

SUSTAINABILITY REPORT

TEKLAS

2022

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ABOUT THE REPORT

The Teklas 2022 Sustainability Report contains the initiatives and accomplishments of Teklas between January 1, 2022, and December 31, 2022. Our report adheres to the GRI Standards. It is important to note that the information presented in the report is based on internal contributions and has not undergone external auditing.

Using an extensive materiality analysis, Teklas has identified a range of **17 subjects, consisting of 7 very-high and 10 high material topics**. These subjects have been classified into the categories of **environment, social, and governance**, with each category accompanied by detailed explanations.

Overall, Teklas is committed to transparently communicating its sustainability efforts and progress, ensuring that stakeholders are well-informed about the company's initiatives and their impact in key areas.

As part of our commitment to sustainability, we have included our short-term, mid-term, and long-term targets in the 2022 Teklas Sustainability Report. This report encompasses all the activities undertaken by Teklas during the period of **1st January to 31st December 2022**.

COMPANY OVERVIEW



make an
IMPACT
through ideas!

ABOUT US

Teklas was founded in 1971 as a world brand with 100% Turkish capital in Istanbul; it has been serving the automobile industry for 50 years. Teklas, a dominant provider for the *world's leading automobile manufacturers*, possesses a network of **12 manufacturing facilities** and an employee base of more than **7,000 individuals across six 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

OUR CORPORATE VISION

To be a 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 consider ourselves as a
GLOBAL PLAYER IN AUTOMOTIVE BUSINESS



We specialize in the design, development, and production of **fluid circulation systems** used in automotive applications for **cooling and heating purposes**.



We operate as a worldwide supplier with manufacturing operations spread across **12 production plants located in 6 distinct countries**.



We offer **cutting-edge solutions for the thermal management** of Internal Combustion Engine (ICE), Extended Electric Vehicle (XEV), and Battery Electric Vehicle (BEV) applications. These solutions encompass various components such as heating and cooling lines, air conditioning lines, and charge air lines.



We serve as a **comprehensive solution provider**, offering a wide range of products including quick couplings, assemblies of rubber hoses, thermoplastic lines, TPV lines, metal pipes, and water-injected complex parts. These offerings cover various components and materials required for different applications.



While being established for more than 50 years, we have set a new, renewed vision and sustained their values with maintaining sustainability perspectives. Company, employs more than 7000 employees globally, has expressed the new 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." 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".

As we approach forward, we are committed to improving both our products and ecosystems, making the future greener and brighter.

TEKLAS IS A 100% PRIVATE COMPANY

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Key Performance Indicators

TEKLAS IN NUMBERS



**PRODUCTION
IN 6
COUNTRIES**



**PRODUCTION PLANTS IN
12 DIFFERENT
LOCATIONS**



**165,907 SQM TOTAL
COVERED AREA**



**NEARLY 7500
EMPLOYEES**



**40% TOTAL WOMAN
EMPLOYEE RATE**



**8258 ROBOT
QUANTITY**

TEKLAS IN NUMBERS

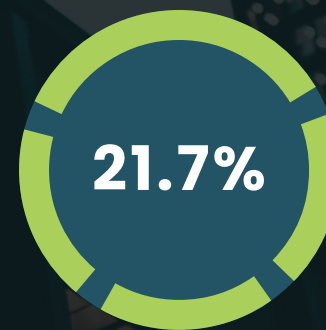
SUSTAINABLE FINANCE



NET SALES GROWTH
TO 2021



ASSET GROWTH TO
2021



OF OUR SALES ARE MADE
TO ELECTRIC VEHICLES

OUR PLANTS

TÜRKİYE

**MUALLİMKÖY
(HQ, PRODUCTION PLANT)
(EST. 1971)**

R&D CENTER
AC HOSE
BRAKE HOSE LINES
AIR LINES

COVERED AREA : 8,372 SQM
EMPLOYEES : 228
WOMEN EMPLOYEE RATE : 7%

**GOSB-1
(METAL PIPES, PRODUCTION PLANT)
(EST. 1993)**

METAL PIPE PRODUCTION

COVERED AREA : 5,611 SQM
EMPLOYEES : 370
WOMEN EMPLOYEE RATE : 26.2%

**GOSB-2
(MIXING PLANT)
(EST. 1997)**

RUBBER COMPOUNDS

COVERED AREA : 7,330 SQM
EMPLOYEES : 111
WOMEN EMPLOYEE RATE : 6.3%

**BARTIN
(PRODUCTION PLANT-1)
(EST. 2004)**

COOLING / HEATING LINES

COVERED AREA : 10,882 SQM
EMPLOYEES : 1147 EMPLOYEES
WOMEN EMPLOYEE RATE : 8.3%

**BARTIN
(PRODUCTION PLANT-2)
(EST. 2021)**

COVERED AREA : 36900 SQM
EMPLOYEES : 484
WOMEN EMPLOYEE RATE : 11%

BULGARIA

**KRUMOVGRAD
(PRODUCTION PLANT)
(EST. 2017)**

ELECTRICAL & HYBRID ENGINE LINES

COVERED AREA : 1,880 SQM
EMPLOYEES : 246
WOMEN EMPLOYEE RATE : 62.2%

**KARDZHALI
(R&D CENTER, MIXING PLANT,
PRODUCTION PLANT)
(EST. 2006)**

R&D CENTER
METAL PIPE PRODUCTION
AC HOSE
AIR LINES

COVERED AREA : 40,136 SQM
EMPLOYEES : 2184
WOMEN EMPLOYEE RATE : 45.3%

**VRATSA
(PRODUCTION PLANT)
(EST. 2019)**

COOLING / HEATING LINES
ELECTRIC & HYBRID ENGINE LINES

COVERED AREA : 8,000 SQM
EMPLOYEES : 244
WOMEN EMPLOYEE RATE : 59%

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OUR PLANTS

SERBIA

**VLADIC HAN
(PRODUCTION PLANT)
(EST. 2015)**

COOLING / HEATING LINES
ELECTRIC & HYBRID ENGINE LINES

COVERED AREA : 26,395 SQM

**VRANJE
(PRODUCTION PLANT)
(EST. 2021)**

COOLING / HEATING LINES
ELECTRIC & HYBRID
ENGINE LINES

COVERED AREA : 19,336 SQM
SERBIA TOTAL EMPLOYEES : 1437
WOMEN EMPLOYEE RATE : 52%

USA

**CALHOUN, GA
(PRODUCTION PLANT)
(EST. 2020)**

COOLING / HEATING LINES
ELECTRIC & HYBRID ENGINE LINES

COVERED AREA : 9,940 SQM
EMPLOYEES : 129 EMPLOYEES
WOMEN EMPLOYEE RATE : 40.3%

CHINA

**CHANGXING
(EST. 2012)**

COOLING / HEATING LINES
AIR LINES

COVERED AREA : 17,120 SQM
EMPLOYEES : 531 EMPLOYEES
WOMEN EMPLOYEE RATE : 61.1%

MEXICO

**AGUASCALIENTES
(PRODUCTION PLANT)
(EST. 2016)**

COOLING / HEATING LINES
ELECTRIC & HYBRID ENGINE LINES

COVERED AREA : 10,965 SQM
EMPLOYEES : 309 EMPLOYEES
WOMEN EMPLOYEE RATE : 45.8%

TEKLAS MILESTONES



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OUR AWARDS



- **2004** – Volkswagen Best 100 Supplier
- **2005** – Q1 Quality Management System Award by Ford (Rubber Metal Plant)
- **2006** – Q1 Quality Management System Award by Ford (Bartın Plant)
- **2006** – Taysad Patient Application Award 3rd Place
- **2009** – Volkswagen Best 100 Supplier
- **2010** – Volkswagen Best 100 Supplier
- **2011** – Audi Top 50 Quality Award
- **2012** – TUBITAK Technology Award
- **2012** – Toyota Supplier Recognition Award – Water Hoses
- **2012** – Ford Supplier of the Year Silver Award
- **2012** – SPE Automotive Grand Innovation–Award Drainpipe
- **2014** – Turkish Exporters Assembly Innovation Results Leader, 1st place
- **2014** – TAYSAD Utility Model Award , 3rd place
- **2016** – Volvo Quality Excellence Award
- **2016** – Turkish Exporters Assembly’ Component Design Contest
- **2016** – Ministry of Science Industry, and Technology Best R&D Center
- **2018** – Volkswagen Global Performance Champion
- **2019** – General Motors Supplier Quality Award
- **2019** – IKMIB Rubber and Rubber Products Export
- **2020** – IKMIB Export of Rubber Raw Materials and Unvulcanized Rubber Compound – 4th place
- **2021** – IKMIB export of Rubber Goods – 1st place
- **2022** – Employer of the Year Award in Vratsa - Bulgaria

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SENIOR DECISION MAKER MESSAGE

Dear Stakeholders and Colleagues,

The 2022 Northern Hemisphere surface temperature was also the sixth highest in the 143-year. Extreme weather caused wildfires, floods, and heat waves. We felt the effects of climate change like never before in 2022.

For Teklas, 2022 has been a year in which we took concrete steps against the climate crisis. As a UN Global Compact signatory, we have planned our investments in this direction beyond raising awareness. The most important thing is implementing the expansion policy of our Solar Panels in Teklas Bulgaria.

At Teklas, the main focus point that we associate sustainability with is robotic automation. 2022 was a year in which our automation investments grew faster and more robust. The most tangible output of this is the automated warehouses we have installed in our facilities. These studies, which you will see in detail in the report, are entirely the output of Teklas' production and know-how.

When looking back, the fact remains that we never forget the morning of February 24, 2022, Russia started attacking Ukraine precisely that date.

The Food Crisis was one of the leading issues of this war, which upset the global political, economic, and cultural balances. Russia and Ukraine meet 27 percent of the world's wheat needs. This rate is 75 percent in sunflowers. If we look from the viewpoint of Sustainability, global hunger is one of the biggest problems triggered by the Russia-Ukraine War.

As if that were not enough, The Russia-Ukraine War also ignited the energy crisis. The crisis, which manifested itself with price increases in almost every energy field, from oil to natural gas, from coal to renewable energy sources, grew even more with the war.

A war that has been raging for over a year and has cost thousands of lives. We hope that the war can be ended. We, as Teklas, unequivocally condemn the war between Ukraine and Russia.

Despite all these developments, we can reflect on a good year for Teklas. It was a year with strong commercial and financial results and the announcement of the built Teklas new plant in Bartın and the official opening ceremony of Teklas Vratsa. Our financial results over the past year were good. The operating results improved.

One of the proud developments we experienced in 2022 is President of Serbia Aleksandar Vucic presented the 'Order of the State' to me on Serbian State Day.

The moment that left a mark on Teklas history in 2022 was the honorary citizenship of Kardzhali Town was awarded to our founder Mr. Murat Danon (posthumously) by Kardzhali Municipality. It was also very proud to receive "Coat of Arms of the Town" on behalf of Teklas on the same date.

It is very valuable that our investments are appreciated in such an honorable way by the states of Serbia and Bulgaria.

In 2022, we were honored by the visits of the President of Bulgaria, Mr. Rumen RADEV, in the official opening ceremony of our Bulgaria Vratsa Plant and Robotics warehouse.

These are clear signs that our employees are making an impact through ideas. Our employees are the key to our success. They are the bearers of Teklas culture to the future. Last year we announced our Employee Value Proposition: Make an Impact Through Ideas! It is an expression of the unique experience of working in Teklas! At Teklas, we make an impact through sustainable business, workforce, ecosystem, and communication to the future!

With the "To become the most sustainable player in the communities that we operate in and inspiring them to be part of an upcycling future" vision, we address our Sustainability Priorities in 3 dimensions. Teklas ESG (environment, social, governance) dimensions are used as a framework to advance sustainability. For Teklas, Environment means Saving Resources; Social means Responsible Citizenship; Governance means Accountable Management.

That's why, as in our 50-year history, we will continue to use our resources responsibly, to consider our investments with a sustainability dimension, to employ our employees with a sense of corporate citizenship responsibility, and to share all these with our stakeholders.

At Teklas, we're deeply committed to sustainability as a company, manufacturer, and corporate responsible citizens. As 50 years ago, we are focused on achieving our 2030 commitments and making appropriate long-term investments in 2022, and we are determined to continue to do so.



Nebi Anil
Teklas CEO

PRODUCT GROUPS



WIT-PIT TUBES & ASSEMBLIES



RUBBER HOSES



THERMOFORMING



METAL TUBES & ASSEMBLIES

ICE Applications

Rubber Hoses (Türkiye, Bulgaria, Serbia, China, Mexico)

Metal Tubes&Assemblies (Türkiye, Bulgaria, Serbia, China)

WIT-PIT Tubes&Assemblies (Bulgaria)

Thermoforming (Türkiye, Bulgaria, Serbia, USA, China, Mexico)

We have been at the forefront of advancing technology in the production and construction of original equipment manufacturers (OEMs), as well as providing rubber and metal solutions and water injection technology (WIT). These developments aim to enhance the efficiency of fluid transfer between the cooling/heating system and engine components in internal combustion engines. Additionally, we have implemented WIT to reduce vehicle weight and improve recycling rates.

PRODUCT GROUPS

XEV Applications

Rubber Hoses (Türkiye, Bulgaria, Serbia, China, Mexico)

Corrugated Thermoforming Tubes (USA, Bulgaria, Serbia, China)

WIT-PIT Tubes&Assemblies (Bulgaria, China)

Thermoforming (Türkiye, Bulgaria, Serbia, USA, China, Mexico)

Hoses or pipes are used to transfer fluids between the cooling system and the battery/engine components in electric vehicles (EVs, BEVs, PHEVs, etc.). These components aim to lower the elevated temperature that can occur when the vehicle undergoes rapid charging or discharging.



RUBBER HOSES



CORRUGATED THERMOFORMING TUBES



WIT-PIT TUBES & ASSEMBLIES



THERMOFORMING

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PRODUCT GROUPS



DISCHARGE
LINES



SUCTION
LINES



IHX LINES



LIQUID LINES

AC Lines

Discharge Lines (Türkiye)

Suction Lines (Türkiye)

IHX Lines (Türkiye)

Liquid Lines (Türkiye)

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.

OUR FUTURE STRATEGIES



Setting up Water Efficiency Systems



Implementation of Sustainable Finance Requirements



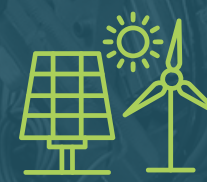
Creating nepotism, whistleblowing, anti-corruption and compliance policies



Creating a reuse/recycle policy for plastic, rubber, metallic materials

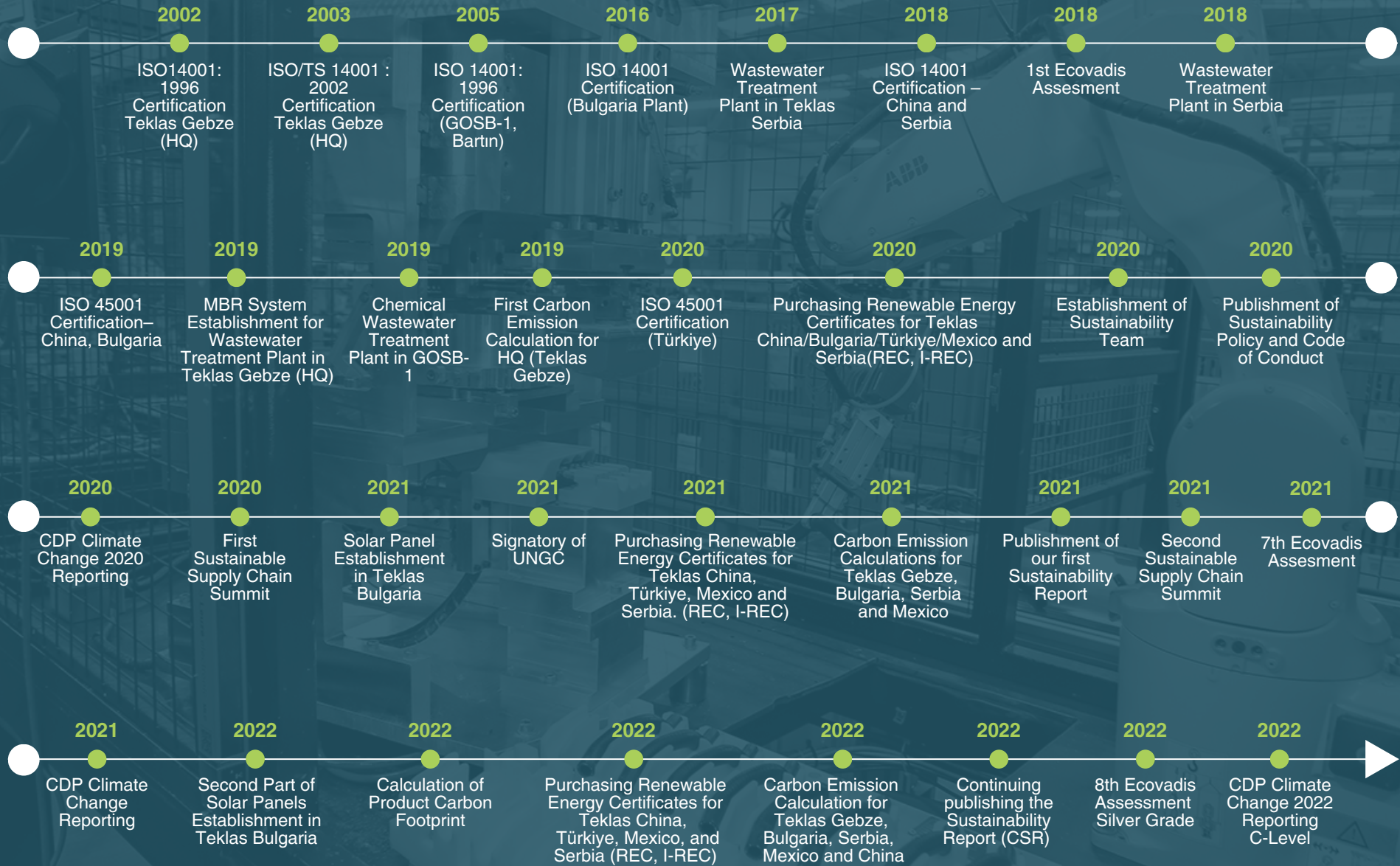


Conduction of R&D studies to develop eco-friendly product



Creating a Renewable Energy Policy










OUR SUSTAINABILITY MILESTONES



OUR BUSINESS PARTNERS

Our priority is to uphold Teklas' values and standards throughout the entire value chain, encompass governance, social aspects, and the environment. Our inclusive business strategy aims to improve the sustainability performance and progress of every supplier.

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.

	ORGANISATION / ASSOCIATION / NGOS/ INSTITUTIONS	ACTIVITIES	
	YenidenBiz Career Platform	Receiving consultancy services to employ experts in the sector	
	Middle East Technical University	Participation in Student Career Activities	
	Bartın University	English language trainings for Teklas Employees	
	Istanbul Technical University	Participation in Student Career Activities	
	Aguascalientes Governatory Recruitment Service of Estatal Gob	Corporation with local programme of government for facilitation of job finding in Aguascalientes.	
	Autonomous University of Aguascalientes	Participation in Student Career Activities	
	Technical University of Aguascalientes	Participation in Student Career Activities	
	Panamerican University	Participation in Student Career Activities	
	Ecobulpack	Recycling our packaging waste with the company	
	Technical University of Sofia - Plovdiv Branch	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	
	Envico	Receiving consultancy in the environmental protection field	
	MARKO IKOM	Secondary raw material recycling agreement	
	Hristo Botev High School	Dual education programme	

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OUR MEMBERSHIPS

For more than fifty years, Teklas has utilized a comprehensive, innovative, and customer-oriented strategy to conceive, create, and manufacture advanced fluid systems tailored to meet the heating and cooling requirements of the worldwide automotive industry. Positioned as a notable contributor within the forefront of non-governmental organizations in the trade, export, and automotive sectors, we are motivated by our ambition to rise as a top-tier global manufacturer.

Our active engagement in the activities of these prestigious organizations provides a platform for exchanging our viewpoints and industry-specific knowledge. Moreover, we offer our specialized knowledge to aid relevant industrial associations and entities in developing well-considered policies, regulations, and educational resources. Teklas forges partnerships with global stakeholders through strategic associations with influential organizations in the countries where our operations take place, including Türkiye, Bulgaria, Serbia, Mexico, and China.



