

# SUSTAINABILITY

## REPORT 2021



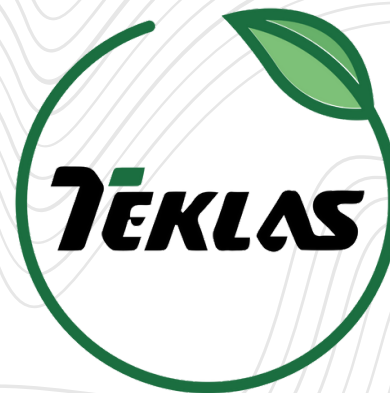
# ABOUT THE REPORT

102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56

*Teklas incorporates sustainability strategy into its business model and reports to its stakeholders on annual performance in terms of environment, social, and corporate governance.*

*We share our contributions to the 2015 United Nations-approved 2030 Agenda for Sustainable Development in this report. This report has been prepared in accordance with the GRI Standards: Core option.*

*With the materiality analysis, we identified 8 ultra-high priorities, 9 high priorities, and 10 moderate priorities in total of 27 topics. We categorized the relevant topics under the environmental, social, and governance sections and gave detailed explanations about them.*



*In line with our sustainability strategy, we publish our short-term, mid-term, and long-term targets in the 2021 Teklas Sustainability Report first time. We continue to work to have our report verified by independent auditors.*

*The content of the 2021 Teklas Sustainability Report covers all activities of Teklas between 1 January – 31 December 2021.*

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ABOUT US



# ABOUT TEKLAS

102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7

*Teklas was founded in 1971 as a world brand with 100% Turkish capital in Istanbul; it has been serving the Automotive Industry for 50 years. Teklas is the most powerful supplier of the world's most important vehicle manufacturers with 12 production plants and nearly 7,000 employees in 8 different countries. Teklas exports 90% of its production, developing high value-added and innovative systems for more than 35 different country markets and also transferring technology.*



## **Teklas Corporate Vision**

*Becoming the world leader in every area in which we operate with a focus on highly engineered products, created with sustainability in mind.*

# ABOUT TEKLAS

We comply with the 10 principles of the United Nations (UN) Global Compact and consider United Nations Sustainable Development Goals in our sustainability journey, which we embarked on with the aim of leaving a better future for next generations.



**"We are  
committed to  
being the best  
we can be."**

## **Human Rights**

*Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.*

*Principle 2: Make sure that they are not complicit in human rights abuses.*

## **Labor**

*Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.*

*Principle 4: Eliminate all forms of forced and compulsory labor.*

*Principle 5: Effectively eliminate the abolition of child labor.*

*Principle 6: The elimination of discrimination in respect of employment and occupation.*

## **Environment**

*Principle 7: Businesses should support a precautionary approach to environmental challenges.*

*Principle 8: Undertake initiatives to promote greater environmental responsibility.*

*Principle 9: Encourage the development and diffusion of environmentally friendly technologies.*

## **Anti-Corruption**

*Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.*

# ABOUT TEKLAS

## We consider ourselves as a Global Player in Automotive Business



Teklas designs, develops and manufactures **Fluid Circulation Systems for cooling and heating applications** for the Automotive Industry



Teklas is a Global Supplier manufacturing in **12 Production plants in 8 different countries**



**Innovative solutions for thermal management** of ICE; XEV and BEV applications including heating and cooling lines; air conditioning lines; charge air lines



**End-to-end solution provider** including Quick Couplings; assemblies of Rubber Hoses; Thermoplastic Lines, TPV Lines, Metal Pipes and Water Injected Complex Parts

Teklas is a 100% Private Company

While celebrating its 50th anniversary, Teklas, renewed its vision and values with a sustainable perspective.

The Company, 50-year vision of which now employs nearly 7,000 employees globally, expresses its renewed vision as follows:

“Our driving purpose is to become the world leader in every area which we operate in a focus on highly engineered products, that are created with sustainability in mind. We will adapt quickly to changing technology and work to improve the life conditions of our employees

and their communities.” and Teklas continues to be the world leader in every field, in which it operates, sticking to the values of "Commitment, Integrity, Hard Work, Innovation, and Long-Term Vision".

The future seems greener and brighter, as we proceed to better both our products and ecosystems.



102-2, 102-4 102-6, 102-7, 102-10



# ABOUT TEKLAS

102-2, 102-3, 102-4, 102-6, 102-7, 102-8

## Our Plants

### SERBIA (SRB)

#### Vladicin Han / Serbia ● ●

- Cooling / Heating Lines
- Electric & Hybrid Engine Lines

Covered Area : 26,395 sqm  
1281 employees  
Women Employee Rate: 49.0%

#### Vranje / Serbia ●

- Cooling / Heating Lines
- Electric & Hybrid Engine Lines

Covered Area : 19,336 sqm  
166 employees  
Women Employee Rate: 70.0%

### USA

#### Georgia / USA ● ●

- Cooling / Heating Lines
- Electric & Hybrid Engine Lines

Covered Area : 9,940 sqm  
102 employees  
Women Employee Rate: 36.3%

### MEXICO (MX)

#### Aguascalientes / Mexico ● ●

- Cooling / Heating Lines
- Electric & Hybrid Engine Lines

Covered Area : 10,965 sqm  
381 employees  
Women Employee Rate: 43.0%

### CHINA (CN)

#### Changxing / China ●

- Cooling / Heating Lines
- Air Lines

Covered Area : 17,120 sqm  
532 employees  
Women Employee Rate: 60.3%

### BULGARIA (BG)

#### Krumovgrad / Bulgaria ●

- Electric & Hybrid Engine Lines

Covered Area : 1,800 sqm  
239 employees  
Women Employee Rate: 62.3%

#### Kardzali / Bulgaria ● ● ●

- R&D Center
- Rubber Compounding
- Cooling / Heating Lines
- Air Lines

Covered Area : 40,136 sqm  
2183 employees  
Women Employee Rate: 44.9%

#### Vratsa / Bulgaria ●

- Cooling / Heating lines
- Electric & Hybrid Engine Lines

Covered Area : 8,000 sqm  
254 employees  
Women Employee Rate: 61.8%

### TÜRKİYE (TR)

#### Muallimköy ● ● ●

- R&D Center
- AC Hose
- Brake Hose Lines
- Air Lines

Covered Area : 8,372 sqm  
286 employees  
Women Employee Rate: 10.8%

#### GOSB-1 ● ●

- Metal Pipe Production

Covered Area : 5,611 sqm  
376 employees  
Women Employee Rate: 25.0%

#### GOSB-2 ●

- Rubber Compounds

Covered Area : 7,350 sqm  
106 employees  
Women Employee Rate: 5.7%

### TÜRKİYE (BARTIN) ●

- Cooling / Heating Lines

Covered Area : 10,882 sqm  
983 employees  
Women Employee Rate: 9.8%



Head Quarter



Metal Pipes



Production Plant



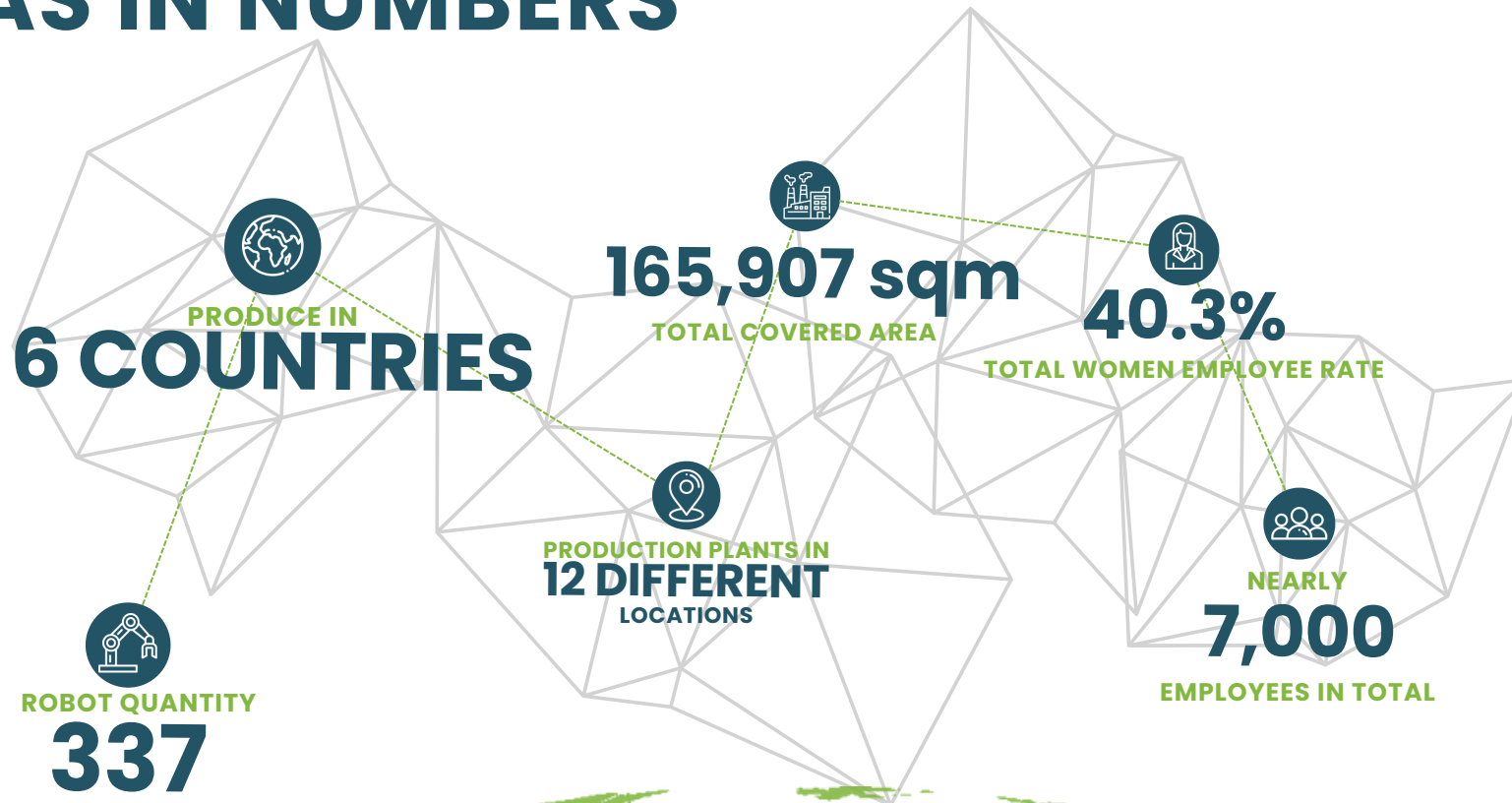
R&amp;D Center



Mixing Plant

# TEKLAS IN NUMBERS

102-4, 102-6, 102-7



# TEKLAS IN NUMBERS

102-7, 102-45

## Our Key Financial Indicators

*Between the years 2020 and 2021:*



**138<sup>th</sup>**  
in Fortune 500  
Turkey ranking

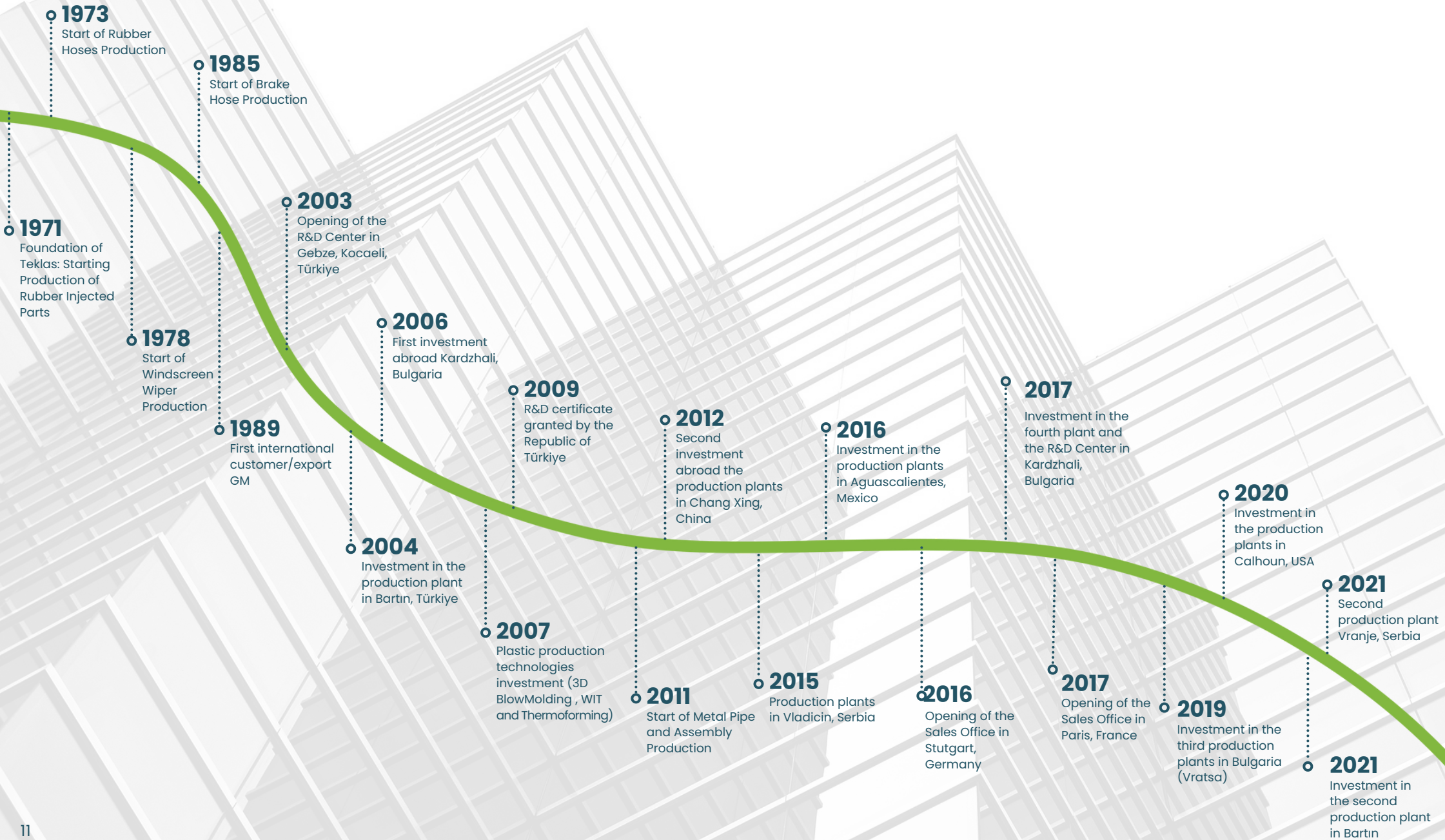
**12.6%**  
EBITDA growth\*

**11.7%**  
net sales growth

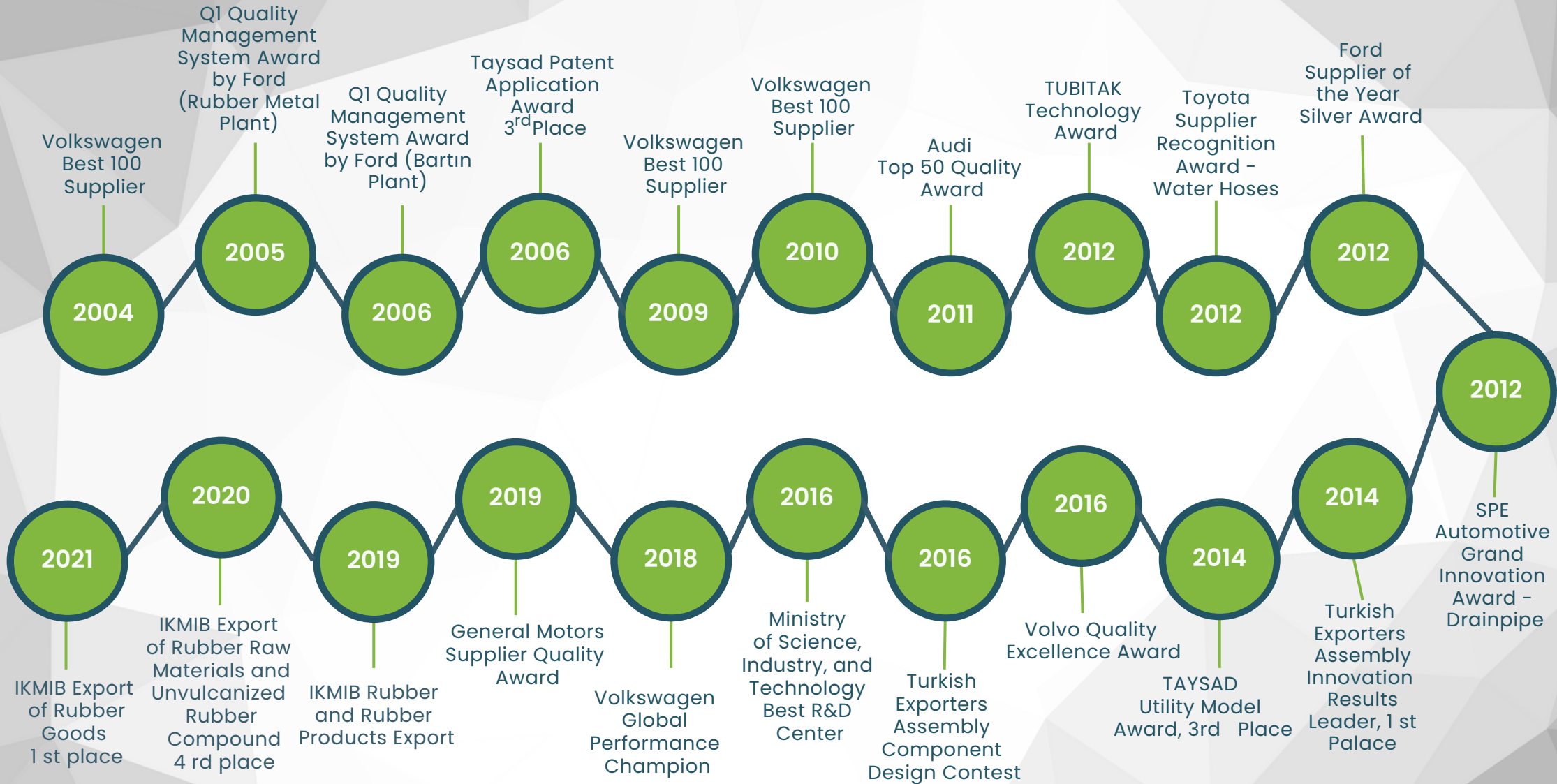
\*EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization

# TEKLAS MILESTONES

102-1, 102-4, 102-5, 102-6, 102-10



# OUR AWARDS



# SENIOR DECISION MAKER MESSAGE

102-14

I would like to start my words with remarking how honorary for us to publish a report that built on robust strategic pillars that provided clear structure, showing how targets mapped to address respective Environmental, Social, and Corporate Governance (ESG) issues and demonstrating the Board's involvement in sustainability governance.

As the effects of COVID-19 diminish day by day, the fight against uncertainty has become our new normal. While epidemics and disasters deeply affect humanity and the climate, the economy has not remained insensitive to this. The business world and dynamics were shaken to the core, and order was re-established in places.

As Teklas, which has reached full globality in our 50th year, I am proud to say that we have overcome this shocking crisis by getting stronger. Of course, this picture was made possible by our 50-year long history and the dedication of our employees. As Teklas Family, we have overcome the most troubled days together with the spirit of solidarity, endless devotion, and discipline we have shown in crises.

As Teklas, we renewed our vision in 2021, when we completed our fiftieth year as "To become the world leader in every area in which we operate with a focus on highly engineered products, created with sustainability in mind.". As we enter our new half century, we act with a sustainable common mind to our vision of becoming a world leader in the field we do business with our high technology and excellence in engineering.

On this path, we never give up our values, as we have done for 50 years. The commitment we show on the way to our goal for Teklas is indispensable for us. We are committed to being the best we can be. We constantly look to improve ourselves and our service, cultivating our knowledge, skill, and attitude to achieve excellence. Another value that is as important as commitment is, integrity. We earn trust by living up to our commitments and make decisions that are in the best interest of our company, clients, and employees. As Teklas, we are open to ideas that challenge the conventional views and drive innovation.



We believe that to stay relevant we must constantly improve with society's changing needs. Defining a strategic long-term vision that supports Teklas and our stakeholders towards common sustainable development goals. Finally, we always derive our strength from hard work. We promise to always put 100% into everything that we do for our work. We are committed to producing the highest quality, so we are always prepared to put in the extra effort required to make us the leader in the arena.

As Teklas, we have enriched the bottom of our Flow to Future employer brand, which is our door to the outside world, with sustainability in our employee communication. Our Employee Value Proposition nourished by 4 core values: Workforce, Ecosystem, Communication, Business.

We believe that the key to success in a properly targeted business model is based on the right talent and leader. Once you've found the right person, retention is possible with healthy communication.

The right person and healthy communication give birth to a sustainable ecosystem. This means sustainable business and of course sustainable Teklas. We do not give up these 4 core values when determining strategies in crisis management, investment priorities or in the fiction of any process in which we go to restructuring.

ESG is a system to facilitate the sustainability of Teklas in three specific areas: environment, social and governance. In the route of sustainable production, we divided our ESG dimensions as accountable management, responsible citizenship and saving resources.

These dimensions are used as framework to advance sustainability.

Focal point for environment for us is saving resources with calculating our global footprint and maintaining circular economy. We are aware that Occupational Health and Safety (OHS), hearing the employee and our community is the most important elements for social side. We ensure our accountability with the principles of transparency, ethical management, and sustainable finance. These accomplishments ginger up our enthusiasm and assert us even further in our goals. We always focus on long-term targets. Our goal is to ensure a sustainable workforce, ecosystem, communication, and business to the future while remaining competitive in business terms. I would like to thank all our stakeholders for their support, and our committed teams for their hard work and commitment.

It is an exclusive right to get to pursue our passion of creating a robust world by producing responsible align with 12th SDG of UN. With our goals leading our deciding for the long term and our products helping create a better world, we are confident that our mutual accomplishments will be effective and long-lived.



