



oleago

Sustainability Report

2022

## Introduction

Production and consumption have increased due to significant breakdowns in the history of the world, such as industrialization, population growth, technological developments, globalization, and some philosophical approaches, and as a result, nature, environment, animals, and plants have become limitless and insignificant metamaterials that are considered as expendable. At the last point, not only the environment, and nature but also human health and human/social values have been used unaccountably. The fast consumption culture has a negative impact on nature's limited resources and ecosystem. Because of the current world order, resources are rapidly running out, nature is dissolving, human health is deteriorating, and many economic, ecological, and social problems are formed. In addition, the use of plenty of water and chemical substances in production, the consumption of resources, and the abandonment of waste to nature, water, air, soil, and other vital resources are damaged and have a negative impact on the sustainability of the world. The economic improvement of development, and therefore the ease of human life, is not enough to overlook the global problems that it creates. The textile and Fashion industry, which provides the production of products such as clothing, accessories, and home textiles, which is the most important needs of people, should continue to operate, considering human and environmental health care and sustainable development for our planet and living creatures. Contrary to common belief, the textile industry is the most damaging industry to nature by producing more

waste than automotive and energy. In the industry, the use of materials and chemicals used during production and natural resources should be as minimal as possible. Approaches such as Sustainable Fashion, Eco Fashion, Green movements, Slow Fashion, and Slow Design have emerged as a response to these problems that the world has experienced. Sustainability is also very important for the Textile and Fashion sectors. It is important to produce textile products using waste and natural materials with a longer life span and recycling for sustainability.

As Oleago our mission is to create a more sustainable world for our planet, for living creatures, and for the next generations with reducing waste use and zero raw materials use by creating a double-sided effect. We are convinced that the objectives of growth must be combined with respect for people and the protection of the environment for this reason. We are committed to further reducing our carbon emissions thanks to the production process in our facilities, optimizing water usage and recovering polluting waste, respecting human rights, and ensuring the safety of our employees, to protect the planet while we grow our business. We believe that social responsibility is a long-term investment aimed at strengthening the group's competitiveness in the market, improving risk management, and attracting new talented employees. In this perspective, new ideas and objectives can arise from the comparison to be developed together, in order to enhance the meaning and scope of any future investment.

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*A company promoting environmental  
sustainability*

# 1 Company Profile

## 1.1 Who are we

Oleago is a firm that creates plant-based next-generation material as an alternative to synthetic leather. It was founded three years ago with an intense passion to build a better world. With qualities for clothes, footwear, bags and wallets, book binding, labeling, and upholstery, the materials are useful in every industry.

Over time, Oleago has developed into one of the market leader in next-generation materials innovation. The company's continuous pursuit of perfection has resulted in the development of superior, highly sustainable, and innovative products. The company has always aimed to manufacture materials that respect the environment and offer excellent performance.

Oleatex, the eco-friendly products made with olive industry wates and bio-based oil wates has the highest biomass % available on one of the market. It is also certificated by DIN with a 91% bio ratio. Furthermore, with technological evolution, the R&D studies have set as their main objective the realization of a material completely solvent-free and with zero environmental impact.

## 1.2 Our offices and production plant as an international company

Oleago is the company that invented, manufactures, markets, and sells Oleatex. Oleago's headquarter and manufacturing plant is in Istanbul, Turkey with subsidiaries in the USA, Germany, UK, Italy, South Africa, Korea, and Bangladesh. The production process from raw material to the final product is completed in local and easily accessible locations which helps us to reduce the carbon footprint. Today, everything takes place in a 100km radius in Turkey.



### 1.3 Our history and future

Textile materials can be categorized into two main groups: natural materials and synthetic materials. Among natural ones, although animal leather is advocated as “a by-product of the meat industry”, it is a huge problem as the biggest pollutant of the entire textile industry. On the other hand, artificial leather has emerged as a more environmentally friendly alternative. However, the raw materials make artificial leather the largest pollutant among synthetic materials. It is only as sustainable and vegan as any other plastic material. With the awareness of these problems, we carried out long R&D studies and developed Oleatex as a solution that is both sustainable and scalable in 2020. Oleago has quickly been able to offer a variety of proposals/alternatives, all the highest quality level and distinguished by an exclusive performance that made the production of technical materials for all qualities possible thanks to its long history in the synthetic leather industry and the tenacity and vision of our scientists. The business will increase its R&D expenditures in order to develop environmentally friendly, solvent-free, sustainable materials with a very low environmental impact. Due to the emphasis on environmental sustainability, a production line was launched in 2020.

### 1.4 The values, vision, and mission of the company

As Oleago, we firmly believe that in order to achieve growth goals, social responsibility and corporate governance must be linked with

respect for the fundamentals of social life by being a democratic brand and being sustainable for every human. Oleago has established a unique code of ethics. The document underlines the key values that the organization recognizes, accepts, and upholds as well as the range of obligations that it accepts, all of which are motivated by the ideals of accuracy and openness.



