

YEŞİM
TEXTILE
PROGRESS
REPORT

2018

WE MANUFACTURE FOR THE WORLD







About the report



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Yeşim Textile pledges to follow and to 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 2018. The information provided in the report is supported by statistical data, model practices and photographs. Yeşim Textile 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 2019 and subsequent years are communicated in the report together with the relevant data.

Global Compact Agreement

In 2006, Yeşim Textile pledged to conform to the principles of this international agreement on human rights, labor standards, the environment and the struggle against corruption. Yeşim Textile has transparently shared the details of its work under the Global Compact Agreement in the global network since 2008.

Also, it has been on the Executive Board of Global Compact Turkey since March 2014. Yeşim Textile was also chosen as the co-chair for the Global Compact Women's Empowerment Working Group in 2016.

HUMAN RIGHTS

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2 Businesses should make sure that they are not complicit in human rights abuses.

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

LABOR STANDARDS

Principle 4 Businesses should effectively eliminate all forms of forced and compulsory labor.

Principle 5 Businesses should effectively abolish child labor.

Principle 6 Businesses should effectively eliminate discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7 Businesses should support a precautionary approach to environmental challenges.

Principle 8 Businesses should undertake and encourage initiatives to promote greater environmental responsibility.

Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies.

ANTI - CORRUPTION

Principle 10 Businesses should work against all forms of corruption, including extortion and bribery.

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Şenol Şankaya / CEO

in our 35th year, we have completed our 10th progress report

Yeşim Textile, which began production in 1983, has been an important player in the global textile and garment industry for 35 years. Successfully competing in this arena and having overcome many obstacles up to the present day, Yeşim has added knowledge to knowledge, experience to experience, success to success. Perhaps our greatest gain in this process has been the strong and unbreakable bonds we have developed with our employees, our customers, our suppliers and all our stakeholders who form the Yeşim ecosystem. In 2018, when we celebrated both the 35th anniversary of our company and the 30th anniversary of our kindergarten, we once again had the opportunity to understand how solidly we have incorporated concepts like "People First", stability, reliability and sustainability into our culture.

As Yeşim Textile, which is in the position of an essential manufacturer of global brands, we continue to achieve ever more valuable successes and to move our growth line upwards. The values we have set in the name of sustainability, which is one of the priority concerns of our firm and an inseparable part of our corporate culture, are at the head of the concepts that make us what we are. Here, too, is one of these values: the 10th Global Compact Progress Report published by Yeşim Textile, which became the first garment firm in Turkey to sign the United Nations Global Compact in 2006.

As in our previous reports, in our 10th report we would also like to share the progress we have made in this area. In 2018, Yeşim Textile continued to perform its duty as co-chair of the Women's Empowerment Working Group established in association with the Global Compact Turkey network. Within the scope of our activities focusing on the business world of Bursa, we continued to do increasingly valuable work in 2018 with the Women's Empowerment Platform of Bursa, whose establishment we pioneered together with Bursa Industrialists' and Businessmen's Association (BUSİAD) and Bursa Businesswomen's and Administrators' Association (BUIKAD). Among these activities, the meeting named "Our Equality is our Strength", hosted by BUSİAD, stressed the importance of enabling more participation for women in the business world.

At this stage, the number of firms signing the Women's Empowerment Principles (WEPs), both in Bursa and in Turkey as a whole, continues to increase steadily. With the aim of increasing this number in the future as well, we declared in the previous report that as Yeşim Textile, were always ready to give the necessary support, and at the present time we have kept our word. By spreading the momentum gained in Bursa to other areas of Turkey, in 2018 we continued to work towards our target of transferring the synergy created in this field to the country as a whole.

Setting out with the aim of becoming a global player within the scope of the "Vision 2021" project, our company took the decision in 2017 to allocate more time and resources to the issue of innovation and R&D. As a result of our efforts in R&D and innovation, our company, which launches value-added and innovative products on global markets, gained the right to an R&D Center approved by the Ministry of Science, Industry and Technology as a reward for its effective and sustainable activities carried out in the field of R&D. With our R&D center, we have had the opportunity to increase patent-utility model applications by carrying out sustainable projects. In our center in 2018, we carried out a total of 17 projects, principally in the print design segment, sustainability segment and fabric development segment.

In 2018, our company achieved a total growth rate of 15% by carrying out exports worth \$320 million. As part of our future plans, with the additional employment of 1000 staff beginning in September 2018 and continuing this year, we aim to increase our workforce to 3,500 by the end of 2019. 75% of those recruited will be female employees. In this way, we will have

supported both the increase in female employment and the growth of the sector in our country. While taking all these steps, we continue to position ourselves in such a way as to respond to the quality and social compliance expectations of our customers. Just as in the past, in the future, too, we will continue our mission to be one of the strategic partners most trusted by global brands.

In the year 2018, in which we celebrated the 35th anniversary of the foundation of our company, our kindergarten also completed its 30th year. Setting out with an extremely farsighted vision in the years when the name "kindergarten" was unheard of in the business world, the Yeşim Kindergarten was created on the firm's premises in 1988. Our kindergarten, which has given women the opportunity for more participation in the working world from its establishment until the present day, continued to be a role model in 2018 both in our country's workforce market and in the world. Our kindergarten, which is available to the children of all our employees, provides childcare facilities for around 300 children aged 0-6. Yeşim Kindergarten continues to lead the way, not only in the Turkish textile sector, but at the same time in raising future generations of today's children who will be tomorrow's adults.

Furthermore, during the year, we hosted a seminar entitled "Childcare Needs in the Business World", organized by Yeşim Academy and Global Compact Turkey's Women's Empowerment Working Group, and attended by representatives from the business world and UN agencies. During the activity, a road map was drawn related to what needs to be done by the world of business for female employees to be able to benefit more effectively from kindergarten services and to take more part in the workforce market.

Proceeding with its sustainable production understanding, Yeşim is a leader in the sector as a firm that applies the highest level of social compliance standards and that tries to encourage its suppliers to implement these as well. Yeşim, which obtained the most prestigious social compliance certification, the SA8000 certificate, in 2006, was the first firm in the textile and garment sector to receive this certificate in Turkey, and has succeeded in ensuring that it retains this certificate for the past 12 years.

With the activity named the Social and Labor Convergence Project (SLCP), we were able to realize the desire and dream that we had had for many years of gath-

ering all brands under one roof and for the monitoring of our firm to be carried out with a single audit. Work towards switching to a joint audit model, whereby a single social compliance audit of world-famous garment brands such as Nike, Esprit, Tommy Hilfiger, Adidas and Puma would be accepted by all brands, was commenced in 2017. In this process, Yeşim Textile was chosen as the pilot firm for the implementation of this first joint audit, thanks to its many years of experience in this field. Yeşim completed the first of its SLCP audits in January 2018. We believe that this project will be a very lean system in the process of social compliance audit for the manufacturing brands. We will grasp the opportunity to use the time and financial resources spent on audit in order to develop our company and processes. As Yeşim Textile, we are pleased to be actively involved in the creation of this auditing model.

With one of the activities that we attach the utmost importance to, towards the end of 2018, we had the chance to focus on the chemical management and social compliance processes in our firm. Within the framework of this activity, Yeşim Academy hosted a training program named "Chemical Management and Social Compliance" organized with the cooperation of Yeşim Textile, Nike and PVH (Tommy Hilfiger-Calvin Klein). In the program, carried out on 1st-2nd November with the slogan "Cleaner production for a more habitable world", steps taken towards using more environmentally-friendly chemicals, initiatives created in this field and social compliance procedures were discussed. We will continue to monitor the outcomes of the process.

Up to the present day, Yeşim has always put people at the center, and has reached an important point in matters such as social compliance, occupational health and safety, and responsibilities towards the environment and society. The year 2018 was a year in which we accomplished many new tasks under the leadership of our staff, particularly in social responsibility projects. I am extremely happy to be able to underline our "People First" philosophy, the roots of which were laid by our late founder, Şükrü Şankaya, and to see that this meaningful legacy is instilled in the DNA of our firm and reflected in the faces of all our employees. I hope to meet you again in the next progress report...





With a total operating area of 325 thousand square meters in Bursa, of which 144 thousand are indoor space, Yeşim Textile, which has knitting, dyeing, printing and confection departments, is one of the leading integrated facilities in the world.

OUR VISION

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

OUR 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.
- Meet our customers' increasing service needs by integrating all our processes throughout the supply chain with information technologies.
- Continue to partner with our customers to shorten end-to-end production times.



Yeşim Textile

which manufactures the world's most famous brands, maintains its strategic partnership with companies such as Nike in apparel and Matheis-Schlafgut in home textiles.



ZARA

PULL&BEAR



ALDI



UNDER ARMOUR

TOMMY HILFINGER

ESPRIT

schlafgut

CALZEDONIA

Bershka

edc



GUESS

HORIZONTE





our turnover in 2018
350 million USD



our exports in 2018
320 million USD



our growth in 2018
15 per cent

2018

OUR CERTIFICATES AND GLOBAL MEMBERSHIPS

- SA8000: 2014
- OEKO-TEX STeP
- ISO 50001:2011 ENERGY MANAGEMENT SYSTEM CERTIFICATE
- OEKO-TEX STANDARD 100
- GOTS (GLOBAL ORGANIC TEXTILE STANDARD) MANUFACTURE FROM 100% ORGANIC COTTON
- OCS (ORGANIC CONTENT STANDARD)
- BCI (BETTER COTTON INITIATIVE)
- ISO/IEC 27001: 2013
- ISO 14001: 2015 ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) CERTIFICATION
- AUTHORIZED ECONOMIC OPERATOR (AEO) CERTIFICATE (2018)

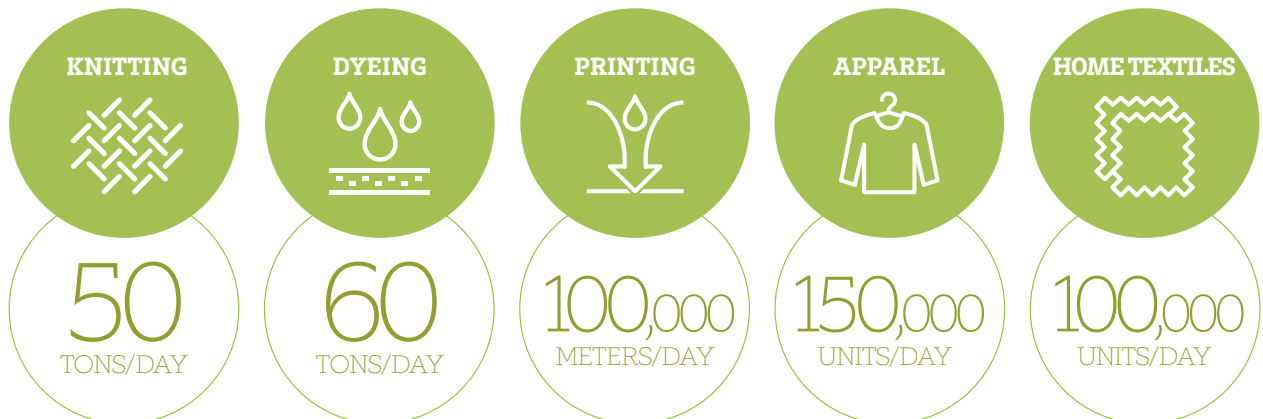
GLOBAL INITIATIVES THAT WE ARE MEMBERS OF AND HAVE PUT DATA INTO

- BLUESIGN
- CPI2 CARBON PERFORMANCE IMPROVEMENT INITIATIVE
- ZDHC CHEMISTRY GATEWAY
- ZDHC WASTEWATER GATEWAY
- HIGG INDEX





Daily capacity of company production



We were born equal, let's live as equals



In 2018, we also carried out many new projects for gender equality. In this context, we have initiated systematic studies by signing the Women's Empowerment Principles (WEPs) formed by the United Nations (UN) in cooperation with the UN Global Compact since 2015.



In 2018, we continued to lead many projects both as the co-chair of Global Compact Women's Empowerment Working Group as well as with two nongovernmental organizations with the Women's Empowerment Bursa Platform consisting of companies who also signed WEPs. Celebrating its 30th anniversary in 2018, the Yeşim Kindergarten also continued to be a role model all around the world in this year.

Besides being a pioneer in the Turkish textile sector, Yeşim Textile is also guiding the youth which will become our future.

Approximately 320 employees' children in the 0-6 age group are cared for and educated free of charge in the kindergarten of Yeşim.

Yeşim Textile employs 2,610 individuals in house and provides employment opportunities to around 10,000 individuals in total including domestic and international subcontractors.



**NUMBER OF FEMALE
EMPLOYEES**

1276



**NUMBER OF MALE
EMPLOYEES**

1334



NUMBER OF INTERNS

58

Achievements in 2018





Yeşim Textile received awards from various institutions and organizations in accordance with its 2018 data and performance.

- According to the Seventh Prestige Index of Turkey and the Bursa Prestige Index organized for the first time in 2018, Yeşim Textile was chosen as the most reputable brand in the textile field in Bursa.
- At the Contributors to the Economy Awards Ceremony organized by the Bursa Chamber of Commerce and Industry (BTSO), Yeşim Textile was placed seventh in the export category and was deemed worthy of the "Leader in the Garment Sector" award in the sector leaders category.
- In the list that includes 500 firms and is drawn up by Economist Magazine, Yeşim Sales Outlets were placed 69th and Yeşim Textile was placed 119th. Moreover, in the list of 10 companies that increased their exports, Yeşim was placed 7th.
- In the list that includes 500 firms and is drawn up by Capital Magazine, Yeşim Sales Outlets were placed 353rd and Yeşim Textile was placed 470th.
- In the list that includes 500 firms and is drawn up by Fortune Turkey, Yeşim Sales Outlets were placed 261st.
- Yeşim Textile earned the right to receive the Authorized Economic Operator Certificate which is internationally valid and facilitates import-export operations by accelerating these. Yeşim became the 228th firm in Turkey to receive this certificate.
 - Yeşim Textile was placed 266th in ISO's list of "500 large industrial organizations" in 2017.
 - Yeşim Textile earned the right to receive the Respect for People Award at the Kariyer.net Human Resources Summit, one of the most important events in the field of Human Resources in Turkey, at the Volkswagen Arena on 9th-10th May.

Lean thinking

Being one of the most effective production and management models today with respect to efficiency, quality, human resources, process improvement and profitability, the lean thinking project was launched in 2006 at Yeşim Textile and is currently being implemented fully at each and every stage of production and management.

Lean thinking aims to generate a production and management model which reduces processes that do not add value, as well as waste, by focusing on value in each process. Kaizen techniques, which are a method of continuous improvement with small steps, play a very important role and significantly contribute to this process. One of the most important lean techniques, the development of the performance indicators of the units by extending the management with target approach to all employees, contributes to the business results of Yeşim Textile.

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

SUSTAINABILITY

The term "sustainability" comes to the fore in today's business environment, where companies need to be competitive, work in a world with limited resources, reduce their environmental footprint, reduce costs and meet customer demand. The road to sustainability leads from being a company which is lean, green and has an empowered workforce by focusing on leadership, people and process initiatives.

LEAN GAINS

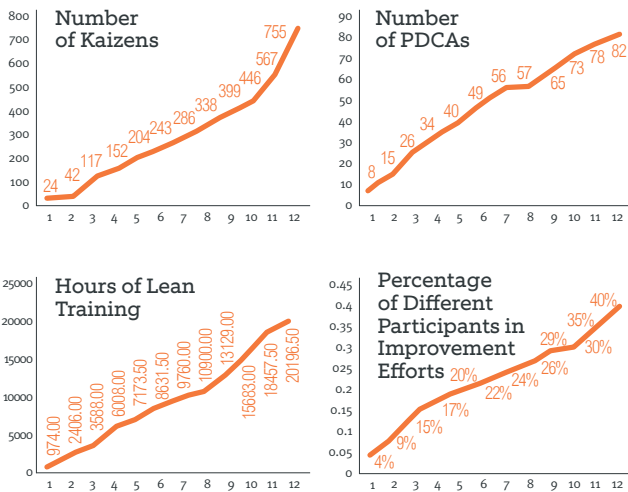
The kaizen and PDCA activities, which are the prerequisites for continuous improvement at Yeşim Textile, continued in 2018 with the desire to improve the quality of the work done by the staff and of the work environment. The number

of kaizens prepared by departments such as apparel, knitting and production together with various support departments had reached 755 as of the end of 2018. The number of PDCA activities carried out as of the end of 2018 was 82. With these lean activities, an attempt has been made to increase awareness of being part of continuous improvement. Moreover, the total number of hours of lean training given during the year was 20,196.50, while the percentage of different participants in improvement activities was around 40% by the end of 2018. The Lean Bronze Star and Lean Silver Star training programs planned at Yeşim Academy also aim to disseminate lean work processes to all the staff. The fact that compared to 2017, productivity, repair, staining and second quality improvement values remained relatively more limited was due to a large extent to the effect of the 20% increase in employment realized with the recruitment of new operators towards the end of 2018. The fact that the related productivity values were attained despite this increase can be regarded as a current success.

