

**Sustainability Report**  
**2019**



# Content

## Corporate Management

- 3 About the report
- 4 Message from Chairman of the Board
- 5 Message from General Manager
- 6 Management Philosophy
- 7 Setaş 2019 At A Glance
- 8 About Setaş
- 12 Corporate Management System
- 14 Stakeholders
- 16 Sustainability Policy
- 17 Value Chain Approach
- 19 Goals

## Sustainability

- 22 Sustainable Supply Chain
- 24 Environmental Management System
- 25 Water Management
- 26 Energy Efficiency
- 27 Waste Water Management
- 28 Climate Change-Carbon Footprint
- 29 Climate Change-Emissions
- 30 Waste Management

## Technology

- 33 Digital Transformation Applications
- 34 Services
- 35 R&D Center
- 36 Color Management
- 37 Basic Research Testing Laboratory
- 38 Sustainable Products

## Synergy

- 44 Human Resource Management
- 46 Communication With Employees
- 47 Employee Loyalty
- 48 Labor Standards and Human Rights
- 49 Training
- 50 Occupational Health and Safety
- 52 Employee Profile

## About the Report

Setaş 2019 Sustainability Report evaluates Setaş's performance in economic, social and environmental areas in terms of sustainability during the period between 01.01.2019 and 31.12.2019.

It is also the fourth notification of progress submitted by Setaş since 06.09.2016 after it became a party to the United Nations Global Compact. It explains Setaş's approach to global principles as well as its activities within this framework.

The report covers the activities taking place at Setaş's production facilities in Çerkezköy and its head office in Istanbul. All production areas and head office are covered by the report. Sub-contractor companies that provide logistics for manufactured products and the ones that provide services at production sites are not included in the scope of the report.

The report was prepared in accordance with the GRI Standards basic (Core) option. This compliance is described in details in the final section of the report, GRI Standards content Index. The report is prepared in two languages as Turkish and English.

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## Message from the Chairman of the Board

Dear Stakeholders,

I am happy to announce our activities and goals in 2019 with this fourth report.

Long-term global progress that emerged as a guiding principle for Sustainable Development by the United Nations without compromising the ability of future generations to meet their own needs is defined as development that meets the needs of today.

The chemical industry plays an important role in accelerating progress in the social, economic and environmental aspects of sustainable development and helps overcome the world's priority sustainability challenges. As Setaş, we produce innovative and sustainable coloring solutions for our customers in the textile, paper, metal and plastic industries with our 54 years of application and color knowledge.

Setaş's long-standing commercial success is based on our company's innovative approach and the passion of our researchers for success. Sustainability is a core element of our corporate strategy and an integral part of our operational performance. We follow national and international standards and platforms and integrate them into all our processes. Our membership in ETAD (The Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturers), which I have been president of for the last two 2 years, has been continuing since 2003. We act in accordance with ecological compliance and performance criteria of brands and

manufacturers and make the necessary investments to minimize the damage to the environment and human health with our innovative products. We support ZDHC's sustainable chemical management goals and good practice examples as an opportunity for continuous development, enabling the industry to move towards zero harmful waste by 2020.

In this report, we examined the problems encountered in sustainability and shared our solutions and improvement projects that will prevent the problem at its source as a result of our findings. We have set goals to give direction to a sustainable future with respect to environmental areas such as elimination of harmful chemicals, R&D efforts for safer alternatives and protection of limited natural resources manufacturing and process level, as well as social areas such as improving occupational health and safety and the working environment. We have aligned these goals with the United Nations 2030 Sustainable Development Goals.

By conducting surveys and workshops with our stakeholders and employees, we have identified our sustainability priorities and created our action plan to implement it in every process of the value chain. By being aware of sustainability is not just about preventing climate change, we keep our priorities set in the social, economic and environmental areas in our focus throughout our daily business processes, make improvements by addressing our activities in a measurable and comprehensive way, and share results



transparently with our stakeholders and global platforms and contributing to the sustainable future of the world is our ultimate goal.

It is clear from today's perspective that we need to do more to ensure a sustainable future and also sustainable economic success. I thank our customers, business partners, local people and all other stakeholders with whom we cooperate, especially our employees, to achieve success in our goals.

**MEHMET EMRE ŞENER**

Yönetim Kurulu Başkanı

## Message from the General Manager

Dear Stakeholders,

Chemistry and machinery cooperation for a sustainable world became the most important determinant of 2019. Innovations that came with the Industrial Revolution are now evolving on the path of digitalization, which consumes and pollutes the world's resources less. Digital printing inks and machines are the best examples of this.

We believe that the concept of Glocalization, which means "produce in the country, consume in the country or even treat in the country" will contribute positively to the approach of resource efficiency and responsible production. Our production and product development continues in accordance with the ethical values we commit to and the regulations based on ecological raw materials.

As Setaş, we have successfully completed the year 2019 with our experienced employees on our way we started by saying "Human first". We have taken important steps in digital inks and functional masterbatches for sustainable development in the field of environment and technology.

By believing in the necessity of technology and digitalization and keeping employee satisfaction among our priority goals, we will continue to work on digital printing inks, digital color measurement and data sharing. The chemical recycling project of polyester fiber, which we have done on behalf of the circular economy, has reached the pilot level and it is at the stage of input planning and supply.

In addition, while updating our enterprise resource planning (ERP) system, we also evaluated all our business processes and worked on measuring, evaluating and making the right decision at every step with the right business intelligence reporting.

We would like to thank all our employees, customers and stakeholders for standing by us and appreciating our ethical values and development.

**FATMA ŞENER**  
General Manager



“ We would like to thank all our employees, customers and stakeholders for standing by us and appreciating our ethical values and development ”

# Management Philosophy

## Who We Are

We are a CHEMICAL company that works for a sustainable future and increases the competitiveness of our brand and business partners by strengthening our customer oriented principle with knowledge and innovation

## Our Future Goals

Creating HIGH CHEMISTRY in accordance with the 4th INDUSTRIAL REVOLUTION by combining our know-how of coloration with the advanced machinery technologies in the POLYMER, COATING, TEXTILE and PAPER industries

## Our Core Values

Compliance with ethical values  
Customer focus  
Openness to innovation and change  
Collaborated wisdom and information sharing  
Accurate planning, accurate analysis

## Key Features

Working energy  
Knowledge and experience  
Team work  
A will for continous learning  
Humble approach



## Setaş 2019 at a Glance

Setaş has been working for 54 years to contribute to the development of our country and continues its responsible works towards the social, economic and environmental development of our world and our country by positioning sustainability on the main axis of its activities.

Setaş, which continues to grow steadily with the motivation of producing sustainable value, contributes to society's development in the areas in which it operates by increasing its turnover to \$196 million during the reporting period.

By analyzing the expectations of its stakeholders, Setaş aligns its sustainability priorities and objectives with the Sustainable Development Goals and continues to produce projects in accordance with its priorities in every process of the value chain.

Setaş is aware of the importance of supporting women towards gender equality, which is one of the Sustainable Development Goals, and accordingly, it continued its activities during the reporting period with a rate of 20% female employees and 30% female managers.

Setaş, which increased the number of its employees from 335 to 357 in 2019, offers the value created by this effort to a wider audience. Being aware of the importance of human resources, according to the results of the employee satisfaction survey conducted in 2019, 90.2% of employees stated that they are happy to work in Setaş

Setaş has achieved 8% water savings per unit production in 2019 in order to use limited water resources efficiently with the awareness and responsibility of reducing direct and indirect environmental impacts caused by its activities. In the journey of waste recycling and the circular economy, 54% of the cardboard packages released to the market have been recycled.

Setaş maintained energy management with the goal of maximum savings and maximum efficiency in production processes so as not to affect product quality, while saving 3,017 GJ from electricity and natural gas consumption thanks to energy efficiency applications during the reporting period.



**357**  
Employees



**20%**  
Female Employees



**30%**  
Managerial and above level female employees



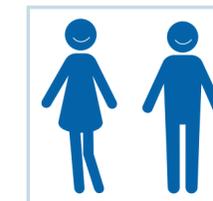
**8%**  
Water saving per 1-ton production



**54%**  
Recovery rate in cardboard packaging



**3,017 GJ**  
Energy saving



**90.2%**  
Those satisfied workers



**\$196 Million**  
Turnover

## About Setaş

Setaş is a chemical company founded in 1966 and established its life on color. Setaş, which set out to supply products to the textile industry, has developed its product range by producing dyestuffs, chemicals and special effects for the paper, plastic and metal industries. The healthy functioning of the organization and plan for the future by applying a strategic management approach to a secure, creative and dynamic working approach and continues to exist in the direction of proper financial management skills, skilled human resources and strong technical infrastructure.

By acting fast with its expertise driven solutions, supporting the customer-oriented principle with knowledge and innovation and finding answers to its customers' questions and problems; Setaş performs project collaborations with its customers to give them advantage over their competitors.

Setaş, which provides intercultural communication correctly with geopolitical location between Europe and Asia, has taken a leading position in Turkey in the areas in which it operates. Setaş also markets its products in the Middle East, Asia, Europe, Africa and South America regions.

Operating with the “Direct Sales of Imported Products From the Warehouse to the Customer” and “Lean Supply System for the Products in Local Production” applications within the established logistics center, Setaş increases its competitiveness both locally and abroad, while providing the minimum inventory cost and fast supply advantage for its customers.

**Setaş 1:** Production is carried out in 3 main sections: reaction, dispersion and chemical sections. Liquid reactive, liquid basic, liquid sulfur and disperse dyes are produced in the reaction department with an annual production capacity of 6,000 tons. The dispersion department has an annual production capacity of 10,000 tons and produces vat dye dispersions and liquid pigment and liquid disperse dyes. In the chemical department, the production of optical brightening agents and auxiliary chemicals for the textile and paper industries are carried out with an annual capacity of 25,000 tons.

**Setaş 2:** In Setacoat factory, which has an annual production capacity of 6,000 tons, Setaş produces electrostatic powder coatings in epoxy, polyester and hybrid structure.

**Setaş 3:** Masterbatch factory with annual production capacity of 10,000 tons produces PET, PE, PP, and PA based color, black and functional masterbatch for fiber, packaging and cable industries.



3

Factories



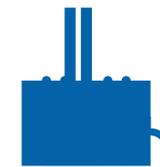
4

Different industries



In 5 Continents

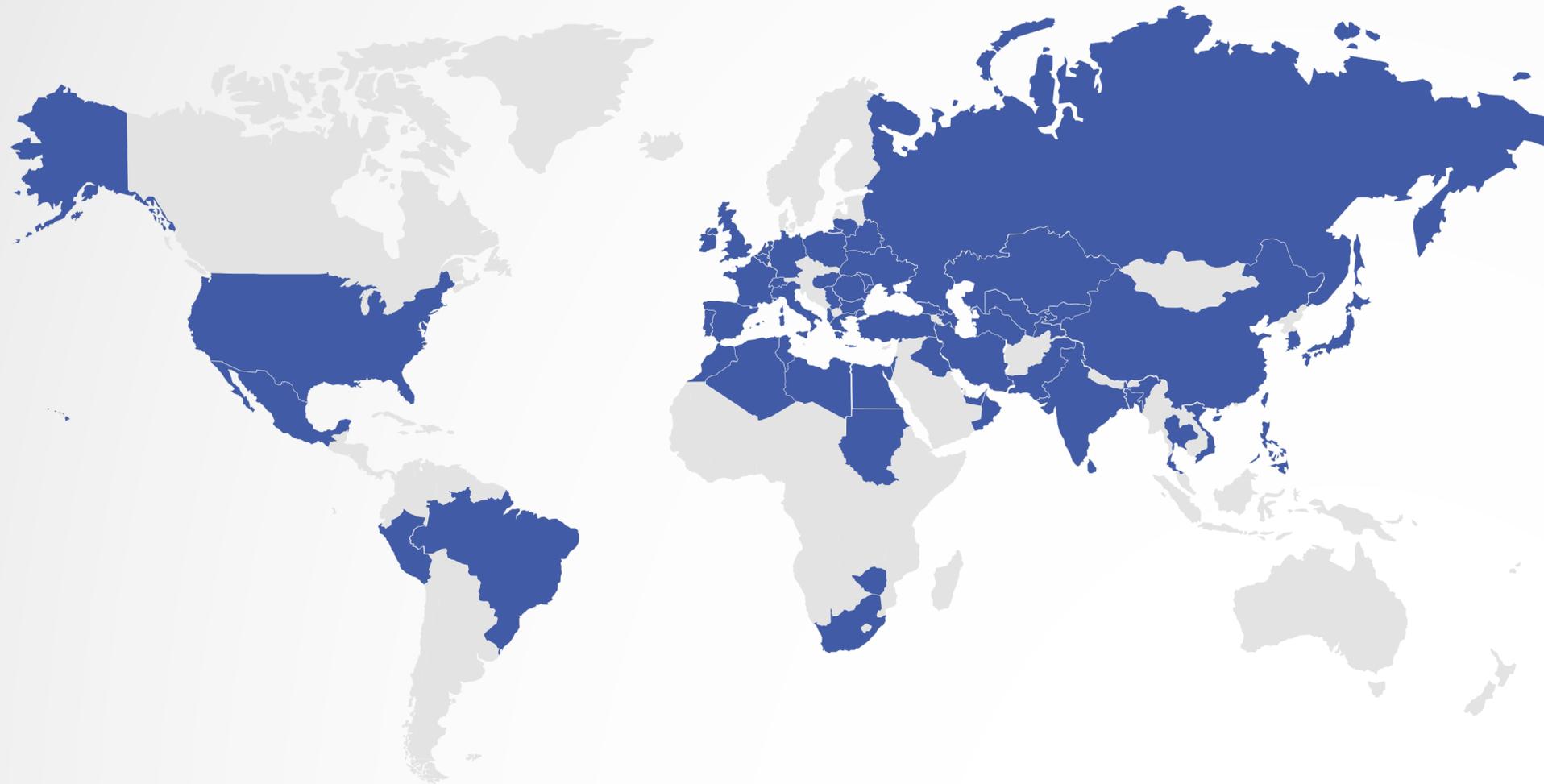
Exports to 50 countries



57,000 Tons

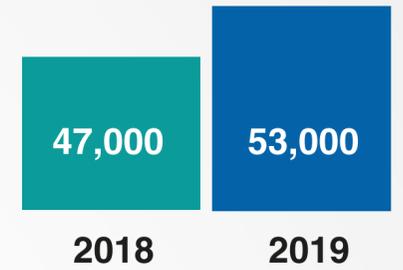
Production capacity

## Global Presence



Setaş continues to maintain its presence in 50 countries thanks to its expanding global operations while creating economic value for Turkey with sales of 196 million dollars in 2019 and to increase its export share in the target countries with the Turquality program, joined in 2017.

