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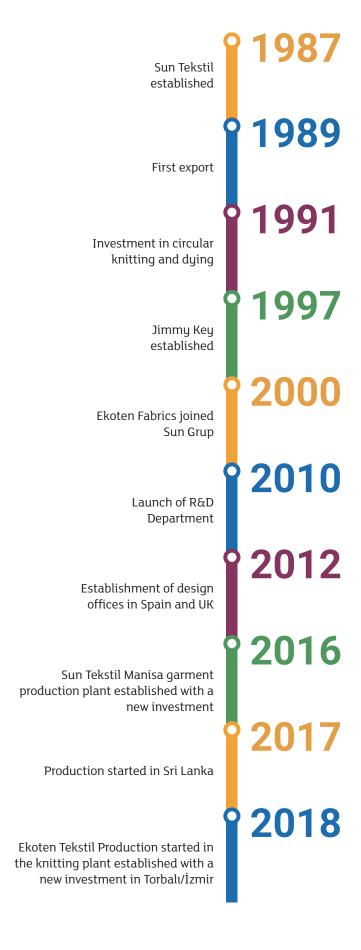
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Milestones



SUN Grup Companies



Established in 1987, Suntekstil is one of the largest suppliers of ready made garments to some of the worlds leading clothing brands. With its "world class" design ability, efficient supply chain and technological infrastructure, Sun Tekstil is the supply partner of choice to world leading retailers making it one of the largest exporters of garments in Turkey. Designing and manufacturing womenswear in both circular knitted and woven garments. Vertically integrated with one of the leading knitting mills in Turkey, Ekoten.

https://www.suntekstil.com.tr/



Istanbul Chamber of Industry Turkey's Top 500 Industrial Enterprises List, 204th rank.



Designing and producing circular knitted and woven ladies wear.



Strong in design, graphic design and fabric development.



Vertical with own jersey fabric mill which is one of the best in Turkey.



One of the prestigious R&D centers in Turkey.

ekoten

Ekoten joined the Sun Grup in 2000 and has since become one of the leading knitting mills in Turkey with its fully integrated production facility using the newest technology and industry 4.0 processes. Ekoten consistently uses environmentally friendly and naturally sensitive ways both embracing new technology without compromising it's customer focused, high quality and swift service. Knitting capacity of 40 tons per day, dyeing capacity of 50 tons per day with 27 jet and cold pad-batch dyeing machines, extensive and unique fabric library with more than 30,000 registered quality. Embraces Six Sigma and operational excellence.

http://www.ekoten.com.tr/



Capable of knitting 40 tons/day.



Capable of dyeing 50 tons/day with 27 jets and cold pad-batch dyeing machines.



Has an excellent and unique fabric library with more than 30.000 registered fabrics.



Focusing on six sigma and operational excellence.



JIMMY KEY

In 1997, Sun Tekstil set out to launch its own clothing brand and the first collection for Jimmy Key was created. Today there are 31 stores in Turkey as well as an online store.

Jimmy Key is for women who like a laid back look whilst still being stylish and comfortable.

https://www.jimmykey.com/



Well known brand for high quality women clothes.



31 retail stores around Turkey.

Achievements in 2019



Sun Tekstil was awarded the largest by volume export company in the platinum category of the Stars of Ready to Wear & Apparel Export by the Aegean Exporters Association.



Ekoten Tekstil won the 1st prize in "Production and Investment In The Fabric and Textile Finishing Services Industry" by Aegean Region Chamber of Industry.



Sun Tekstil improved its success compared to the previous year and ranked 19th in the Aegean Region Chamber of Industry List 2019. Ekoten Tekstil also improved its success compared to the previous year and ranked 53rd in the Aegean Region Chamber of Industry List 2019.



Sun Tekstil won Turkey Ethics Awards from EDMER (Turkey Ethical Value Center Association)



Best Managed Companies in Turkey Award of Deloitte Private in Turkey.



Sun Grup is ranked 2nd in Women Friendly Companies in Capital Business Magazine in Turkey.

Letter from Chairperson



Dear stakeholders of Sun Grup,

2019 has been a year where our world and our industry have changed and we adapted to the changes. Sustainability has been one of the most important concepts for us. Protecting nature, recycling, climate change, being good to society, gender equality and the circular economy were the most talked about topics.

Thanks to our 33 years of experience, our integrated structure, our agile business model and our high adaptability, we have successfully completed 2019 despite all the uncertainties and negative developments in the market. Sun Tekstil improved its success compared to last year and ranked 19th. The Aegean Exporters' Associations also awarded Sun Tekstil as the largest volume exporter company. Within the scope of the "Best Managed Companies" program implemented by Deloitte Private in 20 countries; we took our place

among the "Turkey's Best Managed Companies". This year we also kept our 2nd ranked place among Women Friendly Companies of Capital magazine survey.

Such a large scale operation comes with a bigger responsibility to people and the planet. That's why we make sustainability a part of Sun Grup's DNA. We are supporter of 17 SDGs and we have prioritized 4 SDGS in line with our activities. We established a Sun Group sustainability committee to better align company goals and contributions with the SDGs and initiated five sustainability working groups each led by a member of the Sustainability Committee. These committees are Sustainable Product Design and Development, Sustainable Human Resources Management, Environmental Sustainability, Sustainable Technologies and Digitalization and Corporate Governance Working Groups. Embedding sustainable development targets across all functions within the company and

integrating sustainability into the core business are the main objectives of these working groups.

Since the beginning of our journey, we've been a loud advocate of the social aspect of sustainability. We grant nursery aid to our women employees, scholarships to our employees' children, and encourage our employees who do not have the chance to complete their formal education with our "Back to School" project. Our employee satisfaction increased by 5.14% on the previous year due to the investment we make in our employees.

We believe that a sustainable future is only possible by taking a holistic approach and scoring projects for our supply chain. Our sustainability product design group is working on reducing the negative impacts of the products on environment. To reduce our environmental impact, we planted an additional 10,000 tress in our forest.

We believe in the importance of collaborations for a more sustainable industry every day. As we enter the "decade of action" for the 2030 Agenda that set by the UN, we have signed the Statement from Business Leaders for Renewed Global Cooperation along with 1000 signatories at the 75th UN General Assembly. We will continue strengthening ties with our ongoing partners and seeking new partnerships over every part of the fashion ecosystem.

We know that sustainability is not an ending point but a journey with never-ending learning opportunities. This is why we call this our sustainability journey. We believe that the wounds of the world cannot be healed, if we do not put sustainability at the core of our business processes. We want to participate actively in building a better future. With this report, we hold ourselves accountable for our sustainability journey.

Elvan Ünlütürk

Sun Tekstil Chairperson of the Executive Board

Letter from Chairperson

Dear Stakeholder,

In order to maintain and continuously improve our current success, we have placed special emphasis on strengthening our human resource activities, digitizing our business processes and investing in our R&D activities. The main strategic focus of the business is on sustainability, it is at the core of everything we do.

Being aware of the fact the textile and apparel industry is one of the most damaging sectors to the environment has led us to focus more on protecting the future of our planet. Our aim goes beyond legal obligations, to limit our impact on the environment and to complete the projects we have initiated in order to eliminate or minimize all kinds of waste. By setting long-term goals in this area, we wish to become one of the leading global companies in sustainability.

We have identified four SDGs that we believe can have the greatest impact and contribution. These are SDG 5-Gender Equality, SDG 8-Decent Work and Economic Growth, SDG 9-Industry, Innovation and Infrastructure, SDG 12-Responsible Consumption and Production. We maintain our financial sustainability and significantly strengthen each year. Ekoten Fabrics is ranked 53rd largest in the 2019 Aegean Region Chamber of Industry List which is ahead of of the previous year. We successfully continue our strategies to enter new markets where we will find important opportunities and to develop new product groups with high added value.

We have initiated various projects to reduce our environmental impact. The most important one we completed was the installation of solar panels on the roof of our knitting factory in Torbali, Izmir. We produced 985,196 kWh of the annual electricity requirement of the factory just from solar energy. Therefore saving the energy equivalent of 459 tons of CO2 emissions and 1,493 trees. A cogeneration system was installed in our dyehouse in Torbali, Izmir, which enables us to reuse waste heat energy. This alone saved the energy equivalent of 3,030 tons of CO2 emission and 9,849 trees. As a group that employs nearly 2,000 people, we see it as a duty to provide better social and economic

standards to our employees and to improve these standards for all our employees and their families. Knowing that our most valuable asset is our employees, we put in place the talent management and professional development training that includes technical and soft skills. With this report, we would like to share with you the steps we are very proud of in our journey of sustainability and we want to increase our contribution to the world together with your valuable support and contribution.



