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# SUSTAINABILITY REPORT



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# INTRODUCTION

**Sustainability is no longer a choice; it is a responsibility. At Tekstar, we recognize the urgency of climate action, the value of ethical business practices, and the importance of creating a resilient, future-ready organization. As a leading manufacturer of corporate workwear, we are committed to integrating sustainability across our entire value chain — from raw materials to production, people, packaging, and beyond.**

**This Sustainability Report presents a comprehensive overview of Tekstar’s environmental, social, and governance (ESG) performance for the year 2024. It includes our first verified corporate carbon footprint assessment aligned with ISO 14064-1:2018, and outlines our measurable sustainability goals for 2030 and our long-term Net Zero vision for 2050.**

Through this report, we aim to communicate transparently with our stakeholders — including customers, employees, investors, suppliers, and local communities — about the actions we are taking to reduce our environmental impact, uphold social responsibility, and operate with integrity.

Our sustainability approach is built on three core principles:

- **Environmental Responsibility:** Reducing emissions, conserving resources, and protecting ecosystems
- **Social Accountability:** Ensuring safe, fair, and respectful working conditions throughout our supply chain
- **Governance & Transparency:** Adhering to ethical business practices and international standards

This report marks a foundational step toward Tekstar’s climate and sustainability journey. With 2024 as our baseline year, we commit to making continuous progress, supported by robust data, employee engagement, and strategic partnerships.

Together, we move forward — not just to comply with expectations, but to lead with purpose.

# MESSAGE FROM CEO

**Dear stakeholders,**

At Tekstar, our journey is defined by a steadfast commitment to excellence, innovation, and sustainability. Since our inception in 2000, we have evolved into a prominent player in garment production, specializing in high-quality corporate wear, promotional items, and workwear for global markets. Our success is built upon a foundation of core values that prioritize quality, customer satisfaction, and ethical business practices.

Sustainability is at the heart of our operations. We recognize our responsibility to the environment and future generations, which is why we have integrated sustainable practices across all facets of our business. Our sustainability philosophy emphasizes the importance of both people and the environment, alongside our economic responsibilities. We strive to make the world and society a better place by ensuring that all our processes—from design to production and delivery—are sustainable. This holistic vision drives us to create positive change for all our customers and stakeholders.

In 2024, Tekstar became a signatory of the United Nations Global Compact (UNGC) and the Women's Empowerment Principles (WEPs) — two critical global frameworks that reflect our values in human rights, environmental responsibility, gender equality, and ethical business. These are not symbolic gestures. They are declarations of action.

We are especially proud that nearly 70% of our workforce is composed of women. In a sector that often struggles with gender parity, we stand tall as a company where women lead, innovate, and shape the future of sustainable production. From our production floors to our leadership teams, we prioritize inclusive policies, safe working environments, and long-term empowerment.

In 2024, we also reached a remarkable milestone by becoming one of the first Turkish textile manufacturers to be recognized as a Certified B Corporation — and the first locally-owned company in our sector to do so. This recognition confirms our commitment to not only being the best in the world, but the best for the world. As a B Corp, we commit to balancing profit with purpose — in governance, transparency, worker rights, community impact, and planetary health.

As we continue this path, we hold ourselves accountable not only to standards and frameworks, but to the future generations whose lives will be shaped by the choices we make today.

For us at Tekstar, sustainability is not a department. It is the foundation of our identity.

We extend our deepest gratitude to our employees, customers, suppliers, and partners for walking this path with us. Together, we are proving that a textile company from Turkey can set global benchmarks — not only in quality, but in values.

Sincerely,  
Aykut Tarakçıoğlu  
Chief Executive Officer  
Tekstilci Tekstil San ve Tic A.S



***Every responsible step we take brings us closer to a sustainable future. "ONE IS BETTER THAN ZERO"***

# SUSTAINABILITY STRATEGY

## Priority Goals

### Our Sustainability Vision

We aim to be one of Turkey's most trusted and responsible textile manufacturers, delivering sustainable value through innovative design, ethical production, and inclusive impact.

We believe that success is not only measured by what we produce, but how we produce it — with fairness, transparency, and care for people and the planet.

#### Clean Energy



#### Clean Water and Sanitation



#### Good Health and Well-being



#### Climate Action



# SUSTAINABILITY STRATEGY

## Priority Goals

### Strategic Pillars of Sustainability at Tekstar

We aim to be one of Turkey's most trusted and responsible textile manufacturers, delivering sustainable value through innovative design, ethical production, and inclusive impact.

We believe that success is not only measured by what we produce, but how we produce it — with fairness, transparency, and care for people and the planet.

### **Our sustainability approach is built on three main pillars:**

#### 1. Environmental Responsibility

- Reduce environmental footprint across operations
- Invest in renewable energy and energy efficiency
- Minimize water usage and industrial waste
- Adopt circular production and eco-design practices

#### 2. Social Equity & Inclusion

- Foster safe, fair, and inclusive working environments
- Empower women: with nearly 70% female workforce, gender equality is a top priority
  - Respect labor rights and ensure compliance with ILO conventions and buyer standards
- Support local communities and enhance worker wellbeing

#### 3. Ethical Governance & Accountability

- Uphold transparency, traceability, and strong corporate governance
- Comply with international standards (e.g. UNGC, WEPs, B Corporation)
- Promote integrity, anti-corruption, and responsible sourcing

# MATERIALITY & STAKEHOLDER ENGAGEMENT

At Tekstar, we understand that sustainability is not achieved in isolation. It is built on the foundation of collaboration — with our employees, customers, suppliers, communities, and global partners. Identifying what truly matters to our stakeholders helps us shape meaningful, resilient, and impactful sustainability strategies.