A woman with blonde hair, wearing a teal t-shirt and black work gloves, is focused on working with a complex mechanical assembly in a factory. The background features a metal grid fence and yellow structural elements. The text 'CORPORATE GOVERNANCE' is overlaid in large white letters. The woman's shirt has some text on it, including 'EZBEDNOSTI' and 'RVOMMESTI'.

CORPORATE GOVERNANCE

TEKLAS

make an
IMPACT
through ideas!

OUR VISION

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

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

CORPORATE GOVERNANCE APPROACH

TRANSPARENCY



ACCOUNTABILITY



TEKLAS
CORPORATE
GOVERNANCE

RESPONSIBILITY



FAIRNESS



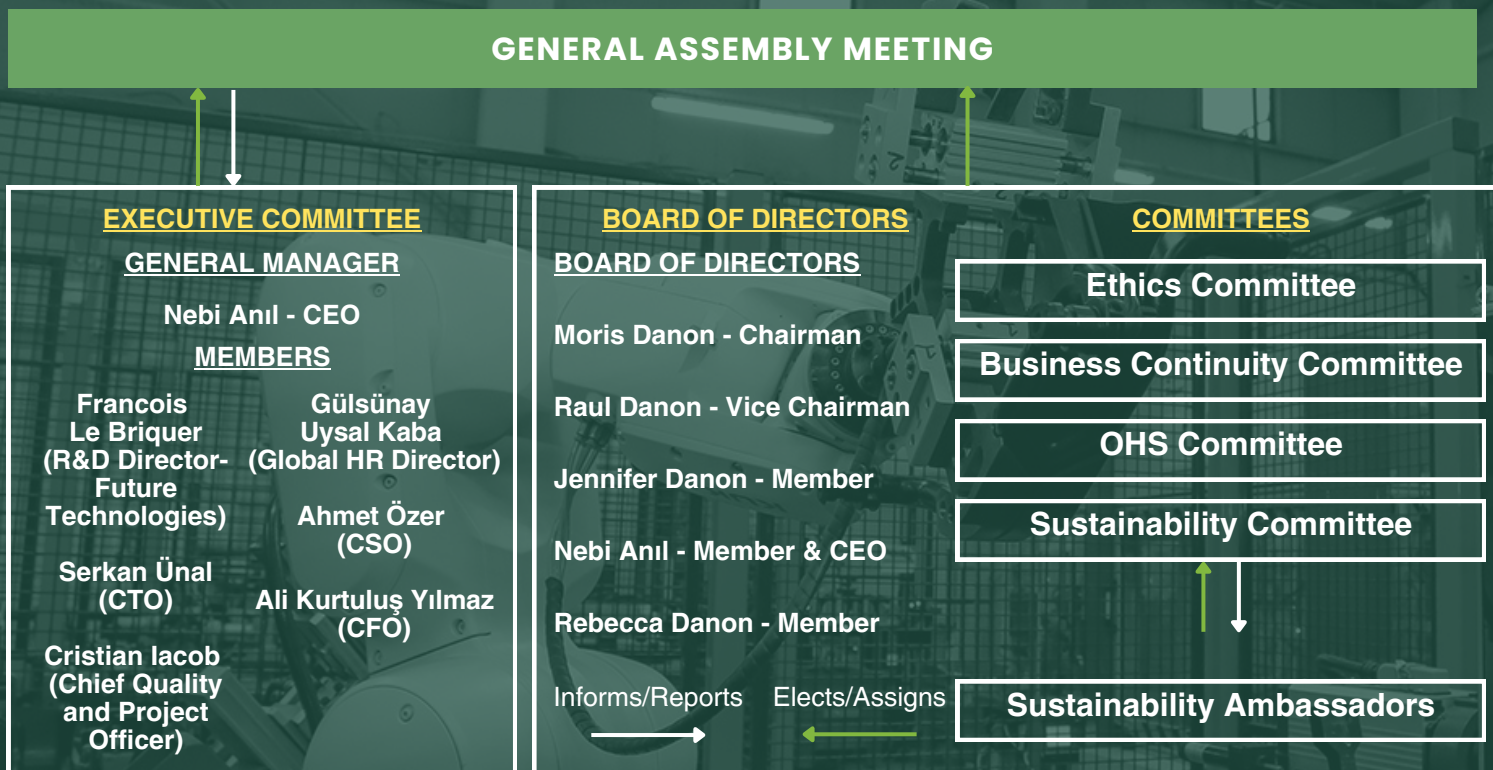
We adopt a corporate governance strategy that focuses on **reducing our environmental impacts, addressing social responsibilities, and enhancing efficiency in our business processes** to ensure *long-term sustainability* in environmental, social, and economic aspects. Our corporate governance strategy is developed by incorporating all our stakeholders in line with the principles of **accountability, transparency, fairness, and responsibility**.

To promote and sustain the **Sustainable Development Goals** throughout our company's all units and our value chain, we engage all our stakeholders, from customers to suppliers, in our sustainability processes.

OUR GOVERNANCE BODY

A transparent, fair, and effective board of directors lies at the core of our functional corporate governance structure. Our Board of Directors plays a significant role in fostering a strong corporate culture and implementing the best governance practices throughout the company, through executive committee and board committees.

GENERAL ASSEMBLY MEETING



Bimonthly;

- 1- Purchasing, sales and human resources departments are convened by our board of directors for process monitoring.
- 2- Our board of directors conducts separate KPI meetings for all plants with finance managers and directors of relevant plants.
- 3- Annual report meeting is held with the participation of our board of directors and financial officials.
- 4- 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.

MANAGEMENT COMMITTEE

Our company's seasoned and skilled board members strive to enhance the company's value through an active and efficient governance approach.

The board of directors, taking into account the company's activities, performance, and the interests of all stakeholders, formulates company strategies.

Members of the Board Director	Role	Educational Background	Tenure
Moris Danon	Head of Committee	University of San Diego, Business Economics (BSc.)	26 Years
Raul Danon	Vice Head of Committee	Long Island University, Bachelor of Science(BSc.); The College of Business Administration, The School Of Business (MSc.)	20 Years
Jennifer Danon	Board Member	Hotel Institute Montreux, Hotel Management (BSc.)	25 Years
Rebecca Danon	Board Member	Pensionnat Marie Therese Geneve	22 Years
Nebi Anil	CEO & Board Member	Middle East Technical University, Chemical Engineering (BSc.)	24 Years



EXECUTIVE COMMITTEE

Our Top Management represents our company in our relations with third parties, and define the sustainable strategies that have economic, social and environmental impacts in line with the Vision of Teklas.

Members of the Board Director	Role	Educational Background	Tenure
Nebi Anıl	Chief Executive Officer	Middle East Technical University, Chemical Engineering (BSc.)	24 Years
Serkan Ünal	Chief Technology Officer	Marmara University, Computer Engineering (BSc.); Gebze High Technology University, Computer Engineering (MSc.)	17 Years
Ahmet Özer	Chief Sales Officer	Istanbul University, Mechanical Engineering (BSc.); Technical University of Darmstadt, Process and Mechanical Engineering (MSc.)	14 Years
Cristian Iacob	Chief Quality and Project Officer	Transilvania University, Mechanical Engineering (BSc.)	3 Years
Ali Kurtuluş Yılmaz	Chief Financial Officer	Anadolu University, Business Administration (BSc.); Gebze High Technology University, Business Administration (MSc.)	11 Years
Gülsünay Uysal Kaba	Global HR Director	Marmara University, Political Science in French (BSc.); Galatasaray University, Sociology (MSc.)	5 Years
Francois Le Briquer	R&D Director – Future Technologies	IUT Lorient, Mechanics and Electronics Engineering (BSc.); ICAM Engineering School, Mechanics and Materials / Industrial Management (MSc.)	1 Year

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BOARD OF DIRECTORS COMMITTEES



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Board of Directors monitor entire company via the committees directly reporting to it. The composition, activities and effectiveness of the committees are subject to periodical reviews. In addition, necessary actions are taken to ensure the committee processes be monitored and documented systematically.

These committees include **Occupational Health & Safety Committee, Environmental Committee, Ethics Committee, Business Continuity Committee and Sustainability Committee.**

BOARD OF DIRECTORS COMMITTEES

SUSTAINABILITY COMMITTEE MEMBERS:

- Gülsünay Uysal Kaba - Global HR Director
- Emre Tuğ - Global Sustainability Engineer

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

SUSTAINABILITY AMBASSADORS:

- Emre Tuğ (Global)
- Fatme Tahir Akça (Bulgaria)
- Dragana Marinkovic (Serbia)
- Ahsen Sena Seçen (Bartın)
- Cristina Hernandez (Mexico)
- Alexis Bautista (USA)
- Zou Wanqing (China)

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

OHS COMMITTEE MEMBERS:

- Nebi Anıl - CEO
- Gülsünay Uysal Kaba - Global HR Director
- Habibe Mustafa - Senior EHS Engineer
- Basri Acar - OHS Specialist
- Fatma Çelik - EHS Team Leader

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

ETHICS COMMITTEE MEMBERS:

- Nebi Anıl - CEO
- Gülsünay Uysal Kaba - Global HR Director
- Berkan Kaplan - Legal&Internal Audit Director

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 MEMBERS:

- 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 MEMBERS:

- Nebi Anıl - CEO
- Gülsünay Uysal Kaba - Global HR Director
- Fatma Çelik - Global Environmental Engineer
- Emre Tuğ - Global Sustainability Engineer
- Habibe Mustafa - Senior EHS Engineer
- Basri Acar - OHS Specialist
- Fatma Çelik - EHS Team Leader

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

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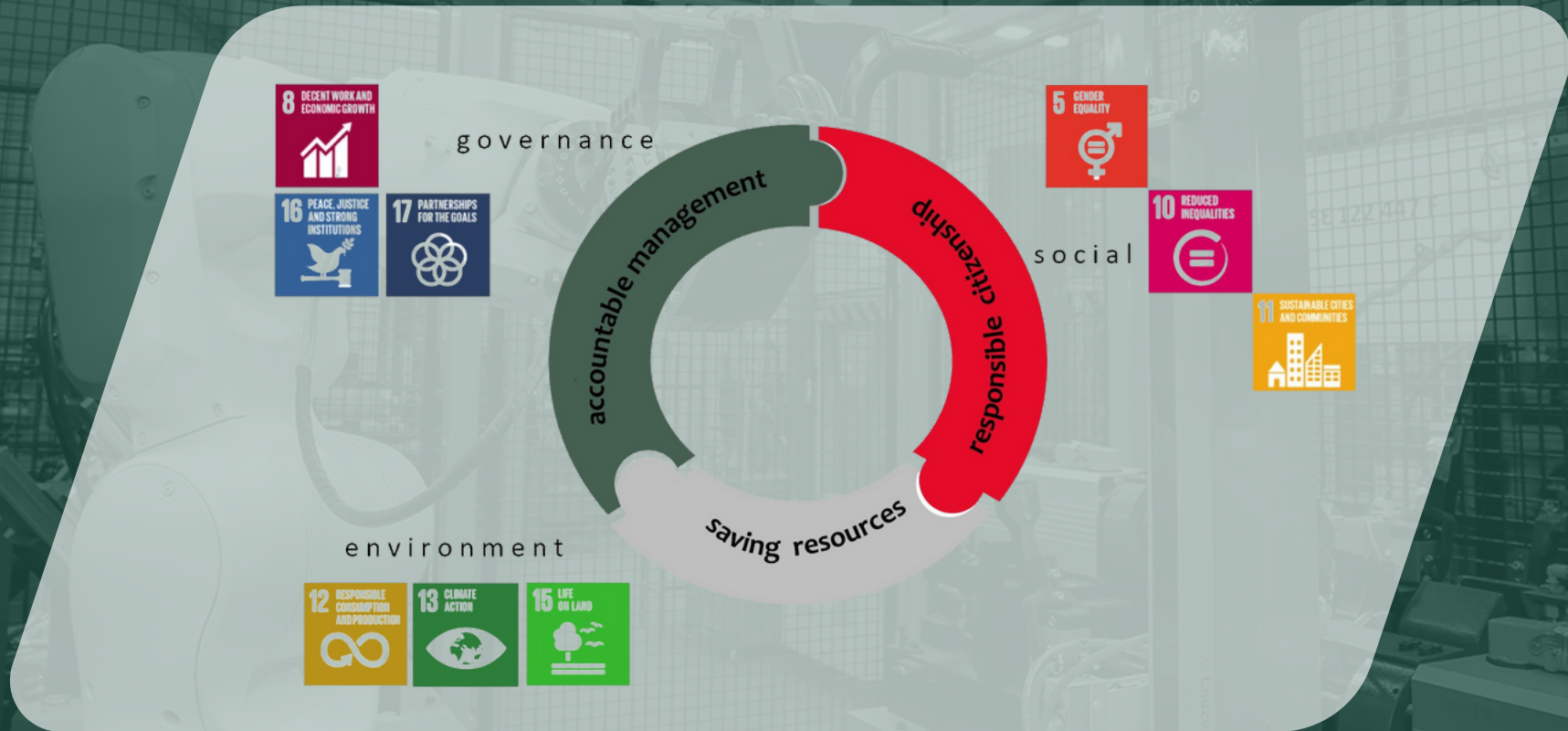
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To become the most sustainable player in the communities that we operate in and inspiring them to be part of an upcycling future.



SUSTAINABILITY GOVERNANCE

Teklas defines sustainable management as the foundational approach in managing all stakeholders, such as employees, customers, suppliers, NGOs, and others. Our primary focus at Teklas is to foster a culture of sustainability throughout all our processes and in our relationships with all stakeholders.

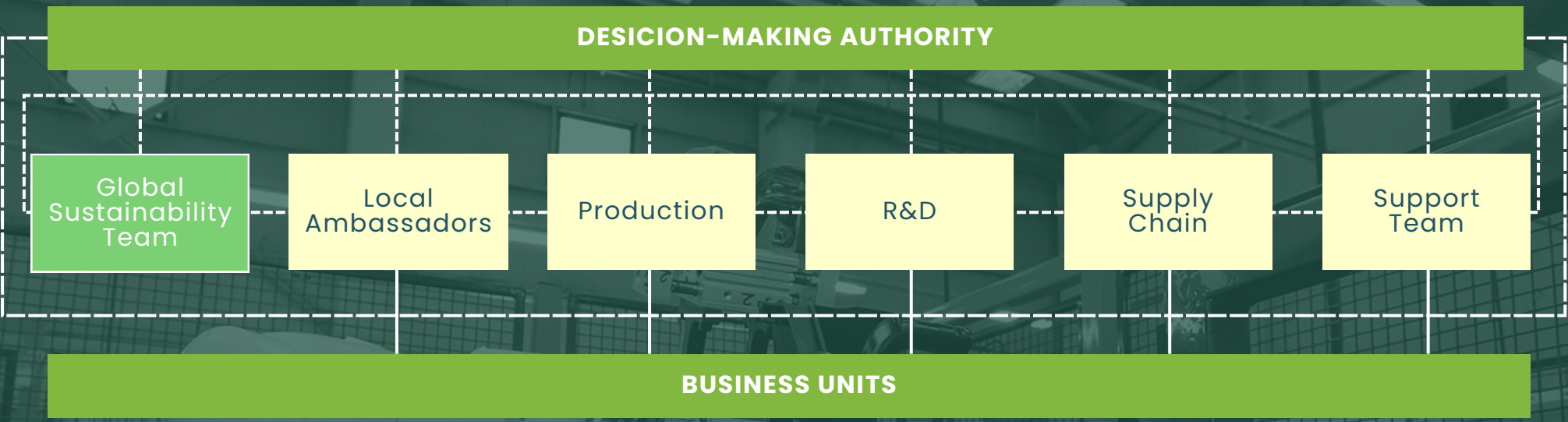
Teklas has established a sustainability structure comprising of a Sustainability Committee and a Study Group. The purpose of the Sustainability Committee is to ensure the involvement of executives at all levels in our sustainability strategy. On the other hand, the Sustainability Study Group is responsible for implementing the actions that are jointly decided by the Sustainability Committee and the Board of Directors. To ensure the seamless integration of a sustainability culture across all levels of our company, all decisions and actions are directly reported to the Board of Directors.

We prioritize the implementation of sustainability activities by aligning them with the Sustainable Development Goals (SDGs). The Sustainability Department takes responsibility for sustainability reporting, while the Sustainability Committee oversees the process. The Teklas Board of Directors ensures the integration of sustainability as a senior management function within the company.

We aim to motivate our stakeholders to embrace sustainability principles. Our primary objective, as outlined in our Sustainability Policy, is to demonstrate careful consideration for our stakeholders, the environment, future generations, and ourselves while utilizing all natural resources provided by nature. To access our Sustainability Policy, please [click here](#).



SUSTAINABILITY COMMITTEE



Our Sustainability Committee brings together diverse perspectives and expertise, fostering collaboration and innovation. By continuously assessing our sustainability performance and seeking opportunities for improvement, the committee helps shape our sustainability path, providing valuable insights into our progress, achievements, and future goals.

THE COMMITMENT AND DEDICATION OF OUR SUSTAINABILITY AMBASSADORS CONTRIBUTE TO OUR COLLECTIVE SUSTAINABILITY JOURNEY

Our Sustainability Ambassadors play a crucial role in promoting sustainability practices and driving positive change within the plants they operate in. Committed to our global sustainability agenda, sustainability ambassadors serve as dedicated champions of environmental and social responsibility, actively working to advance our sustainability goals.

MATERIALITY ANALYSIS



Teklas strives to create value in its industry by **prioritizing sustainability**. Our materiality analysis, which involves our stakeholder groups, is an essential part of our *Corporate Sustainability Strategy*, aiming to meet the expectations of our stakeholders in terms of sustainability.

To identify our priority topics, we conduct thorough assessments of the UN Sustainable Development Goals, European Green Deal, Environmental Social Governance performance, and industry trends. By considering these factors, we ensure that our sustainability efforts align with the needs and demands of our stakeholders.

In our expansive network, stakeholders are a diverse group, encompassing personnel, customers, suppliers, business partners, investors, and shareholders.

Our unwavering commitment to **inclusivity** and **fairness** led us to conduct an exhaustive anonymous survey at the close of 2021, a comprehensive effort aimed at collecting insights from all our stakeholders, which in turn, has played a pivotal role in the meticulous crafting of our sustainability strategy for the fiscal year 2022, ensuring alignment with their collective values and expectations.

