



2022
SUSTAINABILITY
REPORT



VALUE
FOR THE
FUTURE


PLUS TOOLING

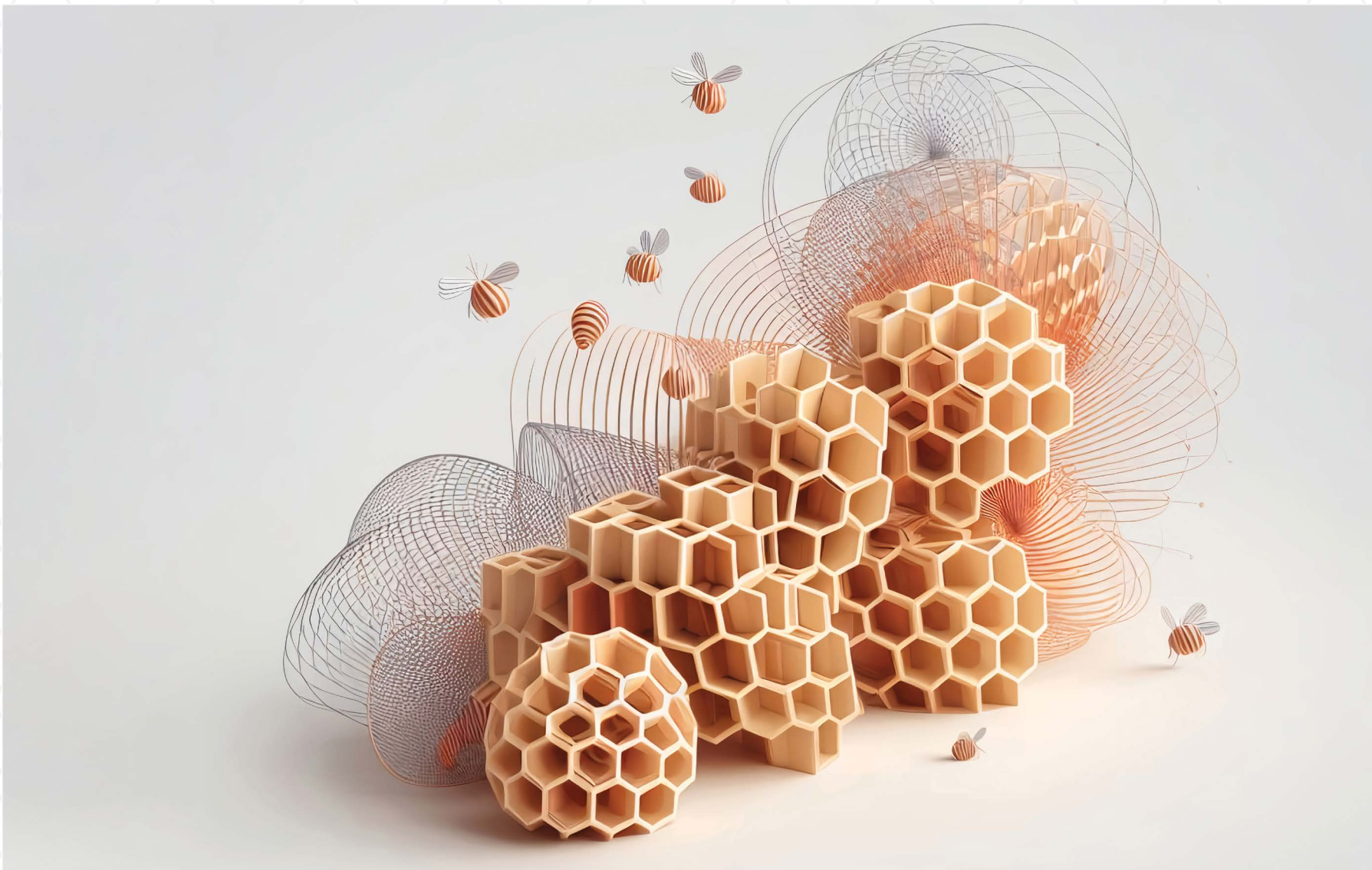


TABLE OF CONTENT

- Introduction
- About This Report
- Principles and Standards
- Prioritised Issues
- Message from the Chairman of the AB
- About Us
- Our Milestones
- Our Sustainability Policy
- Our Sustainability Priorities

1. INVESTMENT IN INSTITUTIONALISATION

- 1.1. Objective, Vision, Mission, Values
- 1.2. Corporate Management
- 1.3. Corporate Management of Sustainability
- 1.4. Risk Management and Internal Audit

2. INVESTMENT IN PEOPLE AND SOCIETY

- 2.1. Equality, Diversity and Inclusivity
- 2.2. Support for Education
- 2.3. Contribution to Employment
- 2.4. Gender Equality
- 2.5. Occupational Health and Safety (OHS)
- 2.6. Skills and Commitment Management
- 2.7. Ethics and Human Rights
- 2.8. Volunteering
- 2.9. Sustainability Awareness Training

3. INVESTMENT IN PRODUCTION AND RESPONSIBLE CONSUMPTION

- 3.1. Efficient Use of Resources
- 3.2. Environmentally Friendly Production, Waste Management and Circular Economy
- 3.3. Sustainability in the Supply Chain
- 3.4. Product Quality and Safety

4. INVESTMENT IN INNOVATION AND INNOVATIVENESS

- 4.1. Innovativeness
- 4.2. Our Research & Development Studies
 - 4.2.1. Sustainable Production
 - 4.2.2. Sustainable Implementation
 - 4.2.3. Mobility Solution Partnership
- 4.3. Digital Transformation
 - 4.3.1. Operational Productivity Practices

ABOUT THIS
REPORT

THE
MESSAGE OF
MANAGEMENT

OUR
MILESTONES

INVESTMENT IN
INSTITUTIONALI-
SATION

INVESTMENT
IN PEOPLE AND
SOCIETY

PRODUCTION AND
RESPONSIBLE
CONSUMPTION

INVESTING IN
INNOVATIONS

PERFORMANCE
INDICATORS

Introduction

As TKG Group, we continue our sustainability efforts with the motto “value for the future” within the framework of the strategies we have determined.

In parallel with the 17 global goals specified by the United Nations in order to achieve the 3 important goals of ending extreme poverty, combating inequality and injustice and correcting climate change by the year 2030, we submit our activities to the information of our stakeholders through the sustainability reports we publish.

About This Report

As TKG Group, we submit our performance to our stakeholders under the headings of investment in corporatisation, investment in people and society, investment in production and responsible

consumption, investment in innovation and innovativeness through our sustainability reports, which we started in 2022 and publish every year.

The content of the report covers the activities of TKG Group companies between January 1, 2022 and December 31, 2022. Key performance indicators for renewable energy, carbon emissions, waste water management, equal employment opportunities, gender equality, employee demographics, quality education, occupational health and safety, and responsible production and consumption are presented as data in the report.

Our report includes our sustainability strategy, the issues we have prioritised, our targets, developments and performance in these areas.

Principles and Standards

While preparing the TKG Group Sustainability Report, which we first prepared in 2022, in 2023, the prioritised subjects that constitute the content of this report have been determined within the scope of the workshop.

Prioritised Issues

Issues that we prioritise within the scope of sustainability activities are as follows;

- 1-** Responsible Production and Consumption
- 2-** Human and Society
- 3-** Corporate Governance and Sustainability Approach
- 4-** Economy and Innovation



* You can use the communication channels below for any comments, suggestions and questions regarding the report.

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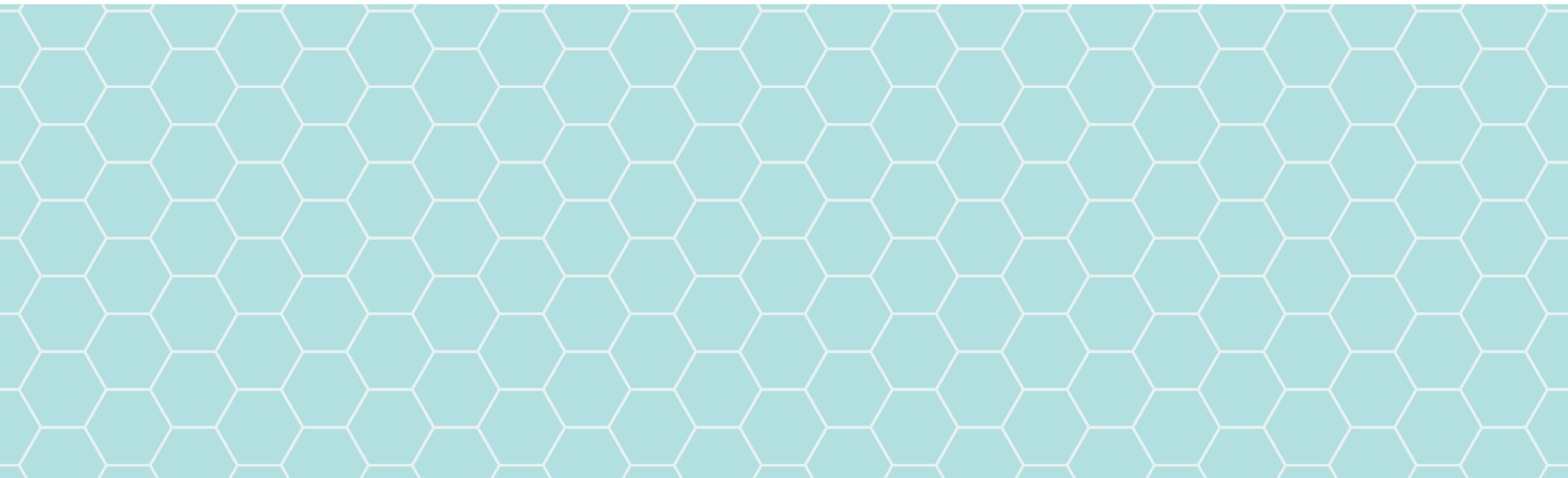
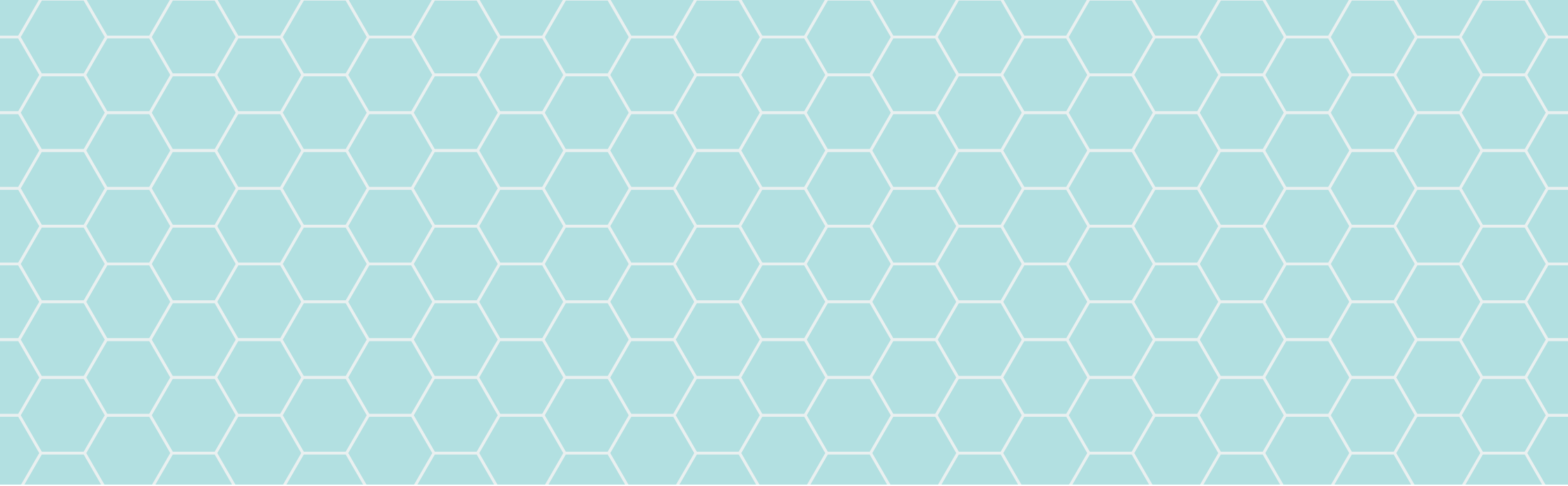
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Procurement and Investments Manager at TKG Group



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THE MESSAGE OF THE MANAGEMENT



“Value” for the Future

As TKG Group, we care that our sustainability policy is adopted and internalised by all departments of our companies. We present our best practices and actions in the field of sustainability to our customers, suppliers and stakeholders in a transparent manner.

Within the scope of our sustainability policy, we have created our roadmap by organising workshops focusing on what kind of impact we have made so far and what we can do in the upcoming periods. We monitor the steps we take in accordance with our roadmap at the level of the sustainability committee and the administrative board. With our motto “Value for the future”, we

aim to reduce our carbon emissions by 50% by 2026 compared to 2021. To achieve this goal, we use renewable energy sources and take the necessary steps to reduce our environmental impact. We also carry out projects on other priority topics such as circular economy, green purchasing, responsible production and consumption.

While focusing on all these projects, we attach importance to social activities within our work culture and support culture and arts, sports, local development and empowerment of women in the industry. We attach utmost importance to equal opportunities and pursue a fair and sustainable

management approach, especially in our human resources processes. We shape our human resources processes within a framework that respects human rights and diversity. We take important steps for employee satisfaction, loyalty and development and provide the necessary opportunities for our colleagues to enable them to receive training in the areas they need for their career journey.

We strive to provide solutions to the expectations of our employees and the changing needs of our customers and endeavour to create a sustainable world.



Ertan Demirdüzen,
Chairman of the Board



About Us

TKG Group, one of the leading companies in the automotive industry with 46 years of experience and 100% domestic production power, was established in 1977 to manufacture moulds for the automotive industry.

Since 1991, our company has been manufacturing body parts, exterior parts, aluminium heat/sound/magnetic shields, seat parts, power transmission parts, chassis and suspension parts, as well as moulds and fixtures for mass production of these products. Established in 2022 within TKG Automotive,

the Roll Forming line produces bumper profiles and battery module covers for electric vehicles, whose share in the automotive industry has been gradually increasing. Creating value for the automotive industry and its customers, TKG Group produces and exports for Renault, Toyota Ford, Hyundai, Honda, Nissan and Stellantis factories.

