



ASTER TEXTILE
UNITED NATIONS GLOBAL COMPACT
COMMUNICATION ON PROGRESS
2020-2021

Deer Esteemed Stakeholders,

As Aster Textile, we formulate our strategies in light of a holistic sustainability concept. We consider our long-term contribution to the Turkish economy and social development, providing local employment to the regions where we operate and protecting the environment. To this end, in 2019 we signed the United Nations Global Compact (UNGC) to formalize our commitment to sustainability. UNGC puts forward global principles to form a common development culture throughout the business world.

Hereby, we reaffirm our support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

Aster Textile aims to deliver the greatest value for all its stakeholders. We adopt the best environmental practices and provide social benefits with corporate responsibility efforts by capitalizing on our extensive network and influence. We conduct various social welfare activities as well as scholarship programs that support students through our Aster Foundation

Aster Textile Group sees well qualified human resources as its most valuable asset. As a result, we adopt a human resources management approach that respects the rights of employees and supports equality and fairness across the organization. We place great importance on ensuring social gender equality. In the last operating period, we signed the Women's Empowerment Principles (WEPs), one of the most important global initiatives of the United Nations. By becoming a signatory to the UN's WEPs, Aster has become a pioneer in the industry, improving social gender equality and raising awareness around women's employment rights.

İSMAİL KOÇALI

Chairman and General Manager

AWARDS & PRESENTATIONS

SUSTAINABLE BUSINESS AWARDS 2020

Aster became finalist with “**Second Life Movement**” project both in “Sustainable Innovation” and “Waste Management” categories.

<https://www.surdurulebilirisodulleri.com/sba2020/>



AYDIN UNIVERSITY, “TEXTILE, FASHION, ART AND DESIGN SYMPOSIUM”

We have published our circular business model transformation journey as an academic article. The article, “**Transition To Circular Business Model Design: Specific Application In The Textile Sector**”, presented in the “Sustainability” session of the symposium in November’2020.

<https://tmst.aydin.edu.tr/program/>



3RD INTERNATIONAL PEARSON CONFERENCE, OCTOBER 2021

We have published our second article on the importance of regional cooperation in recycling. The article, “**Recycling Application with Regional Cooperation for Garment Waste**”, presented at the conference in October’2021.

[Pearson Journal International Conference on Social Sciences & Humanities-III](#)



SECOND LIFE MOVEMENT

2ND LIFE MOVEMENT® - Aster Circular

From the inception of the Aster Textile company in 1993, we have tried to add value and meaning to our world and community. In addition to our responsibility to deliver the best for our business partners, we are aware that safeguarding the world's future is the utmost importance.

Our commitment to this responsibility is central to our “Thoughtful Fashion” vision.