### Total Sales (ton)



### Total Turnover (million \$)



### The Share of Exports in Total Sales

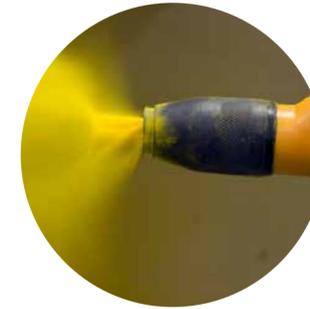


## Industries



### Textile

Setaş is a leading company in its industry by developing multi-functional products with a great variety of production processes through the synergy created by the Technology Center founded for gathering distinct R&D disciplines together.



### Metal

Setacoat<sup>®</sup>, which was established in 2007 to serve the metal industry, offers a wide range of color, surface and special effects solutions in various features for interior and exterior in industrial and architectural areas.



### Masterbatch

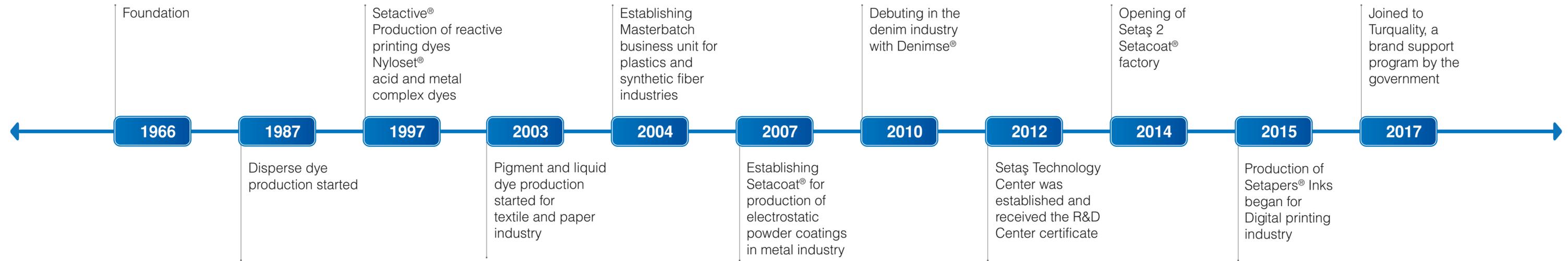
Setaş Masterbatch was established in 2004 in order to meet the production needs of masterbatch for polyester fiber in the Turkish market where fiber and plastic industry is intensive.



### Paper

Setaş, which has started to produce dyes, optical brightening agents and performance chemicals for packaging paper, writing paper and cleaning paper industries since 2003, continues its leadership in Turkey especially in optical brightening agent and brown dye continues to grow with the new product line at home and abroad.

# History and Products



**Textile Dyes**  
Textile Dye



**Textile Auxiliaries**  
Dyeing and Printing Auxiliaries and Optical Brighteners



**Denim**  
Denim Dyes and Auxiliaries



**Setchem**  
Fiber Lubrication Chemicals



**Inkjet**  
Digital Printing Inks



**Masterbatch**  
Fiber MB  
Functional MB  
Packaging Materials



**Setacoat**  
Electrostatic Powder Coatings for Interior and Exterior



**Paper**  
Dye and Optical Brightening Agents  
Performance Chemicals

Nyloset®  
Pigmaset®  
Setacryl®  
Setactive®  
Setanthren®  
Setapers®  
Setazol®  
Sulfofet

Setabicol  
Setabinder®  
Setacarrier®  
Setacid®  
Setaclean  
Setacrystal®  
Setacross®  
Setafen  
Setafix®  
Setaflam®  
Setaflex®  
Setafor®  
Setagum

Setajet  
Setalan®  
Setalase  
Setalgine®  
Setalub®  
Setapolymer®  
Setapret  
Setaprint®  
Setasil®  
Setastat  
Setawash®  
Setawet®  
Setawhite

Dyeage®  
Dyeneon®  
Dyewash®  
Dyefast®

Setoil®

Nyloset®  
Setapers®  
Setactive®  
Pigmaset®

Masterset®

Setacoat®

Setacryl®  
Setadirect®  
Setafor®  
Setapolymer®

## Corporate Management System

### Executive Board

The executive board consists of the most senior managers representing all the functions in the executive level at Setaş. The General Manager chairs the Executive Board. Executive board; implementing the decisions of the board of directors, and discuss strategies for implementation of the company's activity in the areas to present for approval to the board of directors of the company effective execution of activities and projected goals to determine the most appropriate organizational structure that will enable the realization of the targets and policies created by board of directors in line with new products, services and markets to identify activities quality, evaluated in terms of efficiency and performance, ensuring compliance with policies and defined objectives, ensuring that activities are carried out effectively by personnel who have sufficient qualifications of employees and to encourage them to care about their own career development, using all of the resources for the continuation of the company's activities in an efficient, effective and adequate way for the purpose of the company and responsible for ensuring that the whole organization works in direction of company targets.

### Disciplinary Board

In order to ensure business discipline and a reliable working environment, Setaş disciplinary procedure, regulated in accordance with the provisions of the labor code, is applied equally to all its employees in accordance with the principle of equal operation regulated in Article 5 of the labor code. The Disciplinary Board, which is responsible for making and implementing disciplinary decisions, also ensures the confidentiality of files. The disciplinary committee, consisting of the employer's representative, 2 members appointed by the employer and representatives of employees, receives support from legal advisors.

### Occupational Health and Safety Board

In accordance with the regulation on Occupational Health and Safety Boards of the Ministry of Family, Labor and Social Services, the Occupational Health and Safety Board consists of the employer or employer representative, OHS manager, occupational safety specialist, workplace physician, chief employee representative, foremen, human resources manager and support staff. The activities of the Occupational Health and Safety Board include risk assessment, elimination or minimization of risks at their source, implementation of corrective preventive actions, and evaluation and implementation of new practices. The board meets once a month, and the employer or the employer's deputy chairs the Occupational Health and Safety Board; decisions taken in the board are signed by creating a record and reported by the occupational safety expert who is the secretariat of the board.

### Ethics Board

The Setaş Ethics Board was established to investigate and resolve complaints and notifications of violations of the ethical rules and related policies within the scope of Setaş business ethics rules and to prevent discrimination. Although the working principles of the Ethics Board are defined in writing, the members of the board are elected by Setaş Board of directors. The Ethics Board evaluates complaints in the work life of the employees that they encounter in all sorts of issues with all relevant stakeholders and prepares reports made in accordance with the ethical rules to guarantee the confidentiality and to protect individuals after the announcement of the notification, ensuring job security to employees, solving complaints and notifications in a timely, fair, consistent and sensitive manner taking necessary actions and is responsible for investigation of violations.

### Sustainability Board

Setaş has adopted a multifaceted communication while acting with the awareness of its social, economic and environmental responsibilities. Setaş, which uses multiple instruments to spread its sustainability approach to the value chain, has international standard certificates such as ISO 45001 and SA 8000 to manage its social impacts for stakeholders and employees and builds its operations in accordance with these standards. Sustainable economic growth in line with the awareness of economic responsibility is managed by a senior management team under the leadership of the general manager appointed by the Board of Directors, and the goals are adopted by all employees and implemented by working in line with a common goal. In order to contribute to the determination of environmental strategies and to monitor environmental performance in a systematic way, the sustainability board was established with the participation of the environment, OHS, R & D, machinery and energy, production, human resources and marketing units. If deemed necessary, participants consisting of different units are invited to the board and contribute to the understanding of sustainability. The board informs the board of directors about preventive and remedial measures to ensure the implementation of sustainability principles, areas that may create opportunities, and results of activities.

## Ethical Values

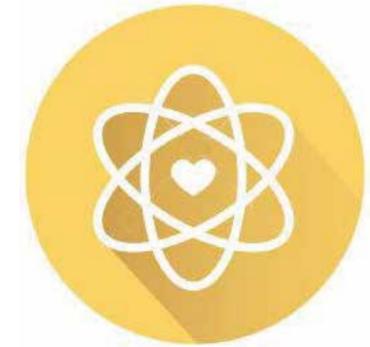
Setaş, which manages its business model with ethical values in accordance with universal values, encourages and supports its employees and stakeholders to adhere to and act in accordance with ethical values. In Setaş, a booklet of ethical values is published on the intranet portal, which employees can reach at any time. Setaş ethical values booklet is presented as a guide in written and oral communication that will be established between employees as well as with non-company stakeholders and solution partnerships. Setaş receives a commitment for implementation from new employees by communicating ethical values in job entry training. Behavior or situations that are considered inappropriate for ethical values can be transmitted via an e-mail address specific to ethical values. Notifications can be done also by phone or mail. The information received at the ethics address is recorded by a team of experts, and the notifications made are regularly reported to the persons appointed at the Ethics Board, and these reports are evaluated by the relevant officials. If the Ethics Committee deems it necessary, it resorts to expert opinion and benefits from experts by taking measures that do not violate privacy principles during the investigation.



**Accuracy**



**Reliability**



**Equality**



**Compliance with  
Laws and  
Regulations**



**Environmental  
Responsibility**

## Stakeholders

When defining the value chain, Setaş makes definitions related to all its stakeholders at the bottom of the value chain and regularly updates them in annual periods. All kinds of people, organizations and communities that affect Setaş's activities and are also affected by Setaş's activities are seen as Setaş stakeholders. In Setaş, the stakeholders are divided into internal and external stakeholders.

In a global market that is constantly changing in economic terms, the stakeholders of companies can also constantly change as a return on changing economic balances. For this reason, in line with the understanding of developing sustainability strategies, the expectations of the relevant stakeholders and the reasons for the expectations are analyzed every year with the participation of the units that communicate with the stakeholders. These expectations are met according to the impact of Setaş on its activities and the degree of this impact. Moreover, methods of communication with stakeholders are being reviewed.

Stakeholder views and expectations are continuously monitored in Setaş using the most effective and effective communication channels.

Factory Visits, [Continuous](#)  
 Customer Visits, [Continuous](#)  
 Customer Satisfaction Survey, [1 Time a Year](#)  
 Institution-Brand Perception Survey, [1 Time in 2 Years](#)  
 Phone Calls, [Continuous](#)  
 Digital Communication Channels, [Continuous](#)  
 Exhibitions, [Continuous](#)

### Customers

Supplier Visits, [Continuous](#)  
 Supplier Satisfaction Survey, [1 Time Per Year](#)  
 Supplier Evaluation Survey, [When Necessary](#)  
 Supplier Audits, [Continuous](#)  
 Phone Calls, [Continuous](#)  
 Digital Communication Channels, [Continuous](#)  
 Exhibitions, [Continuous](#)

### Suppliers and Subcontractors



# Stakeholders

<p>Notice Boards, <a href="#">Continuous</a>                      Portals - Setaş Academy, <a href="#">Continuous</a>                      Electronic Communication, <a href="#">Continuous</a>                      Dating Meetings, <a href="#">When Necessary</a>                      Performance Interviews, <a href="#">1 Time Per Year</a>                      Social-Sporting Events, <a href="#">When Necessary</a>                      HR region visits, <a href="#">When Necessary</a></p>	<p>Departmental Meetings, <a href="#">When Necessary</a>                      Field Period Meetings, <a href="#">When Necessary</a>                      Sales Meetings, <a href="#">4 Times a Year</a>                      Quality Assurance Meetings, <a href="#">1 Time in 3 Months</a>                      General Manager Information Meetings, <a href="#">1 Time Per Year</a>                      Marketing Meetings, <a href="#">4 Times a Year</a>                      Special Agenda Meetings, <a href="#">When Necessary</a></p>	<p>Employee Engagement Survey, <a href="#">1 Time in 2 Years</a>                      Subject-Based Surveys, <a href="#">1 Time Per Year</a>                      Competence Assessment Survey, <a href="#">Where Necessary</a>                      Employee Satisfaction Survey, <a href="#">1 Time In 2 Years</a>                      Individual Recommendation System, <a href="#">Continuous</a>                      Orientation Program, <a href="#">When Necessary</a>                      Exit Interview, <a href="#">When Necessary</a></p>	<p>Sustainability Board, <a href="#">Once a Month</a>                      OHS Board, <a href="#">Once a Month</a>                      Executive Committee, <a href="#">Once a Month</a></p>
<p>Employees</p>	<p>Employees</p>	<p>Employees</p>	<p>Employees</p>
<p>Press Releases, <a href="#">When Necessary</a>                      Press Conferences, <a href="#">When Necessary</a>                      Interviews, <a href="#">When Necessary</a>                      Social Responsibility Projects, <a href="#">When Necessary</a></p>	<p>Project Partnerships, <a href="#">When Necessary</a>                      Corporate Memberships, <a href="#">If Necessary</a>                      Representation, <a href="#">When Necessary</a></p>	<p>Senior Management Meetings, <a href="#">When Necessary</a>                      Meetings with Process Managers, <a href="#">When Necessary</a>                      Joint Projects, <a href="#">When Necessary</a></p>	<p>Awareness-Raising Activities, <a href="#">Continuous</a>                      Social Responsibility Projects, <a href="#">Continuous</a>                      Factory trips, <a href="#">When Necessary</a>                      (according to student demands)</p>
<p>Media</p>	<p>Non-Governmental Organizations</p>	<p>Consultants</p>	<p>Society</p>
<p>Senior Management Meetings, <a href="#">When Necessary</a>                      Meetings with process managers, <a href="#">When Necessary</a></p>	<p>Educational collaborations and joint projects, <a href="#">When Necessary</a>                      Career Days, <a href="#">When Needed</a>                      Board Meetings, <a href="#">1 Time Per Month</a></p>	<p>Project Partnerships, <a href="#">Continuous</a>                      Annual Reports, <a href="#">1 Time Per</a>                      Annual Budget Meetings, <a href="#">When Necessary</a>                      Strategic Planning Meetings, <a href="#">1 Time Per Year</a>                      MR Meetings, <a href="#">Minimum 1 per year</a></p>	<p>Project partners, <a href="#">Continuous</a>                      Audits, <a href="#">Continuous</a>                      Meeting, <a href="#">Continuous</a></p>
<p>Measurement</p>	<p>Universities</p>	<p>Shareholders</p>	<p>Public Institutions and Organizations</p>