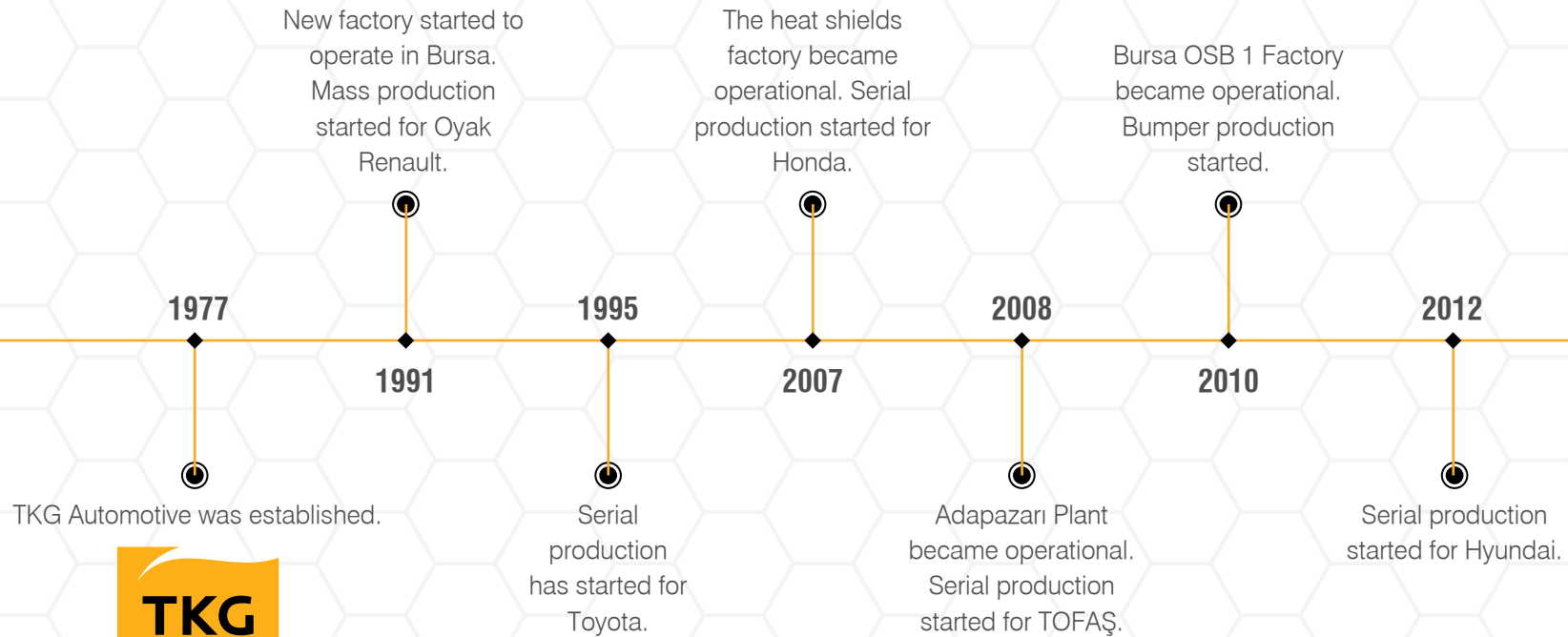
TKG Automotive Bursa, TKG Automotive Adapazarı and Plus Tooling companies which operate under TKG Group, continue their production activities in 7 factories with a total closed area of 65.000m² in 5 different locations

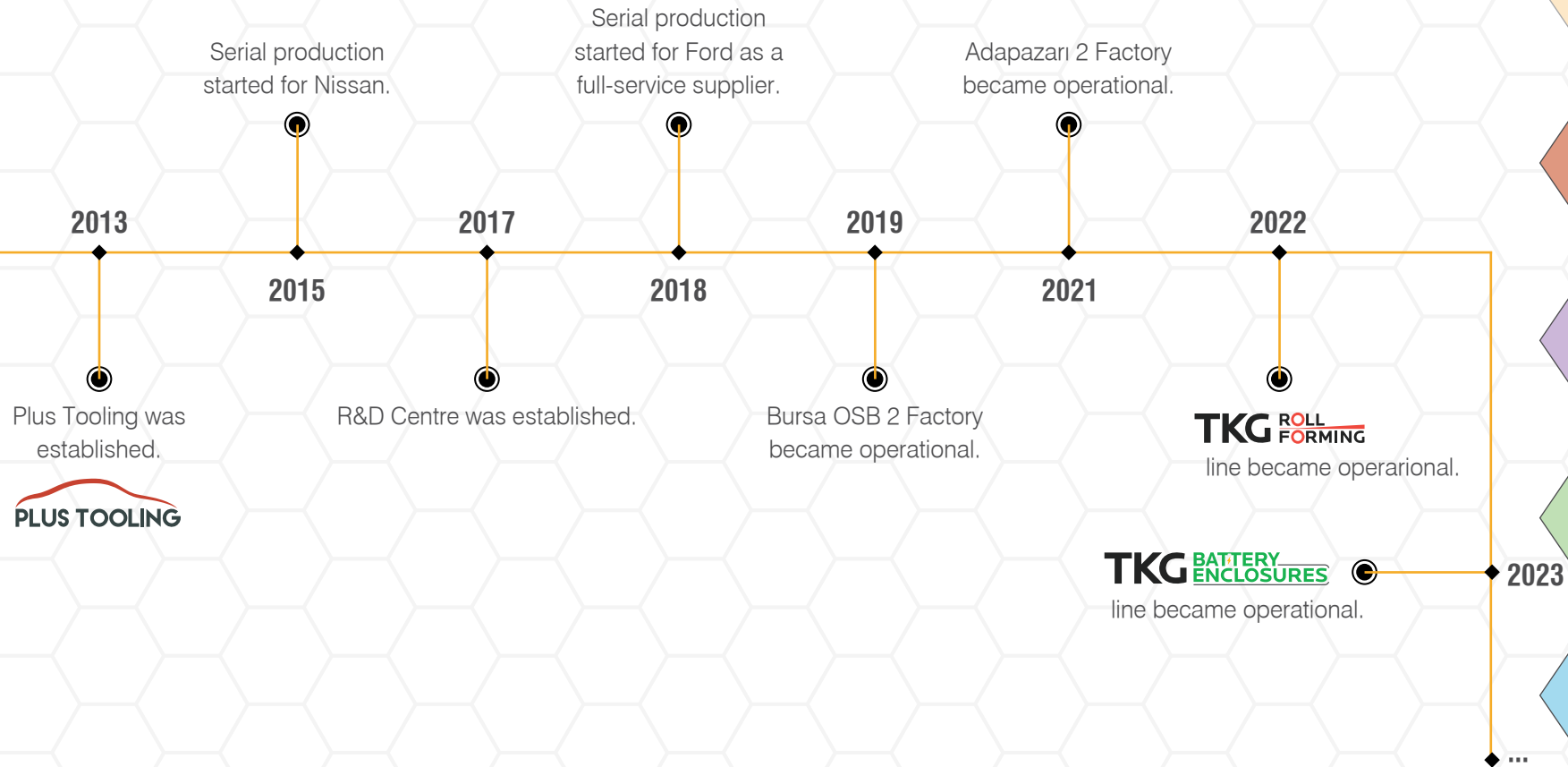
in Bursa and 2 different locations in Sakarya with a team of 1500 people in accordance with IATF 16949 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System.

TKG Group is progressing towards becoming a global company that gives confidence to its stakeholders, uses the most advanced engineering technologies by making investments in parallel with the ever-developing technology, and provides competitive parts and systems with a quality level beyond customer expectations.



Our Milestones





ABOUT THIS
REPORT

THE
MESSAGE OF
MANAGEMENT

OUR
MILESTONES

INVESTMENT IN
INSTITUTIONALI-
SATION

INVESTMENT
IN PEOPLE AND
SOCIETY

PRODUCTION AND
RESPONSIBLE
CONSUMPTION

INVESTING IN
INNOVATIONS

PERFORMANCE
INDICATORS



Our Sustainability Policy

TKG Group's Corporate Sustainability Approach covers all environmental, social and corporate governance (ESG) issues by addressing the business strategies and future strategies and deals with a holistic approach.

While creating its sustainability roadmap, TKG Group has taken into consideration the major social and environmental trends affecting social and business life on a global scale. In addition, global and local trends have been taken into account in our roadmap in order to link our sustainability management with our business strategies that focus on innovative and responsible consumption.

Our approach draws its strength from establishing our strategies based on analysing current developments and needs and assessing requirements in a dynamic manner.

The compliance with the European Green Deal and the United Nations Sustainable Development Goals are the main guidelines on which we base our sustainability practices and the realisation of our long-term goals. Regional specific requirements also play an important role in making our approach feasible.

A key element of our approach is the reduction of carbon emissions, which has become one of

the most important global megatrends worldwide, especially after the Paris Global Climate Agreement.

In this direction, as TKG Group, we have been continuing our efforts at full speed by taking into account the requirements of the European Green Deal in order to significantly reduce our carbon emissions from production activities. Among other initiatives, we have taken necessary actions such as the installation of solar energy. Our sustainability policy, which we have created with the slogan "Value for the Future", consists of four main focus areas:



1- The People and Society

- To create an environment where our employees can develop themselves and work in confidence in order to increase the loyalty of employees and increase the welfare of the society,
- To prevent all kinds of discrimination in our working environment and accordingly to ensure equal rights in employment, career management, remuneration, performance evaluation, and other related matters,
- To support the employment of women at all levels of our working environment by believing in the power of women,
- To put corporate social responsibility projects into practice in order to contribute to social development.





2- Corporate Management

- To ensure compliance with basic business ethics rules and corporate governance principles in our business processes,
- To be honest, fair and transparent towards all of our employees, stakeholders and suppliers,
- To follow international performance criteria in our priority focus areas and to publish them in our sustainability report every year.



3- Responsible Production and Consumption

- To ensure effective and efficient use of resources,
- To invest in new technologies for the use of renewable energy and to support the use of renewable energy sources,
- To develop innovative solutions for energy efficiency,
- To use water resources correctly and efficiently,
- To take actions for Net Zero Emission and Net Zero Waste targets.



4- Economy and Innovation

- To establish partnerships to promote the United Nations Sustainable Development Goals,
- To bring our sustainability approach to life through responsible supply chain practices,
- To provide services and solutions that make a difference to our stakeholders by making use of developing technology and digital elements.

As TKG Group, our aim is to be able to take quick action in the face of risks and opportunities, to contribute to change and to adapt in order to achieve a sustainable future in a way to achieve the highest efficiency with the lowest raw material use in accordance with the carbon zero policy.





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REPORT

THE
MESSAGE OF
MANAGEMENT

OUR
MILESTONES

INVESTMENT IN
INSTITUTIONALI-
SATION

INVESTMENT
IN PEOPLE AND
SOCIETY

PRODUCTION AND
RESPONSIBLE
CONSUMPTION

INVESTING IN
INNOVATIONS

PERFORMANCE
INDICATORS

OUR SUSTAINABLE PRIORITIES

We invest in and attach priority to investment in corporatisation for the future, people and society, responsible production and responsible consumption, innovation and innovativeness. We directly contribute to 13 of the United Nations Sustainable Development Goals with the issues we prioritise.



BİRLEŞMİŞ MİLLETLER
TÜRKİYE



GLOBAL GOALS

for Sustainable Development



SUSTAINABLE PRIORITIES TABLE OF TKG GROUP

RESPONSIBLE PRODUCTION AND CONSUMPTION	PEOPLE AND SOCIETY	CORPORATE MANAGEMENT AND SUSTAINABILITY APPROACH	ECONOMY, INNOVATION AND INNOVATIVENESS
<ul style="list-style-type: none"> • Water Consumption • Energy Efficiency and Renewable Energy Practices • Waste Management and Circular Economy • Sustainability in the supply chain 	<ul style="list-style-type: none"> • Occupational Health and Safety (OHS) • Working Environment and Social Activities • Gender Equality • Support for Education • Skills and Commitment Management • Ethical Approach 	<ul style="list-style-type: none"> • Corporate Management Practices • Risk Management and Internal Audit • Sustainability Approach 	<ul style="list-style-type: none"> • Operational efficiency practices • Research & Development Activities • Digital Transformation • Mobility solution partnership

ABOUT THIS REPORT

THE MESSAGE OF MANAGEMENT

OUR MILESTONES

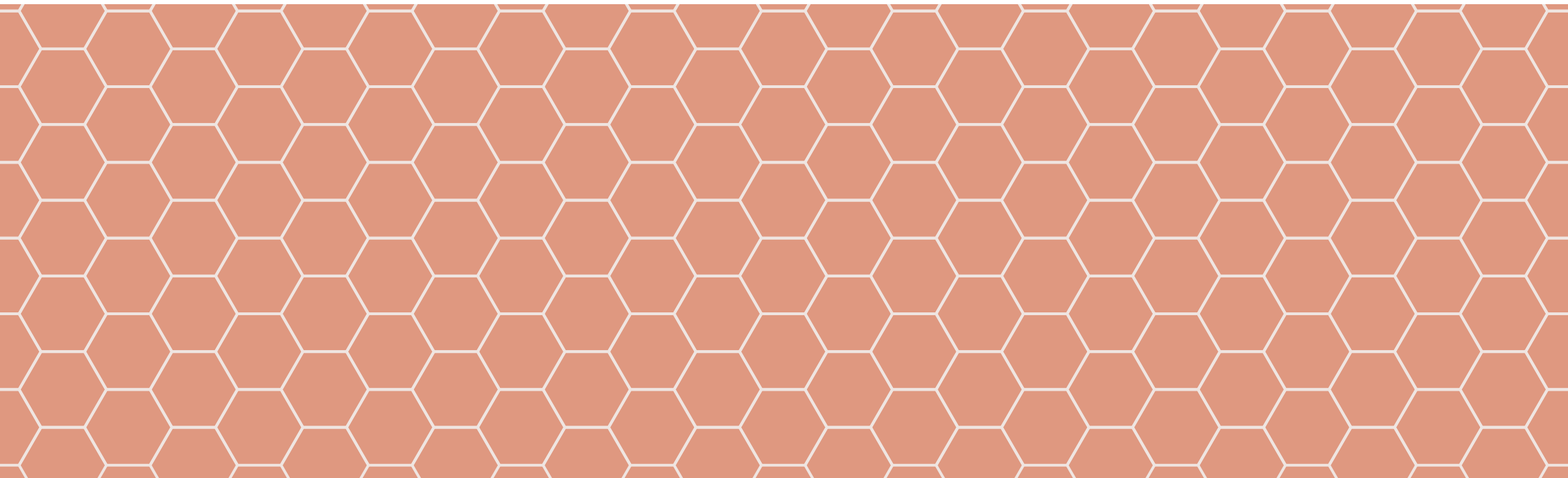
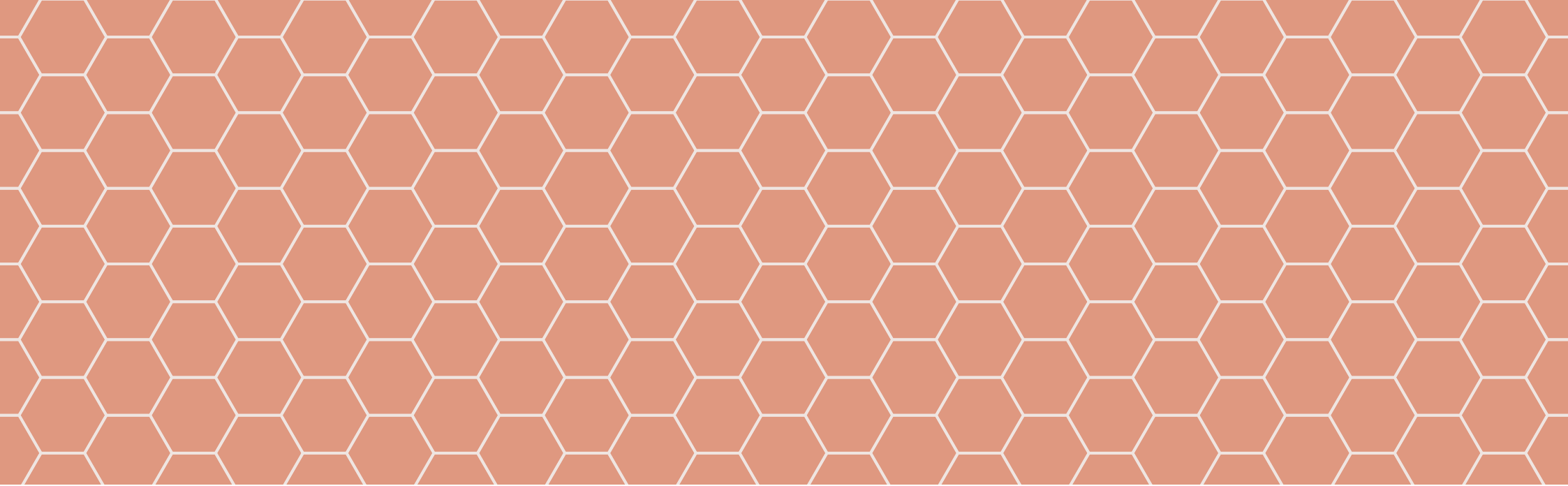
INVESTMENT IN INSTITUTIONALISATION

