



**ORGANİK KİMYA**  
*the chemistry between us*



**Our  
Sustainability  
Journey  
2019**



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#### Reporting Consultant

Mentoro Platform  
<https://www.mentoroplatform.com/>

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## About The Report

As Organik Kimya Sanayi ve Ticaret A.Ş., we are proud to have completed our second sustainability report. This report has been prepared in accordance with the GRI Standards: Core Option, covering our performance, progress, and strategy of being a purpose-driven company in the areas of environment, social, governance and economy, published annually and without a change in reporting methodology.

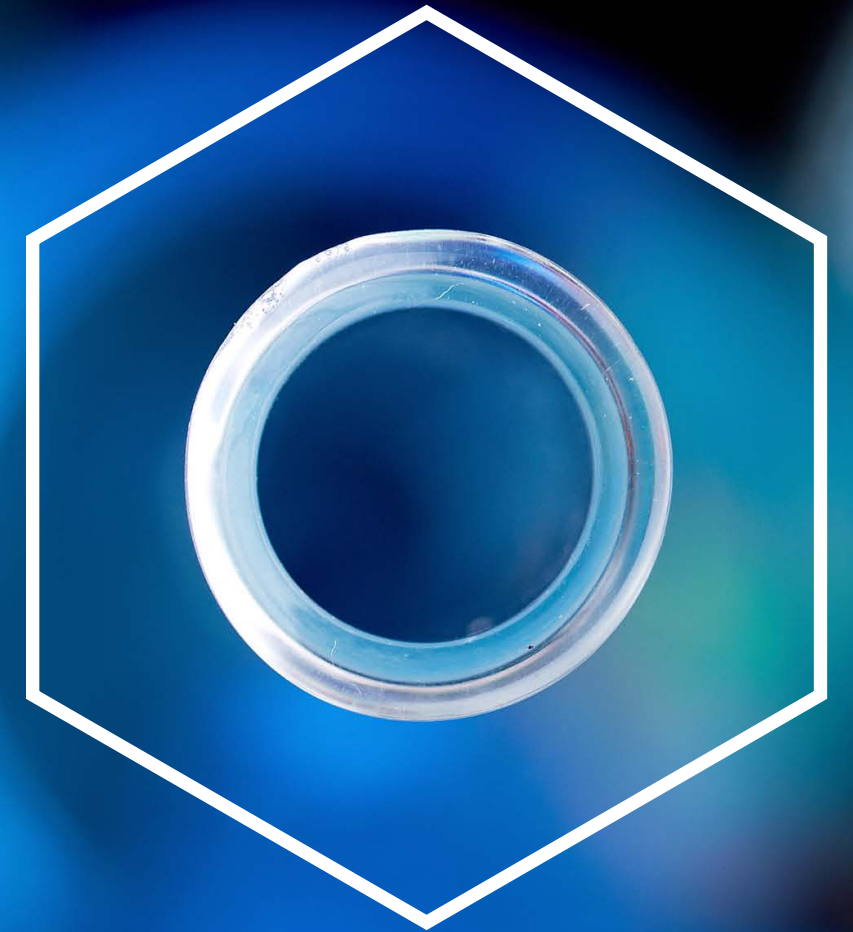
Covering the period between January 1st-December 31st of 2019, and being the second one, this report includes Organik Kimya Sanayi ve Ticaret AŞ Headquarters and production facilities of Kemerburgaz and Tuzla in Turkey, Rotterdam production facilities in the Netherlands as well as production facilities in Balerna Switzerland where mentioned. This report was not externally audited and is written in English.

We believe reporting is more important than it has ever been and it will even be more critical to understand how the climate crises and the Covid-19 may impact sustainability over the long-term.

Our sustainability report is produced and published to enable our stakeholders to make informed judgments about how Organik Kimya impacts the world and understand how the changing world impacts the sustainability performance of Organik Kimya. In defining report content and the material topic boundaries, we have taken into account reasonably estimable economic, environmental and social impacts identified through surveys by the management team, stakeholders, and people with recognized expertise and credentials.

All opinions of our stakeholders are of great importance to us and we would very much appreciate suggestions and questions regarding our second sustainability report at [sustainability@organikkimya.com](mailto:sustainability@organikkimya.com)

[GRI 102-1, GRI 102-45, GRI 102-46, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54, GRI 102-56]



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## Executive Statement

Dear Stakeholders,

We are happy to share our second sustainability report for the year 2019, during which our focus was on creating shared value; economically, environmentally and socially.

2019 was a very challenging year due to the volatility of market conditions, and, while writing this report, 2020 has set a new standard to economic adversity with the outbreak of the "Covid-19" global pandemic. This reminded us that our utmost responsibility is to protect our planet against climate crises and responsible use of our limited natural resources. Today, more than ever, the power of our purpose-driven company has become apparent.

The importance of sustainability reporting has become critical now than it has ever been for stakeholders to make informed judgments. Our 2019 sustainability report underlines;

- Our persistence to attain our vision to create tomorrow's bonding solutions for our customers and stakeholders -globally- by employing our integrated business and sustainability strategies.
- Our purpose which defines our reason for being; "We never give up to explore, challenge and use our chemistry to deliver winning solutions.", and embeds our exploration, action, discussion, reflection into the heart of our business.
- Our integrated thought; which is a holistic way to think of Organik Kimya and how it creates value considering the intersection between tangible and intangible assets as it operates.

- Our focus on responsible production, reduction of our environmental footprint via innovation and improvements in our operations.
- Our pledge of an important mission to develop innovative and sustainable products.
- Our way of working in collaboration and that we have our greatest impact when we partner with our stakeholders.
- Our contribution from one generation to another, focusing closely on how we can do our best today while being inspired by long-term opportunities.

At Organik Kimya we have set our targets based on our principles of sustainable growth and shared value creation. During this reporting period, we have reduced our electricity consumption by 10%, natural gas consumption by 26% and water usage by 23%.

Our company's DNA composed of curiosity and lateral thinking have enabled us to achieve these results. Our people are our most valuable asset, hence it is our priority to create safe and happy working environment for them. We are honoured that our efforts in this field have been rewarded internationally.

As we are proceeding towards another period, we would like to thank all our stakeholders, especially our Organik Kimya colleagues for their support on this wonderful journey.

**Simone Kaslowski & Stefano Kaslowski**



⚡ 10%

💰 26%

💧 23%

2019 was a very challenging year due to the volatility of market conditions, and, while writing this report, 2020 has set a new standard to economic adversity with the outbreak of the "Covid-19" global pandemic. This reminded us that our utmost responsibility is to protect our planet against climate crises and responsible use of our limited natural resources. Today, more than ever, the power of our purpose-driven company has become apparent.





# What we do? Who are we?

Serving more than 2,000 customers in over 100 countries, ORGAL® is the brand that customers know and trust when it comes to polymer dispersions.

...over 90 years of experience in the chemical industry



## Starting our journey in 1924...

...as a chemical trader, and manufacturing in 1965, today, with over 90 years of experience in the chemical industry, we have been providing solutions to a variety of markets and applications utilizing different technologies. Our manufacturing and service locations enable us to serve our customers all around the world.

We have been employing the power of science and customer intimacy since our humble beginnings and we started our polymer dispersions production in 1965 with this notion.

Besides our Istanbul polymer dispersions plant with 150,000 tpa production capacity, we invested in a new plant with an 80,000 tpa production capacity in Rotterdam in 2007. With our perpetual ambition to grow our business, we increased our production capacity over 30 times in the past 30 years to reach 200,000 tpa. Serving more than 2,000 customers in over 100 countries, ORGAL® is the brand that customers know and trust when it comes to polymer dispersions.

Leveraging our expertise in liquid polymer dispersions, Organik Redispersible Powders, ORP®, was established in 2011 with a diverse range of products in powder form to address the needs of the construction chemical industry. Our redispersible powder polymer plant with 20,000 metric tons of production capacity was built in Tuzla, Istanbul to fulfill this mission.

Our Tuzla plant investment also includes hotmelt production with a capacity of 12,000 metric tons to serve the industrial adhesives market.

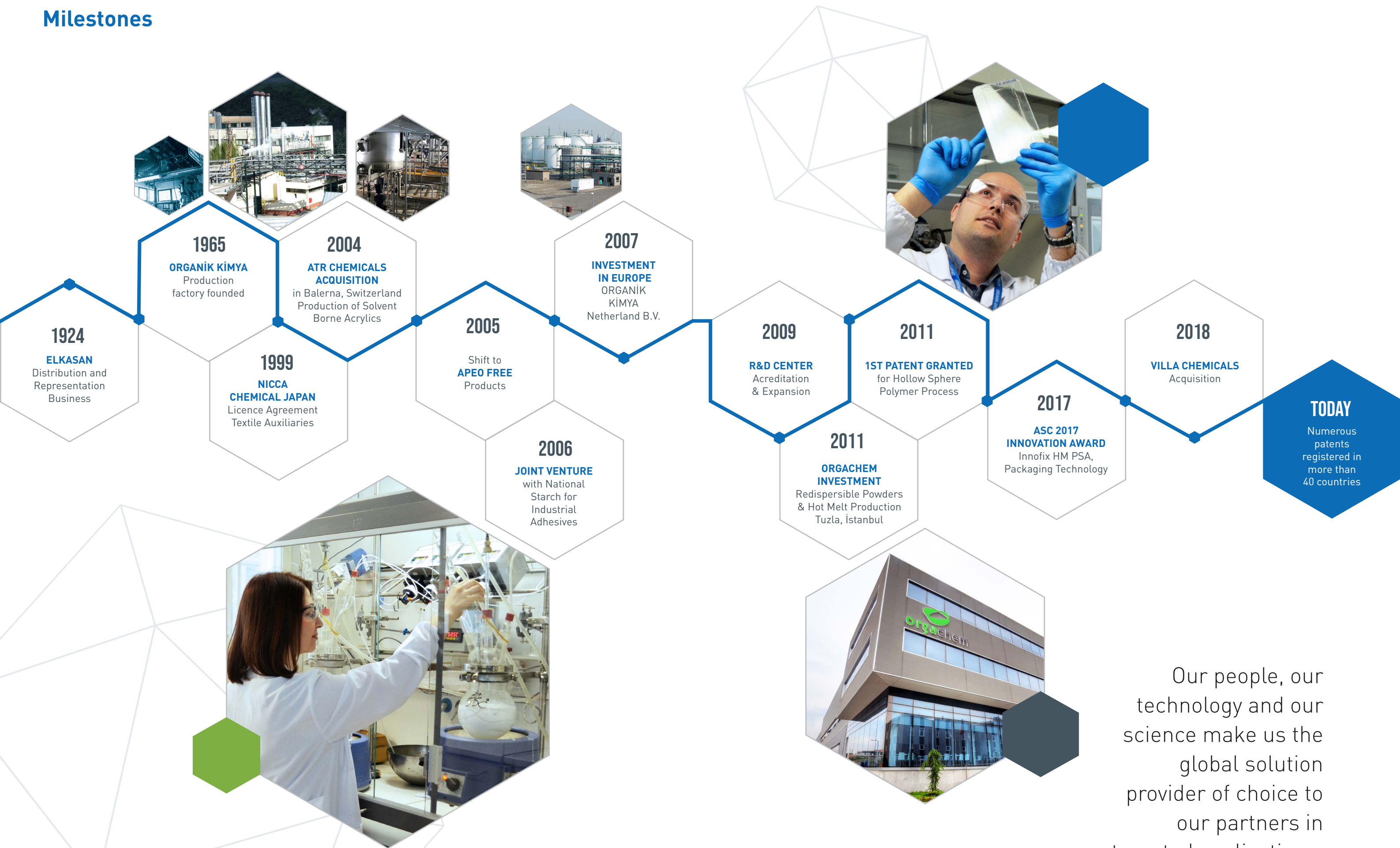
With our focus on customer collaboration and service, dedication to innovation and technology while caring for the environment, we relentlessly work to add value to our customers.

What we have accomplished so far is only a glimpse of what we will accomplish in the future.

(GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-7)



# Milestones



Our people, our technology and our science make us the global solution provider of choice to our partners in targeted applications.



# Our Corporate Governance Structure

(GRI 102-16, GRI 102-18)

Corporate governance refers to the framework of laws, processes, and practices by which decisions are made, controlled, and directed in a company. As a management model, corporate governance enables an organization to operate in a coordinated and effective manner. Our primary body for strategic decision-making is the Board of Directors, which leads and executes the governance function.

The Board of Directors meets on a quarterly basis to decide on the company's strategic and financial priorities. It also oversees the executive team. The Board of Directors consists of Aldo Kaslowski, Simone Kaslowski and Stefano Kaslowski. In addition to the members of the board, the company's Chief Financial Officer and other senior executives participate in board meetings.

The Corporate Governance Committee is held at the board level and oversees the system setups as well as the policies of corporate governance.

The executive team, consisting of the company's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Commercial Vice President, Research & Development Director, Human Resources Director, and Chief Compliance Officer, meets once every month. The executive team is responsible for all economic and executive decisions, and it reports directly to the Board of Directors.

The SHE Steering Committee –a committee responsible for all safety, health, and environmental issues, as well as HR policies– meets on a quarterly basis. It consists of the company's Chief Executive Officer, Chief Operating Officer, Chief Compliance Officer, Research & Development Director, Human Resources Director, Safety, Health, Environment, and Quality (SHE-Q) Manager, Production Manager, and on-site doctor.

As Organik Kimya, we aim to outperform the competition fairly, and in line with regulations. Since we operate in different locations and distribute our products globally, we closely follow relevant regulations and work with local authorities. Strict regulations on production processes in the chemical sector, as well as changing environmental incentives have created pressure for continuous improvement, and we remain responsive to this.

We provide robust employee training for regulatory compliance, as well as the critical issue of how regulations and other responsibilities should be applied in daily working life. As part of our continuing efforts to ensure full compliance in our business activities, we have regular audits and work with external consultants when required.

Our corporate governance structure ensures compliance with regulations and standards by closely focusing on the following four activities:

**Legal compliance:** Check and review of company policies, activities, contracts for compliance with applicable laws and good practices.

**Internal audit:** Audit and review of company activities; to ensure compliance with internal company rules, policies, and good practices.

**External audit:** Audit and review of company activities; to ensure compliance with internal company rules, policies, and good practices with external audit companies.

**Enterprise Risk Management:** Review of external and internal risks to company, by maintenance of a risk registry and risk charter.



# Our Products

We work relentlessly to provide more and differentiated value to our customers. We achieve this through our focus on customer collaboration and customer service, dedication to innovation and technology, and a keen environmental consciousness.

We are proud to produce and distribute our value under our own corporate brands, Organik Kimya and Orgachem, with our own product brands, ORGAL®, ORP®, and Orgawhite, and with our own technology patent, Innofix®.

Our ORGAL® polymer dispersions and ORP® powder polymers for cementitious and non-cementitious applications offer a vast array of solutions. Orgawhite is our coating solutions brand, distributed under ORGAL®. Innofix® Technology is one of a kind packaging system for nonwoven and pressure sensitive adhesives (PSA) applications that no longer requires film packaging.

Over 2,000 customers in 100 countries enjoy valuable solutions provided by Organik Kimya for a variety of applications.





# Our Products

## Coating Solutions

We continually innovate in our coating solutions brands, ORGAL® and Orgawhite. Our expert team develops new technologies that improve core aspects of our industry and its operations. Organik Kimya's coating solutions product portfolio encompasses acrylics, styrene acrylics, and vinyl copolymers for the "do-it-yourself" (DIY) and industrial markets. Solutions for architectural, wood, and metal coatings incorporate a wide range of end-use applications, including but not limited to interior/exterior paints, primers, elastomeric wall paints, dispersants and thickeners, and specialty coatings and polishes. We offer environmentally-friendly solutions and cutting-edge technology that optimizes the performance of your products and processes.

## Construction Solutions

ORGAL® is Organik Kimya's well-known and trusted brand for polymer dispersions. Organik Redispersible Powders (ORP®) was founded in 2011 by leveraging our expertise in liquid polymer dispersions. The brand offers a range of powdered products to meet demand in the construction chemicals industry. The Construction Solutions business unit satisfies the ever-changing and demanding requirements of the evolving construction market. Polymer dispersions, redispersible powder polymers, and specialty chemicals for cementitious and non-cementitious applications offer solutions in tiling, heat insulation, waterproofing, flooring, sealants, cement modifiers, curing membranes, and primers. Organik Kimya's Construction Solutions business unit delivers consistently with your expectations.

## Textile & Leather Performance Solutions

Products offered by Organik Kimya's Textile & Leather Performance Solutions business unit are used in finishing, coating, flocking, nonwoven, printing, pre-treatment, dyeing, and wet-end applications in textiles and leather. Our solutions are optimized according to specific requirements and are developed in line with the latest regulations.

## PSA & Paper Solutions

Our product portfolio in the Pressure Sensitive Adhesives (PSA) & Paper business unit includes more than 150 types of PSA emulsions, ranging from standard to custom-made products, as well as innovative solutions that add value in labels, tapes, protective films, lamination, specialty papers, and other applications. Our pilot coater enables us to simulate customer processes, thereby increasing quality and productivity.

## Industrial Adhesives Solutions

Our Industrial Adhesives product range provides solutions for personal care, nonwovens, tissues, towels, furniture & woodworking, book-binding & graphic arts, packaging & converting, tapes & labels, and tobacco markets in hotmelt and waterborne technologies. Organik Kimya's Innofix® Technology is the first breakthrough innovation in 20 years in hotmelt packaging systems.

## Life Sciences & Material Solutions

Organik Kimya's Life Sciences & Material Solutions business unit represents several of the world's most innovative suppliers and partners with local customers in Turkey to add value to their businesses. The solutions provided encompass products for cosmetics, detergents, plastics, rubber, silicones, polyurethane, and metallurgy applications.