## Sustainability Policy

Setaş, which supports its customer-oriented principle with knowledge and innovation and acts with the philosophy of being a chemical company that increases the competitiveness of its brand and business partners and works for a sustainable future, considers itself a part of the economy, society and environment;

- ▶ It works to produce ecological and technological solutions for sustainable economy, sustainable environment and sustainable society
- ▶ It evaluates the effects of its activities throughout the value chain in 3 categories based on Sustainability, Technology and Synergy approaches
- ▶ By signing the United Nations Global Compact in 2016, it develops its sustainability priorities and objectives in line with the Sustainable Development Goals (SDG) and implements them across the value chain
- ▶ It sets its sustainability strategy and, accordingly its goals, in cooperation and communication with all stakeholders, especially key stakeholders, and also aims to create value for them
- ▶ It designs its products and services in accordance with the ecological and performance criteria of textile manufacturers, brands, retailers and end users and in a way that meets national and international standards
- ▶ It aims to minimize the effects of products on environment and human health by continuously developing chemical management systems



# Value Chain Approach



Setaş evaluates the effects of its activities throughout the value chain in three categories based on Sustainability, Technology and Synergy approaches.

## Sustainability

We create ecological and technological solutions for sustainable economy, sustainable environment and sustainable society by knowing our responsibilities for the economy, the society and the environment.



## Technology

We transform our 50-years of chemistry and color know-how into solutions by combining with technology, that create value for our customers.



## Synergy

We establish open, honest and solution-oriented communication with our customers and business partners by acknowledging that the secret of the success belongs to their accomplishment and success.

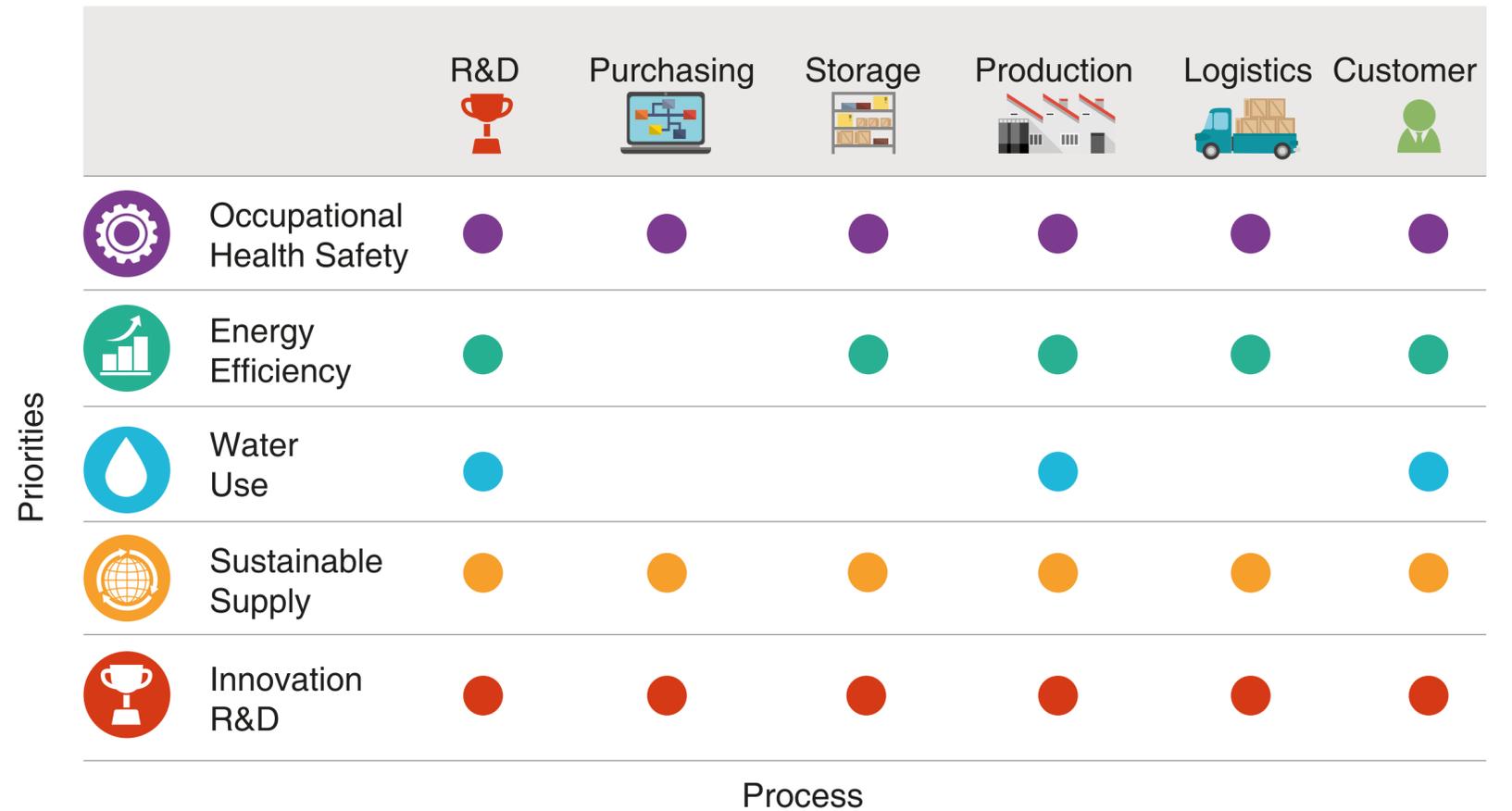


# Sustainability Priorities in the Value Chain Materiality Matrix

## Priority Assessment



## Value Chain



Setaş has identified 5 sustainability priorities that affect its activities positively or negatively for internal and external stakeholders. It has developed methodologies that will ensure that these priorities are implemented at all levels of the value chain.

## Goals

Goal Category	Sustainability Priorities	2019 Goals	2019 Goals Achievement Status	2020 Goals
 sustainability	Water Use	5% reduction of the amount of water used per ton in production	8% water saving was achieved with 5.66 m <sup>3</sup> /ton water usage in production	5% water saving
	Energy Efficiency	5% reduction of the amount of water used per ton in production	5% savings was achieved production with 2.28 GJ/ton specific energy usage	5% energy saving
	Supply Chain			Completion of infrastructure works for master planning system
 technology	Innovation - R&D	Compliance with the KKDIK regulation - completion of pre-registration	Pre-registration procedures under the KKDIK continue	Completion of pre-registration procedures within the scope of KKDIK and start of actual registration work
		Accreditation for the detection of chemicals within the scope of ZDHC through waste water - conducting method validation studies for Priority4 parameters	Method validation works initiated	Application for accreditation by completing studies
		Increasing the number of products at Level3 in ZDHC Gateway	185 dyestuffs were registered at Level3	Listing of textile auxiliary chemicals at Level3 in ZDHC Gateway
		Making toxicological calculations based on product by QSAR method	For chemicals; the method of calculating the endpoints of skin sensitivities, skin irritants, eye irritants and mutagenicity with QSAR has been developed and applied for some substances requiring ecological evaluation	Making use of this method within the scope of the KKDIK to prepare the registration file
		Completion of technical training content	Completion of technical training content	Digitization of educational content
e-ColorMaster color management system completion of process infrastructure works	e-ColorMaster color management system programming process initiated	Making the e-ColorMaster color management system available to customers		

# Goals

Goal Category	Sustainability Priorities	2019 Goals	2019 Goal Realization Status	2020 Goals
 synergy	Human Resources	Increasing the number of female employees in the talent pool	Number of female employees in talent pool increased by 25 %	No new goal set
		Starting modeling work to improve human resources processes	Human resources modeling business valuation studies started	Development of software infrastructure to be used in human resources processes
	OHS	Increase the OHS training time per person to over 16 hours	OHS education time per person was 16.55 hours	No new goal set
		OHS system restructuring	As part of the OHS system restructuring project, the OHS Leadership Program was launched, work on switching to occupational health and safety software has been started	Dissemination of OHS Leadership Program, which started to be implemented as a pilot in paint production plant, and completion of the transition to occupational health and safety software



## sustainability

- ▶ Sustainable Supply Chain
- ▶ Product Management
- ▶ Environmental Management System
- ▶ Water Management
- ▶ Energy Efficiency
- ▶ Wastewater Management
- ▶ Climate Change
- ▶ Waste Management

## Sustainable Supply Chain

Being aware of the critical importance of controlling inputs and outputs affecting social, economic and environmental sustainability, Setaş evaluates sustainable supply chain practices in the fields of supplier selection, raw material use and logistics.

Procedures for selecting, evaluating and managing suppliers are defined and implemented in purchasing processes. In the first stage of supplier selection, suppliers are being evaluated in terms of quality management systems, environmental management systems, occupational health and safety and social responsibility policies and funding. The certification standards taken into account in this context are ISO 9001, ISO 14001, ISO 45001 and SA 8000. Suppliers that meet the specified requirements are included in the approved supplier list and evaluated periodically through the enterprise resource planning (ERP) system.

Setaş, which has a social responsibility commitment of SA 8000 and acts with the principle of "Human First" at every stage of all processes, expects its suppliers to comply with these standards. They are not accepted in the approved supplier list when they do not comply with these conditions. Work agreement is terminated with current suppliers when they operate inappropriately as per the audits.

Setaş supplies raw materials from the approved supplier list by evaluating product quality and ecological compliance criterias. Raw material selection; according to the determined quality and ecological parameters, basic research is carried out with the approval of accredited testing laboratories and Quality Control Laboratories. Adopting the vision of the ZDHC Zero Waste Program and acting on the principle of continuous improvement, Product Safety and R&D units, Setaş works in cooperation to identify ecologically safer alternatives and transfer them to production processes in order to minimize the effects of the raw materials used on the environment and human health. Setaş takes a holistic approach to sustainability, and contributes to the reduction of carbon footprint by choosing raw materials, packaging recoverable, recyclable and reusable products at every stage of the purchasing process.

Setaş aims to reduce the carbon emissions caused by logistics and contribute to the local economy by giving priority to local suppliers in the supply of raw materials. In addition, carbon emissions per kilogram are reduced in shipments by applying FCL system (full container load) and tanker shipment system instead of packaging in product and raw material logistics.

With the selection of licensed and experienced suppliers in the logistics of raw materials and products the risks

that may arise from improper transportation are minimized. In addition, logistics activities are carried out in accordance with the ADR regulation, the European agreement on the transport of dangerous goods on the road. In order to avoid the negative effects on the environment and human health that may occur due to spills during shipment as a result of improper packaging, safety measures are kept at a high level in the transport of dyes, chemicals or other raw materials. According to the Global Harmonized Classification and Labeling System of Chemicals, employees who are in contact with Setaş products are informed about the operations that need to be performed at the time of application and emergency response.

As part of good practices in the supply chain during the reporting period, efficiency in operations was increased by moving storage areas to the places close to the production area. However, thanks to the handheld terminals, errors that will occur in operations with the correct production at once are minimized, and all processes involved in supply management are collected under the enterprise resource planning system, providing ease of end-to-end tracking and reporting.

## Product Stewardship

Since 2003, being a member of ETAD (The Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturers) and acting with ecological and performance criteria in accordance with the principle of continuous improvement of brands and manufacturers, Setaş, is a solution partner to its customers with innovative products, while making the needed investments to implement and follow national and international standards in a manner that minimizes damage to the environment and human health on these issues.

As of 31 May 2018, the registration of substances exported to the EU in quantities of 1 ton and more per year has been completed under the REACH regulation, and work under the regulation continues for products newly introduced to the EU market. In line with ECHA's SVHC (substances of very high concern) list and 17<sup>th</sup> article of Annex and REACH legislation within the scope of Classification, Labelling and Packaging (CLP) legislation, Setaş also closely monitors its obligations regarding notices to the EU market of substances it offers.

Setaş supports the Sustainable Chemical Management goals of the ZDHC, which were established to take a pragmatic approach to the challenges facing the industry and enable the industry to move towards Zero Discharge of Hazardous Chemicals by 2020. Setaş is one of the first dye suppliers in ZDHC Gateway portal with dyestuffs. By supporting the ecological compliance of dyestuffs and chemicals with bluesign®, GreenScreen Certified™ Standard for Textile Chemicals or GOTS (Global Organic Textile Standard) certificates, brands and retailers Setaş contributes to brands and producers for achieving their goals.

Setaş designs all of its business processes within the framework of national and international management system standards and the compliance with chemical regulations



## Environmental Management System

Setaş has an environmental policy that puts sustainability in focus with awareness and responsibility to reduce the direct and indirect effects on the environment and human health arising from its activities. Increasing the efficiency of its facilities with advanced technology; efficient use of water and energy resources, reducing carbon emissions and waste, and increasing waste recovery are the main elements of its environmental policy.

To ensure continuity and to effectively manage the environmental impacts in all business processes Setaş is certified for ISO 14001 Environmental Management System which is integrated with ISO 9001 Quality Management System, ISO 45001 Occupational Health and Safety Management systems, SA 8000 social accountability management system, national and international product and management standards and legal regulations designed to be compatible with the chemical legislations. It conducts R&D studies and project collaborations with universities, non-governmental organizations and other internal and external stakeholders in order to further improve environmental performance.