Activities of the Continuous Improvement Department in 2018 are shown below

- *Lean 2.0 Lean Essential Training at Yeşim*
- *2018 Achievement of Lean Representative Leaders*
- *Kaizen Ceremony Day*
- *Lean Sharing Articles*
- *4th Kaizen - Sharing Event at the Chamber of Mechanical Engineers*





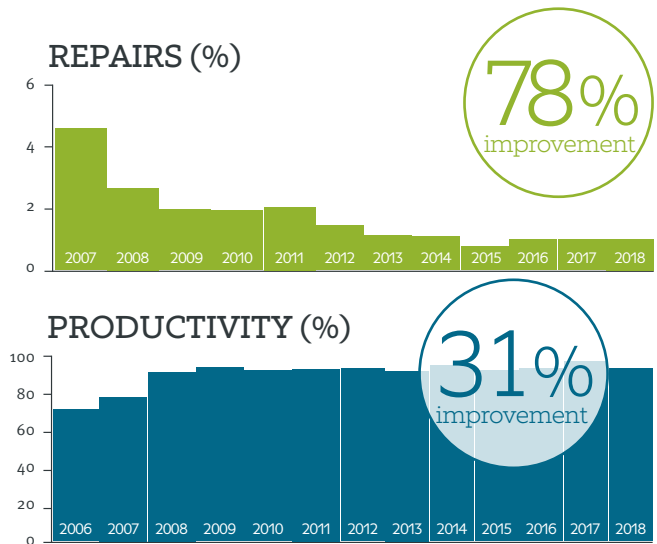
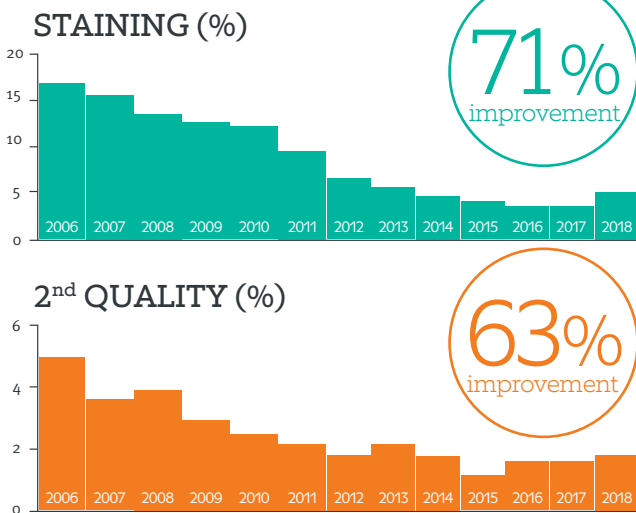
Bronze Star Lean Training Sessions, March 2017-November 2018
36 Bronze Star Training Groups
829 persons **14922** person / hours

Silver Star Lean Training Sessions, February 2018-November 2018
7 Silver Star Training Groups
112 persons **448** person / hours

2018 Training Hours and Number of Persons

Bronze Star Lean Training	9408 hours	597 persons
Silver Star Lean Training	584 hours	138 persons

With 20 percent increase in employment



LMA & LAT ASSESSMENT RESULTS

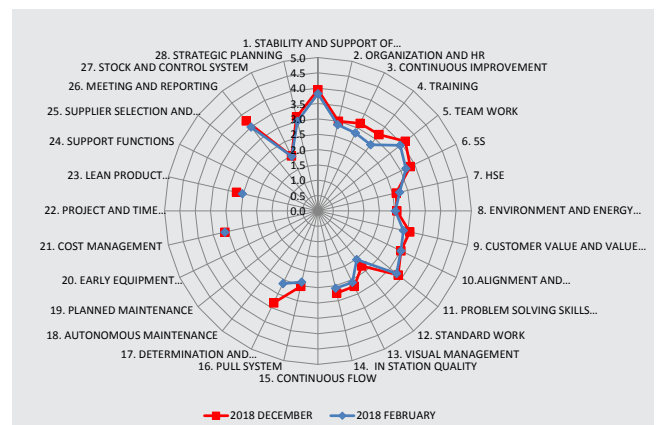
On 27th-28th November 2018, an LMA (lean maturity assessment) audit for all units and an LAT (lean assessment) audit of the apparel department were carried out by Nike, which was of great strategic importance for Yeşim Textile's Bursa Plant. According to the LMA audit results, Yeşim increased its score from 33 points to 51 points, thereby succeeding in moving up from level 2 to level 3. The audit findings revealed that a significant improvement was observed based on departments, especially in the final quarter of the year. Thanks to the 3 points obtained as a result of the LAT audit, 5 points will be added to the Nike MI score. In this way, Yeşim has steadily approached the silver level. In these audits, it is expected that items such as an occupational safety culture and an authorized lean management system with participation ensured in all locations and with happy staff, which is the basic philosophy of Lean 2.0, will be internalized in all production and supporting departments, in order to ensure continuity and to be able to rise to the next level.

LEAN COMPANY ASSESSMENT RESULTS

In December 2018, the "Lean Company Assessment", which lasted 3 days and encompassed 7 separate departments, and was carried out by Lean Institute Advisor Ülkü Kulaç, was also completed. According to the assessment made, the company average increased from 2.85 points to 3.02 points (out of 5), showing an increase of 6%. With this score, Yeşim is at an above average

level. Compared to the previous assessment made in January 2018, improvement was seen in 19 out of the 21 main criteria, in which 203 sub-criteria were investigated.

As a result of this assessment, in which the Knitting, Raw Materials, Administration, Supply Chain, BU1, BU5 and Central Planning Departments were evaluated, it was seen that activities carried out in all departments were more closely aligned and that differences between units had significantly decreased. When creating the action plans for 2019, it was decided that actions would be taken according to the areas of improvement in the departments.





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 Yeşim Textile's founder Şukru Şankaya when he first started the 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 Textile has a Social Compliance Department under its Directorship of Social Compliance and Human Resources which ensures that all expectations regarding social compliance are announced 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. Also, it encourages all suppliers with a view to fulfilling expectations regarding social compliance. In addition, it shows the methods for achieving the needs for social compliance. There are activities to meet the demands of customers related with social compliance and sustainability. In addition, this department accompanies the customers and auditors during social compliance audits carried out by third party organizations and customers.

Yeşim Textile manages its social compliance activities in parallel with its Social Compliance Policy.

Yeşim's Social Compliance Policy can be accessed below.





2x Team Power

2x Speed

2x Customer-Aligned Strategy

2x Zero Defect

Yeşim Textile allocated 1,400,303 TL of its 1,744,283.3 TL corporate social responsibility budget for social compliance and occupational health and safety activities in the year 2018.

YEŞİM'S PRIORITIES IN THEIR 2019 STRATEGIES

Yeşim Textile determined its priorities for 2019 within the framework of its plans to carry out its 5-year strategies. At the meeting held by the senior management, the mottos for these strategies were defined as "Team Power", "Speed", "Customer-Aligned Strategy" and "Zero Defect". Especially, the decision was taken to become a leaner factory beginning in 2018 and also including 2019, and 4 main projects were determined aimed at the strategies that were set. All projects are conducted monthly under the guidance given by the Lean Institute and are examined by the senior management in the project areas.

YEŞİM VISION 2021

FINANCIAL BUSINESS RESULTS

CUSTOMER VALUE PROPOSITION

BU 1:
NIKE & UNDER ARMOUR

BU 5:
FAST FASHION

BU 7:
HOME TEXTILES

PROCESSES

FABRIC PRODUCTION	SUBCONTRACTOR MANAGEMENT	MARKETING & SALES	R&D AND INNOVATION	BUSINESS EQCELLENCE (Quality+Lean+Risk Management)
	GARMENT MANUFACTURING	DESIGN		

SUPPLY CHAIN MANAGEMENT & PURCHASING

INTANGIBLES

HUMAN CAPITAL

IT CAPITAL

CORPORATE CULTURE & ORGANIZATIONAL CAPITAL

SUSTAINABILITY & SOCIAL COMPLIANCE

The picture of Yeşim Vision 2021 House



In 2018, a total of
19,693
hours of OHS,
environmental and
Social Compliance
training was given
within the firm



In 2018, a total of
74,053
hours of training was
given to **9184**
employees within
the firm



We believe that training improves us and our work, and we regard training as a part of our work.

TRAININGS FOR HEALTH AND SAFETY

The Social Performance Team and OHS Board made up of 13 people, which has been active since 2017, meets regularly every month, taking decisions, recording the minutes of the meetings and sharing these with the relevant units. It is the training systems, however, which form the basis of the occupational health and safety activities. Within the scope of these, Yeşim Textile gives various training programs on the firm's premises aimed at enabling a work system that gives priority to the general health and safety of the employees and the participation of all staff in occupational health and safety practices.

In 2018, a total of 19,693 hours of training was given to 2,577 people on the subjects of "creating the SA8000 management system", "preventing child labor and protecting child workers", "preventing forced labor", "establishing and implementing occupational health and safety rules", "recognizing the right to freedom of association and collective wage bargaining", "preventing discrimination in the workplace", "preventing maltreatment", "ensuring legal conformity of working hours", and "ensuring legal conformity and adequacy of wages". This represents a 27% increase compared to the previous year. While 86 people received first aid training in 2018, the number of people receiving firefighting training by the end of the year was equal to 50% of the plant's employees.



EMERGENCY EVACUATION /FIRE DRILLS

In 2018, Yeşim Textile continued to apply emergency evacuation and fire drills, to which it attaches great importance. With the emergency evacuation and fire drills conducted in April and October, the staff were prepared to deal with potential dangers in the work environment. These drills will continue to be applied in future periods with the aim of raising awareness of possible disasters or accidents.



19,693 hours

Occupational Health and Safety, Environment and Social Compliance Trainings



54,360 hours

Quality + Career + Orientation/On-the-Job + Personal Development + Conservation + Lean Trainings



Accident frequency rate

All accidents

2.29

Causing absence

1.72



Social compliance

Social compliance activities are monitored by continuous internal and external audits conducted at both Yeşim Textile and suppliers, and improvement is measured.

Yeşim Textile structures all its activities and works related to production in accordance with Occupational Health and Safety Policy.

Yeşim's Occupational Health and Safety Policy can be accessed below.



WE CONTINUOUSLY MONITOR WITH AUDITS

In accordance with the annual auditing plan for the main plant and suppliers, programmed internal audits of existing suppliers are organized every year. Should the need for a new supplier arise according to a request coming from the production department, firstly the "Subcontractors' Pre-Audit" list is shared with the supplier, who is required to fill in and send the relevant list. Then, the social compliance department plans an audit according to the standards of the brand that is to be worked for. The relevant supplier is visited and as a result of the comprehensive audit carried out according to this list and the supplier social compliance handbook, if major non-compliance (containing great risk) is determined, the firm in question cannot be worked with.

The auditing plan is prepared annually for the main plant and all associated subcontractors, printing and embroidery firms to be audited once in 6 months. With the work carried out in 2018, the main plant was divided into 21 OHS areas and every 6 months, internal audit processes are conducted for these 21 OHS areas. The audits are performed by the Yeşim Social Compliance team, who are competent and qualified in this subject. Auditing periods are structured according to the Social Compliance audit score. Moreover, the OHS notice boards are updated monthly following sharing of the accident frequency rate calculated by the firm's occupational safety experts.

5S AUDITS

Within the scope of sustainable production at Yeşim Textile, the 5S Audits carried out by the Continuous Improvement Department were continued in 2018. In the 5S audits, in which the offices are also investigated along with all manufacturing areas, the other support departments were also included in 2018, thereby enabling standardization of 5S culture in all areas. With the aim of determining and reporting cases of noncompliance with 5S, the 5S audits encompass over 32 departments determined within the firm. Every department is audited once in 6 months by the Continuous Improvement Department, and in other periods, the departments' internal auditors conduct internal audits weekly or monthly. Moreover, by reviewing and revising

Activities of Yeşim Textile Social Compliance Department in 2018

In partnership with NIKE & PVH, chemical management and social compliance training was given to subcontracted manufacturers.

The OHS Unit began its training sessions again

Training sessions were started for staff to obtain professional competence certificates both as required by law and with the aim of increasing their competencies.

A social compliance information training summit was organized for subcontracted manufacturers by the Social Compliance Department

the 5S audit questions and systematics when necessary, the creation of a visual factory culture is targeted.

SOCIAL COMPLIANCE AUDIT CERTIFICATES

With the aim of disseminating a culture of social compliance and of contributing to the auditing process at Yeşim Textile and its associated subcontractors, 2 members of staff were given training for the CPI Social Compliance Lead Auditor Certificate in 2018 by the Intertek company. Following the four-day training program, the participants took an exam, and having obtained sufficient grades, were awarded with the lead auditor's certificate. Therefore, the number of CPI Social Compliance Lead Auditors in the firm is now 17.

JOINT AUDIT MODEL IMPLEMENTATION (SLCP)

Work towards switching to a joint audit model, whereby a single social compliance audit of world-famous garment brands such as Nike, Esprit, Tommy Hilfiger, Adidas and Puma would be accepted by all brands, was begun in 2017. Yeşim Textile was chosen as the pilot firm for the implementation of the first joint audit for this project, which is named the Social and Labor Convergence Project (SLCP), thanks to its many years of experience in this field. The first of the SLCP audits was carried out at Yeşim between 9th and 11th January 2018. During this process, the relevant data were entered into the SLCP online platform and feedback was made about areas open to improvement. Extra questions were added to the questions related to HSE and labor auditing.

Social compliance audits conducted at Yeşim in 2018

22-23.03.2018	03-04.12.2018	11-12.09.2018	31.05.2018
SA 8000:2014 1 st Review	SA 8000:2014 2 nd Review	SA 8000:2014 (Name - Changing Document Renewal)	Tommy Hilfiger PVH
17-18.10.2018	09-11.01.2018	13-17.08.2018	26-27.06.2018
HIGG Index Verification	SLCP Audit (Social & Labor Convergence Program)	Nike SM&S	Inditex Social Compliance



Sustainable step in energy

In 2018, with its plant that supports sustainable production, Yeşim again fulfilled the requirements of the ISO 50001:2011 energy management system certification that it obtained in 2016. The certification will remain valid until the end of 2019.

Yeşim Textile, which embraces sustainability as a corporate culture, continues to fulfill its responsibilities towards nature.

The firm, which has conducted various activities aimed at reducing energy consumption and ensuring continuity of the energy supply, was awarded the ISO 50001 Energy Management System certification, which is one of the most important commitments for sustainable energy in Turkey, in November 2016 as a result of the audits that it was subjected to.

The ISO 50001 Energy Management System certification, whose aim is to establish an energy management system that prevents waste by creating a framework aimed especially at the energy management of industrial facilities that consume too much energy, is given to companies following certain audits.

By having its ISO 50001 certificate renewed in 2018, Yeşim once again proved that it manufactures by acting with environmental awareness and a consciousness of social responsibility.

Yeşim Textile is subjected to annual audits related to the certification, which is valid for three years. The firm is continuing its efforts to advance its energy management system further in the coming period order to reduce its existing energy costs, in accordance with the standards brought by ISO 50001.

What is ISO 50001:2011 ?



Yeşim is a leader in sustainability

Yeşim Textile maintained the OEKO-TEX STeP (sustainable textile production) certificate which is one of the most important commitments for sustainable production, in 2018.

OEKO-TEX STeP Certification, which aims to ensure the continued existence and implementation of environmentally friendly production processes and of socially acceptable working conditions in production facilities within the textile chain, is given to companies following certain audits. Yeşim Textile is a company that has adopted the principle of carrying out production within the framework of transparent and sustainable manufacturing conditions that will gain the trust of the public. This competence of the firm has also been approved by various independent organizations.