## Business Units & Technologies

### Construction Solutions

**Emulsions:** Acrylic Polymers, Acrylic Copolymers, Styrene Acrylic Copolymers

**Redispersible Powders:** VAM/VV, VAM/VV/AC, VAM/AC

### Coating Solutions

**Emulsions:** Acrylic Polymers, Acrylic Copolymers, Styrene Acrylic Copolymers, Vinyl Acrylic Copolymers

### Industrial Adhesives Solutions

Hotmelt Adhesives  
Waterborne Adhesives

### PSA & Paper Solutions

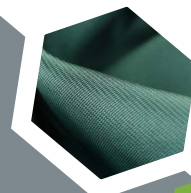
**Emulsions:** Acrylic Copolymers, Styrene Acrylic Copolymers, Vinyl Acrylic Copolymers, Acrylic Compounds

### Life Sciences & Material Solutions

Different technologies for variety of applications

### Textile & Leather Performance Solutions

**Emulsions:** Acrylic Copolymers, Styrene Acrylic Copolymers, Vinyl Acrylic Copolymer, Acrylic Compounds



Over  
2,000  
customers  
in 100  
countries



We operate in various locations in Europe. The company headquarters and largest manufacturing complex are in Istanbul, Turkey. Our integrated business network is managed from Istanbul.

**Kemerburgaz, Turkey:** Our Kemerburgaz location produces polymer dispersions, hosts our corporate headquarters, and our R&D Center.

**Tuzla, Turkey:** Our Tuzla plant is Turkey's first and only redispersible powder polymer production plant in Turkey, which serves the construction industry. It also hosts hotmelt production, which is mainly used in the adhesives market.

**Rotterdam, Netherlands:** Our Rotterdam plant manufactures polymer dispersions in the Botlek Chemical Complex to serve our customers in the Western hemisphere.

**Balerna, Switzerland:** Our ATR plant produces solvent acrylics to serve the adhesives and textiles markets.



We have 348 materials and logistics supply chain partners; to whom we enhance the sustainability of their businesses.

We issued "Supplier Code of Business Ethics" in 2019. Our standards ensure that we cooperate with professional suppliers that fulfil market needs in an ethical and sustainable way.

Also in 2019, we implemented a new supplier evaluation system that collects information about our suppliers' financial, environmental, social, and sustainability performance. Certificates, audits, environmental permits, emission levels, energy usages, trainings, and forward-looking sustainability plans are some information we seek to obtain from our suppliers.

### Materials Suppliers

We have a total of 331 material suppliers in four categories: raw materials, packaging products, stationery and office products, and services (canteen, car rentals, security, etc.). Our suppliers are located throughout Europe, the Americas, and Asia. Our direct suppliers supply semi-finished goods and trading products, whereas our indirect suppliers supply packaging products and spare parts.

### Logistics Suppliers

Our logistics suppliers include customs brokers, shipping companies, logistics and warehousing companies, surveillance companies, and consulting companies. We work with 17 contracted companies to provide logistics services. In 2019, we carried a total volume of 69,670 KT. 32,886 KT of this amount was transported by ships and 33,597 KT by RO-RO Intermodal, 1,300 KT by train, 1,887 KT by land.

We receive information about spot services, like transportation and storage, from 7 firms, 3 of which are based in Istanbul and the remaining companies in Europe. For research and consultancy services,

we collaborate with global companies with offices in Istanbul.

As a player in the chemical industry, we must and do comply with regulations regarding liquid transportation and handling. Logistics supplier selection is a meticulous process at Organik Kimya. Suppliers must have the competences required to provide equipment and carry out operations in the bid details defined for transportation or other logistics services. We require the candidate suppliers to have the infrastructure to track the process, operational performance, and to prove their reporting competencies. Quality Certificates (ISO 9001-ISO 27001, YYS certificate is preferred), along with Transport and Logistics Certificates, are examined.

We ensure the suppliers we work with take the necessary actions to protect the environment and reduce their carbon footprint. We obtain references in similar sectors, and information regarding their financial suitability, service capabilities in global arena, and the availability of offices in overseas locations.



We ensure the suppliers we work with take the necessary actions to protect the environment and reduce their carbon footprint.

Our activities, including our sustainability processes in the supply chain, workplace safety, product quality, and environmental impact, are regularly audited and approved by external independent parties.

In all activities undertaken in 2019, we fully complied with regulations and requirements. As known, periodic renewal of certifications is sometimes necessary to ensure the sustainability of the compliance process. In 2019, we were audited by 3 external independent companies, and the renewed 3 certifications, and sustained 8 compliance processes.

Organik Kimya’s compliance track record for 2019 is as follows:

- All our activities are periodically audited by SGS, an international consultancy firm offering independent services to reduce operational risks and to streamline processes, within the scope of OHSAS 18001 Certificate.
- Our facilities in Kemerburgaz and Tuzla locations successfully completed a total of 6 document audits on Safety, Health, Environment, and Quality (SHE-Q).
- The independent auditing and assessment joint initiative, Together for Sustainability (TfS), audited the sustainability of our operations. We scored 94% compliance with sustainable operations standards.
- We were assessed by EcoVadis, an international consultancy firm supporting its clients to integrate the principles of sustainability/corporate social responsibility into their business and management systems, and awarded a Gold Corporate Social Responsibility (CSR) rating.
- In addition to the ISO 9001 Quality Management System certificate at Tuzla facility, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System were certified.
- Environmental Impact Assessment (ÇED) permit for salt powder polymer capacity increase was renewed.
- The 3-year industrial waste management plan permit for the Kemerburgaz facility was obtained.
- Within the scope of Reach Audit and Certification, product-based studies continued to ensure compliance at our Istanbul and EU facilities.
- Within the scope of The European Agreement (ADR) concerning the International Carriage of Dangerous Goods by Road, hazardous substance activity permits were obtained.
- Our soil pollution process, which has been operational for around 18 months, was positively confirmed. Although it was initially classified as a “Suspicious Area”, it was declared a “Non-Tracking Field” by the governorate commission based on the results presented in a consultant firm’s report.
- All rights within the scope of the right to establish a union, which is protected under the 51st article of the Republic of Turkey Constitution, was compiled.

Code of Conduct Program 2019 establishes the basis of Organik Kimya Compliance Program:

500+ EMPLOYEES      300+ BUSINESS PARTNER

3 AUDITS + 3 CERTIFICATION + 8 COMPLIANCE PROCESS

Quality is Our Standard, Not Our Specialty

As Organik Kimya, we believe in demonstrating our commitment to continuous improvement by implementing integrated quality management systems. Our operations and processes are certified in line with business requirements where required.

ISO 9001 Quality Management System  
ISO 14001 Environmental Management System  
OHSAS 18001 Occupational Health and Safety Management System

ISO 9001  
ISO 14001  
OHSAS 18001  
BUREAU VERITAS  
Certification



ISO 50001 Energy Management System

ISO 50001  
BUREAU VERITAS  
Certification



ISO 27001 Information Security System

ISO 27001  
BUREAU VERITAS  
Certification



Certificate Code	Certificate Name	Site
ISO 14001	Environmental Management System	Kemerburgaz
ISO 9001	Quality Management System	Kemerburgaz Rotterdam Tuzla
ISO 50001	Occupational Health and Safety Assessment Series	Kemerburgaz
ISO 27001	Information security standard	Kemerburgaz Tuzla



## Engagement with Our Stakeholders

[GRI 102-12, GRI 102-13, GRI 102-40, GRI 102-42, 102,43]



By supporting, empowering and collaborating with all of our partners across the value chain, we are able to create and share greater long-term value for all. **Together, we work every day towards creating a more sustainable future.**

Therefore, identifying our stakeholders, categorizing them, and defining our method of dialogue has been essential in forming and implementing our sustainability strategy.

When collaborating and engaging with our stakeholders, whether directly or indirectly, we use our corporate values and business ethics policy as a guide. These values and policies have also informed our identification of key stakeholder groups. At present, our stakeholders include the following groups:

**Employees:** Continuous and frequent engagement via social activities, trainings, internal communication magazine, internal communication materials, electronic communications, and townhall meetings (open relationship meetings).

**Customers:** Continuous and frequent engagement via face-to-face interviews, telephone, e-mail, customer satisfaction surveys, trade fairs, conferences, social media, website, catalogs, professional journals.

**Investors and Shareholders:** Regular engagement via board meetings and performance reports.

**Suppliers & Dealers:** Regular/periodic engagement via e-mail, telephone, face-to-face interviews, and trade fairs.

**Public Institutions and Organizations:** Regular and frequent engagement via sectoral meetings, congresses, conferences and seminars, and membership relations.

**NGOs & Membership Associations:** Regular and frequent engagement via sectoral meetings, congresses, conferences and seminars, and membership relations.

**Media:** Regular engagement via press releases, e-mail, phone, and social media.

**Universities:** Regular engagement via internships, joint projects, career days, conferences, and panels.

One way of engaging with our community and contributing to the advancement of sustainability efforts is through our memberships in various associations, shown right

We utilize versatile communication methods, including face-to-face meetings, online surveys, and workshops to engage with our stakeholders. To inform our stakeholders about our initiatives and activities, we mainly use magazines, flyers, and brochures. In 2019, we published 4 scientific studies: 2 scientific papers and 2 scientific conference reports. Our collaboration with universities are through internship programs, joint projects, and career days. We also regularly contribute to scientific conferences. Our close collaboration with universities helps the development of science, sustainability, and innovation.

The nature of civil society is evolving and becoming more powerful to influence the actions of businesses as well as the policymakers. We believe in taking active roles in NGOs. We hold senior positions in many, like presidency, board memberships, and we participate in working groups. We also cooperate with more than 25 national and international associations. In 2 of these, we hold senior management positions.

Our method of communication with our 331 suppliers vary. We conduct self-evaluation surveys regularly to see how they progress in terms of sustainability parameters. In addition to our surveys, e-mails, calls, face-to-face interviews, and trade fairs are fundamental tools we utilize to engage with our suppliers.

We communicate with our 520 employees via social activities, training sessions, an internal magazine, electronic communications, and townhall meetings. We carry out multichannel communication studies with more than 2,000 customers every year. We also leverage face-to-face interviews, telephone calls, e-mails, customer satisfaction surveys, trade fairs, conferences, social media platforms, our official website, catalogs, and professional journals to engage with our customers.

We regularly organize meetings with our stakeholders. The primary methods we utilize are newsletters, e-mail notifications, and social media channels. In 2019, we contributed to the advancement of our industry by participating in 6 industry fairs and sponsoring 5 industry conferences.

### Our Memberships

- ABACS (Adhesives, Bonding Agents and Closure Systems)
- AFERA (European Association for the Self-Adhesive Tape Industry)
- BOSAD (Paint Industrialists' Association)
- CEFIC (The European Chemical Industry Council)
- CEPE (an indirect member through BOSAD)
- Chemport Europe
- EDANA (European Disposables and Nonwovens Association)
- EFCC (European Federation of Construction Chemicals)
- EPCA (European Petrochemicals Association)
- EPDLA (European Polymer Dispersion and Latex Association)
- FEICA (Association of European adhesives and sealants industry).
- FINAT (Fédération Internationale des fabricants et transformateurs d'Adhésifs et Thermocollants sur papiers et autres supports)
- GIYAD (Young Investors and Businessmen Association)
- IKSİ (Foundation for İstanbul Culture and Art)
- INDA (Association of the Nonwoven Fabrics Industry)
- Italian Chamber of Commerce
- OCCA (Oil and Colour Chemists Association)
- TKSD (Turkish Chemical Manufacturers Association)
- TREUHANDSTELLE Chemie und Pharmaverbände - Industrieverband Klebstoffe e.V.
- Turkey Label Industrialists Association
- Turkey Materials Marketplace
- Turkey Packaging Manufacturers Association
- Turkish Chemical Manufacturers Association regarding Responsible Care
- TURMEPA (Turkish Marine Environment Protection Association)
- TÜSİAD (Turkish Industry and Business Association)
- Environment & Climate Change Working Group
- UNGC (UN Global Compact)

### University Collaborations



Sabancı Üniversitesi



MANCHESTER  
1824  
The University of Manchester



The University of Akron

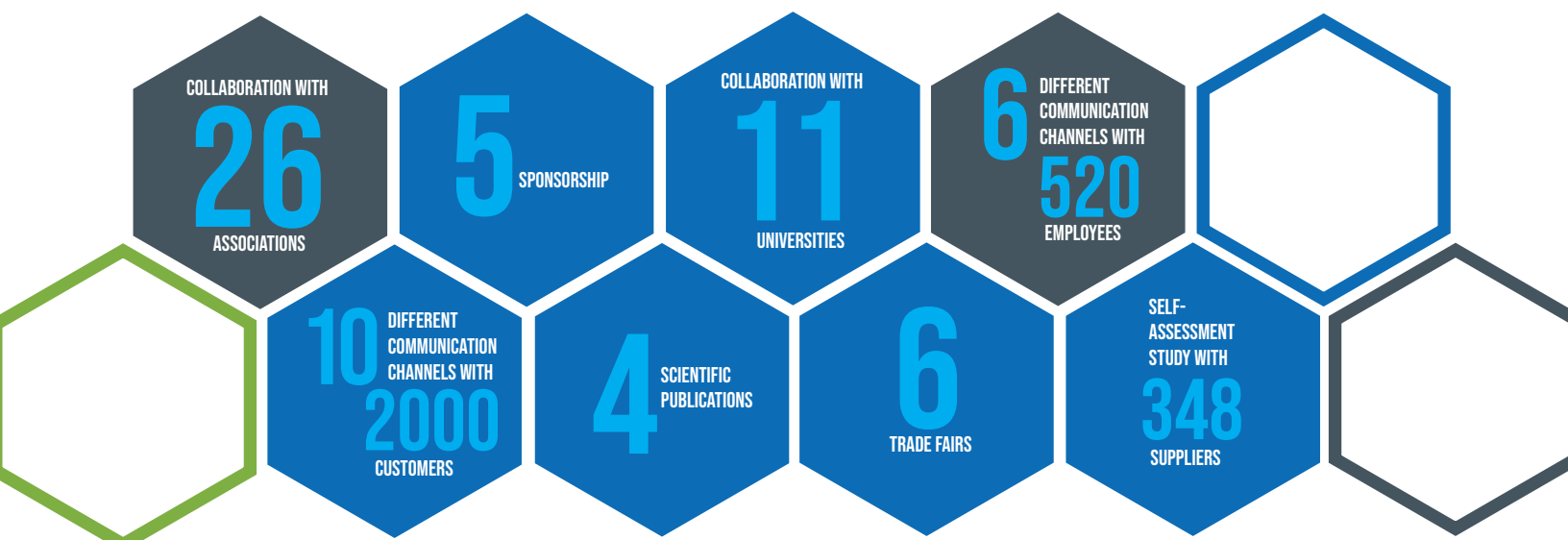


ETH zürich



UNIVERSITÉ DE LYON

RWTH AACHEN  
UNIVERSITY



## Our Awards

Since the last reporting period in 2018, we have received additional awards, crowning our various achievements.

# 2019

Great  
Place  
To  
Work®

BRITISH  
SAFETY  
COUNCIL  
International  
Safety Awards  
2019 Winner

### Great Place to Work (GPTW)

Turkey's Top Employers 250-500 employee category 4th place



### Top Employers

The Top Employers Turkey certification



### PERYÖN (People Management Association)

Value to Human



### EcoVadis

'Gold medal' as a recognition of our CSR (Corporate Social Responsibility) Rating



### kariyer.net

Respect for the Human Being Award



### LinkedIn

Best Talent Acquisition Team Award



### Istanbul Chamber of Industry

Energy Efficiency Award



### British Safety

International Safety Award



### British Coatings Federation

Highly Commended Project in CSR Awards



### Uludag Textile Exporters' Association

TechXtile Start-up Challenge Award





# Why we do it?

## Vision

A family company creating tomorrow's bonding solutions for our customers globally.

## Mission

Our people, our technology and our science make us the global solution provider of choice to our partners in targeted applications.



Our vision is to create tomorrow's bonding solutions for our customers globally. We relentlessly work to attain our vision by employing our integrated business, innovation, and sustainability strategies. We stated our mission as; Our people and our science make us the global solution provider of choice to our partners in targeted applications.

More than ever, people are looking for purpose-driven companies that take a stance; companies that share their passions and beliefs. In addition to our vision and mission, we embrace our purpose.

Our purpose defines our reason for being:  
**We never give up to explore, challenge and use our chemistry to deliver winning solutions.**

This statement informs our existence, shapes our goals, values, and strategy, and is embedded in our culture and practices.



# Ethics and Integrity

[GRI 102-16]

Transparent corporate governance ensures the sustainability of the system by serving its integrity. Our corporate governance approach, which focuses on creating value, aims to increase the trust of all stakeholders, and to share the value the organization produces with them.

## Our Values

Our values show our principles and standards of behavior, and our judgment of what is important while conducting our work. As Organik Kimya, we carry out all our business activities in accordance with our values. Our business strategy is in line with our values, which ensures that governance is executed based on a consideration of ethical issues. We are a human-oriented organization and one that is pivotally concerned with comprehensiveness.

Our values are trust, inquisitiveness, having a value-added mindset, "winning is fun", and having a pioneering attitude.

### Trust

Our business conduct is built upon trust. We trust ourselves, each other, and our business partners, and act in accordance.

### Inquisitiveness

We curiously search for new solutions and approaches. "Why?" and "Why not?" are the two key questions that fuel our inquisitiveness and help us to solve critical challenges.



### Value-Added Mindset

We provide novel solutions to add value to our work, colleagues, and customers. We ideate new products, services, approaches, and ways of doing business that add value to our business, as well as those of our customers.

### Winning is Fun

We take pride in our hard work and accomplishments, which drives us to achieve more. We ensure that we recognize and celebrate success throughout our organization.

### Pioneering Attitude

Our DNA embodies courage, determination, and leadership. It allows us to make a difference in our industry. With our entrepreneurial spirit, our pioneering attitude demonstrates itself with new investments, technologies, and innovative solutions.

