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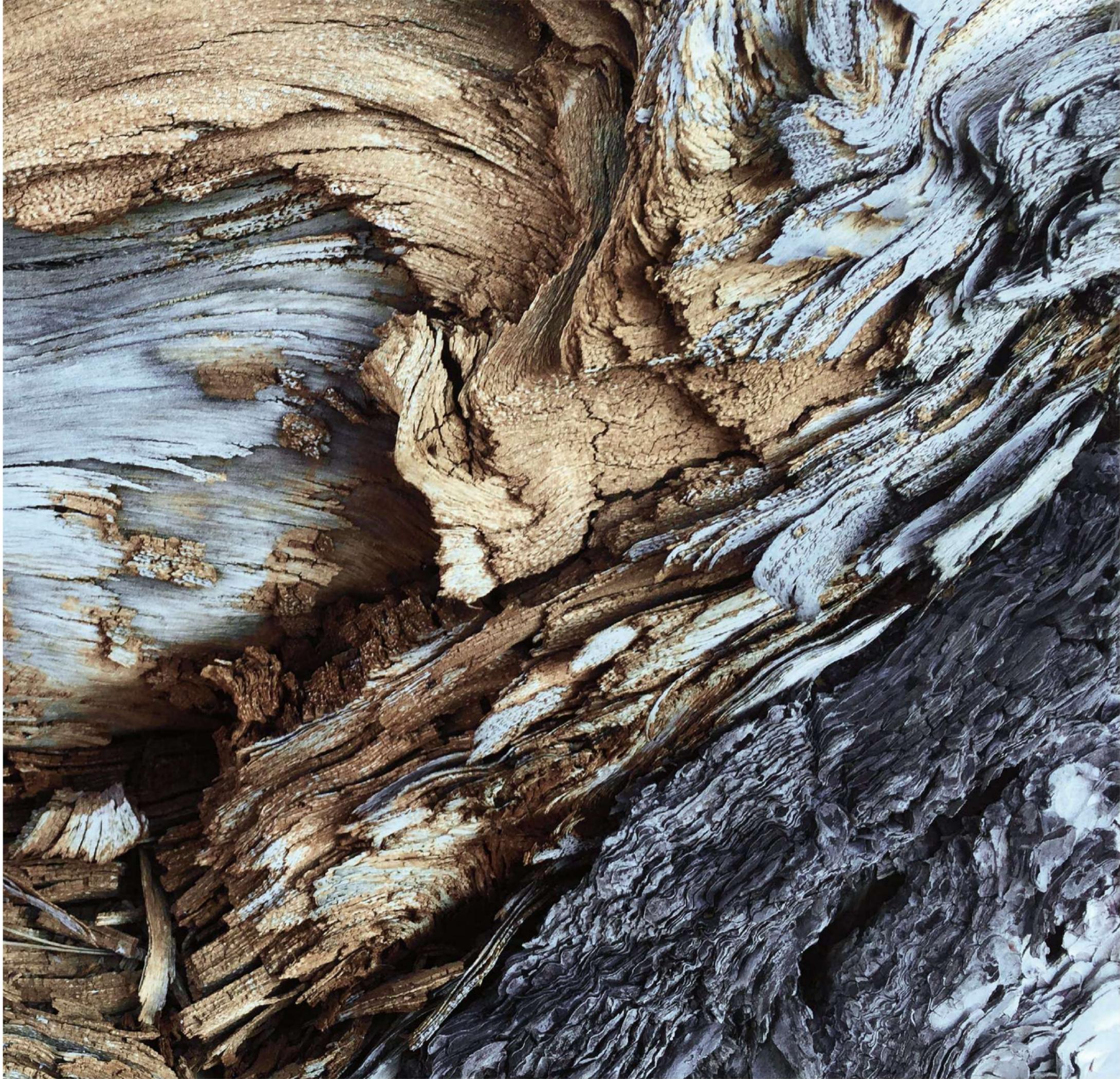
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ABOUT THE REPORT

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This annual Sustainability Report includes the activities of ATT Tekstil Sanayi ve Ticaret A.Ş. ("ATT") carried out between 1 January - 31 December 2020. We are pleased to share our first report on our journey to become a truly sustainable company.

Headquartered in Istanbul, ATT is the parent company of ATT Concorde and ATT Clothing. The scope of this report covers production, design and management activities that take place in our Istanbul headquarters and manufacturing facilities based in Çerkezköy, Kırklareli and Erzincan.



102-46

With contributions from our stakeholders, we have identified the priorities for ATT and under the leadership of our Sustainability Committee we have focused on these topics in detail in this report.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option within the principles of transparency and accountability and it wasn't subject to external auditing.

ATT would be glad to hear your comments and suggestions.

You can contact us through **sustainability@atttekstil.com** about this report and our sustainability studies.



02



EXECUTIVE
MESSAGE



EXECUTIVE MESSAGE



“We are committed to create positive impact on our society and environment and will continue our journey to become a truly sustainable company.”

Dear Stakeholders,

We are experiencing a very unpredictable and challenging period due to the ongoing COVID-19 pandemic. The pandemic had significant impact on the world economy and all of our lives. Throughout the start of the pandemic, our main priority has been to protect the health and well-being of our employees without disrupting our service to our customers. Thanks to the efforts of our colleagues, we alleviated the impact of the pandemic on our business and continued our growth.

Last year we invested in a new in-house factory in Erzincan to expand our manufacturing capacity. Our factory started production in February 2020 and currently has more than 370 employees. Our factory has been a leading investment in the region with its high standards and created an important career opportunity to Erzincan population and especially for the women who constitute 85% of our employees.

2020 has highlighted the importance of sustainability in many different aspects. Creating positive impact on our society and environment has always been an integral part of our vision at ATT. Since the first day of our company, our environmental footprint has been a key focus. In fact, the architectural design of our ATT Concorde factory built in 1995 maximizes the benefit of daylight and significantly reduces energy used for the lighting of the indoor space of **33,000 m²**. Our ATT Kirklareli Factory is the first factory in Turkey to receive the Plan A - Eco

Factory award given by Marks & Spencer to companies that meet the highest ethical and environmental standards.

As we go through this turbulent period, we all have to accelerate our sustainability initiatives. During the last 12 months, we continued our sustainability projects and investments in new technologies to responsibly manage our environmental footprint. We increased the amount of sustainable materials used in our products by 4 times in 2020 compared to 2019. At the end of the year, we switched from charcoal to natural gas at our ATT Concorde factory and significantly reduced our **carbon emissions by 37%** in the first seven months of 2021. As of 2021, 100% of electricity consumed at ATT Concorde comes from renewable sources. Moreover, we started using 3D fashion design software CLO to create initial samples digitally in 3D, and as a result reduced our physical sampling and raw material usage.

Our medium and long-term sustainability goals include continuously reducing our GHG emissions, increasing the usage of green energy at our facilities by investing in solar power, reducing water usage and recycling at least 50% of waste water at our facilities and using 100% recycled or sustainably-sourced materials.

We are committed to create positive impact on our society and environment and will continue our journey to become a truly sustainable company. We thank all of our stakeholders, especially our colleagues who helped us achieve our targets and contributed to our success.

Yasemin Erdem

CEO

03



ABOUT ATT

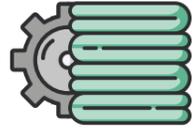
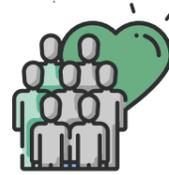


ABOUT ATT



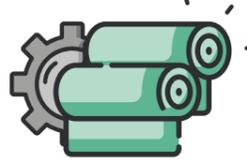
Vertically integrated: **2 in-house garment factories** and a state of the art fabric printing and dyeing mill.

A family of **1086** employees



12 million garment production capacity annually

15 million meters of fabric production capacity annually



Design studio in **Istanbul** and **London**

Design and production capability for both **woven** and **jersey**



Over 1000 business partners

59% female employee ratio



About Att



ABOUT ATT

ATT is part of Turkmen Group, a leading holding company in Turkey with investments in the textile, retail, logistics and technology sectors.

Founded more than 40 years ago, Turkmen Group continuously innovated on its business model, moving from being a manufacturer to a complete solution provider and is currently active in every step of the supply chain.

With its vertically integrated structure, ATT offers a one-stop design and manufacturing solution for its customers.

ATT Concorde operates Europe's leading fabric printing, dyeing and finishing mill in Çerkezköy and has an extensive range of silk, viscose, linen, cotton and polyester based woven and knitted fabrics. With an annual production capacity of **15 million meters of fabric** through rotary and digital printing, the company provides an archive of more than **50,000 print designs**.



About Att



ATT Clothing is a leading womenswear garment design and manufacturing company specializing in dresses, tops, bottoms, jackets, blazers and trench coats.

The company has a design studio in Istanbul and London and 2 in-house factories in Kırklareli and Erzincan.

With a monthly production capacity of 1 million garments, ATT Clothing offers the most innovative and creative design trends by creating contemporary and stylish collections to leading European and American fashion brands.