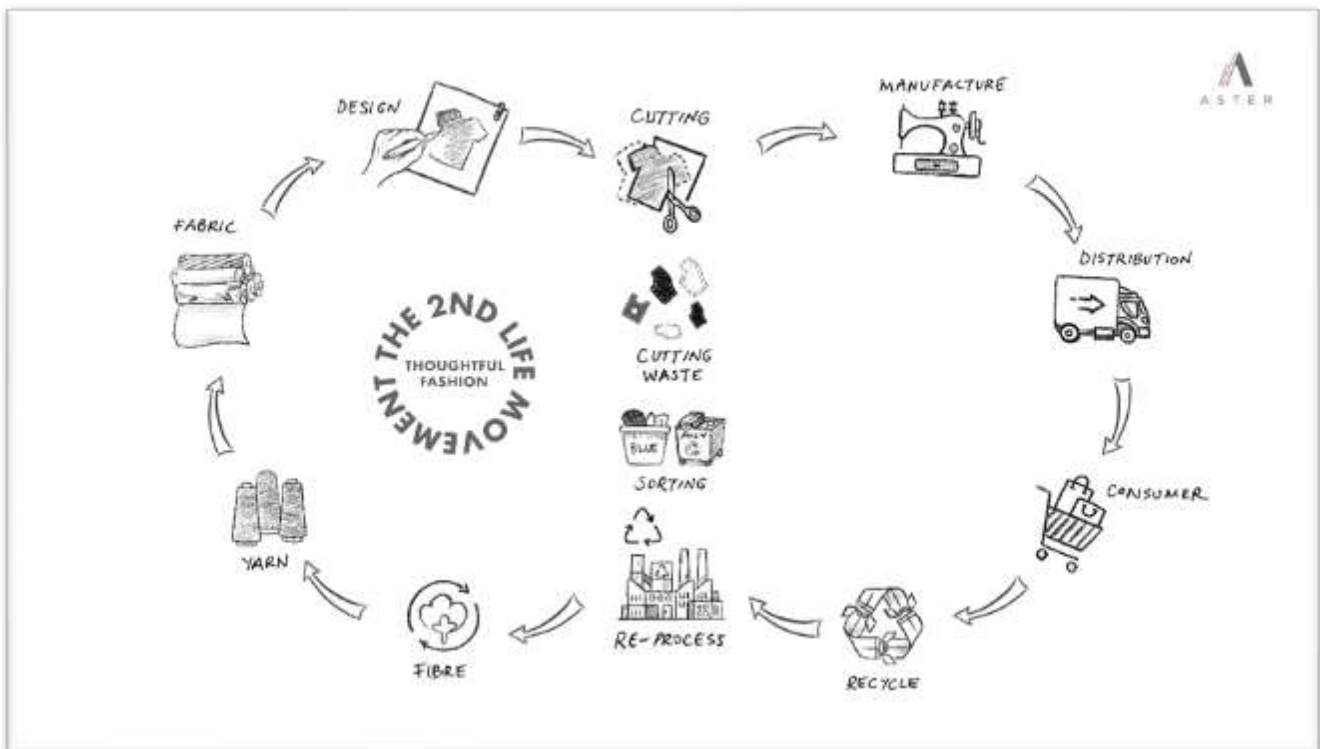
One of the main goals of the Aster Textile sustainability strategy is to focus on the use of low-impact materials and minimize the negative impact of waste in our industry. The Aster R&D team develop and manage new and innovative operations to ensure we are constantly challenging our process in terms of “responsible production”. As such we created the 2ND LIFE MOVEMENT, a closed loop circular model to breathe new life in to otherwise negative waste materials.

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

As Aster Textile, we adopted Circular Business model which is based on sustainability and innovation, and we are integrating it within our strategies and operations; aiming to maximize the resource productivity and environmental benefits.

In this context, we became a member of “Turkey Material Marketplace” launched by the Business Council for Sustainable Development Turkey (BCSD Turkey) as well as attended the Circular Business Model Design Training, which was organized for the first time in Turkey by BCSD Turkey and CIRCO Netherlands.

We cooperated with companies with regenerated cotton yarn production and recycled yarn infrastructure in order to process our fabric waste correctly, as well as accelerating our internal product R&D and collaborations in order to achieve higher yarn qualities and fabric variety to be used back in our collections.



SECOND LIFE MOVEMENT

RE-NEW RE-CYCLE

A circular option to evaluate textile waste

With a focus on sustainability and our "Thoughtful Fashion" company ethos, we developed a successful closed-loop solution for the regeneration of the Aster Textile production cutting waste.

We cooperated with companies with established regenerated cotton yarn production and recycled yarn infrastructure, in order to process our fabric waste correctly. Blended with polyester, it is possible to achieve up to Ne 40/1 yarn count.

Possible Certifications:

GRS, RCS

Aster 2nd Life® available* (recycled cotton can be produced from our own waste)

Our collections from our own wastes are now in production!



RESPONSIBLE MANAGEMENT AND ETHICS

SUSTAINABLE SUPPLY CHAIN

We established the Aster Supplier Code of Conduct, consisting of 12 main criteria which include the approaches we expect from our suppliers, along with the values of our company. This Code of Conduct is in accordance with internationally recognized standards, including the United Nations Global Compact Principles, the International Labor Organization main standards and the Universal Declaration of Human Rights.