## Code of Conduct

Our Code of Conduct sets out basic aspects of business conduct that must be adhered to in all activities and corporate management practices, as well as by all employees and suppliers at the organization.

The Code of Conduct was established in order to create a harmonious, inclusive, and egalitarian working environment. The Code of Conduct, which is a group-wide compliance program, consists of understandings and criteria that must underpin our activities. It also sets out corporate management processes for employees and suppliers who are responsible for considering these principles. The program covers the company's legal regulations and internal guidelines.

The Code of Conduct forbids individuals and organizations from discriminating against their employees on the grounds of race, color, religion, or gender. Actions described as racial, sexual, or religious harassment in the workplace should not be permitted, and all personal information about employees should be kept confidential. Our Code of Conduct preserves these rights.

All new employees are expected to become familiar with and understand the Code of Conduct, and then to commit to comply. The implementation of the Code of Conduct is directly the responsibility of the top management. The Code of Conduct is accessible to all employees on our various communication channels (e.g., via the Intranet, corporate web page, in-house televisions).

Our Code of Conduct and standards are the fundamental components of our operations. We have an Ethical Committee contact line, as well as a separate e-mail address, which has been created as a grievance mechanism for ethical matters. The complaints received are sent to the Human Resources

Director and Risk and Compliance Director, and all complaints are followed directly by the Board of Directors.

### Rule of Law

As Organik Kimya, we have a commitment to respect and do business in accordance with the local legal systems of each country in which we operate, as well as the global conventions that are binding in such legal systems during the conduct of its operations.

### Honesty and Responsibility

We conduct our relations and business processes on the basis of integrity. We are never misleading in our attitudes or statements regarding the products we have developed, the services we are rendering, or the knowledge and experience we possess. We fully assume responsibility for our products and services, and we are accountable for compliance with our business processes based on legal and ethical rules.

### Respect, Justice, and Equal Opportunity

We apply the principles of respect, justice, and equal opportunity in all business processes. All persons and legal entities involved in our operations are to conduct their business relations on the basis of mutual respect, and they must be committed to universal fundamental rights and liberties, including social justice and gender equality.

### Notion of Personal Responsibility

As professionals, all Organik Kimya employees are considered as corporate representatives. Our employees are required to behave consistently with the Organik Kimya's Code of Conduct, as well as the principle of social responsibility. All employees acknowledge that their behavior influences the corporate reputation and business partners, and act accordingly. Our employees are aware of the fact that the company's reputation, as well as its physical and goodwill assets, are shared values to be protected.

### Notion of Competition

We adopt and support the principle of fair competition in all operations and all relationships with business partners. Our employees avoid all practices that may hinder the functioning of competitive market institutions and rules in their field of operation, and in all business areas where they render or receive services and take measures as required.



## Work-Life and Recruitment

We do not allow, within our own organization or in our suppliers, the application or development of practices that expose employees to forced or abusive labor conditions. We do not allow child labor in our own organization nor in our business partners' or suppliers'.

We abstain from all kinds of discrimination in recruitment, placement, and employment processes. No discrimination is allowed on the basis of gender, race, religion, language, or physical or mental characteristics. No practices and behavior tending to cause discrimination, not even at the level of mere allusion, will be tolerated.

## Safety, Health, and Environment

We are committed in our production and operations to the principles of human health, safety and environmental compliance, and environmental protection.

No business decisions are to be taken that compromise human health, safety, or the environment. In the workplace, all necessary safety measures are taken to ensure that employees and business partners live in a safe and healthy environment at the corporate and individual levels.

## Protection of Information and Confidentiality

All data available in business tools and systems, personal employee data, production system information, production formulas, R&D information and inventions, pricing, marketing, and commercial information, and strategies are confidential. All employees are obligated to protect our confidential information. Such confidential information will not be shared, not even partially, whatever the purpose or medium.

If any employee is asked to disclose corporate secret or confidential information, in whole or in part, during a corporate or individual representation, the request will not be acceded to without consulting relevant internal authorities.

## Notification of Non-Compliance

All employees are entitled to report on practices that they believe do not comply with the Code of Conduct, relevant law, or best practice. In the event of notification of non-compliance with the Code of Conduct, the identity of the informant will be kept secret and all his or her rights will be protected and guaranteed.

## Corporate Citizenship

Organik Kimya, as a legal entity, and its employees, as individuals, are natural corporate citizens of the country in which they operate. As a corporate citizen of the host country, we define our corporate targets and policies with a view to support the economic, social, and environmental development of the community, and we encourage efforts in this direction. As part of our notion of social responsibility, we encourage our employees to participate as volunteers in internal or external social projects depending on their skills and competences.

## Relations with Business Partners

We adopt the principles of equity, honesty, and transparency in our relations with all partners that are directly or indirectly involved in our business operations, including our suppliers. We are committed to avoiding relationships and practices that may privilege some suppliers against others or cause conflicts of interest, thereby hindering the operation of competitive market institutions and rules. All requests that can be construed as bribery, privileging, abuse of power, discrimination, or conflicts of interest will be rejected and reported. Such practices are subject to sanctions, including dismissal, without exception. Our employees are not allowed to accept gifts from business partners, neither to present gifts to business partners.

## Relations with Customers

We conduct our relations with the legal entities or real persons that use our products and services on the basis of the principles of justice, lawfulness, honesty, and transparency. We and our employees avoid all practices that can be construed as discrimination by customers. The fundamental idea that regulates our relations with customers is to protect and improve their or their environment's health and safety, and to inform them about health or safety threats.

## Relations with Public Institutions

As Organik Kimya, we adopt the principle of conducting a constructive and facilitating relationship with the central government and local authorities in all host countries. It takes due consideration of the legal framework and the public sector ethical rules that determine the operational framework of public institutions. All requests that can be construed as bribery, privileging, abuse of power, discrimination, or conflicts of interest will be rejected and reported. Such practices are subject to sanctions, including dismissal, without exception.

At Organik Kimya, we focus on creating shared value in a manner that is socially and environmentally responsible, and that meets the needs of our company, our shareholders, and our communities of interest.

[GRI 103-1]

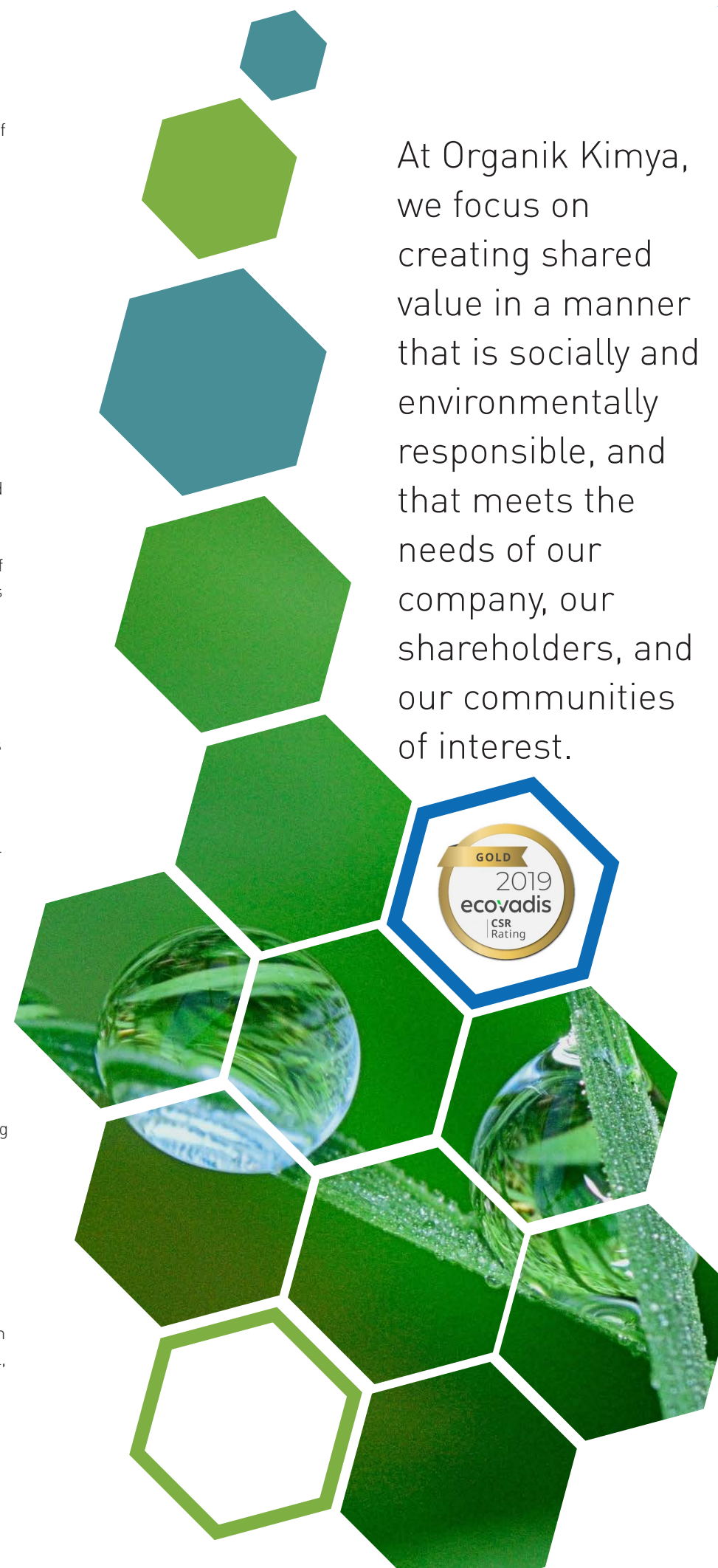
The global population is rapidly increasing and the Earth's resources are being consumed faster than they are renewed. In the face of global warming and climate change, companies are becoming increasingly aware that they must rethink their business practices and pursue sustainable development. We understand that financial profitability must go hand-in-hand with social equity and environmental integrity. A positive future for our planet and our people depends on cooperative production and the sharing of mutual benefits.

Sustainability, along with innovation, is an integral part of our strategy. We have continued our journey since the day of our foundation, firm in the belief that a deep understanding of chemistry is essential for humanity to move harmoniously with the environment. For this reason, the foundation of our sustainability approach consists of the preservation of core chemical, human, planetary, and environmental elements that sustain our ecosystems and communities.

Our sustainability journey began with our company's foundation. Our products depend on natural resources, including crude oil derivatives and other raw materials. Therefore, we understand that we must play an active role in preserving, renewing, and sustaining the resources we consume.

For us, doing "good business" is also "good for business". Adopting sustainability principles helps us increase our operational efficiency by reducing costs and waste, reach new customers and increase our competitive advantage, protect and strengthen our brand and reputation, build long-term business viability and success, and respond to regulatory constraints and opportunities.

We achieved successful results throughout 2019. We received a gold corporate social responsibility (CSR) rating from an independent rating company, EcoVadis, which assesses performance in CSR and sustainable procurement. This places Organik Kimya in the top 4% of global companies which are dedicated operators of ethical and sustainable supply chain adding value at every stage of the journey.



# Our Material Sustainability Topics

(GRI 102-44, GRI 102-47, GRI 102-48, GRI 102-49, GRI 103-1)

A “material topic” is one that reflects our company’s meaningful economic, environmental, and social impact, and one that could substantively influence the assessments or decisions of our stakeholders. Materiality assessment helps us align financial and sustainability materiality and embed sustainability issues into our core business strategy. By focusing on our material issues, we identify how these issues impact our business, dedicate resources to establishing goals and metrics, and fully embed these issues into our business.

We choose the content for our annual sustainability report after conducting a detailed materiality assessment. This process allows us to identify and evaluate the topics that matter most to our business and our communities of interest, during both the previous year and the near-term future. Decisions about the materiality of a given topic are made in accordance with guidance from the Global Reporting Initiative.

Our annual process for identifying material topics is a 3-step cycle: **discover**, **prioritize**, and **confirm**.

The first step, “discover”, involves intensive consultation and research. This allows us to create a list of topics, which is then analyzed by internal experts and external stakeholders. Subsequently, the list is validated by our senior management team. Due to the long-term nature of our operations, topics in the industry are typically consistent year over year. As such, the second and third steps, namely “prioritize” and “confirm”, build on the results from the first step.

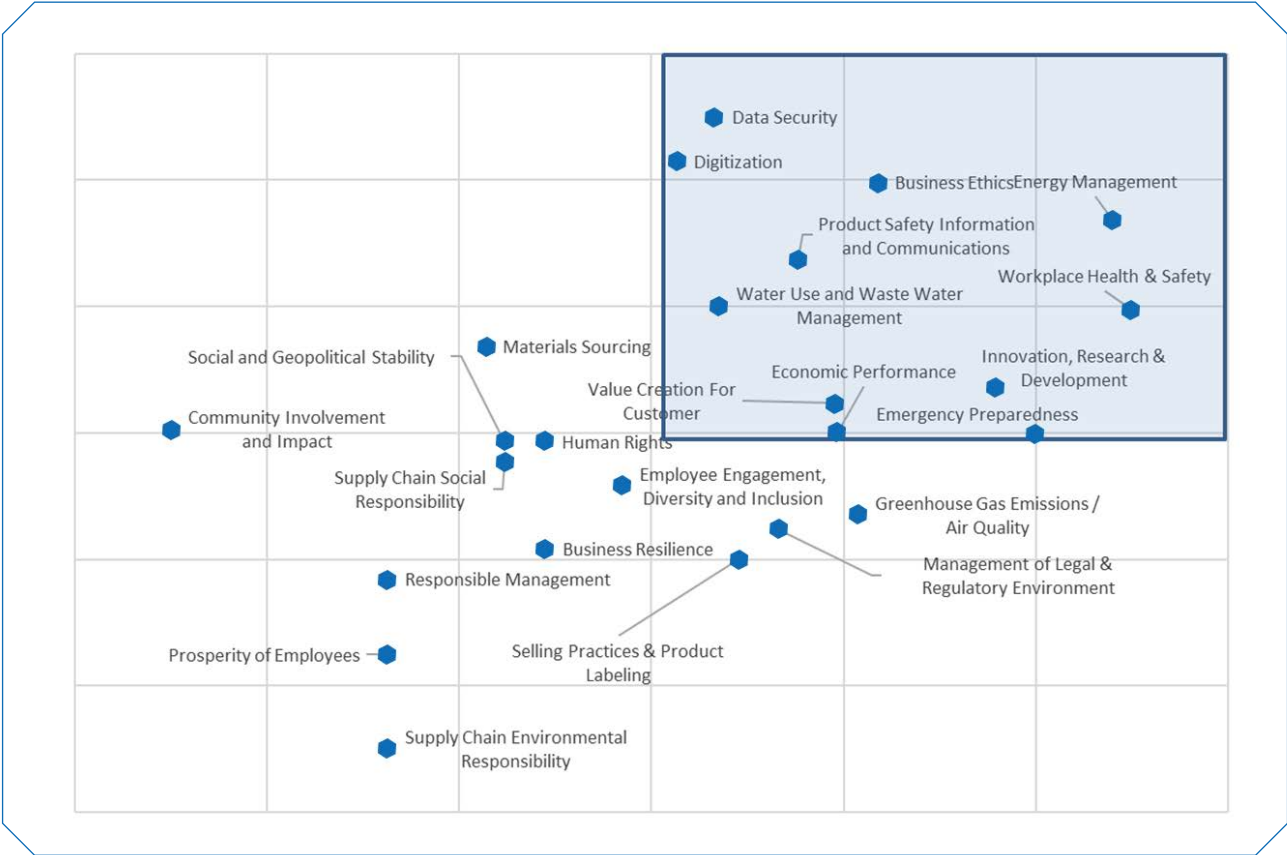
During the “discover” phase, we conducted research on industry trends and evaluated internal strategy documents, including the 5-year plans for all business units. We also used information from our 2017 comprehensive assessment, which mapped our impacts and the boundary of our material topics across the value chain. In this phase, we identified 25 potentially material topics.

During the “prioritize” phase, we conducted one-on-one interviews with stakeholders in order to understand the current state of sustainability within Organik Kimya, as well as our sustainability outlook. Specifically, we conducted interviews with 129 internal and external stakeholders and used inputs such as industry reports, survey results, and internal workshops to identify the most significant risks and opportunities facing our business and our communities of interest in the past year.

Our sustainability strategy and targets are defined in line with our material sustainability topics during the “confirm” phase. We updated our methodology and applied it to identify material issues during the reporting period. We prioritized 11 sustainability topics, which are explained below.

The following topics from the last report remain as important initiatives: (i) Workplace Health & Safety, (ii) Business Ethics, (iii) Innovation, (iv) Research & Development, and (v) Water Use and Waste Management.

Consistent with stakeholder opinions gleaned from interview results, customer satisfaction, which had been among our priorities in the previous report, was transformed to Value Creation for Customers. In addition, Data Security and Digitalization are added as new topics in our priorities.



**Energy Management:** Energy consumption management and improvement in value chain and resource management activities.

**Workplace Health and Safety:** Creating a culture of health and safety that supports practicing the highest health and safety workplace standards and processes, including accident prevention, preparedness and response, and maintenance and safety of production sites and plants. Ensuring physical and mental health of workforce through technology, training, corporate culture, regulatory compliance.

**Business Ethics:** Maintaining governance structures and practices that encourage transparency and prevent unethical behavior, including anti-competitive behaviors, bribery, corruption, and non-compliance with regulatory and voluntary codes; ensuring board-level accountability for sustainability.

**Data Security:** Managing the risks related to collection, retention and use of sensitive, confidential and/or proprietary stakeholder data (including customer, employees, suppliers, etc.). Protecting physical and information assets.

**Digitalization:** Leveraging digital technologies to create tangible value for all Organik Kimya’s stakeholders.

**Product Safety Information and Communications:** Neutralizing product toxicity, ensuring products go through appropriate risk assessment processes, and ensuring appropriate communications are done with all stakeholders.