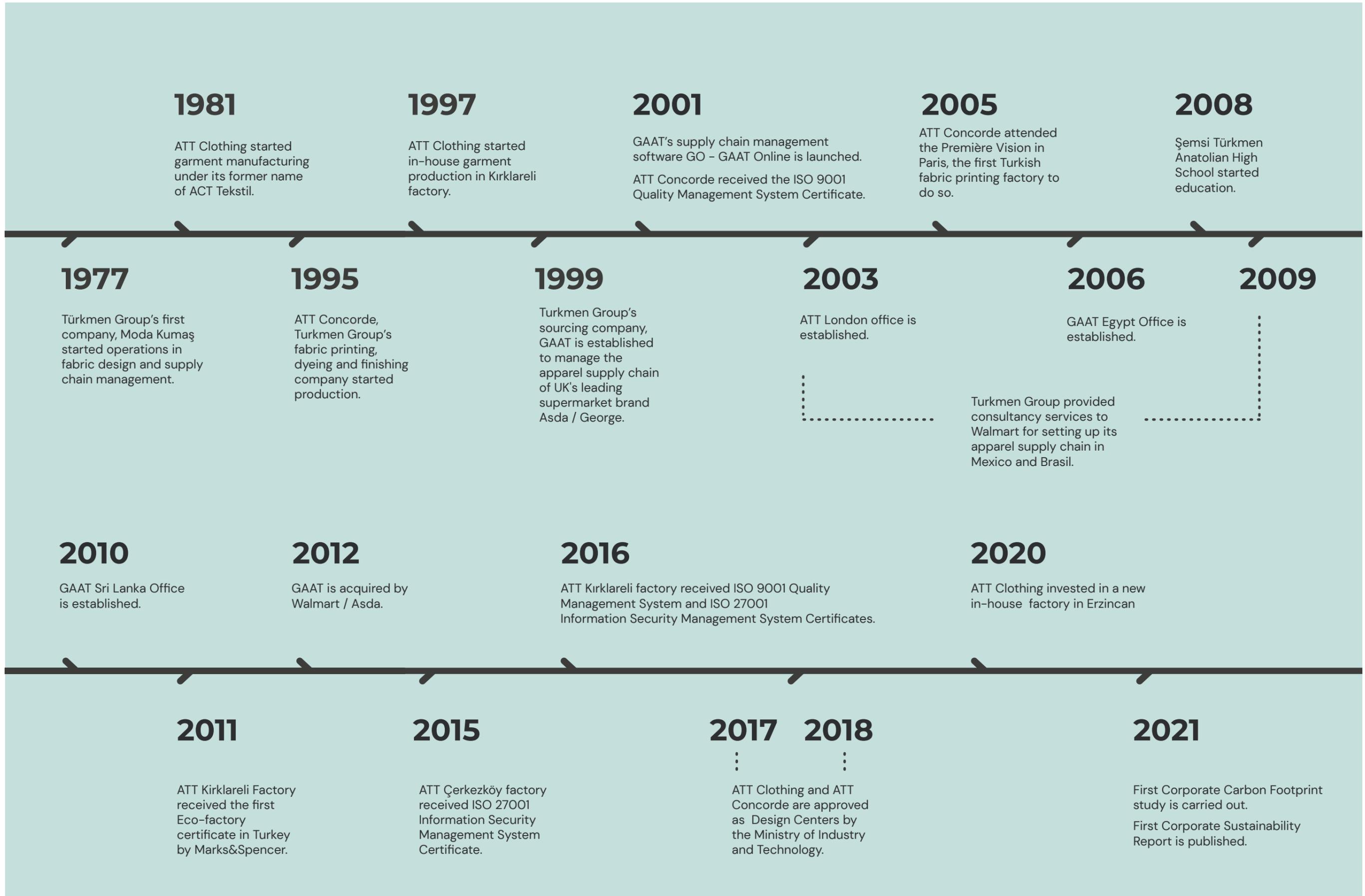
Through our vertically integrated structure, prime location and flexible production methods, we are able to offer attractive lead times to our customers.

In line with the transition in the fashion industry towards eco-conscious and socially beneficial production methods, at ATT, we developed a comprehensive sustainability strategy with the goal of highlighting and improving fashion industry standards towards a more sustainable production and consumption model.



ABOUT ATT

About Att



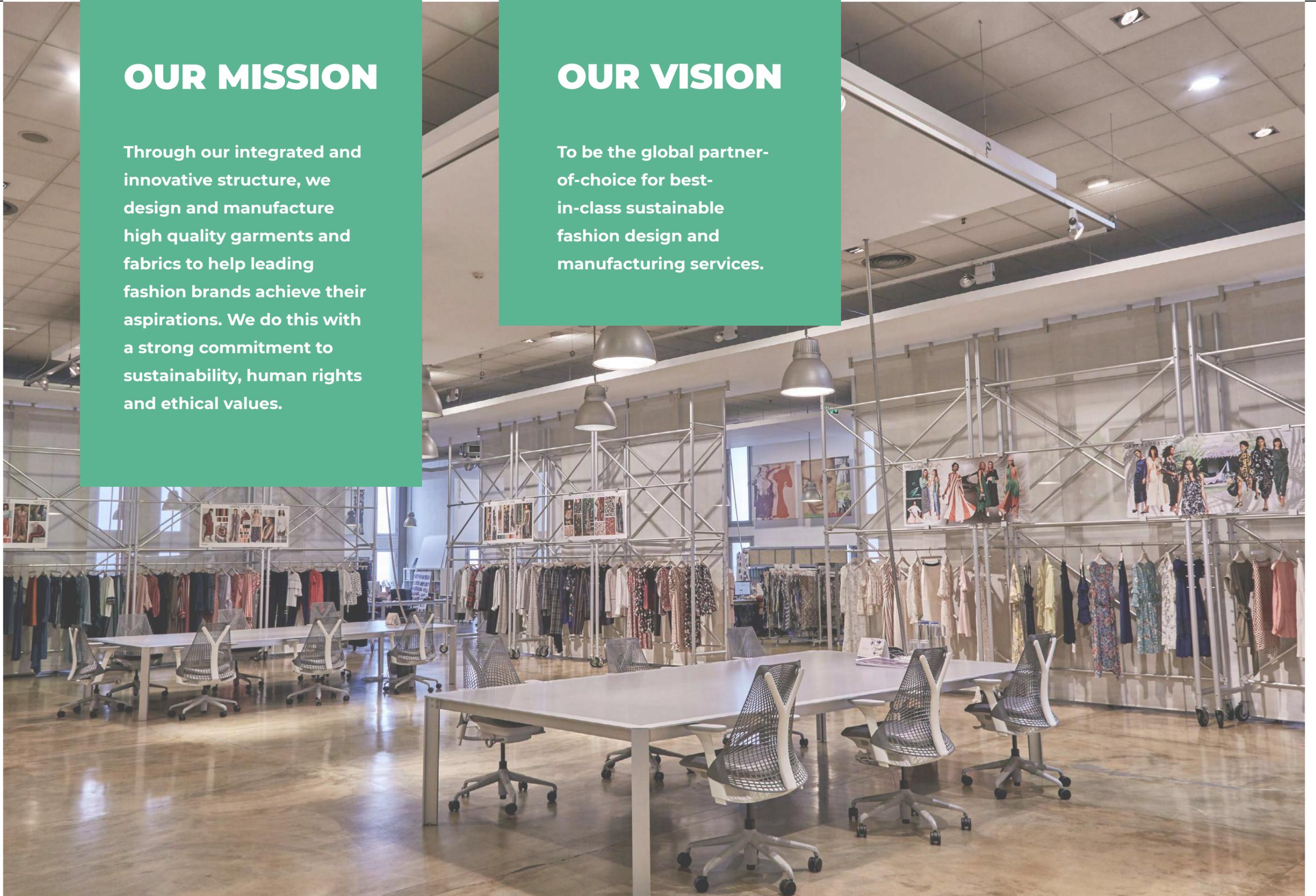
OUR MISSION

Through our integrated and innovative structure, we design and manufacture high quality garments and fabrics to help leading fashion brands achieve their aspirations. We do this with a strong commitment to sustainability, human rights and ethical values.

OUR VISION

To be the global partner-of-choice for best-in-class sustainable fashion design and manufacturing services.

About Att



CERTIFICATIONS

About Att

MEMBERSHIPS & INITIATIVES

ACHIEVEMENTS

- Istanbul Textile and Apparel Exporters' Associations (ITKIB) Platinum Achievement Award for export worth over 50 million dollars
- Istanbul Apparel Exporters' Associations (ITHIB) Gold Award for export worth between 25-50 million dollars
- Turkey's Top 500 Industrial Enterprises
- Turkey's Top 250 Exporters
- Tekirdağ Province's Top 100 Tax Payers



04



DESIGN FOR
SUSTAINABILITY



DESIGN FOR SUSTAINABILITY

As the current economic and industrial systems evolve through a new model considering their social and environmental impact, we design and produce according to these innovations.

Especially deteriorating environmental footprint of the fashion industry requires us to be aware of all the global risks regarding sustainability of the industry. As an extension of our responsible

management approach, we operate with the vision "Design for Sustainability" in order to take part in the solution of these issues.



Design For Sustainability



SUSTAINABILITY POLICY

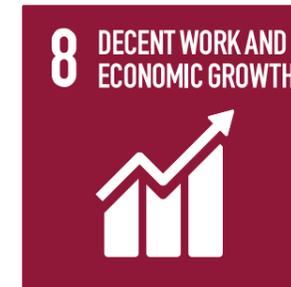
Our approach to sustainability is to focus on our social, environmental and economic impact and create an environmentally conscious future along with social equity.

Considering the opinions and expectations of our stakeholders, we established our sustainability policy by adapting our internal systems that are sustainable in

the face of challenges and risks born from the impact of climate change, societal transitions and economic challenges.

The following pillars form our sustainability policy and they serve as a guide for our sustainability studies, from strategy to project implementation stages:

- > Ensuring our contribution to sustainable development
- > Auditing the practice of human rights in third-party partners
- > Adoption of diversity and inclusion as part of fundamental corporate principles
- > Ensuring environmental sustainability through use of sustainable alternative materials and efficient use of natural resources
- > Safeguarding animal welfare in our use of raw materials obtained from animals
- > Acquiring assurance on the product health and safety for our products for the end-user
- > Compliance with social and environmental standard and norms, non-tolerance towards corruption and bribery



SUSTAINABILITY GOVERNANCE

We established a sustainability committee to carry out and manage our sustainability projects and reviews.

The senior management team approves and supports all the policies and procedures offered by the sustainability committee.

As part of our sustainability processes and ISO 9001 quality management system implemented in our factories; we examine the potential risks and evaluate customer reviews. These feedbacks are assessed and discussed at management review meetings. In line with the final decision of the review meeting, improvement plans are made and necessary actions are taken.

