

The logo for TEKLAS, featuring the word in a bold, italicized, black sans-serif font. A small red square is positioned above the letter 'E'.

TEKLAS



Respect to Nature and Future — **2023**

**SUSTAINABILITY
REPORT**

About The Report

In Teklas Sustainability Report, we address our business model, sustainability strategy, and objectives, focusing on the environmental, social, and corporate governance dimensions for the year 2023. In this context, we elucidate our performance, outlining our approach to sustainability.

The information contained in the report covers the 12 Months operating period of Teklas between 1 January 2023 - 31 December 2023.

Through this report, we share our contributions to the United Nations' 2030 Agenda and Sustainable Development Goals, as approved in 2015, in accordance with the GRI Sustainability Reporting Standards.

Prioritizing through a stakeholder-inclusive analysis, we identified 17 material topics, comprising 7 high materials and 10 material topics. We categorized these issues under environmental, social, and governance headings and provided detailed explanations on each.

Under the leadership of the Teklas Sustainability Committee, we will continue to take sustainability-focused steps in all actions we undertake.

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Company Overview

Leading in Innovation and Reliability; Building the
Future with Sustainable Solutions.

Assessment From CEO



"In 2023, our carbon emission intensity per employee decreased by 34.7% compared to 2022."

Dear Stakeholders,

At Teklas, sustainability forms the cornerstone of our business strategy, guiding every step we take. Our goal is not only to meet the needs of today but also to create a more livable world for future generations.

The European Union's decarbonization roadmap, which targets a 55% reduction in emissions by 2030 and net-zero carbon by 2050, serves as a key compass for us. In line with these objectives, we are implementing comprehensive efforts to reduce carbon emissions across all our operational regions. Our primary strategies in this journey include energy efficiency, the use of renewable energy sources, a sustainable supply chain, and circular economy practices. We closely follow regulations like the EU's Sustainable Finance Taxonomy and Corporate Sustainability Reporting Directive (CSRD) to report our environmental and social performance transparently.

Our strategic goal is to embrace a low-carbon economy. We are investing in projects that enhance energy efficiency and radically reduce carbon emissions. We prioritize automation in our processes and continuously increase the use of robots. We meet our electricity consumption with renewable sources, such as solar energy. A significant indicator supporting this is the 19% reduction in our Scope 1 and Scope 2 carbon emissions in 2023 compared to 2022. By reducing our electricity consumption, we have significantly mitigated our environmental impact. The carbon emission intensity per employee, compared to 2022, decreased by 34.7%. This success is a direct result of our investments in machinery and the efficient use of energy sources, which are core elements of our sustainability strategy. In short, the introduction of new-generation technology into our operations has not only improved operational efficiency but also significantly reduced energy consumption.

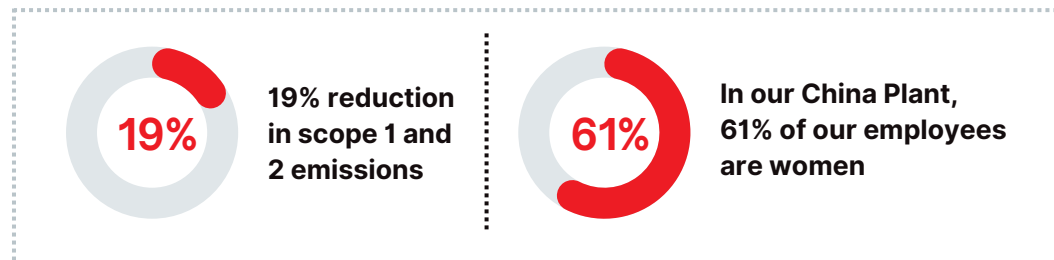
On the other hand, as detailed in the report, we have observed an increase in our Scope 3 emissions. The primary reason for this increase is the expansion of our reporting scope to more comprehensively assess the carbon footprint of our supply chain and business partners. Ensuring the healthy functioning of the value chain we interact with and transparently reporting it has always been critical for Teklas. Thanks to the reporting policy we developed in 2023 to provide accurate and transparent data, we have been able to better capture our indirect emissions.

We are developing programs that support the growth of our employees to enhance societal contribution and diversity. We prioritize social responsibility projects and actively carry out various initiatives in this area. Diversity and inclusion are key pillars of our sustainability efforts. In our China plant, 61% of our employees are women. In our Bulgaria plant, this figure stands at 48%, while the overall percentage for Teklas is 40%. We take pride in promoting gender equality in our hiring processes and are proud of the number of women in our workforce.

Tackling the climate crisis requires global collaboration and commitment. With this understanding, we continue to take steps that make a difference not only in our operations but also in our sector and society at large. Together with all our stakeholders, we are determined to develop innovative and effective solutions that accelerate the transition to a low-carbon economy. Teklas' future will be shaped not only by financial success but also by our unwavering commitment to our environmental and social responsibilities.

Sincerely,

Nebi ANIL



About Teklas



As Teklas, we are a global brand established in Istanbul in 1971 with 100% Turkish capital, and we have been active in the automotive sector for over 50 years. As a trusted supplier to leading automotive manufacturers worldwide, we operate a robust global network with 11 production plants across 5 countries and employ about 8,000 people.

We made our first export in 1978, and today, we export 90% of our production, delivering high value-added and innovative systems to more than 35 countries. Additionally, we contribute to the global automotive industry through technology transfer.

Our sustainability journey is driven by our commitment to leaving a better world for future generations. We adhere to the 10 principles of the United Nations (UN) Global Compact and align our strategies with the UN Sustainable Development Goals. different countries, enabling us to serve a worldwide market.

Teklas Sustainability 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.

As a global player in the automotive sector, we bear the responsibility of designing, developing, and manufacturing fluid circulation systems specifically for cooling and heating applications. Our manufacturing operations are distributed across 11 plants in 5 different countries, enabling us to serve a worldwide market.

We specialize in advanced thermal management solutions for Internal Combustion Engines (ICE), Extended Electric Vehicles (XEV), and Battery Electric Vehicles (BEV). Our product portfolio includes heating and cooling lines, air conditioning lines, and charge air lines, as well as quick couplings, rubber hose assemblies, thermoplastic lines, TPV lines, metal pipes, and water-injected complex parts. Our products cover a wide range of components and materials for various applications.

With over 50 years of experience, we have renewed our global vision while strengthening our commitment to sustainability. Employing about 8,000 people worldwide, we embrace a clear vision: “Our goal is to lead the world in every sector we operate by focusing on highly engineered, sustainable products.” We aim to adapt quickly to evolving technologies and improve the lives of our employees and their communities. Guided by our core values of “Commitment,” “Integrity,” “Hard Work,” “Innovation,” and “Long-Term Vision,” we are determined to maintain our global leadership.

As we move forward, we continue to develop our products and ecosystems, striving with dedication towards a greener and brighter future.

Our Core Values

- Commitment**
- Integrity**
- Hard Work**
- Innovation**
- Long-Term Vision**

Teklas Highlights in 2023



At Teklas, we continue to strengthen our leadership in the industry by aligning our achievements with our sustainability goals. We take pride in the national and international awards we have earned, reflecting our commitment to excellence.

On July 5th, the Volkswagen Group honored its best suppliers at the “Volkswagen Group Award 2023” ceremony held in Berlin. Over 200 guests from 25 countries attended the event, along with representatives from 160 distinguished supplier companies. Among the five award categories, the “Local Performance Champion” award was presented to Mr. Raul Danon, Vice Chairman of Teklas, by Volkswagen Group CEO Oliver Blume and other senior executives. This award is a significant testament to our collaboration and achievements, reinforcing our vision of creating sustainable value.

The eighth “İKMİB Stars of Export Award Ceremony,” which recognizes the top exporters in Türkiye’s chemical sector, was held on June 16, 2023. Organized by the Istanbul Chemicals and Products Exporters’ Association (İKMİB), the event honored the most successful companies of 2022. Teklas was awarded first place in the "Other Rubber Products" category and fourth place in the "Rubber and Rubber Products" category. We are proud of our contributions to our country's export achievements in the sectors where we operate.



Additionally, we have been recognized by the Kocaeli Governorship, "İŞKUR," and Kocaeli Metropolitan Municipality with a special award for our meticulous efforts to employ individuals with disabilities. This acknowledgment reflects our inclusive and equitable employment approach.

Through these awards, Teklas has not only celebrated its successes but also demonstrated a strong stance in sustainability and social responsibility.

Green Offer

At Teklas, we are taking our commitment to sustainability and environmentally friendly practices a step further. To strengthen our Supply Chain Management, we have introduced a "green offer" option into our purchasing processes. The green offer promotes sustainable alternatives such as energy efficiency, the use of recyclable products, and the selection of raw materials with minimal environmental impact. Through this initiative, we aim to enhance our environmental responsibility by building a more sustainable supply chain.



Teklas In Numbers



Production in
5
countries



Production plants in
11 different locations

Nearly

200.000

sqm total covered area



Nearly **8000**
employees



40%
total woman
employee rate



19.0%

Net Sales
Growth to 2022



9.2% Asset Growth
to 2022

20,4%



Of Our Sales Are
Made to Electric Vehicles

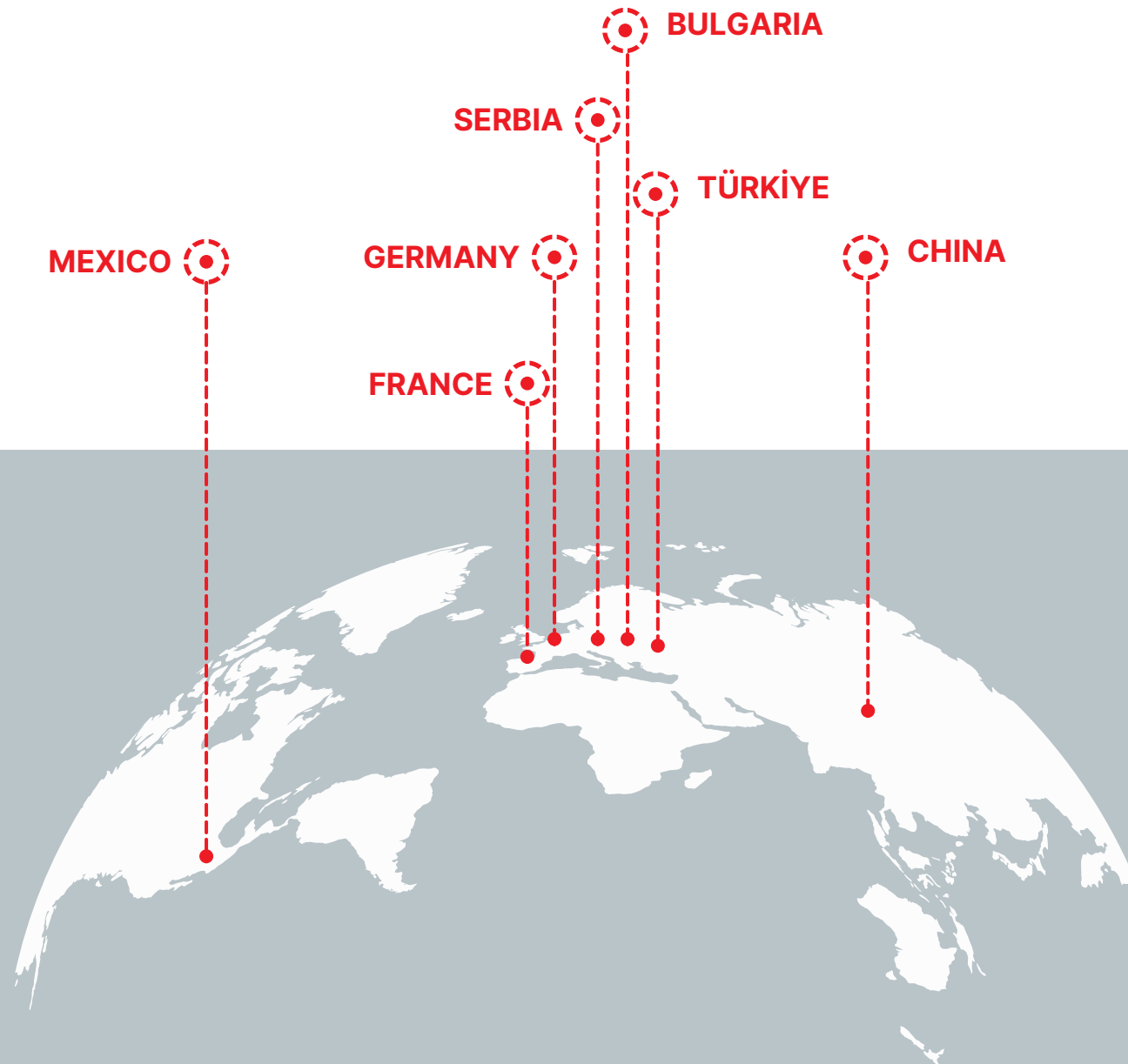


Solar Panel



25%

Teklas Global Operations



Teklas Global Operations



Türkiye

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%

Bartın 1 (Production Plant-1, EST. 2004)

Cooling / Heating Lines
Metal Pipe Production
Covered Area: 10,882 sqm
Employees: 1147
Women Employee Rate: 8.3%

Bartın 2 (Production Plant-2, EST. 2023)

Cooling/ Heating Lines
Electric&Hybrid Lines
Covered Area: 36,900 sqm
Employees: 484
Women Employee Rate: 11%

Bulgaria

Krumovgrad (Production Plant, EST. 2017)

Electrical & Hybrid Engine Lines
Cooling / Heating Lines
Covered Area: 4,000 sqm
Employees: 286
Women Employee Rate: 62.2%

Kardzhali (Mixing Plant, Production Plant, EST. 2006)

R&D Center
Metal Pipe Production
Cooling / Heating Lines
AC Lines
Air Lines
Covered Area: 48,000 sqm
Employees: 2335
Women Employee Rate: 45.3%

Vratsa (Production Plant, EST. 2019)

Cooling / Heating Lines
Electric & Hybrid Engine Lines
Covered Area : 8,000 sqm
Employees : 253
Women Employee Rate : 59%

Serbia

Vladicin Han (Production Plant, EST. 2015)

Cooling / Heating Lines
Electric & Hybrid Engine Lines
Covered Area : 26,935 sqm

Vranje (Production Plant, EST. 2021)

Cooling / Heating Lines
Electric & Hybrid Engine Lines
Engine Lines
Covered Area : 19,336 sqm
Employees : 1437
Women Employee Rate : 52%

China

Changxing (Production Plant, EST. 2012)

Cooling / Heating Lines
Air Lines
Covered Area: 17,120 sqm
Employees: 531
Women Employee Rate : 61.1%

Mexico

Aguascalientes (Production Plant, EST. 2016)

Cooling / Heating Lines
Electric & Hybrid Engine Lines
Covered Area: 10,965 sqm
Employees: 505
Women Employee Rate : 45.8%

Germany

Böblingen (Sales Office)

Employees: 17

France

(Sales Office, EST. 2017)

Employees: 4

The employee data reflects figures as of the end of 2023.

Teklas Milestones



1971
Foundation of Teklas: Start of production of rubber injected parts

1978
Start of Windscreen Wiper Production

1987
Start of operation in Gebze/Muallimköy production Plant

1992
Awarded QSP (Supplier of the Year) by GM

2004
Investment in the production plant in Bartın, Türkiye

1973
Start of rubber hoses production

1985
Start of Brake Hose Production (Freudenberg license)

1989
First International Customer

2003
Opening of the R&D Center in Kocaeli, Türkiye

2006
First Investment abroad: Kardzhali, Bulgaria

2007
Plastic Production Technologies investment (3D, BlowModelling, WIT and Thermoforming)

2015
Production Plants in Vladicin Han, Serbia

2017
Investment in the fourth plant and R&D Center in Kardzhail, Bulgaria - Opening Sales Office in Paris, France

2021
New production plant in Vranje/Serbia

2023
Establishment of the Bartın 2 plant

2014
Investment in the Bulgarian mixing production plant

2016
Investment in the production plants, in Aguascalientes, Mexico - Opening Sales Office in Stuttgart, Germany

2019
Investment in the third production plant in Bulgaria (Vratsa)

2022
Establishment of 2MWp Solar Energy Plant in Bulgaria

Teklas Achievements



2000

QSP (Supplier of the Year)
Award by GM

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)

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

2023

Volkswagen Local
Performance Champion Award

2023

IKMIB Other Rubber
Products Export - 1st place

2023

IKMIB Rubber and Rubber
Products Export - 4th place

2023

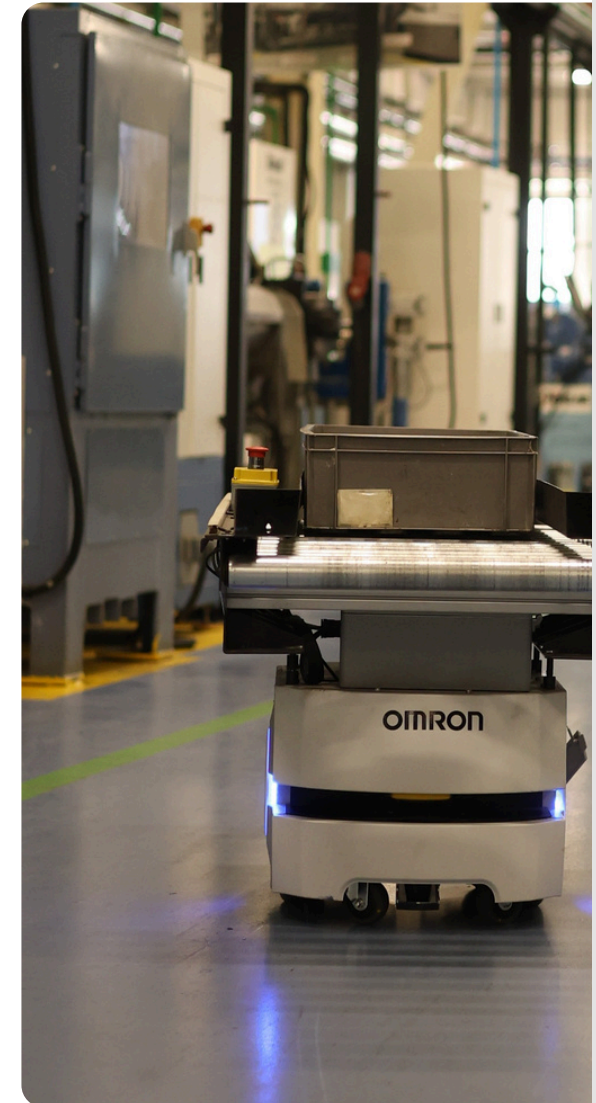
Employment of Disabled
Individuals-ISKUR and
Kocaeli Metropolitan
Municipality.

Teklas Product Groups

We operate four production plants in Türkiye, including our Rubber-Metal and Compound plant in the Gebze Organized Industrial Zone and two plants in Bartın. Internationally, our operations extend to Kardzhali, Vratsa, and Krumovgrad in Bulgaria; Changxing in China; Vladicin Han & Vranje in Serbia; and Aguascalientes City in Mexico.

The core components of the products we deliver to our customers include rubber compounds, raw and intermediate plastic materials, as well as metal parts and tubes in various geometric forms, depending on the product group. The rubber compound needs of both our domestic and international plants are met by our production plants in Türkiye and Bulgaria.

Our extensive product range, directly supplied to the automotive sector, is organized based on the regional and national distribution of projects. This approach allows us to present our product portfolio under distinct categories, clearly defining our areas of operation.



Our Plant-Based Product Group Distribution



Products	Bulgaria (BG)	Türkiye (TR)	China (CN)	Serbia (SRB)	Mexico (MX)
Brake Hose		●			
Hose	●	●	●	●	●
WIT (Welded In Tube)	●				●
Thermoforming	●	●	●	●	●
Blowmolding	●		●		
Quick Connector	●	●	●	●	●
Injection Molding (Plastic)	●	●	●	●	●
Injection Molding (Rubber)	●	●	●	●	●
Metal Pipe	●	●			●
Compound	●	●		●	