**Innovation, Research and R&D:** Solving customer, community, and environmental challenges and investing in innovation and technologies that advance sustainable products and practices.

**Emergency Preparedness:** Preventing and preparing to respond to emergencies across all activities; includes creating and practicing specific emergency response plans and preparing for the physical impacts of climate change.

**Water Use and Wastewater Management:** Management of wastewater, reducing the amount of waste and using water efficiently.

**Value Creation for Customers:** Creating tangible value for customers in order to make their products and value chain activities more sustainable through Organik Kimya’s products and services.

**Economic Performance:** Generating and distributing economic value (EVG&D).



# Our Value Management Approach

[GRI 103-2, GRI 103-3]

# How we do it?

Since 1924, we have been passionately working to create value for all our stakeholders in our ecosystem, including our customers, our suppliers, our business partners, non-market players, and our shareholders.

Our value creation approach is based on the principle of creating “shared value”; pursuing financial success in a way that also yields societal benefits. This approach presents itself through 3 main pillars we adopt: creating economic value, creating environmental value, and creating social value. We design all our value chain and resource management activities with this lens. We also make sure that our efforts are aligned with the United Nations Sustainable Development Goals (SDGs).

We create economic value through our innovation and R&D activities, our differentiated value proposition for our customers, and our digitalization efforts to reduce our unit costs and provide more value to our customers, which are all reflected in our economic performance.

We create environmental value through continuous development in our value chain activities’ environmental impacts, specifically focusing on energy management, water use and wastewater management.

We create social value by ensuring wellbeing, safety, and development of our employees and members of the communities we live and work in.

We highly appreciate Organik Kimya’s innovative approach, new ideas, working environment, and respect they show for their employees.

**GSC Group SpA**

## Our Sustainability Approach

### Value Creation

#### We create economic value

- Economic Performance
- Value Creation for Customers
- Innovation, and R&D
- Digitalization
- Data Security

#### We create environmental Value

- Water Use and Waste Water Management
- Energy Management

#### We create social value

- Business Ethics
- Product Safety Information and Communications
- Emergency Preparedness
- Workplace Health and Safety

### Sustainability Key Performance Indicators (KPIs)

## Economic Performance

[GRI 201-1]



# We create Economic Value

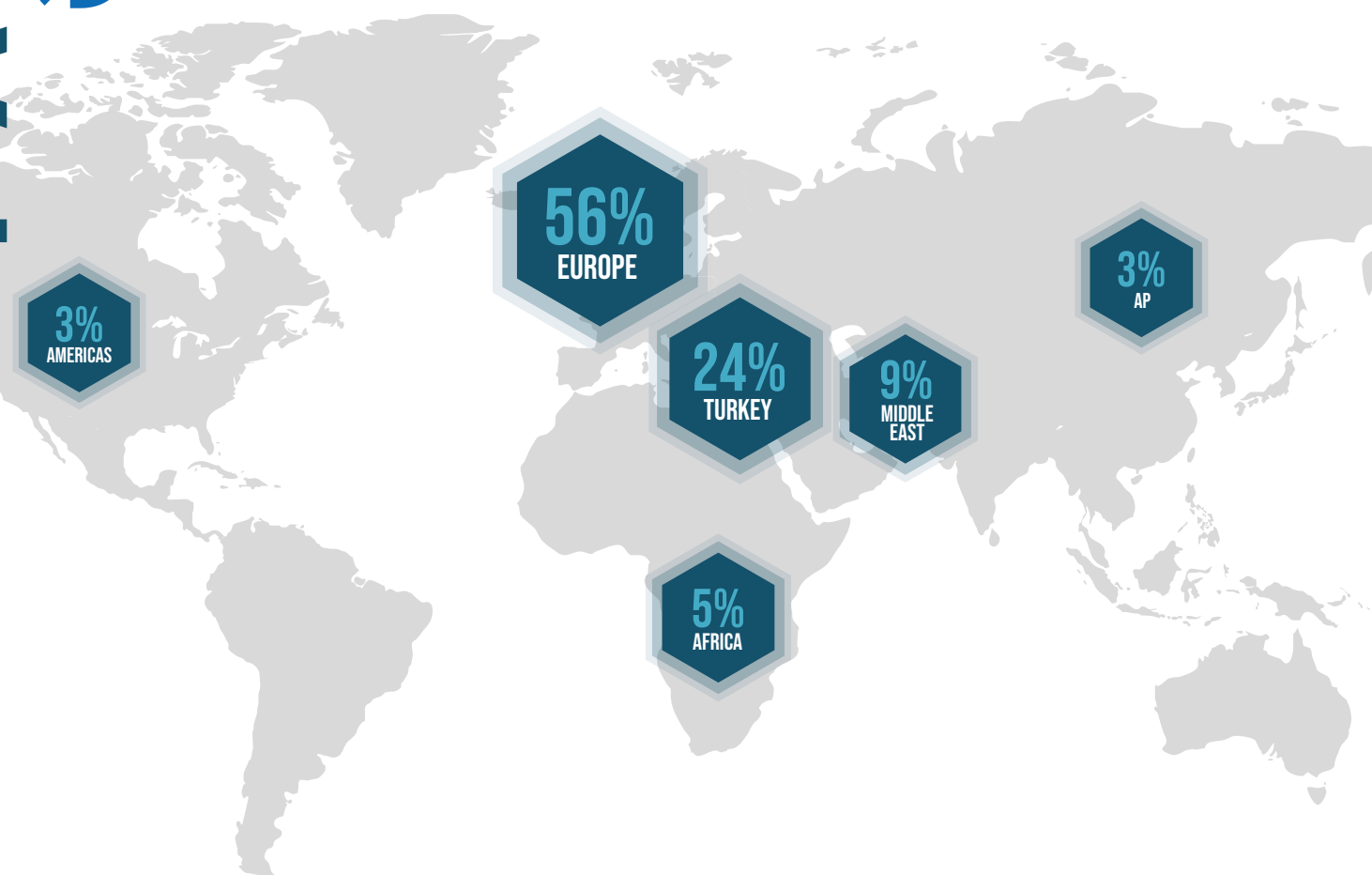
### Our Sales Performance in 2019

We sell our products to more than 100 countries. In 2019, 56% of our sales were in Europe, 24% in Turkey, 9% in Middle East, 5% in Africa, 3% in Asia Pacific, and 3% in the Americas regions. Our largest European markets are Italy, Spain, Germany, and the UK.

Roughly 17% of our sales are generated from products that are developed by our R&D labs in the last 3 years. Every

year we are thriving to develop new ideas and products that add value to our customers and propel our growth.

Our efficiency and productivity grew significantly between 2018 and 2019. Focusing on innovation and sustainability enables us to create more value-added products for our customers and make us more financially resilient company.



### Our Investments

Over the years, we have grown organically with green-field investments like our Rotterdam and Tuzla facilities. These investments resulted in a substantial increase in our production capacity. New investments are planned for these facilities in the future, as we are approaching full capacity in certain operations.

We are at almost-full capacity in powder polymers (ORP) and a new investment that is set to double existing the capacity is on the way. Since powder investment and sales will require additional liquid polymer production, we will also need to make a capacity increase in our Kemerburgaz plan. We also intend to increase our Rotterdam facility's capacity. Our priority will be to invest in capacity expansions. However, we also plan to benefit from inorganic growth opportunities through acquisitions in order to achieve a higher growth rate.

To further improve our profitability, we began utilizing a peer pricing tool that helps the sales team calculate the impact of proposed prices on margins. It also helps us compare the calculated margin with previous years' margins and improve them year-over-year.

Last but not least, we are constantly assessing our performance in terms of creating new products, entering new geographies, and acquiring new customers. We use multiple metrics to measure our success and we implement new ones when necessary. One example of such measure, which has been implemented since five years is the vitality index (VI), where we calculate the ratio of profit derived from new products and/or new customers to total profits. We are also working on integrating this new metric into our compensation systems and budget evaluation process. Commercial Performance of New Products

As Organik Kimya, we are committed to creating value for our customers and we know that the first and most important step starts with new products and services offered to the market. Investing in the development of new products and services is crucial for sustainable business in terms of growth and profitability.

### Commercial Performance of New Products

Development processes are risky and need considerable planning, as today's market requirements increase complexity in terms of regulations, trends, expectations, and scarce resources.

Our product life cycle approach from ideation to market placement phases is carefully managed by senior teams, and performance is constantly observed with corrective actions when required. So, our results show that our success in the new product development process is the growth engine of our company.

As mentioned above, vitality index (VI) is the ratio of total profit to the profit derived from products launched in the last 3 years. Every year, so-called "vitality products" change as new products are created and old products (i.e., those over 3 years) lose "vitality" status.

The aim of VI is to calculate the profit generation capability of newer products in the total product mix. The higher the ratio, the more sustainable is the future profitability of the company. Our 2019 target for vitality index was 15% and we completed the year with 15.3%, which is a good indicator of healthy business.



# Science of Value: Innovation, R&D

[GRI 201-1, GRI 203-1, GRI 203-2]



Since the establishment of Organik Kimya, R&D has always been an area for investment and R&D activities and results have always been monitored and evaluated by senior management. In 2009, R&D Department, which was directly connected to the General Directorate of Organik Kimya, was re-positioned as an R&D Center with a change in its management approach. With this new way of working, scientific approaches were integrated into R&D practices in line with customer and market requirements. R&D Center is financed with around 3% of our annual revenue and it focuses on product development, process optimization and quality control mechanisms.

Our confidence in our R&D capabilities has enabled us to place innovation into the core of our strategy. We adopt a holistic approach to innovation: from R&D to manufacturing and business process operations, we work to ensure that innovative ideas are cultivated and implemented. We evaluate ideas at our quarterly Innovation and Business Process Management (BPM) Board Meetings.

We employ a systematic yet flexible stage-gate process from ideation to commercialization of a product, called Innovation Funnel. Technological infrastructure activities for the adoption of the stage-gate approach were completed in 2010 in order to carry out and monitor the innovation activities more systematically. Our R&D Center keeps track of project details (e.g., project systematics, budget, human resources, and expenditures) in order to ensure achieving initial project goals and to contribute to our intellectual capital by reinforcing the knowledge and experience gained throughout the project.

In addition, the sustainability of our innovation is crucial and we, therefore, monitor all our innovation projects

against a set of targets. We use four key performance indicators (KPIs) to carry our strategic intent forward and to measure throughput as well as output and outcome.

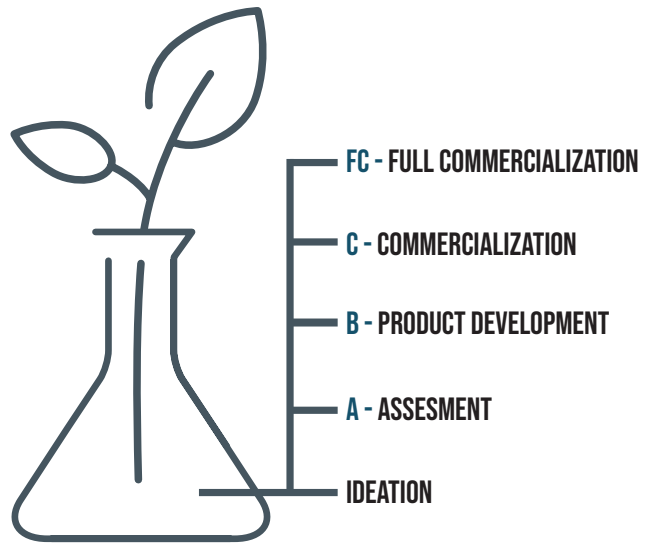
Ideation Index focuses on our ability to generate ideas by measuring the percentage of non-incremental projects amongst projects commercialized in the last three years. Vitality Index shows our innovation effectiveness by highlighting percentage of profit contribution generated from products commercialized in the last three years. Quality Index tracks the profitability of the products commercialized in the last 3 years. ROI2 is another indicator efficiency of our investments by calculating payback periods.

“Creating continuous and innovative value” for our customers is one of our corporate targets set for and embraced by all employees. Additionally, our innovation strategy is supported by regular Innovation Boards, Future Board, Innoland, Innovation Awards, and Ideation Team within the company.

Innovation Boards are a cross-functional team meetings led by business units aiming at prioritizing our projects with business mindset. The Innoland is a form of training, provided by both internal and external speakers, which focuses on creative thinking, innovation and sharing of knowledge. Innovation Awards have a long history in our company. Each employee regardless of position, qualification or department can enter an innovative idea for a new product, process, service or improvement of current processes into our internal ideas system. The most innovative ideas are rewarded with a symbolic innovation award. The Ideation Team meets regularly and is encouraged to think outside of the box about our products, services and processes.



# Innovation Funnel



Ideation Index	Vitality Index	Quality Index	ROI <sup>2</sup> Index
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Having an R&D Center not only helps us create unique innovative projects but also enables us to collaborate with leading companies in Europe and overseas. The incentives we receive for our R&D activities within the scope of Law No. 5746 helps us reduce the cost of our R&D activities and contribute to enhance our R&D Investments and further improvement of our competitive advantage.

After the establishment of our R&D Center, we took critical steps to further develop intellectual and industrial property rights. Managing patent processes is an important part of our R&D activities, as it provides access to technical and technological information and protects the value created as a result of our R&D investments. To manage these processes, we have a “Patent and Intellectual Rights” unit within our body. We are working towards obtaining more patents in the upcoming years.

We give upmost importance to product innovation. As a result of our efforts, we have obtained 3 new patents in 2019.



## R&D Projects Turned into New Investments

### Powder Polymer

Beginning in 2010, our R&D Center led the project “Synthesis of Water-Based Polymers of Cement Modifying Materials Pulverized by Spray Drying Technique”, supported by TÜBİTAK – TEYDEB. As a result of this project, powder polymers for the construction industry were developed. To further invest in this product, we established a new production facility in Tuzla in November 2011. As a result, our product range grew and we began to address the construction industry’s needs.

Through Organik Kimya’s powder products manufactured in Orgachem plant, Turkey’s powder polymer imports fell by 26%

As a result of this investment, Turkey’s powder polymer imports fell by 26% on average. Our entrance to the market as a new supplier has also lead to increased service level to Turkish market.

### Development of Low-Temperature Applicable Hotmelt Glues

Another project that we have focused on is the development of low temperature applicable hotmelt glues. This project was carried out with support from Scientific and Technological Research Council of Turkey (TÜBİTAK). Similar to the powder polymer project, we have contributed to the reduction of Turkey’s imports for low temperature applicable hotmelt glues, thereby providing local customers with access to more affordable products. A new production facility was established at Tuzla to produce hotmelt adhesives. We expanded our product range and kickstarted the production of hotmelt adhesive applications for the hygiene sector.

## Value-Generating R&D Activities

## Customer Applications

## Environment

## Effectiveness and Efficiency

We continually research and develop products that perform better in customer applications and satisfy customer demand.

Our R&D Center has a critical role for increasing our competitiveness in the chemical sector. This stems from the unique and innovative products it provides to the sector, particularly compared to our national and international competitors. Our strategic approach focuses on three main topics, which are environmentally friendly production, added value for customers, and cost-effectiveness.

We are committed to the Chemical Industry’s Voluntary Action Plan for Responsible Care (Responsible Care), which is overseen and managed by the European Chemical Industry Council (CEFIC) and the Turkish Society of Chemical Industry. In line with this commitment, and based on the aim of facilitating continuous improvements in health, safety, and environmental performance, we follow innovations and develop our products in this direction, thereby ensuring that our products respect nature and the environment. It is therefore that our product innovations focus on improving people’s health (**low-VOC, formaldehyde-free, and metal-free products**), fighting climate change (**reduce carbon footprint, improve resource efficiency**), and contributing to circular economy (**using biobased raw materials, improving recyclability and compostability of our products**)

We aim to create value for our customers by reducing their production costs by developing superior products and technologies as a result of our R&D activities. Our whole organization is committed to researching and developing products to ensure that customers can efficiently process their applications using minimum amount of energy and can produce their products and services effectively. Pilot studies to measure the contribution of our products and technologies to our customers’ performance are always conducted at our R&D Center.



## Digitalization

(GRI 203-1, GRI 203-2)

Digital transformation is the process of embedding digital technologies and innovation to operations to increase competitive advantage. Digital technologies and innovation continue to provide opportunities for us to create better, more differentiated customer value and decrease our unit costs. In 2019, we continued our journey of enabling smarter operations and implementing more agile and efficient processes across our facilities.

Our approach to digitalization is human-centric and based on agile processes. We believe that digital transformation cannot be achieved only through having the right technologies. Technological infrastructure and tools should be supported with transformation of people.

We are seizing the opportunities by establishing a company-wide platform consisting of different business units for technology use and adoption. To support this approach, we built a digital transformation team and called each team member a “Transformer”.

“Transformers” identify processes that are candidates for digitization, prioritize improvement opportunities, and digitize our activities with the Process Classification Framework developed by the American Productivity & Quality Center (APQC).

As of November 2019, Transformers identified all company-wide processes and created our Process Inventory by using APQC’s reference model. Our primary focus is to optimize our operations and eliminate bottlenecks.

The second step, prioritization, is carried out by assessing the processes in terms of impact, maturity level, and digitalization opportunities.

The third step is the execution phase where we implement our solutions. We continuously evaluate new digital and automation tools that will be critical for the production and the digital workplace of tomorrow, including **Internet of Things (IoT), mobility, Robotic Process Automation (RPA), artificial intelligence (AI), and virtual reality (VR) tools.**

Our IoT projects in our operations deliver significant energy savings, and thus contribute to our environmental efforts. Robee, our RPA tool, helps us by taking over the manual and repetitive tasks. Digital office platforms supported with virtual reality tools allow our employees to run our operations without time and location restrictions. The use of big data, accumulated through our sensor network in production facilities, improves our operational effectiveness and efficiency.

As a result of our digitalization efforts; we believe that our productivity and creativity will increase further as our employees will re-gain the time which was spent on operational tasks, and focus on exploring new ideas.