In 2015, Yeşim became the first company in Turkey to be awarded the OEKO-TEX STeP (Sustainable Textile Production) certificate, which is one of the most important commitments for sustainable production, and the firm succeeded in retaining the certification in 2018. With OEKO-TEX STeP, Yeşim has once again proven that it manufac-

tures by acting with environmental awareness and a consciousness of social responsibility. The six subjects given attention in the audits that begin with a comprehensive analysis and assessment of sustainable production conditions are: chemicals and their use, protecting the environment, environmental management, social responsibility, quality management, and health and safety. Moreover, the certification has three scoring levels. The first level is entry level conformity. The second level is good application that has potential for optimization. The third level is exemplary application corresponding to the best application model. Yeşim Textile mostly completed each of the audit stages at the third level, and the OEKO-TEX STeP Certificate that it has earned will remain valid for a three-year period.

An OEKO-TEX STeP interim audit was also carried out at Gök-sev Apparel, and while the firm was assessed at the first level in the previous audit, it succeeded in keeping the certificate by moving up to the second level. Moreover, thanks to this promotion to the second level, Gök-sev will not be subjected to another audit until its certification period is completed.

What is OEKO-TEX STeP ?



The most prestigious social compliance certificate

YeşimTextile is the first company in the garment sector in Turkey to receive the SA8000 certificate and the company has declared that it will comply at the highest level with the "Social Compliance Policy" corresponding to the internationally accepted "SA8000 social compliance standards".

Yeşim Textile has held the SA8000 Certificate, one of the most prestigious documents in the world for the issue of "Social Compliance", since 2005. Yeşim, which was the first ready wear firm to receive the SA8000 Certificate in Turkey, has continued to conduct its social compliance activities in the intervening 13 years, and earned the right for its certification to be renewed in 2018 following two review audits and one name - changing audit. Yeşim Textile, which is one of 10 firms to hold this document in Turkey, has continued to conduct its activities in this area at the same pace and with the same sensitivity for many years.



child labor, preventing forced or compulsory labor, taking the necessary measures for occupational health and safety rules, employees' selection of their own representatives, preventing discrimination among the staff, preventing abuse and maltreatment, and ensuring legal conformity of working hours and wages, were examined. Moreover, Yeşim Textile has pledged to ensure social compliance conditions not only on its own premises, but also in its suppliers and subcontractors. The SA8000 Certificate, which has the quality of being the first universal ethical standard in the world, is currently held by 4,020 firms in the world, and only 10 of these are in Turkey.

Within the scope of the audits performed by the international independent auditing company Intertek, management system criteria consisting of preventing

What is SA 8000 ?



Yeşim maintains its reliability

Yeşim Sales Outlets, by making the necessary arrangements for protecting information belonging to customers and the work environment, ensured that they retained the TS ISO IEC 27001 Information Security Management System Certificate that they obtained in 2013, following the interim audit they were subjected to in July 2018. This certification will remain valid until 14th August 2021.



**What is
ISO/IEC
27001:2013
what does
it provide?**





Innovation

A FOCAL POINT FOR CREATIVITY AND INNOVATIVENESS

Setting out with the aim of becoming a global player within the scope of the "Vision 2021" project, Yeşim Textile took the decision in 2017 to allocate more time and resources to the issue of innovation and R&D. In order to create a culture related to innovation, included among the strategic targets of the firm which has begun to point its activities in this direction, an Innovation and Creativity working group was set up, in which a representative from every department at Yeşim takes part. Together with this group, in which every department has the chance to be represented, another important undertaking in the field of innovation and creativity was initiated by the signing of a cooperation protocol for innovation with the Bursa Governorship's EU Project and External Affairs Coordination Center. In this way, an important collaboration in the name of public-private sector association was realized.

REACHING OUT TO THE FUTURE WITH R&D

Yeşim Textile, which established its R&D department in 1999 and attaches great importance to its research and development work, has put its name to ever more valuable activities, realizing many firsts up to the present in the field of intelligent, organic, recyclable and innovative fabrics. In return for the effective and sustainable activities it has carried out in the field of R&D, the firm possesses, at the point where it is today, an R&D Center certified by the Ministry of Science, Industry and Technology. Thanks to this, Yeşim Textile became the 603rd firm in Turkey to have the Ministry-approved R&D Center documentation. The center officially commenced operations in August 2017.

Pursuing its project-based activities independently of production with the aim of disseminating an R&D and innovative culture within the firm, the center carries out hundreds of fabric studies in line with the expectations of the customers. In the name of launching value-added and innovative products on global markets and of carrying out effective, sustainable work, 26 staff are on duty in two separate buildings which serve as the Yeşim R&D Center.

By combining the innovative R&D efforts conducted at Yeşim in a single area and with a recorded project culture, the aim is to enable the manufacture of high value-added products and thus increase export capacity. Among the other goals of the center are to produce technological knowledge via R&D and innovation, make innovations in products and production processes, increase product quality and standards, increase productivity, reduce production costs, commercialize technological knowledge, develop pre-competitive collaboration, and support and encourage an increase in recruitment of R&D personnel and a qualified work force. Carrying on its activities in line with these targets, the Yeşim Textile R&D Center began project work towards intelligent textiles by developing conductive fabrics through the use of conductive polymers in printing paste in 2018. Besides this project, it is aimed to develop functional fabrics by the application of synthesized graphene oxide to the



fabric surface via nanotechnology production methods.

In 2018, the R&D Center applied for one patent. In 2019, too, design registrations and patent applications are planned. The center's TÜBİTAK project on sustainability, including subject headings such as water, energy, productivity and cost was approved in 2018, and work on this project is still ongoing. Besides this, another sustainability project application was made to TÜBİTAK at the end of 2018, and the application is still at the decision stage. Accordingly, in 2018, 2 applications were made for support from external funds. The center has 5 projects targeted in this field for the future.

Yeşim Textile completed a total of 17 projects in the R&D Center in 2018. Among the projects conducted in 2018 were a print design project, a sustainability project and a fabric development project. Within the year, 3 people employed in the R&D Center applied for master's and doctoral studies. 4 activities were carried out aimed at increasing university- industry cooperation and developing opportunities for accessing information sources. 5 activities were conducted for increasing nationally and internationally supported project applications. 1 member of staff was assigned to monitoring activities related to intellectual and industrial property rights. Moreover, the employee incentive system was concretized and steps were taken towards adding employee incentive and national-international cooperation to the project management process.



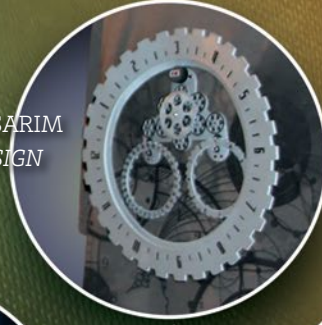
THE R&D DEPARTMENT'S 2019 TARGETS

- Deepening and extending the academic dimension of cooperation with universities
- Supporting postgraduate education of R&D staff
- Enabling participation with or without conference papers in national and/or international conferences
- Increasing the amount of training for R&D personnel
- Increasing the quality of R&D projects with support from academic advisors
- Creating a unit for intellectual and industrial property rights
- Establishing a self-contained R&D laboratory and improving its quality

İNOVATİF KUMAŞ GELİŞTİRME
FABRIC INNOVATION

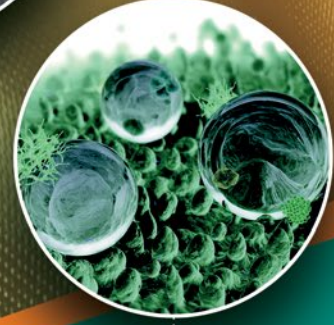


BASKI TASARIM
PRINT DESIGN



SÜRDÜRÜLEBİLİRLİK
SUSTAINABILITY

AKILLI TEKSTİL VE NANO TEKNOLOJİ
SMART TECHNOLOGY & NANO TECHNOLOGY



Yeşim Textile's activities related to innovation can be accessed below.

- *Award for the Most Innovative Company*
- *"Innovativeness Transforming into the Future"*



PROJECTS PLANNED BY THE R&D DEPARTMENT IN 2019

Sustainability Project Segment

- Researching the dyeability of cotton knitted fabrics with reactive dyes following cationization and developing new applications
- Examining the effect of parameters of finishing processes for knitted fabrics on fastness
- Project for carrying out the dyeing process for cotton/polyester in a single bath
- Examining the reasons for width variations in knitting with a parameter-based approach

Innovative Fabric Development Project Segment

- Project for enabling the effects of acidification with sustainable dyes combining the sportswear and fashion sectors
- Project for developing interlock fabrics with improved anti-snagging features
- Research into the effects of certain changed parameters on the raising effect in three-thread fabrics
- Project for developing moisture-transferring and waterproof technical textile fabrics for running athletes

Print Design Project Segment

- 2019-2020 print design project in line with customer expectations
- Screen print design project for strengthening passion for fashion
- Project for enabling a debossing effect in screen printing processes for cotton fabrics

Intelligent Textiles and Nanotechnology Project Segment

- Project for designing a heating sheet using conductive yarn for home textiles
- Project for developing a shape memory fabric that changes shape with ambient temperature
- Project for developing a conductive fabric for intelligent textiles using conductive polymers in printing paste
- Project for improving thermal conductivity of fabrics using graphene (new generation carbon atom)

Governance in Yeşim

Yeşim Textile structures all the activities it carries out related to the concept of governance in accordance with its Human Resources Management Policy.



*Yeşim's Human Resources
Management Policy can be
accessed with the link below.*



In Yeşim, the basis of management implementations that start out with the objectives of perpetual development and enhancement of performance is the mentality of "People First", just as in all its processes. Adapting the humanitarian and ethic management perception, Yeşim structures all its processes on these values.

Yeşim Textile, which determines its future strategies within the scope of the corporate development program that it calls "Vision 2021", has launched many efforts within this scope. Yeşim Textile, receiving consultancy services from a consultancy company regarding strategy and performance management for Vision 2021 goals, has continued its structuring in the Human Resources field in this process. Yeşim, attempting to establish a lean, corporate, result oriented, efficient and sustainable organizational structure, has analyzed its business processes within this framework. Within the scope of this project, the size of all positions in the business processes is determined, risks are identified, and new structuring is carried out by taking development opportunities into consideration. In the new organizational structure, the process from the customer placing the order to its delivery progresses in line with the lean management philosophy according to the value progress chart.

The Social Responsibility Policy, Energy and Environment Policy, Occupational Health and Safe-

ty Policy, Human Resources Management System Policy and Gender Equality Policy included within Yeşim's management system policies form the basis for the firm's sustainable management. The SA8000 Certificate, which is an international social compliance certificate, the Global Compact Agreement, the Global Organic Textile Standard (GOTS), the 100% organic cotton production certificate, the Organic Content Standard (OCS) Certificate, the ISO 50001 Certificate and the OEKO-TEX STeP Certificate can be regarded as outputs indicating that Yeşim's endeavors for sustainability are incorporated into its work processes.

Yeşim's activities related to governance processes can be accessed below.

- *Training programs continue at full speed*
- *Yeşim Academy has been opened*
- *Lean Line Foreman Development Program*
- *"Gender Equality and Nonviolent Communication" Training Program*
- *Chemical Management and Social Compliance Program*
- *Request - Complaint Boxes*





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 Textile in excess of 4 months are higher than the minimum wage.





Working conditions in compliance with the provisions of the "Labor Law" numbered 4857 as ratified by the Republic of Turkey 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 Textile. The administrative staff ("white collar" staff) are subjected to the provisions of the Labor Law and the workers ("blue collar" staff) are subjected to the provisions of the Collective Bargaining Agreement.

The rules of the Collective Bargaining Agreement offer consistently better conditions with regard to workers' rights when compared to the Labor Law. Since it began collective bargaining with TEKSİF in 1983, Yeşim Textile has carried out its employee recruitment in compliance with this agreement. Within the scope of these laws, compulsory workers are not employed at the firm. In recruitment of new workers, all employees who complete the trial period determined (1-3 months, depending on the quality of the position) are given the status of permanent employees at the end of this period. The trial period is 2 months according to the Labor Law and 3 months according to the Collective Bargaining Agreement.

The wages are determined on the basis of the minimum wages defined by the Ministry of Labor and Social Security. New recruits are paid the 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.

At Yeşim Textile, a fair living wage is implemented as required by the SA8000 standards.

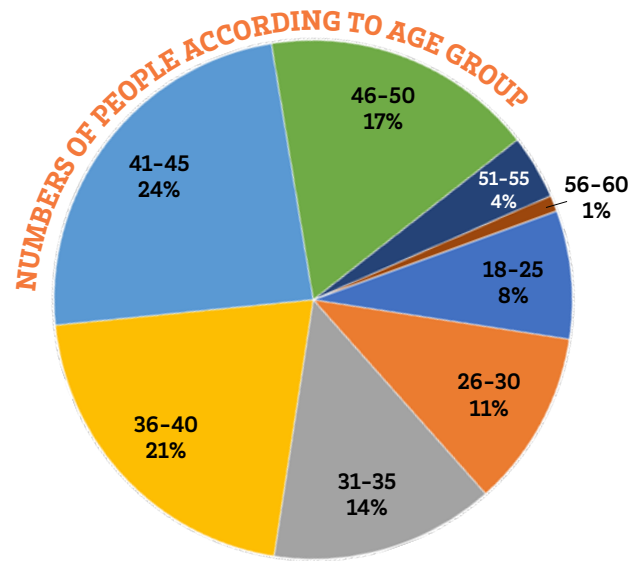
A WAGE POLICY SUPPORTED BY SOCIAL BENEFITS

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

SOCIAL BENEFITS AT YEŞİM TEXTILE

- Education grant for all schooled children of employees,
- Marriage grant for employees who get married,
- Childbirth grant to parents of newborn children,
- Funeral grants for those who lose their first degree relatives,
- Military service allowance for those who leave their jobs for military service,
- Reimbursement of meal ticket fees for those employees who fast during Ramadan,

- Child allowance for parents, separately for each child,
- Holiday allowance for those who take annual leave,
- Payment of bonuses every month equivalent to 10 days' wages,
- Religious holiday allowance for all employees,
- Heating allowance for all employees each month,
- Free shuttle service for all employees,
- Free lunch for all employees every day,
- Provision of 40 kg of food stuff for all employees quarterly,
- Free of charge kindergarten service.



It is not required to be a citizen of the **republic of turkey** to be employed at Yeşim Textile.

Yeşim Textile allows its employees to enroll with a trade union; however, this is not compulsory.

Yeşim Textile complies with the requirement of employing disabled persons at the rate of

3%

Pursuant to the labor law.



Number of employees who are enrolled with a trade union:

1882

Number of employees who are not enrolled with a trade union:

670

Employees whose children are in the kindergarten are at ease



The kindergarten, which is available free of charge to the employees' children in the 0-6 age group, is an ultramodern facility with a capacity for 1,000 children, meeting all the needs of the children.

In the Yeşim Kindergarten, which was attended by around 320 children as of the end of 2018, the children's personal and social development is aimed for with education given in parallel with that given in private kindergartens. By organizing various social activities every month in line with this aim, it is intended that they both have fun and learn while having an enjoyable time.

The kindergarten is staffed by a team of 30 qualified and licensed specialists comprising 1 manager, 2 shift staff, 16 teachers and 11 child carers to ensure the health, education and happiness of the children. Yeşim's kindergarten is open 6 days a week between 7am and 11pm. Not only mothers but also fathers are allowed to bring their children pursuant to the kindergarten regulations.



YEŞİM KINDERGARTEN IS 30 YEARS OLD

Located on the premises of Yeşim Textile, which has carried out work aimed at increasing female employment and empowering women in the business world for many years, Yeşim Kindergarten, which is available free of charge to all company employees and which is taken as an example in terms of facilitating female employment not only in Turkey but also in America, celebrated its 30th anniversary in 2018. For years, Yeşim Kindergarten has cared for its employees' children as if they were its own with service full of love and trust, has been located on Yeşim Textile's own premises for 30 years, and has, over the course of time, continued to develop by taking parents' wishes into consideration.

Within this context, Yeşim Kindergarten organized various celebrations

for its 30th anniversary in 2018, and hosted a New Year celebration for the first time. In this activity, children of various age groups had the chance to enjoy themselves. Celebrations continued throughout the year at Yeşim Kindergarten, which completed its 30th year of service in 2018.

PERSONAL DEVELOPMENT OF THE CHILDREN IS CONSIDERED IMPORTANT

New courses were added to the curriculum of the kindergarten in 2013 with a view to contributing to the personal development of the children with different topics. According to the new educational program, chess, drama, English and folk dance courses were also provided to the 5-6 age group in 2018.