Legality - Oleago complies with all applicable rules and regulations, including local, national, and laws, in the nations where it conducts its business.



Impartiality - Oleago abstains from discrimination on the basis of citizenship, race, health, sexual orientation, and/or political and religious convictions.



Equity of authority - Oleago makes efforts to ensure that the power is used correctly, fairly, and without bias in order to prevent abuse.



Environment and safety (pic) Protecting the environment is one of Oleago's top priorities. To do this, the business structures its business and economic management in accordance with the laws and regulations that are in effect in each country where it conducts its activity. Additionally, the company takes preventive measures to ensure the physical integrity of its employees and seeks to maintain working circumstances that respect individual dignity in order to protect the health and safety of its employees. Oleago is dedicated to adhering to the law on workplace health and safety, creating an environment of safety, raising awareness of risks, and encouraging ethical conduct among all employees.

## *Formed by nature*

A business that is recognized for producing successful performance while preserving the ecosystem and the environment

The set of values that define Oleago's history and evolution is summed up in the phrase "formed by Nature" which is transformed practically every day into the pursuit of productions that use sustainable materials to deliver high-quality results while also respecting the environment and ecosystem.

The achievement of low environmental impact productions through research, latest technologies, and techniques for the implementation of green core materials with the highest percentages of biomass available on the market is the ultimate goal that unites the set of business objectives, coinciding with the company's mission.

Aiming to have the greatest possible good impact on society, people, and the environment in the upcoming years is a goal that the company set for itself in response to the increasing importance of sustainability and the conditions in the world.

To use research, technology, and creative methods to implement green core materials with the maximum marketable percentages of biomass in order to make goods with low environmental impact.



## 1.5 Certifications

The company has implemented an integrated management system, which is an organizational tool for monitoring issues connected to the quality of its performance, interactions with the environment, and occupational health and safety, to ensure the ongoing drive towards progress. The system is certified to ISO9001, ISO14001, and ISO45001 standards.

In order to minimize environmental hazards, the company uses an LCA (Life Cycle Assessment) approach, which is a method used to determine, report, and manage the environmental impacts at different stages of a product's lifecycle, beginning with acquiring raw materials used to produce a product or service. This includes manufacturing, shipping, consumer use, and after-use waste.

As Oleago, we prefer textile products with GRS certification. We are also in the GRS and RCS certification process within our own product. The GRS certification confirms that the fabric's recycled polyester comes from post-consumer recoveries, ensures the use of recycled materials, provides full manufacturing chain traceability, and places restrictions on the use of chemical products. In this regard, the corporation claims that some articles have more than 90% biobased content.

### Awards

Oleago earned the prize for Startup of the year at the Sustainable Business Awards in 2021.

And became the first Turkish company to receive the V-Label Award.



PETA's (People for the ethical treatment of animals) aim is to stop animal suffering. Having a 'PETA-approved Vegan' logo is a guarantee.



USDA (United States Department of Agricultural BIO preferred help promote agricultural production and natural resource preservation through conversation and restored forests.



ISO 9001 is the international standard that provides the prerequisites for a quality management system (QMS).



ISO 14001 outlines the requirements for an environmental management system that a company can use to improve its environmental performance.



ISO 45001 is an international standard created by government-independent national and international standards bodies for occupational health and safety.



The ISO 10002 Customer Satisfaction Management System is a management strategy that enables the organisation to build and cultivate more profitable and long-lasting connections with its prospective customers.



Through the construction of an energy management system, ISO 50001 standard provides a practical method for businesses across all industries to reduce energy use.



It provides guidance to individuals who recognise that respect for society and the environment is essential to their success.

## 1.6 Oleatex materials

Due to Oleago's dedication to environmental sustainability and integrated use of an eco-friendly strategy, a new product line was able to be launched, expressing the company's desire to forge ahead with technological innovation and circular production methods.

We have created 5 different types of Oleatex so far for you to use in different applications demanding material quality; such as clothing, bags & wallets, shoes, labels, and book bindings.

In addition to all these, we designed Oleatex to make all feel good not only with its quality but also by supporting 11 of the 17 Sustainable Development Goals.

With our end-to-end approach, we support nature, agriculture, and other industries, making our environmental benefits two-fold:

We disrupt the olive industry cycle by taking their waste product and feeding it back into the manufacturing cycle.

Oleatex offsets the carbon emission of the leather industry and cuts down on genuine and synthetic leather use - which in return cuts down on the use of harmful chemicals and materials.

Oleatex benefits are bifold. From olive industry perspective, we close the loop by up cycling their industrial waste which has no food value and any using area in any industry. And from fashion and textile perspective, we provide maximum use of renewable resources for the fashion world, lowering carbon footprints and helping brands to comply with the regulations.

*A strategy in the name of sustainability*

## 2 Business model and sustainability

## Oleago's strategic goals

The company is building its future on three principles: a focus on the circularity of production processes, the development of low environmental impact materials, and the identification of a strategy. In order to meet the requirements of the present generation without compromising those of future ones, the drive for innovation is translated every day into the execution of a business model in line with the principles of environmental and social-economic responsibility.