## Data Security

[GRI 418-1]



Organizational information used by companies during their activities and information systems where such information is stored and made available are critical for businesses. For this reason, they must be properly protected. We are aware of this responsibility and take proactive action to operate our Information Security Management System in accordance with the **ISO 27001 standard**.

With the risk-based approach we implement within the scope of ISO / IEC 27001, we ensure a high level of security with appropriate levels of attention paid towards human resources, procedures, and information technology infrastructures for the protection of information and information assets.

Our Information Security Policy (ISP) was prepared in order to ensure the proper protection of our organization's and our customers' information assets. ISP covers all employees, third-party users, and service providers that access our information assets. Regardless of their role and position, all our employees and suppliers are obliged to comply with the safety principles specified in the relevant legal regulations, policies, procedures, regulations, and contracts to limit risks and work within accepted best practices.

Each department manager is primarily responsible for taking necessary precautions to ensure compliance with ISP and related policies within his/her department. We aim to protect the information and information assets of the institution and our stakeholders with the Information Security Management System (ISMS). We use the necessary resources to establish, implement, operate, and continuously improve the ISMS to achieve this goal. Incompatibility of Organik Kimya stakeholders, employees, and suppliers with the ISP and other regulatory documents referenced in this policy is considered a policy violation.

Within the scope of compliance with ISMS standards, our information security needs are determined by considering our business strategy and targets. Additionally, with ISMS risk assessment, potential threats and their effects are identified.

Commercial partnerships are supported legally, regulatorily, and contractually. ISMS targets are measured and supported through improvement, review, and monitoring methods. This process is managed within the scope of Information Security Management System Procedure. We consider having minimal and low-risk improvement areas during our 5-year inspections as an important achievement.

We regularly carry out measurements and evaluations to manage and safeguard information security. Such measurements include Awareness Training and Measurement, ISMS Violation Incident (virus attacks, DDOS attacks, and similar external attacks), and Official Certification Compliance. We rate our performance every year on data security based on determined KPIs and penetration tests.

To date, there has been no incidents involving violations of customer privacy at Organik Kimya. Effective use of firewalls, WSA and ESA hardware and software, and system protections in the most effective way against internal and threats has been central to this success. The use of MDM (Mobile Device Management) software that supports this hardware, along with VLAN and Router Protections between systems, has perfected the protection of our operational systems. Furthermore, periodic evaluation of Access Barriers and Penetration Tests allows us to maintain customer privacy and data security.



## Value Creation for Our Customers

[GRI 203-2]

### Our customers are at the center of our strategy and operations.

Creating tangible value for our customers, so that they can create and/or increase their sustainable competitive advantage is what we strive for. Therefore, we selected "creating value for our customers with respect to sustainability" as a material topic within our sustainability strategy.

We rigorously follow trends and market dynamics, and listen to our stakeholders to analyze our operating environment. We are working proactively to improve our product portfolio to add new, more innovative and sustainable products that meet today and tomorrow's needs. The value we provide to our customers is through our products, operations, and services. Our customers not only work with us because of our strong product portfolio and our products' quality and

consistency, but also because of our on-time delivery performance, proactive approach to solving problems, strong customer service and technical support, and general experience of working together. We measure our customers' perception and satisfaction of our performance through "Voice of customer" online and field research we undertake.

We are also working on integrating a sustainability perspective to how we view our customers. In the upcoming months, all our customers will have a sustainability score that indicates their sustainability orientation. This will enable us to determine customers who place more importance to sustainability and provide additional values to them.

We pay immense importance to communicating our sustainability related efforts to our customers, so that we can find new ways to collaborate and add value. We are working to strengthen our external communications strategy and methods to better convey our sustainability driven activities and messages.





## Environmental Value Management Approach

[GRI 103-2, GRI 103-3]

# We create Environmental Value



We follow an ethical framework towards safe chemicals management and performance excellence by being a part of a voluntary initiative, Responsible Care®, defined by The European Chemical Industry Council and the Turkish Chemical Manufacturers Association. In line with our membership commitment, we continuously improve our environmental sustainability performance. To achieve this goal, we leverage state-of-the-art technology and innovation to produce products and technologies that promote environmentally friendly and sustainable operations.

Our environmental value management approach is built on the cyclic interaction between various departments and consists of three main pillars: Programmable Logic Controllers (PLCs), Organizational Life Cycle (O-LCA) methodology, and Golden Environmental Rules.

PLCs, providing infrastructure excellence, control energy efficiency and prevent energy waste. The value saved by PLCs combines with the value created by products under Organizational Life Cycle (O-LCA) methodology. Golden Environmental Rules ensure that the value generated and the savings accumulated by O-LCA and PLCs serve to the organization's environmental sustainability goals as well.

The PLC project, which started in the last quarter of 2017, is a holistic energy management project. The

project intends to prevent production downtimes, to prolong equipment life, and to collect necessary data for equipment optimization. It consolidates all utility alarms on a single screen and helps respond to potential problems immediately. Additionally, the system can be reached and monitored from outside the factory, allowing long-distance interventions. This helps us avoid potential energy losses and improve energy efficiency.

Organizational Life Cycle Assessment (O-LCA) methodology, defined by the ISO 14072 standard with a guidance prepared by The United Nations Environment Programme (UNEP), Society of Environmental Toxicology and Chemistry (SETAC) and Life Cycle Initiative, is a compilation and evaluation of the inputs, outputs and potential environmental impacts of the activities associated with the organization adopting a life cycle perspective.

O-LCA supports the identification and quantification of environmental aspects within and beyond the gates of the organization. It takes all the suppliers and other partners in the value chain associated with the provision of the organization's product portfolio into account. O-LCA is an environmental multi-impact approach, meaning that a comprehensive set of environmental issues relevant for the specific system are considered, and together they represent the potential environmental impact profile for the organization's activities.



## Our Passion for the Environment



Several of our material topics, water use and wastewater management, energy management, and waste management, are evaluated in terms of circular value approach by Organizational Life Cycle Assessment (O-LCA).

Environmental Golden Rules establish the cornerstone of our activities to prevent leaks and spills, to reduce resource consumption, to manage waste and environmental impact and to reduce energy consumption.

The effectiveness of our environmental value management approach is audited and certified with ISO 14001 Environmental Management System and ISO 50001 Energy Management System in order to ensure that we consistently provide products that meet customers' environmental expectations and regulatory requirements.



Environmental Value Management Hierarchy



We design our business model and our operations in compliance with all regulations where we operate in and considering our environmental responsibilities. Therefore, the standards we voluntarily undertake are higher than what is required and our results confirm our commitment to an environmentally conscious operational approach.

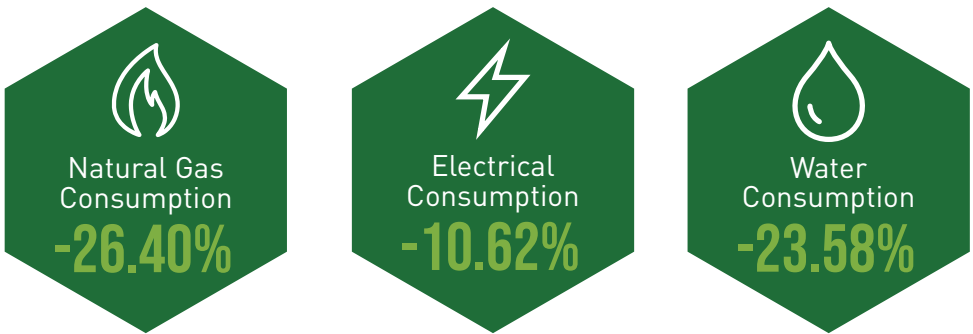
In 2019, we updated our ISO 14001 environmental management system and ISO 50001 energy management system certificates. In 2018, Materials Marketplace (MM), which is a digital platform created to provide that the raw materials, by-products, surpluses and unused materials which are left over after a company’s production processes constitute the inputs of the production of another company. The project is implemented in Turkey through the cooperation between BCSD Turkey and the United States Business Council for Sustainable Development (the US BCSD), and it is funded for its first two years by the European Bank for Reconstruction and Development (EBRD).

The EBRD included the MM project within the scope of “Near Zero Waste” program, which supports waste reduction projects. The project has the characteristics of a digital initiative by its structure, and it will make a significant contribution to circular economy. Turkey Materials Marketplace creates a new ‘business-to-

business’ model, and thereby, it will radically change traditional recycling models, waste management systems and even the ‘waste’ concept. As a result of this initiative we have achieved a 45% improvement over the years in wastewater management.

We are continuously working on reducing the use of resources by increasing our efficiency and effectiveness in our operations.

We have achieved significant company-wide results on electric, natural gas, and water consumption over years by applying our environmental value management approach in our value chain activities.



	2015	2016	2017	2018	2019
Electrical Consumption (kWh/ton)	113	116	110	105	101
Natural Gas Consumption (m3/ton)	25	25,6	25,3	20,8	18,4
Water Consumption (ton/ton)	2,46	2,33	2,09	1,95	1,88










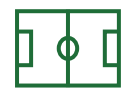




We have been cooperating with ÇEVKO since 2011 to fulfill our responsibilities in recycling packaging waste. ÇEVKO is a non-profit foundation established in Turkey to contribute to a sustainable recycling system to enable the healthy and clean recycling of glass, metal, plastic, composite and paper/cardboard type packing wastes.

ÇEVKO adopts the "Integrated Waste Management" principles and it is an Authorized Organization by the Turkish Republic Ministry of Environment and

Urbanization within the framework of the "Regulation on the Control of Packaging and Packaging Waste" published in 2005 during the harmonization process of Turkey to the European Union. ÇEVKO Foundation, having taken over the recovery responsibilities of the industry, carries out its activities on a contractual basis with many operators. ÇEVKO manages the packaging waste recycling processes on our behalf.

Our contribution in cooperation with ÇEVKO in 2019 can be summarized below:

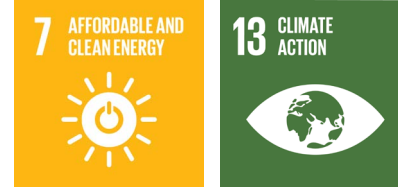
Materials	Paper Cardboard, Weight of Paper Cardboard weight of Composite Paper, Wood		Aluminum, Steel-Tin, Paper Cardboard, Glass, Composite Paper-Cardboard Weighted, Plastic.		All materials		Plastic		Paper Cardboard, Composite Paper Paper-Cardboard Weighted	
Total environmental contribution we have made so far with ÇEVKO		<b>240</b>		<b>5,971,394</b>		<b>3,768</b>		<b>211,312</b>		<b>238,455</b>
	trees have been saved		kw/h electricity saved		m³ storage area have been saved		litter fossil fuel have been saved		m³ water have been saved	
		<b>5,000</b>		<b>2163</b>		<b>1</b>		<b>4,696</b>		<b>Annual water consumption of 1 family</b>
	m² forest		Annual electricity consumption of families		Equal to one football field		parking lot			

We have been cooperating with ÇEVKO since 2011 to fulfill our responsibilities in recycling packaging waste.



# Energy Management

[GRI 302-1, GRI 302-2, GRI 302-3, GRI 302-4]



Energy consumption is one of the most significant cost items in our production processes. We meticulously manage our energy usage via our Energy Management System and we are focused on continually improving energy efficiency across our facilities. We are aware of the fact that sustainable energy management is a key issue for companies today. Therefore, we are proactively making more sustainable energy choices and using our energy more efficiently.

We strongly promote initiatives to reduce energy consumption in the production process.

This involves conducting audits, identifying potential areas for improvement, and taking actions for improving energy efficiency and reducing total consumption. Our successful results are built on various initiatives, some of which are listed below:

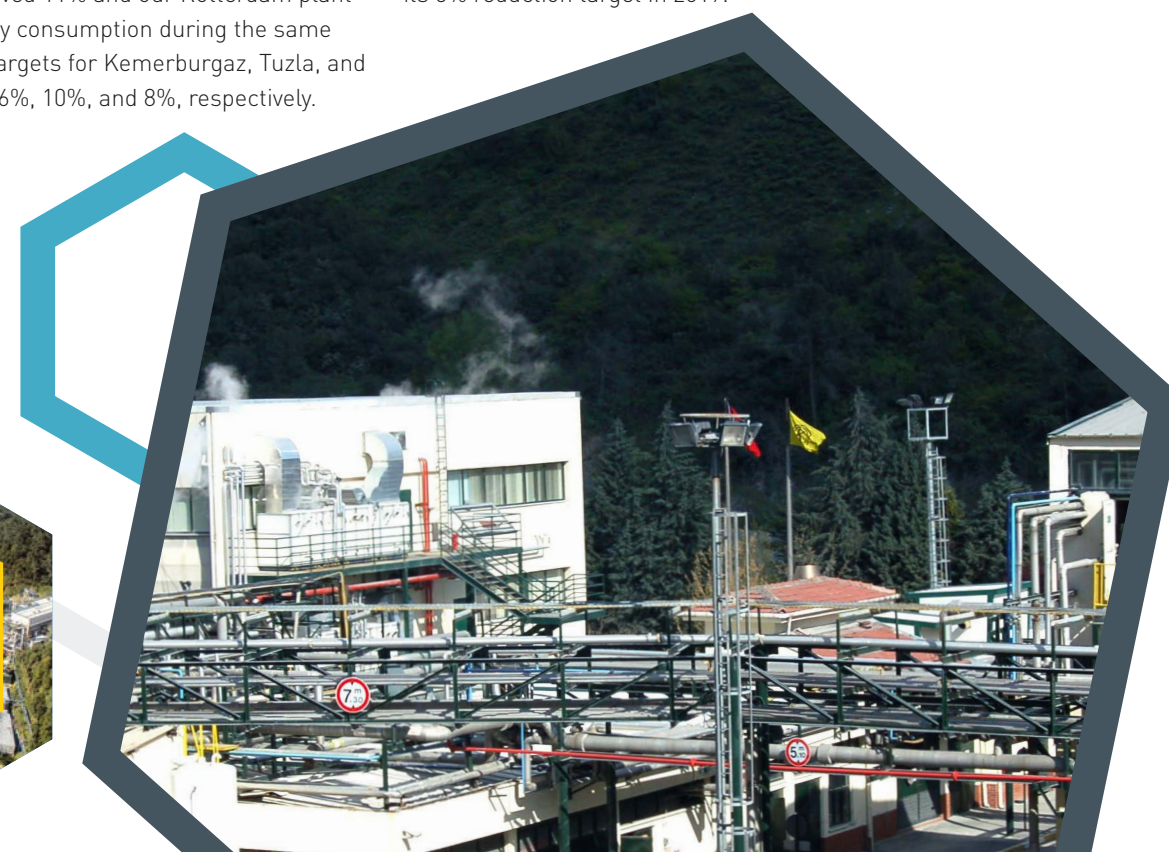
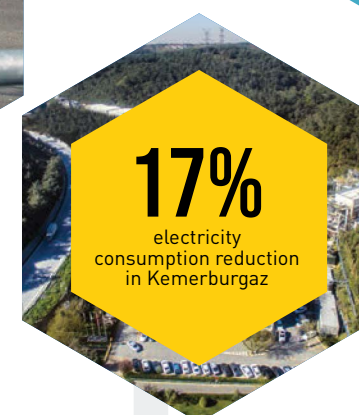
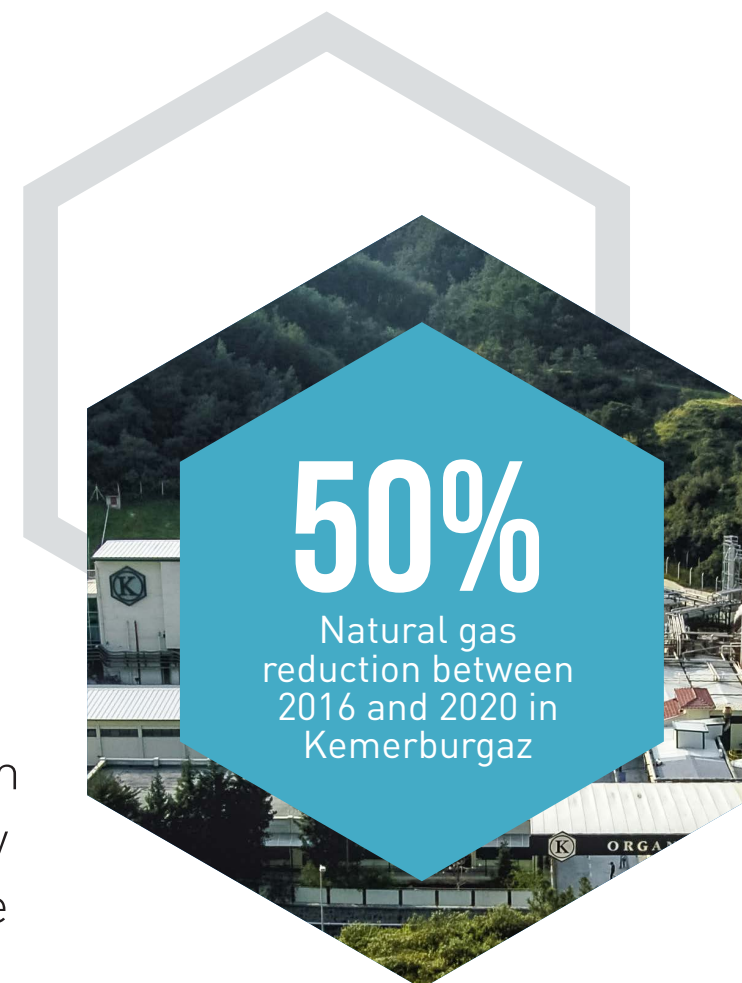
- We have ISO 50001 Energy Management System certification for our Kemberburgaz facility.
- We have been supplying our energy from 100% renewable sources in our Rotterdam Plant since 2017.
- “Flash Steam Recovery Project”, which was implemented in 2017, plays a major role in achieving targets by improving energy efficiency, promoting deionized water efficiency, removing steam from the boiler room, removing CO2 and O2 in the boiler feedwater (which contributes to corrosion), reducing boiler operating costs, and complying with environmental regulations.