"PARENTS' SCHOOL" FOR PARENTS' DEVELOPMENT

The "Parents' School", which was started for Yeşim's mothers and fathers of kindergarten students as part of the Equality at Home and Work project, has produced its second-term graduates. The project, which was begun by Yeşim Textile in 2016 for developing a work culture that shows no tolerance for violence against women and that aims to enable gender equality in the workplace, continued its activities in 2018. The "Parents' School", which was established in 2017 together with the Mor Salkım Women's Solidarity Association, produced its first graduates in March 2018.

Yeşim kindergarten's 2018 activities





Yeşim; the green factory

Yeşim Textile structures its energy management and environmentally friendly production activities in accordance with its Energy and Environment Policy

Yeşim's Energy and Environment Policy can be accessed with the link below.





The green factory

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

ENVIRONMENTAL AWARENESS IN PRODUCTION

Yeşim Textile 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 to raising public awareness. Yeşim has fully integrated the environmental projects which have been carried out for years in its business processes.

Yeşim, which manufactures global brands, carries out all its environmental projects by listening to nature with great sensitivity. When expanding its production capacity, the firm never makes concessions with regard to environmental sensitivity, and always gives priority to the

concepts of social compliance, sustainability and social responsibility.

**Our goal:
to reduce
consumption
in production**

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 by the Global Compact Agreement, the SA8000, BSCI (Business Social Compliance Initiative), Oeko-tex Standard 100, ISO 50001, GOTS, OEKO-TEX STeP and OCS certificates, and Bluesign and BCI memberships. 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

Yeşim's activities related to the environment are supported and monitored by the company's senior management headed by CEO Şenol Şankaya.

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.

3% IMPROVEMENT IN CARBON PERFORMANCE

Yeşim Textile registered for the carbon performance improvement initiative system (CPI₂) in its home textile department in 2014. CPI₂ is an initiative of European retail

firms aimed at actively pioneering climate protection. This improvement system, which is also supported by Yeşim's customers, aims to systematically lower energy costs and reduce carbon dioxide (CO₂) emissions. Within this scope, Yeşim Textile entered the factory data into the system on-line in 2016 and received improvement suggestions based on the data. Following the work begun by Yeşim Textile in 2017, the company achieved a 3% improvement in carbon performance in 2018.

ENERGY SAVING ACTIVITIES CARRIED OUT IN 2018

<i>Topic</i>	<i>Project Title</i>	<i>Year When Project Was Carried Out</i>
WATER	Enabling water saving by collecting condensed and cooling water	2018
ENVIRONMENTAL SYSTEM	Receipt of ISO 14001 environmental management system certificate	2018
ENERGY+WATER	Enabling energy and water saving by increasing efficiency of finishing and surface dyeing machines	2018
WATER	Enabling energy saving with moisture control system in flues and on fabrics	2018
WATER	Reusing final wash bath water, used for dark color dyeing in jet dyeing machines, in redyeing	2018

ENERGY SAVING ACTIVITIES PLANNED FOR 2019

<i>Topic</i>	<i>Project Title</i>	<i>Year When Project Was Carried Out</i>
ENERGY+WATER	Investing in latest technology machines for energy and water saving	2019
ENERGY	Enabling energy saving by exchanging existing compressors for new compressors	2019
ENERGY	Increasing efficiency by exchanging existing motors for IE4 motors	2019
ENERGY	Increasing use of energy-friendly, high efficiency dyestuffs	2019
WATER	Reusing final wash bath water, used for dark color dyeing in jet dyeing machines, in redyeing	2019



Water is life source, we appreciate its value

Yeşim Textile, which installed its own treatment plant in 2000, is one of the pioneers in its own field with its water treatment plant that has a capacity of 7,000 tons per day, its projects aimed at enabling water and energy saving, the modern environmental systems it has set up and its structure that conforms to international standards. The firm continues to set an example for industry in the city and country with its on-line-monitored waste management and the new projects it plans to carry out in the future.



USING RECYCLED WATER FOR BLANKET WASHING IN PRINTING MACHINES

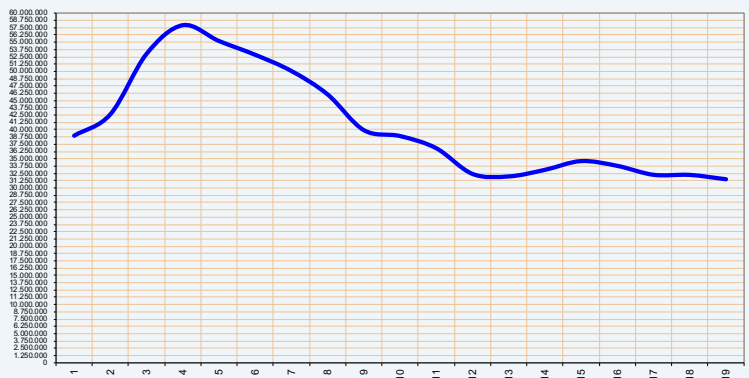
With the "Using Recycled Water for Blanket Washing in Printing Machines" project initiated by Yeşim Textile's Machine-Energy Department, recycled water is used in blanket washing of printing machines. In the project, by which water saving of 800 tons per day, 20,000 tons per month and 250,000 tons per year is targeted, water saving of around 650-700 tons per day, 18,000 tons per month and 215,500 tons per year was achieved in 2018. This project also shines out as Yeşim Textile's biggest water saving project.

YEŞİM IS MONITORED ONLINE

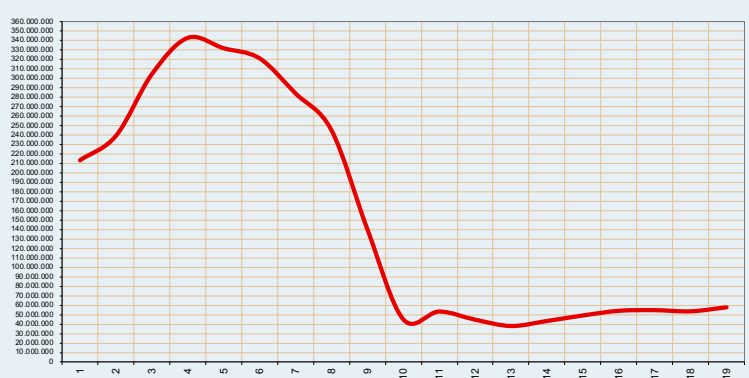
Yeşim Textile participated in the project that was started by the Bursa Metropolitan Municipality's 'online monitoring of wastewater' application in 2013, and the company was again monitored online by Bursa Metropolitan Municipality in 2018. The online monitoring system measures the parameters of water and delivers data in real time to Bursa Water and Sewerage Administration and Provincial Directorate of the Environment. The parameters include oxygen, conductivity of water, pH level of water, temperature of water and its flow rate.

No major defect was found during the environmental audits that were carried out in 2018 and no environmental accidents occurred.

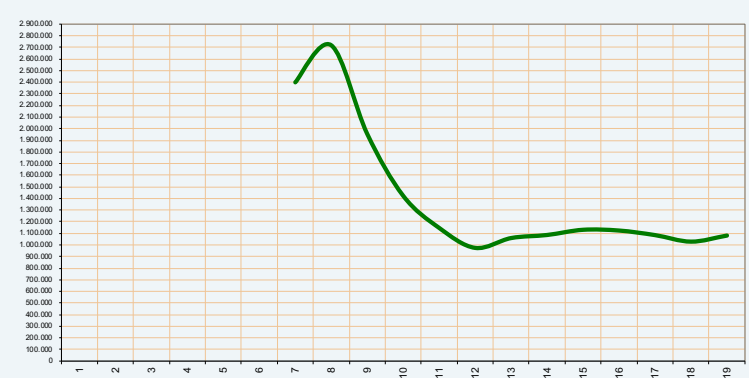
ELECTRICITY CONSUMPTION (Kw)



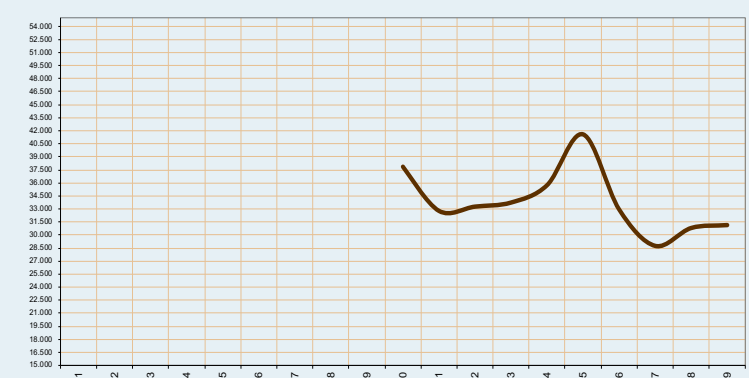
NATURAL GAS CONSUMPTION (Kw)

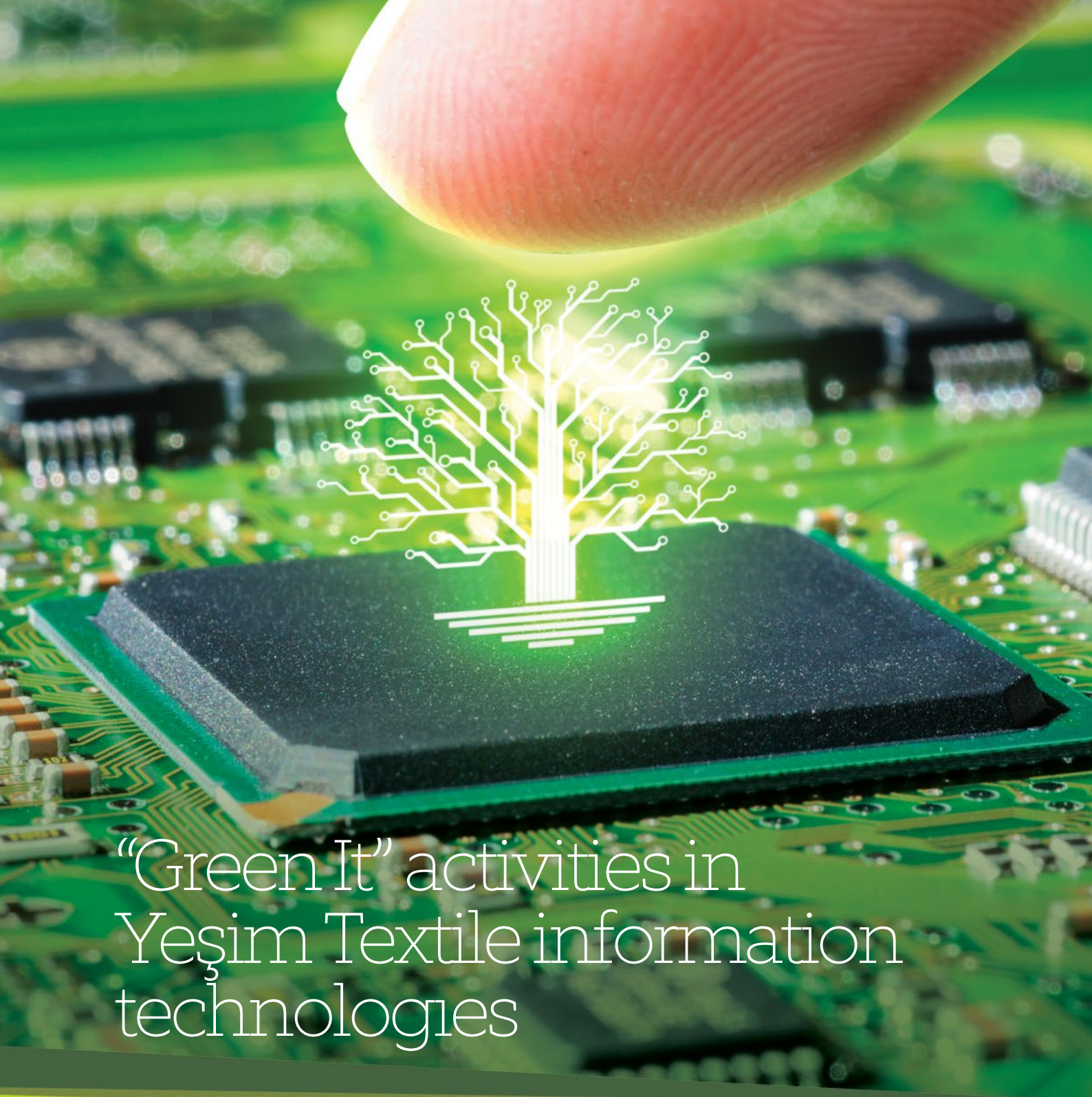


DEMINERALIZED WATER CONSUMPTION (m³)



COAL CONSUMPTION (tons)





“Green It” activities in Yeşim Textile information technologies

- The firm began to dispose of its electronic waste through certified recycling companies in 2009
- Within the scope of the Green IT initiative, the Active Directory 2012 Transition Project reduced power consumption of servers in 2014. This reduction in consumption continued in 2018.
- Energy savings and the environmentalist approach reached a sustainable point with the hardware changes made in 2018 (HP products for desktop computers, DELL products for notebook computers, and LCD for all factory screens were put into use).
- Energy savings and the environmentalist approach also reached a sustainable point with the reduction in physical servers enabled by investment in virtual servers made in 2018.

Environmentally friendly production

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

Wastes are Collected by Separation at the source and are then recycled or disposed of.

- Used vegetable oils are collected in the canteen and they are given without charge to licensed recycling companies.
- Oily rags are collected separately from other waste in maintenance departments and are sent to licensed firms.
- Contaminated barrels, chemical containers and IBCs are sent to a hazardous waste area (temporarily) from the chemical and dye preparing areas. Contaminated barrels, chemical containers and IBCs are transported to licensed recycling facilities by licensed transporting companies.
- Fluorescent lamps are separated at source and collected. Waste fluorescent lamps are temporarily collected in a container allocated for this waste in the hazardous waste storage area, and then sent to licensed recycling firms to be rendered harmless to nature.
- Used cables and electrical equipment are temporarily kept in a container allocated for this waste. After waste cables and waste electrical equipment have been accumulated, they are sent to licensed firms for recycling.
- Medical waste is collected separately in the infirmary in special red packaging and delivered to a company licensed to collect medical waste.
- With the project carried out in 2018, solar panels were installed in the roof for office lighting on the third floor of the new building of the Knitting Department. With this activity, a significant saving of energy was obtained, and new projects aimed at extending this to the plant as a whole were put on the agenda.



Social responsibilities

Yeşim is aware of its social responsibilities

Yeşim Textile continues to meet social compliance requirements regarding production and to carry out social responsibility projects voluntarily. The social responsibility projects mainly address our employees, the environment, education and sports activities.





In 2018, Yeşim Textile continued to have an effect on people with the increasingly valuable social responsibility projects that it initiated. Never withholding their support and overcoming all kinds of obstacles with the solidarity they have shown on this road, the Yeşim volunteers will continue to be one of the most valuable assets of Yeşim Textile in the future, just as they always have in the past.

The firm continued to set an example in the field of social responsibility, distinguishing itself especially with the World of the Butterfly project, which celebrated its 5th anniversary in 2018, with the "Do a Good Deed, Make a Difference" project and with the Yeşim Running

Team, who ran in the Vodafone 40th Istanbul Marathon, LÖSEV Wishing Tree project, and projects carried out for the hearing impaired.


"2000 hours of
voluntary work
were carried out by
350 volunteers at
Yeşim."


Gathering for Yeşim Textile's social responsibility projects, 350 Yeşim staff performed around 2,000 hours of voluntary acts for a more habitable world. The Yeşim Volunteers took part in 5 projects as part of the UN's 2030 Sustainable Development Targets.

Among the volunteer projects included in the sustainability report for 2018, the "Do a Good Deed, Make a Difference" project, the Yeşim Running Team, the LÖSEV Wishing Tree project, and projects carried out for the hearing impaired stand out.



The clubs support personal development

Many social activity clubs were established to support individual and social development of Yeşim Textile's personnel and also to enliven their social lives. In these clubs the personnel of Yeşim participate voluntarily and organize various events.