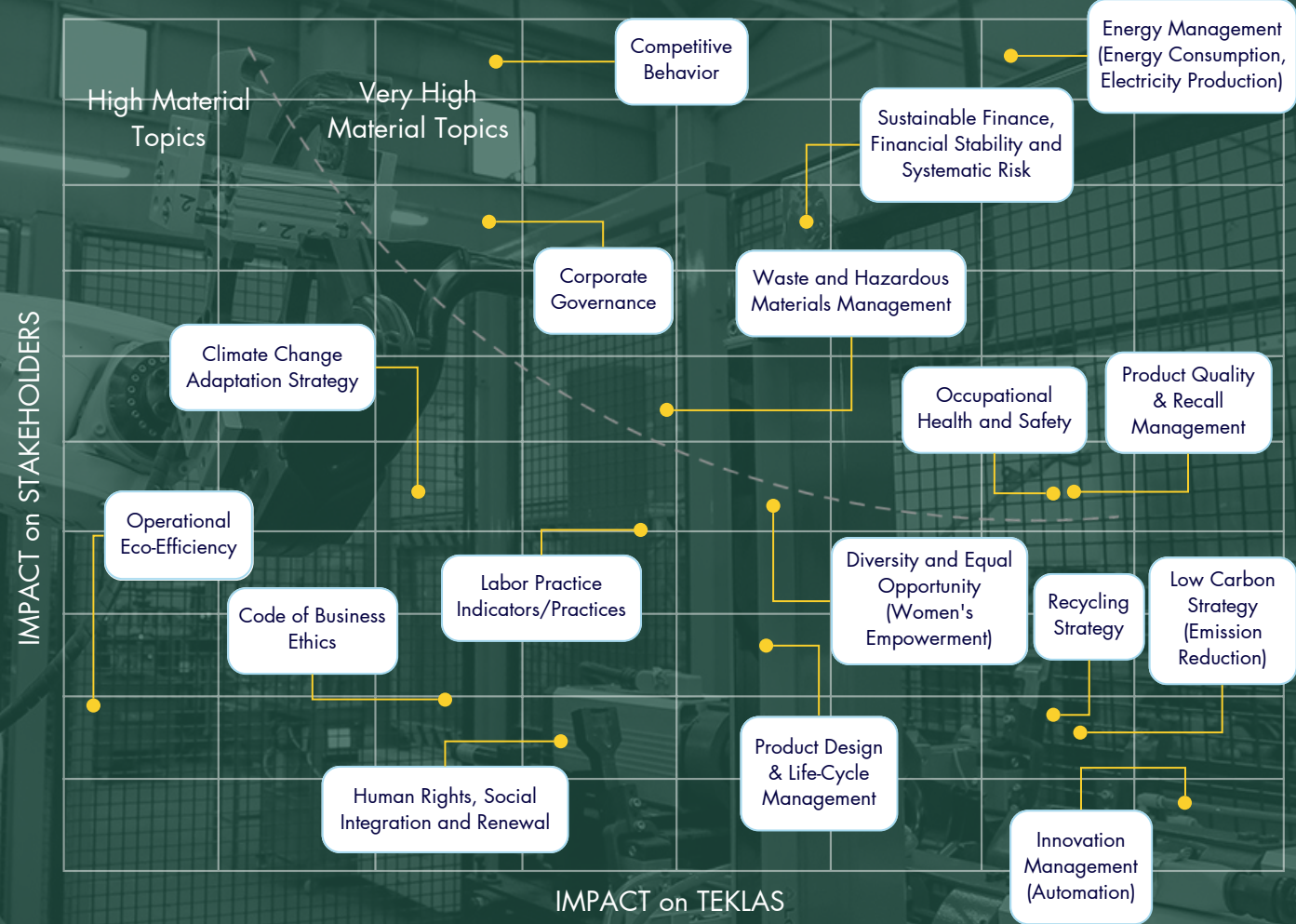
At Teklas, we determine our priority topics by evaluating industrial and global trends, as well as the priorities of sustainability indices. We take into account the dynamic nature of our company while aligning our strategy with these trends and priorities.

Throughout our workflow, we remain **dedicated to incorporating stakeholder perspectives and being responsive to their expectations**. By doing so, we strive to create long-term value while making a **positive impact** on the world and the industries we serve.

MATERIALITY MATRIX

Based on the assessment and engagement of stakeholders, we have developed the **Teklas materiality matrix**, which includes topics of very high material and high material. The Y-axis of the Teklas Materiality Matrix represents the **impacts of these material topics on stakeholders**, while the X-axis represents **impacts on Teklas**.

The results of the materiality analysis have been instrumental in setting our **sustainability** goals and developing our sustainability strategy.



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MATERIAL TOPICS

Very High Material Topics

-  CORPORATE GOVERNANCE
-  WASTE AND HAZARDOUS MATERIALS MANAGEMENT
-  OCCUPATIONAL HEALTH AND SAFETY
-  SUSTAINABLE FINANCE, FINANCIAL STABILITY AND SYSTEMATIC RISK MANAGEMENT
-  ENERGY MANAGEMENT (ENERGY CONSUMPTION, ELECTRICITY PRODUCTION)
-  PRODUCT QUALITY & RECALL MANAGEMENT
-  COMPETITIVE BEHAVIOR

High Material Topics

-  CLIMATE CHANGE ADAPTATION STRATEGY
-  OPERATIONAL ECO-EFFICIENCY
-  CODE OF BUSINESS ETHICS
-  LABOR PRACTICE INDICATORS/PRACTICES
-  DIVERSITY AND EQUAL OPPORTUNITY (WOMEN'S EMPOWERMENT)
-  HUMAN RIGHTS, SOCIAL INTEGRATION AND RENEWAL
-  PRODUCT DESIGN & LIFE-CYCLE MANAGEMENT
-  RECYCLING STRATEGY
-  LOW CARBON STRATEGY (EMISSION REDUCTION)
-  INNOVATION MANAGEMENT (AUTOMATION)

In the materiality matrix, we have considered the topics of "Very High" and "High" materiality as significant factors in the development of **Teklas' corporate sustainability strategy**. Through the materiality analysis, we have identified a total of 17 material topics, consisting of 7 very high priority topics and 10 high priority topics.

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OUR SUSTAINABILITY STRATEGY

SUSTAINABILITY MINDSET



We accompany people's journeys with a sustainable mindset striving to **advance automotive technology** through our **high-quality products** that reflect over 50 years of experience and the **sincere dedication** of our employees.

The Earth's temperature has risen by 1.1 degrees Celsius over the past 150 years, highlighting the urgency of addressing climate change. As a global auto supplier, we understand our responsibilities in contributing to sustainability. We embrace a sustainable development approach that addresses the needs of the present while safeguarding the needs of future generations amidst global population growth and increasing demands. We actively explore conscious consumption methods and alternative resources to ensure the sustainable utilization of natural resources.

4 SOLUTIONS TO KEY CHALLENGES TO REACH NET-ZERO CARBON EMISSIONS BY 2050

Renewable Energy Target

Our primary objective is to utilize green energy across all our facilities, aiming to minimize our impact on the environment. We initiated a pilot implementation by installing a Solar Panel System in Teklas Bulgaria, and we are now expanding our investments to incorporate green energy practices in all Teklas plants. Additionally, we have already obtained green energy certificates for Türkiye, Serbia, and Mexico. Currently, our green energy ratio stands at 46%, and our target is to reach 92% reliance on green energy by 2025.

Net-Zero Emissions by 2050

Ensuring the preservation of our planet necessitates the implementation of carbon-neutral operations. At Teklas, we are firmly committed to the principles outlined in the 2015 Paris Agreement. We have established intermediate targets and are actively working towards achieving complete carbon neutrality by no later than 2050. This commitment aligns with the objective of limiting global warming to a maximum of 1.5 degrees Celsius or significantly below 2 degrees Celsius compared to pre-industrial levels. Our ultimate goal is to contribute to a carbon-neutral global economy. We involve our stakeholders in our sustainability strategy by regularly conducting surveys and making them an integral part of our sustainability approach.

As part of our sustainability efforts, we take corrective actions based on audits and Key Performance Indicators (KPIs) to address the positive and negative impacts of our operations. We adhere to national and international standards to uphold our commitment to the highest quality. Our sustainability policy is regularly reviewed and updated in consultation with relevant departments to ensure alignment with environmental, social, and governance perspectives.

Responsible Production and Consumption

Sustainability lies at the heart of our business strategy, guided by our vision of "Responsible Production and Consumption" aligned with UN Sustainable Development Goal 12. We are committed to fulfilling our mission and taking tangible actions to create a sustainable world using the innovative technologies we have developed.

Sustainable Products for the Future

We are firm believers that our products can make a meaningful contribution towards building a more sustainable planet. That is why we are fully committed to producing with a conscious focus on Life Cycle Analysis.

GREEN JOURNEY

"Sustainable eco-system to the future"



THOUGHTFUL CONSIDERATION BEFORE PRODUCTION



RECYCLING AFTER CONSUMPTION



UNDERSTANDING VALUE OF ENERGY CONSUMPTION

With a deep concern for the legacy, we leave to future generations and a strong commitment to responsible production at every stage, we have embarked on a transformative Green Journey. Our Green Journey revolves around three core principles: thoughtful consideration before production and consumption, recycling after consumption, and understanding the value of the energy and resources we utilize. Our unwavering dedication allows us to reevaluate all processes modestly, striving to produce sustainable and high-quality products with minimal energy consumption.

GREEN JOURNEY



Saving Resources

is producing with the minimum negative impact on the ecological surroundings that Teklas operates in



Responsible Citizenship

is a working atmosphere in which communication flows as well as our contribution to the communities that we operate in



Accountable Management

the framework of rules, relationships, and systems within, and by which authority is exercised and controlled

To integrate sustainability into our company as a mindset, strategy, and culture, we first examined our existing company culture comprehensively. We identified three subgoals: Lean Management, Resource Protection, and Awareness Building. Over the past 50 years, our company culture has emphasized simplification, focusing on saving time and resources by eliminating unnecessary elements. We unveiled this approach as a part of our sustainability strategy. Lastly, we prioritized raising awareness among our employees to ensure that sustainability becomes deeply ingrained in our company culture. In line with our green journey, all our projects were designed based on two core principles:

"DON'T USE AND DON'T POLLUTE"

if you must pollute

"TAKE PRECAUTION"

OUR SUSTAINABILITY GOALS



We have grouped our sustainability goals into three categories: Environmental Sustainability, Social Sustainability, and Corporate Governance.

	Term	Topic	Related SDGs	Targets	Current Situation In 2022
ENVIRONMENTAL	Short-Term Target	Renewable Energy	SDG 7	Procuring or producing 46% renewable energy	We increased it to 47% our target for the next year is to make it 65%
				Supplying 2.0 MWh of energy of 50,000 Euros per month from solar panels in Bulgaria. Our goal is to meet 9% of the electricity from this investment	We built solar panels in Bulgaria and currently 15% of the energy come from solar panels in Bulgaria facilities
		Carbon	SDG 7	ISO 14064 Verification of CO2 results by third party for TR plants	In 2022 we collaborated with Türk Loydu Foundation for the verification
				To measure CO2 Footprint for TR, BG, SRB, MX	We calculated CO2 footprint for 7 plants in TR, SRB, MX, CN, BG
		Environmental Management	SDG 4, 15	Reducing the lubricant usage rate by 25% in the vulcanization process in 2022	As of 2022, the lubricant usage rate in the vulcanization process has been reduced by 25%
				Defining environmental impacts at each plant according to ISO 14001	According to ISO 14001, environmental impacts have been identified at each facility and employees continue to be informed about the issue with regularly training
				Training of employees to increase awareness of Saving Resources	This topic is also addressed in the HR meetings organized and attention is being drawn to it, some professional seminars are also planned
		Product Life Cycle	SDG 9	To define Life Cycle Assessment (LCA)'s policy that includes our approach	There will be a collaboration for product based CO2 footprints and drafts will be prepared for certain product groups, and new products will be evaluated on the basis of the footprints of existing products they are similar to when bids are submitted. (component dependent)
				Life Cycle Analysis for 2 products consist of 6 raw materials in the GPA Project of Volvo	LCA has been performed for these products

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	Term	Topic	Related SDGs	Targets	Current Situation in 2022
ENVIRONMENTAL	Mid-Term Target	Renewable Energy	SDG 7	To create Renewable Energy Policy	We are working on the establishment of the Energy Management System and the Renewable Energy Policy Procedure continues
				Commissioning of additional solar panel investment with a capacity of 2.2 MWh in BG	With the commissioning of the second part of the solar panel system, which was initially 2 MW, 2.3 MW of electricity is currently produced monthly
				Commissioning of solar panel investment with a capacity of 2 MWh in BRT	Planning of the solar panel investment are done
				To set up Energy Management System in TR plants	Work on the system is planned to be completed by the end of 2023 and certification is planned to be obtained in December
		Water	SDG 6	To set up Water Efficiency System	We have a commitment to establish a Water Efficiency Policy until 2024
	Long-Term Targets	Renewable Energy		Procuring or producing 92% renewable energy	We increased it to 47% , still our target for the 2025 is to make it 92%
		Carbon	SDG 7	To measure CO2 Footprint for CN and ISO 14064 Verification of CO2 results by third party for CN	We are calculating for China and we will verify the calculation of China
		Energy Management		To set up Energy Management System in all plants	It has started to be made for Turkish factories and it is aimed to be done by the end of 2023. Plans will be made for other facilities as well
		Water	SDG 6	Recycling of wastewater by 25% in all plants	There is a recycling of wastewater of about 10%, but studies are underway to increase this
		Environmental Maangement	SDG12	Decreasing the use of lubricant ratio 30% by 2025 in the vulcanization process	Research and studies on this target are ongoing
To conduct RD studies to develop eco-friendly product	Various trainings are planned for 2024 in order for the R&D teams to work more carefully on this issue				

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OUR SUSTAINABILITY GOALS



	Term	Topic	Related SDGs	Targets	Current Situation in 2022
SOCIAL	Short-Term Targets	Occupational Health & Safety	SDG3	Establishing and execute an OHS committee at each Teklas Plants	A global OHS committee exists
		Human Resources	SDG 9	Creating communication channels that employees can easily access in all plant	Creation of a communication channel is provided to our employees by our Ethics Line
				Assigning a responsible who regularly manages the suggestion system, wish-complaint boxes, and ethics hotline channels	Creation of a communication channel is provided to our employees by our Ethics Line
				Adressing the feedbacks coming from the Wish-Complaint boxes	Due to asks, feedbacks are always taken by Teklas Ethical committee
	Mid-Term Targets	Human Resources	SDG 11, 17	Involving the employee in decision mechanisms by townhall meetings, open door invitations, skip level get together, 1to1 meeting	Every month HR department organizes Open Door meetings and with this, all employees are both aware of the processes and can directly convey their ideas
				Deploying a structured CSR project with NGO of preference	We care about the place of women in business life and we did collaboration with YenidenBiz organization for this matter
		Stakeholder Engagement	SDG 17	Management of stakeholders expectations (customer survey, employee satisfaction survey, ESG suveys for supplier)	Customer Supplier Sustainability Questionnaire and Employee Satisfaction Survey which conducted in 2 years, basis to be conducted again in 2023
	Long-Term Targets	Occupational Health & Safety	SDG 3	Training our all stakeholders about OHS processes of our company	All our stakeholders are informed about our company's OHS processes, but no training has been provided
		Human Resources	SDG 5, 16	Setting objectives for women in management and hiring	We implement the principle of equality in our hiring practices. In our efforts driven by a belief in gender equality, we currently have a 40% female workforce, and we believe that this ratio will increase
				Creating a system to reward the employees who add value	Instant Reward Policy are going to be effective in 2023

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OUR SUSTAINABILITY GOALS



	Term	Topic	Related SDGs	Targets	Current Situation in 2022
GOVERNANCE	Short-Term Targets	Corporate Governance	SDG 4, 16	Including Ethics topics in onboarding and regular training programs	Ethics topics are implemented in onboarding and regular training programs
				Organizing Ethics training to all employees regularly and report them	Ethics training is mandatory for Teklas recruitment. For employees, ethics training is conducted in their native language at each facility and shared in booklet format
		Reporting/Rating	SDG 9, 16	Preparing Sustainability Report with the GRI standards	Sustainability Reports are done since 2021, and the objective is to do in every year
				Keeping score of 47% in Ecovadis	Our EcoVadis score in 2022 is 61
	Mid-Term Targets	Corporate Governance	SDG 12, 17	Making a benchmark study on Sustainable Finance Practices	Green procurement trainings are planned and being a Sustainable Finance signatory is considered
				Expanding our policies to all stakeholders on behalf of transparency	It is shared on social media and on the website. It is also given to the customer in all requested surveys
				Creating nepotism, whistleblowing, anti-corruption and compliance policies	Our company lawyer will receive training on anti-corruption in 2024. We address compliance within internal audit. Nepotism procedure will be established in 2023
		Reporting/Rating	SDG 9, 16	Investigating and implementing -if possible- Sustainable Finance	Sustainable Finance has been contacted and evaluations are ongoing
	Long-Term Targets	Reporting/Rating	SDG 9, 16	Including in sustainability indices (GRI index, DowJones, Science Based Targets etc.)	Issues have become a priority for inclusion in sustainability indices. GRI indexed reports continue to be prepared, while Science Based Targets are planned for 2025

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RISK MANAGEMENT

At Teklas, our aim is to minimize legal, financial, strategic, and unforeseen risks across all our international operations. By considering all risk levels in our processes, we conduct risk management analyses at product level periodically to eliminate and reduce risks to an acceptable level. We conduct risk assessments under the headings of Environment and Occupational Health and Safety (OHS).

As part of our risk management, we conduct SWOT analyses to objectively evaluate our organization's strengths, weaknesses, opportunities, and threats. These analyses enable us to determine our risk management strategies effectively.

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

In our Risk Management Process;



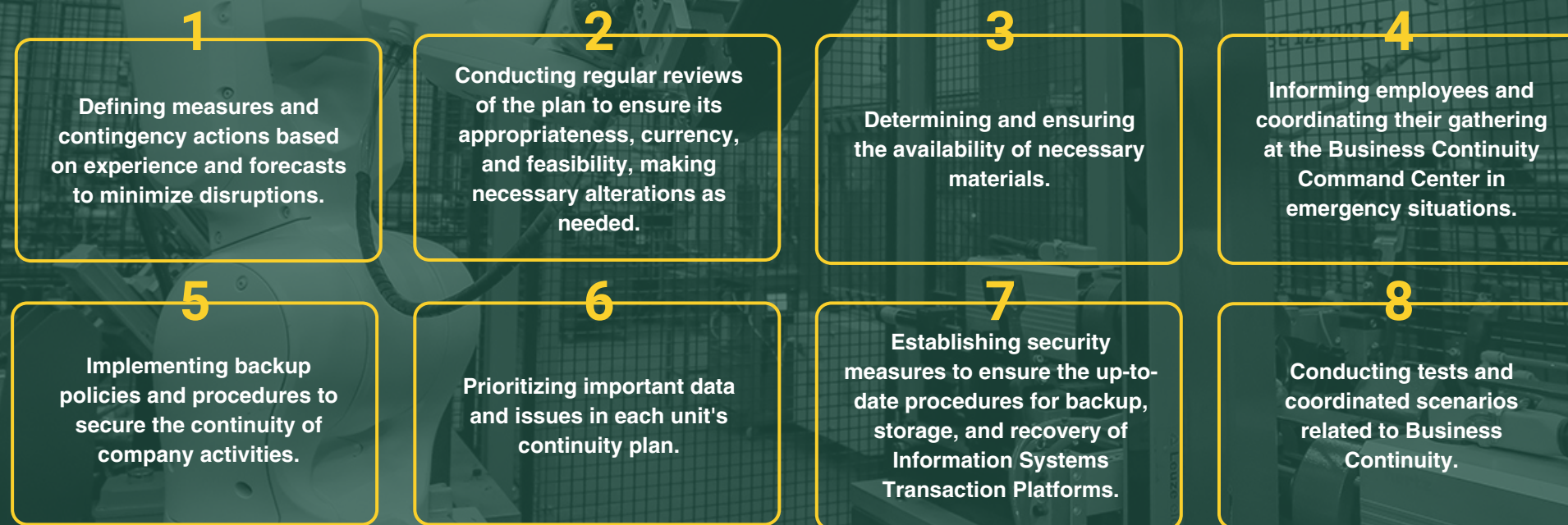
BUSINESS CONTINUITY

We have developed an emergency and production continuity procedure to ensure the uninterrupted operation of our plants in the event of any malfunctions or emergencies. This procedure takes into consideration our key priorities and critical processes. In case of an emergency, we respond in an organized and systematic manner, aiming to minimize any potential damages that may arise.

Our business continuity procedure encompasses all our global plants, employees, subcontractors, suppliers, and visitors present at these facilities. It includes quality controls for raw materials and semi-finished products, which directly impact the quality of our final products. We conduct rigorous inlet quality controls to ensure the highest standards are maintained throughout our production process.

The organizational structure of our business continuity committee may vary based on the location of the crisis. Our CEO consistently serves as the chairman of the committee at all Teklas locations. Plant managers from the affected locations actively participate in the committee to facilitate effective crisis management.

We take several key steps to ensure business continuity:





GRI 2-15, GRI 2-16, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27, GRI 205-1, GRI 205-2

BUSINESS ETHICS

At Teklas, we recognize the importance of fostering an ethical culture that promotes the effective implementation and support of ethical principles. To fulfill this responsibility, our board of directors has approved and implemented the Code of Ethics and Values Policy, which applies to all our employees, customers, suppliers, and subcontractors. The Teklas Ethics Committee is responsible for developing the Code of Ethics and its related policies, which are then communicated to the entire company following board approval. Please [click here](#) to access our Code of Ethics and Values Policy.

The Ethics Committee is responsible for developing and communicating ethical principles within the company, as well as handling and addressing associated complaints. Its main objective is to promote transparent, accountable, and honest management across all business processes.

