



2020

**OZON TEXTILE
GLOBAL COMPACT
PROGRESS REPORT**



Ozon Textile promises that they act according to following criteria specified with four titles and ten items in the “United Nations Global Compact” and that they adhere and will be adhering to these items.

In this first progress report of Ozon Textile, generally the structure that the company has formed within this scope since the day it was founded up to today, and specifically the applications that it carried through in the year of 2020 are included.

HUMAN RIGHTS

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2

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;

LABOUR

Principle 4

the elimination of all forms of forced and compulsory labour;

Principle 5

the effective abolition of child labour; and

Principle 6

the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

undertake initiatives to promote greater environmental responsibility; and

Principle 9

encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.





MESSAGE FROM GENERAL MANAGER

Ozon Textile is a company that embraces the vision of especially growing in garment industry export with a business manner of understanding and assorting with Turkey's geographical location, market closeness, qualified labour force, and customer expectations that it has created within years.

Our whole strategy is based on serving our customers on time with an optimum price and in a qualified way that meets the social compliance conditions.

Our keystones to be able to reach this aim with a well-based approach are the process excellence that comes with lean production and management, investment in career, quality and social compliance, design, and innovation. Supporting these with business intelligence applications is indispensable for our age.

It is proud to share that we used the ten key items of the United Nations Global Compact as our base in carrying through all the actions in October 2020 that I have mentioned above in accordance with our vision and that we signed the Global Compact and to put forth this first progress report before its time.

Hope to live in a sustainable world altogether,



ABOUT OZON

Ozon Textile was founded in 2000 with the purpose of knitwear production. By year of 2020, it has been carrying business in knitwear and woven groups.

The weaving ready wear factory, which was founded in 2005 in Sivas with the aim to increase the production capacity, was included the woven ready wear production in 2006 and again in Sivas. In 2011, the storage capacity and the number of bands at the factory in Sivas were extended thanks to the investments. Having started exporting in the woven group in 2014, Ozon Textile engaged a knitwear factory in 2015 in Batman and an export factory 2016 in Sivas.

The background of the page is a photograph of a large industrial building with a dark, vertically-ribbed facade. The building is set against a clear blue sky. In the foreground, there is a green lawn and a paved area. The Ozon Textil logo and name are mounted on the building's facade.

OZON
TEKSTİL

PRODUCTION CAPACITY

- **60.000** m² Production Space
- **4 Million** Pieces Per Month
- **2,5 Million** Piece Cuttings Per Month
- **1,2 Million** Pieces of Print Capacity Per Month
- Sampling Room with **500** Pieces Capacity Per Month



The companies that the Qualified, Fast and Innovative Ready Wear Producer Ozon Textile makes production for;

Primark
Asos
C&A
Defacto
Matalan
Penneys



The countries that we export to;

- France
- Belgium
- Austria
- Switzerland
- Italy
- Slovakia
- Spain
- U.S.A
- Netherlands
- Ireland
- Czech Republic
- Germany



SOCIAL COMPLIANCE

Social compliance for Ozon Textile is a business process reviewed and carried through equally with the price, quality, and delivery performances, which are the basic expectations of customers.

Since the rate of woman employment is high and it is a well-known company that provides young professionals with employment especially in the area where the productive facilities are located, Ozon embraces the mission to empower the woman labour and to invest in personal and professional development of all the employees.

Ozon is a member of SEDEX which is one of the world's leading ethical trade membership organizations and works with businesses in order to enhance the labour conditions in global supply chains.



Sedex Members Ethical Trade Audit Report

Version 6.1



*We have
been
improving
with SEDEX
and its
customer
supervision
since 2013.*

SOCIAL COMPLIANCE POLICY

Our company that is producing for world ready-to-wear brands;

Prevention of Child Labor

To act in accordance with the procedures and principles of child and youth worker employment and that workers who have not completed the age of 15 or under the legal compulsory education age will not be employed and all our business partners will also comply with applicable legal obligations,

Prevention of Forced and Compulsory Labor

Not to employ contractual, debt-based, illegal, convicted, forced or involuntary workers, to act by the principle of voluntarism in overtime work,

