





MESSAGE FROM THE PRESIDENT

Since starting our journey in Turkey in 2012, we have placed sustainable value creation at the core of our business practices. Through our efforts based on environmental, social, and governance principles, we not only contribute to the automotive sector but also take responsibility for the future of society and our planet. With this understanding, we aim to craft happier journeys together with all our stakeholders.

Environmental Responsibility

Respect for the environment forms the foundation of all our activities. Our investments in energy efficiency, carbon footprint reduction, waste management, and biodiversity are concrete examples of our vision for sustainable growth. In 2024, we achieved our carbon-neutral goal by powering 100% of our energy needs with renewable sources, thanks to the solar power plant we commissioned. We continue to align our production processes with Toyota Boshoku Group's 2050 Environmental Vision, fulfilling our responsibility to create a more livable world.



Social Responsibility

The well-being of our employees, customers, and communities is one of the cornerstones of our success. We strive to build a workplace culture that prioritizes diversity and inclusion, with a particular focus on increasing female employment to promote gender equality. Through our local employment policies, we create new job opportunities in Düzce and support local development with projects that benefit society. Furthermore, guided by our motto, "Never Settle," we conduct continuous improvement initiatives with our team, encouraging both individual and societal development.

Governance Responsibility

Our corporate governance approach, based on transparency, accountability, and ethical working principles, is the guarantee of our sustainable success. Our strategic plans, aligned with the United Nations Sustainable Development Goals, support the Environmental, Social, and Governance (ESG) targets integrated into our business model. Through our Human Resources Transformation (HRX) and Digital Transformation (DX) projects, we continue to establish a more effective and inclusive management model. With this approach, we not only respond to today's needs but also lay the foundations for a better world in the future.

As TB Sewtech Turkey, we act with awareness of our environmental, social, and governance responsibilities on our journey to shaping a sustainable future. With every step we take, we aim to add more value to society and the planet. With this determination, we continue to work not only within the business world but also with all our stakeholders to build a happier and more sustainable future. We invite you to join us on this journey.

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By focusing on diversity and inclusion, we create an inspiring work environment while aiming to eliminate our carbon footprint. With the solar power plant activated in 2024, we transitioned to 100% renewable energy, achieving our carbon-neutral goal. We are working with a sense of responsibility for a more sustainable world.

Utku Tekgül President

PRINCIPLES OF TOYODA

Our Core Principle "For the World and Humanity"

Principles Of Toyoda

Principles of Sakichi Toyoda (established in 1935)

- Always be faithful to your duties, thereby contributing to the company and to the overall g
- Always be studious and creative, striving to stay ahead of the times.
- Always be practical and avoid frivolousness.
- Always strive to build a homelike atmosphere at work that is warm and friendly.
- Always have respect for spiritual matters, and remember to be grateful at all times.

Corporate Philosophy

Society

- · The company will promote corporate growth while fulfilling the following responsibilities as a good corporate citizen.
- Maintain ethical values, ensuring that our corporate activities are fair and transparent.
- Supply safe products that do not harm the environment; Promote corporate activities that help protect the global environment.
- **Customers**
- Create a better society as a member of our local communities.
- The company will develop innovative technologies and products to deliver quality that satisfies our customers.
- **Employees**
- **Shareholders** The company will promote innovative management policies that ensure future corporate growth and the trust of our shareholders. The company will build and maintain positive labour-management relations, respect the
- **Business** partners
- · The company will promote open and mutually beneficial relationships with its business partners in pursuit of long-term growth and prosperity.

TB Way (Our values and behavioural principles in concrete terms

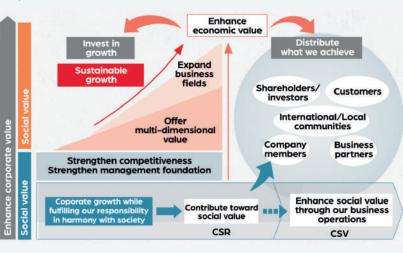
We contribute to society by developing leading-edge technologies and manufacturing high-quality products

individuality of its employees and create safe and comfortable workplaces

- We meet challenges with courage and creativity, to realize our dreams.
- We carry out kaizen continuously, aiming to achieve higher goals.
- We practice Genchi-Genbutsu by going to the source to analyze problems and find their root causes.
- Once a decision is made, we move quickly to carry out the plan, with passion and a sense of mission.
- We seek to do our best, act professionally and take responsibility for our actions.
- We respect the values of other cultures and accept differences, with an open mind and a global perspective.
- As a good corporate citizen, we do what is right and contribute to society.
- We respect the individual and use teamwork to produce the best result.

The Management Structure We Aim to Become

As a good corporate citizen, we will improve economic value through efforts to strengthen our competitiveness and management foundation, and increase corporate value. In addition, we will strive to meet the expectations of our stakeholders while at the same time pursuing sustainable growth.







STEP BY STEP TOWARDS SUSTAINABLE DEVELOPMENT

As TB Sewtech Turkey, We meticulously monitor and report the environmental, social, and governance (ESG) impacts of our corporate activities. As a company, we place great importance on sharing our contributions to society and all our stakeholders in a more comprehensive and transparent manner. In this regard, we are proud to present our third sustainability report. Our report provides a comprehensive perspective, enabling you to closely follow our commitments toward sustainable development goals.

Reporting Scope

The information presented in this report covers activities conducted during the financial reporting period from April 1, 2022, to March 31, 2023. Additionally, data from 2021 and 2022 have been included to track trends.

Principles

Prepared in accordance with the "Core" option of the GRI Standards, this report provides additional details through the "GRI Content Index" table. All content has been prepared using internal company resources, and the shared data has not undergone external auditing. Our report reflects the operations of TB Sewtech Turkey.

For your feedback and suggestions, please contact us at: tbstr.info@toyota-boshoku.com.

A HAPPY TEAM

Our human resources are the cornerstone of our achievements. By providing a safe and supportive work environment, we offer individuals the opportunity to develop their talents. Focusing on their potential, we contribute to their productive growth. In this way, we continue to achieve our goals by taking firm steps together and uniting our strengths.

GROWING EQUALLY

The solidarity built on the equal contributions of our male and female employees forms the foundation of our success. By supporting Düzce's dynamic and talented workforce, we prioritize the development of innovative and creative individuals in our production processes. With the awareness that our products are used worldwide, we provide opportunities for our employees to enhance their skills while contributing to local development.





COMMITMENT TO QUALITY

We see quality as the result of an excellent production process. We design each stage according to the needs of the next step and only ship products that meet the standards. By giving our teams the authority to stop production when they identify unusual situations, we ensure that issues are addressed at their root. This approach helps us keep error rates to a minimum.



WE EMBRACE CONTINUOUS IMPROVEMENT

With the philosophy of "Never be Satisfied," we continuously improve our production processes and develop employee-friendly methods to enhance efficiency. By adopting the "Kaizen" philosophy, we ensure continuous progress in quality, productivity, and cost management. Our culture of open communication and collaboration strengthens operational success.

TOYOTA BOSHOKU IN THE WORLD

Toyota Boshoku Corporation, founded in 1918 in Japan by Sakichi Toyoda, is one of the world's leading automotive interior manufacturers, sharing the same roots as Toyota Motor Corporation.

Toyota Boshoku operates in a wide range of products, from automotive components such as seats, interior panels, roof and floor coverings, to air intake systems, filters, lighting, and airbags. In recent years, it has also expanded into the production of aircraft and train seats, as well as interior concept vehicles suitable for autonomous driving. With 92 companies across 25 countries globally, Toyota Boshoku employs approximately 56,000 people. Its operations are divided into regions: Japan, Europe & Africa, the Americas, Asia & Oceania, and China. Toyota Boshoku's primary customer and shareholder is Toyota Motor Corporation, and TB Sewtech Turkey is managed by Toyota Boshoku Europe, the regional headquarters for Europe and Africa.













Executive Lounge Seat



Seat

Interior and Exterior Vehicle Components





Headliners



Floor Carpets



Filter & Power Transmission Components





Oil Filters





Combustion



Air Induction

Systems





Intake

Manifolds



Air Cleaners



Oil Mist

Separator





Cylinder Head Covers

Timing Chain Cover



We gathered with our stakeholders at the Strategy Summit alongside TBSTR executives and the senior management of our main customer, Toyota Boshoku Turkey. Throughout the summit, we engaged in team work to develop a dynamic strategy aligned with TBJ/TBEU from different perspectives. We worked diligently to develop sustainable plans and projects for the next 5 years.

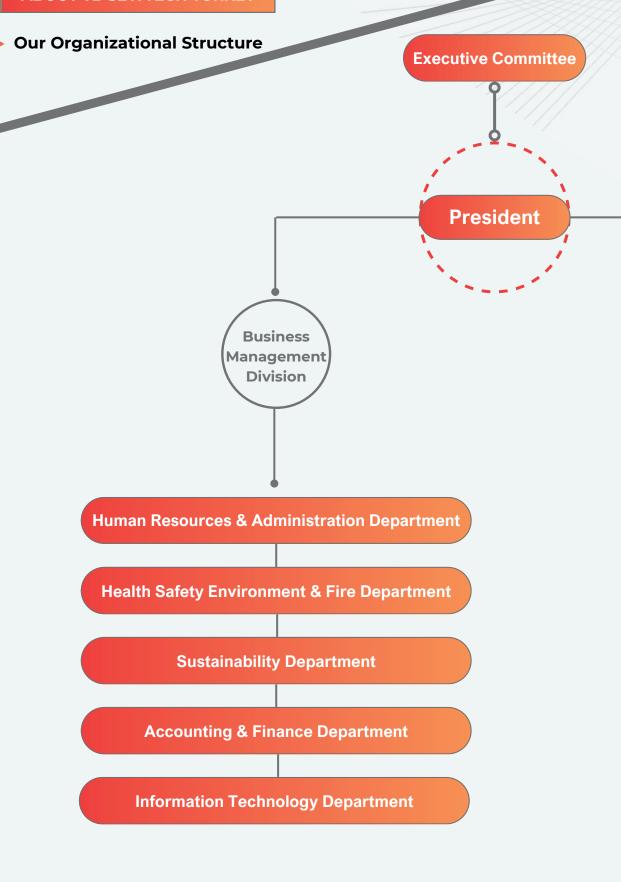
TB Sewtech Turkey, which manufactures seat covers for Toyota, stands out as one of the most important seat cover cutting and sewing centers in the European region with 942 employees and an annual production capacity of 500,000 sets.