Our Future Strategies



Setting up Water Efficient Systems



Implementation of Sustainable Finance Requirements



Investing more on Robotic Technologies



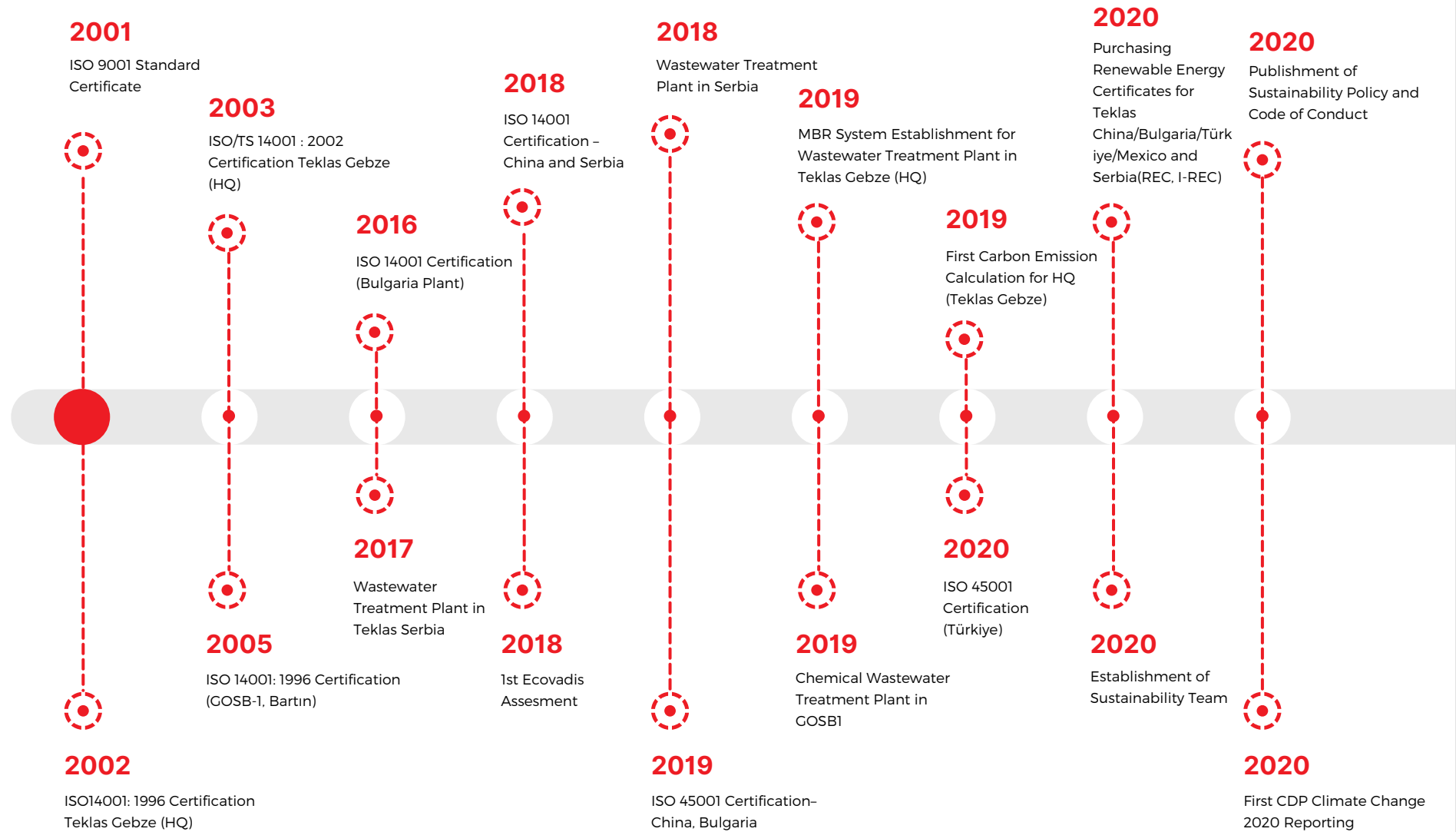
Creating a Renewable Energy Policy

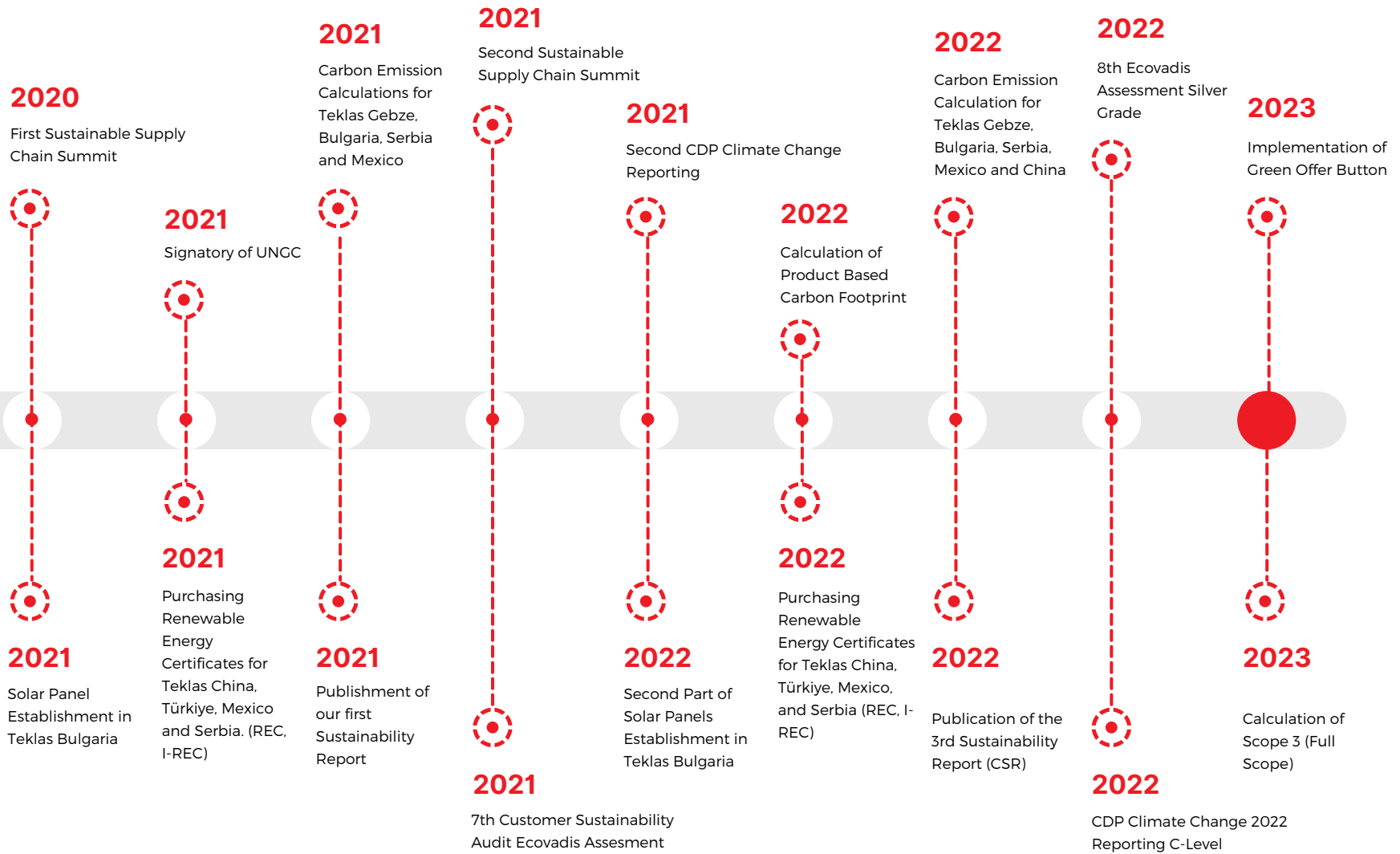
Creating a reuse/recycle policy for plastic, rubber, metallic materials



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

Our Sustainability Milestones





Collaborations

At Teklas, we uphold the highest standards in governance, social responsibility, and environmental sustainability, promoting sustainable progress throughout our value chain. We work in alignment with our stakeholders and suppliers, ensuring their contribution to our shared goals.

Since 1971, we have been developing innovative fluid systems to meet the heating and cooling needs of the global automotive industry. As a global leader, we establish strategic partnerships with non-governmental organizations across trade, export, and the automotive sector, continually advancing our sustainability performance.

Through strong collaborations with stakeholders worldwide, we contribute to the adoption of responsible practices across the industry. By sharing knowledge, we support the development of policies that prioritize environmental responsibility and long-term growth. Additionally, we offer our expertise to assist industry associations and relevant organizations in creating comprehensive policies, regulations, and educational resources, driving sustainability forward.



- YenidenBiz Career Platform
- Middle East Technical University
- Istanbul Technical University
- Kocaeli Technical University
- Yeditepe Technical University
- Bartın University
- Aguascalientes Governatory Recruitment Service of Estatal Gob
- Autonomous University of Aguascalientes
- Technical University of Aguascalientes
- Panamerican University
- Ecobulpack
- Envico
- MARKO IKOM
- Technical University of Sofia - Plovdiv Branch
- Hristo Botev High School





Governance Perspective

We Shape the Future with Innovation; Empowering
Sustainability through Governance.

Teklas Corporate Governance Approach

- Responsibility
- Accountability
- Transparency
- Fairness



With the goal to accomplish long-term sustainability in environmental, social, and economic aspects, we implement a corporate governance plan that focuses on reducing our environmental impacts, addressing social duties, and improving efficiency in our business processes. All our stakeholders are included in the development of our corporate governance plan, which is based on the values of responsibility, accountability, transparency, and fairness.

Our company's stakeholders, including suppliers and customers, are all part of the corporate governance strategy to promote the Sustainable Development Goals throughout the entire value chain.

Our Vision

As Teklas, we are committed to becoming the world leader in every area in which we operate, with a focus on developing highly engineered products created with sustainability in mind, all while upholding the highest standards of corporate governance.

Our Values



Commitment

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



Innovation

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



Integrity

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



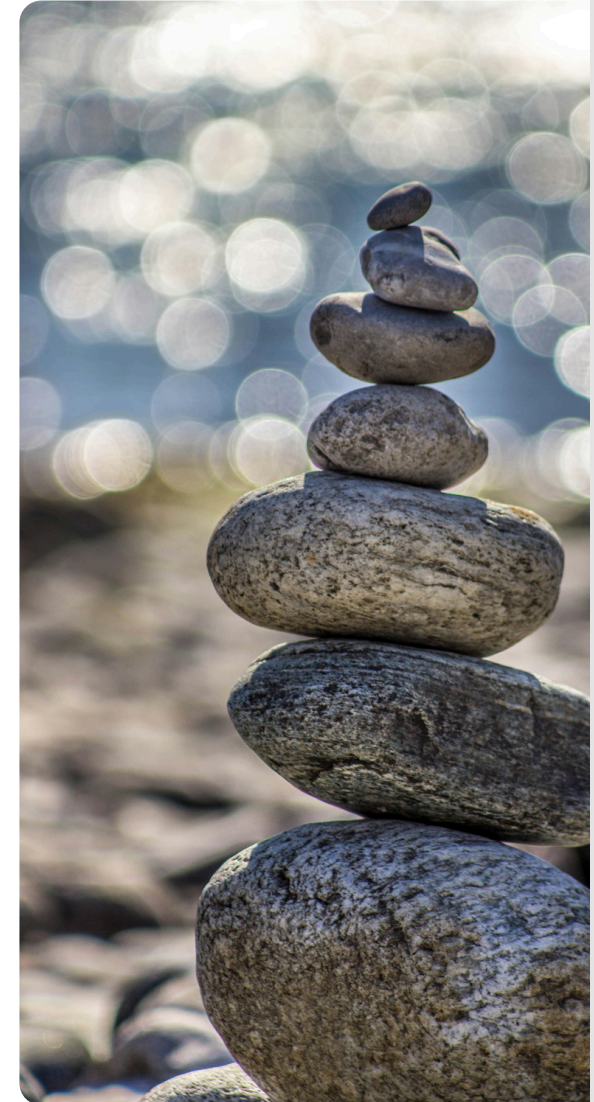
Long-term Vision

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



Hard work

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.





Board of Directors

As Teklas, we have built an effective governance approach based on the principles of corporate governance. Our company is guided by the Board of Directors, our highest management body, which regularly reviews our governance practices, leveraging its sectoral and financial expertise. We remain focused on sustainable growth by continuously addressing the needs of our stakeholders.

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



Average Tenure of Board of Directors



Executive Management



Our Executive Management represents Teklas in interactions with third parties and defines sustainable strategies that align with our vision, considering their economic, social, and environmental impacts.

Executives	Role	Experience/Education
Nebi Anil	CEO	25 Years / Middle East Technical University, Chemical Engineering (BSc.)
Serkan Ünal	CTO	18 Years / Marmara University, Computer Engineering (BSc.); Gebze High Technology University, Computer Engineering (MSc.)
Ahmet Özer	CSO	15 Years / Istanbul University, Mechanical Engineering (BSc.); Technical University of Darmstadt, Process and Mechanical Engineering (MSc.)
Ali Kurtuluş Yılmaz	CFO	12 Years / Anadolu University, Business Administration (BSc.); Gebze High Technology University, Business Administration (MSc.)
François Le Briquer	CRDO	2 Years / IUT Lorient, Mechanics and Electronics Engineering (BSc.); ICAM Engineering School, Mechanics and Materials / Industrial Management (MSc.)
Gülsünay Uysal	Global HR Director	6 Years / Marmara University, Political Science in French (BSc.); Galatasaray University, Sociology (MSc.)



Female Ratio in Executive Management



Average Tenure of Executives

0-10 years (2 person)

10-20 years (3 person)

>20 years (1 person)

Our Corporate Governance Body

The foundation of our efficient corporate governance framework is a transparent, equitable, and capable board of directors. Through its executive committee and board committees, our board of directors contributes significantly to the development of a strong corporate culture and the use of best governance practices across the organization.

Bimonthly:

1. The purchasing, sales, and human resources departments are convened by our board of directors for process monitoring.
2. Our board of directors holds separate KPI meetings with the finance managers and directors of each plant.
3. An annual report meeting takes place with the participation of our board of directors and financial officials.
4. A Legal Board convenes, including our external and internal lawyers, human resources officers, an HR consultant, and our CEO.

The Board of Directors receives frequent updates from the Internal Audit Unit regarding its operations as well as reports on any disagreements with the audited units and monitoring findings. The Board of Directors takes the necessary steps to guarantee that the internal audit activity is conducted efficiently and in accordance with auditing standards and ethics.

The executive committee reviews promotions to deputy manager and higher. Every three months, the executive board is called together by our board of directors, whose members are involved in our company's committees.

General Assembly Meeting



EXECUTIVE COMMITTEE

Nebi Anıl - CEO

MEMBERS

- Francois Le Bricquer (CRDO - Future Technologies)
- Gülsünay Uysal (Global HR Director)
- Serkan Ünal (CTO)
- Ahmet Özer (CSO)
- Ali Kurtuluş Yılmaz (CFO)

BOARD OF DIRECTORS

- Moris Danon - Head of Committee
- Raul Danon - Vice Head of Committee
- Jennifer Danon - Board Member
- Nebi Anıl - CEO & Board Member
- Rebecca Danon - Member

Informs/Reports

Elects/Assigns



COMMITTEES

Ethics Committee

Business Continuity and Risk Management Committee

EHS Committee

Sustainability Committee



Sustainability Ambassadors

Committies and Policies



Committies

The Board of Directors oversees the overall operations of the company through committees that report directly to it. The composition, activities, and effectiveness of these committees are reviewed periodically. Additionally, steps are taken to ensure that the committee processes are systematically monitored and documented. The committees include the **Environment and Occupational Health & Safety Committee, Ethics Committee, Business Continuity and Risk Management Committee and Sustainability Committee.**

Committee	Members of Committee	Role of Committee
EHS Committee (Environment and Occupational Health & Safety)	Gülsünay Uysal: Global HR Director Habibe Mustafa: Senior EHS Engineer Kristina Uzunova: Environment Specialist Mehmet Furkan Topkara: Global Sustainability Team Leader Faruk Güre: Environment Sustainability Specialist Slavoljub Spasov: Senior EHS Engineer Eduardo Delgado: EHS Specialist Guan Dongxing: Senior EHS Engineer	The EHS Committee convenes monthly to review the status and assess environmental and safety activities across all plants.
Ethics Committee	Nebi Anıl: President of Ethics Committee / CEO Gülsünay Uysal: Member of Ethics Supreme Board / Global HR Director Berkan Kaplan: Member of Ethics Supreme Board/ Legal& Internal Audit Director	The committee provides quarterly reports to Executive Management. In the event of an ethical violation, the Ethics Committee convenes to address the issue.
Business Continuity and Risk Management Committee	Nebi Anıl: CEO Ali Kurtuluş Yılmaz: CFO Gülsünay Uysal: Global HR Director	The Business Continuity Committee's organizational structure varies by location and is tailored to specific crisis situations. The CEO serves as the chairman of the committee at all Teklas locations.

Committee	Members of Committee	Role of Committee
Sustainability Committee	Gülsünay Uysal: Global HR Director Mehmet Furkan Topkara: Global Sustainability Team Leader Faruk Güre : Environment Sustainability Specialist SUSTAINABILITY AMBASSADORS: Fatme Tahir-Akça, (Bulgaria) Ahsen Sena Seçen, (Türkiye) Zou Wanqing, (China) Slavoljub Spasov, (Serbia) Isaac Sosa (Mexico)	The Sustainability Committee holds monthly meetings to review ongoing projects and assess sustainability activities.

Policies Adopted at Teklas

The Board of Directors has implemented the following policies to enhance the management of the company’s compliance risks and to more effectively address the expectations of both local and international stakeholders. Further details of these policies can be found through the web links and sections in the report.

- Anti-Bribery and Corruption Policy
- Corporate Social Responsibility Policy
- Code of Business Ethics
- Diversity and Inclusion Policy
- Environment and Energy Policy
- Information Security Policy
- Occupational Health and Safety Policy
- Personal Data Protection Policy
- Supplier Sustainability Code of Conduct
- Sustainability Policy
- Teklas U.S. Privacy Policy
- Quality Policy
- Water Management Policy



Our Corporate Governance Body

As Teklas, we aim to achieve sustainable growth in the global market through customer-focused management, innovative technology, and products developed by our creative workforce. We strive to become the leader in fluid systems used in cooling and heating lines within the automotive industry while maintaining a competitive stance in the sector. To reach this goal, it is crucial for us to produce environmentally friendly, high-tech products based on R&D and innovation and to ensure the sustainability of all our processes.

Our Main Strategies:

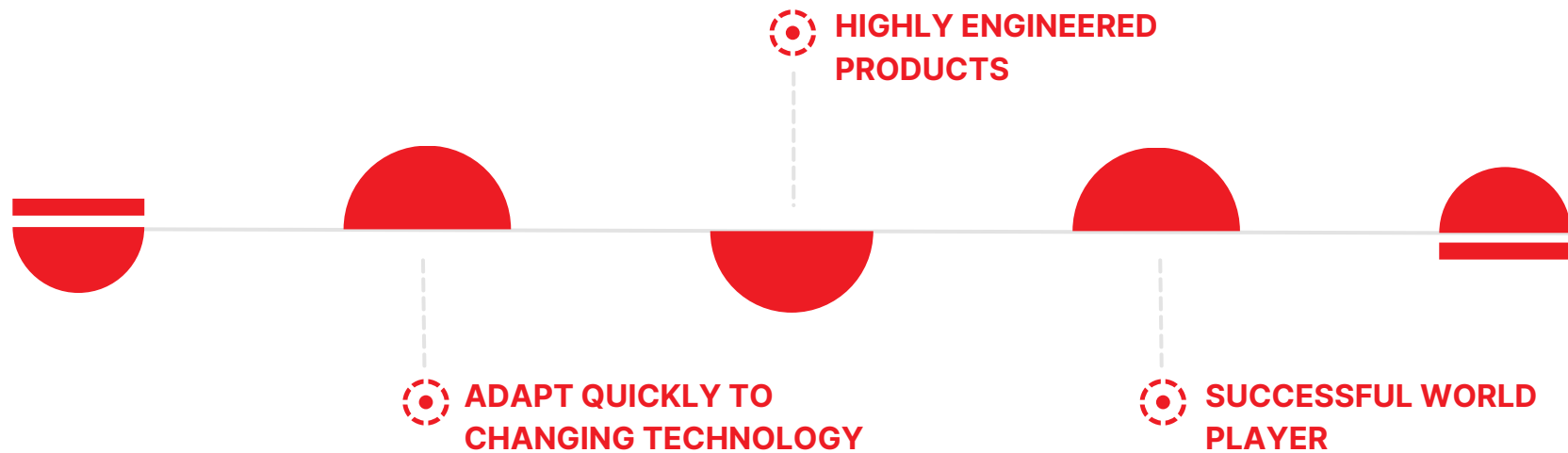
- Offering innovative products to customers,
- Competing in the global market,
- Achieving sustainable growth,
- Producing with an unwavering commitment to quality,
- Acting with a sense of social responsibility.

Our Strategic Targets:

- Expand the product and customer range,
- Increase R&D activities and collaborations,
- Operate in a wide geographical area to stay close to customers,
- Increase and improve automation systems,
- Ensure sustainable profitability.

Sustainability is at the core of our business strategy

Our Sustainability Strategy



We are aware of our responsibility in combating climate change in the 5 countries where we operate, and we ensure this through our Climate Change Adaptation Policy. We are committed to reducing our carbon footprint, utilizing green energy systems in our plants, and investing in environmentally friendly production technologies. We aim to improve waste management, promote recycling, and minimize emissions in disposal processes. While supporting participation in ecosystem protection projects, we also educate our employees on these topics. We transparently report our performance and share it with our stakeholders.

Teklas ESG Dimensions Used as Framework to Advance Sustainability



Saving Resources

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



Accountable Management

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



Responsible Citizenship

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



4 Solutions to Key Challenges to Reach Net-Zero Carbon Emissions by 2050



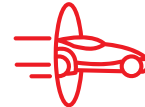
Responsible Production and Consumption

Sustainability is at the core of our business strategy with the scope of our vision "Responsible Production and Consumption" according to UN Sustainable Development Goal 12. We are determined to do our mission today to make the world sustainable with the sustainable technology we have developed by taking concrete steps.



Renewable Energy Target

We have the objective to use green energy in all our locations so we can decrease our effect to the planet that we live in. First, we installed Solar Panel System in Teklas Bulgaria for a pilot implementation and now we are scaling up our investments in all Teklas plants. Also, we have green energy certificates already for Türkiye, Serbia, and Mexico.



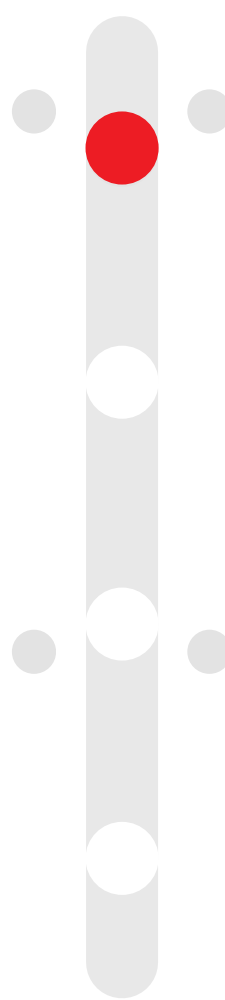
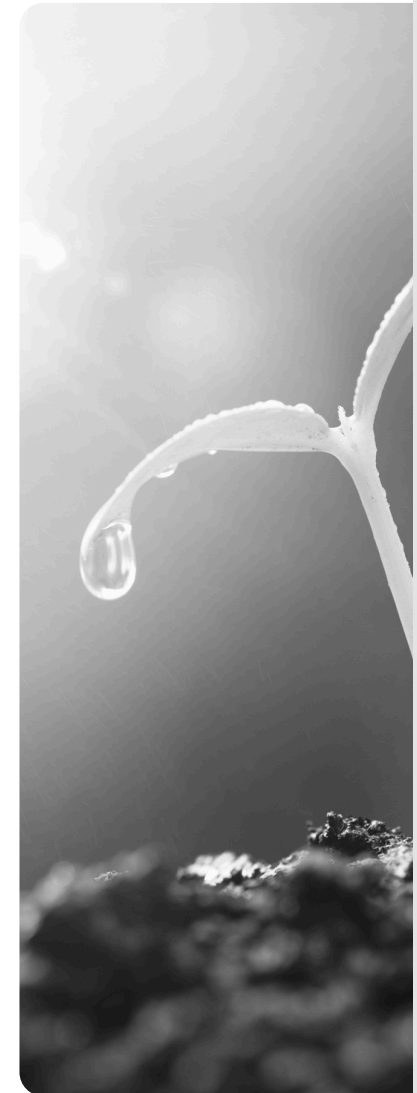
Sustainable Products for the Future

We believe that our products can add a valuable contribution to be a more sustainable planet. That is why we are dedicated to produce with the consciousness of Life Cycle Analysis.



Net-Zero Emissions by 2050

Protecting our planet requires carbon-neutral operations. We have a commitment to the 2015 Paris Agreement, and have intermediate goals and seek to be completely carbon neutral by 2050 at the latest. This states that global warming should be kept to a maximum of 1.5 degrees Celsius or much less than 2 degrees Celsius compared to the pre-industrial era. The goal is to make the world economy carbon neutral.



Sustainability Governance



At Teklas, we have established a comprehensive sustainability structure, consisting of a Sustainability Committee. The Sustainability Committee, with involvement from executives at all levels, ensures that our sustainability strategy is closely aligned with our business operations. All actions and decisions are directly reported to the Board, fostering a strong sustainability culture across the organization.

In line with our commitment to sustainability, we align with the United Nations Sustainable Development Goals (SDGs) and the UN Global Compact. Our efforts are focused on minimizing our environmental impact, reducing energy and water consumption, prioritizing waste management, and upholding high standards in ethics, human rights, and supply chain management.