Setaş undertakes to continuously improve its performance with the maximum attention it shows at every stage of its activities by adopting the Responsible Care® Program, which prioritizes the protection of human life, environment and natural resources and the existence of a livable environment in better conditions. In this context, Setaş carries out its responsibilities to develop methods and instructions for its implementation by creating a Responsible Care® Policy on environmental, human health and safety issues, train all personnel, implement and supervise practices.

Setaş designs all its business processes within the framework of national and international product and management system standards and within the framework of compliance with chemical regulations



# Water Management

Water is vital and an important operational input for many processes in chemical industry. Ensuring water supply is a fundamental need not only for businesses, but for society and the environment more broadly.

Being aware of its responsibilities, Setaş conducts risk assessments related to water use and implements strategies to ensure that its stakeholders adopt the same approach.

The water used by Setaş is supplied from the municipal water of Çerkezköy Organized Industrial Zone and most of the water is used in the process stage in dyestuff and chemical production. Machine cleaning, floor washing and domestic use are other areas where water consumption occurs.

In recent years, the amount of water use has been significantly reduced with the improvement projects and studies carried out. Water consumption, which was 6.15 m<sup>3</sup> per ton of production in 2018, decreased to 5.66 m<sup>3</sup> in 2019.

Due to the use of a large amount of water as process water, significant savings was achieved through revisions in machinery and technologies. In addition, the amount of water required for machine cleaning was reduced by planning consecutive production of similar products.

In addition to that, an automatic data collection system based on measurement was established to determine water consumption intensity.

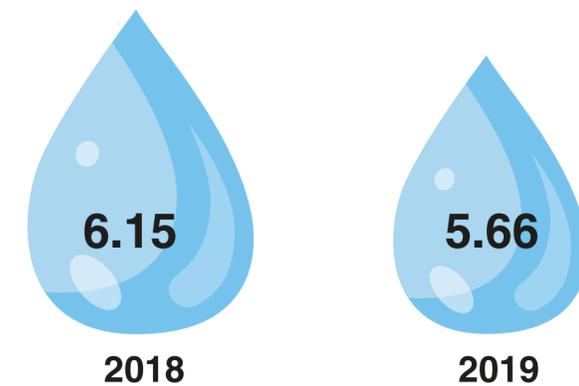
The following projects have been identified to achieve goals for water saving:

- ▶ Reduction of waste water by commissioning electrodeionization system in pure water production
- ▶ Water softening and reverse osmosis system waste recovery
- ▶ Reducing the amount of water used in cleaning production equipment
- ▶ Data measurement system for water use, which launched in 2019, will be included in the SCADA system, which will be established

In 2019, water consumption per unit production was reduced by 8% compared to the previous year

## Water Consumption Intensity

(m<sup>3</sup>/ton - amount of water used per 1 ton production)



Total water consumption m <sup>3</sup>	2018	2019
	239,242	252,275

## Energy Efficiency

Setaş uses electricity and natural gas as energy sources and works to bring all its processes in line with energy management policy with the awareness of ensuring energy efficiency. In this context, emission measurements, equipment isolation controls and improvement studies and periodic boiler maintenance are carried out on a regular basis.

As a result of projects and improvement works conducted in 2019, a total energy efficiency of 3,017 GJ was achieved in electricity and natural gas. Examples of improvement works are given below.

- ▶ In Setaş 1 facility, energy analyzers are installed in the grinding machines and electrical energy consumption is recorded on the basis of the grinder.
- ▶ In Setaş 1 facility, 10% of the electrical energy used in lighting is saved by LED lighting fixtures
- ▶ With the automation made in the feed system of grinding machines in Setaş 3 facility, 12.5% electricity savings was achieved over the electrical energy consumed by grinding machines
- ▶ 4 % saving for natural gas used in condensate water steam production by heating

The following projects have been identified to ensure targeted energy savings:

- ▶ 10% savings on electricity consumption of machines by removing cyclone system in raw material grinding machines at Setaş 3 facility
- ▶ Switching to using high-efficiency engines in Setaş 3 facility
- ▶ 5% electrical energy savings in gas treatment systems with automation system in Setaş 1 facility
- ▶ 5% electrical energy savings by installing an inverter in grinding machines in Setaş 1 facility
- ▶ 10% savings in natural gas consumption of the unit by improving the raw material preheating chamber
- ▶ Saving 4% for each chimney by recovering the heat released from the chimneys of steam boilers
- ▶ 10% saving of the natural gas used in hot oil by recovering the heat in the hot oil cooling system

Energy consumption per unit production decreased by **5%** in 2019 compared to the previous year



**46,230 GJ**

Total Electricity Consumption In 2019



**55,509 GJ**

Total Natural Gas Consumption In 2019

### Energy Efficiency

	2018	2019
Electricity Consumption (GJ / Ton)	1.03	1.04
Natural Gas Consumption* (Sm <sup>3</sup> /Ton)	40.09	37.83
Specific Energy Consumption (GJ / Ton production)	2.39	2.28

\*Natural gas data is given for the Setaş1 plant, where natural gas is used.

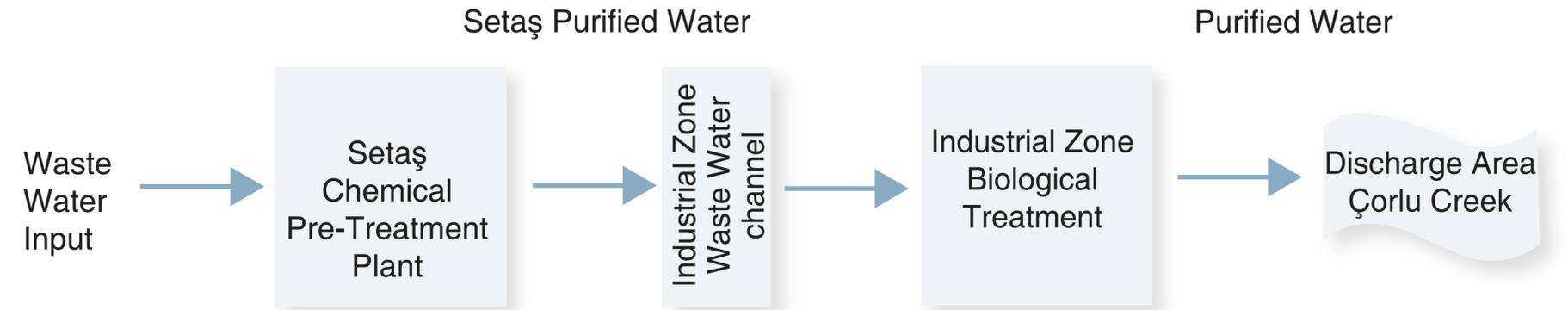
## Waste Water Management

The waste water released as a result of the production activities of Setaş, located in Çerkezköy Industrial Zone (ÇOSB), is directed to the chemical treatment unit located on the site and after pre-treatment, for 2nd stage treatment, it is directed to the biological treatment plant by means of waste water channels of the Industrial Zone Directorate.

Setaş does not discharge waste water directly into the receiving environment. Waste water released to the ÇOSB channel is treated at physical and chemical waste water treatment plant and its compliance with ÇOSB canal standards is monitored daily.

A total of 80,000 m<sup>3</sup>/day of waste water can be treated with 2 treatment plants, each with a capacity of 40,000 m<sup>3</sup>/day within the ÇOSB. Therefore, with this capacity, it is one of the largest industrial wastewater treatment plants in Turkey.

In Setaş, which follows an environmental policy in accordance with the ecological requirements of national and international standards, the waste loads of production processes were calculated by analyzing the current situation within the scope of the university cooperation in order to reduce the waste load and recover the waste water. In this context, processes with high waste load are prioritized and an improvement plan is prepared.



# Climate Change-Carbon Footprint

Climate change poses one of the greatest environmental, social and economic threats. The Intergovernmental Panel on Climate Change (IPCC) states that the climate system is warming decisively. Observations show that global average air and ocean temperatures are rising, snow and ice meltdowns are spreading, and sea levels are rising globally. Warming is largely based on greenhouse gas emissions from human activities. If global action to limit emissions is not taken, the recorded temperature rise is expected to exceed 2 °C. Exceeding this threshold increases the likelihood of irreversible catastrophic changes occurring.

Governments have committed to making efforts to keep global temperature rise below 1.5 °C. In order to remain below the globally accepted limit of global greenhouse gas emissions efforts need to be increased for reducing global greenhouse gas emissions by 45% by 2030 compared to 2010 levels to stay below the globally agreed limit and reducing CO<sub>2</sub> emissions to net zero by 2050 and total greenhouse gas emissions by 2070 to net zero.

Tackling climate change is also very important for the chemical industry. Therefore, it is necessary to actively review the relevant risks in business processes, conduct activities in this direction and take urgent measures by including climate change risks in company strategies.

To cover all stages of the value chain within the framework of tackling climate change Setaş sets out the policies and strategies followed by reducing emissions from operational activities against climate change and works towards this purpose.

Greenhouse gas emissions from Setaş's activities in 2019 calculated as 11,479 tons of CO<sub>2</sub> and 0.258 CO<sub>2</sub> emissions per 1 ton production

## Total Greenhouse Gas Emissions (ton)

	2018	2019
		10,097

## Greenhouse Density

	2018	2019
Total Emitted CO <sub>2</sub> / Total Production	0.260	0.258

## Climate Change-Emissions

Climate change fighting emissions values are important. In order to reduce its environmental footprint by controlling emissions, Setaş performs the measurement of important parameters such as combustion gases, dust, VOC in accredited laboratories determined by the ministry every two years in accordance with the Industrial Air Pollution Control Regulation within the scope of air emissions management studies. Measurement reports are also shared with the Provincial Directorate of Environment and Urbanisation. Emission measurement since this reporting period is not in the measurement period. Therefore, the table contains the 2018 values.

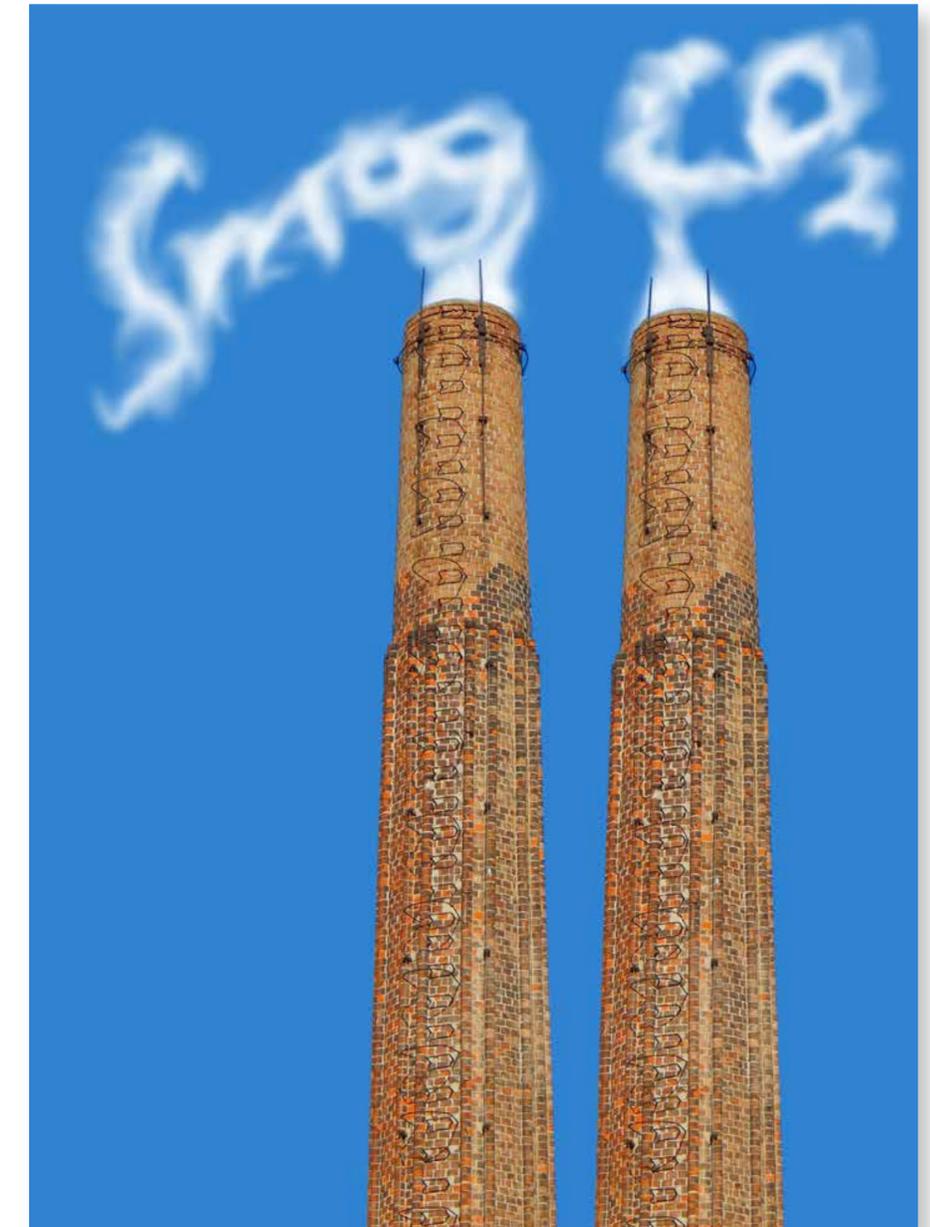
Setaş manages efforts to reduce emissions from its operational activities against climate change as follows;

- ▶ Seasonal adjustment of boiler settings to optimize natural gas consumption
- ▶ Creation of dust collection and special filtration systems for emissions from electrostatic powder coating and masterbatch production facilities

- ▶ Revision of product prescriptions with R&D studies to minimize emissions from production
- ▶ Instructions for use and cleaning of equipment at the chimney outlet points, instructions for use of waste gas treatment systems and regular follow-up of periodic maintenance control procedures

### Emission Measurement Results

	Industrial Air Pollution Control Regulation Limit (Value kgs / hour)	2018 Emission Measurement Results
VOC	30	0.035
VOC <small>Total organic Carbon Type</small>	10	0.022
SO <sub>2</sub>	60	1.653
NO	20	1.662
NO <sub>2</sub>	40	1.792
Toz	10	0.012
CO	500	0.929



## Waste Management

Setaş operates with an integrated waste management approach to reduce production waste at its source and ensure recovery of generated waste. In waste management, the goal is to reduce the amount of waste at its source and increase the amount of recovery in the total amount of waste. Recycled waste contributes greatly to both the economy and the efficient use of natural resources.