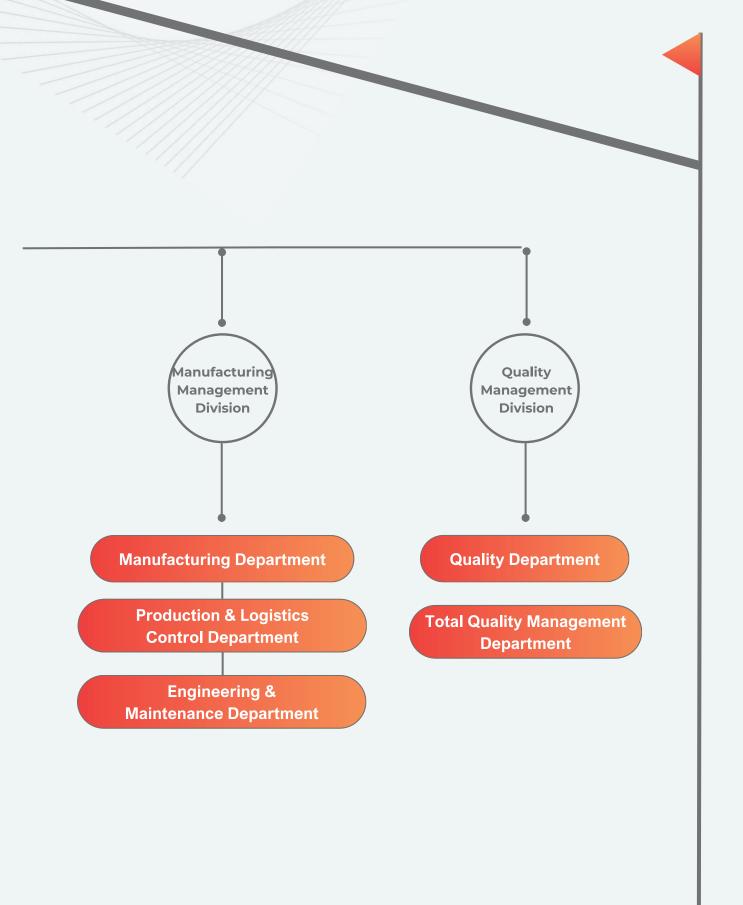
Name	TB Sewtech Turkey Otomotiv Sanayi ve Ticaret Ltd.		
Products	Automobile Seat Cover & Tafnel		
Production Processes	Cut & Sew		
Foundation	June 2012		
Adress	Topçular Mahallesi 622. Sokak No: 4 Çilimli Düzce/ TÜRKİYE		
Capital	1.400.000 TL		
Shareholders	Toyota Boshoku Türkiye Otomotiv Sanayi ve Ticaret A.Ş. (%10		
Representative	Utku TEKGÜL, President		
Total Area	18.500 m ²		
Closed Area	12.137 m²		
Capacity	500 000 seat cover sets/year		
Number of employees	942		















TB SEWTECH TURKEY IN 2023

Solar Power Plant

As Toyota Boshoku Türkiye and TB Sewtech Turkey, we transitioned to 100% renewable energy with the 10 MWp Solar Power Plant we established in Mersin. This project has made a significant contribution to our carbon-neutral production goal. Thanks to this investment, we earned the distinction of being the first facility within Toyota Boshoku's global operations to meet its entire energy needs through solar power. In line with our environmental sustainability goals, our ESG-focused investments will continue.









International Safety Award

The British Safety Council has recognized TB Sewtech Turkey with the Merit Award after evaluating over 1,000 participants worldwide. This award aims to promote excellence, innovation, and continuous improvement in occupational health and safety policies, procedures, and practices. The dedication and commitment of our team, which embraces the "Safety First" approach, have been the cornerstone of this significant achievement.

TBSTR is Recognized Among Turkey's Best Employers of 2023

TB Sewtech Turkey has once again earned the title of "Turkey's Best Employer" in the 1000+ employees category on the "Turkey's Best Employers 2023" list announced by the Great Place to Work Institute.

By fostering practices that enhance diversity, inclusivity, and individuality, TB Sewtech Turkey prioritizes creating a workplace that truly connects with its people. We are proud to be recognized for the third consecutive year among the "Best Workplaces in Manufacturing and Production." Our commitment to continuously improving our work environment remains unwavering.







Launch of the New C-HR Production

On September 5th, TB Sewtech Turkey proudly inaugurated the production line for the New C-HR with the participation of TBEU senior management. During the preparation phase, critical aspects such as support system management, machinery optimization projects, and maintenance processes were meticulously addressed. This meaningful ceremony, held with the participation of all team members, once again highlighted the company's innovative production approach and commitment to sustainability.

Our plant supplies products to the European market with an annual production capacity of 500,000 vehicles/sets.

Our company was established in 2012 by transferring Toyota Boshoku Türkiye's (TBT) sewing and cutting processes to Düzce. While operating as a separate legal entity, the strong ties we have built with TBT have transformed our relationship from a mere business partnership into a strategic collaboration. TBT is both our shareholder and main customer, and through this strong relationship, we not only work directly with TBT but also serve global markets via TBT.



Receiving the EFQM 6-Star Excellence Award in 2024 is a testament to our dedication to our work and our efforts toward achieving excellence. This award not only reinforces our leadership position but also affirms our commitment to sustainable growth and continuous improvement goals.

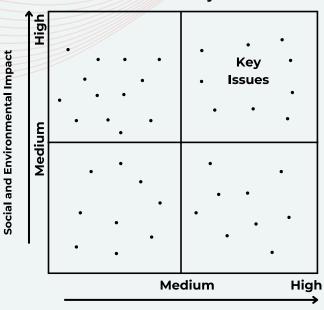


TOYOTA BOSHOKU MATERIALITY

In 2019, the TB Group shifted its sustainability efforts from CSR to CSV (Creating Shared Values), aligning them with the group's ESG goals. This transformation is essential for TB Group's ambition to enhance its corporate value and establish itself as a sustainable and leading global company by the end of this decade.

As part of preparing the 2023 Mid-Term Business Plan, the TB Group conducted a prioritization assessment to identify its key issues. The table below highlights the 18 priority issues determined through this evaluation.

Plotting of Social Issues and **Extraction of Key Issues**



Impact on the company's business

- E Environment S Social
- **G** Governance Matters for which positive effects are to be maximised
- Issues to resolve through core business

Issues to Resolve through Core Business

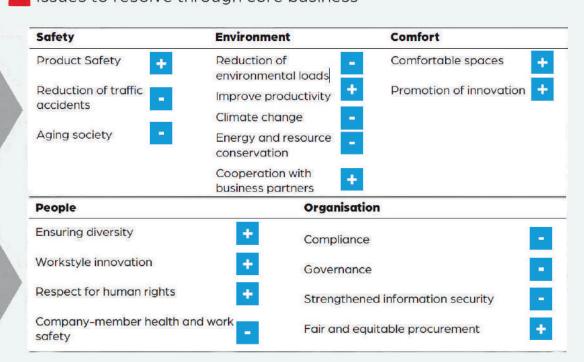




Issues Relating to Sources for Exercising Competitiveness



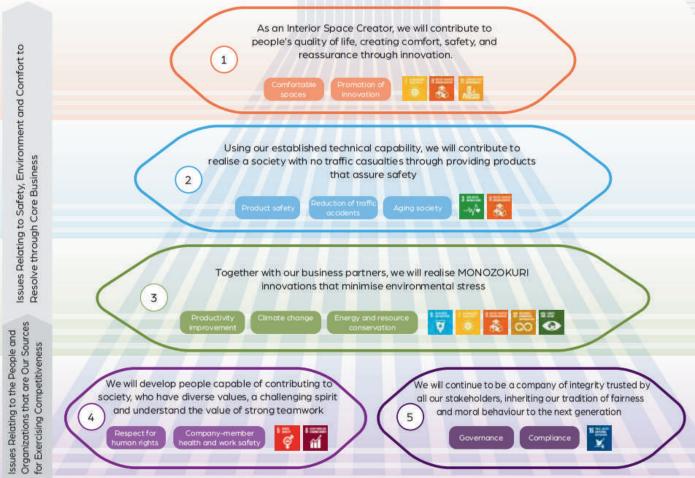




Organizations that are Our Sources **Exercising Competitiveness**

2

QUALITY OF TIME AND SPACE



For the world and for people, to enhance safety and reassurance in daily lives, we will evolve into an Interior Space Creator providing products and services such as those that make use of biological information from sensors to achieve comfort, which is the ability of people to live without unease and true to their own selves (i.e., to achieve smart cities)

We will develop autonomous human resources capable of marshalling other human resources around the world, understanding ideas and ways of thinking, mutually accepting one another, and thinking together.



We will continue to offer high-quality, high-safety products and services that make full use of R&D which is an integral part of Toyota Boshoku's identity.



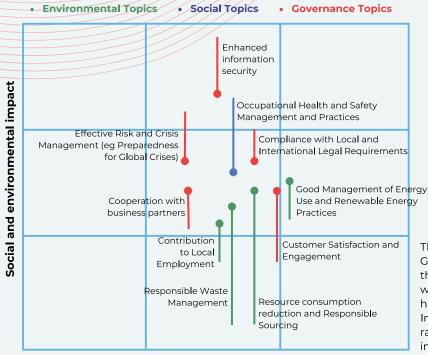
5

We will continue practicing the values of 'ensuring that our corporate activities are fair and transparent' as outlined in our corporate philosophy and the Principles of Toyoda that embody the concepts of Sakichi Toyoda, and we will act sensibly indicated in the TB Way



Aiming for a sustainable global environment in which children can live in smiling happiness, we will make effective use of business resources and achieve the targets of our 2050 Environmental Vision, by working with our business partners to accomplish innovation and improve productivity through implementation of the latest leading-edge technologies.





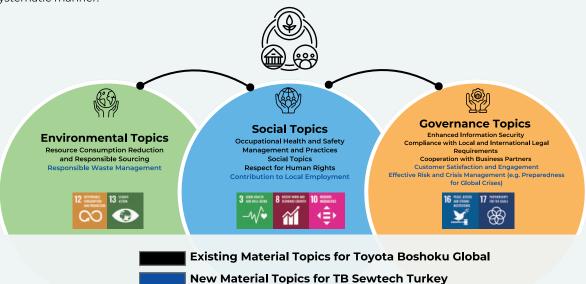
Impact on company's business

TB has integrated the Sustainable Development Goals (SDGs) into its sustainability management model and prioritization efforts. In this context, 10 SDGs have been identified that are connected to company priorities such as safety, environment, and comfort. As TB Sewtech Turkey (TBSTR), we have included these SDGs in our agenda and incorporated related targets into our company's Hoshin. Additionally, we continue to work towards structuring our efforts related to the SDGs in a more systematic manner.

