Sustainability Overview
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Sustainable future...

Means sustainable air, water, earth, environment, health, education, business, jobs… Simply life itself.

As we continue to grow and expand our horizons, we believe that it is our obligation to outline SÖKTAŞ’s commitment to social and environmental responsibility.

We take corporate responsibility as a way of life and this publication presents an overview of our corporate values.

Our genuine commitment helps us to build goodwill in the community where we live and work. We strive to contribute in education, passionately support artistic and cultural activities as well as seek to reduce our impact on the environment.
When we say sustainable future, we are not just talking about our textile business...

Choosing ethical, climate smart methods and protecting natural resources are just a few things that we have been doing naturally for generations, not just now.

To make a more positive impact on the future, we contribute to the greater good by educating, donating, engaging and encouraging social responsibility in many forms, creating jobs and most importantly preserving the land for future generations...
We are one team

We know so well that in the global race, we can only achieve our goals through teamwork. Achieving great results means investing in and supporting our people. We do that in many ways — from in-house and out-of-company training, from accommodation for new local graduates, to private health insurance for employees, so that they feel confident for their families and their future. For us quality is not just about a product or service, it is all about people. If the people quality is there, all others will follow.

Human Resources

Our people are the driving force behind our success as a group. We are always improving and integrating better HR strategies to support the growth of our businesses. We empower our people to go beyond their limits to realize their potential and we create the conditions for them to express and maximize their success.

We invest in our employees by developing their skill base, expertise and creativity. Last year alone SÖKTAŞ provided 78,019 hours internal education and training (work safety, leadership, corporate communications, first aid, emergency training, 5S training, team building, environmental awareness, creative thinking, Kaizen trainings, project management, ISO procedures to name a few).

Gender Diversity

In SÖKTAŞ we are proud of our gender diversity. As a group, across the industries, we facilitate women’s access to positions of responsibility and leadership.

57% of our upper and middle management positions are held by women.

Ideas Workshop

(Fikir Atölyesi)

Every month our team workers present their ideas and suggestions to make their work streamlined, energy efficient thus more sustainable.

78,019 hours of internal education and training conducted in 2014.

Since 2009, over 70% of our staff have gone through 11,962 hours of Six Sigma training.

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TEXTILE BUSINESS

In textiles, the SÖKTAŞ philosophy is to combine exceptional fabrics and impeccable service with environmental sensitivity and responsible stewardship of the biodiversity of land, soil, air and water. Customers expect excellent products from SÖKTAŞ, which are also inherently sustainable.

All SÖKTAŞ brands are uniquely developed by innovative processes and materials, with a better social and environmental impact. We are deeply woven into the fabric of our region. As an integral part of our rich heritage and culture, we believe that to be successful in business, one must create meaningful value for society.

In SÖKTAŞ, we are determined to be the best at whatever we do, in our unique way and we are getting better everyday.
TARGETS
Waste management, water consumption, green chemical usage and energy consumption parameters are major concerns in the textile industry. Our aim is to reduce our overall consumption across the production stages in every possible way. Significant improvements are being made in the areas of chemical usage, energy consumption, manpower and time consuming processes constantly.

2016
We are currently in process to obtain certification for ISO/IEC 27001:2013 Information Security Management standards. This International Standard has been prepared to provide requirements for establishing, implementing, maintaining and continually improving an information security management system.

OHSAS 18001
Occupational Health and Safety Management System Certification
OHSAS 18001 is an Occupation Health and Safety Assessment Series for health and safety management systems is intended to help an organizations to control occupational health and safety risks.

ISO 50001:2011
Energy Management System
Using energy efficiently helps organizations to conserve resources and tackle climate change. ISO 50001 supports organizations in all sectors to use energy more efficiently, through the development of an energy management system. This makes it easier for organizations to integrate energy management into their overall efforts to improve quality and environmental management.

ISO 14001
Environmental Management System
To improve its environmental performance SÖKTAŞ joined this programme in year 2000. This set of standards, will help any company or organization looking to identify and control their environmental impact, and improve their environmental performance.

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TS-EN ISO 9001:2008
Quality Assurance System (Ultimate quality assurance system which constantly monitors the sustainable quality systems).

OEKO-TEX® STANDARD 100
International Product certification according to international OEKO-TEX® Standard 100, provides companies along the textile chain with an ideal tool and clear added value for their operational quality assurance. It documents that the listed items have successfully been tested according to the OEKO-TEX® Standard 100 and meet the requirements.

GOTS
(Global Organic Standards)
The Global Organic Textile Standard (GOTS) is recognised as the world’s leading processing standard for textiles made from organic fibres. It defines high-level environmental criteria along the entire organic textiles supply chain and requires compliance with social criteria as well.