The types of waste that occurs as a result of the Setaş activities are; qualified domestic waste, packaging waste (paper, cardboard, wood), metal waste, plastic masterbatch waste, contaminated packaging waste, contaminated protective clothing, oakum, sawdust and filter wastes, waste mineral oil, hazardous chemical wastes, waste sludge, fluorescent light bulb disposal, electronic waste, accumulator and battery wastes.

Some of the applications carried out in accordance with waste management works are as follows:

- ▶ Providing periodic training to employees to ensure that waste distinctions are made correctly
- ▶ Analysis of wastes in accordance with the regulations when necessary
- ▶ Waste is divided according to its types, labeled according to the regulations, placed in the waste site and keeping the relevant records
- ▶ Ensuring disposal of waste by entering Motat data to companies licensed by the Ministry of Environment and Urbanism

- ▶ In accordance with legal regulations, the recovery or disposal of waste generated by waste separation boxes located in internal and external areas that are easily accessible to each employee in accordance with the goal of increasing the waste recycling rate

79% of the raw material packaging we use is provided to licensed companies that recover, and 21% to licensed disposal companies.

Hazardous waste recycling rate during the reporting period was 45%, non-hazardous waste recycling rate was 85% and total waste recycling rate was 51%.

In our Setaş 2 production facility, the amount of contaminated packaging (paper-nylon) has been reduced by 19% by the separation of packaging waste at the source as hazardous and non-hazardous and has been converted into non-hazardous packaging waste that can be recycled.

Reducing the amount of waste in the context of waste management and the amount of recovery in the total amount of waste are aimed to increase to 60%.

### Waste type kg / 1 ton production

Type of Waste	2018	2019
Hazardous waste recycled	20.90	19.80
Non-hazardous waste recovered	6.10	7.50
Hazardous waste disposed	21.90	24.60
Non-hazardous wastes disposed	0.60	1.30

In waste management, the goal is to reduce the amount of waste at its source and increase the amount of recovery in the total amount of waste

## Recovery of Product Packaging Waste Marketed

Resource efficiency is one of the important factors in contributing to the circular economy.

Setaş aims to ensure that the inputs and outputs are suitable for recycling in its processes, to separate the waste correctly at the source and to increase the rate of recovered waste in the total amount of waste. In this context, the project to recover the product packages released to the market is carried out in line with joint work with PAGÇEV and TÜKÇEV, organizations authorized by the Ministry of Environment and Urban Planning.

With this project, between 2010 and 2019 Setaş recovered;

- ▶ 2,522,579 kgs carton,
- ▶ 92,298 kgs wooden packaging

From product packaging released in 2019; **54%** of paper and **13%** of wood were recovered

**As a result of the recoveries made in the product packages released between 2010 and 2019;**



**18,396 m<sup>3</sup>**

oxygen produced so that 25,228 trees were prevented from being cut down



**10,013 kWh**

energy saving achieved



**68,885 lt**

water saving achieved



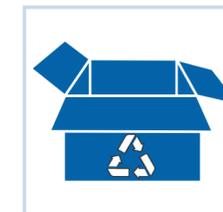
**816,333 lt**

fossil fuel saving achieved



**6,335 m<sup>3</sup>**

Storage area saving achieved



**2,522,579 kg**

cardboard packaging recovery



**92,298 kg**

wood packaging recovery



technology

- ▶ Digital Transformation Applications
- ▶ Services
- ▶ R&D Center
- ▶ Basic Research Testing Laboratory
- ▶ Sustainable Products

## Digital Transformation Applications

Setaş defines and implements its future strategies within the framework of digital transformation with the energy it receives from the principle of openness to innovation and transformation, which is one of its main features. Thanks to the digital transformation enterprise resource planning system which is one of the plans in the 2019 period, processes tracked through different systems or in the analog environment have been moved to the single platform and Setaş got closer to agility target with end-to-end set of business processes.

e-ColorMaster color management system, which includes color formulations and product ecological adaptation criteria that will increase communication with customers on digital channels and allow them to access information faster, has been started in 2019 and the comprehensive project is aimed to be completed in 2021.

Training, which is the building block of economic and social development along with e-learning, combines with the digital world, as the necessity of our time, and turns into a structure that everyone can easily reach. Being aware of the importance of e-learning, Setaş has prepared training plans that will respond to the needs of all its stakeholders and valuable human resources and contribute to its development and continues to create e-learning platform.



## Services



### R&D Center

Setaş R&D Center, which started its operation in 2012 by targeting the benefit of sharing information and opportunities, brings all research and development activities under the same roof and provides cooperation and synergy between different disciplines.



### Color Management

Setaş Color Center, which started its operations in April 2014 within Setaş, works in cooperation with brands and offers fast and high quality color solutions.



### Basic Research Testing Laboratory

In order to support the ecological product management process and to test and ship products according to international standards and conditions at every stage of production and sales, Setaş Basic Research Testing Laboratory has been established.

## R&D Center

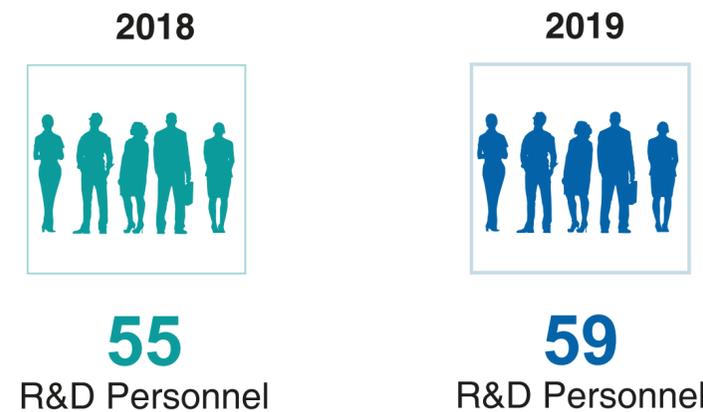
Setaş R&D Center invests in creative thinking, difference making, change and future and has a solution-oriented R&D approach towards sustainable development. It successfully concludes the projects it carries out with the synergy as a result of the combination of different industries and disciplines.

It develops joint projects for solution partners to take a step ahead of their competitors, and completes these projects in the fastest way possible by collaborating with universities and research institutions.

Projects are prioritized in accordance with the future goals and sustainable environmental policies based on the development of substitute chemicals development, digital printing dyes and chemicals, technical textile chemicals and synthetic fiber technology, and proprietary products in accordance with European chemical legislation compliance with the world and the development of existing environmentally friendly dye products which present a risk to ecological regulations.

Setaş R&D Center carried out a total of 44 projects during the 2019 operating period and completed 11 of the 14 projects by obtaining innovative products and technologies. In 2019, R&D and innovation spending increased by 7.2% compared to the previous year.

Setaş invests in human resources, believing that innovative products will be achieved with qualified personnel. In 2019, it continued its activities with 59 R&D personnel and 3 of its staff working in R&D projects have master's degrees and 1 of them graduated from PhD programs in addition, 2 new employees started in the PhD program.



**5 Patents**  
2 Patents  
3 New Patent Applications



## Color Management

Competition in the textile and apparel industry drives companies to produce high quality, environmentally sensitive special products. In line with the wishes of the conscious consumer, the expectations of textile and ready-to-wear companies are increasing every day. In order to meet these expectations, Setaş Color Center, established in 2014 within Setaş, produces color options and solutions suitable for every fiber type by providing effective communication throughout the entire supply chain. Color standards, which can be produced as samples and yardages along with digital data depending on the change in season and fashion, are a guide for designers and brands' color managers.

With recipes prepared with Setaş dyes and chemicals, dyehouses easily obtain color reference and produce in accordance with brand expectations. In 2019, color rings and products prepared on polyester and cotton with fluorescent colors have attracted a lot of attention by brands.

Color Center activities;

- ▶ Providing color options and solutions to retailers and apparel industry
- ▶ Creating recipes for color standards in accordance with high fastness and ecological criteria
- ▶ Preparing the season colors of brands in accordance with expectations
- ▶ Organizing theoretical and practical training
- ▶ Provide technical service support
- ▶ To make joint projects with brands and dyehouses



## Basic Research Testing Laboratory

In order to determine the risks to the environment and human health due to the chemicals used in the production phase of the products and services it offers, Setaş has launched a Basic Research Testing Laboratory in order to evaluate them in accordance with existing regional, sectoral and global legislation. Ecological compliance tests include both innovative products developed within the scope of GE and products coming out of the existing production line.

The Basic Research Testing Laboratory operates according to TS EN ISO/IEC 17025 general requirements for the competence of Test and Calibration Laboratories and was accredited as a Conformity Assessment institution by the Accreditation Authority of Turkey (TURKAK) in 2018.

In 2019 operating period;

- ▶ Success was achieved in all correlation tests performed with external laboratories for the tests covered by accreditation.
- ▶ Works have been completed on reducing the detection limits of existing test methods and developing new test methods.
- ▶ Efforts to add new methods to the scope of accreditation have continued

### Accredited Analysis

	Device / Method	Sample
Azo Dyes	GC - MS / HPLC	Dye - Fabric
Chlorinated Phenols	GC - MS	Dye - Fabric
Chlorinated benzene and Toluenes	GC - MS	Dye - Fabric
Polycyclic Aromatic Hydrocarbons	GC - MS	Dye - Fabric
Alkyl Phenol Ethoxylates	LC - MSMS	Dye - Fabric - Chemical
Formaldehyde	UV - Vis	Dye - Fabric - Chemical
Quinoline	GC - MS	Dye - Fabric

### Other Analysis

	Device / Method	Sample
Anion - Cation	IC ( Ion Chromatography)	Dye - Chemical
Solvent	GC - MS / GC - FID	Dye - Chemical
Synthesis - Reaction Control	GC - MS / HPLC	Dye - Chemical
Structure Analysis	GC - MS / LC - MSMS / FTIR	Dye - Chemical
Elemental Analysis	AAS	Dye - Chemical
REACH Sameness Analysis	LC - MSMS	Dye - Chemical
Impurities	GC - MS / GC - FID / HPLC	Dye - Chemical

## Sustainable Products

In the textile industry, sustainable manufacturing applications have been adopted by all levels of the supply chain. Following and supporting this trend in the industry closely, Setaş develops safer, more efficient and smarter products and processes to reduce the negative effects of dyes and chemicals on the environment and human health. Ecologically certified chemicals developed by Setaş with its strong R&D infrastructure enable processes that save resources and reduce waste. As a result, it brings a holistic approach to sustainability with contributions such as increased operating efficiency and extended product life. In addition, thanks to the advantage of making local production, sustainable products follow an affordable price policy. To add value to polyester, cotton, acrylic and polyamide fibers, Setaş offers products as disperse, reactive, acrylic and acid dyes, pigments and auxiliaries in liquid, powder and dispersion forms and expanded its range of products by investing in sustainable development and advanced machine technologies.

### Denimse® 3S 2020

In line with the sustainability goals of brands and retailers in the denim industry, machine technologies that enable waterless production have also led to innovation in products used in dyeing and washing processes with using resources more efficiently and extending product life.

Setaş has contributed to significant resource savings by developing the Denimse® 3S 2020 product line, which can be used in laser and bubble technology machines through its R&D activities. The washing chemicals in this product range are bluesign® certified and EIM score registered, allowing users to achieve all the desired effects and looks.

### Digital Inks

The process of replacing digital technologies with traditional products has accelerated as consumers have increased their environmental sensitivity and demand for personalized products in their product choices. Digital printing technology takes innovation one step further by further improving the right production every day for the first time. It also offers more sustainable, clean, efficient and profitable production than conventional alternatives due to the low use of dyes and resources.

Setaş established Setaş Digital in 2017 as a result of 4 years of intensive R&D activities in order to replace the imported digital inks in our country and produce quality inkjet inks that can meet the needs of the textile industry. In this context, Setaş Digital, which makes investments in synthesis, R&D, production and system infrastructure and has a monthly production capacity of 100 tons, aims to be the largest producer in Turkey and the near geography with its high quality digital ink production.

### Liquid Dyes

Setaş produces ecological liquid disperse, reactive, basic dyes and liquid optical whiteners by nano filtration method in order to reduce the negative effects of powder dyestuffs on the environment and human health and to provide ease of use in processing. Setaş cares the production of liquid dyes which have much less impact on both worker and environmental health and encourages its customers to use liquid dyes. Liquid dyes provide ease of use and suitability for automation systems, besides they create less pollution by eliminating dust.

### Masterbatch

Masterbatch is an additive that gives the fibers coloration or functionality during the process of fiber extraction from the melt. Masterbatch application is a sustainable process as it significantly reduces water and energy consumption and carbon footprint by completely eliminating the steps of dyeing and finishing. In addition, because the coloring process occurs during fiber extraction from the melt, it allows extending the service life of textiles.

## Sustainable Products



### Denimse® 3S 2020

#### Setalan® LSR 2020

It is a chemical that increases the laser effect developed for local bleaching in denim. It significantly improves the laser effect and increases the production capacity. Allows laser production on low-weight fabrics, improves laser efficiency on heavy weight fabrics.

#### Setenzim SFE 2020

It is a sustainable stone enzyme in liquid form. Bubble technology allows getting effects in a single wash without the need for pumice stones when used on machines, significantly saving water and energy.