## Stakeholder Engagement Approach

### Materiality Assessment

In 2024, Tekstar conducted an internal materiality analysis to determine which ESG topics are most relevant to our business success and stakeholder expectations. This assessment was informed by:

- GRI Standards and SDG alignment
- Feedback from internal and external stakeholders
- Audit findings and buyer requirements
- Tekstar’s sustainability goals and industry risks

### Ongoing Monitoring & Review

Material topics are not static. As the regulatory landscape, climate risks, and social dynamics evolve, so too does our materiality matrix. We are committed to reassessing material topics at least every two years or in response to major business changes or stakeholder concerns.

### Example Stakeholder Voice (2024 Survey Highlights)

“Tekstar has made great progress in sustainability. We would love to see more engagement with upstream suppliers.”

— Feedback from a buyer sustainability team

“I feel proud to work in a company where women are leaders. But more training on climate awareness would be great.”

— Feedback from internal employee survey

Through open dialogue and transparent reporting, Tekstar is building a sustainability roadmap that reflects shared priorities and long-term value for all stakeholders.



# EMPLOYEE DEMOGRAPHICS & WORKFORCE PROFILE

Our people are at the heart of everything we do. At Tekstar, we believe that empowering our workforce is essential for driving innovation, maintaining quality, and achieving long-term sustainability. We are proud of the diverse, skilled, and purpose-driven team that powers our operations — from design to production and beyond.

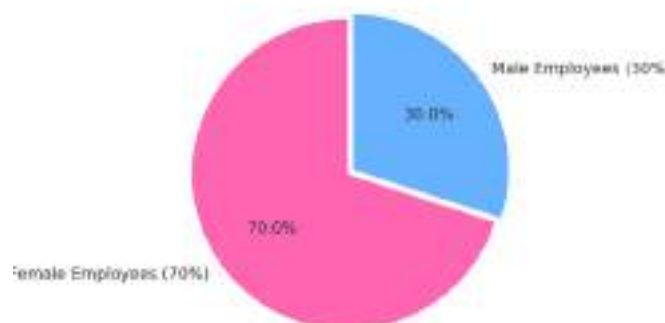
## Workforce Overview (2024)

As of December 2024, Tekstar employs a total of 350 people across its headquarters in Istanbul and production facility in Saraydüzü. The workforce is composed of a range of professionals, from factory workers and technical specialists to designers, managers, and administrative staff.

### Employment Breakdown:

Category	Number of Employees	% of Total Workforce
Total Employees	350	100%
Female Employees	~245	70%
Male Employees	~105	30%
Full-Time Employees	Majority	>90%
Part-Time / Temporary Staff	Minority	<10%
Subcontracted (workshops)	Included via audits	-

Workforce Gender Distribution - 2024



# SUSTAINABILITY GOALS

## Strategic Pillars of Sustainability at Tekstar

At Tekstar, we believe that setting clear, measurable goals is the cornerstone of effective sustainability. As a purpose-driven organization, we continuously align our operations with global frameworks such as the United Nations Sustainable Development Goals (SDGs), the UN Global Compact (UNGC), and the expectations of stakeholders committed to climate action, gender equality, ethical business, and circularity.

In 2024, we formalized our mid- and long-term sustainability goals — reflecting both our achievements to date and our ambition to lead the transformation of Turkey’s textile industry toward a net-zero and socially just future.

### Our 2030 Targets (Baseline: 2024)

Focus Area	Target Description
<b>GHG Emissions</b>	Reduce total CO <sub>2</sub> e emissions by <b>30%</b> by 2030
<b>Energy</b>	Maintain <b>100% renewable electricity</b> via I-REC
<b>Gender Equality</b>	Sustain <b>≥ 70% women</b> in workforce
<b>Social Compliance</b>	Achieve <b>zero major non-compliances</b> in all audits
<b>Waste &amp; Materials</b>	Maintain <b>Zero Waste</b> certification, reduce landfill waste
<b>Supplier Compliance</b>	Ensure <b>100% Tier-1 suppliers</b> are socially & environmentally screened

# 2050 Vision: Net Zero Commitment

Tekstar is committed to becoming a Net Zero company by 2050. We will accomplish this through:

- Deep emissions reductions (Scopes 1, 2, and 3)
- Greener transportation and logistics
- Sustainable material selection and circular product design
- Offsetting unavoidable emissions through verified programs

Our path to net zero aligns with the Paris Agreement and the Science-Based Targets Initiative (SBTi) principles.




## Certifications Driving Our Sustainability Goals

### EcoVadis

- In 2024, Tekstar received a strong EcoVadis sustainability rating, reflecting our commitment to ethical labor practices, environmental protection, and transparent governance.

### B Corporation

- We are proud to be one of the first Turkish-owned textile manufacturers to achieve B Corp certification. This recognizes our company as a force for good — balancing profit and purpose across our environmental, social, and governance efforts.