The TB Style and Code of Conduct, TB Global created by implemented across all TB facilities, is in alignment with the United Nations Global Compact (UNGC). Through the annual Prioritization Workshops organized under the leadership of TBEU, we aim to increase employee awareness in this area and continue supporting these goals with various activities.

TBSTR advances its efforts in line with TB Group's sustainability strategies. As part of this, prioritization analyses conducted with internal and external stakeholders have clarified the priority topics for TBSTR. In this exercise, participants were asked to rate the identified topics in order of importance from TBSTR's perspective, and the results were ranked from the most critical to the least critical.

The results identified a total of 10 priority topics for TBSTR under the Environmental, Social, and Governance (ESG) categories. Six of these are shared with TB Global, while four are specific to TBSTR: Responsible Waste Management, Customer Satisfaction and Loyalty, Effective Risk and Crisis Management, and Contribution to Local Employment. The prioritization matrix clearly shows the importance of these topics.



Our Contributions to United Nations Sustainable Development Goals

Materiality Topic

Related SDG

Contents

Resource Consumption **Reduction and** Responsible Sourcing

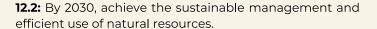




By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

7.2: By 2030, increase substantially the share of

renewable energy in the global energy mix.





12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Responsible Waste **Management**







6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials.

11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

12.4: Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

Materiality Topic Related SDG Contents 8.8: Protect labour rights and promote safe and secure Occupational Health and working environments for all employees, including migrant Safety Management and employees, in particular women migrants, and those in **Practices** precarious employment 10.2: By 2030, empower and promote the social, economic **Respect for Human** and political inclusion of all, irrespective of age, sex, disability, **Rights** race, ethnicity, origin, religion or economic or other status S 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status **Contribution to Local** 17.16: Enhance the global partnership for sustainable **Employment** complemented by multi-stakeholder development, S partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries 16.10: Ensure public access to information and protect **Enhanced Information** fundamental freedoms, in accordance with national Security G legislation and international agreements **Compliance with Local 16.10:** Ensure public access to information and protect fundamental freedoms, in accordance with national and International G legislation and international agreements **Legal Requirements Customer Satisfaction 16.6:** Develop effective, accountable and transparent institutions at all levels and Engagement G 17.16: Enhance the global partnership for sustainable complemented by multi-stakeholder development, partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the **Cooperation with** achievement of the sustainable development goals in all **Business Partners** countries, in particular developing countries 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships **3.8:** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable **Effective Risk and Crisis** essential medicines and vaccines for all. Management (e.g. 11B: Substantially increase the number of cities and human **Preparedness for Global** settlements adopting and implementing integrated policies Crises) and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters

13.1: Strengthen resilience and adaptive capacity to climate-

related hazards and natural disasters in all countries

SUSTAINABILITY KPIS

At TB Sewtech Turkey, to strengthen sustainability-based activities, we regularly monitor/follow key performance indicators that have been established for each stakeholder.

	1				
		CSV KPI	FY2023 Targets	FY2023 Results	FY2022 Results
Shareholdes Customers Local Communities & Global Society	Compliance G	Implementation level for Guiding Principles 🔮	96%	96%	96%
	Confidentiality Management G	Number of confidential information leaks	0	0	0
	Fair/Transparent Dealings G	Number of bribery violations	0	0	0
	Fair/Transparent Dealings G	Number of violations of antitrust laws	0	0	0
	Environmental Conservation	Number of environmental abnormalities and complaints v	0	0	0
		CO ₂ (kgCO ₂ /set)	1,99	1,75	2,21
		Ratio of waste reduction (kg/set)	1,11	1,23	1,11
		Per capita water consumption (m³/person-year)	9,21	8,07	8,16
		Number of trees planted	960 trees/year	1000 trees/year	1200 trees/year
	Social Contribution 5	Number of volunteer activity participants	1,5 activity per person	1,5 activity per person	1,5 activity per person
	Quality G	Cost of Quality	500K €	505K €	174,8K €
		Cost of Quality Reduction Rate	%3.8	%4.16	%5.8
	Disclosing Information in a Timely and Appropriate Manner S G	Timely information disclosure to Board of Directors and Shareholders	100%	100%	100%
Company Members	Respect for Company Members	Designated employment rates of people with disabilities	3%	3.16%	3%
		Permanent company members turnover rate 🔇	1,5%	0,7%	0,2%
		Annual Leaves	100%	100%	100%
		Overtime hours (Incidence of working more than 270H/year)	0 people	0 people	0 people
	Safety/Health 5	Number of fatal accidents (company members, temporary workers)	0	0	0
		Coverage ratio for legal health check	100%	100%	100%
Business Partners	Safety s	Number of fatal accidents by non-Toyota Boshoku group workers or members	0	0	0

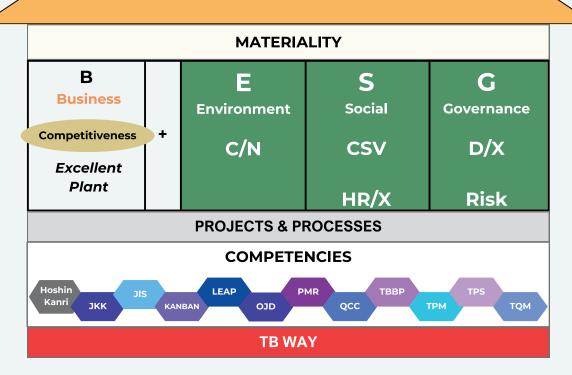
^{*1} Abnormalities: In case of oil etc. has leaked into a public waterway at a level that exceeds legal, by law and agreement standard values

- E Environment
- **S** Society
- G Governance

^{*2} Complaints: In case of contact from a local citizen, government etc alleging physical damage or psychological effects on account of the company.

Purpose: We craft happier journeys with our stakeholders.

Vision: To Become TB Global Number 1 Cutting&Sewing Plant





Company History



Plant Opening

 Operation Start (Toyota



Establishment

TB SEWTECH TURKEY

Corolla)



Certified for

ISO



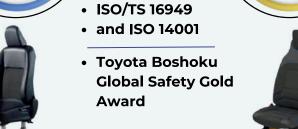
 Production Launch for **Toyota C-HR** and BMW i3 & i8







Mass **Production** Launch (Toyota New Corolla Hybrid)



2014

ISO









Recognized for EFQM 4-star Competence



 Certified for ISO 45001



Production
 Launch (for new Toyota C-HR)



 Production Launch (for Toyota Yaris)



ed for TISAX 3 Stars



2022

Toyota
 Boshoku
 Brand
 Contribution
 Gold Award



• EFQM 6-Star Excellency Certificate



Certified for ISO50001



 Occupational Safety Award acquired from the British Safety Council.



OUTSTANDING ORCAMSATION

AT A COMMISSION

TB SEWTECH TURKEY

Is Recognised as a 6-that cognitive and on the FEAN Model

Neperitor 2024

10th Anniversary



2050 Environmental Vision

Climate Change

(1) A

Challenge of achieving zero CO2 emissions in Toyota Boshoku Group

Resource Depletion



Challenge of minimising natural resources usage



Challenge of achieving zero CO2 emissions in the product life cycle



Challenge of minimising wastes produced by the Toyota Boshoku Group

Water Scarcity



Challenge of achieving zero wastewater in the Toyota Boshoku Group production process by water recycling

Biodiversity Crises



Challenge of planting 1.32 million trees as part of reforestation activities

Working Together for Sustainability



At TB Sewtech Turkey, we aim to continuously improve our performance in environmental, social, and governance areas. Every member of our company contributes to our sustainability journey and takes responsibility in line with this vision. With the goal of leaving a more livable world for future generations, we integrate sustainability into all our processes and shape our Mid-Term Business Plan (MTBP) according to Business, Environment, Social, and Governance (B&ESG) principles.

Operations (Business)

To maintain a leading position in global competition, we aim for excellence not only in operational results but also in management quality. By making improvements in critical indicators such as Safety, Quality, Delivery, and Cost (SQDC), we strive to enhance the satisfaction of all our stakeholders and establish lasting business relationships.

Environment

As TB Sewtech Turkey, we incorporate Toyota Boshoku's long-standing environmental sustainability approach into all our activities. We focus on fundamental environmental issues such as climate change, water resource depletion, natural resource consumption, and biodiversity loss. Our long-term goal is to minimize our carbon footprint across all scopes and reduce our environmental impact to the lowest possible level.

Social

With human-centered practices, we aim to improve the well-being of both our employees and society. The key social topics we focus on in the medium term are Human Resources Transformation and Creating Shared Value (CSV). Under Human Resources Transformation, we prioritize diversity, equity, inclusion, improving working conditions, and talent management. In Creating Shared Value, we collaborate with all stakeholders to establish a foundation for mutual growth.

Governance

To ensure transparency, integrity, and accountability—fundamental pillars of our company—we use digitalization as a strategic tool. Through digital transformation, we aim not only to enhance operational efficiency but also to make our processes more transparent. In today's rapidly changing conditions, risk management is prioritized at every step as a cornerstone for ensuring business continuity and maintaining stakeholder trust.

To leave a more livable world for future generations, we prioritize sustainability not only in our operational processes but also in every action we take. Our goal is to build a more sustainable workplace and world at every step.

ENERGY MANAGEMENT



TB Sewtech Turkey has successfully achieved Toyota Boshoku's 2050 Environmental Vision target of carbon neutrality as of 2024. By commissioning a 17-acre solar energy field in Mersin Erdemli, our company has begun meeting its entire electricity needs from 100% renewable energy sources. With this significant step, TB Sewtech Turkey has earned its carbon-neutral status and reached the 2050 target far ahead of schedule.