Design For Sustainability



Occupational Health and Safety Board



Employee Representative Committee



Sustainability Committee



Our Sustainability Committee is as follows:

Design For Sustainability



RISK ANALYSIS

Economic Risks

- Customer expectations–consumer behavior
- Price of sustainable materials
- Cost of sustainability investments
- Transformation of brand values
- Supply chain disruptions
- EU emissions tax



Environmental Risks

- Depletion of natural resources
- Rising energy costs
- Climate change
- Water security
- Lagging recycling technology
- Supplier compliance to environmental priorities
- Slow development of low-carbon alternatives
- Regulations on chemicals use



Social Risks

- Employee values and satisfaction
- Local development
- Inconsistency of stakeholder engagement
- Supplier compliance to social priorities
- Gender equality



Design For Sustainability

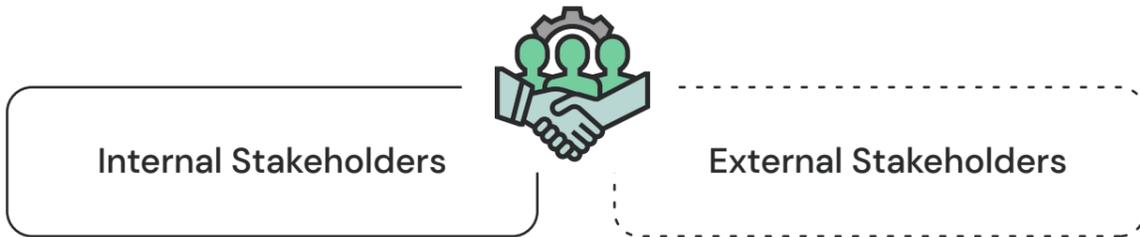


STAKEHOLDER ENGAGEMENT

Stakeholders, who we see as our most valuable opinion-providers, are the people and institutions that have an effect on our business and that are directly or indirectly affected by our business activities.

We categorized the key stakeholders of ATT in two categories: internal stakeholders as those within our structure, and external stakeholders who are not within our structure but affected by us. In order to connect on the right tune and

develop stronger and lasting relations with our stakeholders, we evaluate our communication and engagement methods. Based on the output from these engagements, we assess the needs and expectations of each group.



STAKEHOLDER ANALYSIS

Key Stakeholder Groups	Stakeholder Type	Engagement Method	Communication Frequency
Top management	Internal	<ul style="list-style-type: none"> Top management assessment meetings Annual operating reports Notifications Materiality analysis survey 	Monthly
Employees	Internal	<ul style="list-style-type: none"> Annual employee satisfaction surveys Trainings One-on-one meetings Employee expectations surveys Emails Company social events Materiality analysis survey 	Constantly
Customers	External	<ul style="list-style-type: none"> Customer satisfaction surveys Meetings Emails Sale&Marketing team communication Social media Materiality analysis survey 	Constantly
Suppliers	External	<ul style="list-style-type: none"> Supplier assessments Training and Field visits Audits Emails Materiality analysis survey 	Constantly
Industrial associations	External	<ul style="list-style-type: none"> Annual meetings Projects Emails Materiality analysis survey 	Annually
Local authorities, university and academic organizations	External	<ul style="list-style-type: none"> Field visits Official reports Face-to-face meetings Materiality analysis survey 	As needed
NGOs	External	<ul style="list-style-type: none"> Projects Social media Emails Materiality analysis survey 	Project-based

MATERIALITY ANALYSIS

102-43
102-44
102-47

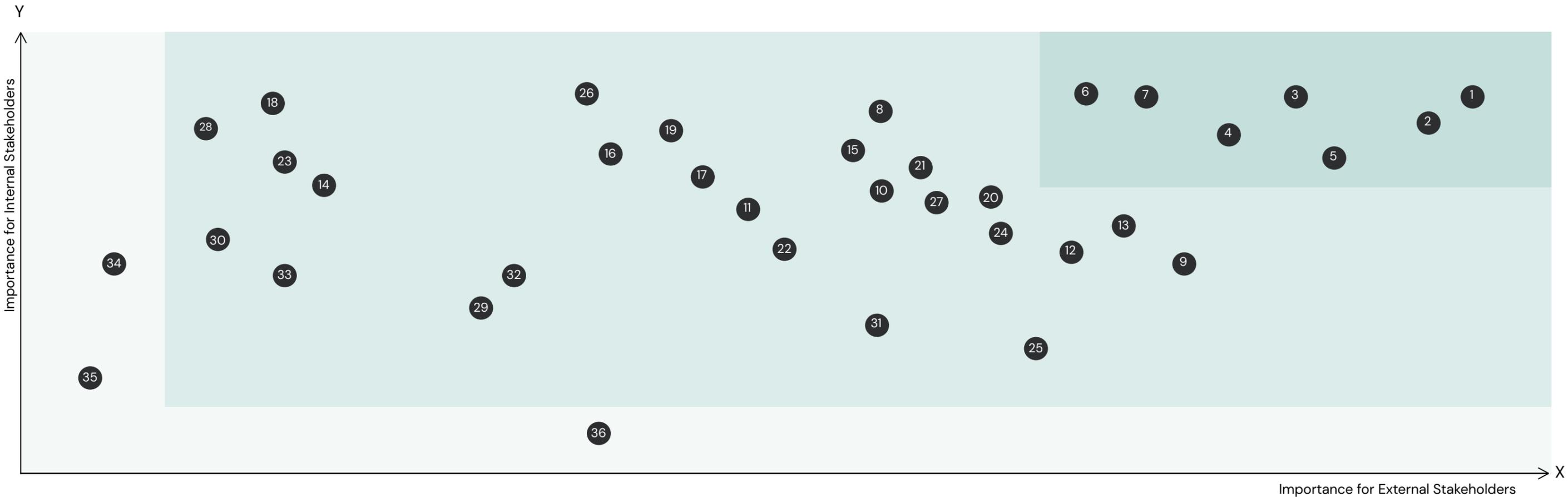
As part of our sustainability efforts, we conducted a materiality analysis through an online survey in line with the AA1000 stakeholder engagement standard for the first time this year.

We will be determining the strategic issues that our company is expected to prioritize in its corporate sustainability efforts with these surveys, taking the opinions of our

stakeholders into account. Similarly, we have determined the scope of this report based on the results from this materiality analysis.

MATERIALITY MATRIX

Design For Sustainability



MATERIAL TOPICS

102-44
102-47

Very high priority

- 1. No child labor
- 2. No forced labor
- 3. Waste management
- 4. Water management
- 5. Customer health and safety
- 6. Non-discrimination
- 7. Situation in the market

High priority

- 8. Supplier GHG emissions
- 9. Anti-corruption
- 10. Occupational health and safety
- 11. Energy efficiency
- 12. Security practices
- 13. Sustainable materials
- 14. Direct economic value
- 15. Biodiversity
- 16. Renewable energy
- 17. Human rights assessment
- 18. Training and education
- 19. Employment
- 20. Diversity
- 21. Recycled materials
- 22. Climate change risks
- 23. Indirect economic impacts
- 24. Customer privacy
- 25. Environmental compliance
- 26. Water discharge
- 27. Supplier social assessment
- 28. Employee rights
- 29. GHG emissions
- 30. Marketing and labeling
- 31. Anti-competitive behavior
- 32. Environmental compliance in the supply chain
- 33. Energy in the supply chain

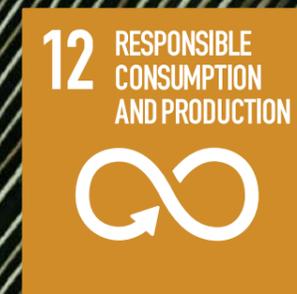
Priority

- 34. Local communities
- 35. Access to water
- 36. Local procurement

5



PRODUCT
QUALITY



DESIGN CENTER

ATT Clothing and ATT Concorde are approved as Design Centers by the Ministry of Industry and Technology.

We intend to enhance our sustainability vision by undertaking innovative studies in our design centers to provide next generation products. In line with our vision, we carry out projects at our design centers in collaboration with academic institutions.



ATT Design Center

ATT Clothing - Number of Employees

Designers	12
Technicians	16
Support personnel	2

ATT Concorde - Number of Employees

Designers	18
Support personnel	1



2020 ISTANBUL TECHNICAL UNIVERSITY TEXTILE CONVENTION AND 2ND ANNUAL R&D DAY

İTÜ sponsored **Annual R&D Day** is an event that creates interaction between academic and industry professionals. Academic professionals gain insightful knowledge from industry leaders to enrich their current curriculums.

By merging İTÜ sponsored R&D Day and National Textile Congress, a major symposium event took place where many academic members and industry professionals attended, new project ideas and industry solutions were discussed.

As part of the symposium, Deniz Özdemir, our ATT Clothing Design Team Leader

presented **'Spring Carnival'** themed sustainable designs. The main topics of the presentation were based on directing consumers for socially and economically conscious shopping decisions, using naturally resourced raw and auxiliary materials, significantly reducing the amount of chemical substances used in acrylic fiber production, adding recycled products into the stages of production lines, increasing the product life cycle at production and consumption stages, as well as, stating the importance of the sustainability from economic and ecologic angles were highlighted during the presentation.

CLO

At our ATT Clothing Design Center, we use a leading technology called CLO which is a **3D fashion design software program** creating virtual, true-to life garment visualization with cutting-edge simulation technologies for the fashion industry.

By using design dimensions, virtual samplings and real-time development, we generate the most accurate garments through a more sustainable, fast and flexible design process. As a result, we:

- > Expanded our design capability
- > Shortened our production calendar
- > Increased sampling accuracy
- > Reduced the number of samples
- > Reduced our carbon footprint



2019 MİMAR SİNAN FINE ARTS UNIVERSITY Young Perspectives Project

The purpose of this project is to encourage fine arts students to apply their academic knowledge into reality by providing them the opportunity to have hands-on experience in the textile industry. ATT is glad to see their distinctive, creative and innovative approaches. We proudly represent the work of future fashion leaders.

The first project with the university students, 'Pattern Design/Printing' came to life with the support of ATT Concorde in 2019.