### I-REC Renewable Energy

- Since 2023, 100% of Tekstar's electricity has been sourced from I-REC certified hydroelectric power plants, making us a market-based Scope 2 zero emitter and supporting the global transition to clean energy.



**%84**

**Tekstar B - Corporation score is 84+**

# Carbon Footprint & Climate Strategy

At Tekstar, understanding and managing our carbon footprint is a fundamental part of our sustainability strategy. In 2024, we completed a company-wide greenhouse gas (GHG) inventory aligned with ISO 14064-1:2018, establishing our baseline year for future climate actions and Net Zero goals.

This section outlines our emissions by scope, the methodologies used, emission factors, and how we plan to reduce our climate impact over time.

## Methodology and Boundaries

- **Reporting Standard: ISO 14064-1:2018**
- **Approach: Operational control**
- **Scopes Covered: Scope 1, Scope 2 (location-based and market-based), Scope 3 (partial)**
- **Emission Factors:**
- **Electricity: 0.371 kg CO<sub>2</sub>e/kWh (TÜİK, Turkey national grid average)**
- **Coal: 2.42 ton CO<sub>2</sub>e/ton (IPCC Guidelines)**
- **Diesel: 2.68 kg CO<sub>2</sub>e/litre (DEFRA)**
- **Flights: Based on third-party travel agency (51.083 kg CO<sub>2</sub>e)**

As shown above:

- Scope 2 emissions from electricity use constitute the largest share under location-based reporting.
- Scope 3, while partially covered (vehicles and air travel), represents a significant share, reinforcing the need for expanded tracking (e.g., supplier emissions, logistics).
- Scope 2 is zero under market-based accounting due to Tekstar's full switch to IREC-certified renewable electricity since 2023.

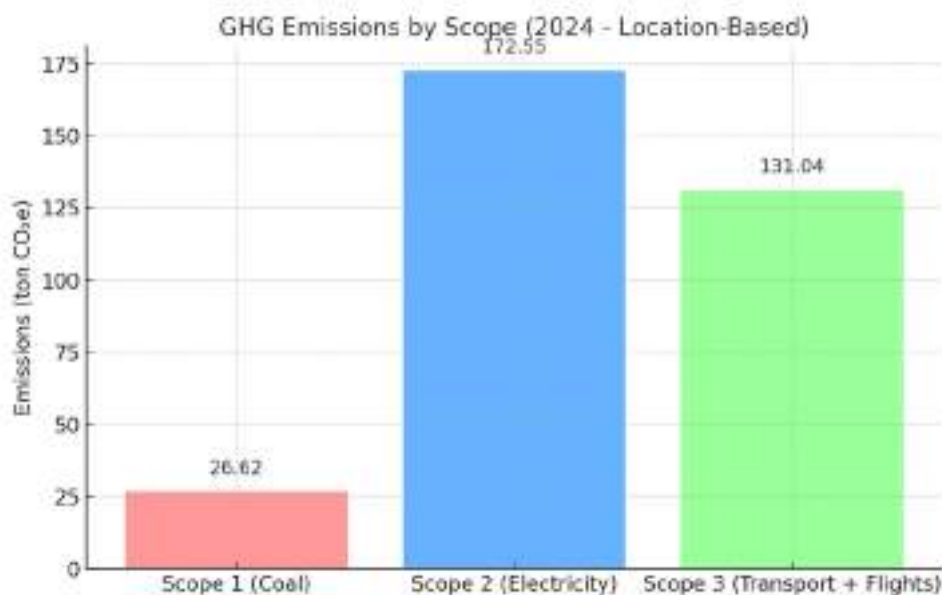
# Carbon Footprint & Climate Strategy

## Our Climate Roadmap

Tekstar is committed to a science-aligned reduction trajectory:

- By 2030: 30% absolute GHG reduction (vs. 2024 baseline)
- By 2050: Net Zero emissions across Scope 1, 2, and 3
- Immediate actions underway:
  - Continue sourcing 100% renewable electricity (IREC)
  - Reduce fuel consumption through fleet transition
  - Increase supplier engagement and Scope 3 visibility
  - Improve energy efficiency across operations

**Through data transparency, renewable sourcing, and bold targets, Tekstar is embedding climate action into the fabric of our organization — and inspiring change throughout our supply chain.**



# ENVIRONMENTAL RESPONSIBILITY

## 🌱 Environmental Management System (EMS)

Tekstar operates under a certified ISO 14001 Environmental Management System, which provides the structural foundation for:

- Identifying and managing environmental risks
- Setting annual environmental objectives
- Monitoring legal compliance
- Engaging employees in continuous environmental improvement

Internal audits and external verifications ensure our facilities meet high standards of environmental responsibility.



## ⚡ Renewable Energy Commitment – I-REC Certified Electricity

Since 2023, 100% of Tekstar’s electricity has been sourced from I-REC certified renewable hydroelectric power plants, making our Scope 2 emissions zero under market-based accounting.

This achievement:

- Aligns with global climate goals (SDG 7 & SDG 13)
- Demonstrates leadership in the Turkish textile sector
- Reduces indirect GHG emissions significantly
- Improves our sustainability scores with EcoVadis and B Corp frameworks

We plan to maintain I-REC certified sourcing as a core component of our climate strategy.