Ensuring Occupational Health and Safety

To make occupational health and safety culture a lifestyle, to adopt a proactive approach in all activities, to comply with the obligations and international standards in National Occupational Health and Safety Legislation, to take all preventive measures to prevent occupational accidents and to ensure the participation of all employees in occupational health and safety practices and to adopt a working system that prioritizes the general health of employees and to provide continuous training to our employees on this issue,

Respect for Freedom of Association

Respecting the employees' freedom of association,

Prevention of Discrimination

To employ employees on the basis of their ability to work, not based on race, color, language, religion, ethnicity, political opinion, marital status, age, pregnancy, sexual orientation or gender discrimination; in addition, to implement remuneration, social assistance, promotion, dismissal and discipline practices in this direction,

Discipline / Maltreatment and Prevention of Harassment

To treat all employees with respect and dignity, not to allow verbal, physical or psychological harassment or maltreatment,

Working Hours

To determine working hours and in a decent manner based on the laws and obligations in force, to ensure the overtime working periods with the legal periods and customer standards,

Compensation and Payments

Paying normal and overtime according to the laws and not employing workers below the minimum wage,

Environmental Protection

To comply with the current environmental legislation, to prevent and reduce environmental pollution at its source based on environmental dimensions and impact assessment, to reduce CO2 emissions caused by production and services, to use energy, water and other natural resources efficiently as a result of our continuous improvement works, by applying environmentally friendly policies and standards, as Ozon Textile to minimize our environmental impact,

Relations with Suppliers & Gradual Effect

To measure the social compliance capacities of the supplier companies from which we purchase our products / services, to monitor the results with action plans and to increase their social compliance levels gradually,

Ethical Business Conduct

Not to tolerate any form of corruption, fraud and bribery,

Management System

Ozon Textile undertakes to carry out, maintain and continuously improve social compliance, occupational health safety and environmental management activities under a management system that complies with applicable laws and regulations and the workplace code of conduct of customers.

Duygu Sivrioğlu
General Manager

01.10.2020





■ HUMAN RIGHTS

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HUMAN RIGHTS

Ozon Textile acts according to all the entailments of Turkish Labour Law, which accords with Union Acquis, and has the accountability for all statutory audits.

Ozon is a member of SEDEX which is one of the world's leading ethical trade membership organizations and works with businesses in order to enhance the labour conditions in global supply chains.

It has the accountability of all kinds of audits in its facilities and in supply chain facilities by customers.

Ozon respects employees' right of representation according to the social compliance policy.



LABOUR

Principle 4

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Principle 5

the effective abolition of child labour; and

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•LABOUR

- Ozon assures the issue of forced and compulsory labour.*
- It undertakes in its policy that it is prohibited to employ forced or involuntary workers, not to demand security, not to retain identity documents or to make salary cuts, to borrow money or imprisonment.*
- It stocks a copy for all employment application forms and labour contracts signed by the employee in the personnel files.*
- It pays off by signature and directly to the employee.*
- It preserves the personnel files for a while belonging to the personnel that leaves the job.*



Child employment is a red line for Ozon

In terms of child employment, Ozon acts according to the labour law which says that children under the age of 18 can't do prohibited jobs, children in the age between 15-18 can only do slight jobs and children under the age of 14 or primary school children are prohibited to work. The employee provides a document specifying their age before employment. A copy of identity is preserved in the personnel file.



Prevention of Discrimination

Within the scope of professional relationship, it promises not to discriminate due to the reasons based on language, gender, political view, belief, religion, and sect etc. and as long as biological or quality-related reasons don't oblige, it promises not to conduct a different practice directly or indirectly in forming a labour contract, determining its term, its application and termination because of gender or pregnancy.