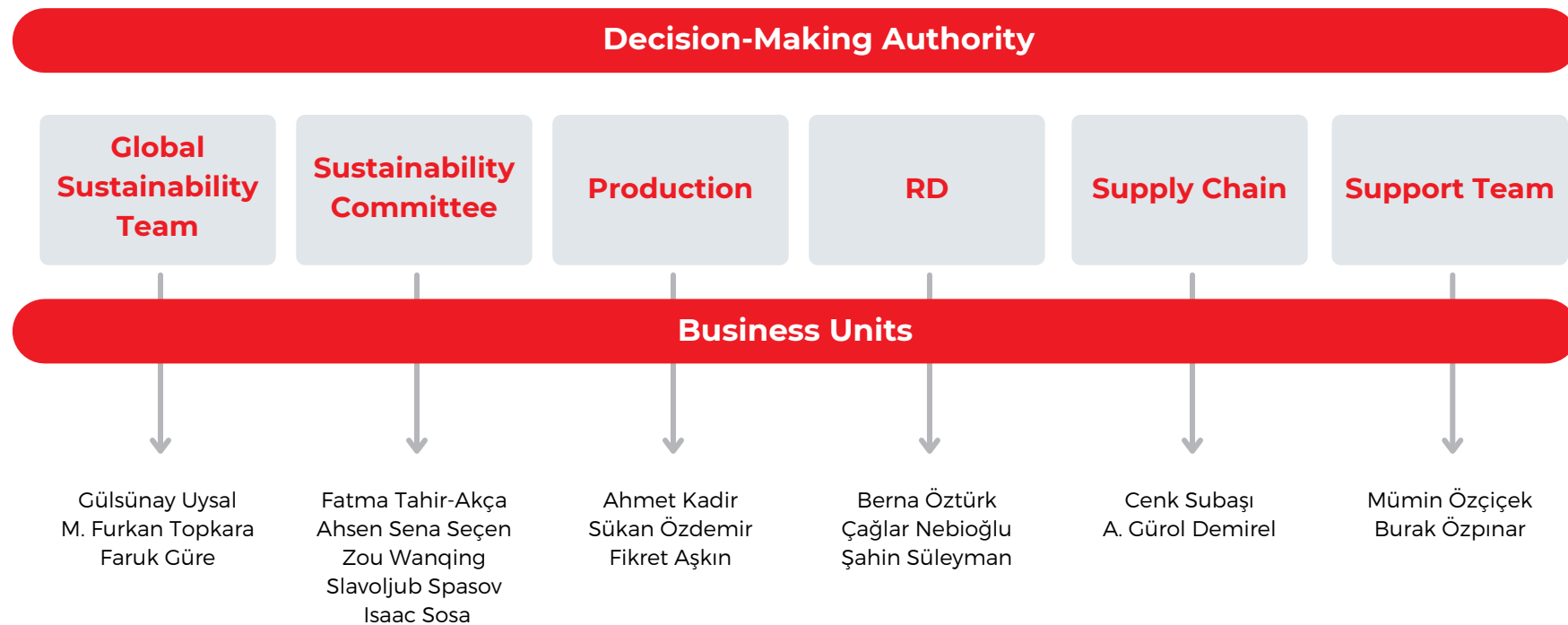
We are dedicated to inspiring our stakeholders to embrace sustainability principles, prioritizing the well-being of people, the environment, and future generations. For more information, please refer to our detailed Sustainability Policy.



Sustainability Committee

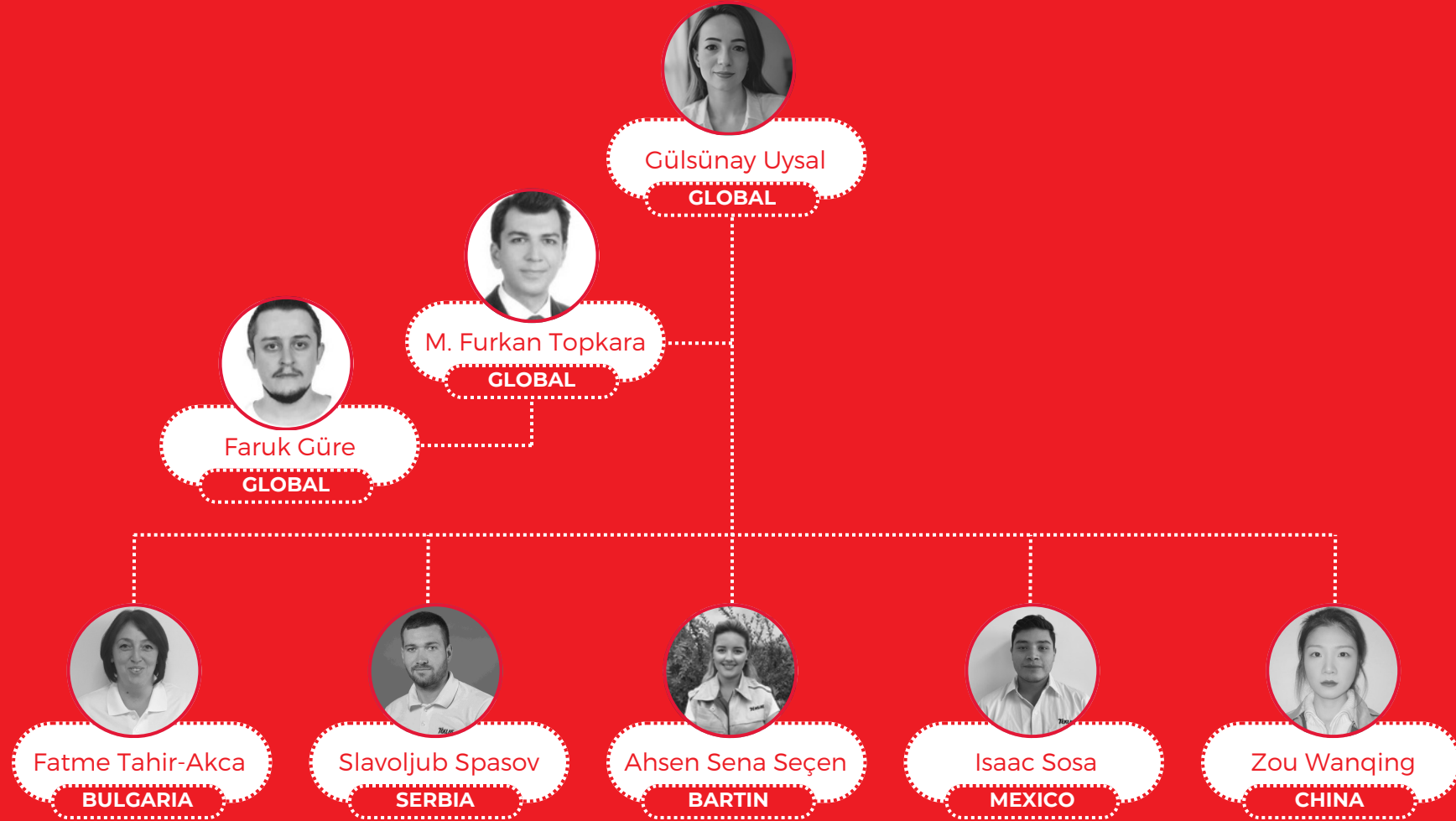


The Sustainability Committee is in charge of promoting and implementing the Green Journey initiative in their plants. They attend weekly meetings to discuss progress, work closely with the Global Sustainability Team, and make sure that the plants they oversee follow the company's overall sustainability goals.



The business units are responsible for participating in monthly meetings about the Green Journey project. They also meet regularly to discuss the project and help it succeed by supporting its sustainability goals.

Sustainability Ambassadors

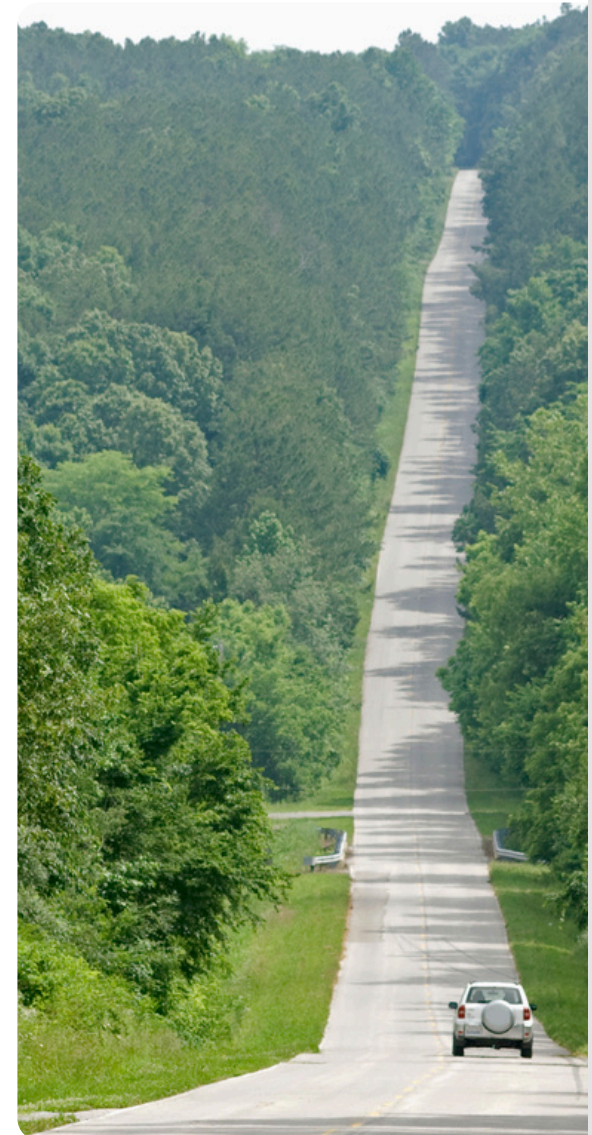


Sustainability Ambassadors at each plant meet twice a month to monitor the actions at their plants.

Green Journey

The Green Journey Project at Teklas focuses on enhancing environmental sustainability by reducing water consumption and minimizing the use of chemicals like adhesives and lubricants in production. Starting with R&D and pilot-scale implementation, the project is optimized through robotic automation, which decreases chemical use and waste generation. The initiative is rolled out across all plants with site-specific targets, continuously monitored and adjusted based on physical conditions and production methods. Aligned with Teklas's principle of "Green Production and Business Processes," the project aims to improve operational ecological efficiency and foster a sustainable business model.

- **Thoughtful Consideration Before Production**
- **Recycling After Consumption**
- **Understanding Value Of Energy Consumption**



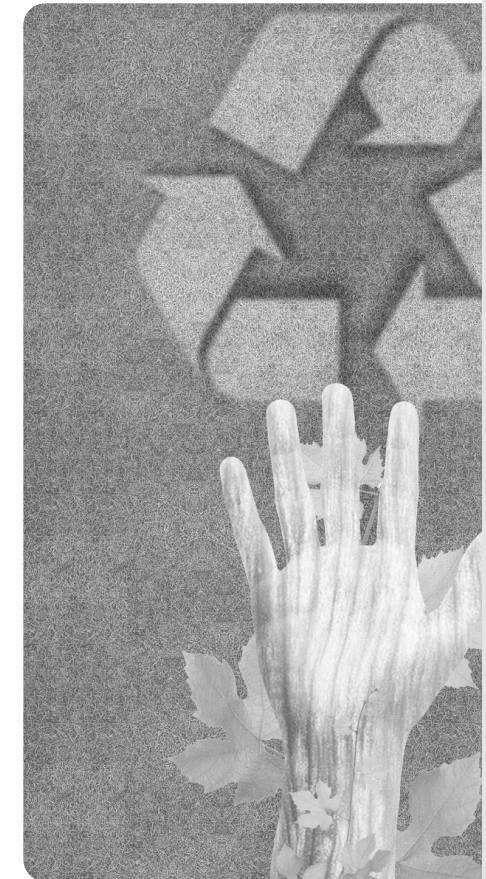
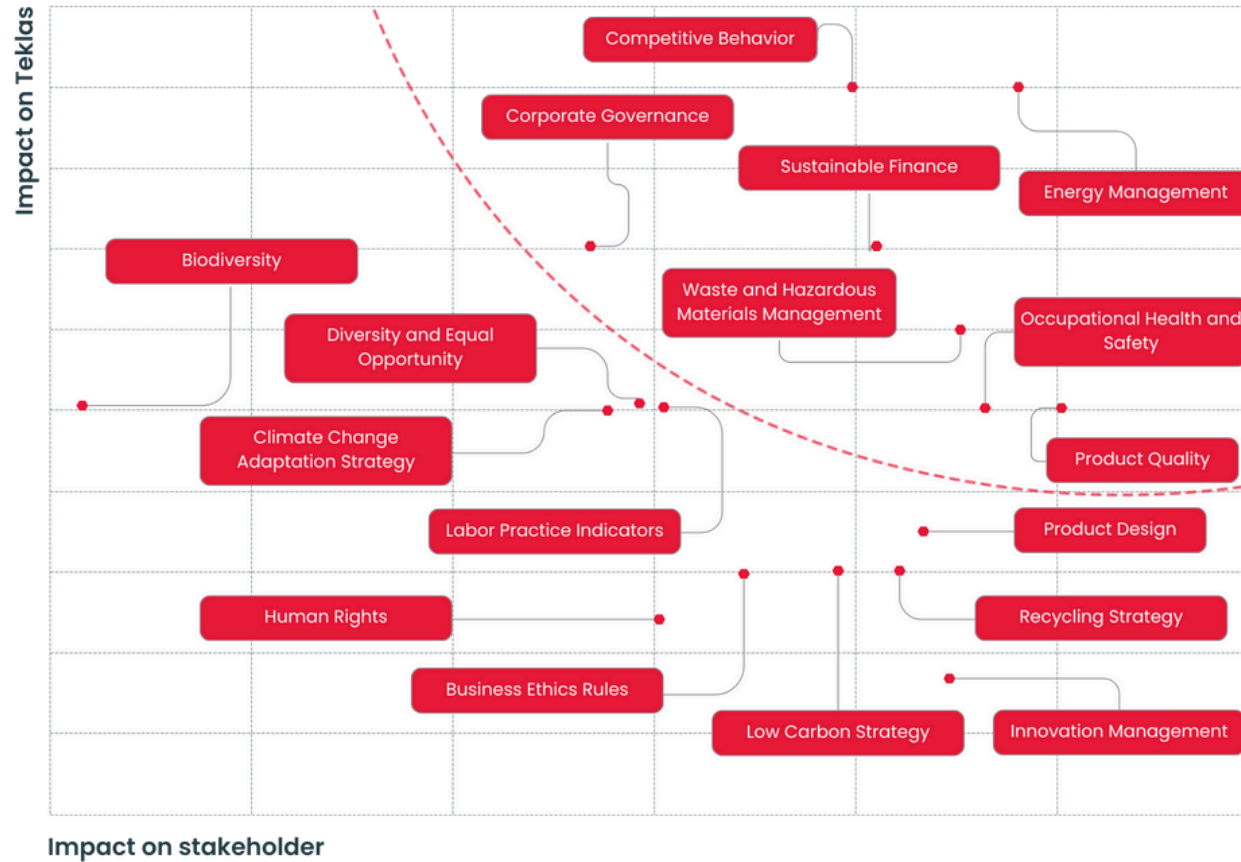
Materiality Analysis

Teklas is dedicated to creating value through sustainability, integrating stakeholder perspectives into our Corporate Sustainability Strategy. Our materiality analysis considers factors like the UN Sustainable Development Goals, the European Green Deal, ESG performance, and industry trends to align our efforts with stakeholder expectations.

We engage a diverse group of stakeholders, including employees, customers, suppliers, and investors, and conducted a comprehensive anonymous to shape our 2023 sustainability strategy. By evaluating global trends and sustainability indices, we ensure our strategy remains responsive and aligned with the evolving needs of our stakeholders, creating long-term value and a positive impact.



Materiality Matrix



Through stakeholder assessment and engagement, we have created the Teklas materiality matrix, highlighting topics of very high and high material importance. The Y-axis of the matrix reflects the impact of these topics on stakeholders, while the X-axis shows their impact on Teklas. The findings from this materiality analysis have been crucial in defining our sustainability goals and shaping our overall sustainability strategy.

Material Topics

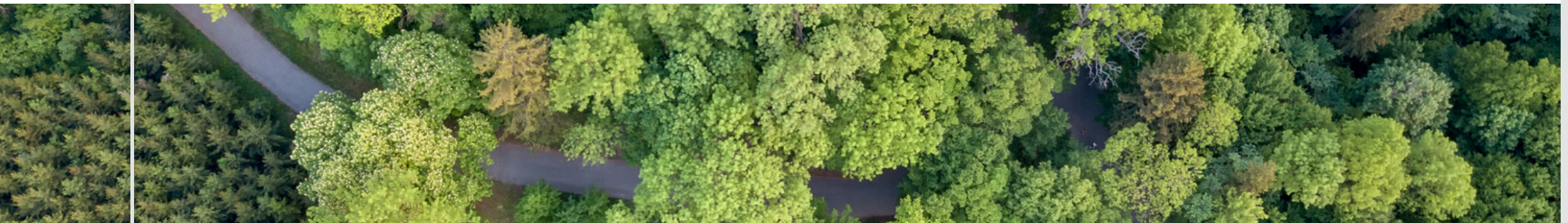
In the materiality matrix, we have identified high material and material topics as key elements in shaping Teklas' corporate sustainability strategy. The materiality analysis revealed a total of 17 material topics, including 7 high material and 10 material topics.

High Material Topics

- Energy Management (Energy Consumption, Electricity Generation)
- Competitive Behavior
- Sustainable Finance, Financial Stability & Systematic Risk
- Waste & Hazardous Materials Management
- Product Quality & Recall Management
- Corporate Governance
- Occupational Health & Safety

Material Topics

- Labor Practice Indicators/Practices
- Diversity and Equal Opportunity (Women Empowerment)
- Climate Change Adaptation Strategy
- Product Design & Lifecycle Management
- Recycling Strategy
- Low Carbon Strategy (emission reduction)
- Codes of Business Conduct
- Innovation Management (Automation)
- Biodiversity
- Human Rights, Social Integration & Regeneration



Our Sustainability Goals and Contribution to SDGs

Our sustainability goals are grouped into three categories: Environmental Sustainability, Social Sustainability, and Corporate Governance. We focus on reducing our environmental impact, promoting employee well-being and community development, and maintaining ethical practices and transparency in governance. These pillars guide our efforts to create positive, lasting impacts on the environment, society, and our organization.



Environmental

Procuring or producing 46% renewable energy

Short-Term

%92 renewable energy in 2023. Within 5 years, we aim for all of our plants to generate their own energy.



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

Short-Term

We built solar panels in Bulgaria and currently 25% of the energy come from solar panels in Bulgaria Plant, %60-70 CN Plant in 2024.



ISO 14064 Verification of CO2 results by third party for TR plants

Short-Term

2023 carbon footprint verification will be realized.



To measure CO2 Footprint for TR, BG, SRB, MX

Short-Term

We calculated CO2 footprint for 7 plants in TR, SRB, MX, CN, BG.



Environmental

Reducing the lubricant usage rate by 25% in the vulcanization process in 2022

Short-Term



Defining environmental impacts at each plant according to ISO 14001

Short-Term

Our ISO 14001 Certificates are renewed every year. Certification processes for our new plants are ongoing.



Training of employees to increase awareness of Saving Resources

Short-Term

Every year, employees at all plants are informed about the importance of the use of natural resources.



To define Life Cycle Assessment (LCA)'s policy that includes our approach

Short-Term

PCF calculations are made depending on product groups. A tracking system is being developed to calculate the carbon emissions of all product groups.



Life Cycle Analysis for 2 products consist of 6 raw materials in the GPA Project of Volvo

Short-Term

LCA has been performed for these products.



To create Renewable Energy Policy

Mid-Term

Energy audit reports have been prepared. Energy efficiency practices continue in our plants.



Commissioning of additional solar panel investment with a capacity of 2.2 MWh in BG

Mid-Term



Commissioning of solar panel investment with a capacity of 2 MWh in BRT

Mid-Term

In 2024, the Solar Power Plant will be commissioned at the China Plant. It is aimed to meet more than 60% of the energy needs of the China Plant.



Environmental

To set up Energy Management System in TR plants

Mid-Term

Energy Management System requirements have been fulfilled.



To set up Water Efficiency System

Mid-Term

A study report was prepared to protect water efficiency. It is aimed to be monitored with a remote monitoring system.



Procuring or producing 92% renewable energy

Long-Term



To set up Energy Management System in all plants

Long-Term

In 2025, we aim to obtain energy management system certification for all our plants. Legal requirements completed.



Recycling of wastewater by 25% in all plants

Mid-Term

Rainwater collection and water recovery system in boiler systems will be commissioned in 2025.



Decreasing the use of lubricant ratio 30% by 2025 in the vulcanization process

Mid-Term



To conduct RD studies to develop eco-friendly product

Long-Term

Work on the use of secondary raw materials continues. The use of recycled plastic is being expanded in our plants.



Social

Establishing and execute an OHS committee at each Teklas Plants

Short-Term

Globally, our Environment, OHS and Sustainability Committees conduct evaluations every week.



Creating communication channels that employees can easily access in all plant

Short-Term

An ethics commission has been established. Special information is provided to the ethics line in our plants.



Assigning a responsible who regularly manages the suggestion system, wish-complaint boxes, and ethics hotline channels

Short-Term



Adressing the feedbacks coming from the Wish-Complaint boxes

Short-Term

Due to asks, feedbacks are always taken by Teklas Ethical committee.



Involving the employee in decision mechanisms by townhall meetings, open door invitations, skip level get together, ItoI meeting

Mid-Term

Open Door Meetings are ongoing. Special onboarding for newly recruited personnel is also carried out at each plant .



Deploying a structured CSR project with NGO of preference

Mid-Term

We care about the place of women in business life and we cooperate with various organizations in this regard. During career days, we come together with students who will start their professional life and support them.



Management of stakeholders expectations (customer survey, employee satisfaction survey, ESG suveys for supplier)

Long-Term

Our ESG Survey program that we apply to our suppliers started in 2023. Every year, we evaluate our suppliers on environmental, social and governance issues and work to create various opportunities.



Training our all stakeholders about OHS processes of our company

Long-Term

We meet with our suppliers once a year to receive their opinions on OHS and Environment.



Social

Setting objectives for women in management and hiring

Long-Term

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

Long-Term

Instant Reward Policy put into effect in 2023.



Governance

Preparing Sustainability Report with the GRI standards

Short-Term



Keeping score of 47% in Ecovadis

Short-Term

Our EcoVadis score in 2023 is 61.



Governance

Including Ethics topics in onboarding and regular training programs

Short-Term

Ethics topics are implemented in onboarding and regular training programs.