INVESTMENT IN PEOPLE AND SOCIETY

PRODUCTION AND RESPONSIBLE CONSUMPTION

INVESTING IN INNOVATIONS

PERFORMANCE INDICATORS





INVESTMENT IN INSTITUTIONALISATION



1.

INVESTMENT IN CORPORATISATION

1.1. Objective, Vision, Mission, Values



Our Objective

We passionately bring to life innovations that add value to life.

Our Vision

To be a leading company in the automotive industry with innovative technological products, advanced engineering applications and value creating activities.

Our Mission

To give confidence to all stakeholders by creating value with competitive products and services by utilising advanced technologies with a customer-oriented approach in the automotive sector.



Our Objective

We passionately bring to life innovations that add value to life.

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OUR VALUES

WE ARE
OPEN, HONEST
AND FAIR.

WE RESPECT
PEOPLE AND THE
ENVIRONMENT.

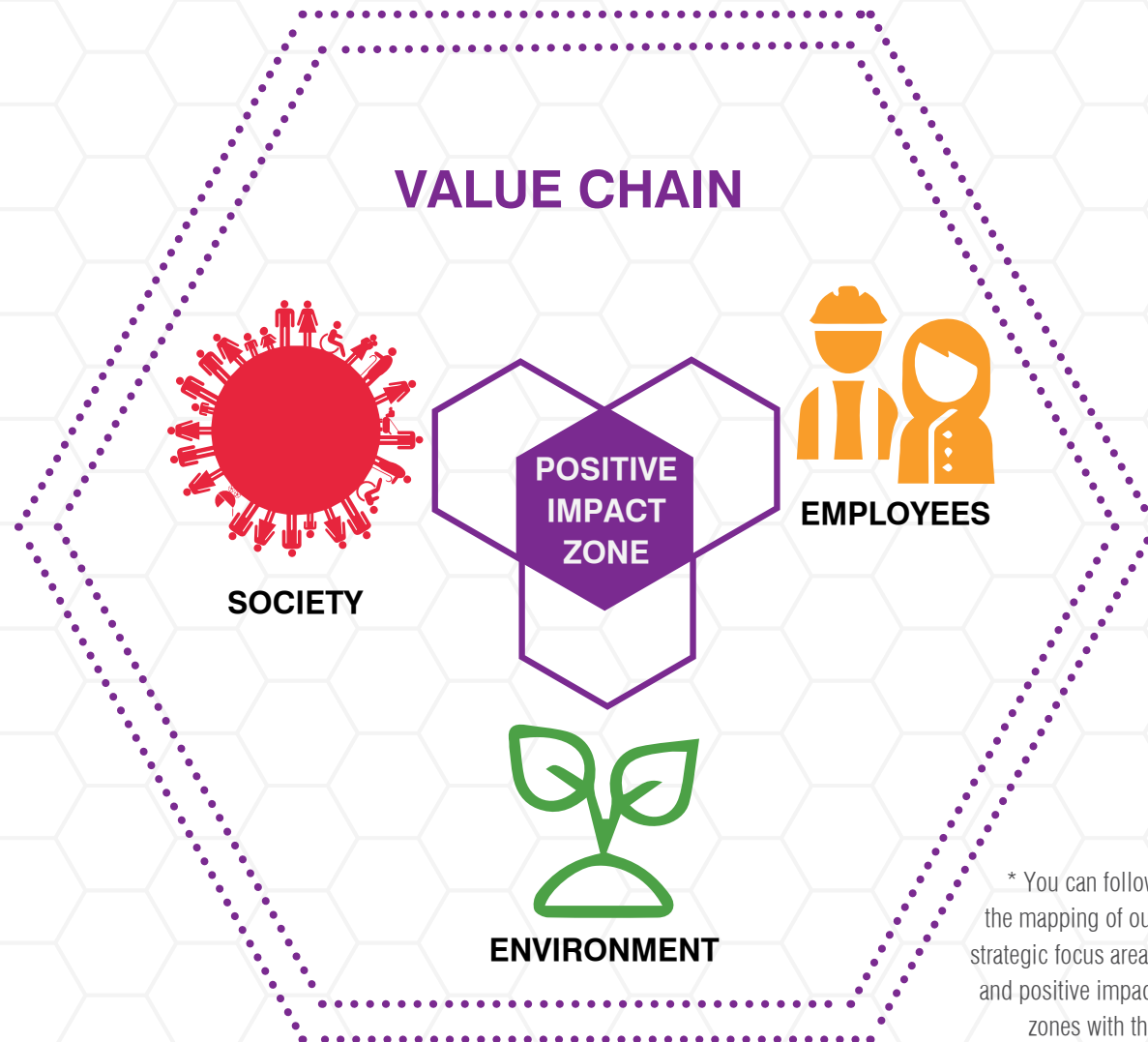
WE ARE CUSTOMER
ORIENTATED, WE
PROMISE AND
WE ACCOMPLISH.

WE ARE AN
ENTREPRENEURIAL
TEAM, WE WORK
WITH PASSION AND
THUS WE CREATE A
DIFFERENCE.

AS TKG GROUP, WE CREATE A POSITIVE IMPACT ZONE BY CREATING A VALUE CHAIN WITH OUR FOCUS AREAS
THAT WE HAVE CREATED IN INTEGRATION WITH OUR STRATEGIC PERSPECTIVE.



- 1 Operational Excellence**
 Creating competitive advantage through a lean and effective process and organisational structure
- 2 Relations with Stakeholders**
 Establishing respectful and productive relations with our stakeholders
- 3 Financial Discipline**
 Achieving profitable growth and maximising cash flow to achieve a better-than-average return on investment
- 4 Expansion and Growth**
 To grow our business by expanding our brand portfolio, utilising new channels and achieving geographical expansion
- 5 Employees**
 Providing the necessary tools, systems and working environment necessary for development



* You can follow the mapping of our strategic focus areas and positive impact zones with the colours next to the focus areas.



1.2. Corporate Management

TKG Group aims to become a global team player in the sector and increase its domestic and international market share by growing and rapidly adapting to innovations through its investments and integration, efficiency, Research & Development and innovation activities. TKG Group is well aware that its greatest strength is human resources and communication while achieving these goals.

Our company aims to continuously develop its employees with fair, innovative, transparent and effective human resources, to increase employee loyalty through active internal communication practices and thus to make its organisation which consists of “Competent Employees with Bonds of Love to the Company” permanent. Aiming

to be “an employer brand highly respected by everyone”, TKG Group believes in the power of professional and corporate management.

Our corporate management approach based on fairness, transparency and accountability, together with our financial discipline-oriented approach, has resulted in the shaping of our communication with all our stakeholders within the framework of trust. The corporate values adopted by the management of our company, centred around cooperation, responsibility, ethics and agility, guide us to conduct our business with high standards and integrity.

TKG Group carries out all its operations through a fair, open, accountable and direct communication management model in line with its ethical and transparent management approach. As a family company, it has adopted investment in

corporatisation and corporate management approach through corporate management principles, family constitution and the presence of executive functions in the companies.

The Administrative Board of TKG Group is the main management body that believes in the systematisation of corporate management mechanisms and the need to transfer this system from generation to generation and constitutes the sustainability of TKG Group Companies.

In order to ensure the professional functioning of the Administrative Board, the boards and committees reporting to the Administrative Board are the Executive Committee, Risk Management and Internal Audit Committee, Sustainability Committee, and Digital Transformation Committee.



1.3. Corporate Management of Sustainability

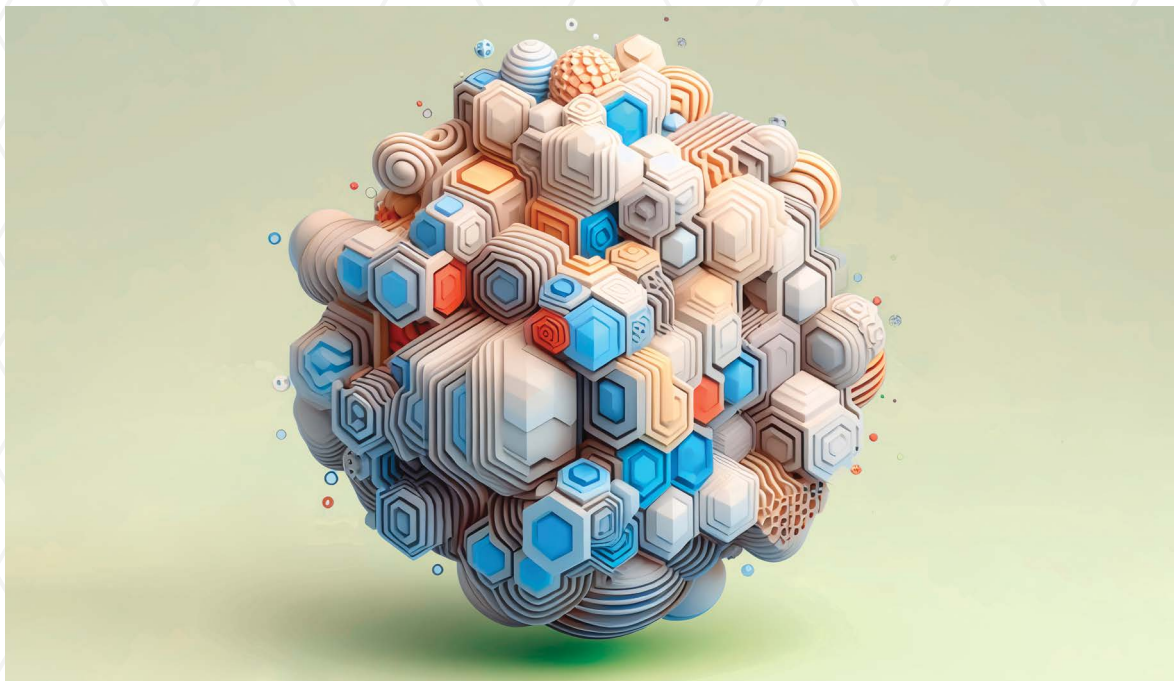
TKG Group's Corporate Sustainability Approach includes all environmental, social and managerial sustainability issues by addressing the business and future strategies. Our sustainability perspective addresses these matters with a holistic approach.

TKG Group has created a sustainability roadmap by analysing environmental and social megatrends that affect social and business lives on a global scale. Furthermore, within the scope of our roadmap, business trends and location-based characteristics have also been taken into consideration in order to link sustainability management with business strategies. The implementation and continuous monitoring of sustainability practices and

activities included in the roadmap are carried out under the TKG Group Sustainability Corporate Structure. In this structure, the working group coordinates the activities carried out in the companies and implements the annual work plans. The Sustainability Committee evaluates these activities twice a year and informs the Administrative Board of TKG Group on this issue.

The strength of our approach comes from dynamically assessing the current facts and needs and adjusting our strategies accordingly. The European Green Deal and the United Nations Sustainable Development Goals constitute the main guidelines we utilise to shape our sustainability practices and long-term goals, while regional specific requirements also play an important role in making our approach feasible.





1.4. Risk Management and Internal Audit

As set out in the Global Risks Report of the World Economic Forum, the assessment of risks in terms of economic, social and environmental aspects and their management with a holistic approach enables companies to adopt a sustainable approach to business. Through our internal audit mechanism available under the

roof of TKG Group, we identify the risks that we face or may face and act by preparing action plans regarding those risks. In this respect, we

gain competitiveness and develop sustainable business practices.

We acknowledge that internal audit brings a systematic and disciplined approach to evaluate and improve the effectiveness of the risk management, control and management processes of our group companies and assists the organisation in achieving its objectives.

As TKG Group, we incorporate an internal audit unit that operates with a risk-based approach

and focuses on basic internal controls within the framework of International Standards for the Professional Practice of Internal Auditing. This unit has been established with the aim of determining the level of internal control, identifying gaps and improving the control environment by utilising good practice examples, in addition to the realisation of the following issues:

- Establishment of the core internal audit function, the structure and functioning of the audit committee and the necessary internal audit governance and methodology within the framework of International Standards for the Professional Practice of Internal Auditing,
- Evaluating the adequacy of the internal controls established by reviewing the processes within the scope of the audit and presenting improvement suggestions for areas open to improvement,
- Identification of issues contrary to the principle of separation of duties of employees in the departments where process audits are conducted,
- Increasing the awareness of the employees of the organisation in the areas of process management, risk management and internal control.