The Ethics Committee operates in all locations where the company has a presence. Each country appoints a sub-ethics committee with its own chairman, who reports to the Ethics Committee at the company headquarters (Ethics Supreme Board) on a monthly basis. The Ethics Committee convenes as needed and ensures the participation of employees from both blue-collar and white-collar positions, as well as an equal representation of men and women, to ensure equality. Decisions made by the country-specific ethics sub-committees are reviewed and finalized by the Ethics Supreme Board within six working days.

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.



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BUSINESS ETHICS



GRI 2-15, GRI 2-16, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27, GRI 205-1, GRI 205-2

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Key Performance Indicators

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

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

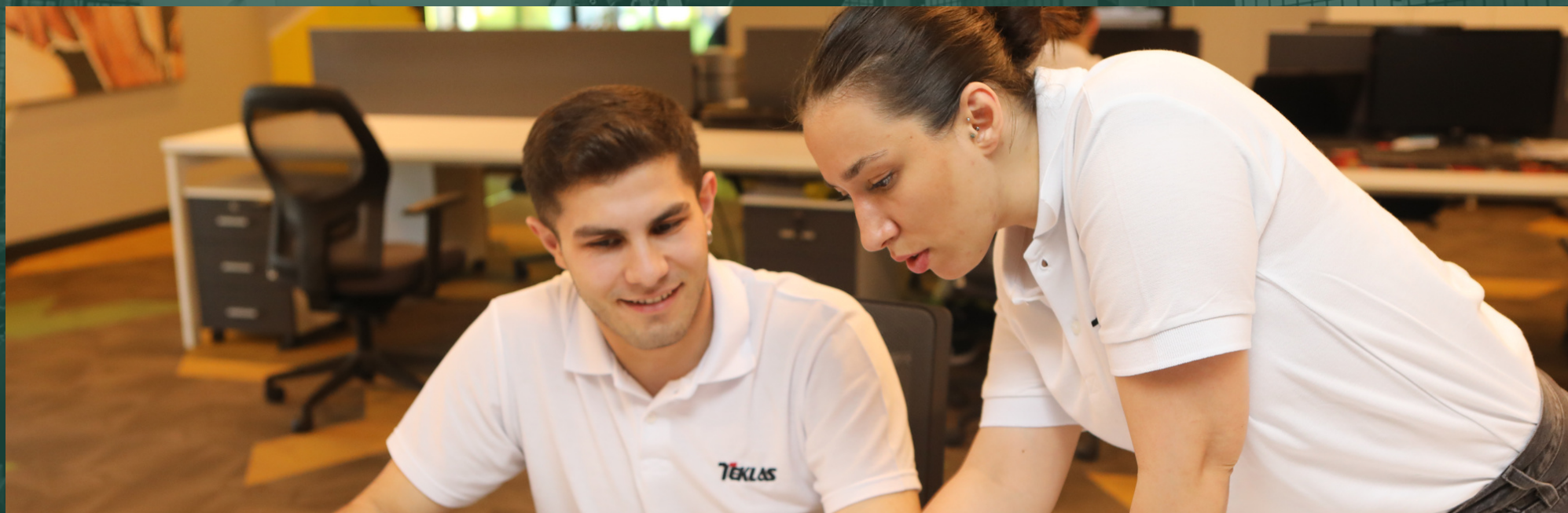
Disclosure of Information

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

STAKEHOLDER ENGAGEMENT

Our stakeholders are individuals or groups who are impacted by or have the ability to influence our activities. Guided by our sustainability strategy and commitment to value creation, we prioritize stakeholder engagement and maintain ongoing interaction with them. We value the interests, demands, and needs of our stakeholders in all our operations, and we actively seek their input when shaping our business model and strategies. By doing so, we enhance our value chain through the valuable contributions of our stakeholders.

We value the contributions of our stakeholders within our value chain as we strive to advance sustainability. In addition, we actively support our stakeholders' sustainability journeys by organizing various trainings, workshops, and seminars. Our stakeholder participation table, which identifies our priority stakeholder groups, outlines our relationships with stakeholders and our corresponding responsibilities.



STAKEHOLDER ENGAGEMENT

Stakeholder Groups	Selection Process of Our Stakeholder Groups	Our Relationship with the Stakeholder	Important Issues & Our Responsibilities
Employees	In our pursuit of a sustainable working system, we prioritize establishing long-term relationships with our employees instead of opting for frequent turnover. We invest in the development and training of our employees within our company, preferring internal growth opportunities over external hiring. To ensure continuous improvement, we gather feedback from all our colleagues through regular employee satisfaction surveys and provide platforms such as wish/complaint boxes for them to express their opinions and concerns.	We have a comprehensive onboarding process for our new employees, which includes orientation interviews on their 15th, 45th, and 90th days. Additionally, we prioritize regular face-to-face meetings with all employees every 6 months to gather their feedback, in addition to conducting routine surveys. To foster a sense of unity among our team, we organize both outdoor and indoor events during summer and winter months, respectively. Ensuring accessibility, we have established communication channels such as WhatsApp and email ethics lines, internal wish/complaint/suggestion boxes, and active social media channels. Collaborating with managers, we develop annual training plans to address the specific training needs and demands of each employee.	<ul style="list-style-type: none"> Monitoring and improvement of employee rights Ensuring occupational health and safety Retention of employees Increasing employee engagement Timely and complete payment of employee wages Improvement of the grievance mechanism and follow-up of feedback Career development and talent management Social benefits Protecting ethical values Creating a sense of belonging to the employee Carrying out sustainability studies
Customers	As Teklas, we have been dedicated to serving our customers for almost 50 years. To safeguard and enhance our customer relationships, we consistently conduct research and engage in frequent brainstorming sessions.	Once a year, we carry out customer satisfaction surveys and provide our existing customers with the results, emphasizing transparency and open communication. Our employees undergo training to enhance their communication skills with both domestic and international customers. We prioritize accessibility and strive to be readily available to address customer inquiries and requests. Whether it's through online platforms or in-person visits, we accommodate field and inspection visits as per our customers' preferences. We integrate customer-specific training, system installation, and certification requests into our schedules, ensuring their completion in a timely manner.	<ul style="list-style-type: none"> Sustainable and effective communication Ensuring the customer's trust and continuity Customer retention Protecting ethical values Responding to requests in a timely manner Follow-up and archiving of customer requests Ensuring the continuity of the suggestion/complaint survey system and monitoring feedbacks
Suppliers	We recognize the significance of our suppliers' sustainability in ensuring the long-term sustainability of our company. Presently, we have partnerships with over 500 suppliers both domestically and internationally, and this number continues to grow. We consider the selection of suppliers as a critical aspect of our sustainability efforts. We actively engage with our current suppliers, fostering their understanding of sustainability and encouraging them to advance their sustainability initiatives.	Suppliers undergo regular sustainability audits throughout the year, and we arrange English and Turkish training sessions for them twice annually. We encourage suppliers to complete an 11-question survey on our Supplier Sustainability portal and assess the results. We emphasize the importance of open communication and make ourselves available for consultation at any time. In cases where further clarification is needed, we conduct individual meetings with our suppliers, either online or in-person, to provide detailed information about our sustainability initiatives.	<ul style="list-style-type: none"> Transparent and effective communication Compliance with ethical rules Sustainable communication Being always open to support Providing a sense of belonging to the supplier
Academy and Universities	At Teklas, we prioritize education and recognize its paramount importance. We consider it our significant responsibility to actively contribute to the education of younger generations. To fulfill this commitment, we establish partnerships with universities, aiming to enhance the number of graduates who are conscientious, well-prepared, and self-assured.	Annually, we engage in the recruitment of interns for various departments, including Human Resources, Purchasing, Quality, Finance, Logistics, and more, through both online and face-to-face channels. We maintain active communication with prominent universities such as METU, Yeditepe, Özyeğin, Uludağ, Kocaeli, Sakarya, and Bartın. Our commitment extends to supporting graduation projects at universities, participating regularly in career fairs, conducting campus visits for presentations, hosting students, and organizing training sessions within our facilities.	<ul style="list-style-type: none"> Effective and trust-based communication with students Answering their questions Effective listening Being open to advice and improvement Creating sustainability awareness

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ENVIRONMENTAL SUSTAINABILITY

TEKLAS

**make an
IMPACT**
through ideas!

ENVIRONMENTAL SUSTAINABILITY APPROACH

As TEKLAS, with the products we have created using constant quality control, customer-oriented management, innovative technology, and creative power, we always prioritize the protection of the environment by lowering the environmental footprint of our operations while fostering sustainable growth in the global market. This mentality is in line with our vision to be the leading player in the fluid circulation systems used in heating and cooling lines in the global automotive sector.

To apply this, TEKLAS places great importance on protecting the environment by reducing our environmental footprint in alignment with the Sustainable Development Goals (SDGs) set by the United Nations. We ensure sustainable growth in the global market without compromising the principles of unwavering quality, customer-oriented management, innovative technology and creative power-principles.

Also in 2022, as Teklas, zero non-conformance incidents were reported regarding the customer health and safety. Teklas does not have forest land in its plants in the areas where it operates.

Teklas Environmental Policy has been shaped within the framework of following topics :

Energy and Greenhouse Gases

Water

Environmental Pollutants

Energy Efficiency

Materials, Chemicals and Waste

Product Usage and End of Product Life

Customer Health & Safety

Production of Environmental Friendly Products and Services

We stick to regional and global environmental management standards. In cooperation with ISO 14001 Management System requirements, we regularly check and ameliorate our environmental management system. Our Sustainability Report helps us to represent environmental impacts of our business, to our valuable stakeholders.

Our top priority is environmental conservation, achieved by reducing the environmental effects of our activities. We do this by employing ongoing quality management, a customer-centered approach, inventive technology, and innovative strategies.

OUR ENVIRONMENTAL POLICY OBJECTIVES

As Teklas, we consider ourselves as a responsible member of society when it comes to the protection of the global environment. Therefore, it strives to contribute by preserving human health and the environment in all its activities. Also, as Teklas, we believe that only in this way can the world have a healthier and more livable environment.

Fully compliance to legal requirements and obligations related to environment

Regular improvement to our environmental management system, and environmental performance

Efficient natural resources usage in a sustainable manner

Advanced level of Emergency and Environmental Risk Management

Making energy efficiency a prioritisation (by establishing 2 MW solar power plant in Bartın until 2025, increasing the solar power plant efficiency from 2 MW to 4 MW in Kardzhali by 2025)

Reduction of GHG emissions by increasing renewable energy from 46% to 92% by IREC certificates at global level

Information to all of our stakeholders, especially our employees, about our environmental goals and objectives and our environmental activities and to spread environmental awareness

OBJECTIVES FROM OUR ENVIRONMENTAL POLICY

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Collaboration with universities until 2025 for a clean and healthy environment within the scope of social responsibility

Increase of the bio-based and recycled material usage by 10% to produce greener products

Provision of the necessary budget for product life cycle calculations in all our new projects as of 2023 and to carry out the emission rate reduction studies created by our products during their use

Reduction of water consumption by 37% by establishing wastewater recovery facilities in all our facilities until 2027 under the responsibility of the environmental department by supporting productivity-increasing projects to protect water resources

Production of 50% recyclable products by increasing the production of plastic and metal pipes in our product range until 2027 with the coordination of our Product Development – Sales and Production departments in order to protect air, water and soil quality, to prevent pollution at the source and to minimize wastes

In order to protect customer and employee health, to remain at the net zero target by ensuring the safe use and management of chemicals in accordance with the Restriction of Hazardous Substances Directive (2002/95/EC) and the Global Automotive Declarable Substance List (GADSL) in line with the management of our Quality and Product Development departments and customer special demands by 2022

Reduction of the negative effects of our activities on the environment, provision of the necessary human, technology and financial resources for these activities and to keep the discharge water parameters in our biological and chemical wastewater treatment plants under the responsibility of our environmental department within the legal limits under the maximum values

We did not receive any penalty or fine for our operations under the Environmental Law and Associated Regulations in 2022.

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.

We've identified our environmental dimensions, or the aspects of our operations that interact with the environment, with the goal of preventing pollution at its source and reducing adverse environmental effects.

ENVIRONMENTAL MANAGEMENT APPROACH

GOALS / DIMENSIONS / IMPACTS

OUR SIGNIFICANT ENVIRONMENTAL DIMENSIONS:

- Hazardous Wastes
- Non-hazardous Wastes
- Packaging Wastes
- Natural Resource Consumption
- Chemical Consumption
- Emissions
- Domestic and Industrial Wastewater

OUR SIGNIFICANT ENVIRONMENTAL IMPACTS:

- Soil Pollution
- Water Pollution
- Air Pollution
- Natural Resource Consumption

OUR ENVIRONMENTAL GOALS & 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 etc.)
- Reducing natural resource consumption
- Ensuring ISO 14001 effectiveness

We identified our environmental dimensions, or the aspects of our operations that interact with the environment, with the goal of preventing pollution at its source and reducing adverse environmental effects.

ENVIRONMENTAL MANAGEMENT APPROACH

To ensure the effectiveness of the environmental management system, responsibilities, duties, and authorities are defined in relevant procedures, instructions, and job descriptions. The Global HR Director, who is responsible for the company's environmental management system and reports its performance outcomes to the company management, has been appointed as the environmental management representative. This appointment aims to establish, implement, review at regular intervals, continuously improve, and develop the environmental management system in compliance with the ISO 14001:2015 standard.

The environmental management representative oversees the environmental management system by coordinating with the Environmental Management Unit, consisting of the Global HR Director, EHS Team Leader, Environmental Technician, and an Environmental Consultancy Firm. They also coordinate with the relevant production and support departments.

THE ENVIRONMENTAL ORGANIZATION STRUCTURE IS AS FOLLOWS:



Our goal is to make sure that our environmental management system produces the desired results while preventing or at least reducing unfavorable effects and consistently identifying areas that can be improved. Environmental opportunities and dangers have been identified in this regard, and all inputs and outputs connected to our processes and activities have been assessed.

ENERGY MANAGEMENT

Our objective is to guarantee the effective, cost-efficient, and environmentally sustainable utilization of energy sources. To achieve this goal, our energy management procedure encompasses the management of resource provisioning, monitoring, control, and reduction of consumption for essential resources such as electricity, fuel, and water at all our operational sites.

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.

RENEWABLE ENERGY USAGE FOR PLANTS AND TARGET TABLES

	2021 (Actual)	2022 (Actual)	2023 (Target)	2024 (Target)	2025 (Target)
TR	100%	100%	100%	100%	100%
BG	6%	6%+9% (solar system) = 15%	40%	60%	100%
SRB	50%	50%	100%	100%	100%
CN	0%	0%	100%	100%	100%
MX	100%	100%	100%	100%	100%
TOTAL	42%	46%	65%	80%	92%

PLANT	TARGET	PLANNED ACTIVITY
TÜRKİYE (BARTIN)	Reducing energy consumption per tonne of mix (reducing the fuel/water ratio below 60kg/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
		Reduction of natural gas usage rate with the use of economizer during the installation of a new boiler
TÜRKİYE (HQ)	Reducing energy consumption per tonne of mix (fuel/water ratio to below 75 kg/ton)	Reducing the rate of natural gas use by improving the water quality by making an overhaul of the water softening system
		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
SERBIA	Reducing Euro based Total Electricity Cost to Turnover ratio to 3%	Continuing of the implementation of ISO 50001 Energy Management System to Türkiye plants
		Reducing the time required for initial preparation and meeting production goals per person by maintaining operator training
BULGARIA	Lowering Euro based Total Energy Cost to Turnover ratio to 4.5%	Minimizing losses by regularly monitoring flue gas measurements and ensuring necessary burner adjustments are conducted every month by the authorized maintenance and control company for boilers
		Monthly inspection of traps and insulations to prevent steam leaks
		Continuing to Utilize Renewable Energy Sources
		A solar power plant on an area of approximately 50 ha next to the plant parcel was established, and continuation of this source in the plant

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Key Performance Indicators

ENERGY MANAGEMENT

Our Maintenance Department work together to determine the quality of our natural resources. Natural resource efficiency, sustainability, and environmental implications are also taken into account in addition to price.

Aligned with our company's strategic objectives, we are actively working towards reducing both natural resource consumption and costs. To achieve this, departmental targets are set on an annual basis, and the progress towards these targets is continuously monitored. Furthermore, we have scheduled the implementation of ISO 50001 Energy Management System across all our locations in 2023.

In cases where energy usage at our plants in Türkiye reaches or exceeds 1,000 TEP (Ton of Equivalent Petroleum), we promptly submit an Energy Notification to the General Directorate of Renewable Energy through the ENVER Portal.

Moreover, we encourage energy-saving initiatives through our Suggestion System and Quality Circles, which are accessible to all our employees. These platforms provide opportunities for our employees to contribute their ideas and suggestions for energy conservation.

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



WATER & 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 company policy and sustainability objectives align with our water and wastewater management practices. We have established specific goals regarding water supply, water consumption, and the treatment of wastewater. At present, we rely entirely on municipal water to meet our water requirements.

In order to manage and regulate our water usage, we have implemented a system of monitoring plant-based consumption targets. These targets are determined by calculating the ratio of water consumed to the amount of rubber dough used in the production process. Our company has established specific objectives for reducing water consumption, and the corresponding targets can be found in the table provided below.



WATER & 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 Oil (Hydraulic/Boron Oil)

After undergoing treatment at the Muallimköy biological treatment plant and similar facilities in Bulgaria and Serbia, the domestic wastewater generated from restrooms and dining zones is discharged. The Environmental Management Unit supervises the operation of this treatment facility. Once predetermined thresholds are achieved, our establishments located within the Organized Industrial Zone (OIZ) release wastewater directly into the OIZ channel, bypassing further treatment.

Our industrial wastewater, in OIZ facilities, is pretreated to fulfill canal discharge standards before being released into the OIZ canal. Our facilities adhere to legal regulations and country-specific limits, treating wastewater in our organization's treatment facilities before discharge.

In our Bulgaria plant, following the future installation of a wastewater recovery system with a capacity of 30 cubic meters per hour, roughly 75% of treated water will be reclaimed. This reclaimed water is intended for utilization in processes involving boilers, cooling towers, hose washing, and similar activities, aligning with our goals for wastewater recovery and reuse.





EMISSION MANAGEMENT

In Teklas Bulgaria and Serbia, steam boilers are utilized for steam generation, with CNC being used as the fuel source. The combustion gases resulting from this process are released into the atmosphere through two separate burning chimneys. On the other hand, in Teklas Gebze and Bartın, natural gas is employed in the steam boilers, and the combustion gases are released through a single burning chimney. The steam generated by these boilers is utilized in the vulcanization process of rubber hoses, while the waste heat vapors formed in the autoclaves are released through ventilation chimneys.

Concerning our metal pipe production operations in Türkiye, the emissions from the brazing welding furnaces are released into the atmosphere through combustion chimneys. Similarly, the emissions from the cataphoresis coating line are released through equipped ventilation chimneys that incorporate scrubbers to ensure proper flue gas treatment. In the wiper production section, emissions from phosphate coating and electrostatic powder painting are released into the atmosphere through ventilation shafts that feature integrated scrubbers.



In our mixing plants located in Teklas Türkiye and Bulgaria facilities, effective measures have been taken to control dust and emissions from various sources. Hoods and ventilation systems have been installed to capture these pollutants, and the collected dust and emissions undergo filtration using a bag cassette type filter and scrubber system before being released into the atmosphere.

Across all our plants, we closely monitor the exhaust gas emissions from company vehicles such as cars and forklifts. These vehicles are rented and replaced before they reach three years of age.

In our emission management summary reports, our precautionary measures are listed below:

- There are no dust-generating combustion or production residues in the facility.
- The internal roads of the facility are covered with concrete material and are regularly washed and swept.
- There is no filtration system in place.

WASTE MANAGEMENT

To ensure the prevention of any environmental harm, we effectively handle the identification, control, and disposal/recovery processes of various types of waste generated from our operations. This is carried out in strict compliance with applicable laws and regulations. Our comprehensive "Waste Management Procedure" defines the necessary activities and responsibilities involved in managing waste at Teklas plants. This procedure encompasses solid, liquid, and gas waste resulting from activities conducted within our facilities, and especially the composition, storage, evaluation, landfilling, treatment and end of life applications for the solid/liquid wastes.