EVENTS PERFORMED IN 2018:

TRAVEL, FUN AND ART CLUB

- **20th February 2018** - Cinema Event (Hadi Be Oğlum)
- **27th February 2018** - Theatre Event (Yanarsın Kardeşim)
- **1st March 2018** - Get your Book and Come Event
- **5th April 2018** - Get your Book and Come Event
- **11th July 2018** - Ayvalık Boat Trip
- **16th September 2018** - Trip to Bosphorus and Islands
- **21st October 2018** - Trip to Lake Abant, Bolu

FUTURISM, INNOVATION AND TECHNOLOGY CLUB

- **17th February 2018** - Back to the Future: Future of the Innovator Event (Gold sponsor: Yeşim Textile)
- **July, september, november 2018** e-bulletins

FASHION CLUB

- **28th February 2018** - Talk given by Hatice Gökçe (about fashion)
- **19th December 2018** - Talk given by Başak Gürsoy (about fashion)

POSITIVE THINKING CLUB

- **14th February 2018** - Talk given by Semra Kozanlı (Subconscious Programming and Success at Work)
-
-

ENVIRONMENT AND SOCIAL RESPONSIBILITY CLUB

- **14th May 2018** - Yeşim Spring Fair organized as part of the Do a Good Deed, Make a Difference Project (With the donations collected, the conference hall at the Panayır Şükrü Şankaya Primary School was renovated)
- **11th November 2018** - 40th Vodafone İstanbul Marathon / Yeşim Running Team (Collected donations were given to the TEV Şükrü Şankaya Educational Scholarship Fund's "Educated Girls for Happy Tomorrows" project)
- **18th December 2018** - LÖSEV Wishing Tree (LÖSEV children's New Year wishes were realized)

SPORTS CLUB

- **1st March 2018** - Bowling Tournament
- **25th March - 8th May 2018** - Şükrü Şankaya Football Tournament
- **10th October 2018** - Talk given by Süleyman Sılacı (Focus on your Work and Reach your Goals)
- **14th December 2018** - Bowling Tournament

WOMEN'S AND CHILDREN'S CLUB

- World of the Butterfly Activities
- **11th March 2018** - 5th Anniversary Celebrations for the World of the Butterfly



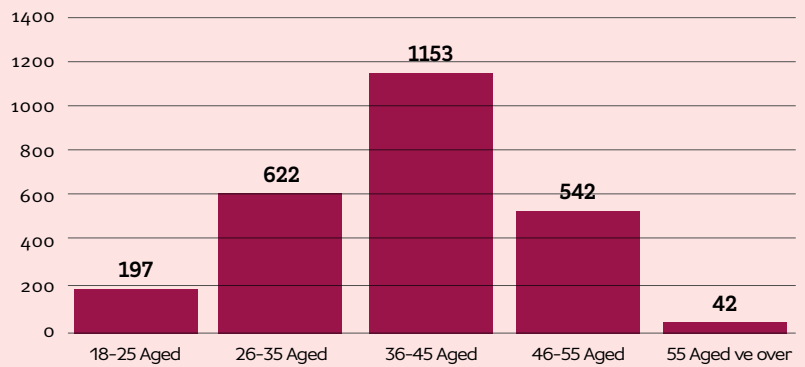
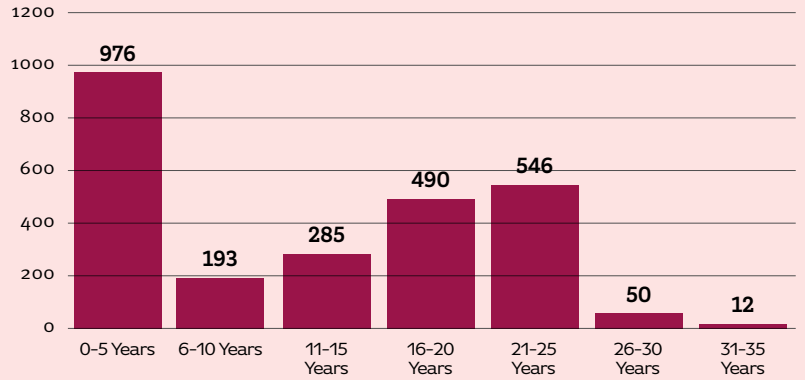
Women- friendly company

Yeşim Textile structures all its activities suited to its identity as a "Women-friendly company" in accordance with its Gender Equality Policy

Yeşim's Gender Equality Policy can be accessed with the link below.



Data for female employees in 2018



Yeşim Textile continues to be a model company in its industry with its gender equality policy and steps in this direction.





WOMEN'S EMPOWERMENT PRINCIPLES

- Establish high-level corporate leadership for gender equality.
- Treat all women and men fairly at work - respect and support human rights and non-discrimination.
- Ensure the health, safety and wellbeing of all women and men workers.
- Promote education, training and professional development for women.
- Implement enterprise development, supply chain and marketing practices that empower women.
- Promote equality through community initiatives and advocacy.
- Measure and publicly report on progress to achieve gender equality.



Our work regarding women's empowerment

WOMEN'S EMPOWERMENT PRINCIPLES LEAD TO YEŞİM TEXTILE

1. ESTABLISHING HIGH-LEVEL CORPORATE LEADERSHIP FOR GENDER EQUALITY.

Yeşim Textile, besides the work that it has carried out for its female employees for many years, has roles in the Board of Directors of Global Compact Turkey, of which it has been a signatory since 2006, and in the Women's Empowerment Working Group. Performing the duty of co-chair together with Eczacıbaşı Holding, Yeşim Textile plays an active role in publicizing the activities of the Global Compact for this issue all over Turkey.

Moreover, in 2009, Yeşim Textile, by signing the Turkish Quality Association's (Kal-Der) "Management is a Woman's Right" declaration, committed itself explicitly to promoting gender equality, and has held the SA8000 Certificate that supports gender equality since 2006.

In addition to this, Yeşim, which adopted the UN Women's Empowerment Principles (WEPs) on March 5th 2015, serves on the Higher Advisory Board of the "Business World Against Domestic Violence" Project, which is conducted by the Sabancı University Corporate Governance Forum. Within the scope of this project, which aims to create a support mechanism in workplaces against violence towards women within the family or by individuals they are in close relationships with, and to disseminate the best applications, tools and methods for reducing domestic violence by using the administrative and organizational abilities of the business world, Yeşim retained its position among the leading firms regarding this issue in 2018 by communicating examples of its good practices.

In October 2016, with the coordination of Yeşim Textile, the Women's Empowerment Platform of Bursa was established by the WEPs signatory firms in Bursa, organized with the cooperation of BUSİAD (Bursa Industrialists' and Businessmen's Association) and BUIKAD (Bursa Businesswomen and Administrators Association), with the aim of bringing the activities carried out towards

gender equality and women's empowerment in the world and Turkey to Bursa.

Following the establishment of the platform, it continued its activities in 2017, with Bursa being chosen as a pilot province in this subject, and in 2018, the organization carried out many different activities and experience-sharing meetings suited to its purpose. The Women's Empowerment Platform of Bursa also aims to set an example by opening new roads with its current activities and transporting its work in this field to other provinces.

Yeşim Textile was shown as an exemplary company contributing to the employment of women in the Women's Empowerment Principles Application Guidelines prepared by the United Nations Gender Equality and Women's Empowerment Unit (UN WOMEN) with its kindergarten which has been in operation for 30 years.

Film shoots were carried out at Yeşim Textile along with 3 other companies with exemplary practices in this field for a public service announcement prepared as part of the "More and Better Jobs for Women: Women's Empowerment for Decent Work in Turkey" project implemented for women, with the financing of the International Labor Organization (ILO) and the Turkish Employment Agency (ISKUR) by the Swedish International Development Cooperation Agency (SIDA). These shoots were released in 2017 as a public service announcement. *(Please see:*

<https://www.youtube.com/watch?v=in6fqrAdnOk>,
<https://youtu.be/n19JUi0kNvA>)

Distinguishing itself with its efforts made regarding the empowerment of women, Yeşim Textile also participates in the TÜSİAD Gender Equality Working Group. Within the scope of the Sustainability Stories Project organized by Global Compact with TÜSİAD, Yeşim Textile was selected as one of the 5 stories considered worthy of telling at the conference held on May 23rd 2017 at the Haliç Congress Hall, and the firm again took the lead in this regard by telling the story behind the World of the Butterfly project that it carries out for women and its kindergarten located on its premises. *(Please see: <https://www.youtube.com/watch?v=AwIyL1ZdsI&index=2&list=PLYykt1nmIGoECL7omYMhO4OLa9-789HqE>)*

News about the Yeşim Kindergarten which is located on Yeşim Textile's premises and is utilized free of charge by the firm's employees, has been reported in the USA. The news that Pınar Ersoy, who has worked for newspapers like Cumhuriyet and Milliyet and who continues her career as an independent journalist, had conducted research with the help of a scholarship from the New America think tank, was broadcast on PRI Radio, which is one of the country's largest and most respected and radio stations. Broadcast on PRI Radio, which is listened to by 19 million people in the world, the news drew attention to the results of the research, which examines the reasons why the participation of women in the workforce in Turkey is low and the role played by Yeşim Textile's Kindergarten in women's employment for the last 30 years. Moreover, the news is also published on the radio station's website with images of the kindergarten. *(Please see: <https://www.pri.org/stories/2017-05-04/why-more-turkish-women-dont-work>)*

The Yeşim Kindergarten, which celebrated its 30th anniversary last year and from which thousands of children have graduated since it was opened, was given a full page of news in one of Turkey's most widely-read newspapers, Hürriyet, in October 2018. The story of Kadriye Ateş, who was educated in the Yeşim Kindergarten and who returned to the same kindergarten years later as a teacher, was also widely publicized in the press in November 2018. In the news published in Hürriyet, the activities carried out in the Yeşim Kindergarten, which is a leading example in Turkey in this field and which supports the employment of women, were mentioned. In the report, five Yeşim employees, who had graduated from the Yeşim Kindergarten and who now work for the firm, told their stories, in which they mentioned the values they had learnt by graduating from the kindergarten, the sense of belonging to the firm that they felt, and the pleasure they felt from being under the Yeşim roof again.

Attending the 11th Istanbul Fashion Conference, hosted by the Turkish Clothing Manufacturers' Association (TGSD) as a speaker, Yeşim Textile's Corporate Communications Manager, Dilek Cesur, informed the participants about Yeşim's sustainability journey. Speaking at the event organized at the Çırağan Palace with the concept of "Responsible Fashion", Cesur discussed the Yeşim Kindergarten, which has been serving the staff for 30 years, and the World of the Butterfly project, the influence of which is increasing every year, and invited the whole business world to work towards gender equality. *(Please see: <https://youtu.be/wWez43c9Kps>)*

Yeşim Textile's Corporate Communications Manager, Dilek Cesur, who has taken on the role of coordinator of the Women's Empowerment Platform of Bursa, gave a speech at the panel entitled "Our Equality is our Strength", organized by the platform and carried out at BUSİAD House, and informed the participating firms' authorities and the public via the press about Yeşim's work related to this issue and the results of this work. Besides leading representatives of the Bursa business world, directors of various non-governmental organizations also attended the panel, which drew

attention as an exemplary organization executed by the platform and attended by a large number of people in 2018.

2. TREATING ALL WOMEN AND MEN FAIRLY AT WORK - RESPECTING AND SUPPORTING HUMAN RIGHTS AND NONDISCRIMINATION.

Since 1996, Yeşim Textile has held the SA8000 Certificate, one of the most prestigious documents in the world for social compliance, since 2005. This document officially certifies that there is no discrimination at the workplace, and that production is carried out by respecting human rights. The company also earned the right to receive the OEKO-TEX STeP certificate in 2015, thereby certifying the work carried out in this regard with another certification system. Moreover, the "Codes of Conduct" of all the world-famous brands that Yeşim manufactures for demand no discrimination in the workplace, and by supervision of this by third party auditing firms, the company monitors and controls this demand. Yeşim also supports and spreads this understanding via the social compliance activities conducted on its own premises.

In the business medium both women and men work under the same conditions, with the same opportunities and the same rights. No one obtains moral or material favors due to being a man, whereas sometimes positive discrimination is applied to women to encourage their inclusion in business life. Also, Yeşim Textile employees receive salaries and work in conditions determined according to national and international standards regardless of their gender. Yeşim Textile has built a clause-by-clause framework for its principles regarding this issue via the social responsibility policy it has established.

Yeşim conducts the "Equality at Home and Work" project in order to ensure gender equality in the workplace and develop a work culture which does not tolerate violence against women. Yeşim Textile, which has been chosen as one of the 17 pilot companies in Turkey for the "Development and Implementation Guide for Workplace Policies Related to Domestic Violence against Women" prepared by Sabancı University Administration Forum with the cooperation of the Turkish Industrialists' and Businessmen's Association and with the support of the United Nations Population Fund (UNFPA) and the Sabancı Foundation, aims to raise awareness among its employees about this issue with its "Equality at Home and Work" project.

3. ENSURING THE HEALTH, SAFETY AND PROSPERITY OF ALL WOMEN AND MEN WORKERS.

Yeşim Textile is a firm that endeavors to apply the work health and safety rules at the highest level, and that uses all material and spiritual means available for the health and safety of its employees. The firm has obtained high scores in all audits performed on it by both public institutions and private auditing firms directed to it by customers, and has exhibited exemplary work. The guarantee of the work done on this matter by Yeşim Textile is its possession of the SA8000 certificate, which is one of the most prestigious documents

for social compliance. Yeşim Textile, which has held this certificate since 2005, is the first apparel firm in Turkey to receive the SA8000 certificate and over the past 13 years, by continuing its social compliance activities in the same way, has retained the certificate for the fifth time and become one of the few firms in Turkey and in the world to achieve this.

Yeşim Textile gives salaries above the minimum wage to its employees due to the requirement of the SA 8000 certificate it possesses. Everyone that completes their third month at Yeşim receives a salary higher than the minimum wage. Also, the firm contributes to the employees' budgets via the food packages, shoes and towels it distributes once in 3 months.

There is a free kindergarten service at Yeşim Textile that 0-6 year-old children of the employees have benefited from for 30 years. Moreover, the Women's and Children' Club, which has been active for 17 years, continues its activities for women without interruption. The club conducts various trainings and social activities for the personal development and motivation of Yeşim's employees, thus supporting personal welfare and happiness. The expert speakers who come to the talks, organized especially by this club within the scope of the World of the Butterfly project, give the staff valuable information about various subjects.

Moreover, in July and August 2018, another 66 Yeşim employees were awarded first aid certificates following First Aid Certificate training given by Red Crescent trainers. Therefore, a total of 150 male and female staff have now received first aid training in the firm as a whole and give support on the subject of health to the other Yeşim employees.

4. PROMOTING EDUCATION, TRAINING AND PROFESSIONAL DEVELOPMENT FOR WOMEN.

While Yeşim Textile determines the corporate trainings it conducts according to personal needs without discrimination between women and men, it also organizes many trainings and activities aimed at the personnel and professional development of women under the umbrella of "the Yeşim Academy", "the Women's and Children's Club" and "the World of the Butterfly" project.

Yeşim Textile started the "the World of the Butterfly" project in November 2013 with the slogan "If a woman changes, society changes...", with the aim of creating awareness in health, rights, personal development and family matters for all female staff. The project was brought to life in coordination with Uludağ Soroptimist Club, which is a nongovernmental organization that continues its activities aimed at changing the lives and raising the status of women and girls.

Within the scope of "the World of the Butterfly" project that leads the sector in terms of being a sustainable project run by cooperation between an NGO and the private sector, activities are conducted towards raising the awareness of the women working and the girls doing their internships in the company, with events carried out under three headings, "Women and Health", "Women and Rights", "Women and the

Family". As part of the project, trainings are organized in a number of subjects from legal rights of women to proper consumption of food.

As part of the "Equality at Home and Work" project, as in 2017, trainings were organized in 2018 at the Parents' School for the parents of children in Yeşim Kindergarten.

Putting its name to another exemplary project, Yeşim Textile initiated the training program entitled "Gender Equality and Nonviolent Communication". Aimed at both blue and white collar staff in the firm, especially the male foremen, the training program was organized in 3 separate seminars and attended by approximately 1,000 employees, thereby aiming to raise consciousness and awareness of the issue in the participants.

On 30th November 2018, Yeşim Textile hosted a seminar at the kindergarten entitled "Childcare Needs in the Business World, organized by the Global Compact Turkey's Women's Empowerment Working Group and attended by representatives of the business world and UN agencies. The program was attended not only by member firms of the Global Compact Turkey's Women's Empowerment Working Group, but also Global Compact of Turkey's managers and authorities from the Mother and Child Education Foundation and PwC Turkey. At the event, a roadmap was drawn related to the steps that needed to be taken by the business world for enabling female employees to benefit more effectively from kindergarten services and to be more involved in the workforce market, and the kindergarten and childcare services needed for enabling a more productive and effective presence by all male and female employees in work life were discussed in detail.

