

SUSTAINABILITY REPORT FOR THE YEAR 2018



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# OUR AIM IS TO GROW WITH OUR AWARENESS!

#### DEAR STAKEHOLDERS,

de carry on with our activities in textile, tourism, and real estate industries, along with our 6.000+ Turkey-located employees, with an environmentally friendly approach based on sustainable development, which is also beneficial to humanity.

Throughout our 40+ years of experience, we have embraced sustainability as part of our corporate culture, and the aim of "value creation for human" has been at the heart of our efforts.

At where we stand now, we are aware that the value we contributed to human life is not purely related to the financial statements.

We are aware that it is impossible to look towards the future while ignoring the social and environmental benefit. Companies have huge responsibilities in the process of handing over a habitable earth to the future generations. Adopting sustainability to all stages of our business processes and contribution to environmental, social, and economic balance, are essential for positive development of our world. Our focus should be on circular production, instead of consumption-driven habits.

In the relevant transformation process, we, as Taypa Tekstil, aim to further strengthen the sustainability approach in production, our own domain, and we also aim for sustainability to become a way of life. All our stakeholders are aware of this, from our suppliers to our employees.

Accordingly, we believe that an economic achievement can only be sustainable if it takes into account environmental balance and social benefit, and answers the needs of future generations.



As a company, which displays activity in three different continents, and exports to 50+ countries, with its pioneering initiatives in the textile and ready-to-wear industries, our aim is to become the pioneer of a productive society, which creates value for the future.

As we prepare to celebrate our fiftieth anniversary, we fully believe that our business manner, which embraces universal values, will carry us further. With the aim to contribute to the sustainability of both locally and globally, we continue to improve ourselves uninterruptedly.

Merely growing is not our aim; our real aim is to develop along with our employees and along with the society we serve, to become a company, which fulfills its responsibilities towards our industry, our nation, and our world. At the end of the day, our aim is to transform our world "to a better place".

In conclusion, we left behind an extremely important year with regard to sustainability efforts we continue to display at Taypa Tekstil. On the following pages of our report, you will observe the details of the successful figures we achieved in a short time. However, there is another outcome of these efforts, which is much more important for us: the awareness we created within all our employees, suppliers, and business partners in terms of sustainability. We feel proud to have managed for our relevant responsibility to be shared within the Taypa ecosystem.

We are aware that we still have much work to do in this field, and we look to future with confidence. For, as famous French philosopher and writer Voltaire once stated,

"No problem can withstand the assault of sustained thinking!"

M. Mesut Toprak

### **NUMBER OF EMPLOYEES:** 8.647





As Taypa Textile, we move forward with a vision to become the most reliable fashion supplier, a fast and flexible company, sensitive to the future needs of global clothing brands, ambitious in design, with a high sustainability awareness, and with a focus on its own area of activity.



#### **TOURISM**

Four Seasons Hotel at the Bosphourus and Four Seasons Hotel İstanbul at Sultanahmet, have been projects of ours, which reflected ASTAY's perspective with regard to real estate investment as both investor and developer.



As ASTAY Gayrimenkul İnşaat Yatırım ve Turizm, we move forward since the year 2004, with the same priorities, and with our growing passion towards our work.

#### TAYPA:

### FROM PAST TO PRESENT





1989 With TAYEKS, ready-to-wear and ready-made export were initiated.



1995 Silivri **TAYEKS** Garment Manufacturing Plant was

opened.



2008 Ergene TAYEKS Washing plant was opened.





1977

Foundations of TAY GROUP as a fabric supplier for internal and global market were initiated.



TAYPA TEXTILE, the export trade company, was operationalized.



2001 Bolu TAYEKS Garment Manufacturing Plant was opened.





Integrated textile industry zone investment at Algeria was initiated through **INTERTAY**, one of the group companies



2015

TAYEKS Ergene was moved to its new washing plant. R&D center was opened.



2017

Marketing Offices were opened in New York and London.



A Garment Manufacturing and Washing Plant was established in Egypt through the cooperation of **TAYPA TEXTILE** and C.C.C.



**CREATAY** Design Office was opened.

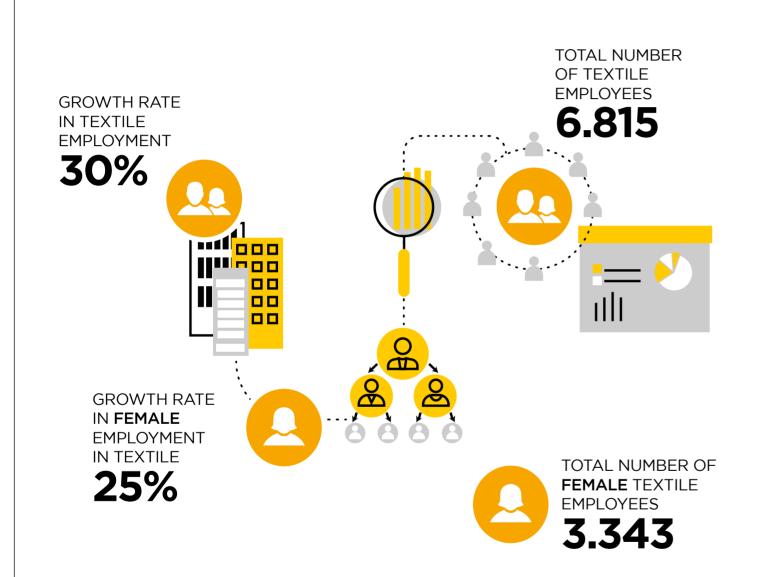


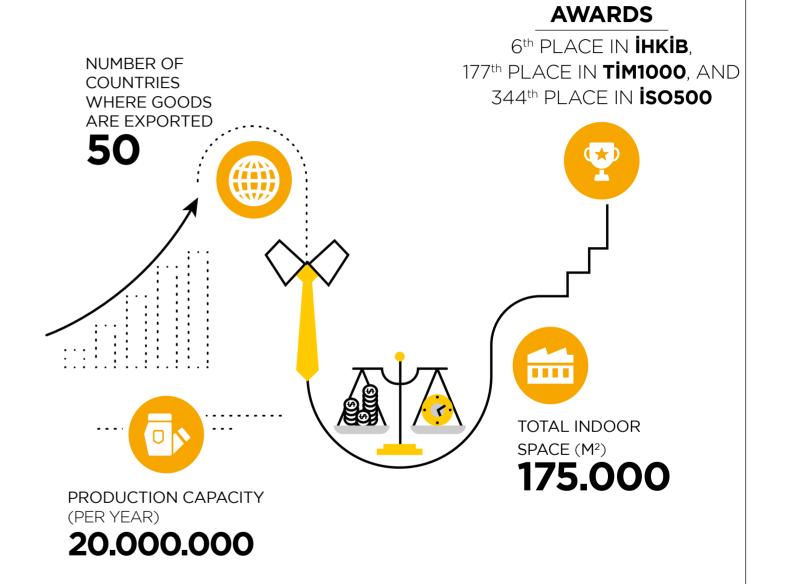
2017

Garment Manufacturing plant project was initiated in Serbia through EUROTAY, one of the group companies.