Teklas' Global Environmental Policy encompasses activities related to significant environmental aspects that are created in accordance with its objectives and targets, as well as the manner in which the resulting waste is evaluated.

Teklas holds legal accountability for the treatment and disposal of waste generated from its operations. The EHS (Environment, Health, and Safety) unit within our company ensures proper control and supervision of these activities. The waste produced as a result of our operations is categorized into different types, namely domestic solid waste, recyclable solid waste, hazardous solid waste, and non-hazardous waste that is not suitable for recycling.

Waste categories were established based on established protocols and guidelines. The methods for handling waste resulting from our operations differ from country to country. However, one constant factor across all locations is our commitment to consistently monitoring all processes from production to waste generation.

Waste and Hazardous Waste Management is one of the highly prioritized topics in Materiality Matrix, and also in the production plants, significant amount of solid and hazardous waste are produced. Solid wastes that must be treated are classified in 4 different categories.

- Domestic Solid Wastes
- Hazardous Solid Wastes
- Recyclable Solid Wastes
- Non recyclable Solid Wastes



Solid wastes are collected and sorted separately based on their characteristics in designated collection containers. The wastes are then transported to the waste depot after being collected and sorted.

WASTE MANAGEMENT

Domestic Solid Wastes

Domestic wastes are collected in blue-colored containers with the label "Domestic Waste" in both the facility and recreational area. In Bartın plant, these wastes are collected in garbage cans located in the Office, and in Gebze, in accordance with the Zero Waste Management, domestic solid wastes are collected in the grey containers in the areas that are formed.

Hazardous Wastes

- Contaminated Wastes
- Contaminated Packing Wastes
- Fluorescent Lamp Wastes
- Battery Wastes
- Cartridge/toner Wastes
- Medical Wastes
- Sandblasting Wastes
- Additive Residue Wastes

The disposal of all hazardous wastes in question is carried out in licensed hazardous waste disposal facilities according to the type of waste. The EHS Unit is responsible for the transportation and loading of the wastes onto licensed transport vehicles.

Non-Hazardous Wastes

- Label backs used in production
- Plastic packaging tapes
- Rubber Waste

Rubber waste is classified as non-recyclable non-hazardous waste.

These wastes are accumulated in containers at the waste site and sent for disposal to licensed organizations for non-hazardous waste.

Plastic packaging tapes and label backs used in production, on the other hand, are collected together with household waste and sent for disposal.

During the shipment of hazardous waste, the Integrated Environmental Information System must be accompanied by the delivery note. MOTAT form is prepared electronically via the Management Application, The transport control number (TKN) is notified to the driver who carries out the transport.

WASTE MANAGEMENT

Packaging Wastes

In Serbia, the appropriate government institutions are provided with an annual report regarding packaging waste. Teklas Bulgaria separates packaging waste based on different material types.

Teklas follows the regulations outlined in the Regulation on Control of Packaging Waste in its facilities in Türkiye.

Gebze plant implemented the Zero Waste Management System in 2020, and the ongoing reporting activities of the system are being conducted. Under the zero waste program, waste is collected within the established system, and reports are submitted to the relevant authorities.

Gebze plant of Teklas has obtained the Zero Waste Certificate, which remains valid until 2026.

Gas Wastes

In Bulgaria, Serbia, Muallimköy and Bartın plants, A steam boiler is used in this facility in order to ensure the steam generation. Bulgaria and Serbia plants uses CNC fuel, and this incinerated gases releases into atmosphere by 2 combustion chimney. In Türkiye plants, Muallimköy and Bartın plants, natural gas are used for fuel, and this incinerated gases releases into atmosphere by single combustion chimney.

The company vehicles (cars, forklifts, etc.) are leased, and exhaust gas emission measurements are monitored by the leasing company. The vehicles are replaced in every 3 years.

Recyclable Solid Wastes

- Papers
- Cardboards
- Nylon bags
- Plastic Waste
- Metal Waste
- Wood waste
- Glass

The recyclable waste such as paper, plastic, etc., generated from office activities is collected in paper collection bins at the Bartın facility and in blue waste bins at office stations within the zero waste management framework at the Gebze facilities.

WASTE MANAGEMENT

Waste Management System Application

Wastes are allocated to specific areas within the plants for disposal. In these areas, there are containers of different colors assigned to different types of waste. Specially assigned staff members are responsible for transporting the waste to these storage zones.

- **Contaminated/Hazardous Waste Container - Red**
Used for temporary storage of contaminated and hazardous solid wastes.
- **Packaging Waste Container – Green**
Used for temporary accumulation of packaging wastes i.e paper, cardboard, nylon etc.
- **Domestic Waste Container – Blue**
Used for temporary collection of domestic wastes.
- **Absorbent Container – Yellow**
These containers are utilized for containing and managing hazardous liquid wastes or substances, including chemicals, oil, sand, sawdust, and clean cloth, among others. They are designed with absorbent cleaning agents. Once the cleaning process is completed, they are reclassified and transferred to the red waste containers.
- **Mask Waste Container – Grey**
These containers are used for the mask wastes. Mask utilisation is declined due to reducing effects of COVID-19 pandemic, but for personal protection, it is necessary to use masks.
- **Plastic Waste Container – Light Blue**
Used for temporary accumulation of plastic wastes.
- **Electronical Wastes – Orange**
Electronical wastes are collected in orange containers.

BIODIVERSITY

As Teklas, we are aware that Biodiversity is gaining more and more importance. Carbon Disclosure Project (CDP) has Water and Climate scores, and Biodiversity is included in the Climate Section of this questionnaire.

Teklas, obtained C score in CDP Climate, which meets the average of wood&rubber products sector. In CDP Water section, we ameliorate our score to C, and we will continue to invest in Biodiversity, to reach the sector average in CDP Water.



A photograph of an industrial factory floor with a large white robotic arm in the foreground. The background shows various machinery and safety railings. The image has a teal color overlay.

SUSTAINABLE PRODUCT MANAGEMENT

TEKLAS

**make an
IMPACT**
through ideas!

SUSTAINABLE PRODUCT MANAGEMENT

Saving Resources



Responsible Citizenship



Accountable Management



Sustainable Product Management Approach

While carrying out our commercial activities within Teklas, we aim to minimize negative environmental outputs and our direct and indirect effects on the environment. We adopt the Sustainable Product Management Approach by integrating the environmental, social, and economic aspects of sustainability into our business model. The sustainable product management approach is based on Product Quality & Recall Management, Product Design & Life Cycle Management, Innovation Management (Automation) and Operational Eco-Efficiency dimensions. To provide our customers with superior service and product quality, we carry out innovation and automation studies in our production processes, in the R&D and P&D centres with our team of engineers who are competent in their fields. We have Teklas Quality Management system criteria, which we take as a guide while producing high-quality products, and IATF16949:2016 quality certificate in all our factories. While creating our products, we analyse all the risks that may occur in the design and production processes of the product at the beginning of the project, then we subject the analysis outputs to prioritization analysis and risk assessments. We prepare a control plan for the identified risks and share the risk analysis with our customers. As a result of the control plans, our operators receive training to minimize the errors that may occur. Then, the operators implement the planned controls. We include quality training in the training selection of all our employees. In the required departments, we provide our employees with different quality training such as APQP, Core Tools, MSA, SPC, VDA as professional training. We also organize IATF training annually for our employees.

SUSTAINABLE PRODUCT MANAGEMENT

Sustainable Product Management Approach

Teklas Quality Policy sums up the key elements we depend on for excellence and contains following items. [Click here](#) to access our Quality Policy.

- In order to develop and produce reliable and preferred zero-defect products, creation of a Quality Improvement Mindset;
- In order to ensure product compliance, prevent quality issues, and eliminate defects, we continuously challenge ourselves by reviewing our processes and quality objectives to develop our Quality Management System.
- To encourage participation and enhance the development concerning quality responsibilities among all our employees through education, coaching, and effective communication.

As a company that produces heating-cooling lines, AC lines, brake hose assemblies, electric & hybrid engine lines, air lines systems, and automated storage and retrieval systems groups on a global scale, we keep our sustainable product management approach open to development, innovative, and up to date. By following the developments and regulations in the automotive sector and updating our understanding of sustainable product management in parallel with innovations, we develop quality and innovative products and offer our products to our customers. As part of our sustainable product management approach, we have a Global Supplier Quality Department to support our suppliers' quality management processes. We guide the process management of our suppliers with the support of the TEKLAS Supplier Handbook document. To increase our product quality and reliability, we share the safety data sheets and analysis certificates of various products in our product portfolio with our stakeholders. As a part of our product service quality, we take action in a systematic way by forming a team to solve the related complaint by using our application called TekTools for customer feedback and complaints. After the problem is resolved, we share the reports we prepare with our customers through the TekTools platform.

SUSTAINABLE PRODUCT MANAGEMENT

Teklas Sustainable Product Development Goals for 2023



To produce 50% recyclable products by increasing the production of plastic and metal pipes in the product range until 2027, with the cooperation of our Product Development, Sales and Production departments, within the scope of our efforts to prevent pollution at its source and to minimize waste in order to preserve air, water and soil quality,

01

To increase the rate of use of bio-based and recycled materials in our products to 10% by 2027, within the scope of our strategic activities of the product development and sales department,

02

To carry out product life cycle calculations in all our new projects as of 2023, with the joint work of our Product Development, Sales, and Sustainability departments,

03

To carry out studies to reduce emissions that occur during the use of our products.

04

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Key Performance Indicators

INNOVATION MANAGEMENT

As one of Europe's largest connector manufacturers, we develop and activate Robotic Automation processes while actively complying with regulations, following developing technologies. We have an approach that is based on automation in production, which is a part of our vision to ensure operational eco-efficiency and develop a sustainable business model. We develop innovative automation solutions with the work of the most competent and professional engineers and experts in our R&D and P&D units.

Within Teklas, we classify innovative ideas under 3 main headings: product, process and organizational. With product innovation, we obtain significantly improved or new final, semi-products, and raw materials. Within the scope of process innovations, we develop manufacturing management, manufacturing machines or apparatus that generate significant efficiency output in production. We adopt the understanding of life cycle management and sustainable product design in the engineering, design, production, storage, logistics and re-production processes of the products we produce. We evaluate and process organizational innovation ideas within the framework of sustainable product design and product lifecycle management. In the evaluation phase of innovation ideas, we consider applicability, scope, originality, evaluability of the results and the contribution to Teklas while the development process.

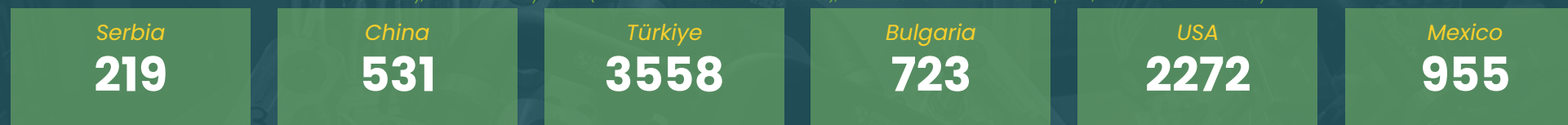


AUTOMATION

We distinguish ourselves from our competitors by developing automation processes from design to software as a team. Since we have made automation an integral part of our business model, we prevent waste generation as well as gain from the workforce. With robotic automation, we reduce the use of chemicals compared to human power. Our automation solutions help to reduce the negative externalities that can be created by loud, saw, drill, hydraulic press machines in our production processes, on the environment and human health.

Türkiye is in the 1st position in Robot Density.

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



**Teklas locations with the highest density of Robots*

We develop intralogistics and software solutions as part of our efforts to increase operational eco-efficiency and ensure sustainable growth. We record all goods movements in production processes, one of the outputs of our software solutions, with periodical analyzes with a system we developed using Artificial Intelligence (AI) WMS CORE technology. We developed a system that independently optimizes the storage location to include frequency of use. In this way, we reduce the amount of work required in the warehouse while shortening the collection time.

As part of our understanding of ensuring efficiency in automation and production, we follow the steps of creating data templates, collecting data and visualizing them. During the data collection process, we provide simultaneous access to more than one cell in areas such as the creation of warning information based on previous production data, and robotic production cells. The outputs of the production visualization are as follows, top-performing operator list, visualization with part and customer logos, and the number of accident-free days information descriptions. In the next years, we plan to incorporate data reporting into the automation data chain. With the reporting step, we aim to obtain outputs of, instant production location status, determining the process with product-based time loss, and identification of the process with scrap loss on a product basis.

Automation and Operational Eco-efficiency Projects

- Helium Leakage Test Machine
- Robotic Thermoforming Pipe Bending
- AGVs
- Brazing Robot
- Laser Welding
- Bin Picking with 3D Camera



GRI 3-3

R&D and P&D

We develop fluid circulation systems for the automotive industry with Product design and Life Cycle management, Operational eco-efficiency and customer-oriented management approach at Teklas R&D and P&D centres. By reinforcing our vision of being a world leader with a sustainable business model understanding, we develop fluid circulation systems by conducting research in our R&D and P&D units to realize projects that provide sustainable product design, product life cycle management and operational eco-efficiency. Teklas R&D project management process takes place in the stages of development, prototype, and serial projects. The product and system development processes for the R&D Mixing unit consist of mixture determination, creation and development process, and new product research.

Plant	Robot Count	Blue Collar Employee	Robot Per 1000 Employee
Kardzhali	183	1986	921
Vratsa	2	238	84
GOSB1	84	233	3605
Bartin	37	1231	301
Mexico	40	328	1220
China	30	479	626
USA	9	88	1023
Serbia	51	1313	388
Sum.	436	5896	739



Within the scope of our R&D Project Management Procedure, our R&D and P&D studies consist of 6 parts.

1 Functional Design & Development

2 Product Design Simulation

3 Part & System Manufacturing

4 Structural Design & Development

5 Material Manufacturing

6 Process Design & Development



Product Design, Product Development and Life Cycle Management

We aim to be a leader in the sector by developing product design and life cycle management strategies with sustainable, high quality and innovative methods with the P&D team within Teklas. By following the constantly renewed technological developments in the sector, we update our products with innovations and adapt our production in line with these developments. As part of our Air-Condition P&D activities, we develop and test air-conditioning lines and meet the demands of our customers. Our P&D team consists of young and dynamic individuals who solve problems, have analytical thinking skills, are result-oriented, open to development and learning.

The main fields of activity of our P&D team are; Metal Pipe development consists of Hose Development and Test Development. One of the projects created by our P&D team within the scope of product design, product development and life cycle management activities in line with Teklas Sustainability Policy is Laser Welding Machine. With the Laser Welding Process, which is equivalent to the currently ongoing Brazing process by increasing operational eco-efficiency, we reduce cost and labor time, prevent chemical formation, and reduce negative environmental externalities. We contribute to minimizing negative environmental externalities by using a lower amount of acid, since production can be made with the Laser Welding Machine without the need for a final washing process. In addition, since the flux used in the Brazing process is not used, we ensure the use of 0 chemicals with the Laser Welding Machine.

SUSTAINABLE SUPPLY CHAIN

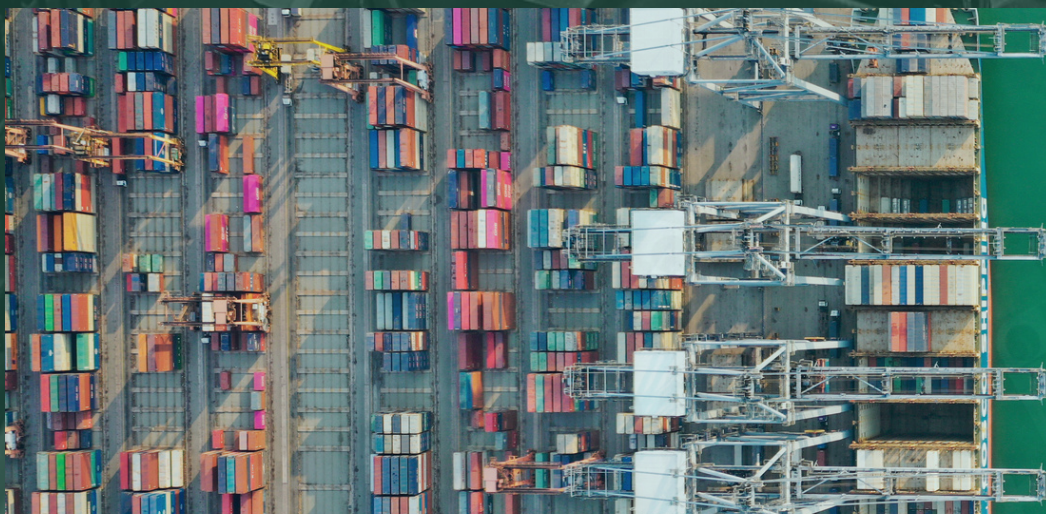
Supplier Social and Environmental Assessment

Due to increasing complex global supply chain factor, we insist on monitoring, inspecting, and managing parts, materials, and equipment throughout the supply chain, while executing our business model, without sacrificing quality production and originality. As a company operating on a global scale, we rely on the Supplier Sustainability Code of Conduct to measure the environmental and social impacts of our stakeholders in all business operations, to define our expectations from our stakeholders, and to associate our supplier selection processes. The fact that the Supplier Sustainability Code of Conduct document is known and applied by all our suppliers and sub-contractors is one of the indispensable items of our decision mechanism during supplier selection. In addition, we share a survey with our suppliers on Teklas Supplier Portal to examine and evaluate their environmental and social impacts.

All suppliers of Teklas are required to comply with Teklas Sustainability Policy. To support the compliance of our suppliers, we regularly hold Sustainable Supply Chain meetings and organize trainings, communication studies, meetings, and audits so that all our suppliers adopt responsible sourcing, which we have made a part of our operational processes. In 2022, we organized Supplier Sustainability Kick of Meeting and Supplier Sustainability Workshop events with the participation of all the Teklas suppliers.. With the trainings, we aim to make our suppliers aware of Business Ethics, Labor & Human Rights and Environment principles throughout their business activities. In addition to the principles of Ethics, Labor & Human Rights and Environment, we adopt the UN Sustainable Development Goals and the United Nations Global Compact and carry out all our processes within this scope.

You can access the Teklas Supplier Code of Conduct [here](#).

You can access the Teklas Sustainability Policy [here](#).



SUSTAINABLE SUPPLY CHAIN

Business Ethics supplier selection policy covers 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 issues in the Business ethics heading. As Teklas, we are aware of the increasing impact that counterfeit, fraudulent and suspicious items can have on security, performance, and reliability. Therefore, we are committed to establishing relationships, processes, and procedures to reduce the risk of using counterfeit parts in our products.

You can find detailed information on Business Ethics on the Teklas Supplier Portal under the heading "Teklas Code of Ethics and Values Policy".



We expect our suppliers to centralize Labor & Human Rights principles in their business activities. We advocate respecting internationally accepted human rights standards, taking measures against child labour, forced or compulsory labor, human trafficking and discrimination, and imposing sanctions against potential cases of irregularity. Within Teklas, we are against providing employment opportunities, benefits, or privileges in the recruitment process in order to ensure race, religion, colour, gender, gender differences and discriminatory behaviour by or against our stakeholders in any commercial activity. On behalf of our suppliers and our organization, we strictly oppose any discriminatory action, the creation of discriminatory working conditions and the general use of discriminatory assessment standards.

The focal points we have determined to achieve our environmental goals while carrying out our commercial activities and to minimize the negative environmental externalities of our suppliers are as follows; the reduction of energy and water consumption, the management and reduction of wastes, the implication of responsible chemical management including raw materials, and the monitoring of air emissions.



GRI 2-5, GRI 2-6, GRI 3-3
GRI 407-1, GRI 408-1
GRI 409-1

SUSTAINABLE SUPPLY CHAIN

Strategies and Production

As Teklas, we develop Supply Chain Strategies that include all stages of the supply chain within the scope of sustainable product management approach. We revise the Supply Chain Strategies, which include Sales, Purchasing, production/production planning and logistics departments, annually in line with sectoral developments, regulations and Teklas strategic targets. We develop strategies with the understanding of Flexible, Fast and Solution-Oriented Production to respond to the demands of our customers and to manage our logistics activities effectively and efficiently. We attach importance to timely, flexible, and high-quality production activities carried out in our factories. With a flexible production approach, we adopt a sustainable business model approach by preventing uncontrolled production in the production model by regulating decreases and increases in the number of productions in line with the demands of our customers. In line with the demands of our customers, we provide timely and fast service to our customers by making updates and changes regarding the product feature. In addition, since we have a developer supplier identity, we work with our customers to create interactive designs for alternative products and processes requested by our customers. The R&D Center studies and outputs carried out within Teklas effectively support our production activities. We carry out studies on product features and formulas within the scope of R&D Center studies.