- “The Utilities Monitoring System” helps us to prevent production downtimes, prolong equipment life and collect necessary data for the equipment optimizations. Thus, energy losses are avoided, and further opportunities for energy efficiency is created.
- We improved our production equipment by switching to more efficient motors in cooling system compressors. We were able to reduce our electricity consumption by two-digits. Chillers’ temperature logic was renewed by adding an automation system instead of a manual touch, which led to a two-digits reduction in our electricity consumption.
- We improved our waste heat processes by detailing heat recovery points and installing new equipment. Old and inefficient compressors were replaced by technological and environmentally friendly ones, providing energy savings with oil waste heat recoveries.

As a result of our efforts in reducing inefficiencies and adjusting our energy usage to dynamic requirements; we outperformed our targets for 2019, which were set in our energy management initiative in 2017:

After 12% savings in electricity consumption in 2017, we set our target to 16% electricity consumption reduction in Kemberburgaz by 2019. We surpassed our goal by achieving 17% reduction at the end of the period. We also achieved more savings in our Tuzla and Rotterdam facilities than we had targeted. Our Tuzla plant saved 11% and our Rotterdam plant saved 9% in energy consumption during the same time period. Our targets for Kemberburgaz, Tuzla, and Rotterdam were 16%, 10%, and 8%, respectively.

Similar to electricity consumption, all our facilities exceeded their natural gas reduction targets and achieved impressive results. Our Kemberburgaz facility realized 50% reduction between 2016 and 2020 in Kemberburgaz.



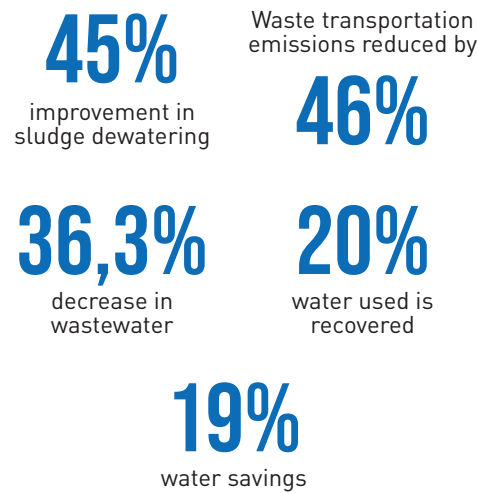
# Water Use and Wastewater Management

[GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5, GRI 306-1, GRI 306-2]



Water is one of the most important resources on our planet that guarantees the life of all living beings. Yet the increasing water pollution puts a severe damage on ecosystems. The root causes of water pollution are multiple and range from industrial waste and the negative impact of rising temperatures to the consequences of deforestation and pesticide use in agriculture. By focusing on our water efficiency and recycling efforts, we aim to contribute to the preservation of these insufficient resources and counter the negative impact on freshwater. One of our production team's main targets is reducing water consumption. Monthly and annual total water consumption is reported to senior management. Raw & processed water is analyzed in terms of conductivity and pH levels, and consumption is measured daily. We increased water reuse in our wastewater treatment plant in 2019 and we conserved water from energy initiatives. We found alternative solutions with the maintenance team to reach minimum levels of water usage in the Kemerburgaz plant.

We use water for our decentralized wastewater system and cleaning of blender, reactor, and filling production processes. Water is also used for sanitary purposes. Sanitary water is discharged to the city's regular sewer. Scraps from the products are treated in a wastewater treatment plant. Water, which comes out of this process is reused in production or sent to the chemical sewer. The Standard of Istanbul Municipality Wastewater Sewage Discharge Control Regulation and Water Pollution Control Regulation are used for all calculations and evaluations in Turkey. Similarly, the municipality regulations are complied with for the Rotterdam operation.



With the Materials Marketplace project, we reduced the rate of slurry in our production by 45%. We also reduced the direct emissions from waste transport by 46% by decreasing the high solid ratio in our wastewater treatment sludge. With the wastewater treatment and sludge dewatering facilities, we were able to make a 45% improvement in water use in terms of kg/ton of production.

In addition, our wastewater treatment and sludge dewatering facilities played an important role to reduce the amount of sludge in our Kemerburgaz location. We achieved 36.3% decrease from 3,357,170 tons/year to 2,139,350 in 3 years.

After a 9.5% savings in water consumption in 2018, we determined our target as 18% for 2019, which would bring us to 1.90 kWh per ton of product. At the end of 2019, we achieved 19% savings, which brought us to 1.88 kWh per ton of product.

With the wastewater treatment and sludge dewatering facilities, we were able to make a 45% improvement in water use in terms of kg/ton of production. Our target for 2020 is to reduce domestic water consumption by 40% and wastewater volume by 5% via wastewater recycling projects.



We manage our waste in compliance with Responsible Care® Production process improvement initiatives, many of which focus on reducing the amount of waste generated in our current production system.

These initiatives, led by R&D, focus on products with a high amount of production tonnage with the aim to minimize the waste rate from the reaction of the product and the amount of gel formed during production. In previous years, we had designed and implemented improvement processes with the support of the Technology Development Foundation of Turkey (TTGV) and the Innovation Support Programs Directorate (TEYDEB). Energy savings were also achieved by reducing waste and gel amounts.

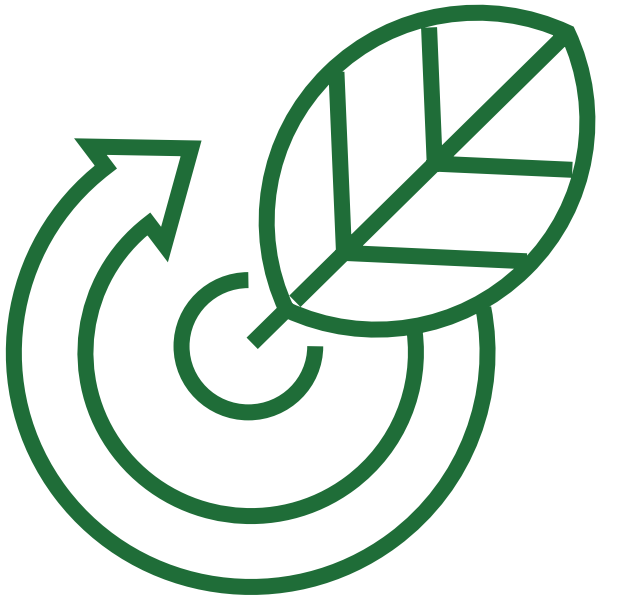
All suitable waste is used for recycling or energy recovery. All other waste is disposed via decomposition, burning, recycling or energy recovery, done by licensed firms. In addition, we have plastic waste and paper collecting baskets for individual recycling in Kemerburgaz Social Facility. As a result of our continuous efforts in waste management we have significant improvements in waste disposal: 17% decrease in hazardous waste and %12 decrease non- hazardous waste in 2019 compared to 2018.

# Waste Management



## Waste Quantities

	2017	2018	2019
Total Waste (ton/year)	9.464	10.531	9.199





Emissions

[GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4]

Climate change represents a scientifically proven reality and a challenge that affects not only our productive activities, but the entire planet. As one of the important players in the chemical industry, we are committed to doing our part to control climate change by reducing greenhouse gas (GHG) emissions across our value chain. Therefore, we are committed to improving our own carbon footprint, investing in innovation that reduce the environmental impact of our products and supporting initiatives to develop solutions for a sustainable future.

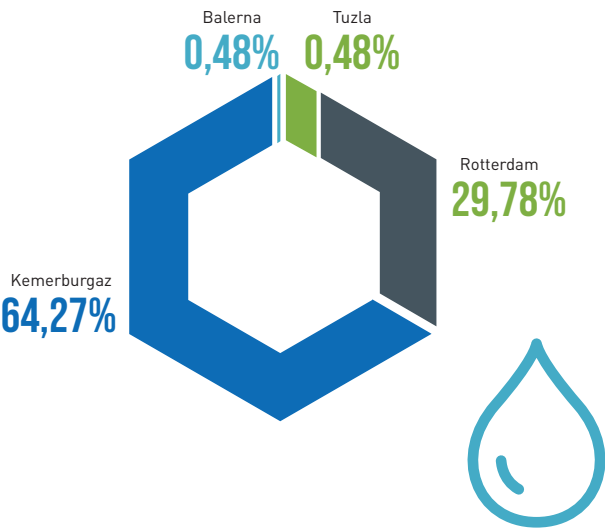
We collect all direct emissions, odors and volatile organic compounds (VOC) and burn them in compliance with the legislation in the regenerative thermal oxidizer (RTO) unit. We measure the carbon footprint of our activities and continually work to minimize the negative impact on the environment by making improvements in our processes and developing new projects.

We measure our emissions biannually. According to the results of the carbon measurement we conducted in 2019, there is no considerable changes in GHGs in Scope 1 and 2. Around 14% reduction in Scope 3 is attributable to raw materials used in our production. These data calculated with Life Cycle Assessment standard and recent improvements in databases

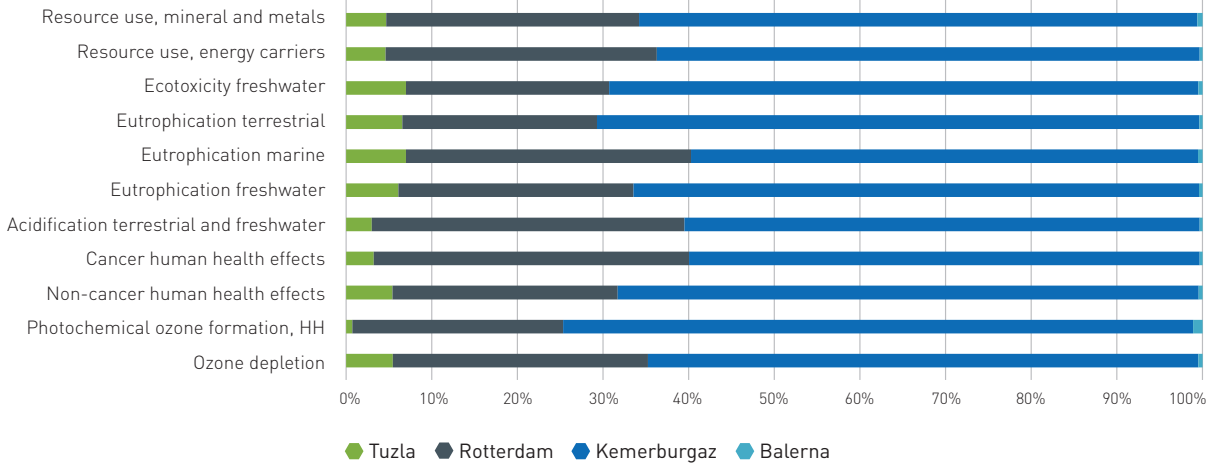
available has resulted in such reduction. As such, reliability of our results has improved with the increase in data quality.

Following the guidance of O-LCA and our sector-specific guidance by the Chemicals Division of World Business Council for Sustainable Development, we are going beyond Global Warming Potential (GWP), measuring our impacts on acidification, eutrophication, photochemical oxidation, ozone and resource depletion potentials. Detailed statistics and a brief explanation of these impacts are as follows:

The Global Warming Potential (GWP) by Facilities



IMPACT CATEGORY	UNIT	TOTAL
Ozone depletion	kg CFC11 eq	377,50
Photochemical ozone formation, HH	kg NMVOC eq	1.772.256,32
Non-cancer human health effects	CTUh	28,27
Cancer human health effects	CTUh	4,00
Acidification terrestrial and freshwater	mol H+ eq	2.311.022,39
Eutrophication freshwater	kg P eq	83.172,05
Eutrophication marine	kg N eq	495.543,46
Eutrophication terrestrial	mol N eq	4.457.059,58
Ecotoxicity freshwater	CTUe	244.149.430,74
Resource use, energy carriers	MJ	7.591.999.372,96



- EF-Climate Change:** Represents Global Warming Potential 100 years. Unit: kg CO2 eq.
- EF-Ozone depletion:** Ozone Depletion Potential (ODP) represents the destructive effects on the stratospheric ozone layer over a time horizon of 100 years. Unit: kg CFC11 eq.
- EF-Photochemical ozone formation - human health (POCP):** Expression of the potential contribution to photochemical ozone formation. Unit: kg NMVOC eq.
- EF-Non-cancer human health effects:** Comparative Toxic Unit for human (CTUh) expressing the estimated increase in morbidity in the total human population per unit mass of a chemical emitted (cases per kilogramme). Unit: CTUh
- EF-Cancer human health effects:** Comparative Toxic Unit for human (CTUh) expressing the estimated increase in morbidity in the total human population per unit mass of a chemical emitted (cases per kilogramme). Unit: CTUh
- EF-Acidification terrestrial and freshwater:** Accumulated Exceedance (AE) characterizing the change in critical load exceedance of the sensitive area in terrestrial and main freshwater ecosystems, to which acidifying substances deposit. Unit: mol H+ eq.
- EF-Eutrophication freshwater:** Expression of the degree to which the emitted nutrients reaches the freshwater end compartment (phosphorus considered as limiting factor in freshwater). Unit: kg P eq
- EF-Eutrophication marine:** Expression of the degree to which the emitted nutrients reaches the marine end compartment (nitrogen considered as limiting factor in marine water). Unit: kg N eq
- EF-Eutrophication terrestrial:** Accumulated Exceedance (AE) characterizing the change in critical load exceedance of the sensitive area, to which eutrophying substances deposit. Unit: mol N eq
- EF-Ecotoxicity freshwater:** Comparative Toxic Unit for ecosystems (CTUe) expressing an estimate of the potentially affected fraction of species (PAF) integrated over time and volume per unit mass of a chemical emitted (PAF m3 year/kg). Unit: CTUe
- EF-Resource use, energy carriers:** Abiotic resource depletion fossil fuels (ADP-fossil); based on lower heating value. Unit: MJ
- EF-Resource use, mineral and metals:** Abiotic resource depletion (ADP ultimate reserve). Unit: kg Sb eq

# We create Social Value

As Organik Kimya, we are committed to managing our business in an ethical and sensitive manner and being a role model for our industry.

Business ethics is a key sustainability topic for us and our Code of Conduct sets the standards for our decision-making process.

Our Code of Conduct anchors our business ethics and compliance program. Our employees and business partners must comply with our policies that apply to their duties, in addition to complying with applicable laws and regulations, both

local and international. We continuously analyze risks within our businesses and take the necessary actions.

All actions should be in compliance with laws and regulations in the social, environmental and economic areas. We hereby provide our statement that we do not have any non-compliance issues with laws and/or regulations in the recent reporting period. We continuously promote and improve our culture of ethical business conduct.

Our senior management is committed to leading by example, allocating necessary resources to ensure that we comply with laws and regulations, and promoting our ethical culture throughout the organization.





# Workplace Health and Safety

[GRI 401-1]

## Employment

We believe that achieving outstanding corporate performance is highly dependent on our people. Therefore, we focus on creating a business environment where our employees can be happy and thrive at what they do.

We have key operations in Switzerland, the Netherlands, and Turkey (Kemerburgaz & Tuzla). Our employees come from 16 countries, and 21 languages are spoken within the company. 31% of our employees are blue-collar and 69% are white-collar. 61% of our employees are male and 39% are female. 70% of our managers are male and 30% are female.

We care about constructing a local labor force to add value to the regions we operate in. The total and voluntary turnover rates are 7% and 5,6% in the Netherlands and 9,6% and 4,8% in Turkey. In 2019 61 new employees joined our team and 41 left the company. The average age of our new colleagues is 27.



16

Different Nationalities



21

Languages Spoken



39%



61%



30%



70%



Blue/White Collar  
31%  
69%

419

Total Number of Family Members

## The Organik Family

27

The average age of our new colleagues



## Outstanding working environment

Since 2014, we have been participating in Great Place to Work Institute's independent research to assess and improve our performance in providing outstanding working environment to our employees, as this is a central part of our HR strategy. "The Great Place To Work" research model is based on five dimensions: Reliability, Equity, Respect, Pride, and Team Spirit. Through this research's results, we've been able to analyze our employees' satisfaction and loyalty.

The Top Employers Certification is another process where all areas such as talent strategy, working environment, pricing and vested benefits and professional development are handled with a holistic approach and it is one of the most respected employer surveys in the world. All companies which are subject to this assessment should have the qualifications that meet the highest standards after went through a detailed research process.

We were among an elite group of certified companies in "Great Place to Work" and "Top Employer" in 2019.



## Respect, Justice, and Equality of Opportunity

[GRI 405-1]

At Organik Kimya, our processes are designed to support equality and to promote work-life integration. Our principles are as follows:

### Equality in Hiring

No gender-related language is used. All evaluations are made in a non-biased way based on the principle of equality. Qualifications and competencies are the key considerations when recruiting talent at Organik Kimya.

### Equality in Training

Our employees have equal access to training schemes for their professional development regardless of their gender. We trace yearly training hours to ensure equality in training.

### Equality in Career Management

Promotions within the company are based on KPI and 360 Competency Evaluations.

### Equality in Compensations and Benefits

We use the widely-accepted HAY methodology for determining compensation and benefits. Same-level salary differences occur only due to performance-related and/or competency-related differences.

We adopt the principles of respect, justice, and equality of opportunity.

It is essential that any real and legal persons included in the activities of Organik Kimya adopt the universal fundamental rights and freedoms, including social gender equality, and are in business relationships characterized by mutual respect. Organik Kimya employees should, when they exhibit any act contrary to law, our values, or rules, report the same without any hesitation. Such reporting is examined confidentially and solemnly. Organik Kimya does not tolerate any behavior of threat, discrimination, violence, annoyance, and disturbance in the workplace.