### **TAYPA 2018**IN NUMBERS

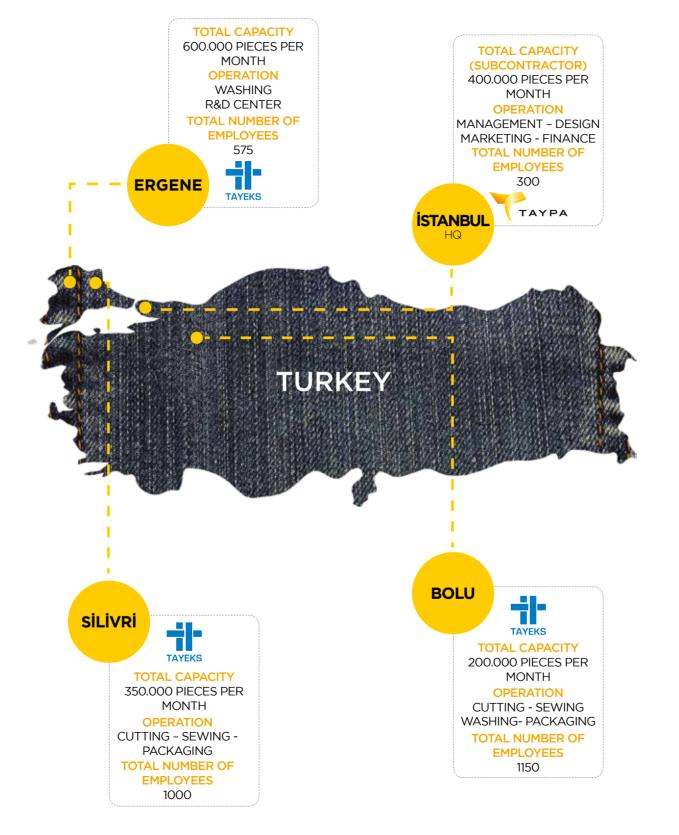




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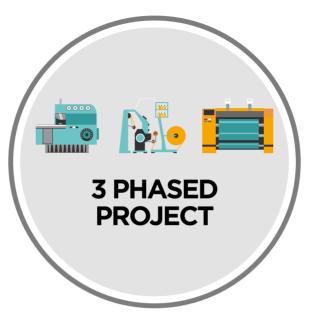






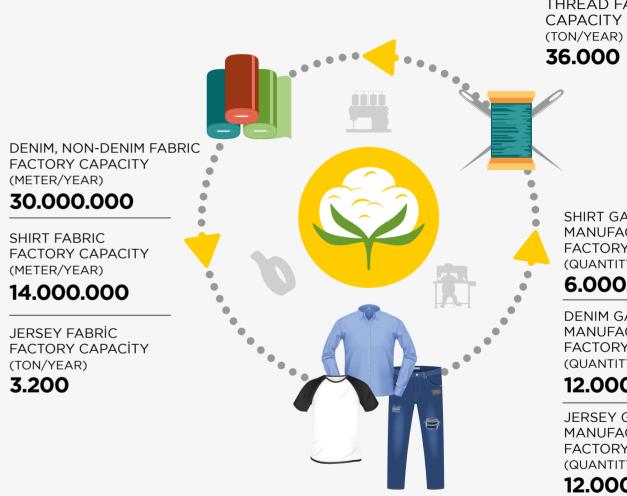


Organized Textile Industry Zone, to be realized in Algeria by TAYAL SPA, will become the largest integrated textile production plant of Europe and Eastern Mediterranean Basin.





### **COTTON BECOMES YARN,** YARN BECOMES FABRIC, FABRIC BECOMES **GARMENT**



THREAD FACTORY

30.000.000

FACTORY CAPACITY

JERSEY FABRIC

SHIRT GARMENT MANUFACTURING FACTORY CAPACITY (QUANTITY/YEAR)

6.000.000

DENIM GARMENT MANUFACTURING FACTORY CAPACITY (QUANTITY/YEAR)

12.000.000

JERSEY GARMENT MANUFACTURING **FACTORY CAPACITY** (QUANTITY/YEAR)

12.000.000

TOTAL GARMENT MANUFACTURING CAPACITY (QUANTITY/YEAR) 30.000.000





# ABOUT THE REPORT

#### **HUMAN FIRST!**

Dear colleagues and stakeholders, Since the day of its establishment, Taypa has aimed for its sustainability activities to be embraced, primarily by its factories, its suppliers, and all its stakeholders, displaying efforts for the relevant purpose with the same mentality and morals. The biggest motive while setting the goals is to invest also in "human", not only in technology and in finance. We hereby, with this very important report, would like to share our sustainability efforts and social compliance policy with all of our employees and business partners.

Taypa gives importance to training and education. We participate to the trainings of many institutions related to our corporate activities, which would add value to our employees and to Taypa. Thanks to cooperation made with these self-confident institutions, each passing day we are

further backed by the power of information.