EFFICIENT LOGISTICS ACTIVITIES

We base our logistics activities on the concepts of continuous improvement methodology and customer satisfaction. We have a Logistics Management Process Policy that covers the principles of correct delivery, low cost, speed, continuity and consistency and flexibility. Within the scope of the Logistics Management Process Policy, we aim to plan, implement, control, and develop our logistics activities effectively and efficiently by meeting the needs of our customers. While managing the forward and reverse flows and storage activities of goods, services and related information between production and consumption points, we take the principles of the Logistics Management Process Policy as a basis.

As Teklas, we carry out studies on cost, which is another parameter that is considered to ensure the continuity of logistics activities. We manage to be in an advantageous position by reducing the cost item while carrying out logistics activities in agreement with our customers. Since 80% of our export customers receive their products from our factory, Teklas logistics costs include packaging, box, pallet and loading costs. We develop Teklas logistics strategies by planning how the logistics processes will be managed during the agreement and proposal stages. The logistics strategies and practices implemented by the headquarters are also valid for our production facilities abroad.



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CUSTOMER RELATIONS & QUALITY



Product Quality & Recall Management

We aim to produce products that meet the needs of our customers, to provide sustainable financial success in the long term, and to continuously improve our product quality and the services we provide. We have established the Teklas Quality Improvement Perceptive and Product Quality & Recall Management in order to provide a superior service and product quality, to develop and produce zero-defect products. We manage the Customer Satisfaction Monitoring and Evaluation Procedure, Customer Complaints Program and Customer selection processes within the scope of Teklas Quality Improvement Perceptive. Customer satisfaction is constantly monitored as one of our crucial performance indicators.

At the end of each year, a "Customer Satisfaction Survey" is sent to all customers, and evaluations are made based on the feedback received from customer contacts. The Customer Satisfaction Survey aims to measure all activities that involve customer interaction at Teklas, including Sales, Logistics, Projects, Quality, Production, and R&D, in a centralized manner. While transparency and simultaneity of the process are ensured with Customer Portals, the process is carried out within the framework of the law on the protection of personal data. We manage customer relations and product quality processes with engineer teammates who can speak the same languages as our customers (English, German, Turkish, Spanish, French, Chinese, etc.). In line with the results of the Customer Satisfaction Survey, we organize workshops with all relevant department managers and create action plans for the outputs.

Performance targets are determined for internal indicators based on the indicators obtained from customer-generated reports. Following the results of the Customer Satisfaction Survey, which is conducted online and lasts for one month, a workshop is organized with all relevant department managers to create an action plan regarding the outputs. The Global Human Resources department carries out the monitoring process.

[Click for detailed information about TEKLAS Customer Satisfaction Survey.](#)

CUSTOMER RELATIONS & QUALITY

Customer complaints are of critical importance to us. As Teklas, we take customer complaints seriously and take prompt actions to address them. We work tirelessly to resolve complaints through our Customer Complaint Program, which we have developed in this context. Our complaint program is applicable to all of our facilities.



Customer complaints are viewed as an opportunity for Teklas, and we make every effort to improve ourselves within the window of these complaints. We consider customer complaints as a means to enhance our performance and continuously strive to meet customer expectations. Our goal is to provide excellent customer service and resolve any issues that arise in a timely and satisfactory manner.



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SUSTAINABLE SUPPLY CHAIN

At Teklas, we prioritize creating a better environment for future generations while undertaking our actions. Sustainability is at the core of our supply chain strategies, as we aim to develop a more sustainable and resilient supply chain while minimizing our ecological impact. To ensure accountability and progress, we actively participate in the global EcoVadis platform, which consistently evaluates and rates our supply chain performance.

Our supply chain encompasses the collaborative efforts of our sales, procurement, production and planning, and logistics departments. These departments directly report to our Supplier Sales Quality Officer, ensuring streamlined communication and coordination. By adopting a sustainable approach throughout the entire supply chain, we enhance our supply chain processes and efficiency. Our supply chain policy is seamlessly integrated into our sales, procurement, production, and logistics policies, forming an essential component of our overall operational framework.

Sales

Teklas recognizes that its sustainability relies on the foundation of customer satisfaction. Accordingly, the company has embraced the following principles to manage logistics and sales processes, conduct customer relationships, and enhance sales volume as its core policy. Implementation of the policies also supports the supply chain strategy and policies.

- To prioritize continuous customer satisfaction while ensuring profitability
- To maintain Teklas' reliable corporate image consistently
- To continually monitor market and technological developments and direct sales activities, production resources, and company development in the right areas
- To prioritize export and continuously progress towards becoming a global company
- To provide high-quality services to leading automotive industry organizations worldwide and expand the customer base within this scope systematically and continuously
- To consistently update and improve sales and marketing activities to meet modern requirements and changes.



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SUSTAINABLE SUPPLY CHAIN

Purchasing

Teklas has established the following principles as its fundamental policy to manage procurement processes and maintain relationships with suppliers in order to procure the required materials and services from domestic and international markets in the desired quality, quantity, time, price, and conditions, as well as ensuring the organized production of customer orders by production groups. The implementation of these policies supports the procurement strategies and policies of the supply chain.

- In the face of ever-increasing competition, our core philosophy is to achieve procurement while maintaining our priority for quality. Therefore, we emphasize the procurement of low-cost goods and services by leveraging changing market conditions and competition to the fullest extent.
- Establishing long-term collaborations with suppliers who demonstrate stable quality and delivery performance and offer price flexibility, giving priority to efficient export projects.
- Working with globally recognized companies that specialize in and are reliable in raw material procurement.
- Enhancing technical cooperation through joint quality, productivity, and product development projects with our suppliers who have sufficient machinery, equipment, experienced and trained personnel, and a high level of technical knowledge and expertise.
- Supporting our suppliers' continuous improvement through training activities, supplier meetings, quality system/process audits, and close monitoring under the leadership of the Supplier Development Department. Communicating Teklas' expectations, enhancing cooperation, and fostering mutual trust.
- Providing support and encouragement to our suppliers in their Quality Assurance System efforts and giving priority to suppliers with well-developed quality systems.

These principles guide our approach to supplier management and procurement, enabling us to meet our quality standards while effectively navigating market dynamics and competition.



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SUSTAINABLE SUPPLY CHAIN

Logistics

Teklas has adopted the policy of logistics management process, based on customer satisfaction and the philosophy of continuous improvement, to effectively and efficiently plan, implement, control, and improve the flow and storage of goods, services, and related information between production points and consumption points in order to meet customer requirements. These policies also support the logistics aspect of the supply chain strategies.

- Accurate delivery (providing the right product/service/information, to the right place, at the right time, in the right quantity, without damage or loss)
- Low cost
- Speed
- Continuity and consistency
- Flexibility (quick adaptation to different situations)

Production

Production policies have been defined and implemented to ensure complete and accurate product delivery in line with supply chain management strategies. Providing our customers with complete and high-quality products, continuous improvement and innovation, openness to change, and seamless customer satisfaction form the basis of our production policies.

- Flexible production can be conducted according to customer demands without conflicting with Teklas' interests.
- Changes in product specifications based on customer requests always maintain Teklas quality.
- Necessary efforts are made to implement alternative products and processes that support becoming an innovative supplier.

Teklas, as a global company with over 45 years of experience in its R&D centers, takes the lead in shaping the future of the automotive industry through the production of fluid circulation systems using rubber, metal, and plastic components. As a responsible company, Teklas recognizes its duty towards all stakeholders and future generations.

This responsibility entails the need for continuous dialogue with stakeholders to enhance sustainability not only within our business operations but also in our everyday lives. Consequently, the Supplier Sustainability Code of Conduct articulates Teklas' expectations from its suppliers.



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SUSTAINABLE SUPPLY CHAIN

Business

We recognize our accountability in matters related to business ethics, including the prevention of corruption, bribery, and extortion, safeguarding privacy, maintaining accurate records, promoting fair competition and adhering to anti-trust regulations, avoiding conflicts of interest, preventing harassment, protecting identity, and ensuring non-retaliation. These issues are extensively outlined in the "Teklas Code of Ethics and Values Policy" which is accessible through the Teklas Supplier Portal.

Environment

Teklas recognizes its duty to adhere to environmental standards and minimize the impact of its operations, as well as that of its suppliers, on the environment.

We are committed to placing an increasing emphasis on environmental protection while conducting its business activities. To fulfill this commitment, the company focuses on reducing energy and water consumption, managing and minimizing waste, practicing responsible chemical management including raw materials, and monitoring air emissions.

Teklas expects its suppliers to also adopt these environmental principles to contribute towards preserving the planet's well-being and sustainability.

SUSTAINABLE SUPPLY CHAIN

Labor & Human Rights

Teklas upholds internationally recognized human rights standards and firmly opposes child labor, forced or compulsory labor, human trafficking, and discrimination. The company prioritizes the well-being of its employees by establishing working conditions that align with human rights principles. This includes fair wage regulations, reasonable working hours, and the freedom of association, including the right to engage in collective bargaining.

Teklas also recognizes its responsibility for the health and safety of its employees, customers, and suppliers, making it a top priority in all business activities. The company expects its suppliers to prioritize labor and human rights principles in their own business operations.

Furthermore, Teklas strongly believes in gender equity as a crucial element in achieving equality for all individuals. Ensuring reproductive choice, safe childbirth, and a nurturing environment for raising children are fundamental rights that contribute to opportunities, freedoms, and equality for women and gender-nonconforming people. The company actively supports equitable access to quality reproductive care, regardless of the decision to give birth or seek an abortion. Teklas also strives to eliminate gender-based discrimination in healthcare, workplaces, and communities, while providing support to organizations that empower women and gender-nonconforming individuals.

Teklas firmly opposes any form of discrimination in relation to employment opportunities, benefits, privileges, work conditions, and recruitment practices. The company is dedicated to ensuring diversity in terms of race, religion, color, sexual orientation, and other characteristics. Discrimination against any stakeholder in any business operation is also strongly condemned by Teklas.

Discriminatory acts, which may include considerations based on race, color, national origin, age, religion, disability status, gender, sexual orientation, gender identity, genetic information, or marital status, are strictly prohibited. Teklas is fully committed to promoting equality, diversity, and inclusion within its workforce and eliminating any form of unlawful discrimination. The company aims to have a workforce that is representative of society as a whole and its customers, where every employee feels respected and empowered to perform their best.

Teklas also emphasizes its commitment to preventing unlawful discrimination against customers.

SOCIAL SUSTAINABILITY

TEKLAS

**make an
IMPACT**
through ideas!

SOCIAL SUSTAINABILITY APPROACH

As Teklas, we deeply believe in the connection between our company and society, and we acknowledge the impact of society on our daily lives. Our commitment to social sustainability shapes our actions and guides our decisions. Through our Social Sustainability Approach, we actively work to contribute to the long-term well-being of society.



By placing the principle of equal opportunities at the center, we focus on creating equal conditions for individuals from all walks of life to thrive and succeed. We advocate protecting and enhancing human rights within our organization and throughout our value chain and treating every individual with respect and justice regardless of their past, identity, or beliefs.

Together with our stakeholders, we continue to work with an immutable commitment to social sustainability, utilizing our influence, resources, and partnerships to *make a positive impact and build a more equitable, inclusive, and prosperous world for future generations.*

Based on our materiality analysis conducted in 2022, we have identified the topics of social sustainability. Accordingly, we address *occupational health and safety, human rights approach, human resources management, employee rights, social relations, and social investments* within our social sustainability section.

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OCCUPATIONAL HEALTH AND SAFETY

As **Teklas**, we care about the health and safety of all our employees and stakeholders. In order to constitute better workplace we conduct ISO 45001 OHS Management System includes occupational health and safety management for our customers and stakeholders.

We have integrated the ISO 45001:2018 standard into all our business processes. In line with the occupational health and safety management system, we monitor our processes and evaluate them at regular intervals at annual management review meetings, taking into account the degree of achievement of targets, the current situation, necessary measures and corrective actions. In this way, we constantly review our occupational health and safety performance and focus on improvement studies.

We have created a suggestion system evaluated by our managers to address ideas that will contribute to the development of OHS culture.



OCCUPATIONAL HEALTH AND SAFETY

We fulfill the following commitments in order for all our stakeholders, including all our employees, customers, suppliers, contractors, subcontractors and interns, to avoid work accidents and occupational diseases:



To ensure a **healthy, safe, and ergonomic** working environment



To comply with the **Occupational Health and Safety laws** and to follow the changes in the laws



Reviewing and standardizing our **Occupational Health and Safety Management System**, monitoring its performance and continuously improving it



To maintain our management system in interaction with **Quality and Environmental Management Systems** in order to achieve our Occupational Health and Safety Management System targets



To **continuously train all our stakeholders** on Occupational Health and Safety



To participate in the work of the Occupational Health and Safety Management System and to **provide consultancy** to our employee representatives and employees



To provide fire protection measures and to **ensure the use of maximum safety machinery, equipment and personal protective equipment**



To ensure safe **chemical substance use and management**



Identifying potential sources of danger in our facilities through **risk assessment activities, carrying out preventive actions and minimizing risks**



To **inform all our stakeholders and visitors about the general rules of Occupational Health and Safety and emergency management** at our facilities



OCCUPATIONAL HEALTH AND SAFETY

We request our employees to have a **health checks at regular intervals determined by the relevant ministry and the workplace doctor**, or to apply for a periodic examination during their working time. Besides regular health checks, we apply the checks continuously in case of long-term assignments, alteration of the job, after-work accidents, or occupational diseases.



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OCCUPATIONAL HEALTH AND SAFETY

Identification of Hazards

We conduct an ongoing and **proactive hazard identification process** on occupational health and safety. For this purpose, we created the "Occupational Health and Safety Legal Compliance, SWOT and Risk Analysis Procedure".

Main topics related to the identification of hazards are following:



Thanks to the processes that are mentioned in topics, as Teklas, we aim to identity and effectively manage hazards in OHS.



OCCUPATIONAL HEALTH AND SAFETY

Evaluation of Occupational Health and Safety Risks and Opportunities

We create the "Occupational Health and Safety Legal Compliance, SWOT, and Risk Analysis Procedure" and conduct risk assessments to identify and evaluate other risks related to the establishment, implementation, operation, and continuity of the OHS management system. Through this method, we systematically ensure the safeguarding of risk assessment methods and criteria by establishing the "Occupational Health and Safety Legal Compliance, SWOT, and Risk Analysis Table".



OCCUPATIONAL HEALTH AND SAFETY

Elimination of Hazards

In our organization, we continue to work to eliminate hazards by using the following **control hierarchy in work processes** in order to reduce OHS risks.



OCCUPATIONAL HEALTH AND SAFETY



Preparation for Emergency Cases

We have created **emergency response plans** for situations such as *fire / explosion, earthquake, flood, storm / lightning, sabotage, environmental pollution, spill / leakage, poisoning and epidemics (Covid etc.)*. Trainings are carried out for the planned intervention, the duties and responsibilities of the employees are specified, drills are provided to test the planned response ability, and the plans are updated when necessary by making performance evaluations. We carry out the transmission of information about our contractors, visitors, authorities and local people within the framework of the “**Emergency Communication Instructions**”.

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HUMAN RIGHTS APPROACH

Teklas takes the principle of equal rights for all people very profoundly. Our mission is to **embrace the whole world** as part of universal moral and ethical responsibility. As a fundamental element of our business culture, we **support respect for human rights and fair working conditions**. Our company has certain rules on applying the basic labor standards of the International Labor Organization (ILO). These rules cover fundamental issues such as equal treatment of all our employees, occupational health and safety, and protection of employee and customer data.

We are aware that all people possess equal freedom and rights. As the company, we uphold the fundamental rights defined by the Universal Declaration of Human Rights.

 Life, liberty, and security of person	 Justice under the law	 Fair working conditions	 Adequate food, water, and shelter	 Access to quality healthcare and education	 Freedom of speech and thought	 Ability to own property
----------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------

As Teklas, we are aware of our responsibility regarding internationally recognized human rights and shape our policies around these values. We acknowledge that we have complied with international instruments such as the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the OECD Principles of Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. As of 2021, Teklas is an official signatory of the ten principles of the UN Global Compact. With this commitment, we aim for long-term commercial success as a company committed to sustainability principles.

HUMAN RIGHTS APPROACH

Ensuring Human Rights Standards and Fair Working Conditions

We expect all our stakeholders, including our employees, suppliers and customers, to comply with the standards we hold. Teklas Code of Ethics includes the ethical principles of Teklas and is based on common values focused on:

HONESTY

INTEGRITY

HARMONY

MORAL BEHAVIOUR



Opposition to modern slavery and human trafficking is an integral part of the Teklas Code of Ethics.

HUMAN RIGHTS APPROACH

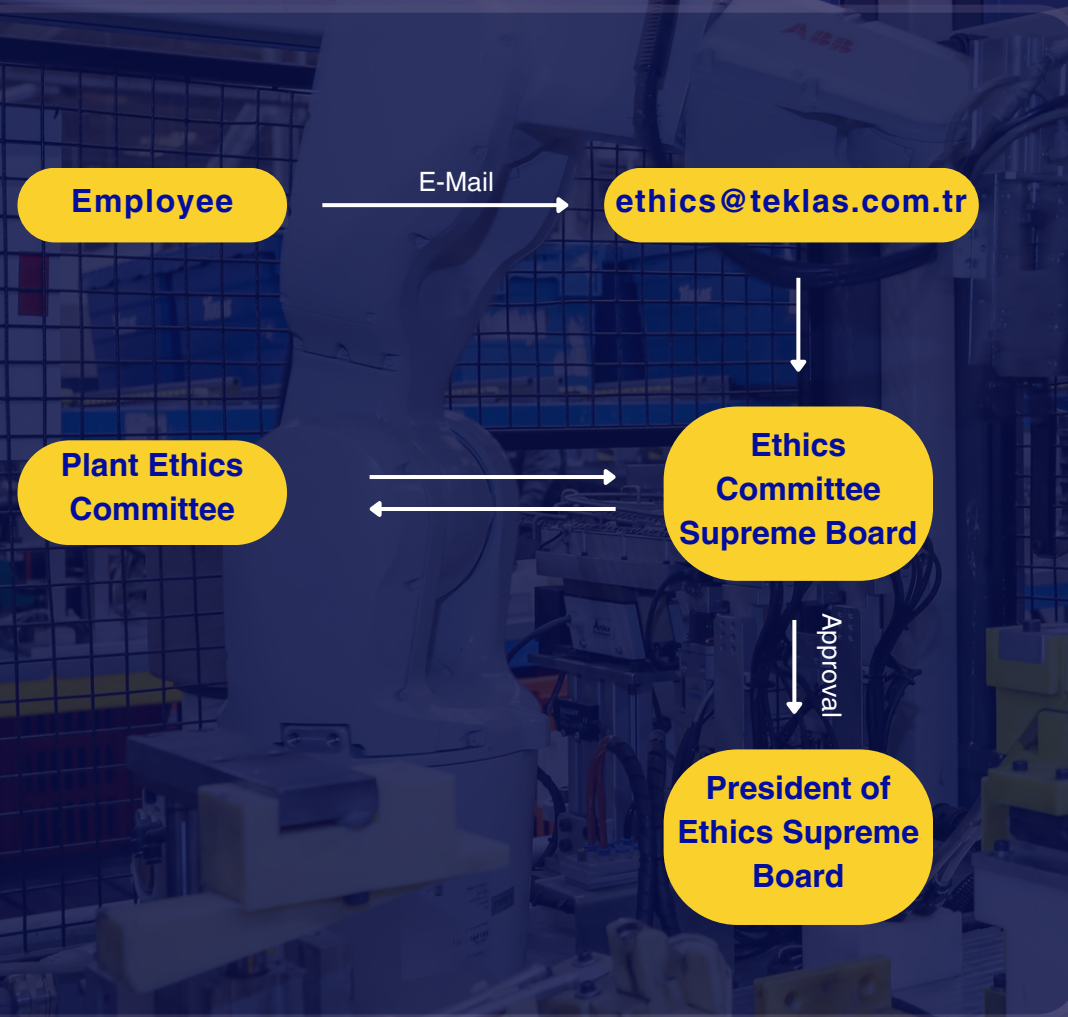
Ensuring Human Rights Standards and Fair Working Conditions

Reporting System takes responsibility for reporting serious regulatory violations and manages key issues such as human rights violations. The system allows our employees, business partners and customers around the world to report misconduct. Complaints can be made anonymously through various channels if requested. Confidentiality and privacy are considered throughout the process. In addition to this confidentiality, retaliation against whistleblowers is unacceptable and constitutes a serious regulatory violation. In addition, the Reporting System protects the interests of the persons concerned and the presumption of innocence is valid as long as the violation is not proven. When employees observe that the Code of Ethics is violated, they can report this situation to the Teklas Ethics Committee via ethics@teklas.com.tr. The committee convenes when necessary and at least three members participate in extraordinary situations. The Ethics Committees are led by an executive holding responsibility for Human Resources, with Factory Managers serving as members of the board. To ensure diversity in representation, each board includes two field workers (one female and one male) and two office workers (one female and one male). Final decisions are subject to approval by the Supreme Council.