Organizing Ethics training to all employees regularly and report them

Short-Term



Making a benchmark study on Sustainable Finance Practices

Mid-Term











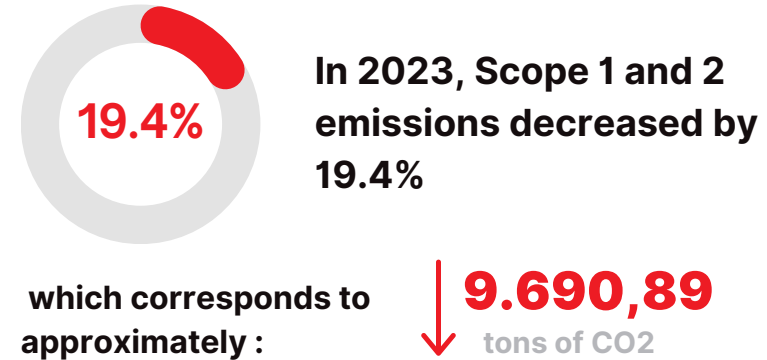
Expanding our policies to all stakeholders on behalf of transparency

Mid-Term



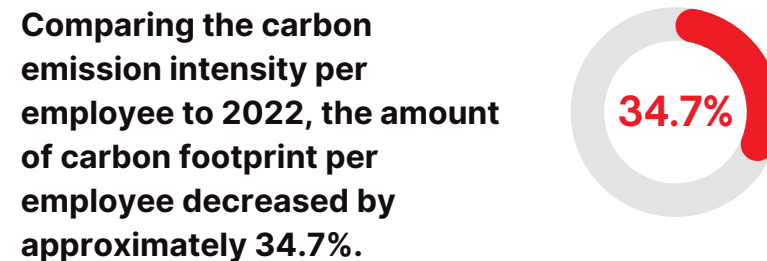
Governance

<p>Investigating and implementing -if possible- Sustainable Finance</p> <p style="text-align: center; background-color: #e91e63; color: white; border-radius: 10px; padding: 5px;">Mid-Term</p> <div style="display: flex; justify-content: space-around; margin-top: 10px;">     </div>	<p>Including in sustainability indices (GRI index, DowJones, Science Based Targets etc.)</p> <p style="text-align: center; background-color: #e91e63; color: white; border-radius: 10px; padding: 5px;">Long-Term</p> <div style="display: flex; justify-content: space-around; margin-top: 10px;">     </div>
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By 2050, we aim 'net zero' in all our operational regions

Carbon Emissions Intensity per Employee (tons CO2 / employee)	
2022	8.24
2023	5.38



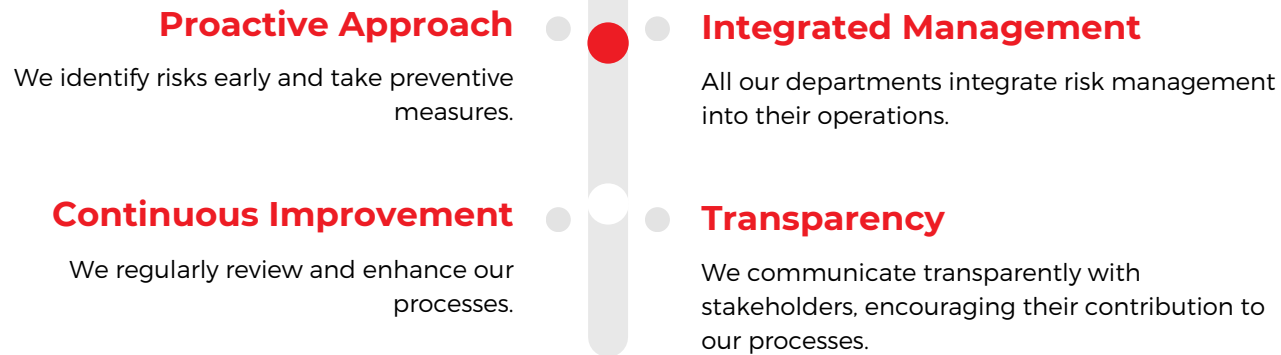
Corporate Risk Management and Internal Audit



At Teklas, we effectively manage legal, financial, strategic, and environmental risks, integrating them into our sustainability growth strategy. By adopting a proactive, integrated, and transparent risk management approach, we strengthen the resilience of our operations.

As part of our risk management efforts, we have achieved certifications for the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System.

Our Risk Management Principles



Our Risk Management Principles



Our risk management process and the allocation of responsibilities within the process are outlined in the matrix below:

Risk Management Process/Task Matrix	Board of Director	Risk Management Committee	Managers	Employees
Identification of Risk Types	●	●	●	●
Risk Identification		●		
Risk Assessment		●		
Risk Control		●	●	
Risk Prevention/Resource Allocation	●	●		
Risk Monitoring and Reporting		●	●	
Risk Review	●	●	●	●
Development of Compliance Strategy	●	●	●	●

Business Ethics



At Teklas, we are committed to fostering an ethical culture that aligns with our sustainability values and supports the responsible implementation of ethical principles across our operations. To uphold this commitment, our board of directors has endorsed the Code of Ethics and Values Policy, which applies to all employees, customers, suppliers, and subcontractors. The Teklas Ethics Committee is responsible for developing and overseeing the Code, ensuring its integration into our business processes, and communicating it company-wide following board approval. To access the full Code of Ethics and Values Policy [click here](#).

The Ethics Committee plays a crucial role in promoting ethical behavior within Teklas, addressing concerns, and ensuring that all business practices are conducted with transparency, accountability, and integrity. The Committee operates in all locations where Teklas is present, with each country establishing its own sub-ethics committee, led by a head of committee who reports monthly to the main Ethics Committee at headquarters. Balanced representation is ensured by including both blue-collar and white-collar employees, as well as equal participation of men and women. The decisions of the sub-ethics committees are reviewed and finalized by the Ethics Supreme Committee within six working days.

We expect all stakeholders to uphold the principles outlined in our ethics policy. Any actions that deviate from these standards can be reported through our ethics hotline at ethics@teklas.com.tr. This approach is integral to maintaining a sustainable and ethically responsible business environment.



Anti-Bribery & Anti-Corruption



At Teklas, we are committed to preventing bribery and corruption in all our activities, and this principle must be followed by all our employees, stakeholders, and business partners. We ensure transparency in our purchasing and sales processes, work with value-adding suppliers, and do not accept gifts of material value. These practices are part of our Code of Ethics and Values. To learn more about our stance and anti-bribery and corruption efforts, [click here](#).



Business Continuity

As Teklas, our Business Continuity Plan ensures that we respond to disruptions in an organized manner, minimizing damage and maintaining production continuity across all our plants, employees, subcontractors, suppliers, and assets globally. Led by our CEO and the Business Continuity Committee, the plan assigns specific responsibilities to departments such as Finance, HR, IT, and Production. We expect all employees to follow announcements and use emergency contacts during crises. Our plan includes emergency response protocols for fires, accidents, natural disasters, sabotage, and environmental pollution, with rapid notification, evacuation procedures, and coordination with emergency services. We take preventive measures, have backup systems in place, and conduct regular reviews to ensure preparedness. We also maintain spare equipment and molds to handle production disruptions and ensure clear communication with our customers during emergencies.

We implement several essential measures to guarantee business continuity:

- Defining measures and contingency actions based on experience and forecasts to minimize disruptions
- Conducting regular reviews of the plan to ensure its appropriateness, currency, and feasibility, making necessary alterations as needed.
- Determining and ensuring the availability of necessary materials.
- Informing employees and coordinating their gathering at the Business Continuity Command Center in emergency situations.
- Implementing backup policies and procedures to secure the continuity of company activities.
- Prioritizing important data and issues in each unit's continuity plan.
- Establishing security measures to ensure the up-to-date procedures for backup, storage, and recovery of Information Systems Transaction Platforms
- Conducting tests and coordinated scenarios related to Business Continuity.

Stakeholder Engagement

As Teklas, we prioritize building strong relationships and sustaining open dialogue with our stakeholders, who include individuals or groups impacted by or able to influence our activities. Aligned with our sustainability strategy and focus on value creation, we emphasize stakeholder engagement and maintain continuous interaction with them. We consider the interests, needs, and expectations of our stakeholders in all our operations, actively seeking their input when developing our business model and strategies. This approach strengthens our value chain by incorporating their valuable insights.

We appreciate the contributions of our stakeholders within our value chain as we work toward advancing sustainability. Additionally, we support their sustainability efforts by organizing a range of training sessions, workshops, and seminars. Our stakeholder participation table defines our key stakeholder groups and clarifies our responsibilities in these relationships.

Employees

Selection Process of Stakeholder Group

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.

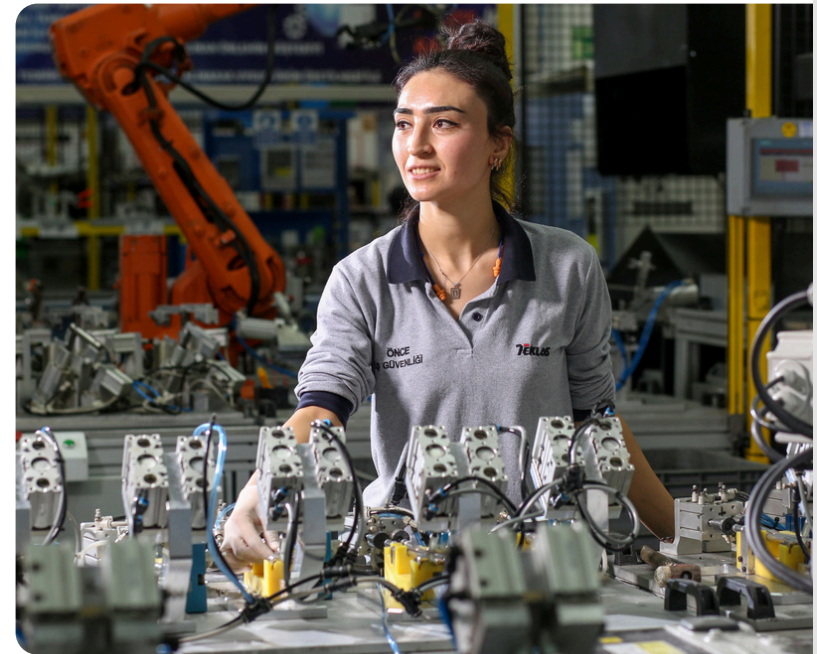


Our Relationship with the Stakeholders

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.

Important Issues & Our Responsibilities

- 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

Selection Process of Stakeholder Group

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.

Our Relationship with the Stakeholder

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.

Important Issues & Our Responsibilities

- 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 feedback



Suppliers

Selection Process of Stakeholder Group

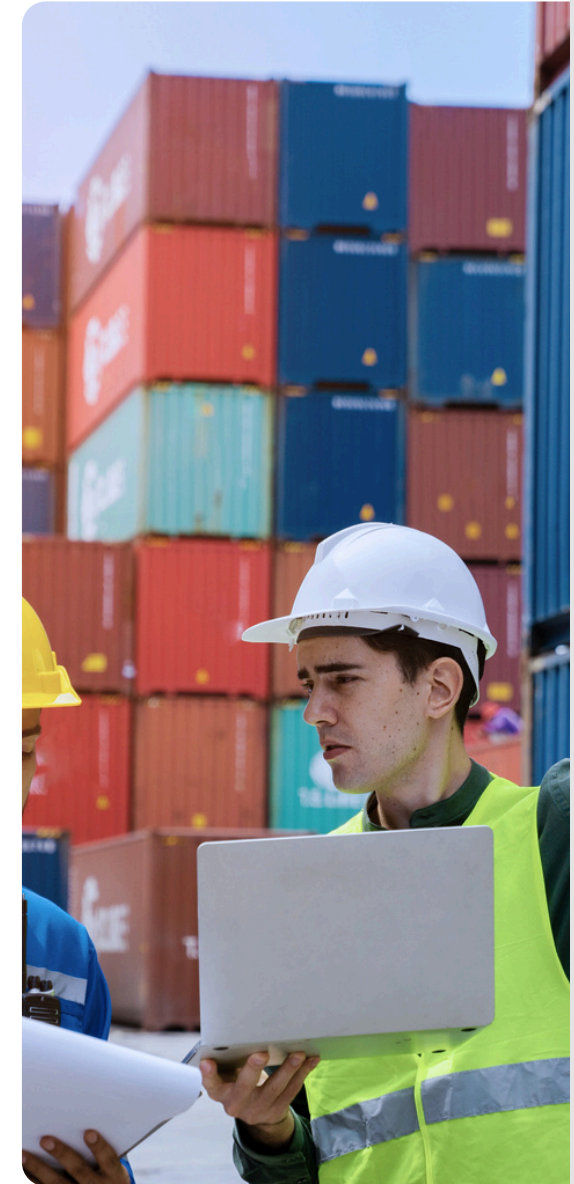
We recognize the significance of our suppliers' sustainability in ensuring the long-term sustainability of our company. Presently, we have partnerships with over 500 suppliers both domestically and internationally, and this number continues to grow. We consider the selection of suppliers as a critical 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.

Our Relationship with the Stakeholder

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.

Important Issues & Our Responsibilities

- 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

Selection Process of Stakeholder Group

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.

Our Relationship with the Stakeholder

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 plants.

Important Issues & Our Responsibilities

- Effective and trust-based communication with students
- Answering their questions
- Effective listening
- Being open to advice and improvement
- Creating sustainability awareness



Nature-First Approach

Growing at the Heart of Nature; Building a Future in
Harmony with Nature on the Path of Sustainability.

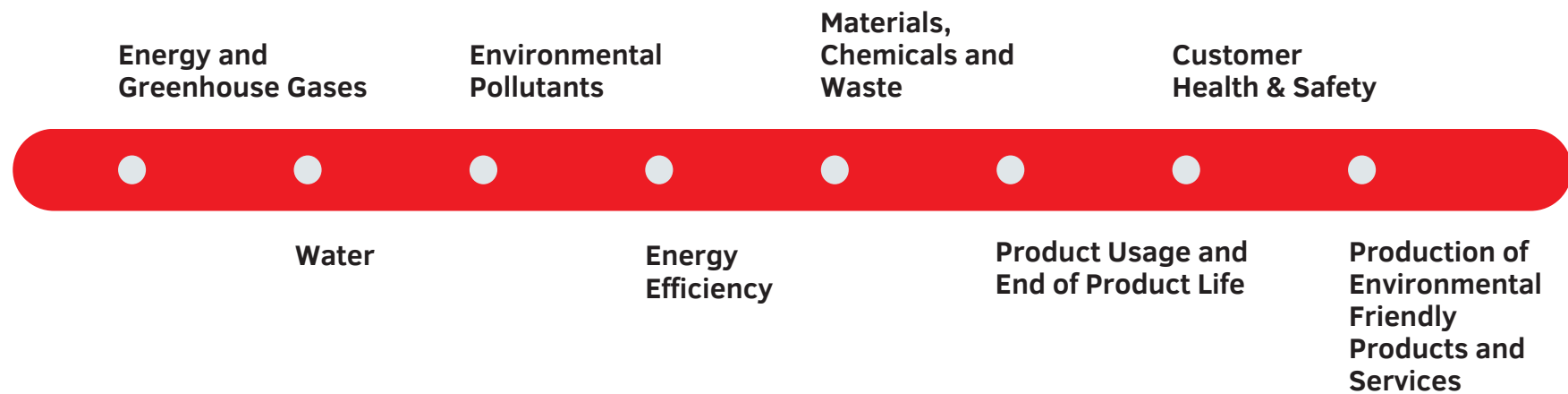


Environmental Strategy

Teklas aims to lead in the global automotive sector by minimizing environmental impact while focusing on innovation, quality control, and customer-oriented management. The company operates in alignment with the United Nations' Sustainable Development Goals (SDGs) and is committed to environmental protection through efforts like reducing energy and water consumption, managing waste, responsible chemical use, and monitoring emissions.

Teklas adheres to regional and global standards, following ISO 14001:2015 to ensure continuous environmental performance improvement and climate risk assessment. The Teklas Environmental Handbook serves as a key document for promoting environmental awareness among employees, customers, suppliers, and stakeholders.

The main topics focused on in Teklas environmental policy are;



As Teklas, we are committed to being a responsible corporate citizen in safeguarding the global environment. By placing these efforts at the forefront, we aim to contribute to a healthier and more sustainable future. For more detailed explanations, you can access our Environmental policy [here](#).

To ensure the effectiveness of the environmental management system, all responsibilities are clearly defined within relevant procedures, instructions, and job descriptions. In alignment with the ISO 14001:2015 standard, the environmental management system has been established, implemented, and is regularly reviewed with a focus on continuous improvement. Through this framework, a systematic approach has been adopted to achieve our environmental objectives, with rigorous monitoring, assessment, and enhancement of environmental performance. The environmental management efforts are aimed at fostering sustainability awareness across all departments and maximizing resource efficiency.

The Environmental Organization Structure :

- **Management Board**
- Environmental Management Representative
 -  EHS Team Leader (TR): Environmental Technician - Environmental Consulting Firm
 -  Environmental Engineer: Environmental Officer
 -  Environmental Engineer: Environmental Consulting Firm



Climate Change and Climate Risks

Climate change is becoming an increasingly important strategic issue for the whole world due to its increasing effects. Teklas has identified its risks against a number of climate change factors directly or indirectly, and climate change impacts are included in its policies. Strategic plans are made in accordance with Teklas' long-term environmental sustainability targets. Supply chain management is meticulously ensured by following the life cycle from the production of raw materials to the end-use of the product. The supply chain process is evaluated separately for each plant, taking into account ecosystem and biodiversity issues.

We set our climate targets to ensure compliance with the European Green Deal, aiming to fully utilize the power of renewable energy by 2027 through initiating energy transformation in our plants. We have ensured that more than 92% of our plants will generate electricity from renewable energy sources by 2023.

In line with these goals, we have established a Climate Change Policy to raise awareness of our responsibility to all stakeholders, including employees, customers, suppliers, board members, and senior managers, and to demonstrate our commitment to combating climate change.



Examples of Our Principles, Commitments and Practices

Sustainable Energy Use

- A pilot project in Bulgaria was launched with a 2 MWh Solar Panel System, later expanded by an additional 2.3 MWh, bringing the **total capacity to 4.3 MWh**.
- The green energy usage rate is targeted to increase from 65% in 2023 **to 92% by 2025**.



Green Production and Business Processes

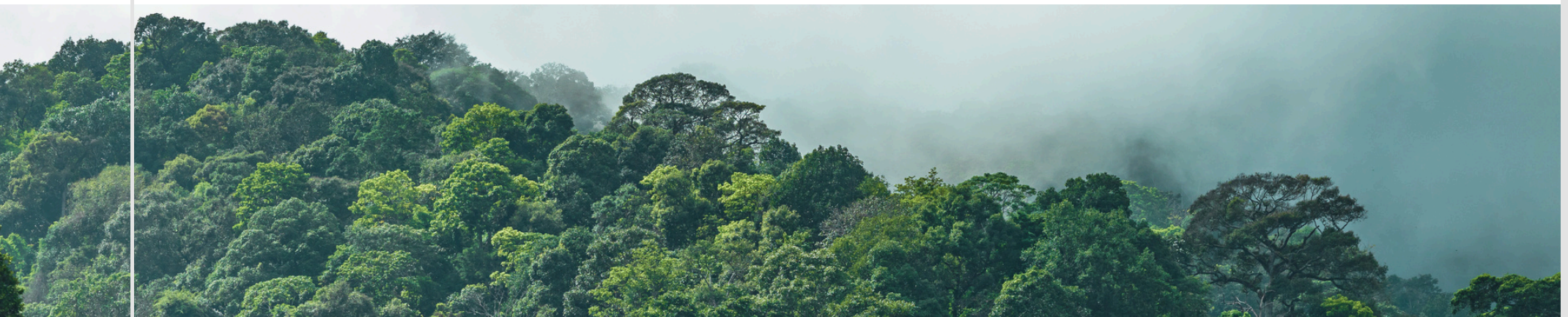
- The "**Green Journey**" project focuses on **minimizing the carbon footprint** through investments in eco-friendly technologies, including the development of lightweight, recyclable thermoplastics and elastomers to reduce carbon emissions.
- The "Greener Rubber" approach aims to increase the use of bio-based polymers, with R&D projects targeting **100% bio-based materials** for electric vehicle applications, enhancing environmental sustainability.
- The Product Development and Sales Department plans to increase the use of **bio-based and recycled materials in products to 10%** by 2027, aligning with the climate change policy.

Waste Management and Recycling





- A comprehensive "**Waste Management Procedure**" is in place across plants, outlining waste management activities and responsibilities.
- The Gebze plant implemented the **Zero Waste Management System** in 2020, with ongoing reporting activities.

Forest and Ecosystem Protection

- To mark the 50th anniversary, **50 trees** were planted at each of the 11 plants.
- A **reforestation project** was held in Vratsa with the participation of employees and their children.
- **150 trees** were planted at the Vranje plant in Serbia, and 20 at the Vladicin Han plant .



Employee Training and Engagement

- 

 Various trainings are planned for R&D teams in 2024 to support eco-friendly product development, alongside environmental training and awareness campaigns for all stakeholders to reduce energy loss and waste.
- 

 Corporate Sustainability and ESG training is regularly provided to employees.

Transparency and Reporting

- 

 Participation in the **CDP Climate Change Reports** in 2020 and 2021 highlighted our commitment to addressing the climate crisis and advancing sustainability efforts.
- 

Sustainability reports were published in 2020, 2021, and 2022, detailing climate action and sustainability progress, with plans for annual updates.

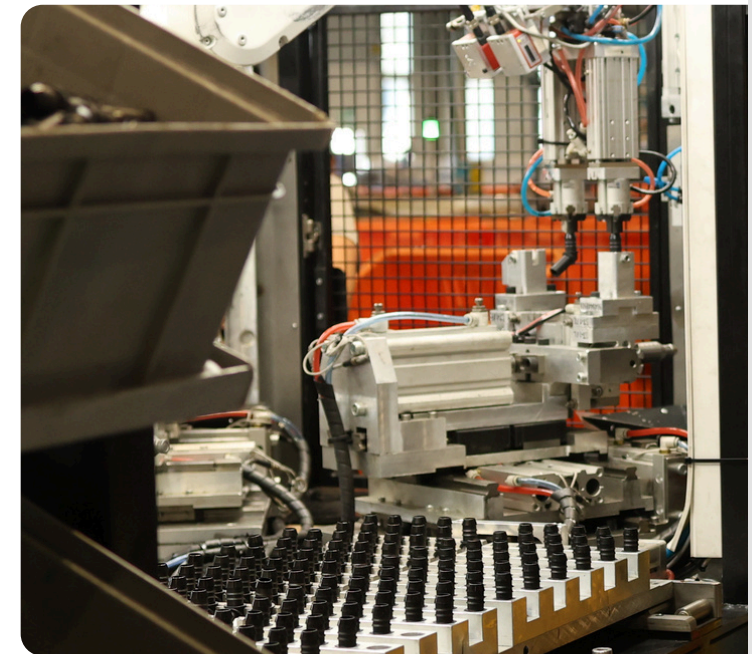


Environmental Perspective on Sustainable Production

As Teklas, we continuously measure and monitor our environmental metrics in order to ensure sustainable production. While complying with national and international standards, we take into account the deterioration in the ecosystem. While operating on a global scale, our product development policy prioritises environmental sustainability.

The main objectives of our sustainable production;

- Energy efficiency: Designs that require less energy both in the production process and during end-user utilisation
- Use of raw materials with less environmental impact: Non-toxic materials, recycled materials that require less energy for their production
- Quality and durability: Increasing the lifetime of products and reducing consumption by designing longer lasting and more functional products
- Reusable/recyclable products: Selecting the materials to be used in production from reusable or recyclable materials at the end of the life of the products
- Reducing carbon footprint: Designing products and processes to minimise carbon emissions during the production and use of products
- Water Efficiency: We aim to reduce the water footprint by recovering the water used in our processes



Decarbonization Path



As part of Teklas's commitment to sustainability and environmental responsibility, we recognize the urgent need to address climate change and reduce greenhouse gas emissions across our operations. Our decarbonization path outlines a strategic approach to significantly decrease our carbon footprint, aligning with global climate goals and national regulations. By implementing innovative technologies, optimizing energy efficiency, and transitioning to renewable energy sources, we aim to create a more sustainable future for our company, stakeholders, and the communities we serve.

Our plants in Bulgaria, Serbia, Gebze, emissions are released through chimneys. Emissions are managed with scrubbers and ventilation systems. In mixing plants, for dust and emissions, filtration and treatment technologies are applied before release. All company vehicles are rented, regularly monitored for exhaust emissions, and replaced every three years.

Regular emission measurements are conducted at our plants. Additionally, in our plants in Türkiye, emissions are measured and reported by contracted auditing firms approved by the Ministry of Environment, Urbanization, and Climate Change.

Our precautionary measures included in our emission management summary reports are as follows:

- The plant produces no dust-generating combustion or production residues.
- Internal roads are paved with concrete and regularly washed and swept.
- No filtration system is currently in use.



Managing Carbon Footprint: Scope 1, 2, and 3 Emissions at Teklas

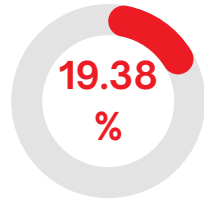
We are committed to reducing our carbon footprint by managing Scope 1, 2, and 3 emissions with full transparency. We provide comprehensive operational data and have established a transparent reporting system, covering direct emissions, energy-related emissions, and those across our supply chain to support our sustainability efforts.