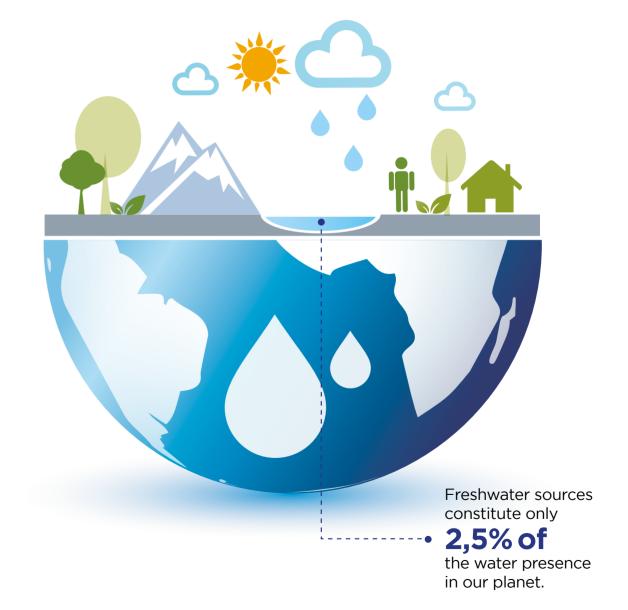
We care about employee happiness and embrace the power of teams who love their jobs. Taypa regularly arranges, or participates to, events, each more fun and beneficial than the other, in order to increase employee interaction.

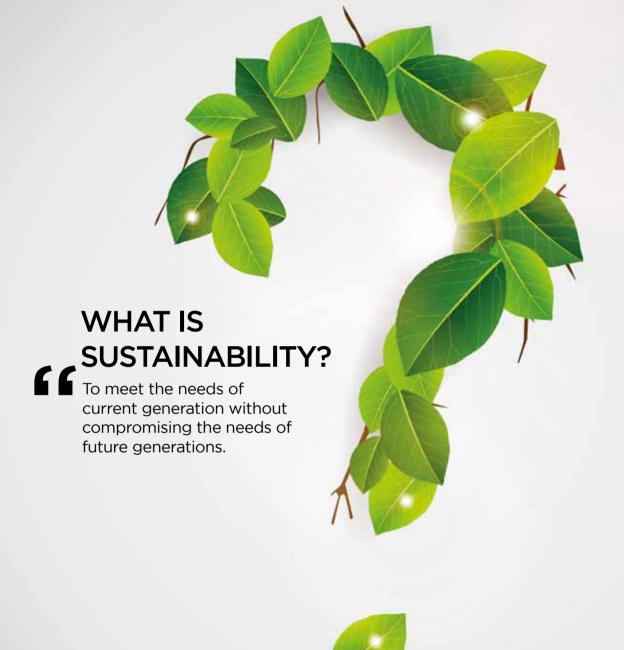
We display efforts for the accurate use of resources. As Taypa, we aim for our resource consumptions to be decreased although our production figures increase, and for the relevant purpose we renew and develop our systems, infrastructures, and processes. Every year we design our processes to reduce water consumption. The primary priority of efficient water use is to manage it in the best manner possible. By using drop-washing technology at our washing plant, we minimize the usage of water and chemicals. We re-use the steam power of production processes for heating. We minimize our electricity consumption through alternative illumination.

Each year, we expand the limits of our awareness. "Earth Overshoot Day" is defined as the date on which humanity's resource consumption for the year exceeds Earth's capacity to regenerate those resources that year. We aim to make production while keeping the ecologic footprint at the minimum level thanks to the employment and human resource we enjoy by courtesy of technologic investments in the denim industry in both Turkey and the world. We contributed to the Earth Overshoot Day, with the motto "Let's Use Stairs Today", which we announced and posted in all our plants.

We try to be an equalizer between limited natural resources and production. We are well acquainted with our technology, climate, and environment. We support both national and regional efforts. We take pride in sharing all our activities we carried out with regard to sustainability in the year 2018, with you, our valuable stakeholders.







Life forms go extinct. One of each six life forms in the world is under the threat of extinction due to climate change.



**95%** of the waste polluting the open waters, seabed, and shores of the Mediterranean are made of plastic.

In the last 44 year, the population of living organisms were reduced by

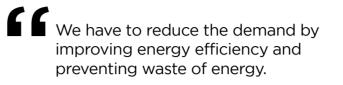


In other words, our country gradually loses its quality of being an attractive location in terms of biological diversity.



The delay and non-completion of most Mediterranean countries' plastic waste management, lie at the root of plastic pollution.

As for recycled plastics, these currently constitute only **6%** of the plastic demand in Europe.



Our Ecologic Footprint in the world (a method measuring our level of earth resources consumption) increased by **190%** in the last 50 years.

The way to create a more sustainable system lies in making significant changes in our production, supply, and consumption habits.



We have only one world, and its resources are limited.

### THE UNITED NATIONS GOALS SUSTAINABLE DEVELOPMENT GOALS







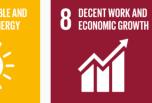


RESPONSIBLE CONSUMPTION AND PRODUCTION













14 LIFE BELOW WATER













### **OUR FOCUS**

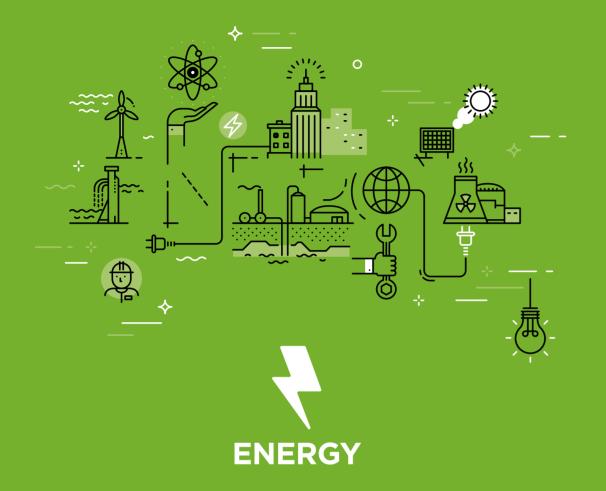


**ENERGY** 

**WATER** 

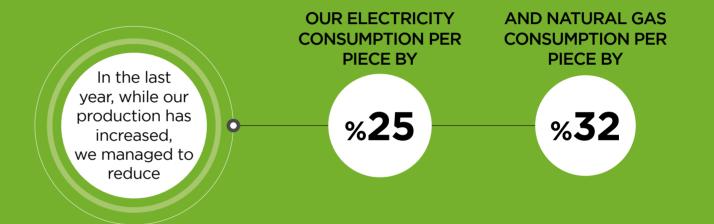
CHEMICALS

HUMAN

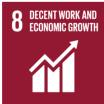


# OUR ENERGY CONSUMPTION RATES

Thanks to sustainable and efficient production methods, our energy consumption amount per piece was reduced in the year 2018.