OZON with Numbers,

By the end of 2020;

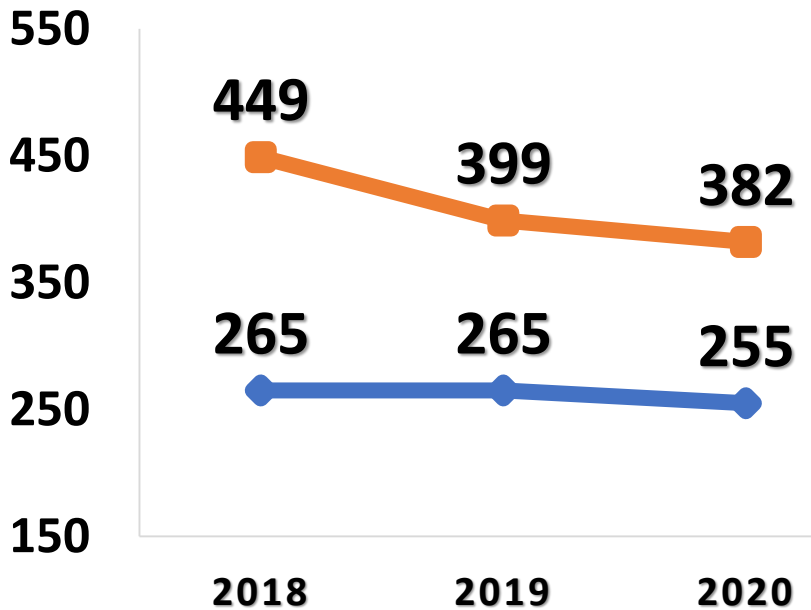
255 women employees

382 men employees

26 employments within the scope of ISKUR program.