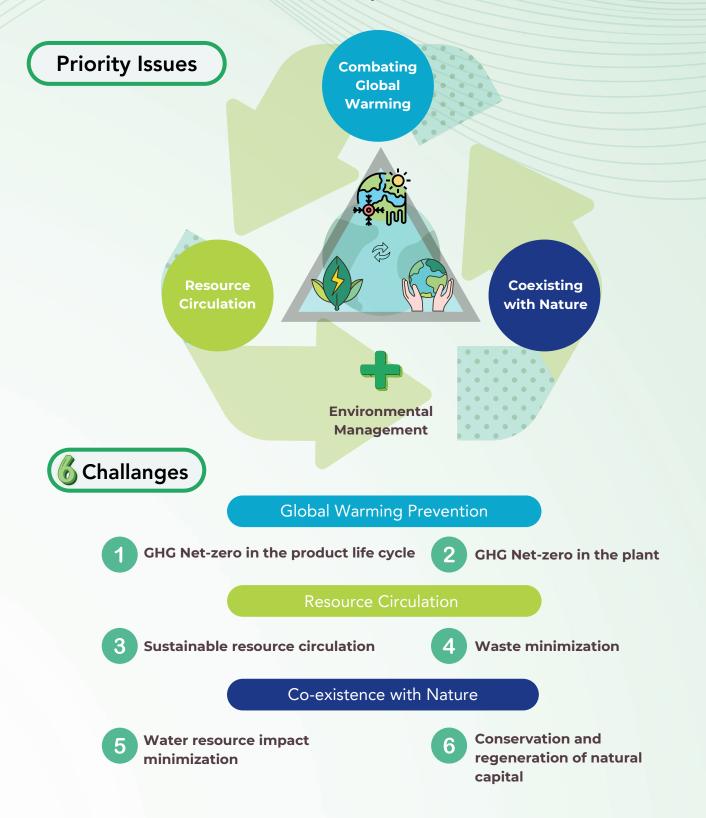
TB Sewtech Turkey 2023 Sustainability Report



Our Solar Power Plant symbolizes our commitment to a more sustainable future, going beyond merely meeting our energy needs. This significant transition to renewable energy strengthens our environmentally conscious production approach as part of our responsibility to preserve natural resources. With this step, we are solidifying our goal of leaving a cleaner world for future generations and taking pride in contributing to a sustainable future.



Together with all our stakeholders, we aim for a sustainable global environment where children can live with smiles on their faces.





TB Sewtech Turkey has achieved the goal of becoming carbon neutral in line with Toyota Boshoku's 2050 Environmental Vision. As a result of long-standing energy efficiency efforts and environmental sustainability initiatives, we have become a 100% carbon-neutral operation by meeting all our electricity needs through solar energy.





Energy Management and ISO 50001 Standard

Since 2020, a systematic energy management process has been initiated based on the ISO 50001 energy management system standard. Electricity and natural gas are the primary energy sources of our company, and the consumption of these energy types is closely monitored at the level of production equipment. Efforts are being made to detect energy losses and reduce consumption, particularly at "Significant Energy Consumption Points."

Carbon Emission Monitoring and Reduction Efforts

TB Sewtech Turkey monitors carbon emissions through the "energy consumption per unit product" indicator, considering all factors that contribute to carbon emissions. This monitoring process is certified with the internationally recognized I-REC certification. In addition, we aim to reduce carbon emissions through collaborative efforts with our partners, such as optimizing logistics routes and increasing load capacity in transportation vehicles.



Logistics Improvements and Carbon Emission Reduction

In 2022, logistical improvements resulted in a reduction of 16.2 tons of CO2 emissions annually through optimized logistics frequency for materials sourced from Bursa. Additionally, route consolidations for materials supplied from the European region reduced CO2 emissions by 9.5 tons annually.

In 2023, further logistics enhancements reduced CO2 emissions by 5.69 tons through a decrease in the number of trips, while the cancellation of the new depot ring saved an additional 1.28 tons of CO2 emissions.



WATER MANAGEMENT

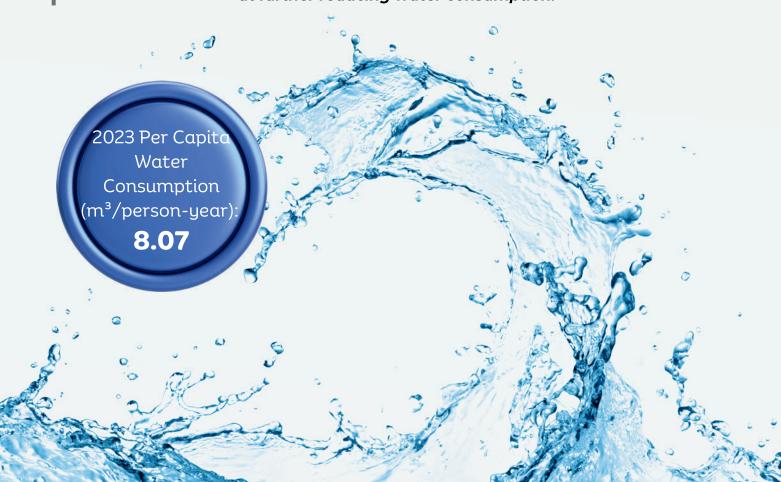


Although our production activities do not require water, we solely use municipal water provided by Düzce Çilimli Municipality for domestic purposes. Our facility does not consume groundwater, surface water, or well water resources.

Our facility does not have direct discharge; domestic wastewater is collected in a septic tank and regularly disposed of by municipal teams. Annual analyses conducted by the municipality have never detected any exceedance of limit values to date.

We closely monitor our water consumption through the meter provided by Çilimli Municipality. Since 2018, in addition to CO2 emissions and waste generation, we have included water consumption as one of the key indicators of our environmental performance. Aligned with the annual targets set by Global Toyota Boshoku, as of 2023, we have achieved a 1.95% reduction in per capita water consumption.

In this regard, we continue to develop and implement various projects aimed at further reducing water consumption.





Waste management, one of the six core goals set by Global Toyota Boshoku, is effectively implemented at TB Sewtech Turkey.

At TB Sewtech Turkey, waste management is considered one of our top priorities, in line with Global Toyota Boshoku's sustainability vision. To minimize waste generated during production processes, specific goals have been set across all departments. Comprehensive efforts are being made to reduce quality losses in line with these targets.

Waste from various sources is separated at the source, collected, and disposed of in accordance with legal regulations, with a focus on protecting human health and the environment. Domestic, hazardous, and medical waste generated from offices, cafeterias, storage areas, and medical rooms are carefully managed as part of this process.

With the innovative solutions we have developed in waste management, TB Sewtech Turkey continues to work toward a sustainable future and to create social benefits. Through this approach, we aim to fulfill our environmental responsibilities while also increasing our social contributions.

Additionally, we are advancing our vision of developing sustainable solutions for fabric waste generated in production. In addition to energy recovery projects, we transform these wastes into useful products such as bags, cushions, and pencil holders. These products are shared with our employees and donated to schools in our community. In this way, we not only protect the environment but also contribute to education and society.



Amount (kg/set):

ENVIRONMENTAL AWARENESS ACTIVITIES



Climate Change Panel



We organize climate change panels to raise awareness and inform about sustainability and environmental consciousness.

In these panels, sessions with company employees as speakers cover important topics such as "Global Impacts of Climate Change," "Climate Change and Its Effects on the Business World," and "Sustainability Solutions."

TBear: A Sustainable and Socially Responsible Project

Produced from waste leather and fabric, TBear not only reduces recycling costs but also contributes to the training of new operators. These teddy bears, certified with CE safety and health standards, are donated to foster homes, child protection services, and schools, creating social benefits. Our project is an exemplary initiative that combines sustainability and social responsibility.



A Clean World, A Clean Environment

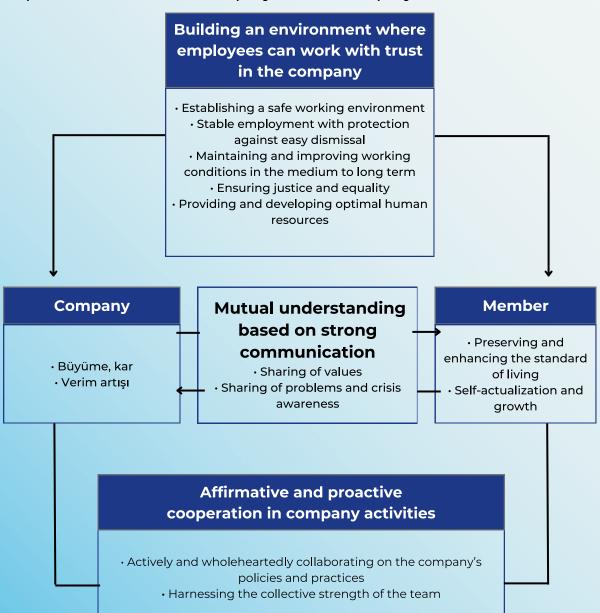


As a demonstration of our environmental awareness, we organized a comprehensive environmental cleanup event in September at Düzce Gölyaka Cultural Park. This event, with the active participation of our managers and employees, became even more meaningful with the involvement of students and teachers from Düzce Hayalimiz Kindergarten.



Basic Approach

Based on a mutual trust-based Employee-Employer relationship, we focus on ensuring "employment stability" and "maintaining and improving working conditions," aiming to fulfill the mutual responsibilities of both employees and employers.



EMPLOYMENT, DIVERSITY AND INCLUSION



We consider creating a work environment based on the principles of equality and fairness for our employees as our fundamental priority.

In 2023, we were once again recognized by "Great Place to Work" with the "Best Workplace for Women" award. The acknowledgment of the inclusive and equitable work environment we have created for women highlights TBSTR's distinctiveness in this area.

Additionally, as TBSTR, we have declared our commitment to the United Nations Women's Empowerment Principles (WEPs) since September 2022 to support women in overcoming the barriers they face in professional and social life. Within this framework, we continue to embrace a fair and inclusive work culture to support the development of women.









Trend in Female Employee Ratio

2021 %49 2022 %50 2023 %51

Participation of Individuals with Disabilities in the Workplace

We prioritize creating a supportive and accommodating work environment for individuals with physical, hearing, or mental disabilities to play an active role in professional life. With our diversity-embracing approach, we are building an inclusive workplace where individuals with disabilities can showcase their talents to the fullest.





Disabled Employment Ratio

2021 %2.9 2022 %3 2023 %3.16

SKILLS COMPETITIONS AND QUALITY CONTROL CIRCLES



Skill Competitions

To enhance the technical skills of our team, we organize skill competitions focused on achieving the highest quality in seat cover stitching and sewing machine maintenance. These competitions provide opportunities for our team members to improve themselves and learn from one another.

Winners of these competitions first compete with champions from Toyota Boshoku companies across the Europe and Africa region. In the final stage, they have the chance to participate in the global Olympics held by Toyota Boshoku in Japan. This journey offers our team the opportunity to push their limits, compete with the best, and experience different cultures.



Quality Control Circles

Successful teams, in addition to participating in competitions held in Turkey, have the opportunity to join events in Europe, Africa, and Japan, such as the Skill Competitions. During this process, teams present their projects, which allows them to broaden their vision, enhance their problem-solving skills, and improve their presentation abilities.