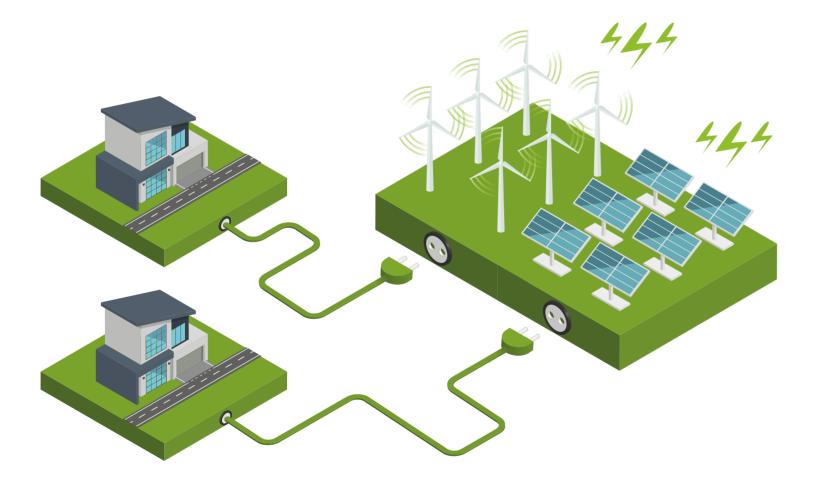


	ENERGY CONSUMPTION PER PIECE				
	ELECTRICITY (KWH)		NATURAL GAS (SM³)		
	2017	2018	2017	2018	
CUTTING, SEWING, PACKAGING*	0.665	0.518	0.075	0.052	
WASHING*	1.204	0.977	0.648	0.490	
TOTAL	1.456	1.092	0.501	0.340	

\*It covers the data received from production plants located in Turkey.

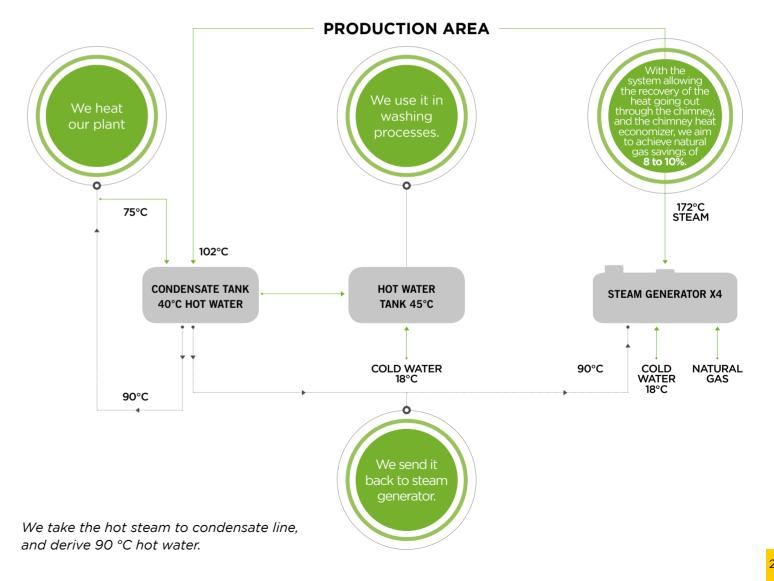
# RENEWABLE ENERGY

We procure half of all our power from sources generating renewable energy.



# HOT STEAM RECOVERY PROJECT

Instead of ejecting the steam used in the drying process, we collect it in the steam tank, and by using the same throughout the operation, during the washing process, heating, and steam re-generation, we achieve energy efficiency and saving.



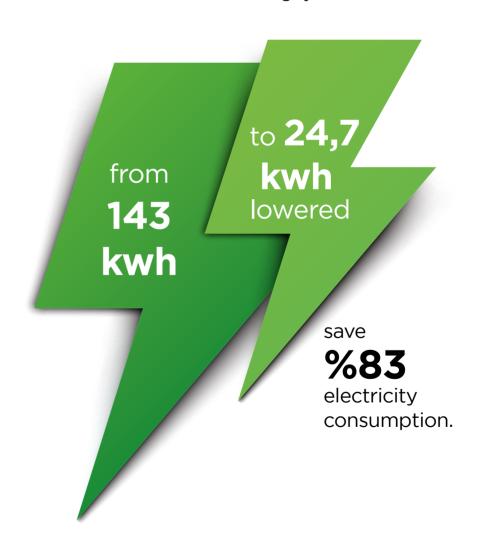
# CENTRAL LASER COOLING SYSTEM

The amount of electricity consumption of the water cooling system that is necessary for laser machines is 143 kWh.



# CENTRAL LASER COOLING SYSTEM

We save the electricity consumption by developed a closed system for water that we use for laundry process instead of the current cooling system



# **ENERGY SAVING PROJECTS**



In order to make the most use of the sunlight, we created new and natural illumination points.



We have reduced the amount of waste by using stone remover system at the waste water treatment and by doing this, we re-use the stones during the production process.



Through carrying out the technologic revision of laundry machines, we increased their production capacities and reduced their energy consumption.



We achieved energy saving thanks to the heating and cooling systems we developed in production areas.



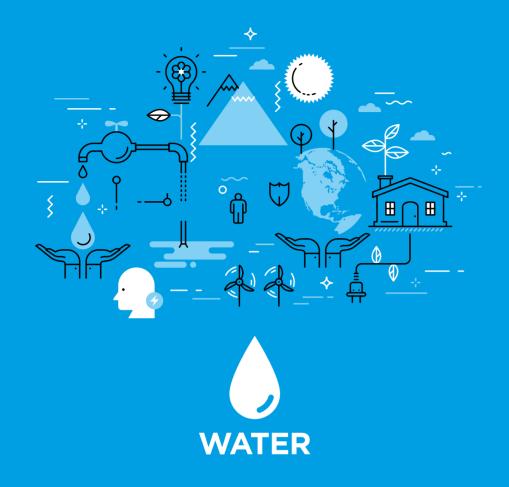
### 2019 LED ILLUMINATION CONVERSION PROJECT

ELECTRICITY USAGE

We convert all indoor-space lightings in Turkey to Led (Total indoor space:

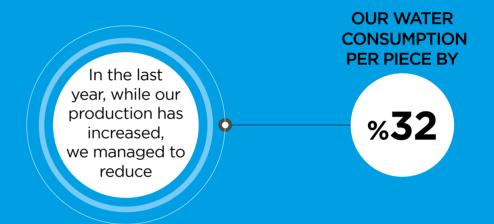
75.000 m<sup>2</sup>)







With our sustainable R&D efforts and innovative methods, we manage to reduce our water consumption amount per piece in the year 2018, and we aim to improve our performance each year.

