OZON TEXTILE EMPLOYEES' GENDER DISTRIBUTION

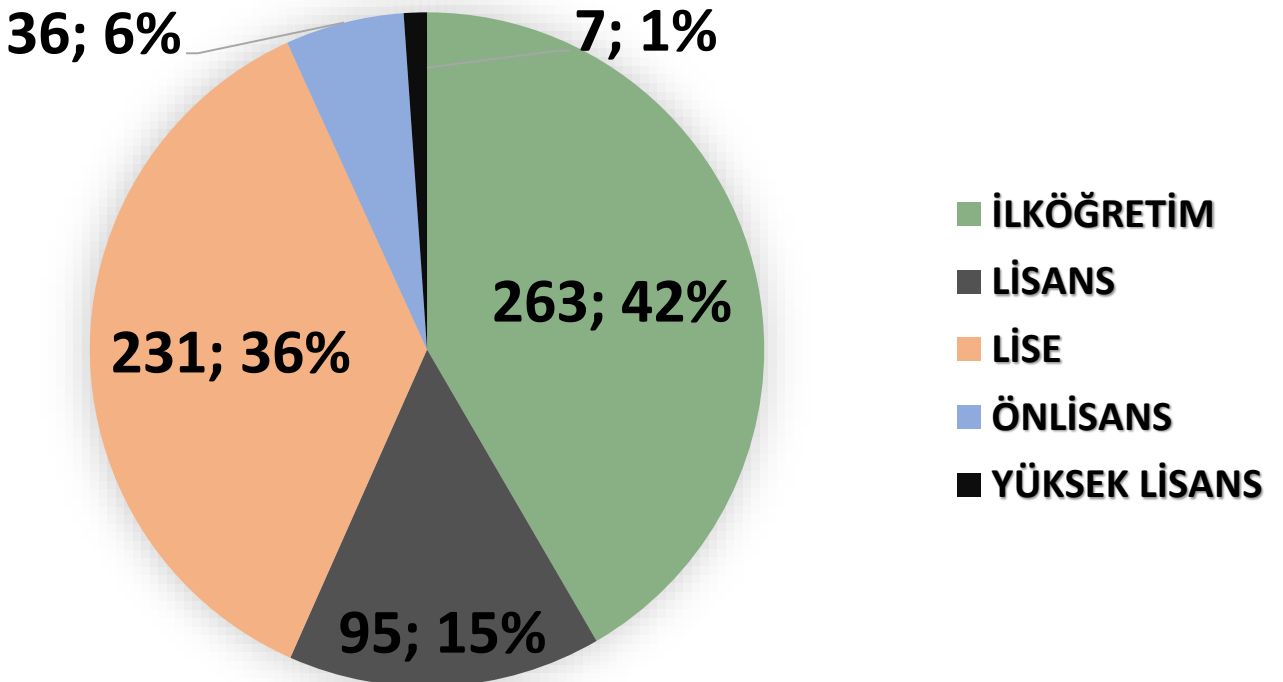
— Kadın — Erkek





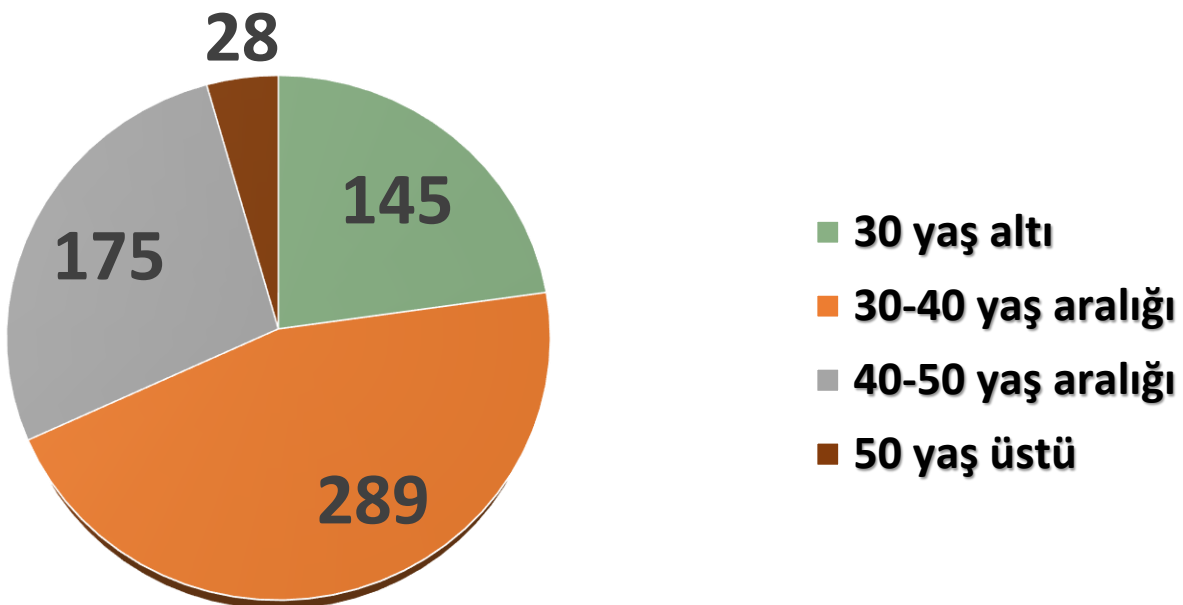
Ozon with Numbers

Chart of Ozon Textile Employees' Educational Status





Ozon Textile Employees' Age Distribution in 2020



ENVIRONMENT

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

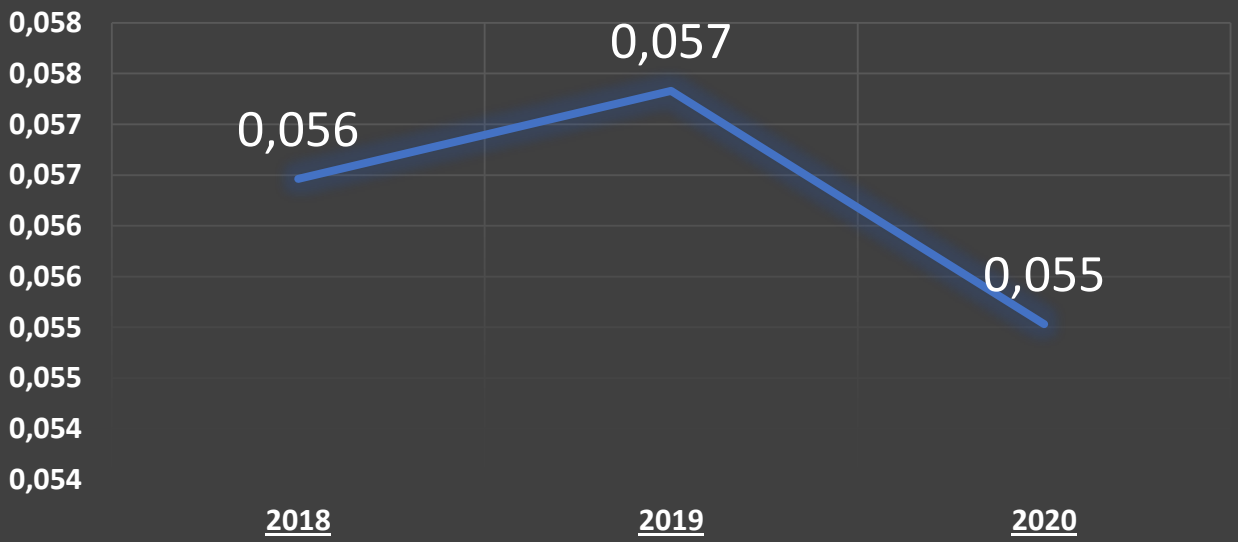
undertake initiatives to promote greater environmental responsibility; and

