

*sustainability*  
performance report 2014



*Committed to Sustainability*

**DyStar®** 



**environmental**  
leadership

*Our Commitment To*  
**sustainability**

DyStar strives to be the  
environmental and innovation  
global leader in our  
chosen industries.

**innovative**  
leadership



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## Letter from CEO

### Dear Stakeholders,

I have great pleasure in presenting to you DyStar's Annual Corporate Sustainability Report for 2014. This marks the fifth year of our sustainability journey which began in 2010.

At DyStar, we take unrelenting efforts to meet our stakeholders' expectations. With over 150 years' experience, we have been maintaining our business through very robust customer relations, strong technical expertise and a superior product portfolio both in terms of competitiveness and quality. Our employees' dedication and expertise has been and continues to be a major reason for this success. We also understand the fast-evolving consumer awareness towards increasing need for more information as to how their clothes have been manufactured, the extent of use of chemicals, and the working conditions in factories producing these clothes. Coupled with the ever-increasing number of world-wide regulations in the chemicals, dyes and textile industries, this has underpinned our sustainability vision to improve our own production processes, develop innovative products and services and promote sustainable practices along the entire textile value chain.

In 2010, we published our first Sustainability Report and established concrete goals for reduction of our operational impacts. Our constant actions in environmental stewardship have helped us reduce energy consumption by 21.5% and GHG emission intensity by 14.8%. We closely monitor our resource consumption and our major production plants have reported a continuous reduction in energy intensity over the last 4 years. We take pride in this achievement as we operate in a challenging environment that requires a broad and dynamic product mix due to the constantly changing market and consumer requirements.

In addition to our commitment to reduce environmental impacts of our own operations, we remain focused on inculcating a sense of sustainable operations in our value chain partners. We are an active member of



the Sustainable Apparel Coalition which is in the process of developing an Apparel Index, which takes a full life-cycle view of an apparel product and identifies all major social and environmental impacts along the production chain from cradle to grave. We believe this will help from a more sustainable textile value chain.

Over the years we have built our core strength in product stewardship which has enabled us to build strong and supportive relationships with our widely expanding customer groups. We assess all of our products for health & safety impacts at each stage of the product lifecycle – product concept development, R&D, registration, manufacturing, marketing & promotion, storage, distribution and supply, use & service and disposal, reuse or recycling. We continue to provide healthier, safer and ecologically compatible products for the apparel industry.

At DyStar, we strongly believe, employees are key to what we achieve. We ensure through our actions, that our employees benefit from their commitment and contribution to our success. We provide a working environment that recognizes the needs of our multicultural and geographically-dispersed workforce. We understand the importance of personal growth for our employees throughout their careers, and offer opportunities for them to enhance their knowledge and skills through a wide variety of training and development programs.

Our strict adherence to health & safety policies and practices has resulted in significant reduction of Lost Time due to Injury at our workplaces. We consider this as a very important achievement in our effort towards Zero Accident at Workplace.

We believe in creating value for the society through engaging our employees in com-

munity development initiatives. Donation of food and money in disaster-struck regions, helping integrate differently-abled people within society, and helping those suffering from HIV/AIDS are few of the notable activities undertaken by DyStar employees during 2014.

Our commitment to financial stability has increased in all three operation regions - Asia, Europe and America. We continue to boost our local economy where we operate through procurement of materials and services from local suppliers. This also helps us control quality, minimize costs, meet delivery targets and increase efficiency of our operations.

Our continued commitment to the United Nations Global Compact (UNGC) ensures we are representing the highest standards of ethics in our human rights, employment practices, anti-corruption and environmental efforts. At DyStar, we strive to conduct our business activities with the highest possible standards of integrity and in line with our Code of Conduct. The Code of Conduct sets out our legal and ethical principles which guide our daily work and help us uphold DyStar's reputation as an employer of choice and a reliable business partner.

We recognize that apart from our own understanding and analysis, our sustainability goals and objectives depend to a large degree on the feedback we receive from our stakeholders and readers. We listen to your feedback and would be happy to see your comments or suggestions in the enclosed feedback form.

Thank you for your support.

With best regards,

**Eric Hopmann**  
CHIEF EXECUTIVE OFFICER

## about the report

This is DyStar's fifth Sustainability Report since 2010 when we first began the annual practice of reporting on our sustainability performance.

This report presents our triple bottom-line i.e. Economic, Environment and Social sustainability performance for the year 2014. Our report focuses on the environmental and social challenges that matter most to our stakeholders who include local communities, governments, non-governmental organizations, customers, shareholders, investors, employees, media, academics, contractors, and suppliers. This report serves as our formal Communication of Progress (COP) to the United Nations Global Compact (UNGC) principles.

We illustrate how sustainability contributes to DyStar's success and how we as a company create value for our employees, shareholders, and partners.

The report has been prepared in accordance with the Global Reporting Initiative (GRI®) G3.1 Guidelines as per the Application level B and covers 30 Core and 14 Additional Indicators.

In the next year, we intend to develop our report as per the latest available framework of GRI G4 and 'In Accordance Core' option.

### scope and boundary of the report

The report captures the sustainability performance data for the business units, facilities and subsidiaries that are operationally and financially controlled by DyStar Group.

Operations at the production plant in Hangzhou, China, were discontinued and moved to the plant in Nanjing, China in 2013 and hence not included in the boundary for the current reporting period.

Some laboratory activities in Singapore have been terminated and hence its sustainability data for the current reporting period is not available. The laboratory at Corlu, Turkey was closed in July 2014 and shifted to the site of the production plant at Corlu. Sustainability

performance data owing to its operation at the earlier location for first six months have been reported.

In 2013, DyStar acquired the assets and business of Lenmar Chemical Corporation of Dalton, Georgia and the site has been included in the boundary for Sustainability Report for the current reporting period, 2014.

### reporting process

We follow a content selection process to identify the most material topics for our reporting.

The entire journey of the sustainability reporting process is led by DyStar's Sustainability Committee with support from a cross-functional team of staff from all production sites and offices across the world.

We identify and understand topics of significance to our stakeholders through a range of stakeholder engagements and reviews along with our established internal processes.

Our sustainability committee reviews the content to ensure that coverage is complete, relevant and balanced. We seek alignment service for 'Application Level' of our report from GRI. The Application Level Service Icon obtained from GRI has been placed on the first page of GRI Content Index. We have not sought any external assurance for the current sustainability report.

### about our data

While reporting on key sustainability performance indicators, we have made an attempt to apply a uniform approach for data collection, measurement and calculation for

our entire operations. Any assumptions and methodology used for analysis or reporting are included in the report as applicable.

The information and basis for calculation in this report are based on GRI standards. All of the data and information for the reporting period has been sourced from the responsible business units using representative methods.

All non-financial data in this report has been reported on a 100% basis for companies and joint ventures where we are the primary operator. We use proprietary sustainability data management software for collection and analysis of sustainability information. The system involves a two-tier data verification process in order to have the most accurate disclosure of sustainability performance.

### feedback

We solicit your feedback to improve upon the reporting process in future years. Any query with respect to this report may be addressed to: [sustainability@dystar.com](mailto:sustainability@dystar.com)

The 2014 online report can be found at:  
[www.dystarsustainability.com](http://www.dystarsustainability.com)

For more on sustainability, see:  
[www.dystar.com/sustainability](http://www.dystar.com/sustainability)

For more on Global Reporting Initiative, see:  
[www.globalreporting.org](http://www.globalreporting.org)

<sup>1</sup> Data from subsidiaries with more than 20 employees has been included in the report.



## voices of stakeholders



**Gerald Talhoff**

VP, GLOBAL  
MANUFACTURING,  
SUPPLY CHAIN, IT &  
SUSTAINABILITY  
Singapore

"We are pleased to share yet another disclosure on our sustainability performance with our stakeholders. While we continue with our key thrust to ensure that the needs of customers are fulfilled, we are striving hard to meet and go beyond our 2020 sustainability targets.

It is a pride and honor to share that despite a near constant production activity in 2014 vs 2013, our overall energy consumption has reduced by 6.7%. We have been able to reduce electricity and steam consumption in several production plants including Nanjing (China), Naucalpan (Mexico), Pietermaritzburg (South Africa), Reidsville (USA) and Samutprakarn (Thailand). We have also increased our green energy mix by switching to partially renewable energy in Portugal. Our site management teams, supported by our global sustainability team, are busy analysing and taking up specific initiatives to further increase our energy efficiency. Their combined efforts have helped us conserve nearly 18,000MWh of energy making our production and overall operation more energy efficient and hence sustainable.

We realize that our water consumption needs to be monitored closely and we are taking up initiatives across the board to further cap our water intensity.

For us occupational health, process and plant safety are key areas which we take very seriously in our global operation. We are very happy to see our total lost injury days going down by 90% in 2014.

As we move on to 2015, we will continue to focus on our sustainability mission, our targets for 2020 and we are planning to include our key supply chain aspects into our sustainability disclosures."



**Julian Metcalfe**

BUSINESS  
MANAGER  
Charlotte, US

"We create growth by developing new solutions for future challenges of environment. We care about sustainability reporting as it creates an excellent platform for demonstrating our performance and shows leadership to our customers that DyStar is their sustainable partner of choice for dyes, chemicals and services."



**Dr. Clemens Grund**

VICE PRESIDENT  
TECHNOLOGY  
Germany

"Sustainability is the top priority for DyStar in Research & Development and Global Product Safety & Ecology. In 2014 DyStar launched a new black dyestuff for wool, Realan® Black MF-PV, which features a newly developed chromophore which is completely free of AOX and heavy metals. This permits ecologically sound dyeing processes and textile products which are compliant with all ecological and technical requirements.

The dye has a very high fixation rate and outstanding build-up properties delivering great benefits for the customer. By using such ecologically-driven product innovation, customers can reduce the environmental impact of their processes by saving chemicals, water and energy."



**Dr. Christine Lorkowski**

PDM, CUSTOMER  
SERVICE - ECONFIDENCE,  
REACH-MANAGER  
TECHNOLOGY / GLOBAL  
PRODUCT SAFETY &  
ECOLOGY  
Germany

"In recent years, legal ecological requirements related to our and our customers' products have increased globally. In 2015, for example, we need to implement GHS – the globally harmonized system for classification and labeling of chemical products – in many regions worldwide.

Additionally there is an increased public concern on sustainability aspects. This concern is not only about chemicals in consumer products, but also the environmental impact of a chemicals synthesis and their applications.

Via DyStar's internal product registration process and extensive analytical monitoring routines within the econfidence® program, we have implemented a chemical management system based on which we are able to provide our customers with products of highest possible level of quality which are in full compliance with legal requirements on marketing and use. Our team of experts is busy to ensure the provision of appropriate safety data sheets (available in 29 different languages). Ecologically based product recommendations referring to specific B&R applications are derived by the experts and provided as a standard on the daily business."



**Sherrie XU**

GLOBAL  
SUSTAINABILITY  
MANAGER  
China

"We live on a 4.5 billion year old earth and we have done a lot of damage to it. About 70% of the major fisheries have been depleted or are at their biological limit. Forest cover has been reduced by as much as 50% worldwide. Almost 40% of the world's population is experiencing serious water shortage. Our natural environment is not for the benefit of us so that we can use and misuse it.

Today there are four major environmental concerns in the world, specifically:

- Water quality and quantity
- Depletion of fossil fuels
- Climate change resulting primarily from fossil fuels
- Population growth – eventually exceeding the earth's capacity.

Sustainability management is defined as the intersection/interaction of environmental, economic, and social spheres. In working towards sustainability, we must consider and properly implement all of these criteria.

When we announced our long-term environmental vision years ago, we set our goals to ensure we were making measurable progress. Our goal is to reduce our impact by 20% by 2020 in four areas: Energy, Water, Waste Water, and GHG.



**Guido Krabbe**

GLOBAL PRODUCT  
MANAGER  
VAT DYES  
Germany

"Sustainability of all sorts is a key task and duty for the Product Management Team. Therefore we work with Product Safety & Ecology Teams to ensure that all products not only comply with the legal requirements worldwide, but also go beyond in terms of their own sustainability by complying with voluntary requirements such as e.g. Brand & Retailer RSL's (Restricted Substances Lists) etc.

We take considerable efforts through our econfidence® program to ensure that our products are amongst the cleanest available in the market."



**Vera Huang**

VP, GLOBAL  
PROCUREMENT & GM,  
China

"At DyStar, we always seek to ensure that not only our own operations, but also those of our Suppliers are sustainable. We lay strong emphasis on policies covering child labour, forced labour, wage management and human rights all across our supply chain. We make sure that the suppliers are screened well to uncover any shortcomings. It is encouraging to see new disclosure requirements on sustainability in the supply chain by GRI. We are gearing ourselves to evolve systems that will enable us provide transparent and reliable disclosures on our supply chain."



**Fanny Vermandel**

MARKETING  
DIRECTOR  
Germany

We also developed our two-fold sustainability strategy to implement this goal: to not only reduce the impact of our operations but also to help our customers reduce their impact.

Our results to date can be found in this report. Some of the highlights from the past year's sustainability accomplishments include:

- Our Pietermaritzburg plant in Africa engaged services of an external agency for segregation of waste into hazardous and non-hazardous.
- Our Nanjing plant in China built a new waste collection & storage location, totally recycled 83,480kg waste.
- Our Naucalpan plant in Mexico took back plastic containers from customers and suppliers. A campaign was run to save energy in electric lighting and use of electronic equipment.
- At Reidsville in US, reduction of 40% of trash to landfill was achieved by implementing and further developing our recycling program for cardboard, plastic bottles, glass, aluminium and paper.
- In our Mem Martins production in Portugal, the use of pre-heated dispersing agent was reduced.

Many of the challenges we face in sustainability are impossible to achieve on our own. We need partnerships with companies, governments, customers, NGOs and Academia to cooperate and reach our common goal – to reduce our impact on the planet."

"DyStar® Group and DyeCoo Textile Systems are collaborating on the development of products, using DyeCoo's breakthrough technology of substituting carbon dioxide (CO<sub>2</sub>) for water in the dyeing process. DyeCoo Textile Systems is the world's first supplier of industrial CO<sub>2</sub> dyeing equipment, which uses recycled CO<sub>2</sub> gas instead of water to permeate textiles with dyes. This partnership will pave the way for more ecological products which will meet the rigorous demands of the industry. This technology offers a huge potential to save water and energy, both of which are top priorities for the textile dyers. In DyStar, we fully commit to this project to offer the highest sustainable solutions for the textile industry."



## about DyStar

### vision

We strive to be the environmental and innovation global leader in our chosen industries.

### mission

More than 100 years of experience in production and application development for textiles dyes and chemicals, has set us up to consistently grow our business and also venture out into new markets and industries like paper, plastic and other specialty chemicals.

We will continue to use our expertise and creativity to support the competitiveness and business growth of our customers - Brands & Retailers, Mills, Dye Houses, Printers and Laundries - by bringing to market cost-effective and innovative new products as well as integrated technical and environmental solutions.

With the support of our shareholders we aim to invest in our leadership to make a difference, by living up to global and legal business requirements and environmental and social responsibilities and by reducing the ecological impact of both our own and our customers' operations.

Our focus is on quality and resilience for the entire supply chain of our customers. Through our innovative products and services we help our supply chain partners to produce low-impact consumer products meeting the highest environmental and quality standards in the most cost effective way.

### core values



#### RESPONSIBILITY

DyStar operates worldwide and respects a wide range of legal requirements and cultural circumstances. We are committed to conducting our business activities with the highest levels of integrity and ethical standards. We ensure a safe and healthy environment for our employees with equal opportunities. We honor the intellectual property of our competitors. We take our responsibility seriously to protect the environment. Our products and manufacturing sites are compliant with environmental and other relevant regulations.



#### INNOVATION

DyStar is committed to continuous innovation not only in products and services but also in manufacturing techniques and business processes in order to deliver environmentally compatible products and minimize the impact on the environment of our operations and those of our customers in the industry sectors we supply.



#### EXCELLENCE

The quality of our products and services is a key factor in our company's success and underpins the fulfillment of our corporate goals.

Our manufacturing processes, products and application methods are trend-setting. Our industry-leading econfidence® program is designed not only to provide assurance to our customers that the dyes and chemicals we supply comply with legal requirements but also to consult so that the selected products are compliant with voluntary and brand & retailer RSL (Restricted Substance List) requirements. The econfidence® program allows DyStar to build partnerships along the value chain to foster more sustainable production in the apparel, textile and leather sectors.

We continue to create a motivating and creative work environment to attract talented and services oriented employees.