# PRODUCT GROUPS

102-2, 102-4



Rubber Hoses



WIT-PIT Tubes & Assemblies



## ICE

### Applications

Hoses/pipes that provide fluid transfer between the cooling/heating system and engine elements in internal combustion engines.

We have been going ahead of the ever-evolving technology in the production constructions for OEMs, as well as rubber and metal solutions, and water injection technology (WIT) to reduce the weight of vehicles and boost the recycling rate.



Metal Tubes & Assemblies



Thermoforming

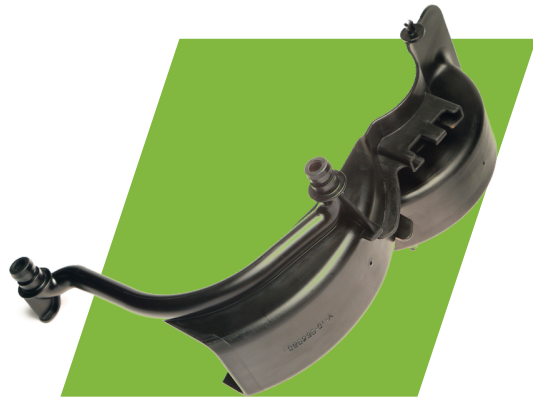


# PRODUCT GROUPS

102-2, 102-4



Rubber Hoses



WIT-PIT Tubes & Assemblies



## XEV

### Applications

Hoses/pipes that provide fluid transfer between the cooling system and battery/engine elements that work to reduce the high temperature that may occur during fast charging/discharging in electric vehicles (EV, BEV, PHEV etc.).



Corrugated Thermofforming Tubes



Thermofforming

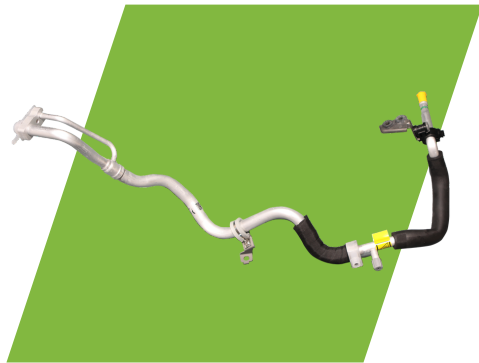


# PRODUCT GROUPS

102-2, 102-4



Discharge Lines

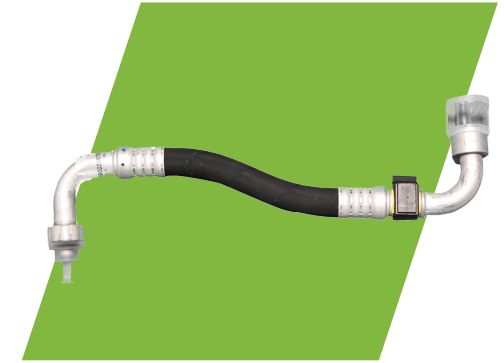


IHX Lines

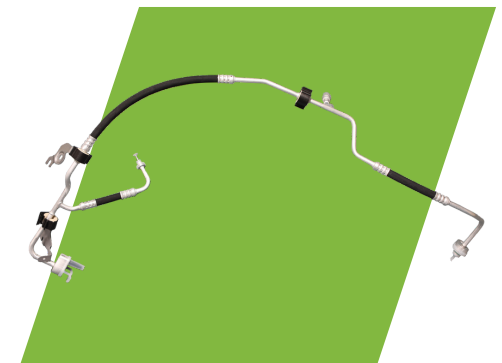


## AC Lines

Hoses / pipes that transmit refrigerant and oil between the compressor, the condenser, and the evaporator to provide the necessary cold air for the cabin cooling system in both ICE and BEV vehicles.



Suction Lines



Liquid Lines



# OUR FUTURE STRATEGIES

102-15, 103-2, 203-1

We determine your future strategies through the strength we get from your 50 years of experience. We support being the best, producing the highest quality, innovation and continuous improvement.



Investing more on **Robotic Technologies** throughout all Teklas plants to increase **quality** and **competitive** advantage



**Capacity increase and product range expansion** for the ASIA market through investments in the existing plant in Changing / China



R&D studies as well as compounding of in-house production of engineering plastics in order to come up with tailor-made products for our customers



R&D studies on thermoplastics & TPV materials aimed at **reducing weight and cost of passenger vehicles**



**Green Energy Investments** for Bulgaria and Bartın Plants



**Growth in the product range through the introduction of AC Lines**

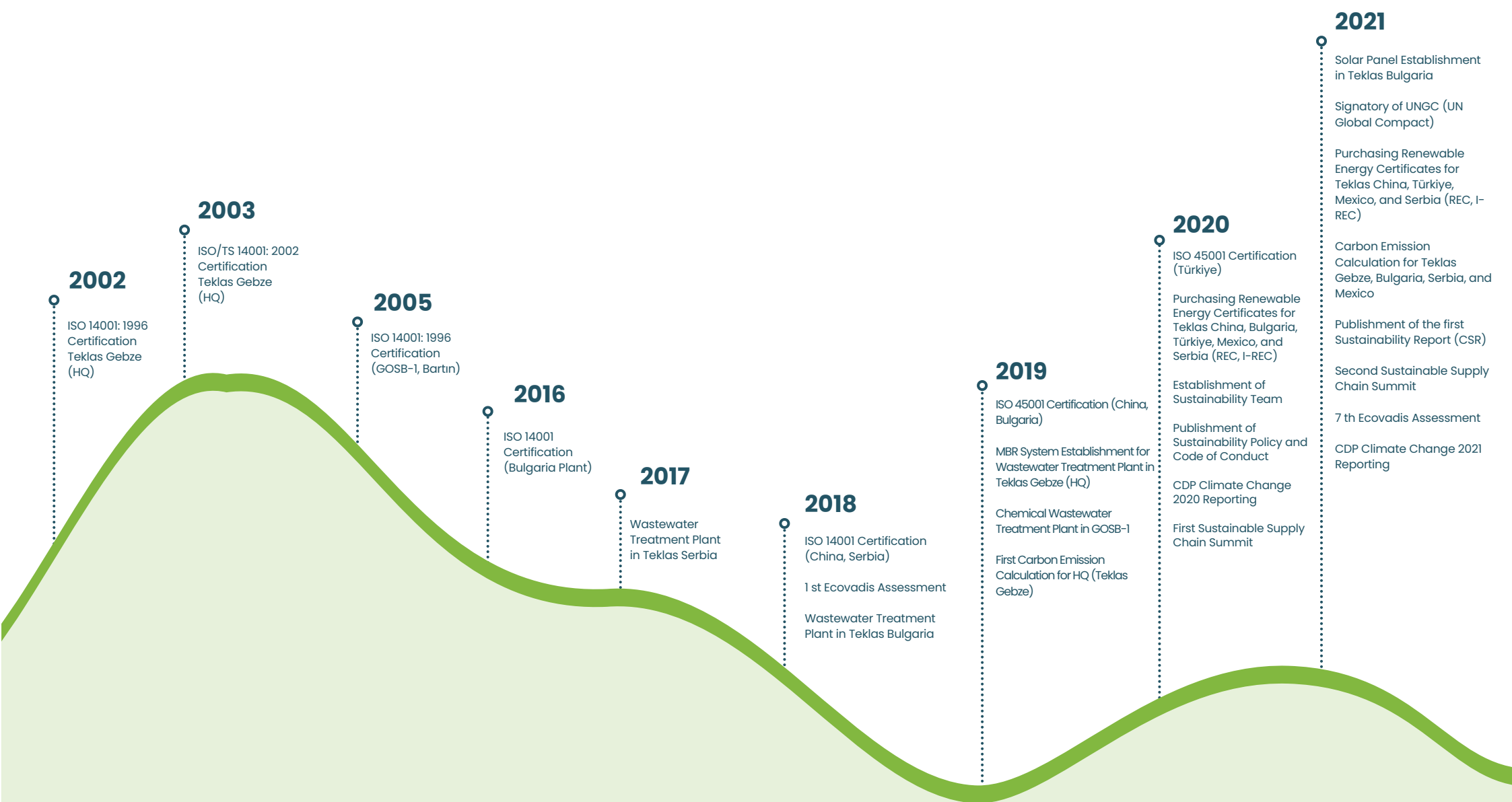


**Increase capacity in Europe**



**Increase capacity in Bartın**

# OUR SUSTAINABILITY MILESTONES



**2002**

ISO 14001: 1996 Certification Teklas Gebze (HQ)

**2003**

ISO/TS 14001: 2002 Certification Teklas Gebze (HQ)

**2005**

ISO 14001: 1996 Certification (GOSB-1, Bartın)

**2016**

ISO 14001 Certification (Bulgaria Plant)

**2017**

Wastewater Treatment Plant in Teklas Serbia

**2018**

ISO 14001 Certification (China, Serbia)  
1st Ecovadis Assessment  
Wastewater Treatment Plant in Teklas Bulgaria

**2019**

ISO 45001 Certification (China, Bulgaria)  
MBR System Establishment for Wastewater Treatment Plant in Teklas Gebze (HQ)  
Chemical Wastewater Treatment Plant in GOSB-1  
First Carbon Emission Calculation for HQ (Teklas Gebze)

**2020**

ISO 45001 Certification (Türkiye)  
Purchasing Renewable Energy Certificates for Teklas China, Bulgaria, Türkiye, Mexico, and Serbia (REC, I-REC)  
Establishment of Sustainability Team  
Publication of Sustainability Policy and Code of Conduct  
CDP Climate Change 2020 Reporting  
First Sustainable Supply Chain Summit

**2021**

Solar Panel Establishment in Teklas Bulgaria  
Signatory of UNGC (UN Global Compact)  
Purchasing Renewable Energy Certificates for Teklas China, Türkiye, Mexico, and Serbia (REC, I-REC)  
Carbon Emission Calculation for Teklas Gebze, Bulgaria, Serbia, and Mexico  
Publication of the first Sustainability Report (CSR)  
Second Sustainable Supply Chain Summit  
7th Ecovadis Assessment  
CDP Climate Change 2021 Reporting

# OUR BUSSINESS PARTNERS

We give priority to the application of Teklas' principles and standards in environmental, social, and governance areas throughout the value chain. We utilize an inclusive business model that aims to improve performances and developments of all suppliers in terms of sustainability. With these approaches, we audit our suppliers on a regular basis and perform studies in order to render a traceable supply chain.

In this context, we value our business partners and collaborate with them about sustainability topics.



Organization/Association/ Institution/NGOs	Our Activities
<b>Sofia Technical University–Plovdiv Branch</b>	Introducing our company at the University's "Career Day" event, with the goal of attracting young talents (first as interns, then as permanent employees), by informing them about our company's activities.
<b>Kircaali Electrical/Electronics High School</b>	Providing job opportunities for the young population living in the neighbourhood of our plants.
<b>EcoBulpack</b>	Recycling our packaging waste with the company.
<b>MARKO IKOM</b>	Secondary raw material recycling agreement.
<b>Envico</b>	Receiving consultancy in the environmental protection field.
<b>Georgia Northwestern Technical College</b>	Assisting with internships, apprentices, and job fairs at the college.
<b>EBI</b>	Conducting background check studies.
<b>Middle East Technical University (METU)</b>	Participation in Student Career Activities.
<b>Bartın University</b>	English trainings for Teklas employees.
<b>YenidenBiz Flex</b>	Receiving consultancy services to employ experts in the sector.



# OUR MEMBERSHIPS



At Teklas, we have been designing, developing, and manufacturing fluid systems for heating & cooling lines for the global automotive industry all over the world with an integrated, innovative, and customer-oriented approach for 50 years. As one of the world's leading manufacturers, we are a member of the leading non-governmental organizations operating in the fields of trade, exports, and automotive industry.

We actively participate in the activities of these organizations, where we share our opinions and sectoral experiences. We also contribute to the preparation of policies, regulations, and informative documents by relevant industry associations and groups. Teklas works with its international stakeholders through memberships to successful organizations in countries in its operations in, including Türkiye, Bulgaria, Serbia, Mexico, USA, and China.



A grayscale photograph of an industrial robotic arm in a factory. The arm is white and positioned over a workbench. In the background, there is a metal safety cage and other industrial equipment. A large, semi-transparent teal circle is overlaid in the center of the image, containing the number '2' and the text 'OUR SUSTAINABILITY STRATEGY'.

# 2

OUR SUSTAINABILITY  
STRATEGY

# SUSTAINABILITY VISION

102-16

## OUR SUSTAINABILITY VISION

To become the most sustainable player in the communities that we operate in and inspiring them to be part of an upcycling future.





# OUR VALUES

## COMMITMENT

*We strive to continuously improve ourselves and our service by improving our knowledge, skills, and attitude to achieve excellence.*

## INTEGRITY

*We earn trust by fulfilling our commitments. We take the decisions in the best interests of our company and our stakeholders.*

## HARDWORK

*We are always ready to produce the highest quality product and are committed to make the extra effort necessary for us to be a leader in the industry.*

## INNOVATION

*We welcome ideas that challenge traditional views and encourage innovation. We are constantly evolving in line with the changing needs of society.*

## LONG TERM VISION

*We define a strategic long-term vision that supports the company and its stakeholders towards common sustainable development goals.*



## EQUALITY OF OPPORTUNITY

We strongly oppose discrimination against our employees based on language, race, gender, color, ethnic and national origin, belief, marital status, age, physical disability, and similar reasons. All our processes, especially hiring, are grounded on this mindset and involve making decisions regardless of any such differences. We believe that people with different cultures and experiences in the workforce will increase creativity and bring in new perspectives. Thus, we can better understand our customer network growing on a global scale, communicate with them more easily, and accordingly meet their demands more effectively.

In our offices and plants located in different parts of the world, we employ people from 13 different nationalities and various cultures and more than 50 disabled people. In addition, we support women employment in the male-dominated automotive sector with more than 35 women leader, one woman executive committee member, and an overall 40% women employee rate. As a company, we are very aware of our responsibility for the global empowerment of women in line with the UN SDGs.

**"In our Bulgaria plant, women operators started to work in autoclaves for the first time."**

# MATERIALITY ANALYSIS

102-21, 102-29, 102-47, 103-1, 103-2, 103-3

## Ultra-High Material Topics

- *Energy Consumption*
- *Emission Reduction*
- *Recycling*
- *Customer Satisfaction*
- *Human Rights*
- *Women Empowerment*
- *Being Honest and Accountable*
- *Waste Management*

## High Material Topics

- *Customer Complaint Reduction*
- *Supplier Sustainable Risk Management*
- *Water Consumption*
- *Corporate Governance*
- *Employee Satisfaction*
- *Occupational Health and Safety*
- *Defective Parts Reduction*
- *Talent Acquisition*
- *Employee Training & Development*

## Moderate Material Topics

- *Fighting Against Climate Change*
- *Environment-Friendly Products*
- *Succession Management*
- *Stakeholder Dialog*
- *Diversity*
- *Human Rights in Supply Chain*
- *Ethical and Transparent Management*
- *Organizational Development*
- *Innovation*
- *Sustainable Supply Chain Management*

As the main part of our Corporate Sustainability Strategy, we aim to meet the expectations of our employees and stakeholders within the scope of sustainability through a materiality study. To ensure fair participation, we considered the opinions of all participants gathered by an anonymous survey. Thus, we determined our priority issues in line with the United Nations Sustainable Development Goals, opinions of our stakeholders, and industry trends.

## MATERIAL TOPICS

We have created our Teklas sustainability strategy and sustainability targets under the the ultra-high, high, and moderate material topics that we determined in the materiality matrix.

As a result of the materiality analysis, we identified 27 material topics, 8 of which are ultra-high material, 9 of which are high material, and 10 of which are moderate material.

# MATERIALITY MATRIX

102-21, 102-29, 102-47, 103-1, 103-2, 103-3

impact on stakeholder



impact on Teklas

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The materiality matrix was created as two main axes with the horizontal axis showing the effect of the issues on Teklas, and the vertical axis the effect on its stakeholders. Impact on stakeholders' issues were determined via survey. Conducting a materiality analysis is an important and fundamental step in developing a sustainability strategy and setting goals for Teklas.

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102-15, 102-16, 103-1, 103-2, 103-3

# OUR SUSTAINABILITY STRATEGY

*We produce more than 600 thousand products every day in 12 different locations in 6 countries.*

Caring about the legacy we will leave to future generations and with the awareness of responsible production at every step, **we fired the green journey!** We define the green journey as “thinking before producing and consuming, recycling after consuming, and knowing the value of the energy and resources we use”. We are committed to reconsidering all our processes with a modest approach in line with the objective of producing sustainable and quality products with minimum energy possible. By this way, we target to leave behind a world that is developed substantially but sustainably.



We accompany people's journeys, while we work hard to carry automotive technology forward with high-quality products reflecting our 50 years of experience and the sincere devotion of each of our employees. We strive to fulfill our responsibilities with the objective of contributing to the UN Sustainable Development Goals. During our work, we attach utmost importance to promoting sustainable management for all our internal and external stakeholders, i.e. employees, customers, and suppliers.

Sustainable development involves three dimensions: Environmental, Social, and Governance. With our responsible production mindset built on the accumulated effort of 50 years, we choose to focus on the environment dimension of sustainable development. Eventually, our environment-oriented projects not only affect other dimensions but also all three dimensions of sustainable development are already intersecting with each other due to the nature of the concept.



102-15, 102-16, 103-1, 103-2, 103-3

# OUR SUSTAINABILITY STRATEGY



After defining the focus, the question was about how we may integrate this focus to our company as a mindset, a strategy and moreover transform it to a culture? The answer was easy: Flash at what existed. In this manner, we looked at what was existing in our company culture in every sense. Then, to be able to get a clearer picture, we set the following 3 subgoals: **Lean Management**, **Protecting Resources**, and **Raising Awareness**. During the past 50 years, the company culture has already circled around the perspective of simplification, which promoted saving time, labor, and resources and therefore eliminating anything that is unnecessary. This approach just needed to be unveiled as part of our sustainability strategy. There was one last thing to do, and that was to raise the related awareness among our employees to make sure that this focus becomes a core part of our company culture. Accordingly, while commencing our green journey, we designed all our projects based on two main principles:

"DON'T USE  
AND DON'T  
POLLUTE!"

*if you must pollute*

"TAKE  
PRECAUTION!"

# OUR SUSTAINABILITY STRATEGY

102-15, 102-16, 103-1, 103-2, 103-3

Within the scope of our sustainability effort, we take remedial actions after evaluating the positive/negative effects of the operations on what we are responsible for through various audits and with the help of Key Performance Indicators (KPIs).

We incessantly follow both national and international standards in accordance with our best quality principle.

We are committed to reviewing our sustainability policy regularly and keeping it up-to-date in consultation with the relevant departments, in order to ensure the coherence of our business activities with the **environmental, social, and governance perspectives.**



# OUR SUSTAINABILITY GOALS

102-15, 102-31, 103-1, 103-2, 103-3

The priority issues we have identified under the environmental, social, and governance headings are as follows:

<b>ENVIRONMENTAL</b>	<b>Short-Term Target</b>	<b>Renewable Energy</b>		Procuring or producing 46% renewable energy Supplying 2.0 MWh of energy of 50,000 Euros per month from solar panels in Bulgaria
		<b>Carbon</b>	SDGs: 7	ISO 14064 Verification of CO2 results by third party for TR plants Analyzing the CO2 results, defining short-long term targets and the budget To measure CO2 Footprint for TR, BG, SRB, MX
		<b>Waste</b>	SDGs: 12	Decreasing the usage of plastic bags ratio %66 Resetting the usage of 172 tons of disposable boxes and 74 tons of wooden pallets by using Kamasan (reusable plastic box)
		<b>Water</b>	6SDGs:	Recycling of wastewater by 25% in Bulgaria
		<b>Environmental Management</b>	SDGs: 4, 15	Decreasing the use of lubricant ratio 25% by 2022 in the vulcanization process Defining environmental impacts at each plant according to ISO 14001 Training of employees to increase awareness of Saving Resources
		<b>Product Life Cycle</b>	SDGs: 9	To define Life Cycle Assessment (LCA)'s policy that includes our approach Life Cycle Analysis for 2 products consist of 6 raw materials in the GPA Project of Volvo
	<b>Mid-Term Target</b>	<b>Renewable Energy</b>	SDGs: 7	To create Renewable Energy Policy Commissioning of additional solar panel investment with a capacity of 2.2 MWh in BG Commissioning of solar panel investment with a capacity of 2 MWh in BRT To set up Energy Management System in TR plants
		<b>Carbon</b>		Analyzing the CO2 results, defining short-long term targets and the budget
		<b>Waste</b>	SDGs: 12	Creating a reuse/recycle policy for plastic, rubber, metallic materials
		<b>Water</b>	SDGs: 6	To set up Water Efficiency System
		<b>Renewable Energy</b>		Procuring or producing 92% renewable energy
	<b>Long-Term Target</b>	<b>Carbon</b>	SDGs: 7	To measure CO2 Footprint for US and CN ISO 14064 Verification of CO2 results by third party for US and CN
		<b>Energy Management</b>		To set up Energy Management System in all plants
		<b>Water</b>	SDGs: 6	Recycling of wastewater by 25% in all plants
		<b>Environmental Management</b>	SDGs: 12	Decreasing the use of lubricant ratio 30% by 2025 in the vulcanization process To conduct RD studies to develop eco-friendly product



# OUR SUSTAINABILITY GOALS

102-15, 102-31, 103-1, 103-2, 103-3

SOCIAL	Short-Term Targets	Occupational Health and Safety	SDGs: 3	Establishing and execute an OHS committee at each Teklas Plants Taking measures against probable occupational diseases	
		Human Resources	SDGs: 9	Creating communication channels that employees can easily access in all plant Assigning a responsible who regularly manages the suggestion system, wish-complaint boxes, and ethics hotline channels Addressing the feedbacks coming from the Wish-Complaint boxes	
		Stakeholder Engagement	SDGs: 17	Defining external communication channels	
	Mid-Term Targets	Human Resources	SDGs: 11, 17	Involving the employee in decision mechanisms by townhall meetings, open door invitations, skip level get together, ItoI meeting Deploying a structured CSR project with NGO of preference	
		Stakeholder Engagement	SDGs: 17	Management of stakeholders expectations (customer survey, employee satisfaction survey, ESG suveys for supplier)	
	Long-Term Targets	Occupational Health and Safety	SDGs: 3	Training our all stakeholders about OHS processes of our company	
		Human Resources	SDGs: 5, 16	Setting objectives for women in management and hiring Creating a system to reward the employees who add value	
	GOVERNANCE	Short-Term Targets	Coorporate Governave	SDGs: 4, 16	Including Ethics topics in onboarding and regular training programs Reviewing our current policies and procedures Organizing Ethics training to all employees regularly and report them
			Reporting / Rating	SDGs: 9, 16	Preparing Sustainability Report with the GRI standards Keeping score of 47% in Ecovadis (and 75% in February)
Mid-Term Targets			Coorporate Governave	SDGs: 12, 17	Reviewing the investment decision making process in terms of ESG Making a benchmark study on Sustainable Finance Practices Expanding our policies to all stakeholders on behalf of transparency Creating nepotism, whistleblowing, anti-corruption and compliance policies
Reporting / Rating		SDGs: 9, 16	Investigating and implementing -if possible- SASB		
Long-Term Targets		Coorporate Governave	SDGs: 16	Outsource the ethics hotline to insure independancy	
		Reporting / Rating	SDGs: 9, 16	Including in sustainability indices (GRI index, DowJones, Science Based Targets etc.)	