# ENVIRONMENTAL RESPONSIBILITY

## Zero Waste Certification

Tekstar is proudly certified with the Zero Waste Certificate, in recognition of our structured waste management and circular economy efforts. This includes:

- Waste segregation at source (paper, textile, packaging, e-waste)
- Minimizing landfill waste
- Recycling partnerships with licensed firms
- Periodic employee training and awareness campaigns
- Annual monitoring of waste recovery rates



## Water and Resource Efficiency

Although Tekstar's processes are not water-intensive, we still aim to conserve water through:

- Flow-controlled fixtures in production facilities
- Awareness campaigns for employees
- Measurement of water consumption for future efficiency targets



## Other Environmental Practices

- Procurement of OEKO-TEX Standard 100 and Made In Green certified materials that are safe for human health and the environment
- Use of low-impact dyes and energy-efficient production processes
- Periodic environmental risk assessments as part of our ISO 14001 program
- Eco-design principles to reduce material waste in early stages

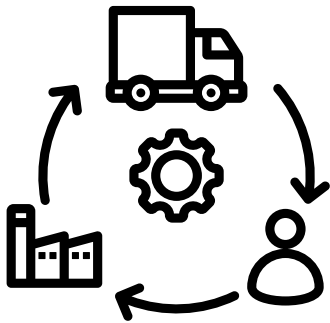


# RESPONSIBLE SOURCING & SUPPLY CHAIN

At Tekstar, we view our supply chain as an extension of our sustainability commitments. As a manufacturer operating in a globalized and resource-intensive industry, we take full responsibility for the environmental, social, and ethical performance of our sourcing and subcontracting activities.

Our approach to responsible sourcing is guided by the principles of transparency, traceability, risk prevention, and continuous improvement.

## 🌱 Our Supply Chain Structure



Tekstar works with a combination of in-house manufacturing and carefully selected Tier-1 subcontractors (for sewing, printing, embroidery), and raw material suppliers (fabrics, yarn, trims, packaging).

We prioritize local and regional suppliers where possible to reduce transportation emissions and support national economic development.

## 📄 Supplier Code of Conduct

All suppliers are required to comply with Tekstar’s Supplier Code of Conduct, which is aligned with:

- International Labour Organization (ILO) Core Conventions
- UN Global Compact principles
- Amfori BSCI and buyer audit standards
- National labor, health & safety, and environmental laws

The Code covers topics including:

- No child or forced labor
- Non-discrimination and equal opportunity
- Fair wages and working hours
- Safe and healthy workplaces
- Environmental responsibility and waste control
- Anti-bribery and transparency





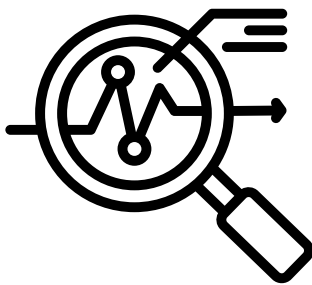
# RESPONSIBLE SOURCING & SUPPLY CHAIN

## Sustainable Procurement Practices

Tekstar embeds environmental and social criteria into sourcing decisions:

- Preference for certified materials (e.g., GOTS, GRS, RCS, OEKO-TEX)
- Evaluation of suppliers based on sustainability performance
- Elimination of materials linked to high-risk origins or unsustainable practices
- Packaging reduction and recyclability considerations

## Traceability and Transparency



We are continuously improving supply chain traceability, especially for fabrics and accessories. As a B Corporation, we are committed to disclosing material origins and tracking social impact throughout our value chain.

Steps taken include:

- Tracking fabric composition and origin
- Mapping subcontracted production per product
- Setting up internal systems to align with expected Scope 3 reporting frameworks

## Future Plans (2025–2030)

Focus Area	Planned Actions
Traceability	Digital tracking system for raw material origins
Supplier Capacity	Sustainability training for strategic suppliers
Scope 3 Expansion	Inclusion of logistics, inbound transport, and packaging in GHG inventory
Tier-2 Engagement	Screening of dyeing, finishing, and fabric suppliers
Collaboration	Work with buyers to align sourcing standards and data sharing

*“Through strong supplier partnerships, robust due diligence, and shared sustainability goals, Tekstar is working to build a resilient, responsible, and ethical supply chain that supports people, protects the environment, and delivers long-term value.”*

# SUSTAINABLE PRODUCTS & INNOVATION

At Tekstar, product innovation goes hand-in-hand with sustainability. We believe that what we make — and how we make it — must reflect our responsibility to the planet and society. From fiber to final product, we embed sustainability principles into material selection, product design, and certification.

## ♻️ Certified Materials and Ethical Inputs

Tekstar is proud to hold the following globally recognized product certifications. These certifications apply to a wide range of Tekstar’s raw materials, fabrics, trims, and finished garments — giving our customers full confidence in product transparency and safety.