Number of Registered Quality Circles Within the Company:

Employee
Participation
Rate in Quality
Circle Activities:
%90



Number of Employees Participating in the Global Skill Competition:

9

Number of Employees Participating in the Europe and Africa Region Skill Competition:

15



We implemented Quality Circle activities, which originated in Japan and aim to analyze and solve issues in work processes such as quality and efficiency, starting in 2018. We consider this initiative as part of total quality management, and through it, we strengthen team spirit while enhancing our employees' problem-solving skills and their ability to effectively use quality tools.

EMPLOYEE RIGHTS AND DEVELOPMENT



Employee Development Program - LEAP

The Employee Development Program (LEAP) that we implement supports the personal and professional development of our employees, offering them opportunities to advance their careers. This program aims to enhance the individual competencies of our employees while also contributing to our corporate objectives.

Through training sessions such as "The 7 Habits of Highly Effective People" and the "Leader Development Program," offered in collaboration with FranklinCovey Turkey, we support the growth of our employees in both their professional and social lives. In 2022, the average development training time per employee was 6.3 hours, while in 2023, this increased to 19.7 hours. This increase is a reflection of the value we place on our employees and our investments in training.





2023 Average
Development
Training
Duration per
Employee:
19.7 hours

2023 Average Development Training Cost per Employee: **85€**



Employee Rights

Basic Rights

TB Sewtech Turkey is committed to providing its employees with a fair and transparent working environment. Employees' personal rights are protected, and their full implementation is ensured. Although there is no union membership in our company, as of 2023, there have been no violations of the right to collective bargaining. We have adopted a zero-tolerance policy against child labor and forced labor, and subcontractors are monitored for compliance with these principles.

Pay Equality

Our compensation system is based on seniority and grade. No pay disparity is allowed based on gender or disability status, ensuring that all employees are offered an equal and fair pay policy.

Health Services

We provide comprehensive health services to protect the physical and mental well-being of our employees. All full-time employees are provided with private health insurance, and support is offered through dietician and psychological counseling services. We have established all the necessary infrastructure to facilitate employees' access to healthcare services.

Best Employers Award

For the past three years, we have participated in the "Great Place To Work" program to assess our national position in areas such as corporate culture, workplace environment, compensation and benefits, work-life balance, recognition, and rewards. As of 2023, TB Sewtech Turkey has won the "Best Employers" award, further proving the trust-based relationships with our employees and the fair working environment we provide.



Employee Motivation and Well-being

We organize events and sponsor club activities to enhance our employees' motivation and support their well-being. Through annual trip programs, we offer our employees and their families the opportunity to explore different regions of Turkey. Additionally, we promote health through activities like yoga and rafting, and create a social environment through beverage days and tournaments. Our goal is to create an enjoyable working atmosphere with equal participation.

To better understand our employees' expectations, evaluate the actions we've taken, and strengthen our relationships, we conduct an annual Employee Satisfaction Survey. Through this survey, we aim to create an equal and fair work environment by considering our employees' suggestions.









Total
Number of
Trip
Participants:
2205
people

Number of Trip Participants in 2023: **525** people

2023 Employee Satisfaction Survey Results



Employee Engagement: %75 Employee Motivation: %76

TB App

To support effective information sharing with our shift workers, we developed a mobile application that provides employees with instant access to up-to-date data. The app allows easy access to information such as the cafeteria menu and payroll details, and feedback can be submitted through like buttons. Additionally, features such as "Report to HR" and "Report to Safety" enable employees to directly communicate safety risks and requests to the relevant departments. This application promotes two-way communication, creating an equal communication environment where all employees' opinions are valued.



OUR SOCIAL CONTRIBUTIONS



Earthquake Awareness and Training Activities

As part of the Occupational Safety Awareness Month, we organized an "Earthquake Preparedness, Response, and Awareness Seminar" with the participation of Mr. Yoshinori Moriwaki, emphasizing the importance of being conscious and prepared for earthquakes. Additionally, a 7.4 magnitude Kocaeli Earthquake experience was provided using the Earthquake Simulation Training Tool at Düzce Anıt Park, educating our employees, their families, and the community on earthquake awareness. These activities reminded everyone that disaster risks can be reduced with small precautions. With our "Safety First" principle, ensuring a healthy and safe working environment remains our priority.





Blood Donation



We place great importance on social responsibility in health. We organize regular blood donation campaigns twice a year, with visits from the Turkish Red Crescent (Kızılay) to our factory. Acknowledging that blood donation is a lifesaving act, we are committed to contributing to public health through our careful efforts in this regard.

Tree Planting for Earthquake Martyrs

We participated in the "February 6, 2023 Earthquake Martyrs Forest" tree planting event organized by the Düzce Forestry Directorate. The event, held in Musababa Village, Düzce, was attended by various organizations. Together with our volunteer employees, we contributed to this meaningful project.



TBSTR Family Day





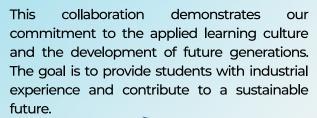
TB Sewtech Turkey Family
Day events strengthen the
bonds between employees
and their families, enhancing
communication. These
activities help employees get
to know each other better
and reinforce collaboration.
Additionally, they deepen the
company culture and boost
motivation.

Collaboration with Düzce University

A cooperation protocol has been signed with Düzce University for educational collaboration. This protocol allows Düzce University students to apply their theoretical knowledge in an industrial environment. Under this protocol, students will intern at our company to develop their professional skills and participate in practical training processes.

Discussions are ongoing with Düzce Technopark and Düzce University Technology Transfer Office (TTO) authorities to expand the scope of projects and strengthen collaborations. In this process, we exchange ideas on R&D projects, production technologies, and environmentally friendly manufacturing processes.







In cooperation with Düzce University Career Development and Alumni Monitoring Application Research Center, we organize "The Secrets to Success in Job Interviews: Interview Simulations" events. In these events, we share key tips for job interviews, provide information about recruitment processes, and offer insights on technical and managerial interviews. We emphasize the importance of researching the company beforehand, leaving a professional impression, and preparing properly for the interview.







OCCUPATIONAL HEALTH AND SAFETY







Our Comprehensive Approach on Health and Safety

Our occupational health and safety philosophy is guided by the principles of "Safety First" and "Zero Accidents." This approach is implemented through risk assessments and continuous improvements across all work processes. Our OHS & Fire Department, specialists, and workplace physician play a crucial role in these efforts, while we ensure active participation from our team members. Through training programs and awareness initiatives, we focus on ongoing improvement in preventing accidents and near-miss incidents.

Occupational Health and Safety Committee

All HSE-related matters are addressed during monthly HSE Committee meetings. These meetings are attended by senior management, HSE specialists, the workplace physician, and relevant department managers while employee representatives share their observations from the field. This process represents a critical step in strengthening the health, safety, and environment culture across the organization.

Health Services

In the health domain, we provide medical services to our employees working in a 6-day, 2-shift system through our on-site infirmary.

Additionally, we conduct ergonomic risk assessments, noise prevention initiatives, and offer services such as dietitian consultations and psychological counseling. We are committed to providing comprehensive support to safeguard the physical and mental well-being of our employees.

Training and Awareness Programs

Through our training programs, we educate employees on their legal rights, lessons learned from workplace incidents, and our internal standards, while reinforcing the safety culture through hands-on training. With the theoretical and practical sessions provided at Anzen Dojo, we aim to enhance the awareness level of all our employees.

Risk Assessment and Preventive Measures

Through our risk assessment processes, potential risks are identified and prioritized via daily field patrols and safety inspections involving senior management. To enable employees to recognize and address safety risks, we promote the "Stop, Call, Wait" steps. Additionally, leveraging Toyota Boshoku's global network, we analyze accidents and near-miss incidents to implement process improvements. Independent third-party audits are also conducted to identify risks and implement necessary enhancements.



TB Sewtech Turkey diligently safeguards employee health information, adhering strictly to the principle of confidentiality. To raise awareness, we designate July and October as "Occupational Safety Month" and "Occupational Health Month," respectively, and organize seminars and informative events during these periods. As an ISO 50001-certified company, we approach occupational health and safety (OHS) practices not merely as a legal obligation but as an opportunity to foster a cultural transformation for our employees and their communities.

RELATIONS WITH OUR CUSTOMERS



Building Lasting Bonds

In today's competitive market conditions, where customers have more options than ever, we base our approach on customer-centricity. Our goal is not only to meet our customers' expectations but to exceed them, building strong and lasting relationships with them. By involving our customers in the development, implementation, and communication of our strategies, we embrace their perspectives as a guiding force in shaping our approach.

Customer	Final OEM
Toyota Boshoku Somain	Toyota Motor Manufacturing France
Toyota Boshoku Türkiye	Toyota Otomotiv Sanayi Türkiye



Every year, we collect data on various aspects of interactions with TBSTR to measure customer perception, including:

- Overall customer experience
- · Customer attitude and loyalty level
- Products and services
- Delivery performance
- Effectiveness of communication channels

This structured evaluation process enables us to align our strategies and operations with the evolving needs and expectations of our customers.

As a Tier-2 supplier, TBSTR's customers are automotive seat manufacturers, with Toyota as the ultimate customer. This unique position allows us to shape our strategies according to the specific needs and demands of these major players in the automotive industry.

From the early stages of the value creation process, we establish strong connections with our customers, building sustainable relationships. By conducting regular site visits, we gather direct feedback from our customers, enabling us to take swift action. Through this proactive approach, we fulfill our commitment to exceeding customer expectations.



Stakeholder Perception

We regularly collect feedback from our stakeholders, which allows us to assess how well we are meeting their needs. The data we obtain regarding our stakeholders' perceptions also plays a crucial role in shaping our company strategy.