DyStar is one of the leading global organizations delivering high quality colorants, auxiliary chemicals, and services to the textile, paper and leather industry as well as other specialty chemical industries.

### our worldwide presence



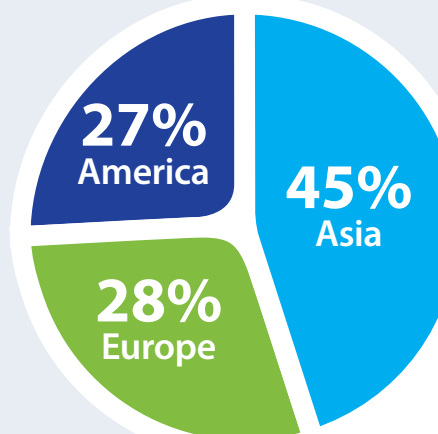
### DyStar at a glance

DyStar Group is owned by DyStar Global Holdings (Singapore) Pte Ltd, a special purpose vehicle jointly owned by India-based Kiri Dyes and Chemicals Limited and China-based Longsheng Group.

DyStar operates in 22 countries with 14 production facilities in 12 countries. We employ around 2200 people who manage our operations across the world. The DyStar Group has offices, competence centers and agencies in over 50 countries to ensure the availability of expertise in all important markets.

The company is headquartered in Singapore. In 2014 our revenue was \$938 million USD with a share of 45% in Asia, 28% in Europe and 27% in America.

**\$938 million USD**  
2014 Revenue



Operates in  
**22**  
Countries

**14**  
Production  
Facilities in  
**12**  
Countries

Offices &  
Agencies  
in over  
**50**  
Countries

Approximately  
**2200**  
Employees

<sup>2</sup> For more details on company profile, locations and operations, please refer to our website [www.dystar.com](http://www.dystar.com) or our previous sustainability reports at [www.dystar.com/Sustainability](http://www.dystar.com/Sustainability)



## our products

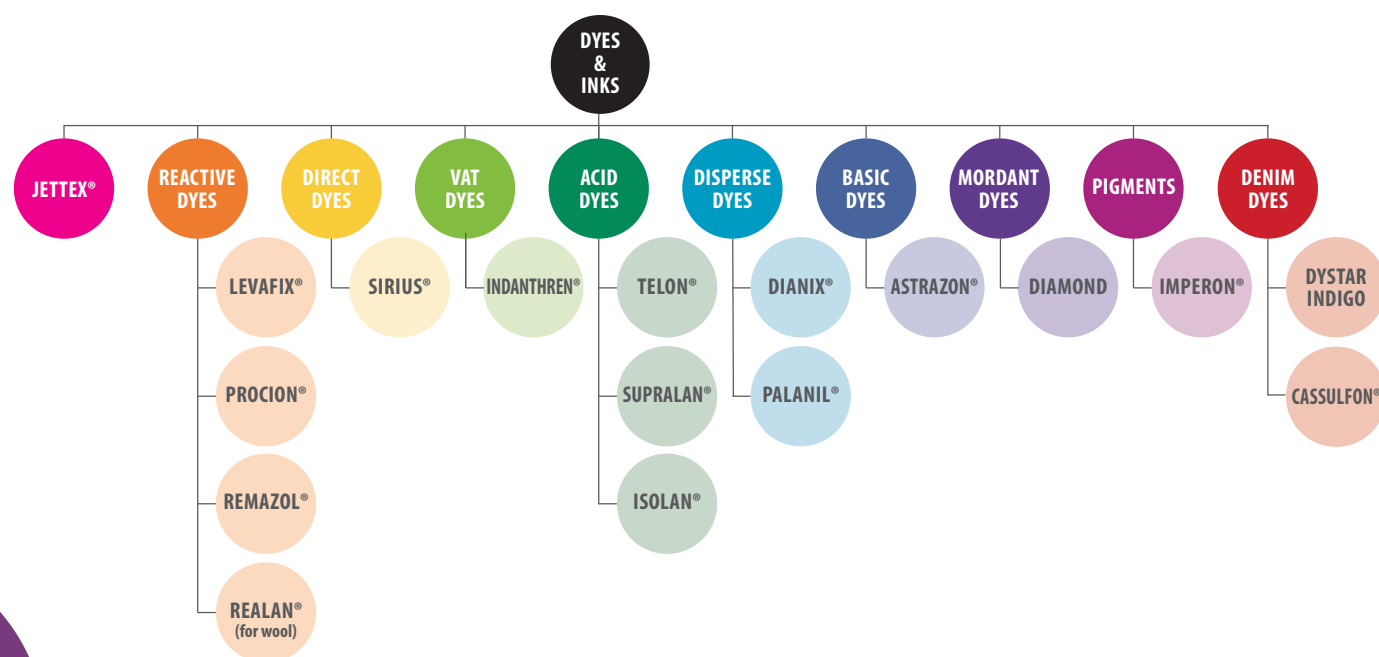
DyStar offers a wide range of products and services to support not only the textile value chain but also the leather, paper and specialty chemicals industries. Our product innovation has resulted in over 1,500 product-related trademarks across 100 countries worldwide. Our products are designed to provide safe, toxic free and environmentally compatible solutions to our customers. All of our products

### DYES

DyStar is the world's leading supplier of textile dyes. We have by far the broadest product range on the market, covering almost all fibers and quality specifications. Details of our wide range of

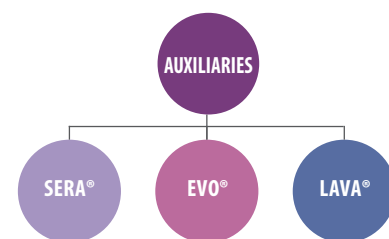
are manufactured and sold in accordance with applicable chemical legislations such as REACH. DyStar offers many items which comply to industry eco-label standards such as Oeko-Tex® Standard 100 or individual brand and retailer Restricted Substances Lists (RSLs). Several "Positive Lists" are published on the DyStar website.

Featured Dyes which highlight their eco-friendly use, cost-effectiveness are provided in our website.



### AUXILIARIES

DyStar has a wide range of textile auxiliaries which are designed to offer solutions for the entire textile wet processing chain – spinning/weaving, pretreatment, dyeing, printing, laundry, finishing and coating. Our product range is categorized as:



### LEATHER AND FUR

DyStar offers superior quality leather dyes based on our expertise in leather chemistry. Our products are available in several vibrant colors and also help optimize the ecological profile of leather production for our clients. We are the original producer of Boehme® Fatliquors and Auxiliaries. Our products suit every application from economical shoe upper dyeing to high fastness upholstery leathers and high-fashion

products. By taking advantage of our specialized services our customers are able to meet a wide range of test specifications and ecological requirements. Some examples are Oeko-Tex® Standard 100, RSLs from various brands and the SG label for leather manufactured without toxic chemicals.

## our services

### ECOLOGY SOLUTIONS

- Enable our customers to undertake responsible and sustainable production
- Advise customers on relevant legislations and ecological issues
- Give guidance on DyStar products suited to meet various ecological specifications and requirements

### COLOR SOLUTIONS INTERNATIONAL

- Leading provider of color standards and color communication tools for sustainable color communication services
- Supports brands and retailers by providing color tools, building color palettes, engineering colors and standards, and managing distribution to industry partners

### TESTING SOLUTIONS – TEXANLAB

- ISO 17025 certified, boutique testing laboratory with experience of testing over 125,000 samples of dyes, chemicals, fabrics and apparel for ecological parameters
- Has expertise in ecology testing and analysis according to the requirements of CPSIA, EU Eco-label and brands & retailers' RSLs (Restricted Substances Lists)

### SUSTAINABLE TEXTILE SOLUTIONS

- Focus on three main components: consultancy, auditing and capacity building
- Dedicated to assisting brands, retailers and industry partners implement sustainable textile production that meets their quality and eco-requirements and makes more efficient use of resources

Our detailed services profile can be accessed on [www.dystar.com/Services](http://www.dystar.com/Services)

**econfidence®**  
from DyStar

**csi**

**Texanlab**  
Textile & Analytical Laboratory

**SUSTAINABLE TEXTILE**  
SOLUTIONS

Our detailed product profile can be accessed on [www.dystar.com/Products](http://www.dystar.com/Products)



memberships

DyStar is a prime promoter of sustainability in textile value chain and is member of several international organizations driving sustainability in textile, leather and associated industries.

CSR, SUSTAINABILITY AND ECOLOGY ORGANIZATIONS

- United Nations Global Compact (UNGC)
- Sustainable Apparel Coalition (SAC)
- Textile Exchange
- The Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturers (ETAD®)
- bluesign®
- Global Apparel, Footwear and Textile Initiative (GAFTI)
- Singapore Compact for Corporate Social Responsibility
- National Committee of Responsible Care®, Indonesia
- GOTS (Global Organic Textile Standard)

INDUSTRY ASSOCIATIONS

- Textile and Fashion Federation (Taff), Singapore
- Brazilian Association of Chemistry, Brazil
- Association of International Chemical Manufacturers (AICM), China
- China Dyestuff Industry Association, China
- Ankleshwar Industries Association, India
- Anyer Merak Cilegon Chemical Manufacturer Association, Indonesia
- South African Dyers and Finishers Association, South Africa
- German Chemical Industry Association (VCI), Germany
- Society of Dyers and Colourists (SDC), UK
- American Association of Textiles Chemists and Colorists (AATCC), USA
- American Apparel and Footwear Association (AAFA), USA.
- ABIT (Associação Brasileira das Indústrias Têxteis) – Brazilian Association of Textile Industries.
- ABIQUIM (Associação Brasileira das Indústrias Químicas) – Brazilian Association of Chemical Industries.
- SINPROQUIM (Sindicato das Indústrias de Produtos Químicos) – Union of Chemical Products Industries.
- ABQCT (Associação Brasileira de Químicos e Coloristas Têxteis)- Brazilian Association of Textile Colorists and Chemists.

our economical performance

DyStar financial performance has seen a considerable improvement this year. Our gross revenue has increased from the previous year by around 14%, and has increased for all three operations - Asia, Europe and America. This has been possible due to our persistent effort to remain efficient in our operations, delivering quality products to our expanding client base and focused approach on R&D and innovation.

Our production has reduced by around 2% this year; however, we maintained our costs at the same level. This exhibits a high level of efficiencies in managing our operations. We are very happy to report that this year the economic value retained for the company has increased by over 100%. We are proud to create more economic value for our shareholders and this trend of increasing economic value reinstates our financial sustainability.

DYSTAR’S ECONOMIC PERFORMANCE

ECONOMIC PERFORMANCE	2013	2014
DIRECT ECONOMIC VALUE GENERATED IN MILLION USD		
REVENUES	822.86	937.99
ASIA	372.90	419.18
EUROPE	239.98	266.10
AMERICAS	209.98	252.71
ECONOMIC VALUE DISTRIBUTED IN MILLION USD		
OPERATING COSTS	638.76	683.48
ASIA	356.18	413.92
EUROPE	164.24	146.09
AMERICAS	118.34	123.47
EMPLOYEE WAGES AND BENEFITS	107.20	118.03
ASIA	43.34	50.01
EUROPE	41.56	42.68
AMERICAS	22.31	25.34
PAYMENTS TO PROVIDERS OF CAPITAL	12.55	11.34
PAYMENTS TO GOVERNMENT	14.49	25.01
ECONOMIC VALUE RETAINED	49.87	100.09

Our total expenditure on purchase of materials has gone down this year by around 6%, whereas our production has reduced by only 2%. This was possible due to increased practice of recycle and reuse at some of our production sites. Keeping in line with our past practice, we continue to purchase primarily from our local suppliers. This

helps us control quality, costs, meet delivery targets and make our operations efficient. Approximately 57% of our total material is purchased locally and almost all of services - IT, transport, maintenance, calibration, cleaning, security, freight transport, utilities, insurance, and consultancy services are sourced locally.



# governance at DyStar

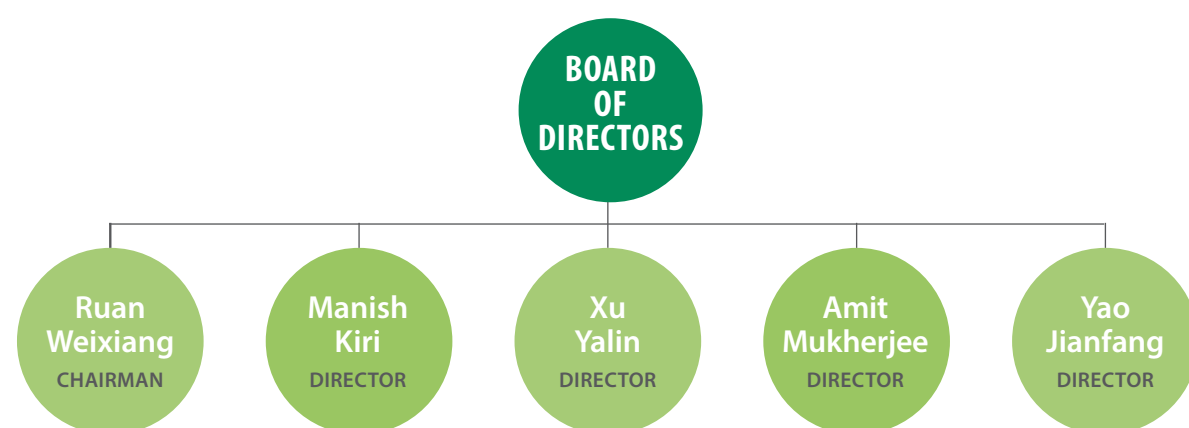
## board of directors and senior management

Our Board of Directors and Senior Management team comprising five members each form the governance structure. Together they are responsible for guiding the company to achieve our long terms goals in a transparent and sustainable manner.

Our board members are industry experts with many years of expertise in handling corporate affairs and governance. They oversee and support promotion of transparency and good corporate governance in the company's policies and operations. The board is headed by a Chairman who is not an executive officer of the company.

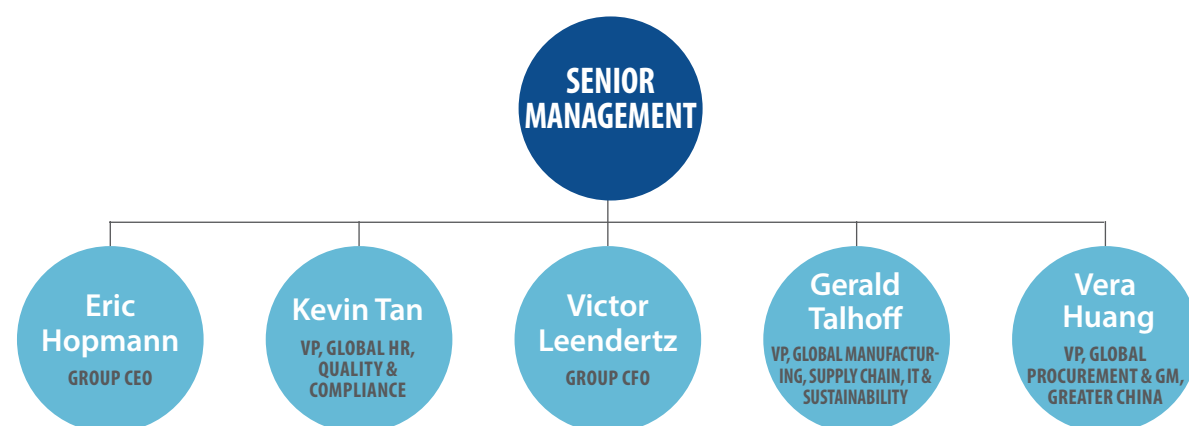
### PRIMARY RESPONSIBILITY OF THE BOARD INCLUDES:

- Oversee the utilization of financial resources
- Decide the appointment and compensation of senior management
- Ensure compliance with laws, business ethics and risk management
- Review business plans and the strategic direction of the company



The Group CEO and President develops strategic plans and policies in consultation with senior management, which are presented to the Board for approval. Senior management also periodically sensitize the employees about ethical business practices and DyStar's expectations through company meetings and various other internal

communication channels. Simultaneously, our employees are given direct access to senior management to raise their concerns or suggest any improvements in our policies or operations through our Open Door Policy.



## two core committees

We have two core committees to assist the Board and the senior management in performing their tasks.