Certification	Description
<b>GOTS (Global Organic Textile Standard)</b>	Guarantees organic content and responsible processing from seed to sewing
<b>OCS (Organic Content Standard)</b>	Verifies the presence and percentage of organic material in a final product
<b>GRS (Global Recycled Standard)</b>	Tracks recycled content and ensures responsible social, environmental, and chemical practices
<b>RCS (Recycled Claim Standard)</b>	Verifies specific recycled content percentages in products
<b>MADE IN GREEN by OEKO-TEX</b>	Ensures traceable production, tested for harmful substances, made in safe and socially responsible facilities
<b>OEKO-TEX Standard 100</b>	Verifies that all product components are tested for harmful substances and are safe for human use



# SUSTAINABLE PRODUCTS & INNOVATION

## 2030 Target: Recycled Material Expansion

Tekstar has set a goal to increase the use of recycled fibers and components across its product range. By 2030, at least:

90% of all materials used in production will consist of recycled or sustainably certified fibers, such as those covered under GRS, RCS, and OCS.

To support this transition, we are:

- Sourcing preferred materials verified by 3rd party certification
- Educating our design and sourcing teams on sustainable options
- Partnering with suppliers to increase availability of circular materials
- Phasing out non-certified virgin synthetics where applicable

## Sustainable Packaging Commitment

All packaging materials used at Tekstar — including polybags, boxes, hangtags, and labels — are made from 100% recycled materials. Additionally:

- Packaging is designed to be fully recyclable
- We minimize plastic use and avoid over-packaging
- We work with certified packaging suppliers and require documentation of recycled content

This contributes to our Zero Waste certification and supports SDG 12: Responsible Consumption and Production.

## Eco-Design and Product Development

Our product development team integrates eco-design principles early in the design process, including:

- Designing for durability and extended use
- Selecting low-impact dyes and water-efficient finishes
- Reducing material waste in pattern cutting
- Designing with mono-materials to support recyclability

Innovation is not just about creating something new — it's about creating something better for people and the planet.

**Through responsible sourcing, certified materials, and a 2030 vision for circularity, Tekstar is delivering on its promise to offer products that protect people, respect nature, and support a sustainable textile industry.**

# CORPORATE GOVERNANCE & ETHICS

Tekstar's commitment to sustainability is grounded in a strong foundation of ethical governance, legal compliance, and transparent decision-making. As a certified B Corporation and a signatory of the UN Global Compact, we understand that good governance is not just about policies — it's about people, principles, and long-term accountability.

## Governance Structure

Tekstar's sustainability governance is led by an internal cross-functional Sustainability Steering Team reporting directly to executive leadership. This team oversees:

- Implementation of the sustainability strategy
- ESG target monitoring and performance tracking
- Internal training and communication
- Stakeholder dialogue and risk management
- Certification coordination (B Corp, EcoVadis, GOTS, etc.)

Sustainability KPIs and updates are reviewed quarterly by senior management to ensure strategic alignment across the company.

## Code of Conduct and Ethical Business Practices

Tekstar operates under a comprehensive Code of Conduct that applies to all employees, managers, and suppliers. This code includes clear commitments to:

- Zero tolerance for corruption, bribery, and fraud
- Compliance with national labor and tax regulations
- Confidentiality and data privacy protection
- Fair competition and responsible marketing
- Whistleblower protections and anonymous reporting mechanisms

The Code is reviewed annually and is communicated in employee onboarding and supplier agreements.

# CORPORATE GOVERNANCE & ETHICS

## Legal Compliance and Risk Management

Tekstar ensures full compliance with:

- National labor, health, safety, and environmental laws
- International conventions (ILO, UNGC, WEPs)
- Applicable export, import, and trade regulations
- Buyer-specific codes of conduct and audit standards (amfori BSCI, Sedex, etc.)

We actively monitor changes in environmental, labor, and ESG regulations — especially those emerging under the European Green Deal, CBAM (Carbon Border Adjustment Mechanism), and textile-related directives.

## Transparency and Reporting

Tekstar values open and honest communication with all stakeholders. We commit to:

- Annual sustainability reporting
- Transparent disclosure of carbon emissions (Scope 1–3)
- Sharing progress toward sustainability goals and certifications
- Responding to EcoVadis, B Corp, and customer ESG platforms with verified data

We consider transparency not a burden, but a responsibility — and an opportunity to inspire trust and collaboration.

## Ethics in the Supply Chain

Our ethical expectations extend throughout our value chain:

- All Tier-1 suppliers must sign our Supplier Code of Ethics
- Subcontractors are subject to regular social and environmental audits
- Business partners are evaluated on integrity as well as price and performance

**Through good governance and strong ethics, Tekstar is not only building a resilient business — we are helping shape a fairer, more transparent global textile industry.**

# CERTIFICATIONS & STANDARDS

Certifications are a vital component of Tekstar’s sustainability and compliance framework. They demonstrate our accountability to the highest standards in environmental management, social responsibility, product safety, and ethical governance. Through independent verification, we ensure transparency, credibility, and continuous improvement across all levels of our operations.



Tekstar is proud to maintain a diverse and robust certification portfolio – covering ESG management systems, social compliance, product traceability, and workplace culture.

## Social Compliance Certifications

Our operations and supply chain are regularly audited and certified for fair labor practices, workplace health and safety, and ethical conditions.