The other characteristics of an effective corporate, cultural, and organizational business change are the expanding shift toward premium markets and the acceleration of the digitization process. The organization intends to establish effective procedures that will increasingly rely on digital technology as part of a global strategy aimed at enhancing its commercial front focused on sustainability, innovation, and product/service quality. As of Covid19, the company plans to move forward with these plans more quickly in an effort to target high-end consumers that are particularly drawn to its products.

## Strategic Goals

- 1 Expansion of the production of Oleatex line
- 2 Digitization of processes to make them more efficient, innovative, and sustainable
- 3 Being a democratic brand

*A shared commitment to a common goal*

### 3 Relationship with stakeholders

For company governance based on social responsibility, being able to recognize the interests of many stakeholders is crucial. A conscious and correct study of the reference context is necessary to fully comprehend both the internal and external environments. Oleago's business strategies are the outcome of an ongoing conversation with stakeholders and careful attention to their unique demands because of this.

### Stakeholders map

➔ Suppliers ➔ clients ➔ environment ➔ territory

- Development of ethical governance based on sustainability
- Search for economic and financial sustainability
- Fair remuneration
- Search for stability in the workplace
- Transparent communication in the workplace
- Training courses and career developments
- Promoting corporate identity and values
- Search for maximum health and safety in the workplace
- Safety of marketed products
- Commercial proposals for eco-sustainable products
- Management and increase in customer satisfaction
- Search for innovative products
- Commercial correctness
- Collaboration in the R&D activities to achieve better environmental products performance
- Selection of suppliers based on their characteristics related to environmental sustainability
- Sustainable management of production of raw materials (solvent)
- Waste management in compliance with the law and corporate sustainability
- Production and efficient use of electricity
- Reduction of CO2 emissions
- Use of renewable raw materials with biological or natural components to respect animals

*The crowning achievement of a new idea of  
future*

## 4 Performance and future outlook

## 4.1 Relations with customers

Democratic brands and sustainability for everybody is the major goal for Oleago, and it is always conscious of material sustainability features. Oleago gives managing its interactions with clients a significant amount of thought. Our aim is to establish enduring relationships with clients, and there are numerous applications for CRM (Customer Relationship Management). Oleago's approach is therefore built on looking for suppliers who will eventually become partners. All efforts to find raw materials from sustainable supply chains, expand into new markets and regions, as well as to adopt new communication strategies, and promote sustainability for the benefit of customers, are driven by the constant pursuit of improvement.

Activities such as on below help to cultivate a positive and engagement-based relationship with the customer:

- conducting a dedicated meeting with clients
- information initiative
- multi-thematic working groups present alongside clients and suppliers
- Planning for different guided groups

The company places a high priority on educating and training customers about responsible consumption. Various strategies are applied, including the publication of articles and material, discussions with sales agents, and B2B meetings with clients.

In order to increase product quality and customer service, Oleago promotes meetings with customers and suppliers to discuss product development. These meetings are aimed at understanding the precise requests customers make in order to enhance the creation of new customized products. After that, the laboratory receives this information for use. Customer care aims to increase client pleasure and loyalty.

In order to ensure rapid responses through swift and high-quality service, Oleago uses a well-framed sales network for both promotional activities and the discovery and implementation of offers aimed at the client. This increases long-term customer satisfaction. R&D efforts are developed based on customer requirements to provide customization. Choosing an Oleago product that can be adjusted to satisfy any new specifications typically starts off this process.

When it comes to presenting innovative products, which clients are more interested in and curious about than traditional ones, the company is especially active when it comes to site-guided inspections. Oleago places a high priority on control management in order to provide accurate and transparent information regarding product safety and integrity.

It is possible to track any abnormalities and production discrepancies that are daily communicated to the entire technical team through a continuous procedure in order to have an immediate vision and activate the team's problem-solving approach.



## 4.2 Relations with suppliers

When identifying and choosing suppliers, Oleago is dedicated every day to the search for sustainable materials as well as to the choice of innovative products with every high-performance and technical feature, following the quality management system process. Procurement policies and the relationship with suppliers play a crucial role in the outcome that Oleago seeks.

The presence of a significant number of suppliers assumes strategic importance and loyalty after a year of partnership, confirming the desire for long-term and consolidated partnerships with all suppliers. It is important to look for the main cause of this high supplier loyalty rate, especially in the implementation of fair information policies and the adoption of transparent communication. There are many meetings with suppliers. Invitations for interviews and video calls are made in an effort to achieve the greatest possible cooperation.

In order to provide a completed product with the optimum environmental performance, Oleago intends to maintain effective selection standards and enhance its procurement procedures with current suppliers in the upcoming years.

## 4.3 Relations with staff

In order to improve skills and support the culture of change by pursuing customer satisfaction, Oleago believes that employees' professional development within a supportive work environment is a necessary condition.

The organization that adopted ISO45001 certification as a particular management system for all of its workplaces has consistently placed occupational health and safety at the top of its priorities list.