#### Setalan® Eco White BT 2020

It is an ecological alternative to PP and sodium hypochlorite in denim bleaching. It is an ecological product that does not contain halogens and heavy metals such as manganese, chlorine, iodine and bromine. Without using PP and sodium hypochlorite, it ensures that the bleaching process is carried out in a sustainable way.

# Sustainable Products



Nyloset® Inks



Setactive® RK Inks



Setapers® HR Inks



Setapers® LS Inks



Galata Tower



Setapers® HS Inks



Setapers® LS Inks



Setactive® RK Inks



Pigmaset® Inks

## Digital Inks

Digital printing inks produced by Setaş are designed in accordance with industrial printing machines. High purity values and color efficiency are achieved. With fluid structure and long head life, it is suitable for Epson, Kyocera, Fuji and Ricoh print heads and runs smoothly on fast machines.

### Setapers® HR Inks

Digital ink variety with excellent light purity for direct printing on Polyester

### Setapers® HS Inks

Digital ink variety with excellent color fastness for direct printing on Polyester

### Setapers® LS Inks

Low sublimation disperse ink variety for transfer printing

### Setactive® RK Inks

Reactive ink variety for digital printing

### Pigmaset® Inks

Pigment ink variety for digital printing

### Nyloset® Inks

Acid and metal complex ink variety for polyamide fiber

## Sustainable Products



### Liquid Dyes

**Setacryl®**

Basic liquid dyes suitable for dyeing and printing of Acrylic fibers, CDP and its blends. Exhaust, gel and pad-steam methods are used in dyeing and printing processes.

**Setapers®**

Disperse liquid dyes are especially preferred in workwear and flag printing. Suitable for thermosol dyeing and printing processes. They do not cause viscosity changes when used with synthetic thickeners in printing.

**Setactive®**

They are reactive liquid dyes suitable for printing cellulosic fibers. Electrolyte content is very low. They do not cause viscosity changes when used with synthetic thickeners.

**Setafor®**

These are liquid optical whiteners produced in different structures for polyester, cotton, viscose, acrylic, acetate fiber.

## Sustainable Products



### Masterbatch

#### **Masterset® PES 1090 FR**

It is halogen free flame retardant masterbatch additive for polyester fibers. It provides flame retardancy performance to original and recycled polyester fibers used in various application areas such as automotive, home textiles, clothing, furniture and building materials.

#### **Masterset® PA 4025 AY**

It was developed to eliminate phenolic yellowing problems of polyamide-based white products during storage. In this new technology, the additive masterbatch is added during fiber extraction and contributes to saving water between 30-100 liters per kilogram of fiber by eliminating the additional processing step in the dyehouse.



synergy

- ▶ Human Resources Management
- ▶ Communication with Employees
- ▶ Employee Loyalty
- ▶ Labor Standards and Human Rights Training
- ▶ Occupational Health and Safety
- ▶ Employee Profile

# Human Resources Management

## Mission

To be a preferred company to work in the chemical sector by developing employees and working environments in a way that makes the company's competitive advantage sustainable.

## Vision

To be a company engaged in human resources management at international level.

## Strategy

Setaş has focused its human resources strategy on performance. It is aimed to provide step-by-step development with the strategy model established on the support of employees 'work results to the performance of the company. With the understanding that “every manager is a human resources manager”, it harmonizes all activities and efforts to the performance of the company, allowing managers to show direction.



# Human Resources Management

## Human Resources Applications

Setaş believes that skilled manpower will provide lasting superiority in the global competitive environment; believes in teamwork, with customer-oriented behaviors and aims at a dynamic human resources structure that is always honest and transparent in duties and responsibilities, constantly develops itself, produces innovative and creative ideas, brave, acts sensitively towards the environment and society while developing all these. Setaş Human Resources takes an anti-discrimination approach in determining human resources processes by following up-to-date labor law legislation. Training, competencies and experience are used in human resources processes such as promotion and recruitment. Working hours are arranged by taking into account the work-life balance of the employees. Setaş, which does not have temporary or part-time employees, provides support to its employees on issues such as marriage, birth, death, education, fuel, seniority incentive bonus with its social benefits along with free transportation and food service. It also protects its employees in the field of health with general and complementary health insurance, which covers employees as well as their families. It ensures that annual paid leave in accordance with a regular plan and provides an annual leave allowance. There is no gender-based wage discrimination. Blue collar employees of Setaş are the members of the Lastik- İş Labor Union since 1998, and wages and benefits for employees who are members of the trade labor are determined within the framework of the collective bargaining agreement.

## Talent Management

Setaş publishes expected behavior models for all positions by defining internal career steps. It supports its employees with mentoring and training in necessary situations by evaluating the balance of the competence that the employee has and the competencies required by the position. Employee performance is evaluated together with applied behavior analysis and manager opinions, and it is planned that employees will be prepared for tasks that require more responsibility through executive development programs. Executive backup work is carried out to effectively back up critical positions and ensure sustainable performance.

In order to eliminate all kinds of discrimination against women, which is critical in accelerating sustainable development, the number of women at the executive level is increased and women's empowerment is enhanced. Setaş, which values gender equality in all human resources processes, has increased the number of female employees in its talent pool by 25% in line with its 2019 targets.

## Human Resources Transformation

Following a participatory method of operation in order to develop human resources applications, Setaş examines the situation of the company in the fields of labor force, performance and cooperation with workshop groups consisting of representatives of all business units. It focuses on the correct positioning of human resources processes, which are the basis of these works, as well as on business analysis, organizational development and establishing systems for employee rights.

Setaş is preparing a new responsibility and authority scheme approach for business strategies and goals of the employees in accordance with the preparation for ERP system transformation. Setaş aims to develop a business culture by simplifying business models and the way it does business, and prepares for a transformation from its organizational structure to its value and behavior models.

“Who does the work knows the work best” approach for business valuation across the business working groups will be created and in this context, the determination of basic fees, the formation of horizontal and vertical career paths, matching employee skills and task requirements, on the basis of works such as management training and development activities will be formatted.

# Communication with Employees

Setaş has ensured that its employees are accessible to their managers in all matters with its “Open Door Policy”. Setaş, which prefers an open communication channel with its employees, aims to increase transparency, productivity and accelerate communication within the company with this application. In this way, managers get to know their employees better and encourage their teams to collaborate and approach problems with a solution focus.

In order to ensure that employees work as a team in cooperation with communication and a common understanding depending on the requirements of the work while fulfilling their responsibilities, as part of open communication, human resources allows employees to know and empathize with each other by bringing together different business units, titles and age groups and moderating interviews.

In-house intranet portal is used for communication with employees in Setaş. The portal allows employees to access up-to-date information in internal social communication at any time using both a computer and a mobile phone application.

All social activities, employee personal days, announcements and news are published on the Intranet portal. Library service is provided with the book archive, while feedback about the work environment and all business processes is received with “Your Voice” tab and fast returns are provided.

## Business Unit Meetings

Setaş takes an approach to ensuring consistency and transparency of corporate messages with business unit meetings that allow the establishment of the necessary relations between the human resources department and other units and to provide attentive communication.

## Generation Meetings

Setaş brings together its employees in different age and title groups who work in different departments and provides an efficient communication that provides guidance by sharing their experiences and getting to know each other.



**82**

Meeting with 82 Employees from 11 different departments



**36**

4 Meetings with 36 employee from different generations



**73**

HR workshops with 73 employees



## Employee Loyalty

An employee satisfaction survey, which is prepared and implemented by independent companies, is conducted every year in Setaş. With these surveys, it is aimed to be able to regularly monitor employee satisfaction and determine development opportunities. From the results obtained, action plans are prepared by regularly setting goals every year. Setaş satisfaction survey, which plays an important role in internal communication, has the following headings in order to ensure a sustainable future and working environment.

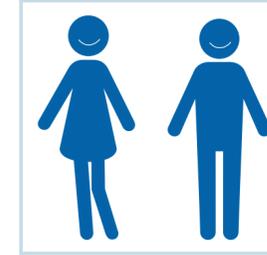
- ▶ Employee Loyalty
- ▶ Working Environment and Conditions
- ▶ Occupational Health and Safety
- ▶ Information Flow
- ▶ Communication and Cooperation
- ▶ Personal and Professional Career Development
- ▶ Performance Management
- ▶ Wages
- ▶ Manager-Company Management
- ▶ Company Image

### According to Setaş Employee Satisfaction Survey 2019 results:



**91.5%**

91.5% of employees stated that they would apply to Setaş today if he was searching job again



**90.2%**

90.2% of employees are happy to work at Setaş



**83.5%**

83.5% of employees stated that they considered themselves as Setaş member

An employee satisfaction survey, which is prepared and implemented by independent companies, is conducted every year in Setaş. With these surveys, it is aimed to be able to regularly monitor employee satisfaction and determine development opportunities.

## Labor Standards and Human Rights

In Setaş, recruitment and employment of personnel under the age of 18 who have the status of child and young workers is not allowed with reference to ILO minimum age Convention No. 138, ILO Convention No. 182 on Emergency Action for the Prohibition and elimination of the worst forms of Child Labor and United Nations Congress on the rights of the child. To contribute to the effective elimination of child labor Setaş published and implemented the procedure for correction of child workers and young workers. In addition, commitment is taken from domestic and foreign suppliers for preventing forced labor and not to employ child labor. Setaş evaluates the negative social effects in the supply chain and the measures taken and applies the same procedure to its new suppliers, which make up 11% of our total suppliers.

Setaş informs all new employees about human rights practices in employment entry training and publishes them within the company in a way that is open to continuous access. At the same time, SA 8000 practices and Personal Data Protection Law implementation trainings are given to Setaş security personnel based on internationally accepted standards.

### Social Responsibility standard

The SA 8000 standard is based on internationally recognized good business standards, including the Global Declaration of Human Rights, ILO conventions, and national laws. SA 8000 is an international certification standard that encourages organizations to develop, maintain and implement socially acceptable practices. SA 8000 encourages the continuous development of the firm by applying a management systems approach based on social performance.

Setaş undertakes to comply with the following topics within the scope of SA 8000:

- ▶ Prevention of forced labor
- ▶ Prevention of child labor
- ▶ Discipline / prevention of abuse and harrasment
- ▶ Determination of working hours
- ▶ Regulatory compliance in wages and payments
- ▶ Prevention of discrimination
- ▶ Ensuring occupational health and safety
- ▶ Freedom of union and respect for the right to collective bargaining
- ▶ Prevention of environmental pollution
- ▶ Compliance with customs legislation
- ▶ Taking safety measures
- ▶ Relations with suppliers
- ▶ Compliance with management systems

### Discrimination

As with all its activities, Setaş has an anti-discrimination approach in its human resources processes. No discrimination is made between employees in Setaş on the basis of gender, race, color, language, religion, faith, philosophical and political views, sexual preference, ethnicity, wealth, birth, marital status, health status, disability, age differences. Training, experience and competencies are the basis of the recruitment policy. Equal rights are offered to employees in working processes such as recruitment, rotation, promotion, and there is no direct or indirect discrimination in the working environment.

### Protection of Personal Data

Setaş has protected the titles of secure registration or mandatory notifications, internal privacy, privacy in personal information and information storage within the framework of ethical rules. Policies and procedures have been updated in the processes that have changed in the form of business conduct within the scope of the Personal Data Protection Law and disclosure, explicit consent texts and commitments have been prepared for all stakeholders such as employees, employee candidates, and visitors.



## Occupational Health and Safety

Setaş targeting zero work place accidents for employees to create a safe working environment at all times, improves the quality, protection and development, as well as risk and opportunity analysis with a proactive approach using the method of internal or external processes induced hazards and identify risks and formulate action plans by integrating ISO 45001 Occupational Health and Safety Management System into working processes.

Setaş made the digitization process of occupational health and safety sustainable in accordance with the laws under the Occupational Safety and Health Information Management System sustainable and ensures document preparation, monitoring, and business planning processes with security software.

In order to protect employees and prevent accidents at work, a permit procedure has been established for the performance of risky works, methods and responsibilities related to the process have been determined. A separate instruction for each type of risky work has been prepared and published along with the process flow to be monitored during operation. Authorized work performed by machine maintenance teams or sub-employers under OHS unit control; working at height, electrical work that will create sparks or heat, working at height that requires equipment, work on the roof, work that contains dangerous chemicals, ice room maintenance and repair.

Setaş periodically carries out emergency exercises, especially fire evacuation drills in all its facilities.

By managing OHS applications of subcontractors and their employees through the subcontractor management procedure, it makes legal compliance and business performance traceable.

Setaş integrates the requirements of ISO 45001 Occupational Health and Safety Management System into its processes and identifies the hazards and risks arising from internal or external processes and creates action plans



## Occupational Health and Safety

Occupational health and safety is one of the sustainability priorities in Setaş. To take the necessary measures within the scope of the health and safety of all stakeholders, which is being applied regularly in order to identify and eliminate potential risks, training, drill, field audits as well as safety applications are implemented in the production area as a pilot project in 2019 and OHS performance measures developed. As a result of these works, it is aimed that occupational health and safety practices become part of the organizational culture and developed. The performance of the project is evaluated at regular OHS board meetings.