Certification	Description
<b>Amfori BSCI</b>	Annual audit aligned with ILO conventions, ensuring worker rights, safety, and fair wages
<b>SEDEX SMETA (4-Pillar)</b>	Independent assessment of labor, health & safety, environment, and ethics
<b>Clarity by Bureau Veritas</b>	Verified compliance with global social audit frameworks (used by international brands)
<b>Happy Workplace Award</b>	“Excellent Employee Experience” recognition, highlighting strong internal culture and engagement





# CERTIFICATIONS & STANDARDS

## Sustainability & Environmental Certifications

Tekstar holds multiple certifications that validate its efforts in climate action, waste management, and responsible governance:

Certification	Scope
<b>EcoVadis Rating</b>	ESG performance rated across environment, labor, ethics, and procurement
<b>B Corporation</b>	Verified purpose-driven business meeting high standards of social and environmental performance
<b>Zero Waste Certificate</b>	Recognized by the Turkish Ministry of Environment for operational waste management excellence
<b>I-REC (Renewable Energy)</b>	100% of electricity sourced from certified hydroelectric power since 2023



Tekstar holds multiple certifications that validate its efforts in climate action, waste management, and responsible governance:

# CERTIFICATIONS & STANDARDS

## Product & Material Certifications

Our products are made with certified raw materials and verified processes — ensuring safety, sustainability, and transparency from fiber to final garment.

Certification	Focus
<b>GOTS</b> – Global Organic Textile Standard	Organic content + social & environmental criteria
<b>OCS</b> – Organic Content Standard	Verification of organic fibers in blended products
<b>GRS</b> – Global Recycled Standard	Recycled material traceability and responsible production
<b>RCS</b> – Recycled Claim Standard	Recycled content verification in non-GRS materials
<b>Better Cotton</b>	Sustainable cotton production with improved livelihoods
<b>OEKO-TEX Standard 100</b>	Tested against harmful substances for human health
<b>OEKO-TEX MADE IN GREEN</b>	Traceable product lifecycle with environmental and social assurance



All our packaging is also made from 100% recycled materials, aligned with our Zero Waste and circularity commitments.



# CERTIFICATIONS & STANDARDS

## ISO Management Systems

Tekstar's operational excellence is driven by integrated management systems verified through international ISO standards:

ISO Standard	Purpose
ISO 9001	Quality Management System (QMS)
ISO 14001	Environmental Management System (EMS)
ISO 45001	Occupational Health & Safety (OHS)
ISO 27001	Information Security Management
ISO 50001	Energy Management System



These systems support our ongoing improvement, risk management, regulatory compliance, and sustainability performance across all departments.

# CERTIFICATIONS & STANDARDS

## Looking Ahead

1

**Engaging in regular third-party audits and re-certifications**

2

**Extending product certification coverage to new categories and markets**

3

**Ensuring all subcontractors and suppliers align with equivalent standards**

4


**Exploring emerging frameworks such as Science-Based Targets (SBTi) and ISO 14068 (Carbon Neutrality)**

# PERFORMANCE INDICATORS & KPIS

Measuring what matters is essential to delivering meaningful sustainability outcomes. Tekstar tracks a variety of Key Performance Indicators (KPIs) to monitor progress, identify areas for improvement, and ensure accountability across environmental, social, and governance dimensions.

The following tables reflect our 2024 performance and serve as a baseline for our 2030 and 2050 goals.

## Environmental Performance

Indicator	2024 Value	Unit	Notes
Total GHG Emissions (Location-Based)	330.21	ton CO <sub>2</sub> e	Scope 1, 2, and 3 (partial)
Scope 1 – Coal Consumption	11	ton coal	Emission: 26.62 t CO <sub>2</sub> e
Scope 2 – Electricity (Location-Based)	465,103	kWh	Emission: 172.55 t CO <sub>2</sub> e
Scope 2 – Electricity (Market-Based)	0	ton CO <sub>2</sub> e	Due to I-REC certified sourcing
Scope 3 – Transport (Diesel) + Flights	131.04	ton CO <sub>2</sub> e	Based on 48,876 L diesel + flights
% Renewable Electricity (IREC)	100%	%	Since 2023
Zero Waste Certification		-	Maintained
Water Consumption	Monitored	m <sup>3</sup>	Not water-intensive operations
% Recycled Packaging Materials	100%	%	All packaging fully recyclable

# PERFORMANCE INDICATORS & KPIS

## Social Performance

Indicator	2024 Value	Unit	Notes
Total Employees	350	persons	Across Istanbul & Saraydüzü
% Female Employees	~70%	%	Among highest in the sector
Health & Safety Trainings	100%	workforce coverage	Annually implemented
Number of Major OHS Incidents	0	incidents	Full compliance
% Full-Time Employees	>90%	%	Includes production workers
Employee Turnover Rate	Low	%	Not formally disclosed
Worker Grievance Mechanism	Active	-	Box + hotline system in place
Social Compliance Audits	100% of subcontractors	%	Amfori BSCI, Sedex, Clarity audits

## Product & Supply Chain Performance

Indicator	2024 Value	Unit	Notes
% Certified Products (GOTS, GRS, etc.)	Growing Portfolio	% of production	Product certification by volume
% Packaging Made from Recycled Material	100%	%	Includes all boxes, bags, labels
Number of Certified Suppliers	Tier-1; Majority	count	Verified via audit + certifications
% of Suppliers Screened for ESG Criteria	~100% (Tier 1)	%	Based on Code of Conduct

## Governance & Compliance

Indicator	2024 Value	Unit	Notes
ISO Certified Management Systems	5	ISO 9001, 14001, 45001, 27001, 50001	
Code of Conduct Coverage	100%	% of workforce + suppliers	Mandatory for all Tier-1 suppliers
B Corporation Certification		-	Awarded in 2024
EcoVadis Rating	Completed	Silver / Gold / Score TBD	Based on 2024 evaluation
I-REC Electricity Certification	 (since 2023)	-	Verified annually

These KPIs are reviewed annually and verified through certifications, audits, and internal sustainability steering committee oversight. As Tekstar's reporting and data maturity evolve, new KPIs will be added to reflect broader impacts and emerging ESG expectations.