REACH 2011
REACH is a European Union regulation concerning the Registration, Evaluation, Authorisation and restriction of Chemicals. The main aims of REACH are to ensure a high level of protection of human health and the environment from the risks that can be posed by chemicals, the promotion of alternative test methods, the free circulation of substances on the internal market and enhancing competitiveness and innovation.

Söktas Group is operating in full compliance with the international standards.
SÖKTAŞ TURKEY OPERATIONS

Our uniquely designed and developed software systems allow us to monitor, control and optimize lighting, heating, ventilation, air conditioning and other energy requirements in our operations. Using energy management systems enable us to save energy by adjusting lighting and temperature levels.

SÖKTAŞ established its effluent discharge and treatment systems in 1984 and constantly works on improvement measures since then. For 30 years SÖKTAŞ effluent treatment has been strictly monitored.

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We are constantly in search of finding better ways to reduce our use of valuable energy sources.

- We achieved 218 TEP/year energy saving by improving steam condensation losses.
- Recovery of waste heat in the flue gas saved 527 TEP/year energy.
- Dyeing, Weaving & Finishing departments in Söke factory improved their energy usage by 366 TEP/year.
- New Generation energy efficient LED lighting installed through the factory.
- Our engineers designed unique procedures and reduced our chemical use in effluent treatment plant by 70%.

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Average Plastic Packaging Waste

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<thead>
<tr>
<th></th>
<th>2001</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,05%</td>
<td>0,04%</td>
</tr>
</tbody>
</table>

*The Ton of Equivalent Petroleum is a unit of energy defined as the amount of energy released by burning one tonne of crude oil.
THE LEADERSHIP IN WATER TREATMENT

The Common Effluent Treatment Plant facility is provided by Maharashtra Industrial Development Corporation (MIDC). All industries in the industrial area send their treated water to the CETP for further treatment and common disposal.

Since 2014, SÖKTAŞ India leads the efforts to operate the common treatment plant more efficiently. Now the CETP operation is continuously being monitored by us. As a result it has become more efficient and the water quality improved beyond regulatory norms.

SÖKTAŞ India completed a major investment in February 2016 and committed to reduce its waste water discharge by 50%, by the end of 2016. Recovered waste water will be re-processed through advanced cleaning treatment and reclaimed water will be used in our production process. Yearly average wastewater saving will be 182,000 tonnes.

SÖKTAŞ INDIA OPERATIONS

Sustainability is inherent in the quality of our products and it represents a competitive advantage over the long term. We have incorporated a variety of energy-efficient practices and measures to help improve our overall energy performance. To support and strengthen our operations, we have implemented integrated management systems compatible with ISO 9001, ISO 14001 & OHSAS 18001.

Fuel Substitute & Impact

The steam generation at SÖKTAŞ India is obtained through Agro Waste, which is made of ground nutshells, wooden dust and sugar cane residues. These materials are ecologically friendly and do not harm the environment.

Energy saving initiative

We are replacing conventional tube lights with energy saver LED tube lights across the plant.

Recycling of cooling water, saved approx. 55 tonnes per day.

In June 2014, Chemical Recovery Plant installed and effluent load on ETP is decreased by approx. 40 tonnes per day.
PRODUCT RANGES

We act responsibly and protect our patrimony for future generations... Through good farming practices we take every possible measure to reduce our impact on the environment and keep our land clean. There are several collections and product ranges that translate our vision of environmental responsibility into beautiful fabrics.

Eco Logic Range

EcoLogic is an exclusive fabric line that combines eco credentials and the enduring quality of SÖKTAŞ through the use of certified organic cotton blends and recycled cotton. With this brilliantly conceived premium collection we offer soft and desirable fabrics.

Organic Naturally Coloured Cotton

Beautifully Coloured, but not dyed!

We are developing Naturally Coloured Cotton to create fabrics in purely beautiful shades of camel and beige, as nature intended!

Naturally pigmented fibre grows in shades of pale brown and beige. The cotton plants are hardy & naturally resistant to pests, eliminating the need for pesticides & insecticides. The whole process from planting, to spinning, to finished fabrics uses no dyes, toxic or harmful materials. Fabrics are environmentally friendly, breathable, soft and 100% pure.

Meander 71 Cotton

After four decades of producing the finest shirting fabrics, the introduction of a rare and noble variety of cotton ushers in a new era, the culmination of an extensive research and development project undertaken by SÖKTAŞ. This new cotton now provides us with the opportunity to harness the entire premium cotton production cycle, from fertile field, to fine yarn, to fabulous fabric.

Our unique Meander 71 cotton is grown on our own land, which is only 7 km away from our fully integrated factory. This means our carbon footprint to process the cotton is extremely low.

Naturally Coloured Cottons are NON GMO.

The natural colour is due to the plant’s inherent (non-modified) genetic properties.