	WATER CONSUMPTION PER PIECE WATER (M³)		
	2017	2018	
CUTTING, SEWING, PACKAGING*	0.007	0.005	
WASHING*	0.071	0.053	
TOTAL	0.054	0.037	

\*It covers the data received from production plants located in Turkey.

# DROP-WASHING **TECHNOLOGY**

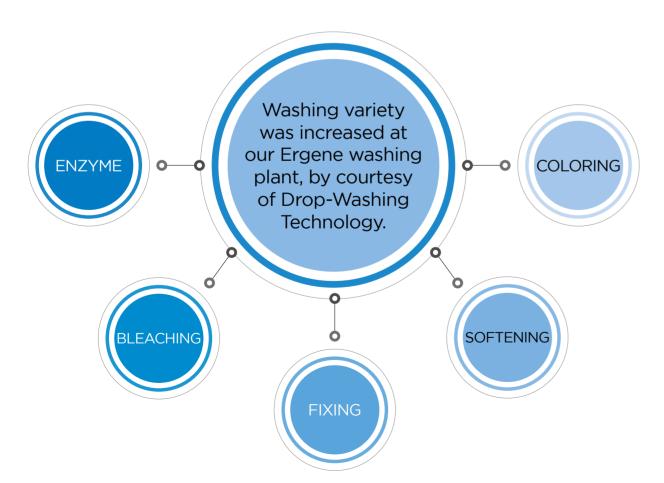


THANKS TO THE DROP-WASHING SYSTEM AT OUR WASHING FACTORY, IT IS POSSIBLE TO WASH A PRODUCT WITH A SINGLE GLASS OF WATER.

WE ACHIEVED SAVINGS IN WATER AND

о**.** П

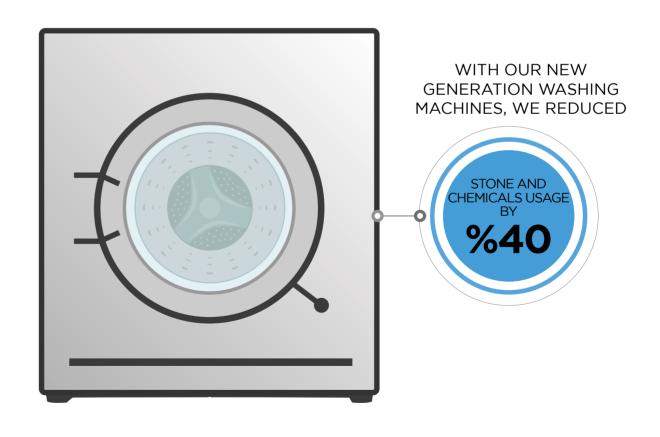
CHEMICALS USAGE.



# NEW GENERATION WASHING MACHINES

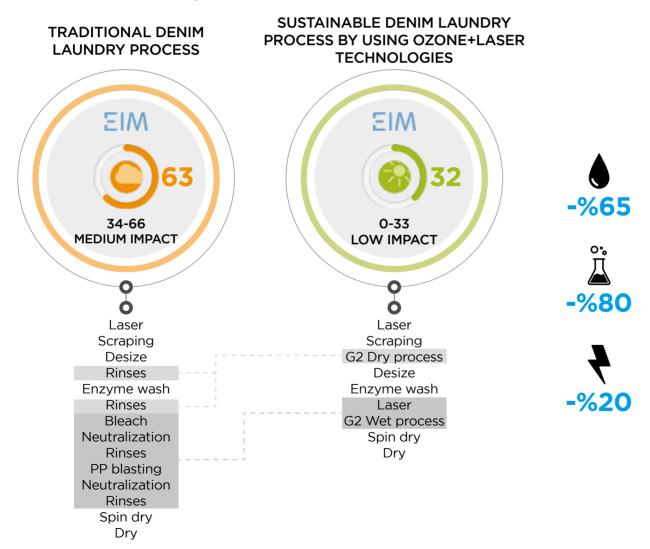
With new generation laundry machines, the number of washing rounds was increased, leading to a reduction in water consumption and energy cost per piece.

In the year 2018, the ratio of new generation washing machines among total number of washing machines, was increased to **80%**.

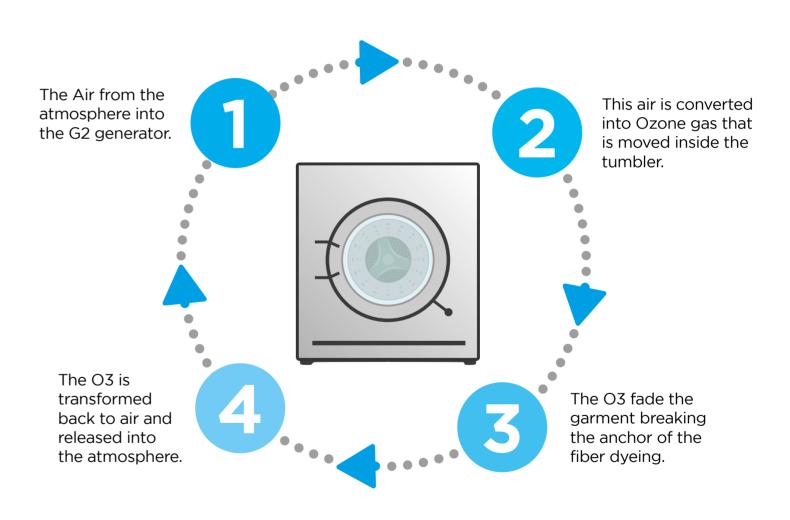


### OZONE TECHNOLOGY

With the improvement of the Ozone Technology, formerly used just to ameliorate the post-washing effects, we save water, chemicals, power, and capacity, since we are now able to achieve similar effects through the ozone process, without washing.