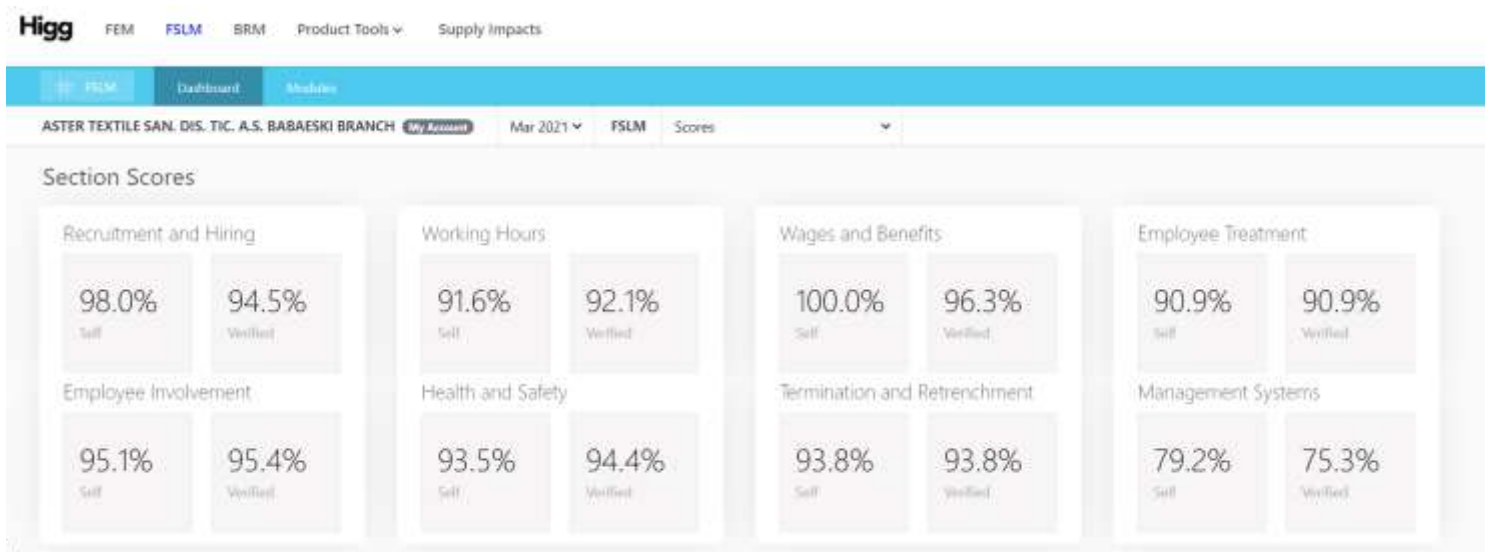
We declare our Code of Conduct to our suppliers at the stage of signing a contract and we expect them to fully comply with these principles.

OUR SUPPLIER CODE OF CONDUCT PRINCIPLES

- Transparency and Cooperation
- Compliance with Laws and Regulations
- Prevention of Child Labor
- Prevention of Forced Labor
- Prevention of Discrimination
- Humane Treatment
- Wages and Benefits
- Working Hours
- Freedom of Association
- Healthy and Safe Workplace Conditions
- Environmental Management
- Anti-Corruption and Anti-Bribery

VALUE CHAIN SUSTAINABILITY

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



HUMAN HEALTH AND WELFARE

TARGET GENDER EQUALITY PROGRAM

As a signatory of Women Empowerment Principles and UN Global compact, Aster Textile is one of the first companies participated in “Target Gender Equality” program in 2020-2021, which launched in 19 countries by the United Nations Global Compact with the goal of increasing women's representation on company boards and in executive management positions.

TGE is an accelerator program that drives business success, sustainability and contribution to Sustainable Development Goal 5.5 “Ensure women’s full and effective participation and equal opportunities for leadership” through;

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

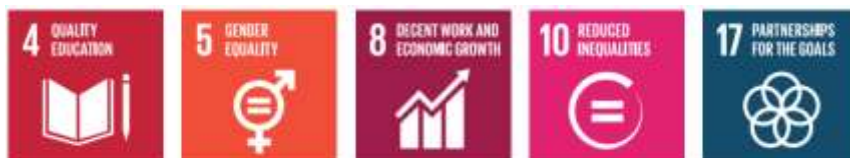
EMBARK REVERSE MENTORSHIP PROJECT “CONNECTING COMMUNITIES TO LEARN, INSPIRE AND THRIVE TOGETHER”

Aster Textile is participating in a unique social project organized by Embark Initiative in partnership with European Bank (EBRD) and gelecekdaha.net platform.

The project aims to integrate talented and qualified young refugees and host community members into the Turkish economy and community by connecting them with business leaders and host community youth through its training, reverse mentoring and bootcamp components.