A black and white photograph of an industrial factory floor. In the foreground, a white robotic arm is positioned on the left. The background shows various pieces of machinery, including a lathe, and a large metal safety cage. A green circular graphic is overlaid in the center, containing a white number '3'.

3

ENVIRONMENTAL  
SUSTAINABILITY



# ENVIRONMENTAL MANAGEMENT APPROACH



*As Teklas, our vision is to become the world leader in every area in which we operate with a focus on highly engineered products, created with sustainability in mind. To do this, we place a high priority on environmental protection by minimizing our environmental impact in accordance with the UN’s Sustainable Development Goals (SDGs). We ensure sustainable growth in the global market without compromising the principles of unwavering quality, customer-oriented management, innovative technology, and creative power principles.*

We always put the preservation of the environment first by mitigating the environmental impact of our operations through our continuous quality, customer-oriented management, innovative technology, and creative power approaches. Also, In 2021, zero non-conformance incidents were reported regarding customer health and safety. Teklas does not have forest land in its plants in the areas where it operates.

**Our environmental policy has been shaped within the framework of the following headings:**

Energy and Greenhouse Gas  
Water  
Environmental Pollution  
Energy Efficiency

Materials, Chemicals and Waste  
Product Usage and End of Product Life  
Customer Health and Safety  
Production of Environment Friendly Products/Services

We adhere to regional and global environmental management standards systems. In accordance with ISO 14001 requirements, we regularly examine and improve our environmental management system. We present environmental impacts of our business to our valuable stakeholders via Sustainability Report.



# ENVIRONMENTAL MANAGEMENT APPROACH

As Teklas, we have set our targets within the scope of '**protecting the environment, compliance with legal regulations and social responsibility principles**' regarding our Environmental Policy.

*Key points of Teklas Environmental Policy;*

- Fully compliance with legal requirements
- Constant improvement on environmental management system and performance
- Effective natural resource use in a sustainable manner
- Advanced level emergency and environmental risk management
- Supporting energy efficiency with solar energy investments
- I-REC certificates to increase renewable energy electricity usage rate from 46% to 92%
- To constantly inform all our stakeholders, especially our employees, about our goals and activities

- Collaborating with universities in the academic field until 2025 for a clean and healthy environment within the scope of social responsibility
- In order to protect the health of customers and employees with whom we interact directly, to stay within the net zero target in accordance with the Restriction of Hazardous Substances Directive (2002/95/EC) and the Global Automotive Declarable Substance List (GADSL)
- To reduce water use by 37% until 2027 in order to use our water resources effectively
- Increasing the use of bio-based and recycled materials to 10% to produce greener products

*We did not receive any penalty or fine for our operations under the Environmental Law and Associated Regulations in 2021.*



103-1, 103-2, 103-3

# ENVIRONMENTAL MANAGEMENT APPROACH

*Targeting to prevent pollution at its source and to reduce negative environmental effects, we have determined our environmental dimensions, in other words, elements of our activities that interact with the environment.*

## Our Significant Environmental Dimensions:

- Hazardous waste
- Non-hazardous waste
- Packing waste
- Natural resource consumption
- Chemical consumption
- Emission
- Domestic and industrial wastewater

## Our Significant Environmental Impacts:

- Soil pollution
- Water pollution
- Air pollution
- Natural resource consumptions

## Our Environmental Goals and Objectives:

- Reducing rubber product scrap rate
- Reducing plastic scrap rate
- Reducing metal scrap rate
- Reducing slider consumption
- Preventing or at least reducing generation of all kinds of chemical waste (solvent, oil, etc.)
- Reducing natural resource consumption
- Ensuring ISO 14001 effectiveness

8 DECENT WORK AND ECONOMIC GROWTH  
11 SUSTAINABLE CITIES AND COMMUNITIES  
12 RESPONSIBLE CONSUMPTION AND PRODUCTION  
103-1, 103-2, 103-3, 307-1

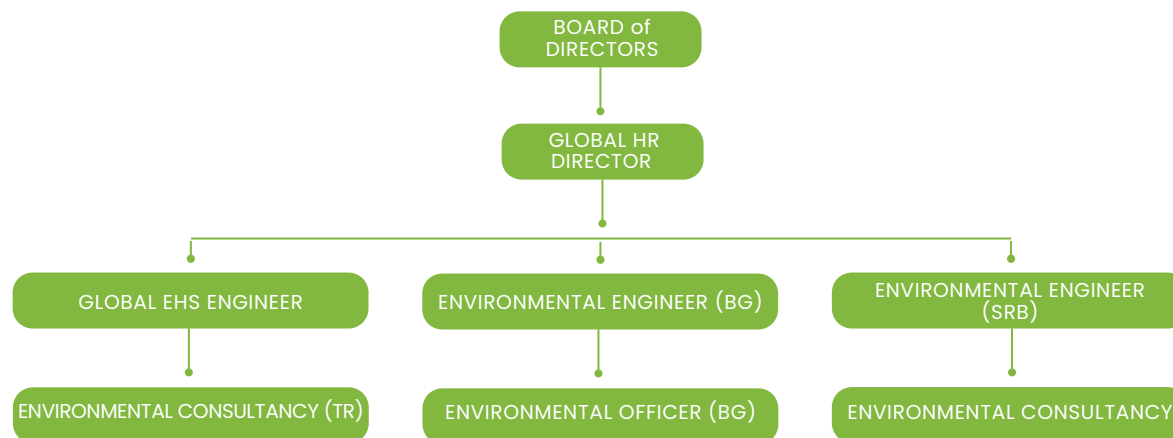
# ENVIRONMENTAL MANAGEMENT APPROACH



## OUR CORPORATE DUTIES, AUTHORITIES AND RESPONSIBILITIES

Duties, responsibilities, and authorities have been defined to ensure that our environmental management system is effective. Our environmental management representative, Gebze HR & Global EHS Manager, is responsible for the establishment, commissioning, implementation, periodic review, continuous improvement, and development of our environmental management system in compliance with the ISO 14001 standard.

Our environmental management representative coordinates with the Environmental Management Unit (Gebze HR & Global EHS Manager, EHS Engineer, Environmental Consultancy Firm) and the relevant production and support departments, while running the environmental management system.



We aim to ensure that intended outputs are achieved by our environmental management system, in a way that undesirable effects are prevented or at least reduced, and areas open to improvement are continuously be identified. In this respect, environmental risks and opportunities have been identified, and all inputs and outputs related to our processes and activities have been evaluated.

EHS: Environment, health and safety

# ENERGY MANAGEMENT



103-1, 103-2, 103-3, 302-1, 302-5

*We aim to ensure the efficient, economical, and sustainable use of energy sources. In this respect, our energy management procedure covers the provisioning, monitoring, controlling, and reducing consumption of resources such as electricity, fuel, and water, at all locations where we operate.*

## Our Energy Management System:

Monitoring, analysis, and reporting of the consumption of natural resources in all our operations are performed monthly by our Maintenance Department. Our electricity, fuel, and water consumption records are tracked electronically. Our electro-meters are controlled daily by our electricians, active/reactive ratios are monitored, and maintenance is provided when it is necessary. Our natural resource consumption, including its material cost together with its share in total turnover, is also followed by an index, calculated as its ratio to the production amount.

The quality of natural resources is determined by the joint efforts of our Human Resources Department and Purchasing Department. In addition to the cost, the efficiency, sustainability, and environmental impacts of natural resources are other factors taken into consideration.

In line with the strategic targets of our company, attempts are made on reducing the natural resources consumption and cost. For this purpose, department targets are set annually, and rates of achievement are tracked. We also schedule the establishment of ISO 50001 Energy Management System at all our locations for 2023.

In cases, where energy usage at plants we operate in Türkiye reaches or surpasses 1,000 TEP, an Energy Notification is made to the General Directorate of Renewable Energy via the ENVER Portal.

In addition, we carry out energy saving efforts in accordance with the Suggestion System and the Quality Circles that can be accessed by all of our employees.

*In our plants, we supply some of our electricity needs from renewable energy sources as verified by our I-REC certificates.*

Renewable energy usage and cost for 2021 is as follows:

Plant	2021 Energy Usage (kwh)	Green Energy	Rate	Amount
<b>Türkiye</b>	23,130,040	23,130,040	100%	11,878 €
<b>Bulgaria</b>	30,994,625	2,000,000	6%	1,534 €
<b>Serbia</b>	6,648,000	3,324,000	50%	665 €
<b>Mexico</b>	1,900,777	1,900,777	100%	3,362 €
<b>Total</b>	<b>67,649,042</b>	<b>28,456,090</b>	<b>42%</b>	<b>17,438 €</b>



103-1, 103-2, 103-3, 102-15, 302-4, 302-5

# ENERGY MANAGEMENT

The targets we have determined on a plant based as part of our 2021 Environmental Goals and Targets, aiming to lessen our natural resource consumption, are given below.

Plant	Target	Planned Activity
<b>Türkiye (Bartın)</b>	Reducing energy consumption per tonne of mix (reducing the fuel/water ratio below 60 kg/ton)	Reducing the losses to the minimum level by regularly monitoring flue gas measurements and having the necessary adjustments made at 6-month intervals (by the authorized company, which carries out boiler maintenance and controls)
		Reviewing autoclave and main steam line insulations
<b>Bulgaria</b>	Lowering Euro based Total Energy Cost to Turnover ratio to 2%	Reducing the losses to the minimum level by regularly monitoring flue gas measurements and having the necessary burner adjustments made at 1-month intervals (by the authorized company, which carries out boiler maintenance and controls).
		Monthly inspection of traps and insulations to prevent steam leaks
	Utilizing renewable energy sources	Establishment of a solar power plant on an area of approximately 50 ha next to the plant parcel
<b>Türkiye (HQ)</b>	Reducing energy consumption per tonne of mix (fuel/water ratio to below 75 kg/ton)	Continuing to have flue gas measurements and adjustments by the authorized company, which carries out steam boiler maintenance and controls, at 6-month intervals.
		Reviewing autoclave and main steam line insulations
<b>Serbia</b>	Reducing Euro based Total Electricity Cost to Turnover ratio to 3%	Shortening set-up durations and achieving per capita production targets via continuation of operator trainings



103-1, 103-2, 103-3, 303-1, 303-5

# WATER AND WASTEWATER MANAGEMENT

We are aware of the upcoming water shortage problem as part of the climate crisis, and therefore we are doing our best for efficient and sustainable use of water resources.

Our water and wastewater management are in line with our company policy and our sustainability goals. We set our targets in terms of water supply, amount of water usage, and wastewater treatment. Currently, we meet our water needs completely from municipal water.

To keep water consumption under control, we set and monitor plant-based consumption targets by dividing the amount of water consumed by the amount of rubber dough that enters the process. Our water consumption and related reduction targets are available on the table below.

Water Consumptions (cbm)

Year	2018			2019			2020				2021				
	Plant	Water Consumption	Rubber (tons)	Ratio (%)	Water Consumption	Rubber (tons)	Ratio (%)	Water Consumption	Rubber (tons)	Ratio (%)	Target	Water Consumption	Rubber (tons)	Ratio (%)	Target
TR (Bartın)		143,716	3,972	36.2	103,315	3,397	30.4	74,012	3,099	23.9	30	102,763	3,487	29.5	21.9
Bulgaria		299,718	6,782	44.2	273,521	6,749	40.5	340,599	6,296	54.1	40	296,137	6,261	47.3	40
Türkiye (HQ)		48,352	1,656	29.2	63,285	2,734	23.1	46,050	2,840	16.2	20	47,694	1,888	25.3	20
Serbia		65,342	2,046	31.9	66,554	2,824	23.6	76,035	2,986	25.5	25	86,468	3,132	27.6	25
China		22,039	840	26.2	34,343	843	40.7	32,014	1,026	31.2	35	38,590	1,502	25.7	35
Mexico		9,579	539	17.8	6,143	162	37.9	11,886	632	18.8	20	16,009	770	20.8	19

*We aim to lower the amount of water consumed in the washing robots and therefore target to replace the traditional taps at the starting points of the autoclave lines with timed taps within the scope of our Green Journey project.*

# WATER AND WASTEWATER MANAGEMENT

## Our Wastewater Management

We evaluate our wastewater within the scope of the liquid waste generated as a result of our activities. Liquid waste from our processes and office activities can be divided into three as;

Domestic Wastewater

Industrial Wastewater

Waste Oils (hydraulic oil / boron oil)

Domestic wastewater from the fulfillment of human needs in dining halls and toilets, is discharged after being treated in biological treatment plants in Muallimköy, Bulgaria, and Serbia plants. The Environmental Management Units in each plant are in charge of the treatment plants' administrations. If the limit values are not exceeded, our plants in the Organized Industrial Zone (OIZ) discharge wastewater into the OIZ channel directly, without any treatment.

In our OIZ plants, industrial wastewater is discharged through canals opening to the OIZ canal after being treated to meet the discharge standards. In our plants located abroad, wastewater is treated in the self-owned treatment plants and discharged in accordance with the countries' legal regulations and limits.

After the planned establishment of a wastewater recovery facility with a capacity of 30 cbm/hr in our Bulgaria plant, in line with our wastewater recovery and reuse targets, approximately 75% of the treated water will be recovered. The recovered water is planned to be used in processes taking place in boilers and cooling towers, in hose washing, and etc.



103-1, 103-2, 103-3

# EMISSION MANAGEMENT



In Teklas Bulgaria and Serbia, where we use steam boilers for steam generation, CNC is used as fuel, and combustion gases are released to the atmosphere through two burning chimneys.

On the other hand in Teklas Gebze and Bartın, natural gas is used in the steam boiler, and the combustion gases are released to the atmosphere through one burning chimney. The steam obtained from the steam boilers in these plants is used in the vulcanization process of rubber hoses, and the waste heat vapors formed in the autoclaves are released through ventilation chimneys.

Regarding our metal pipe production operations in Türkiye, emissions from the brazing welding furnaces are given to the atmosphere through combustion chimneys, and emissions from the cataphoresis coating line are released by equipped ventilation chimneys, which include scrubbers for appropriate flue gas treatment. In the wiper production section, emissions from phosphate coating and electrostatic powder painting are given to the atmosphere through ventilation shafts with integrated scrubbers.

In our mixing plants carried out in Teklas Türkiye and Bulgaria plants, hoods and ventilation systems have been installed in the dust and emission sources, and the collected dust and emissions are passed through a bag cassette type filter and scrubber system and released to the atmosphere.

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*In all our plants, company vehicles (car, forklift, etc.) are rented, their exhaust gas emissions are tracked, and vehicles are replaced before they turn 3 years old.*

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103-1, 103-2, 103-3, 306-1, 306-2

# WASTE MANAGEMENT

We manage the identification, control, and recovery/disposal processes of all kinds of wastes from our operations in accordance with laws and regulations, in order to prevent all direct or indirect damage to the environment. Our "Waste Management Procedure", in which we draw the boundaries of the necessary activities and responsibilities for carrying out the waste management process effectively, covers all of solid, liquid, and gas wastes resulting from activities at Teklas plants.

As Teklas, we are legally responsible for the treatment and disposal of our waste. Within the framework of this responsibility, our activities are controlled by the EHS unit of our company.

The wastes generated as a result of our activities are classified as domestic solid wastes, recyclable solid wastes, hazardous solid wastes and non-hazardous wastes that cannot be recycled.

*Solid wastes are classified and are collected in specified containers.*

## Recyclable Solid Wastes

- Papers
- Cartoons
- Nylon bags
- Plastic waste
- Metal waste
- Pallet (wood) waste
- Glass

## Hazardous Wastes

- Contaminated wasted
- Contaminated packing
- Fluorescent lamp waste
- Battery waste
- Print/toner cartridges waste
- Medical waste
- Sandblasting waste
- Additive residues waste

## Non-hazardous Wastes

- Label backs used in production
- Plastic packing tapes
- Rubber waste

*Waste types were defined in according to procedures and instructions.*

*Management of waste from our operations in different countries and regions varies from country to country. What is invariable for all of them is that; we continuously monitor all of our processes between production and waste generation.*



# WASTE MANAGEMENT



103-1, 103-2, 103-3, 306-1, 306-2

## Packaging Waste;

In Serbia, packaging waste is reported to the relevant government institutions once a year. Packaging wastes from Teklas Bulgaria are separated based on material types. Teklas acts in accordance with the provisions of the Regulation on Control of Packaging Waste in Türkiye's plants.

Zero Waste Management System was established in the Gebze plant in 2020 and the reporting studies of the system being continue. Within the scope of the zero waste application, wastes are collected in the established sytem and the reports are sent to the relevant institutions.

**Teklas Gebze plant holds the Zero Waste Certificate, which is valid until 2026.**

## Our Waste Management System Application

All wastes are disposed of in certain areas of the plants. Different colored waste collection containers allocated for various waste types exist in these areas. Designated personnel transport the waste to these waste storage zones.

### Hazardous Waste Container – Red

Used for temporary storage of hazardous solid waste.

### Packaging Waste Container – Green

Used for temporary accumulation of packaging waste, i.e. paper, cardboard, nylon, etc.

### Domestic Waste Container – Blue

Used for temporary collection of domestic waste.

### Absorbent Container – Yellow

Used for spilling hazardous liquid wastes or substances such as chemicals, oil, sand, sawdust, clean cloth, etc.,. They are containers with absorbent cleaning agents. After the cleaning process, they are reclassified in the red waste containers.



# 4

SUSTAINABLE  
PRODUCT  
MANAGEMENT

# OUR SUSTAINABLE PRODUCT MANAGEMENT APPROACH

*As Teklas, we adopt a sustainable product management approach that covers all of our production processes and considers the environmental, social and economic impacts. We ensure that our production activities are sustainable and quality-oriented bypassing all our product designs through quality, R&D, production, and automation processes. All Teklas plants have IATF 16949:2016 Automotive Quality Management System Certificates. Quality issues are included in all on-the-job trainings. While various quality trainings (MSA, SPC, VDA, etc.) are offered to relevant employees in the vocational format also IATF trainings are organized annually.*



*We do not compromise on quality by focusing on there requirements and expectations of our customers via qualified R&D and P&D teams and high technology-equipped plants. We closely follow the advancements of the industry to develop innovative products through our sustainability mentality and serve to our customers.*



102-2, 103-3

# OUR SUSTAINABLE PRODUCT MANAGEMENT APPROACH

Teklas ESG dimensions are utilized as a framework for sustainable products through the vision of becoming the most sustainable player in the industry. Our target is to inspire them for being a part of an upcycling future.



*We combine our lean management perspective in our product management approach to increase the quality of our products and our in-house processes, decrease our delivery time while reducing costs, and minimize our environmental impact simultaneously.*

*We arrange Kaizen workshops within the scope of our Lean Management and Kaizen Procedure. In these workshops, we discuss productivity, quality improvement, failure prevention (poke yoke), 5S, Total Productive Management (TPM), Kanban Management, and other correction, prevention, and improvement activities.*

We present the safety data sheets and analysis certificates of the various distinguished products to our stakeholders.

# INNOVATION



*In line with our company's sustainability strategies, we act with an approach of innovation and sensitivity to the environment in all our production processes. We offer globally competitive, profitable, high-quality products in a wide composition range of rubber, metal, and plastic materials. With an innovative production perspective, we improve our production line via R&D, P&D, and automation operations. While making effort to give the best to customers spread all over the world, we care about giving minimum possible damage to the environment.*

As Teklas, we execute design optimization and validation processes to fulfill the demands of our customers to offer the best-quality products and robust and agile solutions, in favor of intensified R&D investments and our constantly expanding centers. Utilizing new production technologies such as 2D Blowmolding or WIT, which go beyond international standards in the production of Thermal Management Systems. In this vision we can offer brand new solutions that are competitive in terms of both performance and price.

As one of the largest quick connector manufacturers in Europe, we keep track of emerging automotive technologies and improvements as well as evolving regulations in our hoses structures. In addition to the OEM activities, we continue to offer rubber and metal solutions. We also have benefit from WIT in decreasing the weight of vehicles and elevating recycling rates and assume a leading role in the sector.



8 DECENT WORK AND ECONOMIC GROWTH  
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  
12 RESPONSIBLE CONSUMPTION AND PRODUCTION  
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# INNOVATION

*We apply various technologies at every step of our production processes. For instance, while preparing rubber compounds, which we call the batch process, multiple ingredients must be mixed in correct ratios in accordance with the formulation. In order to execute such processes with high efficiency and maximum precision, all weighing stages are monitored by the IT system. In this way, high quality rubber products are obtained. Special compounds and recipes, which are constantly developed by our R&D department, are implemented through the processes carried out under the responsibility of the expert engineers.*

The plant-based distributions of our engineers and technicians teams are presented below.