The topic of the project was defined as 'Innovative Approaches on Womenswear'. The target market was illustrated as the modern woman with a busy lifestyle. Therefore, the products were designed for daily use with practical features. This

14 weeks journey started at our design center with 14 university students and continued with various field trips to ATT Concorde printing factory at Çerkezköy and ATT Clothing manufacturing factory at Kırklareli. The students actively observed garment manufacturing processes, digital and rotary printing methods, discovered the broad pattern archive of ATT, as well as made research about seasonal trends and market intelligence.

University administration supported this project to provide practical industrial experience to university students as well as to the faculty. The students had an opportunity to directly work with the ATT Clothing design team during the project. They were also given the chance to select their own story, in order to create their original designs, determine and implement their own design processes.



06



COMPLIANCE



CORPORATE PRINCIPLES

Our corporate principles, which meet or exceed the national and international laws, standards and norms, ensure the long-term protection of our culture.

Our primary corporate principle is defined as providing a decent work environment for all of our employees. The International Labour Organization (ILO) defines decent work as “productive work for women and men in conditions of freedom, equity, security and human dignity”.

At ATT, we adopt international values as our own and establish policies and systems according to our corporate principles, covering the protection of children, empowering women and guarding human rights.

In particular, child labor is strictly prohibited by our company.

Our firm recognizes child labor as a critically significant economic and social issue as it may detrimentally affect their physical, cognitive and mental development, while depriving them of their education and childhood.



SUPPLIER ASSESSMENT

Our suppliers are among our most important external stakeholders. We promote working with suppliers whose values and principles align with us, as we believe higher quality products with better impact and smaller environmental footprint are formed in this way.

Therefore, we conduct intensive assessments on the application of environmental and social standards and practices of our suppliers.

We closely examine their compliance with the law. It is critical for us that our suppliers adopt equal and fair labor practices similar to ours and do not practice any unlawful practices. Our main assessment points are occupational health and safety, child labour and emerging sustainability requirements.

¹ <https://www.unicef.org/press-releases/child-labour-rises-160-million-first-increase-two-decades>

According to ILO and UNICEF, the number of children in child labor has risen to 160 million worldwide as of June 2021 with millions more at risk due to the impacts of Covid-19 pandemic.¹ We as a company take measures to protect the children and young people through the regulations we have in place and by implementing the labor procedures and principles according to the law. If any youth employment is identified at our suppliers, we make sure these employees are protected by the guidelines we have implemented. We ensure their work hours are limited and do not coincide with school and other educational obligations.

All the employees of the company, including but not limited to contractors, interns, apprentices, pieceworkers and wage workers are entitled within this policy.

In this context, we work according to our corporate policy principles:

- In the event of hiring any young employee, all the moral and material rights of the employee will be guaranteed.
- The employment of the individuals who are under 15 years old is prohibited.
- In the event that a young employee (who is between 15 and 18 years old) is located within the organization, his/her duty period will be scheduled according to the class schedule.
- Young employees will not be working at night time.
- Young employees will not be assigned any dangerous and heavy job duties that will have adverse effects on their security, health and moral development.
- Young employees will not be working more than 8 hours under any circumstances.

SUPPLIER ASSESSMENT

We ensure consistent application of our corporate values throughout the supply chain. To achieve this, we conduct investigations and audits to our suppliers, especially in the event of receiving a complaint on potential non-compliance.

We hold the values of ethical trading practices and our corporate responsibility at the highest possible standards. ATT Kirklareli is a Plan A factory, an award given by Marks and Spencer to companies that meet the highest ethical and environmental standards. As a member of Sedex, we provide annual reports for 100% visibility. Our Corporate Social Responsibility team works with all of our subcontractors to ensure the same standards are in place.

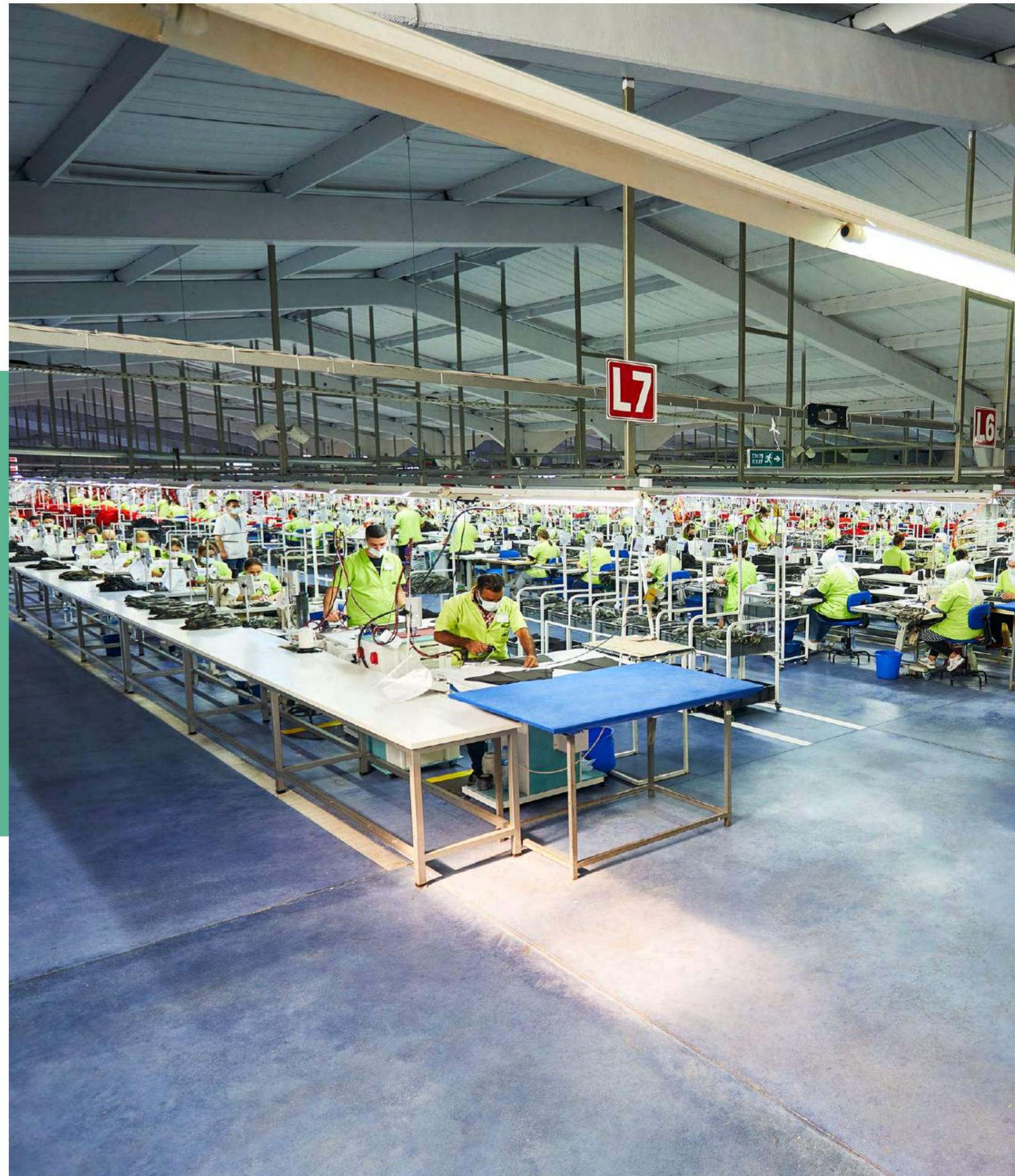
These subcontractors are also audited by accredited 3rd party audit companies, and their SMETA reports are presented to Sedex.

We focus on lowering our carbon footprint, use of natural resource and chemicals, waste production, energy and water consumption to support the ecosystem. As part of our efforts to develop a sustainable fashion approach in our business, we maximize the use of fibres on our fabrics from recycled, repurposed, organic and upcycled materials, which have little to no damaging effects on the environment.

Recycled materials are used for fabric and accessories in accordance with the customer request. Our suppliers are assessed in order to determine their compatibility to our and our customer's standards and expectations, on whether they may deliver the necessary qualities.

ATT also supports the local economy of sustainable fashion by increasing its purchase from the local suppliers.

Our CSR team audits and evaluates their compatibility and helps to support their development for Responsible Production.



07



ENERGY
EFFICIENCY



7 AFFORDABLE AND
CLEAN ENERGY

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE

11 SUSTAINABLE CITIES
AND COMMUNITIES

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION

ENERGY EFFICIENCY

Energy efficiency is a key element to achieve sustainable growth and development globally.

Continued consumption of fossil fuels and the use of inefficient technology in energy production processes are very concerning. Energy efficiency refers to a variety of policies, strategies and technologies that are aimed at solving issues related to energy use, in order to minimize the consumption of fossil fuels, which are the primary cause of increasing greenhouse gas emissions and the global climate crisis.

Consequently, the practice of energy efficiency must be applicable in all industries of the global economy. In 2015, during the COP21 meeting led by the UN, 196 parties adopted the Paris Agreement, which set the global goal of “increasing the ability of countries to deal with the impacts of climate change, and at making finance flows consistent with a low-carbon and climate-resilient pathway.”²

With a strong commitment to the goals set in the Paris Agreement, ATT aims to implement and develop optimal and proactive energy management systems through its corporate sustainability processes.

In this context, we continuously improve the design of our energy efficient procedures, products and invest in new technologies. Fighting climate change requires demonstration of new initiatives on our products and processes. ATT ensures all company practices are in compliance with all the current legal and international business standards.

Therefore, our target to minimize the energy consumption can be achieved by training employees on the energy efficiency cognizance and consistently utilizing technological tools.

ATT Concorde factory's structural construction allows to maximize the benefit of daylight to save energy on

lighting. In addition, 100% of our electricity consumption is generated from renewable sources.

In order to use energy more efficiently, all the business lighting is switched to led lighting at all of our factories. Further studies are currently pursued in order to reduce the use of steam and natural gas.