Scope 1 and 2 Emissions: Paving the Way for Sustainable Energy

Scope 1 emissions, which include direct emissions from our plants and owned vehicles, have been actively managed through initiatives aimed at improving energy efficiency and reducing fossil fuel usage. Meanwhile, the significant reduction in Scope 2 emissions, which encompass indirect emissions from purchased electricity, steam, and heating, is largely due to our investments in renewable energy across all our plants. Furthermore, the commissioning of more energy-efficient machines has helped reduce our energy intensity per unit, further driving down our emissions footprint.

Compared to the previous year;

Scope 1 and 2 emissions (total) decreased by



Scope 2 emissions (from electricity) decreased by



Enhancement of Scope 3 Emission Calculations

Scope 3 emissions, representing indirect emissions in our supply chain, are a vital aspect of our sustainability performance. As Teklas, we have improved the accuracy of these calculations by refining data collection methods and aligning with international standards such as the GHG Protocol.

These enhancements have enabled more transparent and reliable reporting of Scope 3 emissions, strengthening our sustainability strategies. The increase observed in our emissions and its primary reason is the expansion of our data collection processes. We ensure transparent reporting of all processes across our plants.



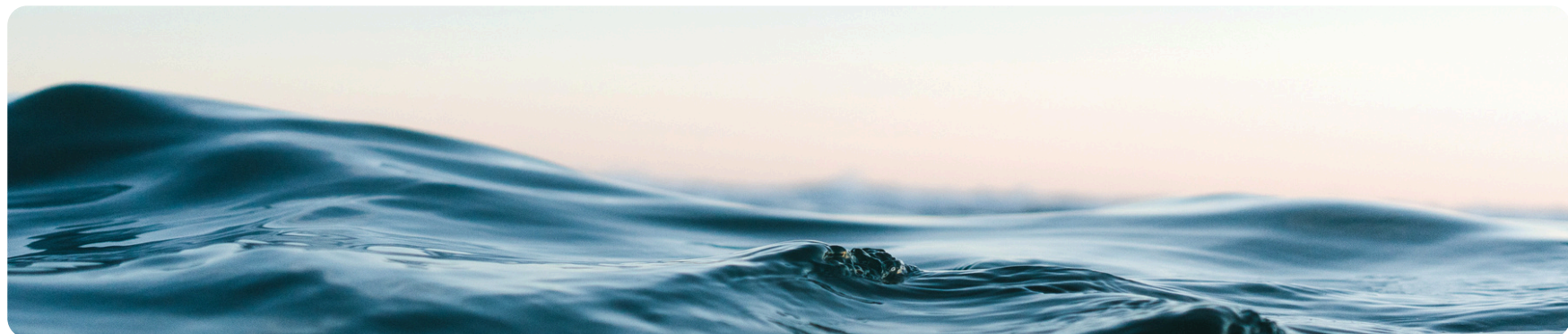
Water Management olmalı and Conservation Effects

With the effects of the climate crisis, the impact of which has been felt increasingly in recent years, we are developing efficiency practices by being aware of the importance of water. We implement different practices such as water-saving equipment, elimination of leaks, recovery of grey water in new purchases. The water used in our processes is continuously monitored and its efficient use is ensured. Reduction targets in water usage rates have been set for the coming years. Water use in our processes will be reduced without compromising product quality.

Our wastewater is pre-treated in our plants and then discharged to the OIZ main treatment plants. The rainwater collection project for landscaping purposes will be implemented in 2024.

Teklas considers wastewater as part of the liquid waste generated from the company's operations. Liquid waste generated from both processes and office activities can be divided into three types:

- Domestic Wastewater
- Industrial Wastewater
- Waste Oil (Hydraulic/Boron Oil)



Once the wastewater recovery system with a capacity of 30 cubic meters per hour is installed at our Bulgaria plant, approximately 75% of the treated water will be recovered. This recovered water will be used in processes such as boilers, cooling towers, and hose washing, in line with our wastewater recovery and reuse targets.

As Teklas, we have a Water Management policy that aims at the efficient use and protection of water resources. With this policy, which covers all Teklas employees, including board members and senior managers, measures are taken against climate change risks, a sustainable water management strategy is implemented and processes are presented to stakeholders with regular reports.

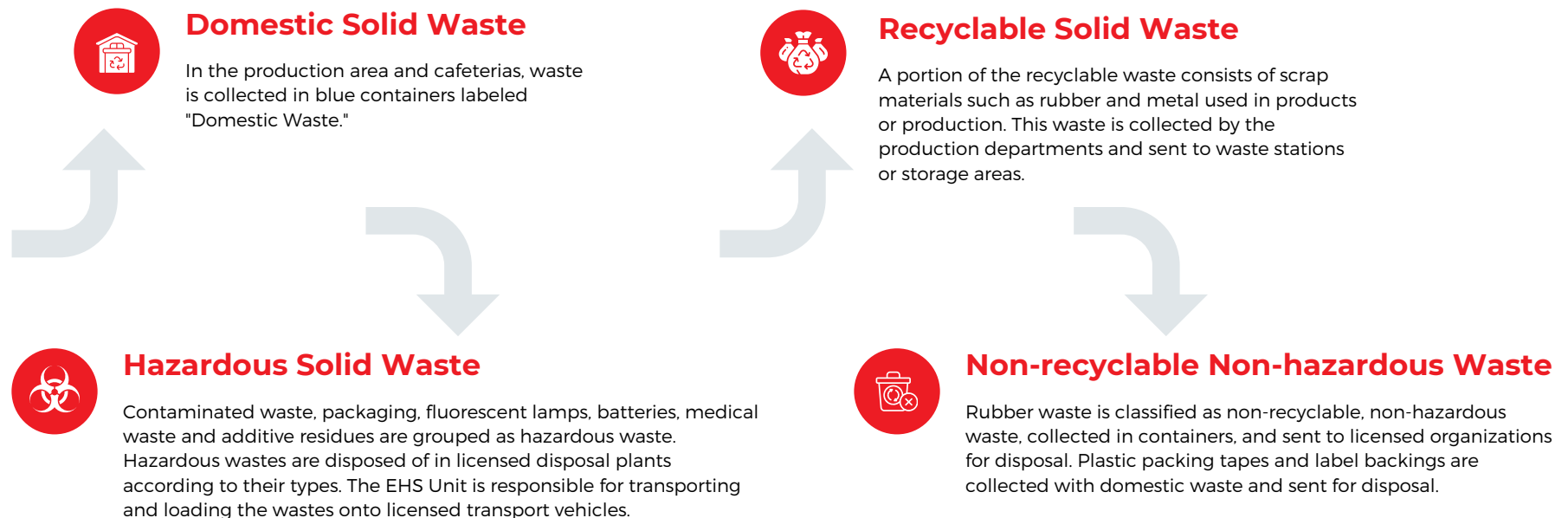
Aiming to achieve a 37% reduction in water consumption per product by 2027, Teklas plans to increase water recovery in all its plants and support water management processes with energy efficiency.



Road to Zero Waste

As Teklas, we are aware of the potential environmental impact of all types of waste generated from our operations and continue to work to prevent it. To prevent environmental damage, the identification, control, and disposal/recovery of waste generated from our operations are managed effectively. Our Waste Management Procedure defines the necessary activities and responsibilities for waste management at Teklas plants and covers the composition, storage, evaluation, and treatment of solid, liquid, and gas waste.

Teklas's Environmental and Energy Policy covers activities related to important environmental dimensions established in accordance with its goals and objectives and the way wastes resulting from these activities are evaluated. The EHS (Environment, Health and Safety) unit in our company ensures that the wastes resulting from our operations are properly supervised. Solid wastes that need to be treated are classified into 4 different categories:



These categories are created according to specified guidelines. Teklas employees are responsible for collecting the waste generated as a result of their activities in designated waste containers and waste stations located within their working areas.

Another type of waste generated as a result of our activities at Teklas is packaging waste.

- ❁ Various trainings are planned for R&D teams in 2024 to support eco-friendly product development, alongside environmental training and awareness campaigns for all stakeholders to reduce energy loss and waste.
- ❁ The Bulgaria plant is required to fill out the "Ekobulpak Declaration Form" based on the type and quantity of packaging materials imported monthly and declare the "Monthly Report of Packaging Materials Subject to Payment by Type." Payments for packaging are made semi-annually based on the declared type and quantity.



All waste generated from Teklas's operations is recycled and disposed of at plants licensed by the Ministry of Environment and Urbanization. The EHS department obtains and records annual reports from these licensed plants to monitor the processes. Since Teklas products are not sold directly to end users, the recycling and disposal of these products are managed by the customer or authorized services under the customer's control.

Our Gebze plant implemented the Zero Waste Management System in 2020, and this system is continuously monitored through regular reporting. Under the Zero Waste program, waste is collected systematically and reported to the relevant authorities. Additionally, our Gebze plant holds a Zero Waste Certification valid until 2026. Our Bartın plant also adheres to the Zero Waste policy and has a Zero Waste Certification valid until 2028. Waste management processes are diligently carried out to reduce environmental impact and conserve resources.

Green Energy

As Teklas, our goal is to ensure the effective, cost-efficient, and environmentally sustainable use of energy resources. To achieve this objective, our energy management procedure encompasses the sourcing, monitoring, control, and reduction of consumption for primary resources.

The purpose of our Energy Management Procedure is to enhance the efficient use of natural resources and combat climate change. This procedure is implemented across all Teklas plants. The monitoring and reporting of energy management indicators fall under the responsibility of the Technical Services Department.

Our renewable energy investments and targets are:



Renewable Energy Usages and Targets					
Factories	2021	2022	2023	2024	2025
TR	100 %	100 %	36 %	100 %	100 %
BG	6 %	15 %	25 %	100 %	100 %
SRB	50 %	50 %	100%	100 %	100 %
CN	-	-	100 %	100 %	100 %
MX	100 %	100 %	100%	100 %	100 %

60%

The solar energy plant to be implemented at our China plant in 2024 aims to cover over 60% of its energy needs.

25%

Solar panels built in Bulgaria currently provide 25% of our energy.

- Energy audit reports have been prepared. Energy efficiency practices continue in our plants.

In line with our strategic objectives, we are taking decisive steps to reduce natural resource consumption and costs. We set annual departmental targets and closely monitor progress toward achieving these goals. When energy consumption at our plants in Türkiye reaches 1,000 TEP (Ton of Equivalent Petroleum), we promptly report it to the General Directorate of Renewable Energy via the ENVER Portal. We also use our Suggestion System and Quality Circles to encourage employees to share their ideas for energy conservation. Additionally, we source part of our electricity from I-REC certified renewable energy sources.

Our commitment to energy efficiency supports our waste management and zero waste goals, contributing to a reduction in our environmental impact.



Biodiversity



As Teklas, we recognize the increasing importance of biodiversity. The Carbon Disclosure Project (CDP) includes biodiversity in the climate section of its questionnaire. Teklas achieved a C score in the CDP Climate section, matching the sector average for wood and rubber products. In the CDP Water section, we have improved our score to C and will continue to invest in biodiversity to reach the sector average in CDP Water.

At Teklas, we are strongly committed to preserving biodiversity in the regions where we operate. Accordingly, we have carefully assessed the proximity of our production plants to natural areas and protected regions. All our plants are strategically located to minimize our ecological impact, and none operate within a designated protected area.

In particular, our Kardzhali facility in Bulgaria has been situated at a respectful distance from surrounding natural landmarks and conservation sites. This facility is located outside the boundaries of four Natura 2000 protected areas, with no direct interaction with these zones. The nearest protected sites to our Kardzhali facility, the "Rhodope Silivryak Region" and "Venus's Hair Region," are located 6.1 km and 4.8 km away, respectively. As part of regional conservation efforts, we maintain our responsibility to protect biodiversity and ecosystem health in this area.



Additionally, our plants in Krumovgrad and Vratsa, Bulgaria, are situated in urban areas and comply with national and international standards related to protected areas. This approach contributes to our goal of safeguarding natural ecosystems while supporting our environmental sustainability objectives.

Aligned with our environmental strategies that support protected areas and biodiversity, we respect international conservation standards such as Natura 2000. We conduct regular assessments of flora and fauna species in the areas where our plants operate, implementing an extensive ecosystem monitoring process each year. In line with our environmental responsibility principles, we continuously undertake improvements to preserve biodiversity.

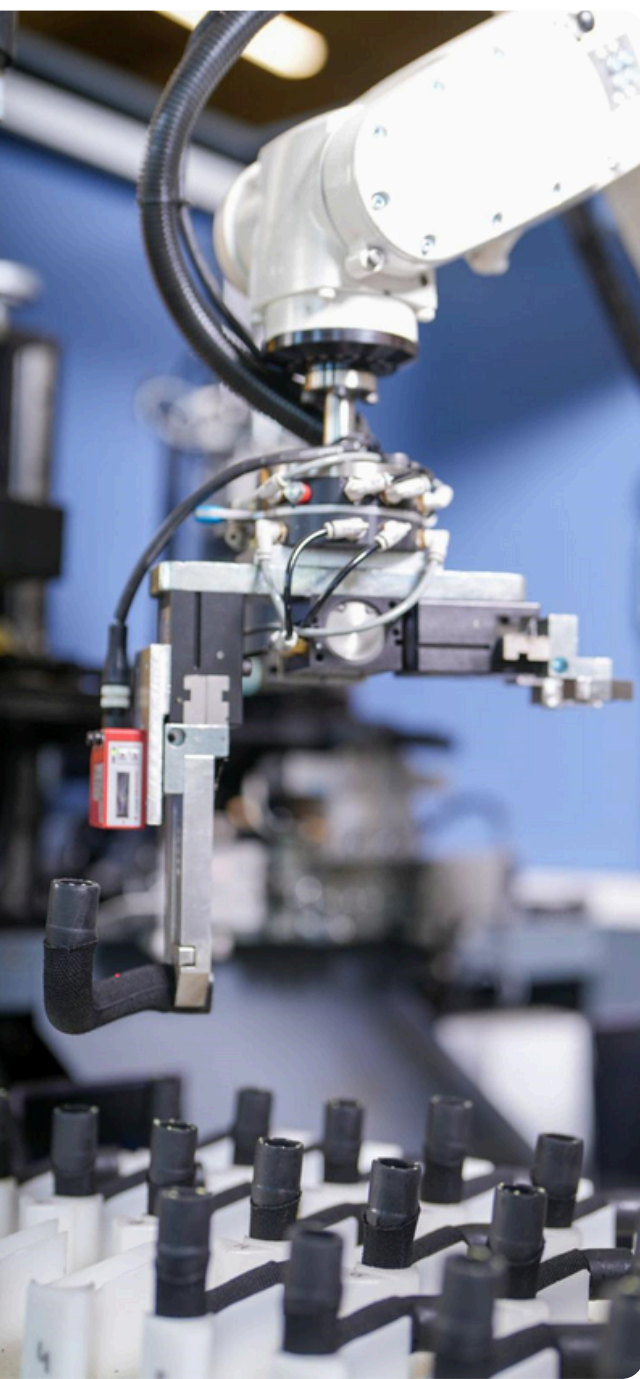
At Teklas, we will continue to operate with eco-friendly business models and prioritize biodiversity conservation, aiming to reduce the potential ecological impacts of our operations.





Technology and Digitalisation

Uniting Technology with Nature; Redefining Sustainability Through the Power of Digitalization.



Technology and Digitalisation



In our journey towards Industry 4.0, automation and digitalization are crucial in redefining our manufacturing processes. Our major projects illustrate this transformation. For example, the Helium Leakage Test Machine, Robotic Thermoforming Pipe Bending, and Laser Welding systems signify significant advancements. These technologies, such as AGVs (Automated Guided Vehicles) and Bin Picking with 3D cameras, are designed to streamline operations, minimize human intervention, and enhance precision. We are moving from traditional manual methods in assembly and test cells to automated systems involving robots, cameras, and conveyors. This transition enables a single operator to manage up to five conveyors simultaneously, greatly improving efficiency. New adaptations, including distance assembly, laser welding, rotation tests, crimping, and vulcanized cutting, aim to further automate and refine production processes.

Our dedication to creating smart factories is evident in our data management approach. We have established data templates to standardize the collection of critical production metrics such as process steps, target times, control frequencies, and approval stages. These templates include fixed controls and specific product details, ensuring thorough oversight and process optimization. We capture product images, document process information, and record measurements and controls. This not only facilitates real-time monitoring but also uses historical data to create warning notifications and automate key functions, such as job start and end times in robotic cells. Processes requiring approvals are integrated into departmental workflows, enhancing coordination and efficiency.

Production visualization is another key area where we use technology to improve transparency and communication. Our systems provide real-time information on machine and operator performance, highlight top-performing operators, and share milestones like birthdays and work anniversaries through engaging videos. Visualization tools also include part and customer logos, as well as accident-free days data, creating a positive and informative work environment.

Looking ahead, we plan to further enhance our digital infrastructure by introducing touch screens at production desks for data entry, real-time monitoring of production statuses, and detailed reporting on scrap data and time losses. This approach will help identify process inefficiencies and scrap losses on a product basis, driving continuous improvement and operational excellence in our smart factories.



Cyber Security

To safeguard sensitive information and manage risks, our approach to cybersecurity is strategic and comprehensive. Our Information Security Management System (ISMS) systematically oversees and improves our information security policies, procedures, and practices.

Recognizing the growing importance of cybersecurity in the automotive sector, we have initiated the TISAX (Trusted Information Security Assessment Exchange) certification process. This certification highlights our commitment to enhancing information security management. Under the ISMS framework, we have established key areas such as;

Asset Management and Classification

Document Management

Log Management

Human Resources Security

Business Continuity Management

Risk Management

Access Control

Monitoring and Incident Management

Physical and Environmental Security

Legal Compliance



The establishment of our ISMS team has significantly strengthened our cybersecurity capabilities. We have successfully passed the 2024 TISAX surveillance audit and achieved the AL-2 (Info Very High) interim level label. This certification demonstrates our commitment to being a secure partner for our clients and ensures ongoing development in our information security efforts.

Over the past year, we have invested in protecting our systems, reflecting our commitment to maintaining a robust cybersecurity posture. Our Information Technology Management Policy emphasizes leveraging data to gain competitive advantages. This policy includes maximizing the utility of existing hardware and software, ensuring effective information flow, selecting proven solutions to minimize risks, and enhancing efficiency and customer satisfaction through collaborative IT projects.

We also focus on adopting cutting-edge technologies and maintaining updated security software to protect and standardize our ERP systems across all plants. Our ongoing efforts include educating users about IT tools and minimizing dependency on system components, thereby strengthening our overall information security framework.



Technology and Digitalisation Approach



We use advanced technologies to drive efficiency and foster innovation. Our approach integrates Robotic Process Automation (RPA) and Document Understanding to enhance productivity and reduce costs. RPA automates rule-based business processes such as data entry, validation, system integration, and repetitive tasks, leading to faster outcomes and improved customer service. This automation reduces human errors and operational risks, ensuring higher quality work and regulatory compliance. Additionally, Document Understanding capabilities streamline operations by improving the accuracy and speed of information extraction from documents. Through these digital innovations, we aim to enhance overall business performance and deliver superior value to our customers.





Research and Development (R&D)

Teklas' Research & Development (R&D) and Product & Process Development (P&D) strategy is central to our commitment to sustainability and innovation. Our strategy aims to enhance product offerings, increase R&D activities, and disseminate our expertise across all plants. Key components include:

- 1 Leading Technological Advancement**
Positioning Teklas as a pioneer in developing new technologies and products.
- 2 Innovative Product Development**
Creating new products and utilizing advanced manufacturing technologies to gain a competitive edge.
- 3 Talent Development**
Hiring and developing skilled professionals, fostering continuous improvement, and maintaining high motivation levels.
- 4 Widespread R&D Awareness**
Enhancing R&D capabilities and instilling a strong R&D culture across plants.
- 5 Environmental Responsibility**
Ensuring products and technologies meet high environmental standards and improving our environmental performance.

Our short-term goals include establishing R&D infrastructure, developing digital systems for intellectual property protection, creating lighter fluid transfer systems for electric vehicles, improving simulation techniques, and integrating suppliers into the R&D process. We also aim to increase the use of local suppliers, enhance competitiveness through Industry 4.0, and support academic research through university collaborations.

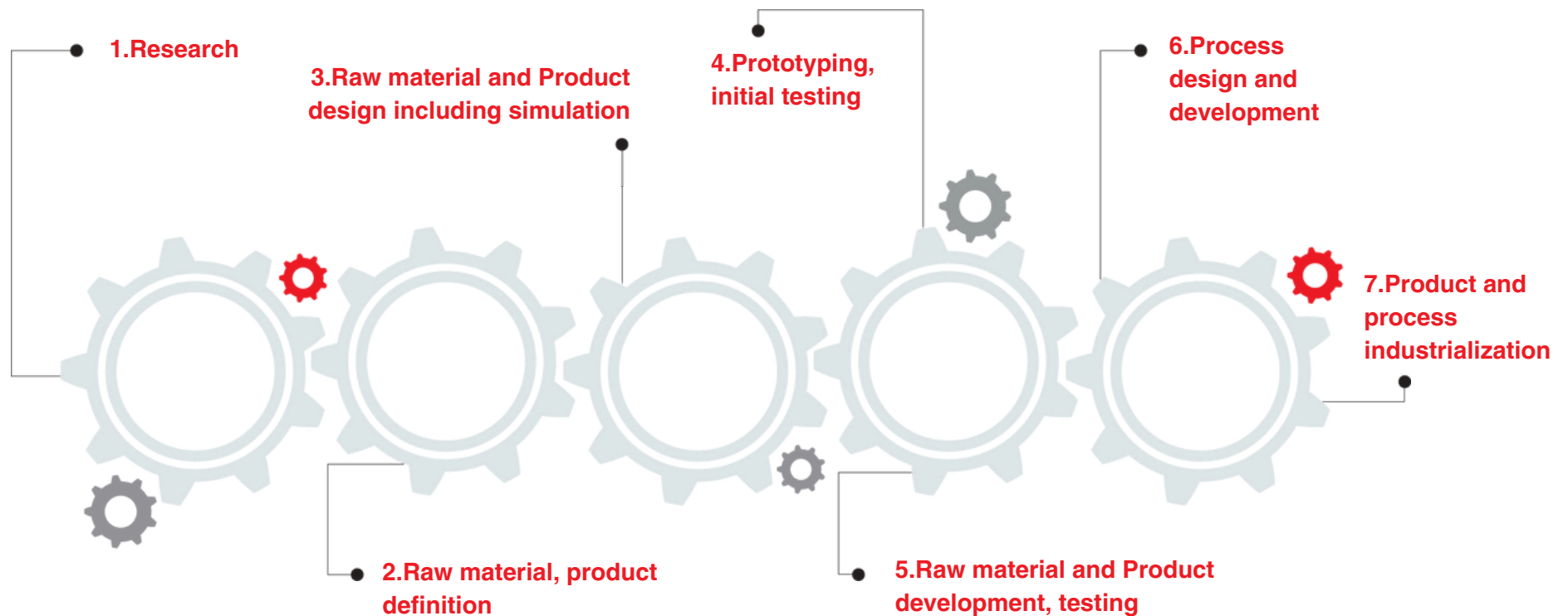
Mid-term objectives involve developing thermoplastic elastomer-based fluid transfer systems, capturing 20% of the European climate systems market, expanding our product range through acquisitions, increasing local suppliers, and accelerating Industry 4.0 transformation.

Long-term goals include completing the global transition to Industry 4.0, leading in advanced plastic and thermoplastic materials development, securing 20% of the global climate hose market, and expanding product offerings for electric vehicles.