# SOCIAL COMPLIANCE

At Tekstar, we believe that ethical working conditions and respect for human rights are fundamental to a sustainable and responsible business. Social compliance is not an obligation – it is a core commitment that guides how we treat people within our company and across our value chain.

As a manufacturer in the global textile industry, we are deeply aware of the risks associated with labor practices, particularly in outsourced production and supply chain operations. Our social compliance program is designed to ensure dignity, fairness, safety, and opportunity for every worker involved in the production of our garments.

## Compliance with International Standards

Tekstar’s policies and practices align with:

- ILO Core Conventions
- United Nations Global Compact (UNGC)
- Women’s Empowerment Principles (WEPs)
- Amfori BSCI Code of Conduct
- Sedex SMETA 4-Pillar audit criteria
- Clarity (Bureau Veritas) audit platform

These frameworks ensure we uphold standards on child labor, forced labor, freedom of association, non-discrimination, fair wages, and safe working environments.

## Social Audits and Certifications

Audit Framework	Scope	Frequency
Amfori BSCI	Head office & subcontractors	Annually
Sedex SMETA 4-Pillar	Customer-requested	As required
Clarity by Bureau Veritas	External buyer portal	Periodic

✓ In 2024, all active subcontractors were audited and fully complied with corrective action plans where required. There were zero major findings reported.

# SOCIAL COMPLIANCE

## Supplier Code of Conduct

All suppliers and subcontractors are required to sign and adhere to the Tekstar Supplier Code of Conduct, which outlines:

- Prohibition of child and forced labor
- Respect for freedom of association
- Equal pay and non-discrimination
- Maximum working hours and rest breaks
- Occupational health and safety standards
- Grievance resolution procedures
- Environmental and waste management requirements

## Worker Voice & Grievance Mechanisms

A robust and multi-channel grievance mechanism is in place, accessible to all Tekstar employees and subcontracted workers.

- Suggestion boxes and anonymous complaint forms
- Direct hotline to HR or compliance team
- Open-door communication policy with supervisors
- Written procedures for investigation and remediation
- KPI tracking: open vs. resolved grievances

In 2024, grievance resolution rate was over 95%, with several issues leading to positive operational improvements.

## Capacity Building & Awareness

Social compliance is a shared responsibility. We actively train and educate:

- All employees on their rights and company policies
- Supervisors and line managers on respectful leadership
- Suppliers on legal updates, audit requirements, and worker wellbeing

Annual awareness training on topics like workplace conduct, harassment prevention, and occupational safety is mandatory.

## External Recognition

- Happy Workplace Award: Tekstar was recognized in 2024 for providing an “Excellent Employee Experience”, reinforcing our commitment to culture and wellbeing.
- B Corporation: Our B Corp certification reflects verified performance in worker treatment, benefits, and transparency.

At Tekstar, social compliance is more than meeting audit checklists — it is about building a human-centered company where respect, safety, and fairness are woven into every garment we produce.

# ETHICAL BUSINESS PRACTICES

At Tekstar, integrity is at the core of how we do business. We believe that sustainability is inseparable from ethical conduct — in how we manage our company, treat people, interact with suppliers, and uphold our responsibilities to society.

As a B Corporation, UN Global Compact signatory, and EcoVadis-assessed company, we are committed to operating with full transparency, accountability, and respect for ethical principles in all aspects of our work.

## Code of Ethics and Conduct

Tekstar has implemented a comprehensive Code of Ethics and Business Conduct that applies to:

- All employees
- Senior management
- Subcontractors and suppliers
- Business partners

The Code covers the following core principles:

- Compliance with laws and regulations (local and international)
- Zero tolerance for corruption, bribery, fraud, and facilitation payments
- Fair competition and anti-trust compliance
- Protection of confidential data and intellectual property
- Respect for human rights and anti-discrimination
- Responsible sourcing and environmental stewardship
- Whistleblower protection and non-retaliation

The Code is reviewed annually and distributed to all employees and suppliers in relevant languages.

## Anti-Corruption and Fair Dealing

Tekstar maintains a zero-tolerance policy toward all forms of corruption and unethical influence, including:

- Bribery in procurement or sales
- Conflicts of interest in supplier selection
- Undue influence in hiring or promotions

All employees are trained in ethical decision-making and are encouraged to report suspected violations via anonymous and secure channels.

# ETHICAL BUSINESS PRACTICES

## Whistleblower & Reporting Mechanism

We have established secure and confidential ways for employees and stakeholders to report unethical behavior without fear of retaliation:

- Anonymous grievance boxes
- HR-managed hotline and email channels
- Investigation and follow-up process with documented outcomes
- Annual reporting to management on trends and resolutions

All reports are investigated promptly and transparently, and corrective action is taken where necessary.