Among our ongoing projects are:

The transition to natural gas from coal boiler system at ATT Concorde

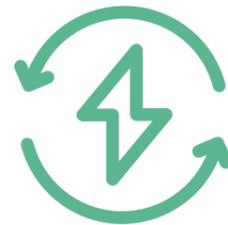
Establishment of a steam boiler with natural gas fuel system at ATT Concorde

Reduction of operational mainline air pressure by 0.5 bars at ATT Concorde

Establishment of humidity meters on stenters at ATT Concorde

Adoption of servo motors in sewing machines to increase efficiency at ATT Clothing Kirklareli and Erzincan factories

ATT Concorde factory's structural construction allows to maximize the benefit of daylight to save energy on lighting. In addition, 100% of our electricity consumption is generated from renewable sources.



² <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement/key-aspects-of-the-paris-agreement>

08



OCCUPATIONAL
HEALTH AND
SAFETY



OCCUPATIONAL HEALTH AND SAFETY

Occupational Health and Safety policies cover the areas of safety, well-being and health of the employees at the workplace.

Our operations at ATT include fabric dyeing, printing and garment manufacturing. As one of the oldest existing industries, occupational health and safety systems in the textile industry were closely examined for years and systems have been put in place to protect the well-being of employees.

We take prudent precautions about occupational health and safety of our employees with utmost care. We build and install viable systems and the respective processes are monitored in accordance

with these systems throughout our three facilities and our headquarters.

The studies about occupational safety laws are conducted regularly within the scope of the legislation. Occupational health and safety boards hold meetings periodically where necessary findings and respective action plans are discussed to take timely measures. In addition, location specific occupational safety activities are executed by a team composed of an occupational safety specialist and a medical practitioner.

The responsibilities of the occupational health and safety board are conducting and inspecting the related procedures listed below thoroughly.

- > Risk analysis
- > Respective environmental measures
- > Identifying employee exposure surveillance
- > Personal protective equipment selections
- > Personal protective trainings
- > Annual, periodical and on-the-job trainings
- > Annual, periodical and on-the-job health examinations
- > Certified first aider trainings

- > Fire safety training
- > Emergency plan development
- > Drill planning
- > Forming emergency response teams (ERT)
- > The possible harm identification of chemical substances and the corresponding risk analysis, Preparation of the explosion protection documents (EPD)
- > Machine risk assessments of all the registered machines



Employee representatives, who are elected by the employees, have a critical role in maintaining company and employee cooperation. We strive to maintain effective communication with our employees. An open door policy is actively practised in our company. The policy encourages our employees to communicate any job related, especially occupational health and safety issues with the executives and supervisors both verbally and in writing.

As part of providing a safe and healthy workplace to our employees, we organize 8 hours of fundamental occupational health and safety training every three years.

Also, this training must be taken by all new team members before starting their employment. An official training about emergency equipment, certified first aid and fire safety training are provided for our employees. We are in the process of implementing ISO 45001:2018 Occupational Health and Safety Management System at our three locations and headquarters.



PANDEMIC MEASURES

Covid-19 pandemic has significantly affected our way of living and the health and wellbeing of the society.

Covid-19 related actions were actively managed during 2020.

The pandemic had a dramatic impact in all industries. The influence of the pandemic was felt particularly across industries which depend heavily on labor, where the risk of transmission and contagion is higher than others.

At ATT, we developed corporate policy to address the threats posed by the pandemic in 2020.

The policy covers the immediate implementations of necessary measures and precautions in order to safeguard the health of our employees.

We established a pandemic board in order to minimize the risks, take appropriate measures, apply and oversee the necessary processes. In the event of a Covid-19 case within our facilities, the disease board is in charge of taking all the precautions for all the ATT facilities, operations and employees. A risk assessment is built by compiling all the identified risks for the company. By being prudent to different scenarios, we expect to minimize the spread of the virus, protect the well-being of our employees and not hinder our business operations. In addition, by carrying out a hierarchy of controls, the pandemic board detects active cases earlier and is able to take action to limit the transmission.

Company vehicles were equipped with separators.

Social distancing reminders and markings in the factories were provided.

Eating halls were equipped with separators along with cross seating arrangement.

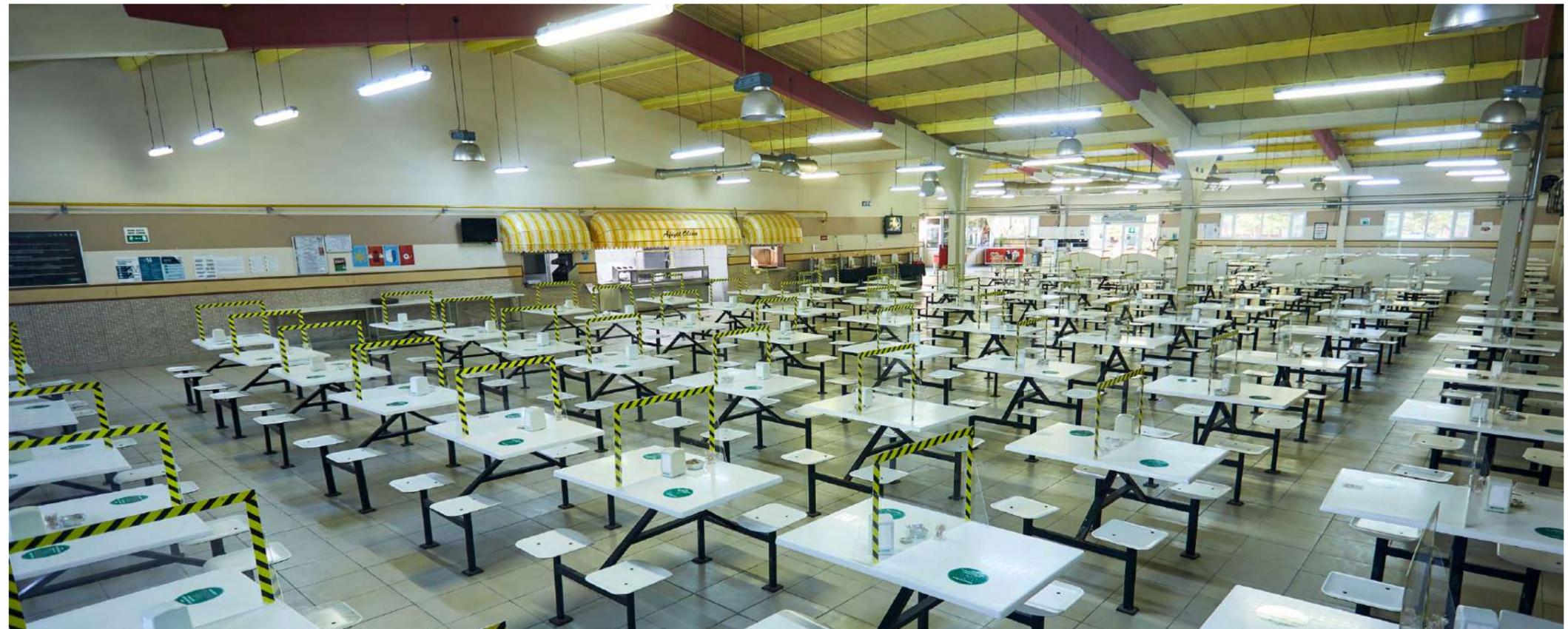
Daily HES code examination and fever measurement were performed by the security at the building entrance.



Pandemic related trainings were given to ATT employees.

Face masks were regularly distributed to all personnel.

Sanitizer and disinfectant stations were set up in various locations of the facilities.



09



EMPLOYEE
WELFARE



EMPLOYEE RIGHTS

Employee rights is broadly defined as the legal and human rights relating to labor relations between workers and employers. All employees have to be treated in a morally acceptable, legal and fair way.

At ATT, we consider our employees as the foundation of our business and therefore adopt the highest standards and internationally accepted resources in our human rights policies.

ATT human rights policy is built on the Universal Declaration of Human Rights and ILO documents, the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Our policy primarily covers ATT employees and secondarily, our business partners and suppliers. The policy is periodically communicated to our employees as part of our training schedule.

By embracing an open communication with our employees, we are aware that through happy employees we can build high-quality products and efficient production processes. Human resources department at ATT takes a fair and reasonable approach on all the processes of candidate screening and evaluation, hiring, employee promotion, training, personal development, self discipline, compensation and termination of employment. Our recruitment principle is based on universal human rights, without discrimination of any kind based on language, gender, race, religion, and varying opinions or other status such as disability.

We pursue a collaborative approach in our relationship with our employees based on the values of equality and fairness.

In the reporting period, ATT Textile provided full-time employment to 1086 individuals in administrative and production processes at its locations in İstanbul, Kırklareli, Çerkezköy and Erzincan. Among the additional benefits we offer to our employees are individual retirement options, health care delivery, disability and invalidity pension, maternity and bereavement leaves. We also provide shuttle and lunch accommodations.