Management Director Mr. Ogawa and Vice President Mr. Yamanouchi, TBSTR Visit









Business
Partners
%95

Stakeholder Category	Stakeholders	Key Stakeholders
Customers	• TBT • TBSO	• TBT • TBSO
Employees	All Employees Permanent Employees	
Business and Governance Stakeholders	TBJ, TBEU Shareholders: TBT Legal and Regulatory Official or Public Institutions TBJ, TBEU TBJ, TBEU TBJ, TBEU TBJ, TBEU	
Society	 City of Düzce, Various Public Institutions in Düzce National and International Non- Governmental Organizations 	TAYSAD KalDer
Suppliers	 Part Purchasing Suppliers (Group A, Group B, Group C, Group RM) General Purchasing Suppliers (Strategic, Custom, Standard) 	 Part Purchasing Suppliers (Group A, Group RM) General Purchasing Suppliers (Strategic Suppliers)



		JI	AKEHOLDER COMMUNI	CATION MATRIX
Stakeholders	Group	Details	Expectations	Communication Method and Frequency
Employees		Permanent Employee	Healthy and Safe Work Environment Training Promotion Recognition Rewarding Franchyment Continuity	Surveys (1/year) Focus Group Discussions (ER) (As Needed) Internal Communication Activities (Daily)
		Contract Employee	Employment Continuity Timely Payment Protection of Legal Rights	Hoshin Catchball Activity (1/year)
Customers		ТВТ	Legal Compliance Customer Special Request (SQAM) Compliance 100% Delivery Performance Products	Operational Reporting (As Needed), Operational Tracking (Daily), Joint Projects (As Needed), Regular Meetings (Periodic), Regular Reporting (Periodic), Regular Visits (Periodic), Participation in Work Group (As Needed), Official/Unofficial Information Sharing via Media (As Needed)
		TBSO	100% Quality Performance Products Post-Delivery Quality Issue Resolution Change Request Fulfilment	Operational Reporting (As Needed), Operational Tracking (Daily), Joint Projects (As Needed), Regular Meetings (Periodic), Regular Reporting (Periodic), Regular Visits (Periodic), Official/Unofficial Information Sharing via Media (As Needed)
	Shareholders	твт	Increase in Profitability and Efficiency	Regular Meetings (Periodic), Sustainability Report Disclosure (1/year), Sustainability Report Sharing (1/year), Regular Reporting (Periodic), Regular Visits (Periodic), System Changes Tracking (As Needed Functional Meetings (Periodic), Board Meetings (Periodic)
	Silarendiaera	TBEU	Compliance with Legal Requirements Compliance with TBEU, TBJ Policies and Procedures	Joint Projects (As Needed), Regular Meetings (Periodic), Sustainability Report Disclosure (1/year), Sustainability Report Sharing (1/year), Regular Reporting (Periodic), Regular Visits (Periodic), System Changes Tracking (As Needed), Functional Meetings (Periodic)
Business and Governance	Global Center	твл	Alignment with Strategic Plan Alignment with Company Hoshins (Quality Objectives)	Joint Projects (As Needed), Regular Meetings (Periodic), Sustainability Report Disclosure (1/year), Sustainability Report Sharing (1/year), Regular Reporting (Periodic), System Changes Tracking (As Needed), Functional Meetings (Periodic)
Governance		Provincial Directorate of Social Security Institution Provincial Directorate of Health		Regular Meetings (Periodic), Sustainability Report Sharing (1/year), Regular Reporting (Periodic), Regular Visits (Periodic), System Changes Tracking (As Needed) Regular Meetings (Periodic), Sustainability Report Sharing (1/year), Regular Reporting (Periodic), Regular Meetings (Periodic), System Changes Tracking (As Needed)
	Local Regulators	Provincial Directorate of Environment	Monitoring Current Practices and Regulations	Regular Meetings (Periodic), Sustainability Report Sharing (1/year), Regular Reporting (Periodic), Reg Visits (Periodic), System Changes Tracking (As Needed)
		Düzce Chamber of Commerce and Industry Cilimli Municipality		Sustainability Report Sharing (1/year), Regular Visits (Periodic), System Changes Tracking (As Needed)
		Düzce Municipality		Sustainability Report Sharing (1/year), Regular Visits (Periodic) Sustainability Report Sharing (1/year), Regular Visits (Periodic)
		Group A Direct Suppliers		Annual Supplier Meeting (1/year), Supplier Development Activities (As Needed)
	Direct Suppliers Group B Direct Suppliers Group C Direct Suppliers - Legal Regulation Notification - Technical Specification Notification - Change Notification	Group B Direct Suppliers	Legal Regulation Notification	Annual Supplier Meeting (1/year)
		Annual Supplier Meeting (1/year)		
Business		Group RM Direct Suppliers	Quality Requirement Notification	Surveys (1/year), Annual Supplier Meeting (1/year)
Partners		Strategic Indirect Suppliers	Planning and Logistics Requirement Notification	Surveys (1/year), Operational Reporting (as needed), Regular Meetings (Periodic), Sustainability Report Sharing (1/year)
	Indirect Suppliers	Special Indirect Suppliers	Supplier Performance Notification	Surveys (1/year), Operational Reporting (as needed), Regular Meetings (Periodic),
	Борршега			Sustainability Report Sharing (1/year) Operational Monitoring (Daily)
*		Standard Indirect Suppliers		Surveys (1/year), Joint Projects (as needed), Regular Meetings (Periodic),
		KALDER		Sustainability Report Sharing (1/year)
		SKD		Surveys (1/year),Operational Monitoring (Daily),Joint Projects (As needed)
	Non Government	TAYSAD	Increase in CSV Projects Undertaken by the Company and Involving Them The Company's Continuous Self-	Surveys (1/year), Operational Reporting (as needed), Regular Meetings (Periodic), Sustainability Report Sharing (1/year), Participation in Working Groups (as needed), Representation on the Board of Directors (Periodic)
	Organizations (NGOs)	AFAD	Improvement and Its Ability to Demonstrate This	Surveys (1/year),Operational Monitoring (Daily),Joint Projects (As needed)
	(11003)	Kızılay		Joint Projects (As needed)
		Fire Department LÖSEV		Operational Follow-up (Daily), Joint Projects (As needed) Joint Projects (As needed)
		AYCAN GIDA		Joint Projects (as needed), Sustainability Report Sharing (1/year),
Society		SIMETRI		Official/Unofficial Information Sharing through Media (As needed) Joint Projects (as needed), Sustainability Report Sharing (1/year),
Neighbors			Ability to Act Together in Emergencies	Official/Unofficial Information Sharing through Media (As needed)
	Neighbors	ÇELEBİ KALIP	(e.g., Natural Disasters)	Joint Projects (as needed), Sustainability Report Sharing (1/year)
		ÎNTEM TRÎKO		Joint Projects (as needed), Sustainability Report Sharing (1/year), Official/Unofficial Information Sharing through Media (As needed)
		DELTA ÇORAP		Joint Projects (as needed), Sustainability Report Sharing (1/year)
		Provincial Directorate of National		Joint Projects (as needed), Sustainability Report Sharing (1/year), Official/Unofficial Information
		Education Düzce University	Contributing Together to the World and Society	Sharing through Media (as needed) Surveys (1/year), Joint Projects (as needed), Regular Meetings (Periodic), Official/Unofficial Informatio Sharina through Media (as needed)
	Other	Turkish Citizens		orialing intrough media (as needed)
		Citizens of Düzce (Genba	Minimizing Environmental Impact of Waste Emission Reduction without Environmental Impact Increased and Diverse Employment Opportunities	Joint Projects (as needed), Official/Unofficial Information Sharing through Media (as needed)
		Candidate Pool) Office Worker Candidate Pool	increasea and Diverse Employment Opportunities	

We Craft Happiness Together with Our Stakeholders

We consider establishing long-term, trust-based collaborations with our stakeholders and ensuring their utmost satisfaction as our primary priority. While sharing our knowledge and experience with our stakeholders, we also integrate their expertise and competencies into the process, creating mutual value.

For a Happier Society With the strategies we have developed in line with the Sustainable Development Goals, we fulfill our responsibility as a responsible "corporate citizen." For us, happiness is growing in harmony with society.

For Happier Customers With our quality-focused approach and high-efficiency production systems, we achieve just-in-time production. For us, happiness is ensuring the highest level of customer satisfaction.

For Happier Employees By providing our employees with a healthy, safe, and comfortable working environment, we grow and develop with their strength. For us, happiness is the mutual trust we build with our employees.

For Happier Shareholders With our innovative approaches, we meet the expectations of our shareholders and aim to set an example across all Toyota Boshoku organizations. For us, happiness is the sense of trust we provide to our shareholders.

For Happier Suppliers We maintain a strong business partnership with our suppliers, creating mutual value, supporting them, and earning their trust. For us, happiness is being a long-term business partner with our suppliers.



Customer Expectations

COMPLEX APPROACH QUALITY INNOVATION **PRICE SUSTAINABILITY** Reliability **Global Presence** Responsiveness delivery of high-quality products ability to operate and deliver promptly address our concerns, and services within the agreed globally, ensuring a smooth rapidly adapt to changes, and supply of materials across all our proactively resolve unforeseen **Flexibility Financial Stability Regulatory Compliance** demonstrate adaptability, financially robust suppliers who adhere to all relevant legal capable of adjusting production can ensure sustained delivery of regulations and ethical and delivery to match products and services in the long standards, including environmental laws, labor rights, fluctuations in demand or changes in our specifications. and BMW's internal policies.

The expectations of customers

QUALITY

- Robust supplier management system;
- Quality assurance extended to supply chain;
- Risk management;
- Open and proactive communication.

INNOVATION

- Innovative products;
- Innovation in manufacturing;
- New methodologies in supply chain management.

PRICE

- Cost effectiveness;
- Long-term value;
- Demonstrating holistic view;
- Adapt to market changes.

SUSTAINABILITY

- Contribution in achieving sustainability goals;
- Innovation in sustainability;
- Clear policy extended to supply chain.



Strategic Partnerships: TAYSAD, KalDer

TBSTR adopts a corporate philosophy based on mutual development with its partners and places great importance on collaborations. Continuously improving itself through various quality and management systems, TBSTR took a step forward in 2021 by joining the "National Quality Movement," marking the beginning of its journey towards excellence. Through this initiative, which is based on the EFQM (European Foundation for Quality Management) model and involves many leading companies in the business world, TBSTR deepens its stakeholder-focused approach, strengthens its processes, and gains opportunities for comparison with established companies in the sector through its collaboration with KalDer (Turkish Quality Association).

In 2024, TBSTR was awarded the EFQM 6-Star Excellence Award. The EFQM 6-Star Excellence Award represents a significant milestone in the journey toward excellence. Processes built on customer-focused approaches, strong leadership, and a culture of continuous improvement have shaped the path to this success.

In its efforts to acquire knowledge and strengthen its ties within the industry, TBSTR also participates in sectoral events through its membership in TAYSAD (Automotive Industry Suppliers Association). By attending conferences, seminars, and working groups organized by TAYSAD, TBSTR continues to enhance its development.





BUSINESS ETHICS AND COMPLIANCE



TB Sewtech Turkey Equality Doctrine

As TB Sewtech Turkey, we commit to treating all individuals equally and without discrimination, regardless of race, religion, gender, nationality, belief, age, physical condition, or illness.

In line with our adopted "equality" principle, we ensure that there is no distinction among our employees in practices such as salary, benefits, performance evaluations, promotions, and training.

Our employees:

- All employees in the company understand that they are equal.
- They comply with the laws and regulations regarding equality and demonstrate the necessary sensitivity.
- They perform their work based on their professional identity, not their sexual identity.
- They refrain from sexual harassment.
- They avoid all forms of violence.
- They do not engage in actions that would disturb others if done to a family member.
- They avoid statements that contradict equality.
- They report any situation that violates equality.
- If they are in a managerial position, they make extra efforts to ensure the implementation of this doctrine.