Şükrü ÜnlütürkEkoten Tekstil Chairperson of the
Executive Board

Our Sustainability Road Map



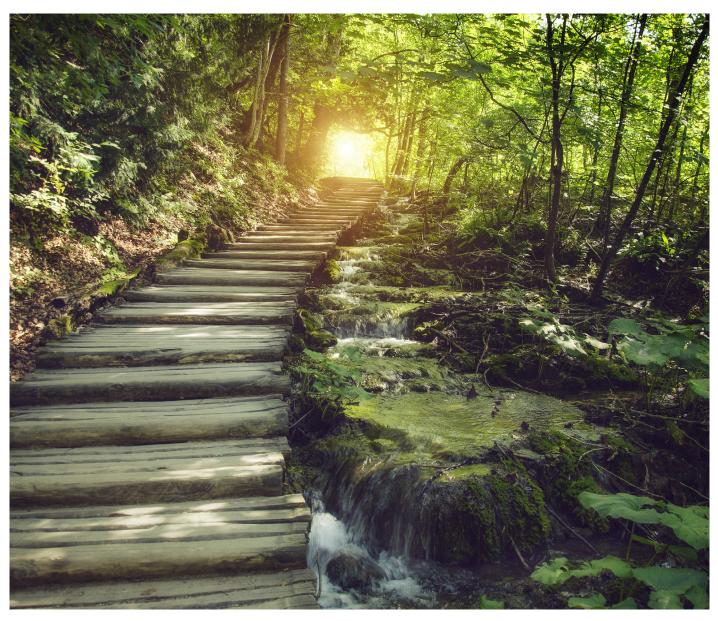
We Aim to Make Sustainability a Part of Sun Grup's DNA to Achieve This Goal, We Established a Sustainability Committee

OUR SUSTAINABILITY JOURNEY

We are aware of our current impact on the world and we believe we should create a better tomorrow.

The committee is responsible for the sustainability strategy and risk assessments related to climate change. This committe keeps track of sustainability-related sector developments, national regulatory requirements and trends; makes recommendations to the working groups to improve sustainability performance when necessary.

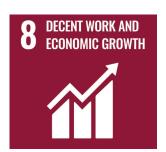
All critical decisions related to sustainability are taken by this committee.



Prioritized SDGs and Targets



- 5.1. End all forms of discrimination against all women and girls everywhere.
- 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
- 5.b. Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.



- 8.1. Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.
- 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors.

- 8.4. Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead.
- 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.



- 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resourceuse efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
- 9.5. Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.



- 12.2. By 2030, achieve the sustainable management and efficient use of natural resources
- 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.
- 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
- 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
- 12.8. By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

Working Groups for Goals

We have created working groups for sustainability goals. These groups are working to set company goals for short term, medium term and long term.

Integrating sustainability into the core business, governance and embedding sustainable development targets across all functions within the company are main duties of these working groups.

The leaders of the these working groups are from the sustainability committee members as well as our employees who are attending on a voluntary basis.



Sustainable Product Design & Development

Focus on: Sustainable products, collections and circular fashion designs, searching for sustainable materials and promoting sustainable packaging.



Sustainable Human Resources Management

Focus on: Training and development, leadership programs, collaboration and teamwork, talent management, diversity, workforce engagement.



Environmental Sustainability

Focus on: Sustainable production, renewable energy investment and waste reduction, increasing awareness about sustainability and climate crisis among all employees.

Sustainable Technology & Digitalization

Focus on: Developing digital maturity index for Sun Grup Companies, changes in business model, providing new revenue and value producing opportunities, analyzing outcomes of this index and setting strategies for companies.



Corporate Governance

Focus on: Good corporate governance practices and code of conduct.
Committees under corporate governance: Audit Committee,
Early Detection of Risk Committee,
Corporate Governance Committee



Sustainability Goals



25 % of our collections will be sustainable in 2020

50% of our collections will be sustainable in 2025

100% of our collections will be sustainable in 2050



Reduce landfill waste to near zero in 5 years.



Developing holistic supply chain grading



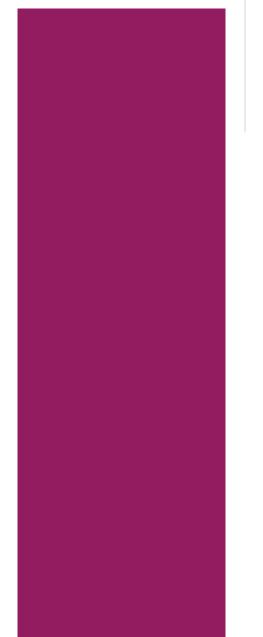
Implementation of Zero Waste System in all Sun Grup Companies by 2023.



Zero harmful chemical usage within the scope of ZDHC.



Developing own digital maturity index for Sun Grup companies.





SUSTAINABLE HUMAN RESOURCES MANAGEMENT







Human Resources

Human Resources Policy

To walk towards a sustainable future with our employees;



We make selection and placement by adopting the principle of 'right person for the right job', equal opportunity and diversity.



Coorporate **Development &** Learning

We implement training and development programs in order to support the continuous development of our employees, improve their creativity and at the same time ensure that they work under a sustainable corporate roof.



Career Management

Through our talent management processes we carry our people and our organisation into the future with the best development plans.



We aim to understand the expectations of our employees and to keep their motivation high with our efforts to measure and improve their satisfaction levels.

Core Competencies

Every collegue should have these competencies



$\widehat{oldsymbol{\mathbb{D}}}$ I own my job.

Fulfills the expected standards and does not skip the details.

- •Has high energy and internal motivation to achieve business results.
- •Effectively monitors whether the works are done in accordance with the determined standards.
- •Detects situations that are against business standards in a timely manner and informs the relevant persons to remedy them.



I am part of the team.

Aware that they are working with their teammates for a common purpose and acts in cooperation with them.

- ·Acts with the awareness that they serve the same purpose with everyone with their department and other departments they work with.
- •Consults his/her teammates in order to obtain information about business issues or solve problems.
- •Expresses his/her own views positively, even when he does not agree with his teammates.



I plan my work.

He/she act in a planned manner, determining priorities correctly and follows closely any issues related to their work.

•Fully complies with the business plans determined in the processes it is involved in.

- •Acts in a planned manner, organizes the works they need to do effectively according to its importance and urgency.
- •The targeted business results determine and define the actions to be taken regarding the job, including all possible steps.



I produce solution.

Understands and resolves the causes of problems encountered.

- •Systematically deals with the problem he/she encounters and determines the source of the problem correctlu.
- •Sensitive to the problems experienced, bringing about efficient and effective solution.
- •Takes action to find solutions to problems and prevent them from recurring, and directs their team to act in this direction.



I communicate effectively.

He/she acts in a planned manner, determines priorities correctly and follows closely the issues related to their work.

Fully complies with the business plans determined in the processes they are involved in.

- Acts in a planned manner, organises the work they need to do effectively according to its importance and urgency.
- Determines business targets and defines the actions to be taken regarding thetargets & jobs, including all possible steps.

Road Map in 2019

Position evaluation completed. Integration of new titles completed.





Competency set and catalogs have been prepared. Evaluation center preparations have begun.





Employee survey completed!





337 employees participated in the assessment center implementation.





MERCER

221 Hours & 32 Days! Feedback meetings are completed.



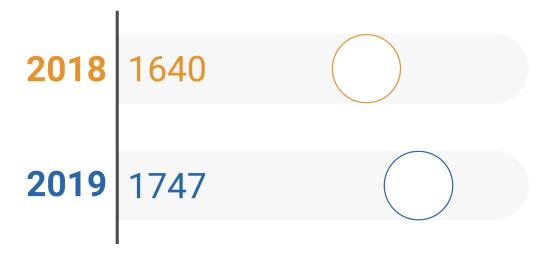
Franklin Covey collaboration began

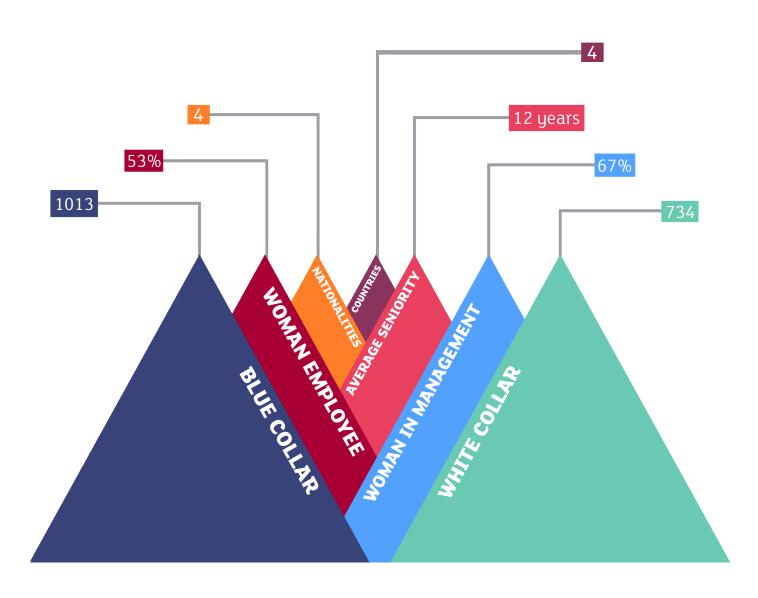




Franklin Covey training program has started for 270 employees in 20 groups!