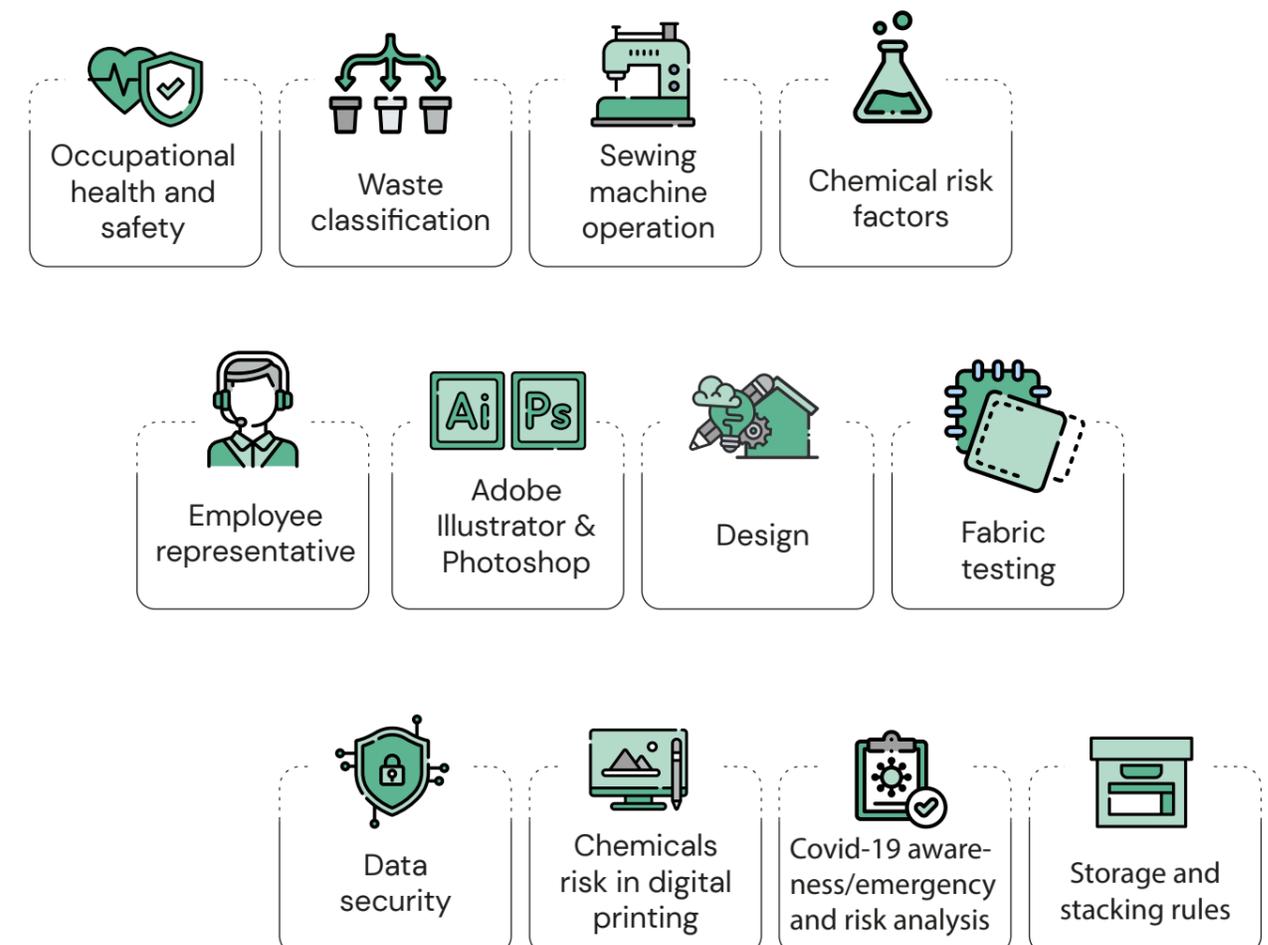
TRAINING

At ATT, we highly value employee development through professional and soft skills training.

Therefore, we aim to strengthen all our teams by equipping them with the contemporary and most in-demand skills of today. The training provides a greater understanding of responsibilities, which leads employees to gain confidence within their role.

Despite the preventive measures in place due to the Covid-19 pandemic, we have continued our training activities. During 2020, a total of 8,794 hours of training were given at ATT Concorde, and 7,288 hours of training were given at ATT Clothing on various subjects.

Some of the trainings we provide to ATT employees are listed as follows:



EQUALITY OF OPPORTUNITY

Equality of opportunity in the workplace can be described as nurturing an environment free of prejudice and discrimination for all individuals within ATT. We demonstrate a profound respect for universal human rights and strive to prevent the acts that violate human rights.

Employee Welfare

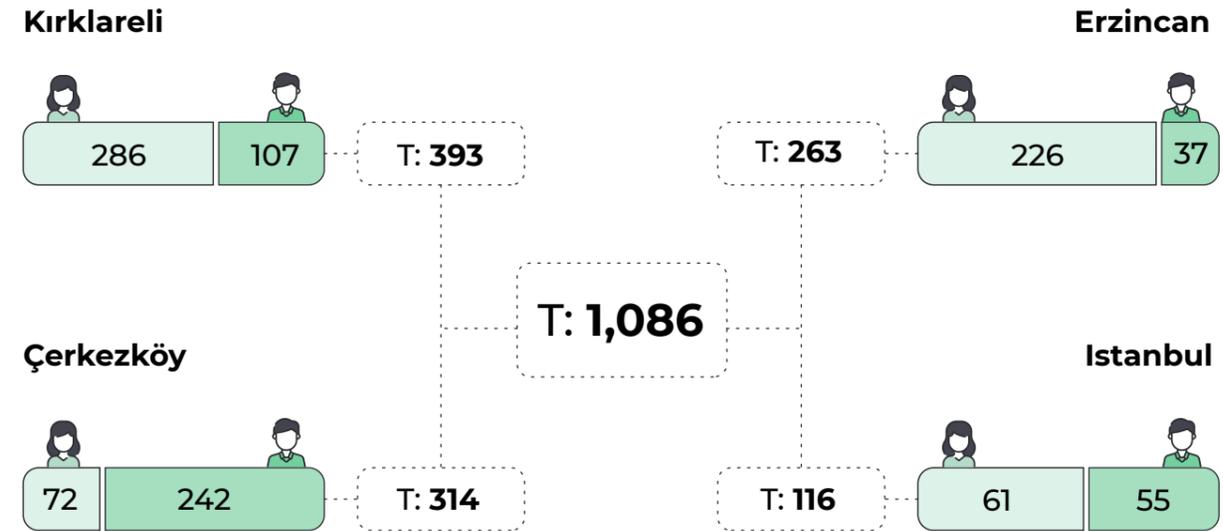
Value and respect are significant elements of our corporate culture. In addition, inspired by the Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities, ATT recognizes the rights of local people and minority groups in the areas of its business operations. We show no tolerance in the event of any discriminatory cases.

By embracing the guiding principle of “the right person to the right position”, we conduct transparent recruitment processes based on the criterias of experience, performance and qualification. We respect and apply diversity as an important element of our organizational structure.

We strongly believe that empowered women are the cornerstone for a developed society. Their contribution is invaluable in every industry. The textile industry has historically been one of the most women dominated industries in the world. We empower women through our business lines in our offices and production facilities and support their financial independence .

At ATT, 59% of our employees are women. In the reporting year of 2020, women constituted 77% of the total 235 new hires.

It is also crucial for ATT to support young people in early stages of their professional careers. We are proud to provide employment to the youth of Turkey and contribute to the development of the leaders of future. Their employment at ATT provides real life work experience needed on their chosen career paths and improves their abilities and skills. In 2020, we hired 115 new employees, who are under thirty years old, constituting almost half of our new employees.



10



GHG EMISSIONS



GHG EMISSIONS

Measuring and monitoring of greenhouse emissions, mitigating and adapting to the adverse effects of climate change and contributing to the sustainable development goals have become the responsibility of all corporations.

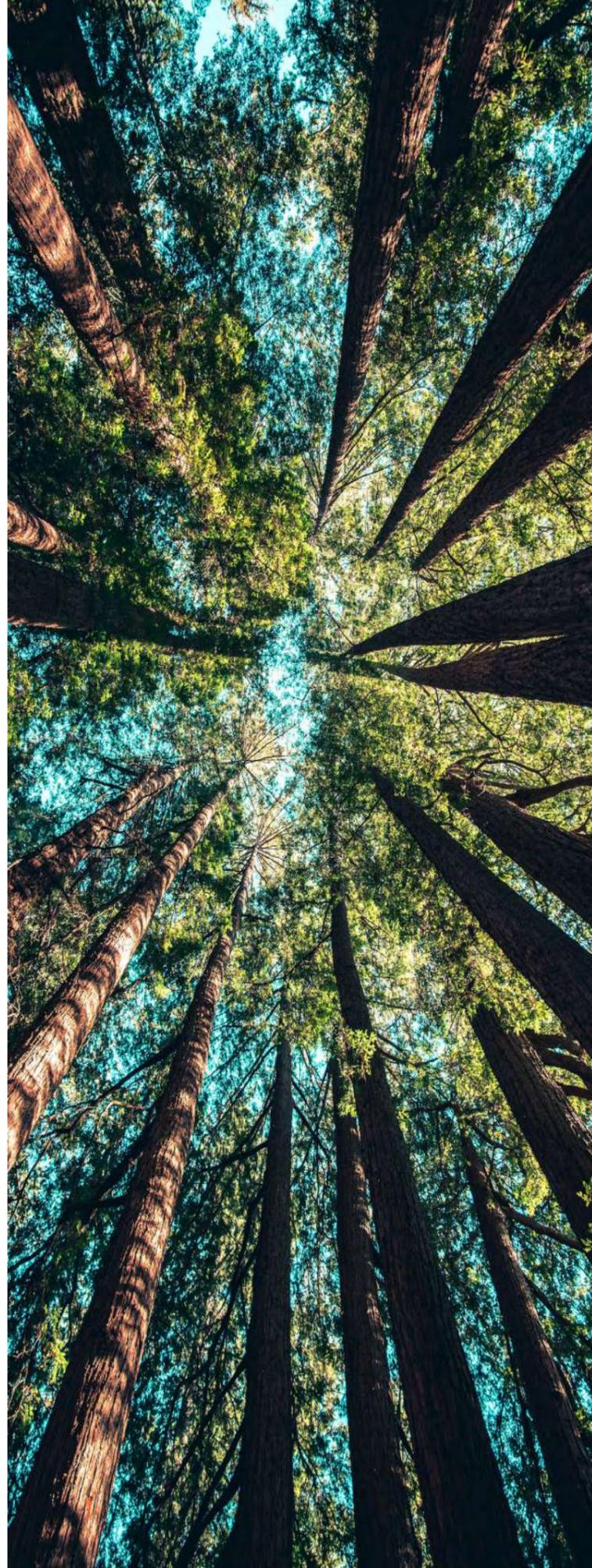
At ATT, our corporate goals include decreasing our greenhouse gas emissions in order to comply with the international laws and regulations, such as the recently published European Green Deal and the EU Emissions Trading System (ETS) Carbon Border Tax that is determined to realize the objectives of the Paris Agreement. For the reporting year of 2020, we have carried out a corporate carbon footprint study

to measure and monitor our corporate impact on climate change.