Our AC Lines R&D team focuses on developing robust products and improving manufacturing processes. In 2023, the team worked on metal forming and laser welding improvements, enhancing our competitive position in key projects for Stellantis, set to commence production in late 2024.

Our commitment to sustainability is evident in our product development strategy, including projects like the Laser Welding Machine for metal pipes that reduce environmental impact by eliminating acids, final washing, and flux.



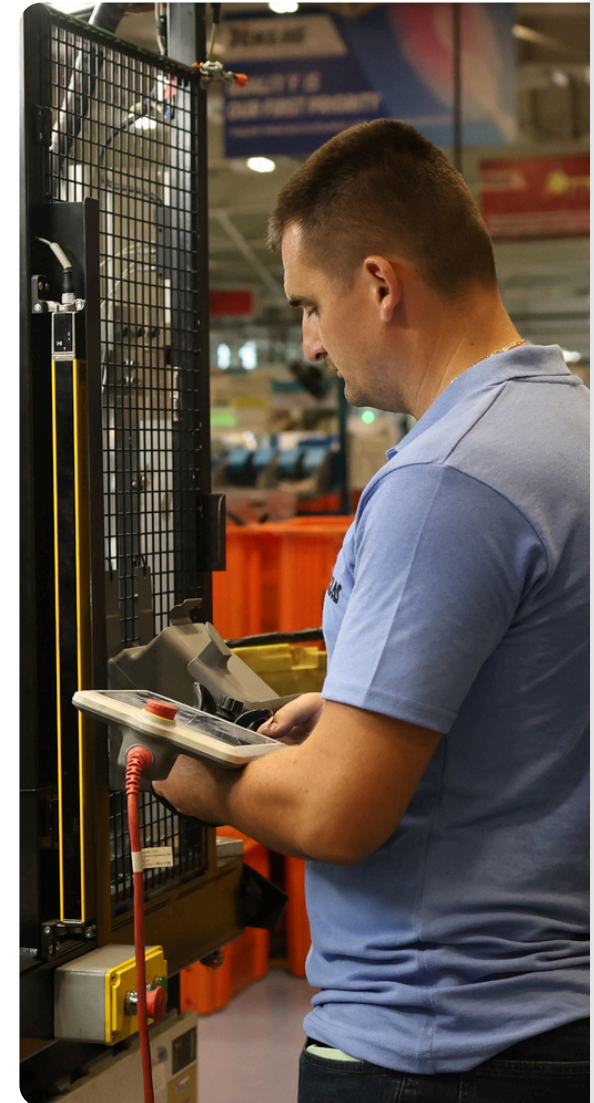
Innovation Management

As a leading connector manufacturer in Europe, Teklas emphasizes innovation and R&D. We centralize automation in our production processes and adapt to evolving technologies, focusing on product, process, and organizational innovation.

Our innovation strategy includes:

- 1 Product Innovation**
Advancing final products, semi-products, and raw materials.
- 2 Process Innovation**
Enhancing manufacturing methods and equipment efficiency.
- 3 Organizational Innovation**
Improving business processes and developing new ways of working.

Guided by technological leadership, product innovation, advanced equipment, talent development, and environmental sensitivity, our R&D activities are dispersed across all plants, strengthening our innovation culture. The Innovation Committee manages the evaluation of ideas based on applicability, originality, impact, and measurability, ensuring continuous development of technological and organizational solutions.



Automation

We distinguish ourselves through our integrated approach to automation, from design to software. By embedding automation into our core business model, we minimize waste and labor costs. Robotic automation reduces chemical usage and mitigates the negative impacts of noisy machines on the environment and human health. Our smart factory solutions include intralogistics and software that analyze material movements using AI WMS CORE technology, optimizing storage locations and reducing warehouse workload.

Our automation approach involves creating data templates, collecting and visualizing data. We provide product images, process documents, and records of measurements and controls. Features like simultaneous access in robotic production cells and automatic data collection enhance efficiency. Future plans include touch screens for data entry, real-time production status monitoring, and reporting features to identify process inefficiencies and scrap losses on a product basis.



Automation and Operational Eco-efficiency Projects:

- ✓ Helium Leakage Test Machine
- ✓ Robotic Thermoforming Pipe Bending
- ✓ AGVs
- ✓ Brazing Robot
- ✓ Laser Welding
- ✓ Quality Control with Camera

Robot Density	
BG	831
SRB	388
TR	826
CN	626
MX	1220

Sustainable Supply Chain

Empowering Our Strength Through Resource Conservation;
Shaping the Future with Our Sustainable Supply Chain.

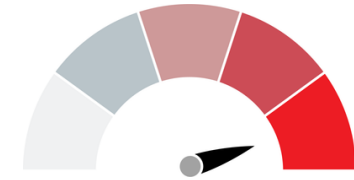




Logistics

We are dedicated to ensuring customer satisfaction and embracing a philosophy of continuous improvement. In line with this commitment, we have adopted a Logistics Management Process policy that focuses on effectively and efficiently planning, implementing, controlling, and developing the flow and storage of goods, services, and related information between our production and consumption points. Our policy is guided by several core principles.

The goal is to ensure that the right product, service, or information reaches the correct location, at the right time, in the right quantity, and without damage or loss, thereby ensuring accurate delivery.



Cost efficiency is also a priority, with efforts aimed at minimizing costs while upholding high service quality. Enhancing the responsiveness and agility of our logistics processes is another key focus for us, as we prioritize speed. Reliable and stable logistics operations are maintained to ensure continuity and consistency, while flexibility is demonstrated through quick adaptation to changing conditions and various circumstances. By adhering to these principles, we ensure that we meet our customers' requirements and continuously enhance our logistics operations.

Quality



The primary objective of our quality management process is to enhance product and service quality standards across our operations, including within our suppliers and customer interactions. The responsibility for this process lies with the quality assurance units, which are tasked with coordinating the necessary activities to meet and exceed these quality standards. All Teklas plants are certified to the IATF16949:2016 quality management for automotive industry standard, with our quality management system comprehensively detailed in our Quality Manual and the Quality Management Process Procedure.

Quality training is integral to our employee onboarding and includes various specialized sessions such as APQP, Core Tools, MSA, SPC, and VDA. Regular annual IATF training and weekly quality awareness sessions on the production floor ensure ongoing education and immediate response to any quality issues. Our Global Supplier Quality department oversees supplier-related quality management, with processes detailed in our Supplier Manual.





Customer communication is meticulously managed based on specific requirements, with feedback gathered through email or portals and processed via the Tek-Tools application. Our procedures, including Customer Complaint Management Procedure and Customer Complaints Program Instruction, guide the handling of quality complaints. Engineers monitor customer portals to compile and address complaints, ensuring that all necessary actions are tracked and communicated across plants. Resolved issues are documented and shared with customers via the TekTools system, maintaining transparency and facilitating access to a repository of lessons learned.

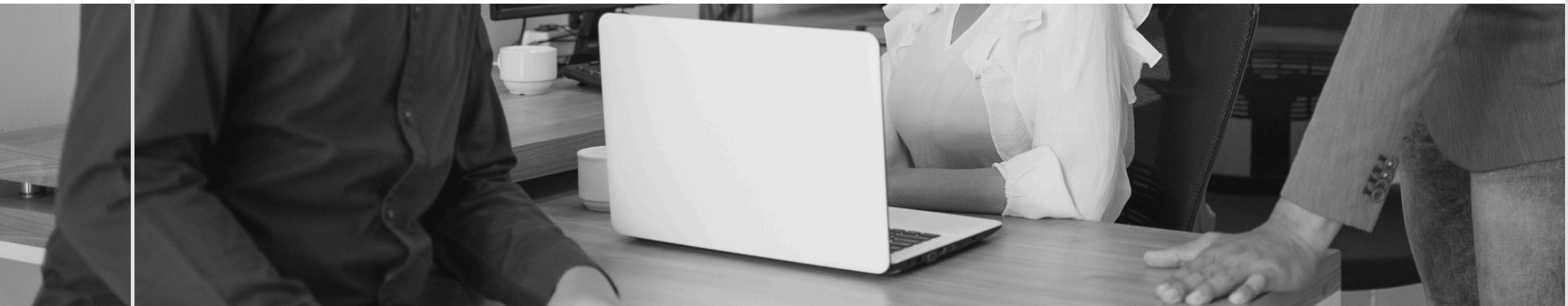
We continuously monitor customer satisfaction as a key performance indicator, supported by a dedicated procedure for Monitoring and Evaluating Customer Satisfaction. Additionally, we prepare PPAP files for each project, analyzing potential errors and their impacts through FMEA, and developing control plans to mitigate risks. Our commitment to quality is reinforced through continuous communication with customers across various departments, supported by engineers fluent in multiple languages to ensure effective interaction and process transparency.

In our dedication to maintaining high-quality standards and fostering continuous improvement, our Quality Management Process is systematically designed to address and resolve customer complaints, analyze defects, and implement corrective actions. This process ensures that we effectively manage quality across various stages of production and maintain our commitment to excellence. All relevant documents, including customer complaint notifications, photos, root cause analysis forms, and corrective action reports, are systematically recorded and stored. The TekTools system facilitates the tracking of complaint statuses and ensures that all necessary information is available for review. Regular communication with customers is maintained, adhering to specified response times for different types of errors and ensuring that all parties are informed of progress and resolutions.

Customer Relations

At Teklas, we aim to produce products that meet customer needs, ensure long-term financial success, and continuously improve product quality and services. To achieve this, we have established the Teklas Quality Improvement Perceptive and Product Quality & Recall Management systems. These frameworks are designed to deliver superior service and zero-defect products.

We are dedicated to enhancing our customer relations through a robust and transparent process. Each year, we distribute a comprehensive “Customer Satisfaction Survey” to all our clients. This survey is designed to assess our performance across all areas of interaction, including Sales, Logistics, Project Management, Quality, Production, and Research & Development (R&D). By collecting feedback on these critical touchpoints, we aim to gain a comprehensive understanding of our customers' experiences and expectations. We ensure that the survey process is conducted with the highest level of transparency and in strict compliance with personal data protection regulations. Insights gained from these surveys are utilized to set performance targets for internal indicators, driving continuous improvement in our customer engagement and overall service quality.

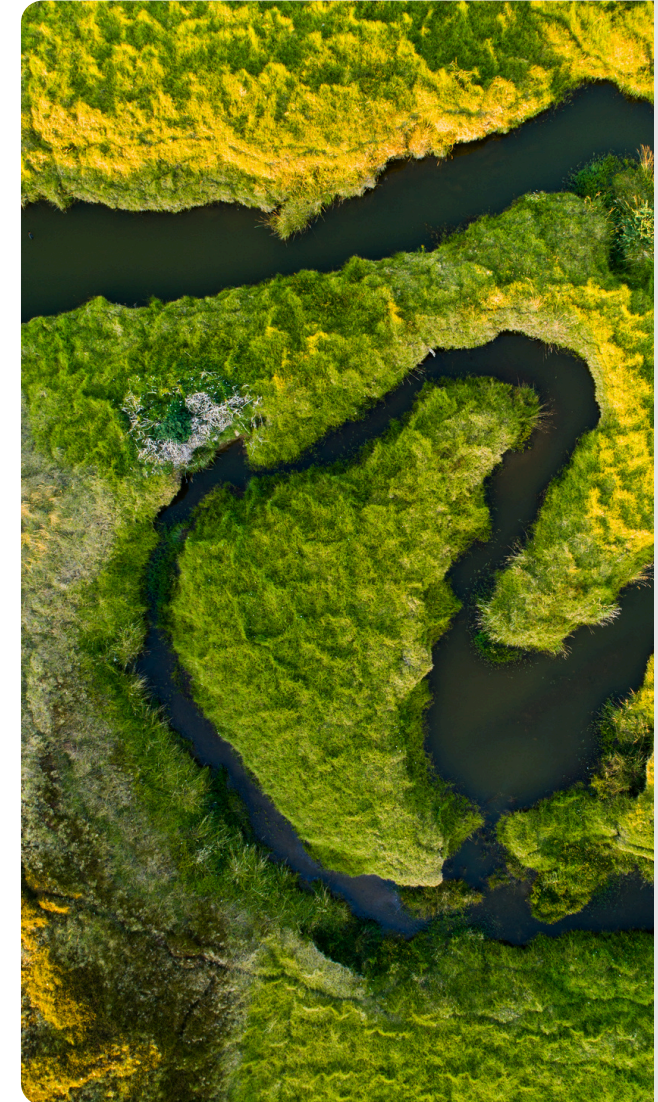


Sustainable Supply Chain

Sustainability is embedded in our core values and is essential to all our business operations. Our Supplier Sustainability Code of Conduct is a fundamental document that defines our expectations for suppliers and outlines their role in supporting our sustainability objectives. This code mandates that all suppliers read, understand, and comply with the principles outlined, and complete the associated survey on the Teklas Supplier Portal to confirm their adherence.

The Code of Conduct specifies Teklas's sustainability principles designed to efficiently use the world's limited resources while generating lasting benefits for society, humanity, and the environment. We recognize our responsibility to ensure that our suppliers uphold these principles throughout their operations. To support this, Teklas organizes supplier summits, training sessions, and other initiatives to foster commitment to these sustainability principles. We expect our suppliers not only to comply but also to actively promote awareness of business ethics, labor and human rights, and environmental stewardship.

Teklas aligns itself with the UN Sustainable Development Goals and the United Nations Global Compact, incorporating these international standards into our business practices. Our adherence to the ten principles of the UN Global Compact is reflected in our operations, and we expect our suppliers to align with these principles as well.





Our supply chain management strategy encompasses several critical areas: sales, procurement, logistics, and production. Each of these areas is governed by specific policies that support our supply chain strategies.

In sales, our focus is on maintaining profitability while ensuring continuous customer satisfaction and upholding Teklas's reputation as a reliable company. We prioritize market and technological developments to direct sales efforts and enhance our global presence, particularly in the automotive sector.

In procurement, we strive to acquire high-quality materials and services from both domestic and international sources, emphasizing long-term partnerships with reliable suppliers. We seek to balance quality and cost, leveraging competitive market conditions while fostering technical collaboration and continuous improvement.

Our logistics policy emphasizes efficient and cost-effective management of material, service, and information flows. We aim to achieve accurate deliveries, minimize costs, and ensure flexibility and consistency in our logistics processes. This approach supports our broader supply chain strategies by optimizing the movement of goods and information between production and consumption points.

Production policies are designed to ensure compliance with our supply chain management strategies, delivering complete and high-quality products to customers. Our production processes are adaptable to customer demands, maintaining high quality while accommodating changes in product specifications. We support the development of alternative products and processes through collaborative efforts with suppliers and ongoing R&D activities.

Teklas's supply chain strategy is regularly reviewed and revised to remain aligned with our strategic goals and the evolving market landscape. We aim to provide flexible, rapid, and solution-oriented production across our nine factories, ensuring timely and responsive manufacturing. We collaborate with suppliers to secure the best prices and quality, minimizing risks through long-term agreements and thorough capacity assessments.

Our logistics operations are managed to minimize costs, with 80% of export customers receiving products directly from our factory, thus reducing overall expenses. We work with customers to define logistics processes and costs, incorporating ex-works arrangements when advantageous. This strategic approach ensures efficient global shipping and supports our international production plants in adhering to centralized logistics decisions.

Regular monitoring of our supply chain cost structure is conducted to control expenditures and optimize financial performance. We use tools like import cost reports for detailed cost analysis and provide monthly and annual reports to upper management and other stakeholders.

Teklas is committed to delivering a flawless customer experience by maintaining high standards in after-sales services. We ensure 100% compliance with customer requests, delivering products accurately and on time. Our continuous improvement efforts are driven by a thorough analysis of competitor practices and adapting our processes to maintain a competitive edge.

People First, Progress Always

Empowering Our Journey with the Value of People;
Together, We Bring Sustainability and Innovation to Life
Through Every Contribution.



Leadership in Social Sustainability



At Teklas, we embrace our commitment to social responsibility not merely as a duty, but as a leadership vision. We develop impactful projects that address the needs of society and ensure that our employees take an active role in these initiatives. Our Corporate Social Responsibility (CSR) policy moves forward with determination by integrating the principle of sustainability into all our business processes to minimize our environmental and social impacts.

In the projects we carry out for nature and disadvantaged groups, our employees act with a spirit of volunteerism. These projects are not just acts of social responsibility, but part of a broader societal transformation.

Our approach to social responsibility progresses in full compliance with legal regulations and in integration with all our other corporate policies, acting with foresight for both the present and the future. Every step we take towards achieving our sustainability goals contributes to our mission of creating social and environmental benefits.

According to the materiality analysis we conducted in 2023, the core pillars of our social sustainability strategy are Occupational Health and Safety, Workforce Practices Indicators, Diversity and Equal Opportunity, Code of Ethics, Human Rights, and Social Integration and Renewal. At Teklas, we are committed to investing not only in today's needs but also in those of the future, advancing decisively towards a sustainable future.

Core Pillars of Our Social Sustainability Strategy





Occupational Health & Safety **TEKLAS**

At Teklas, occupational health and safety is an integral part of our corporate values and social sustainability strategy. We prioritize the health and safety of our employees at the highest level across all our business processes. Providing a safe and healthy working environment is not only a legal requirement but also a guarantee of our company's long-term success and operational efficiency. In this direction, we aim to elevate the culture of occupational health and safety at Teklas by adopting approaches focused on continuous improvement and innovation.

Our policy, based on the ISO 45001 Occupational Health and Safety Management System, goes beyond minimizing risks to provide innovative solutions for protecting the health of our employees. In this context, we integrate our OHS processes into our business operations, developing an approach that exceeds legal requirements and is innovation-driven. Thus, we aim to maintain the highest level of workplace safety at all levels.



OHS Structure and Operation

Our Occupational Health and Safety (OHS) management system is the foundation of our commitment to protecting the health and safety of our employees at Teklas. By integrating our OHS management system, based on the ISO 45001:2018 standard, into our business processes, we aim to provide a sustainable working environment. This system not only meets legal requirements but also targets maximizing workplace safety through continuous improvement and innovative practices.

Within the framework of our OHS policy, we ensure that all our employees, contractors, and stakeholders work in a healthy, safe, and ergonomic environment. We encourage active participation of our employees in occupational health and safety processes, considering their ideas and suggestions as an essential part of the process. Through regular training sessions, information meetings, and drills, we keep OHS awareness alive and enhance all our employees' competency in recognizing hazards and reducing risks.

Our OHS management system is continuously reviewed in line with our established goals and monitored with performance indicators. Our risk assessment activities allow us to proactively identify potential hazards in the workplace and take necessary precautions. In this process, we aim to elevate safety to the highest level in all our operations in alignment with the strategic direction of our OHS policy.

The procedures we have established for emergency preparedness are regularly tested and updated to ensure the safety of our employees and maintain the continuity of our business processes. In this context, we continue to improve our OHS management system, striving to create a safe working environment and secure our long-term success.

We are committed to creating a safe work environment for our employees and all stakeholders, ensuring the sustainability of our operations both today and in the future.

Teklas Business Continuity Committee



The Business Continuity Committee takes on significant responsibility at Teklas to ensure the sustainability of our operations and the uninterrupted continuation in emergencies. In crisis situations, the committee provides leadership and coordination within the company. Chaired by our CEO, the committee includes the Plant Manager from the location where the incident occurs. In cases where multiple locations are affected, all our Plant Managers join the committee to manage the process. One of the committee’s main tasks is to create, implement, and continually update the Business Continuity Plan in response to emergencies and unexpected crises. When developing this plan, we leverage past experiences and aim to be prepared for potential risks in the future.

Our committee ensures that this plan is regularly reviewed and updated at least once a year. We designate a Business Continuity Command Center for use during emergencies and prepare an alternative location should this center become unusable. Additionally, we take necessary precautions for the procurement of materials needed during emergencies and ensure that processes run smoothly.



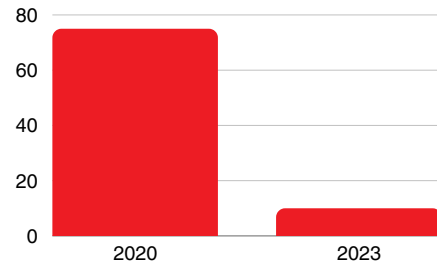
We share our Business Continuity Plan with all our managers and create an effective communication network by providing timely and accurate information flow to our employees during crises. By securing our backup and recovery processes, we ensure the uninterrupted continuation of information systems and business processes. Furthermore, we regularly conduct scenario tests to evaluate the effectiveness of our Business Continuity Plan and implement improvement activities as needed. In this context, we aim to strengthen our business continuity and secure the sustainability of our operations.

Through the efforts of our committee, we are progressing steadily toward achieving our sustainability goals, not just today but also in the future.



OHS Management System and Digitalization

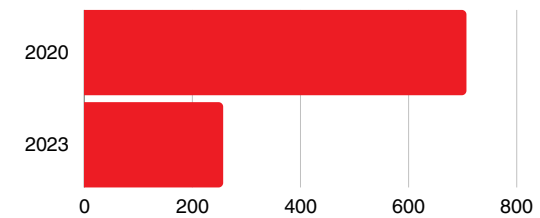
In our occupational health and safety processes, we provide proactive risk management by using digitalization and data-driven management systems. Real-time monitoring systems allow for the early detection of potential risks, enabling quick and effective interventions. Thanks to these technological investments, we have significantly reduced workplace accident and injury rates.



While 75 workplace accidents were recorded in 2020, this number has fallen to 10 in 2023. This success is a result of the innovative approaches we have integrated into our occupational health and safety processes and the conscious participation of our employees.

By promoting employee participation with the principle of continuous improvement, we meticulously carry out the processes for identifying and correcting OHS non-conformities. Each workplace accident is thoroughly analyzed, and necessary precautions are taken to prevent similar incidents in the future. We monitor this process via the Akare OHS software, continuously tracking and improving efficiency.

In this context, the number of absenteeism days due to workplace accidents has decreased from 707 days in 2020 to 257 days in 2023.



Our long-term goals include achieving a zero-accident target and implementing best practices in occupational health and safety. By continually strengthening our safety culture, we secure a sustainable workforce and production processes, creating a safe and healthy environment for our employees, customers, and all stakeholders.

OHS Risk Management

At Teklas, our risk management processes constitute one of the cornerstones of our occupational health and safety (OHS) policy.

Within the framework of our OHS management system, we adopt a proactive approach to identify, assess, and manage risks with effective solutions. This process not only ensures legal compliance but also aims to secure the sustainability of our operations through a strategic approach.

In our risk management structure, we take into account various risk factors such as workplace accidents, near misses, non-conformities, and complaints from stakeholders, implementing effective procedures for managing and preventing these risks. Any non-conformity is electronically recorded through the QDMS system, allowing us to monitor and initiate corrective action processes. By analyzing the causes of non-conformities, we determine the necessary actions to prevent recurrence, and the effectiveness of these actions is continuously reviewed.

OHS internal audits, site inspections, and stakeholder feedback constitute an essential part of our risk management processes. Our risk management procedures, which we review annually, are subjected to continuous improvement to enhance the efficiency of our workplace safety processes and to identify potential hazards in advance. Additionally, the analyses of workplace accidents and corrective actions provide significant contributions to preventing workplace accidents and occupational diseases.

We aim to detect potential hazards in advance and make our business processes safer.

In this regard, we continue to ensure not only the operations of today but also the sustainability goals of the future by adopting a culture of continuous improvement.

With this approach,

We are committed to effectively managing risks, continually elevating our occupational health and safety standards, and creating a sustainable work environment.