	Engineer	Technician
<b>Türkiye (Gebze)</b>	60	60
<b>Türkiye (Bartın)</b>	8	9
<b>Bulgaria</b>	70	50
<b>Serbia</b>	25	31
<b>China</b>	8	5
<b>Mexico</b>	0	9
<b>USA</b>	2	4
<b>Germany</b>	16	0
<b>France</b>	3	0
<b>Total</b>	<b>192</b>	<b>168</b>



8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
103-1, 103-2, 103-3, 302-5		

# R&D AND P&D

*One of our priorities is to achieve sustainable growth while realizing our vision of being the world leader in fluid circulation systems. Owing to high-quality products developed by our innovative workforce and our customer-oriented management approach, we have so far been a preferred producer among global automotive industry players. Our R&D and P&D departments continue to improve new and sustainable products every day.*

## Our R&D Centers in Bulgaria and Türkiye



# R&D AND P&D



*Thermoplastic and thermoplastic elastomers developed by our engineers are lighter and more easily recyclable than thermoset rubber. The use of these plastic-based materials not only reduces our carbon footprint, but also the utilization of their scraps in electric vehicles offers longevity.*

Furthermore to thermoplastic and thermoplastic elastomer parts, we adopt the "Greener Rubber" within the scope of R&D studies in order to minimize the impact of our activities on the ecosystem. Instead of fossil-based polymers, we aim to increase the use of biobased polymers via greener rubber approach. We target to reduce our carbon footprint via bio-based polymers R&D studies which are planned to be completed by the end of 2022. 40-60% bio-based polymers are used in the standard applications of our cooling pipe systems. Moreover, we are trying to enhance this ratio to 100% in our electric vehicle applications. Beyond our Green Rubber efforts, we work every day to develop environment friendly blends to make our product range more sustainable.

*Currently, we are also in the phase of transition from over-molding to ultrasonic welding, which reduces material usage and shortens process duration. As a world leader in automotive parts supplier we operate water spray technologies to our TOC line parts, cooling system parts, and discharge hoses in less than a minute.*





102-10, 103-1, 302-5

# AUTOMATION

*We develop our automation systems within the framework of innovation, in order to increase our productivity and product quality. Owing to our automation-oriented approach we prevent our employees from working in dangerous processes, create efficient production lines and obtain our high-quality products in the most sustainable manner.*

*We eliminate human-induced failures in our automation systems by implementing innovative and advanced automation technology. Moreover we work hard to have a positive impact on the environment by mitigating our production-based energy and water use.*

*With the EBOS (unvulcanized hose) insertion automation project put into operation in our Bulgaria plant, a woperator started to work in the autoclave line for the first time.*





102-10, 103-1

# AUTOMATION

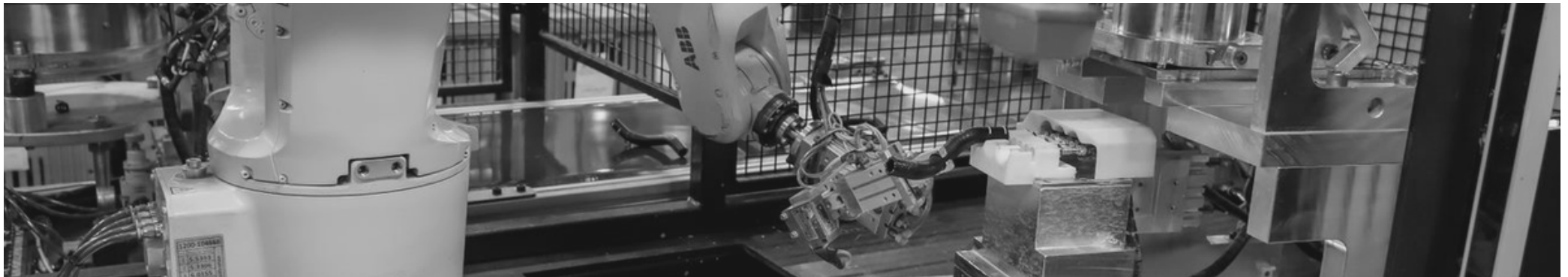
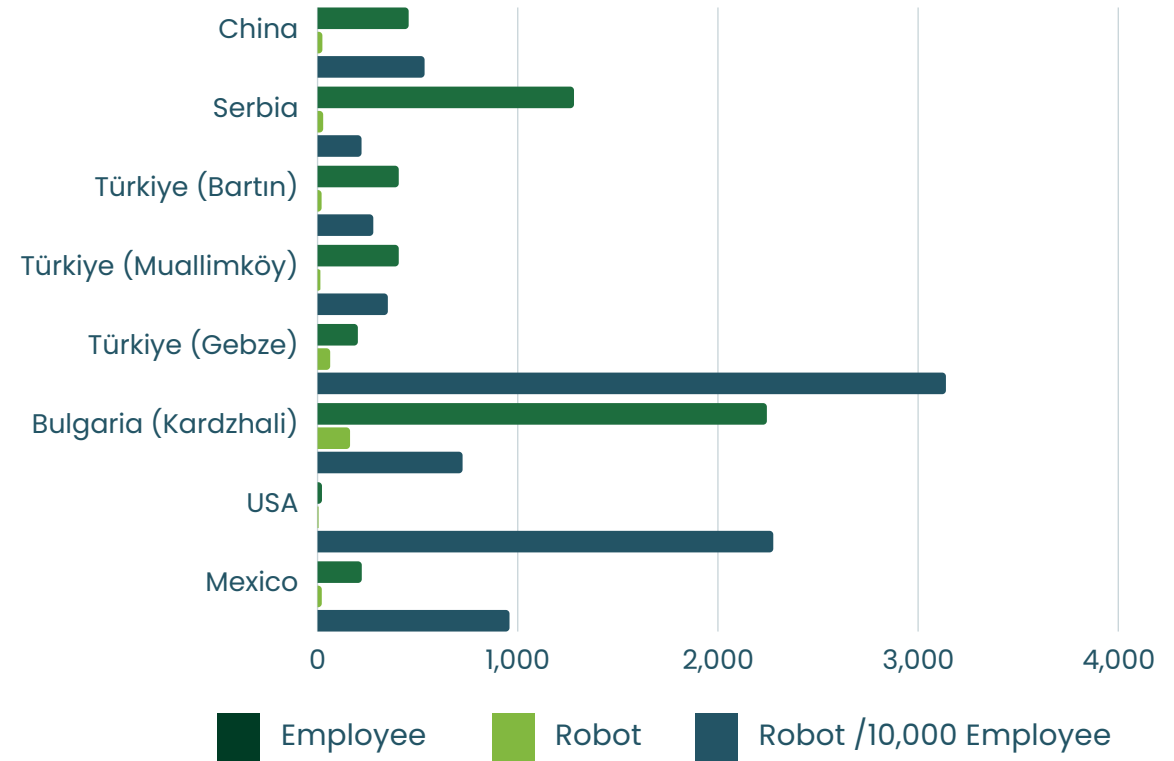
## Robot Density

We confirm our success in automation with our robot density.

We have reached to **566** in terms of robot density as of 2021 while the density of Western Europe is 242, The North America is 255 and Japan is 390.

*Robot density, a metric used by the IFR (International Federation of Robotics), measures the number of robots per 10,000 workers in an industry.*

Robot distribution in Teklas



# CUSTOMER RELATIONS

As one of the leading manufacturers of the global automotive industry we have taken our position in the industry with a wide range of high-quality products which are heating-cooling lines, AC lines, brake hose assemblies, electric & hybrid engine lines, air lines systems, and automated storage and retrieval systems groups to serve better our customers. We are working hard for this position getting stronger day by day. We combine our continuous investments and technical infrastructure for 50 years with our innovative perspective, and we put our all effort to expand our product range in a sustainable way.

While minimizing our environmental and social impacts throughout our production processes, which we carry out with great devotion. We contribute to the socio-economic development of the world and the industry. We support our sustainable product management approach throughour R&D investments and aim to offer our customers better quality products with our best quality workforce.



# CUSTOMER RELATIONS

We continuously improve our customer satisfaction through our sustainable value chain. In this direction, we provide feedback from our customers through the annual customer satisfaction surveys. This continuity of this satisfaction, we build our business model, including all our departments and our customer management, on thinking and managing lean.



We keep our customer satisfaction at the highest level and leave our competitors behind through our lean management approach.

With lean management, which we frequently apply for the efficient use of our resources, we obtain our high-quality products with less energy, time and labor. Besides, we have taken the close follow-up of new technologies to have strengthened the digitalization and automation steps.

In accordance with our goals to increase our company's service quality and customer satisfaction, feedback on our product quality is received from our customers via e-mail or portal, and then internal notifications are made to Teklas plants through the "Tek-Tools" application. For effective customer relations, we have Customer Complaint Management Procedure and Customer Complaints Program Instruction. Within the scope of our Customer Satisfaction Monitoring and Evaluation Procedure, all complaints from our customers are analyzed and solved then share with our customers.

7 AFFORDABLE AND CLEAN ENERGY  
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# GREEN JOURNEY PROJECT

As a part of our corporate culture and responsibility, Green Journey Project is commissioned 50th year of Teklas.

We started to green journey holding on to our dream of leaving a good legacy to future generations and with the related awareness of responsible production at every step.

*We define green journey as «thinking before producing and consuming, recycling after consuming, and knowing the value of the energy and resources».*

Our purpose of this project is to reconsider all our processes with a modest approach parallel with our objective of producing sustainable and quality products with minimum energy, especially in the production process. Thus, to pass on a sustainable business model for the future of Teklas.





103-1, 103-2, 103-3, 302-5, 306-2

# GREEN JOURNEY PROJECT



**DON'T**

USE AND DON'T POLLUTE



**IF YOU  
MUST POLLUTE**



**TAKE  
PRECAUTIONS**

## 1-DON'T USE AND DON'T POLLUTE

- Don't use lubricant*
- Don't use antitack*
- Don't use plastic bag*
- Don't use cardboard box*

## 2-TAKE PRECAUTION

- Decrease the waste, reuse, and recycle*
- Recover the water*
- Increase the capacity of treatment plant in SRB*
- Establish solar energy systems in BG and plan for SRB Green Energy*
- Carbon Footprint*
- Decrease the transportation between plants*





103-1, 103-2, 103-3, 306-1, 306-2

# GREEN JOURNEY PROJECT

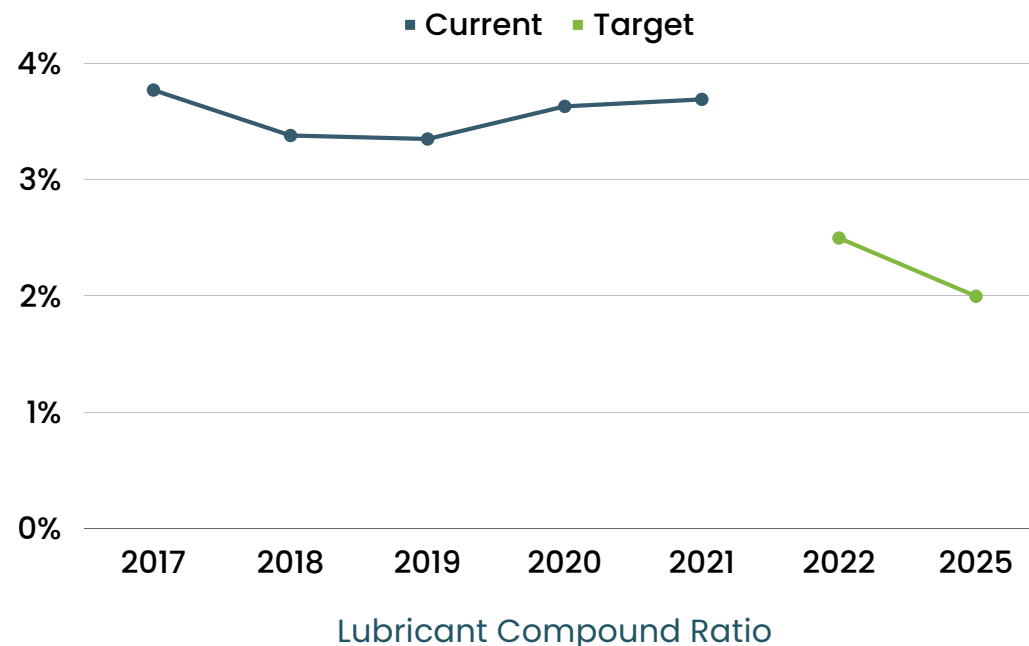
## DON'T USE AND DON'T POLLUTE

### Don't Use Lubricant

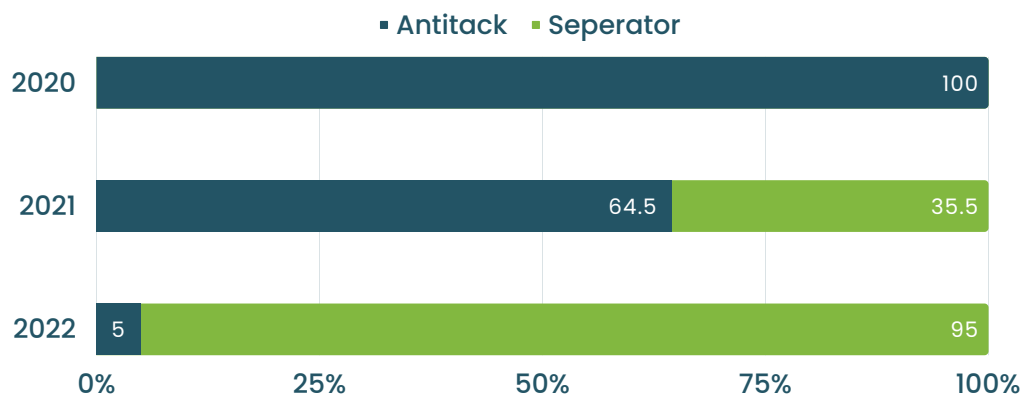
*In the vulcanization process, the use of lubricant, which allows the hoses to pass over the mandrel, has been eliminated.*

*During the extrusion process, it is pulverized and vulcanized.*

***We aim to decrease our lubricant/compound ratio to 25% by 2022 and to 30% by 2025 by increasing the automation level in the vulcanization process, starting with small diameter and less curve mandrels. Apart from the benefit of lowering lubricant usage, we will also be decreasing possibility of work accidents and the risk of occupational diseases.***



### Don't Use Anti-tack

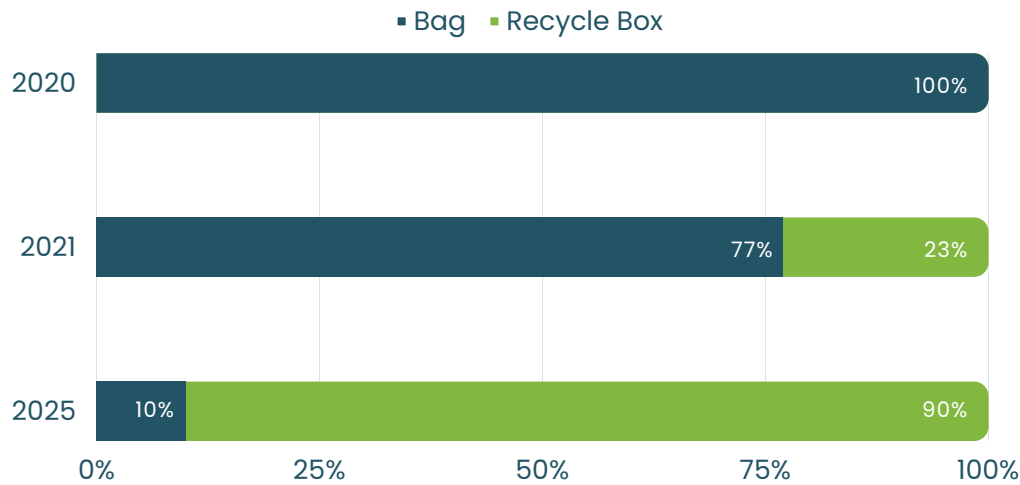


*The target is to decrease the usage of anti-tack material applied in the extrusion process by 70% as of 2021, by using multi-use separators instead, so that we can minimize harmful effects on the environment. The next step is to reduce the usage of anti-tack by 95% as of 2022.*



# GREEN JOURNEY PROJECT

## Don't Use Plastic Bag



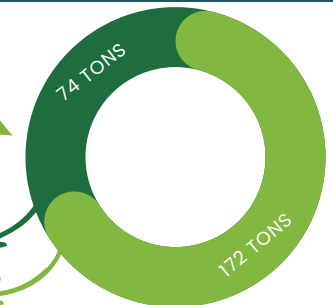
We used 300 tons of plastic bags for shipments in 2020. Every plastic we use is getting ahead of our legacy that we wish to leave to future generations.

For this reason, we purchased plastic bags that are made of 50% recycled material. In addition, we reduced the plastic content of the bags by thinning them by 75% in 2021.

We managed to decrease the usage of plastic bags from 72 tons (first half of the year) to 24 tons (second half of the year) in 2021. The use of bags used in the domestic mixture transportation process has been abolished.

## Don't Use Cardboard Box

We reduced our annual average usage of 172 tons of single-used carton boxes and 74 tons of wooden pallets through the cardboard box reduction investment made in 2020. Our target is to have more sustainable production processes by using reusable plastic boxes in all our plants by the end of 2021.





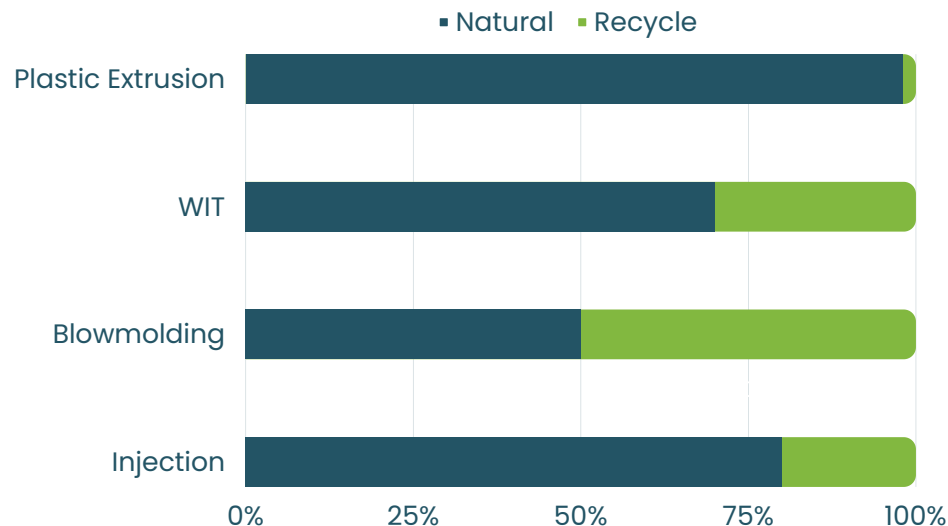
103-1, 103-2, 103-3, 303-2, 303-5, 306-2

# GREEN JOURNEY PROJECT

## TAKE PRECAUTION

### Decrease the Waste, Reuse and Recycle

*We focused on the use of recyclable materials in production: Plastic*

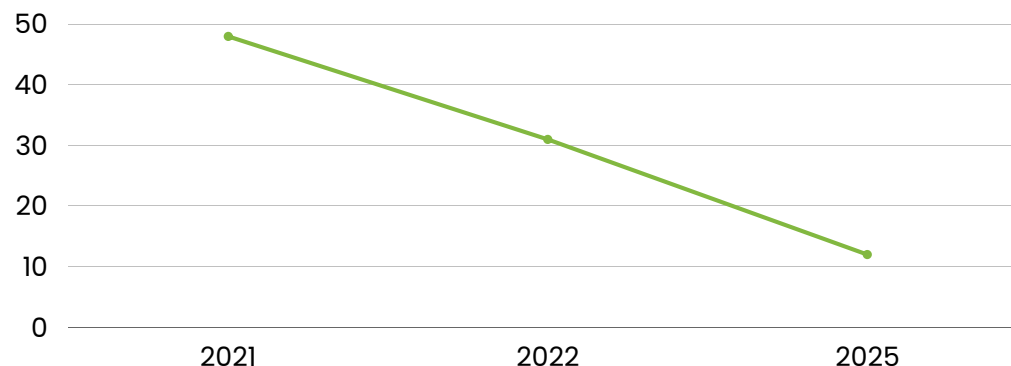


### Recover the Water

*The purpose is to ensure the efficient use of water in order to protect existing water resources and reduce the burden on clean water resources.*

*The target is recycling of wastewater by 25% in Teklas Bulgaria by 2025.*

*Planned investment cost: 525,000 EUROS*



Global Avg. Of Water Consumption (x 1000 cbm)

### Increase the Capacity of the Treatment Plant in Serbia

*The capacity of the wastewater treatment plant in Serbia will be expanded to 400 cbm/day from current 200 cbm/day by an increase in the production capacity.*

*With this investment we aim to reduce our COD discharge limit to 70 mg/L, which is already below the legal limit of 125 mg/L, by 2025.*

*Planned investment cost: 300,000 EUROS*

7 AFFORDABLE AND CLEAN ENERGY  
11 SUSTAINABLE CITIES AND COMMUNITIES  
12 RESPONSIBLE CONSUMPTION AND PRODUCTION  
103-1, 103-2, 103-3, 302-5

# GREEN JOURNEY PROJECT

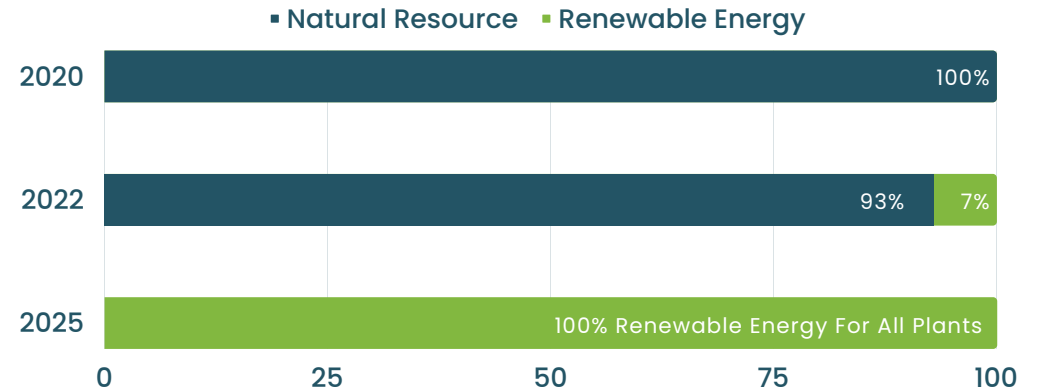
## Establishment of Solar Energy Systems

*We have the objective of using green energy in all our locations, so that we can decrease our effect on the environment.*

*By using green energy, our purpose is leaving a legacy promising a better future.*

*In line with this purpose, we first installed solar panel systems with a total capacity of 2 MW in the Bulgaria plant with an investment cost of 1.2 million Euros. In 2022, we will start investments to increase the capacity to 2.3 MW. Moreover, our planned installation in Bartın the foundation of the solar investment has already been laid.*

**We have green energy certificates already for Türkiye, Serbia, and Mexico.** Our current green energy ratio is 42%, we target to raise it to 46% next year, and our goal is to consume 92% green energy as of 2025 in our operations.