HUMAN RIGHTS APPROACH

Ensuring Human Rights Standards and Fair Working Conditions



We have also created a Code of Conduct to detail the behavior of our business partners in their corporate activities. The Code of Conduct includes the observance of human rights such as **child labour, human trafficking and slavery, environmental protection and the prevention of corruption**. Teklas has a **zero-tolerance policy** for violations of laws that prohibit forced labor, slavery, and human trafficking. Contractual agreements allow suppliers to be terminated in the event of a single breach. Employment relationships are based on voluntary participation, and employees can terminate the relationship in case of a breach.

HUMAN RIGHTS APPROACH



Employee Development

We strive to maintain **peace in the working environment** and to establish systems in this regard. Implementing **a fair, legal and competitive remuneration system** is the basis of this approach. We regulate working hours as specified in the ILO Declaration in accordance with internationally recognized human rights standards and laws.



HUMAN RIGHTS APPROACH

Anti-Harassment

We strongly oppose offensive verbal or nonverbal attitudes, threats or verbal/physical harassment regarding a person's **national origin, race, color, religion, gender, sexual orientation, age, body, disability or appearance**. When we receive a complaint or information on this matter, we immediately take the most appropriate measures.



HUMAN RIGHTS APPROACH

Diversity and Non-Discrimination

At Teklas, we strongly advocate equality, diversity, and inclusion. Our aim is to have a workforce that mirrors all segments of society and our customers, fostering a sense of respect among every employee. Diversity embodies our unique identities and distinctions, and within this context, our goal is to establish an inclusive culture where everyone can contribute and engage. As Teklas, we actively reject and prevent any form of illegal discrimination. The commitment encompasses aspects like **compensation, working conditions, conflict resolution, dismissal, parental leave, flexible work requests, recruitment, advancement, training, and developmental opportunities.**

We provide **training** to all Teklas managers and employees on their rights and responsibilities within the **scope of equality, diversity and inclusion** policy.



HUMAN RIGHTS APPROACH

Privacy And Confidentiality of Information

We accept our responsibility to **protect the privacy** rights of individuals with whom we cooperate. All of our stakeholders, especially our employees, should know that any data that may arise during their duties should be respected and should **act sensitively** against violating these rights. We record and protect all records in accordance with international and local laws. When another institution or person needs information that is considered confidential, these information and documents are provided only with the **consent of the data owner**.

Our stakeholders are responsible for **keeping and protecting** the commercial, financial and technological secrets of all Teklas stakeholders. In addition, our employees are not authorized to share any data and/or documents they may obtain at the workplace with unauthorized and unrelated institutions or persons in or outside the company in any way.



HUMAN RIGHTS APPROACH

Protection of Identity and Non-Retaliation

Our employees have the right to communicate their problems, suggestions, or issues to any manager or the Teklas Ethics Committee. Non-Retaliation Policy applies to all formal or informal complaints. All complaints will be kept confidential, and investigations will be conducted with minimal disruption to all parties involved to ensure confidentiality.



HUMAN RESOURCES MANAGEMENT

Human resources play a key role in achieving our company's sustainability goals. Valuing our employees, who are the cornerstone of our business, enhancing their motivation, and bringing out their potential shape the success of our company. Our human resources practices promote values such as **equality, fairness, and diversity**, aiming to enhance our employees' skills and enable **career progression**. We also encourage employee engagement by creating a work environment based on the principles of transparent communication and effective leadership, which brings together various talents to **increase creativity** and help us improve our business results.



- Transparency 01
- Well-Framed Job Description 02
- Equal Opportunities For Development 03
- Digital Technologies 04
- A Specific Career Path 05

HR MEETINGS

Every month, our employees and HR team come together for **open-door meetings** to discuss important developments.

OHS COMMITTEE

Every month, employee representatives come together to **address the complaints and needs** of employees.

HUMAN RESOURCES MANAGEMENT

Teklas Employee Value Proposition (EVP)

At Teklas, we make an impact through sustainable business, workforce, ecosystem, communication to the future!

SUSTAINABLE BUSINESS

We reduce negative environmental, economic, and social impact resulting from our operations in the market; we consider an environmental, economic, and social factors when making business decisions; we monitor the impact of our operations to ensure that short-term profits don't turn into long-term liabilities.

SUSTAINABLE WORKFORCE

We provide a work environment that looks after our employees and cares about health and wellbeing; we work hard, achieve success, celebrate together; we believe that all these are possible only with the community in wellbeing.

SUSTAINABLE ECOSYSTEM

We meet the needs of our present employees and our future employees, without any assistance from outside; our ecosystems cannot be sustained within unstable bounds; we believe in the importance of a self-sustaining system and strive to meet the needs of our employees and potential employees.

SUSTAINABLE COMMUNICATION

We engage our employees, customers, and suppliers in order to showcase the progress on our sustainability commitments; the supply chain cycle we live in, empowers us and it is communication that builds this cycle.

make an IMPACT

through ideas!

We, Teklas employees, make an impact through ideas and work with those who make an impact through ideas!

HUMAN RESOURCES MANAGEMENT

Teklas Ethical Values

HONESTY

Honesty is one of our top priorities in all business processes within Teklas. We take care to be honest with all our stakeholders and expect the same act from them.

LEGAL COMPLIANCE

Teklas acts in accordance with international laws and local laws of the countries in which it operates. We cannot and will never tolerate illegal activities such as corruption, bribery, misleading the government in financial reports and tax evasion.

MISCONDUCT AND CONFLICT OF INTEREST

Teklas employees have the responsibility to fulfill their duties objectively, to create the same effect regardless of their role, or to avoid behaviors such as providing unfair benefits to third parties by using their titles and powers; At the same time, it has the responsibility to avoid behaviors that may affect the duties of other employees who perform their duties impartially in accordance with company rules and ethical values and that may provide material or personal benefit.

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HUMAN RESOURCES MANAGEMENT

Teklas Ethical Values

COMPLIANCE WITH THE FAIR COMPETITION RULES

As Teklas, we conduct our activities in accordance with local and international competition rules and do not engage in any illegal behavior. Our employees do not engage in anti-competitive activities, including illegal pricing, market segmentation, abuse of dominant position, or where free competition is illegally hindered, restricted or weakened.

GIFT POLICY

It is prohibited for our employees to accept or offer gifts that may be perceived as bribery. Even if there is no intention to conduct future business, accepting or offering gifts with monetary value constitutes a violation of this policy.

ENVIRONMENT

We pay utmost care in preserving the environment during our operations. We organize training sessions on environmental conservation for all stakeholders and carry out awareness campaigns in this regard. Our aim is to minimize energy losses and waste in every activity we undertake. To ensure the systematic and planned execution of these activities, we adhere to international environmental standards.

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Employee Rights

As Teklas, we are responsible for creating opportunities for our employees to develop their creativity and skills, and supporting their personal development in a way that will transform them for the benefit of the corporation. We measure the performance of our employees according to objective criteria, reward success, and implement a fair wage and promotion system that complies with the law and increases competition among employees.

We implement an "Orientation Program" to ensure that our employees adapt to the workplace. It is mandatory for our fresh employees to participate in this program. We are aware that the child's place is in school and his&her fundamental right is to receive education. In this context, the employment of child labor is strictly prohibited in all our locations.

We are absolutely against any form of forced or compulsory labor.



HUMAN RESOURCES MANAGEMENT

Teklas Wages Policy

The Teklas Wages Policy is determined in line with the company's **vision, mission, strategy, goals, and culture**. It takes into consideration the industry structure, competitive position, production and sales activities, financial strength, and HR strategies. During the recruitment process, salaries are determined based on criteria such as candidates' **competencies, experiences, areas of expertise, potential contributions to the company, language proficiency, and departmental salary balance**. When entering new markets or when deemed necessary by HR, **market salary research** and assessments in collaboration with independent organizations are conducted based on position levels.



HUMAN RESOURCES MANAGEMENT

Training in Teklas

The trainings requested by our employees through Work-Flow are included in the annual training plan by the Human Resources department. The trainings are designed based on the following criteria:

- Trainings requested by our employees and approved by the department manager
- Trainings identified based on the evaluation results of previous period training activities
- Trainings identified according to Operator Competency Matrix results
- Trainings to be provided due to new projects, new machinery, or process changes
- Trainings required within the scope of our strategic objectives
- Trainings covering TEKLAS system and standards requirements

After the trainings, we use the following methods to measure effectiveness:

- Knowledge tests (exams - oral)
- Written tests (multiple-choice - true/false)
- Achievement tests (pre-training and post-training tests)
- Observation
- Practical tests/exams (application of the learned material)

HUMAN RESOURCES MANAGEMENT

Orientation Training

All newly hired white-collar employees are enrolled in the orientation program at the company. During the first two days of their employment, Human Resources provides training on Environment, Health, and Safety. Once these trainings are completed, employees begin their department-specific orientation training.

Operator On-The-Job Training

The onboarding training for new blue-collar employees is completed in two stages. The first stage takes place during their first two days of employment and is recorded using the Operator Onboarding Training Form. The second stage involves practical training related to their department and job tasks. New employees are required to wear a green vest labeled "Trainee Operator" on the back of their workwear for a duration of 2 months.

Trainee Training

All our new interns receive training on Teklas' occupational health and safety rules and the ISO 14001 environmental management system during their first two days of employment.

HUMAN RESOURCES MANAGEMENT

Product Training

To prevent any issues during the pre-production and mass production stages of each newly commissioned product, relevant employees receive "product training" from their managers.

Quality Awareness Training

Through our internal training sessions for employees, we contribute to their continuous development, while external expert training allows us to stay updated on industry innovations. As a result, we focus on the personal and professional growth of our employees, unlocking their potential and contributing to the success of the company.





HUMAN RESOURCES MANAGEMENT

Teklas Internal Training Plan

Training Topic/Name	Participant Number	Training Time (hours)	Total Training Time (hours)
Mentorship Training	18	4	72
Ethics Training	243	1	243



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HUMAN RESOURCES MANAGEMENT

Teklas External Training Plan

Training Topic/Name	Participant Number	Training Time(hours)	Total Training Time (hours)
Basic Plastic Injection Process Training	6	16	96
Moldflow Analysis Training	6	8	48
English Training	1	48	48
Part Defects and Remediation Methods Training	3	9	27
German Language Training	2	6	12
Corporate Sustainability Training	1	32	32
ADLER ACPC Training	1	100	100
Assessment Solutions	2	32	64
New Generation HR Training	1	16	16
Finance Education for Non-Financial Workers	1	24	24
Time Management Training	4	8	32
Resilience for Stress Management	4	8	32
Change Management Training	3	14	42
Assertive Presence Training	5	8	40
Upper Level Excel Training	11	12	132
MACRO Excel Training	3	24	72
Design Thinking Training	11	20	220
TSE Chemical Evaluation Specialist Training	1	72	72
Preparation for Corrosion Testing and Test Outcome Evaluations Training	2	16	32
VDA PSCR Training	1	16	16
Sustainability (ESG) Training	6	3	18
ADLER Mentorship	5	16	80
Basics of Professional Coaching	1	40	40
Presentation Techniques	10	16	160
Energy Administration Training	1	100	100
MT Leadership Training Programme	10	32	320
Human Resources Specialism Training	2	90	180
NX CAD Training	3	18	54
Measurement Uncertainty Training	1	9	9
Comprehensive IFRS Training	1	16	16

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Teklas Suggestion System

We have established a suggestion system to **encourage and support** our employees' creative ideas and recommendations, and to involve them in improvement activities in this direction. We aim to foster a culture of **continuous improvement** and encourage innovative and creative ideas related to quality, efficiency, cost-effectiveness, profitability, occupational health and safety, and environmental matters in all product and product realization processes. We expect our employees to submit **at least one offer each year**, and to ensure the **continuity of their participation** in the system, we provide symbolic gifts for their initial submissions, regardless of whether they are accepted or not.



HUMAN RESOURCES MANAGEMENT

Job Shadowing

The Job Shadowing program is designed to support the career development of Teklas employees by allowing them to rotate between different facilities or departments for a specific period. The program offers several benefits. These include gaining experience by comparing different processes, receiving information about the same process from various managers, experiencing different cultural approaches to work. Additionally, participants can acquire a fresh perspective, analyze their business processes remotely across various departments, quickly acquire diverse knowledge and skills, all of which contribute to building confidence.

To participate in the program, employees undergo an interview with the HR department, which grants approval based on the interview. When applying through the internal communication application, the employee submits a letter of intent. In the letter, employees outline the benefits they expect from the learning experience, why they are requesting this opportunity, and the specific processes they are interested in learning about. HR prepares a structured rotation plan for the employee based on this information. At the conclusion of the program, the employee prepares a project report that outlines their observations and findings.



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Walk With Me

"Walk with me" is a mentorship program we have in our organization. Newly hired employees are assigned a mentor, who is an experienced manager trained in mentoring, from a different department. After the mentees receive training, they engage in ten meetings throughout the course of one year. We closely monitor the process using a software we developed for the program, which includes meetings with HR and feedback from managers. The primary goal of this program is to understand and meet the personal development needs of our new employees at Teklas.



SOCIAL INVESTMENTS

As Teklas, our understanding of social responsibility is shaped by providing benefits to the society and encouraging our employees to be leaders in this regard. While adopting the principle of using resources effectively, we aim to create permanent values for the society and communities we work with. While developing various social sharing projects under the awareness of corporate social responsibility, we continue our efforts to fulfill our responsibilities towards our employees, their families and other stakeholders. We carry out volunteer activities involving disadvantaged groups such as nature, disabled individuals, women victims of violence, orphans and animals. These activities are based on Teklas Ethics Procedure and are binding in all our relations in the geographies where we operate as Teklas. In accordance with our Corporate Social Responsibility Policy, we consider compliance with legal regulations as a basic requirement.

TREE PLANT IN VRATSA

We participated in a reforestation project with our employees and their children in Vratsa.



GIFT FOR KRUMOVGRAD

We donated gifts to a school in Krumovgrad, Bulgaria, during the Christmas period.



COVER COLLECTION

In our Bulgaria facility, we are organizing a cap collection campaign in the facility gardens for the purpose of wheelchair donation.



SOCIAL INVESTMENTS

UNIVERSITY-INDUSTRY COOPERATION

Within the scope of university-industry cooperation, we gave a seminar on effective CV Preparation and Interview Techniques at Bartın University.

We visited the engineering department at a university in Aguascalientes and talked to students about internship and employment opportunities.



“SPECIAL” GUESTS FOR “SPECIAL” INDIVIDUALS

We had the opportunity to have a pleasant time by visiting the dormitory of our employees in our Bulgaria factory and our special friends in Bulgaria, chatting with them.



CHILD VISITS

We visited an institution with orphaned children in Mexico, spent time with the children and distributed gifts.



NATIONAL HOLIDAYS IN TEKLAS

Before Eid al-Fitr and Eid al-Adha, we celebrated and distributed chocolates with our employees in order to make us feel our unity and solidarity.

We distributed parcels to our employees in our Bulgaria facility due to the Eid al-Adha.



BREAKFAST ORGANISATION

We organize breakfast by meeting twice a year in our Türkiye facilities.

EASTER

Every year we celebrate Easter by organizing events in our Serbia and Bulgaria facilities.

WOMEN’S DAY

Every year, on women's day, we organize events with our female employees and distribute gifts to them.

HELLO TO SUMMER

Every year, we celebrate the beginning of summer by playing various games and handing out treats by the pool in our Türkiye, Bulgaria and Serbia facilities.

ART COMPETITION

In our Türkiye, Bulgaria and Serbia facilities, we organize a painting competition for the children of our employees and distribute gifts as a result.

FAMILY DAY

We are having a picnic with our employees and their families in our Bartın factory.



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TEKLAS

**make an
IMPACT**
through ideas!

GRI CONTENT INDEX

Cevher JANT has reported in accordance with the GRI Standards for the period January-December 2022.

“For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.”

GRI STANDARD	GENERAL DISCLOSURES	TITLES, PAGE NUMBERS AND/OR DIRECT ANSWERS
GRI 1: FOUNDATION 2021		
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-1 Organizational details	<ul style="list-style-type: none"> About the Report p.3
	2-2 Entities included in the organization’s sustainability reporting	<ul style="list-style-type: none"> About the Report p.3
	2-3 Reporting period, frequency and contact point	<ul style="list-style-type: none"> About the Report p.3
	2-4 Restatements of information	<ul style="list-style-type: none"> Material Topics p.35 Materiality Matrix p.34
	2-5 External assurance	<ul style="list-style-type: none"> Our Governance Body p.25 Sustainable Supply Chain p.75,76,80,81,82,83,84 Business Continuity p.45
	2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"> Product Groups p.16 Sustainable Supply Chain p.74-76, 80-84
	2-7 Employees	<ul style="list-style-type: none"> Human Resources Management p.103,104
	2-8 Workers who are not employees	<ul style="list-style-type: none"> Human Resources Management p.103,104 Performance Indicators p.133

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GRI STANDARD	GENERAL DISCLOSURES	TITLES, PAGE NUMBERS AND/OR DIRECT ANSWERS
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	<ul style="list-style-type: none"> • Our Governance Body p.25 • Board of Directors p.26 • Executive Committee p.27 • Sustainability Committee p.32 • Sustainability Governance p.30,31 • Board of Directors Committees p. 28,29
	2-10 Nomination and selection of the highest governance body	<ul style="list-style-type: none"> • Corporate Governance Approach p.24
	2-11 Chair of the highest governance body	<ul style="list-style-type: none"> • Our Governance Body p.25
	2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> • Corporate Governance Approach p.24 • Our Governance Body p.25
	2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> • Corporate Governance Approach p.24 • Our Governance Body p.25
	2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> • Sustainability Committee p.32
	2-15 Conflicts of interest	<ul style="list-style-type: none"> • Business Ethics p.46,47
	2-16 Communication of critical concerns	<ul style="list-style-type: none"> • Business Ethics p.46,47
	2-17 Collective knowledge of the highest governance body	<ul style="list-style-type: none"> • Board of Directors p.26
	2-18 Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> • Board of Directors p.26
	2-19 Remuneration policies	<ul style="list-style-type: none"> • Human Resources Management p.108
2-20 Process to determine remuneration	<ul style="list-style-type: none"> • Human Resources Management p.108 	
2-21 Annual total compensation ratio	<ul style="list-style-type: none"> • Confidentiality Constraints : Not Public Information 	

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GRI STANDARD	GENERAL DISCLOSURES	TITLES, PAGE NUMBERS AND/OR DIRECT ANSWERS
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	<ul style="list-style-type: none"> • Sustainability Governance p.30,31 • Sustainability Strategy p.36 • Sustainability Committee p.32
	2-23 Policy commitments	<ul style="list-style-type: none"> • Business Ethics p.46,47
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> • Business Ethics p.46,47
	2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> • Business Ethics p.46,47
	2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> • Business Ethics p.46,47
	2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> • Business Ethics p.46,47
	2-28 Membership associations	<ul style="list-style-type: none"> • Our Business Partners p.20 • Our Memberships p.21
	2-29 Approach to stakeholder engagement	<ul style="list-style-type: none"> • Stakeholders Engagement p.48,49
MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	<ul style="list-style-type: none"> • Materiality Analysis p.33
	3-2 List of material topics	<ul style="list-style-type: none"> • Material Topics p.35