Employee Figures





Employee Benefits

EMPLOYEE BENEFITS











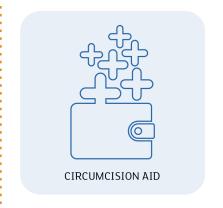












Nursery Support

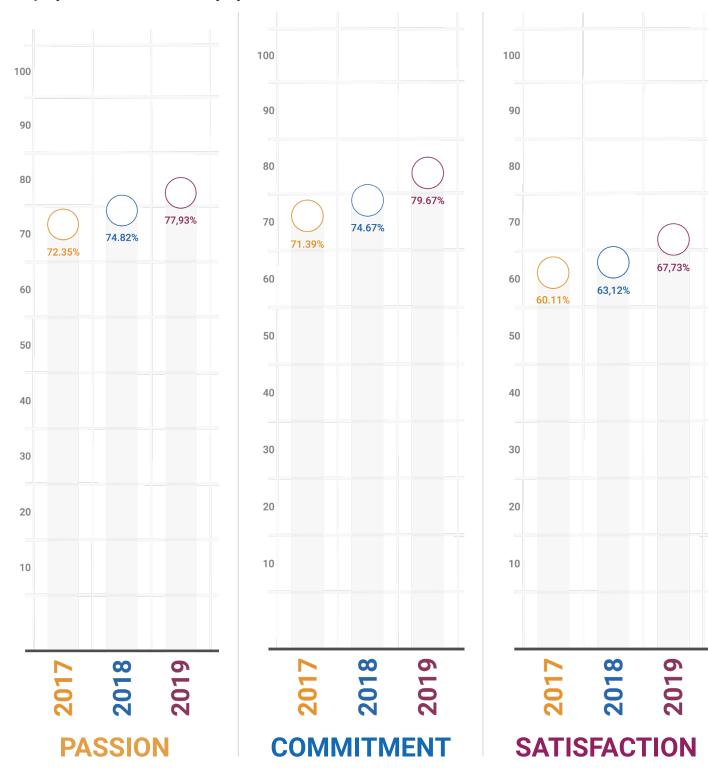
Nursery support is provided for all Sun Grup employees. The average kindergarden fee is calculated and paid directly to the kindergarten selected by the employee.



Employees Perspective Of the Organisation

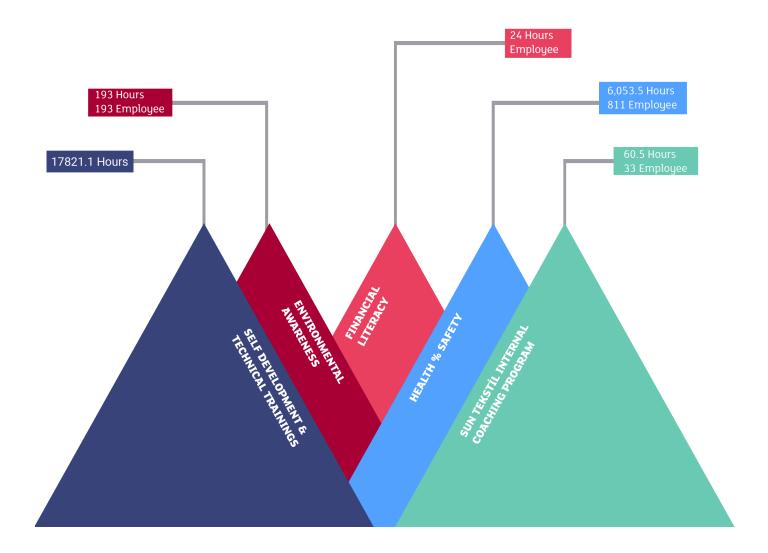
Engagement Levels Are Improving Each Year

Employee Satisfaction Survey by Year



Better understanding between employer and employees created more dedication within the workplace resulting in a lower employee turnover rate.

In-Company Training Programs





Training to all our employees about domestic violence and family communication.



On-the-job training program in co-operation with Government Empowerment Agency. 16 women have started working in our company in 2019.

Training Programs

Highlights from the trainings held in 2019



Feed Back Training



Internal Coaching Program



Transactional Analysis



Lean Leadership



Quality Training



Competency and Job Valuation

Employee Engagement



Funday Monday



Football Team



Birthday Celebrations



Summer Picnic



National Holiday Celebration



New Year Celebration



Table Tennis



Basketball Team

Talent Programs for Future Generations

Gelecek Sun'da

A project based talent program designed to prepare university students for working life and to contribute to their professional development. The the internship lasted for 2 months with students who passed the pre-selection steps from our candidates. With the completion of the internship period, our candidates gained experience in the textile industry and most of our interns given a position in our company



23 Alumni



350 hours of training



45% continued careers at Sun Grup



Sun Design Project

Practical training for design students from all around the world.

Design is central to the success of Sun Grup and with this in mind we want to share our knowledge and experience to help students from design backgrounds to be fully immersed within the working environment.



22 Design Students



120 Hours of Training



140 Unique Designs



Young SDG Innovators Participation

The Young SDG Innovators Programme is an opportunity for participating companies of the UN Global Compact to identify young talent within their organizations to collaborate and accelerate business innovation towards the Sustainable Development Goals -SDGs. This ten-month accelerator programme activates future business leaders and changemakers to develop and drive innovative solutions through new technologies, initiatives, and business models and deliver on their company's sustainability objectives.



10 Countries



18 Companies



Projects with Partners

Tesco Learning Journey

Hands on training for designers, buyers and merchandisers on the processes at Sun Tekstil. This has resulted in improved communication between buyers and designers and helped to raise awareness to develop better ways of working for the whole supply chain.



21 Participants Designers & Buyers



40 Hours of Training



Tesco Go Back To School

In partnership with Tesco we supported our employees who wanted to complete their education by paying for enrolment fees and stationary.

We supported: 1 Bachelor Degree 31 High School Degree 7 Primary Degree



39 Employee



MigScore

In partnership with our biggest customer and ILO we completed their Gender Equality Awareness Project.

Equal pay for equal work, no gender discrimination in performance measurement, reward policy, recognition of performance, providing a policy under the name of zero tolerance to violence and it's applicability has been taught to our employees



185 Employee



450 Hours of training



Human Rights Programme

In collaboration with our biggest customer; a programme of the assocation named Kadının İnsan Hakları - Yeni Çözümler Derneği (KİH-YÇ), was initiated at Sun Tekstil Manisa Plant for the first time in the garment sector. It's aim is to raise awareness on the well being and empowerment of women, 20 women employees were trained in the various subjects over 16 weeks.



20 Women



100 Hours of Training



We Inspire Young Generations with University Collaborations

We are happy to host university students in our facilities so that they can feel the corporate business life atmosphere in place.



Ege University Site Visit



Ege University Employment of Textile Technician Graduates Seminar



Istanbul Technical University Site Visit



Dokuz Eylul University Textile Community Sponsorship

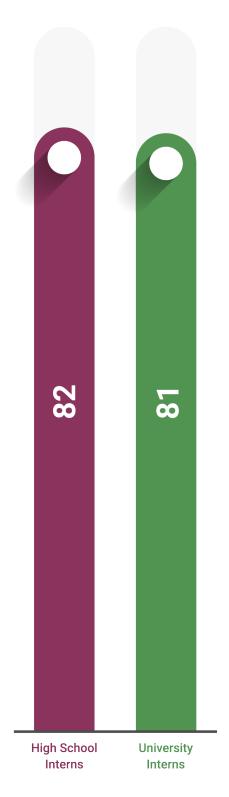


Career Days, 150 new graduate interviews at:

- Dokuz Eylul University,
- Ege University,
- Izmir University of Economics
- Istanbul Technical University

17 of them is hired.

In 2019



Projects with Community

The Leaders of Change Association

Değişim Liderleri Derneği - DLD (The Leaders of Change Association) which is established to support young women in acquiring leadership skills and having a good communication network. We are happy to support the association's "Kıvılcımlar" Program which has also been developed to create a better, equal and fair society, country and world with stronger, more active, self-confident, leader women.



Izmir University of Economics Protocol

With this cooperation, a part-time working protocol was signed in order to accelerate the adaptation of young people to the business world and increase their employability.

9 industrial engineering students started working in our company on a part-time basis.



Mentorum Esiad

ESİAD, in cooperation with the European Counseling and Coaching Association (EMCC), started the "Mentorum ESIAD" program with 20 students from Bilkent University Faculty of Business Administration and Izmir Institute of Technology. With the program, it is aimed that ESIAD members support the career development of university students at the 4th grade and master's level as role models.



Support for young entrepreneurs! TUSİAD -Bu Gençlikte İş Var

In order to give university students an innovative perspective and entrepreneurial competence; "Bu Gençlikte İş Var" is an entrepreneurship program that provides a wide range of support from education to interaction with the business world.