Principle 9

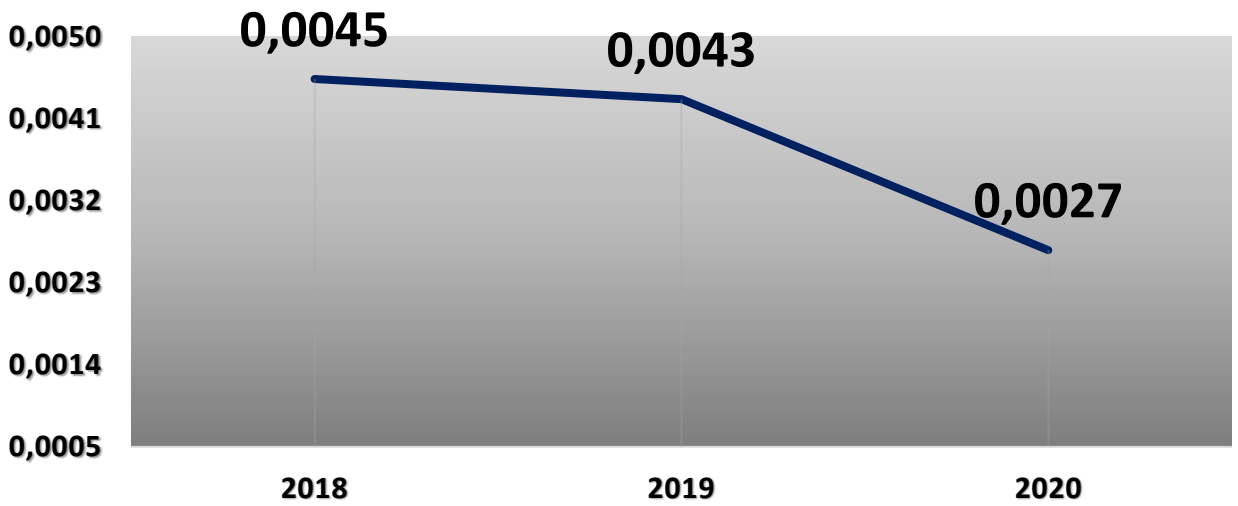
encourage the development and diffusion of environmentally friendly technologies.



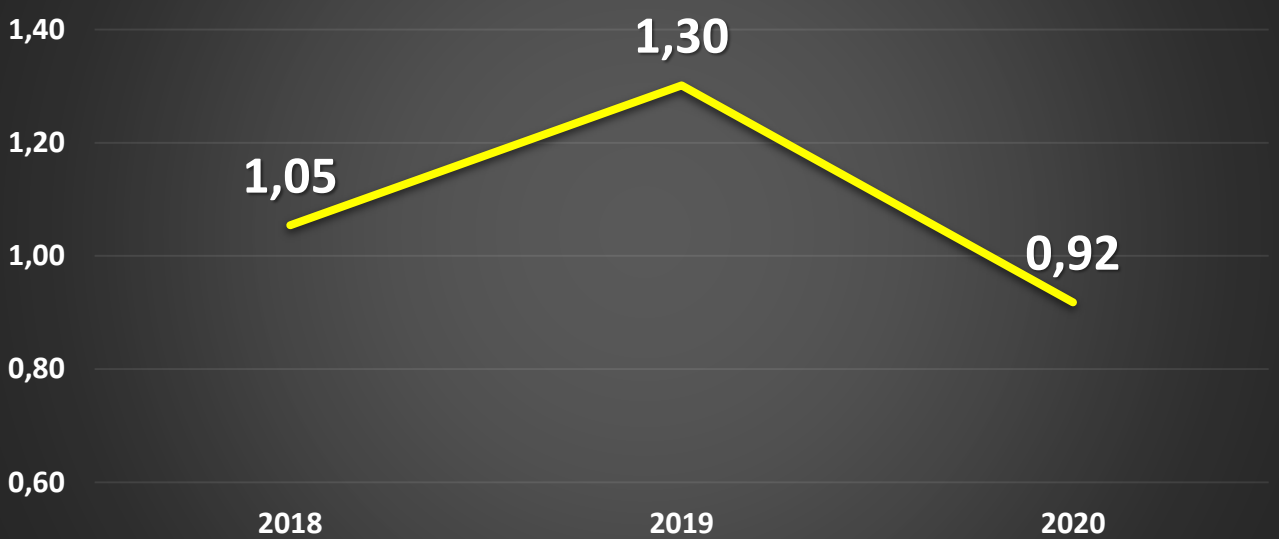
Natural Gas Consumption (Kw)