## Gender Equality

(GRI 401-3, GRI 405-1)

As Organik Kimya, we believe that equality is in every area of life. In line with this belief, we pay close attention to the fact that women can work under equal conditions in business life and have equal opportunity. Based on our code of conduct, we constantly improve our HR policies to ensure equal opportunity in remuneration, rights, and employment. We are aware that it is important to show our female employees that we support them in every aspect of their lives.

On March 8th (Women's Day), and between November 25th (International Day for the Elimination of Violence against Women) to December 10th every year, we organize events and workshops to raise awareness about violence against women, discriminatory language, and the importance of gender equality.

In 2019, the total number of employees entitled to parental leave was 21, of which 15 were male and 6 were female. All employees returned to work after parental leave.

Female employees at Organik Kimya enjoy all basic and flexible benefits equally. Furthermore, special opportunities are provided for our employees who have children and newborns. In addition, seminars are offered to raise awareness about gender equality, inclusion, and work-life integration.

### Private Health Insurance

Organik Kimya covers Private Health Insurance for all employees and their dependents.

### Day Nursery Allowance

In order to support our female employees who are new-mothers, we provide day nursery allowance within the scope of the Organik Kimya Fringe Benefits Policy program.

In the reporting period, we also launched a new program to support mothers and their newborns: We send a nurse to each new mother's home to assist her with the baby for the first couple of weeks. The nurse provides key information about taking care of the baby and helps the mother get on board.

### Baby/Child Shopping Check

Within the scope of Organik Kimya Fringe Benefits Policy program, we provide a shopping check to the families in order to support their child's potential needs.

### Marriage Present

We give a "wedding gift check" to all employees when they get married.

### Birth Present

We give gold coins as a birth present to all employees who become new parents.



## Anti-discrimination mechanisms

Non-discrimination and equality are core human rights principles and we are committed to eliminating all discrimination on the grounds of ethnicity, race, sex, language, religion, political or other opinion, national or social origin, property and birth or other status.

At Organik Kimya, non-discrimination and providing equal opportunity are rooted in the principle that all decisions made at the workplace are based on the competencies and performance of the individual, rather than characteristics that are unrelated to the inherent requirements of the work.

We believe that businesses need to be ethical and invest in anti-discrimination mechanisms in order to achieve sustainable practices. Therefore; we incorporate this issue further into our corporate culture, HR policies and work environment, setting forth a system of corporate governance which takes into account these concerns.

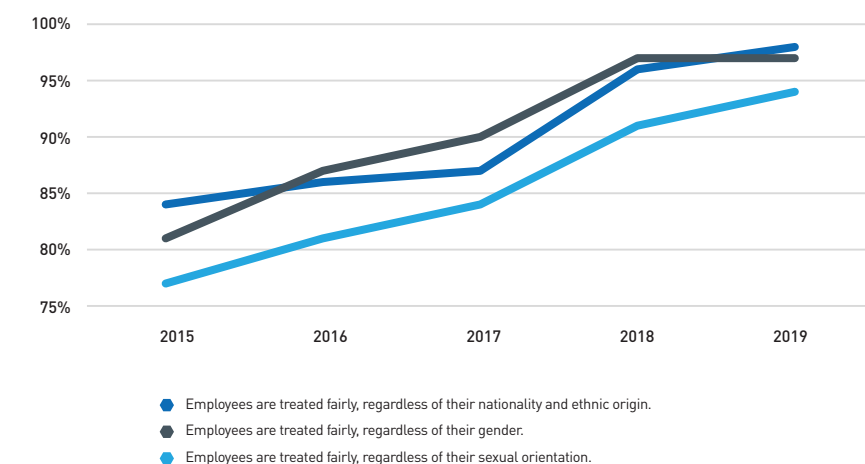
At Organik Kimya, we have 2 different mechanisms, which our employees can use in case they face problems related to gender inequality, and psychological or sexual harassment.

1. In the case of violations of the working conditions stipulated in the Code of Conduct, we have an available reporting line. The written notifications made via this line are received directly and simultaneously by the Ethics Committee, which consists of the CEO, Risk Management and Compliance Director and the Human Resources Director. The notifications are responded by this committee after evaluating their priority; subsequently necessary precautions are taken promptly.

2. In the event that an employee is subjected to violence, we create a special line that can be accessed 24/7 and provide the opportunity to apply to the Human Resources Department in a confidential manner in order to help him/her. Considering the fact that violence can also be identified by colleagues, we also explained the basic signs of violence that may be perceived. In this way we aimed at evaluating a potential problem by our employees and address it by Human Resources department.

Great Place to Work Institute's survey -which we participate every year- includes questions that evaluate the equality and impartiality of practices conducted within the company on the basis of nationality and ethnicity, gender, sexual orientation. The results of this survey are discussed, the needs are determined through the workshops with the participation of our employees, and we make improvements by developing new policies each year. The results for the last five years below show that our management and focus on anti-discrimination mechanisms at Organik Kimya significantly improved our effectiveness on the topic.

- The percentage of employees, who believe that they are treated fairly, regardless of their nationality and ethnic origin, rose from 84% to 98%.
- The percentage of employees, who believe that they are treated fairly, regardless of their gender, rose from 77% to 94%.
- The percentage of employees, who believe that they are treated fairly, regardless of their sexual orientation, rose from 81% to 97%.





## Performance & Career Management

With our training and development programs and processes, we aim to increase the efficiency and motivation of our employees, and thus organizational performance. At Organik Kimya, we see our employees as the key to our success. Identifying people with high performance and potential, and planning their professional development and career path is an important part of our strategic human resources management processes. Our goal is to place our employees in the right positions where they can deliver and go beyond their potential. We aim to ensure that the “right employees” are doing the “right jobs”, today and in the future.

We are aware that reaching our targets depends on our employees’ contribution. This contribution is evaluated through a fair, systematic and measurable performance evaluation method. We value and measure not only the outcomes, but also the processes in which these outcomes are obtained. Therefore; an explanation of how the goals are reached and whether our actions are in line with our corporate values are also considered during performance reviews.

Performance evaluation is carried out regularly for all of our employees. Performance management tools and career plans are designed based on the results of the 360 Competency and Performance Evaluation, the company’s strategic plans, and employees’ personal development plans.

Performance evaluation system is based on key performance indicators (KPIs), which are defined in line with the roles and responsibilities of the position, and are used to measure and define the success of our employees and teams. In addition, a 360-competency assessment system is used to assess the compliance of our employees with principles of corporate behavior. A managerial committee, with the leadership of Human Resources Department, evaluates the employees and development plans are laid out for each employee accordingly.

Performance evaluation outcomes provide valuable input for designing training, career, talent management, and reward processes.



### Training

(GRI 404-1, GRI 404-2, GRI 404-3)

At Organik Kimya, we focus on identifying, planning and executing trainings to develop core competencies of our employees (both via up-skilling and re-skilling) and increase their performance. In line with our sustainable development principles; orientation and on-the-job trainings are planned to increase the productivity levels of our employees to highest levels in the shortest period of time. Personal, social, and professional trainings are offered with Behavioral and Technical Trainings. We manage our training and organizational development programs under the motto of “You Have the Formula for Success”.

We also established the Organik Kimya Mentoring Program to support the development of employees and to share knowledge and experience within the organization. Mentors and mentees come together to share their development journeys and experiences. These meetings, in which feedback opportunities are created, contribute to continuous development of our employees.

After identifying training and development needs, we support our employees with various programs. In preparation of the training plans, we take the company’s strategic goals and new projects into consideration.



Training and development requests can be shaped directly by managers or individual contributors. Employees can ask for trainings to address their development areas or to help them reach their career goals, and managers can request trainings for their teams based on their observations and expectations.

We currently have 9 training categories under our training module. As a result of our digitalization efforts, all employees will have online access to training opportunities in the upcoming months.

An overview of our training categories is below.

- 1. Work-life Integration:** Our work-life integration program aims to help our team in areas such as time and stress management, leading a healthy life, and maintaining work-life integration. We organize seminars and workshops to promote these topics.
- 2. Personal Growth and Development:** Training programs to develop non-technical skills are gathered under our Personal Development Catalog. These trainings focus on techniques for personal development.
- 3. Leadership Training:** We designed and implemented a new executive-level training program, called nuForm (the “New Form” of leadership). nuForm serves as a Management Team Leadership Program, promoting leadership development and readiness. The program is constructed upon analyzing the results of Great Place to Work Research and targets managers at different functions who have diverse needs. At Organik Kimya, we believe that learning and development is a life long journey. We know that our leaders have an important role for our vision, mission, and strategic goals. We designed our Leadership Academy with this perspective. It consists of several programs, as well as multiple rich and unique modules, such as Leadership Program for Team Leaders, Leadership Program for Department Managers, and Leadership Program for Top Management.
- 4. Innovation Academy:** We transformed our “Innovation Academy” to a new organization called INNOLAND -a new generation Innovation Academy- in order to take our activities beyond seminar rooms, lecture halls, or R&D department activities, and instill the innovation culture throughout the organization. We hold Innovation Academy meetings on a monthly basis. In these meetings, we discuss issues
- 5. Technical Academy:** With the Technical Academy, we offer various types of technical trainings addressing organizational needs. Our aim in these training sessions is to enable employees to analyze the problems they encounter in the industrial structure of the company, and to produce company-specific solutions to solve them.
- 6. Sales Academy:** We strive to be the most in-demand company with our team, technology, and scientific infrastructure. For this purpose, we established a Sales Academy to train expert staff who know how to adapt to evolving and changing market conditions. Our Sales Academy also develops entrepreneurial, dynamic, and analytical thinking skills, and it helps talented individuals to master the sales and marketing business processes at Organik Kimya. The Sales Academy equips employees with new sales and marketing tools, as well as reports that may be relevant to Organik Kimya. It also provides information about how to utilize each tool properly, how to prepare reports, and how commercial teams can implement them in their daily activities.
- 7. HES-Q Academy:** We support and raise awareness among employees to keep our workplace healthy and safe with HES-Q (Health, Environment, Safety and Quality) Academy Trainings. In this module, trainings several topics such as working at heights, risk management, fire safety, working in tight spaces, and using hands are provided. These sessions also improve emergency management and accident investigation skills.
- 8. Orientation Program:** Our Orientation Program includes e-learning, face-to-face interviews, classroom trainings, and on-site tours. The content and duration of the orientation program vary depending on the new employee’s job description and position.

## The Next Generation of Innovation Academy:

### INNOLAND

Innovation is at the heart of our sustainability approach at Organik Kimya. Many of our customers have committed to ambitious goals to reduce their impact on the environment, to increase their performance and to contribute to society; and our products are helping them meet those commitments. Innovation is discovering new ways of creating value for our stakeholders. In a successful organization, innovation is sustainable and on-going, rather than a process characterized by succession of “boom and bust” events. For us, innovation serves us as the lifeblood and we think that our survival and growth depend on developing new technologies, products and services.

As mentioned in previous sections, we transformed our efforts under “Innovation Academy” to a new organization called “INNOLAND”. Our approach with INNOLAND is built on three main objectives:

- «Academy» will be more than inspirational speeches
- «Academy» will be the center of innovation and cultural transformation
- Innovation is not only related to a specific team or department. It will be everybody’s business.

Our approach emphasizes three core elements in order to foster innovation efforts:

**“Curiosity”:** Curiosity is a tool for development and progress.

**“Here”:** Innovation takes place not only in certain departments or regions but also in every aspect of work and life.

**“Renew”:** Innovation is critical everywhere at any time.

Our Intranet section “We Are Here To Share!” is the main platform to communicate with Innolanders, who are the source of innovation, and to collect ideas for new products, services, and processes. Each employee regardless of position, qualification or department can enter an innovative idea for a new product, process, service or improvement of current processes into our internal ideas system. The most innovative ideas are rewarded with a symbolic innovation award. The Ideation Team meets regularly and is encouraged to think outside of the box about our products, services and processes.

Our initial results in 2019 following the establishment of INNOLAND proves significant improvement in our innovation processes which directly impacts our economic performance positively: **17% increase in the number of ideas company-wide, 64% improvement in time spent on assessment of ideas and 46% increase in the number of employees submitting ideas.**



Innovation stands for innovative and rational new ideas that emerge everywhere, in every moment of life, beyond the products developed in our laboratories or the trainings that we have.

Starting with the excitement of renewal and discovery, we are inspired by our diversities and each other. What makes us successful, that’s what keeps us innovative.

We are together to find solutions to leave our mark to life. **We’re here. To explore!**

## Talent Management

We believe that every candidate we touch is a potential team member at Organik Kimya.

For this reason, we designed a perfect candidate experience throughout the talent acquisition process, which starts from the moment the candidate comes into contact with Organik Kimya and covers the whole journey through with the organization. We use various tools, such as General Ability Test, English Test, and Personality Inventory, to conduct a comprehensive and objective interview and evaluation process and find the best candidates.

We built every stage of the orientation process under the motto of Organik Kimya’s employer brand, “You have the Formula for the Future”. We support the careers and development journeys of every candidate and all new employees.

We offer a working environment that is dynamic, innovative, high-quality, and has challenging goals. We invest and care about development. We believe in innovation. We support our employees in difficult times, and we give confidence to our employees.

We have designed a career planning process on the basis of being a family company. We define the expected personality and behavior characteristics of the employees and describe these characteristics with the competency model to Organik Kimya employees.



We use multiple resources to place the “right talent” in the “right position”. These resources include the following:

### Internal applications

We evaluate applications from within the company for open positions. If there is a suitable application, we give priority to internal applications.

### Recruitment with reference

Employees can recommend people – excluding their relatives - who they think are suitable for open positions. If the candidate they recommend is hired and the 6-month trial period is completed successfully, the employee who provided reference is rewarded.

### External Applications

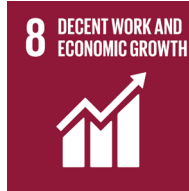
We use different career portals and social media accounts to publish our job postings. We attract suitable candidates to apply to Organik Kimya through advertisements in these portals.

### Talent Pool

We attend job fairs, career days, and university seminars and lectures every year to meet with students and/or alumni to nurture our talent pool. “Intro” is our Internships program at Organik Kimya where students are placed at the heart of major projects, working with teams of passionate people to create the next innovative formulas.

“You have the Formula for the Future”





## Wage and Benefit Management Policy

(GRI 401-2)

The wage management process at Organik Kimya is fundamentally grounded in fair payment. The wages of people who are working in the same position and doing similar work are determined based on their performance and competencies.

We use HAY Group's, a global HR consultancy firm, methodology in our wage management processes. Evaluation of a position is based on the knowledge, skills, problem-solving, and responsibility dimensions required for the relevant position. We also analyze and compare wages of similar positions in the market. Individual wage adjustments are determined by the results of the position evaluation process and personal performance.

Our benefits program has two components: Basic Benefits and Flexible Benefits.

Basic Benefits include food, personal car (depending on position) or transportation services, health insurance, personal accident insurance, and mobile phone.

Flexible Benefits package is named as the OH Package (ORGANIK Rights - ORGANIK Haklar) and the content of the package is determined according to the results of the "Benefits Survey" held in April every year. Every employee at Organik Kimya can see their wages and benefits budget via the OH Package portal. Employees can choose their benefits

from the pre-defined benefits pool as they prefer according to their needs. By means of this package, employees can receive check-up and/or wellness services outside the company. The employees may also use this package for holiday, training, fuel support, childcare support, or shopping cards.

Our employees and their families are eligible to receive medical treatment from private hospitals via private health insurance we provide for our employees.

Employees must undergo medical screening at least once each year in the workplace. In addition, every Wednesday, a private laboratory representative comes to our offices to perform blood, urine, and lung tests.

To promote health and employee well-being, we established a fitness hall in the workplace. Fitness, yoga, and Pilates instructors visit the workplace twice a week and organize classes. Employees who wish to exercise can come to the hall before or after working hours, attend sessions, and receive a shuttle home.

In accordance with Article 51 Paragraph C of the Constitution, we provide all employees with the right to establish trade unions and there is full compliance with related laws and regulations in Organik Kimya.



## Our Community Involvement and Impact

We carry out all our activities with an awareness of our responsibilities to our stakeholders and the community. We adopt environmental,

social, and economic sustainability approach to all our human resources processes, including our community involvement and impact activities.

We aim to create value for the community we live and work in. We raise awareness and support activities to expand our reach to underprivileged groups and to fight environmental problems. "Organik Volunteers", "Say No to Single-Use Plastics", and vocational high school programs are some of the projects we undertake as Organik Kimya.

### Organik Volunteers

Organik Volunteers is a program that lets anyone be a leader of his or her own project. If someone has an idea that they are passionate about, they share their idea and volunteers come together to discuss how it can be tackled.

Projects we led to date include educational support, audiobook recordings for the visually impaired, food and shelter for animals, and donations to underserved communities.

### Say No to Single-Use Plastics

We started a study to raise awareness of the use of plastic waste. This study also contributes to our zero-waste agenda, which is one of our 2020 targets. To fight against single-use plastics, we published an article to create awareness in our internal magazine, Bi'Mola. The article detailed statistics around the severity of the problem, as well as tips on individual actions to be taken to remedy the crisis. In the same edition of the magazine, we distributed handmade net bags to our employees and encouraged their use over single-use plastic bags. These net bags were made by local women who in turn supported their families with the proceeds.

After the sustainability edition, the use of plastic bottles and plastic cups is not allowed throughout our organization. We distributed water flasks and glass bottles to encourage the use of reusable materials.





Vocational High School Programs

We have always valued and supported education in all forms. Therefore, we cooperate closely with various universities on research projects and internship programs.

Our goal was to raise the interest level of students in chemistry at an earlier age and encourage them to build a career in the chemical industry. To support this goal, we became a part of the Vocational High School Coaches program, conducted under the leadership of Corporate Volunteer Association (OSGD) in Turkey.

Companies that participate in the program choose the schools they would like to support. The aim of the program is to contribute to the personal development of the students attending vocational high schools and enable them to realize their potential and self-confidence. We are cooperating with vocational high schools focused on electrical, mechanical, and renewable energy.