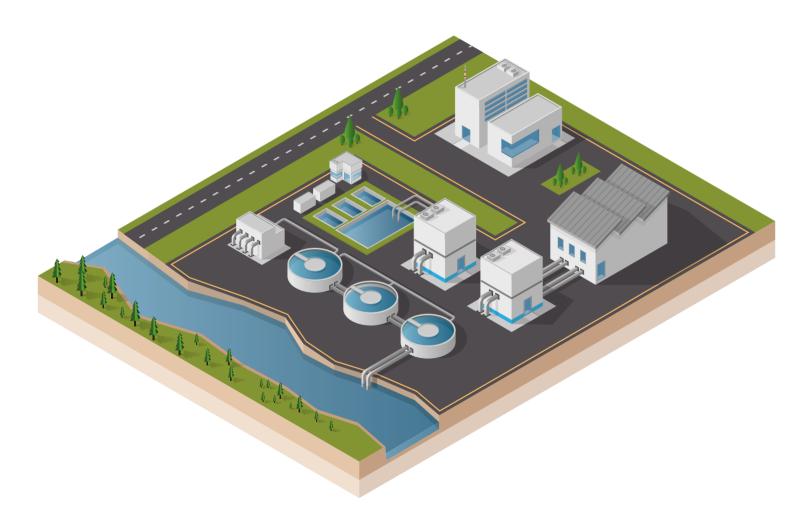


#### WASHED BY THE ATMOSPHERE



# WASTEWATER TREATMENT PLANT

Physical and biological treatment is carried out at the treatment facility at our washing factory.

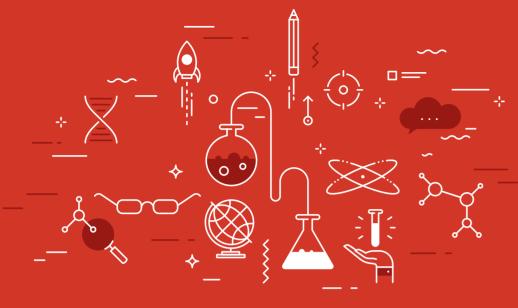


#### **WASTEWATER ANALYSIS**

Our treatment plant is audited by independent and accredited laboratories both before and after the treatment.



Our audit report is shared with our clients in a transparent manner.





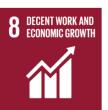


Our ratio of eco-friendly chemicals, was 80% in the year 2017, and increased to 90% in 2018.

Our goal is to reach 100%.



















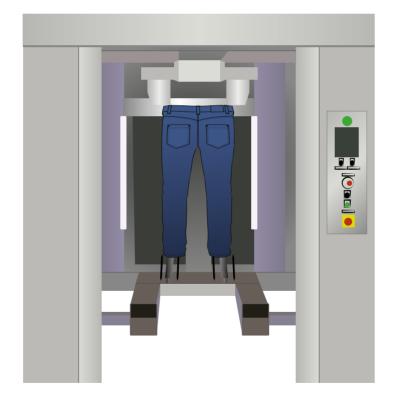
\*It covers the data received from production plants located in Turkey.

### LASER TECHNOLOGY

Thanks to laser technology, we generate alternative solutions to dry process, washing effect, and permanganate spray processes.

WITH
OUR LASER
MACHINES, WE
REDUCED WATER
CONSUMPTION BY
20.000
TONS

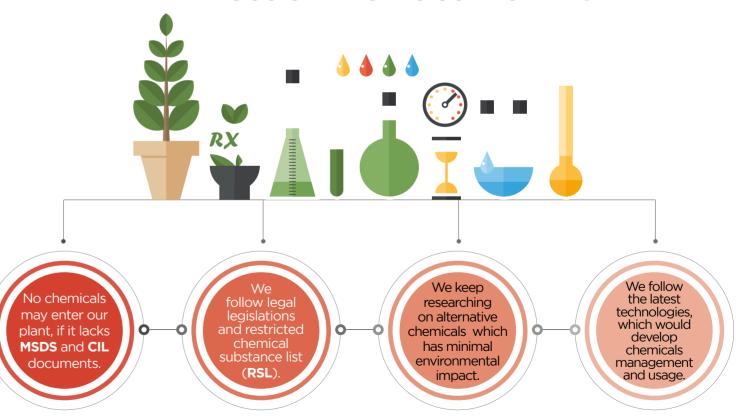




# CHEMICALS MANAGEMENT SYSTEM

Chemicals used at our factory are shared through independent platforms, and the list is continuously updated. It may be observed by our clients in a transparent manner.

### OUR AIM IS TO REDUCE OUR HAZARDOUS CHEMICALS USE TO ZERO



### **AUTO-DOSING**

Thanks to **auto-dosing system**, one of our biggest investments to our chemicals management system.





Recycling amounts In the year 2018.

we managed to recycle
197 tons of paper waste,
64 tons of plastic waste, and
1244 tons of textile waste.





As a member of **Sustainable Apparel Coalition**, we share, in a transparent manner information on **environmental impacts**, with all our requesting clients.



Thanks to the **EIM Score** software, we monitor the impact of each formula we create, on the nature, and we try to determine **necessary improvement** points.



In the **Gateway** system, we have our wastewater analyzed by the accrediting firm, and we share our data in a transparent manner.



In the year 2018, we produced **32.726 Global Recycled Standard** products.



With the digital conversion project we conduct at our HQ, we aim to be involved in the **Green Office Project**.



**Since seven years**, we have been using the **SAP** system at all stages, **from finance to production**. In this way, we achieve paper savings around **80%**.