We also encourage all our stakeholders to use an independent whistleblower hotline to report violations of TBSTR's internal policies, processes, and relevant laws, or to express any concerns. The "Speak UP" system is managed by an independent organization and allows notifications to be submitted via our website.

Throughout 2023, we have not received any reports or complaints related to human rights violations, such as discrimination, harassment, child labor, or forced or compulsory labor.



The "Corporate Ethics Month," held every September, aims to raise awareness about business ethics. During this month, messages about business ethics are conveyed to employees by the top management of TBJ, TBEU, and TBSTR. Leaders also express their ethical commitments during the Asakai meetings (morning meetings where the current status of safety, quality, and productivity indicators is discussed). Additionally, employees engage in group work on ethics.

During this period, various training sessions and activities are organized, including a compliance survey covering all employees. If employees encounter situations that contradict business ethics and compliance principles, they can directly contact the "Whistleblower Hotline" managed by TBEU.





We are aware of the operational importance of information assets and integrate information security into our production and support processes accordingly. By preventing unauthorized access, we protect the accuracy, integrity, and confidentiality of information and data.

To ensure the highest level of information security, we establish, maintain, and regularly invest in the necessary infrastructure to address potential threats. To raise employee awareness, we conduct phishing tests and penetration tests, and provide training and improvements based on identified deficiencies. Every TBSTR employee has a high level of sensitivity and awareness regarding information security. To keep this awareness consistently up to date, we organize regular training sessions and activities. Additionally, January is designated as Information Security Month, during which we conduct various informative and awareness-raising activities.





TBSTR Management conducts a review of the Information Security Management System at least once a year to ensure its effectiveness and compliance. The agenda includes feedback, audit results, threats, and measures taken. In 2023, there were no verified complaints related to customer confidentiality or data breaches. Additionally, we confirm that our practices align with international standards by obtaining security certifications. We received the TISAX certification in 2021 and aim to obtain the ISO 27001 certification by 2026.



INFORMATION SECURITY



Our Primary Goal: Quality

At TB Sewtech Turkey, our top priority is to provide our customers with the highest quality in-vehicle comfort and safety. Our production fully complies with safety standards and all relevant laws and regulations, with the goal of maximizing protection in traffic accidents and minimizing damage. To achieve this, we have developed specialized systems in our quality control processes, focusing on safety and critical quality features.

Our quality journey, which began with the ISO/TS certification in 2014, continues with a constantly evolving quality management system in compliance with the IATF 16949 standard. This system is diligently implemented with the aim of enhancing customer satisfaction.



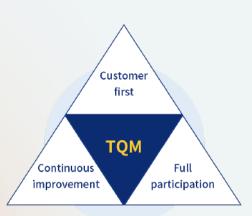
TBSTR operates with the principle of "the next process is the customer," and any errors on the production line are addressed with the same seriousness as if they directly affect the customer. All employees have the authority to stop the line in case of any anomaly related to quality. In this process, the "Stop! Call! Wait!" principle is applied, where employees stop the production line, seek instructions from the manager, and take the necessary actions. This ensures that the root causes are addressed and prevents defects from reaching the customer. Furthermore, we continuously work to minimize defect rates on the production line in alignment with Toyota Boshoku's global quality strategies.



Since 2014, the quality management system we have implemented is continuously improved and developed to achieve the highest level of customer satisfaction. We are strengthening our sustainable quality approach in line with international standards.



TBSTR, playing a pioneering role in quality improvement efforts in the cutting and stitching areas within Toyota Boshoku's European and African network, maximizes quality through its analytical approaches, process-oriented work principles, and proactive methods. As a result of these meticulous efforts, TBSTR successfully achieved a 6 sigma level with a defect rate of 2.1 per million in 2023. This achievement is a tangible demonstration of TBSTR's commitment to excellence and its continuous improvement philosophy.





Our Quality and Integrated Management System Certifications

Year	Management System
2014	IATF 16949 Certificate
2014	ISO 14001 Environmental Management Certificate
2018	IAFT 16949 Certificate
2020	ISO 50001 Environmental&Energy Mng. Certificate
2021	EFQM 4-Star Competency Certificate
2021	TISAX 3-Star Certificate
2022	ISO 45001 Certificate
2022	EFQM 5-Star Competency Certificate
2024	EFQM 6-Star Competency Certificate

2023 ESG PERFORMANCE INDEX

ECONOMIC PERFORMANCE

ESG Metrics	Unit	2023	2022	2021		
Economic Value Generated						
Economic value generated (Revenues)	TL	2,805,724,598	1,133,086,453	541,774,067		
Economic Value Distributed						
Operating costs	TL	1,127,167,668.41	613,898,345	308,812,003		
Employee benefits	TL	1,256,693,432	296,972,350	133,615,417		
Payments to Government	TL	80,264,232.71	56,964,749	32,013,998		
Payments to providers of capital	TL	26,017,760	44,815,338	44,398,234		
Community Investments	TL	2,857,382	463,027	14,737		
TOTAL	TL	2,466,982,716	1,013,113,808	518,854,390		
Financial Assistance Received From Government						
Tax relief/credits	TL	4.018.111.53	2.848.237	3.018.028		
Incentives	TL	21,255,732.89	17.338.571	10.841.263		

EXPENSES 730		730 Variable	750	770	TOTAL
2023	68,354,623	41,042,198	-	82,184,690	191,581,511
2022 35.549.734		28.426.622	-	38.295.904	102.272.260
2021 17.627.049		10.625.177	-	16.875.509	45.127.735

DEPRECIATION	730	750	770		TOTAL
2023	10,770,737	-	4,482,839		15,253,576
2022	7.018.985	-	2.412.991	-	9.431.976
2021	6.112.951	-	1.365.781	-	7.478.732

DONATIONS	Unit	
2023	2023 TL 2,857,382	
2022	TL	463.027,00
2021	TL	14.737,44

DIVIDEND	Unit	
2023	TL	85.711.496,00
2022	TL	52.138.576,63
2021	TL	43.160.598,40

WAGE SUBSIDIES	Unit	
2023	TL	21,255,732.89
2022	TL	17.338.570,90
2021	TL	10.841.262,90

ESG Metrics	Unit	2023	2022	2021	
Local Procurement					
Export amount*1 amount	TL	1,117,727,754	405,621,752	224,643,450	
Import Quantity	TL	440,584,652	184,040,652	35,651,611	
Domestic procurement amount	TL	677,143,102	221,581,100	188,991,840	
Number of Export Suppliers	Supplier	18	12	13	
Number of Domestic Suppliers	Supplier	19	15	15	

^{*1} Part and material procurement related data.

	Number of Supplier Based	Rate	Procurement Amount Based	Oran
2023	Exports	49%	Import	39%
2023	Domestic procurement	51%	Domestic procurement	61%
2022	Exports	44%	Import	45%
2022	Domestic procurement	56%	Domestic procurement	55%
2021	Exports	46%	Import	16%
2021	Exports procurement	54%	Domestic procurement	84%

SOCIAL

WORKPLACE DEMOGRAPHY

ESG Metrics	Unit	2023	2022	2021
Total Employees				
	Person	483	503	524
Female	Rate	51%	50%	%49,2
	Person	458	502	540
Male	Rate	49%	%50,0	%50,8
Work Category				
Field Employee - Female	Person	472	493	514
Field Employee - Male	Person	422	466	514
Office Employee-Female	Person	11	11	10
Office Employee- Male	Person	36	35	26
TOTAL		941	1.005	1.064
Employment Type				
Indefinite Term of Employment - Female	Person	402	434	339
Indefinite Term of Employment - Male	Person	419	457	371
Definite Term of Employment - Female	Person	81	70	185
Definite Term of Employment - Male	Person	39	44	169
TOTAL		941	1.005	1.064
Age Distribution				
	Female	300	327	351
D-1	Rate	32%	33%	33%
Between 18 - 30	Male	215	308	366
	Rate	23%	31%	34%
	Female	134	136	143
	Rate	14%	14%	13%
Between 31 - 40	Male	193	152	135
	Rate	21%	15%	13%
	Female	46	40	29
	Rate	5%	4%	3%
Between 41 - 50	Male	37	33	32
	Rate	4%	3%	3%
	Female	3	1	1
51	Rate	0.1%	0%	0%
51 and above	Male	14	8	7
	Rate	1%	1%	1%

SOCIAL

WORKPLACE DEMOGRAPHY

ESG Metrics	Unit	2023	2022	2021
Other Groups				
Foreign	Female	0	0	0
	Rate	0	0%	0%
Foreign	Male	0	0	0
	Rate	0	0%	0%
	Female	9	6	6
De a sala voitha Diagrama ilita v	Rate	30%	20%	20%
People with Disability	Male	21	24	24
	Rate	70%	80%	80%
Employee Category				
	Female	0	0	0
Top Management	Rate	0%	0%	0%
(General Manager and above)	Male	2	1	1
5.05 / 5/	Rate	0.21%	%0,10	%0,09
	Female	3	2	2
Mid-Level (Manager, Assistant	Rate	0.32%	%0,20	%0,19
Manager)	Male	12	11	7
managary	Rate	1.28%	%1,09	%0,66
	Female	480	502	522
Other	Rate	51.0%	50%	%49,1
Omer	Male	444	489	532
	Rate	47.2%	%48,7	%50,0
TOTAL		941	1.005	1.064

Gender & Age Distribution for Top Management (2023)						
Age-wise Female Male						
Under 30	0	0				
Between 30-50	0	1				
Over 50	0	1				
Number of Top Management People	0	2				

EMPLOYMENT AND TURNOVER

	Employee Educatio	n Level (2023)	
Education Level	Female	Male	TOTAL
Elementary School	24	14	38
Secondary School	60	43	103
High School	299	281	580
Vocational High School	85	80	165
University	14	38	52
Master's Degree	1	2	3
Doctorate	0	0	0
Intern	6	9	15
Subcontractor	4	22	26
Total Employees	483	458	941