Water Consumption (Ton)



Electricity Consumption (Kw)



No failure was found in environmental audits and no environmental accident happened in 2020.

The amount of energy per 1 product produced in our Sivas and Batman production factories.



Actions made with the aim of energy saving in 2020;

- The rates of using ecological chemicals such as organic GOTS will continue to be increased, thus saving energy and water.
- Completing the project of converting all lighting to LED will continue to save energy.

Waste is collected by being separated at its own source and recycling or disposal of such waste is provided.

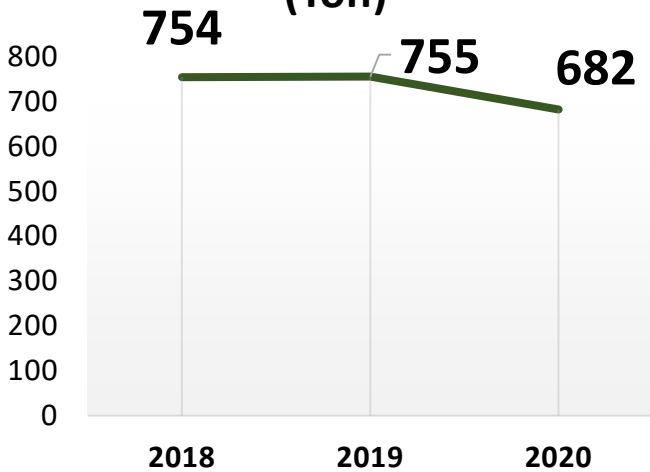
Our Aim;
To Decrease
Consumption
While
Producing

Ozon Textile aims to reduce the harmful impact of their products on the environment in their life cycles. Within this scope, trainings for employee awareness continues.

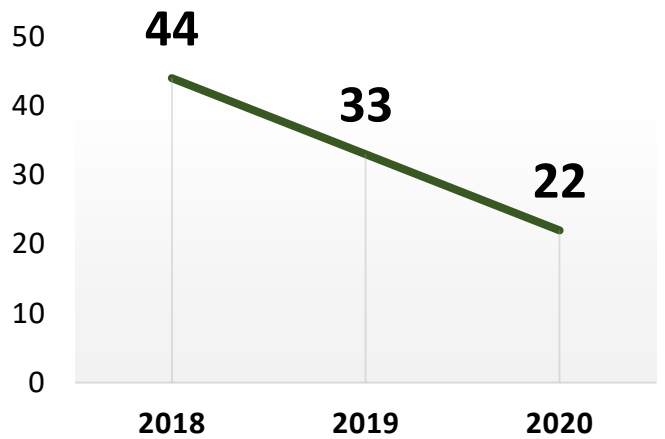
Waste is recycled through licensed companies with decomposition at the source.