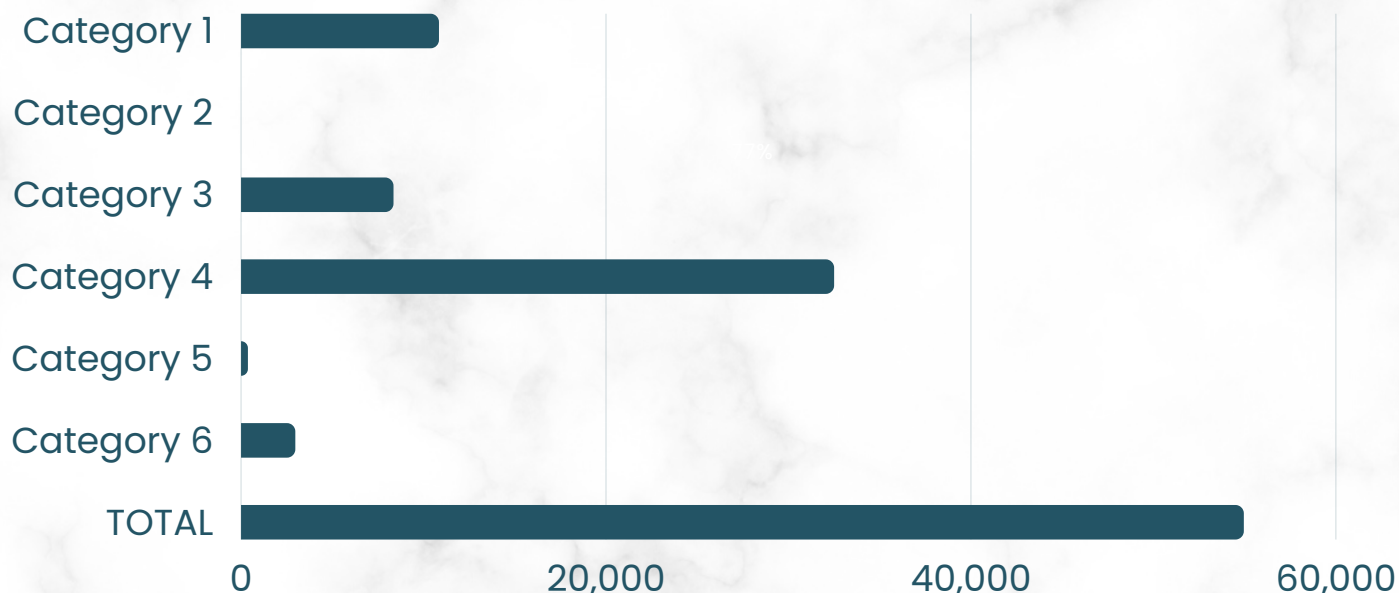


103-1, 103-2, 103-3, 305-1, 305-2, 305-3, 305-4, 305-5

# GREEN JOURNEY PROJECT

## Carbon Footprint

■ Total GHG Emissions in Türkiye Plants (tCO2e)



**Category 1:** Direct GHG Emissions and removals in tonnes

**Category 2:** Indirect GHG Emissions from imported energy

**Category 3:** Indirect GHG Emissions from transportation

**Category 4:** Indirect GHG Emissions from products used by the organization

**Category 5:** Indirect GHG Emissions associated with the use of products from the organization

**Category 6:** Indirect GHG Emissions from other sources

In 2021, GHG Emissions were calculated only for our plants in Türkiye. All calculations and results were audited and verified by independent third parties. Aiming to set reduction targets, GHG Emission calculations are ongoing for our other plant.



5

SOCIAL  
SUSTAINABILITY

# SOCIAL SUSTAINABILITY

As Teklas, we are conscious of our place in society and the significant role it plays in our lives. Through our Social Sustainability Approach, which focuses on the sustainability of social conditions, we place a special emphasis on important issues that ensure the continuation of society for many years. We particularly emphasize education, human rights, equality of opportunity for all our stakeholders especially for the disadvantaged group.

We identified social sustainability topics according to materiality analysis carried out in 2021. Accordingly, we addressed occupational health and safety, our COVID-19 precautions, human rights approach, social relations, and social investments in the social sustainability sections.





102-11, 103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-5

# OCCUPATIONAL HEALTH AND SAFETY

As Teklas, we care about the health and safety of all our employees and stakeholders. Leadership in occupational safety is critical. In this approach managers serve as positive role models for the employees and encourage them to act safely. We evaluate the hazards and risks related with health, and technical issues that may arise in direct connection with our company's activities, products, services, and relations, within the scope of all national and international legislations.

We continue to improve our Occupational Health and Safety performance through evaluation outputs. These outputs are used, in the suggestion system mechanism and practices. Owing to our Occupational Health and Safety Policy;



We strive to create the **most healthy, safe, and ergonomic** work environment for all our employees, suppliers, customers, subcontractors, and interns, and try to prevent work accidents and occupational diseases.



We care about raising awareness on a global scale and we provide continuous training. We delivered **55,000 hours** of training (some of which were online) in total in 2021.



We constantly monitor and improve our **Occupational Health and Safety Management System (OHS)**, and work for the sustainability of our system. Also, we integrate Quality and Environmental Management Systems to improve our OHS System.



In our plants, we **systematically identify** potential sources of danger with the help of risk assessment activities. Taking into account the improvement opportunities, we take steps to prevent hazards, and we eliminate the risks that may occur.





102-11, 403-9

# OCCUPATIONAL HEALTH AND SAFETY

We take **fire protection precautions** in all work areas and try to ensure that personal protective equipment and machines are used with maximum safety.

We strive to ensure **safe chemical use** and management.

We follow the **regulations** covering Occupational Health and Safety and comply with them while making our decisions.

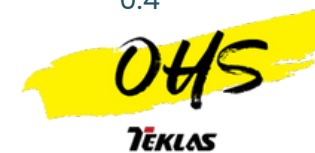
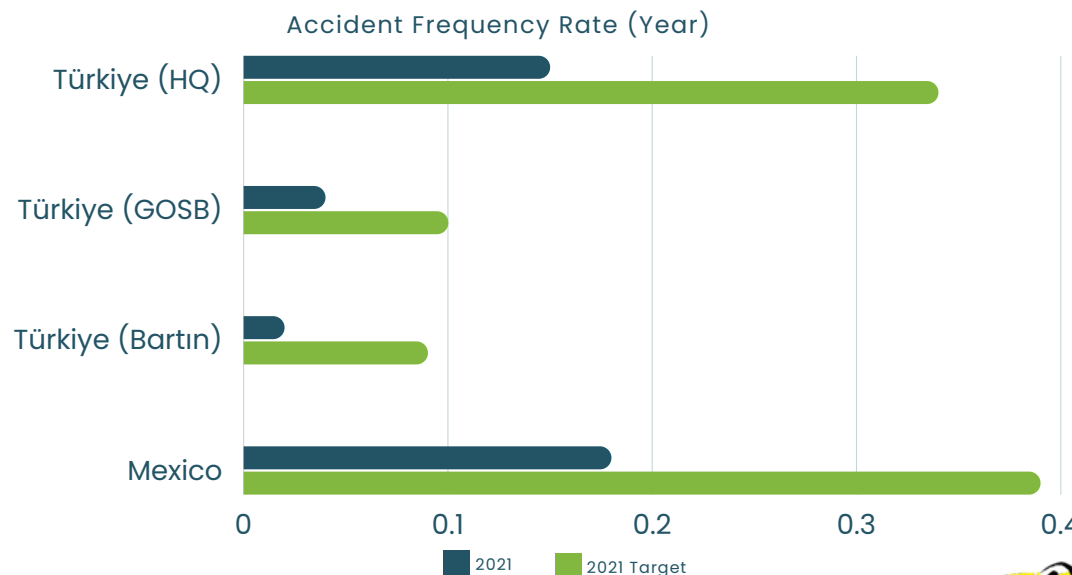
We inform all our visitors about **Occupational Health and Safety** rules and emergency plan as long as they are in our plants.

Within the scope of OHS, emergency plans have been prepared for our plants in Türkiye, Bulgaria, China, Serbia, and Mexico and are updated every year.

*Owing to all these precautions, occupational diseases and fatalities as a result of work-related injury are "zero" since 2018.*

We attach great importance to Occupational Health and Safety. On this way, we have certified the measures we take in our various production plants (in Kardzhali-Bulgaria, China, and Gebze-Türkiye) with the Occupational Health and Safety Management System ISO 45001:2018.

**In Türkiye and Mexico plants, we have reached our 2021 LTIF goal.**



# COVID-19

We took strict precautions with the COVID-19 pandemic, which started to surround our world in 2019. China plant was closed for a while, with a decision that resulted in zero (0) cases at the plant. Afterwards, the precautions continued with masks and protective clothing at the plant.

Additionally, remote and hybrid work was started as a permanent application at the headquarters. In accordance with the Occupational Health and Safety Risk Assessment Regulation, we established the Business Continuity Committee, which includes the relevant people in our board of directors and OHS related responsibilities.

We survived this period with minimal Covid-19 cases by disinfecting our plants regularly, monitoring the health of our employees with thermal cameras, observing social distance, and making protective clothing mandatory.



***In Türkiye plants, TSE COVID –19 Safe Production standards are applied.***

With the first Covid-19 case, the measures and Emergency Action Plan was created by our workplace doctors and occupational health and safety specialists.



# HUMAN RIGHTS APPROACH

Corporate strategy based on accountability, sustainability, and people, recognize all fundamental rights in the Universal Declaration of Human Rights adopted by the United Nations in 1948, including the following titles.

<i>Life, liberty, and security of person</i>	<i>Justice under the law</i>	<i>Fair working conditions</i>	<i>Adequate food, water, and shelter</i>	<i>Access to quality healthcare and education</i>	<i>Freedom of speech and thought</i>	<i>Ability to own property</i>	<i>Freedom of association including collective bargaining</i>
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We accept our responsibility for internationally recognized human rights and shape our policies around these values. In addition to the International Declaration of Human Rights, Teklas also agrees to comply with the **ILO Declaration on Fundamental Principles and Rights at Work**, the **OECD Guidelines for Multinational Enterprises**, and the **UN Guiding Principles on Business and Human Rights**.

Together with these initiatives, we gained the status of an official signatory of the ten principles of the **UN Global Compact** in 2021.

As a global company, adhering to international and fair working standards is one of our indispensable principles. We have taken these international standards into consideration while creating our Human Rights and Working Conditions Management System.

We expect all our stakeholders, including employees, suppliers, customers, etc. to comply with Teklas' standards. Employees who observe a possible violation of the Code of Conduct can report such violations to Teklas Ethics Committee via [ethics@teklas.com.tr](mailto:ethics@teklas.com.tr).

We also give priority to human rights with our perspective taking into consideration Code of Ethics and Values, our Supplier Sustainability Code of Conduct, Diversity & Inclusion Policy, and our Sustainability Policy.





103-1, 103-2, 103-3, 406-1

# HUMAN RIGHTS APPROACH





102-35, 102-36, 103-1, 103-2, 103-3, 406-1

# HUMAN RIGHTS APPROACH

## Our Remuneration Approach

The implementation of a fair remuneration system that complies with the law and increases competition among employees is the basis of our perspective of the continuity of peace in the workplace.

## Our Recruitment Approach

During recruitment, we pay attention to technical and professional knowledge, compliance with the company, diversity, and non-discrimination. Children's place is in school, and education is their fundamental right. In this context, we are absolutely against all forms of child labor, including our stakeholders, and we do not employ employees under the age of 18.

## Our Working Hours Approach

As stated in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, we regulate working hours in accordance with the law and internationally recognized human rights standards.

## Our Award and Motivation Approach

We measure the performance of all employees according to objective criteria and award their success. In addition, as per our principles, we provide equal promotions to all our employees. Creating opportunities for our employees to develop their creativity and skills, and providing training and support to them are some of our main responsibilities.



## Our Confidentiality of Information Approach

We are committed to protecting the privacy rights of our cooperating stakeholders. Teklas records and maintains all records in accordance with both international and local laws. If any confidential information is requested by another institution or person, this information and documents cannot be shared without the consent of the data owner. Our stakeholders are also responsible for keeping and protecting the commercial, financial and technological secrets of all Teklas stakeholders. Our employees cannot share or use the information and/or documents they may obtain at the workplace with any unrelated and unauthorized institution or person.



# HUMAN RIGHTS APPROACH

## Freedom of Association

We respect our employees' rights to free and democratic representation through employee representatives.

## Our Anti-Harassment Approach

Any verbal or physical behavior aimed at threatening, intimidating or coercing an employee or a stakeholder of Teklas is unacceptable. In such cases, immediate action will be taken with preventive actions regarding with related complaints.

## Our Against Bribery and Corruption Approach

We are against giving, receiving or offering bribes, gifts of monetary value, corruption or commissions. In this context, we consider our Code of Ethics and Values Policy, which we have created by taking into account international standards.

## Our Occupational Health and Safety Approach

With our proactive occupational safety approach, we ensure the supply and use of all kinds of occupational safety equipment necessary to protect the safety and health of all our stakeholders. We aim to increase the occupational health and safety awareness of our employees and to support their professional and personal development through various trainings. In addition, it is unacceptable for our stakeholders to have any illegal or potentially dangerous material in the workplace.

## Our Diversity and Non-Discrimination Approach

Teklas is against any discriminatory action (behaviors taking into account race, color, national origin, age, religion, disability, gender, sexual orientation, gender identity, genetic information or marital status), the creation of discriminatory working conditions, and the implementation of discriminatory evaluation standards in the recruitment process. We also expect this behavior from our every stakeholder.

## Our Non-Retaliation Approach

Our non-retaliation policy covers all official or unofficial reports. All complaints will be kept confidential and investigations will be as little disruptive as possible to ensure the confidentiality of all parties.



8 DECENT WORK AND ECONOMIC GROWTH  
11 SUSTAINABLE CITIES AND COMMUNITIES  
17 PARTNERSHIPS FOR THE GOALS

102-35, 102-37, 102-38, 102-39, 103-1, 103-2, 103-3

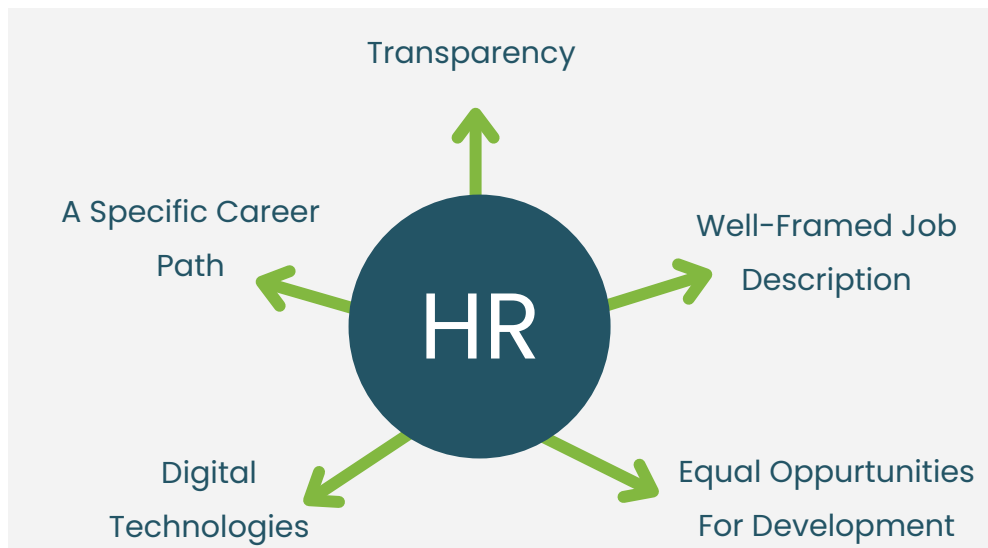
# HUMAN RESOURCE MANAGEMENT

As Teklas, we are aware that the most important element in our human resources management is Teklas employees. We have summarized the most accurate management approach for Teklas in **our human resources policy**.

We aim to be the HR leader among our competitors with our result-oriented approach and competitive solutions. We have created our vision.

**Teklas Wages Policy** is developed in accordance with the company's vision, strategy, target, and culture. Wages are determined by HR throughout the recruiting process based on the candidates' competence, abilities, experience, field expertise, added value to the company, foreign language knowledge, departmental wage balance, and other criteria.

## How we attract and retain the talent;



### OUR DRIVING HR VISION

Creating a diverse and global workforce to sustain an agile Teklas organization by encouraging people to thrive.

We consider that the information in GRI 102-38 and GRI 102-39 is not relevant for evaluating the fairness of our remuneration structures. For that, disclosures within the scope of relevant GRI articles are not included in our 2021 Sustainability Report.

# HUMAN RESOURCE MANAGEMENT

## Talent Management at Teklas

*"We strive to bring the right talent into our family within the framework of a sustainable success and talent management mentality, which is followed by revealing talent's potential and developing the next generation of leaders"*



Our mindset when hiring is to plant the right seed in the appropriate soil. With this point of view, after choosing the right seed, we raise it with water and sunlight, which are our orientation, mentoring, and training-development programs for the adaptation of the talent to Teklas.

With our employees from 13 different nationalities in 8 different countries, we create the opportunity for our employees to work with different cultures in a global arena. Meanwhile, with the chance to work with global customers, our employees can adapt to our flexible and dynamic structure in a short time. We accelerate the development of our young talents by offering vertical assignments, rotation, and international experience opportunities.

*By blending advanced technologies with our own culture, we create human resources systems that are **objective, adaptable, dynamic, and development oriented.***



# TALENT MANAGEMENT

We support the development of our employees with talent management programs, talent pool, career maps, and succession plans, so that we can monitor their performance. We prepare development plans based on our business analysis. Teklas' Talent Management System integrates the recruitment process, performance management, career management, and training development. Thanks to the system, we aim to create corporate success through personal success by creating a leader profile that increases the skills and motivation of employees, inspires others, has a strategic perspective, has a good command of processes, and can work with different cultures. We are constantly monitoring and improving the Talent Management System in order to produce fast and high-quality results.



# SOCIAL RELATIONS

*We care about our social and community relations to consider national/international standards to protect the health and safety of society. We take it as a principle to offer better environmental, social and economic conditions to the local people in the locations where our plants are located, and care about the suggestions, requests, and complaints they inform us. Our community relations approach covers all our plants, sales offices, employees, suppliers, and subcontractors.*



*We have committed to our strategy regarding our social relations with Teklas Corporate Social Responsibility Procedure, which was renewed in 2021.*

*An approach that benefits and encourages our employees to lead*

*Effective use of non-renewable resources during our processes*

*Being attentive and careful while using all kinds of resources based on the respect we have for the world, the environment, humanity, future generations, and ourselves*

*Encouraging our employees in all our plants to have a corporate socially responsible citizenship awareness, and in this sense, supporting various social projects and activities involving our employees, their families, and other stakeholders*

*Voluntary social activities involving disadvantaged groups such as nature, the disabled, women victims of violence, orphaned children, and animals*

*Compliance with legal regulations*

# SOCIAL INVESTMENTS

## **Danon Scholarship**

Scholarships are given to the university students, who are children of our employees, every three months until they graduate.

## **Educational Aid**

Educational aid is embedded in the salaries of employees who have children as students in September every year.



## **Food Aid**

Food aid is provided to employees once a year.



## **Painting Competition Event**

An award-winning painting competition event is organized with the children whose parent works in our plants, entertainment event is organized with food and gifts.

## **Disables Schools**

Special schools are regularly visited, entertainment events are organized, and aid packages are disbursed.



# SOCIAL INVESTMENTS

## ***METU Sponsored Internship Program***

As a result of the training and interviews held at the 2021 METU Career Days, three students had the opportunity to do a three-week internship, for which accommodation and transportation expenses were covered by us.



## ***Virtual Internship Program***

In 2021, an online internship program was included in our long-term and short-term internship programs to prevent our interns from being deprived of their education because of the pandemic. In addition to online internships, university students were provided training that they could access from various online platforms.



## ***Technical Visits to Teklas***

The expenses of students, who want to visit Teklas with university technical trips, are covered.

A black and white photograph of an industrial factory floor. A white KUKA robotic arm is the central focus, positioned on a metal base. The background shows various industrial machines, including what appears to be a lathe or mill, and safety fencing. The scene is well-lit, typical of a manufacturing environment.

# 6

CORPORATE  
GOVERNANCE

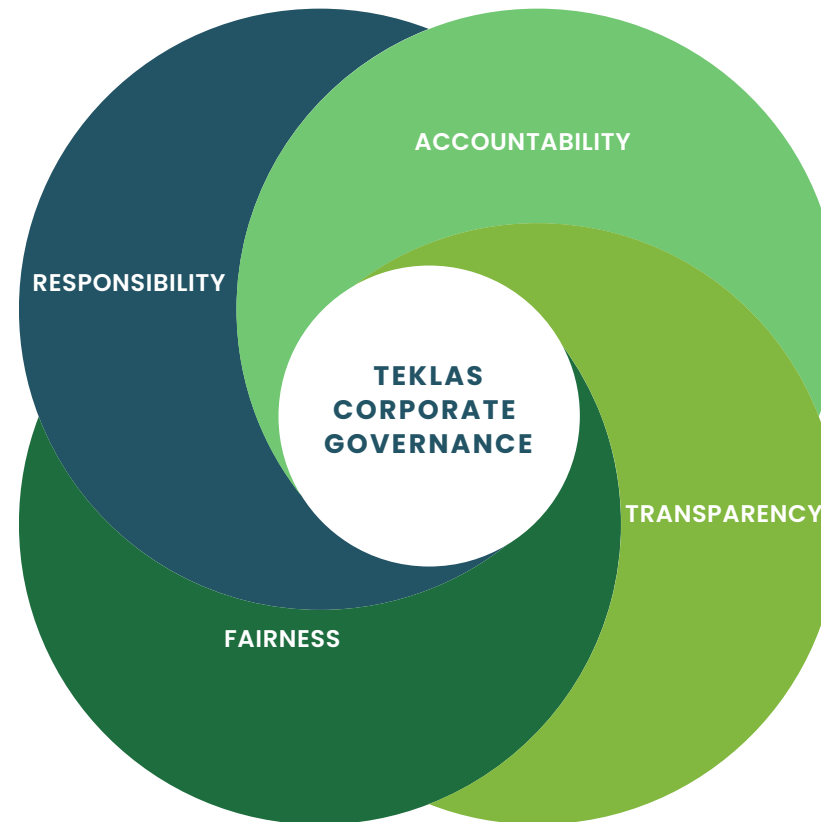


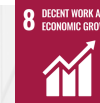
# GOVERNANCE PERSPECTIVE

We create corporate sustainability processes under the principles of corporate governance which are environmental awareness, ethical behavior, corporate strategy and production in line with the accountability, transparency, fairness and responsibility by including all our stakeholders.