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GRI STANDARD	GENERAL DISCLOSURES	TITLES, PAGE NUMBERS AND/OR DIRECT ANSWERS
CORPORATE GOVERNANCE		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34 • Board of Directors p.27 • Board of Directors Committees p.28,29
SUSTAINABLE FINANCE, FINANCIAL STABILITY, SYSTEMATIC RISK MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34 • Risk Management p.44 • Stakeholders Engagement p.48,49
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	<ul style="list-style-type: none"> • Business Ethics p.46,47
	205-2 Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> • Business Ethics p.46,47
PRODUCT DESIGN & LIFE CYCLE MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34 • Sustainable Product Management p.67-69
GRI 301: Materials 2016	301-2 Recycled input materials used	<ul style="list-style-type: none"> • Waste Management p.62-63
	301-3 Reclaimed products and their packaging materials	<ul style="list-style-type: none"> • Waste Management p.62-63
INNOVATION MANAGEMENT (AUTOMATION)		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34 • Innovation Management (Automation) p.70 • Automation p.71 • R&D and P&D p.72,73

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GRI STANDARD	GENERAL DISCLOSURES	TITLES, PAGE NUMBERS AND/OR DIRECT ANSWERS
ENERGY MANAGEMENT (ENERGY CONSUMPTION, ELECTRICITY PRODUCTION)		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34 • Energy Management p.56-57
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<ul style="list-style-type: none"> • Performance Indicators p.130
	302-3 Energy intensity	<ul style="list-style-type: none"> • Energy Management p.56-57 • Performance Indicators p.130
CLIMATE CHANGE ADAPTATION STRATEGY		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Energy Management p.56-57 • Materiality Matrix p.34
RECYCLING STRATEGY		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34 • Waste Management p.62-63
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	<ul style="list-style-type: none"> • Waste Management p.62-63
CODE OF BUSINESS ETHICS		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34 • Business Ethics p.46-47
COMPETITIVE BEHAVIOUR		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34

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GRI STANDARD	GENERAL DISCLOSURES	TITLES, PAGE NUMBERS AND/OR DIRECT ANSWERS
LOW CARBON STRATEGY (EMISSION REDUCTION)		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix
	305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> • Performance Indicators p.130
	305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> • Performance Indicators p.130
	305-3 Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> • Performance Indicators p.130
GRI 305: Emissions 2016	305-4 GHG emissions intensity	<ul style="list-style-type: none"> • Emission Management p.60 • Performance Indicators p.130
	305-5 Reduction of GHG emissions	<ul style="list-style-type: none"> • Emission Management p.60
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<ul style="list-style-type: none"> • Performance Indicators p.131
WASTE AND HAZARDOUS MATERIALS MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34 • Waste Management p. 61-64
	306-1 Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> • Waste Management p.61-63
GRI 306: Waste 2020	306-3 Waste generated	<ul style="list-style-type: none"> • Performance Indicators p.132
	306-5 Waste directed to disposal	<ul style="list-style-type: none"> • Performance Indicators p.132

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OPERATIONAL ECO-EFFICIENCY		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34 • Sustainable Supply Chain p.74-76, 80-84 • Sustainable Product Management p.70-73 • R&D and P&D p.72-73 • Automation Management (Innovation) p.70 • Automation p.71
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> • Sustainable Supply Chain p.75, 80-84
	308-2 Negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none"> • Sustainable Supply Chain p.75, 80-84
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	<ul style="list-style-type: none"> • Sustainable Supply Chain p.74, 80-84
	414-2 Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"> • Sustainable Supply Chain p.74, 80-84
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	<ul style="list-style-type: none"> • Customer Relations & Quality p.78,79
LABOR PRACTICE INDICATORS/PRACTICES		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34 • Human Resources Management p. 103-108, 114-116
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	<ul style="list-style-type: none"> • Performance Indicators p.134-135
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> • Human Resources Management p.107,108 • Human Rights Approach p. 95-101
	401-3 Parental leave	<ul style="list-style-type: none"> • Performance Indicators p.135

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GRI STANDARD	GENERAL DISCLOSURES	TITLES, PAGE NUMBERS AND/OR DIRECT ANSWERS
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	• Performance Indicators p.136
	404-2 Programs for upgrading employee skills and transition assistance programs	• Trainings in Teklas p. 109-113
	404-3 Percentage of employees receiving regular performance and career development reviews	• Trainings in Teklas p. 109-113
OCCUPATIONAL HEALTH AND SAFETY		
GRI 403: Occupational Health and Safety 2018	GRI 3: Material Topics 2021	<ul style="list-style-type: none"> • Materiality Matrix p.34 • Occupational Health and Safety p.86-89, 91
	403-1 Occupational health and safety management system	• Occupational Health and Safety p.86-89
	403-2 Hazard identification, risk assessment, and incident investigation	• Performance Indicators p.136
	403-3 Occupational health services	• Occupational Health and Safety p. 90,92,93
	403-4 Worker participation, consultation, and communication on occupational health and safety	• Occupational Health and Safety p.91
	403-5 Worker training on occupational health and safety	• Occupational Health and Safety p.91
	403-6 Promotion of worker health	• Occupational Health and Safety p.86-89
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• Occupational Health and Safety p.91
	403-8 Workers covered by an occupational health and safety management system	• Performance Indicators p.133
	403-9 Work-related injuries	• Performance Indicators p.136
403-10 Work-related ill health	• Performance Indicators p.136	

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DIVERSITY AND EQUAL OPPORTUNITY (WOMEN'S EMPOWERMENT)		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34 • Human Resources Management p. 103-108
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	<ul style="list-style-type: none"> • Board of Directors p.27 • Performance Indicators p.133
GRI 406: Non Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> • Human Rights Approach p. 95-103
HUMAN RIGHTS, SOCIAL INTEGRATION AND RENEWAL		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34 • Human Rights Approach p. 95-103 • Materiality Analysis p.33
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<ul style="list-style-type: none"> • Human Rights Approach p.95-103 • Sustainable Supply Chain p. 74-76, 80-84
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	<ul style="list-style-type: none"> • Human Rights Approach p.95-103 • Sustainable Supply Chain p. 74-76, 80-84
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<ul style="list-style-type: none"> • Human Rights Approach p.95-103 • Sustainable Supply Chain p. 74-76, 80-84
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> • Social Investments p.117,118
PRODUCT QUALITY & RECALL MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p.34

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KEY PERFORMANCE INDICATORS

Emissions

Scope 1 Greenhouse Gas Emissions (tCO2e)		
2019	2021	2022*
4,008.21	3,151.38	25,631.10

GRI 305-1, GRI 305-2, GRI 305-3

Scope 2 Greenhouse Gas Emissions (tCO2e)	
2019	2022*
4,097.69	24,355.22

GRI 305-1, GRI 305-2, GRI 305-3

Scope 3 Greenhouse Gas Emissions (tCO2e)		
2019	2021	2022*
69,561.19	56,912.31	52,286.40

GRI 305-1, GRI 305-2, GRI 305-3

Total greenhouse gas emission intensity (tCO2e/employee)		
2019	2021	2022*
13.94	8.71	14.66

GRI 305-4

*Carbon Footprint Emissions are slightly increased because most of the TEKLAS facilities are included in calculations of 2022.

Energy

Energy Consumption within the Organisation (GJ)		
		2022
From Non Renewable Source	Natural Gas	11,886,495
	Steam	31,410.86
	Total	11,918,495
From Renewable Sources	Solar	19.2
	Total	19.2

GRI 302-1

		2022
Electricity Consumption (GJ)		354,437.79
Steam Consumption (GJ)		31,410.86
Total Energy Consumption(GJ)		12,240,952

GRI 302-1

Energy Intensity (GJ/ton production)	2019	2020	2021	2022
Türkiye (HQ)	119,543	106,998	180,354	150,582
Türkiye (GOSB-1)	122,214	100,130	108,911	93,163
Türkiye (GOSB-2)	209,219	178,374	207,655	172,429
Türkiye (Bartın)	203,199	168,278	222,439	151,016
Serbia	103,900	72,900	62,600	106,272
Bulgaria	94,600	84,700	90,100	91,719
China	12,260	44,075	38,371	23,292
Mexico	133,180	106,950	81,540	73,190

GRI 302-3

KEY PERFORMANCE INDICATORS

Water and Wastewater

Water Withdrawal (m3) (Surface Water)				
	2019	2020	2021	2022
Türkiye (HQ)	63.29	46.05	47.69	24.40
Türkiye (GOSB-1)	23.01	13.14	10.83	13.71
Türkiye (GOSB-2)	4.22	2.23	3.24	4.80
Türkiye (Bartın)	103.32	74.01	102.76	125.35
Serbia	66.55	76.04	86.47	102.18
Bulgaria	273.52	340.60	296.14	319.86
China	22.04	32.01	38.59	37.60
Mexico	9.58	11.89	16.01	19.60
Total Withdrawal	565.52	595.96	601.73	628.55

GRI 303-3

Water Discharge (m3) (Surface Water)				
	2019	2020	2021	2022
Türkiye (HQ)	20.71	22.31	42.93	47.16
Türkiye (Bartın)	92.98	66.61	92.49	108.53
Serbia	59.90	68.43	77.82	102.18
Bulgaria	246.17	306.54	266.52	268.65
China	19.84	28.81	34.73	37.60
Mexico	8.62	10.70	14.41	15.63
Total discharge amount	450.23	481.09	528.90	532.58

GRI 303-4

	2019	2020	2021	2022
Total consumed water amount (m3)	115.29	114.87	72.84	95.97

GRI 303-5

Air Polluting Emissions (kg/hr)

	Türkiye (HQ)		Türkiye (GOSB-1)			Türkiye (GOSB-2)		Türkiye (Bartın)			Bulgaria		China			
	2019	2021	2019	2020	2021	2019	2021	2019	2020	2021	2020	2021	2019	2020	2021	2022
Dust emissions	0.344	0.065	0.582	0.0005	0.007	0.160	0.014	0.308	0.020	0.094	0.020	0.020	-	-	-	-
Sox	0.013	0	0.122	0.009	0	0	0	0.015	0	0	0	0	0.027	0.094	0.109	0.04
NOx	0.029	0.598	0.604	0.030	0.005	0	0	0.931	0	0.209	0.600	0.858	0.040	0.142	0.164	0.06
Particulate Matter (PM10)	6.096	<0.005	0	0	0.009	0.110	0.300	0.063	0.087	0.037	-	-	0.021	0.074	0.087	0.03

GRI 305-7

KEY PERFORMANCE INDICATORS

Hazardous Waste Amounts (ton)

	Türkiye (HQ)				Türkiye (GOSB-1)				Türkiye (GOSB-2)				Türkiye (Bartın)				Serbia				Bulgaria				China							
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
Landfilled	0.006	0.001	0.002	0	0.004	0.001	0.002	0	0.004	0.001	0.001	0	0.004	0.001	0.006	0																
Incineration (For Energy Production)	71.59	72.34	130.42	63.69	35.22	24.19	15.53	28.44	35.35	35.35	43.03	39.47	42.16	23.50	17.52	15.45																
Incineration (For Disposal)	0.011	0.016	0.017	0.014	0	0.010	0.007	0.006	0	0	0	0	0.010	0.002	0.003	0.004																
Others (storage)	4.02	2.12	3.15	4.57	0	0.83	3.22	0.53	0	0	0	0	1.42	0.46	0.64	0.25																
Others (Recycling)	11.34	12.96	10.05	4.02	5.12	2.82	1.47	3.24	25.69	15.49	18.96	17.85	1.40	0.90	0.96	1	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022				
Total	86.97	87.43	143.64	72.29	40.34	27.84	20.23	32.21	61.05	47.55	61.99	32.21	45.00	24.86	19.12	15.45	18.22	3.9	0	50.38	96.91	124.32	99.76	126.29	29.80	30.33	28.15	33.93				

Non Hazardous Waste Amount (ton)

	Türkiye (HQ)				Türkiye (GOSB-1)				Türkiye (GOSB-2)				Türkiye (Bartın)				Serbia				Bulgaria				China							
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
Landfilled	117.84	124.20	142.16	78.56	15.83	49.66	64.52	55.88	13.50	26.44	35.56	48.04	-	-	-	-	-	-	-	-	251.75	304.64	329.52	303.03	15.48	13.98	14.85	17.46				
Incineration (For Energy Production)	389.92	343.37	415.80	237.71	327.19	170.88	168.06	1.65	319.36	332.53	452.76	47.88	158.76	197.25	208.72	632.26	72.92	87.84	131.06	675.1	515.83	378.05	339.04	1,501.73	22.49	53.49	52.36	5.78				
Incineration (For Disposal)	514.71	354.01	432.80	237.60	47.74	41.83	37.26	1.65	29.88	53.06	53.01	47.88	440.06	425.37	476.34	632.26	331.70	599.26	573.72	-	1,531.42	1,523.04	1,571.23	-	29.69	31.30	20.14	-				
Others (Recycling)	389.69	325.58	404.13	261.08	327.26	149.50	168.05	216.52	319.41	311.47	444.16	388.40	158.75	197.25	208.72	257.80	-	-	-	165.20	-	-	-	403.97	-	-	-	79.03				
Total	1,022.47	821.58	990.76	577.35	390.76	262.37	269.84	274.07	371.88	723.50	554.99	484.32	598.82	622.62	685.06	890.06	404.62	687.10	704.79	840.30	2,298.99	2,205.73	2,239.79	2,208.73	67.66	98.77	87.35	102.27				

KEY PERFORMANCE INDICATORS

Employee Number with Respect To Categories

Percentage of individuals within the organization's governance bodies by genders (%)				
	2019	2020	2021	2022
Women	19%	35%	22.5%	25%
Men	81%	65%	77.5%	75%

GRI 405-1

Percentage of employees by genders (%)				
	2019	2020	2021	2022
Women	36%	37%	41%	39.9%
Men	64%	63%	59%	60.1%

GRI 401-1

Percentages of individuals within the organization's governance bodies by age groups				
	2019	2020	2021	2022
Age <30	10%	16%	16%	0%
30 - 50 Ages	82%	78%	77%	99%
Age >50	8%	6%	7%	1%

GRI 405-1

Percentage of employees by age groups (%)		
	2021	2022
Age <30	29.98%	28.93%
30 - 50 Ages	63.18%	63.72%
Age >50	6.79%	7.35%

GRI 401-1

Employee Number with Respect to Employment Type

Percentage of employees by employment type (%)			
		2021	2022
Total	Full timer	99.83%	99.67%
	Part timer	0.17%	0.33%
Executive	Full timer	12.15%	12.08%
	Part timer	-	-
Operational	Full timer	87.10%	87.16%
	Part timer	-	-

GRI 2-8, GRI 403-8

Number of Employees Covered by an OHS Management System

Number of personnel and subcontractors within the scope of occupational health and safety		
	2021	2022
Employee	6171	6752

GRI 2-8, GRI 403-8

KEY PERFORMANCE INDICATORS

New Hires During the Year by Gender and Age

		Number and rate of newly hired personnel by age and gender (%)							
		2019		2020		2021		2022	
		Number	Rate	Number	Rate	Number	Rate	Number	Rate
< 30 age	Women	161	11%	212	10%	285	14%	420	9%
	Men	425	30%	683	33%	502	24%	1139	25%
30 - 50 age	Women	341	25%	522	26%	665	30%	1039	23%
	Men	355	25%	475	24%	492	22%	1665	38%
> 50 age	Women	60	4%	52	3%	104	5%	93	2%
	Men	64	5%	71	4%	102	5%	117	3%
Total	Women	562	40%	786	39%	1054	49%	1552	34%
	Men	844	60%	1219	61%	1096	51%	2921	66%

GRI 401-1

Employees Left the Job with Respect to Gender and Age

		Number and rate of employees leaving their jobs by age and gender (%)							
		2019		2020		2021		2022	
		Number	Rate	Number	Rate	Number	Rate	Number	Rate
< 30 age	Women	125	10%	147	10%	273	18%	253	17%
	Men	380	29%	460	31%	654	39%	578	36%
30 - 50 age	Women	305	24%	341	23%	489	22%	551	35%
	Men	396	31%	442	30%	693	42%	680	32%
> 50 age	Women	40	3%	47	3%	65	7%	88	9%
	Men	32	3%	50	3%	75	23%	84	7%
Total	Women	470	37%	535	36%	822	33%	892	47%
	Men	808	63%	952	64%	1422	61%	1342	61%

GRI 401-1

KEY PERFORMANCE INDICATORS

Employees Left the Job with Respect to Gender and Age

Number and rate of employees leaving their jobs by age and gender (%)									
		2019		2020		2021		2022	
		Number	Rate	Number	Rate	Number	Rate	Number	Rate
Those who left their jobs voluntarily (employee turnover rate)	Female	426	44%	378	40%	656	45%	861	42%
	Male	532	56%	574	60%	979	50%	947	43%
Number of positions filled by rotation	Female	33	25%	27	23%	125	12%	146	11%
	Male	101	75%	90	77%	109	26%	154	27%

GRI 401-1

Employee Number with Seniority Level

Number of employees by seniority year					
		2019	2020	2021	2022
0-5 year	Women	1720	1835	1868	2063
	Men	2458	2575	2175	2604
5-10 year	Women	193	310	670	815
	Men	620	827	1083	1141
10 year and above	Women	53	57	76	91
	Men	318	350	305	486

GRI 401-1

Parental Leave

Parental leave					
		2019	2020	2021	2022
Number of employees benefiting from parental leave	Female	100	112	296	217
	Male	85	57	31	28
Employees returned to job after parental leave	Female	37	30	74	57
	Male	85	57	31	28

GRI 401-3

KEY PERFORMANCE INDICATORS

Employee Training (Hours)

Training period given to personnel		
	2021	2022
Average (staff/hour)	76.23	58.79
Total (hours)	105,619.18	149,694.1

GRI 404-1

Training period given to female personnel		
	2021	2022
Average (staff/hour)	4.64	5.09
Total (hours)	22,185.16	40,710.33

GRI 404-1

Training period given to male personnel		
	2021	2022
Average (staff/hour)	4.49	5.25
Total (hours)	19,962.72	44,707.87

GRI 404-1

	2021	2022
Total training hours (excluding OHS trainings)	94,894.88	140,606.2
Average training time per employee per year (hours)	88.42	66.80
OHS training	24,558	34,647

GRI 404-1, GRI 403-5

Training period given by work category		
	2021	2022
Technical	9,511.49	10,033.57
Administrative	16,192.79	14,945.74
Production	74,404.93	119,175.79

GRI 404-1

Occupational Health and Safety Performance

	Türkiye (HQ)				Türkiye (GOSB-1)				Türkiye (GOSB-2)				Türkiye (Bartın)				Serbia				Bulgaria				China				Mexico			
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
Number of Work-Related Injuries	66	48	39	15	10	10	6	9	4	2	2	2	9	12	16	28	18	23	26	20	12	20	16	7	5	9	6	11	16	6	18	13
Number of Fatal Accidents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lost Time Injury (LTI)	637	584	233	151	57	131	169	215	17	8	7	25	34	42	36	262	261	275	871	836	64	63	16	267	17	34.5	223	480	40	34	103	172
Lost Time Injury Frequency (LTIF)	7.7	6.5	6.37	4.8	2.8	3.4	1.8	2.2	4.6	2.4	2.1	1.8	1.43	1.9	2.05	2.74	2.65	2.33	2.34	1.36	0.5	0.72	0.57	0.27	1.76	3.02	1.3	1.93	7.28	2.6	6.23	3.75
Accident Severity Rate (ASR)	0.37	0.4	0.15	0.2	0.08	0.22	0.25	0.26	0.1	0.05	0.04	0.11	0.03	0.03	0.02	0.13	0.16	0.14	0.39	0.28	0.03	0.05	0.14	0.05	0.03	0.06	0.24	0.42	0.1	0.23	0.18	0.25
Occupational Disease Rate (ODR)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

GRI 403-2, GRI 403-9, GRI 403-10

**FOR MORE INFORMATION
ABOUT THE REPORT,
YOUR OPINIONS
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