Drills and OHS Training

At Teklas, we regularly conduct comprehensive programs aimed at enhancing our employees' awareness and competency regarding occupational health and safety (OHS) training and drills. Our goal is to equip all employees with the skills necessary to handle potential emergencies, hazards, and risks effectively. In this regard, we elevate our employees' theoretical knowledge through training while transforming this knowledge into practice through organized drills. Regular training and drills ensure that we continuously keep OHS awareness alive as part of our commitment to employee safety and health.



We recorded zero fatalities from workplace accidents and a zero-incidence rate for occupational diseases between 2020 and 2023.

Emergency and evacuation drills are conducted regularly with participation from all personnel across three shifts each year. These drills encompass various scenarios, including earthquakes, fires, rescues, first aid, and evacuations. In 2023, during these drills, we also provided training on the use of fire extinguishers to our employees. Furthermore, these drills are conducted in collaboration with our external service providers, such as fire departments and emergency response teams, aiming to develop our employees' quick and effective intervention skills in real emergency situations.



OHS Risk Management

For instance, we conducted a chemical leak drill at our factory in the Gebze Organized Industrial Zone. During this exercise, our employees received training on how to respond to leaks and spills. The drill involved a controlled release of the chemicals that could cause a leak, allowing us to implement response procedures and prevent environmental damage. Our employees successfully demonstrated their ability to contain chemical spills, safely store hazardous waste, and take swift action against potential risks.

These training and drills contribute significantly to maintaining an ongoing awareness of occupational health and safety. At Teklas, we remain committed to creating safe working environments and continue our efforts for continuous improvement in enhancing our employees' knowledge and skills in OHS.



Fire Evacuation Drill

We Tested Our Emergency Preparedness Together



Teklas, Serbia.

Human Rights Approach at Teklas

At Teklas, we recognize respecting and protecting human rights as a fundamental principle of all our business processes. In line with our ethics, diversity, and inclusion policies, we are committed to creating a safe and respectful working environment where every employee has equal rights.

We conduct our activities within the framework of universal ethical standards and legal regulations. Our Ethical Policy embraces the principles of honesty, transparency, and fair competition towards our stakeholders, and we take a firm stance against any actions that harm human rights, such as bribery and corruption. We expect our employees, business partners, and suppliers to act in accordance with these ethical principles.

We regard diversity as a value. Within the scope of our Diversity and Inclusion Policy, we aim to create a workplace where every individual has equal opportunities, regardless of gender, age, culture, religion, sexual orientation, or disability status. With our zero-tolerance policy against discrimination, harassment, and bullying, we ensure that everyone is treated fairly and respectfully.





We organize our working conditions in accordance with international human rights standards and take the highest responsibility for protecting our employees' personal rights. We adopt a firm stance against child labor, forced labor, and all forms of human trafficking, acting in compliance with legal regulations and internationally recognized human rights principles.

We take a resolute stand against all forms of bribery and corruption. Under our Anti-Bribery and Anti-Corruption Policy, we expect our employees and business partners to act transparently, ethically, and responsibly. When bribery and corruption are detected, we quickly implement the necessary sanctions.

As part of our human rights approach, we support our employees' career development and strive to create an environment based on equal opportunity where every individual can realize their potential. We conduct our talent management and career planning processes fairly and transparently, providing regular training on occupational health and safety to support the development of our employees.

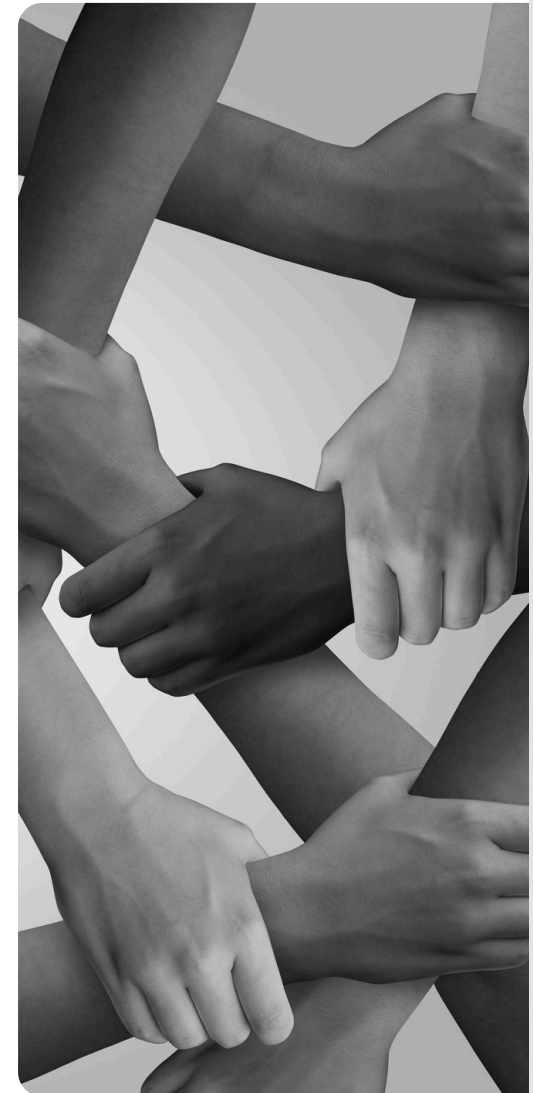
At Teklas, with this human rights-based approach, we continue to create a fair, respectful, and safe working environment for our employees, business partners, and all stakeholders. By adhering to these principles, we aim to contribute to a sustainable future.

Diversity, Equality, Inclusion

At Teklas, we consider the principles of diversity, equity, and inclusion as indispensable elements of our company culture. We value the contributions made by individuals from different backgrounds and believe that this diversity provides us with a strong competitive advantage in our way of doing business, our global structure, and our stakeholders. We rigorously implement our Diversity and Inclusion Policy to make the best use of our employees' talents and experiences, strengthen our business processes, and contribute to sustainable growth.

Supporting diversity in the workplace is not just a preference; it is a strategic priority for sustainable success. In line with our Diversity and Inclusion Policy, we create an environment where every individual is evaluated equally, regardless of gender, age, disability status, culture, religion, sexual orientation, or any other difference. Each of our employees is unique to us, and we believe in the value that these differences bring to our business processes.

At Teklas, we are committed to providing all our employees with fair and equal opportunities. Our policies supporting equality manifest in every area, from recruitment processes to performance evaluations, career development, and promotion opportunities. We prioritize transparency in all our business processes to ensure that our employees can fairly reach the positions they deserve. Our Diversity and Inclusion Policy aims to promote diversity in career development by supporting equal opportunities.



We place great importance on creating an inclusive work environment at Teklas. We continuously improve our business processes to provide an environment where every employee can express their opinions freely and feels comfortable and safe. Our inclusion strategy aims not only to accept individual differences but also to integrate these differences into our ways of working. Our practices, such as flexible working arrangements, are part of our goal to create an inclusive work culture.

At Teklas, we develop policies that promote gender equality and offer programs aimed at empowering our female employees' roles in the workplace. We adopt a fair approach in recruitment and promotion processes without regard to gender, encouraging female leadership and equal participation.

To support our employees' career development, we regularly organize training programs. Our talent management and career development programs are designed to help every individual realize their potential and advance in their careers. These programs support our employees' career journeys while also promoting diversity and inclusion.

At Teklas, we are determined to create a fair and supportive work environment by integrating diversity, equity, and inclusion into all our processes. We believe that differences add strength and develop inclusive business models for a sustainable future.



Human Resources Management

At Teklas, we view human resources management as a strategic priority not only to improve our employees' job performance but also to invest in their development and sustain our global success. We develop innovative solutions under several critical topics in human resources management, such as performance-driven management, cultural transformation, and employee value proposition. These approaches enhance our employees' commitment to Teklas while securing the long-term success of our company.

Performance-Driven Management

At Teklas, performance management is supported by transparent and measurable goals. The Objectives and Key Results (OKR) system allows us to track employees' performance through clear and achievable targets. This system helps each employee understand how they connect to the company's overall objectives and continuously improve their performance accordingly. The OKR system allows us to better track the achievements of all our employees, evaluate results transparently and provide the necessary support to achieve goals.

The OKR system is not only a tool for individual employee goals but also enhances the overall performance of the company. We transparently report performance results and establish continuous feedback loops with our employees to reach our strategic objectives.



Cultural Transformation and Training

To continuously support employee development and provide a competitive advantage on a global scale, we offer a wide range of training programs through Teklas Academy. These training programs include leadership skills development, innovative thinking techniques, and time management training. Additionally, we support our employees with leadership potential through internal coaching and mentoring programs. These initiatives contribute to creating high-performing teams within the organization.

Cultural transformation aims to enhance collaboration and creativity within the company while also strengthening the principles of diversity and inclusion. Our cultural transformation projects create a structure that promotes change in our way of doing business and enriches our employees' diverse perspectives.



Employee Value Proposition

To retain our employees and strengthen their connection to the company, we implement Employee Value Proposition (EVP) strategies. We provide a work environment that considers our employees' needs and appreciates their contributions. We develop practices that add value to our employees at every stage, from recruitment processes to performance evaluations. This approach aims not only to retain current talents but also to attract the best talents to our company.

Our EVP strategy maximizes the work experience of employees at Teklas while enabling them to maintain a work-life balance. We continuously enhance our employees' job satisfaction through initiatives such as employee engagement surveys, career development programs, and flexible working conditions.

Future-Oriented Goals

At Teklas, our future-oriented strategic goals in human resources management are to increase employee engagement, establish transparent management processes, and make Teklas a more attractive employer on a global scale. As part of our Global HR Management projects, we aim to make HR processes more integrated and efficient internationally. We also aim to streamline our HR processes through digital solutions like HRIS (Human Resource Information System).

Through these strategies, we continue to take steps that will support our employees' career development and ensure the sustainable success of our company.



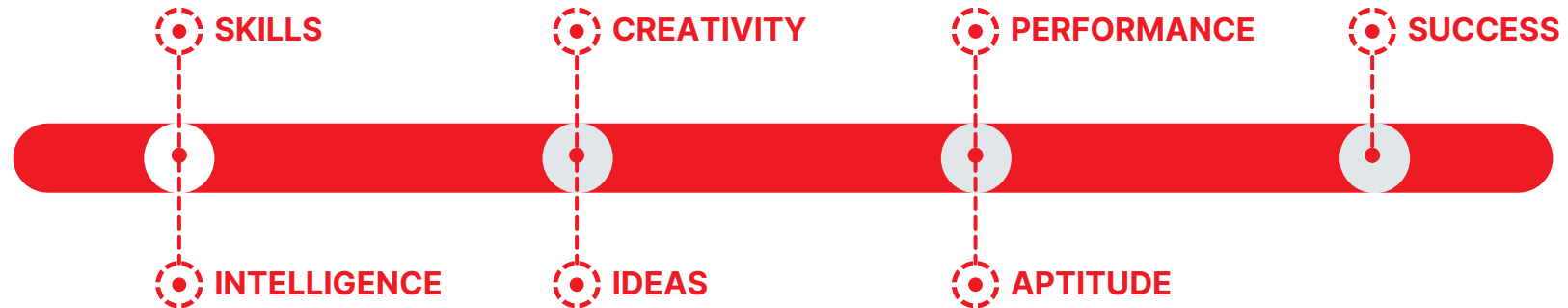


Talent and Career Management **TEKLAS**

At Teklas, we position career development and talent management among our top priorities within our human resources strategy. Through comprehensive projects conducted under the 'Robust HR' strategy, we aim to support the development of our employees, increase advancement opportunities within the organization, and create a sustainable workforce. In this context, we have implemented practices such as career pathways, talent pools, and leadership programs.

Career Pathways and Talent Management

Talent management at Teklas is a structured process aimed at maximizing our employees' talents and nurturing the next generation of leaders. As part of the ROBUST HR project, we have made our talent management more efficient and clearly defined career pathways. Through the Job Descriptions and Career Pathways projects, we have updated and standardized job descriptions for 124 positions. By clarifying career development plans for employees at all levels, we invest in their professional growth. This approach allows our employees to clearly see potential advancement opportunities within the organization and strategically plan their development. Additionally, by supporting career pathways at an international level, we offer our employees global mobility and development opportunities in different geographies.



Restructuring the Talent Pool

At Teklas, we approach our talent pool in three main groups: current leaders, team leaders, and new-generation talents. These three groups form the foundation of our corporate leadership development processes:

Current Leaders

We closely monitor the existing leaders in our organization through one-on-one meetings and regular feedback processes, identifying their areas for development. We encourage our leaders, who are supported by internal and external coaching programs based on performance evaluations, training needs, and potential leadership skills, to mentor future generations and pass on the Teklas culture.

Team Leaders

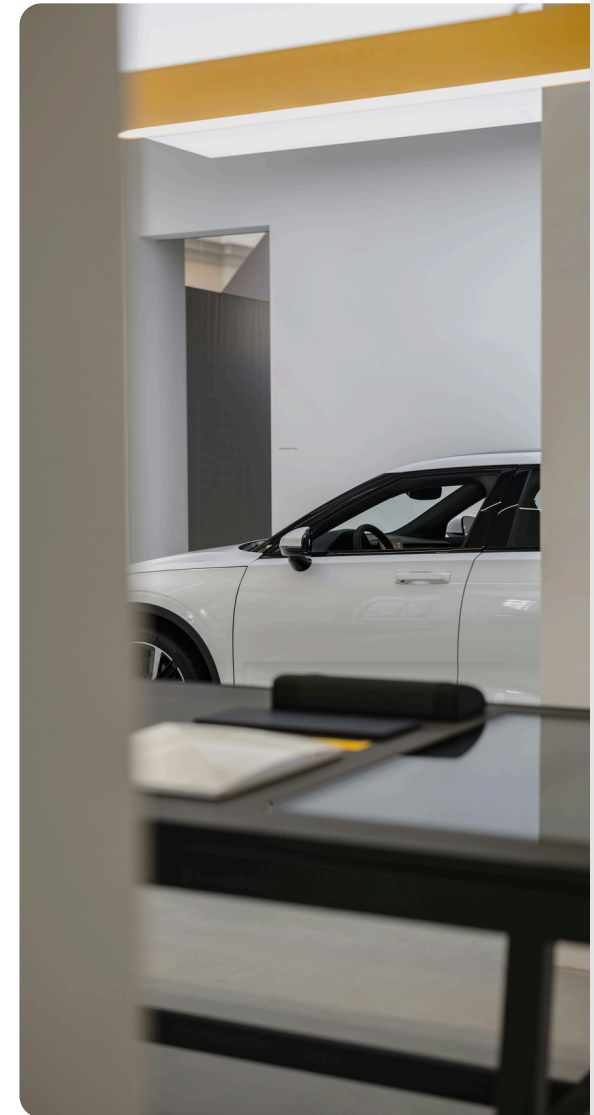
This group encompasses the first-level management positions in our organization, and we regularly assess them through programs that support the development of leadership skills. We ensure the continuous development of these talents through programs such as leadership training, internal coaching, change management, and train-the-trainer courses.

New Generation Talents

As part of our strategy to invest in the future, we prioritize integrating young talents into our organization. With the objectives we set for new-generation talents, we enable them to quickly adapt to the organization, unlock their leadership potential, and prepare for higher positions. This process is seen as a significant step toward building Teklas's future leadership teams.

Restructuring the Talent Pool

To cultivate future leaders, we implement a comprehensive Management Trainee (MT) program in collaboration with universities. We engage candidates who are recent graduates from engineering faculties, possess leadership potential, and can adapt to the Teklas culture in this one-year program, where they rotate through various departments. Participants receive training in departments such as Quality, Sales, Project Management, Supply Chain, and Production, deepening their understanding of Teklas's business processes and dynamics as they develop into future leadership candidates.



Succession Planning

We place great importance on strategic succession planning to ensure the sustainability of our critical leadership positions. In this context, we regularly review critical roles and closely monitor the development of talents who may be candidates for these positions. During evaluation meetings held twice a year, we analyze our current leadership team and ensure the integration and necessary training of new talents into the organization. This planning aims to maintain our organization's long-term leadership capacity and create a seamless management structure. As of 2023, we include at least 12 managers annually in our leadership development program.



Teklas Academy

Teklas Academy is a platform we established to sustain our organization's knowledge base and support the continuous development of our employees. Within the academy, we implement various training models such as Orientation, Role-Based Training Plan, Talent Pool Trainings, and internal coaching programs. Through our internal coaching program called "Walk with Me," we promote knowledge sharing and mutual learning among our employees, ensuring the sustainability of our organizational culture. The academy significantly contributes to Teklas' long-term strategic goals by enhancing our employees' technical and personal skills.



Employee Value Proposition

We believe that a strong Employee Value Proposition (EVP) is fundamental to creating a sustainable workforce. This approach, summarized by the slogan “Create Impact with Ideas,” aims to reveal the value our employees bring to the organization and continuously support them based on this value. At Teklas, we provide a long-term working environment through our commitment to sustainable business structures and employee health. This strategy, which enhances employee engagement and satisfaction, also provides a significant advantage in attracting qualified talents to our organization.

**make an
IMPACT**
through ideas!

Our career and talent management projects are designed to enable our employees to maximize their potential and achieve long-term career goals within our organization. These strategies are essential building blocks that contribute to our sustainable growth and enhance our global competitiveness.

Community Investments

At Teklas, we consider investing in projects that support community development in all the geographies where we operate as one of our fundamental responsibilities. These projects play a significant role in helping us achieve our sustainability goals while contributing to the social and economic development of local communities. With a wide range of initiatives including educational support, increased access to healthcare services, environmental projects, local development programs, and social responsibility initiatives, we aim to improve the quality of life in local communities and contribute to social welfare. This strategic approach allows us to establish strong and lasting ties with local communities and build mutual trust.



Our Understanding of Social Responsibility

Our understanding of social responsibility is shaped by an approach that encourages our employees to actively participate in projects that benefit the community and supports them in taking the lead on these initiatives. Throughout our activities, we adopt the principle of efficiently using limited resources to create lasting value for the community and the regions we operate in. We see the careful and responsible use of all natural resources as an expression of our respect for the world, the environment, humanity, future generations, and ourselves.

Our Corporate Social Responsibility Philosophy

In all our plants, our employees act with a sense of corporate social responsibility and actively participate in social sharing projects. These initiatives, which also include our employees' families and other stakeholders, are a result of our approach to integrating social responsibility into all our business processes. As a result, we continue to adopt a sustainable understanding of social responsibility for both our employees and the communities we live in.



Environmental Clean-Up and Volunteering Projects

In accordance with our ethical procedures, we implement projects that support disadvantaged groups in all the geographies we operate in. We develop initiatives aimed at sensitive groups such as the environment, individuals with disabilities, women victims of violence, orphaned children, and animals, organizing volunteer activities in this context. Through the plugging events we conduct with our employees, we raise awareness regarding both physical health and environmental cleanliness. Especially at our Teklas Vratsa plant, our volunteers contribute to the environment by planting various types of seedlings and flowers, supporting our efforts to increase green spaces. These projects are an important part of our environmental sustainability strategy.

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IMPACT
through ideas!



Teklas Bulgaria

make an
IMPACT
through ideas!



Keeping the environment clean
is every our responsibility



IF WE TAKE CARE OF THE ENVIRONMENT,
THE ENVIRONMENT WILL TAKE CARE OF US

VRATSA

Community Support and Visits

We continue to contribute to local communities in the fields of education, environment, and social support. During our visit to Gebze Osmangazi Middle School, we organized awareness seminars on climate change, waste management, and environmental consciousness as part of our World Environment Day activities. These events reflect our goal of providing benefits to the community and raising environmental awareness.

Additionally, we visited the Krumovgrad Nursing Home to spend time with elderly individuals. Creating social impact in the regions where we operate and contributing to regional development through the employment opportunities we provide is among our sustainability priorities.



Children Are Our Future

We believe that children are the guarantee of our future, and we dedicate our greatest social sustainability investments to their happiness. By welcoming the children of our employees at our Bartın plant , we reinforce our determination to continue walking in the footsteps of our Great Leader, Mustafa Kemal Atatürk. Such activities support children's social development, helping them look towards the future with greater confidence.



Gender Equality

At Teklas, our stance against all forms of violence, especially violence against women, is firm. We are committed to creating a safe and inclusive atmosphere in our workplaces. In this regard, we have established a working culture based on gender equality by organizing awareness training on mechanisms to combat violence. We take pride in the fact that the percentage of female employees in the automotive industry at our company is 41%. We produce together and strengthen one another. Without any gender discrimination, the first criterion in our hiring process in every factory is gender equality.

Commitment to a Sustainable Future

We demonstrate our commitment to a sustainable future through the environmental projects we implement. In Aguascalientes, Mexico, we have started reforestation efforts in collaboration with the local government. With this project, we aim to create more green spaces in the area, fulfilling our responsibility towards nature and the environment.



Key Performance Indicators (KPI)

Empowering Our Journey with the Value of People;
Together, We Bring Sustainability and Innovation to Life
Through Every Contribution.

Emissions

Scope 1 Greenhouse Gas Emissions (tCO ₂ e)		
2021	2022	2023
3,151.38	25,631.10	26,618.71
Scope 2 greenhouse gas emissions (tCO ₂ e)		
2021	2022	2023
-	24,355.22	13,676.72
Scope 3 greenhouse gas emissions (tCO ₂ e)		
2021	2022	2023
56,912.31	52,286.40	95,992.92*
Total greenhouse gas emission intensity (scope 1+2) (tCO ₂ e/ton product)		
2021	2022	2023
8.71	14.66	
Reduction of greenhouse gas emissions (tCO ₂ e)		
Scope 2		Scope 1 + Scope 2
43.8 %		19.4 %

*The main reason for the increase in Scope 3 emissions is the increase in data collection.