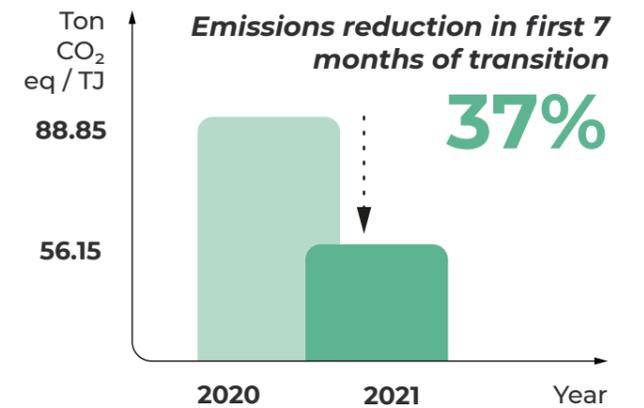
The total amount of GHG emissions produced at our Istanbul headquarters, ATT Concorde factory at Çerkezköy and ATT Clothing factories at Kırklareli and Erzincan were calculated according to the Scope 1 and 2 of ISO 14064-1:2006 standards as shown below.

ATT Clothing	
Direct GHG emissions	726.10 ton CO ₂ eq
Energy related indirect GHG emissions	659.84 ton CO ₂ eq
Total emissions of ATT Clothing	1,385.94 ton CO ₂ eq
ATT Concorde	
Direct GHG emissions	10,856.65 ton CO ₂ eq
Energy related indirect GHG emissions	2,543.71 ton CO ₂ eq
Total emissions of ATT Concorde	13,400.36 ton CO ₂ eq
ATT total GHG emissions	14,786.3 ton CO₂ eq

Ghg Emissions



As a result of this carbon footprint study, it has been revealed that a large portion of the carbon emissions from Çerkezköy factory were emitted due to the use of charcoal. At the beginning of 2021, we took action to reduce the emissions from this facility by switching our energy source from charcoal to natural gas. As a result of this transition, we had the opportunity to conduct an in-depth comparative analysis of our energy related GHG emissions, where we compared the amount of carbon emissions of the year 2020 with the first 7 months of the year 2021. As a result of our research, we observed a 37% decrease in the TON CO₂ eq emissions.

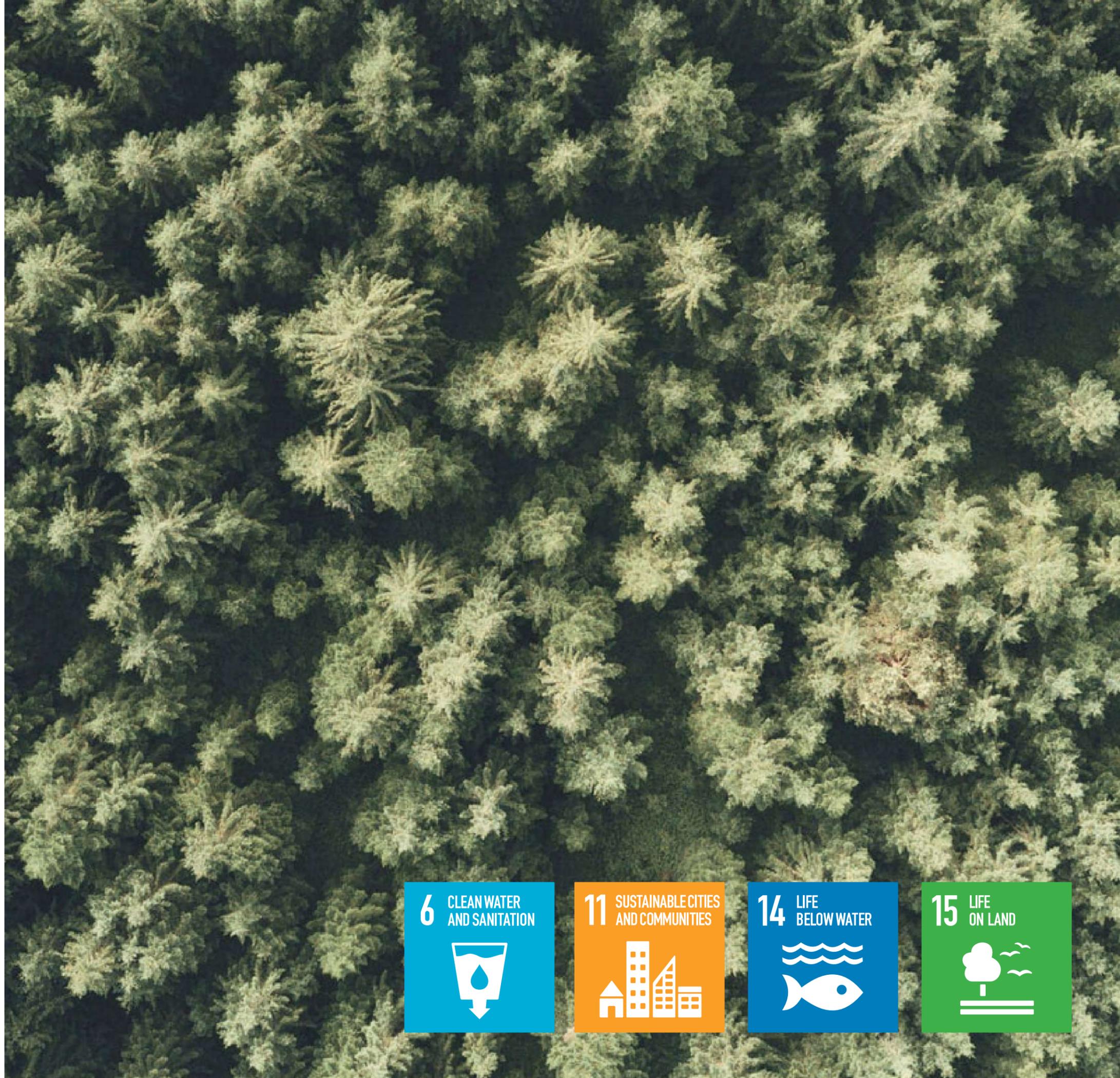


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11



WASTE AND WATER
MANAGEMENT



WASTE AND WATER MANAGEMENT

Waste and water management are two prominent focus areas within our environmental efforts.



Waste Management

At ATT, we strive to use resources in the most efficient way, in order to provide economic, hygienic and efficient solid waste management for all our business lines without polluting the ecosystem and atmosphere.



Water Management

Water is the most vital natural resource in our world and water scarcity has become a top global risk. We are investing in processes and technologies across our facilities to reduce our water consumption and reusing wastewater.

ENVIRONMENTAL STEWARDSHIP

We are experiencing unprecedented environmental change due to human activity.

Environmental sustainability aims to protect and maintain our natural resources for future generations. We carry out environmental stewardship activities as part of our sustainability projects such as implementing energy and water efficient

processes, reducing hazardous and other waste generation, and the environmental footprint of our employees. The primary elements of our environmental policy are listed below:



In order to achieve our corporate sustainability goals, we have below commitments to our internal and external stakeholders:

- > Identifying the risks and threats in advance and ensuring the related provisions while providing a safe and healthy workplace for all individuals who interact with us, including but not limited to apprentices, interns, third-party individuals and visitors.
- > Using natural resources in the most efficient way, controlling waste and noise pollution, reducing the negative effects of our actions on the environment, raising awareness among our employees and customers on health, safety and environmental issues.
- > Establishing a measurement, monitoring and assessment mechanism on energy and water consumption.
- > Increasing the cooperation with our customers, employees and suppliers, and improving our environment protection, occupational health and safety performances by listening and meeting their needs.



We use the latest technologies to control and minimize our environmental footprint.



We implement processes that minimize raw material and energy usage, increase recycling and reduce waste generation.



We organize activities both internally and externally to raise awareness on environmental issues.

RESPONSIBILITY PROJECTS

For our water and waste management goals, we continuously develop projects to increase performance of our facilities. ATT creates products using sustainable fabric and auxiliary raw materials. In order

to reduce our waste and therefore our carbon footprint, we have implemented new systems in our headquarters and factories.

- > We increased the number of recycling boxes around the office and factories so that more paper, glass and plastic can be recycled.
- > We started using 3D design software so the initial samples can be created on 3D. As a result we significantly reduced our sampling which in turn reduces our raw material usage.
- > In order to minimize our fabric wastage, we use Optiplan software which optimizes cutting patterns and therefore reduces the amount of fabric used in production.
- > We continue to make improvements on our systems in order to reduce the amount of plastic packaging, paper/cardboard and fabric waste per unit.

We continuously perform studies for decomposition, storage and disposal of waste materials by closely following the rules of related laws and regulations, as

well as global standards. ATT Concorde complies with **ZDHC** requirements. In addition, we remove our harmful wastes by working with licensed firms.

In addition we closely monitor the amount of water consumed at our factories. Our water consumption is 70 liters per meter and 9.8 liters per product for the reporting year of 2020.

ATT Water Consumption	2018	2019	2020	
Çerkezköy (Concorde)	65,97	57,98	70,01	litre / meter
Kırklareli (Clothing)	9,31	9,52	10,00	litre / product
Erzincan (Clothing)	n/a	n/a	9,13	litre / product



Some of our ongoing projects on reducing the consumption of natural resources at ATT Concorde, are listed below:

Wastewater recovery system

Investment on next-gen dyeing machines

Reduction of water consumption in container washing machines

Reduction of fabric waste and utilization of waste dyes

12



SUSTAINABLE MATERIALS



SUSTAINABLE MATERIALS

With increased awareness of the serious impact that fashion industry causes on the environment, sustainable fashion has become essential in our lives.

The transition from fast fashion practices to prevalent use of sustainable materials and production methods present opportunities to develop innovative solutions for garment production. Development of sustainable fabrics made from alternative raw materials, more resource-efficient production techniques and responsible employment practices are transforming the industry into an epicenter of innovation and progress.

The research and development of sustainable textile raw materials provided the industry with numerous sustainable alternatives to prevalently used conventional fabrics.

These innovative solutions are now certified in order to ensure the quality and standard of product throughout the industry. At ATT, we increase our use of sustainable materials in our products each year and obtain the necessary certifications both for our products and production units. Some of these certifications are listed.



BCI – Used in the cotton industry to produce better cotton while protecting and restoring the environment



Lenzing – Supplies sustainable fibres such as Tencel and certifies these materials.