5. IMPLEMENTING ENTERPRISE DEVELOPMENT, SUPPLY CHAIN AND MARKETING PRACTICES THAT EMPOWER WOMEN.

Yeşim Textile has pledged to apply the SA8000 criteria in the contractor firms it works with as well. In this regard, it also makes the required arrangements for application of gender equality criteria in the firms it manufactures with. It performs social compliance audits in the firms located within the supply chain, and in these audits it monitors non-discrimination against women employees, working conditions, wages, social rights, and working hours and conditions of pregnant women.

Yeşim Textile gives importance to the issue of gender equality in the contractor firms it works with. In this context, by giving training to Fita Textile on the subject of Equality-Based Social Compliance, information about the issue of gender equality was conveyed through training.

6. PROMOTING EQUALITY THROUGH COMMUNITY INITIATIVES AND ADVOCACY.

All the blue collar workers in Yeşim Textile can be members of unions and can benefit from union rights regardless of gender.

Yeşim Textile signed the Global Compact in 2006, thereby succeeding in being the first firm in the garment sector in Turkey to sign this agreement.

Yeşim Textile signed the Turkish Quality Association's (KalDer) "Management is a Woman's Right" declaration in 2009 and thus committed itself to improving gender equality.

Moreover, it has held the SA8000 certificate that supports gender equality since 2005.

The firm signed the Women's Empowerment Principles (WEPs) on 5th March 2015.

The company has a seat on the UN Global Compact Turkey board of directors and also plays an effective leading role in the Women's Empowerment Working Group as co-chair.

Yeşim acts as coordinator of the Women's Empowerment Platform of Bursa, established with the cooperation of BUSİAD (Bursa Industrialists' and Businessmen's Association) and BUIKAD (Bursa Businesswomen and Administrators Association). Via this platform, the aim is to transfer the activities and exemplary practices carried out in the name of gender equality and women's empowerment in the world and Turkey to Bursa. The platform also has a mission to set an example by opening new roads with its current activities and transferring its work in this field to other provinces.

Within the company, there is a Gender Equality Committee made up of male and female managers from various departments. In addition, the company has a Gender Equality Policy prepared under the leadership of this committee.

7. MEASURING AND PUBLICLY REPORTING ON PROGRESS TO ACHIEVE GENDER EQUALITY.

Yeşim Textile, with the Global Compact Report it has issued regularly since 2009, announces to the public its work on social compliance and sustainability on the website of the United Nations in both English and Turkish. Yeşim Textile, in its annual report, gives space to the equality understanding, to the importance of non-discrimination in work processes and to activities carried out only for women.

A promotional film was prepared for the World of the Butterfly project and a video was prepared that included the opinions of women benefitting from the project. The promotional film and video including opinions were shared with the public on Yeşim Textile's website and social media in Turkish and English. Please see:

Promotional film:

https://www.youtube.com/watch?v=-OsMrT_ggd0

Video:

<https://www.youtube.com/watch?v=37ba8SOKlko&t=10s>

Work carried out within the scope of the Equality at Home and Work project and the results of the gender equality awareness survey were shared with the public at meetings attended as speakers by directors of Yeşim Textile.

All activities conducted for gender equality were shared with the public in the People First Magazine and Newspaper published by the firm in both printed and digital forms.

In 2018, gender equality training was given to 1,000 employees. During the training, questionnaires related to "Employee Satisfaction" and "Gender Equality" were also applied. The responses to the questionnaires were reported with comments by Gender Equality Expert, Burcu Üzümcüler.

At the "Gender Equality in Working Life" symposium, held on 20th October 2018 at Istanbul Bahçeşehir University as part of the 30th anniversary of Etiler Soroptimist Club, Yeşim Textile's Corporate Communications Manager, Dilek Cesur, gave information about gender equality at the session entitled "Where is the Business World in this Business?".

Another important development at Yeşim during the year was the visit by Canan Güllü, the President of the Federation of Women's Associations of Turkey and one of the pioneers of women-friendly activities in the country. Visiting the kindergarten, which celebrated its 30th anniversary in 2018, and the office of the World of the Butterfly, which represents a concrete step for women's activities at Yeşim, Canan Güllü was informed about the company's women-friendly efforts by seeing them in situ.

The third and last module of the gender equality training sessions organized within the scope of the Business World Against Domestic Violence Project was held at the İnci Academy, Izmir, on 16th November 2018. On the last day of the training, the participants had the opportunity to listen to examples of good practices given by İnci Holding, which was previously involved in the project, as well as the Izmir Commodity Exchange and Yeşim Textile. Attending the training as a speaker on behalf of Yeşim Textile, Corporate Communications Manager, Dilek Cesur, provided information specific to the Yeşim Kindergarten, which continues to operate on the firm's premises and which completed its 30th year in 2018, as well as information about other activities carried out by the company.





If a woman changes, society changes ...

Within the scope of the world of the butterfly project realized in 2013 by Yeşim Textile women's and children's club and Uludağ Soroptimist Club, a variety of events were held in 2018. The events were carried out under three main headings as "Women and Health", "Women and Law", and "Women and the Family/Personal Development", and work towards raising the awareness of women was conducted within the scope of the world of the butterfly that has the slogan, "If a Woman Changes, Society Changes".

Training courses are organized in different subjects like women's legal rights or proper use of foods. In 2015, the Educational Volunteers Foundation of Turkey (TEGV) became involved in the project which was firstly initiated by women workers of Yeşim Textile, and training is given at the TEGV Bursa Training Unit with the slogan "Towards the future with my child".

In 2016, women working in the Mothers' Workshops of LÖSEV (the foundation for children with leukemia) were also included in the project.

In October 2017, the third phase of the World of the Butterfly Project was started. At this stage, the daughters of Yeşim employees and the teenagers at the Red Crescent Girls Dormitory were also involved in the project. Thus, while training and consultancy for women at the Educational Volunteers Foundation of Turkey continued, an 8-month new training program entitled "Joining hands for Strong Girls and Happy Tomorrows" was started.

In 2018, when the Turkish Federation of Soroptimist Clubs (TSKF) celebrated its 70th anniversary, joint activities were carried out for empowerment of women and girls with a project that was also conducted in Soroptimist Clubs located all over Turkey. The sphere of influence of the project was last extended in October 2018 with the inclusion of mothers of students at the Panayır Şükrü Şankaya Primary School.

The training sessions conducted at Yeşim are supported by various activities carried out within the firm and

by the voluntary counselling given to Yeşim's female staff by members of the Uludağ Soroptimist Club. With the aim of carrying out the activities of the World of the Butterfly project at Yeşim Textile, there is a room allocated only for women, and in this room, women can take part in the talks and chats during which they can receive free, individual counselling services from members of the Uludağ Soroptimist Club who are experts in different fields, and which are intended to contribute to their personal development.

The world of the butterfly is 5 years old

The World of the Butterfly project, which was set up in 2013 with the slogan "If a woman changes, society changes" by Yeşim Textile and the Uludağ Soroptimist Club for the empowerment of women and girls in society and in the business world, celebrated its 5th anniversary within the scope of "World Women's Day".

As well as the women from Yeşim who benefit from the project, the celebrations, carried out at Özlüce Karya Davet, were also attended by mothers from the Educational Volunteers Foundation of Turkey (TEGV), girls staying at the Red Crescent Student Residence, female managers from Yeşim and members of the Uludağ Soroptimist Club.

Following the opening speeches given by the Leaders of Yeşim Textile's Women's and Children's Club, Seyhan Çiloğlu and Emine Yazbahar, Yeşim Textile's Corporate Commu-

nications Manager and Chairwoman of Uludağ Soroptimist Club, Dilek Cesur, shared the five-year development story of the World of the Butterfly project with the attendees. After the speeches, the promotional film of the project, and a video of the project explained by two women from Yeşim to the business world together with five sustainability stories at TÜSİAD, were watched. Following the speeches and video shows, the fifth year anniversary cake was cut. The program continued with an entertainment section accompanied by music. The participants at the 5th anniversary celebrations, which witnessed a large attendance, had the chance to let off steam by having a lot of fun together with music. Within the scope of the 5th anniversary activities, a show was organized on 6th March 2018 named "Girls' Talk Just for Us with Benan Bilek" in association with Podyum Davet.



The World of the Butterfly project, which celebrated its 5th anniversary in 2018, continued its activities with trainings and talks conducted on Yeşim Textile's premises. The project extended its sphere of influence to the whole country in 2018 via the clubs affiliated to the Turkish Federation of Soroptimist Clubs. In 2018, other soroptimist clubs in Turkey, such as the Ankara Soroptimist Club, Istanbul Soroptimist Club, Konya Soroptimist Club, Yalova Soroptimist Club, İçel Soroptimist Club and Etiler Soroptimist Club also began to implement the World of the Butterfly project. In this way, the project was given the opportunity to expand not just in Bursa, but all over Turkey.



Promotional Film

The World of the Butterfly's promotional film and a video that includes the opinions of women benefitting from the project can be viewed in Turkish and English on Yeşim Textile's YouTube page. Please see:



Promotional film: <https://www.youtube.com/watch?v=FM9onAd95eQ>

Video: <https://www.youtube.com/watch?v=Kyc5UFal00I>



World of the Butterfly's Events at Yeşim Textile

	03rd January 2018	The Woman, Wife and Mother Trinity Burcu Üzümcüler
	14th January 2018	Subconscious Programming and Success at Work Semra Kozanlı
	24th January 2018	Coffee Meeting 23 Filiz Ateş Alyanak
	28th February 2018	Talk by Designer Hatice Gökçe
	11th March 2018	World of the Butterfly's 5 th Anniversary Celebrations
	10th April 2018	Secrets of Healthy Weight Loss Merih Eskicioğlu
	25th April 2018	Coffee Meeting 24 Nevin Topçu
	09th May 2018	Mother's Day Event at Panayır Şükrü Şankaya Primary School
	05th September 2018	Preventing Neglect and Abuse of Children Seyhan Sevinçler
	13th September 2018	Coffee Meeting 25 Nergis Melek Akıncı
	07th November 2018	Being a Working Mother / Father and Guilt Seyhan Sevinçler
	21st November 2018	Coffee Meeting 26 İşıl Tonyalı
	28th November 2018	Effective and Successful Communication in the Parent-Teacher-Student Triangle Nesrin Turşucular
	13th December 2018	Weight Control with Subconscious Methods İnci Aktaş / Özlem Aktaş
	14th December 2018	Importance of Correct Skin Care Gülin Çifci
	19th December 2018	A Pleasant Chat about Fashion Başak Gürsoy

"Towards the future with my child"

Within the scope of the "Towards the future with my child" program, implemented for mothers by the Educational Volunteers Foundation of Turkey (TEGV) for the second phase of the "World of the Butterfly" project, career women members of the Uludağ Soroptimist Club and managers from Yeşim provided training for mothers whose children are educated at the TEGV Bursa Learning Unit on various subjects such as health, law, family and personal development.

These training sessions were carried out at the TEGV Learning Unit in Hürriyet Neighborhood after the mothers had dropped their children off at events. In



this way, the mothers were able to make use of the time they spent waiting for their children with training, thereby gaining an important opportunity for their personal development.

In 2018, a total of 51 hours of free training was given to 39 mothers by 19 speakers who are experts in their field. Thus, within the scope of the program which has been conducted since 2015, at the end of three years, a total of 159 hours of training were given to 176 mothers by 56 speakers who were experts in their fields. Moreover, the program will continue throughout the 2018-2019 education period.

World of the Butterfly's TEGV Events



6th January 2018

13th January 2018

10th March 2018

17th March 2018

24th March 2018

31st March 2018

07th March 2018

14th April 2018

28th April 2018

12th May 2018

3rd November 2018

10th November 2018

17th November 2018

24th November 2018

1st December 2018

8th December 2018

15th December 2018

22nd December 2018

29th December 2018

Legal Dimensions of Child Neglect and Abuse **Avukat Gamze Pamuk**

How can we Manage our Money **Filiz Aksu**

Good Relationships within the Family **Dr. İlay Yılmazlar**

I Love, Listen to and Understand my Child **Özlem Şenkoyuncu**

How can we Apply Positive Thinking to our Lives? **Nevin Topçu**

Children's Rights **Çağdaş Boyacı**

Think Pink: Let's Make a Difference Together **Muammer Durak**

Recommendations for Healthy Nutrition **Fatma Hallaç**

Anger Control and Stress Management **Zeki Gürdal Karroğlu**

Ways to Protect against Cancer, the Disease of our Age **Assoc. Prof. Nilüfer Avcı**

"Journey to my Inner Self 1" **Gülay Aksaz**

Effective and Successful Communication in the Parent-Teacher-Student Triangle **Nesrin Turşucular**

Weight Control with Subconscious Methods **Özlem Aktaş / İnci Aktaş**

Women's Rights and Domestic Violence **Özce Öztürk Boğa**

Communication with Children in the School Process **Aysel Şentürk**

Simplifying our Lives **Neslin Gazioglu Özkaya**

Child Neglect and Abuse is in our Hands **Seyhan Sevinçler**

"Journey to my Inner Self 2" **Gülay Aksaz**

Importance of Body Language in Communication **Gizem İskeçeli**

"Joining Hands for Strong Girls and Happy Tomorrows"

The third phase of the World of the Butterfly Project began in October 2017. The continuing training program named "Joining Hands for Strong Girls and Happy Tomorrows", in which the daughters of Yeşim employees and girls from the Red Crescent Student Residence participated, was initiated with the aim of raising the status of young women in society.

In the training sessions which began in October 2017 and

ended in May 2018 at the Red Crescent Student Residence, 10.5 hours of free training were given by 9 expert speakers to 45 girl students.

At the end of the training, the 8 girls with the fewest absences earned the right to attend a coaching program, while 1 student was rewarded with private training at the Turkish Federation of Soroptimist Clubs' (TSKF) Seferihisar Camp.

World of the Butterfly's Red Crescent Events

	13 th February 2018	Life, here I am! Şehzan Ozan Seçen
	21 st February 2018	Time Management Dr. İlay Yılmazlar
	9 th April 2018	Think Pink: Let's Make a Difference Together Dr. Muammer Durak
	16 th April 2018	Secrets of Healthy Weight Loss Merih Eskicioğlu
	14 th May 2018	How Can We Apply Positive Thinking to Our Lives? Nevin Topçu

Panayır Şükrü Şankaya Primary School

The World of the Butterfly project last extended its sphere of influence in October 2018, with the inclusion of mothers of students at the Panayır Şükrü Şankaya Primary School. In the trainings that began for the mothers from Panayır Şükrü

Şankaya Primary School at the end of 2018, 4 hours of training were given to 135 mothers by 2 speakers who are experts in their fields.

World of the Butterfly's Panayır Şükrü Şankaya Primary School Events

	22 nd October 2018	Preventing Neglect and Abuse of Children Seyhan Sevinçler
	29 th November 2018	Women's Rights and Domestic Violence Özce Öztürk Boğa

Equality at Home and Work

As one of the companies employing the greatest number of women under one roof in Turkey, Yeşim Textile has been running its "Equality at Home and Work" project since 2016, with the aim of ensuring gender equality in the workplace and developing a work culture that does not tolerate violence against women.

In 2018, gender equality training was given to 1,000 employees as part of the project. Questionnaires related to "Employee Satisfaction" and "Gender Equality" were also ap-



plied as part of the training in 2018. The responses to the questionnaires were reported with comments by Gender Equality Expert, Burcu Üzümcüler.

Within the scope of the project, an information meeting was also held for the contractor firms that Yeşim Textile works with. By giving training to Fita Textile on the sub-

ject of Equality-Based Social Compliance, information about the issue of gender equality was conveyed through training.

Global Compact Women's Empowerment Working Group



Yeşim Textile, which signed the UN's Global Compact in the year 2006, has maintained its membership of the Executive Board of Global Compact Turkey since 2014. Within this scope, Dilek Cesur, the Representative of Yeşim Textile on

active duty in the Women's Empowerment Working Group affiliated to the Global Compact Network in Turkey, also continued in her post as co-chair of the group in 2018 and also led the meetings held within this context.