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

Energy

Energy Consumption in the Organization (GJ)			
		2022	2023
Non-renewable Resources	Natural Gas	11,886,495	497,957.32
	Total	11,886,495	497,957.32
Energy Consumption in the Organization (GJ)			
		2022	2023
Renewable Resources	Solar	19.2	82,896.55
	Total	19.2	82,896.55

	2022	2023
Electricity Consumption (GJ)	354,438	263,001
Steam Consumption (GJ)	31,410.86	-
Total Energy Consumption (GJ)	12,240,952	236,001

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

Energy

Energy Intensity (GJ/ton of product)				
	2020	2021	2022	2023
Türkiye (Muallimköy)	106,998	180,354	150,582	31,844.58
Türkiye (GOSB-1) (HQ)	100,130	108,911	93,163	30,215.47
Türkiye (GOSB-2)	178,374	207,655	172,479	19,080.54
Türkiye (Bartın-1)	168,278	222,439	151,016	212,497.69
Türkiye (Bartın-2)	-	-	-	9,687.07
Serbia	72,900	62,600	106,272	122,291.25
Bulgaria	84,700	90,100	91,179	256,049.61
China	44,075	38,371	23,292	29,231.20
Mexico	106,950	81,540	73,190	50,061.06

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

Water and Wastewater

Water Withdrawn by Sources (m ³) (Surface Waters)				
	2020	2021	2022	2023
Türkiye (Muallimköy)	46.05	47.69	24.40	15,156
Türkiye (GOSB-1) (HQ)	13.14	10.83	13.71	14,728
Türkiye (GOSB-2)	2.23	3.24	4.8	4,149
Türkiye (Bartın-1)	74.01	102.76	125.35	179,226
Türkiye (Bartın-2)	-	-	-	9,935
Serbia	76.04	86.47	102.18	128,339
Bulgaria	340.60	296.14	319.86	314,981
China	32.01	38.59	37.60	35,268
Mexico	11.89	16.01	19.80	23,448
Total amount of water withdrawn	595.97	601.73	647.70	725,230

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

Water and Wastewater

Amount of Water Discharge According to Discharge Points (m3)				
	2020	2021	2022	2023
Türkiye (HQ)	22.31	42.93	47.16	24.79
Türkiye (Bartın 1 and Bartın 2)	66.61	92.49	108.53	125.54
Serbia	68.43	77.82	102.18	108.76
Bulgaria	306.54	266.52	268.65	
China	28.81	34.73	37.60	
Mexico	10.70	14.41	15.63	
Total amount of water discharged	503.40	528.90	579.75	
Amount of Water Consumption (m3)				
	2020	2021	2022	2023
Total	114.87	72.84	95.97	

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

Air Pollution

Air Pollutant Emissions (kg/hr)															
	Türkiye (Muallimköy)		Türkiye (GOSB-1) (HQ)			Türkiye (GOSB-2)		Bulgaria		China				Bartın-1	
	2021	2023	2020	2021	2023	2021	2023	2021	2023	2020	2021	2022	2023	2021	2023
Dust emissions	0.065	0.070	0.0005	0.007	0.018	0.014	0.0139	0.020	0.025	-	-	-	-	0.0942	0.1071
Sox	-	-	0.009	-	0.006	-	-	-	-	0.094	0.109	0.04	0.09	0.0050	0.0080
Nox	0.598	0.563	0.03	0.005	-	-	-	0.858	0.084	0.142	0.164	0.06	0.05	0.2093	0.1843

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

Waste

Hazardous Waste Amounts (ton)																
	Türkiye (Muallimköy)				Türkiye (GOSB-1) (HQ)				Türkiye (GOSB-2)				Türkiye (Bartın 1 ve 2)			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Landfilled	0.001	0.002	0	0	0.001	0.002	0	0	0.001	0.001	0	0	0.001	0.006	0	-
Incineration (For Energy Production)	72.34	130.42	63.69	4.54	24.19	15.53	28.44	8.377	35.35	43.03	39.47	9.991	23.5	17.52	15.45	8.56
Incineration (For Disposal)	0.016	0.017	0.014	0.02	0.01	0.007	0.006	0.2	-	-	-	-	0.002	0.003	0.004	0.004
Others (storage)	2.12	3.15	4.57	0.012	0.83	3.22	0.53	0	-	-	-	-	0.46	0.64	0.25	0.27
Others (Recycling)	12.96	10.05	4.02	0.512	2.82	1.47	3.24	0.536	15.49	18.96	17.85	5.196	0.9	0.96	1	1.2
Total	87.44	143.64	72.29	5.08	27.85	20.23	32.22	9.11	50.84	61.99	57.32	15.19	24.86	19.13	16.70	10.03

Hazardous Waste Amounts (ton)													
	Serbia				Bulgaria				China				
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	
Total	3.9	0	50.38	0	124.32	99.76	126.29	133.993	30.33	28.15	33.93		

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

Key Performance Indicators



Waste

Non Hazardous Waste Amount (ton)																
	Türkiye (Muallimköy)				Türkiye (GOSB-1) (HQ)				Türkiye (GOSB-2)				Türkiye (Bartın 1 ve 2)			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Incineration (For Energy Production)	343.37	415.8	237.71	59,360	170.88	168.06	57,530	62,658	71,260	88,570	95,920	90,910	425,370	476,340	632.26	1,216,430
Other* (Recycling)	325.58	404.13	261.08	84,610	149.5	168.05	216.52	202,587	311.47	444.16	388.4	349,560	197.25	208.72	257.8	304,115
Total	668.95	819.93	498.79	143,970	320.38	336.11	57,746.52	265,245	71,571.47	89,014.16	96,308.4	440,470	197.25	208.72	257.8	1,520,545

Non Hazardous Waste Amount (ton)													
	Serbia				Bulgaria				China				
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	
Incineration (For Energy Production)	87.84	131.06	675.1	657,180	378.05	339.04	1,501.73	795,520	53.49	52.36	5.78	79,911	
Other* (Recycling)	87,837	131,065	165,196	156,415	339,265	378,275	403.97	512,111			79.03		
Total	87,924.84	131,196.06	165,871.1	813,595	339,643.05	378,614.04	1,905.7	2,077,508	53.49	52.36	84.81	79,911	

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

Number of Employees by Work Categories

Percentage of board members and senior management by gender (%)				
	2020	2021	2022	2023
Woman	35%	22.5%	25%	16%
Man	65%	77.5%	75%	84%

Percentage of board members and senior management by age distribution (%)			
	2021	2022	2023
< 30 age	16%	16%	0%
30 - 50 age	78%	77%	88%
> 50 age	6%	7%	12%

Percentage of personnel in the employee category by gender (%)				
	2020	2021	2022	2023
Woman	37%	41%	40%	39.46%
Man	63%	59%	60%	60.54%

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

Number of Employees by Work Categories

Percentage of the personnel in the employee category by age distribution (%)			
	2021	2022	2023
< 30 age	30%	29%	27%
30 - 50 age	63%	64%	62%
> 50 age	7%	7%	10%

Number of Employees by Employment Type

Percentage of personnel in the employee category by employment type (%)				
		2021	2022	2023
Total	Full Time	99.83%	99.67%	99.87%
	Part Time	0.17%	0.33%	0.13%
Specialist and above	Full Time	12.15%	12.08%	9.67%
	Part Time	-	-	-
Operational level	Full Time	87.10%	87.6%	90.32%
	Part Time	-	-	-

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

Number of Contractor (Subcontractor) Employees

Number of personnel and subcontractors covered by occupational health and safety		
		2023
Those within the scope of occupational health and safety	Employee	8069
	Subcontractor	0
Those within the scope of occupational health and safety that have passed internal audit	Employee	507
	Subcontractor	0
Those within the scope of occupational health and safety audited or certified by a third party	Employee	39
	Subcontractor	0

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

New Hires During the Year by Gender and Age

Number and ratio of new recruits by age and gender (%)									
		2020		2021		2022		2023	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
< 30 age	Woman	212	10%	285	14%	420	9%	275	13%
	Man	683	33%	502	24%	1139	25%	640	30%
30 - 50 age	Woman	522	26%	665	30%	1039	23%	553	26%
	Man	475	24%	492	22%	1665	38%	533	25%
> 50 age	Woman	52	3%	104	5%	93	2%	82	4%
	Man	71	4%	102	5%	117	3%	70	3%
Total	Woman	786	39%	1054	49%	1552	34%	910	42%
	Man	1219	61%	1096	51%	2921	66%	1243	58%

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

Number of Employees Who Quit Their Jobs by Gender and Age

Number and rate of personnel leaving the job by age and gender (%)									
		2020		2021		2022		2023	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
< 30 age	Woman	147	10%	273	18%	253	17%	375	16%
	Man	460	31%	654	39%	578	36%	480	21%
30 - 50 age	Woman	341	23%	489	22%	551	35%	524	23%
	Man	442	30%	693	42%	680	32%	742	33%
> 50 age	Woman	47	3%	65	7%	88	9%	59	3%
	Man	50	3%	75	23%	84	7%	95	4%
Total	Woman	535	36%	822	33%	892	47%	958	42%
	Man	952	64%	1422	61%	1342	61%	1317	58%

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

Key Performance Indicators



Number of Employees Who Quit Their Jobs by Gender and Age

Number and rate of personnel leaving the job by age and gender (%)									
		2020		2021		2022		2023	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Voluntary leavers (employee turnover rate)	Woman	378	40%	656	41%	861	48%	449	39%
	Man	574	60%	979	59%	947	52%	587	51%
Number of positions filled by rotation	Woman	27	23%	125	56%	146	49%	52	4%
	Man	90	77%	109	44%	154	51%	69	6%

Number of Employees by Seniority

Number and rate of personnel leaving the job by age and gender (%)					
		2020	2021	2022	2023
0-5 year	Woman	1835	1868	2063	2032
	Man	2575	2175	2604	2553
5-10 year	Woman	310	670	815	850
	Man	827	1083	1141	2033
10 year and above	Woman	57	76	91	120
	Man	350	305	486	481

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

Key Performance Indicators



Parental Leave

Maternity leave					
		2020	2021	2022	2023
Number of employees benefiting from maternity/parental leave	Woman	112	296	217	192
	Man	57	31	28	101
The duration of maternity/paternity leave to work after the expiry of number of returning employees	Woman	20	74	57	49
	Man	57	31	28	41

Employee Training (hours)

Duration of training given to personnel			
	2021	2022	2023
Average (employee/hour)	76.23	58.79	40.42
Total-hour	105,619.18	149,694.1	326,149

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



Key Performance Indicators



	2021	2022	2023
Total training hours (excluding OHS trainings)	94,894.88	140,606	134,564
Average annual training time per employee (hours)	88.42	66.8	82.86
OHS training	24,558	34,647	39,567

Duration of training provided to female personnel

	2021	2022	2023
Average employee/hour	4.64	5.09	8.5155
Total (hour)	22,185.16	40,710.33	27,113.79

Duration of training given to male personnel

	2021	2022	2023
Average employee/hour	4.49	5.25	13.064
Total (hour)	19,962.72	44,707.87	63,821

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

Key Performance Indicators



Duration of training according to work category			
	2021	2022	2023
Technical	9,511.49	10,033.57	13,286.66
Administrative	16,192.49	14,945.74	17,392.02
Production	74,404.93	119,175.79	143,452.32

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

Occupational Health and Safety Performance

Number and rate of deaths from work-related injuries (%)								
	2020		2021		2022		2023	
	Number	Rate (200,000 hours)	Number	Rate (200,000 hours)	Number	Rate (200,000 hours)	Number	Rate (200,000 hours)
Personnel	0	0	0	0	0	0	0	0
Subcontractor	0	0	0	0	0	0	0	0

Number and rate of work-related serious injuries (%)								
	2020		2021		2022		2023	
	Number	Rate (200,000 hours)	Number	Rate (200,000 hours)	Number	Rate (200,000 hours)	Number	Rate (200,000 hours)
Personnel	0	0	0	0	0	0	33	0.42
Subcontractor	0	0	0	0	0	0	0	0

Major types of work-related injuries								
Tissue damage, limb injury								
Chemical injury								
Burn to body								

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

Occupational Health and Safety Performance

Major types of work-related diseases	
	Spinal diseases
	Pneumoconiosis

Number of deaths from work-related diseases				
	2020	2021	2022	2023
Personnel	0	0	0	0

Number of recordable work-related illness cases				
	2020	2021	2022	2023
Personnel	0	0	0	0

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

Occupational Health and Safety Performance (Subcontractor)

	Türkiye (Muallimköy)				Türkiye (GOSB-1) (HQ)				Türkiye (GOSB)			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Number of accidents	75	39	19	2	11	6	10	12	13	8	12	15
Number of fatalities	0	0	0	0	0	0	0	0	0	0	0	0
Absence (lost days)	707	257	185	51	209	178	257	76	219	187	287	207
Lost Time Injury (LTI)												11.15
Lost Time Injury Frequency (LTIF)												8.29
Occupational disease rate (ODR)	0	0	0		0	0	0		0	0	0	0.008
Lost day rate (LDR)												0.078

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

Occupational Health and Safety Performance (Subcontractor)

	Türkiye (Bartın)				Serbia				Bulgaria				China				Mexico			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Number of accidents	12	16	28	82	23	26	20	15	20	16	7	8	9	6	11	4	6	18	13	4
Number of fatalities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Absence (lost days)	42	36	262	484	275	871	836	372	63	16	267	389	35	223	480	153	34	103		67
Lost Time Injury(LTI)				24.50				5.19				1.44				3.29				3.33
Lost Time Injury Frequency (LTIF)				7.32				1.79				0.26				2.70				2.76
Occupational disease rate (ODR)				0.007				0.002				0.0003				0.003				0.003
Lost day rate (LDR)				0.33				0.19				0.21				0.03				0.03

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



GRI Content Index

Strength in Transparency; Shaping Our Sustainability Approach Through the GRI Framework.

GRI Content Index



GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
GRI 1: FOUNDATION 2021		
GRI 2: GENERAL DISCLOSURES 2021		
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	<ul style="list-style-type: none"> About The Report p. 2 About Teklas p. 7-8 Teklas Global Operations p. 12-13 Teklas Milestones p. 14
	2-2 Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> About The Report p. 2
	2-3 Reporting period, frequency and contact point	<ul style="list-style-type: none"> About The Report p. 2
	2-4 Restatements of information	<ul style="list-style-type: none"> Materiality Analysis p. 40-42
	2-5 External assurance	<ul style="list-style-type: none"> For the reporting period, external assurance has not been conducted.
	2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"> Teklas Highlights in 2023 p. 9-10 Teklas Global Operations p. 12-13 Teklas Product Groups p. 16-18 Collaborations p. 21-22 Sustainable Supply Chain p. 90-96
	2-7 Employees	<ul style="list-style-type: none"> Human Resources Management p. 112-119
	2-8 Workers who are not employees	<ul style="list-style-type: none"> Human Resources Management p. 112-119

GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
GRI 2: GENERAL DISCLOSURES 2021	2-9 Governance structure and composition	<ul style="list-style-type: none"> Board of Directors p. 26 Executive Management p. 27 Our Corporate Governance Body p. 28-29, 32 Committies and Policies p. 30-31 Sustainability Governance p. 36 Sustainability Committee p. 37-38
	2-10 Nomination and selection of the highest governance body	<ul style="list-style-type: none"> Board of Directors p. 26 Executive Management p. 27 Our Corporate Governance Body p. 28-29, 33
	2-11 Chair of the highest governance body	<ul style="list-style-type: none"> Board of Directors p. 26 Executive Management p. 27
	2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> Board of Directors p. 26 Executive Management p. 27
	2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> Our Corporate Governance Body p. 28-29, 32
	2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> Sustainability Committee p. 37-38
	2-15 Conflicts of interest	<ul style="list-style-type: none"> Business Ethics p. 51

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GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
GRI 2: GENERAL DISCLOSURES 2021	2-16 Communication of critical concerns	<ul style="list-style-type: none"> Corporate Risk Management and Internal Audit p. 49-50 Business Ethics p. 51 Business Continuity p. 53 Stakeholder Engagement p. 54-58
	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. 112-119
	2-20 Process to determine remuneration	<ul style="list-style-type: none"> Human Resources Management p. 112-119
	2-21 Annual total compensation ratio	<ul style="list-style-type: none"> Confidentially Constraints : Not Public Information
	2-22 Statement on sustainable development strategy	<ul style="list-style-type: none"> Our Future Strategies p. 18 Our Sustainability Strategy p. 33-35 Sustainability Governance p. 36 Environmental Strategy p. 60-61
	2-23 Policy commitments	<ul style="list-style-type: none"> Our Future Strategies p. 18 Committies and Policies p. 30-31

GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
GRI 2: GENERAL DISCLOSURES 2021	2-24 Embedding policy commitments	<ul style="list-style-type: none"> Business Ethics p. 51 Nature-First Approach p. 59-77 People First, Progress Always p. 97-125
	2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> Our Sustainability Strategy p. 33-35 Environmental Strategy p. 60-61 Automation p. 88
	2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> Business Ethics p. 51
	2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> Business Ethics p. 51
	2-28 Membership associations	<ul style="list-style-type: none"> Collaborations p. 21-22
	2-29 Approach to stakeholder engagement	<ul style="list-style-type: none"> Stakeholder Engagement p. 54-58
	2-30 Collective bargaining agreements	<ul style="list-style-type: none"> Human Resources Management p. 112-119

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GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	<ul style="list-style-type: none"> • Materiality Matrix p. 41 • Material Topics p. 42
	3-2 List of material topics	<ul style="list-style-type: none"> • Materiality Matrix p. 41 • Material Topics p. 42
	3-3 Management of material topics	<ul style="list-style-type: none"> • Materiality Matrix p. 41 • Teklas Corporate Governance Approach p. 24 • Our Corporate Governance Body p. 28-29, 33 • Board of Directors p. 26 • Executive Management p. 27
ENERGY MANAGEMENT (ENERGY CONSUMPTION, ELECTRICITY GENERATION)		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Environmental Strategy p. 60-61 • Green Energy p. 74-75
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<ul style="list-style-type: none"> • Green Energy p. 74-75 • Performance Indicators p. 128-129
	302-3 Energy intensity	<ul style="list-style-type: none"> • Performance Indicators p. 129
	302-4 Reduction of energy consumption	<ul style="list-style-type: none"> • Environmental Strategy p. 60-61 • Green Energy p. 74-75

GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	<ul style="list-style-type: none"> • Climate Change and Climate Risks p. 62
COMPETITIVE BEHAVIOR		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Business Ethics p. 51 • Human Rights Approach at Teklas p. 108-109
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<ul style="list-style-type: none"> • Our Sustainability Strategy p. 33-35 • Business Ethics p. 51 • Human Rights Approach at Teklas p. 108-109
SUSTAINABLE FINANCE, FINANCIAL STABILITY & SYSTEMATIC RISK		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Teklas Corporate Governance Approach p. 24-25
GRI 201 : Economic Performance 2016	201-1 Direct economic value produced and distributed	<ul style="list-style-type: none"> • Teklas In Numbers p. 11
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	<ul style="list-style-type: none"> • Teklas In Numbers p. 11 • Teklas Product Groups p. 16-18 • Collaborations p. 21-22

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GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
WASTE & HAZARDOUS MATERIALS MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Examples of Our Principles, Commitments and Practices p. 63-65 • Road to Zero Waste p. 72-73
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> • Examples of Our Principles, Commitments and Practices p. 63-65 • Road to Zero Waste p. 72-73
	306-2 Management of significant wasterelated impacts	<ul style="list-style-type: none"> • Examples of Our Principles, Commitments and Practices p. 63-65 • Road to Zero Waste p. 72-73
	306-3 Waste generated	<ul style="list-style-type: none"> • Performance Indicators p. 133-134
	306-4 Waste diverted from disposal	<ul style="list-style-type: none"> • Performance Indicators p. 133-134
	306-5 Waste directed to disposal	<ul style="list-style-type: none"> • Performance Indicators p. 133-134

GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
PRODUCT QUALITY & RECALL MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Sustainable Supply Chain p. 94-95 • Quality p. 91-92
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	<ul style="list-style-type: none"> • Customer Relations p. 93-96
CORPORATE GOVERNANCE		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Teklas Corporate Governance Approach p. 24-25 • Our Corporate Governance Body p. 28-29, 33 • Sustainability Governance p. 36 • Committies and Policies p. 30-31
OCCUPATIONAL HEALTH & SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Occupational Health & Safety p. 100-107

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GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<ul style="list-style-type: none"> • Committies and Policies p. 30-31 • Occupational Health & Safety p. 100-107
	403-2 Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> • OHS Structure and Operation p. 101 • OHS Risk Management p. 105-107 • Drills and OHS Training p. 106
	403-3 Occupational health services	<ul style="list-style-type: none"> • Occupational Health & Safety p. 100-107 • Employee Value Proposition p. 114
	403-4 Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> • OHS Risk Management p. 105-107 • Drills and OHS Training p. 106
	403-5 Worker training on occupational health and safety	<ul style="list-style-type: none"> • Drills and OHS Training p. 106 • Performance Indicators p. 141-143
	403-6 Promotion of worker health	<ul style="list-style-type: none"> • Occupational Health & Safety p. 100-107
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul style="list-style-type: none"> • OHS Structure and Operation p. 101
	403-8 Workers covered by an occupational health and safety management system	<ul style="list-style-type: none"> • Occupational Health & Safety p. 100-107 • Performance Indicators p. 141-147
	403-9 Work-related injuries	<ul style="list-style-type: none"> • OHS Management System and Digitalization p. 105-107 • Performance Indicators p. 141-147

GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
GRI 403: Occupational Health and Safety 2018	403-10 Work-related ill health	<ul style="list-style-type: none"> • OHS Management System and Digitalization p. 105-107 • Performance Indicators p. 144-147
LABOR PRACTICE INDICATORS/PRACTICES		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Human Rights Approach at Teklas p. 108-109
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	<ul style="list-style-type: none"> • Human Resources Management p.112-119
	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.112-119
	401-3 Parental leave	<ul style="list-style-type: none"> • Performance Indicators p. 141
DIVERSITY AND EQUAL OPPORTUNITY (WOMEN EMPOWERMENT)		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Committies and Policies p. 30-31 • Human Rights Approach at Teklas p. 108-109 • Diversity, Equality, Inclusion p. 110-111

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GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	<ul style="list-style-type: none"> • Teklas Global Operations p. 12-13 • Human Rights Approach at Teklas p. 108-109 • Diversity, Equality, Inclusion p. 110-111
	405-2 Ratio of basic salary and remuneration of women to men	<ul style="list-style-type: none"> • There is no gender based salary difference at Teklas. The principle of equal pay for equal work is applied.
GRI 406: Non Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> • There were no cases of discrimination during the reporting period.
CLIMATE CHANGE ADAPTATION STRATEGY		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Our Sustainability Strategy p. 33-35 • Climate Change and Climate Risks p. 62
PRODUCT DESIGN & LIFECYCLE MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Green Offer Button p. 10 • Environmental Strategy p. 60-61 • Climate Change and Climate Risks p. 62 • Sustainable Supply Chain p. 94-95 • Research and Development (R&D) p. 84-86
GRI 301: Materials 2016	301-2 Recycled input materials used	<ul style="list-style-type: none"> • Climate Change and Climate Risks p. 62

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RECYCLING STRATEGY		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Examples of Our Principles, Commitments and Practices p.63-65 • Road to Zero Waste p.72-73
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> • Examples of Our Principles, Commitments and Practices p. 63-65 • Road to Zero Waste p. 72-73
	306-2 Management of significant wasterelated impacts	<ul style="list-style-type: none"> • Examples of Our Principles, Commitments and Practices p. 63-65 • Road to Zero Waste p. 72-73
	306-3 Waste generated	<ul style="list-style-type: none"> • Performance Indicators p. 133-134
	306-5 Waste directed to disposal	<ul style="list-style-type: none"> • Performance Indicators p. 133-134
LOW CARBON STRATEGY (EMISSION REDUCTION)		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> • Climate Change and Climate Risks p. 62 • Decarbonisation Path p. 67 • Managing Carbon Footprint: Scope 1, 2, and 3 Emissions at Teklas p. 68-69

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GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> Performance Indicators p. 127
	305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> Performance Indicators p. 127
	305-3 Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> Performance Indicators p. 127
	305-4 GHG emissions intensity	<ul style="list-style-type: none"> Performance Indicators p. 127
	305-5 Reduction of GHG emissions	<ul style="list-style-type: none"> Climate Change and Climate Risks p. 62 Managing Carbon Footprint: Scope 1, 2, and 3 Emissions at Teklas p. 68-69
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<ul style="list-style-type: none"> Performance Indicators p. 132
CODES OF BUSINESS CONDUCT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Sustainable Supply Chain p. 94-95
INNOVATION MANAGEMENT (AUTOMATION)		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Innovation Management p. 87 Automation p. 88

GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
BIODIVERSITY		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Biodiversity p. 76-77
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none"> Biodiversity p. 76-77
	304-2 Significant impacts of activities, products and services on biodiversity	<ul style="list-style-type: none"> Biodiversity p. 76-77
	304-3 Habitats protected or restored	<ul style="list-style-type: none"> Biodiversity p. 76-77
HUMAN RIGHTS, SOCIAL INTEGRATION & REGENERATION		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Human Rights Approach at Teklas p. 108-109

GRI Content Index



GRI STANDARD	DISCLOSURE	Page number Reference and/or Direct Answers
GRI 406 : Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> There are no operations and suppliers at significant risk for incidents of discrimination .
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	<ul style="list-style-type: none"> There are no operations and suppliers at significant risk for incidents of child labor.
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"> There are no operations and suppliers at significant risk for incidents of forced or compulsory labor.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> Community Investments p. 120-125

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

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