In order to spread the Sustainable Development Goals in all units of our company, we include all our stakeholders from our customers to our suppliers, all of our value chain with our corporate governance approach.

*"Our goal is to ensure leaving a sustainable workforce, ecosystem, communication, and business to the future while remaining competitive in business terms."*

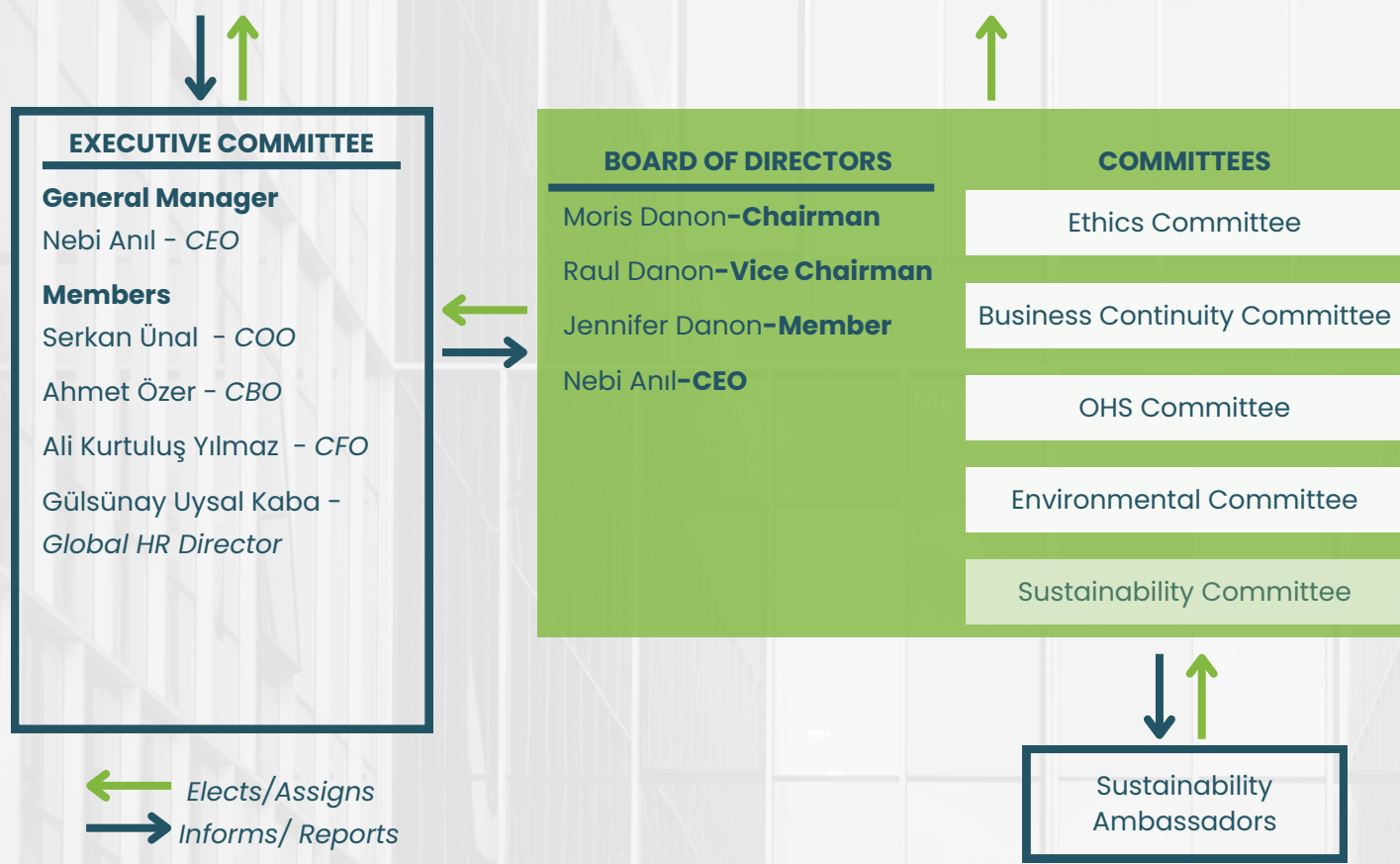




102-11, 102-18, 102-19, 102-20, 102-22, 102-23, 102-24, 102-26, 102-28, 102-31, 102-33

# GOVERNANCE BODY

## General Assembly Meeting



Bimonthly;

- Purchasing, sales and human resources departments are convened by our board of directors for process monitoring.
- Our board of directors conducts separate KPI meetings for all plants with finance managers and directors of relevant plants.
- An annual report meeting is held with the participation of our board of directors and financial officials.
- A Legal Board convenes with the participation of our external and internal lawyers, human resources officers, HR consultant, and our CEO.

The Internal Audit Unit informs the Board of Directors on a regular basis concerning its activities and also reports to the Board of Directors the matters of dispute with the audited units and the results of monitoring. Necessary precautions are taken by the Board of Directors to ensure that the internal audit activity is carried out effectively and in compliance with auditing standards and ethics.

Promotions to deputy manager and above are evaluated by the executive committee. Our board of directors, members of which take part in our company's committees, also convenes the executive board every three months.



# BOARD OF DIRECTORS STRUCTURE

Our company's experienced and qualified board members aim to increase the values of our company in an active and effective manner with a governance approach.

Board of directors determines company strategies by considering company activities and performance and the interests of all stakeholders.

Members of the Board of Director	Role	Experience in the Industry or Education	Date of Election to the Board of Directors
Moris Danon	Chairman	University of San Diego, Business Economics	
Raul Danon	Vice Chairman	Long Island University, Bachelor of Science, The College of Management, The School Of Business	29.06.2020
Jennifer Danon	Board Member	Hotel Institute Montreux, Hotel Management	29.06.2020
Rebecca Danon	Board Member	Pensionnat Marie Therese Geneve	29.06.2020
Nebi Anil	CEO & Board Member	Middle East Technical University, Chemical Engineering	10.04.2006



# COMMITTEES

## SUSTAINABILITY COMMITTEE

Gülsünay Uysal Kaba - **Global HR**

**Director**

Ela Gözeger - **Global Sustainability Engineer**

The Sustainability Committee meets every month to discuss current projects and evaluating the sustainability activities or for training purposes.

Sustainability Ambassadors at each plant meet twice a month to monitor the actions at their plants.

### Sustainability Ambassadors

Fatme Tahir Akça (Bulgaria)

Dragana Ristic (Serbia)

Ahsen Sena Seçen (Bartın)

Rebeca Perez Paczka (Mexico)

Orlando Alfonzo (USA)

Zou Wanqing (China)

## OHS COMMITTEE

Nebi Anıl - **CEO**

Gülsünay Uysal Kaba - **Global HR Director**

OHS Committees meet with separate members in plant basis every two months in order to carry out risk assessments

## ETHICS COMMITTEE

Nebi Anıl - **CEO**

Gülsünay Uysal Kaba - **Ethics Board Member**

Berkan Kaplan - **Ethics Board Member**

Quarterly, the committee reports to the Senior Management. In case of an ethical violation, the Ethics Committee meets in case of ethical violation

## BUSINESS CONTINUITY COMMITTEE

Nebi Anıl - **CEO**

Ali Kurtuluş Yılmaz - **CFO**

Gülsünay Uysal Kaba - **Global HR Director**

The organizational structure of the Business Continuity Committee depends on the location and is specific to crisis situations. CEO is the chairman of the Business Continuity Committee at all Teklas locations.

## ENVIRONMENTAL COMMITTEE

Nebi Anıl - **CEO**

Ayhan Akbulut - **Global Environmental Engineer**

Gülsünay Uysal Kaba - **Global HR Director**

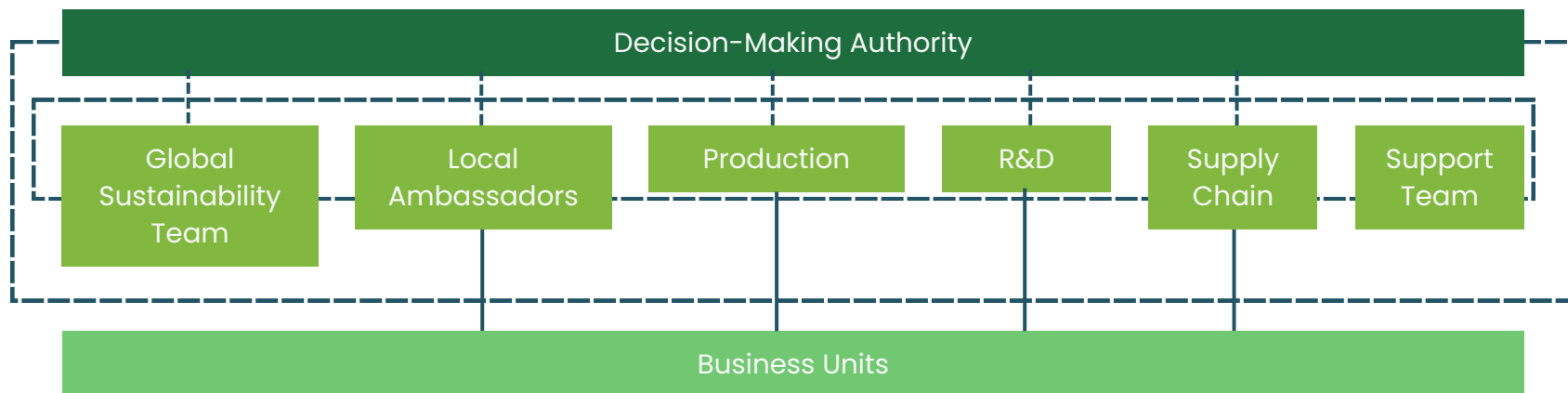
Ela Gözeger - **Global Sustainability Engineer**

Environment Committee meets every month to discuss current situation and evaluate the environmental activities for all plants.



# SUSTAINABILITY COMMITTEE ACTIVITIES

As of 2020, we have established a Sustainability Committee and a Sustainability Working Group, compositions of which are constantly updated. Teklas Sustainability Committee is a formation established with the participation of all department heads. Teklas Sustainability Working Group is responsible for the implementation of all actions agreed with the Sustainability Committee and the Board of Directors. The principles we determined while preparing our sustainability policy are business ethics, labor, human rights, environment, and supply chain management. Our sustainability organization is as follows:



Our Sustainability Committee creates policies in the field of sustainability and also sets targets in a scientific perspective. The committee monitors, implements and audits the targets set.

All decisions and actions are reported directly to the Board of Directors to ensure that the sustainability culture permeates through all divisions of our company.

Our **Sustainability Committee** meets monthly to discuss issues such as the follow-up of current projects, the continuity of sustainability activities, and sustainability training.

Our **Sustainability Ambassadors** at each of our plants meet every two weeks to monitor the actions in their plants.

Teklas **Sustainability Study Group** is responsible for implementing all actions that are decided in cooperation with the Sustainability Committee and the Board of Directors..



102-20, 102-26, 102-29, 102-32

# SUSTAINABILITY GOVERNANCE

We always consider SDGs to track and implement sustainability activities. Sustainability reporting is carried out under the Sustainability Department's responsibility and the Sustainability Committee's supervision. Teklas Board of Directors executes sustainability senior management within the company.



ESG facilitates the sustainability of Teklas in three specific areas: environmental, social, and corporate governance.

## ENVIRONMENT



CO2 Footprint



Saving Resources



Circular Economy

SAVING RESOURCES

## SOCIAL



Health & Safety



Hearing the Employee



Community

RESPONSIBLE CITIZENSHIP

## GOVERNANCE



Transparency



Community



Ethics Management

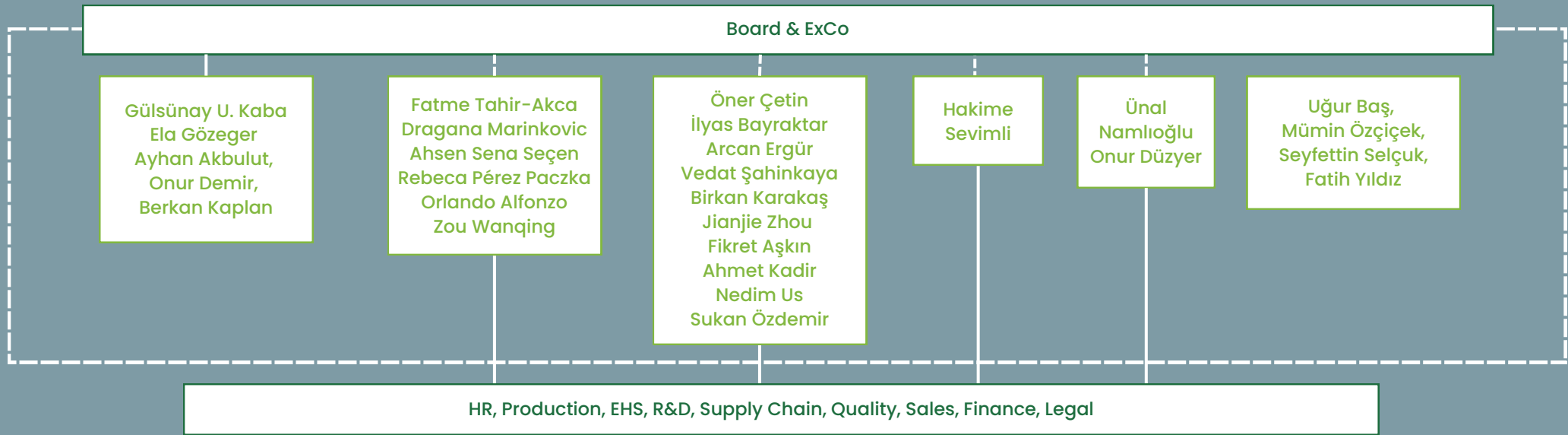
ACCOUNTABLE MANAGEMENT



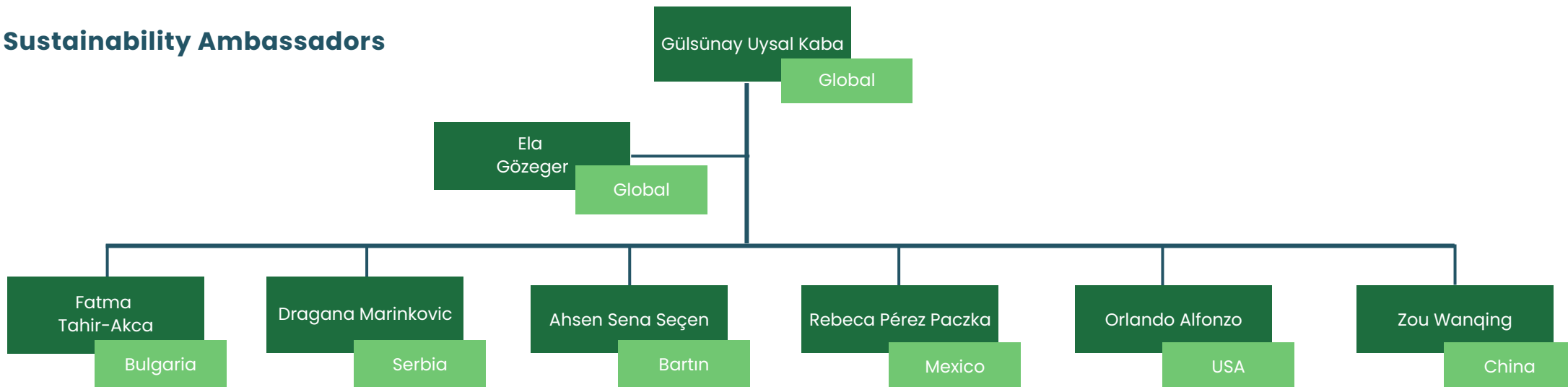
# SUSTAINABILITY GOVERNANCE

102-18, 102-20, 102-22, 102-25, 102-26, 102-30, 102-33

Our sustainability committee has a total of 26 members, including plant managers, legal consultants, and sustainability ambassadors and also covers employees from the finance, sales and purchasing departments.



## Sustainability Ambassadors



# SUSTAINABLE SUPPLY CHAIN



102-6, 102-9, 102-10, 103-1, 103-2, 103-3, 204-1

As Teklas, while taking all our steps today, we attach great importance to leaving better environment, where future generations can meet their needs. We create our supply chain strategies with this sustainability perspective and strive for a more sustainable and strengthening supply chain with minimized footprints. In this respect, we are a member of the global EcoVadis platform, by which our supply chain performance is evaluated and rated regularly.

Our supply chain includes the integrated work of our sales, purchasing, production & planning and logistics departments. Related departments report directly to our supplier sales quality officer. We manage supply chain processes more effectively with our policies, where we approach the entire supply chain with a sustainable perspective. Our supply chain policy is an integral part of our sales, purchasing, production and logistics policies.

## Sales

In all our sales processes, we work with all our strength to provide quality service to the world's leading companies in the automotive industry. We constantly monitor not only ourselves, but also our market. As Teklas, determining our sales and marketing needs correctly is one of the most important steps to determine our needs. The trust and global image of Teklas in the market comes from our customer satisfaction and strong management.

## Purchasing

We keep in ceaseless contact with various domestic and foreign suppliers around the world, to be able to supply the materials and services we need at desired quality, quantity, price, and condition. We believe in the power of continuous interaction for sustainability in supplier relations, as in all our commercial activities. In an ever-increasing competitive environment, we work with reliable global companies with strong expertise without compromising our quality priority. In this direction, we attach importance to establishing long-term relations with suppliers, especially to those providing stable quality and delivery performance and prioritizing their efficient exportation relationships. We strictly adhere to the framework of sustainability at every stage of our purchasing activity.



# SUSTAINABLE SUPPLY CHAIN



## Logistics

Guidelines regarding the storage of goods, delivery service, and the management of any related information between the production and consumption points, and their effective and efficient planning, implementation and control are provided by our Logistics Management Process Policy. This policy, aimed at meeting the needs of our customers successfully, also supports the logistics pillar of our sustainable supply chain management approach. It is our priority to provide the right product, service or information to the right place at the right time and in the right amount, without damage and loss. With our flexibility in adapting to changing conditions, we offer our customers a continuous and fast logistics service.

## Production

We carry out a sustainable production policy in line with our supply chain management strategies that will ensure complete product delivery. Thanks to our understanding of continuous development and innovation, we are able to quickly respond to various customer requests including product feature modifications, while maintaining Teklas quality. As a Tier 1 supplier with two R&D Centers, we make interactive designs for alternative products and processes requested. Our long-term relationships with developer suppliers also give us strength in providing sustainable products and processes to our customers.

We measure the compliance of our suppliers with the criteria determined by our company, with our supplier evaluation procedure. When choosing our suppliers, we give priority to companies with high product quality and capacity. In addition, we never agree to work with any supplier that engages in activities that are illegal or contrary to internationally accepted human rights standards. We quickly terminate our business relationship, if any of our existing suppliers violates these principles.



102-9, 102-10, 103-1, 103-2, 103-3,  
308-1, 308-2, 412-2, 414-1

# SUSTAINABLE SUPPLY CHAIN

## Business

We acknowledge our responsibility regarding business ethic matters such as anti-corruption, bribery and extortion, privacy, accurate records, respect to fair competition and anti-trust, conflict of interest, harassment and protection of identity, and non-retaliation. These issues are broadly specified in “Teklas Code of Ethics and Values Policy” that can be accessed through Teklas Supplier Portal.

## Labor & Human Rights

We respect internationally recognized human rights standards. This includes taking a position against child labor, forced or compulsory labor, human trafficking, and discrimination.

We define our working conditions according to human rights standards, by putting the well-being of our employees in the center. Working conditions heading also cover the recognition of the responsibility on fair wage regulation, working hours, and freedom of association including collective bargaining.

We also acknowledge our responsibility on the health and safety of our employees as well as our customers and suppliers, and we place this issue as a priority in all our business activities. We as Teklas, also expect our suppliers to centralize labor & human rights principles in their business activities.

## Environment

We accept our responsibility to comply with environmental standards and to minimize the effects of our activities as well as our suppliers’ activities on the environment. We aim to increasingly focus on protecting the environment, while performing our business operations. In order to achieve this purpose, we mainly focus on the reduction of energy and water consumption, management and reduction of waste, responsible management of chemicals including raw materials, and monitoring of air emissions. We expect the implementation of the same principles regarding the environment from our suppliers as well.

*Within the context of our sustainability principles that prioritize society, humanity, and the environment, we require all our suppliers to comply with the “Supplier Sustainability Code of Conduct” we have published and to complete the survey on Teklas Supplier Portal. We expect compliance to all of these principles, and we reserve the right to audit our suppliers accordingly.*





102-9, 102-10, 103-1, 103-2, 103-3

# SUSTAINABLE SUPPLY CHAIN

According to the results of the Supplier Sustainability Survey we conducted among our suppliers:

**94% of our suppliers have business ethics policies in line with our aforementioned principles, written health and safety policies in line with local laws, international standards and industry requirements, and environmental policies.**

**78% have business ethics training, 81% implement work conditions and organize human rights training, and 69% provide CSR and sustainability trainings.**

We arranged a Supplier Sustainability Kick-off Meeting and a Supplier Sustainability Workshop in 2020 with the participation of more than 30 suppliers. We encourage to our suppliers' continuous involvement in the subject via training activities, supplier meetings, quality system and process audits, and close monitoring activities provided under the leadership of our Supplier Development Department.