**HUMAN** 





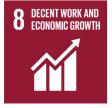














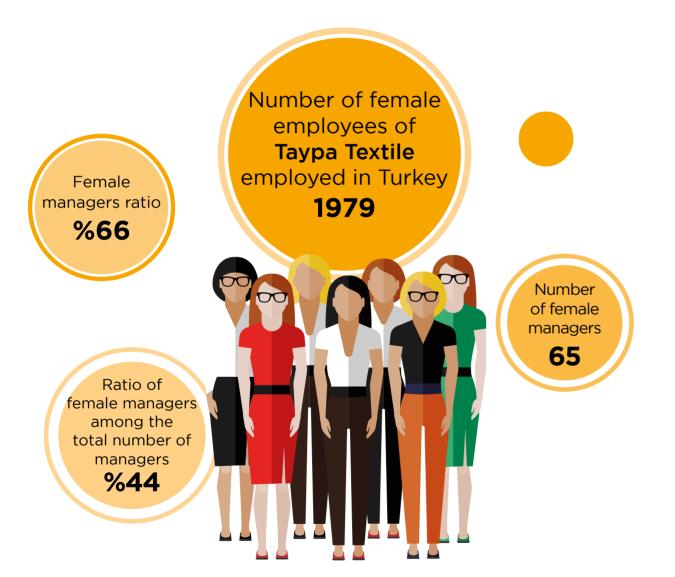




	2017	2018
TOTAL NUMBER OF EMPLOYEES*	2.728	2.994

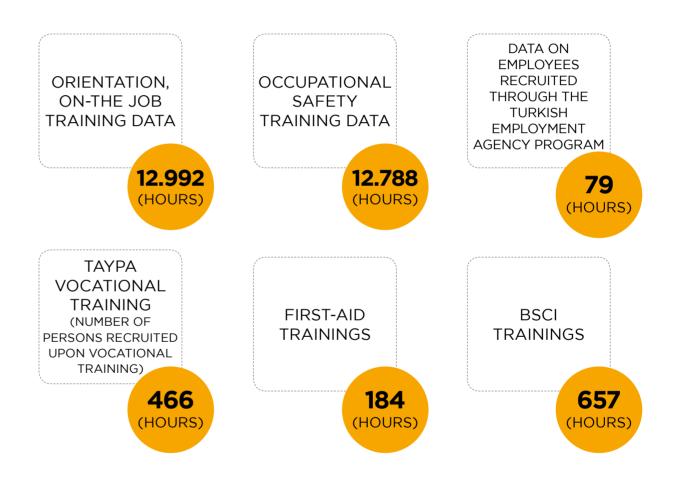
\*It covers the data received from production plants located in Turkey.

### WOMEN-FRIENDLY COMPANY



### CONTINUOUS TRAINING

We attach great importance to continuous training, in order to follow the innovations and increase our knowledge.

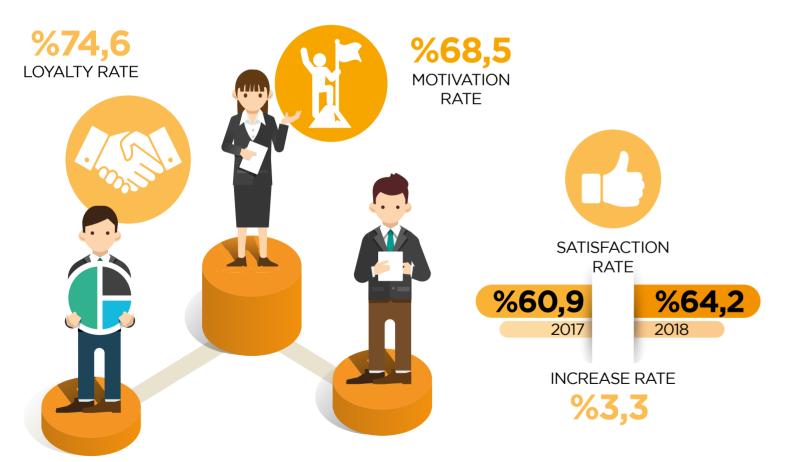


We established libraries and training halls at each plant for our employees' usage. We expanded our horizons by participating to self-improvement conferences.

### EMPLOYEE LOYALTY AND MOTIVATION RESEARCH

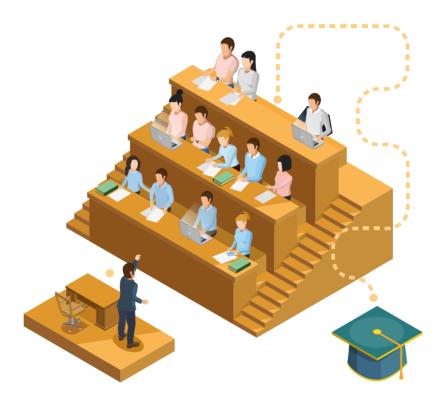
Employee satisfaction survey was conducted and finalized by an independent market research company.

#### ACCORDING TO THE SURVEY;



### UNIVERSITY SEMINARS

With university seminars, we provided Design and Denim Washing Methods Training to around 500 students.



### CONTINUOUS TRAINING UNIVERSITY SEMINARS

Through the on-the-job training practice applied in cooperation with Mimar Sinan Fine Arts University and IMA, Denim Washing Methods training was provided. With the scope of cooperation with universities, Fashion and Denim Design Seminars were given at Marmara University, Mimar Sinan Fine Arts University, Ege University, 9 Eylül University, Tekirdağ Namık Kemal University, and İstanbul Technical University.









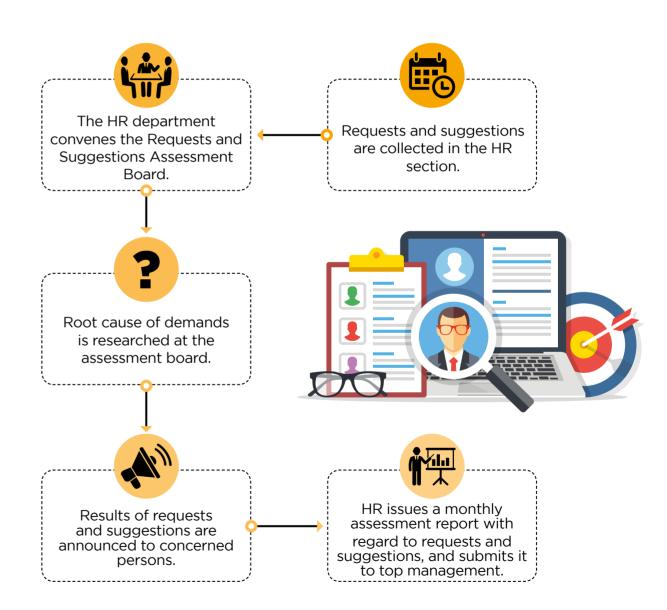




### HUMAN RESOURCES **PORTAL**



### TAYPA REQUESTS AND SUGGESTIONS MANAGEMENT



### EMPLOYEE LOYALTY AND MOTIVATION ACTIVITIES

# İFTAR DINNER EVENT AT RAMADAN





B-B-Q PARTY















BOWLING TOURNAMEN

#### **SENSITIVE TEAM!**







#### STRONGER WITH KACUV

As Taypa Family, we participated to the 40th İstanbul Marathon with KAÇUV on Sunday, November the 11th, in order to be a hope for children with cancer.



#### **RED CRESCENT RELIEF SUPPLY**

As Taypa Family, we delivered relief supply kits, consisting thousands of pieces of denim in total, to Red Crescent, which helps people during difficult times. We will always continue our support to organizations, such as Red Crescent, displaying activity for the good of the society...