Engineers of Fashion Modanın Mühendİslerİ

Aegean Ready-to-Wear and Apparel Exporters Association and Aegean Textile and Raw Materials Exporters' Association have given the opportunity to high school students about to choose their profession. It's aim is to bring more qualified students to Textile Engineering by ensuring that the "Textile Engineering" departments of Engineering Faculties are preferred by successful students in high schools.



Coaching Program For Vocational High Schools

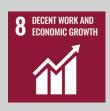
In partnership ESIAD; we contributed by creating mentoring students at the Torbali Vocational High School. Our aim is to support students professional development process through our volunteer employee's. Students visited our company and had the chance to learn some business experiences from their mentors.



SOCIAL RESPONSIBILITY









Jimmy Key Cup is 10 Years Old!

10th Jimmy Key - Universail Cup Sailing Races which has been organized in Urla, İzmir for 10 years and has become a traditional event, this took place on 20-21 April 2019. Teams from 20 universities competed in 49 boats in 10 groups.



10 Years



500 Students



2 Days



49 Boats



20 Universities







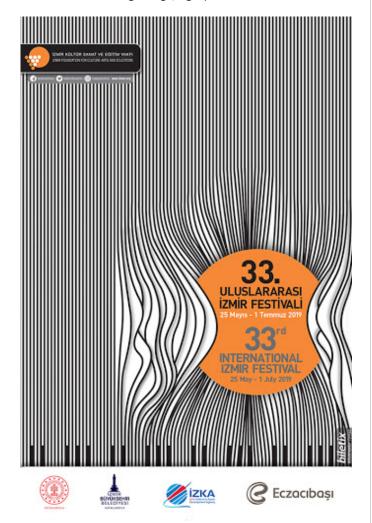
Projects for a Better Community

We are happy to give back to our great community and proud to have supported (or sponsored) dozens of local non-profit organizations and groups over the past year. These organizations cover the full spectrum of our community with wide ranging focuses from youth sports to health care, charity events to entertainment, civic groups to sporting events and everything in between.

Sponsorhips



Kalder Mükemmelliği Arayış Symposium



International İzmir Festival



Romanival Festival



"Productive Women Project" in order to help housewives with limited opportunities by selling their hand-knitted bags in Jimmy Key stores.

We have another forest in 2019!





We added 10.000 trees more to our forest in 2019

Blood Donation Campaign



We have been organising blood donations.

Charity Organisations



"Golden Girls" donation organisation with employees.

Product Donations for TAKEV Organisation



Other donations:
Ayse Sevinc Solmaz Rehabilition Center
KDZ Fiziksel Engelliler Derneği
Torbalı Governmet Hospital
Torbalı Ticaret Odası Ramadan Food Support
Olten Art School

Support for high school student's project that aims to create awarness on SDGs



Local Kids' Football Uniforms



Classroom Renovation for Special Children - Cetineller Primary School



Science Kit Donations





Scholarships

We provide monthly scholarships to the children of our employees and other university students through our fund that we have transferred to the management of NGOs. In 2019, we cooperated with EÇEV for the selection of scholarship students and provided scholarships to 13 students

SUSTAINABLE TECHNOLOGY & DIGITALIZATION





We Work for the Sustainable Development of Our Industry

To Enhance Scientific Research And To Increase Our Technological Competencies

R&D CENTER

At our R&D Center (In 2010, it gained the status of an R&D center supported by a state fund) we aspire to improve people's lives. Our core values are based on understanding customer's needs and challenges, designing user friendly solutions, building strong collaboration for market oriented products and delivering innovative B2B or B2C solutions are our core values.

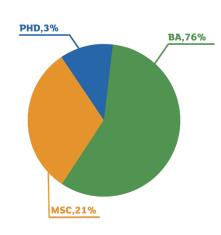
Our major strength includes our interdisciplinary team which consists of textile engineers, chemists and designers with graduate degrees, our mechanical and comfort measuring laboratory infrastructure, our ability to collaborate with all Sun Grup companies and benefit from their production capabilities, our strong design experience for more than 30 years, our strong international collaborations with 80 international partners from 20 country and national collaboration with 48 entities.

We have an efficient R&D infrastructure which includes academic databases and professional patent search software to keep updated on both academic and commercial work. An average of 20 new projects/year are started where 1/5 of them are usually publicly funded by national and international programmes.

In the Sun Tekstil R&D centre we strongly believe that sharing the knowledge is as important as creating it. We protect our growing intelligence with our IP portfolio that consists of nine patents and utility models, four designs and many trademarks.



Researcher Profile





We constantly and closely follow the change and development in the sectors in which we operate and aim to be a pioneer in our sector with our R&D and production activities.

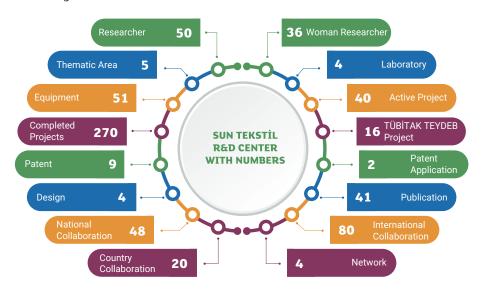
R&D Center

Innovation Life Cycle

Sun Tekstil Innovation Life Cycle is constantly updated in line with Sun Grup's strategies and activities of all Sun Grup Companies. In this context, in 2019 Digital Transformation and Sustainability Working Group has been established and R&D projects for this area has been initiated.

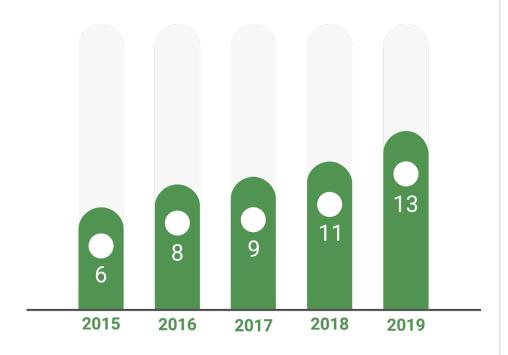
For continuous improvement, Sun Tekstil R&D Center supports postgraduate education, strengthens the access to infrastructure, actively participate in national and international collaborations day-to-day and scientific activities.

In order to achieve these goals, patent database membership investment has been made, an international congress is sponsored and under the 2244 Industry Doctorate Program of TUBİTAK, pre-competitive cooperation projects of 5 companies including Sun Tekstil has been initiated with the leadership of a university located in Izmir.



Techxtile Start-Up Challange Textile Innovation League Award by Uludag Textile Exporters' Association (UTİB)

Patent, Utility Model & Design



%72

of our research team is women

Knitting Monitoring System



Functional kntting facility specially designed for Ekoten was completed in 2018. Operating in 16,000 m2 with 206 circular knitting machines with a total capacity to produce 6,500,500 kg of fabric including jacquard fabrics. Twisting machines were also put into operation for the development of elegant Ekoten fabrics. In the production line, the latest automation technology is used, which machine operators can monitor machines with smart watches that give instant warning to any problem. Capacity planning is made by custom developed software and can be monitored instantly with digital screens. The main raw material yarns are monitored in the warehouse with the RFID system, so they can be easily found in the stock area and can be easily assigned to each machine on order basis. All stock is monitored online. The facility is self powered by 4,320 solar panels on the roof producing 1,200 kWh of energy.



DU 11 Machine Screen



Wireless data transfer with bluetooth



Detailed production monitoring screen



90 pcs smart wristband with stopping control

Self Developing Recipe System

A newly designed dyeing recipe system which considers all input variables, regardless of operator means the production process is controlled and dynamic.



Digital Maturity Index

We developed our own Digital Maturity Index tool to assess and to improve our current status.

- •Change Management
- •Digital Culture Level
- •Digital Marketing Management
- •Hardware & Infrastructure Management
- •ERP& External System Integration
- •Digital Management of Finance Functions
- •Security & Risk Management
- •I/O Management
- •HR Management Functions
- •Decision Support Systems
- •Digital Management of Accounting Functions
- Customer Experience
- •Planning Systems

- Process Management
- Technology Capacity
- •Data Management & Mining
- •Artificial Intelligence & Machine Learning



At the success stories event of TÜSİAD SD2, a digital transformation support program for sectors, our "artificial intelligence and root cause analysis" project we developed in Ekoten was deemed worthy of the sector transformation award.

Smart Machines Maximum Efficiency



Field Analysis and Modeling Management

Production Processes and Process Diagrams are provided. All process components are modeled and documented.



Software and Automation Management

Managing both automation systems and BI software working in the production area and developing new systems.



Data Mining and AI Management

Collecting and organizing field data in accordance with reporting and data analysis tools. Developing AI applications and integrating them into the field.