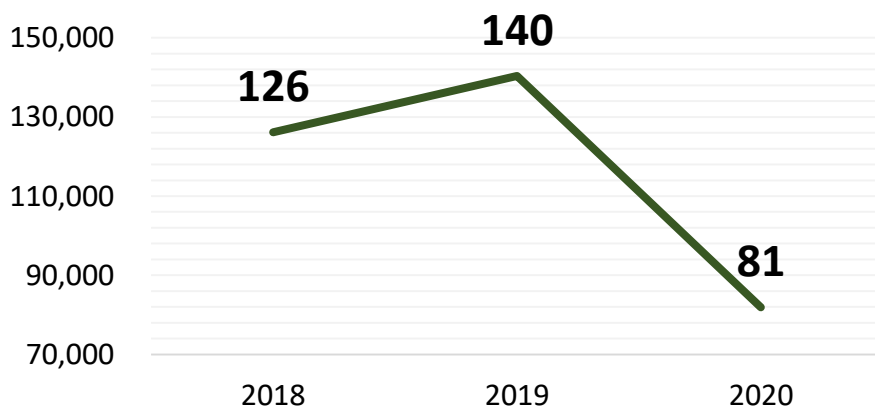
Weight of Wastes Used (Ton)



Amount of Plastic Waste (Ton)



Amount of Paper Box Waste (Ton)





ANTI-CORRUPTION

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Ozon Textile has an effective internal audit mechanism within its own structure; financial and process compliance audits are carried out systematically; any notification from employees, customers or suppliers is evaluated in this context.



EQUAL OPPORTUNITIES IN CAREER THANKS TO FUTURE LEADERS CAREER PROGRAMME



Ozon has created “Ozon Future Leaders” program, which is followed and supported by the General Manager and open to all employees in Istanbul, Sivas and Batman.

The aim of the program is to provide all employees with the opportunity to realize themselves and to support them in this journey.

As main topics, the program includes conducting personality tests and providing feedback, establishing and implementing an in-house coaching institution, training programs for personal and professional development, participation in and managing productivity projects.

Ozon has created a guide to support participants in preparing road maps and action plans and has defined all milestones.

VOLUNTARILY COACHING



Five female employees working in Sivas production facilities were coached voluntarily for eight months by four female representatives of another company who are in our network.

The reason for the occurrence of the project is the self-confidence, the desire to succeed and the need for support of our women working for Ozon.

The project achieved the expected goal and the simultaneous implementation of the “Future Leaders Project” also contributed to the progress of the participants on their career path.

	Female	Male
Number of Applications in 2020	47	54
Number of People Involved in the Process in 2020	25	27
Number of People Promoted in 2020	3	1
Number of Applications in 2021	34	36
Number of People Involved in the Process in 2021	18	24

We continue to contribute to the improvement of our employees through the trainings provided within the scope of the "Future Leaders Project".

Topic of the training given in «Future Leaders Program» in 2020

- Hayalistan Business Game
- HIPO Feedback
- Hogan Feedback
- My Journey of Self-Improvement
- Career Handbook
- 4 Windows
- Formula of Feedback
- Effective Leadership



Lean thinking, which is one of the most effective production and management models in terms of efficiency, quality, process improvement and profitability and has been implemented as of 2018, is still maintained at every stage of production and management.

Lean Thinking

LEAN with Numbers



Lean Training Topics

- ✓ Lean Leadership
- ✓ Line Management
- ✓ 5S & Visual Management
- ✓ Built-In Quality
- ✓ Standard Business
- ✓ Techniques for Problem Solving
- ✓ On-The-Job Training
- ✓ Developing a Method
- ✓ Total Productive Management
- ✓ Techniques for Increase of Productivity and Simulation



Share of Experiences

Our General Manager Ms Duygu Sivrioglu, who is ITU Aeronautical Engineering Graduate, gave very valuable advices by sharing her experiences at «Coffee's on Alumni» program organized by ITU.

Ozon Tekstil’de kariyer “Geleceğin Liderleri”nin sorumluluğunda



In Ozon Textile, career is in Future Leaders’ charge
Career is in one’s own charge; whether embarking on this journey or not is their own responsibility. "We will continue to guide our employees to remove internal and external barriers to turn their potential into performance," says General Manager Duygu Sivrioglu, who also does volunteer coaching in the Future Leaders Career Program initiated with this approach at Ozon Textile.

SHARE OF FUTURE LEADERS JOURNEY

- Our General Manager, Ms Duygu Sivrioglu, spoke about “Ozon and Future Leaders” at the Performance Management Summit organized by HR Magazine on December 2 - 3.