### AUDIT COMMITTEE

- Monitor proper internal control process, risk management policies and practices
- Supervise the financial reporting and disclosure process
- Oversee the hiring, performance and independence of the external auditors
- Oversee regulatory compliance, ethics, and whistleblower hotlines
- Supervise the performance of the internal audit function

### PRIMARY RESPONSIBILITIES OF THESE COMMITTEES ARE:

### REMUNERATION COMMITTEE

- Ensure Human Resource policies of the Company are consistent in its principle and aligned with Company's strategic objectives
- Review and recommend remuneration framework for the management and employees including appointing and defining remuneration package of senior management
- Define Global Organizational Structure and Development to support Company strategic growth
- Ensure Company compliance with laws and best practice in Human Resource area
- Monitor Global HR initiatives enhancing business continuity, efficiency and organization competitiveness

## our code of conduct

At DyStar, we strive to conduct our business activities with utmost integrity and in line with our code of conduct<sup>3</sup>. The Code of Conduct sets out our legal and ethical principles by which to guide our daily work and to help us uphold DyStar's reputation as the employer of choice and reliable business partner. It is binding for all our employees and the entities who are a part of the DyStar Group.

Our code of conduct also guides us on our management approach both for internal stakeholders and external stakeholders. Within the organization, it promotes transparent operations, employee satisfaction & retention, talent attraction, health and safety aspects. Externally, it promotes fair competition, customer satisfaction, respect for local laws and above all high product and service quality.

## compliance management

Being an international organization with operations across 22 countries, it is the responsibility of our employee to ensure we conduct our business activities and transactions with the highest level of integrity and ethical standards in accordance with all applicable laws and regulations on a global basis.

Our Global Compliance Management Department was set-up to ensure adherence to laws and regulations, Environmental, Hazard and Safety (EHS) requirements, rules of actions, established standards, and social accountability guidelines, code of conduct, company guidelines and management directives by DyStar staff.

### This function is driven by:

- 1 Our Global Compliance Management Officer who is responsible for ensuring compliance to laws and regulations in general at all DyStar entities worldwide. He is supported by the local Compliance Management officer and a team who are designated officers responsible for local compliance management.
- 2 Group Legal Counsel, who is responsible for interacting with governmental authorities in cases of deviation and also advises employees on laws and regulations, and legal considerations in case of deviation and non-compliance.

<sup>3</sup>For detailed version of our code of conduct please visit [www.dystar.com/corporate-social-responsibility](http://www.dystar.com/corporate-social-responsibility)

## Global Compliance Function Objectives

- Foster a culture of honesty and high ethical standards
- Evaluate and mitigate risks for the Company
- Raise awareness among employees on the need for adherence to laws and regulations
- Improve public image of the Company

DyStar is proud of its internationally certified Management Systems:

**ISO9001 AND ISO 14001 CERTIFIED MANAGEMENT SYSTEM**

**ADOPTED SA 8000: SOCIAL ACCOUNTABILITY GUIDELINES**



# sustainability at DyStar

## relevance of sustainable actions for DyStar

### INDUSTRY

The global textile industry is considered to be the single largest contributor to industrial waste water and the largest user of pesticides. The social aspects associated with the industry have been under scrutiny for a couple of decades since the early 1990s. These factors coupled with increasing regulations restricting the use of chemicals in the textile value chain and consumer preference for sustainable products have driven manufacturers towards sustainable production processes.

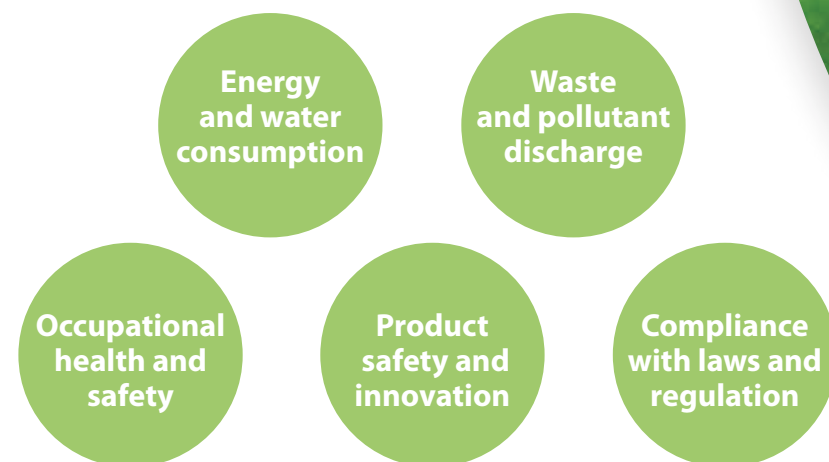
A survey in developed economies, highlighted that around 78% of shoppers wanted more information as to how their clothes have been manufactured, the extent of use of chemicals, as well as conditions in factories producing these clothes. This evolution in consumer behavior has influenced Brands and Retailers to think about the sustainability issues in their supply chain and ways to manage them.

In emerging economies, regulations surrounding energy, emissions, water use have also constrained Brands and Retailers to focus on the sustainability aspects of their supply chain. The progressive Brands are gradually demanding more information from their supply chain partners about material usage, energy consumption, carbon emissions, water & chemical footprint and labor practices.

### HOW INDUSTRY TRENDS IN SUSTAINABILITY ARE IMPACTING DYSTAR

DyStar globally caters to the business requirements of such Brands and Retailers and is aware of its responsibilities towards its customers. The dyes and chemicals industry is extremely resource intensive and has a focus on the following aspects from sustainability point of view.

#### SUSTAINABILITY ISSUES IN CHEMICAL AND DYING INDUSTRIES



As a prominent player in the global Dyes and Chemicals industry, all the aspects mentioned above are highly relevant to DyStar. As a responsible member of this industry, we are committed to continuously monitoring our environmental and social impacts and implementing strategies to attain the short and long term goals.

*DyStar defines sustainability as a working closed system balancing economic success with social and environment responsibility.*

## DyStar's approach towards sustainability

At DyStar, we strive to understand our stakeholders' expectations. We understand the key to sustainable business lies in addressing the risks that threaten the common things we value. We are committed to address risks to ensure that we play our part as sustainable business partners to global Brands and Retailers and other important stakeholder groups.

We have aligned our sustainability approach to the overall issues faced by the industry and aim to address these issues through coherent and consistent efforts each year. We measure the environmental impact of our own operations in the form of GHG emissions,

consumption of energy, water and other resources, effluents and waste generation.

We are committed to a responsible approach towards maintaining the health and safety of our customers, employees, and the local communities in which we operate. With these objectives in mind, we design and implement innovative systems, programs and processes to mitigate any impacts. We also assist our customers in reducing their environmental impact by providing a wide range of sustainable products and ecological solutions for their operations.

## OUR RENEWED CORPORATE STRATEGY TO STRENGTHEN SUSTAINABILITY BRAND VALUE



## sustainability strategy

We have strategically embedded sustainability into our daily work as an important driver for company growth and products innovation. We have a well-established sustainability management and reporting process and set global standards for the environment, safety and health protection. We evaluate our footprints and aim for reduction every year. We conduct various types of health and safety trainings from shop floor employees to management teams. We believe that innovation is one of the best ways to not only derive value and pass this on to the customers but also create dyes & chemicals that are less harmful to the environment. Our in-house innovation center focuses on sustainable product development to take advantage of business opportunities by offering our customers innovative products and solutions that contribute to more sustainable manufacturing processes.



## TWO-FOLD SUSTAINABILITY STRATEGY

### 1 Reduce our own operational impact

- Established sustainability structure
- Measure environmental performance
- Implement emission reduction strategies
- Commitment to reduce our footprint in water, waste, energy, GHG
- Sustainability Reporting

We have identified energy, greenhouse gas emissions, water and waste as the main environmental impacts that we should focus on. Our target is to reduce environmental impact in these four areas by 20% by 2020. Our aim is to achieve this goal by reducing our impact by 2% every year over 10 years from 2010.

## sustainability committee

In order to provide more focus on sustainability, we have formed a Sustainability Committee for driving the sustainability agenda in the company. The committee consists of seven members and is headed by our Group CEO and President. While the committee is responsible for designing, implementation and monitoring sustainability strategy of the group, the ground level operations are handled by a team which includes heads of Production and Supply Chain and designated sustainability champions in different countries of our operations. Our Global Sustainability Manager is the spokesperson for the company on sustainability related issues and is responsible for communicating and executing the company's strategy to the external stakeholders and internal sustainability team.

### 2 Help our customers reduce their impact

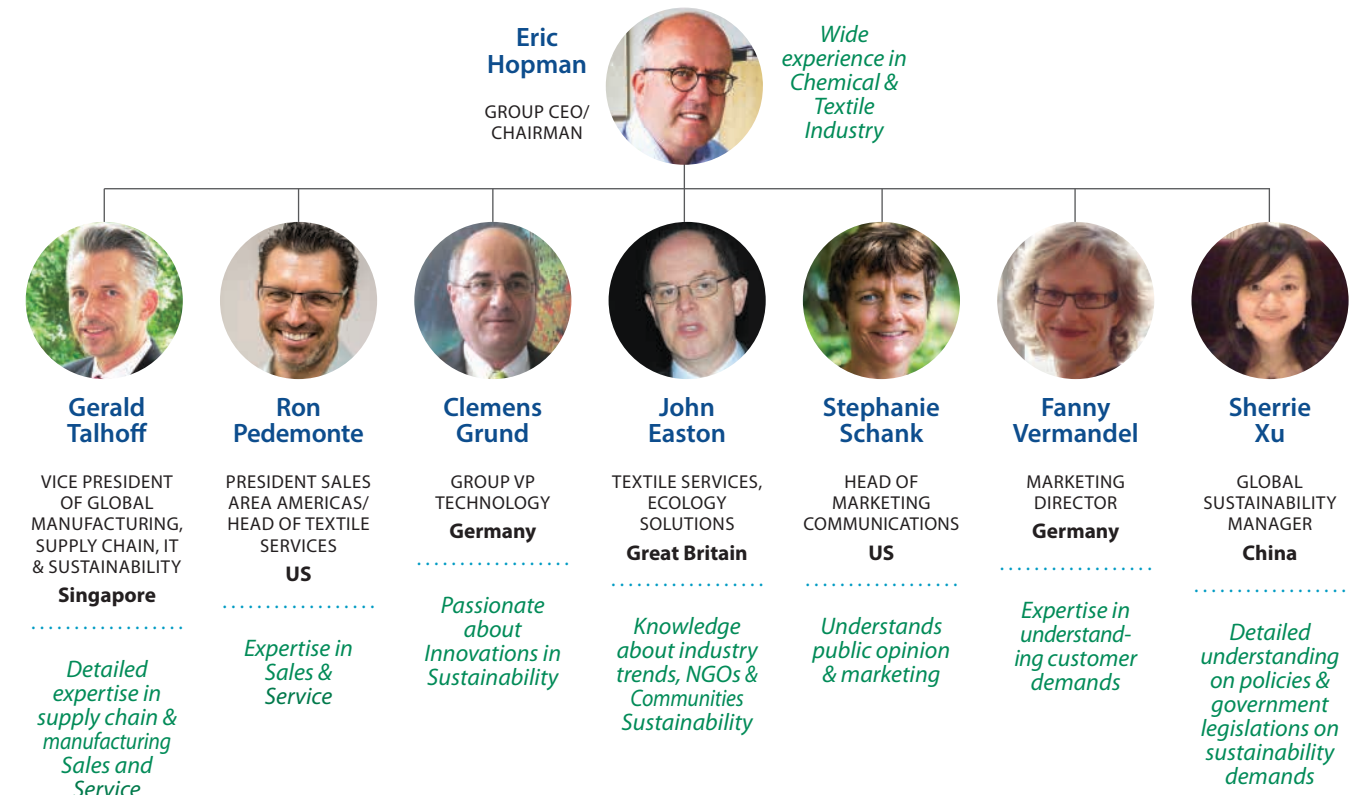
- Foundation of econfidence®
- Product safety & environmental compliance
- Sustainable product innovation
- Sustainable processing – improving resource efficiency
- Sustainability Services

DyStar's high performance dyes and chemicals help our customers to shorten production time, decrease use of water and energy, improve color consistency and increase right-first-time rates. The high fixation levels of DyStar reactive dyes used for cotton textiles, will ensure that the highest possible portion of dye stays on the textile and does not end up in the wastewater. For polyester textiles the DyStar Dianix® Green Range has been specially designed to meet the most stringent requirements of Brands and Retailers as well as delivering excellent application properties and fastness performance.

#### PRIMARY RESPONSIBILITIES OF THE COMMITTEE ARE:

- Formulate and direct DyStar's sustainability strategy
- Set sustainability agenda for DyStar Group and identify sustainability goals and initiatives
- Select the GRI® performance indicators for the company and review annual sustainability data
- Review the overall progress of sustainability targets, environment management systems, health and safety, and ethical code of conduct

## DYSTAR SUSTAINABILITY COMMITTEE STRUCTURE



The sustainability committee bring experience from different industries and government and aims at generating innovative ideas in all of our areas of operation.

The committee meets every month to discuss the status of initiatives as well as to view all the sustainability matrices in the company. Apart from this, the members also visit production units and offices

to speak to DyStar employees, contractors and suppliers and help them build sustainability standards and commitment into practice. During some visits, committee members visit local community and interested parties, such as non-governmental organizations (NGOs). After each visit, the committee shares its observations with stakeholders and the management responsible for respective projects.

## sustainability activities

### 2014 DYSTAR - SINGAPORE HEADQUARTERS TEAM BUILDING DAY

On Nov. 13 2014, DyStar-Singapore organized an outdoor Team Building Day with a theme "Committed to Sustainability" at Clarke Quay. The objective was to strengthen bonding among all employees from various departments in the Singapore office. The meeting also focused on teamwork, cooperation, engagement, interaction & communication among colleagues across different departments.



### 2015 DYSTAR - MUMBAI OFFICE AND ANKLESHWAR PLANT SUSTAINABILITY AND STAKEHOLDER ENGAGEMENT MEETING

In March 2015, Global sustainability manager Sherrie Xu visited the Mumbai Office and Ankleshwar plant to have sustainability meetings with various departments. The global sustainability team spoke to DyStar employees, conducted trainings and discussed suppliers

and customers. The objective was also to assess whether we are putting our standards into practice. During this visit, the stakeholder engagement survey was drafted together with the global team.



sustainability priorities

We consider stakeholder engagement is an important tool to understand and assess the key sustainability risks of our business. Since we operate globally across 22 countries, we understand addressing concerns of our varied multi-stakeholders groups is key to our sustainable business program.

To keep ourselves aware of their diverse expectations and integrate them with our business goals, we constantly engage with the stakeholders to collect their inputs on our performance as well as address their concerns. This helps us define our roadmap towards sustainability. Not surprisingly, many of our stakeholders' concerns overlap with our own, creating a common bond of understanding and a solid basis for collaboration to meet common goals.

Our global sustainability team endeavored to identify the key stakeholders through a structured process. We engaged with various stakeholder groups and conducted an "Impact on-Affect By" test to conclude the list of prioritized group of stakeholders. This prioritized group of stakeholders can most significantly influence DyStar's economic, environmental and social performance and are, at the same time, most likely to be affected by DyStar's performance.

DyStar has designed and implemented comprehensive and well-defined systems to engage with its stakeholders. Based on the response received from our stakeholders, we continue to improve our sustainability performance to match their expectations. Whenever necessary, we also revise these systems to prepare a more inclusive stakeholder engagement system for the company.

PRIORITIZED LIST OF STAKEHOLDERS

- CUSTOMERS
- SHAREHOLDERS
- EMPLOYEES
- SUPPLIERS

stakeholder engagement

This table presents a comprehensive view of our engagement with the stakeholders.