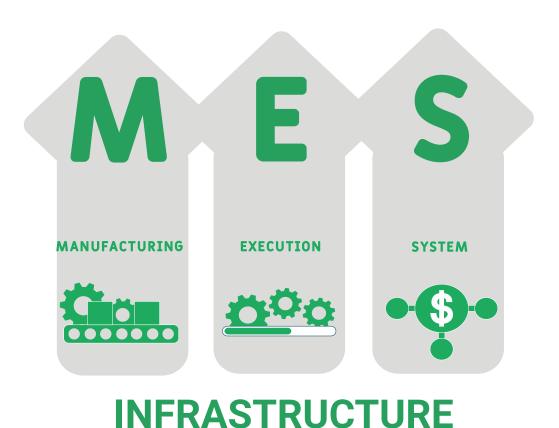
Reporting and Real Time System Management

Determination of reporting tools and methods and establishment of report infrastructure. Real-time data control.

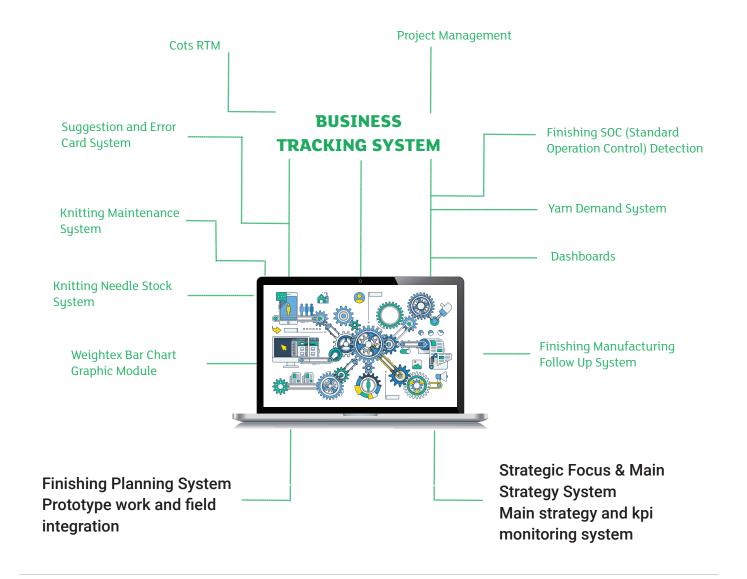


Technician 4.0 and Agile Management

Increasing the technology skills of employees. Dynamic and fast management of new digital processes.



MES 4.0



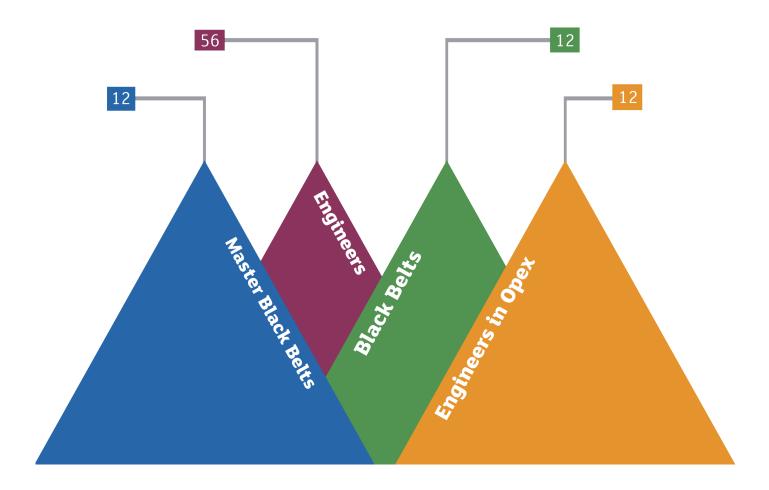
[•]We make our processes traceable from end to end,

[•]We predict the future by reducing the manual workload with technology,

[•]We make production planning correctly,

[•]We can increase productivity by working with smart machines.

Find the Best Way to Solve the Problem!



Total Kaizen Project Earning: 550.000 TL



609 Suggestions



1754 Abnormally Cards



30 Lean Leaders Appointed



25 Kaizens Completed



5160 Hours Training



Suggestion System Flow



MES 4.0 Suggestion System Module is available to all employees to computers located in 20 different regions of production.



The person who will give the suggestion writes the description of the current situation, the suggestion for improvement and its contribution



The proposal is evaluated in the proposal board that convenes periodically and the board note is added.





In the proposal board, the proposal is evaluated and the board note is added.



In cases to be investigated in the field; the suggestion solution team is informed by automatic mail

We Can Make Predictions about the Future from Large Data Heaps, by Using Statistics and Different Types of Algorithms

By using methods such as artificial neural network modeling, decision tree, KNN methods etc, we can detect anomalies and patterns that cannot be detected by conventional methods.

We use analysis and modeling in all areas from production to sales. With advanced models we can analyze our energy data, product life, production costs and make predictions about them.

Digital Tools

Sunny Our Robot At Work

With RPA and IT CAPTURE; all data in the electronic environment is entered automatically into the ERP system.

Thanks Sunny;

- •Reduced manual errors,
- •Completing translations correctly,
- Process acceleration,
- •Instant warning of all relevant units in revision situations.

Scope of application:

- Accounting department
- · Approved size tables
- Order forms
- Download lists
- Field fabric quality control reports.





Online Applications

- •Quick product searching.
- •Easy control for order status.
- •Digital partner for fabric needs.



The Roll Out of SAP

In order to improve our data analysis capabilities by managing our entire process with a single ERP system, we renew our entire system with SAP software.

SAP will provide an integrated application to provide solutions to all the major challenges our industry faces. It will make our business processes faster and more efficient.

It will also connect all our planning processes in an integrated supply chain planning system to improve lead times and services.

With this system, a reduction in data processing time based on data transfer between branches, factories and head offices will be achieved.

We aim to increase employee productivity with system controls and to improve operation traceability.

We will be more efficient in terms of eliminating data redundancy and errors.



ENVIRONMENTAL SUSTAINABILITY







We Care and Protect the Environment at Every Step of Our Business

Environment Policy

Sun Grup aims to work in accordance with national and international legal regulations and conditions by determining the activities.

The environmental scope includes;

- •To reduce air pollution and all waste
- •Optimum utilization of natural resources
- •Source separation of waste
- •To become an exemplary organization in environmental protection activities
- •To raise employee awareness about sustainability
- •Efficient and economic use of all energy resources
- •To continuously improve our environmental management systems
- •To employ sustainable solutions for the environment

Energy Policy

In order to reduce the energy consumed during all activities and to reach our energy efficiency goals, we:
•Provide all kinds of information and necessary resources that can be used.

- •Optimize energy use by continuously improving the energy performance of SEKs,
- •We prefer designs with high energy efficiency in investments by following new technologies and alternative energy sources,
- •We purchase Energy Efficient products and services,
- •Increase the energy efficiency awareness of the employees,
- •Carry out all these processes with the participation of employees,
- •Comply with all legal regulations and other conditions,
- •Ensure the sustainability of these processes by constantly reviewing them.

CDP

We believe the power of transparency. Ekoten Tekstil calculates greenhouse gas emissions according to the ISO 14064 Greenhouse Gas Inventory Standard and announces the results through Carbon Disclosure Platfom (CDP). We prepare CDP report since 2012. We got third place in Turkey in 2014. We reduced CO2 emission per ton of fabric by %13 compared to base year.





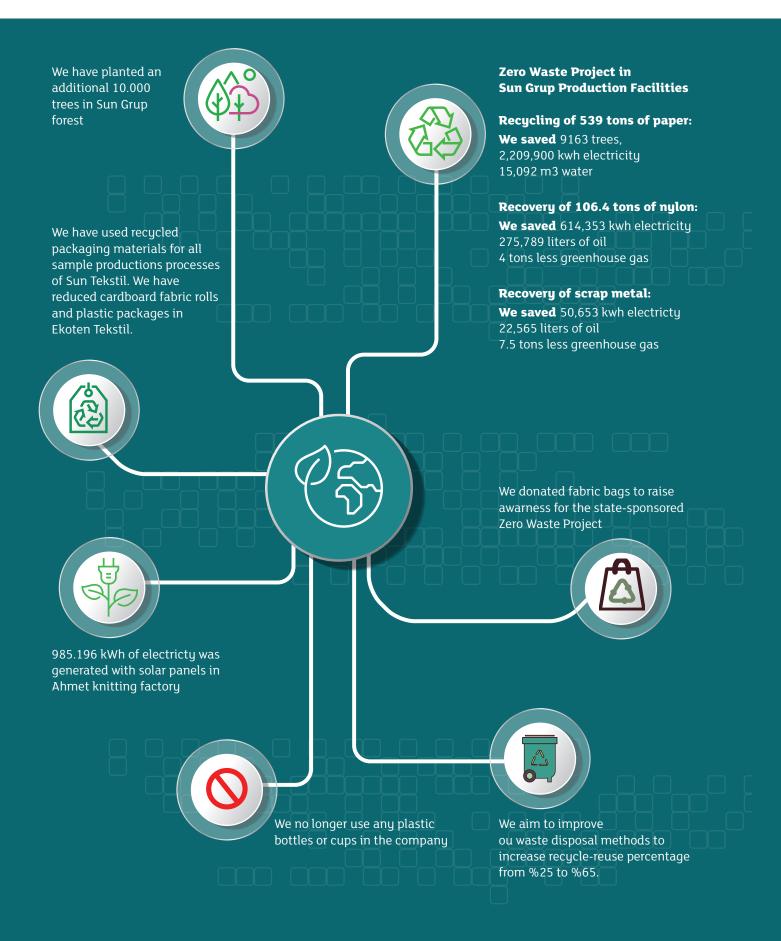
4,320 solar panels was installed on the roof of our knitting facility in Ahmetli, Izmir.

