustainability with the audience from various cities in Turkey.

Sharing on the international platform

* Yeşim Tekstil participated in the 13th General Conference of UNIDO as a panelist and explained the social compliance sustainability standards and the initiatives of Yeşim to the participants.

* The joint report prepared by the UNGC (United Nations Global Compact), SAI (Social Accountability International) and CIPE (Center for International Private Enterprise) featured the interview made with Şenol Şenkaya, the CEO of Yeşim Tekstil.

*The report which was distributed to the participants throughout the world at the Global Summit held by UNGC in New York in June, under "the best practices", featured the initiatives of Yeşim Tekstil regarding social responsibility. Please click on the link below.

http://www.cipe.org/publications/papers/pdf/CIPE-SAI-UNGC_for%20web.pdf

This report is currently published in the web page of the United Nations and shared on a global basis.

http://unglobalcompact.org/AboutTheGC/tools_resources/labour.html

Yeşim Tekstil one of the few companies selected on a global basis and featured in the video which was presented to all the participants during the Gala Dinner of the summit under the best practices.