STAKEHOLDER	STAKEHOLDERS' EXPECTATIONS	DYSTAR'S RESPONSIBILITY	MODES OF ENGAGEMENT
CUSTOMERS	Quality of products	Invest in research and development with a two pronged approach, ensuring high quality products, and development of more environmentally sustainable products and services. Compliance with health and safety regulations, and labeling requirements based on various standards and regulations. Maintain customer information in highly secure systems.	Provide information through various public and private channels such as our website, product brochures, social media and updates
	Minimal environmental impact of DyStar products and materials		Organize meetings and seminars for customers on environment, sustainability and our products' ecological advantages
	Health & safety impacts of products on customers		Attend industry forums and conferences
	Appropriate labeling of DyStar products		Conduct regular meetings with customers to exchange information
SHAREHOLDERS	Sustained and long-term growth of business	Formulate critical business strategies for profitability and sustainability  Timely and effective implementation of such strategies  Create stronger and long lasting brand equity	Update shareholders on company performance and sustainability initiatives through periodic meetings
	Reasonable return on investment		
EMPLOYEES	Occupational health and safety	Maintain the emphasis on high standards of workplace health and safety at our production plants. Ensure ethical and fair employment practices  Encourage an open-door policy to provide employees at all levels access to management for sharing views and offering feedback  Reward and recognize performance	Strict adherence to health and safety regulations. Provision of protective gear and regular health checkups for the workforce. Continuous review of the HR policies for fairness and equality
	Opportunities for growth		Management interaction with employees in a number of ways on regular basis
	Reward for performance		Conducting team building and sustainability themed outings for employees to keep the motivation levels high
	Fair treatment		An annual award to the best facility for sustainability-driven initiatives
SUPPLIERS	Collaborate on supply of quality products and services	Develop a network of reliable suppliers and work closely with them to source high quality products and services  Influence them to continuously improve their social and environmental performance	Continuous dialogue with our key suppliers to help them understand and explain issues relating to quality, social, and environmental performance
	Fair selection, and respect for contractual obligations		Seek their support and participation in attaining DyStar's sustainability goals
	Establish long-term relationships		

materials assessment

Our global sustainability team has identified a gross list of materiality aspects relevant to our business through peer review, stakeholder dialogues, and sectorial reports of GRI®. This was followed by an exercise to map those materiality aspects which significantly influence the assessment and decision making of various stakeholder groups.

A similar exercise was conducted with the company's top management. The results of both the exercises were analyzed to identify the key materiality aspects for the company,

The results reveal, top management considers operational issues namely 'Disposal of Effluents & Solid Wastes, Environmental Compliance, and Water Use' as very significant to business.

The top management considers it very important to meet the expectations of its customers. Accordingly, beyond the operational boundary of the business, top management considers aspects namely 'Environmental impact of DyStar's products & services', 'Health & Safety Impacts of DyStar products on customers', 'Environmental Impact of materials used by DyStar' as very significant to the business.



KEY MATERIALITY ASPECTS FOR DYSTAR FOR 2014

Based on the feedback received from our internal & external stakeholders, industry analysis and top management input, the following aspects emerged as the Key Materiality Aspects for DyStar for 2014:

- Environmental impact of materials used by DyStar
- Health and safety impact of DyStar products on customer
- Disposal of effluents, solid wastes
- Compliance to national laws for environment, marketing and product labeling
- Environmental impact of DyStar products

# sustainability in numbers:

We continue to work to reduce our impact on environment, to engage with the communities where we operate and to generate jobs and business opportunities for local economies. This section provides data on our safety, economic, environmental and social performance in 2014.

Based on the outcome of our stakeholder engagement process, our sustainability strategy has been set to focus on these key issues that have been identified as the most important in order to operate our core business sustainably. During the previous years, we have strived to improve our performances on these issues so as to become a reliable business partner for our customers, shareholders, suppliers and other key stakeholders.

DyStar believes in continuous improvement when it comes to use of materials, energy, water, discharge of waste, emissions and effluents. DyStar management is committed to maintain environmental sustainability in its operations and to meet environmental goals. We have identified the key environmental aspects for improvement over a defined timescale. We monitor, measure and manage these environmental aspects in various areas of operations such as research &, development, manufacturing, warehousing, packaging, and transportation. We also monitor sourcing of raw materials and use of natural resources as well as managing wastes, emissions, effluents and their impact on the environment. As part of its journey towards making its management systems robust, DyStar has implemented ISO 14001 certified environmental management system (EMS) at three of its sites and is considering expanding it further. In

We report our sustainability performances across three broad areas:

- 1. ENSURE SUSTAINABLE OPERATIONS**  
Optimize our resource consumption and reduce negative envivromental impact
- 2. PROVIDE RESPONSIBLE PRODUCTS & SERVICES**  
Provide safe & environmentally friendly products to our customers in a responsible way
- 3. PROMOTE ETHICAL PRACTICES**  
Promote good governance, improved employee relations and social responsibilities

Germany an Environment Management System according to ISO 50001 is under implementation and should be certified before year end. In the course of this journey towards more sustainable operations, production sites and offices, with expert support from DyStar's Process Development teams, have implemented innovative measures including optimized production plans, improvement of operational efficiency, application of modern and efficient technologies to reduce the overall usage of resources and the generation of waste and emissions. The R&D and Product Development teams at DyStar continue to develop new products or new application processes that require less energy and water and result in lower quantities of harmful waste. We continuously monitor our performance in these key areas against the internal benchmarks established by the management of the company and its board of directors. On the basis of this assessment, we develop appropriate strategies to address and prioritize relevant issues.

## 1.1 optimum utilization of energy

There is a tremendous impact on Climate Change due to various energy production systems in the world. There is an urgent need to reduce global carbon dioxide (CO2) emission. In 2014, a report from Intergovernmental Panel on Climate Change (IPCC) stated that "Warming of the climate system is unequivocal and unprecedented, with emissions rising faster than ever before."This is even more challenging because energy demand is continuously increasing.

Energy consumption is one of the most critical environmental aspects for our sites. We therefore monitor energy consumption closely in our company and have set up effective energy management programs. With increasing costs and limited availability, energy has become a valuable resource. We also realize that consumption especially of convention-

ally generated energy has a direct impact on climate change through emission of greenhouse gases.

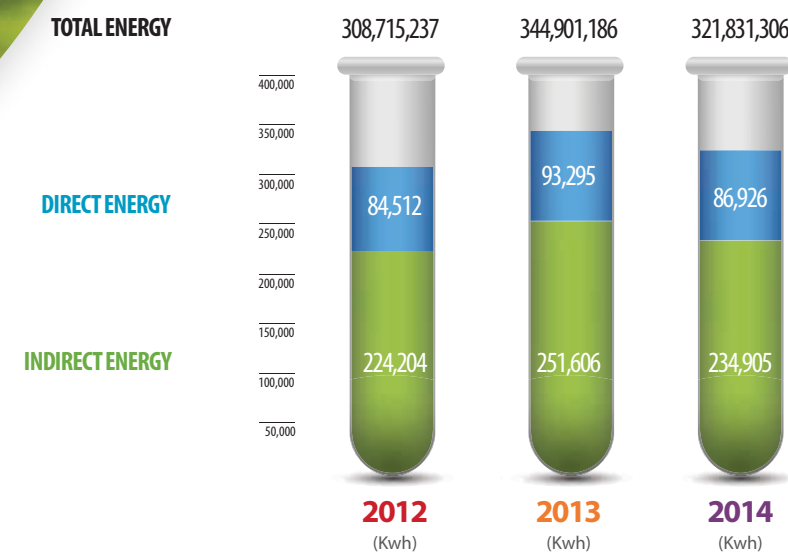
With our globally widespread operation, that include 14 manufacturing plants mainly producing dyes & auxiliaries and 22 offices & laboratories, our energy requirement is considerable. We use electricity for lighting, to run our machinery, IT systems, air conditioning plant etc. Large quantities of steam are required for chemical and physical processes, mainly for heating purposes. Most of the energy including steam is purchased from external suppliers or government agencies; however at some sites we do use natural gas, diesel and LPG to generate steam within the facility. Natural gas is also used to heat spray drier systems directly. In addition a small quantity of diesel and LPG is used for transportation.

**In 2014, our overall energy consumption reduced by approximately 6.7 % from 2013 levels.** The decrease in energy consumption from 2013 is primarily attributed to the reduction in purchased electricity and steam usage in the production plants at Nanjing (China), Naucalpan (Mexico), Pietermaritzburg (South Africa), Reidsville (USA) and Samutprakaran (Thailand).

The overall finished goods production quantity in 2014 has reduced by 2.2% in comparison to that in 2013, which has contributed to the reduction of electricity and steam usage. However, other significant factors such as increase in use of renewable power, primarily in Portugal, product mix effects and energy efficiency measures at other sites have helped reduce the total consumption of electricity and steam. In 2014, our total indirect energy corresponds to 20198.214 Toe (MT oil equivalent).

## ENSURE SUSTAINABLE OPERATIONS

### DYSTAR'S ENERGY CONSUMPTION



	UNIT	2012	2013	2014
TOTAL DIRECT ENERGY	kWh	84,511,631	93,295,159	86,926,074
	GJ	304,242	335,862	312,933
TOTAL INDIRECT ENERGY	kWh	224,203,606	251,606,027	234,905,232
	GJ	807,133	905,782	845,659
Grid Electricity Purchased	kWh	69,383,175	74,979,492	74,504,695
Purchased Steam	kWh	154,820,431	176,626,535	160,400,537
TOTAL ENERGY CONSUMPTION	kWh	308,715,237	344,901,186	321,831,306

Besides benefiting from product mix effects, we have been able to reduce our energy consumption compared to previous year primarily due to strong emphasis on monitoring and managing our energy consumption at all locations. We undertake energy conservation campaigns throughout the year where operational teams at all locations undertake various local level initiatives to reduce energy consumption. Some of the notable initiatives taken by our units this year are:

#### 1 Nanjing production plant in China:

- Optimize operation of energy-intensive equipment (air compressor and chiller). The site has added a new system with 1000kW to avoid waste of energy. According to the estimation, 1.496 million units of electricity can be saved.
- Optimize the operation parameters of methanol distillation to decrease energy consumption by increasing efficiency of distillation; considering the use of compressed air to replace nitrogen where possible.
- Replacement of compressors to optimize usage

#### 2 Gabus production plant in Indonesia:

- Installation of inverter in agitator motor.
- Replacement with LED lamps

#### 3 Naucalpan production plant in Mexico:

- Ongoing campaign to save electricity consumption in lighting and electronic equipment.

#### 4 Dalton and Reidsville production units in USA:

- All conventional light bulbs were replaced with energy-efficient ones. Employees are trained to conserve energy in office and plant. Employees are reminded to switch off the lights, computers, printers when they leave office.
- Installation of energy efficient air-conditioning and thermostat devices.

In our offices, laboratories and R&D center, electricity is closely monitored and all possible measures are taken to reduce the wastage of electricity. Some of these measures are switching off lights during lunch hours or when not in use, replacing existing equipment with more energy efficient ones, maintaining optimal temperature of air conditioners, use of timer-plug for daytime operating, such as ice maker, water dispenser etc., putting stickers on light switches to increase employees' awareness, promoting car pool usage at our locations to optimize fuel consumption in vehicles. At several places, we have optimized the size of our offices to fit with our manpower requirement. This has also helped us avoid unnecessary energy consumption.

**Our measured savings in year 2014 in are 17,497 MWh.**

**We have set the target of reducing our energy consumption by 20% by 2020 compared to 2010 targets and we are proud that our energy consumption has already come down by 21.5% from 2011 levels. We continue to monitor our energy consumption very closely at all locations.**

*At DyStar Colors Distribution GmbH, Germany we have started implementation of Energy Management System as per ISO 50001 guidelines. The Energy Management System will help to manage energy consumption according to an international standard and find additional savings potentials. The company will also receive tax benefits from the state for implementing an Energy Management System according to ISO 50001.*



# sustainability in numbers:

Optimize our resource consumption and reduce negative environmental impact

## ENSURE SUSTAINABLE OPERATIONS

### 1.2 manage our GHG emissions

DyStar was one of the pioneer companies in the dyes and chemical industry to monitor its carbon emissions at group level. Our first report was published for the year 2010 and since then every year we create an annual GHG Inventory Report. The assessment is conducted as per WRI/WBCSD GHG Protocol Corporate Standard and in accordance with the requirements of ISO 14064 – 1: 2006 standards<sup>4</sup>.

For the previous GHG assessments, the base year was maintained as the GHG emission inventory for 2010. However, since 2011, DyStar has changed the data collection methodology, using the online software solution with inherent checks for data quality. Therefore, for the current and future GHG assessments, the base year has been changed to 2011.

Considering the wide geographical spread of our operations, we have deployed a cloud based sustainability data management tool for better access, control and increased accuracy of data collection. The data recorded in this system is reviewed by the site heads for ensuring accuracy. Further, the assumptions used for data models and calculations are revised every year as per the latest international guidelines.

#### DYSTAR'S GHG EMISSIONS

The ISO 14064 Standard and GHG Protocol define three "scopes" for GHG accounting and reporting purposes. These mark a distinction between direct and indirect emission sources, with the aim to improve transparency. Such delineation provides utility for different types of organizations and different types of climate policies and business goals. These three "scopes" are:

##### SCOPE 1

**Direct GHG Emissions:** are those that occur from sources that owned or operationally controlled by the company. Reporting these emissions is mandatory for companies.

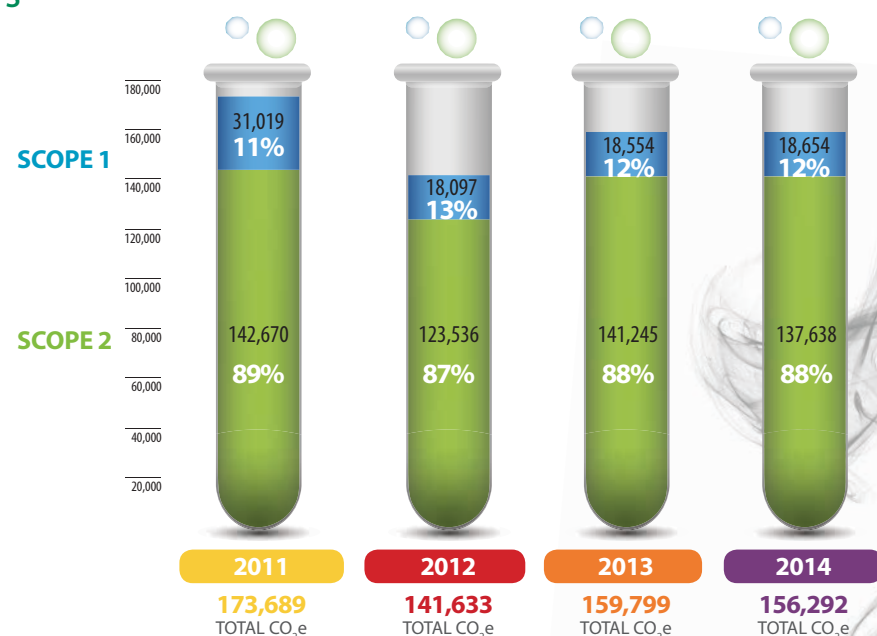
##### SCOPE 2

**Electricity Indirect Emission Sources:** are those that occur due to purchased energy (in the form of electricity, steam, heat and cooling) from the grid or district heating or cooling systems. Scope 2 emissions are also mandatory to report.

##### SCOPE 3

**Other Indirect Emission Sources:** which occur due to company activity but are not sources owned or controlled by the company are called Scope 3 emissions. E.g. emissions from the transport of vendors to provide services to the company. Scope 3 emissions are voluntary for companies to report and are left to the company's discretion. Based on the relevance of emission activity in the overall company's emissions, it may choose to report or ignore it.

The above graph and chart depicts the total Scope 1 and Scope 2 emissions in 2014, in comparison with the emissions in the previous years and the base year, 2011.



EMISSIONS SOURCE	EMISSIONS (tonnes CO <sub>2</sub> e)							
	2011 base year	%	2012	%	2013	%	2014	%
SCOPE 1	31,019	11%	18,097	13%	18,554	12%	18,654	12%
SCOPE 2	142,670	89%	123,536	87%	141,245	88%	137,638	88%
Total CO <sub>2</sub> e Emissions	173,689		141,633		159,799		156,292	

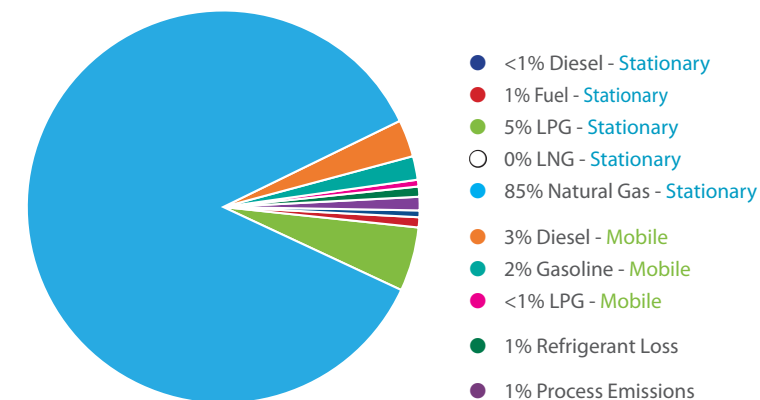
Total GHG emissions for 2014 show a marginal reduction by 1.77 percent compared to 2013. With respect to the base year, 2011 the emissions are lower by around 10 percent.