#### **EARTH OVERSHOOT DAY**

Earth Overshoot Day is defined as the date on which humanity's resource consumption for the year exceeds Earth's capacity to regenerate those resources that year.

Earth Overshoot Day, which corresponded to the month of September in the year 1997, corresponded to August 1, in the year 2018. As Taypa, we held activities at our plants, in order to attract the attention of our employees and stakeholders, and to encourage the efficient use of natural resources.



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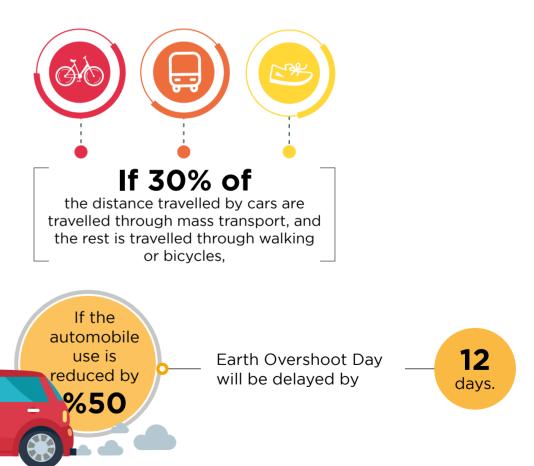
days.

Humanity lives, if there is **1,7** earth.

If the carbon footprint of humanity on the environment is reduced by

Earth Overshoot Day will be delayed by





# CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is not just a program for us; it is a culture and a way of life. Our current vision is also certified by the world's most prestigious organizations.



We use recycled products, and we enjoy **Global Recycled Standard**, which indicates our compliance to occupational safety, environment, and waste management standards.



We are graded "A", the highest grade in BSCI Social Compliance Audit.



We are a Sedex member. Our plants and most of the contract suppliers we cooperate, go through **SMETA** social compliance audit.



Our Egypt-based T&C factory enjoys **Wrap Gold** certificate.



We are a member of **Sustainable Apparel Coalition**. We procure the environmental data sharing and verification audits of our plants.



In the **Gateway** system, we have our wastewater analyzed by the accrediting laboratory, and we share our data in a transparent manner.



We grade our formulas, and keep their impacts on the nature under control.



We enjoy the "**Eco-Friendly**" certificate granted by the Ministry of Environment.



We keep our records online and on the system at **Digital Sap** system platform, and we achieve paper savings.



Our Egypt-based factory enjoys ISO 9001 2015 certificate.



We produce products with **Better Cotton BCI** fabric. In total, we used 1.312.170 meters of **Better Cotton (BCI)** fabric during our production process.

#### **OUR STAKEHOLDERS**



YKK, the leading fastening product producer of the world, attaches considerable importance to green approaches. Therefore, sustainability policy has an important effect on our production line. As YKK we take care to design products which would be beneficial for both people and the world.

Through this approach, we keep on adding sustainable products to our product range each passing day, and we work on improvements in our product processes. This year, we put out our first environment friendly "Sustainable" collection. Our collection was created by using 89% less water, 66% less chemicals, 64% less thermal energy, and 46% less electrical energy, when compared with products produced through conventional production methods, and it was developed as a special metal accessories series.

This year, we also started to produce in Turkey, the "NATULON" product group; these products are made with recycled materials, and are used in the stripes of zippers, which are part of the abovementioned collection. We also increased the color options of eco-friendly snap fasteners and buttons, whose production process also requires less power, and therefore we enabled our "Environmental Friendly Finish" catalogue to produce more coated colors. TAYPA is a valued business partner of ours since many years, and their interest on our environment friendly products, and their usage of the same, make us extremely happy.

#### Güçlü Karavelioğlu

Genel Müdür/Satış ve Pazarlama Departmanı



At Jeanologia we believe in Business as a force for good. Our technologies create an ethical, sustainable and eco-efficient blue jeans industry and we found in TAYPA the perfect match on this transformation journey.

Together we formed a great team. TAYPA always inspires Jeanologia to improve. We develop the technologies that reduces water and toxicity from the jeans production process and TAYPA is implementing them by using it in mass production, making it real and creating a better world. We are proud to be TAYPA technological partner.

Taypa is using Jeanologia laser, ozone and e flow technologies. Laser is eliminating dangerous practices as manual scraping or permanganate spray. Ozone reduce up to 50% of water from the process and E-flow nano bubble technology eliminates the chemical impact. The final target is to completely dehydrate (Water free) and detoxify (Toxic chemistry free) TAYPA jeans production. The new technologies are already implemented in Turkey and Egypt, but the real disruption is coming with the new investments in Algeria and Serbia were the new facilities had been designed for green production. We are looking forward to taking those challenges together with all the members of the TAYPA Group.

**Enrique Silla**Jeanologia CEO

#### **OUR STAKEHOLDERS**



Taypa Group and Coats - prominent representatives of textile and industry in Turkey - are involved in a big transformation process we call Industry 4.0, in order to simplify their production processes and therefore to be able to act even faster. The gradually decreasing production quantities, personalized design, online shopping, and quick delivery have become important parts of our lives, and this trend will continue to increase. We are in the middle of a big transformation process, in order meet the developing and changing needs of customers. All our production processes are reviewed, and robotized; compiled data are analyzed through artificial intelligence, and new business models are being created. However, the cost for all these should not be the damage suffered by the world and the careless consumption of the world's resources. Coats Group declared its new Sustainability Report in the year 2018. Its foundation, based on human, consists of 5 main pillars:

- 1. Water We will reduce the consumption per production volume by 40% until the year 2022.
- **2.** Energy With renewable energy, we will reduce the consumption per production volume by 7% until the year 2022.
- 3. Waste In the year 2002, we will fully

comply with ZDHC (Zero Discharge Hazardous Chemicals), an international program.

- **4.** Social Until the year 2022, we will display efforts to achieve "the Perfect Workplace" standard in all our main production facilities. We will ensure that all our employees will be involved in social responsibility projects.
- **5.** Living Sustainability We will reduce our rate of waste by 25% until the year 2022. In the year 2024, all our A-grade polyester threads will be produced of 100% recyclable raw material.

Our long-standing business partnership with Taypa Group will also continue with regard to sustainability. We will continue to provide all the necessary support with regard to the relevant subject in the future as, we have done in the past.

#### Feridun Ayırga

Industrial Thread Sales and Marketing Director

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