BCI - The Better Cotton Standard System is a holistic approach to sustainable cotton production which covers all three pillars of sustainability: environmental, social and economic.
AGRIBUSINESS

SÖKTAŞ group is responsible for the stewardship of vast fertile farm land in Western Aegean coast of Turkey. With this great responsibility, we have to protect and maintain our home and land for future generations without compromising their needs. Therefore, environmental sustainability is embedded in our DNA.
**AGRITA**

Agrita fruit orchards and citrus plantations have Global-Gap* certification and employ good farming methods.

Agrita farm lands have modern automated irrigation systems. The system includes weather forecast stations and sensors that calculate the water requirements for each plant. As a result the soil is properly nourished.

Generally fruit orchards are always under the attack of pests. In our land, we only use natural and environmentally friendly methods to overcome this issue. Therefore, we protect the biodiversity and the wild life in the region.

**Commitments**

1. With our no waste policy, all manure from 6000 cows is converted to electrical power by biomass technology. With any farm business the biggest issue is waste management. Although the manure is used in farmlands as fertiliser, wrong usage can cause contamination on land, waterways, and underground water systems. Efeler Farm found a fundamental solution to this issue with a bio-gas process. Environmentally friendly, green energy production system is operational since 2014.

2. Efeler Farm has the ISO 22000 Food Safety certificate since 2011. This certificate addresses food safety management and ensure the safety of the food supply chain.

3. Germencik Multidisciplinary Technical High School - Animal Welfare section established with Efeler Farm’s contribution. Efeler Farm supplied technical help, machinery and laboratory equipment, as well as intern-ship at the farm for the students. We employ graduates in the farm.

4. All animals at Efeler Farm are disease free.

5. Efeler Farm is certified as a European Community Milk Export Farm since 2010.

6. Efeler Farm saved; 38% diesel - 9,5% electricity per ton of milk production in 2014.

**EFELER FARM**

The Efeler Farm is located in the Aegean Region of Turkey and holds ISO 22000 Certification for production and employs good farming methods.

Efeler Farm has launched various initiatives that aim to improve the environmental performance of the region, as well as create jobs for future generations through education and training programmes. In an effort to support socially responsible practices, Efeler Farm sponsors students in local Germencik Multidisciplinary Technical High School - Animal Welfare section.

Water consumption in our farm is controlled by computerised water management and drip irrigation systems since 2003.

Animal health, welfare, and productivity are directly related to their feeding. Therefore we give this issue first priority and make sure our animals are fed with the best possible crops and organic selenium. Efeler Farm works actively on animal welfare programmes and preventative veterinary practises. Our animal welfare and pedigree improvement work is supported by TUBITAK (The Scientific and Technological Research Council of Turkey).

The vehicle fleet is based on diesel fuel (99%) and complies with the Euro-3 standards. Our aim is to renew our fleet with vehicles in compliance with Euro-5 standards.
CULTURAL & PHILANTHROPIC ACTIVITIES

We are deeply woven into the fabric of our region with a unique impact on the world around us. In SÖKTAŞ, as an integral part of our rich heritage and culture, we believe that to be successful in business, one must create value for community.

Sponsorship of Smyrna Archaeological Excavations

Refurbishment of İzmir Archaeology Museum,
Department of Treasury

Publication of a landmark conservation project called İlyas Bey complex.

We invite the art students of DEU Fine Arts Faculty for a creative workshop. They convert industrial materials like machine parts, computer bits into highly creative sculptures.

Continued contribution to İKSEV, İzmir Foundation for Culture, Arts and Education

Cow Parade İstanbul, 2007
Halil Pasha County Public Library, Söke 1962

Hacı Halil Pasha county library building was built in 1895 as a residence belonging to our founding family; later converted into a library and donated to the city of Söke.

İlyas Bey Complex Renovation project

Our founding family, with deep roots in the region, sponsored a landmark conservation project called İlyas Bey Complex. The İlyas Bey Complex, built in 1404, consisting of a mosque, a madrasa, an imaret, a double hamam and a market, is a masterpiece reflecting the principal characteristics of the era.

We protect our inheritance for future generations...
We build schools and provide educational equipment, for new generations to be well prepared for future.

Serving our community...

We aim to enrich the local ecosystem, contribute to biodiversity and offset our carbon footprint by creating forests, step by step...

PLANTATIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>Place</th>
<th>Trees Planted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>Söke</td>
<td>420</td>
</tr>
<tr>
<td>2004</td>
<td>Selçuk</td>
<td>10.000</td>
</tr>
<tr>
<td>2005</td>
<td>İzmir</td>
<td>2.500</td>
</tr>
<tr>
<td>2008</td>
<td>India</td>
<td>2.000</td>
</tr>
<tr>
<td>2012</td>
<td>India</td>
<td>1.600</td>
</tr>
</tbody>
</table>

We also provide significant financial contributions to educational institutions by staying in touch with our community.