The overall Scope 1 emissions have remained nearly constant during the period, 2012 to 2014. The marginal increase is due to the increased use of LPG and Natural Gas for stationary combustion.

Scope 2 emissions in 2014 have reduced in comparison to 2013, because of reduction in usage of purchased electricity and steam. This was due to reduction in production quantity as well as energy efficiency initiatives undertaken in some of the production plants.

#### EMISSIONS SOURCES

For DyStar, Scope 2 continues to be the major source of emissions and is responsible for 88% of total emissions in 2014. Scope 1 emissions, with a share of 12 % primarily comprises emissions from stationary combustion, company owned vehicles, refrigerant losses and chemical processes. Within Scope 1 emissions, natural gas combustion contributes the largest share.



#### % BREAKUP OF TOTAL EMISSION – PRODUCTION & NON PRODUCTION SITES

SITE TYPE	EMISSIONS (T CO <sub>2</sub> e)			
	SCOPE 1	SCOPE 2	TOTAL	%
Offices and Labs Total	1,244	2,223	3,467	2.2%
Production Sites Totals	17,410	135,415	152,825	97.8%
Total	18,654	137,638	156,292	100%

#### GHG EMISSION INTENSITY

GHG EMISSION INTENSITY per MT of production	2011	2012	2013	2014
TOTAL CO <sub>2</sub> EMISSIONS	173,689	141,633	159,799	156,292
PRODUCTION VOLUME	119,116	118,411	127,812	124,890
EMISSION INTENSITY – (tonnes CO <sub>2</sub> e / tonne production)	1.46	1.20	1.25	1.25
% CHANGE with respect to previous year		-17.97%	4.53%	0.09%
% CHANGE with respect to base year				-14.18%

#### EMISSION INTENSITY AT PRODUCTION PLANTS

EMISSION INTENSITY IN DYE PLANTS		EMISSION INTENSITY IN AUXILIARY PLANTS		EMISSION INTENSITY IN ALL PLANTS	
2013	2014	2013	2014	2013	2014
2.49	2.12	.08	.04	1.25	1.25

#### HIGHLIGHTS FROM 2014 GHG ASSESSMENTS

- As for the largest plant producing mainly dyes, Ludwigshafen's emission intensity in 2014 has increased by a very slight margin compared to 2013. However, it has reduced compared to 2012. The reason is a higher ratio of in-house synthesized Indigo material.
- Emission intensity at Gabus has declined steadily; it has fallen by 3% compared to 2013 and by 17% with respect to 2012.

The production plants of DyStar located in various parts of the world account for major share of emissions. In 2014, approximately 97.8 % of the emissions were from the production plants and remainder were from offices and laboratories.

Our overall emission intensity in 2014 has remained similar to that in the previous year. However, our intensity in 2014 is still 14 % lower than the intensity in the year 2011, which was 1.46 MT CO<sub>2</sub>e per te.

Although the overall emission intensity has remained nearly same, the intensity ratios at our plants have gone down. This shows that our operations are more energy efficient now and we are having lower emissions per MT of our production.

As we continue to produce intermediates and press cakes in-house instead of sourcing them our overall efficiency has increased though the intensity per MT of finished products remains on the same level like in 2012 and 2013.

At all locations we continue to work on reducing our absolute emissions in spite of our product mix. All the initiatives by DyStar to reduce energy consumption directly reduce our carbon emissions as well. By 2014, we have reduced our emissions by over 10% from base year – 2011. We remain committed to our emission reduction target of 20% on a GHG intensity basis by 2020.

<sup>4</sup>For more details on methodology, boundary and detailed results, kindly refer our website [www.dystar.com](http://www.dystar.com)

## sustainability in numbers:

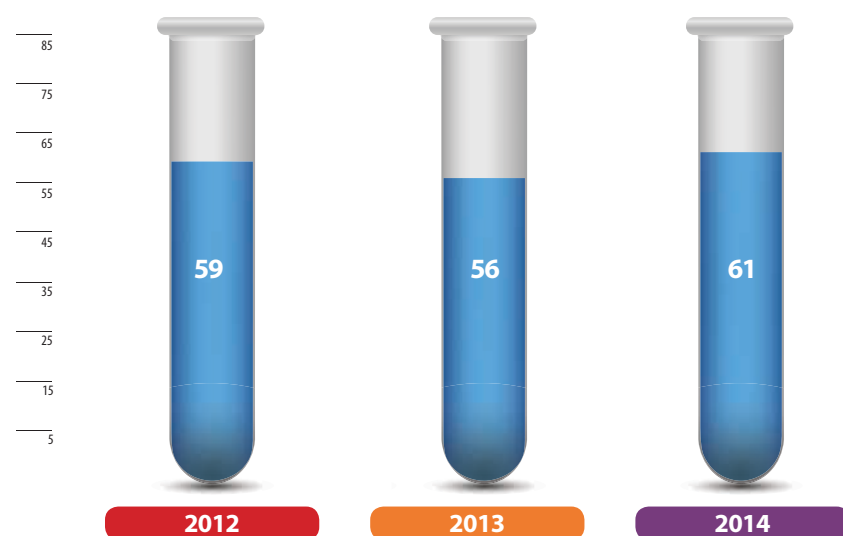
### 1.3 water consumption

Manufacturers of dyes and chemicals are major consumers of water – either directly in their manufacturing processes or for heating and cooling. Globally, fresh water has become an extremely limited resource. Industries are competing with local communities for fresh water supply and consequently the cost of available clean water is rising.

At DyStar, we measure the use of water and constantly strive to find ways and means to reduce consumption.

Most of our water requirement is met from public water supply or from surface water where we draw water from available surface water bodies. Municipal supply is mostly used in our offices and R&D centers. At some sites, we also draw groundwater through pumps but its share is very minor in our total water balance.

#### WATER INTENSITY (Water consumption in cubic meters per MT of production)

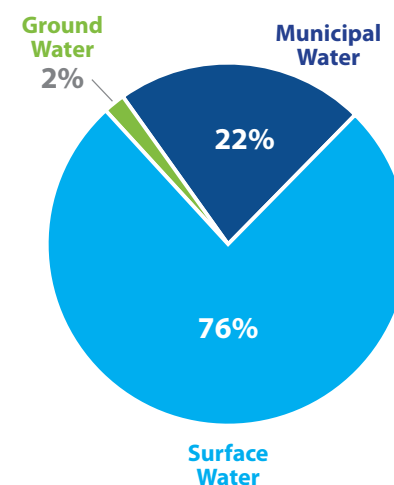


Along with energy, water is also a key area in our sustainability agenda and we have committed to a reduction target of 20% by 2020.

**In 2014, our absolute water consumption increased by around 7% from 2013 levels. Our water consumption per MT of product has increased from 55m³ per MT of production in 2013 to 61m³ in 2014.**

This increase is mainly due to change in our product mix in 2014. This year we produced greater volumes of products which are highly water intensive.

#### WATER SOURCES



#### WATER CONSUMPTION

CONSUMPTION FROM WATER SOURCES (m³)	2012	2013	2014
Ground water consumption	115,599	119,578	127,087
Municipal water consumption	1,333,786	1,654,851	1,672,859
Surface water consumption	5,353,361	5,334,869	5,814,986
<b>TOTAL WATER CONSUMPTION</b>	<b>6,802,705</b>	<b>7,109,298</b>	<b>7,614,932</b>

## Optimize our resource consumption and reduce negative environmental impact

## ENSURE SUSTAINABLE OPERATIONS

As part of our water management strategy, we focus on three main areas apart from process efficiency:

### A. Recycling of Water

At DyStar, we strive to recycle water as much as possible without compromising on our process or product quality. Our operations require large quantities of steam. At most sites, we recover the condensate and reuse it as process water. Recycled water is also used in the cooling systems which mainly gets evaporated. The rest is used for non-production activities such as cleaning of equipment, vessels and floors.

Water for cooling purpose is kept strictly separated from any chemical process. Cooling takes place through indirect heat exchange via plate or bundle heat exchanger systems or jackets in reactor vessels and other equipment. Because of this, the cooling water does not get contaminated and since it is strictly monitored, it can be directly reused or sent back to rivers.

**In 2014, we recycled 1,835,488 m³ of water which is 24.1 % of our overall water consumption. The recycled quantity of water in 2014 is around 9% higher compared to 2013.**

#### TOTAL WATER RECYCLED & PERCENTAGES

	2012	2013	2014
<b>TOTAL WATER RECYCLED (m³)</b>	<b>1,691,079</b>	<b>1,691,079</b>	<b>1,835,488</b>
<b>%</b>	<b>24.86%</b>	<b>23.74%</b>	<b>24.1%</b>

### B. Effluent Management

We discharge our waste water in accordance with the local laws and regulations at all our sites. Quality and quantity of discharged water is maintained within the stipulated limits. All our production plants either have their own wastewater treatment units or are connected to external facilities. We continuously monitor and analyze our waste water before discharging it to state certified treatment facilities.

We use a variety of techniques – from neutralization, coagulation and sedimentation, aerobic and anaerobic ponds and reactors, vacuum evaporator, ultra-filtration to reverse osmosis and other advanced processes for treatment at various locations. We do not allow any of our wastewater to be reused by other organizations.

#### WASTE WATER DISCHARGED

	2012	2013	2014
<b>TOTAL WASTE WATER DISCHARGED (m³)</b>	<b>1,552,400</b>	<b>1,691,079</b>	<b>1,835,488</b>
<b>WASTE WATER DISCHARGED AS % OF TOTAL WATER CONSUMED</b>	<b>22.82%</b>	<b>23.04%</b>	<b>24.03%</b>

### C. Waste Water Reduction through Process Improvement

Besides the "end of the pipe" approach to treat the total effluent in the best possible way, we increasingly focus our efforts on minimizing waste water generation in the various steps of chemical production respectively on reconditioning and recycling waste water fractions on single product or even product stage level. Various initiatives have been started at our manufacturing sites and the results will be reported accordingly. Through close alignment of manufac-

turing with global supply chain management, we develop smarter production plans that allow the minimization of cleaning water from product change overs. Maximizing batch sizes on the various steps of production also contributes to the reduction of cleaning water volume and to the improvement of overall efficiency.



## sustainability in numbers:

## ENSURE SUSTAINABLE OPERATIONS

## VARIOUS MODES OF WASTEWATER TREATMENT

PRODUCTION FACILITY	DESTINATION OF WASTEWATER	TREATMENT METHOD
SOUTH AFRICA - PIETERMARTIZBURG	Darvill Waste Water Treatment Facility	Settling tanks to allow sludge to settle and for treatment at stable pH range between 6.5 – 7.5
BRAZIL – APUINA	River Itajai Aú	Chemical & biological treatment
CHINA - NANJING	Nanjing Chemical Industry Park / Sembcorp Waste Water Treatment Plant	Treatment for removal of heavy metals from waste water within the facility. Discharged to third party for further treatment.
INDIA – ANKLESHWAR	No discharge to outside; Zero Discharge Plant.	Waste water is filtered, passed through ultra-filtration and passed through 2 stage Reverse Osmosis system
PORTUGAL - MEMMARTINS	Sludge sent for offsite treatment through licensed contractor.	Distillation through a vacuum evaporator
JAPAN – OMTA	Recycled by third party.	Neutralizing coagulation and sedimentation; discharge to external treatment facility (chemical park)
THAILAND – SAMUTPRKAM	Small amount, fully reused	Chemical & biological treatment
TURKEY – CORLU	River Ergene	Biological and chemical treatment
USA – REIDSVILLE	Sent to City of Reidsville water treatment facility	Coagulation and pH adjustment in a flocculation tank, biological treatment and dissolved air flotation
USA – DALTON	Sent to city of Dalton water treatment facility	Biological and chemical treatment
INDONESIA - GABUS	No discharge to outside. Zero discharge to plant	Flocculation treatment, neutralization, vacuum evaporation and spray drying
CHINA – WUXI	Discharge to municipal waste water treatment plant	Flocculation treatment, partial re-use of water
GERMANY – LUDWIGSHAFEN	Discharge to chemical park waste water treatment plant (BASF)	Monitoring and management of effluent within discharge limits; cooling water is continuously monitored and discharged directly through the chemical park pipeline system to the Rhine river.
MEXICO NAUCALPAN	Small amount	Biochemical treatment and discharge

## 1.4 handling wastes

In our manufacturing processes, we generate large quantities of solid and liquid waste material which are both hazardous and non-hazardous in nature. Hazardous waste mainly consists of packaging material from raw material supplies as well as of some product residues and residues from the distillation recovery of solvents or from waste water treatment. Such residues are of liquid or solid nature whereas the packaging material usually is solid (big bags, pallets, paper bags, in-liners of drums, etc.). We regard such packaging material as potentially hazardous since it has had contact with chemicals and dyes. Due to the large quantity of packaging material usage, the ratio of our hazardous waste material is more than 50% of the total waste material. Our non-hazardous waste mainly consists of paper, typical household waste materials, packaging material and wood or plywood pallets that do not get in contact with dyes and chemicals.

At DyStar, we have systems established to ensure that proper collection, storage and handling is done before the waste is being dis-

posed in a safe and responsible manner to licensed 3rd party disposal companies. Such companies are regularly audited and evaluated by our operational and procurement teams.

The total amount of waste generated is correlating with our production output though it is not proportional – due to product mix effects and local reclassifications of waste material. There are also one time effects like the clean-up of waste water tanks and subsequent disposal of sludge that occur once every few years.

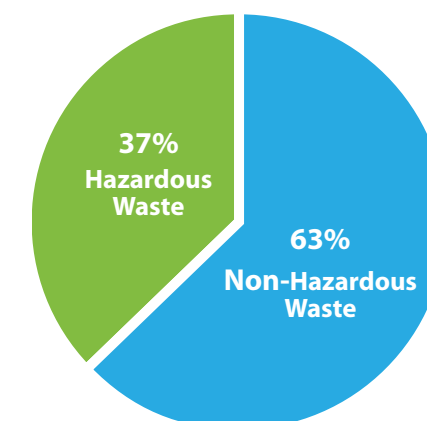
**In 2014, the amount of total waste increased slightly. Although the amount of non-hazardous waste decreased significantly the amount of hazardous waste increased.**

Due to the different product mix and with a higher degree of backwards integration, the specific quantity of waste per MT of total finished goods has increased by a small margin.

## TOTAL WASTE GENERATED

TYPES OF WASTES	2012	2013	2014
Hazardous Waste (MT)	4,099	5,496	6,153
Non-Hazardous Waste (MT)	3,911	4,256	3,668
<b>TOTAL WASTE</b>	<b>8,010</b>	<b>9,752</b>	<b>9,821</b>
Hazardous Waste per t of production	0.035	0.043	0.049
Non-Hazardous waste per t of production	0.033	0.033	0.029
<b>Overall waste per t of production</b>	<b>0.069</b>	<b>0.076</b>	<b>0.079</b>

## TYPES OF WASTE



## KEY INITIATIVES TAKEN BY OUR UNITS FOR WASTE MANAGEMENT IN 2014

We dispose all our waste material in accordance with rules and regulations set by local governments and the guidelines stated by the pollution control boards. Hazardous waste is generally sent to licensed contractors for safe disposal. Non-hazardous waste is generally given to waste management services of local municipal authorities. None of these wastes are transported outside the physical boundaries of the country where the unit is located. Some of the key initiatives taken by our units for waste management in year 2014 are:

## ① At Pietermaritzburg, Africa:

- Engaged services of a recycling company for segregation of waste into recyclables and non-recyclables and further into hazardous and non-hazardous types. This helps in maintaining a more accurate account of waste generated.
- A drive to adopt the three tier system was initiated and reports are generated on a monthly basis to show the amount of waste generated and the amount we have saved by recycling.

## ② At Nanjing, China:

- New waste collection & storage location was built and recycle regulation was established. In total, Nanjing plant recycled 31 te of waste..
- Engaged qualified supplier to recycle some nonconforming product and waste solvent thereby avoiding the incineration treatment and optimizing utilization of the material.

## ③ At Naucalpan, Mexico:

- Plastic containers were taken back from customers and washed and reused. A total 540 containers were recovered in the year 2014.

## ④ USA Production:

- At Reidsville, reduction of 40% of trash to landfill was achieved by implementing and further developing our recycling program for cardboard, plastic bottles, glass, aluminum and paper.
- At our Dalton unit, a total of 105 lbs of paper and 13 lbs of aluminum were recycled.

## 1.5 spill management

At DyStar, we have well-defined spill management procedures. There were a small number of spills in 2013 and have made a concerted effort to train our employees and contractors on safe material handling procedures. As a result of this activity, the number of spills has declined in 2014. Our target is zero spills and we are working towards this goal.