We managed to generate 985.196 kWh of electricity in 2019.

We reduced CO2 emissions by 459 tons

We are Saving!

Numbers in 2019



Chemical Management System



All chemicals that we use include



We share our up-to-date chemical inventory list with our customers via CleanChain platform.



We research alternative chemicals to reduce our impact on the environment.



We strictly follow current legal regulations and prohibited chemical ingredient lists.



We follow the latest technologies to improve chemical management and usage.



We do not use any chemicals that include SDS.



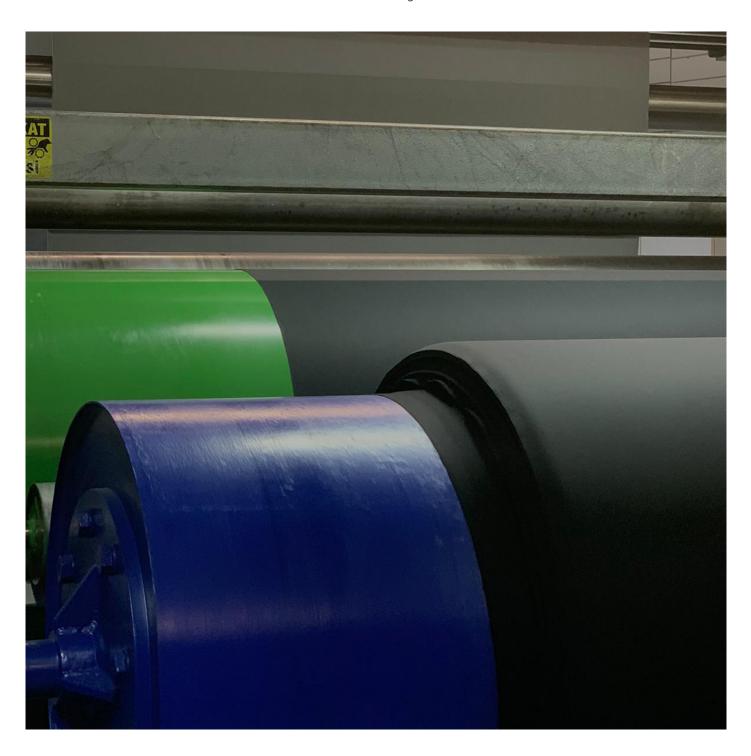
Less Energy Less Water Consumption

Cold Pad-Batch

Cold pad batch dyeing (CPB) is an alternative method for reactive dyeing which uses fewer resources. With CPB there is no need to apply heat during the process, and no salt or humectants are needed.

Advantages of CPB Compared to other reactive dyeing methods, such as jet dyeing, CPB offers several benefits:

- •Reduced water consumption.
- •Reduced energy consumption, as it is done at room temperature.
- •Higher percentage of dye fixation.
- •No salt used resulting in easy dye wash off and no salt being present in the effluent.
- •Pre-dye checks can be carried out ensuring more fabric is dyed correctly.
- •Productivity one CPB machine can dye more fabric than a jet machine.
- •Better suited to stretch fabrics and knits because it is easier to manage tension control in a small machine.



Sustainable Waste Management

Zero Waste System

Waste management has become a problem that needs to be brought under control as a result of rapid population growth and industrialization activities. In order to eliminate plastic pollution, to reduce packaging waste and to reduce the amount of waste going to landfill facilities, we use innovative technologies in our operations. To limit our environmental impact, we focus on reducing consumption of raw materials and chemicals and we ensure recycling of wastes at source. As part of our training activities, we increase the awareness of waste management. In this area, we support the Zero Waste Project of the Ministry of Environment and Urbanization.



Waste Water Treatment

We are aware that the available water resources in the world are decreasing day by day and the availability of water is of critical importance. Water is essential to our production processes, therefore, we continuously monitor our water management performance and to advance it we integrate new technologies into our infrastructure.

Waste Water Management Process Flow

Neutralization Tank

Equalization Pool

Air Aero Tank

Chemical Sedimentation Tank

 \downarrow

Discharge

In 2019:

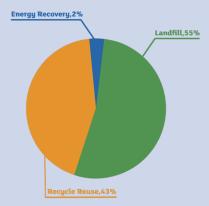
As a result of these studies, water treatment efficiency has increased. Within the scope of these studies, treatment efficiency increased. Chemical consumption and effluent amount decreased. With new diffuser systems, aeration efficiency and effluent quality increased.

The blower motor was replaced with a new generation technology and it has increased the purification efficiency and saving energy. With the Kaizen and 5S studies, time, workforce and chemical optimization was achieved in environmental operations.

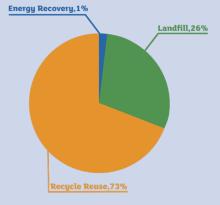
Sustainable Waste Management

As a result of the continuous improvement activities in our facility, we meet the recycling targets we set for the future by sorting more waste and sending them to recycling facilities.

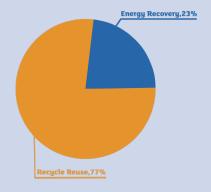
2019 Realized Waste Hierarchy



2020 Waste Hierarchy Target



2025 Waste Hierarchy Target



Employee Awareness Activities

We carry out activities that improve our employees' knowledge and that change their perceptions, in order to increase environmental awareness and develop environmentally friendly solutions together.

In order to spread effects of voluntary improvements in the company, we share reports and make announcements about good practises being carried out by individuals and by each department. We share our valuable achievements with all our stakeholders using online platforms and social media.

In addition to the social media, we are also using other channels, such as the company newsletter, e-mails and poster to raise awareness.

























ENSURE WOMEN'S FULL AND EFFECTIVE PARTICIPATION EQUAL OPPORTUNITIES FOR WOMEN







Environmental Awareness Training 193 Hours - 193 Employee

Certificates for Sustainable Production

Product Certificates



















System Certificates













Sustainability Performance Declarations



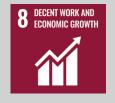






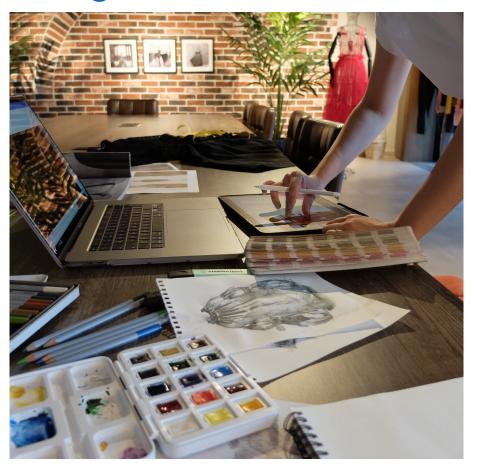
SUSTAINABLE DESIGN

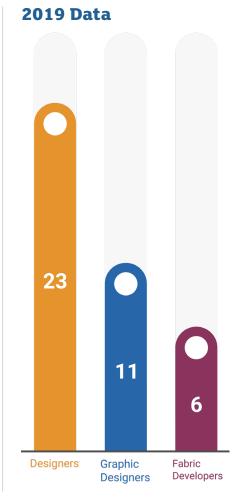






Design Teams



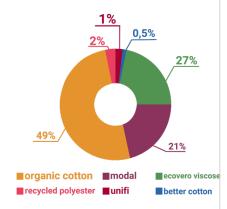


Sustainable Product Key Figures

We use 100% recycled packaging and labelling for our customer samples.



We produced 3,290,913 sustainable garments.



Our Goals



25% of our collections will be sustainable in 2020

50% of our collections will be sustainable in 2025

100% of our collections will be sustainable in 2050

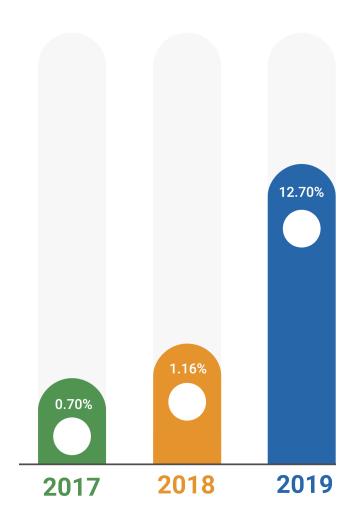
Sustainable Fabric by Years

We produce sustainable fabrics by using tencel, acetate, cupro, organic cotton and better cotton. The proportion of sustainable products are increasing every year.

We cooperate with our suppliers on sustainable yarn developments.

We develop unique and special fabrics with innovative yarns by including new machine infrastructures and new processes in our production capabilities.