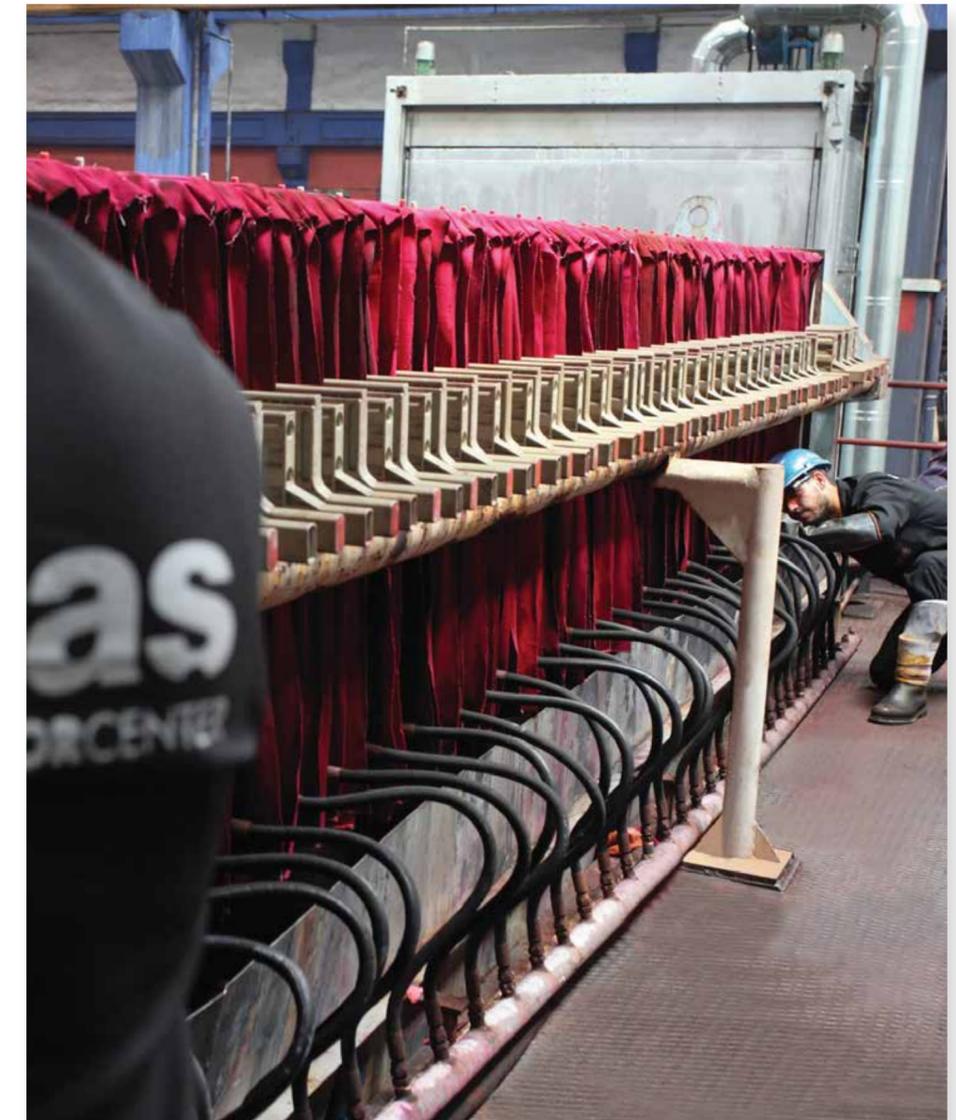
Every year, Setaş regularly conducts health examinations for its employees and its control and follow-up are carried out by the health department. The health unit, which participates in the monthly OHS board and works and examines health effects of functioning, provides trainings on personal and occupational hygiene, spine health, ergonomics, first aid and monitors work accidents, minor injuries and near miss incidents together with the OHS unit. Setaş Health Unit evaluates the employment of employees in jobs appropriate to their physical and spiritual abilities and recommends a change of department for the employee when it deems it necessary.

The content is being created to cover topics such as emergency response, use of protective materials, risk management, work permission systems, fire and evacuation trainings and waste management using regulatory requirements on occupational health and safety issues and both executive experience and in-house survey results to be realistic and practical.

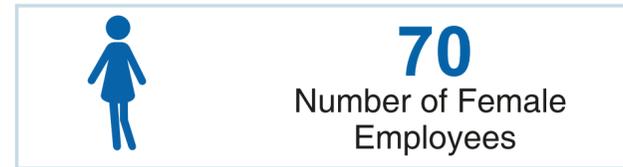
OHS Training Data	2018	2019
Average OHS Training Hours per Person	15.95	16.55

Work Accidents	2018	2019
Minor Injury Requiring First Aid	6	11
Fatal Work Accident	0	1
Accident for which Given Medical Report	14	12
Work Accident Frequency Rate*	15	11.9
Work Accident Weight Ratio*	182.4	186.1

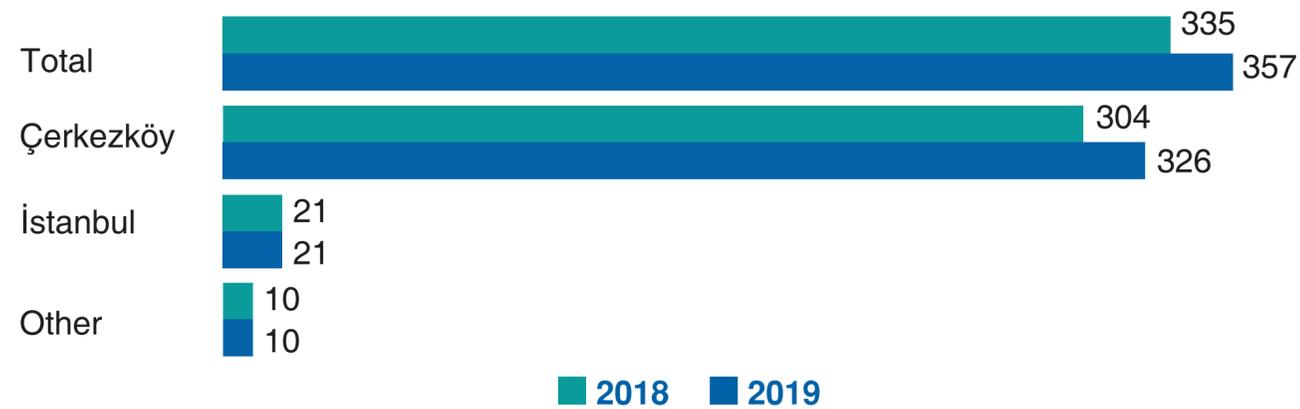
\* Calculated by taking into account 1,000,000 working hours.



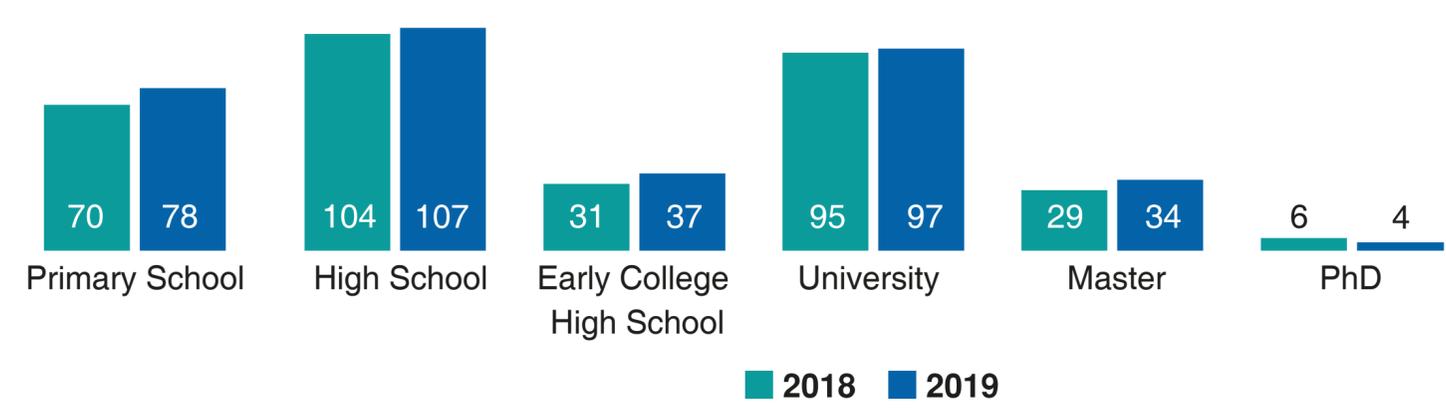
# Employee Profile



## Number of Employees by Region



## Number of Employees by Education Level



Executive and Above Employee by Gender (%)	2018	2019
Female Manager	34	30
Male Manager	66	70
Senior Female Manager	2	2
Mid - Level Female Manager	25	24
Non-Manager Female Employee	73	74
Senior Male Manager	2	1
Mid-Level Male Manager	13	14
Non-Manager Male Employee	39	39
Male Employee at Operation Level	46	46

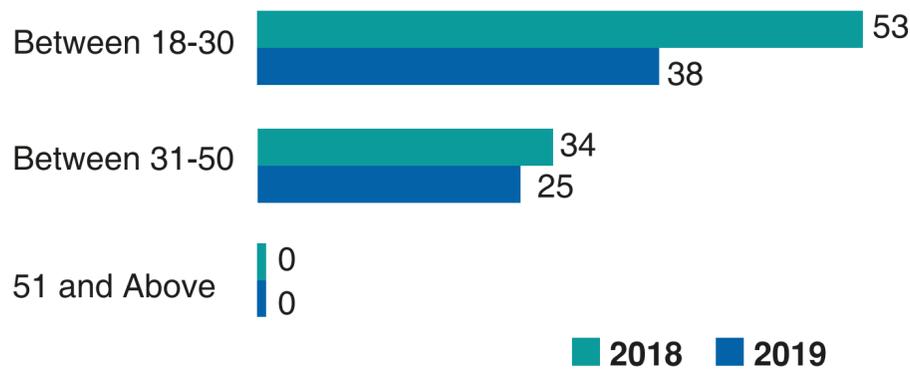
Number of Employees by Gender	2018	2019
Total Number of Employees	335	357
Number of Female Employees	70	70
Number of Male Employees	265	287
White Collar-Female	70	70
White Collar-Male	143	153
Blue Collar-Female	0	0
Blue Collar-Male	122	134

# Employee Profile

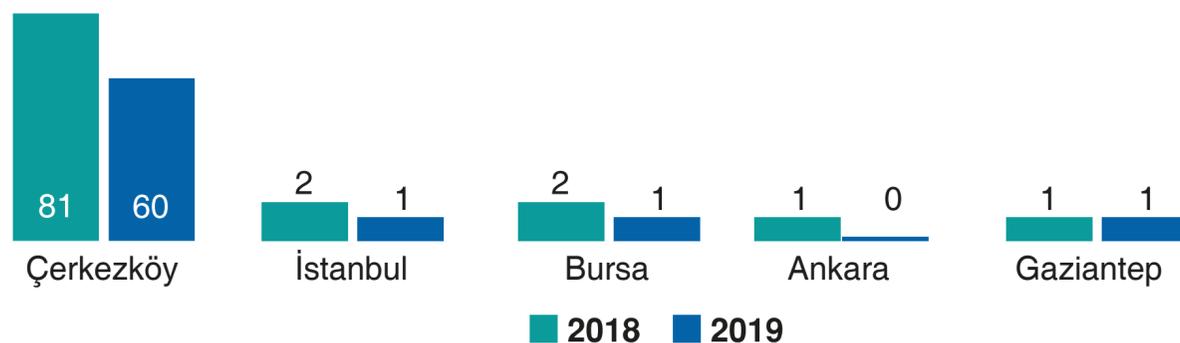


New Employees by Gender	2018	2019
New Female Employee	18	8
New Male Employee	69	55

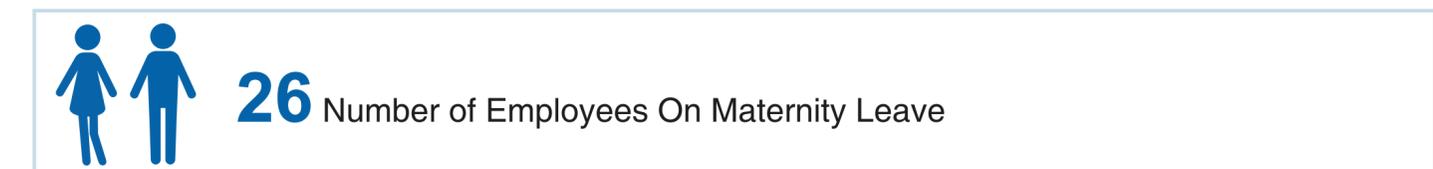
## New Employees by Age



## New Employees by Region



Turnover by Age	2018		2019	
	Female	Male	Female	Male
Between 18-30	9	22	3	12
Between 31-50	6	26	6	20
51 and Above	0	1	0	2
Total	15	49	9	34
Turn Over	20%		12%	



Number of Employees On Maternity Leave	Total	Female	Male
Number of Employees On Maternity Leave	26	3	23
Number of Employees Using Maternity Leave	26	3	23
Number of Employees Returning to Work After Maternity Leave	26	3	23
Number of Employees at Least 12 Months Worked After Maternity Leave	26	3	23

## GRI Standards Content Index (Core)

GRI Standard	Titles / Descriptions		Page Numbers
<b>GRI 101: CORE 2016</b>			
<b>GRI 102: GENERAL DISCLOSURES 2016</b>			
<b>Corporate Profile</b>			
102-1	The name of the organization	Setaş Kimya Sanayi A.Ş	-
102-2	Primary brands, products and services	Industries, history and products	10, 11
102-3	Location of the organization's headquarters	About Setaş	8
102-4	The number of countries in which the organization operates and the name of the countries in which the organization has significant activities or which are related to the sustainability topics described in the report	Globally Setaş	9
102-5	Properties of ownership and legal structure	<a href="https://www.setas.com.tr/tr/kurumsal/bilgi-toplumu-hizmetleri">https://www.setas.com.tr/tr/kurumsal/bilgi-toplumu-hizmetleri</a>	-
102-6	Markets served	Globally Setaş	9
102-7	Scale of the organization	Setaş 2019 At A Glance, Globally Setaş	7, 9
102-8	Information about employees	Employee Profile	52-53
102-9	Supply chain	Sustainable Supply Chain	22
102-10	Changes to the organization and supply chain	No changes in supplier classification and policies	
102-11	Prudential approach or prudence principle	Corporate Management System	12
102-12	Supported initiatives	Product Management, Environmental Management System	23, 24
102-13	Memberships	Product Management, Environmental Management System	23, 24
<b>Strategy</b>			
102-14	Declaration of the highest decision - making authority	Message from the Chairman of Board, Message from the General Director	4,5