Corrective actions have been taken for all the reported spillage incidents. Spillages are immediately cleaned off and the loss of material is accounted. The reasons for each event of spill are analyzed and operators are made aware of the impacts and are asked to follow safer handling practices in future. Production and maintenance teams have increased their efforts to identify weak points in operation (e.g. faulty seals, open valves, pipe connectors, pressure conditions, handling of drums and bags) and implemented preventive actions to reduce the risk of spill incidents further.

LOCATION OF SPILL	PRODUCT(S) SPILLED	TOTAL VOLUME OF SPILL (Annual Number)
SOUTH AFRICA – PIETERMARTIZBURG	Chemical spills on cement surface-no contamination of soil	0.842 m <sup>3</sup> (6 spills)
TURKEY - KIMYA CORLU	Raw materials, mainly chemicals on cement surface-no contamination of soil	2.39 m <sup>3</sup> (6 spills)
<b>TOTAL</b>		<b>3.232m<sup>3</sup> (12 spills)</b>

## sustainability in numbers:

At DyStar, 'Product Stewardship' and 'Industry Outreach' are the two forces that define our sustainable products and services endeavor.

We produce a wide variety of industrial chemicals to cater to our customers in the textile and leather industry. We help reduce costs, shorten lead times and meet quality and ecological specifications of our customers. Some of these chemicals can be harmful to human health if exposure to them is not controlled properly. Material Safety Data Sheets in compliance with the Globally Harmonized System or local implementing legislations are provided for all our products which give detailed advice on safe handling, use and disposal. Constant attention is given to quality control for potentially hazardous chemicals. Our econfidence® program ensures that the risk of harmful contaminants is minimized in our products. At the same time, it is our aim to provide our customers with the widest range of high quality products and services.

## PROVIDE RESPONSIBLE PRODUCTS & SERVICES

### SUSTAINABLE MATERIAL USAGE

An important aspect of our product stewardship is sustainable material usage. Even where our process requirements do not allow the use of recycled raw material we ensure that all raw materials are utilized in the most efficient way.

Packaging material is recycled wherever possible. In order to make our packaging in total more sustainable, we are constantly reviewing our packaging requirements and try to either reduce material consumption or to use more sustainable sources for packaging material. Some of the initiatives we have taken in past few years include:

- 1 Packaging and selling products in IBC containers of 1000 kg capacity instead of 50 or 200 kg drum.
- 2 Cleaning and reusing IBC containers which contained raw materials for finished products. This has helped reduce use of new containers.
- 3 At Pietermaritzburg, South Africa, we have recycled and re-used packaging materials of capacities 150 l, 220 l and 1000 l.
- 4 At Gabus plant in Indonesia, we are reusing waste packaging materials such as used pallets, used plastic drum & IBC containers. We have reduced the purchase of new packaging material by 1.2 t per month.
- 5 All products as far as applicable are listed in the recycling program for plastic containers.
- 6 We are washing and reusing drums at our site in Naucalpan, Mexico.

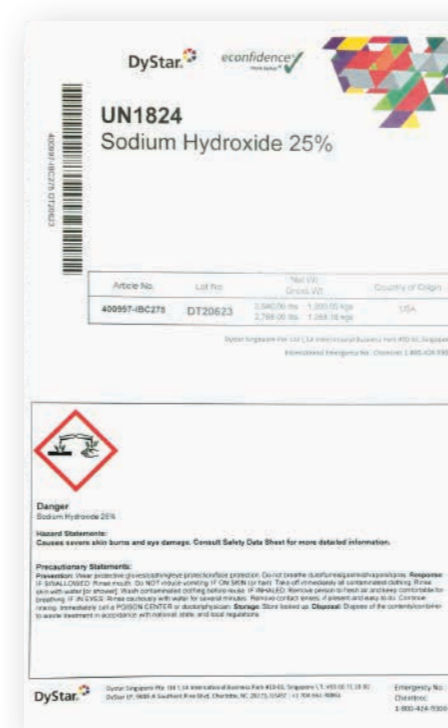
### TRANSPARENCY IN LABELING & COMMUNICATIONS

To safeguard our global customers, employees and supply chain partners, it is imperative that our labeling practices are consistent with internationally recognized standards such as CLP and GHS. We offer a wide range of products and by following the international standards, we are able to provide our global customers with details about hazardous components and other relevant information related to our products.

DyStar's Code of Conduct requires that customers are offered environmentally sustainable product solutions. We take utmost care to ensure that our products are made, handled, transported, and disposed of safely. Our commitment to the corporate principles and goals of maximizing safety and environmental protection guides new product and process development, handling of products, operation of plants, and responsible use of resources within DyStar.

DyStar provides substantial information about the safe handling, storage, transport, use, and disposal of its products to its customers, sales partners and distributors. DyStar also welcomes the UN activities on development and revision of the "Globally Harmonized System of Classification, Labeling and Packaging of Chemicals (GHS)" and its national implementations.

DyStar reviews and updates its Hazard Labels as well as Safety Data Sheets, for substances and mixtures, in compliance with the national regulations or standards respecting individual transitional periods for implementation. This helps us ensure that information on physical hazards and toxicity from chemicals is available in order to enhance the protection of human health and the environment during handling, transport and use of chemicals, and to facilitate global trade activities.



### Information present on DyStar product labels

- Content, particularly with regard to substances that might produce an environmental or social impact
- Safe use of product
- Disposal of the product and environmental/social impacts

## 2.1 product stewardship

At DyStar, Product Stewardship is an integrated process for identifying, managing and minimizing the environmental, health and safety impacts at every stage of a product's life cycle.

We assess all of our products for health & safety impacts at each stage of the product lifecycle –product concept development, R&D, registration, manufacturing, marketing & promotion, warehousing, distribution and supply, use and disposal, reuse or recycling.

DyStar has built its core strength in Product Stewardship through continuous research and innovation. Our R&D efforts are driven by the need to provide healthier, safer and more ecologically-compatible products for our customers

### PRODUCT SAFETY

At DyStar, making safer products is everyone's responsibility through all hierarchy levels. We have a common objective to minimize the environmental, health and safety impact at every stage of a product's life cycle.

requirements of REACH®. It is an assurance that our products are in compliance with chemical and environmental legislation in each market in which they are sold.

REACH (the Registration, Evaluation, Authorization and Restriction of Chemicals) is the European Community Regulation on chemicals and their safe use to protect the environment and health, which came into effect on June 1, 2007. REACH continues to be the most demanding international chemical legislation. REACH implementation and compliance has been a key priority at DyStar even before the legislation came into force.

All DyStar product components (over 5000 individual chemicals) have been pre-registered under the EU REACH Regulation.

Our REACH registration activities make use of our huge archive of toxicological and eco-toxicological testing reports that we have generated over many years. These registrations already cover most of the high volume textile dyes that DyStar supplies to the European market. DyStar is now focusing on registrations in the final >1t band.

Since the market for textile dyes is dominated by specialties, the number of REACH-registered chemicals will increase significantly in the coming years up to the 2018 deadline. In view of this, we have already submitted the next registration dossiers to ECHA, under REACH, as we intend to register all individual substances contained in our products within the prescribed deadlines.



## sustainability in numbers:

### SUSTAINABLE INNOVATION

Innovation is one of the core values at DyStar. We have an active Research & Development Department tasked with developing new products and processes for synthesis and application to support our leading market position. Our rich heritage of over 150 years of R&D includes intellectual property from our previous parent companies. This has resulted in more than 1,700 patents and patent applications worldwide.

We build strategic collaborations with customers, industry partners, institutes and universities to help us understand and even forecast our customers' needs and ultimately meet them. Our high performance textile dyes and auxiliaries have improved ecological and toxicological profiles and are of a consistently high quality. This enables our customers to apply optimized coloration processes and to achieve superior technical, environmental and economic performance.

One of the key innovation goals for DyStar's R&D is to help customers achieve new milestones in terms of product and process excellence, including shorter or more economical dyeing procedures, reduced water and energy consumption, and lower waste, water and polluting effects.

In 2014, we launched several new items, for example the new Realan® Black MF-PV, which provides a completely metal free dyeing process for wool. Realan Black MF-PV provides the highest wet processing fastness, even higher than Mordant Black PV types and far superior to other Reactive Black types for wool.

Shade and metamerism are identical to Mordant Black PV types with excellent build-up. Fiber coverage of Realan Black MF-PV is by far superior to other Reactive Black types and even exceeds Mordant Black PV types. Realan Black MF-PV is APEO and AOX free, in

full compliance with Oeko-Tex® Standard 100 and meets all relevant Restricted Substance Lists (RSL). It is bluesign® approved.

The Dianix® XF2 range was also launched in 2014. The new Dianix XF2 range consists of five dyes. All dyes have been designed to offer excellent wet fastness performance on critical polyester fabrics, particularly on polyester microfiber and polyester/elastane blends. They are able to meet the most demanding Retailer and Brands specifications for high wet-fast outlets, whilst taking into account the requirements of the relevant RSLs with their clean eco profile. The dyes are fully compliant with the Oeko-Tex® Standard 100 and are bluesign® approved. The Dianix XF2 dyes are characterized by good compatibility in exhaustion & diffusion for best Right-First-Time dyeing of ternary shades at 130 °C and furthermore they show good build-up to dark shades.

### SUSTAINABLE SOLUTIONS FOR ALL FIBERS

Recently, with the increase in consumer interest and the establishment of third party Certification systems a greater focus has been given by the textile companies to the production of sustainable fibers. New alternatives have been investigated, developed and introduced to the market. Challenges arise when these fibers have to be processed in the industry using the available dyestuffs, auxiliaries, and chemicals.

DyStar offers Best Available Technology (BAT) to reduce resource consumption and minimize pollution from textile wet processing. DyStar innovation processes have addressed both environmental concerns and economic realities - such as saving resources, saving costs and meeting the short lead times demanded from the textile supply chain.

With environmentally compliant dyestuffs, highly experienced process expertise and a

solid foundation of textile industry knowledge, DyStar helps its customers face the upcoming challenges of the new eco fibers and contribute towards realizing sustainability in the textile supply chain.

In the area of organic cotton, DyStar was one of the first companies to get its products accredited for use on GOTS-approved cotton and is engaged in updating its list of approved products to GOTS Version 4.0.

Provide safe & environmentally friendly products to our customers in a responsible way

## PROVIDE RESPONSIBLE PRODUCTS & SERVICES

### 2.1 industry outreach

DyStar is committed to engagement with several industry associations or groups concerned with improving the sustainability of the textile and apparel industries, in particular in the area of better chemical management in supply chains. The details of such collaborations are given in our website<sup>5</sup>. Brief updates on these activities:

#### ZDHC (ZERO DISCHARGE OF HAZARDOUS CHEMICALS)

In response to increasing pressure from new regulatory requirements and from NGOs, Brands and Retailers are now requiring greater chemical disclosure along the supply chain. This developing trend to greater transparency and traceability is a result of companies having to work harder to protect their reputation and brand integrity from negative publicity in the media and on social networks.

A recent development has been the formation of the Zero Discharge of Hazardous Chemicals (ZDHC) group of Brands and Retailers who have committed to eliminate hazardous chemicals from their supply chains by 2020. This commitment to zero discharge was made in response to a series of reports and campaigns by Greenpeace.

DyStar is an active member of the Technical Advisory Committee (TAC) of the ZDHC Group and our Sustainable Textile Solutions business unit provided expert input and on-the-ground assistance in the development of an audit protocol for ZDHC. DyStar has created a positive list of products in keeping with its "Zero Discharge of Hazardous Chemicals" commitment. This list includes those DyStar products that do not contain as intentional ingredients any of the 11 chemical groups restricted by the ZDHC group. In fact, the vast majority of our products do not contain any of these chemicals as ingredients. DyStar has always been committed to the highest standards of product safety and through its **confidence**® program is actively supporting the objectives of the ZDHC Group.

#### SUSTAINABLE APPAREL COALITION (SAC)

DyStar is a member of the Sustainable Apparel Coalition (SAC), the collaborative venture of leading apparel retailers, suppliers

<sup>5</sup> [www.dystar.com/commitments](http://www.dystar.com/commitments)

and manufacturers with participation from academics and NGOs. The main objective of the SAC is to develop an index, the Higg Index, which takes a full life-cycle view of an apparel product and identifies all major social and environmental impacts along the production chain from cradle to grave.

DyStar works closely with many of the Brand and Retailer members of the SAC in creating seasonal color palettes through its Color Solutions International business headquartered in Charlotte, NC and in ensuring compliance of its products with Restricted Substance List requirements through its **confidence**® program.

DyStar supports the implementation of the Chemical Management module of the Higg Index at wet processing facilities through capacity building programs run by Sustainable Textile Solutions.

#### bluesign®

DyStar is a System Partner of bluesign®

and the majority of DyStar products can be found in the bluefinder tool established by bluesign® technologies ag. DyStar has more than 900 textile dyes and pigment preparations, and more than 200 textile auxiliaries listed in the bluefinder database. This gives manufacturers the widest possible choice of quality products to choose from when producing bluesign® approved fabric

#### OEKO TEX® STANDARD 100

Oeko-Tex® Standard 100 is a testing and certification system for textile products operated by a global network of franchised laboratories. With over 95,000 certificates issued the Oeko-Tex® label is the best known and most widespread test label for textiles in the world.

Each year DyStar produces a brochure giving product selection guidance and recommendations for articles required to comply with Oeko-Tex® Standard 100.

#### GLOBAL ORGANIC TEXTILE STANDARD (GOTS)

DyStar was one of the first companies to have its dyestuffs approved for use on organic textiles complying with the GOTS standard. DyStar offers an extensive range of dyes and auxiliaries which are approved with GOTS Version 4.0.

DyStar's testing laboratory subsidiary, Texanlab is one of the few laboratories that has capabilities of testing Dyes, Chemicals and Auxiliaries for the Textile Chemicals, Auxiliary and Dyes industry as well as for the wet processing industry to GOTS Standards. Since 2007, Texanlab has tested over 2800 samples for compliance to GOTS standards. It works closely with leading certification agencies to organize seminars to build awareness about GOTS standards and organic cotton..

#### SUSTAINABLE TEXTILE SOLUTIONS (STS)

Sustainable Textile Solutions (STS) is dedicated to assisting Brands, Retailers and industry partners implement sustainable textile production meeting quality and eco-requirements and making more efficient use of resources. The STS programs focus on three main components: consultancy, auditing and capacity building. The services we offer include:

- 1 Restricted Substances Lists (RSL) Compliance Assessment
- 2 ZDHC Benchmarking & Improvement
- 3 Textile Mill Efficiency Assessment
- 4 Chemical Inventory Management





sustainability in numbers:

PROMOTE ETHICAL PRACTICES

3.1 employee relations

Our endeavor is to become an "Employer of Choice" in the dyes & chemical industry. At DyStar, we believe our people are our most valuable asset. We provide an environment for them to grow and excel in their roles, and where they can cultivate their expertise and use their knowledge to the fullest.

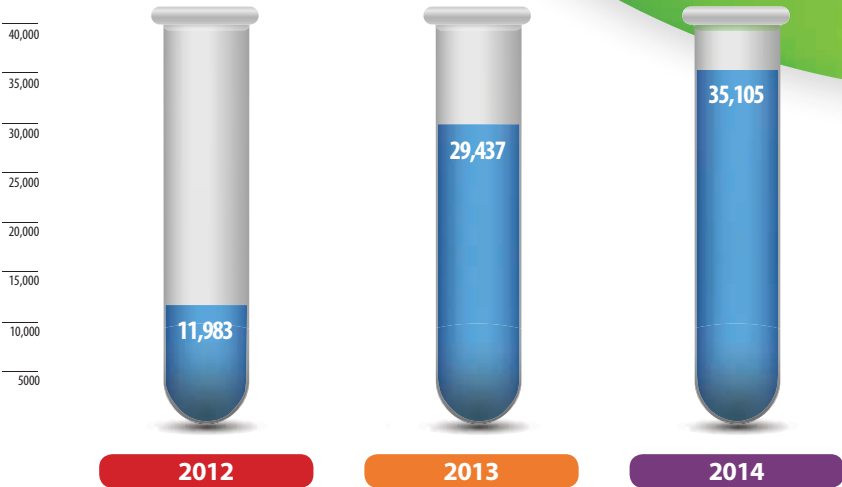
WORKFORCE TRAINING

We have foreseen the importance of having a skilled and motivated workforce as the company prepares itself to meet the challenges of growth in our industry. We will need to be best prepared with employees, who are able to multi-task, face stiff competition and ensure high productivity. Thus, our focus for 2014 was to build a competitive workforce across all levels and functions.