The program activities will help participants make valuable connections, increase their employability, gain confidence, and learn new soft skills, develop career plans and receive support for personal growth. Some of the topics covered in mentoring sessions are;

- Automation and digital transformation: how can it be human-centered, inclusive of youth, and promote equality?
- Syrian Youth: Potential for economic growth in Turkey.
- COVID-19's impact on classical transition in a career.
- Remote work, Work/Life Balance
- Y generation leadership
- Gender and power in workplace

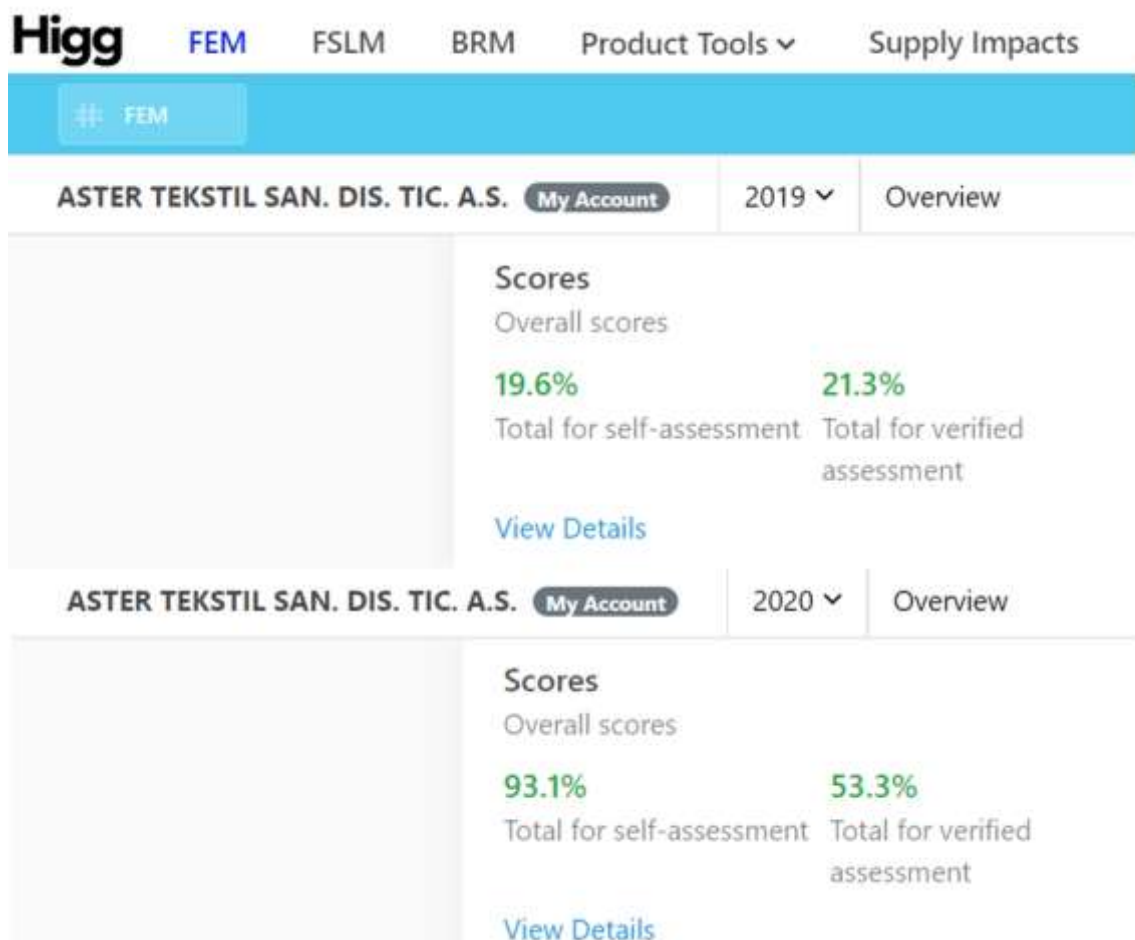


OUR ENVIRONMENTAL AWARENESS

ASTER CARBON FOOTPRINT

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

Now, we are able to track our energy consumptions and GHG emissions per product. This allows us to develop our roadmap for better efficiency. At the same time, we improve our HIGG Facility Environmental Module Index score by covering more sections in detail.



OUR ENVIRONMENTAL AWARENESS

Beginning with 2021, all our electricity is being generated from
%100 Renewable Sources verified with global I-REC certification,
thus achieving “Zero Emission” from Scope-2 GHG,
and reducing our total GHG Emissions by %50.



THE INTERNATIONAL
REC STANDARD



QR Code Verification

Verify the status of this Redemption Statement by scanning the QR code on the left and entering in the Verification Key below

Verification Key

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OUR ENVIRONMENTAL AWARENESS

PRINTING FACILITY

We established our printing infrastructure in our headquarters with a zero-waste approach. All the water used in wet process are going through closed water treatment system, and we are able to use %95 of wastewater back into our processes.

SUSTAINABLE INNOVATION

We closely follow innovative technologies in our industry and utilize them as a response to the high sample costs in the textile and ready-made clothing industry.