Ecovero – Sustainable viscose made using sustainable wood from controlled sources: FSC or PEFC Schemes Certified with Ecolabel.



GRS – Global Recycled Standard is a full product, international, voluntary standard that determines the requirements for third-party certification of recycled content, chemical restrictions, social and environmental practices, and chain of custody.



OCS – The organic content standard verifies the presence and amount of organic material in any non-food product containing 95-100 percent organic material and tracks the flow of the raw material from its source to the final product.



RCS – The purpose of Recycle Claim Standard is to prove the presence and quantity of recycled material in the final product by third party input and chain of custody validation.



OEKO-tex Standard 100 – Customer Confidence and High Product Safety– One of the world's best-known labels for textile raw materials, intermediate and end products (at all stages of production) tested for harmful substances.



OEKO-tex Detox to Zero – A verification system for the textile and leather industry which aims to implement the criteria of the Greenpeace DETOX Campaign within production facilities.



GOTS – Worldwide leading textile processing standard and certification for organic fibres of the entire textile supply chain, including ecological and social criteria.



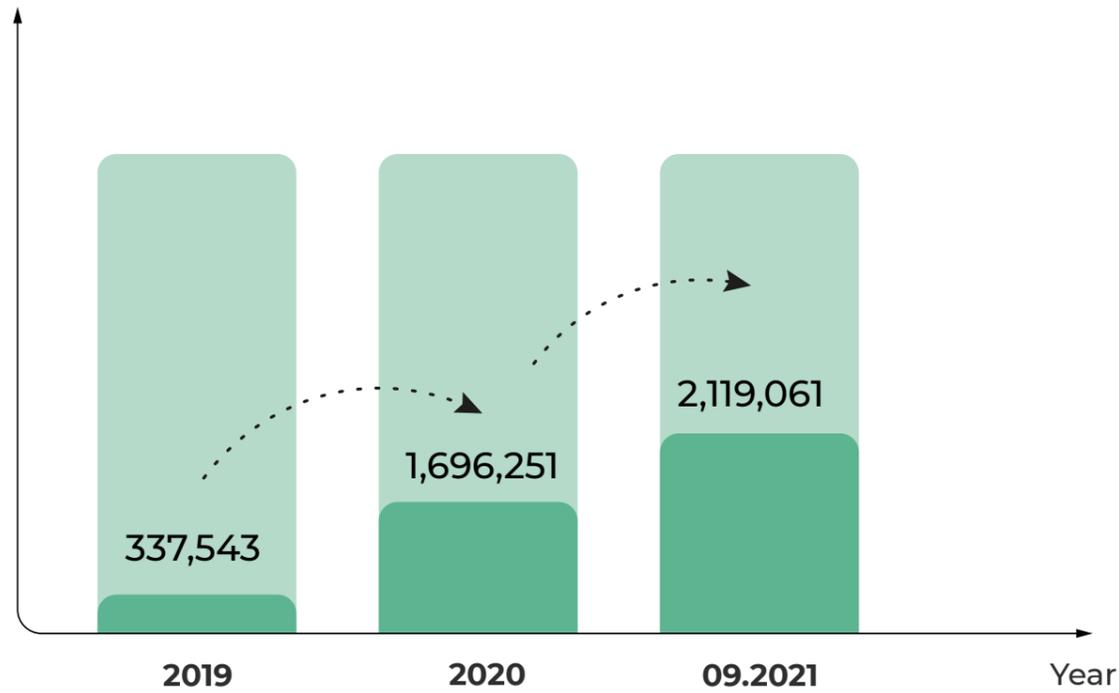
ZDHC Gateway – A platform for textile and manufacturing companies for making informed procurement decisions on more sustainable process chemicals.

SUSTAINABLE MATERIALS

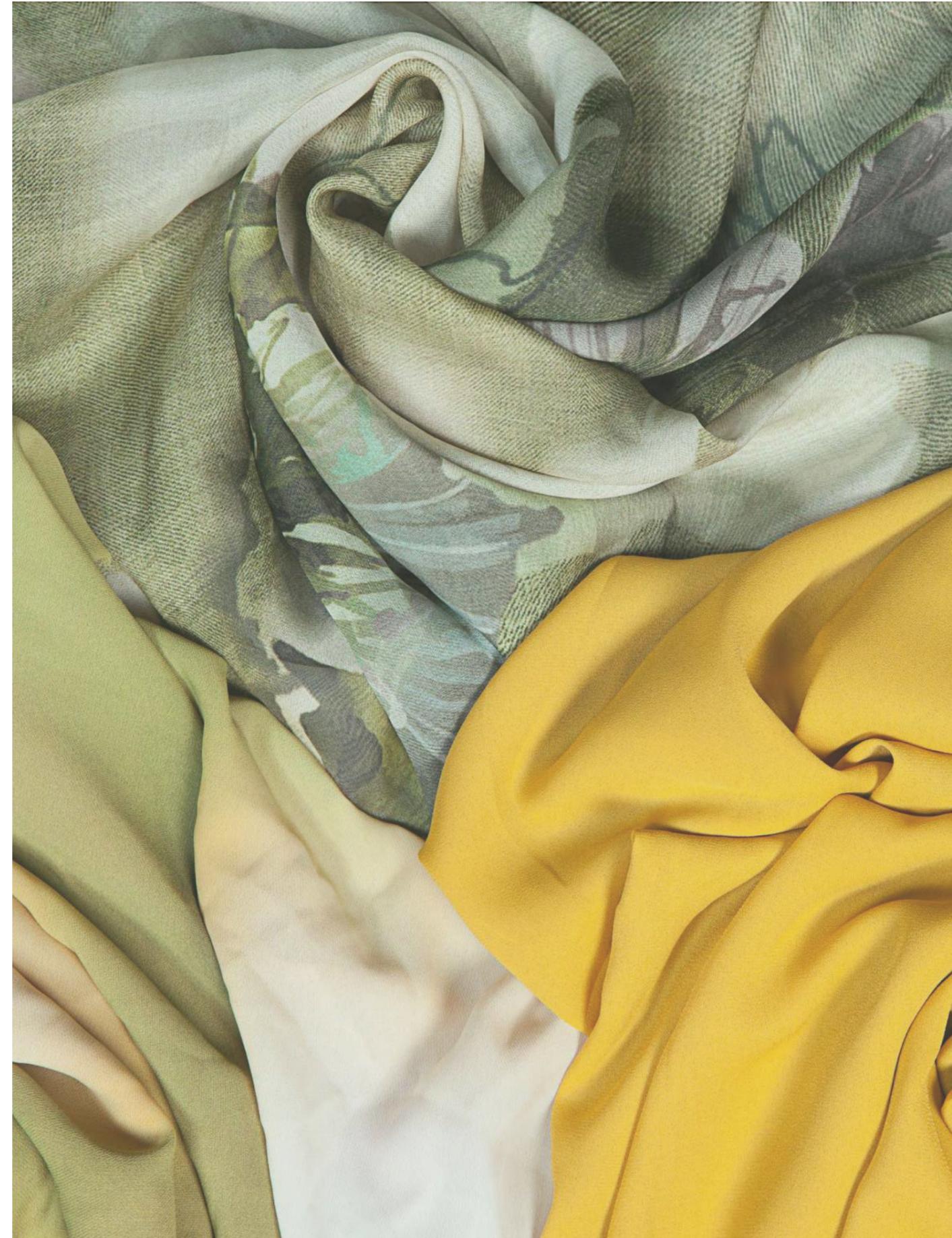
As demonstrated by figures, we achieved to increase the amount of sustainable fabric used in our products by 5 times to 1.6 milion meters from 2019 to 2020. We aim to increase the percentage of sustainable fabric in our products constantly over the coming years.

5 times increase in the total **SUSTAINABLE** Fabric Usage

Sustainable Fabric Usage



Sustainable Materials



13



CORPORATE SOCIAL
RESPONSIBILITY



CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is an integral part of our culture at ATT and Turkmen Group. Our key areas of focus are education, helping people with special needs and supporting academy and industry organizations.

Şemsi Türkmen Anatolian High School

Şemsi Türkmen Anatolian High School was established in Ağrı by Turkmen family in 2008. It is built on an area of 9,000 m² and has 8,000 m² interior and 5,000 m² outdoor space. The facilities of the institute include a library, outdoor sports center, conference and performing arts hall, and laboratories of computer and science.

The vision of Şemsi Türkmen High School is to be an exemplary educational institute for the Eastern Anatolia Region of Turkey

and raise accomplished freethinkers. In this context, the institution aims to provide the ideal educational environment for the purpose of raising self-confident intellectuals who can successfully express themselves to create positive change in their society.

The classrooms are set up for 30 students to give the comfort and space of an ideal learning environment. There are a total of 24 spacious classrooms.



Scholarship for Employees' Children Studying at University

At ATT, we provide scholarships to the most successful students of our employees who have achieved the highest score on the national university entry exam. Employees with a monthly salary less than a certain threshold can apply for these scholarships each year before the start of the school year. Students can benefit from this support throughout their university education if they satisfy outlined academic conditions.

Turkey Down Syndrome Foundation

We believe awareness about Down Syndrome is vital for a developed society and there must be an inclusive and equal environment for all of us. As Turkmen Group, we sponsor and take part in projects of the association to raise awareness and support families with members of Down Syndrome. Our Chairman, Atila Türkmen is the Honorary President of the Association.

Tohum Autism Foundation

We support Tohum Autism Foundation since its inception in its mission of promoting the early diagnosis of children with Autism Spectrum Disorder to ensure their specialist education in order to integrate them in to the community and to disseminate this nationally. Our Chairman, Atila Türkmen is an Honorary Board of Trustee of the foundation.

Other Community Service Projects

-  Sewing machines donated to Kırklareli University and annual maintenance provided.
-  Employees of ATT Tekstil gave garment production classes at Kırklareli University.
-  Sewing machines donated to local community house as part of Ayvalık Neighborhood Homes Project.
-  10,011 pieces of clothing donated to Kızılay Charity.

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For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

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