## Our Sustainable Supply Chain Strategy



*Flexible, Fast and Solution Focused Production*



*Result-Focused Interaction with Suppliers*



*Regular Control of Supply Chain Cost Structure*



*Impeccable Customer Experience with Expert Customer Service Management*



*Effective Execution of Logistics Costs*



*Update of Actions by Competition Structure*



102-16, 102-17, 103-1, 103-2, 103-3

# BUSINESS CONTINUITY

We ensure business continuity in case of any malfunction or emergency that may occur in our plants, with our emergency and production continuity procedure, which we have prepared by taking into account our priority issues and critical processes.

We intervene in an organized and regular manner without panicking when an emergency occurs, targeting to minimize the damages that may arise.

**Our business continuity procedure, which covers all our global plants and employees, subcontractors, suppliers, and visitors in these plants, also includes the inlet quality controls of raw materials / semi-finished products that directly affect our product quality and the final quality controls of our finished products.**

Although the organizational structure of our business continuity committee varies depending on the location of the crisis situation, our CEO is always the chairman of the committee at all Teklas location. The plant managers of relevant crisis locations are also participate to the committee.

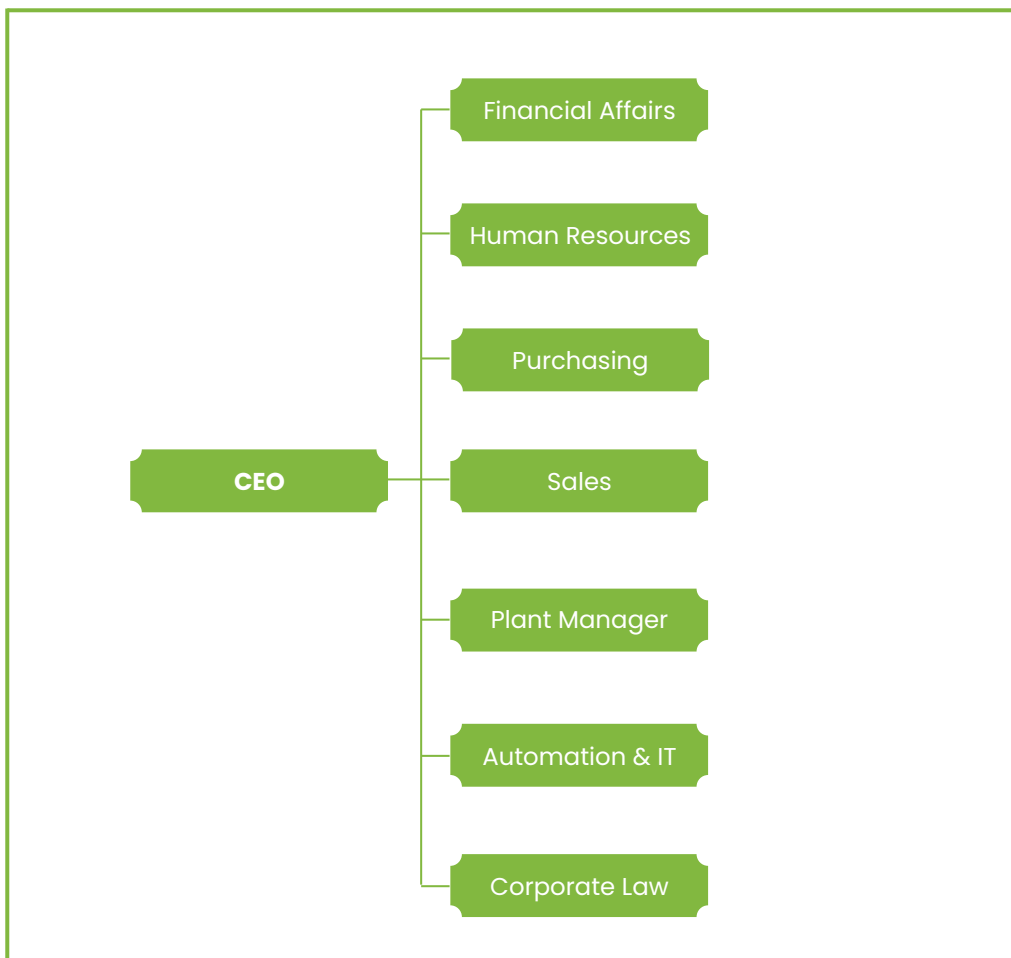
## Responsibilities of the Business Continuity Committee:

- Defining general measures and contingency actions to be taken in case based on experience and forecasts, to minimize disruptions
- Reviewing the plan at least once a year to ensure that it is appropriate, up-to-date and feasible, and making alterations if necessary
- Determining the necessary materials and ensuring their supply when needed
- In emergency situations with respect to the Business Continuity Plan, informing employees and ensuring that they gather at the Business Continuity Command Center, if it is necessary to meet at a single point
- In emergency situations securing the establishment and implementation of back-up policies and procedures for the continuity of company activities
- Reviewing each unit's continuity plan to ensure that priority is given to important data and issues
- To ensure that the procedures are up-to-date by creating security measures that include business processes related to the backup/storage and recovery of Information Systems Transaction Platforms.
- Ensuring tests and scenarios related to Business Continuity are implemented and coordinated



102-16, 102-17, 103-1, 103-2, 103-3

# BUSINESS CONTINUITY



Occupational Health and Safety and Environment Department and Occupational Health Physician are also part of the Business Continuity Committee when necessary. The decisions taken by the Business Continuity Committee are submitted for approval by the Board of Directors.

## Responsibilities of Related Departments:

*All our departments take responsibility in order to avoid the consequences that will negatively affect the normal operation of the company in emergency and unexpected situations for discharging the responsibility they ensure the continuity of business and production practices at an acceptable level.*

**Financial Affairs:** Responsible for financial damage.

**Human Resources and Corporate Communications:** Responsible for transparent internal and external communication, arranging organizational structure in case of economic crisis, and monitoring employee rights and organizing working conditions in times of any crisis.

**The Information Technology Department:** Responsible for ensuring that the software systems run smoothly during periods of disruption to business continuity.

**The Purchasing Department:** Responsible for the communication between the company and the suppliers and the delivery of products in case of business continuity interruption.

**The Sales Department:** Responsible for the communication between the company and the customers and follow-up of customers in business continuity interruption cases originating from outside.

**The Production Department:** Responsible for taking care of production failures and regulating production employees in times of crisis.

**OHS and Environmental Units:** Responsible for to take the necessary measures in an unexpected situation affecting Teklas. These units are expected to provide training to employees on their own issues in times of crisis.



102-11, 102-29, 102-30, 102-33, 103-1, 103-2, 103-3

# RISK MANAGEMENT

As Teklas, our aim is to minimize legal, financial, strategic, and unexpected risks in all our international operations. Considering all risk levels in our processes, we conduct risk management analysis on a product basis at regular intervals, to eliminate risks and reduce them to an acceptable level. We make risk assessments under the main headings of Environment and OHS. We get prepared to provide all necessary resources for the realization of risks identified through analyses.

Within the scope of risk management, we have been granted **ISO 14001 Environmental Management System** and **ISO 45001 Occupational Safety and Health Management System** certificates.

## How do we reduce risks?

- Legal Legislation follow-up is done on a weekly basis.
- Emergency procedures, drills and training are held at regular intervals.
- Qualified personnel are recruited and trained to strengthen the organizational structure.
- We take steps to complement and increase the professional qualifications of our employees.
- The Global Environmental Unit was created to reduce risks.

## In the risk management process;

1. Risks and opportunities are determined by SWOT analysis
2. Cost, time, and loss analyses of the risk are performed.
3. A sustainable control mechanism is established against the repetition of the risks.
4. Continuity of compliance with legal regulations is ensured

# BUSINESS ETHICS

*As Teklas, we are aware of our responsibility to create an ethical culture to effectively implement and support ethical rules. Accordingly, our Code of Ethics and Values Policy, which was accepted and put into effect by our board of directors, covers all our employees, customers, suppliers, and subcontractors. Teklas Code of Ethics and all related policies are prepared by Teklas Ethics Committee and announced to the entire company after the approval of the board of directors.*



The Ethics Committee is responsible for the preparation and reporting of ethical principles and informing of associated complaints within the company. It is the committee's priority to ensure transparent, accountable, and honest management in all business processes.

The Ethics Committee carries out activities in all locations, where the company has operations. Chairman of the sub-ethics committee at each country determines the organization structure of the committee and reports to the Ethics Committee at the headquarter (Ethics Supreme Board) once a month. Ethics Committee, which convenes when necessary, requires the participation of employees from both blue-collar and white-collar and equal numbers of men and women as members, to ensure equality in representation. Decisions taken in the countries' ethics sub-committees are evaluated and finalized by the Ethics Supreme Board within 6 working days.

# BUSINESS ETHICS

102-16, 102-17, 102-34, 103-1, 103-2, 103-3

*Apart from reporting and representative duties, Ethics Committee is responsible for investigating the employees and incidents when the complaints regarding the violation of the ethical principles within Teklas and for deciding on the necessary sanctions. The working principles of our ethics committees are as follows:*

The identities of the parties subject to investigation and complaints are kept confidential and the process is carried out as confidentially as possible.

The Ethics Committee has the authority to request the necessary information and documents from the relevant departments for the investigation.

All details of the investigation are followed up with the minutes, and the minutes are signed by the chairman and members at the end of the investigation.

Related parties and departments are informed about the result by the Ethics Committee.

The chairman and the members of the Ethics Committee act independently of the departments and positions they belong to, and without being affected by the hierarchy.

In case of an investigation involving the members of the Ethics Committee, that member(s) will be excluded from the committee. In an investigation regarding the Chairman of the Ethics Supreme Council, the process is carried out with the Board of Directors.

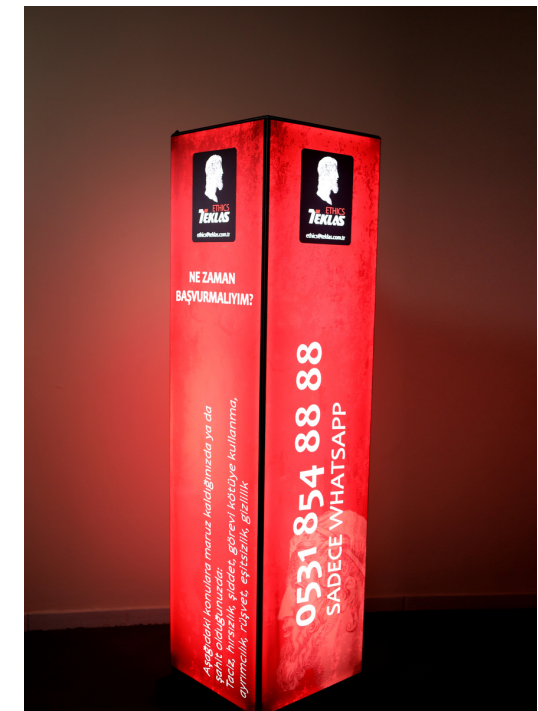
The Ethics Committee can provide consultancy to the employees when necessary. The Ethics Committee is the authority where an employee can consult whether the action to be taken inside/outside the company is ethically correct.

In case of a situation involving two or more of our plants, a new committee is formed with the participation of equal number of ethical committee members of the relevant plants.

Our suppliers are also expected to comply with our ethical committee decisions. They are informed about our ethical rules at regular intervals, and meetings are held on the subject. Our suppliers are audited once a year.

## Our Ethics Hotline

All of our stakeholders are expected to act in accordance with the principles defined in our ethics policy. Behaviors that do not comply with these principles are expected to be reported through **ethics@teklas.com.tr**, the e-mail address of our ethics hotline.



# BUSINESS ETHICS



## LABOR & HUMAN RIGHTS

Regulating all our working conditions under the laws and internationally **human rights standards**

## DISCRIMINATION

**Strongly oppose** the use of discriminatory evaluation standards in the recruitment process

## HONESTY

Being attentive and to be **honest** with all our stakeholders

## PRIVACY AND CONFIDENTIALITY OF INFORMATION

Responsibility to protect ownership property rights such as **patents, trade secrets, copyrights, names, and brands** of all our stakeholders

## COMPLIANCE AND CONFORMITY TO LAWS

Compliance with **international** ethical rules and local laws

## WRONGFUL CONDUCT AND CONFLICT OF INTEREST

**Avoiding** behaviors that will provide an **unfair advantage to** relatives and third parties by using title and authority

## GIFT POLICY

**Not accepting** gifts that may be perceived as **corruption**



# BUSINESS ETHICS



## ENVIRONMENT

Being meticulous in **protecting the environment** while performing our activities

## BRIBERY AND ANTI-CORRUPTION

Standing **against** all kinds of bribery and corruption

## ACCURATE FINANCIAL RECORDS

Maintaining financial records in accordance with all **applicable laws**, not having materially false or intentionally misleading records

## FAIR COMPETITION AND ANTI-TRUST

Compliance with competition rules and **avoiding illegal** behavior

## HARASSMENT

Being absolutely against all kinds of harassment and taking the most appropriate and **fast action** in case of a complaint or a known situation.

## PROTECTION OF IDENTITY AND NON-RETALIATION

Teklas employees have the right to **report problems**, suggestions or issues to any manager

## STAKEHOLDERS

Prioritizing **customer demands** and satisfaction with the quality and timely deliveries, not to provide customers with deceptive and faulty information, and to create a long-term trust environment

## DISCLOSURE OF INFORMATION

In cases where public disclosure is required, the disclosure is made by its **legal representatives** in accordance with the law

# STAKEHOLDER ENGAGEMENT



102-12, 102-21, 102-29, 103-1, 103-2, 103-3



Our stakeholders are individuals or groups that will be affected by or can influence our activities. Based on our ethical policy and value creation perspective, we attach importance to stakeholder engagement and maintain our continuous interaction with our stakeholders. We give importance the interests, demands and needs of our stakeholders in all our operations, and we benefit from their views while determining our business model and strategies. In this way, we continue to enrich our value chain with the contributions of our stakeholders.

We care about the contributions of our stakeholders in our value chain in order to carry our efforts for sustainability further, and we also contribute to our stakeholders' sustainability journeys through activities such as various trainings, workshops, and seminars we organize for our stakeholders. We present our relationships with stakeholders and our responsibilities towards them in our stakeholder participation table, which we have created by identifying our priority stakeholder groups.



# STAKEHOLDER ENGAGEMENT

## Our Stakeholder Engagement Table

Our Stakeholder Groups	Selection Process of Our Stakeholder Groups	Our Relationship with the Stakeholder	Important Issues & Our Responsibilities
<p><b>Employees</b></p>	<p>While choosing our employees, we take care to establish relationships as long as possible in order to make our working system more sustainable, to train our employees in our family voluntarily and as needed, rather than hiring new ones. We collect the feedbacks of all our colleagues through employee satisfaction surveys that we regularly conduct and through wish/complaint boxes.</p>	<p>We conduct interviews with our newly recruited employees on the 15th, 45th, and 90th days for orientation. At the same time, we hold face-to-face meetings with all our employees at least once every 6 months to get their feedback in addition to regular surveys we conduct. We aim to organize events outside the office in the summer months and in the office during the winter months, thus to ensure cohesion among our employees. We are constantly trying to be reachable through our Whatsapp/mail ethics lines, in-house wish/complaint/suggestion boxes, and social media channels. We create annual training plans together with managers, and we attach importance to meeting training need and demand of each and every employee.</p>	<ul style="list-style-type: none"> <li>• Monitoring and improvement of employee rights</li> <li>• Ensuring occupational health and safety</li> <li>• Retention of employees</li> <li>• Increasing employee engagement</li> <li>• Timely and complete payment of employee wages</li> <li>• Improvement of the grievance mechanism and follow-up of feedback</li> <li>• Career development and talent management.</li> <li>• Social benefits</li> <li>• Protecting ethical values</li> <li>• Creating a sense of belonging to the employee</li> <li>• Carrying out sustainability studies</li> </ul>
<p><b>Customers</b></p>	<p>As Teklas, we have been serving our customers for nearly 50 years. In order to protect and improve our relationship with customers, we are constantly conducting studies and frequently brainstorming.</p>	<p>We conduct customer satisfaction surveys for our existing customers once a year and share the results of with them. All of our employees are trained for effective communication with all domestic and foreign customers. We always try to be accessible. We organize online or face-to-face field and inspection visits at the request of our customers. Whether it is optional or mandatory, we include training, system installation or certification requests of our customers in our schedules and ensure that they are completed.</p>	<ul style="list-style-type: none"> <li>• Sustainable and effective communication</li> <li>• Ensuring the customer's trust and continuity</li> <li>• Customer retention</li> <li>• Protecting ethical values</li> <li>• Responding to requests in a timely manner</li> <li>• Follow-up and archiving of customer requests</li> <li>• Ensuring the continuity of the suggestion/complaint survey system and monitoring feedbacks</li> </ul>
<p><b>Suppliers</b></p>	<p>We are aware that sustainability of our suppliers is essential for our company's sustainability. We currently work with more than 500 suppliers in Türkiye and abroad, and the number is increasing day by day. We see supplier selection as crucial to our sustainability. We collaborate and work with our existing suppliers in raising their sustainability awareness and moving their efforts forward.</p>	<p>Sustainability studies of suppliers are regularly audited throughout the year, and English and Turkish trainings are organized for suppliers twice a year. We request them to fill out the 11-question survey on our Supplier Sustainability portal and evaluate the results. We care about making sure they know they can always consult us. When necessary, we hold one-on-one meetings with our suppliers online or face-to-face to inform them about our sustainability studies in detail.</p>	<ul style="list-style-type: none"> <li>• Transparent and effective communication</li> <li>• Compliance with ethical rules</li> <li>• Sustainable communication</li> <li>• Being always open to support</li> <li>• Providing a sense of belonging to the supplier</li> </ul>
<p><b>Academy and Universities</b></p>	<p>As Teklas, We are very conscious of the fact that education comes first. We see contribution to the education of the younger generations as one of our most important responsibilities. With this perspective, we work in collaboration with universities in a way to increase the number of more conscious, well-equipped, and self-confident graduates.</p>	<p>Every year, we recruit short or long-term interns online or face-to-face for many of our departments, such as Human Resources, Purchasing, Quality, Finance, Logistics, and etc. We are in continuous communication with METU, Yeditepe, Özyeğin, Uludağ, Kocaeli, Sakarya, and Bartın Universities. We support graduation projects in universities, regularly participate in career fairs, visit campuses to provide presentations, we host students and organize trainings in our plant.</p>	<ul style="list-style-type: none"> <li>• Effective and trust-based communication with students</li> <li>• Answering their questions</li> <li>• Effective listening</li> <li>• Being open to advice and improvement</li> <li>• Creating sustainability awareness</li> </ul>



7

PERFORMANCE  
INDICATORS

# KEY PERFORMANCE INDICATORS

## Emissions

### GHG Emissions (Scope 1, 2 and 3) (tCO<sub>2</sub>e)

305-1, 305-2, 305-3

	Türkiye (HQ)			Türkiye (GOSB-1)			Türkiye (Bartın)		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
<b>2019</b>	4,008.21	4,097.69	69,561.19	-	-	-	-	-	-
<b>2021</b>	3,151.38	-	56,912.31	679.45	-	1,093.79	7,101.58	-	10,035.24

Serbia, Bulgaria and Mexico plants emissions to be determined.

### GHG Emissions intensity (tCO<sub>2</sub>e/employee)

305-4

	Türkiye (HQ)	Türkiye (GOSB-1)	Türkiye (Bartın)
<b>2019</b>	69,561.19	-	-
<b>2021</b>	81.96	4.62	54.93

Serbia, Bulgaria and Mexico plants emissions to be determined.