Conventional methods lead to a higher environmental impact, due to the inefficient use of time and labour, and the waste of excess materials during the sample production process. Together with our CLO 3D simulation infrastructure and DigiEye Color approval investments, we are able to;

- Use less raw materials, energy, and water.
- Eliminate packaging materials and transportation during sampling processes.
- Reduce our carbon footprint.

INCREASING AWARENESS

We are participating online webinars, keeping up with the advances in the sector and organize internal webinar and trainings. Some key topics covered within this year are;

- EU Green Deal and Carbon Border Adjustment Mechanism
- Green and Sustainable Production - Digital transformation in the Industry

Our social club in Babaeski facility organized a meaningful event in order to recognize our national holiday “29 Ekim Cumhuriyet Bayramı”.

Due to the forest fires that have been increasing in all over the world recently and which upset us all, a sapling donated for each employee in cooperation with Tema foundation.

UN SUSTAINABLE DEVELOPMENT GOALS AND ASTER TEXTILE

The Sustainable Development Goals comprise a global agenda to end poverty, protect the planet, and ensure all people enjoy peace and prosperity.

We aim to help efforts to reach sustainable development goals in the ready-made clothing industry we operate in accordance with our institutional priorities, by doing our part as Aster Textile.

As a result of an assessment we made after taking our sustainability strategy and sectorial dynamics into consideration, we determined that the goals listed below are particularly compatible with our work processes.



The ready-made clothing industry in faces many challenges relating to social and environmental issues. As a reflection of our understanding of responsible management, we act on our vision of “Thoughtful Fashion” to contribute to solutions to these problems.

PILLARS OF OUR SUSTAINABILITY

STRATEGY



ASTER TEXTILE SUSTAINABILITY PRIORITIES

Employee Rights
Ethics and Compliance
Occupational Health and Safety
Product Quality
Responsible Supply Chain
Sustainable Purchasing

UNITED NATIONS GLOBAL COMPACT INDEX

TOPIC	GLOBAL COMPACT PRINCIPLES	SECTION
Human rights	<p>Principle 1- Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p>Principle 2- Business should make sure that they are not complicit in human rights abuses.</p>	<p>Responsible Management and Ethics</p> <p>Human Health and Welfare</p>
Labour Principle	<p>Principle 3- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>Principle 4- Elimination of all forms of forced and compulsory labour.</p> <p>Principle 5- Elimination of the effective abolition of child labour.</p> <p>Principle 6- Elimination of discrimination in respect of employment and occupation.</p>	<p>Human Health and Welfare</p> <p>Responsible Management and Ethics</p>
Environment Principle	<p>Principle 7- Businesses should support a precautionary approach to environmental challenges.</p> <p>Principle 8- Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p>Principle 9- Businesses should encourage the development and diffusion of environmentally friendly Technologies.</p>	Our Environmental Awareness
Anti-Corruption Principle	Principle 10- Businesses should work against corruption in all its forms, including extortion and bribery.	Responsible Management and Ethics

Appendix -1 Social Performance Indicators

TOTAL EMPLOYEES BY REGION	CONTRACT	2019		2020	
		MEN	WOMEN	MEN	WOMEN
Headquarters	Permanent	229	151	257	168
	Temporary	0	0	0	0
Tokat	Permanent	221	277	241	288
	Temporary	0	0	0	0
Babaeski	Permanent	159	431	171	433
	Temporary	0	0	0	0
Artesa	Permanent	0	0	158	20
	Temporary	0	0	0	0
Serbia	Permanent	65	440	73	472
	Temporary	18	149	25	188
UK	Permanent	5	16	4	10
	Temporary	0	0	0	0

Appendix -2 Environmental Performance Indicators

ENERGY CONSUMPTION (MWH)	2017	2018	2019	2020
Electricity	2.307,72	3.989,83	3.813,32	3.759,56
Natural Gas	2.292,60	2.476,53	2.789,78	2.607,64
Fuel (generators)	12,37	14,39	13,82	11,27
Total	4.612,69	6.480,75	6.616,92	6.378,47
Energy Consumption per million pieces	2.283,51	950,26	1.102,82	996,64

GHG EMISSIONS (tCO ₂)	2017	2018	2019	2020
Scope 1				
CO ₂	1.686	1.727	1.851	1.712
CH ₄				
N ₂ O				
Scope 2				
CO ₂	1.103	1.907	1.822	1.797
CH ₄				
N ₂ O				