Internal audit operations are carried out in parallel in all our companies in accordance with the above-mentioned objectives and are monitored at the level of the administrative board by addressing environmental, social and economic aspects in a holistic manner.

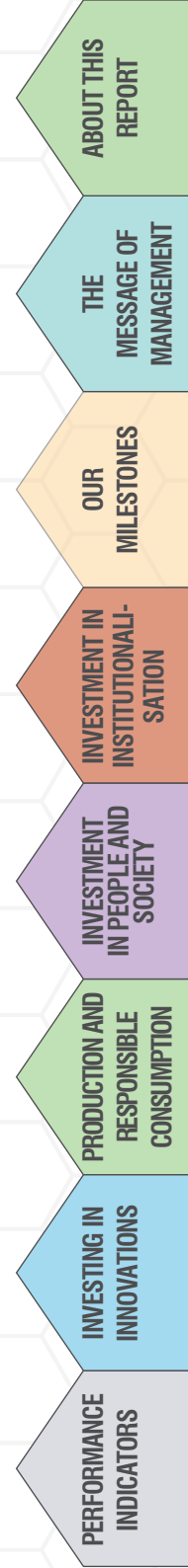
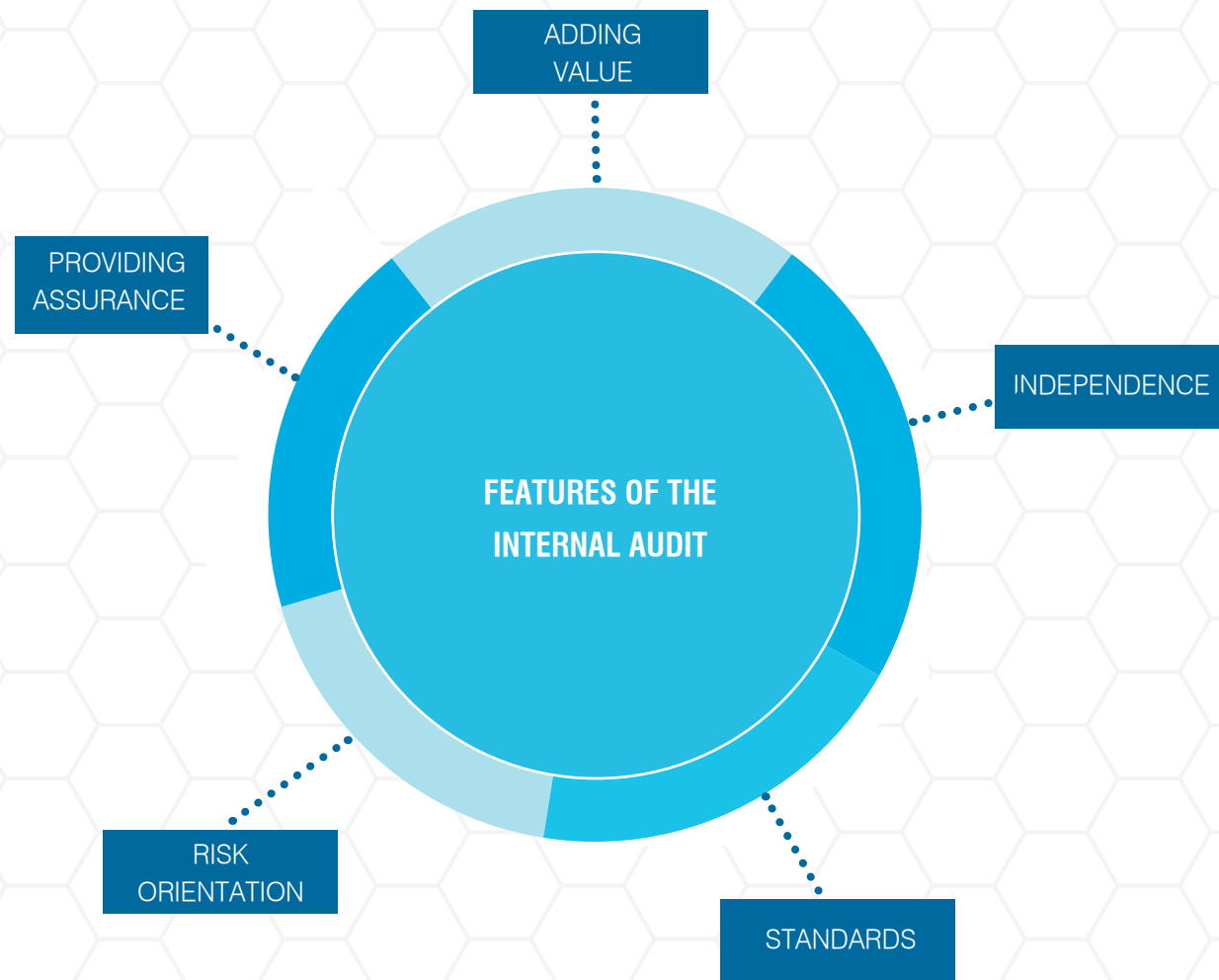
Our internal audit unit contributes to the achievement of strategic targets and sustainable growth of our companies.

The audit work carried out by our internal auditor contributes to the “establishing effective, accountable and transparent institutions” and “significantly reducing corruption and bribery in all its forms” in the “Peace, Justice and Strong Institutions” chapter of the Sustainable Development Goals.

In this context, in 2022, audits were conducted in purchasing, inventory management, sales activities, HR and corporate communication departments for compliance with internal audit activity plans and the results were reported.



Action plans have been created and implemented for the non-compliances identified during the audit and are followed up.





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INVESTMENT IN PEOPLE AND SOCIETY



The Sustainability Workshop was held at Sakura Japanese Park, the social facility of our factory, and “Prioritised Sustainability Issues” were determined.

“People are at the heart of our business ...”

2. INVESTMENT IN PEOPLE AND SOCIETY

The purpose of our motto “People are at the heart of our business”, which we have adopted as TKG Group, is to make a competent and highly committed organisation sustainable. At TKG Group, all processes for employees are carried out on the basis of respect for people.

TKG Group which regards its employees as one of its most important assets and places respect for human beings at the centre of its values, has shaped its corporate culture accordingly.

In addition to offering its employees a decent working environment with high standards and a wide range of social rights, TKG Group also contributes to the national economy with the employment opportunities it creates within the scope of sustainable growth.

TKG Group has identified Occupational Health and Safety (OHS), working environment and social activities, gender equality, support for education, skills and commitment management, and ethical approach as its prioritised issues.

2.1. Equality, Diversity and Inclusivity

Adopting an equal opportunity, diversity-respecting and inclusive approach towards its employees, TKG Group ensures a fair, egalitarian and human rights-respecting working environment regardless of gender, age, language, religion, race, sex and social status of its employees. TKG Group provides a working environment that offers equal opportunities for all its employees. TKG Group employees are also responsible for maintaining this environment and increasing its positive impact.



2.2. Support for Education

We are fully aware of the fact that education means the future. Therefore, in order to contribute to our country achieving the level of modern civilisation, we pay educational support to the children of all our employees once a year and provide educational scholarships for the children of some of our employees via MESS.



Moreover, within the framework of our university collaborations, we provide resume preparation and interview techniques trainings to young people preparing for business life and share our experiences in the sector with them. In line with the requests received from the student clubs of Bursa Uludağ University and Sakarya University, we host university students in our factories, share our experiences in business life with them and give them the opportunity to observe production activities on site. Furthermore, within the scope of the Applied Engineering Experience Education (UMDE) programme, which is a new model for raising more qualified engineers by the Department of Industrial Engineering of Sakarya University, we give students the opportunity to work as “Candidate Engineer” in our TKG Adapazarı plant for one semester.

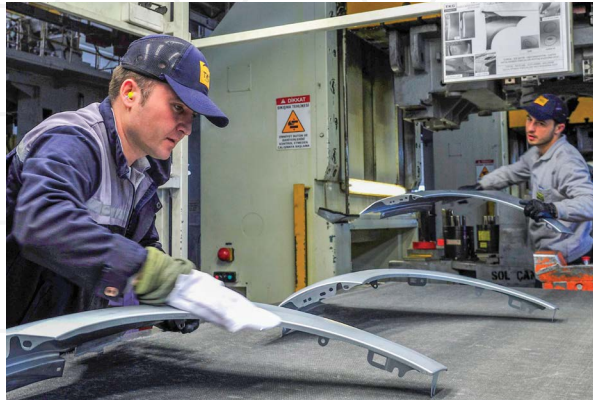
TKG Group aims to be a preferred employer brand with the development opportunities it offers, to invest in the learning and development of employees, to contribute to the increase in employee satisfaction and to build a highly

8 DECENT WORK
AND ECONOMIC
GROWTH



motivated employee profile that is committed to its company in accordance with all these. For this purpose, annual training and development planning

is carried out every year in all our companies. While making plans, requests from employees and competency-based development areas are taken into consideration. During the year, training requests received from employees or managers outside the training plan are also taken into account and trainings independent of the plan are also organised in line with these needs. Training sessions and participation rates of all employees are monitored. For employees, not



only trainings that provide technical competence, but also trainings through which they can improve their behavioural competencies are included in the planning. Personal Data Protection Law Awareness Training, Stress Management Training, Individual Awareness and Safe Behaviour Training, Feedback Training, OHS

Trainings, Personal Leadership Training, Change Management Training, Conflict and Cooperation Training are among the trainings that we provide. Furthermore, with the protocol we have signed with the Turkish Ministry of National Education, we are implementing a programme in which employees who do not have a vocational high school diploma are awarded a vocational high school diploma. Thanks to this practice, our colleagues are supervised by the instructors assigned within the scope of the programme, and at the end of the programme, they take an exam and receive a vocational high school diploma valid throughout Europe, while continuing their business life.

2.3. Contribution to Employment

TKG Group, which offers its employees a high standard working environment as well as extensive social rights, contributes to the Turkish economy with the employment resources it has created within the scope of sustainable growth. TKG Group, which acts inclusively in employment considers every potential candidate equal and valuable in line with its human resources policy. Objective interview methods and techniques are used in the recruitment process. In the recruitment process, it is aimed to achieve the company's strategies and targets by recruiting

candidates who are suitable for the culture and values of the organisation and who have the knowledge, skills, experience and competencies required by the job and position. Furthermore, SAP Success Factors application is used in our group companies in order to ensure that employee candidates can access accurate information about the company and benefit from internal promotion and rotation opportunities while making career choices. Employees can access up-to-date information about TKG Group, practices for employees, information about departments and open positions available in TKG Group via this application. Offering career development opportunities to its employees and prioritising employee loyalty and motivation, TKG Group filled 11 vacant positions in 2022 with the transition and promotion of internal candidates.

Attaching importance to contributing to young talents, TKG Group cooperates with universities and conducts a long-term internship programme within the scope of the Applied Engineering Experience Education (UMDE) programme.

10 REDUCING INEQUALITIES



Thanks to this programme, nearly 40 university students gain internship opportunities at TKG annually in accordance with the recruitment policy.



The aim of this programme is to employ young talents who learn the job at work, gain experience and have the chance to transfer this experience to their career journey. Internship students who graduate from this programme can continue their career journey at TKG as permanent employees by being recruited in line with the needs. Within the scope of Applied Engineering Experience Education, 6 students have been employed as employees so far after graduation.

Apart from our internship programme, we come together with young people at employment exhibitions as TKG Group companies in order to encourage the participation of young people in the labour force, increase their employability rates and contribute to the business world. As TKG Group, we attach importance to qualified employment and workforce. We are proud that TKG Automotive ranked 50th among the top 100 companies with the highest employment rate in Organised Industrial Zones in the OIZ Stars Survey conducted by OSBÜK (The Supreme Organisation of Organised Industrial Zones) in 2020.

2.4. Gender Equality

We value the principle of gender equality in line with social and economic development goals. Equality in society ranks among our core values. We carry out various activities to set an example for both the sector and the society in this regard. We carry out various projects with our group companies to ensure that women participate in business life. Thanks to these projects, we ranked 49th among the top 100 companies employing the highest number of women in OIZs in 2020. We also engage in awareness communication to support global solidarity movements that emphasise gender equality.

On November 25, 2019, within the scope of the “Day for the Elimination of Violence Against Women”, we shot a music video for the song “Break Your Patterns, Violence Is Just In Your Head” written and composed by our colleague with the idea that violence against women cannot be addressed and solved independently of violence in other areas of life. We raised awareness on the day of the combat against violence against women by publishing this music video on our social media platforms.

5 GENDER EQUALITY



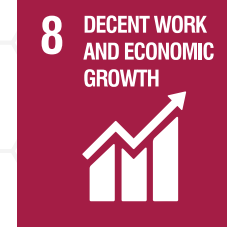
In 2022, within the scope of 8 March International Women's Day, we, as TKG Group, contributed to the Purple Roof Women's Shelter Foundation by purchasing environmentally friendly canvas bags designed by women artists and produced by women and the income of which is used for the benefit of women, to be given as gifts to all our female employees. In this way, we both undertook a corporate social responsibility project and raised awareness about 8 March International Women's Day by sharing the e-mail explaining the origin story of Women's Day with all our employees.

As TKG Group, we are well aware of the added value provided by a qualified labour force. In this context, we handle our remuneration policies in an inclusive manner in accordance

with the principle of equal pay for equal work, without making any distinction between the type of contract, gender, and the status of employees with special conditions. All employees are paid equal wages as long as they perform the same job regardless of their personal characteristics. No gender differences exist in remuneration.

2.5. Occupational Health and Safety (OHS)

We aim to create an occupational safety culture based on our proactive approach to employee health and safety, safe working environment and zero work accidents manifesto. It is aimed to protect all our stakeholders within the boundaries of the company from accidents and occupational diseases. ISO 14001:2015 and ISO 45001:2018 Standards Certification Audits have been successfully completed at TKG Bursa and Adapazarı plants. With the implementation of the ISO 45001 standard, we continuously monitor occupational health



and safety management, management of opportunities and risks, management of the occupational health and safety risks of contractors, management of expectations, participation and consultation of employees and related parties, management of changes resulting from OHS risks of contractors, and we have adopted these goals with all our employees. All routine and non-routine works and fields are evaluated within the scope of the risk analysis process. In addition, machine safety risk analyses are performed for all our machinery and equipment to ensure EN standard requirements. Through this analysis, risks are identified and, where necessary, urgent temporary measures are taken immediately. Permanent measures, starting from the most effective methods, are researched, defined as actions and put into practice. Risk analyses and other processes are reviewed within the scope of annual evaluations and feedbacks are collected to improve the system.