## GRI Standards Content Index (Core)

GRI Standard		Titles / Descriptions	Page Numbers
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards and norms of behavior	Management Philosophy, Corporate Management System, Ethical Values, Human Resources Management	6, 12, 13, 44 -45
<b>Governance</b>			
102-18	Governance structure	Corporate Management System	12
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups	Stakeholders	14-15
102-41	Collective bargaining agreements	Human Resources Management	44-45
102-42	Determination and selection of stakeholders	Stakeholders, Sustainable Supply Chain	14-15, 22
102-43	Stakeholder engagement approach	Stakeholders	14-15
102-44	Key issues and concerns	Sustainability Priorities In The Value Chain	18
<b>Reporting</b>			
102-45	All institutions included in consolidated balance sheets or equivalent documents	About the Report	3
102-46	Defining report content and subject boundaries	Sustainability Priorities In The Value Chain	18
102-47	List of priority topics	Sustainability Priorities In The Value Chain	18
102-48	Information reorganized according to previous reports	Sustainability Priorities In The Value Chain	18
102-49	Changes in reporting	Sustainability Priorities In The Value Chain	18
102-50	The reporting period	About the Report	3
102-51	Date of the previous report	2019	-
102-52	Reporting frequency	Annual	-
102-53	Questions and contact information about the report and its contents	About the Report	3
102-54	Compatibility option selected according to GRI Standards	Core	-
102-55	GRI content index	GRI Standards content Index	54-62
102-56	External assurance	There is no assurance external	-

## GRI Standards Content Index (Core)

GRI Standard		Titles / Descriptions		Page Numbers
<b>PRIORITY ISSUES</b>				
<b>GRI 200 ECONOMIC STANDARD SERIES 2016</b>				
<b>GRI 201 Economic Performance 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Sustainability Policy, Value Chain Approach	16, 17-18
	103-2	Management approach and components	Sustainability Policy, Value Chain Approach	16, 17-18
	103-3	Evaluation of management approach	Sustainability Policy, Value Chain Approach, Goals	16, 17-18, 19-20
	201-1	Economic value produced and distributed	Globally Setaş	9
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Sustainability Policy, Value Chain Approach, Corporate Management System	16, 17-18, 12, 13, 48
	103-2	Management approach and components	Ethical values, labor standards and Human Rights	12, 13, 48
	103-3	Evaluation of management approach	Corporate Management System, Ethics, Labor Standards and Human Rights	12, 13, 48
	205-1	Operations assessed for corruption - related risks	Corporate Management System, Ethics, Labor Standards and Human Rights	12, 13, 48
	205-2	Communication and training on anti - corruption policies and procedures	Corporate Management System, Ethics, Labor Standards and Human Rights	12, 13, 48
<b>GRI 206 Anti - Competitive Behavior</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Corporate Management System, Ethical Values	12, 13
	103-2	Management approach and components	Corporate Management System, Ethical Values	12, 13
	103-3	Evaluation of management approach	Corporate Management System, Ethical Values	12, 13
	206-1	Legal actions for anti - competitive behavior and monopolistic practices	No pending or completed legal action during the reporting period	

## GRI Standards Content Index (Core)

GRI Standard		Titles / Descriptions		Page Numbers
<b>GRI 300 ENVIRONMENTAL STANDARD SERIES 2016</b>				
<b>GRI 301 Material 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Sustainability Policy, Value Chain Approach, Environmental Management System	16, 17-18, 24
	103-2	Management approach and components	Corporate Management System, Environmental Management System, Waste Management, Targets	12, 24, 30-31, 19-20
	103-3	Evaluation of management approach	Waste Management	30-31
	301-2	Recycling of input materials used	Waste Management	30-31
	301-3	Acquired products and their packaging materials	Waste Management	30-31
<b>GRI 302 Energy 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Sustainability Policy, Value Chain Approach, Environmental Management System	16, 17-18, 24
	103-2	Management approach and components	Corporate Management System, Environmental Management System, Energy Efficiency, Goals	12, 24, 26, 19-20
	103-3	Evaluation of management approach	Energy Efficiency	26
	302-1	In-house energy consumption	Energy Efficiency	26
	302-3	Energy density	Energy Efficiency	26
	302-4	Reducing energy consumption	Energy Efficiency	26
	302-5	Reduction of energy required in products and services	Energy Efficiency	26

## GRI Standards Content Index (Core)

GRI Standard		Titles / Descriptions		Page Numbers
<b>GRI 303 Water Management 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Sustainability Policy, Value Chain Approach, Environmental Management System	16, 17 -18, 24
	103-2	Management approach and components	Corporate Management System, Environmental Management System, Water Management, Goals	12, 24, 25, 19-20
	103-3	Evaluation of management approach	Water Management	25
	303-1	Water extraction based on source	Water Management	25
	303-3	Recycled or reused water	Water Management	25
<b>GRI 305 Emissions 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Sustainability Policy, Value Chain Approach, Environmental Management System	16, 17 -18, 24
	103-2	Management approach and components	Corporate Management System, Environmental Management System, Climate Change - Emissions, Climate Change - Carbon Footprint	12, 24, 28, 29
	103-3	Evaluation of management approach	Climate Change - Emissions, Climate Change - Carbon Footprint	28, 29
	305-1	Direct (Scope 1) GHG emissions	Climate Change - Emissions, Climate Change - Carbon Footprint	28, 29
	305-4	GHG emission intensity	Climate Change - Emissions, Climate Change - Carbon Footprint	28, 29
	305-5	GHG emission reduction	Climate Change - Emissions, Climate Change - Carbon Footprint	28, 29
	305-7	Nitric oxide, sulfur oxide and other air emissions	Climate Change - Emissions, Climate Change - Carbon Footprint	28, 29
<b>GRI 306 Wastewater and Wastes 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Sustainability Policy, Value Chain Approach, Environmental Management System	16, 17 -18, 24
	103-2	Management approach and components	Corporate Management System, Environmental Management System, Waste Water Management, Waste Management, Targets	12, 24, 27, 30-31, 19-20
	103-3	Evaluation of management approach	Waste Water Management, Waste Management	27, 30 -31
	306-1	Water discharge in terms of quality and destination	Waste Water Management	27
	306-2	Wastes by type and method of disposal	Waste Management	30-31
	306-3	Important spills	Sustainable Supply Chain	22
	306-4	Transport of hazardous waste	Sustainable Supply Chain	22

## GRI Standards Content Index (Core)

GRI Standard		Titles / Descriptions		Page Numbers
<b>GRI 308 Supplier Environmental Assessment 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Sustainability Policy, Value Chain Approach, Sustainable Supply Chain	16, 17-18, 22
	103-2	Management approach and components	Corporate Management System, Sustainable Supply Chain	12, 22
	103-3	Evaluation of management approach	Sustainable Supply Chain	22
	308-1	New suppliers scanned using environmental criteria	Sustainable Supply Chain	22
	308-2	Negative environmental impacts in the supply chain and the measures taken	Sustainable Supply Chain	22
<b>GRI 401 Employment 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Value Chain Approach, Human Resource Management	17-18, 44-45
	103-2	Management approach and components	Human Resource Management, Objectives	44-45, 19-20
	103-3	Evaluation of management approach	Human Resources Management	44-45
	401-1	New recruitment and staff change rate	Employee Profile	52-53
	401-2	Benefits for temporary, part - time employees to external full - time employees	Human Resources Management	44-45
	401-3	Maternity Leave	Employee Profile	52-53
<b>GRI 402 Labor / Management Relations</b>				
	402-1	Minimum notice periods for operational changes	Legal notice periods are observed in case of operational changes	-
<b>GRI 403 Occupational Health and Safety 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Value Chain Approach, Human Resource Management	17-18, 44-45
	103-2	Management approach and components	Corporate Management System, Human Resource Management, Occupational Health and safety, goals	12, 44-45, 50-51, 19-20
	103-3	Evaluation of management approach	Occupational Health and Safety	50-51
	403-1	OHS management system	Occupational Health and Safety	50-51
	403-2	Injury types and injury rates, occupational diseases, lost days	Occupational Health and Safety	50-51
	403-3	Occupational health services	Occupational Health and Safety	50-51
	403-5	Occupational health training	Occupational Health and Safety	50-51
	403-9	Work - induced injuries	Occupational Health and Safety	50-51

## GRI Standards Content Index (Core)

GRI Standard		Titles / Descriptions		Page Numbers
<b>GRI 404 Education and Training 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Value Chain Approach, Human Resource Management	17-18, 44 -45
	103-2	Management approach and components	Human Resource Management, Training, Goals	44-45, 49, 19 -20
	103-3	Evaluation of management approach	Training	49
	404-1	Average hours of Education per person	Training	49
	404-2	Career, talent management and lifelong learning programs	Human Resource Management, Education	44-45, 49
<b>GRI 405 Equality and Equal Opportunity 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Value Chain Approach, Human Resource Management	17-18, 44 -45
	103-2	Management approach and components	Human Resource Management, Labor Standards and Human Rights	44-45, 48
	103-3	Evaluation of management approach	Human Resource Management, Labor Standards and Human Rights	44-45, 48
	405-1	Diversity of governance bodies and employees	Human Resource Management, Labor Standards and Human Rights	44-45, 48
<b>GRI 406 Prevention of Discrimination 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Value Chain Approach, Human Resource Management	17-18, 44 -45
	103-2	Management approach and components	Human Resource Management, Labor Standards and Human Rights	44-45, 48
	103-3	Evaluation of management approach	Labor standards and Human Rights	48
	406-1	Taking discrimination cases and corrective measures	Labor standards and Human Rights	48
<b>GRI 408 Child Labor 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Value Chain Approach, Human Resource Management	17-18, 44 -45
	103-2	Management approach and components	Human Resource Management, Labor Standards and Human Rights	44-45, 48
	103-3	Evaluation of management approach	Labor standards and Human Rights	48
	408-1	Prevention of child labor	Labor standards and Human Rights	48

## GRI Standards Content Index (Core)

GRI Standard		Titles / Descriptions		Page Numbers
<b>GRI 409 Forced or Compulsory Labor Employment 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Value Chain Approach, Human Resource Management	17-18, 44 -45
	103-2	Management approach and components	Human Resource Management, Labor Standards and Human Rights	44-45, 48
	103-3	Evaluation of management approach	Labor standards and Human Rights	48
	409-1	Prevention of forced or compulsory labor	Labor standards and Human Rights	48
<b>GRI 410 Security Applications 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Value Chain Approach, Human Resource Management	17-18, 44 -45
	103-2	Management approach and components	Human Resource Management, Labor Standards and Human Rights	44-45, 48
	103-3	Evaluation of management approach	Labor standards and Human Rights	48
	410-1	Security personnel trained on human rights policies and procedures	Labor standards and Human Rights	48
<b>GRI 412 Human Rights Assessments 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Value Chain Approach, Human Resource Management	17-18, 44 -45
	103-2	Management approach and components	Human Resource Management, Labor Standards and Human Rights	44-45, 48
	103-3	Evaluation of management approach	Labor standards and Human Rights	48
	412-2	Training on human rights policies and procedures	Labor standards and Human Rights	48
<b>GRI 414 Supplier Social Assessments 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Value Chain Approach, Human Resource Management	17-18, 44 -45
	103-2	Management approach and components	Human Resource Management, Labor Standards and Human Rights	44-45, 48
	103-3	Evaluation of management approach	Labor standards and Human Rights	48
	414-1	Percentage of new suppliers scanned according to social criteria	Labor standards and Human Rights	48

## GRI Standards Content Index (Core)

GRI Standard		Titles / Descriptions		Page Numbers
<b>GRI 416 Customer Health and Safety 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Sustainability Policy, Value Chain Approach	16, 17 -18
	103-2	Management approach and components	Sustainability Policy, Product Management, Objectives	16, 23, 19 -20
	103-3	Evaluation of management approach	Product Management	23
	416-1	Evaluation of product and service categories in terms of health and safety	Product Management	23
<b>GRI 417 Marketing and Labeling 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Value Chain Approach, Sustainable Supply Chain	17-18, 22
	103-2	Management approach and components	Sustainable Supply Chain	22
	103-3	Evaluation of management approach	Sustainable Supply Chain	22
	417-1	Compliance with labeling procedure	Sustainable Supply Chain	22
<b>GRI 418 Customer Confidentiality 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	103-1	Disclosure and limits of priority issues	Value chain approach, Labor Standards and Human Rights	17-18, 48
	103-2	Management approach and components	Labor standards and Human Rights	48
	103-3	Evaluation of management approach	Labor standards and Human Rights	48
	418-1	Cases related to violation of customer confidentiality and loss of customer data	Labor standards and Human Rights	48
<b>GRI 419 Socioeconomic Conformity 2016</b>				
GRI 103 MANAGEMENT APPROACH 2016	419-1	Compliance with laws and regulations in social and economic areas	During the reporting period, there was no non - compliance with laws and regulations	-

# Setaş Global Compact Progress Statement - 2019

 <b>United Nations</b> Global Compact	Global Principles	Section / Page
<b>HUMAN RIGHTS</b>		
Principle 1. The business world must support and respect declared human rights.	12, 13, 44, 45	
Principle 2. The business world should not be complicit in human rights violations.		
<b>OPERATION STANDARDS</b>		
Principle 3. The business world should support workers' freedom of unionization and collective bargaining.	44-53	
Principle 4. Forced labor must be terminated.		
Principle 5. All forms of child labor should be stopped.		
Principle 6. Discrimination in recruitment should be terminated.		
<b>ENVIRONMENT</b>		
Principle 7. The business world should support precautionary approaches to environmental problems.	16,19-20, 22-31	
Principle 8. The business world should support any activity and formation that will increase environmental responsibility.		
Principle 9. The business world should support the development and dissemination of environmentally friendly technologies.		
<b>ANTI-CORRUPTION</b>		
Principle 10. The business world must fight all forms of corruption, including bribery and extortion .	12,13	

# Setas

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