Meetings Held by Women's Empowerment Working Group in 2018

Date	Location	Content of Meeting
19 th February 2018	TÜSİAD General Secretariat	Global Compact Meeting
05 th April 2018	TÜSİAD General Secretariat	Global Compact Meeting
10 th July 2018	TÜSİAD General Secretariat	Global Compact Turkey Women's Empowerment Working Group Meeting
09 th October 2018	TÜSİAD General Secretariat	Global Compact Turkey Women's Empowerment Working Group Meeting
30 th October 2018	TÜSİAD General Secretariat	Global Compact Turkey Women's Empowerment Projects and Events Sub-Working Group Meeting
30 th November 2018	Yeşim Academy	Childcare Needs in the Business World Seminar



The Bursa Women's Empowerment Platform

The "Women's Empowerment Platform of Bursa", created with the coordination of Yeşim Textile, which conducts the co-chairmanship of the Global Compact Women's Empowerment Working Group, Bursa Businesswomen's and Administrators' Association (BUIKAD) and Bursa Industrialists' and Businessmen's Association (BUSİAD), continued its activities at full speed in 2018. The platform, in which 30 Bursa firms are members, meets regularly and plans all the events and activities it is to carry out. Within the scope of these activities, the platform organized a panel in September 2018 which witnessed a large attendance, and also continued its experience-sharing meetings.

Continuing its activities associated with the Global Compact Women's Empowerment Working Group of Turkey, the platform conducted the panel "Our Equality is our Strength" on 20th September 2018 at BUSİAD House, which was attended by

a large number of people. At the event, which brought together representatives of the business world and NGOs, information was given about exemplary practices related to female employment.

The experience-sharing meetings, in which representatives of firms having exemplary practices especially with regard to female employment were heard, continued in 2018.

At these events, the meetings were led by Dilek Ceur, representing Yeşim Textile as one of the attendant platform coordinators.



Yeşim prepares youth for the future

Yeşim Textile, which gives the same importance to the personal development of its interns as it gives to its employees, prepares youth for the future.



A TRIP TO THE FUTURE

Within the framework of the "Intern Development Program" provided to university students during July – August 2018, Yeşim Textile organized many seminars and talks related to professional life in order to increase both interns' professional knowledge and their experiences related to professional life. Accordingly, during the Intern Development Program conducted in the summer period for university interns, 8 different speakers gave trainings to the young people over a period of 8 weeks. The following trainings were provided for the university interns:

- **27th June 2018** / Leyla Öztürk / **Work Safety**
- **4th July 2018** / Huriye Külahçı / **Defense Mechanisms**
- **18th July 2018** / Salim Korkmaz / **Succeed in order to Live**
- **26th July 2018** / Seda Tezcan / **Social Media**
- **29th July 2018** / Özlem Şenkoyuncu / **Gender Equality**
- **01st August 2018** / Neslin Gazioğlu / **Lean Management Model**
- **8th August 2018** / Gözde Elmaskaya / **Mindfulness Training**
- **15th August 2018** / Halime Öztürk / **Life Sharing**

Moreover, Yeşim Textile continues to apply its development program for high school interns working on its premises. This program aims to contribute to both the personal development and also to the professional development of the students throughout their internship period.

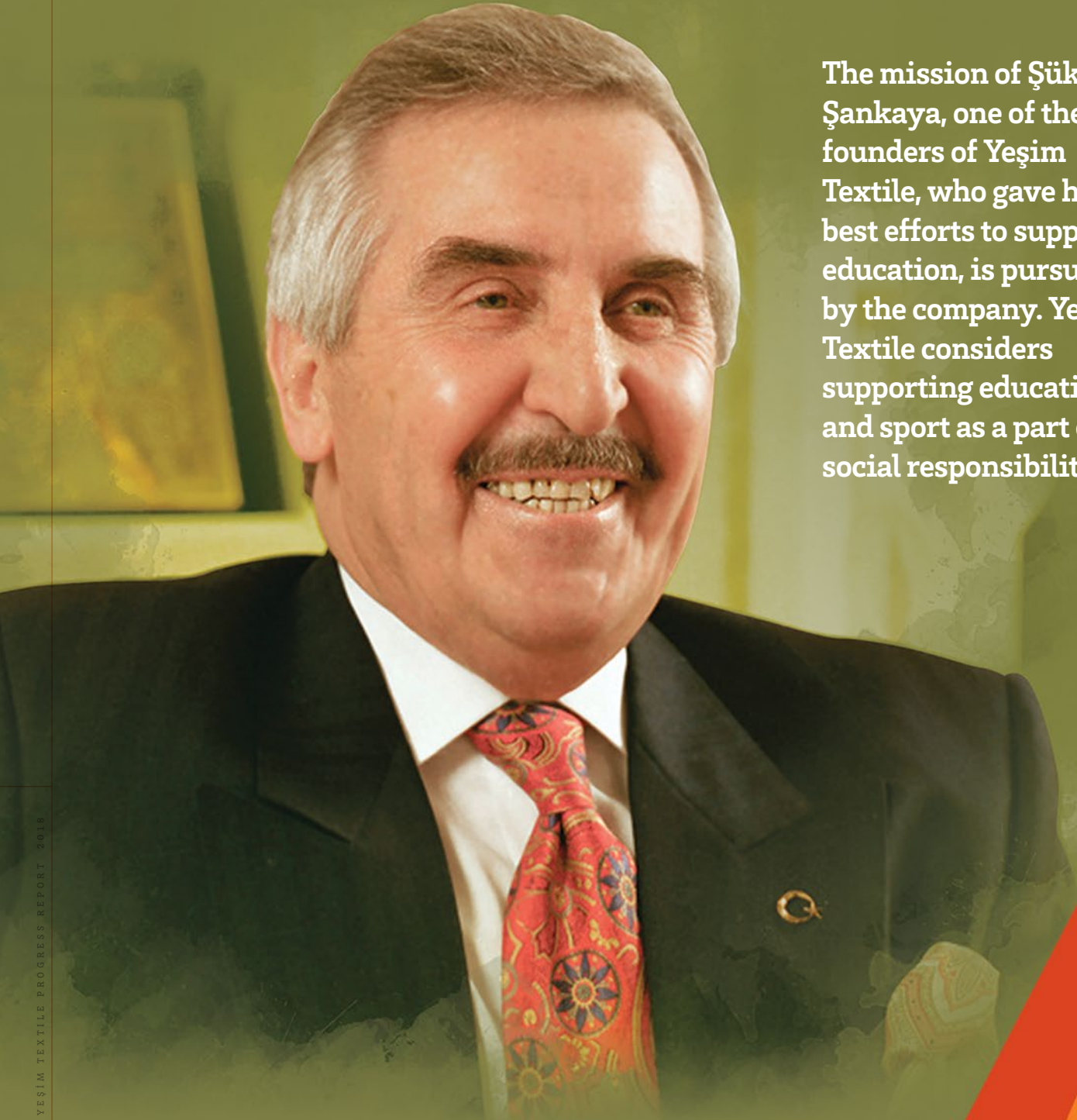
COOPERATION BETWEEN THE UNIVERSITY AND YEŞİM

- Yeşim Textile's HR Manager, Hande Kurter, gave a speech at the seminar entitled "Management or Entrepreneurship?" at the Careers Fair held at Uludağ University.
- Yeşim Academy's Manager, Özlem Şenkoyuncu, gave a speech at Uludağ University's PERYÖN HR Expertise Program.
- HR Manager Hande Kurter continues in her role as expert for the project conducted for Uludağ University students by the civil society group named "My Name is the Future" (BAG).



The name of Şükrü Şankaya lives on in education

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





PANAYIR ŞÜKRÜ ŞANKAYA PRIMARY SCHOOL

Panayır Şükrü Şankaya Primary School, which was opened in 1951 as the only school in the area, was renewed, repaired and modified in 1990 by the late Şükrü Şankaya, the founder of our company, upon the recommendation of Bursa Governor's office. Later, new sections were added to the school in the 2006-2007 academic year. All the needs of the school have been met by Yeşim Textile since then.

Finally, in May 2018, within the scope of the "Do a Good Deed, Make a Difference" project initiated under the leadership of Yeşim Textile's Environment and Social Responsibility Club and with the support of the firm's employees, a spring fair and charity bazaar were organized, and with the donations collected at the event, the conference hall of the Panayır Şükrü Şankaya Primary School was renovated.

During the year, a computer donation was made to the school and the computer laboratory was renewed.

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 later added a computer laboratory to the school. The company contributes to the needs of the school during every academic year.

YEŞİM SPORTS CLUB

Yeşim Sports 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.

ŞÜKRÜ ŞANKAYA FOOTBALL SCHOOL

Şükrü Şankaya Football School, which was formed by the Association of Professional Footballers of Bursaspor in 2009, was financially and morally supported; thus, hundreds of children are provided with opportunities to do sport in professional conditions. In this context, 32 children benefitted from Şükrü Şankaya Football Summer School free of charge due to the private contingent allocated to the children of Yeşim in the 2018 summer period.





Yeşim Textile allocated 343,980.3 TL of its 1,744,283.3 TL corporate social responsibility budget for social responsibility activities in the year 2018.

WE KEEP ON RUNNING IN PURSUIT OF GOOD DEEDS

In 2018, Yeşim Textile ran in the Vodafone 40th Istanbul Marathon with a team made up of 22 volunteers, on behalf of the "Educated Girls for Happy Tomorrows" project within the scope of the TEV Şükrü Şankaya Educational Scholarship Fund. Collecting donations during the campaign period of 29th October-25th November, the Yeşim Running Team completed the campaign with the sum of 128,833TL donated by the firm's staff and many benefactors, which was enough to provide scholarships for 215 girls.

With this result, the Yeşim Running Team collected the 7th highest amount of donations in Turkey in the general listing. Yeşim

We support education with Turkish Education Foundation

Yeşim Textile supports the education of successful young people whose financial means are not sufficient with the "TEV Şükrü Şankaya educational Scholarship fund" established in memory of Şükrü Şankaya

also succeeded in being the team collecting the highest amount of donations among the teams collecting donations for TEV. Yeşim Textile's Production Director, Kerim Bayram, who ran in the team, was the runner collecting the 8th highest amount of donations in Turkey as a whole.

TEV "HAPPY DAY FLOWERS" CAMPAIGN AND DONATIONS

The cooperation between Yeşim and TEV in the field of social responsibility has continued steadily from 2006 until the present. In 2018 a total of 188.520 TL was donated to the fund through support given to the TEV Happy Day Flowers campaign and by conducting various fundraising activities.

Yeşim's social responsibility projects

WISHING TREE PROJECT

Within the scope of the "Wishing Tree" project, every year various presents, which are purchased by Yeşim's volunteers, are traditionally donated to LÖSEV (the health and education foundation for children with leukemia) to be given to children with leukemia. At the end of 2018, Yeşim's staff, responding to the appeal made with keen participation, witnessed the happiness of children receiving treatment at LÖSEV by collecting over 100 presents. All the presents were handed out to the children at the new year party organized by LÖSEV and also sent to the houses and hospital rooms of children with leukemia.

HELP FOR OUR LITTLE FRIENDS

Food left over from the meals consumed during the day in the Yeşim Textile canteen is taken to Yıldırım Municipality's Animal Sanctuary. In this way, as well as preventing waste, help is provided for our little friends.

"DO A GOOD DEED, MAKE A DIFFERENCE" PROJECT

The donations collected through the "Do a Good Deed, Make a Difference" project, initiated under the leadership of Yeşim Textile's Environment and Social Responsibility Club and with the support of the firm's employees, were transferred to Panayır Şükrü Şankaya Primary School in the form of a conference hall.



In May 2018, within the framework of the social responsibility project with the slogan "Do a Good Deed, Make a Difference", initiated under the leadership of Yeşim Textile's Environment and Social Responsibility Club and with the support of the firm's employees, a spring fair and charity bazaar were organized. Thanks to the keen efforts of Yeşim's staff and the donations collected at the bazaar held on the plant's premises, the conference hall of Panayır Şükrü Şankaya Primary School was renovated.

YEŞİM IS REMOVING BARRIERS FOR THE DISABLED

Yeşim Textile, which has carried out many social responsibility projects aimed at people up to the present, has added another activity to this list. With the aim of better communication with the hearing-impaired employees working in the department, staff of the firm's apparel department attended a course in 2018 and earned the right to a certificate in sign language approved by the Education Ministry.

Since the beginning of 2018 until the present day, Yeşim Textile has conducted occupational health and safety training aimed specifically at hearing-impaired employees employed on the premises. Together with this training, a sign language course was requested by Yeşim Textile's Apparel Department in order to communicate more easily with hearing-impaired employees working in the department. In response to this request, a sign language course approved by the Education Ministry was organized with the cooperation of Yıldırım Municipality's Public Education Center and the Yeşim Academy. Every Tuesday and Thursday from May-August 2018, staff from the apparel department attended the course outside working hours, receiving their training at the Yeşim Academy. The first part of the course, which was in great demand, was completed on a voluntary basis by a group of 15 employees.

YEŞİM TEXTILE'S "PEOPLE FIRST" SHORT FILM FESTIVAL

The second People First Day, the first of which was held in 2017 as part of the 20th anniversary celebrations for People First Magazine, was held in De-

cember 2018 with a large attendance, with the aim of making the occasion a tradition with the People First Short Film Festival. This activity, in which the winner of the competition for the Best Short Film was also announced, is given great importance as one of the social responsibility activities organized by Yeşim Textile and is supported by the firm with the aim for it to become a regular activity in future years.





“Önce İnsan” (People First) magazine disseminates the messages of the company

“Önce İnsan” (People First) magazine, which is the corporate publication of Yeşim Textile, disseminates its social compliance and social responsibility initiatives to society. Additionally, it publishes information on social responsibility and the environment in each issue to raise awareness among its readers on these topics.



In 2018, Yeşim Textile published 176 news items/articles mentioning SA8000, social responsibility, social compliance, the Global Compact, the environment and the World of the Butterfly. These items of news reached 6,773,445 people.

Month	2017		2018	
	No. of News Items/Articles	Accessed	No. of News Items/Articles	Accessed
January	32	796.357	10	232.876
February	8	384.630	14	219.936
March	24	1.149.038	22	2.387.981
April	25	432.722	7	89.192
May	23	855.027	18	151.494
June	8	525.750	8	204.126
July	7	224.478	19	1.010.227
August	-	-	8	359.984
September	1	60.000	46	1.299.677
October	19	696.921	3	187.260
November	23	547.803	4	102.236
December	23	842.637	17	528.456
Total	193	6.515.363	176	6.773.445

"Önce İnsan" (People First) newsletter, which is published only for Yeşim employees, raises awareness in our employees regarding the environment, social compliance and occupational health and safety and gives information about the developments in each issue.

DISSEMINATION OF THE GLOBAL COMPACT AGREEMENT

- The new report is published on Yeşim's corporate website: www.yesim.com
- News about the publication of the report is regularly given in Yeşim's corporate magazine, Önce İnsan. By the publication of the magazine in a digital environment on the www.onceinsan.com website, this information is also transferred to the internet environment.
- It is sent as an e-bulletin to all customers, subcontractors and suppliers.
 - It is shared on Yeşim's Facebook page, which has over 10,000 members.
 - This information is also shared by publication on the in-house portal.





Information
is reproduced
by sharing

Yeşim shares the initiatives it has undertaken within the scope of sustainability for a more beautiful world on national and international platforms. Yeşim Textile shares its experiences by participating in the activities of different institutions and organizations, drawing attention not only with its production, but also with its lean management and social responsibility practices.

TÜHİD ANATOLIAN MEETINGS - IZMIR

By means of various events that it attends in order to develop a work culture that shows no tolerance towards violence against women and that aims to ensure gender equality in the workplace, Yeşim Textile continues to raise awareness about this issue. In this context, Yeşim's first sharing of 2018 was the Turkish Public Relations Association's (TÜHİD) Anatolian Meetings held in Izmir on 16th February 2018. Attending this activity as a speaker at the session named "Communication and Managers", Yeşim Textile's Corporate Communications Manager, Dilek Cesur, explained why communication is important for managers, accompanied by examples of communication activities conducted within Yeşim Textile.

ANNUAL GENERAL MEETING AT GLOBAL COMPACT

Attending Global Compact Turkey's annual general meeting held on 5th April 2018, Yeşim Textile's Corporate Communications Manager, Dilek Cesur, conveyed the year's activities carried out in the Women's Empowerment Working Group together with Ata Selçuk, the Vice-Chairman Responsible for Human Resources, Innovation and Sustainability at Eczacıbaşı Holding, which conducts the co-chairmanship of the Women's Empowerment Working Group along with Yeşim. At the meeting, which was also attended by Yeşim Textile's Human Resources and Social Compliance Director, Fatoş Hüseyinca, the activities conducted in 2017 were discussed, and the topic of gender equality was again selected as the main focus for 2018.