All OHS processes can be controlled by Perfective Occupational Safety Information



Management System. Through this software programme, all OHS processes are monitored in a digital environment and the system functions in integration with SAP and Outlook, which are open to all employees 24/7.

Within the scope of our zero-accident policy, artificial intelligence solutions are integrated into our factories and continuous field inspections are carried out. Audit outputs are analysed by risk assessment teams and necessary actions are identified from a proactive perspective.

Occupational Health and Safety Week is celebrated each year to ensure employee participation and popularise OHS culture. In this context, OHS Theatre, VR Virtual Reality applications and I'm Safe with My Knowledge OHS game events are carried out in our factories. Within the scope of two projects implemented in our TKG Bursa factories, we were awarded in 2 categories (Behaviour Focused Employees and OHS Ambassadors) in the MESS Occupational Safety Stars competition. TKG Adapazarı Automotive has been awarded the Certificate of Recognition award in the "Safety" category in 2022 for its OHS performance at our TKG Adapazarı factory. Based on the suggestions received from our employees in our factories and as a result of the evaluation of risk hunts,



"OHS Employees of the Month" are selected in TKG Bursa Company, while in TKG Adapazarı, employees who "Submitted the Best Suggestion of the Year" are selected and our winning employees are rewarded. In order to protect employee health and prevent occupational diseases, health checks are conducted by the workplace doctor beyond the legal regulations, especially taking necessary technical measures.

With the establishment of the ergonomics team in order for employees to work in suitable environments and conditions, Reba Ergonomic Risk analyses are carried out in the relevant areas

and/or machines and process improvements are implemented. Job-specific OHS trainings and legally mandatory occupational health and safety trainings are provided in each area. Moreover, employees are provided with professional competence certificates in accordance with the job description and legal regulations. As of 2023, the first recruitment OHS basic trainings will be provided using VR virtual reality technology.

Emergency drills are carried out in day and night conditions covering all shifts of our factories in order to raise emergency awareness among all personnel. After the earthquakes experienced in our country and all over the world, earthquake risk analyses were updated in our factories and actions were planned for structural and non-structural risks. Additionally, search and rescue teams and equipment were also reviewed, and it was ensured that the teams received professional training and their equipment was updated in compliance with AFAD (Disaster and Emergency Management Presidency) recommendations.

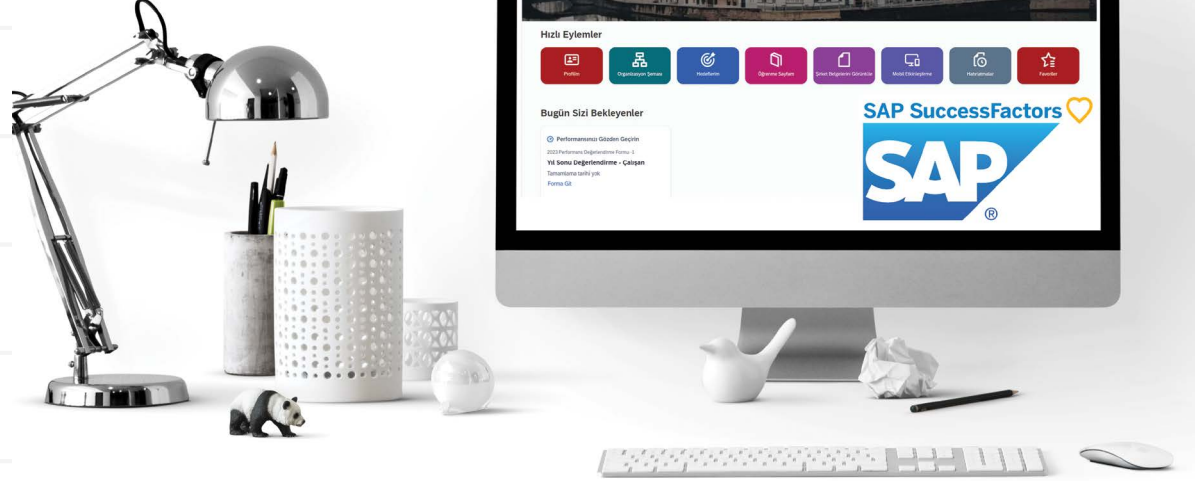
Monthly OHS board meetings and annual FGD meetings are held to monitor OHS performance and legal compliance and reported to the senior management and the processes are monitored by the senior management.

2.6. Skills and Commitment Management

The main tools that we use to manage the talent and commitment of our employees are the 360 Degree Evaluation Process and the Performance Management method, which we perform via SAP Success Factors. Furthermore, being aware of the parallelism between the personal development of our employees and the development of our company, we ensure and encourage our employees to participate in internal and external trainings in accordance with their needs in their career plans. In the light of all of these, we determine the behavioural and technical competencies of our employees and create career maps for them.

We offer opportunities for our employees to discover and develop their social and sportive aspects and evaluate the demands of our employees. The Nature Photography training and the establishment of the TKG Basketball team, which we organised in 2022, are among the

actions we have taken so far in this direction. With the picnics and concerts we organise under the title of "Family Days Activities", which are attended by our colleagues with their



families, we not only enable our employees to meet and mingle with each other, but also increase their sense of belonging and commitment to our institution. During these activities, we support their social development by organising playgrounds, various workshops for children, games, competitions and workshops for adults.

We value the suggestions of our employees and in this context, we enable our employees to share their requests, suggestions and thoughts with our management through our digital suggestion portal. In the last quarter of 2017, we developed this system on SharePoint, allowing all our

operational employees to make suggestions from any platform (phone-computer-tablet) at any time through their accounts created. We are preparing to digitise many documents used by our employees, especially expense, leave, embezzlement and advance payment forms, with the Juno programme, the infrastructure of which we have prepared by creating social intranet and in-house communication solutions with our SharePoint portal. We aim to transfer our human resources processes to the digital environment through these applications and provide our employees with easier access to human resources applications.

8 DECENT WORK
AND ECONOMIC
GROWTH





Additionally, we transform some of the practices we carry out within the scope of our human resources processes into social responsibility projects. For instance, we work together with the Hope Foundation for Children with Cancer (KAÇUV) in the new job start processes of our office workers in our Plus Tooling company, and we contribute to the foundation by purchasing the recruitment gift packages we present to our employees from this foundation.

Remuneration policy of TKG Group has been established as a part of the strategy “promoting fairness and market competitiveness within the company”. A job evaluation system covering all employees is in place and a competitive wage policy is implemented by reviewing wage policies

3 HEALTH AND QUALITY LIFE



and comparing them with market data every year. In order to recruit the labour force that will carry the company to its targets, all arguments related to wages and fringe benefits are compared with today's market conditions and are updated accordingly, especially by carefully monitoring the data of the automotive sector in which the company operates. At the same time, TKG Group respects the freedom of its employees to join a trade union and to make collective labour agreements and is a member of the Union of Turkish Metal Industrialists (MESS). Collective labour agreements are concluded with the Union of Turkish Metal Industries for all our field employees in our workplaces. Some of the non-wage fringe benefits that TKG Group provides today and will continue to provide positively in the future to both office and field employees through these agreements are as shown below:



- Private health insurance covering employees,
- Voluntary Individual Pension System (BES),
- Various performance-based bonus systems covering all our employees,
- Equipment such as tools, phones, tablets, etc. depending on the positions,
- Monetary social benefits covering all positions (provisions, shoe vouchers, detergent allowance, holiday allowance, etc.)
- Online and continuous learning training opportunities through the MESS training platform for their professional development.

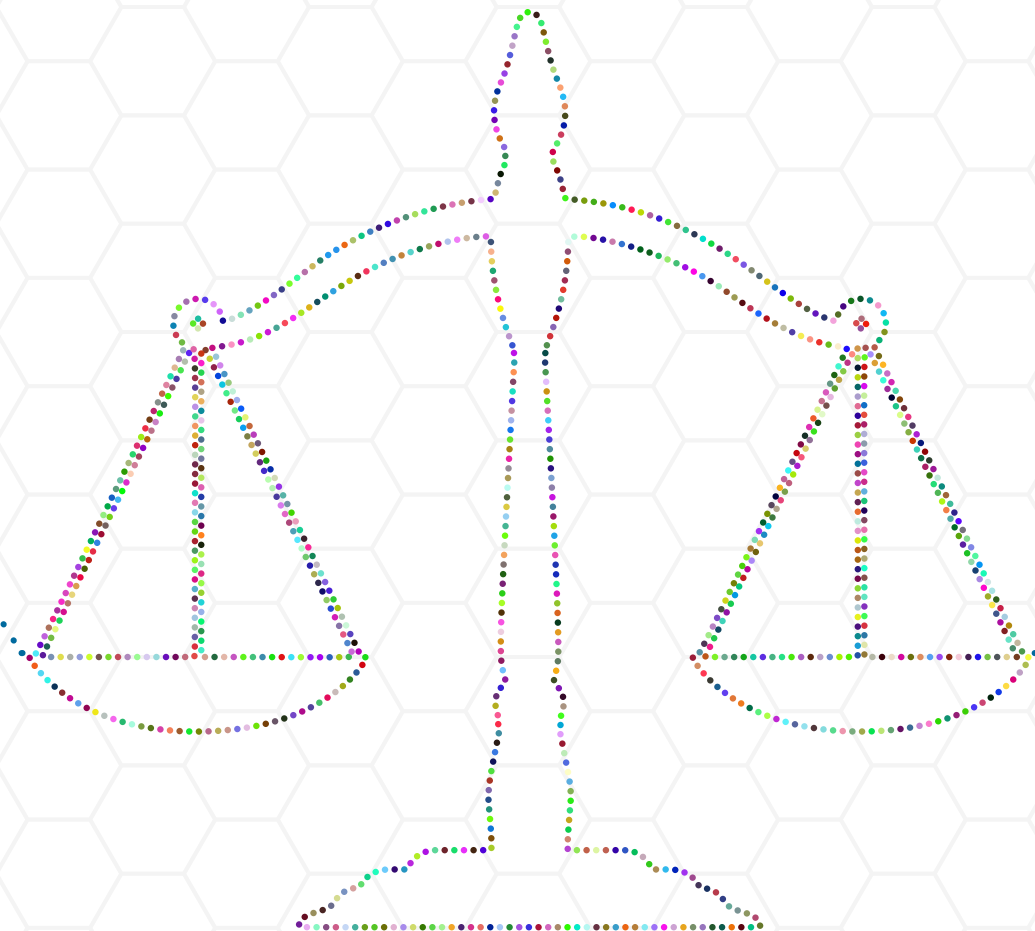
4 QUALIFIED EDUCATION



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR PURPOSES



2.7. Ethics and Human Rights

The Code of Ethical Conduct of TKG Group has been established to cover the values of TKG Group and to serve as a guide for the employees of our company in the decisions they will make and the behaviours they will display while performing their duties. All employees of TKG Group, including temporary staff, are obliged to

comply with the Code of Ethical Conduct of TKG Group. Informing all employees of the Code of Ethical Conduct of TKG Group and ensuring that employees give due importance to these rules and exhibit appropriate behaviours are among the primary duties of all managers working in our group companies. The Code of Ethical Conduct of TKG Group also aims to prevent child labour, forced and compulsory labour practices,

to prevent human rights violations such as unregistered or child labour employment, and to work with suppliers and subcontractors where these violations are not committed. Moreover, an ethics committee has been established at TKG Group in order to raise awareness on the human rights compliance process. The ethics committee provides ethics training to its TKG Group employees annually.



2.8. Volunteering

TKG Volunteers, consisting of our employees, carry out activities that will contribute to social life and the environment and raise the awareness. Our volunteers support the projects we have created by considering social sensitivity. Various activities such as collecting food leftovers and transforming them into food for stray animals, meeting the needs of schools or health institutions, helping those in need in disasters such as fires, floods, pandemics and earthquakes that hurt society and public conscience constitute a part of our volunteering movement. The donation of PCR test cabinet we

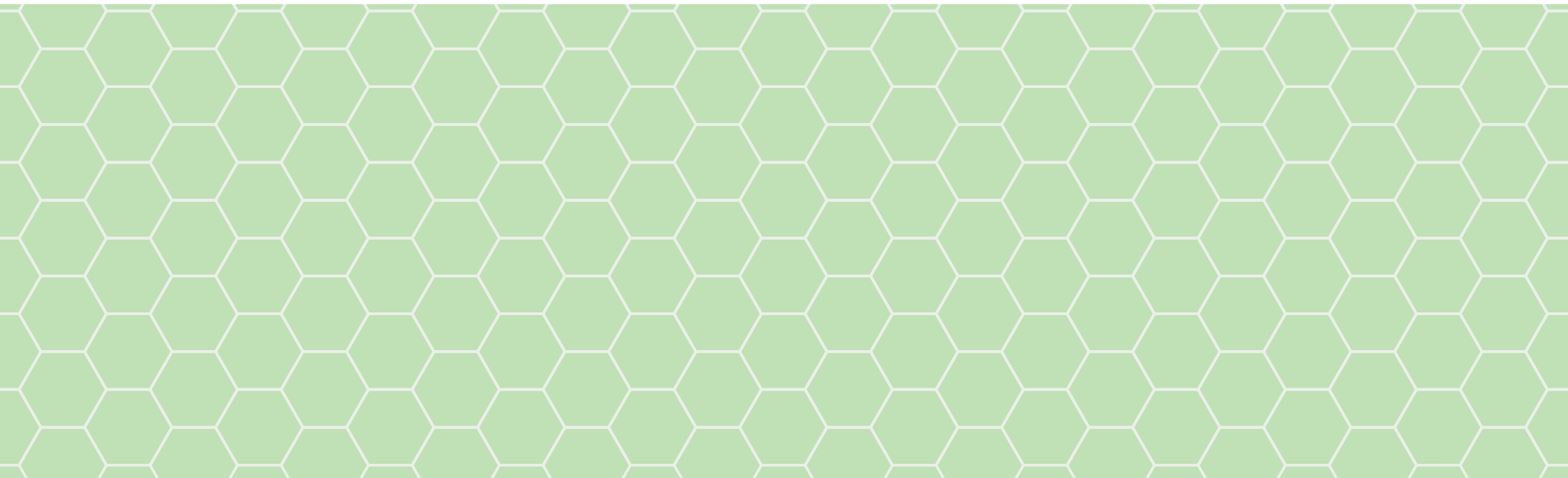
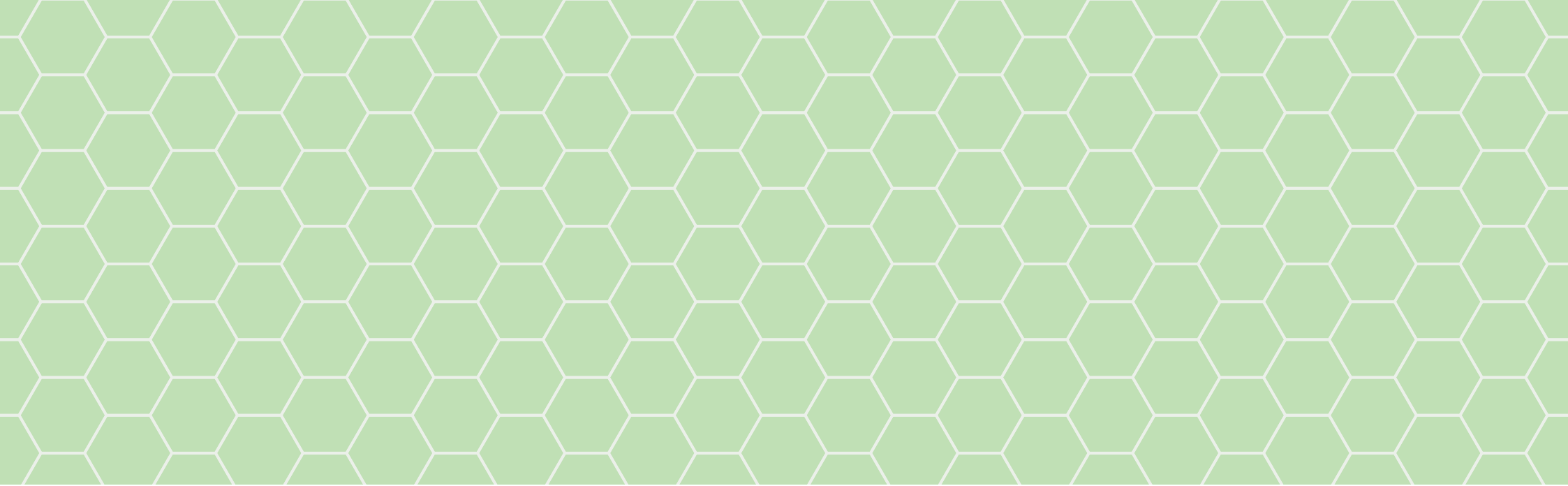
had built during the pandemic period and the donation of the books collected in our TKG Book Club to the libraries of schools in need are among the examples we can give for our volunteering movement.