## Significant air emissions (kg/hr)

305-7

	Türkiye (HQ)		Türkiye (GOSB-1)			Türkiye (GOSB-2)		Türkiye (Bartın)			Bulgaria		China			
	2019	2021	2019	2020	2021	2019	2021	2019	2020	2021	2019	2021	2018	2019	2020	2021
<b>Dust emissions</b>	0.344	0.065	0.582	0.0005	0.007	0.160	0.014	0.308	0.020	0.094	-	0.020	-	-	-	-
<b>SO2</b>	0.013	0	0.122	0.009	0	0	0	0.015	0	0	0	0	0.082	0.027	0.094	0.109
<b>NO2</b>	0.029	0.598	0.604	0.030	0.005	0	0	0.931	0	0.209	0.600	0.858	0.124	0.040	0.142	0.164
<b>Particulate Matter (PM10) (VOC)</b>	6.096	<0.005	0	0	0.009	0.110	0.300	0.063	0.087	0.037	-	-	0.066	0.021	0.074	0.087

## Water

## Water consumption from surface water (cbm)

303-5

	Türkiye (HQ)	Türkiye (GOSB-1)	Türkiye (GOSB-2)	Türkiye (Bartın)	Serbia	Bulgaria	China	Mexico
<b>2018</b>	48,352	20,461	2,223	143,736	65,342	299,718	34,343	6,143
<b>2019</b>	63,285	23,013	4,216	103,315	66,554	273,521	22,039	9,579
<b>2020</b>	46,050	13,135	2,231	74,012	76,035	340,599	32,014	11,886
<b>2021</b>	47,694	10,833	3,239	102,763	86,468	296,137	38,590	16,009

## Water discharge (cbm)

303-4

	Türkiye (HQ)	Türkiye (GOSB-1)	Türkiye (GOSB-2)	Türkiye (Bartın)	Serbia	Bulgaria	China	Mexico
2018	42,925	1,817	1,818	129,362	58,808	269,746	30,909	5,529
2019	-	20,712	2,008	92,984	59,899	246,169	19,835	8,621
2020	-	-	-	66,611	68,432	306,539	28,813	10,697
2021	42,925	-	-	92,487	77,821	266,523	34,731	14,408

## Waste

### Hazardous waste amount (ton)

306-4, 306-5

	Türkiye (HQ)				Türkiye (GOSB-1)				Türkiye (GOSB-2)				Türkiye (Bartın)			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
Landfill	0.001	0.006	0.001	0.002	0.001	0.004	0.001	0.002	0.001	0.004	0.001	0.001	0	0.004	0.001	0.006
Incineration (For energy recovery)	55.821	71.587	72.337	130.423	19.240	35.218	24.189	15.531	40.840	35.350	32.062	43.028	45.945	42.158	23.497	17.516
Incineration (For disposal)	0.017	0.011	0.016	0.017	0.011	0	0.010	0.007	0	0	0	0	0.003	0.010	0.002	0.003
Other* (Interim storage)	0.860	4.022	2.119	3.147	0.003	0	0.825	3.220	0.060	0	0	0	0.025	1.421	0.463	0.640
Other* (Recycled)	8.118	11.344	12.959	10.049	3.421	5.122	2.817	1.468	23.968	25.691	15.485	18.960	3.120	1.403	0.900	0.959
<b>Total</b>	<b>64.817</b>	<b>86.97</b>	<b>87.432</b>	<b>143.638</b>	<b>22.676</b>	<b>40.344</b>	<b>27.842</b>	<b>20.228</b>	<b>64.869</b>	<b>61.045</b>	<b>47.548</b>	<b>61.989</b>	<b>49.093</b>	<b>44.996</b>	<b>24.863</b>	<b>19.124</b>

**Hazardous waste amount (ton)**

306-4, 306-5

	Serbia				Bulgaria				China			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
<b>Total</b>	<b>4.63</b>	<b>18.22</b>	<b>3.90</b>	<b>0</b>	<b>44.32</b>	<b>96.91</b>	<b>124.32</b>	<b>99.76</b>	<b>9.26</b>	<b>29.80</b>	<b>30.33</b>	<b>28.15</b>

**Non-hazardous waste amount (ton)**

306-4, 306-5

	Türkiye (HQ)				Türkiye (GOSB-1)				Türkiye (GOSB-2)			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
<b>Landfill</b>	100.62	117.84	124.20	142.16	11.64	15.83	49.66	64.52	26.66	13.50	26.44	35.56
<b>Incineration (For energy recovery)</b>	362.79	389.92	343.37	415.80	237.13	327.19	170.88	168.06	365.57	319.36	332.53	452.76
<b>Incineration (For disposal)</b>	411.75	514.71	354.01	432.80	9.70	47.74	41.83	37.26	53.08	29.88	53.06	53.01
<b>Other* (Recycled)</b>	0	0	0	0	0	0	0	0	2.96	9.14	5.59	13.66
<b>Total</b>	<b>875.15</b>	<b>1,022.47</b>	<b>821.58</b>	<b>990.76</b>	<b>258.47</b>	<b>390.76</b>	<b>262.37</b>	<b>269.84</b>	<b>448.27</b>	<b>371.88</b>	<b>417.62</b>	<b>554.99</b>

306-4, 306-5

	Türkiye (Bartın)				Serbia				Bulgaria				China			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
<b>Landfill</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	276.83	251.75	304.64	329.52	12.36	15.48	13.98	14.85
<b>Incineration (For energy recovery)</b>	231.56	158.76	197.25	208.72	84.35	72.922	87.84	131.06	464.52	515.83	378.05	339.04	42.97	22.49	53.49	52.36
<b>Incineration (For disposal)</b>	445.44	440.06	425.37	476.34	206.86	331.70	599.26	573.72	1,797.02	1,531.42	1,523.04	1,571.23	19.93	29.69	31.30	20.14
<b>Total</b>	<b>677</b>	<b>598.82</b>	<b>622.62</b>	<b>685.06</b>	<b>291.21</b>	<b>404.62</b>	<b>687.10</b>	<b>704.79</b>	<b>2,538.37</b>	<b>2,298.99</b>	<b>2,205.73</b>	<b>2,239.79</b>	<b>75.26</b>	<b>67.66</b>	<b>98.77</b>	<b>87.35</b>

# Energy

## Energy consumption from non-renewable sources – natural gas (GJ)

302-1

	Türkiye (HQ)	Türkiye (GOSB-1)	Türkiye (GOSB-2)	Türkiye (Bartın)	Serbia	Bulgaria	China	Mexico
<b>2018</b>	46,295.631	16,338.839	1,720.577	92,648.398	45,838.182	147,582	10,880,324.420	10,671
<b>2019</b>	59,442.751	14,883.287	1,594.672	93,396.827	57,024.495	139,855	3,533,344.990	20,261
<b>2020</b>	53,706.421	12,071.812	1,768.572	100,917.223	59,596.897	136,680	12,416,650.190	21,419
<b>2021</b>	56,039.173	13,944.992	2,550.050	141,970.990	52,276.976	128,603	14,409,477.670	22,104.600

## Energy consumption (GJ)

302-1

	Türkiye (HQ)	Türkiye (GOSB-1)	Türkiye (GOSB-2)	Türkiye (Bartın)	Serbia	Bulgaria	China	Mexico
<b>2018</b>	27,635.000	21,158.712	14,454.619	25,198.931	11,332.800	86,004.000	12,102.910	3,040.000
<b>2019</b>	31,649.190	23,003.031	14,933.610	21,004.348	15,732.000	93,836.000	9,832.640	5,044.000
<b>2020</b>	26,113.900	17,666.902	12,858.102	18,055.674	19,886.400	101,278.000	12,409.960	4,673.000
<b>2021</b>	28,727.280	19,490.655	153,08.294	19,741.914	23,905.100	111,581.000	17,847.360	6,843.000

# Energy

## Total energy consumption (GJ)

302-1

	Türkiye (HQ)	Türkiye (GOSB-1)	Türkiye (GOSB-2)	Türkiye (Bartın)	Serbia	Bulgaria	China	Mexico
<b>2018</b>	73,930.631	37,497.551	16,175.196	117,847.379	57,170.982	233,586	10,892,427.330	13,711.000
<b>2019</b>	91,091.939	37,886.318	16,528.282	114,401.174	72,756.495	233,691	3,543,177.630	25,305.000
<b>2020</b>	79,820.320	29,738.714	14,626.674	118,972.897	79,483.297	237,959	12,429,060.150	26,092.000
<b>2021</b>	84,766.453	33,435.647	17,858.344	161,712.904	76,182.076	240,183	14,427.325.030	28,947.000

## Energy intensity (GJ/employee)

302-3

	Türkiye (HQ)	Türkiye (GOSB-1)	Türkiye (GOSB-2)	Türkiye (Bartın)	Serbia	Bulgaria	China	Mexico
<b>2018</b>	94.904	119.800	215.669	195.435	104.900	98.700	32,321.740	123.520
<b>2019</b>	119.543	122.214	209.219	203.199	103.900	94.600	12,260.130	133.180
<b>2020</b>	106.998	100.130	178.374	168.278	72.900	84.700	44,074.680	106.950
<b>2021</b>	180.354	108.911	207.655	222.439	62.600	90.100	38,370.550	81.540

# Occupational Health and Safety

403-9, 403-10

	Türkiye (HQ)				Türkiye (GOSB-1)				Türkiye (GOSB-2)				Türkiye (Bartın)			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
<b>The number of work-related injuries</b>	36	66	48	39	15	10	10	6	3	4	2	2	20	9	12	16
<b>The number of fatalities as a result of work-related injury</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Number of work-related lost time injury (LTI) days</b>	389	637	584	233	200	57	131	169	121	17	8	7	95	34	42	36
<b>Lost Time Injury Frequency Rate (LTIF)</b>	4.9	7.7	6.5	6.37	5.9	2.8	3.4	1.8	3.7	4.6	2.4	2.1	2.86	1.43	1.9	2.05
<b>Work-related accident severity rate (ASR)</b>	0.27	0.37	0.4	0,15	0.39	0.08	0.22	0.25	0.74	0.1	0.05	0.04	0.07	0.03	0.03	0.02
<b>Occupational disease rate (ODR)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

# Occupational Health and Safety

403-9, 403-10

	Serbia				Bulgaria				China				Mexico			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
<b>The number of work-related injuries</b>	16	18	23	26	38	12	20	16	8	5	9	6	8	16	6	18
<b>The number of fatalities as a result of work-related injury</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Number of work-related lost time injury (LTI) days</b>	310	261	275	871	505	64	63	16	38	17	34.5	223	70	40	34	103
<b>Lost Time Injury Frequency Rate (LTIF)</b>	3.27	2.65	2.33	2.34	1.68	0.5	0.72	0.57	2.63	1.76	3.02	1.3	9.97	7.28	2.6	6.23
<b>Work-related accident severity rate (ASR)</b>	0.32	0.16	0.14	0.39	0.14	0.03	0.05	0.14	0.07	0.03	0.06	0.24	0.84	0.1	0.23	0.18
<b>Occupational disease rate (ODR)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Total number of employees by gender and position

102-8, 405-1

	2018						2019						2020						2021					
	Specialist & Higher Position		Operational Position		Total		Specialist & Higher Position		Operational Position		Total		Specialist & Higher Position		Operational Position		Total		Specialist & Higher Position		Operational Position		Total	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<b>Türkiye (HQ)</b>	34	136	135	884	169	1,020	36	113	123	901	159	1,014	32	113	143	856	175	969	33	108	92	630	125	738
<b>Türkiye (Bartın)</b>	7	19	8	548	15	567	4	17	11	531	15	548	8	21	31	647	39	668	7	24	61	635	68	659
<b>Bulgaria</b>	64	159	1,100	1,163	1,164	1,322	55	164	1,164	1,223	1,219	1,387	107	254	1,116	1,192	1,223	1,446	95	227	1,180	1,193	1,275	1,420
<b>Serbia</b>	13	30	300	231	313	261	14	33	361	323	375	356	16	39	546	526	562	565	20	41	670	557	690	598
<b>Mexico</b>																			10	225	284	43	294	268
<b>China</b>	17	29	218	74	235	103	17	29	181	62	198	91	16	31	186	72	202	103	19	38	243	124	262	162
<b>USA</b>	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	1	1	3	9	10	16	13	25

Total number of new hired employees

401-1

	2018						2019						2020						2021					
	Under 30 years old		Ages between 30-50		Over 50 years old		Under 30 years old		Ages between 30-50		Over 50 years old		Under 30 years old		Ages between 30-50		Over 50 years old		Under 30 years old		Ages between 30-50		Over 50 years old	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<b>Türkiye (HQ)</b>	37	235	23	156	0	1	6	78	7	52	1	5	11	67	18	34	1	3	6	26	5	15	2	0
<b>Türkiye (Bartın)</b>	1	23	1	4	0	0	1	50	0	5	0	0	2	135	23	25	0	0	1	54	30	10	1	0
<b>Bulgaria</b>	162	314	320	317	43	24	125	222	229	218	59	59	110	224	232	246	50	66	125	238	260	226	75	77
<b>Serbia</b>	26	49	62	29	2	0	27	69	69	67	0	0	89	243	203	144	1	0	51	16	91	156	3	3
<b>Mexico</b>																			113	77	88	58	0	0
<b>China</b>	14	17	108	21	0	0	2	6	36	13	0	0	0	14	45	26	0	2	15	30	76	42	0	5
<b>USA</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	6	10	5	12	1	3

Total number employees who left jobs

401-1

	2018										2019									
	Under 30 years old		Ages between 30-50		Over 50 years old		Job leaver		Job rotation		Under 30 years old		Ages between 30-50		Over 50 years old		Job leaver		Job rotation	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<b>Türkiye (Gebze)</b>	20	170	23	129	2	4	20	149	15	59	16	99	12	100	1	6	12	91	6	67
<b>Türkiye (Bartın)</b>	0	61	1	27	0	0	0	23	0	0	2	63	0	50	0	0	0	29	0	0
<b>Bulgaria</b>	99	234	238	218	19	22	321	410	15	40	87	180	209	213	38	26	306	363	8	30
<b>Serbia</b>	16	27	23	20	0	0	19	29	1	4	9	24	23	18	1	0	19	26	0	0
<b>China</b>	10	31	57	23	0	0	66	53	2	11	11	14	63	15	0	0	24	23	2	4
<b>USA</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Total number employees who left jobs

401-1

	2020										2021									
	Under 30 years old		Ages between 30-50		Over 50 years old		Job leaver		Job rotation		Under 30 years old		Ages between 30-50		Over 50 years old		Job leaver		Job rotation	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<b>Türkiye (Gebze)</b>	4	91	11	84	0	5	2	44	6	42	22	195	42	176	6	11	20	90	19	175
<b>Türkiye (Bartın)</b>	2	62	1	32	0	0	2	38	0	0	1	55	4	36	0	1	5	44	0	0
<b>Bulgaria</b>	104	203	221	223	47	43	298	379	18	40	112	241	236	267	48	48	328	425	9	21
<b>Serbia</b>	36	93	70	84	0	0	38	81	2	7	15	68	32	45	0	0	28	68	0	4
<b>Mexico</b>											30	24	83	56	0	0				
<b>China</b>	1	11	38	19	0	2	38	32	1	1	33	25	98	42	2	2	133	68	1	9
<b>USA</b>	0	0	0	0	0	0	0	0	0	0	4	1	3	6	0	1	0	0	0	0

This information is not given for Mexico plain years 2018,2019, and 2020.

Total number of employees by year of seniority

401-1

	2018						2019						2020						2021					
	0-5 years		5-10 years		10 years and over		0-5 years		5-10 years		10 years and over		0-5 years		5-10 years		10 years and over		0-5 years		5-10 years		10 years and over	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<b>Türkiye (Gebze)</b>	126	665	28	190	15	165	91	560	47	269	21	185	83	458	69	326	23	185	57	271	49	277	19	190
<b>Türkiye (Bartın)</b>	7	294	4	219	4	54	7	248	2	204	6	96	30	350	2	201	7	117	59	292	2	206	7	161
<b>Bulgaria</b>	1086	1214	57	83	21	25	1108	1228	85	122	26	37	1016	1125	180	274	27	47	969	1028	268	332	38	60
<b>Serbia</b>	313	261	0	0	0	0	375	356	0	0	0	0	561	565	1	0	0	0	572	523	118	75	0	0
<b>Mexico</b>																			295	268	0	0	0	0
<b>China</b>	215	95	20	8	0	0	139	66	59	25	0	0	144	77	58	26	0	0	200	126	63	35	0	0
<b>USA</b>	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	13	25	0	0	0	1

The total number of employees who got maternity/parental leave

401-3

	2018				2019				2020				2021			
	Parental leave		Return the duty after parental leave		Parental leave		Return the duty after parental leave		Parental leave		Return the duty after parental leave		Parental leave		Return the duty after parental leave	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<b>Türkiye (Gebze)</b>	3	67	2	67	4	80	4	80	6	49	5	49	6	62	6	62
<b>Türkiye (Bartın)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Bulgaria</b>	55	0	26	0	63	0	17	0	68	0	22	0	83	0	21	0
<b>Serbia</b>	28	0	3	0	30	0	13	0	36	0	1	0	69	0	24	0
<b>Mexico</b>													2	0	0	0
<b>China</b>	1	2	1	2	3	5	3	5	2	8	2	8	2	7	2	7
<b>USA</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Number of executives by gender & age

405-1

	2018						2019						2020						2021					
	Under 30 years old		Ages between 30-50		Over 50 years old		Under 30 years old		Ages between 30-50		Over 50 years old		Under 30 years old		Ages between 30-50		Over 50 years old		Under 30 years old		Ages between 30-50		Over 50 years old	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<b>Türkiye (Gebze)</b>	0	0	4	33	3	3	0	1	6	36	3	2	0	1	10	43	3	4	0	0	8	43	3	5
<b>Türkiye (Bartın)</b>	1	0	0	6	0	0	1	0	0	6	0	1	0	0	1	7	0	1	0	0	2	6	0	0
<b>Bulgaria</b>	6	10	8	24	0	0	0	7	11	34	0	5	11	10	11	36	1	1	6	10	9	33	1	1
<b>Serbia</b>	0	1	3	6	0	0	1	1	2	7	0	0	2	3	2	7	0	0	2	2	2	9	0	0
<b>Mexico</b>																			1	2	0	3	0	0
<b>China</b>	0	2	3	4	0	0	0	2	1	5	0	0	0	0	1	8	0	0	0	0	0	8	0	0
<b>USA</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	1	1	0	1	1	0

# Product Groups

## ICE production amount (tons) - 2021

102-2

Products	Bulgaria	Serbia	China	Mexico	Türkiye	USA
Rubber Hoses	8,546,824	3,568,257	3,071,593	956,466	11,460,213	-
Metal Tubes & Assemblies	542,524	1,926	-	-	297,854	-
WIT-PIT Tubes & Assemblies	6,718	-	-	-	-	-
Thermoforming	137,249	51,957	-	-	10,657	-

## AC Lines production amount (tons) - 2021

102-2

Products	Bulgaria	Serbia	China	Mexico	Türkiye	USA
Discharge Lines	-	-	-	-	11,663	-
Suction Lines	-	-	-	-	-	-
IHX Lines	-	-	-	-	-	-
Liquid Lines	-	-	-	-	-	-

## XEV production amount (tons) - 2021

102-2

Products	Bulgaria	Serbia	China	Mexico	Türkiye	USA
Rubber Hoses	2,610,331	309,478	447,967	N/A	159,482	-
WIT-PIT Tubes & Assemblies	7,682	-	-	-	-	-
Thermoforming	221,569	418,520	53,242	6,738,922	22,259	-
Corrugated Thermoforming Tubes	-	-	-	-	-	-

## Production overview by years (tons)

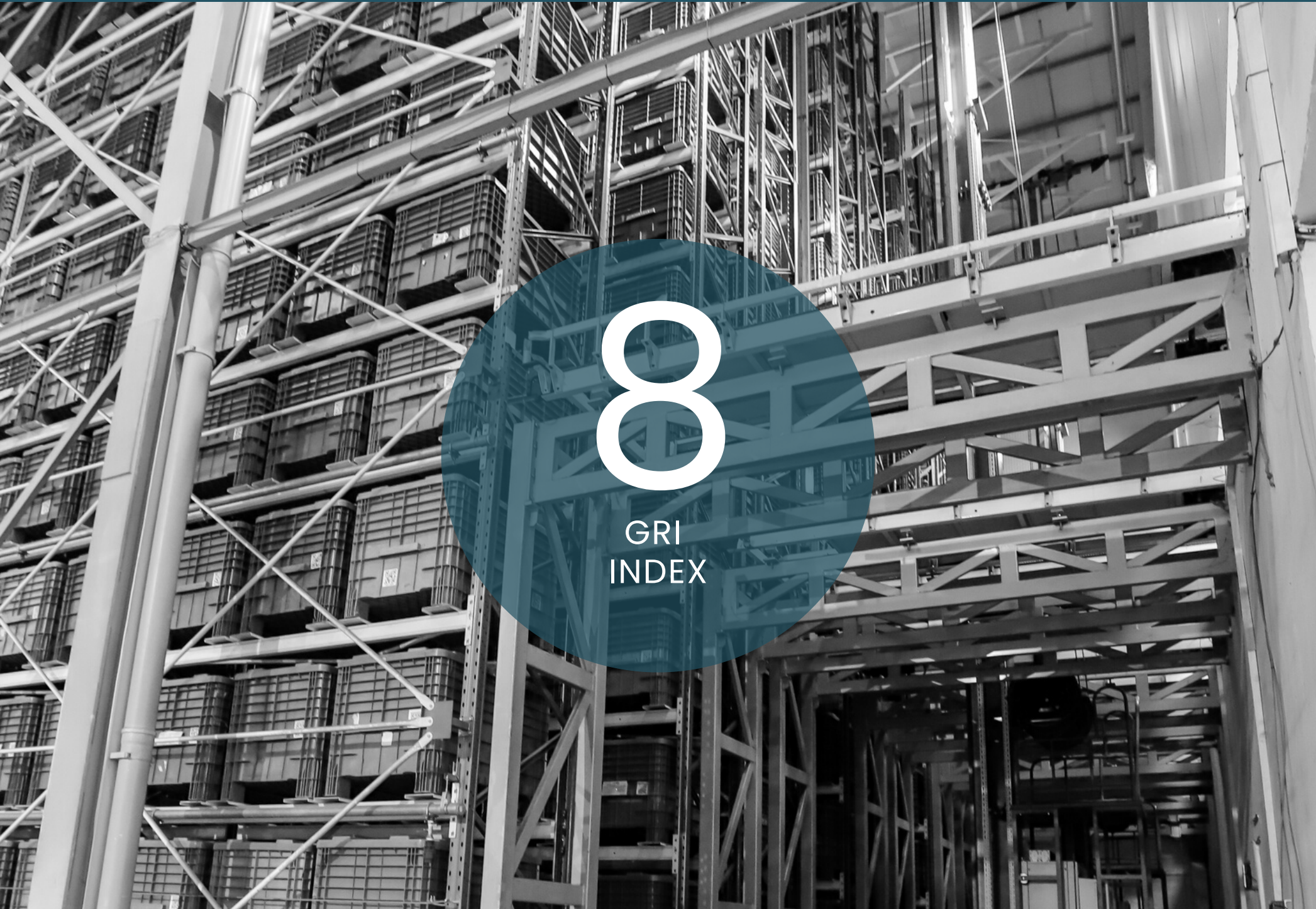
102-2

Applications	Products	2019	2020	2021
ICE Applications	Rubber Hoses	26,253	24,330,874	28,424,854
	Metal Tubes & Assemblies	1,071,023	1,139,389	842,304
	WIT-PIT Tubes & Assemblies	22,614	21,115	25,320
	Thermoforming	317,636	232,719	199,863
XEV Applications	Rubber Hoses	2,165,174	2,349,566	3,527,259
	WIT - PIT Tubes & Assemblies	9,092	8,877	7,682
	Thermoforming	261,858	844,340	7,454,511
AC Lines	Discharge Lines	0	38	11,663

# Sustainable Procurement

414-1, 308-1

Sustainable Procurement Performance Criteria	Percentage of Success (2021)
Targeted suppliers that have signed the sustainable procurement supplier code of conduct	72%
Targeted suppliers with contracts that include clauses on environmental, labor and human rights requirements	64%
Targeted suppliers that have gone through a CSR assessment	90%
Targeted suppliers that have gone through a CSR on-site audits	87%
Buyers across all locations who have received training on sustainable procurement	100%



8

GRI  
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**FOR MORE INFORMATION ABOUT THE REPORT,  
YOUR OPINIONS AND SUGGESTIONS;**

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