Volunteers from our company who want to participate in this program complete a 2-day coaching training session organized by OSGD. They then implement the program with a group of 10-12 students within the scope of the "Pre-Defined Coaching Model" for a 2-year period. Since 2012, the total number of coaches at Organik Kimya has reached 37. The program focuses on personal development in the first year and preparation for professional life in the second year.

We contribute to the personal development of these students. by organizing field trips to our R&D labs and our production sites, enabling them to hear from our experts, and providing various training and workshops from our coaches.

Since 2012, we have reached a total of 420 vocational school students. Most of these (74%) were from chemical technologies vocational high school, but we have also coached students working in machining, electrical engineering, and other disciplines. The students benefitted from our R&D lab excursions, production site excursion, interesting speeches from our experts, and numerous training and workshops covered by our coaches.

Organik Kimya's Community

It is important for our employees to spend time together outside of the working environment to strengthen their bonds with each other and with their communities. We organize social events on New Year's and other national holidays. In addition to these events, we have a Family Day once every year.

- New Year's Dinner: We celebrate not only the coming of a new year, but also our togetherness, our achievements, and other notable events that have occurred throughout the year.
- Children and Sovereignty Day: We invite our employees' children to our facilities and let them see their parents' working environment and join educational workshops focused on the fundamentals of science, coding, and chemistry.
- Family Day: We value togetherness. We value family. Every year, we come together with all our employees and their families at an on-site event.numerous training and workshops covered by our coaches.



Occupational Health and Safety

Our organization seeks to be a pioneer and positions itself as an exemplary player in promoting safety and environmental culture in the chemicals sector. In line with this vision, we establish the necessary systems for our stakeholders to work in a healthy and safe environment during their activities in our workplace.

Our priority is to create a culture of health and safety that supports practicing the highest workplace standards and processes and ensure physical and mental health of our workforce through the use of technology, trainings, and regulatory compliance activities.

Health and Safety is one of our strategic topics and it is reflected in our balanced scorecards. We run various projects to prevent dangerous working conditions, to ensure appropriate safety measures and to create a positive safety culture in the workplace within Health, Safety, Environment and Quality (HSE-Q) System.

Our leadership cultivates the foundation of the safety culture, motivates our employees to ensure they contribute to this culture, and reinforces behaviors that ensure the success of our HSE-Q System. Our leaders at all levels are role models to reduce risky behaviors and to increase safety behaviors.



We established the "Behavior Based Healthy Teams" (DOST) Program in order to build an autonomic mechanism to ensure safety in our facilities in 2017. The program empowers employees to observe each other's safety behaviors and evaluate unsafe behaviors. All employees are covered under DOST; they are required to complete a training and are assigned a coach in order to improve our safety culture.

"Health, Safety and Environment" (HSE) steering meetings are held every 2 months with company CEO's and other senior managers' participation. The HSE steering meetings focus on the incidents that have taken place over the past 2 months, compliance issues, root-cause analyses of injuries, investments made in occupational safety, and new investment needs.

"Walk the Talk" is another mechanism that we utilize, which requires senior managers to participate on a site tour 3 times a year and to make observations regarding occupational safety.

3,488  
safety behavior  
observations

3.85  
in safety  
culture scan

175%  
increase in  
safety behavior  
observation

0%  
Lost Time Injury (LTI)

54%  
improvement in  
Recordable Injury  
Frequency (RIF)

3,750  
feedback sessions on  
occupational health  
and security with  
employees



Our maturity level is among the best across various industries worldwide.

We pay great attention to how our employees feel about improving our health and safety measures. We have occupational health and safety dialog boxes in our facilities. We share relevant news on the Occupational Health and Safety (OHS) visual communication boards. We hold townhall meetings twice a year, to which all employees, including the employees of sub-contractors, are encouraged to attend. Occupational Health and Safety is always a prioritized topic in these townhall meetings. In addition, we carry out interactive training sessions to ensure continuous learning and development of employees on these issues.

We manage our risk in accordance with the ISO 31000 corporate risk management standard, which conforms to international norms. Our precautions apply to every individual entering our facilities, as the occupational health and safety system covers our employees, subcontractors, contractors, and visitors within the boundaries of our facilities.

We are tirelessly working for our employees' health and safety in our work environment. We examine safety data sheets for all chemicals used by the health and safety unit and prepare exposure maps to monitor risks by making environmental measurements.



HSE-Q Progress

We measure our performance periodically and take necessary actions in order to ensure that our HSE-Q System functions properly. In 2019, we had 9 DOST training programs and reached the highest safety behavior observation level with 3,488 cases, which is a 175% increase compared to the previous year.

In addition, our supervisors had 3,750 feedback sessions on occupational health and safety with employees to reinforce the program. Recordable Injury Frequency (RIF) and Lost Time Injury (LTI) are two key performance indicators that we use to manage the program.

In 2019, our LTI score was below zero company-wide and we achieved 54% improvement in RIF.

Both results indicate that our actions reflect to our safety culture positively.



TYPE	2017	2018	2019
RIF	4	2	1.3
LTI	5	2	1

The Bradley Curve is a proven, proprietary system, which helps companies comprehend and benchmark the effectiveness of their activities to create a successful safety culture. Research confirms that the Bradley Curve shows a direct correlation between an organization's cultural strength and an organization's safety culture, including injury frequency rate and sustainable safety performance. Data collected in the surveys show that a successful safety culture empowers people, while improving quality, productivity, and profits.

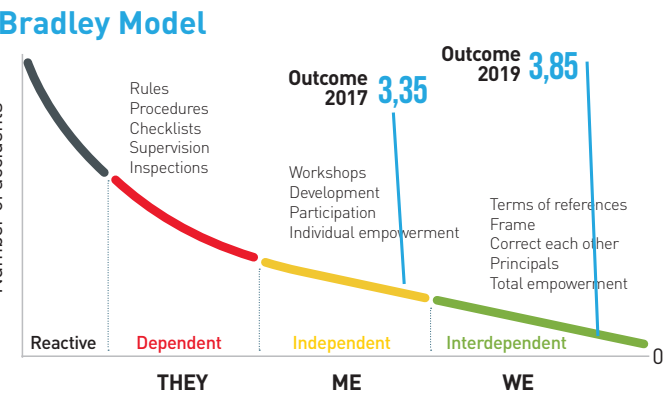
- The Bradley phases can be explained in four stages:
1. Reactive Stage: People don't take responsibility and believe accidents will happen.
  2. Dependent Stage: People view safety as following rules. Accident rates decrease.
  3. Independent Stage: People take responsibility and believe they can make a difference with actions. Accidents reduce further.
  4. Interdependent Stage: Teams feel ownership and responsibility for safety culture. They believe zero injuries is an attainable goal.

The Bradley Curve shows the evolution of an organization's safety culture, from a REACTIVE or instinctive stage (action is taken after the accident has happened), towards an INTERDEPENDENT stage (collective and anticipatory). In the latter stage, employees take responsibility for safety, do not accept low standards on the issue and strive to achieve a zero injuries goal.

Our consultant company ChemConsult conducted two separate Safety Culture Scans for the years 2017 and 2019 in order to measure the safety climate and investigate the growth and development of the maturity with regard to the safety culture within Organik Kimya Istanbul on the Bradley Curve. Employees were interviewed by using a questionnaire on the most critical elements of a good safety culture: policy, framework and strategy, health, leadership, rules and procedures, training, safety in the organization, safety observation tours, systems, performance reviews, incident reporting and investigation, behavior.

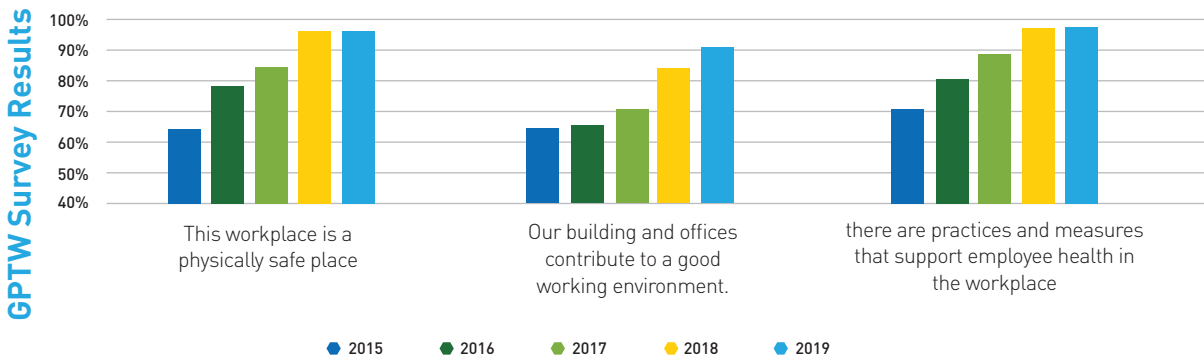
Our initial results in 2017 showed that our activities to create the safety culture had been quite successful and we were placed at the independent stage with the score of 3,35. In 2019, we took our maturity level to the next interdependent stage with the score of 3,85 and the performance brought the certification of "Excellent Safety Culture Performer" to our Istanbul and Tuzla facilities.

It should be noted that our maturity level is among the best across various industries worldwide. Any score above 3,5 is considered highly satisfactory and the most important thing at the interdependent stage is maintaining the effort and making the safety culture sustainable.



As mentioned, we participate in Great Place to Work Institute's survey every year and the results show that our activities to promote safety culture have positively contributed to the level of trust that employees experience in Organik Kimya.

- The percentage of employees who believe that our workplace is a physically safe place rose from 63% to 94% between 2015 and 2019
- The percentage of employees who believe that our building and offices contribute to a good working environment rose from 54% to 89% between 2015 and 2019
- The percentage of employees who believe that there are practices and measures that support employee health in the workplace rose from 70% to 96% between 2015 and 2019





# 10 Safety Golden Rules

In 2017, we launched our 10 golden rules with the motto “You Have the Formula for Safe Work” covering environmental and occupational health and safety rules with our stakeholders. The rules ensure that appropriate safety measures are taken and a positive safety culture is created in our workplace.

ORGANIK KIMYA Golden Rules of Occupational Safety, consisting of 10 different categories are the key element of our working attitude. They were developed with the aim of protecting against possible dangers and risks that may occur while working. Occupational health and safety rules determined for the relevant category are listed in the “The Formula of Working Safely”:

## 1. Use of Personal Protective Equipment

The standard essential personal protective equipment that mitigates dangers defined in our facility are; safety helmet, safety glasses, safety shoes, and work clothes with reflective stripes. Additional equipment may be required depending on the nature of the work.

## 2. Management of Employee, Process, Material Changing

Employee, Process or Material changes are evaluated with the management of change procedure in our facilities. Changing plans about an employee,

process or material are performed after the risk analysis. Management of Change operation is executed with MOC Module on QDMS Documentation System that is web-based.

## 3. Risk Assessment

In our facilities, the risks identified by employees are prioritized and preventive and corrective actions are taken. For instance, working with hazardous chemicals, working in dusty environment, working with electrical equipment, working in hot environment, working in confined spaces, working at height, working with hot water and steam lines, filter changes in filling areas, were prioritized and action taken. DOST (Behavior Based Safety Teams) regularly detect and evaluate new risks.

## 4. Getting a Permit to Work

All maintenance and repair activities that are not defined in the operations instructions of our facilities but are performed outside the maintenance plans are subject to permit to work.

## 5. Working with Contractors and Subcontractors

It is mandatory to fulfill our HSE requirements before starting the maintenance and repair work in our facilities. Contractor employees must be informed about the specific risks at our facilities. Therefore, their safety and health documents are checked before entering the facility.

## 6. Working at Height

In places, where railings, stationary platforms, and permanent precautions are not available, any work over 1.5 meters height must not be done without safety harness. The person who is supposed to work at height; cannot have fear of height, high blood pressure, dizziness, epilepsy, balance defects or similar and it is required to obtain a health report stating suitability for such work. Employees who are working at height are specially trained about the risks.



## 7. LOTO (Lockout-Tagout)

LOTO is used to control dangerous energy and bring it into a zero-energy state before starting to work on a machine, equipment or pipeline. Electrical maintenance, mechanical maintenance and operation personnel use different colored locks dedicated to their work areas.

## 8. Lifting Heavy Loads Safely

In our facilities, the necessary measures are taken within the scope of safe load lifting.

## 9. Providing Traffic Safety

In order to ensure traffic safety, we have set rules for work machines, company cars, tanker drivers, personnel shuttles and pedestrians in our facilities. Speed limit violations of company cars, work machines and personnel shuttles are monitored and reported via GPS. The speed limit for motor vehicles is 10km/hour within the facility.

## 10. Preparation for Emergency

Emergency events are defined as unplanned events that threaten the lives of employees or interrupt the workflow in the long run at our facilities. Some examples are; floods, fire, earthquake, large chemical spills, abnormal reactions, sabotage, mass food poisoning, fatal accidents.



## HSE-Q Awards

As a result of our continuous efforts to create a safety culture at Organik Kimya, our achievements were recognized with two awards in 2019.

“The International Safety Awards” from the British Safety Council are among the most prestigious health and safety award schemes. It recognizes organizations that demonstrate commitment to occupational health, safety, and wellbeing, regardless of their size or the sector they operate in. We won the International Safety Awards for our achievements in protecting workers from the risk of injury and ill health during the 2019 calendar year.

PERYÖN-People Management Association- is a reputable organization in Turkey that provides leadership in developing human resources practices and popularizing people management concepts. Our activities were also awarded by PERYÖN in 2019 under “Value Adding Practices” in health and safety category.





## Product Safety Information and Communications

[GRI 417-1, GRI 417-2, GRI 417-3]

At Organik Kimya, we ensure that every product placed on the market meets safety conditions in terms of human health, life and property safety, animal and plant life and health, and environmental and consumer protection. We prepare conformity certificates and declarations that define these conditions for our customers.

We closely follow and implement the laws and regulations that concern company operations. Regarding product safety, the REACH Regulation on the Registration, Evaluation Permit, and Restriction of Chemicals in the European Union countries entered into force on 1 June 2007. The REACH Regulation is applied to substances imported or produced (alone, in the mixture, or in articles) of 1 ton or more per year. If an item is covered by the REACH Regulation, it may also impose communication-related obligations in the supply chain, such as the use of the substances, restrictions, permissions, and requirements in the safety form. We control the information about our chemicals used in all our facilities using the registered substance database of the European Chemicals Agency (ECHA), where more than 15,000 substances are registered.

We also work on our processes in order to comply with REACH Regulation in Turkey, which was published in the Official Gazette with the recording of 30105 No. Chemical, Evaluation, Authorization, and Restriction about the Regulation.

We also closely follow the directives and regulations related to biocidal products, as well as the legislation related to the plastic, paint, construction, cosmetic, leather, and adhesive sectors in EU countries. We carry out technical and academic studies in compliance with legislative requirements with universities and accredited testing institutions when necessary. For example, we test and certify our products from authorized accredited institutions such as CARSO, especially for products that are in contact with drinking water; by ISEGA for our hotmelt

adhesives that come into contact with food according to their application areas; and also for products that are in contact with drinking water in the building sector according to the application areas. Our products' Material Safety Data Sheets (SDSs) are prepared and translated into 24 languages in accordance with legislations in Turkey, Europe, Canada, the USA, and China.

All raw materials that enter our facilities are registered by the Global Harmonization System (GHS) in order to evaluate their hazard-health-environmental dimensions prior to purchase. Technical Forms and Safety Information Forms, as well as REACH registration documents, are completed within the scope of registration. If necessary, FDA compliance declarations are requested and examined in line with specific requirements of individual markets. This process is applied for all raw materials.

Our products are GHS-labeled. The chemical structure of our products, first aid measures, storage conditions, fire precautions, and all similar environmental and health conditions are clearly stated in the Safety Data Sheets of our products. We do not have any non-compliant cases regarding labeling.

We classify an emergency as an incident that may result in substantial harm to stakeholders or damage to property. A crisis stems from an incident that may have strategic or organization-wide impacts. For all incidents that may interrupt Organik Kimya's production processes for any length of time, a Business Continuity Management Plan (BCMP) was established with Marsh Consultancy in 2018. We are aware of the potential of threats that could disrupt our ability to meet our obligations to customers, our team members, the community and our investors. We believe that a robust and agile business continuity program is key in ensuring our customer first commitment, providing reliable products and services, and supporting our communities.

Our BCMP aims to promote consistency and minimal damage in business processes during potential crisis periods. It has the following key program elements:

- Emergency and Risk Management Policy
- Emergency Organization and Responsibilities
- Emergency Response Plan and Procedures
- Monitoring and Reviewing the Plan

Department-specific business continuity management plans were established, and departmental representatives and leaders were empowered to voice their thoughts and opinions. The plans sought to specify issues such as the actions taken by department employees on the first day after the crisis, along with other issues relating to the emergency situation. These plans were subsequently printed on cards and distributed to relevant departments. Additionally, in 2018, drills were created for all departments, each relating to departmental business continuity.

An incident investigation system was installed on Organik Kimya's intranet using EBA (Elektronik Bilgi Akış - Electronic Information Flow). In case of incidents like injuries, near misses, traffic accidents, compliance violations, fires or instances of nonconformity are recorded in this system. Organik Kimya's 10 Golden Rules film, which foregrounds the topic of occupational safety, was designed to be watched by all stakeholders, employees, subcontractors, customers, and suppliers visiting our sites or facilities. One of the golden rules is "Preparation for Emergencies", and our film shares information about what emergencies are, what one should do in an emergency, and other critical issues. At the end of the film, efficiency is measured by means of a short test.

We monitor and audit our BCMP and its implementation within the organization on a regular basis to keep it accurate and up to date. The plan is reviewed annually and required changes are reflected accordingly. Following any such reviews and amendments to the plan, relevant employees are provided with training and relevant stakeholders are informed of relevant amendments.





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