2.9. Sustainability Awareness Training

Established in 2022, the TKG Group Sustainability Committee consists of managers and employees working in relevant fields. The aim of the committee, which is accountable to the Administrative Board of TKG Group, is to raise awareness of sustainability issues covering environmental, social and corporate governance areas throughout the employees and to ensure

that the priority issues identified in the field of sustainability are managed strategically. The Sustainability Committee organises awareness trainings in line with the needs of employees. During these trainings, the sustainability activities of the relevant period, the results and progress of these activities are shared with all employees, and then the questions of the employees are answered. In this way, individual awareness is created for a sustainable world, individuals are made aware of environmental and social problems and employees are encouraged to take responsibility for these problems. In 2022, online awareness trainings were organised in 4 sessions and were held in all group companies.





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INVESTMENT IN PRODUCTION AND RESPONSIBLE CONSUMPTION



3. INVESTMENT IN PRODUCTION AND RESPONSIBLE CONSUMPTION

In all our production processes, we adopt the responsible consumption approach, which is one of the basic principles of the concept of sustainability, and adapt our activities accordingly. In particular, we create proactive approaches and optimum solutions on issues such as reducing emissions from production, energy efficiency and waste management.

Reducing carbon emissions, which has become one of the most important global trends all over the world, especially after the Paris Global Climate Agreement, constitutes one of the main elements of our strategy. In line with our strategic plan, we aim to reduce our carbon emissions by 30% by the end of 2024. In this context, we attach great importance to renewable energy and other emission reduction activities. By 2026, we aim to reduce carbon emissions by 50% compared to 2021.



3.1. Efficient Use of Resources

As TKG Group, we are working on the reduction of carbon emissions, which has become one of the most important global megatrends all over the world following the Paris Global Climate Agreement and constitutes one of the main elements of our company strategy. Our targets are set by considering the requirements of the European Green Deal in order to reduce our carbon emissions from production activities and we take the necessary actions such as the installation of solar energy, among other initiatives. Within these activities, we attach particular importance to renewable energy investments and endeavour to integrate them into our processes. For this purpose, in 2022, we carried out the feasibility of solar photovoltaic energy generation systems based on electricity generation with renewable energy in our TKG Bursa, TKG Adapazarı and Plus Tooling



companies. Roof solar energy applications stand out within the scope of these feasibility plans.

In the first stage, we decided to build a rooftop solar energy system for domestic consumption in 2 locations of our TKG Bursa company and 2 locations of our TKG Adapazarı company. While making this decision, we took into account parameters such as the constructive structure of our roofs, roof areas, electricity consumption of our locations, regional solar radiation, carbon emissions generated. In the light of these feasibility studies, we based on the principle that the projects should first meet our domestic electricity consumption with maximum production.

The use of domestic equipment has been prioritised with the collaborations we have established with the initiation of the necessary applications and legal processes. In addition to

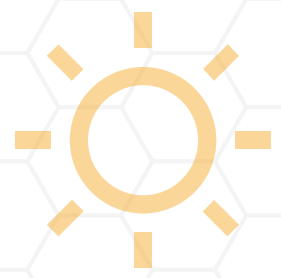


the vision of using 100% domestic panels, we have also included the use of domestic resources as much as possible in the selection of other equipment.

In our projects, where we have completed all project and legal procedures and are now in the assembly phase, we have prioritised the optimisation of logistics activities in order to minimise the emissions that may occur during the construction period.

Domestically produced solar panels were used in our projects that we have completed their installation.





5.521.900
KWh

Partial energy consumption

In this way, this cost item, which constitutes a large part of the costs of solar energy systems installations, remained in the country and made a significant contribution to economic sustainability.

With the projects completed, a 2,410 MWp rooftop solar energy system has been installed in our TKG Bursa company and Plus Tooling company, covering the roof area. By this means, we plan to increase our annual renewable energy production to 2.985.300 KWh. In addition, we will have reduced carbon emissions by approximately 30%. Moreover, the total MWp capacity of our solar energy system at TKG Adapazari has reached 2,236. Thus, we provide annual renewable energy production of 2.536.600 KWh, which will provide 40% emission reduction, and



prevent carbon emission. In addition to all these renewable energy production investments, we are constantly researching what we can do to bring our emissions to net zero level.

With the collaborations and networks we have established, we have adopted a sustainable renewable energy management strategy by making the feasibility of other renewable applications as well as electricity generation in solar energy.

Besides, we carry out many improvement activities for the efficient use of energy and water in all three companies. The main ones are as follows:



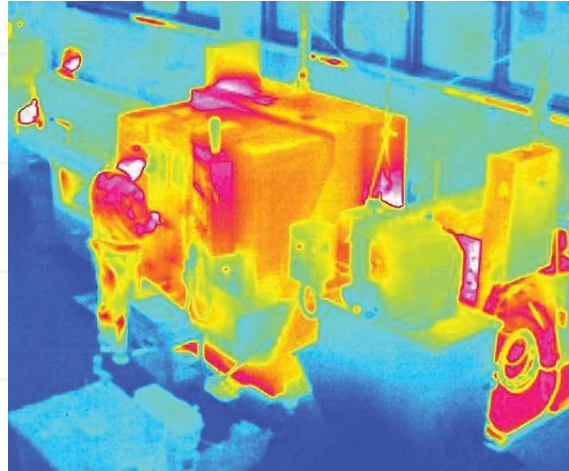
- Elimination of compressed air leaks,
- LED transformations in lighting,
- Lighting automation,
- Centralised management and automation of the heating system,
- Recovery of compressor waste heat,
- Motor drive applications.





The specific energy consumption of the compressors (the amount of energy consumed to produce 1 Nm³ of compressed air) was calculated through the compressed air usage optimisation performed at TKG Adapazarı. Based on the calculations, a compressor with a driver was implemented within the scope of the improvement action, thus both preventing the compressor from running at idle/load and enabling the same flow rate to be generated with less energy since the specific energy consumption of the compressor system with a driver is lower. With this modification, 157.171,90 kWh/year energy saving has been achieved.

Within the scope of predictive maintenance works, air leakage measurements of the equipment are carried out periodically and air



leaks are eliminated. In this respect, 3.160 l/min air leakage was detected and eliminated throughout the year. The line has been converted from fishbone type to closed loop ring line in order to deliver compressed air efficiently to all parts of the facility and to prevent fluctuations of flows and pressures. Thus, the pressure set value of the compressor has been reduced.

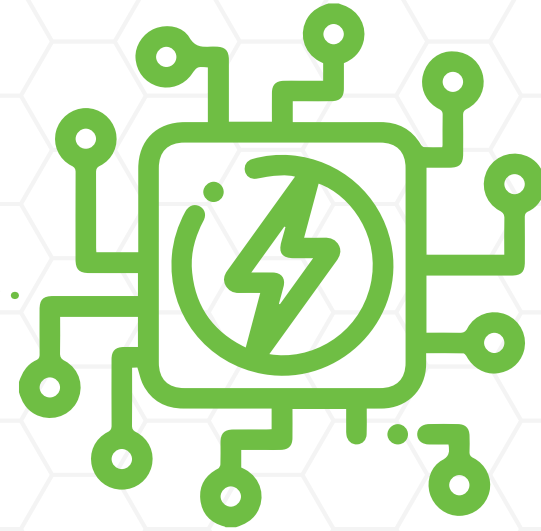
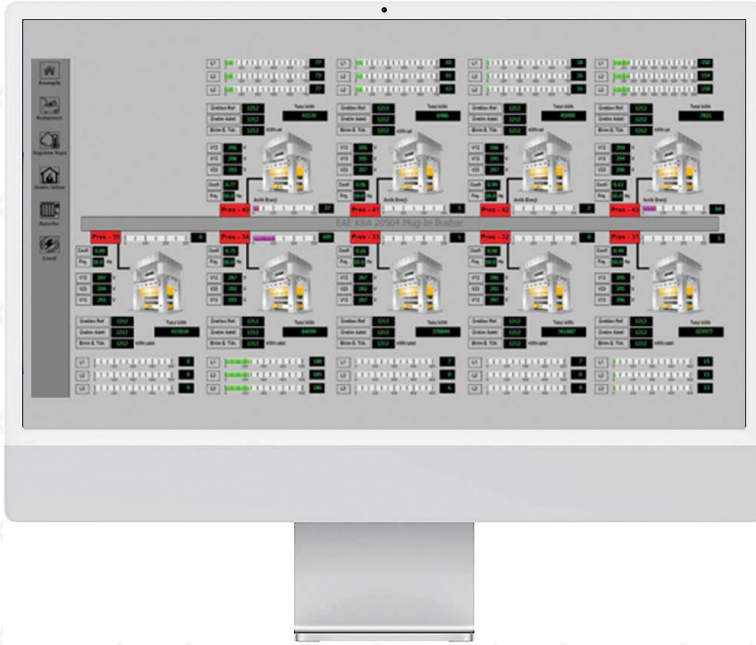
The entire lighting system in the factory has been made controllable by automation. Thus, the opening and closing hours of the luminaires are determined in advance and unnecessary energy loss is



prevented. Efforts have been continued to ensure that the system is activated in a daylight-sensitive manner in order to increase efficiency.

The Energy Monitoring System has been commissioned in order to monitor the energy consumption of the equipment in detail and to determine the target points in energy efficiency studies in detail. Thus, the entire factory can be monitored simultaneously from a single screen. According to the working principle of the canvas





doors for thermal gain, each time the doors are opened, the door is opened to the highest point. This situation used to cause heat loss in winter months as it increases the air circulation in the factory. The opening distance of the sectional material doors in the factory area have been limited to the level sufficient for vehicle passage and heat loss has been prevented. Through oil filtering practices, press gear oil was recovered and reused within the limits in accordance with the standards, thus preventing 1500 litres of oil from becoming waste. Awareness of our colleagues about sustainability and energy saving has been increased through energy efficiency

information presentations. The in-production heating system of our TKG Bursa OSB 2 factory was connected to the SCADA system we created and human intervention was completely eliminated.

The ambient temperature information from each heat sensor is compared with the set temperature and the radiators are automatically switched on and off. Therefore, less energy is consumed. Again, through our own SCADA software, energy data are instantaneously monitored in 9 presses in our TKG Bursa OSB factory and recorded to the SQL database at 120-second intervals. In

addition, the waste heat of the compressor in this factory is used for heating the water for cafeteria use, and the waste heat of the compressor in our OSB-2 factory is used for heating the water for social building use and the heating system.

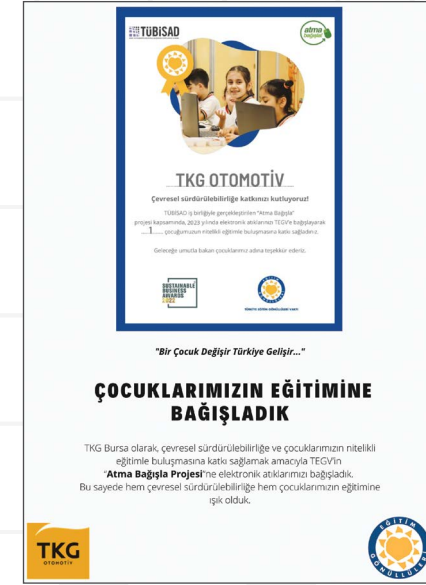
With these recovery systems, heat gain is obtained and consumption of natural gas energy is reduced.

7 ACCESSIBLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATIVENESS AND INFRASTRUCTURE





3.2. Environmentally Friendly Production, Waste Management and Circular Economy

We implement a recyclable approach to all of our wastes generated as a result of our production activities, and we take the necessary actions by taking steps towards this. The zero waste and ISO 14001-2015 certificates we hold are the most important indicators of such an approach.

We start waste management with separation at source. In this context, the general waste containers in the offices have been removed and common areas in accordance with the zero-

waste regulation have been determined so that all employees can correctly separate waste at the source. Furthermore, all single-use plastics used in the cafeteria were removed, contributing to the prevention of environmental pollution caused by plastics. By switching to biodegradable types of disposable gloves, which are frequently used in maintenance activities, we act with the vision of minimum impact on nature in the waste group that cannot be reduced. Another waste minimisation activity at the source is the

daily sorting of food residues generated in the cafeteria and giving them to animal shelters. Thus, waste minimisation is achieved and at the same time, the nutritional needs of our animal friends are met.