We regularly review the training requirements of employees and based on that an annual training calendar is prepared.

Our total training hours increased by over 6000 hours in 2014 from year 2013.

EMPLOYEE TRAINING HOURS



OUR HEALTH & SAFETY PERFORMANCE

Occupational health and safety is an important part of our sustainability agenda. Our vision for Occupational Health & Safety is focused on all stakeholders. This includes our employees, contract workers, haulage contractors, visitors and neighbors of our sites. DyStar has developed and implemented a policy for plant safety and hazard prevention as part of its "Guidelines for Responsible Care in Environmental Protection and Safety". We identify and assess the hazard potential, and risks associated with plant design and processes. Keeping such risks to the minimum is one of the essential criteria for the final choice of the design and processes. New machines to be installed on-site and new products to be launched in the market undergo pre-requisite safety assessments as per the legal norms. Our subcontractors also have to follow strict guidelines to work on our sites. The implementation and training is ensured by the Ecology, Health, Environment and Safety (EHES) departments at each of our sites.

We fulfill our responsibility to provide sufficient protection to our employees from

direct and long-term health risks by identifying such hazards and providing information, training, and suitable protection. Both new and experienced employees are trained regularly on health and safety issues through safety camps, toolbox talks and safety campaigns. We ensure that the employees adhere to our strict measures on PPE usage. Periodical medical check-ups, followed by special treatment for those suffering from particular health issues are arranged for the employees.

We comply with all applicable local and national health, safety regulations and labor laws, such as COIDA (Africa), OSHACT 18001 Act 85 of 1993, ISHL (Japan), and OSHA (USA).

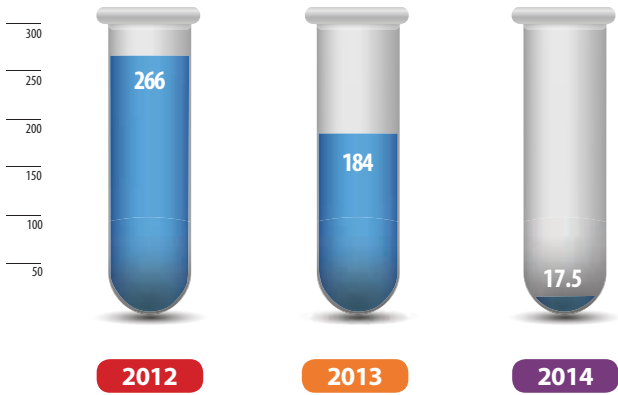
DYSTAR SAFETY RECORD

DETAILS	2012	2013	2014
Total Lost Days – Injury	266	184	17.50
Total Occupational Disease Incidents	0	0	1
Total Workplace Injuries	9	25	15
Fatalities	0	0	0

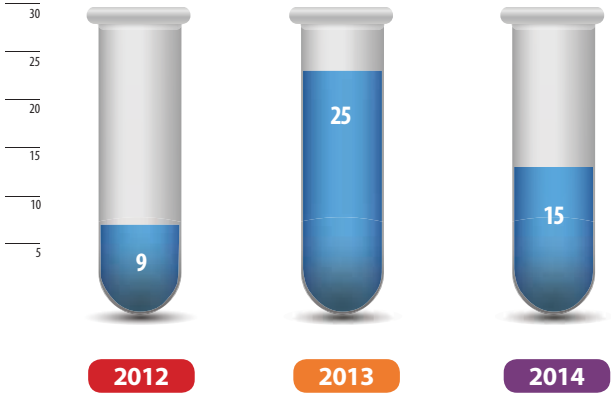
Our strong focus on occupational health and safety has been corroborated by significantly reduced number of Lost Days due to injury in 2014. This has reduced significantly by 90% compared to 2013. With strict adherence to the health and safety policy and practices, DyStar has successfully ensured zero fatalities in the last three reporting periods. The number of workplace injuries has reduced significantly with respect to previous year. This is a significant progress towards safety of our employees at workplace. Only one minor incident of occupational disease was reported this year in our Turkey production plant.

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LOST DAYS DUE TO INJURY



TOTAL WORKPLACE INJURIES



In 2014, our total workforce remained almost constant at 2200 employees from 2195 in 2013. This includes permanent, tem-

porary, and contract employees. Our employee turnover rate is 0.22% for year 2014. 5 employees left the organization in the year.

3.2 human rights practices

DyStar joined United Nations Global Compact (UNGC) with the objective of strengthening our commitment towards sustainability.

The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

We have set out our commitment to the Social Accountability Declaration<sup>6</sup> in the form of a directive in the company's Code of Conduct. We analyze and respond to every infringement of this formal obligation. We also ensure our business partners follow these principles while discharge of services to us.

Though we have not carried out any formal assessment of our operations and of our suppliers for human rights violation or risks of child labor but, we do not support or tolerate child labor and forced or compulsory labor within our operations as well as in our supply chain. We do not tolerate discrimination based on gender, race, community or sexual orientation. All our employees have the freedom of association, right to form and join trade unions, and collective bargaining. The representatives of trade unions have access to their members at the workplace.

DYSTAR'S KEY HUMAN RIGHTS COMMITMENTS

- The international Labor Organization's (ILO) core labor standards and Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)
- The Universal Declaration of Human Rights
- The OECD Guidelines for Multinational Enterprises
- The United Nations Global Compact Ten Principles
- SA8000 Standards
- The Responsible Care Global Charter

<sup>6</sup> For detailed Social Accountability Declaration refer to [www.dystar.com/corporate-social-responsibility](http://www.dystar.com/corporate-social-responsibility)



## sustainability in numbers:

### SOCIAL ACCOUNTABILITY DECLARATION - KEYPOINTS

- **CHILD LABOR**  
DyStar does not support or tolerate child labor within its area of responsibility
- **FORCED LABOR**  
DyStar does not engage in or support the use of forced labor
- **HEALTH AND SAFETY**  
DyStar does everything it can to provide a safe and healthy working environment
- **FREEDOM OF ASSOCIATION, RIGHT TO COLLECTIVE BARGAINING**  
DyStar respects the right of all personnel to form and join trade unions and to bargain collectively
- **DISCRIMINATION**  
DyStar does not tolerate discrimination on based on any race, ethnic origin, gender, religion, philosophy, political or union membership, disability, age or sexual orientation
- **DISCIPLINARY PRACTICES**  
DyStar does not allow or engage in or support the use of corporal punishment, mental or physical coercion and verbal abuse of its employees
- **WORKING HOURS**  
DyStar complies with applicable laws and standards
- **REMUNERATION**  
DyStar ensures that the wages paid always meet at least legal or industry minimum standards
- **MANAGEMENT SYSTEMS**  
DyStar regularly reviews and checks the adequacy and effectiveness of this directive, and strives to improve its contents

### 3.3 social initiatives

DyStar's social responsibility has been defined in keeping with the main points of SA 8000, an international standard on accountability, and the principles of Responsible Care®. We believe in creating value for the society through community development activities. In our

operations, local teams are responsible for identifying and executing social initiatives based on the needs of the local community. Our key initiatives with our communities in various geographies are noted below:

#### OUR KEY SOCIAL INITIATIVES

##### Supporting HIV/AIDS affected in Africa:

- Our production unit in Pietermaritzburg, Africa supports Tabitha Ministries that provide assistance to the communities of Pietermaritzburg to care for those affected by HIV/AIDS. They also run the Hope Centre for orphaned and abandoned children ranging in ages from birth to 6 years old. DyStar makes monthly donations to assist them in their efforts. Total amount donated in 2014 is ZAR 30,000.

##### Helping the disabled in Brazil:

- Our Brazil production unit donates money to a charitable entity - APAE to support the cause of integrating the differently-able people into the society. In 2014, we have donated USD 2,000 for the cause.

##### Food donation in USA:

- The employees of DyStar's production unit in Reidsville donated canned foods to Reidsville food bank at Thanksgiving and Christmas. In total around 300 lbs of food was collected.
- Employees donated clothes, toys and shoes for the needy by donating to the Salvation Army.

##### Community assistance in Mexico:

- In 2014, we donated clothes and toys to local communities in Hidalgo state.
- Made charity contribution to Mexican Red Cross

##### Community service in India:

- Our site representative monitors ambient air quality in our local community areas.

##### Community service in Indonesia:

- Provides drinking water free of cost to local people staying around our facility
- Donate staple food during Eid celebration

### 3.4 compliance

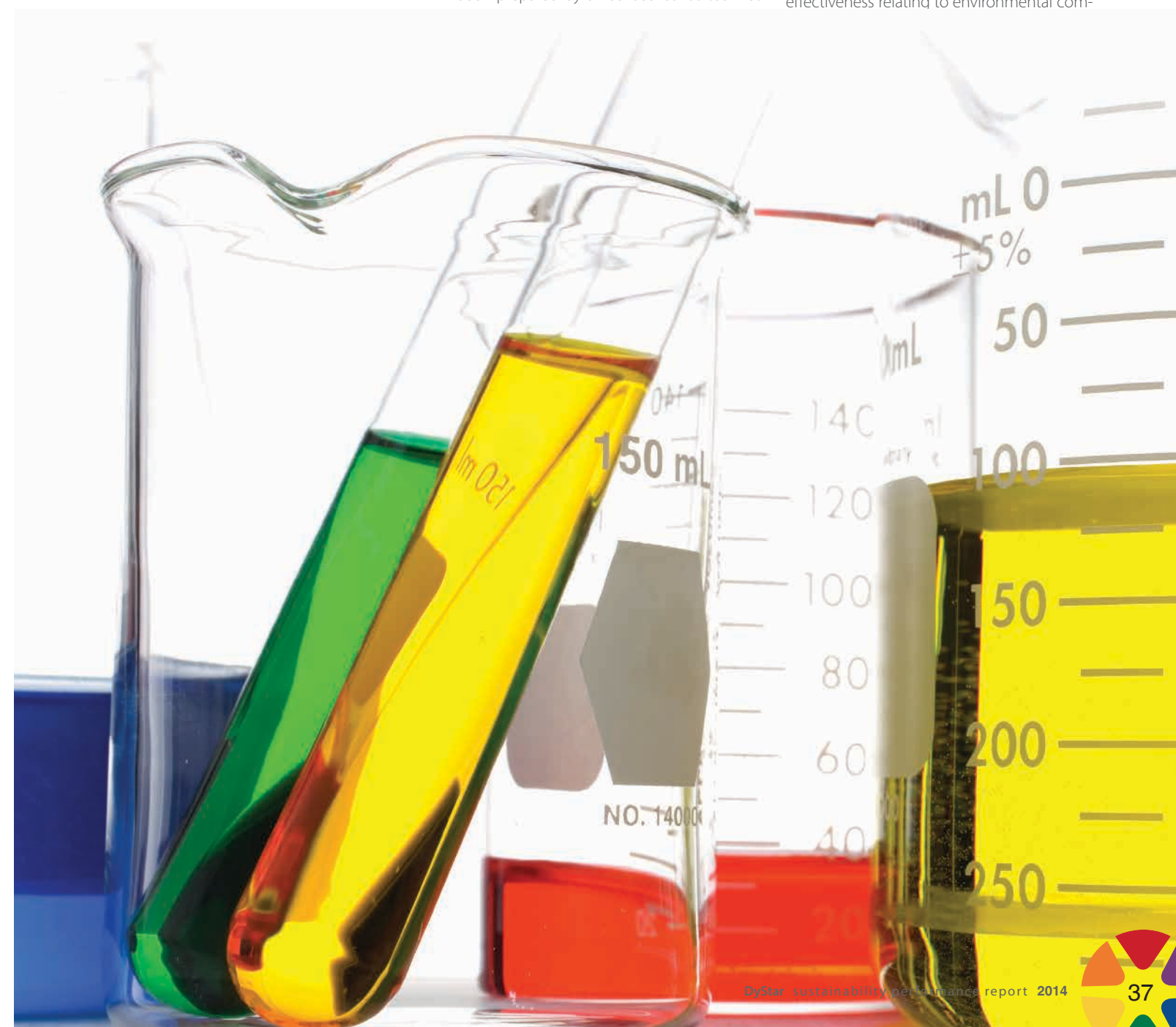
DyStar products are in full compliance with the applicable chemical legislation relating to health and safety in the markets in which they are manufactured and sold. We sell over five thousand individual chemicals and have made sure that each of them is pre-registered under the EU REACH® Regulation. We strive hard to comply with all local, national and global environmental laws. We have deployed very stringent processes to understand and study non-compliances of all sorts and carry out root cause analysis of all such incidents.

these, Corlu (Turkey) and Mem Martins (Portugal) units paid minor administrative fines to local authorities for violation of local laws.

In Nanjing, a penalty of 100000CNY was paid on account of disposal of sulphuric acid; another penalty of 200000CNY was paid because rain water from the production site was getting mixed with local rain water collecting sump. In Corlu, a penalty was imposed because a temporary construction space was being utilized for storing drums. In Mem Martins, a risk assessment document that had been prepared by a licensed consultant was

In all of these reported cases, a proper root cause analysis has been conducted and corrective actions have been implemented to avoid any further risk of non-compliance. We have also upgraded our processes to capture more relevant information now. We have established a central database which is now maintained by the Global HSE function. The database includes all relevant data of waste water, waste materials and by-products from all manufacturing sites. DyStar's Global Compliance Management function has also been reviewed and re-organized to further increase effectiveness relating to environmental com-

## PROMOTE ETHICAL PRACTICES



DATA at a glance

KPI	DESCRIPTION	2012	2013	2014
ECONOMIC				
EC1	Economic Value Generated (USD)	764,138,154	822,864,771	937,990,000
	Economic Value Distributed (USD)	774,529,892	772,997,639	837,860,000
EC6	Total Purchase Value Costs (USD)	526,028,854	706,682,221	643,001,791
	Amount Spent on Local Suppliers (USD)	263,173,985	434,856,785	363,409,558
ENVIRONMENT				
EN1	Raw Materials (MT)	103,188	111,275	114,747
	Packaging Material (MT)	4,577[1]	4,770	5,679
	Associate Materials (MT)	1,002	1,742	1,942
EN3	Direct Energy Consumed (KwH) W	84,511,631	93,295,159	86,926,074
	Direct Energy Consumed (GJ)	304,242	335,862	312,933
EN4	Indirect Energy Consumed (KwH)	224,203,606	251,606,027	234,905,232
EN8	Total Water Consumed (m3)	6,802,705	7,109,298	7,614,932
EN10	Total Water Recycled (m3)	1,691,079	1,688,019	1,835,488
EN16	Total Direct GHG Emissions – Scope 1 (tCO2e)	18,097	18,554	18,654
	Total Indirect GHG Emissions – Scope 2 (tCO2e)	123,615	141,245	137,638
	Total GHG Intensity (tCO2e/MTof production)	1	1	1
EN21	Total Wastewater Discharged (m3)	1,552,400	1,638,286	1,854,050
	Wastewater intensity per t of production	13	13	15
EN22	Hazardous Waste (MT)	4,099	5,496	6,153
	Non-Hazardous Waste (MT)	3,911	4,256	3,668
	Total Waste	8,010	9,752	9,821
	Hazardous waste per t of production	0	0	0
	Non-Hazardous waste per t of production	0	0	0
	Overall waste per t of production	0	0	0
EN23	Total number and volume of spills	38.1m³ (14 spills)	0.39 m³ (3 spills)	3.232 m³ (12 spills)
EN30	Environmental Protection Expenditure (USD)	8,147,284	8,971,565	7,191,218

GRI® Index

G3.1 CONTENT INDEX  
APPLICATION LEVEL B

STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES					
1. Strategy and Analysis					
PROFILE DISCLOSURE	DESCRIPTION	LEVEL OF REPORTING	LOCATION OF DISCLOSURE	REASON FOR OMISSION	EXPLANATION FOR REASON OF OMISSION
1.1	Statement from the most senior decision-maker of the organization.	Full	Letter from the CEO		
1.2	Description of key impacts, risks, and opportunities.	Full	Letter from the CEO		
2. Organizational Profile					
2.1	Name of the organization.	Full	About DyStar		
2.2	Primary brands, products, and/or services.	Full	About DyStar: Our Products and Solutions		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Full	About DyStar: DyStar at a Glance		
2.4	Location of organization's headquarters.	Full	About DyStar: DyStar at a Glance		
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Full	About DyStar: DyStar at a Glance		
2.6	Nature of ownership and legal form.	Full	About DyStar: DyStar at a Glance		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Full	About DyStar: Our Worldwide Presence		
2.8	Scale of the reporting organization.	Full	About DyStar: DyStar at a Glance; Our Worldwide Presence; and Our Products and Solutions; About DyStar: Our Economic Performance; Sustainability in Numbers: Promote Ethical Practices: Employee Relations; Annual Production Volume – FG w 40% Indigo Soln: 124,890 MT		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Full	About the report: Scope and Boundary		
2.10	Awards received in the reporting period.	Full	No related awards received during the reporting period		