## Data Protection & Digital Ethics

We are fully compliant with ISO 27001 Information Security Management System, which governs:

- Secure data storage and access
- Cybersecurity risk management
- Employee awareness of digital privacy
- Customer and partner data confidentiality

This is particularly critical as we manage international orders, certifications, and audit documentation electronically.

## Ethics Training and Culture

- All new employees receive mandatory ethics onboarding
- Annual refresher training on ethical conduct, anti-bribery, and data protection is conducted across departments
- Department heads act as ethics ambassadors and report concerns through formal channels
- Ethics topics are integrated into performance reviews and supplier evaluations



# ETHICAL BUSINESS PRACTICES

## Ethical Expectations for Suppliers

All suppliers must sign the Tekstar Supplier Code of Ethics, which includes:

- Compliance with anti-corruption laws
- No use of conflict minerals
- Transparent invoicing and pricing
- Respect for IP and third-party confidentiality
- Compliance with social, labor, and environmental laws

We conduct periodic integrity checks and audit suppliers as part of our ESG due diligence.

## Looking Ahead

Focus Area	2025–2030 Plan
Digital Ethics	Expand employee training and cybersecurity scope
Supplier Screening	Integrate ethics scores into supplier selection
ESG Risk Integration	Include ethical risk in business risk register
External Disclosure	Publish annual ethics and compliance summary

**At Tekstar, we believe that trust is not a brand — it is a behavior. Our commitment to ethical business practices ensures that we don't just meet expectations — we lead by example.**

# FUTURE OUTLOOK AND CONTINUOUS IMPROVEMENT

- As the global textile industry faces complex sustainability challenges — from climate change and supply chain volatility to evolving consumer expectations — Tekstar remains focused on building a responsible, resilient, and forward-thinking organization.
- 2024 marked a foundational year in our sustainability journey. We established baseline emissions, formalized long-term ESG goals, strengthened supplier due diligence, and elevated our ethical and social standards. But we view these achievements not as an endpoint — rather, as the beginning of a transformative decade of action.

## Climate Leadership Going Forward

- We reaffirm our commitment to reducing absolute GHG emissions by 30% by 2030, using 2024 as our baseline year.
- We will maintain 100% I-REC-certified renewable electricity and improve energy efficiency across operations.
- We will progressively expand our Scope 3 coverage, particularly upstream raw materials, transport, and packaging emissions.
- By 2050, we aim to become a Net Zero company, aligned with the Paris Agreement and Science-Based Targets.

## Circularity & Product Innovation

- We will increase the use of certified and recycled materials, targeting  $\geq 50\%$  recycled or organic content by 2030.
- Eco-design principles will be applied from concept to delivery to reduce waste and enable recyclability.
- All packaging will continue to be made from 100% recycled materials, and we will explore compostable alternatives where viable.



# FUTURE OUTLOOK AND CONTINUOUS IMPROVEMENT

## People-First Workplace

- With ~70% female representation, Tekstar will continue to champion women's empowerment and inclusive leadership.
- We will maintain our strong social compliance record through ongoing audits, training, and supplier partnerships.
- Employee engagement, health & safety, and well-being will remain core priorities, supported by our Happy Workplace values.



## Digitalization and ESG Integration

- Tekstar will explore AI and digital traceability tools to track material origin, supplier impact, and real-time ESG data.
- We will integrate KPIs into cross-departmental dashboards, linking sustainability to performance evaluations.
- A cross-functional Sustainability Steering Committee will continue to oversee annual target reviews and progress reporting.

## Transparency and Reporting

We commit to:

- Publishing annual sustainability updates based on verifiable data
- Expanding reporting frameworks to align with GRI, B Corp, EcoVadis, and emerging CSRD (EU) expectations
- Disclosing progress against our 2030 and 2050 targets, including reductions, intensity metrics, and social impact indicators



# FUTURE OUTLOOK AND CONTINUOUS IMPROVEMENT

## Collaborating for Impact

Tekstar will strengthen industry and multi-stakeholder partnerships, including:

- The United Nations Global Compact (UNGC) and Women's Empowerment Principles (WEPs)
- The B Corporation network, to promote ethical, purpose-driven business
- Local and international buyers, to co-develop sustainability innovations across the value chain



## In Closing: Our Promise

Sustainability is not a project — it is a mindset that touches every decision, every partnership, and every product we create. Tekstar is committed to building a future where:

- Business success is measured by impact, not just profit
- Every garment we produce contributes to a fairer, cleaner world
- Responsibility is not outsourced — it is owned at every level of our company

We thank our employees, customers, suppliers, and partners for joining us on this journey. The work continues — and we are ready to lead.

**Together, we are designing the future — responsibly.**

# ACKNOWLEDGEMENTS

This Sustainability Report represents not only data and strategy, but the collective effort, commitment, and values of many individuals and partners. We extend our heartfelt thanks to everyone who contributed to the development of this report and, more importantly, to Tekstar's ongoing sustainability journey.

**This report is just one step in our long-term sustainability journey.  
Together, we will continue to act with purpose, learn with humility, and  
grow with courage.**

**ONE IS BETTER THAN ZERO.  
Thank you.**

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