The proportion of sustainable fabrics in total production





Jimmy Key Sustainable Collection

Our new "KEY FOR LIFE" sustainable collections will focus on three main objectives and all products will be 20% sustainable.

Key For Energy

Production processes that cares for environment and water.

Key For Nature

Raw materials grown using less water and energy that preserve natural balances.

Key For People

Business model respecting people and sustainable principles that provide social benefit.

In stores in 2020!













CORPORATE GOVERNANCE





What Does Corporate Governance Mean to Us?

One of the most important things for us is to make sure that we carry our business to the future with a responsible approach for all stakeholders.

Corporate Governance is an important concept that will help achieve this mission. For this reason, each company in the group acts with the awareness that they have a

responsibility to the parties they are in contact with at every stage of their activities.

With this in mind, Sun Grup established a corporate governance committee, audit committee and early detection of risk committee. All of these committees have been set up voluntarily and without any regulatory requirement from Turkish

Commercial Law.

Aware of the importance of transparency, although there is no legal requirement, Sun Grup decided to implement the above-mentioned policies and implement the best corporate governance practices for all group companies.







Strategic Plan Meetings in 2019

Ethics in SUN Grup

At the heart of Sun Grup's core values there are ethical principles that determine the way business is conducted.

Everyone at Sun Group is committed to these values and principles and is aware of their responsibilities.

The principles are:

- 1-Recruitment in all work places are carried out with equal opportunities for all.
- 2-Religion, gender, ethnicity, marriage status are not considered when employing people based on their qualifications, skills and knowledge for the job.
- 3-Discrimination between colleagues about race, gender, religion, disability and family relationships is not tolerated.
- 4-All labor laws are fully adhered and Health & Safety rules are fully followed in all workplaces.
- 5-In all cases, a consistent human resources management approach is followed.
- 6-It is important to establish and maintain open and collaborative communication between all employees.

Policies Supporting Ethical Principles

- •Respect between employees
- Marriage among employees
- •Behaviour & personal appearance
- Continuity to work (Absenteeism)
- ·Hand over
- Equal opportunity
- Leaving place of duty
- Security
- Protecting personal information
- Personal belongings
- •Confidential employee files
- •Confidentialty of company information

- •Strict measures against abuse in the workplace.
- Abuse
- Conflict of interest
- Internal communication
- •Customer relationship management
- •Supplier management
- Gift policy
- •Use of company resources
- Competition rules
- Lawfulness
- Public activities
- Environment



For our outstanding success in this area; we were awarded ETİKA Turkey Ethics Award by Turkey Ethical Values Center Association in 2018 and in 2019.

(EDMER - Etik Değerler Merkezi)

Procedures & Policies revised and implemented in 2019 are as follows:

- •Board of Management Internal Directive
- Stakeholders Policy
- •Disclosure Policy
- •Wage Policy
- •Compensation Policy
- Donation and Aid Policy
- •Human Resources Policy
- Backup Policy
- •Privacy and Personal Data Protection
- Authority Policy
- •General Assembly Internal Directive
- Social Media Policy
- •Ethical Principles and Rules
- •Board of Directors Performance Evaluation
- •Board of Directors Productivity Report
- •Commercial Information and Confidentiality Policy
- •Recruitment Regulations
- •Regulations on education

The Sun Grup Board consists of eight members including two independent members. 50% of the board consists of women members.

Sun Grup Board Meetings are held monthly. Independent members also contribute to the corporate governance, audit and early detection of risks committees as voluntary committee members. Except for independent members, all members have executive duties.



50%

Women Board Members

The Audit Committee

Audit committee is formed by the board of directors and independent board members. The committee is responsible for the following activities on behalf of the board of directors:

- •Rewieving the internal control and risk management systems
- •Controlling the efficiency and competence of the internal control and risk management system
- •Integration of the internal control and risk management with accounting and finance reporting systems.
- •Sharing recommendations to the board regarding the appointment of external auditors

Corporate Risk Management Committee

Corporate risk management in Sun Grup are taken as a systematic process in which risks are identified, analyzed, controlled and monitored. This committee makes recommendations and suggestions to the Board of Directors about:

- •Early detection of all kind of risks (strategic, operational, financial and legal)
- •Analyzing the impact of these risks.
- •Managing and reporting according to the corporate risk taking profile of the company.
- •Taking necessary measures regarding the identified risks.
- •Implementing the necessary measures related to the identified risks and taking them into consideration in decision-making mechanisms.
- •Accordingly, creation and implementation of effective internal of control systems

Social Compliance

Social Compliance Department conducts ethical social compliance audits on factories and monitors social compliance status using the following categories:

- freedom of association
- •health & safetu
- •wages and working hours
- discrimination
- regular employment
- child employment
- •technical status.

Social compliance in our own factories and supply chain is a combination of the rules and standards of the International Labor Standards, Turkish Labor Laws and our customer required standards.

Frequency of audits by our internal SC teams

- •Tier 1 suppliers (garments): once a month.
- •Tier 2 suppliers (yarns, fabrics & dyeing): at least once every three months
- •Tier 3 suppliers (accessories, pleating, piping, embroidery etc): at least once every three months

Technical Audit

We conduct qality management system (QMS) audits once a month. Monthly grading, follow-up activities and necessary action plan are followed through our QMS System. In this audit,

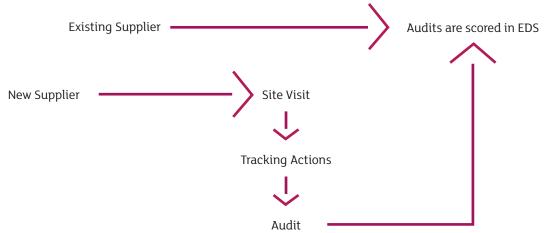
- •From production to good quality and on time shipments,
- •Checking legal permissions required for production,
- •Calculation of annual water and energy consumption,
- •Pre audits for our main customers carried out.

Sustainability For Life

For all our supply chain including dyeing & finishing processes we support efficiency and conscious usage of water, zero usage of toxic chemicals, usage of chemicals according to the legal requirements.

We aim to increase awareness about the sustainability and climate crisis. We support responsible production. With this aim, we are auditing our supply chain especially suppliers including dying & finishing processes regularly.

Supply Chain Social Compliance Process



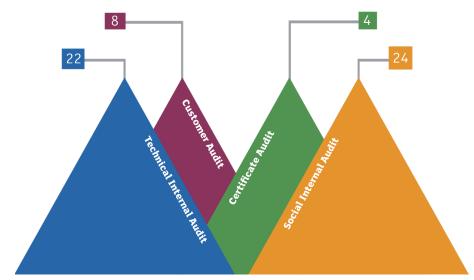
One Step Ahead!

We work closely with our suppliers to take a proactive approach by increasing their awareness on waste chemicals management and energy consumption. We also aim to explain the standards and applications of our customers to our supply chain accurately.

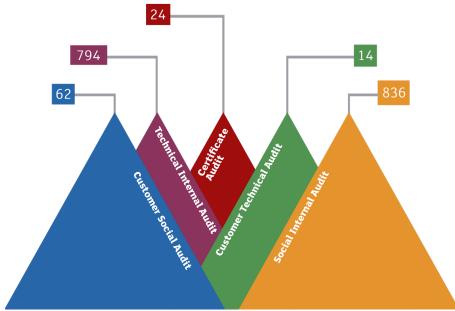
During social audits, employees are provided with training within the scope of social audit requirements, customer standards and legal rights. In 2019, a total of 40 hours of training was provided at 33 manufacturers.

During the audit of processes, various technical trainings are provided to employees by our Code of Conduct team. (Broken needle procedure, metal detector use procedure, interlining-press procedure, keeping all forms used in production traceability accurate, etc.) In 2019, a total of 25 hours of trainings were provided to 7 manufacturers.

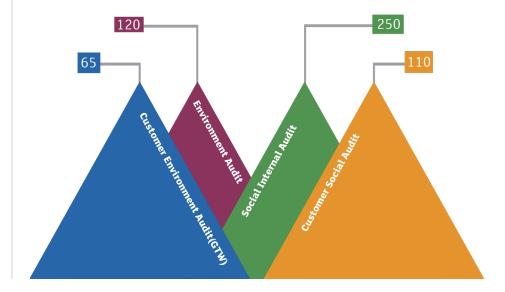
Sun Tekstil & Sun Tekstil Manisa



Garment Supply Chain



Yarn/Fabric Enterprises Supply Chain



Freedom of Association

As Sun Grup, we respect the right of all workers to establish or to join a trade union of their choice without fear of intimidation or reprisal, in accordance with national law.

We apply non-discriminatory policies and procedures regarding activities in areas such as union organizing, union membership and employment applications, and decisions on promotion, on dismissal or transfer.

We have also additional payment for employees registered to union. In Ekoten Tekstil, employees are registered to union called Öz İplik İş. At Sun Grup, we have social benefits such as festive holiday allowance twice a year, maternity benefit, marriage aid, funeral aid, circumcision aid, monthly nursery allowance for female employees, education support allowance for children of our employees and education support allowances for our employees who continue their education.