PROFILE DISCLOSURE	DESCRIPTION	LEVEL OF REPORTING	LOCATION OF DISCLOSURE	REASON FOR OMISSION	EXPLANATION FOR REASON OF OMISSION
3. Report Parameters					
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Full	About the Report		
3.2	Date of most recent previous report (if any).	Full	Most recent report was published in 2013		
3.3	Reporting cycle (annual, biennial, etc.).	Full	About the Report		
3.4	Contact point for questions regarding the report or its contents.	Full	About the Report: Your Views		
3.5	Process for defining report content.	Full	About the Report: Reporting Process		
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Full	About the Report: Scope and Boundary		
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Full	About the Report: Scope and Boundary		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, out-sourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Full	About the Report: Scope and Boundary		
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Full	About the Report: About our Data		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Full	No re-statements have been published		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Full	About the Report: Scope and Boundary		
3.12	Table identifying the location of the Standard Disclosures in the report.	Full	GRI Index		
3.13	Policy and current practice with regard to seeking external assurance for the report.	Full	About the Report: Reporting Process		
4. Governance, Commitments, and Engagement					
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Full	Governance at DyStar		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Full	Governance at DyStar		

PROFILE DISCLOSURE	DESCRIPTION	LEVEL OF REPORTING	LOCATION OF DISCLOSURE	REASON FOR OMISSION	EXPLANATION FOR REASON OF OMISSION
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Full	Governance at DyStar		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Full	Governance at DyStar		
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Full	Governance at DyStar		
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Full	Governance at DyStar		
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Full	Voice of Stakeholders		
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Full	About DyStar; Governance at DyStar: Our code of conduct; Sustainability at DyStar: Sustainability Committee		
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Full	About DyStar; Governance at DyStar: Our code of conduct; Sustainability at DyStar: Sustainability Committee		
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Full	About DyStar; Sustainability at DyStar: Sustainability Committee		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Full	Sustainability at DyStar: Sustainability Strategy		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Full	Governance at DyStar: Compliance Management; About DyStar: Memberships		
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Full	About DyStar: Memberships		
4.14	List of stakeholder groups engaged by the organization.	Full	Our Sustainability Priorities		

PROFILE DISCLOSURE	BASIS FOR IDENTIFICATION AND SELECTION OF STAKEHOLDERS WITH WHOM TO ENGAGE.	LEVEL OF REPORTING	OUR SUSTAINABILITY PRIORITIES	REASON FOR OMISSION	EXPLANATION FOR REASON OF OMISSION
4.15	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Full	Our Sustainability Priorities		
4.16	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Full	Our Sustainability Priorities		
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Full	Our Sustainability Priorities		

STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAs)					
DMA EC	Disclosure on Management Approach EC				
Aspects	Economic performance	Full	Letter from the CEO; About DyStar: Our Economic Performance		
	Market presence	Full	Letter from the CEO; About DyStar: Our Economic Performance		
DMA EN	Disclosure on Management Approach EN				
Aspects	Materials	Full	Sustainability at DyStar: DyStar approach towards Sustainability; Voice of Stakeholders		
	Energy	Full	Sustainability at DyStar: DyStar approach towards Sustainability; Voice of Stakeholders		
	Water	Full	Sustainability at DyStar: DyStar approach towards Sustainability; Voice of Stakeholders		
	Emissions, effluents and waste	Full	Sustainability at DyStar: DyStar approach towards Sustainability; Voice of Stakeholders		
	Products and services	Full	Sustainability at DyStar: DyStar approach towards Sustainability; Voice of Stakeholders		
	Compliance	Full	Sustainability at DyStar: DyStar approach towards Sustainability; Voice of Stakeholders		
	Transport	Partial	Sustainability in Numbers: Sustainable Operations		
	Overall	Partial	Sustainability at DyStar: DyStar approach towards Sustainability; Voice of Stakeholders; Sustainability in Numbers: Sustainable Operations		

PROFILE DISCLOSURE	DESCRIPTION	LEVEL OF REPORTING	LOCATION OF DISCLOSURE	REASON FOR OMISSION	EXPLANATION FOR REASON OF OMISSION
DMA LA	Disclosure on Management Approach LA				
Aspects	Employment	Full	Sustainability in Numbers: Promote Ethical Practices: Employee Relations; Voice of Stakeholders		
	Labor/management relations	Full	Sustainability in Numbers: Promote Ethical Practices: Employee Relations; Voice of Stakeholders		
	Occupational health and safety	Full	Sustainability in Numbers: Promote Ethical Practices: Employee Relations; Voice of Stakeholders		
	Training and education	Full	Sustainability in Numbers: Promote Ethical Practices: Employee Relations; Voice of Stakeholders		
	Diversity and equal opportunity	Full	Sustainability in Numbers: Promote Ethical Practices: Employee Relations; Voice of Stakeholders		
DMA HR	Disclosure on Management Approach HR				
	Non-discrimination	Full	Sustainability in Numbers: Promote Ethical Practices: Human Rights Practices		
	Freedom of association and collective bargaining	Full	Sustainability in Numbers: Promote Ethical Practices: Human Rights Practices		
	Child labor	Full	Sustainability in Numbers: Promote Ethical Practices: Human Rights Practices		
	Prevention of Forced and compulsory labor	Full	Sustainability in Numbers: Promote Ethical Practices: Human Rights Practices		
DMA SO	Disclosure on Management Approach SO				
Aspects	Local communities	Full	Sustainability in Numbers: Promote Ethical Practices: Social Initiatives		
	Compliance	Full	Sustainability in Numbers; Voice of Stakeholders		



PROFILE DISCLOSURE	DESCRIPTION	LEVEL OF REPORTING	LOCATION OF DISCLOSURE	REASON FOR OMISSION	EXPLANATION FOR REASON OF OMISSION
DMA PR	Disclosure on Management Approach PR				
Aspects	Customer health and safety	Full	Sustainability in Numbers: Responsible Products and Services: Product Stewardship		
	Product and service labeling	Full	Sustainability in Numbers: Responsible Products and Services: Product Stewardship		
	Marketing communication	Full	Sustainability in Numbers: Responsible Products and Services: Product Stewardship		
	Compliance	Full	Sustainability in Numbers: Responsible Products and Services: Product Stewardship		

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS					
ECONOMIC					
Economic performance					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Partial	About DyStar: Our Economic Performance	Not available	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partial	Sustainability at DyStar: DyStar's approach to Sustainability; Sustainability in Numbers: Sustainable Operations: Optimal Utilization of Energy	Not available	
Market Presence					
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Full	Sustainability in Numbers: Promote Ethical Practices: Human Rights Practices		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Partial	About DyStar: Our Economic Performance; Data at a Glance	Proprietary information	
Indirect economic impacts					
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Partial	Sustainability in Numbers: Promote Ethical Practices: Social Initiatives	Not available	

PERFORMANCE INDICATOR	DESCRIPTION	LEVEL OF REPORTING	LOCATION OF DISCLOSURE	REASON FOR OMISSION	EXPLANATION FOR REASON OF OMISSION
ENVIRONMENTAL					
Materials					
EN1	Materials used by weight or volume.	Full	About DyStar: Data at a Glance		
EN2	Percentage of materials used that are recycled input materials.	Partial	Sustainability in Numbers: Responsible Products and Services: Product Stewardship: Sustainable Material Usage		Not available
Energy					
EN3	Direct energy consumption by primary energy source.	Full	Sustainability in Numbers: Sustainable Operations: Optimal Utilization of Energy		
EN4	Indirect energy consumption by primary source.	Full	Sustainability in Numbers: Sustainable Operations: Optimal Utilization of Energy		
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Sustainability in Numbers: Sustainable Operations: Optimal Utilization of Energy		
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partial	Sustainability in Numbers: Sustainable Operations: Optimal Utilization of Energy	Not available	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partial	Sustainability in Numbers: Sustainable Operations: Optimal Utilization of Energy	Not available	
Water					
EN8	Total water withdrawal by source.	Full	Sustainability in Numbers: Sustainable Operations: Water Consumption		
EN10	Percentage and total volume of water recycled and reused.	Full	Sustainability in Numbers: Sustainable Operations: Water Consumption		
Emissions, effluents and waste					
EN16	Total direct and indirect greenhouse gas emissions by weight.	Full	Sustainability in Numbers		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Full	Sustainability in Numbers: Sustainable Operations: Manage our Emissions; and Optimal Utilization of Energy		
EN21	Total water discharge by quality and destination.	Full	Sustainability in Numbers: Sustainable Operations: Water Consumption		
EN22	Total weight of waste by type and disposal method.	Full	Sustainability in Numbers: Sustainable Operations: Handling Wastes		

PERFORMANCE INDICATOR	DESCRIPTION	LEVEL OF REPORTING	LOCATION OF DISCLOSURE	REASON FOR OMISSION	EXPLANATION FOR REASON OF OMISSION
EN23	Total number and volume of significant spills.	Full	Sustainability in Numbers: Sustainable Operations: Spill Management		
<b>Products and services</b>					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partial	Sustainability in Numbers: Responsible Products and Services: Product Stewardship; and Industry Outreach	Not material	
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partial	Sustainability in Numbers: Responsible Products and Services: Product Stewardship: Sustainable Material Usage	Not available	
<b>Compliance</b>					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Full	Sustainability in Numbers: Promote Ethical Practices: Compliance		
<b>Overall</b>					
EN30	Total environmental protection expenditures and investments by type.	Full	Sustainability in Numbers		
<b>SOCIAL: Labor Practices and Decent Work</b>					
<b>Employment</b>					
LA1	Total workforce by employment type, employment contract, and region.	Partial	Sustainability in Numbers: Promote Ethical Practices: Employee Relations	Not available	
LA2	Total number and rate of employee turnover by age group, gender, and region.	Partial	Sustainability in Numbers: Promote Ethical Practices: Employee Relations	Not available	
<b>Labor/management relations</b>					
LA4	Percentage of employees covered by collective bargaining agreements.	Full	Sustainability in Numbers: Promote Ethical Practices: Human Rights Practices		
<b>Occupational health and safety</b>					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Partial	Sustainability at DyStar: Sustainability Strategy & Committee: Sustainability Committee	Not available	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Full	Sustainability in Numbers: Promote Ethical Practices: Employee Relations: Our Health and Safety Performance		

PERFORMANCE INDICATOR	DESCRIPTION	LEVEL OF REPORTING	LOCATION OF DISCLOSURE	REASON FOR OMISSION	EXPLANATION FOR THE REASON OF OMISSION
LA9	Health and safety topics covered in formal agreements with trade unions.	Full	Sustainability in Numbers: Promote Ethical Practices: Employee Relations: Our Health and Safety Performance		
<b>Training and education</b>					
LA10	Average hours of training per year per employee by employee category.	Full	Sustainability in Numbers		
<b>SOCIAL: Human Rights</b>					
<b>Investment and procurement practices</b>					
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Partial	Sustainability in Numbers: Promote Ethical Practices: Human Rights Practices	Not available	
<b>Freedom of association and collective bargaining</b>					
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Full	Sustainability in Numbers: Promote Ethical Practices: Human Rights Practices		
<b>Child Labor</b>					
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Full	Sustainability in Numbers: Promote Ethical Practices: Human Rights Practices		
<b>Prevention of forced and compulsory labor</b>					
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Full	Sustainability in Numbers: Promote Ethical Practices: Human Rights Practices		
<b>SOCIAL: Society</b>					
<b>Local communities</b>					
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	Sustainability in Numbers: Promote Ethical Practices: Social Initiatives		
<b>Anti-competitive behavior</b>					
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Full	About DyStar: Mission; and Core Values: Responsibility; Governance at DyStar: Code of Conduct		
<b>Compliance</b>					
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Full	None		



PERFORMANCE INDICATOR	DESCRIPTION	LEVEL OF REPORTING	LOCATION OF DISCLOSURE	REASON FOR OMISSION	EXPLANATION FOR THE REASON OF OMISSION
SOCIAL: Product Responsibility					
Customer health and safety					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Full	Sustainability in Numbers: Responsible Products and Services: Product Stewardship		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Full	None		
Product and service labeling					
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Full	Sustainability in Numbers: Responsible Products and Services: Product Stewardship		
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Full	None		
Marketing communications					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Sustainability in Numbers: Responsible Products and Services: Product Stewardship		
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Full	None		
Compliance					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Full	Sustainability in Numbers: Promote Ethical Practices: Compliance		

THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT		
UNGC Principle	Description	Page / Section
1	Support and respect protection of internationally proclaimed human rights	Sustainability in Numbers - Human Rights Practices; Governance at DyStar – Our Code of Conduct
2	Make sure business is not complicit in human rights abuses	Sustainability in Numbers - Human Rights Practices; Governance at DyStar – Our Code of Conduct
3	Uphold freedom of association and the effective recognition of the right to collective bargaining	Sustainability in Numbers - Human Rights Practices; Governance at DyStar – Our Code of Conduct
4	Support elimination of all forms of forced and compulsory labor	Sustainability in Numbers - Human Rights Practices; Governance at DyStar – Our Code of Conduct
5	Support effective abolition of child labor	Sustainability in Numbers - Human Rights Practices; Governance at DyStar – Our Code of Conduct
6	Eliminate discrimination in employment and occupation	Sustainability in Numbers - Human Rights Practices; Governance at DyStar – Our Code of Conduct
7	Support a precautionary approach to environmental challenges	Sustainability in Numbers - Sustainable Operations and Responsible Products
8	Undertake initiatives to promote greater environmental responsibility	Sustainability in Numbers - Sustainable Operations and Responsible Products
9	Encourage the development and diffusion of environmentally friendly technologies	Sustainability in Numbers - Sustainable Operations and Responsible Products
10	Work against all forms of corruption, including extortion and bribery	Sustainability in Numbers - Human Rights Practices

# your views

Your feedback is important to help us improve our sustainability performances as well as future reporting.  
Please find time to answer the following questions:

1. How are you related to DyStar? Choose any of the below options:

- ☐ Employee
- ☐ Shareholder
- ☐ Customer
- ☐ Supplier
- ☐ Regulatory Body
- ☐ Local Community
- ☐ Industry Association
- ☐ Media
- ☐ Others (please specify) \_\_\_\_\_

2. Your view of the reporting quality (Check in the appropriate circle)

- ☐ Excellent
- ☐ Good
- ☐ Needs Improvement
- ☐ Poor

3. Which of the following aspects are ‘Excellent’ or ‘Good’? (You can check more than one)

- ☐ Layout & Design
- ☐ Quality of Information provided
- ☐ Neutrality
- ☐ Ease of understanding
- ☐ Information Flow/navigation

4. Which of the following aspects are ‘Poor’ or ‘Needs improvement’? (You can tick more than one)

- ☐ Layout & Design
- ☐ Quality of Information provided
- ☐ Neutrality
- ☐ Ease of understanding
- ☐ Information Flow/navigation

5. How do you rate our following sustainability performances?

(a) Economic Performance

- ☐ Excellent
- ☐ Good
- ☐ Needs Improvement
- ☐ Poor

(b) Environmental Performance

- ☐ Excellent
- ☐ Good
- ☐ Needs Improvement
- ☐ Poor

(c) People Performance

- ☐ Excellent
- ☐ Good
- ☐ Needs Improvement
- ☐ Poor

(d) Product Performance

- ☐ Excellent
- ☐ Good
- ☐ Needs Improvement
- ☐ Poor

(e) Social Performance

- ☐ Excellent
- ☐ Good
- ☐ Needs Improvement
- ☐ Poor

6. Any other comments/ suggestions \_\_\_\_\_

7. Details of the respondent:

a. Name:\_\_\_\_\_

b. Company:\_\_\_\_\_

c. Contact Details (email/phone number):\_\_\_\_\_

Please email your responses to: Ms Sherrie Xu, Global Sustainability Manager, DyStar Singapore Pte Ltd  
Email: [xu.sherrie@dystar.com](mailto:xu.sherrie@dystar.com)





## Committed to *sustainability*

At DyStar, our products and services help customers worldwide reduce costs, shorten lead times and meet stringent quality and ecological specifications.



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