MEETING WITH VOCATIONAL HIGH SCHOOL

Yeşim Textile's In-house Trainer and Operation Engineer, Salim Korkmaz, gave a seminar on the subject of the anatomy of textiles and the sector's need for technical staff to students of Ali Osman Sönmez Industrial Vocational High School on 26th April 2018. The high school interns attending the seminar were given information about the training they received at Yeşim and the activities they carried out during the internship.

PERYÖN HUMAN MANAGEMENT SUMMIT

On 10th-11th May 2018, human resources professionals, expert speakers and leading firms in the sector came together at the PERYÖN Human Management Summit held at the Merinos Atatürk Congress and Cultural Center (AKKM). Yeşim Textile's Human Resources and Social Compliance Director, Fatoş Hüseyinca acted as moderator for the session entitled "Education for Development: Do not be Afraid of Education, Be Afraid of Lack of Education", organized as part of the activity.

YEŞİM'S R&D PROJECT DESCRIBED IN ROME

The 6th International Sustainable Development Conference, organized in the Italian capital, Rome, was carried out with participants from many countries on 12th-13th September 2018. Giving a slideshow presentation at the conference, Yeşim Textile's



Sustainability Chief, Semih Tekay, informed the participants about the Clean Water Saving Project carried out in Yeşim Textile's R&D center in 2018. The project presented by Tekay at the conference was also included on page 28 of the 6th International Sustainable Development 2018 Conference Abstracts Book.

LEADERSHIP IN İPUD

Yeşim Textile is a member of İPUD (Good Cotton Practices Association), which has a strategic partnership with BCI (Better Cotton Initiative) and has been a member of the board of directors of the association since 2015. The activities carried out in this field are led by Ali Yayla, Supply Chain and Purchasing Director, on behalf of Yeşim Textile.

YEŞİM ON THE SLCP PLATFORM

Representing Yeşim Textile on the SLCP (Social & Labor Convergence Project) Global Platform, created so that brands' social compliance audits can be performed at the same time via one single questionnaire, the firm's Human Resources and Social Compliance Director, Fatoş Hüseyinca, provided contributions for improving the process. Attending the SLCP meeting held in Amsterdam, the Netherlands, from 24th-26th September 2018, Hüseyinca provided support for the work being done by joining the management committee formed for initiating the SLCP process.



YEŞİM'S SIGNATURE AT THE ISTANBUL FASHION CONFERENCE

The 11th Istanbul Fashion Conference, hosted by the Turkish Clothing Manufacturers' Association (TGSD) with the concept



of "Responsible Fashion", was held on 3rd-4th October 2018 at the Çırağan Palace. Yeşim staff from several departments, notably the Design Department, attended the conference, which focused on topics such as recycling through change and transformation, Industry 4.0 and sustainability. Attending the event as a speaker, Yeşim Textile's Corporate Communications Manager, Dilek Cesur, informed the participants about Yeşim's sustainability journey and gave examples of good practices in the company. Referring to the Yeşim Kindergarten, which has been serving the staff for 30 years, and the World of the Butterfly project, the influence of which is increasing every year, Cesur invited the whole business world to work towards gender equality. (See: <https://youtu.be/wWez43c9Kps>)

"GENDER EQUALITY IN WORKING LIFE" SYMPOSIUM

At the "Gender Equality in Working Life" symposium, held on 20th October 2018 at Istanbul Bahçeşehir University as part of the 30th anniversary of Etiler Soroptimist Club, Yeşim Textile's Corporate Communications Manager and Chairwoman of Uludağ Soroptimist Club, Dilek Cesur, as one of the project stakeholders, gave information about gender equality at the session named "Where is the Business World in this Business?".

YEŞİM AT THE LEAN SUMMIT

The "2018 Lean Human Resources Summit" held at the Bursa Hilton Convention Center on 3rd December 2018, was attended by



Human Resources and Social Compliance Director, Fatoş Hüseyinca, and Corporate Communications Manager, Dilek Cesur, as speakers representing Yeşim Textile. At the parallel session carried out in the morning as part of the summit, Yeşim Textile's Human Resources and Social Compliance Director, Fatoş Hüseyinca, gave a presentation entitled "Internationally Linked Human Resources Practices/Being NIKE's Training and Competence Center". At the parallel session carried out in the afternoon of the event, Yeşim Textile's Corporate Communications Manager, Dilek Cesur, informed the attendees with a presentation entitled "People First in Intercommunication".

BUSINESS WORLD AGAINST DOMESTIC VIOLENCE PROJECT

Yeşim Textile's Corporate Communications Manager, Dilek Cesur attended the meetings held at the Sabancı Center, Istanbul, on 9th November, and at the İnci Academy, Izmir, on 16th November 2018 as part of the "Business World Against Domestic Violence Project" conducted by the Sabancı University Corporate Governance Forum, and gave the participants information about the projects initiated in this field at Yeşim Textile. Cesur provided information specific to the Yeşim Kindergarten, which continues to operate on the firm's premises and which completed its 30th year in 2018, as well as information about other work carried out by the company. Cesur also mentioned that the company had hosted a seminar and workshop entitled "Child-care Needs in the Business World", organized by Yeşim Academy and Global Compact Turkey's Women's Empowerment Working Group, and attended by representatives from the business world and UN agencies.

PERYÖN HUMAN RESOURCES EXPERTISE PROGRAM

Yeşim Academy Manager, Özlem Şenkoyuncu, gave a speech the Uludağ University PERYÖN Human Resources Expertise Program carried out on 26th December 2018.

Summary of 2018 Yeşim Textile progress report

In line with the clauses specified in the Global Compact, we declare that we have acted in accordance with these clauses at all stages of production and management, and that we were the implementers and watchdogs of these clauses in the year 2018.



We continued to expand in 2018 by increasing our turnover and exports.



As of the end of 2018, approximately 320 children in the 0-6 age group continued to receive childcare in the Yeşim Kindergarten.



Yeşim, which had a workforce of 2,610 at the end of 2018, plans to raise the number of employees to 3,500 through staffing increases.



We have maintained our production as a strategic partner for the world's leading brands.



The activities we carry out for the sake of strengthening gender equality and empowerment of women in the workplace continued at the same speed in 2018.



In 2018, we added new certification to the certificates and management system documentation that we possess.



In 2018, we continued to receive awards from various organizations and institutions in accordance with our data and performance.



We continued to apply lean thinking and lean principles at all stages of production and management in 2018. By the end of 2018, the number of kaizens had reached 755, while the number of PDCA activities implemented had reached 82.

In 2018, a total of 19,693 hours of social compliance training was given to 2,577 people, recording a 27% increase in this field compared to the previous year. 86 people received first aid training in 2018, while as of the end of the year, the number of people receiving firefighting training was equal to 50% of the plant's employees.

We also continued on our way as a company that has integrated the Social Compliance Policy into all work processes in 2108.

Yeşim Textile allocated 1,400,303 TL of its 1,744,283.3 TL corporate social responsibility budget for social compliance and occupational health and safety activities in the year 2018.

In 2018, a total of 74,053 hours of training was given to 9,184 employees within the firm.

In 2018, we did not abandon our "People First" principle, which is the symbol of our people-centered approach at Yeşim.

The total number of hours of lean training given during the year was 20,196.50, while the percentage of different participants in improvement activities was around 40% by the end of 2018.

In parallel with the Yeşim Vision for 2020, we determined our priorities for 2019 within the framework of our plans to carry out our 5-year strategies. We have declared our mottos for these strategies as "Team Power", "Speed", "Customer-Aligned Strategy" and "Zero Defect".




In 2018, a total of 19,693 hours of occupational health and safety, environmental and social compliance training was given within the firm.




In 2018, a total of 54,360 hours of quality, career development, orientation/on-the-job, personal development, interview and lean training was given within the firm.




Within the scope of sustainable production at Yeşim Textile, we continued the 5S Audits carried out by the Continuous Improvement Department in 2018.




In 2018, with the aim of spreading a social compliance culture and contributing to the auditing process at Yeşim Textile and its associated subcontractors, two members of staff were given training for the CPI Social Compliance Lead Auditor Certificate. Therefore, the number of CPI Social Compliance Lead Auditors in the firm is now 17.



As a company with an Occupational Health and Safety Policy, we continued to monitor social compliance activities via audits both within the firm and in our subcontractors, and to measure their development. In other words, we both audited and were audited.



In 2018, the accident frequency rate was 2.29 for all accidents, while the rate for accidents causing absence was measured as 1.72.



Yeşim Textile was chosen as the pilot firm for the activity named the Social and Labor Convergence Project (SLCP), which is a joint audit model, whereby a single social compliance audit of world-famous garment brands such as Nike, Esprit, Tommy Hilfiger, Adidas and Puma is accepted by all brands. The first of these SLCP audits was carried out at Yeşim between 9th-11th January 2018.

Yeşim Textile, which is the leader among the firms holding the OEKO-TEX STeP (Sustainable Textile Production) Certification, one of the most important commitments for conducting sustainable production in Turkey, continued to hold this certificate in 2018.



Yeşim Textile successfully completed the 8 social compliance audits carried out in 2018.

Yeşim, which was the first ready-wear firm to obtain the SA8000 Certificate, has continued its social compliance activities on the same path during the intervening 13 years, and again earned the right to renew the certification in 2018.



In 2018, with its plant that supports sustainable production, Yeşim again fulfilled the requirements of the ISO 50001:2011 Energy Management System Certification that it obtained in 2016.



By taking the necessary steps to protect information pertaining to its customers and to the work environment in 2018, Yeşim Textile also succeeded in retaining the TS ISO IEC 27001 information security management system certificate, which it obtained in 2013.



Yeşim Textile complies with the requirement for employing disabled staff at the rate of 3% as required by the Labor Law.

Number of patent applications by R&D Center in 2018 1
Number of projects completed by R&D Center in 2018 1
Number of people applying for master's and doctoral degrees in the Center in 2018 3
Number of applications by R&D Center for support from external funds in 2018 2
Number of projects targeted by R&D Center for support from funds 5
Number of design registrations targeted by R&D Center in 2019 17
Number of patent applications targeted by R&D Center in 2019 7
Number of activities carried out for increasing applications for nationally- and internationally-supported projects 5

At the Yeşim Kindergarten, which celebrated its 30th year in 2018, a team of 30 specialized staff, consisting of 1 manager, 2 shift supervisors, 16 teachers and 11 carers, was on duty as of the end of the year.

At Yeşim Textile, the number of staff who are members of a trade union is 1,882, while the number of staff who are not members of a trade union is 670.



Following the work begun in 2017, Yeşim Textile succeeded in recording a 3% improvement in carbon performance in 2018.



Within the scope of the "Using Recycled Water for Blanket Washing in Printing Machines" project initiated by Yeşim Textile's Machine-Energy Department, by the end of 2018, savings of 650-700 tons per day, 18,000 tons per month and 215,500 tons per year had been obtained.



In 2018, a total of 46 activities aimed at supporting the development of the children in the care of the Yeşim Kindergarten was carried out.



5 projects aimed at energy saving were completed at Yeşim Textile in 2018, while another 5 projects focusing on energy saving are targeted to be carried out in 2019.



In all audits related to the environment performed in 2018, no major error was detected, and no environment-related accidents occurred.

In 2018, Yeşim Textile continued to have an effect on people with the increasingly valuable social responsibility projects that it initiated. The firm continued to set an example in the field of social responsibility, distinguishing itself especially with the World of the Butterfly project, which celebrated its 5th anniversary in 2018, with the “Do a Good Deed, Make a Difference” project and with the Yeşim Running Team, who ran in the Vodafone 40th Istanbul Marathon.



Yeşim Textile continued to be an exemplary firm in the sector in 2018, thanks to its gender equality policy and the steps it took in this direction.



In 2018, wastes were collected by separating them at source, collected, and then recycled or disposed of.



Over 20 activities and events were organized in 2018 by clubs active within Yeşim Textile, such as the Travel, Fun and Art Club, the Futurism, Innovation and Technology Club, the Fashion Club, the Positive Thinking Club, the Environment and Social Responsibility Club, the Sports Club and the Women's and Children's Club.



Gathering for Yeşim Textile's social responsibility projects, 350 Yeşim staff performed around 2,000 hours of voluntary acts for a more habitable world. The Yeşim Volunteers took part in 5 projects as part of the UN's 2030 Sustainable Development Targets. Among the volunteer projects included in the sustainability report for 2018 were principally the World of the Butterfly project, as well as the “Do a Good Deed, Make a Difference” project, the Yeşim Running Team, the LÖSEV Wishing Tree, and projects carried out for the hearing impaired.



The WEPs (Women's Empowerment Principles) established with regard to women's empowerment continued to show Yeşim Textile the way in 2018.

The World of the Butterfly project, which celebrated its 5th anniversary in 2018, continued with its training and chats carried out on the premises of Yeşim Textile, the TEGV (Educational Volunteers Foundation of Turkey) Bursa Training Unit, the Red Crescent Student Residence for Girls, and the Panayır Şükrü Şankaya Primary School. Via the clubs affiliated to the Turkish Federation of Soroptimist Clubs, the project extended its sphere of influence to the country as a whole. Within the scope of the project, while 16 activities were conducted at Yeşim Textile, 14 were carried out at TEGV, 5 were organized at the Red Crescent Student Residence for Girls and 2 were carried out at the Panayır Şükrü Şankaya Primary School.

Yeşim Textile organized many seminars and talks related to work life for university students within the framework of the "Internee Development Program" held during July-August 2018. The company also continued its development program for high school internees on duty within the firm in 2018.



- Women make up **50%** of Yeşim Textile's staff.
- A total of **276 hours** of training has been given up to the present.
- **6,174 women** have attended these training sessions free of charge.
- **155 expert** speakers have met the women within the scope of the project.
- Since the start of the project, **25 Turkish and English e-bulletins** have been published so far.
- **30 people** receiving counselling have lost a total of **170 kg**.
- **645 women** at Yeşim have benefited from one-to-one counselling.
- **318.5 hours** of voluntary one-to-one counselling have been provided by experts.

The World of the Butterfly in Figures:

In 2018, Yeşim Textile continued to carry out its duty as a member of the Global Compact Turkey Executive Board, a role which it has performed since 2014. Dilek Cesur, Yeşim Textile's Representative on active duty for the Women's Empowerment Working Group in association with the Global Compact Turkey Network, continued to perform her duty as co-chairperson of the group in 2018. The Women's Empowerment Platform of Bursa, which was established in 2016 with the coordination of Yeşim Textile, Bursa Industrialists' and Businessmen's Association (BUSAİAD) and Bursa Businesswomen's and Administrators' Association (BUIKAD), continued its activities in 2018. Within this scope, the platform put its name to a panel entitled "Our Equality is our Strength" as well as to various experience-sharing meetings.

In the field of social responsibility, Yeşim maintained its association with the Turkish Training Foundation (TEV), which has continued since 2006, with steady steps in 2018. Thanks to the support given to the TEV Bursa Şükrü Şankaya Educational Scholarship Fund, which was set up in memory of Şükrü Şankaya for the education of young people from families with limited financial means, via the TEV "Happy Day Flowers" campaign and through various other fundraising activities that were held, a total of 188,520 TL was donated to the fund in 2018.



Yeşim Textile allocated 343,980.3 TL of its 1,744,283.3 TL corporate social responsibility budget for social responsibility activities in the year 2018.



In 2018, Yeşim Textile ran in the Vodafone 40th Istanbul Marathon with a team made up of 22 volunteers, on behalf of the "Educated Girls for Happy Tomorrows" project within the scope of the TEV Şükrü Şankaya Educational Scholarship Fund. The Yeşim Running Team completed the campaign with the sum of 128,833TL donated by the firm's staff and many benefactors, which was enough to provide scholarships for 215 girls. With this result, the Yeşim Running Team collected the 7th highest amount of donations in Turkey in the general listing, while Yeşim also succeeded in being the team collecting the highest amount of donations among the teams collecting donations for TEV.





Almaxtex Tekstil San. ve Tic. A.Ş.
Karapınar Mh. Ankara Yolu Cd.
No.900 Yıldırım / BURSA / TURKEY
Tel : +90 (224) 280 86 00

www.yesim.com