Health & Safety

Sun Grup has adopted a proactive occupational safety approach, It has created a sustainable occupational safety culture with its safe working areas according to ISO 45001 Occupational Health and Safety management systems standard.

In 2019, Sun Grup established Central Occupational Health and Safety Unit under the leadership of senior management in order to be a pioneer in the sector by furthering its awareness of occupational health and safety.

In 2019, we hosted many companies during the technical tour organized within the scope of İzmir OHS summit and shared our good practice examples with other sectors.

In line with the goal of zero occupational accidents and occupational diseases, the Sun Grup, which achieved a 95% improvement

in accident frequency and severity rates in the last nine years, continued its improvement graph in 2019 and moved one step closer to its target.

Integrating the Occupational Health and Safety approach into all processes, Sun Grup analyzes possible risks, near-misses, work accident root cause analyzes, field control, OHS board, emergency etc. and we follow-up of all actions with the software we develop.



How We are Responding to Covid-19?

Due to the Covid-19 outbreak in the world and in our country, no activities were carried out in our factories between 30 March and 30 April. During this temporary interruption, we continued to pay our employees their salaries. We also supported our supply chain financially. Despite the lockdown and the resulting complete cessation of work for two months, no employees were dismissed.

Other activities we have done during the pandemic:

- •We installed thermal cameras in all plants.
- •We have provided disposable masks for all our employees every day. After some time, we produced reusable three-layer fabric masks and have provided them instead of disposables to protect the environment.
- •An isolation room has been created next to the security unit of the main plant in Torbali.

- •Waste bins were placed to collect waste masks and gloves in plants.
- •Sanitizer points have been established.
- •Ground marking was made in waiting areas for social distancing.
- •Arrangements have been made for half passenger capacity in company bus services.
- •PPE has been provided for all staff working at the outside and stores and renewed according to their needs.

We have organised online seminars throughout the shutdown and have also made motivational calls to all employees at home.

- •During the days we stayed at home, we prepared an online training guide for our employees in line with our sustainable human resources goals
- •In collaboration with Franklin Covey Education Center, "Talent Management Workshop in Times of Change" has been organized during shutdown.

- •We came together at the webinar of "Our Emotional Reactions and Psychological Resilience during the Pandemic Process" with an expert psychologist and sought an answer to the question of how we can get through this process in the healthiest way.
- •We continued our webinar series with the "Personal Awareness Workshop" with a professional coach.
- •As the Sun Grup team, we came together at the online seminar and talked about what emotional hunger is and how to cope with the pandemic with an expert.

Also in this period, another family Company, Tordemir developed and produced biological sampling cabins for Covid19 tests with the contributions of our Sun Grup R&D Center, and we provided these cabins to use of hospitals in Izmir and the Aegean Region.





Posters



İşe Dönüş Yaklaşımı

Haziran 2020

Booklets



Covid19 Steam Sterilization Method



Online Seminars



Biological Sampling Cabins

Corporate Memberships

- Türk Sanayicileri ve İş İnsanları Derneği - TUSİAD
- · Hedefler İçin İş Dünyası Platformu
- UN Global Compact
- Türk Girişim ve İş Dünyası Konfederasyonu - TÜRKONFED
- Ege Sanayicileri ve İş İnsanları Derneği - ESİAD
- Ege İhracatçı Birlikleri EİB
- Ege Bölgesi Sanayi Odası EBSO
- İstanbul Ticaret Odası
- İzmir Ticaret Odası İZTO
- Torbalı Ticaret Odası
- Manisa Ticaret Odası

- Aile İşletmeleri Derneği TAİDER
- Türkiye Kalite Derneği KALDER
- Ege Giyim Sanayicileri Derneği -EGSD
- Etik ve İtibar Derneği TEID
- Birleşmiş Markalar Derneği BMD
- · Yeniden Biz Derneği
- İzmir Kent Değerlerini Koruma ve Geliştirme Derneği
- Türkiye Kurumsal Yönetim Derneği
- TKYD
- Türkiye Tekstil Terbiye Sanayicileri Derneği - TTTDS
- Türkiye Kalite Derneği KALDER

- İyi Pamuk Uygulamarı Derneği -İPUD
- Ege Giyim Sanayicileri Derneği -EGSD
- · Yanındayız Derneği
- Toplum Gönüllüleri Vakfı
- DenizTemiz Turmepa Derneği
- Türk Eğitim Vakfı TEV



Women's Empowerment Principles

Sun Grup declared support for the Women's Empowerment Principles (WEPS) which encourages organisations to take actions towards gender equality.

Sun Tekstil also performing its duty as co-chair of Global Compact Women's Empowerment Izmir Platform.



Principle 1: Establish high-level corporate leadership for gender equality

Principle 2: Treat all women and men fairly at work – respect and support human rights and nondiscrimination

Principle 3: Ensure the health, safety and well-being of all women and men workers

Principle 4: Promote education, training and professional development for women

Principle 5: Implement enterprise development, supply chain and marketing practices that empower women

Principle 6: Promote equality through community initiatives and advocacy

Principle 7: Measure and publicly report on progress to achieve gender equality



1747 Employees



53% Women Employee



67% Women in Management



Increase in Women Leaders Yearly

2nd rank in Women
Friendly Companies in
Capital Business
Magazine

We are Participant of UN Global Compact

We have been involved in UN Global Compact since 2014.

We report on all of our activities related to the 10 Principles of the UN Global Compact which are based on our responsibility to people, the environment and the prosperity of the world.

We have also been on the Executive Board of Global Compact as vice head.



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.





Labour

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

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



Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

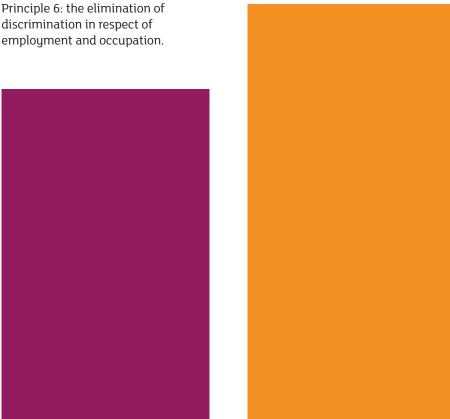
Principle 8: undertake initiatives to promote greater environmental responsibility; and

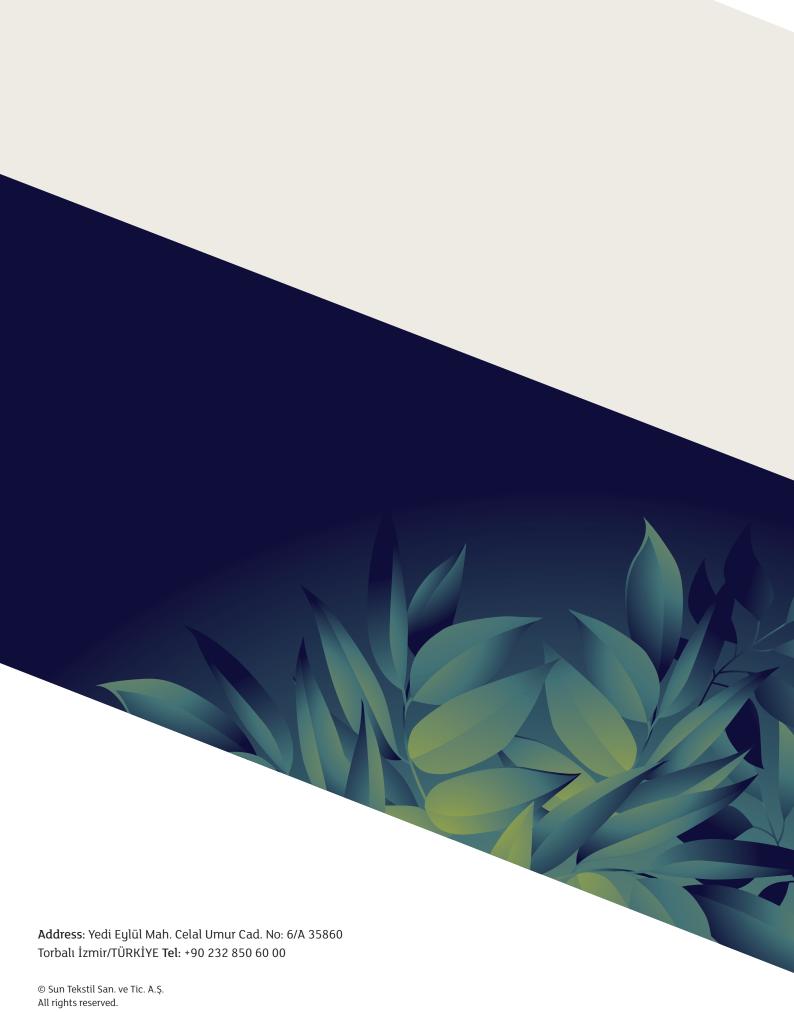
Principle 9: encourage the development and diffusion of environmentally friendly technologies.



Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.





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