ESG Metrics	Unit	2023	2022	2021
According to Gender				
Name (NAME)	Person	114	315	329
New Hires (Male)	Rate	18%	33%	43%
Turn ou ou (AA ollo)	Person	145	175	69
Turnover (Male)	Rate	23%	18%	9%
New Hires (Female)	Person	183	316	313
new niles (remaie)	Rate	30%	33%	41%
Turnover (Fema l e)	Person	178	150	48
romover (remale)	Rate	29%	16%	6%
Age Distribution				
New Hires (Between 18 - 30)	Person	272	559	576
New niles (between 16 - 30)	Rate	44%	58%	76%
Turnover (Between 18 - 30)	Person	239	253	89
	Rate	38%	26%	12%
New Hires (Between 31 - 40)	Person	27	72	64
	Rate	4%	8%	8%
Turnover (Between 31 - 40)	Person	70	65	24
Torriover (Berweeri 31 - 40)	Rate	11%	7%	3%
New Hires (Between 41 - 50)	Person	1	0	0
New Tilles (Between 41 - 30)	Rate	0.2%	0%	0%
Turnover (Between 41 - 50)	Person	10	6	3
Torriover (Berween 41 - 30)	Rate	2%	%0,6	%0,4
New Hires (Between 51 - 60)	Person	0	0	1
New files (between 31 - 60)	Rate	%0,0	%0,0	%0,1
Turnover (Between 51 - 60)	Person	2	1	0
Tolllovel (betweelt 31 - 60)	Rate	0.30%	%0,1	%0,0
New Hires (Over 60)	Person	0	0	1
inew filles (Over 60)	Rate	%0,0	%0,0	%0,1
Turnover (Over 60)	Person	0	1	1
Torriover (Over 60)	Rate	%0,0	%0,1	%0,1

BENEFITS

_	_			11 / 20/20/4	No. The second	
		ESG Metrics	Unit	2023	2022	2021
		Parental Leave				
		Employees Entitled to Parental Leave	Person	116	68	74
		Employees Who Took Parental Leave	Person	116	68	74
VIC.		Employees Who Returned to Work After Parental Leave	Person	104	68	70
		Employees Entitled to Parental Leave Employees Who Took Parental Leave Employees Who Returned to Work After Parental Leave Employees Who Were Still Employed 12 months After Taking Parental Leave Employees Entitled to Parental Leave Employees Who Took Parental Leave Employees Who Returned to Work After Parental Leave Employees Who Returned to Work After Parental Leave Employees Who Were Still Employed 12 months After Taking Parental Leave Employees Entitled to Parental Leave Employees Entitled to Parental Leave Employees Who Took Parental Leave	Person	103	67	70
	Employees Who Returned to Work After Parental Leave Employees Who Were Still Employed 12 months After Taking Parental Leave Employees Entitled to Parental Leave Employees Who Took Parental Leave Employees Who Returned to Work After Parental Leave	Rate	89%	99%	95%	
		Employees Entitled to Parental Leave	Person	61	25	27
١,		Employees Who Took Parental Leave	Person	61	25	27
\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	EMAL	Employees Who Returned to Work After Parental Leave	Person	49	25	25
l "	•	Francis vacas Wha Ware Still Francis and 10 months After Taking Darental Leaves	Person	48	24	25
		employees who were still employed 12 months After taking Paternal Leave	Rate	80%	96%	93%
		Employees Entitled to Parental Leave	Person	55	43	47
		Employees Who Took Parental Leave	Person	55	43	47
1	MALE	Employees Who Returned to Work After Parental Leave	Person	55	43	45
		Employees Who Ware Still Employed 10 months After Taking Perental Logica	Person	55	43	45
		Employees who were still employed 12 months After Taking Parental Leave	Rate	100%	100%	96%

ADDITIONAL BENEFITS

ESG Metrics	Unit	2023	2022	2021			
Benefits which are standard for full-time er employees	Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees						
Life insurance	Person	8	0	0			
Health care	Person	826	700	692			
Disability and invalidity coverage	Person	0	0	0			
Parental Leave	Person	115	68	74			
Retirement Provision	Person	501	7	7			
Stock Ownership	Person	0	0	0			

EMPLOYEE TRAINING AND DEVELOPMENT

ESG Metrics	Unit	2023	2022	2021	
Training hours per employee					
Training hours per employee	Saat	19.7	6.3	12.6	
Training hours per employee (by Gender)					
Female	Saat	17.3	6.9	16.1	
Male	Saat	18.4	4.9	17.2	
Training hours per employee	(by Work Category)				
Field Employee	Saat	14.5	5.5	15.7	
Office Employee	Saat	5	15.8	45.6	
Subcontractor	Saat	12	12.0	12.0	
Training hours per employee	(by Employee Categor	ry)			
Top Management	Saat	9.05	2.0	8.0	
Mid-Level	Saat	5.38	8.9	37.2	
Other	Saat	8	5.9	16.5	

HEALTH AND SAFETY

				the state of the s	
ESG Metrics	Group	Unit	2023	2022	2021
Accidents					
Near Miss Frequency Rate	Company	Rate	12,72	3,14	1,70
(NMFR)	Subcontractor	Rate	0	0	0
Total Recordable Incident	Company	Rate	0	0	0,57
Rate (TRIR)	Subcontractor	Rate	0	0	0
High-Consequency	Company	Times Per Year	0	0	0
Incident Rate	Subcontractor	Times Per Year	0	0	0
Fatalit. Data	Company	Times Per Year	0	0	0
Fatality Rate	Subcontractor	Times Per Year	0	0	0
Lost time rate due to	Company	Rate	0	0	0
occupational accidents	Subcontractor	Rate	0	0	0
Occupational Disease	Company	Rate	0	0	0
Rate (ODR)	Subcontractor	Rate	0	0	0

ESG Metrics	Unit	Unit 2023 2022		2021
Health and Safety (HSE) Com	mittee			
Number of established HSE committees	Adet	8	1	1
Number of participants of HSE committee	Kişi	18	12	15
Number of representative employees in HSE committee	Kişi	11	4	5
Health and Safety Training				
Number of company employees	Kişi	940	749	1.064
Provided training time	Saat	18562	3571	7689
Training time per Company Employee	Saat	19.75	4.77	7.23
Number of Subcontractors	Kişi	11	19	21
Provided training time	Kişi	132	228	252
Training time per Subcontractor	Saat	12	12	12
Total Provided Training Time	Kişi	18694	3.799	12

ECONOMIC PERFORMANCE

ENERGY, EMISSION&WASTE

ESG Metrics	Unit	2023	2022	2021	
Non-Renewable Direct Energ	у				
Hazardous Wastes	Ton	3.4	2	2	
Non-Hazardous Wastes	Ton	817.7	660	664	
TOTAL WASTES	Ton	821.1	663	665	
By Disposal Method					
Energy Recovery	Ton	592	410,5	277,0	
Recovery	Ton	229	252,5	388,0	
Landfill	Ton	0.077	0,1	0,0	
Waste Incineration	Ton	0.077	0,0	0,0	
Other	Ton	0	0,0	0,0	
TOTAL WASTE DISPOSALS	Ton	821.1	663	665	

ESG Metrics	Unit	2023	2022	2021		
Non-Renewable Direct Energy						
Gasoline	litre	0	0	0		
Diesel	litre	0	2500	2700		
Natural Gas	m3	67.43	74.98	82.33		
Energy Supplied from Renewable Energy Sources						
Please Specify the Energy Source (e.g., wind, solar, etc.)	kwh	0	0	0		
Carbon Emissions						
Direct CO2 Emissions	↑ CO² e	838	991	801		
Indirect CO2 Emissions	↑ CO² e	-	-	18.81		
Carbon emission reduction rate per product	%	12	4%	2%		
Gases included in emission calculation		CO ₂ ,N ₂ C), CH ₄			

WASTES

ESG Metrics		Unit	2023	2022	2021
Ву Туре					
	Insulation Materials	kg	0	12	0
	Hazardous Wastes Containing Organic Matter	kg	60	26	20
	Compressor Wastewater	kg	1510	0	0
	Waste Oil	kg	230	157	729
	Airbag	kg	0	0	5
Hazardous Wastes	Contaminated Packaging	kg	176	280	220
	Contaminated Waste	kg	759	692	260
	Paint Waste	kg	0	0	0
	Toner-Cartridge	kg	53	46	60
	Fluorescent	kg	28	47	0
	Electronic Waste	kg	425	571,5	186
	Accumulator	kg	75	0	0
	Battery	kg	27	0	0 24
	Medical waste Wooden palette	kg kg	77.8 45199	33.659	24.419,5
	Paper-Cardboard	kg	104432	83.797	109.363,5
	Paper Waste (Production)	kg	8828	6.087	13.345
	Plastic Packaging (Nylon)	kg	8896	14.470	14.228
	Plastic Packaging (Production)	kg	11945	3.347	3.195
Non-Hazardous Wastes	Plastic (Packaging) Other waste	kg	1143	1.533	1.609
	Plastic(Other)	kg	780	210	4.331
	Metal Waste (Other)	kg	5804	6.565	139,5
	Metal waste (production)	kg	1020	468	7.189
	Felt Waste	kg	18392	14.934	25.122
	Fabric Waste	kg	588641	494.321	460.351
	Cable Waste	kg	1277	994	257
	A/B Strap	kg	21265	0	0

ENVIRONMENTAL INVESTMENTS

ESG Metrics	Birim	2023	2022	2021	
Environmental Investments					
Operating expenses of environmental activities	TL	1006799	835.433	334.011	
Environmental protection investments	TL	7845496	4.493	2.100	
TOTAL	TL	8852295	839.926	336.111	

REUSED/RECYCLED PACKAGING WASTE

ESG Metrics	Unit	2023	2022	2021	
Reused/Recycled Packaging Waste					
Paper and Cardboard Packaging	kg	113.260	89.884	122.709	
Plastic Packaging	kg	22.864	19.350	19.032	
Wooden Packaging	kg	45.199	33.659	24.420	
Tafnel (Felt) Waste	kg	18.392	14.934	25.122	
A./Strap Waste	kg	21.265	0	0	
Metal Waste	kg	6.824	7.033	7.329	
Cable Waste	kg	1.277	994	257	

WATER

ESG Metrics	Unit	2023	2022	2021	
Total Volume of Water Withdrawn					
Surface Water (Including bogs, lakes, rivers and streams)	m3	-	-	-	
Groundwater	m3	-	-	-	
Seawater	m3	-	-	-	
Rainwater	m3	-	-	-	
Produced Waer	m3	-	-	-	
Third-party water (City water etc)	m3	7777	8.324 *1	6.817	

^{*1 &}quot;The reference value of withdrawn water is written based on water consumption. Since only domestic-quality water is used, seepage loss is neglected in this value.,

Discharge				
Surface water (Including bogs, lakes, rivers and streams)	m3	-	-	-
Groundwater	m3	-	-	-
Seawater	m3	-	-	-
Third-party waters (such as sewage, etc.)	m3	-	-	-
Consumption				
Water consumption	m3	7777	8.324*1	6.817



CONTACT INFORMATION

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