In order to contribute to sustainability and to provide quality education for our children, we donate our electronic waste to TEGV's "Don't





Throw It Away, Donate It Project", contributing both to our environment and to the education of our children.

We also act extremely carefully and responsibly in terms of water consumption. We prevent unnecessary consumption by using water repeatedly through our closed cycle systems. In the factory cafeteria and washbasins, we have switched to economical faucet type and thus our water footprint has been reduced by 80%.

In addition to all these activities, we also carry out awareness-raising activities. In order to increase employee awareness of carbon footprint on the occasion of World Environment Day, "EACH PEDAL IS A PLANT" activity was organised and 500 saplings were donated to the Aegean Forest Foundation thanks to the energy generated in this context.

Our factories were deemed worthy of the bronze award by BOSIAD in the Environmentally Friendly Facility Competition, to which we applied with our projects that contribute to the environment.



3.3. Sustainability in the Supply Chain

In the supply chain, which constitutes one of the most important elements of our value chain, we carry out our practices in a way to convey our understanding of sustainability to the very end. In this context, we evaluate the environmental performance of all our suppliers. The results of these evaluations are shared with them and their progress is monitored in areas open to improvement.

At the same time, we constantly share ideas to establish collaborations in terms of sustainability by creating common platforms. Our Supplier Quality Assurance (Software Quality Assurance, SQA) team, which we have formed to conduct supplier activities, consists of our colleagues from purchasing, quality and project departments.

Our team, which regularly organises supplier development activities for the following year at the end of each year, submits our “Supplier Risk Analysis” questionnaire, which includes questions related to sustainability, to all suppliers to be worked with for the first time and conducts audits. The purpose of this audit is to determine the risks before starting to work with the supplier and to decide whether to work with this supplier or not. We also apply this audit to our suppliers

with whom we work in series and whose performance we see risks.

We have a Supplier Performance Evaluation system for our current suppliers conducting mass production and the outputs of this system are prioritised in the actions to be taken by our SQA team.

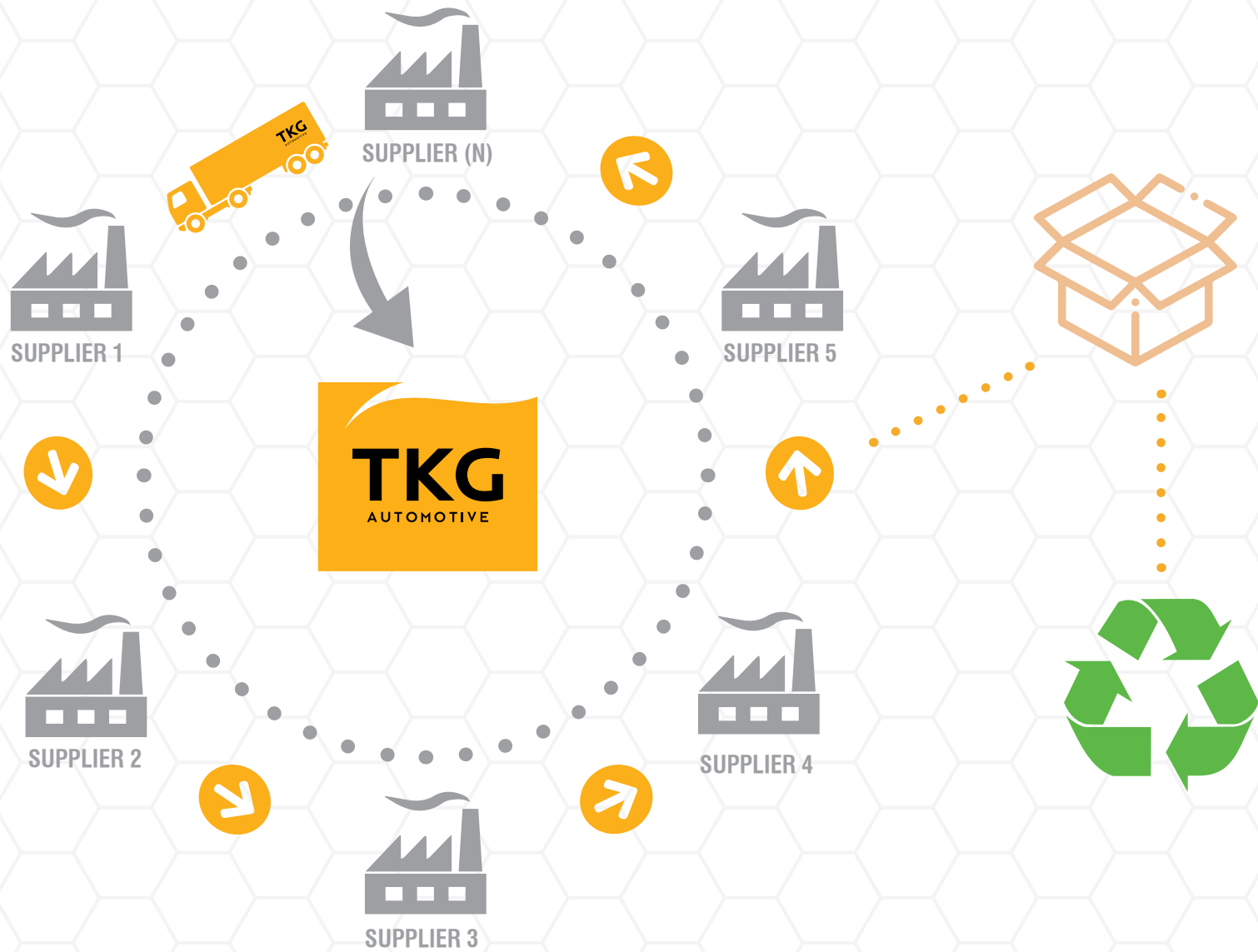
When determining SQA activities, our suppliers with low scores in supplier performance outputs are prioritised, and at the same time, even if the results are not low, we organise activities according to the improvement issues we have identified specifically for the supplier.

The purpose of supplier performance monitoring is to determine the performance of the supplier in regular periods according to the parameters we have determined and to follow up the actions to be taken. Moreover, if the mass production process for a product is to start for the first time with a supplier, we carry out an audit on the “Mass Production Checklist” and determine whether our supplier is ready for mass production conditions. Another type of audit is supplier audit. In this type of audit, we organise process and system audits to check the compliance of our suppliers in terms of quality management system (IATF), environment and occupational health

and safety management systems (ISO14001; ISO45001). As an output of all of these activities, we ensure improvements in the performance results of our suppliers and aim to ensure the sustainability of our work.

In this context, we shorten the distances through Milkrun operation in our Adapazari factory. With the project we started in 2017, parts are collected from 7 suppliers on the same day with the optimum route. In this way, we started to use recyclable plastic and steel packaging instead of single-use cardboard packaging. By shortening transport distances, energy efficiency and savings have been achieved.

Internal logistics SAP readiness project has been developed in SAP for all material and semi-finished part supply operations through SAP readiness system. Thanks to the system, the transport movements of the parts supply operation to production have been optimised and energy efficiency and the risk of faulty production losses have been prevented. In addition, TKG Adapazari Automotive was awarded the Achievement Award in the “Supply” category at the award programme organised by Toyota Motor Europe (TME).



By switching to environmentally friendly carriers with Li-on batteries, we contributed to our sustainability efforts. With the practice we started in 2019, we switched to environmentally friendly LI-ON batteries instead of water batteries in the stacking vehicles we purchased or rented. The new environmentally friendly LION battery was commissioned in a total of 8 vehicles (70%).

Paper consumption has been reduced by switching to the electronic dispatch note system instead of paper dispatch notes as of 2020. Glove and personal protective equipment consumption was taken under control by commissioning personal protective equipment vending machines.



3.4. Product Quality and Safety

As TKG Group, “product quality and safety” constitute one of our business priorities, which are managed at the highest internationally recognised standards. In addition to the standards required by the industry, many standards are applied in our companies to meet customer expectations and act in accordance with customer specifications. We consider many audits, surveys and specifications carried out by both independent organisations and our customers and prospective customers within the scope of production, quality and sustainability as an opportunity for development, and we take our actions accordingly.



PERSON



MACHINE



MATERIAL



METHOD



CHAIN





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INVESTING IN INNOVATIONS



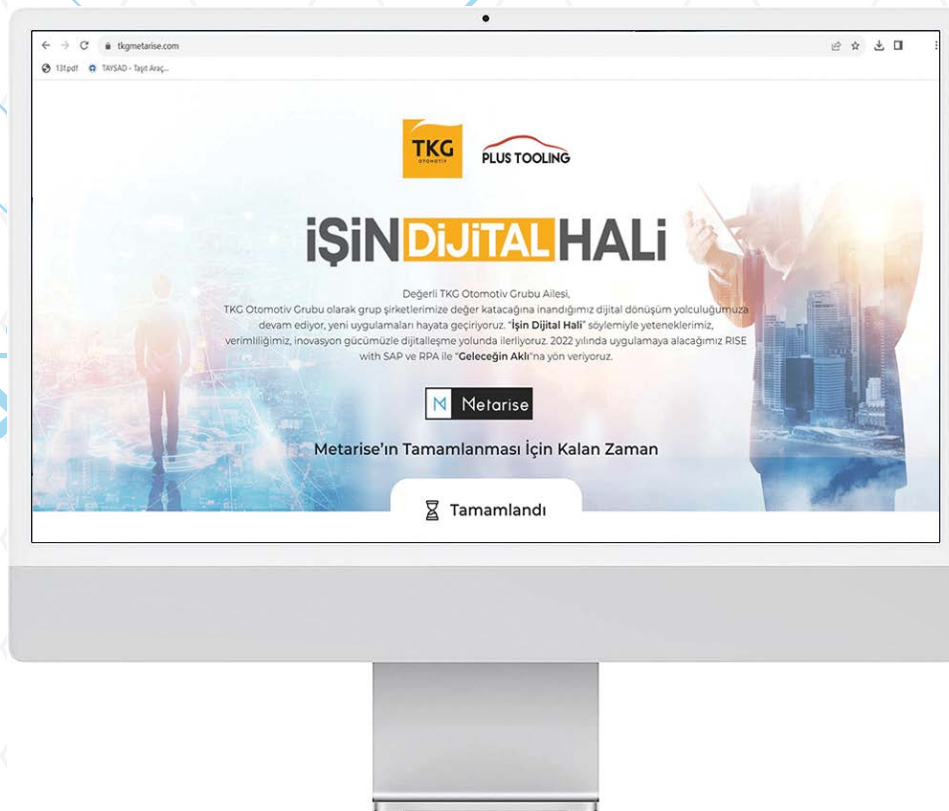
4.

INVESTMENT IN INNOVATION AND INNOVATIVENES

We manage natural resources in a more responsible and conscious manner through innovation in order to adapt to the requirements of the age, to ensure smarter and more sustainable use of resources and to support our future growth strategies. We have adopted digitalisation, which encompasses new technologies, and we make it effective in our processes.

9 INDUSTRY,
INNOVATIVENESS
AND INFRASTRUCTURE





4.1. Innovativeness

Innovation has always been a critical factor for long-term success. Within the scope of our sustainability efforts, we keep our ideas about products, technologies and ways of doing business up-to-date and in this context, we stand out in the competitive environment by creating an impact on our stakeholders.

The key to navigating this process is digitalisation and an innovative perspective. Digital transformation changes not only technological developments but also business models, the way of doing business and company visions.

As TKG Group, digitalisation projects that will create value for all our stakeholders are prioritised

and our investments are made in this direction. In all these processes, we focus on producing environmentally friendly products, using natural resources in the most efficient way and how the risks and impacts of risks can be eliminated. From this perspective, we prioritise innovative methods to redesign products and services.



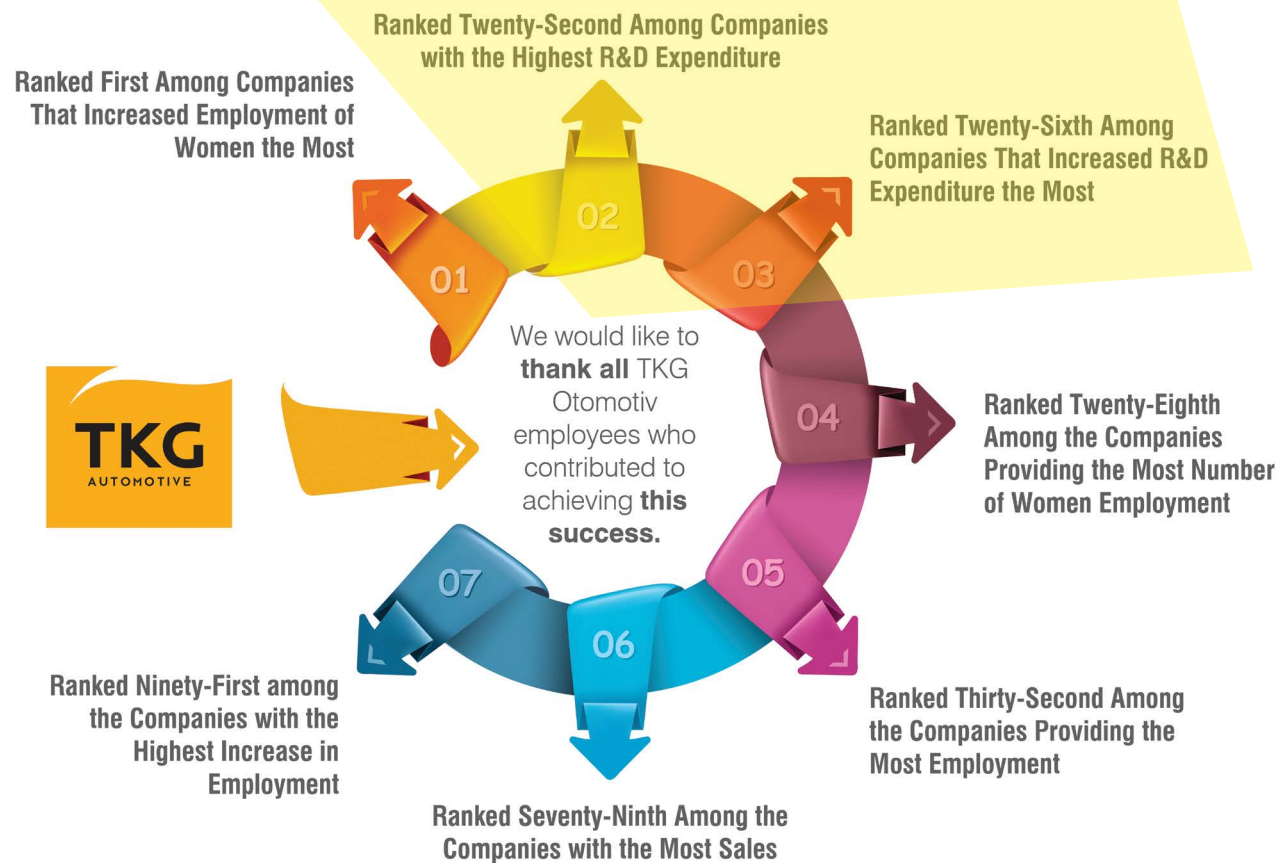
4.2. Our Research & Development Studies

As the Research and Development Centre of TKG Automotive, the following three elements have been adopted in order to ensure sustainability in line with the vision, mission and quality targets of our company:

- Economic Sustainability
- Sustainable Production
- Sustainable Application



TKG has achieved success at the national level with R&D.



7 SOURCES OF GREAT PRIDE FROM TKG

We experience the justified pride of being listed in 7 different lists in the **OIZ Stars Survey** conducted by **OSBÜK** in cooperation with **TEPAV**.



A university-industry protocol was signed between Bursa Technical University and TKG Automotive.



4.2.1. Economic Sustainability

Ensuring economic sustainability can only be possible by following current technologies, developing new Research and Development projects using these technologies and gaining the ability to implement them. Our Research and Development strategies have been shaped in this direction in the short, medium and long term.

Our Strategies;

A. Short-term strategies (1-3 years)

A-1. Gaining design and analysis competence for battery parts in electric vehicles

A-2. Gaining design and analysis competence for crash dynamics components used in the automotive industry

A-3. Employment of qualified personnel who have completed their master's degree

A-4. Increasing university-industry cooperation

A-5. Development of production and control processes that provide cost reductions based on efficiency and material and energy savings

A-6. Initiation of projects to improve production processes and speeds with innovative design and system components in mechanical joining

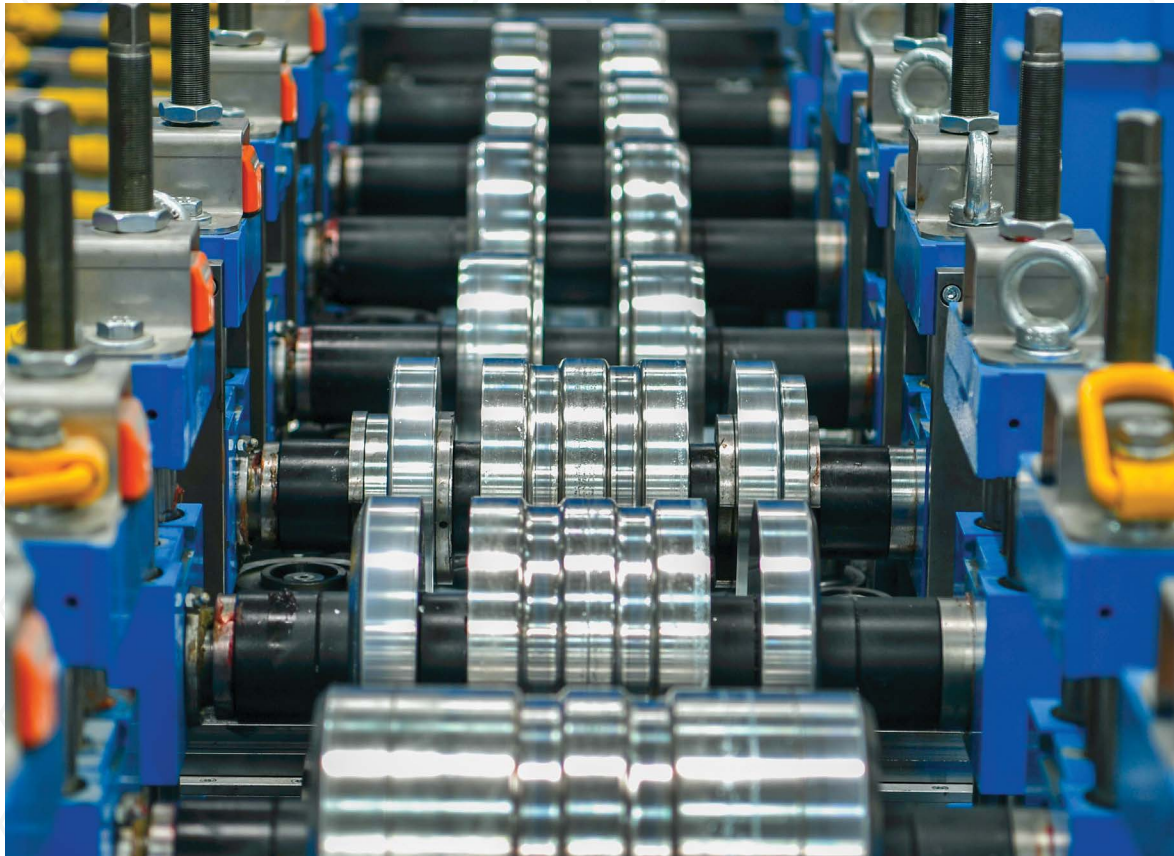
(rivet, clamping, etc.) systems

A-7. Development of vehicle lightweighting projects (use of composite materials for heat shields)

A-8. Development of national projects with public support

A-9. Increasing studies on intellectual and industrial property rights





B. Medium-term strategies (3-7 years)

B-1. Being able to provide service to global customers with alternative design, material and process suggestions with different production processes

B-2. Increasing the level of competence regarding Industry 4.0 applications

B-3. Developing projects for the development of

Robot-Robot and Robot-Human Interactive special production cells

B-4. Improving process speeds with hardware and software developments in robotic applications for the production of automotive parts

B-5. Developing international projects with public

support and ensuring participation in consortiums

B-6. Establishing permanent collaborations with universities abroad

B-7. Carrying out Research and Development activities for the development of battery boxes for electric vehicles and to present a paper on this subject at a national/international symposium or congress.



C. C. Long-term strategies (7-10 years)

C-1. Establishing strategic research and development and innovation collaborations with companies operating on a global scale

C-2. Providing services to potential customers as a co-designer (Co Designer) with global companies

C-3. Ensuring quality production and efficiency by using virtual reality technologies in production systems

C-4. Carrying out more comprehensive research and development projects by adding a new location to the R&D Centre and increasing the number of personnel

In this context, 32 research and development projects have been completed in the R&D Centre since 2017 and 7 research and development projects are in progress. During this period, 13 applications have been made for intellectual property rights. 2 utility models and 2 patents have been registered, and the process of 7 applications is in progress.

We operate a rewarding procedure in order to increase the number of research and development project proposals and

9 INDUSTRY,
INNOVATIVENESS
AND INFRASTRUCTURE



invention proposals, and research and development personnel are incentivised within the scope of this procedure. At the same time, postgraduate education is encouraged in order to provide a basis for increasing the qualifications of research and development projects. In this context, personnel who pursue postgraduate studies are rewarded. In this way, opportunities for cooperation with universities are also created.



4.2.1. Sustainable Production

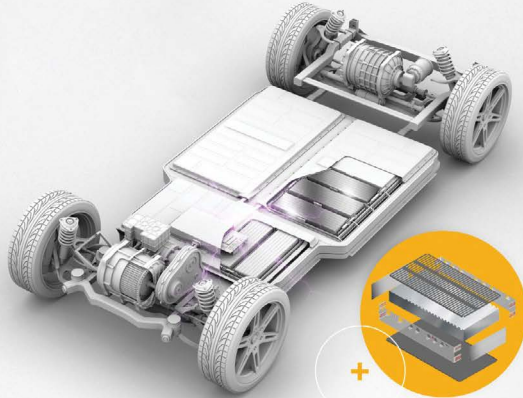
In accordance with the environmental approach of TKG Group, activities are carried out in the R&D Centre in accordance with 14001: Environmental Management System. All kinds of waste generated in the manufacturing process are transferred to the specially reserved waste control area.

4.2.2. Sustainable Implementation

Customer satisfaction and quality are prioritised in all research and development activities. The outputs obtained as a result of the activities are recorded and contribute to the corporate memory.



Yaşama
değer katan
yenilikleri
tutkuyla
hayata
geçiriyoruz



Ürettiğimiz batarya modül kapakları ile
elektrikli araçların kalbinde yer alıyoruz.



4.2.3. Mobility Solution Partnership

While catching up with the era, we are also preparing for the future and shaping our research and development activities in line with the needs of our customers. We perceive ourselves not only as an automotive sub-industry company, but also as a company that produces parts for the vehicles of the future and designs the future of automobiles. We produce battery covers for electric vehicles, the vehicles of the future in the automotive industry, and we play a key role in the heart of electric vehicles.

With the innovative perspective we have adopted, we are closely interested in the ecosystem of electric vehicles and we are working to enrich our mobility solutions with different technologies in line with the needs of our customers.

4.3. Digital Transformation

The automotive industry, in which we operate as TKG Group, has entered a rapid digital transformation process in recent years. Digital transformation forces not only technological developments but also business models, ways of conducting business and company visions to change. Data-based decisions, smart production, connected vehicles and sustainability have

become the elements that shape the future of

this industry. As TKG Group, we prioritise digitalisation projects that will create added value for all our stakeholders and create our digital transformation strategies in this direction.

While preparing our action plans within the scope of our digital transformation strategies, we act by taking into account current technology trends in order to multiply good examples and transfer experiences.

First of all, we implemented activities to strengthen the security infrastructure and took measures to ensure data security, integrity and confidentiality. We ensured the preparation of logging reports in our companies. SAP S/4HANA workshops were held to switch to cloud systems with less energy requirements for planning and managing resources (Enterprise Resource Planning, ERP) by following the strategic roadmap we created at the beginning of 2021. Thus, in parallel with our needs analyses, the SAP S/4HANA transition process was initiated to ensure sustainable management and secure access to portals. Completed by the end of 2022, the project

9 INDUSTRY,
INNOVATIVENESS
AND INFRASTRUCTURE





ABOUT THIS
REPORT

THE
MESSAGE OF
MANAGEMENT

OUR
MILESTONES

INVESTMENT IN
INSTITUTIONAL-
SATION

INVESTMENT
IN PEOPLE AND
SOCIETY

PRODUCTION AND
RESPONSIBLE
CONSUMPTION

INVESTING IN
INNOVATIONS

PERFORMANCE
INDICATORS



digitalised all business processes, taking into account the synergy of group companies. On the other hand, in order to increase communication between our group companies, SAP S/4HANA team and employees, a one-page web page was created at www.tkgmetarise.com and information about the project and trending topics related to S/4HANA and technology was actively provided. Through interviews with project module spokespersons, current developments were conveyed to employees through information sharing. In addition, the robots we have commissioned to prevent the waste of time and resources while performing the operations required by the Robotic Process Automation

(RPA) of today have become our new colleagues. Through RPA, financial invoicing transactions and self-service password reset transactions have started to be performed over automation. Furthermore, RPA-related articles, information e-mails and information about all improvements made in the IT field are shared via e-mail groups.

4.3.1. Operational Productivity Practices

Being well aware of the fact that resources are not unlimited, we, as TKG Group, strive to achieve more products and better quality results with less cost. When we consider the global trade

environment, changing customer needs and new usage habits in a changing and transforming world, we see that production styles are differentiated. We focus on operational efficiency by producing more output with less input and better-quality work with less cost. We ensure that every single activity we carry out generates value in a waste-free manner. It is aimed that all our employees always show superior performance without the need for intervention by managers. In order to achieve the targets set in all processes for efficiency





management, planning, implementation, control and prevention activities are monitored. This enables us to optimise the use of existing facilities and resources. In 2022, with the SAC (SAP Analytics Cloud) system, which offers next-generation business intelligence, planning and predictive analytics solutions, we have brought together advanced, predictive analytics and business planning in our operational and financial processes under a single central solution and have standardised our reports. By this means, the demands of our customers can be responded to more quickly and competitive advantage is gained through data management. In addition, all our operations are managed with ProMANAGE, a smart production management system, which enables us to instantly monitor all our production, quality testing and maintenance management processes from planning to dispatch. Moreover, as we receive continuous feedback, we are better organised and aim to increase productivity to higher levels.







PERFORMANCE INDICATORS

SOCIAL PERFORMANCE INDICATORS	TKG BURSA	TKG ADAPAZARI
Total Number of Employees	862	437
<i>Female</i>	157	19
<i>Male</i>	705	418
30 Years Old	333	122
30-50 Years Old	514	309
50 Years Old	15	6
Number of Senior Managers	12	8
<i>Female</i>	3	2
<i>Male</i>	9	6
Number of Mid-Level Managers	14	9
<i>Female</i>	3	4
<i>Male</i>	11	5

SOCIAL PERFORMANCE INDICATORS	TKG BURSA	TKG ADAPAZARI
Number of Employees by Education Level		
<i>Elementary School</i>	250	78
<i>High School</i>	488	253
<i>Undergraduate</i>	104	94
<i>Postgraduate</i>	20	12
Employee Trainings - Total Hours (person x hours)	21.661	9.608
<i>Field Employees</i>	15.098	7.363
<i>Office Employees</i>	6.563	2.245
<i>Female</i>	3.946	1.012



SOCIAL PERFORMANCE INDICATORS	TKG BURSA	TKG ADAPAZARI
<i>Erkek</i>	17.715	8.596
OHS Trainings Provided to Employees (Hours / Employee)	6	6
Environmental Trainings Provided to Employees (Hours / Employee)	3	2
Employees who Quit (Number)	84	61
<i>Female</i>	20	3
<i>Male</i>	64	58
By Age Group		
<i>30 Years Old</i>	28	23
<i>30-50 Years Old</i>	48	38
<i>50 Years Old</i>	8	0
Number of Employees Taking Maternity Leave	9	1
Number of Employees Returning from Maternity Leave	9	1

ENVIRONMENTAL PERFORMANCE INDICATORS	TKG BURSA	TKG ADAPAZARI
Total Amount of Hazardous Waste by Disposal Method (kg)		
Recovery	9.107	10.908
Total Amount of Non-Hazardous Waste by Disposal Method (kg)		
Recovery	12.640	58.334
Amount of Hazardous Waste Transported for Disposal (kg)	9	4
Number of ISO 14001 Certified Facilities	4	1
Total Energy Consumption (Electricity and Natural Gas total kWh)	9.165.230	5.983.247
Direct Energy Consumption - Natural Gas (m3)	89.468	218.320
Direct Energy Consumption - Electricity (kWh)	8.207.867	3.647.088
Savings Provided by Energy Efficiency Projects (Total kwh)	159.700	79.749

RESEARCH & DEVELOPMENT PERFORMANCE DATA	TKG BURSA
Total number of R&D employees (person)	22
Number of patents obtained (piece)	6

**TKG Automotive Bursa**

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